COUNTY ASSEMBLY OF BUNGOMA
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REPUBLIC OF KENYA

County Assembly of BUNGOMA

REPORT ON BUNGOMA COUNTY GOVERNMENT FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH,2026

Committee on Finance and Economic Planning



October , 2026

1) Clerk
2) RCA - EP&CS
For HRC consideration
3/11/26

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CHAPTER ONE

1.1 Preface

Hon. Speaker

The Financial Statements for the period ended 31st March,2026 was tabled in this House on 28th May 2026 and consequently committed to all Sectoral Committees for processing and reporting to the committee on Finance and Economic Planning for general overview of the County's performance, consolidation and subsequent reporting to this honourable House.

The report outlines the legal framework and objectives that guided the Committees in interrogating the submitted report. Equally,it contains the Sectoral Committees observations and recommendations. It also highlights the resource envelope and revenue performance, the Departments budget execution by programmes and sub-programmes, accounts payables and accounts receivables.

Finally, the report contains Finance and Economic planning Committee's general 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;

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(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. Polycarp Kimeta — Chairperson
2. Hon. Godfrey Mukhwana — Vice Chairperson
3. Hon. Stephen Wamalwa
4. Hon. Vitalis Wangila
5. Hon. Joan Kirong
6. Hon. Aggrey Mulongo
7. Hon. Jack Kawa
8. Hon. Violet Makhanu
9. Hon. Tony Barasa
10. Hon. George Makari
11. Hon. Milliah Masungo
12. Hon. Anthony Lusenaka

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13. Hon. Grace Sundukwa

14. Hon. Orize Kundu

15. Hon. Catherine Kituyi

1.4 Guiding principles in the Examination of the third quarter financial statements 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.*

1. **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".*

2. **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.*

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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.

The Committee further takes this opportunity to thank all Sectoral Committees for dedicating their time to consider the financial statements .

I also in a special way thank the County Executive and the County Assembly Service Board who availed themselves for engagement with sectoral Committees and gave necessary information.

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.13/10/26.....

Hon. Polycarp Kimeta , MCA West Nalondo ward .

Chairperson, Sectoral Committee on Finance and Economic Planning.

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CHAPTER TWO

2.1 Resource envelope, revenue performance and Overview of FY 2025/26 Budget across all departments

2.1.1 Resource envelope and revenue performance 2025/2026

In the financial year 2025/26, the County projected revenues of Kshs. 15, 926,407, 761, this was enhanced to Kshs.17,433,191,937 in the 1st supplementary budget broken down as:Kshs.11,888,814,994 (68%) recurrent and Kshs. 5,544,376,944 (32%) development.

The Kshs. 17,433,191,937 was broken down as ;

1. Transfer from Central Government Kshs. 12,524,956,714 (71.8%)
2. Conditional grants National Government Kshs. 625,511,033 (3.6%)
3. Conditional grants Development Partners Kshs. 2,200,506,069 (12.6%)
4. Locally generated AIA Kshs. 1,393,562,696 (8%)
5. Local Revenue Kshs. 683,892,147 (3.9 %)

The largest part of the budget was from exchequer releases contributing 72% of the requirement, other receipts including grants 16% and local revenue 12%. After subtracting self reporting entities, the County's budget was Kshs.14,139,014,586.

2.1.2 Financial Performance

(a)Revenue

During the period under review, Ksh.8,337,296,375 was received which is 59% against a target of 75% expected.Of this, Kshs.8,232,890,921 was transfers from County Revenue Fund while Kshs.104,405,454 (30%) was from other receipts as indicated in the table below:

Revenue Classification	Budget	Actual for Q3	% Realization
Transfers from CRF	13,791,292,149	8,232,890,921	60%
Other Receipts	347,722,437	104,405,454	30%
Total	**14,139,014,586**	**8,337,296,375**	**59%**

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(b)Other incomes

This is money received from SHA reimbursement Kshs.81,996,834,Sinoko Hospital Kshs.2,997,125 and Mabanga ATC Kshs.19,411,394 as shown in table below;

Description	Period ended Mar 2026	Comparative Period
	Kshs	Kshs
Danida		
SHA Reimbursement	81,996,834.25	97,486,931.45
Other incomes	100.00	
User fees & charge fees from Sinoko Hospital	2,997,125.50	2,590,416.90
Charge From Mabanga & ATC	19,411,394.15	18,929,872.00
Fees and Transfers to Vocational Training.		20,840,273.34
Total other income	**104,405,453.90**	**139,847,493.69**

During interrogation, the County Treasury submitted that they had taken note that reliability on National Government allocation posed a major financial risk. Further, the County projected 10% annual contribution of own source revenue to total County revenue in the CIDP 2023-2027. The County had made significant strides towards attainment of this target as Ksh.1,839,008,086 was recorded as County own source revenue for the financial year 2025/26 comprising of local revenue and AIA, against total County revenue of Ksh.13,535,715,270. This translated to 14% contribution.

(c) Payments

The total expenditure budget for the Financial Year was Kshs . 14,896,307,670 , actual payments in the period under review amounted to Kshs.7,921,548,733 representing 53% budget absorption. Out of the total expenditure, Kshs. 432,653,623 was spent on development projects while Kshs 7,488,895,110 on recurrent expenditure being 20% and 59% budget absorption respectively.

Expenditure Classification	Budget	Actual for Q3	% Realization
Recurrent	12,743,029,434	7,488,895,110	59%

Development	2,153,278,236	432,653,623	20%
Total	**14,896,307,670**	**7,921,548,733**	**53%**

Payments made in the period (cash flow) amounting to Kshs.7,921,548,733 were as broken down below:

1. *Employee costs Kshs.5,516,443,506 compared to Kshs.4,504,656,103 previous financial year due to payment of May and June salaries carried forward from 2024/2025.*
2. *Use of goods and services Kshs.* 1,726,501,609.95
3. *Transfer to other Government Entities Kshs.16,067,349*
4. *Other grants and subsidies Kshs.* 229,882,644.60
5. Acquisition of property plant and Equipment (PPE) Kshs.432,653,622.70

Item	Period ended March 2026	Comparative Period
	Kshs	Kshs
Employee costs	5,516,443,506.86	4,504,656,103.25
Use of goods and services	1,726,501,609.95	1,627,856,973.98
Transfers to other Government Entities	16,067,349.00	262,459,474.39
Other Grants and Subsidies	229,882,644.60	-
Acquisition of PPE	432,653,622.70	827,394,204.10
Total payments	**7,921,548,733.11**	**7,222,366,755.72**

1. Employee expenses of Kshs. 5,516,443,506 include:

i. *Salaries for May and June 2025 Kshs.940,844,751*
ii. *Basic salary Kshs.3,736,792,911*
iii. *Wages for temporary staff facilities Kshs.51,951,647*
iv. *NHIF Kshs.111,030,650*
v. *NSSF Kshs.58,260,143*
vi. Pension Kshs. 538,075,885

2. Use of goods and services

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The expenses amounted *to a total of Kshs.* 1,726,501,609.95.of this, Kshs.1,408,651,330 related to expenses incurred in the period under review,Kshs.66,069,962 to payables paid in the period and Kshs.72,465,206 imprest issued .Major expenses included :

i. Other operating expenses including bank Charges Kshs. 441,670,328.75
ii. Insurance costs Kshs. 213,216,626.45
iii. Domestic travel and subsistence Kshs.202,450,055
iv. Hospitality supplies and services Kshs. 164,588,485.25
v. Utilities, supplies and services Kshs.55,767,113
vi. Other grants and transfers Kshs.47m
vii. Fuel Oil and Lubricants Kshs.40,126,852
viii. Training expenses Kshs. 32,732,523
ix. Specialized materials and services Kshs. *24,330,165*
x. Maintenance Expenses - Motor Vehicles Kshs. 17,144,567
xi. Office and general supplies and services Kshs. 16,533,978
xii. Maintenance of Computers, Software, and Networks Kshs. 10,831,219

3. Transfer to other government entities

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

***4. Transfer to Other grants and subsidies of Kshs.* 229,882,645 was made up of;**

i. Climate change Kshs.138,375,630
ii. Kenya Devolution support program Kshs.10,524,000
iii. Danida Thusp Kshs.13, 824,313
iv. KISP operational payments (UIG Account) Kshs.67,158,702

5.**Acquisition of property Plant and Equipment (development) of Kshs. 432,653,622** has been declared under work in progress

3.1.3 Statement of Financial performance for the period ending 31st March 2026)
Expenditure of Kshs. 6,150,712,560 in the period was broken down as below:

1. Employee costs Kshs. *4,496,111,236*
2. Use of goods and services Kshs.*1,408,651,330*

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3. Transfer to other government entities Kshs.16,067,349
4. Other grants and subsidies Kshs. *229,882,645*

	Period ended Mar 2026	**Comparative Period**	**Variance**
Expenses	**Kshs**	**Kshs**	
Employee costs	4,496,111,236	3,959,860,406	536,250,830
Use of goods and services	1,408,651,330	1,324,602,480	84,048,850
Transfers to other Government Entities	16,067,349	77,272,474	(61,205,125)
Other Grants and Subsidies	229,882,645	185,187,000	44,695,645
Total expenses	**6,150,712,560**	**5,546,922,361**	**603,790,199**

1. Employee costs

Employee costs for the period amounted to Kshs. 4,496,111,236.*The expense is broken down as below:*

i. *Basic salary Kshs.3,736,792,236*
ii. *Basic wages Kshs.51,951,647*
iii. *Pension Kshs.* 538,075,885
iv. *Employer contribution to National social schemes Kshs.*58,260,143
v. *Employer contribution to NHIF Kshs.111,030,651*

2. Use of Goods and services

Kshs. 1,408,651,330 was utilized on purchase of goods and services .

Major expenses include:

i. *Other operating expenses including bank charges utilized Kshs.351,743,890 compared to Kshs.47,470,316 same period financial year 2024/2025, a variance of Kshs.304,273,574.The department responded that* there was no variance of Kshs.304,273,574 in actual comparatives as indicated in the analysis ledgers. The purported variance relates to the transposition error while transferring data from excel ledgers to the final word document. The error is regretted. The actual expenditure on other operating expenses for the reporting period amounted to Ksh.351,743,890 compared to Ksh.400,432,208 for the same period of financial year 2024/2025.

ii. *Insurance costs spent Kshs.210,436,163 Major expenses include Kshs.210m medical insurance, Kshs.3,004,563 motor vehicle insurance.*

iii. *Purchase of certified seed Kshs.184,886,790*

iv. *Domestic travel utilized Kshs.171,428,485*

v. *Specialized materials and supplies utilized Kshs.79,568,357 .Of this, Kshs.14,632,704 was utilized on payment for supply and delivery of fortified porridge flour for ECDE learners*

vi. *Hospitality supplies and services utilized Kshs.160,364,187*

vii. *Routine maintenance of other assets utilized Kshs.81,374,915*

viii. *Fuel oil and lubricants utilized Kshs.41,190,082*

ix. *Utilities ,supplies and services utilized Kshs.50,342,849 .Some of the payments include ,Kshs.39,879,355 paid to KPLC and Kshs.15million to BWASCO.*

x. *Training expenses amounted to Kshs.31,556,174*

Table extract on use goods and service

Description	Period ended Mar 2026	Comparative Period	Variance
	Kshs	Kshs	
Other operating expenses including bank Charges	351,743,890	47,470,316	304,273,574
Insurance costs	210,436,163	153,664,722	56,771,441
Purchase of Certified Crop Seed and strategic stock	184,886,790	194,928,896	(10,042,106)
Domestic travel and subsistence	171,428,485	156,982,590	14,445,895
Hospitality supplies and services	160,364,187	126,877,018	33,487,169
Routine maintenance – other assets	81,374,915	65,353,181	16,021,734
Specialized materials and services	79,568,357	54,815,184	24,753,173
Utilities, supplies and services	50,342,849	11,473,264	38,869,585
Fuel Oil and Lubricants	41,190,082	400,432,208	(359,242,126)
Training expenses	31,556,174	20,137,552	11,418,621
Office and general supplies and services	15,598,124	44,204,808	(28,606,684)
Routine maintenance – vehicles and other transport equipment	11,578,135	12,878,660	(1,300,526)

Communication, supplies and services	6,345,768	3,893,646	2,452,122
Others- Research	5,185,020	2,215,402	2,969,618
Printing, advertising, and information supplies & services	4,802,072	11,893,131	(7,091,059)
Foreign travel and subsistence	2,233,079	2,012,555	220,524
Rentals of produced assets	17,241	15,369,347	(15,352,105)
Total	**1,408,651,330**	**1,324,602,480**	**84,048,850**

1. ***Transfer to other government entities***

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

2.Transfer to Other grants and subsidies

Kshs. 229,882,645 was transferred compared to Kshs. 185,187,000 previous fy .This 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

2. Statement of Financial position

i). Cash and cash equivalents

The County had a cash balance of Kshs.803,029,974 as at 31st March 2026,as outlined below;

a) Kshs.3,618,108 was on recurrent account,
b) Kshs.606,221 on Development account,
c) Kshs.18,286,082 on deposits Account,

d) Kshs.552,026,537 on special purpose accounts and
e) Kshs.228,493,026 on other commercial accounts.

ii. Receivables from exchange transactions

As at 31st March,2026 ,the County had a total of Kshs. 225,157,378 receivables from exchange transactions. Of this, Kshs.97, 797,996 from un-surrendered imprest and Kshs.127,359,382 from SHA-primary Health care services.

Out of the Kshs.97,797,996 un-surrendered imprest Kshs.23,614,590 dated between 2018 and 2024 contrary to PFM Regulation, 2015 93(5). Some employees had more than one imprest contrary to PFM Regulations 2015 93(4)(b) .Finance and Economic Planning had a total of Kshs. 43,305,715 followed by Governor's office with Kshs. 22,379,489 and Agriculture Kshs. 7,093,200. However, documents submitted by Finance and Economic Planning department indicate that the balance was Kshs.31,235,065 a variance of Kshs. 12,070,654, casting doubts on the accuracy of the information contained in the report.The department responded that surrender of imprest had been ongoing resulting into periodic variations and that the un-surrendered imprest as at 31st March,2026 was Kshs. 24,488,635.Payroll recoveries for the outstanding amount had been initiated.

Regarding the Kshs.23,614,590 dating back to 2018,the department submitted that the imprests were under investigation by the relevant investigative agencies.Part of the imprest related to officers who exited service in 2022. The County Attorney had taken over this matter.

Amounts owing from other sources of income for instance house rent, market stalls rent, hall hire were not given. Treasury did not give clear information on the number of properties owned by the county, rent payable per month and outstanding rent to date to be able to accurately account for rent paid and arrears expected. These are critical sources of revenue to the County and the omission from the report should not be condoned.

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Unsurrendered imprest per department was as shown in the table below;

Date paid	Department	Amount
2/10/2025	Finance and Economic Planning	43,305,715.00
26/2/2026	Governor's Office	22,379,489.00
26/2/2026	Agriculture, Livestock and CO-Operatives	7,093,200
7/1/2025	Lands & Housing	5,470,510
9/9/2019	Public administration	4,879,500
23/9/2025	Gender and Culture	4,329,800
17/12/2025	Health and Sanitation	2,220,251
14/1/2026	Trade and Industrialization	1,987,680
6/5/2020	County Secretary	1,962,580
17/12/2025	Water, Tourism and Environment	1,573,260
14/10/2025	County Secretary	974,620
7/5/2023	Roads & Public works	888,961
14/1/2026	CPSB	632,430
30/9/2025	Education & Vocational Training	100,000
	Total	**97,797,996**

Imprest from 2018 to 2024 was as shown in the table below;

DATE PAID	DEPART MENT	PAYEE	PERSONAL NUMBER	REASON FOR IMPREST	AMOUNT
12/18/2024	Governors Office	Jesse Wafula	20170068354	facilitation for sensitization of Boda Boda operators on road safety	2,560,000
12/3/2024	Governors Office	Caren Wanyonyi	20200040434	facilitation for phase 111 wheelchair outreach	2,906,700
12/29/2022	County Secretary	Joseph Wambati	20190025560	Facilitation for travel to kampala for MSME expo	308,880
6/5/2020	County Secretary	Bonface Wayne Nyongesa	2018 0095050	Facilitation for media engagement	1,552,500
13/12/2018	Finance & E. Planning	Ann Ngano	20150017833	CEF project status	1,214,900
5/10/2018	Finance & E. Planning	Eldah Mutila Nancy Sikhila	20150029351	M & E activities	3,011,000
22/10/2018	Finance & E. Planning	Augustine Kipsang'	2007004013	Cef project status	3,455,750
22/10/2018	Finance & E. Planning	Dunstone Wafula		KDSP activities	3,801,000
9/9/2019	Public administrati on	Francis Tome		Facilitation for Christmas tree celebration	3,689,000

20/11/2023	Governors Office	Mathews Kibindio	20220295287	Facilitation for functioning of Kanduyi and stage screens	61,699
8/3/2022	Governors Office	Amos Makanda	20170095039	Facilitation for small scale traders meeting	564,200
7/5/2023	Roads & Public works	Moses Wamalwa		Facilitation for Lake Region Economic block meeting	488,961
Total			**Grand Total**		**23,614,590**

Receivables from non-exchange transactions-Levies imposed by Government

The report had not talked about receivables from none exchange transactions like CESS and land rates. As at December 2025,amount owing from CESS and land rates was Kshs.265,636,317.None declaration of such amounts cast doubts on the accuracy of the financial statements.

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 March 2026 indicate the assets were worth Kshs.2,265,414,711, a negative variance of Kshs.14,501,632,049 before adding the Work In Progress for the financial year 2025/2026 of Kshs. 432,653,622. The Treasury did not disclose the value for Land, Buildings, Infrastructure, machinery and Equipment.As the time given to transition to accrual accounting comes to an end , there is no indication by way of budgeting that the county is ready for all asset valuation and issuance of ownership documents for all County assets.

The assets as at June, 2025 were broken down as follows:

1. Land Kshs.11,909,049,004 not included

2. Buildings Kshs.547,432,134 not included
3. Motor vehicles Kshs.29,979,320 -Kshs.29,887,789
4. Infrastructure Kshs.18,222,846 not included
5. Furniture and fittings Kshs.21,392,897 -Kshs.29,812,701
6. Computer & ICT equipment Kshs.45,515, -Kshs.20,062,950
7. Work in progress (WIP) Kshs.4, 152,610,295- 2,008,848,663
8. Machinery and equipment Kshs.1,655,855 not included

The department responded that the values were not fully disclosed because ownership of the assets had not been concluded. Further, the land assets had not been valued by the department of lands and some assets were still under the ownership of the National Government and had not been transferred to the County.

vi). Current liabilities (pending bills)

These are short term debts payable within 12 months period e.g. short term borrowings like overdraft and suppliers of goods and services within the period.

The County had Kshs.3,124,758,553 worth of current liabilities compared to Kshs.4,469,304,080 same period financial year 2024/2025.The pending bills were broken down as

1. Trade payables Kshs.2,141,562,261 (supply of goods and services)
2. Employee payables Kshs.680,987,707
3. Third party payments Kshs.302,208,585 (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 the development pending bills of Kshs. 2,313,523,28.The County Executive has been reluctant to approve 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.

The department responded that the current amount of pending bill disclosed in the Financial Statements as at 30th June, 2026 was Kshs. 2,974,948,28 and that way forward on payment was subject to budget allocation and prioritization by the respective Accounting Officers.

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1. Trade payables (Pending bills)

Trade payables were broken down as below, the department of Roads and Public Works had the highest amount with Kshs.649,422,299 followed by Health and Sanitation with Kshs.428,919,878 and public Administration Kshs.172,592,790.

Breakdown per department was as shown in the table below;

Department	Amount
Roads & Public works	649,422,299
Health & Sanitation	428,919,878
Public Administration	172,592,790
Trade, Energy and Industrialization	149,856,635
Water & Tourism	147,130,352
Agriculture, livestock and coop	141,105,760
Lands	106,549,221
Education and VTC	97,593,967
Finance & Economic Planning	93,558,688
Gender and sports	92,259,918
Governors	77,248,183
County Secretary	20,574,970
County Attorney	15,895,647
Mabanga ATC	10,844,075
CPSB	9,888,759
Housing	5,369,302
Total	**2,218,810,444**

2. Employee payables of Kshs.716,018,322 was made up of ;

i. Lap fund Kshs.447,890,409
ii. Lap trust Kshs.194,414,800
iii. GOK PSS Scheme Kshs.19,212,561

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iv. Staff salaries September 2025 County Secretary Kshs.12,729,703
v. Gratuity for 2 members of staff Kshs.5,091,047
vi. Salaries for casuals in the department of Agriculture for the period December 2023,January and November 2024 Kshs.1,649,188

The County Assembly has been allocating money towards pension arrears over the years but the County Treasury has not treated the expenses as a priority with Kshs.661,517,770 still owing to pension schemes. This inconvenience staff that are retiring and costs the County in penalties and interest on the accrued amount.

The department responded that the County Treasury had paid Ksh. 131,066,307 as at fourth quarter FY 2025/2026 relating to pension and gratuity arrears. Outstanding arrears had been provided for under pending bills for settlement.

Third party payables

These are pending bills owing to contractors as retention . The County owes contractors Kshs. 302,208,584 as retention money. The Treasury borrowed Kshs. 150 million from the retention account to finance the budget financial year 2023/2024 with a promise to refund the money in the year 2024/2025, to date the money has not been refunded. An allocation of Kshs.100million in financial year 2025/26 towards refund of money borrowed from the retention account was slashed to Kshs.75 million in the supplementary budget but as at 31st March 2026 the money had not been remitted to the retention account.Efforts to get the bank statement of the retention account to confirm the balance in the past have not been fruitful.

Opening balance owed to contractors as at 1st July,2025 was Kshs. 381,036,767. Addition to the account in the period under review Kshs. 56, 513, 313 payments to contractors in the period Kshs. 135,341,495,balance owing as at 31st March 2026 Kshs. 302,208,584.

The department responded that the amount was deposited on 10th June,2026 but no proof was provided to this effect.

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CHAPTER THREE

3.1Sectoral Committees analysis, observations and recommendations

3.1.1 Department of Agriculture,Livestock,Fisheries,Irrigation and Cooperative Development.

The Department of Agriculture, Livestock, Fisheries, Irrigation, and Cooperative Development had an approved First Supplementary Budget of Kshs. 737,800,976, comprising Kshs. 68,864,598 for recurrent expenditure and Kshs. 668,936,378 for development expenditure.

(a) Revenue realized by the department

1. Agriculture and Irrigation

No.	REVENUE STREAM	YEARLY TARGET	REALIZED AS AT 31ST MARCH,2026
1.	Sale of subsidized fertilizer	128,362,500	-
2.	Agricultural Cess	78,761,331	56,269,279
3.	Mabanga ATC	33,802,947	27,956,979
4.	Mabanga AMC	3,937,500	163,250
	Total	244,864,278	84,389,508
	Cooperatives		
1.	Cooperative audit fees	2,385,626	170,110
2.	Pulping License	-	90,000
	Total	2,385,626	251,300

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	Livestock and Fisheries		
1.	Fish Trader Licensing and sale of Fish	4,349,650	111,000
2.	Slaughter house fees	16,501,280	2,145,850
3.	Meat inspection, dispatch, license, certificates and cot	6,509,424	1,518,890
4.	Livestock movement permits	1,378,125	438,825
5.	Stock sales fees	12,282,336	5,510,730
	Total	41,020,816	
	Grand Total	**288,270,720**	**94,366,103**

The Committee observed notable low revenue collection against the set targets from various revenue streams under the purview of the department of Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development.

The Committee established that the department does not directly collect the majority of the revenue attributed to it. During interrogation, It was submitted that the collection of revenue from several key streams including Stock Sales, Meat Inspection, Vaccinations, Licensing and Artificial Insemination (AI), Livestock Movement Permits and CESS is undertaken by the Department of

Finance and Economic Planning and the department only reports on what the Finance and Economic Planning provides in their reports.

The department further submitted that it is only directly responsible for revenue collection from Mabanga Agricultural Training Centre (ATC), Agricultural Mechanization Services (AMC) and the Fisheries Sub-sector.

The Committee also noted that Sale of subsidized Fertilizer was listed as a revenue stream in the department with a yearly target of Kshs. 128,362,500 despite fertilizer being given for free to beneficiaries hence not realizing any revenue. The Committee noted that it has on several occasions, recommended the removal of the sale of fertilizer from the Department's revenue streams. However, despite the repeated recommendations, the matter had not been addressed.

The Department submitted that the information relating to the sale of fertilizer is shared with the Department of Finance and Economic Planning. However, the same continues to be listed as a revenue stream under the Department. The Committee noted the need for the matter to be addressed to ensure accuracy in the reporting of departmental revenue.

2.Planned programmes and the approved allocations in the department

Planned programmes and the approved allocations in the department was as shown in the table below;

Agriculture and Irrigation	**Recurrent**	**Development**
Administrative and Support Services	20,767,465	
Policy, Legal and regulatory framework	210,500	
Planning and Financial Management	35,990	
Sector Coordination	1,133,480	
Leadership and Governance	1,521,560	
International, National and County Celebrations	2,062,500	
Livestock, Fisheries and Veterinary	-	

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Administrative and Support Services	8,230,509	
Policy, Legal and regulatory framework	2,925,460	
Leadership and Governance	485,360	
International, National and County Celebrations	732,945	
Cooperative development		
Administrative and Support Services	12,133,289	
Policy, Legal and regulatory framework	1,560,390	
Leadership and Governance	817,600	
International,National and County Celebrations	206,800	
Crop extension and training services	1,734,000	
Crop Production and Productivity (FISP)		184,500,000
Agricultural soil and water management	330,000	
Agribusiness, Marketing and information management	104,000	
Pending bill		9,424,980
National Agricultural Value Chain Development Programme (NAVCDP)		237,235,252
Ward Based Projects		113,740,000
Livestock production and productivity(dairy,beef,poultry)		6,461,397
Disease and Vector Control	3,600,000	
Animal Breeding	1,200,000	
Food Safety And Quality Control	448,629	
Grants		94,202,157

Fisheries Production and Productivity	1,738,563	

Agricultural institutions Development and management

	Recurrent	Development
Development and management of Mabanga ATC		2,629,507
Development and management of Mabanga AMC		1,516,000
Development and management of Chwele fish farm	4,180,000	
Cooperatives development and management		
Cooperative registration services	1,014,600	
Cooperative governance	50,765	
Cooperative audit services	834,000	
Cooperative input and infrastructural	806,193	9,112,726
Pending bills		10,114,359

The absorption rate in the department during the period under review was as follows:

The department's recurrent absorption was 64%, with an approved allocation of Kshs. 68,864,598 and an expenditure of Kshs. 44,305,964.

Administrative and Support Services, with an approved allocation of Kshs. 20,767,465, recorded an expenditure of Kshs. 20,018,815.65 reflecting an 96% absorption rate.

The department submitted the following expenditure breakdown;

i. Water and sewerage Kshs.100,000

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ii. Travel costs Kshs.342,850

iii. Accommodation Kshs.422,030.This was broken down as;

a) Facilitation to attend Senate committee meeting Kshs. 43,600

b) Facilitation to attend record management training Kshs. 143,360

c) Facilitation to attend training KISM/ KHIBIT Kshs. 142,500

iv. Daily subsistence with an expenditure of Kshs.881,400 .Expenditure on the amount was broken down as;

a) Facilitation for attending fresh produce industry stakeholders meeting Kshs. 101,800

b) Facilitation for attending potato regulations meeting Kshs.63,300

c) Facilitation for uploading procurement plan Kshs. 637,100

v. Field allowance Kshs. 11,520,425.

Broken down as below;

a) Office Operation Kshs. 600,000

b) Facilitation to formulate Industrial park Kshs. 867,900

c) Facilitation of FISP activities Kshs. 10,575,000.00

vi. Field operation allowance Kshs. 9,278,612 .The expenditure breakdown was as below;

a) Facilitation for distribution of Sunflower seeds Kshs. 570,000

b) Training facilitation Kshs. 733,200

c) Supply and delivery of assorted items to Mabanga ATC Kshs. 1,199,989

d) Supply and delivery of stationary Kshs. 785,000

e) Facilitation for attending internal audit, risk and forensic conference Kshs. 884,000

f) Facilitation to attend soil health incentives workshop Kshs. 222,600

g) Facilitation for carrying out revenue spot check Kshs. 387,115

h) Distribution of Fertilizer and Seed Kshs. 4,500,000

vii. Hire of training facilities with expenditure of Kshs. 517,781

a) Provision of conference facilities by Victoria Comfort Inn Kshs. 448,180

b) Tuition fee -KISM Kshs. 69,600

viii. Accommodation allowance had expenditure of Kshs.297,000 although it had no allocation in the approved budget for the department of Agriculture

ix. Tuition fees Kshs.546,853 .Broken down as ;
   1) Career Boost Dynamics Kshs. 52,200
   2) KISM Kshs. 139,200
   3) Institute of Human Resource Management Kshs. 75,000
   4) ICPAK Kshs. 69,000
   5) Training facilitation Kshs. 211,450

x. Catering services Kshs.1,079,080

xi. Boards committees and conferences Kshs.1,255,000

xii. General office supplies Kshs.492,400.

xiii. Supplies and accessories for computers Kshs.123,100

xiv. Refined fuels and lubricants Kshs. 1,300,000

xv. Membership fees Kshs.82,100

Broken down as ;

a) Subscription fee- Engineers board Kshs. 46,000
b) Subscription fee - KISM Kshs. 14,000
c) Subscription fee - ICPAK Kshs. 22,400

The department's submission amounted to Kshs. 27,908,306, compared to the Treasury's submission of Kshs. 20,018,815, resulting in a variance of Kshs. 7,889,491.

The department submitted that the Ksh. 7,889,491 were commitments that were erroneously captured as expenditure

i. Policy, Legal, and Regulatory Framework, with an approved allocation of Kshs. 210,500, recorded an expenditure of Kshs. 210,500, reflecting a 100% budget absorption rate.

The department submitted the following breakdown;

a) Facilitation for printing and gazettement of Bungoma food and safety and Bungoma Development bills in Nairobi
b) Facilitation for gazettement and printing of ATVET policy
c) Provision of conference facilities for Institutions policy formulation

ii. Planning and Financial Management, with an approved allocation of Kshs. 35,990, recorded an expenditure of Kshs. 35,990, reflecting a 100% budget absorption rate.

iii. Sector Coordination, with an approved allocation of Kshs. 1,133,480, recorded an

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expenditure of Kshs. 1,133,480, reflecting a 100% budget absorption rate.

The department submitted the following breakdown;

a) Hospitality Supplies Kshs. 1,079,080
b) Facilitation to attend an official function Kshs. 54,400

iv. Leadership and Governance with an approved allocation of Kshs. 1,521,560 recorded an expenditure of Kshs.1,521,560, reflecting 100% budget absorption rate.

v. International, National and County Celebrations with an approved allocation of kshs. 2,062,500 had an expenditure of Kshs.2,062,500 reflecting 100% budget absorption rate.

The department submitted the following breakdown;

a) International functions (China & France) Kshs. 229,105
b) National functions (Eldoret and Mombasa) Kshs. 107,800
c) County functions (Catering services during launch of farm inputs) Kshs. 1,725,595

(b) Livestock and Fisheries

Administrative and Support Services with an approved allocation of Kshs.8,230,509 recorded an expenditure of Kshs.8,169,999, reflecting 99% budget absorption rate.

The department submitted the following breakdown;

i. Electricity with an expenditure of kshs.120,547
ii. Water and sewerage with an expenditure of kshs.538,679
iii. Internet connection with an expenditure of kshs.44,224
iv. Travel costs with an expenditure of kshs.446,000
v. Accommodation with an expenditure of Kshs.330,150
   a) Facilitation for policy preparation Kshs. 231,750
   b) Facilitation to attend ICPAK conference Kshs. 98,400
vi. Daily subsistence with an expenditure of Kshs.722,000
   a) Facilitation for attending devolution conference Kshs. 497,000
   b) Facilitation to attend consultative meeting Kshs. 46,200
vii. Field allowance with an expenditure of kshs. 3,376,770

Te expenditure was broken down as ;

a) Facilitation for revenue spot check Kshs. 270,970
b) Facilitation for sensitization for animal vaccination Kshs. 853,200
c) Facilitation to attend KISM conference Kshs. 93,400

d) Facilitation for field extension services Kshs. 450,000
e) Facilitation for vetinary field services Kshs.450,000
f) Facilitation for fisheries field services Kshs. 450,000
g) KISM facilitation Kshs. 152,500
h) Facilitation for conference Kshs. 1,305,000

viii. Hire of training facilities recorded an expenditure of Kshs. 23,760

ix. Accommodation allowance with an expenditure of Kshs.297,000

x. Tuition fees with an expenditure of Kshs.5,114

xi. Catering services with an expenditure of Kshs.281,831.Breakdown was provided as;
a) Catering services - Milimani Gardens Kshs. 195,000
b) Catering services Jadellica Kshs. 149,000

xii. Boards committees and conferences with an expenditure of Kshs.527,144 broken down as ;
a) Facilitation to attend ICPAK conference Kshs. 334,400
b) Facilitation to renew slaughter house firearms licences Kshs. 131,500
c) Facilitation for asset evaluation Kshs. 77,244

xiii. Motor vehicle insurance recorded an expenditure of Kshs. 29,812

xiv. Veterinarian supplies and materials had an expenditure of Kshs.91,269.

xv. General office supplies with an expenditure of Kshs.245,079.

xvi. Sanitary and cleaning material with an expenditure of Kshs.61,432

xvii. Supplies and accessories for computers recorded an expenditure of Kshs.118,800.

xviii. Refined fuels and lubricants had an expenditure of Kshs. 480,000.

xix. Membership fees with an expenditure of Kshs.33,588 was broken down as;
a) ICPAK membership renewal fee Kshs. 11,200
b) KISM membership subscription Kshs. 22,388

xx. Maintenance of motor vehicles with an expenditure of Kshs.150,400 was broken down as ;
a) Maintanance of motor vehicle Terranova Kshs. 96,907
b) Maintanance of motor vehicle Auto Works Kshs. 81,507

xxi. Maintenance of computers recorded an expenditure of Khs.22,400

xxii. Purchase of computers had an expenditure of Kshs.224,000.

xxiii. Policy, Legal and regulatory framework with an approved allocation of kshs. 2,925,460

recorded an expenditure of Kshs. 2,925,460 reflecting 100% budget absorption rate.

xxiv. Leadership and Governance, with an approved allocation of Kshs. 485,360, recorded no expenditure, resulting in a 0% absorption rate.

xxv. International,National and County Celebrations with an approved allocation of Kshs.732,949 had no expenditure, reflecting a 0% absorption rate.

The department submitted that the amount was directed to finance sensitization for animal vaccination.

(c) Co-operative development

Administrative and Support Services with an approved allocation of Kshs.12,133,289 had an expenditure of Kshs. 8,227,659 reflecting 68% budget absorption rate.

The expenditure was broken down as ;

i. Travel costs Kshs. 269,664
ii. Accommodation Kshs. 537,600
iii. Daily subsistence, with an expenditure of Kshs. 1,239,250 broken down as Officers' facilitation on sensitization and inspection of Cooperative societies across the county and Facilitation on Kism and Icpak trainings
iv. Field allowance, with an expenditure of Kshs.2,759,724 was broken down as;
    a) Facilitation on policy preparation and development exercise for officers in Kisumu
    b) Facilitation on Ward based project Evaluation and inspection exercise.
v. Publishing and printing recorded an expenditure of Kshs.142,285
vi. Accommodation allowance had an expenditure of Kshs.128,000
vii. Tuition fees recorded an expenditure of Kshs.71,207
viii. Catering services, with an expenditure of Kshs.732,845
ix. Boards, committees and conferences recorded an expenditure Kshs.1,442,341.
x. Motor vehicle insurance had an expenditure of Kshs.139,500
xi. General office supplies had an expenditure of Kshs.200,000
xii. Supplies and Accessories for computers and printers recorded an expenditure of Kshs.60,000.
xiii. Refined fuels and lubricants for transport incurred an expenditure of Kshs.354,000

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xiv. Membership fees recorded an expenditure of Kshs.33,600

xv. Maintenance expenses- motor vehicle recorded an expenditure of Kshs.59,712.This was broken down as ;

a) Payment for Motor vehicle repairs 39CGO12A
b) Namz Auto care Ltd Kshs. 29,812
c) Auto works International Kshs. 29,900

xvi. Maintenance of computers recorded an expenditure of Kshs.57,931.

The following programmes recorded 0%budget absorption rate;

a) Policy, Legal and Regulatory Framework, with an approved allocation of Kshs. 1,560,390,
b) Leadership and Governance with an approved allocation of Kshs.817,600
c) International, National and County Celebrations with an approved allocation of Kshs.206,800
d) Crop extension and training services with an approved allocation of Kshs.1,734,000
e) Crop Production and Productivity with an approved allocation of Kshs.184,500,000
f) Agricultural soil and water management with an approved allocation of Kshs.330,000 Agribusiness, Marketing and information management with an approved allocation of Kshs.104,000

The department submitted that zero % absorption rate was as a result of no budgetary allocations for the programmes.

2. Development

The department's development absorption was 51%, with an approved allocation of Kshs.668,936,378 and an expenditure of Kshs. 339,111,283.

The department's submission indicates that the expenditure amounted to Kshs. 318,000,116.

Pending Bills with an approved allocation of Kshs. 9,422,980, recorded expenditure of Kshs. 5,557,966, resulting in a 59% budget absorption rate. The department submitted that the pending bills paid amounted to Kshs.9,424,980.00 which were fully absorbed in the 4th quarter.The breakdown submitted was as listed below;

i. Nabwaya Contractors Renovation of Conference Hall And Dining at Mabanga ATC -

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Ksh. 2,424,980

ii. Pisonaz International Limited - Proposed Renovation of Magemo Dam Ksh. 7,000,000

National Agricultural Value Chain Development Programme (NAVCDP) with an approved allocation of Kshs.237,235,252 recorded an expenditure of Kshs.147,916,317 reflecting an 62% budget absorption rate.

The department provided a breakdown of activities undertaken with the expenditure incurred as below;

WARRANT/PV NO	ACTIVITY	PAY DATE	AMOUNT
NAV434	Implementation of Annual work plan 2025-2026	09/12/2025	5,000,000.00
NAV467	Implementation of Annual work plan 2025-2026	16/01/2026	74,853,055.00
NAV470	Implementation of Annual work plan 2025-2026	26/01/2026	63,063,262.00

Ward-Based Projects, with an approved allocation of kshs.113,740,000, recorded expenditure of Kshs. 750,000, resulting in a 1% budget absorption rate.

The department submitted that the low absorption was due to delay in the procurement process with the introduction of EGP system, which never took off forcing the department to use the IFMIS system.Projects were undertaken in the 4th quarter.

Livestock productivity (dairy, beef, poultry) with an approved allocation of Kshs.6,461,397 recorded no expenditure, reflecting 0% budget absorption rate.

The department submitted that the project was affected by delayed procurement process but was undertaken in the 4th quarter.

Disease and Vector Control with an approved allocation of Kshs.3,600,000 recorded no expenditure, reflecting 0% budget absorption rate.

The department submitted that the budget was cut in the 1st supplementary budget. The funds had been committed but were not paid because of the budget cut.

Animal Breeding with an approved allocation of Kshs.1,200,000 recorded no expenditure, reflecting a 0% budget absorption rate.

The department submitted that the amount was initially meant for AI services but during supplementary budget the money was removed thus no absorption was recorded.

Food Safety and Quality Control with an approved allocation of Kshs.448,629 recorded no expenditure, reflecting a 0% budget absorption rate. The department submitted that the amount was removed during supplementary budget hence no absorption.

Grants – KeLCoP with an approved allocation of Kshs.94,202,157 recorded no expenditure, reflecting a 0% budget absorption rate. The department submitted that there was no disbursement as at 31st March, 2026 hence no transfer was done.

Fisheries Production and Productivity with an approved allocation of Kshs.1,738,563 did record any expenditure, reflecting a 0% budget absorption rate. The amount was removed during supplementary budget hence no absorption.

Development and Management of Mabanga Agricultural Training Centre (ATC) with an approved allocation of Kshs.2,629,507 recorded no expenditure reflecting an 0% budget absorption rate. The department submitted that Commitments were made but payment had not been made as at 31st March.

Development and Management of Mabanga Agricultural Mechanization Centre (AMC) with an approved allocation of Kshs.1,516,000 recorded no expenditure, reflecting a 0% budget absorption rate. The department submitted that Commitments were made but no payment had been made as at 31st March, 2026.

Development and Management of Chwele Fish Farm (CFF) with an approved allocation of Kshs.4,180,000 recorded no expenditure, reflecting a 0% budget absorption rate. There was no allocation for Chwele Fish Farm. The initial budget was cut in the supplementary budget fy 2025/2026.

Cooperative registration services with an approved allocation of Kshs.1,014,600 recorded no expenditure, reflecting a 0% budget absorption rate.

Cooperative governance, advisory and training services with an approved allocation of Kshs.50,765 recorded no expenditure, reflecting a 0% budget absorption rate.

Cooperative audit services with an approved allocation of Kshs.834,000 recorded no expenditure,

reflecting a 0% budget absorption rate.

Cooperative input and infrastructural/financial support services with an approved allocation of Kshs.806,193 recorded no expenditure, reflecting 0% budget absorption rate.

Cooperative Input and Infrastructural/Financial Support Services, with an approved allocation of Kshs. 9,112,726, recorded expenditure of kshs. 387,000, reflecting 4% budget absorption rate.

Pending Bills, with an approved allocation of Kshs.10,114,359, recorded no expenditure, resulting in a 0% budget absorption rate. The department submitted that no pending bills were settled in the period. Expenditure took place in the 4th Quarter.

3. Accounts Receivables (outstanding imprest)

The department recorded outstanding imprests of Kshs. 7,093,200 during the period under review, compared to Kshs.3,646,070 reported at the end of the half-year period FY 2025/2026. The breakdown was provided as below;

No.	Date issued	Reason for Imprest	Amount
1.		Office duty	228,000
2.	30/9/2025	Standing Imprest	300,000
3		Standing Imprest	300,000
4		Standing Imprest	100,000
5		Facilitation for extension services	450,000
6		Facilitation for FISP	450,000
7		Facilitation for Verification of farm inputs	600,000
8		Facilitation for Verification of farm input	700,000
9		Facilitation for Verification of farm input	800,000
10		Facilitation for Verification of farm input	800,000
11		Facilitation for Verification of farm input	800,000
12		Facilitation for Verification of farm input	900,000
13	14/1/2026	Facilitation for senior management course	54,800
14	23/1/2026	Facilitation for standing imprest	300,000
15	26/2/2026	Facilitation for allowance	155,200
16	26/2/2026	Facilitation for allowance	155,200

	Total		**7,093,200**

The department submitted that the following Imprests were surrendered;

Date Paid	Warrant No.	Imprest	Amount
30/9/2025	3882551	Facilitation for standing imprest	300,000
30/9/2025	2364314	Facilitation for standing imprest	300,000
2/11/2026	2364333	Facilitation for extension services	450,000
2/11/2026	2364335	Facilitation for FISP	450,000
2/11/2026	2364338	Facilitation for verification of FISP	600,000
2/11/2026	2364346	Facilitation for verification of FISP	700,000
2/11/2026	2364344	Facilitation for verification of FISP	800,000
2/11/2026	2364343	Facilitation for verification of FISP	800,000
2/11/2026	2364336	Facilitation for verification of FISP	800,000
2/11/2026	2364341	Facilitation for verification of FISP	900,000
TOTAL			**6,100,000**

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4. Trade payables (Pending bills)

Trade payables were broken down as below;

Agriculture, livestock and coop	141,105,760.12
Mabanga ATC	10,844,075.00

It is noted that no pending bills were settled during the period under review.

The department submitted that Kshs. 10,470,222 was settled in the half year period.

5. Committee Observations and Recommendations

Observations

1. The department had an annual revenue target of Kshs. 288,270,720 but realized only Kshs. 94,366,103 as at 31st March,2026 , representing 32.7% of the annual target. The department submitted that it does not collaborate with the County Treasury when setting targets. Moreover, the County Treasury had not added the pulping license stream which is a new initiative by the department to raise revenue.
2. The Committee observed that the Department does not directly collect majority of the revenue attributed to it, including revenue from stock sales, meat inspection, vaccinations, licensing and Artificial Insemination, livestock movement permits and cess.
3. The Committee observed that the sale of subsidized fertilizer was listed as a revenue stream with an annual target of Kshs. 128,362,500, despite fertilizer being distributed free of charge to beneficiaries and consequently generating no revenue. The Committee further noted that it had previously recommended the removal of this item from the Department's revenue streams but the recommendation had not been implemented.
4. The Committee observed that the departments recurrent absorption rate stood at 64% with an approved allocation of Kshs. 68,864,598 and an expenditure of Kshs. 44, 305, 964 while development absorption was 51%, with an approved allocation of Kshs. 668,936,378 and expenditure of Kshs. 339,111,283 with some programmes indicating 0% absorption rate including livestock productivity, disease and vector control, animal breeding, food safety and quality control, Cooperative Development programmes, fisheries production and productivity and development of Mabanga ATC and AMC .
5. The Committee observed that there was low absorption in Ward-Based Projects. This was attributed to delays in the procurement process which resulted in projects being undertaken in the fourth quarter.
6. The Committee observed that pending bills with an allocation of Kshs.10,114,359 recorded no expenditure despite the department having a pending bill of Kshs. 143,162,386.99 as at 31st March, 2026.
7. The Committee observed that the department had an outstanding imprest of Kshs. 993,200 which contravenes with Regulation 93(5) and (6) of the Public Finance Management (PFM) Regulations, 2015.

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Recommendations

1. **THAT,** the County Executive Committee Member for Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development, in collaboration with the CECM for Finance and Economic Planning, develop and implement measures to enhance revenue collection across all revenue streams within the Department's mandate.Further,that they jointly establish realistic and achievable revenue targets and ensure that revenue from pulping licenses is appropriately captured as a revenue stream under the Department and reflected in the relevant revenue projections and financial reports.

2. **THAT,** the County Executive Committee Member for Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development, in collaboration with the CECM for Finance and Economic Planning, establish and implement a clear and coordinated revenue collection and reporting framework for all revenue streams within the Department's mandate. Further, the County Treasury to facilitate and support the Department to effectively collect and report on all revenues from the respective revenue streams.

3. **THAT,** the County Treasury should review and remove the sale of subsidized fertilizer from the Department's revenue streams and ensure that future budget and revenue reports accurately reflect actual revenue-generating programmes.

4. **THAT,** the County Executive Committee Member for Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development expedite procurement processes, strengthen project planning and ensure the timely implementation of programmes to enhance budget absorption. Further, the Department should ensure the timely commencement and implementation of Ward-Based Projects and develop a comprehensive implementation schedule that provides adequate time for procurement(procurement processes to be undertaken in the 1st Quarter) and timely completion of the projects.

5. **THAT,** the department should prioritize settlement of pending Bills, since it is provided in law that pending bills MUST be given first charge. *Section 94 (1) of the (PFM) Act,2012 states that failure to make any payments as and when they fall due by the public entity may be an indicator of material breach of measures established under law.*

6. **THAT,** the Accounting Officers for the departments of Agriculture,livestock and Cooperative

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Development are required to ensure compliance with Regulation 93(5) and (6) of the Public Finance Management (PFM) Regulations, 2015, on surrendering imprests. The accounting officers to recover the funds from the officers salaries and if the Accounting Officers fail to recover the funds, the CECM Finance and Economic planning to surcharge the accounting officers responsible as per the law.

7. **THAT,** the Accounting Officers in the department should ensure strict compliance with Regulations 93(5) and (6) of the Public Finance Management Regulations, 2015, on the timely surrender of imprests. Where imprests remain outstanding beyond the prescribed period, the responsible Accounting Officers should initiate recovery of the outstanding amounts from the salaries of the concerned officers in accordance with the law. Further, where an Accounting Officer fails to effect the recovery, the County Executive Committee Member for Finance and Economic Planning should take appropriate action, including surcharge of the responsible Accounting Officer, in accordance with the applicable law.

4.1.2 Department of Tourism, Environment, Water and Natural Resources

(1) Department of Tourism and Environment

The Department of Tourism and Environment had an approved First Supplementary Budget of kshs. 1,060,559,040, comprising kshs.429,389,891 for recurrent expenditure and kshs.631,169,149 for development expenditure.

(a) Planned programmes and the approved allocations in the department;

Tourism and Environment	Recurrent	Development
Planning and Financial Management	12,436,507	
Waste management and control	416,953,383	
Climate change resilience investment grant		590,169,149

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Climate change fund		41,000,000

(b) The absorption rate in the department during the period under review is as follows:

The department's recurrent absorption rate was 63%, against an approved allocation of Kshs. 429,389,890 and an expenditure of Kshs. 270,730,456. This was below the 75% threshold required by law.

The department's development absorption rate was 22% against an approved allocation of kshs. 631,169,149 and an expenditure of ksh138, 375,630, which is way below the 75% threshold required by law.

a) Planning and Support Services, with an approved allocation of kshs. 12,436,507, recorded expenditure of kshs. 2,877,460, resulting in a 23% budget absorption rate.
b) Waste Management and Control, with an approved allocation of kshs.416,953,383, recorded expenditure of kshs.267,852,996, resulting in a budget absorption rate of 64%.
c) Climate Change Resilience Investment Grant, with an approved allocation of kshs. 590,169,149, recorded expenditure of kshs.138,375,630, resulting in a budget absorption rate of 23%.

The department submitted a status report of the projects, some at 100% complete except the following;

1. Hass avocado fruit tree production in Mt. Elgon and Sirisia; Lwandanyi, Cheptais, Cheskaki, Malakisi/south Kulisiru Wards at 70%
2. Hass avocado fruit tree production in Tongaren, Webuye east, Webuye west at 70%
3. Proposed construction of bee hives in West Sang'Alo, East Sang'Alo, Siboti, Ndalu/Tabani, Mbakalo, Naitiri/Kabuyefwe at 50%.
4. Zero grazing and biogas units in Ndivisi, Maraka, Mihuu, Tuuti/ Marakaru, East Sang'Alo, Bukembe west, Kimilili, Kibingei ,Soysambu/Mitua, Namwela at 0% it was re-tendered
5. Proposed rehabilitation of river Khalaba, Khalaba dam and river Chwele at 45%

- Climate Change Co-Funding, with an approved allocation of kshs. 91,000,000, recorded no expenditure. The department submitted that the zero absorption was a result of the funds not transferred to the special purpose account.

(b) The Department of Water and Natural resources

The department had an approved First Supplementary Budget of kshs. 755,542,619, comprising of Kshs.44,519,692 recurrent and Kshs.711,022,927 development expenditure.

(1) Planned programmes and the approved allocations in the department;

Water and Natural Resource	Recurrent	Development
Declustering process BWASCO	30,000,000	
Planning and support services	14,519,692	19,000,000
Borehole development		33,392,019
KOICA Counterpart funding		10,000,000
KOICA Grant		500,000,000
Ward Based Projects		119,070,000
Pending bills water projects		29,560,908

The absorption rate in the department during the period under review was as follows:

The department's recurrent absorption was 53%, with an approved allocation of Kshs. 44,519,692 and an expenditure of Kshs. 23,708,294 which is below the 75% threshold required by law.

The department's development absorption was 5%, with an approved allocation of Kshs. 711,022,927 and an expenditure of Kshs. 32,746,382 which is below the 75% required by law.The expenditure breakdown was as shown below;

Planning and Support Services, with an approved allocation of Kshs. 14,519,692, recorded expenditure of kshs. 8,708,294, resulting in a budget absorption rate of 60%.

Planning and Support Services, with an approved allocation of Kshs. 19,000,000, recorded no expenditure, resulting in a 0% budget absorption rate. The department submitted that the amount was not expended because the programme was wrongly captured by the County Treasury during uploading of the budget.

BWASCO, with an approved allocation of Kshs. 30,000,000, recorded an expenditure of Kshs. 15,000,000, reflecting an absorption rate of 50%.

Borehole development with an approved allocation of Kshs. 33,392,019 recorded an expenditure of kshs.11, 605,700 reflecting an 35 % budget absorption rate.

KOICA Counterpart funding with an approved allocation of Kshs. 10,000,000, has recorded no expenditure.. The department submitted that the allocation had not been transferred to the County Special Purpose Account.

KOICA Grant, with an approved allocation of Kshs. 500,000,000, recorded no expenditure. The department submitted that since the grant-funded activities are implemented directly by the development partners, the absence of expenditure in the County's financial records may not necessarily indicate non-implementation.

Ward-Based Projects, with an approved allocation of kshs. 119,070,000, recorded expenditure of kshs. 11,052,132, resulting in a 9% budget absorption rate.

The department submitted that all ward project work is in progress.

Pending Bills for Water Projects, with an approved allocation of Kshs. 29,560,908, recorded expenditure of Kshs. 10,088,550, resulting in a 34% budget absorption rate.

The Department submitted that the total pending bills settled during the period under review amounted to Kshs. 28,190,681, which differs from the amount reported by the County Treasury.

The submitted to have two stalled projects;

1. Pipe laying, intake construction on river kitaban FY24/25 kshs.3,841,640
2. Protection of 6 water springs namely; Wanasali, Walela, Namamuka, Wamunyiri,

Munyali and Namasanda and rehabilitation of Muteremko shallow well FY24/25 Kshs.1,367,292

(2) Accounts Receivables (outstanding imprest)

The department's outstanding imprest was Kshs.1, 573,260.

No.	Date issued	Reason for Imprest	Amount
1.	26/2/2026	Facilitation to undertake key activities	27,440
2.	26/2/2026	Facilitation to undertake key activities	27,440
3	26/2/2026	Facilitation to undertake key activities	27,440
4	26/2/2026	Facilitation to undertake key activities	27,440
5	26/2/2026	Facilitation to undertake key activities	41,160
6	26/2/2026	Facilitation to attend annual dialogue	42,400
7	26/2/2026	Facilitation to attend annual dialogue	54,100
8	26/2/2026	Facilitation to attend annual dialogue	66,000
9	26/2/2026	Facilitation to attend annual dialogue	88,400
10	26/2/2026	Facilitation to attend annual seminar	98,400
11	26/2/2026	Facilitation to undertake key activities	294,640
12	17/12/2025	Facilitation for standing imprest	300,000

13	17/12/2025	Facilitation to attend KISM in Mombasa	78,400
14	23/10/2025	Facilitation for standing imprest	300,000
15		Facilitation for standing imprest	100,000
	Total		**1,573,260**

The department did not submit an IFMIS generated imprest register as proof of surrender.

(3) Pending Accounts Payables (pending bills)

The department of Water and Natural Resources submitted that the total pending Bill for water and Natural Resources as at 30th June, 2026 was Kshs. 87,639,986.92.

The Department submitted that the total pending bills settled during the period under review amounted to Kshs. 28,190,681 leaving a balance of Kshs. 59,449,305.92.

(4) Committee Observations and Recommendation

Observation

1. The department's recurrent absorption rate was 63%, against an approved allocation of Kshs. 429,389,890 and an expenditure of Kshs. 270,730,456. The department's development absorption rate was 22% against an approved allocation of kshs. 631,169,149 and an expenditure of Kshs 138,375,630 which is way below the 75% threshold required by law. The Committee observed that some programmes such as the KOICA Counterpart Funding and Climate Change Co-Funding programmes recorded 0% absorption rate. The Department submitted that the zero absorption was attributed to the non-transfer of the allocated funds to the County Special Purpose Account.
2. KOICA Grant, with an approved allocation of kshs. 500,000,000 recorded no expenditure, resulting in a 0% budget absorption rate. The department submitted that the grant-funded activities are implemented directly by the development partner.
3. Ward-Based Projects with an approved allocation of kshs. 119,070,000, recorded expenditure of Kshs. 11,052,132, resulting in a 9% budget absorption rate.

4. The Committee noted discrepancies in pending bills expenditure in the period under review. Pending Bills Water Projects, with an approved allocation of Kshs. 29,560,908, recorded expenditure of kshs. 10,088,550, resulting in a 34% budget absorption rate. The Department submitted that the total pending bills settled during the period under review amounted to Kshs. 28,190,681, which differs from the amount reported by the County Treasury.
5. The Committee observed that the department has an outstanding imprest of Kshs. 1,573,260 which contravenes with Regulation 93(5) and (6) of the Public Finance Management (PFM) Regulations, 2015, on surrendering imprests.
6. The Department had two stalled projects for the FY 2024/2025, with a combined allocation of Kshs. 5,208,932, as follows:
    - Pipe laying and intake construction on River Kitaban– Kshs. 3,841,640 and
    - Protection of six (6) water springs, namely Wanasali, Walela, Namamuka, Wamunyiri, Munyali and Namasanda and rehabilitation of Muteremko Shallow Well – Kshs. 1,367,292.

Recommendations

1. **THAT,** the Department should enhance budget implementation and absorption, particularly for development programmes and put in place clear measures to ensure that allocated funds are utilized in accordance with approved plans. Moreover, the CECM Tourism, Environment, Water and Natural Resources in liaison with the CECM Finance and Economic Planning should address the non-transfer of allocated funds to the County Special Purpose Account to facilitate timely implementation of planned programmes.
2. **THAT,** the CECM Tourism, Environment, Water and Natural Resources to liaise with KOICA and provide the Committee with a comprehensive report on the implementation status of the activities under the Kshs. 500,000,000 KOICA Grant, including the projects undertaken, expenditure incurred by the development partner, beneficiaries, implementation timelines and any challenges encountered.
3. **THAT,** the County Executive Committee Member for Tourism, Environment, Water and Natural Resources should fast track the implementation of Ward Based Projects to ensure timely completion and service delivery to the residents. The Committee further recommends that the department strengthen project planning, procurement and budget execution processes to enhance absorption of development funds and prevent delays in project

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implementation.

4. **THAT,** the County Executive Committee Member for Tourism, Environment, Water and Natural Resources, in consultation with the CECM for Finance and Economic Planning to reconcile financial reporting between the County Treasury and the department in order to address the observed discrepancies. The department and the County Treasury should ensure that all financial reports are reconciled prior to submission to the County Assembly.

5. **THAT,** the Accounting Officers should ensure compliance with Regulation 93(5) and (6) of the Public Finance Management (PFM) Regulations, 2015, on surrendering imprests and also strengthen the imprest management system. The Department should provide the IFMIS-generated imprest surrender reports for verification, clearly indicating the imprest amounts issued, amounts surrendered, dates of surrender and any outstanding imprests.
6. **THAT,** the County Executive Committee Member for Tourism, Environment, Water and Natural Resources should provide a status report on the stalled projects to the County Assembly within 60 days from the date of adoption of this report.

3.1.3 Roads, Infrastructure and Public Works

The Department of Roads and Public Works had the budgetary allocation of Kshs.1,337,414,299 in financial year 2025/2026 ,this was enhanced in the 1st supplementary budget to Kshs.1,373,543,051.The allocation was broken down as Kshs.48,210,573 recurrent and Kshs.1,325,332,478 development expenditure.

During the period, Kshs.251, 967, 144 was received broken down as Kshs.16, 470,311 (34%) and Kshs.235, 496, 833 (18%) for recurrent and development expenditure respectively.

However, documents submitted by the department indicate that Kshs.251, 850, 844 was received, giving a negative variance of Kshs.116, 300. During interrogation, it was clarified that the variance was as a result of an error in the summation of expenditures by the Reporting Entity.

Recurrent Expenditure

Expenses in the period include:

1. General Administration, Planning and support services with an allocation of Kshs.34, 649, 501, received Kshs.10, 424,003 which represents 30% of budget.

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The expenses include:

i. **Administration services** allocated Kshs.24, 627,892 received Kshs.10, 424, 003 representing 42 % absorption against the expected 75%.The expenditures were on the following;

ii.Hospitality allocated Kshs.10, 996,000 received Kshs.5,059,100,
Expenses include:

a. Boards and conferences Kshs.3, 563, 000.
b. Catering services Kshs.1, 496,100.
c. Daily subsistence allowance Kshs.945,000
d. Travel costs Kshs.726,000
e. Accommodation Kshs.320, 500.

iii. Fuel and lubricants allocated Kshs.14m received Kshs.6, 046,308.

iv. Maintenance of vehicles allocated Kshs.4.7m received Kshs.2, 172,199.

v. **Financial Services, Planning and Stewardship** allocated Kshs.8, 723, 289.

vi. Capacity Development and Motivation with an allocation of Kshs.1, 298,320 did not receive any funding during the period.

2.Building standards and Quality with an allocation of Kshs.3, 042, 088 did not receive any funding during the period. The department submitted that as at 31st March 2026, the allocation of Kshs. 3,042,088 had been fully committed and submitted to the Treasury for payment, but the payment had not yet been effected. Similarly, the Kshs 1,890,000 allocated to Public and Transport Safety had been fully committed and submitted to the Treasury; however, the payment had not yet been effected.

The department further submitted that the under-expenditure was primarily due to delays in the processing and actualization of payments at the Treasury, rather than a failure by the department to allocate or commit the available funds.

2.**Public and Transport safety** allocated Kshs.1, 890, 000 to manage fire risk and Transport safety did not receive any funding during the period.

Development expenditure

The total development budget was Kshs.1, 325, 332,478 as per the approved 1st Supplementary Budget

The programmes implemented were as follows;

1. Transport infrastructure Development and Management with an allocation of Kshs.8, 628,984 recurrent and Kshs.1, 325, 332,478 development received Kshs.235, 496, 833 towards development expenditure which is 18% absorption and Kshs. 6,046,308 towards recurrent representing 70%.

The expenses were:

i. Construction of Roads, Bridges and Drainage works allocated Kshs.283, 263, 826 received Kshs.170, 335,767 (60% absorption).
ii. Maintenance of Roads allocated Kshs.8, 628,984 recurrent and 1,042,06,652 development. During the period under review, the department received Kshs.6, 046, 308 for recurrent representing 70% absorption and Kshs.65, 161, 066 for development representing (6%) absoption.

Pending bills allocated Kshs.36, 209, 673 did not receive any funding during the period. The department submitted that most of the pending bills were paid during the 4th Quarter and would be reported during the 4th Quarter.

1. Framework Contracts

Under the Framework Program, Kshs. 18,238,412 was utilized against a budget allocation of Kshs. 53,071,081. The projects undertaken were as follows:

1. Maintenance of Roads in Bumula and Kanduyi Sub-Counties – Kshs. 3,500,000.
2. Routine Maintenance of Kuafu–Chongoi Road – Kshs. 1,985,920.
3. Periodic Maintenance Works:

    I. Kandawala–Bilisa–Tulumba Cattle Dip Road, South Bukusu Ward Kshs. 3,300,000.
    II. Sultan Junction Maroon Market Road Kshs. 2,507,340.

4. Framework Contract for Maintenance of Chepsitati Primary–Lukhome Market Road, Mukuyuni Kshs. 6,945,152.

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2. Ward based projects

Under ward-based projects, the Department reported an expenditure of Kshs. 52,458,049, which was utilized to settle pending bills relating to projects in various wards whose allocations had been requested for the settlement of pending bills.

During interrogation, the Department clarified that the Kshs. 52,458,049 expenditure relating to payment of pending bills had been processed and paid. However, the expenditure was subsequently affected by the Supplementary Budget, resulting in a negative variance under the ward-based projects budget line.

The Department further submitted that the expenditure was subsequently provided for under the Ministry's line budget for pending bills, with a view to clearing the negative variance occasioned by the Supplementary Budget.

The approved ward-based budget of Kshs. 769,765,000 was reduced under the supplementary budget to Kshs. 658,835,827. The negative effect of Kshs. 52,458,049 was reserved under the Department's line budget.

The projects paid included:

a. Periodic maintenance works along Lukhuna Primary–Lurare Road **in South Bukusu Ward at** Kshs. 2,035,395;
b. Kaju–Sokomoko–Thomas–White Road at Kshs. 8,900,680;
c. Sichei Junction–Dominika Road in East Sang'alo Ward at Kshs. 4,159,922;
d. Musikiti–Langasta–Kitinda Secondary Road in West Sang'alo Ward at Kshs. 4,998,500;
e. Road works in Kaptama Ward at Kshs. 3,000,000;
f. Kaimagul–Kipsikirok Road in Chepyuk Ward at Kshs. 4,148,000;
g. Omindo–Mwangi Minyali–God's Favour Filling Station–Sawa Road in Ndalu Tabani Ward at Kshs. 8,222,080;
h. Bisunu Cattle Dip–Chebkutumi–Butonge Road at Kshs. 2,855,849; **in** Malakisi/Kulisiru ward
i. Chesinende–Kapchebon Road at Kshs. 2,000,000;

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j. Chelekei Secondary Road at Kshs. 2,645,593;
k. Miluki Junction–Kabubero–Mukwa Primary Road at Kshs. 2,300,000;
l. Routine maintenance of St. Paul Namundi–Katomei Junction Road–Tarmac–Cheptais High School–Cheptais Market in Cheptais Ward Road at Kshs. 3,500,000;
m. Spot improvement of Tuikut–Kaptoboi–Kamrang' Road at Kshs. 3,000,000; and
n. Construction of Chiliba–Lunao Box Culvert at Kshs. 745,685.

3. **Multi-year projects**

Under multi-year projects, Kshs.164, 800,371 was utilized on the following;

a. Completion of Naitiri Brigadier R Nzoia Road Kshs.106,810,787
b. Upgrading of A1 -Salmond River Khalaba Kshs.57,989,584

4.Roads Maintained under Levy Fund (RMLF)

RMLF with a budget of Kshs.184, 554,999 in financial year 2024/2025 received Kshs.63 million which was utilized during the 4th Quarter of financial year 2025/2026.

Trade receivables (Outstanding imprests)

Roads and Public works had outstanding imprest of Kshs.888, 961. Kshs.488, 961 dated back to May ,2023 in total contravention of section 93(5) and 9(6) of the PFM regulations ,2015. The imprest was facilitation for a director in the department to attend lake-region Economic block meeting which never took place. The imprest has been discussed in several meetings, it was recommended that the Accounting Officer be held responsible for failing to recover the amount from the employee's pays lip, but this recommendation has not been acted upon.

During the last interrogation, the director presented deposit slips amounting to Kshs.325, 000 but the committee could not confirm whether the deposits related to the said imprest because the name of the person on the deposit slip was different from the director's name. The committee also could not confirm whether the account the money was deposited was the correct account required for imprest surrender. The officer was directed to seek clearance from County Treasury and furnish the committee with the clearance certificate.

The balance of imprest of Kshs.400, 000 is standing imprest for the office.

3.1.3.1 Trade payables-Pending Bills

According to the financial statements presented by the Treasury, the department had a total of Kshs.715, 492, 261 pending bills at the start of the financial year. Kshs.66, 069, 962 was paid during the period under review leaving a closing balance of Kshs.649, 422, 299 pending as at 31st March 2026.

However, documents submitted by the department indicate that a total amount of Kshs.2,252,191,207 is owing ,broken down as Kshs.27,484,875 recurrent and Kshs.2,224,706,331 development.

The Committee noted that major contribution to the pending bills is Kshs.747, 293, 027 claims raised on Misikhu Brigadier Road and Kshs.487, 855, 882 pending bills on the dual carriageway.

The budgetary allocation for the settlement of pending bills has been significantly inadequate compared to the department's outstanding obligations. During the last financial year, only Kshs.36, 209,673 was allocated towards pending bills against an outstanding balance of approximately Kshs. 2.3 billion.

The allocation therefore covered only about 1.6% of the outstanding pending bills, which was insufficient to make a significant reduction in the accumulated obligations. There is, therefore, a need for increased and adequate budgetary provision for the settlement of pending bills to facilitate the clearance of outstanding obligations.

The Committee emphasizes that the department should also scale down on new projects taking into consideration PFM Regulations 2015 County Governments, that states that debts should be given 1st charge in allocation of resources during the budget making process.

Ongoing Projects

As at 31st March 2026, a total of 14 projects were on-going from previous financial years. Namely;

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Construction of Misikhu Brigadier road phase 11 at a contract sum of Kshs.525, 999, 390 was at 91% complete. A total of Kshs.106, 810, 787 was paid towards the project in the period under review. Total payments to date amount to Kshs.471, 479, 163.

Upgrading of Salmond –River Khalaba road at a contract sum of Kshs.174, 606,810 was at 90% complete with a total of Kshs.155, 791, 987 paid to the contractor for the works done. Kshs.57, 989, 589 was paid during the period.

Projects Affected by Pending Bills

A number of contractors awarded contracts either not moved to site or stopped work pending settlement of pending bills. Some of the pending bills date back to 2016. The Committee further noted that some of the contractors were awarded multiple contracts despite the County owing them money. This could cripple the development of the County because contractors refuse to go to site demanding previous payment first.

They include:

Cardslogic Enterprises awarded tenders worth Kshs.7, 497, 600 for routine maintenance of Roads in Tuuti/ Marakaru, the contractor stopped working pending payment citing financial constraints.

Chlovan Building & Construction Limited delayed commencement of routine maintenance of works at Matulo Kshs.2, 027, 680, Misikhu Kshs.2, 024,200 and Bokoli Kshs.2m due to arrears from prior framework contracts.

The following contractors declined to move to site citing inconsistent payment and outstanding payments for the FY 2024/2025.

i. Besimu Entreprises Ltd (Sitikho)

ii. Danline Entreprises (Mihuu)

iii. Hanal Investment Ltd (Maeni, Kimilili, Ndalu, Tongaren),

Black Timber Co.Ltd (Chepyuk)

(Indicate the financial year)

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Hanal Investment Company is also the contractor maintaining the department's vehicles, with Kshs.4, 993,873 owing under recurrent expenditure for vehicles repaired between 2023 and 2025.

Details of the affected Works were as listed below;

Routine maintenance of Butieli secondary –Wamunynyi road at a contract sum of Kshs.2,503,000, Fr. Osianju Road at a sum of Kshs.1,113,000 and Makutano Wanangali road at Kshs.3,881,600 in Tuuti Marakaru ward was at 60% complete but work stopped initiated by the contractor pending settlement of pending bills to enable mobilize resources.

Routine maintenance of Mwalimu House –Makutano road in Matulo ward at a contract sum of Kshs.2, 027,680 delayed commencement due to outstanding arrears from prior year framework contracts causing liquidity constraints to the contractor.

This is the same case for:

Makhese Mkt - R.Kuywa Road in Misikhu at a contract sum of Kshs. 2,024,200;

Wanyonyi Mkinusu –Kisaka road in Bokoli, at Kshs.2m;

Mzee Namisi road in Sitikho at Kshs.2m;

Namaraya Chwala bridge road in Maeni ward at Kshs.1,705,200;

Misikhu main SDA-Chelekei ACK secondary road in Kimilili at Kshs.2,201,680; in Kimilili Ward

Sephania –Arrows-Binyenya road in Tongaren at Kshs.2,090,320; and

Ng'aramuk Kapsokom primary-Mpakani-Jicho road in Chepyuk/Kapkateny at a contract sum of Kshs.6, 245,440.

Routine maintenance of Masieveve road in Mihuu Ward at Kshs.1, 966,200, contractor did not to move to site, citing inconsistent payment history and delays in previous works for FY 2024/25.

Stalled Projects

Periodic maintenance of Kiptiroko Number one road in Kaptama road at a contract sum of Kshs.2, 984, 680. The project stalled at 20%.

Departmental Response

During interrogation, the department reported that it has since increased the number of contractors prequalified under the framework. This measure is intended to enhance competition, increase the department's capacity to implement projects, improve the timely completion of works, and reduce delays arising from the allocation of multiple projects to a limited number of contractors.

3.1.3.3 Committee Observations and Recommendations

Honorable Speaker,

The Committee made the following observations

1. The Department recorded low absorption of development funds, particularly under the maintenance of roads, where Kshs 65.16 million was received against a development allocation of Kshs. 1.043 billion, representing an absorption rate of approximately 6%.
2. The allocation of Kshs. 36.21 million towards the settlement of pending bills was significantly inadequate in relation to the Department's outstanding obligations of Kshs. 2.3 billion, accounting for only about 1.6% of the outstanding amount. Further, significant claims arise from the Misikhu–Brigadier Road and Dual Carriage projects.
3. Delayed settlement of outstanding obligations had adversely affected the implementation of projects, with several contractors either failing to commence works or suspending ongoing works. The Committee further noted that some of the outstanding pending bills dated back to 2016.
4. The Committee noted that some contractors had been awarded multiple contracts despite the County Government having outstanding obligations to them. This had resulted in liquidity constraints for the contractors and consequently affected the timely commencement and implementation of projects.
5. Delayed settlement of contractors' certificates has resulted in substantial claims against the County Government i.e claims amounting to Kshs.747, 293,027 relating to the Misikhu–Naitiri–Brigadier–River Nzoia Road project.
6. Several contractors had either suspended works or declined to mobilize to site due to outstanding payments arising from previous contracts, thereby affecting implementation timelines and delivery of critical infrastructure projects.

7. Some contractors continue to receive additional framework contract awards despite having substantial unpaid claims against the County Government, a practice that exposes the County to increased implementation risks and project delays.
8. The Committee observed that Ksh 52,458,049 under the Ward-Based Projects was utilized to pay pending bills with a significant portion of the expenditure relating to projects and obligations from the previous financial years.

Committee Recommendations

Honorable Speaker,

The Committee recommends as follows;

1. **THAT** the Department should develop and implement a comprehensive work plan for the phased settlement of pending bills amounting to Kshs.2, 332,141,738, in compliance with the PFM Act. This should include prioritization of genuine and verified bills as a first charge on the budget, integration of pending bills into annual budget estimates, and adopting the pending bill action plan proposed by the CoB to curb accumulation of new arrears.
2. **THAT** given the non-yielding efforts to recover the long outstanding imprest of Kshs.488, 961 advanced to the Director of Roads and Public Works for the aborted Lake Region Economic Bloc meeting in 2023, the Committee recommends enforcing personal accountability measures to ensure recovery of public funds including the surcharge of the full amount from the Chief Officer- Finance for failing to recover the amount from the accounting officer for the Department of Roads. The County Assembly had resolved upon adoption of the Committee's report on the Half year expenditure for FY 2024/25 that the County Treasury recovers the said sum from the Accounting Officer in the Department of Roads, Infrastructure, Transport and Public Works. The action should be reported to the County Assembly within 60 days after adoption of this report.
3. **THAT** before commencement of new infrastructure projects, the department of Roads should ensure that adequate budgetary provisions are made for ongoing contractual obligations to prevent the recurrence of pending bills and stalled projects.
4. **THAT,** the Department should only award new contracts after confirming the availability of funds and the capacity to honor contractual obligations. This will reduce the risk of project delays, contractor withdrawal, and accumulation of pending bills.

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5. **That** ,the department should bring on board more contractors to avoid being held at ransom by the few contractors who refuse to commence work until prior payment is cleared.

3.1.4 Department of Education and Vocational Training Expenditure as at 31st March,2026

Hon. Speaker,

The total budget for Education and Vocational Training for the financial year 2025/26 was Kshs. 296,612,316 as per the approved First Supplementary budget comprising of a total of Kshs. 149,214,330 Recurrent budget and Kshs. 147,397,986 Development budget.

(a)Budget Absorption

The total expenditure budget for the period was Kshs. 76,121,370 broken down as Kshs. 48,883,661 recurrent and Kshs. 27,237,709 development representing 26% total budget absorption.

As at 31st March,2026 , the Departmental expenditure was Kshs. 105,038,436 , Kshs. 48,883,661 being recurrent expenditure and Kshs. 56,154,775 development expenditure.

(c) Budget execution by classification

Under Recurrent, with an approved budget of Kshs. 149,214,330 the department absorbed Kshs. 48,883,661 translating to 33%. The expenditures as per the Financial Statement are broken down as follows:

i. Utilities Supplies and Services (payment of electricity expenses) with an allocation of Kshs. 150,000 had an expenditure of Kshs. 70,500 which was 47% of the vote. The Departmental submission had two varying figures; the implementation status report had the expenditures at Kshs. 139,785 while the Ifmis vote-book extract has Kshs. 70,500 .

ii. Communication Supplies and Services with an allocation of Kshs. 265,000 had 0% expenditure.

iii. Domestic Travel and Subsistence with an allocation of Kshs. 5,500,000 had a cumulative expenditure of Kshs. 3,125,000 translating to 57% expenditure. Disclosures from the Department revealed two varying figures; an expenditure of Kshs. 3,739,400 as per the

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implementation status report and actual payment plus commitments in the IFMIS of Kshs. 4,804,346 translating to a variance of Kshs. 1,679,346 .

iv. Printing, Advertising and Information supplies services with an allocation of Kshs. 900,000 had an expenditure of Kshs. 59,000 translating to 6% expenditure.

v. Training expenses with an allocation of Kshs. 5,000,000 had an expenditure of Kshs. 2,206,900 translating to 44%. The submission on the Department's program and activities implementation report revealed an expenditure of Kshs. 2,206,900 as highlighted in the County Treasury`s submission while IFMIS printout revealed an expenditure of Kshs. 3,495,848 which gave a variance of Kshs. 1,288,948.

vi. Hospitality with an allocation of Kshs. 5,000,000 had an expenditure of Kshs. 2,367,400 translating to 47% absorption. The Submission from the Department revealed two figures; Kshs. 2,116,000 while IFMIS printout gave an actual expenditure plus commitments of Kshs. 2,856,750 leaving a variance of Kshs. 489,350

vii. Insurance expenses with an allocation of Kshs. 583,000 had no expenditure. The Ifmis vote-book printout showed that there was a commitment of Kshs. 300,000 as at 31st March,2026. Fuel oil and lubricants with an allocation of Kshs. 1, 841,932 had an expenditure of Kshs. 915,690 (50%) all paid to Webmar Ltd for supply of fuel. The Departmental IFMIS vote-book extract submission reveal an expenditure of Kshs. 1,840,000 translating to a variance of Kshs. 926,242.

viii. Office general supplies and services with an allocation of Kshs.550,000 had nil expenditure. The Department`s IFMIS vote-book printout submission revealed a commitment of Kshs. 249,650 on the vote.

ix. Routine maintenance of motor vehicle with an allocation of Kshs.500,000 had 0% expenditure. even though the department owed two garages a cumulative figure of Kshs. 1,210,000 in repair costs.

x. Education support services (School feeding program) with an allocation of Kshs. 40,754,500 as at 31st March, 2026 utilized Kshs. 14,632,704representing 37% absorption. The Departmental IFMIS vote-book revealed a further commitment of Kshs. 26,046,596 on the vote bringing the total expenditures plus commitment to Kshs. 40,754,500 representing

100% expenditure on the vote.

xi. Capitation grants with an allocation of Kshs. 25,000,000 had an expenditures of Kshs. 25,075,200 representing 100.3% absorption. This matches what the Department submitted. And the more than 100% expenditure shall be explained

xii. Purchase of furniture for equipping of ECDEs and VTCs under the Kshs. 2 million per Ward allocations during the Financial Year 2024/25 period with an allocation of Kshs. 60,990,000 had nil expenditure whereas the IFMIS votebook gave a total payment of Kshs. 45,596,000 whereby Kshs. 18,681,000 were actual expenditures while Kshs. 26,915,000 were commitments in the system.

xiii. Supplier credit (pending bills) with an allocation of Kshs. 2,179,898 had nil expenditures. The Department submitted IFMIS vote-book printout revealed an expenditure plus commitment of Kshs. 1,576,949.

xiv. Under Development expenditure with an allocation of Kshs. 147,397,986, the document presented an absorption of Kshs. 27,237,709 for the programs, which was 18% of the development allocation. The Department submitted that they had incurred an expenditure of Kshs. 56,154,775, however this was not backed up by Ifmis Vote-book printout. The expenditures were on the following programs;

a) Infrastructure development (Ward Based Project) with an approved Supplementary budget of Kshs. 87,770,000 had 0% expenditure. The department submitted that the expenditure was Kshs. 41,523,612 giving a performance of 47%
b) Infrastructural development construction of ECDEs and VTCs under the 2024/25 FY program of allocating the Bursaries funds that could not be absorbed of Kshs. 2 Million per Ward) with an allocation of Kshs. 30,000,000 had nil expenditure.
c) Pending Bills with an allocation of Kshs. 29,627,986 had an expenditure of Kshs. 27,237,709. The companies paid were;
    a) Construction of 1 no. ecde classroom at Kimingich primary school by Ecorics Enterprises Ltd Kshs. 1,412,438.
    b) Proposed erection and completion of 1no. ECDE classroom and 2 no. door pit latrine at Malaha and Mukholi primary schools in West Sanga,lo ward Bungoma County by Dot Engineering Ltd Kshs. 702,680.

c) Proposed Erection and Completion Works for 2 no.workshop at Kipsigrok Vtc in Chepyuk Ward by Sobremax Supplies Kshs. 1,371,140
d) Proposed erection and completion works of 1 no ECDE classroom at Bunang'eni primary school in Misikhu ward by Calvick Company Limited Kshs. 1,492,710.
e) Proposed Erection and Completion Works For 1 No Classrooms At Nandingwa Taabuti and St. Joseph Nakholo Primary school in South Bukusu Ward by Piusrobi Investments Ltd Kshs. 1,506,575.
f) Proposed Construction of Komosong Model ECDE in Cheptais Ward by Chwele Namisi Contractors Kshs. 2,242,112.
g) Construction of 1 no. ecde classroom at Teremi and Baraki primary school by Pemasi Kenya Ltd Kshs. 2,431,669.
h) Construction of 1 no. ECDE classroom, and 2no door pit latrine at Siaka primary and construction of 1 no ecde classroom and office at Namwacha primary school in West Sang'alo ward by Gabverox General Agencies Limited Kshs. 2,507,286.
i) Proposed Erection and Completion Works For 1 No Ecde Classroom At Syekumulo and Masuno Primary School in Bumula Ward by Whitmala Enterprise Kshs. 2,584,140.
j) Construction of 1 no. ECDE classroom and 2 no.door pit latrine latrine at Matibo and Wanjoya primary schools by San Six Sigma Ltd Kshs. 2,849,334
k) Construction of 1 no. ECDE classroom at Chemeker and Kamarang primary schools by Berret Enterprises Limited Kshs. 2,870,141.
l) Construction of 3 no. classrooms at Wamunyiri VTC by Squina Investments and Supplier Limited Kshs. 3,920,176
m) Proposed erection and completion works for 1 no. ECDE classroom at Kuborom and Cheptais primary school in Cheptais ward by Nasombi Company Limited Kshs. 325,373.
n) Proposed completion works of workshop at Masaek vocational training college in Kapkateny Ward Bungoma County by Kimama Contractors Kshs. 1,021,937.

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(d) Pending staff receivables (Outstanding Imprests)

The department had one standing imprest of Kshs. 100,000 that remained un-surrendered by 31st March 2026. This was an office standing imprest which was not due for replenishment by the time of reporting.

(e) Pending accounts payables (pending bills)

The Department had a Trade and Other payables of Kshs. 129,614,837 at the beginning of the financial year. Of these, Kshs. 88,426,107 was development while Kshs. 41,188,730 was recurrent. The budgetary allocation was Kshs. 2,179, 898 for recurrent and Kshs. 29,627,986 for development. During the period under review Kshs. 34,891,011 was paid out to offset some of these pending bills (Kshs. 7,612,352 recurrent and Kshs. 27,278,659 development). Of the expenditure on recurrent, Kshs. 7,316,352 related to payment for supply of school feeding program where allocation for the Financial Year 2025/26 was used to offset supplies done in 2024/25/

Committee Observations and Recommendations

Committee Observations

1. Budget absorption remained low (26%), with significant delays in project execution.
2. Variances between financial reports and IFMIS vote book print out raised accountability concerns.For instance ; Utilities Supplies and Services (payment of electricity expenses) with an allocation of Kshs. 150,000 had an expenditure of Kshs. 70,500 which was 47% of the vote. The Departmental submission had two varying figures; the implementation status report had the expenditures at Kshs. 139,785 while the Ifmis vote-book extract has Kshs. 70,500 and Hospitality with an allocation of Kshs. 5,000,000 had an expenditure of Kshs. 2,367,400 translating to 47% absorption. The Submission from the Department revealed two figures; Kshs. 2,116,000 while IFMIS printout gave an actual expenditure plus commitments of Kshs. 2,856,750 leaving a variance of Kshs. 489,350
3. Several votes showed nill expenditure despite commitments and service needs For instance; Routine maintenance of motor vehicle with an allocation of Kshs.500,000 had 0% expenditure. even though the department owed two garages a cumulative figure of Kshs. 1,210,000 in repair costs and Office general supplies and services with an allocation of Kshs.550,000 had nil

expenditure. The Department`s IFMIS vote-book printout submission revealed a commitment of Kshs. 249,650 on the vote.

4. Development projects, especially Ward-based and ECDE/VTC infrastructure, lagged behind schedule.
5. Pending bills remained high at Kshs. 94,723,826 with arrears carried forward.
6. The committee noted inconsistencies in reporting and procurement inefficiencies on School Feeding Program .
7. The committee observed that Capitation Grants exceeded allocation due to donor funds, requiring clearer disclosure.
8. Outstanding imprests of Kshs. 100,000 highlighted weak compliance contrary to section 93(5) and (6) of the Public Finance Management (PFM) Regulations, 2015 .

Committee recommendations

1. **THAT**,moving forward the department to harmonize reporting between County Treasury, Controller of Budget, and IFMIS.
2. **THAT,** the department to Fast-track implementation of development projects to improve absorption of development funds.
3. **THAT,** the department to Prioritize settlement of long-standing commitments and supplier credits in the subsequent budgets as as pending bills require first charge.
4. **THAT,**the department is hereby directed to adopt framework contracting for school feeding supplies.
5. **THAT,** the department needs to disclose donor/partner contributions clearly in the subsequent financial statements .
6. **THAT,**the Chief officer for Education and Vocational Training to enforce strict timelines for surrender of imprests as provided for in sections 93(5) and (6) of the Public Finance Management (PFM) Regulations, 2015.
7. **THAT**, the deparment conducts targeted audits on variances and require proof of Ward-based project expenditures in order to harmonize the variances recorded on some of the expenditure votes.

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3.1.5 Health and Sanitation

The approved recurrent budget was Kshs. 1,426,244,895 and Development Kshs. 219,143,801

3.1.5.1 Expenditures by economic classification.

3.1.5.1.1 Total revenue

The total revenue recieved was Kshs. 10,293,498 from exchequer and Kshs. 297,186,530 as AIA.

The breakdown of activities to be funded by 10.2 million from exchequer were:

i. Facilitation for travel to Nairobi and purchase of accountable documents kshs. 341,971
ii. Facilitation for ICPAK training in Mombasa kshs. 691,800
iii. Purchase of Airtime kshs. 330,000
iv. Facilitation for development of referral policy in Kisumu kshs. 298,200
v. Payment for purchase of Air tickets kshs. 564,875
vi. Facilitation for midwives conference in Mombasa kshs. 857,600
vii. Payment for Electricity kshs. 817,292
viii. Payment of refined fuel kshs. 1,607,220
ix. Payment for ICPAK training fees kshs. 661,000
x. Standing Imprest kshs. 400,000
xi. Facilitation for mpox training kshs. 3,085,240
xii. Facilitation to attend a workshop for Assistant office administrators in Mombasa kshs. 2,059,400
xiii. Facilitation to attend scientific conference in Laikipia kshs. 99,000
xiv. Facilitation to attend scientific conference in Nairobi kshs. 53,300
xv. Facilitation to attend records and achieval conference kshs. 226,600

3.1.5.1.2 Grants received and expenditures

The various grants in the department included:

a) UNICEF Kshs. 1,571,000
b) DANIDA grant Kshs. 16,202,706
c) DANID CO-FUNDING KSHS. 17,703,000

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d) UNFPA KSHS. 7,400,000

The department expected Kshs. 30,533,706 but none was released:

AIA PERFORMANCE

Actual collection was Kshs. 626,194,869.32 against a target of 1,393,562,696 billion representing a 50% against the 75% expected

1	BCRH	388,946,454.00	279,240,088.00	71.79
2	Webuye	276,348,048.00	168,341,634.80	60.92
3	Kimilili	76,449,721.00	63,965,451.00	83.67
4	Sirisia	50,479,588.00	17,685,379.55	35.03
5	Mt.Elgon	33,118,921.00	16,481,364.00	49.76
6	Cheptais	54,634,528.00	17,664,246.00	32.33
7	Naitiri	31,753,200.00	17,698,102.00	55.74
8	Bumula	45,658,700.00	13,926,140.00	30.50
9	Sinoko	8,963,425.00	3,859,312.00	43.06
10	Bokoli	36,216,134.00	12,733,953.97	35.16
11	Chwele	43,271,540.00	13,825,778.00	31.95
12	Public Health	21,961,975.00	773,420.00	3.52
13	Primary Health	177,783,033.00		0.00
	TOTAL	**1,245,585,267.00**	**626,194,869.32**	**50.27**

3.1.5.1.3 Development expenditure highlights

Total Development allocation is Kshs. 219,143,801 . Kshs. 175,033,801 **will** fund the following projects

1. Account payables allocated Kshs. 20,500,000 towards Webuye outpatient wing recorded

expenditure of Kshs. 8million.

2. Other infrastructure and civil works Kshs. 51,463,801.00 was to be utilized on the following projects yet none of them was implemented by the end of the period:
    a. Completion of Sirisia Hospital Kshs. 20 million.
    b. Completion of ICU/Renal Block Webuye Kshs. 10 million
    c. Completion of Theatre at Bokoli Kshs. 10 million
    d. Medical Equipment for Cheptais Sub-County Hospital Kshs. 11,463,801.
3. Other infrastructure and civil works Kshs.20,000,000 recorded no expenditure
    a. Completion of Bumula 100 Bed Maternity Kshs. 10,000,000
    b. Equipping of Bumula 100 bed capacity Maternity Kshs. 10,000,000
4. Ward based projects allocated Kshs. 83,070,000 were not implementation due to delay in implementation occasioned by EGP challenges.

3.1.5.1.4 Pending Bills (ward based)

The Health sector had recurrent pending bills worthKshs. 202,376,568 and development pending bills worth Kshs.204,200,436.none of the recurrent pending bills were settled while development had 2 pending bills settled:

- Webuye outpatient wing Kshs. 8million
- Erection and completion of maternity wing in lwandanyi ward Kshs.1,040,743.16.

3.1.5.1.5 Facility's expenditures

The section highlights the expenditures incurred by the referral hospital and the sub-county hospitals. The trend still shows expenditures beyond 100% of the vote allocation at nine months. The facilities still operates off IFMIS resulting to budgetary control challenges.

Below is a summary of expenditure per facility in the period under review;

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3.1.5.1.5.1 Bungoma Referral Hospital

The facility had an annual approved budget of kshs. 388,946,454 comprising of Kshs.352, 535,416 as recurrent and Kshs. 18,000,000 development expenditure. The overall budget expenditure was Kshs. 279,240,088 indicating 71.79% absorption against an actual revcieved.

Budget execution by classification

The budget performance for recurrent was 71.79%. The expenditure on the votes were as follows;

1. Electricity with an approved budget of kshs.20, 745,178 incurred an expenditure of Kshs.10, 547,439, indicating a 50.8% absorption.
2. Water and Sewerage charges utilized Kshs. 1,329,599 against an allocation of Kshs. 2,965,252 (44.8%).
3. Telephone Telex and mobile phone services utilized Kshs. 859,114 against the approved allocation of kshs. 1,210,270 translating to 71%
4. Internet connections utilized Kshs. 258,647 against an allocation of Kshs. 276,757 (93.5%).
5. Courier and Postal Services with an allocation of Kshs. 148,263 utilsed kshs. 12,435 expenditure (8.4%)
6. Travel cost (airlines, bus, railway, mileage allowances etc.) with an allocation of kshs. 476,834 utilised Kshs. 165,500(34.7%)
7. Accommodation- Domestic allowance with an allocation of Kshs. 7,518,631 utilised Kshs. 7,459,460 (100.8%)
8. Daily subsistence allowance allocated Kshs. 33,521,672 utilised Kshs. 14,447,877
9. Publishing and Printing services with an allocation of kshs. 494,209 utilised kshs. 161,499 absorption (33%)
10. Accommodation allowance utilized kshs. 1,531,350 against an allocation of kshs. 3,988,417 (38.4%)
11. Tuition fees utilized kshs. 344,769 against the approved allocation of kshs. 988,417 translating to 34.8%.
12. Catering Services (reception), Accommodation, Gifts, Food and Drinks Kshs. 6,818,576 from an allocation of Kshs. 3,976,834. (171.5%)
13. Boards Committees, Conferences and Seminars utilized Kshs. 2,741,300 against an allocation

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of Kshs. 2,965,252 (92.4%)

14. Medical Drugs utilized Kshs. 24,187,117 from an allocation of Kshs. 50,033,223 (48.3%)
15. Dressing and other Non-Pharmaceutical Medical items with an approved allocation of kshs. 83,801,583 utilised Kshs. 52,150,506 absorption. (62.2%)
16. Fungicide, insecticides and sprays with an allocation of kshs. 4,791,253 utilised kshs. 209,767 was absorbed (4.4%)
17. Chemical and industrial gases utilized Kshs. 16,400,000 against approved allocation of kshs. 9,884,172
18. Laboratory materials, supplies and small equipment with an allocation of kshs. 39,536,687 utilised Kshs. 21,334,474 (53.9%)
19. Food and Ration utilized kshs. 26,548,194 against allocation of kshs. 50,983,396 (52.7%)
20. Purchase of uniforms and clothing for Staff allocated Kshs. 1,976,834 utilised kshs 1,080,000 (55%)
21. Purchase of uniforms and clothing for Patients utilized kshs. 472,000 against the approved allocation kshs. 3,153,019(15%)
22. Purchase of bedding and linens had an approved allocation of kshs. 3,942,086 where thy utilized kshs. 1,157,600(29.4%)
23. Purchase of X-rays supplies utilized kshs. 5,969,378 against the approved allocation of Kshs. 7, 907, 337. (75.5%)
24. General office Supplies utilized kshs. 4,881,927 against the allocation of kshs. 2,482,626 (196.6%).
25. Supplies and Accessories for Computer and printers allocated kshs. 994,209 utilised kshs. 337,576 (34%)
26. Sanitary and cleaning material utilized kshs. 4,489,945 against the approved allocation kshs. 4,549,816(98.6%)
27. Refined fuels and lubricants for transport utilized kshs. 4,500,000 against an allocation of Kshs. 5,930,503(75.9%)
28. Other Fuels (wood, charcoal, cooking gas) utilized Kshs. 1,446,700 against an allocation of kshs. 2,965,252(48.8%)
29. Bank service commission and charges utilized kshs. 35,630 against the approved kshs. 49,421 (72.1%)

30. Medical expenses allocated kshs. 2,459,460 utilised kshs. 1,790,002 (72.9%)
31. Contracted guards and cleaning services allocated of kshs. 9,615,000 utilised kshs. 5,329,200 (55.4%).
32. Membership fees, Dues and Subscriptions to professionals and Trade bodies utilized Kshs. 15,050 against an allocated of kshs. 494,209 (3%)
33. Legal dues/ fees, Arbitration and compensation payments utilised kshs. 330,000 yet there was no allocation.
34. Maintenance expenses- motor vehicle absorbed Kshs 1,233,942 against approved kshs. 2,965,252(41.6%)
35. Maintenance of plant, machinery and equipment allocated kshs. 1,482,626 utilised kshs. 1,029,575(69.4%)
36. Maintenance of office furniture and equipment allocated Kshs. 988,417 utilised kshs. 15,000 (1.5%)
37. Maintenance of Medical and Dental equipment allocated kshs. 3,953,669 with utilised kshs. 8,955,024. (Exceeded by kshs. 5,001,355)
38. Maintenance of Building and stations- Non Residential allocated kshs. 7,112,341 utilised kshs. 12,150,611(170.7%)
39. Maintenance of Computer, software and Network allocated Kshs. 1,294,209 utilised kshs. 978,281 expenditure (75.6%)
40. Purchase of Household and Institutional Appliances allocated kshs. 1,776,834 utilized kshs. 1,676,340 (94.3%)
41. Purchase of office furniture and fittings utilized kshs. 778,690 against allocation of kshs.988,417 translating to 78.8%
42. Purchase of Computer, Printers and other IT equipment utilized kshs. 568,700 against the approved allocation kshs. 1,476,834 representing (38.5%)
43. Purchase of Air conditioners, Fans and Heating appliances with an approved budget of kshs.988, 417 utilised Kshs. 498,102, 50.4% absorption.
44. Purchase of ICT networking and Communications Equipment utilized Kshs. 874,800 from an allocation of Kshs.626, 288 (139.6%).
45. Purchase of medical and dental equipment had an approved allocation of kshs. 2,500,000 with zero expenditure.

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Development had an approved allocation of Kshs.18million broken down as follows:

- Completion of Blood bank BCRH Kshs. 8,000,000
- Completion of Radiology Unit BCRH Kshs.10, 000,000.

At nine months the hospital had recorded expenditure of Kshs. 12,005,426 translating to an absorption of 66.7%.

3.1.5.1.5 .2 Webuye County Hospital

The total utilisation was Kshs. 418,689,682.80 against the approved allocation of Kshs. 276,348,048 translating to 151.5%. Development allocation of Kshs. 20Million recorded an absorption of kshs. 12,221,103.

The actual revenue collection was Kshs. 168,341,634 i.e 60.92%.

Budget execution by classification

The absorption of the budget was as follows;

1. Electricity allocated Ksh.10, 322,335 utilized Ksh.16, 783,933 (Exceeds by Ksh.6, 461,598).
2. Water and Sewerage Charges allocated Ksh.3, 188,128 utilized Ksh.4, 624,458(145.05%). Exceeds by Ksh.1,441,330
3. Telephone, Telex, Facsmile and mobile phone services utilized kshs.3, 596,410 against the approved allocation of kshs.827, 210 translating to 434.76%. Exceeds by Ksh.2,769,200
4. Internet connections costs Kshs. 773,155 from an allocation of Kshs. 497,964 (155.26%). Exceeds by Ksh.275,191
5. Courier and Postal Services had an allocation of kshs.182, 788 with kshs.231, 708 expenditure (Ksh.48,920)
6. Accommodation- Domestic allowance Kshs.12, 134,643 from an allocation of Kshs. 5,688,183 (more by Ksh.6,446,460)
7. Daily subsistence allowance Kshs.12, 076,806 from an allocation of Kshs.2, 876,366 (Exceeds by Ksh.9, 200,440.)
8. Publishing and Printing services had zero allocation with kshs. 23,000 expenditure.
9. Advertising, Awareness and Publicity Campaigns had approved allocation of kshs.844, 091

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expenditure Ksh.844, 021(99.99%).

10. Tuition fees costs kshs.205, 632.55 and zero allocation.
11. Catering Services (reception), Accommodation, Gifts, Food and Drinks Kshs.3, 841,387 from an allocation of Kshs.1, 266,137(Exceeds by Ksh.2, 575,250.)
12. Boards Committees, Conferences and Seminars Kshs. 6,130,320 from an allocation of Kshs. 2,454,320 (249.77%) Exceeds by Ksh.3,676,000
13. Motor Insurance costs had an allocation of kshs. 1,688,183 with expenditure Ksh.3, 899,093 absorption rate of 230.96%.
14. Medical Drugs Kshs. 57,301,198 from an allocation of Kshs.42, 162,887 (135.90%)
15. Dressing and other Non-Pharmaceutical Medical items had an approved allocation of kshs. 55,521,852 with Kshs.111, 341,102 absorption. (200.53%) Exceeds by Ksh.55, 819,250.
16. Fungicide, insecticides and sprays had an allocation of kshs.532, 271 where kshs. 562,264 was absorbed (Exceeds by Ksh.29, 993.)
17. Chemical and industrial gases utilized kshs.5, 643,490 against the approved allocation of kshs.3, 032,274(Exceeds by Ksh.2, 611,216.)
18. Laboratory materials, supplies and small equipment had an allocation of kshs.17, 322,743 with an expenditure kshs. 29,835,913 (172.13%)
19. Food and Ration utilized kshs. 73,368,966 against the approved allocation kshs.55, 519,533. (132.14%).
20. Purchase of uniforms and clothing –Staff had an approved allocation of kshs. 1,572,274 with kshs 1,677,474 utilized (106.69%).
21. Purchase of uniforms and clothing- Patients utilized Ksh.3, 630,956 against the approved allocation kshs. 1,266,137(Exceeds by Ksh.2, 364,819.)
22. Purchase of bedding and linens had an approved allocation of kshs. 2,332,274 where thy utilized kshs. 4,419,844(Exceeds by Ksh.2,087,570)
23. Purchase of X-rays supplies utilized kshs. 6,627,996 against the approved allocation kshs. 4,230,686 (156.66%).
24. General office Supplies (Paper, pencils, Forms, Small office equipment) utilized kshs.4, 124,535 against the approved kshs. 1,844,091 (Exceeds by Ksh.2,280,444)
25. Supplies and Accessories for Computer and printers had an allocation of kshs. 1,444,091 where kshs. 2,122,641 was utilized (146.98%).

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26. Sanitary and cleaning material utilized kshs.4, 122,758 against the approved allocation kshs2, 032,274(More by Ksh.2, 090,484.)
27. Refined fuels and lubricants for transport utilized kshs.5, 939,275 against the allocation kshs.3, 789,275(Exceeds by Ksh.2, 150,000.)
28. Other Fuels (wood, charcoal, cooking gas) utilized kshs. 1,857,957 against the allocation of kshs. 1,266,137(Ksh.591, 820.)
29. Bank service commission and charges utilized kshs. 115,557 against the approved kshs. 101,291 (Exceeds by Ksh.14, 266.)
30. Medical expenses Patient files and cards kshs. 2,445,184 where kshs. 4,149,684 was utilized (169.70%).
31. Contracted guards and cleaning services had approved allocation of kshs. 8,720,457 and kshs. 12,824,517 was absorbed. (147.06%).
32. Membership fees, Dues and Subscriptions to professionals and Trade bodies had kshs. 1,075,391 expenditure against the approved allocation of kshs. 844,091 (127.40%).
33. Maintenance expenses- motor vehicle absorbed kshs 3,041,986 against approved kshs.2, 376,366(128.00%).
34. Maintenance of plant, machinery and equipment had an allocation of kshs. 2,688,183 with expenditure of kshs. 5,209,940(more by Ksh.2, 521,757).
35. Maintenance of office furniture and equipment had an allocation of kshs. 1,110,229 and same amount of Ksh.1, 110,229 was spent (100%)
36. Maintenance of Medical and Dental equipment had an allocation of kshs. 5,096,823 with expenditure of kshs. 8,580,641 (168.35 %.)
37. Maintenance of Building and stations- Non Residential had an allocation of kshs. 5,801,384 with expenditure of kshs. 7,122,158 (122.76%) Exceeds by Ksh.1,320,744
38. Maintenance of Computer, software and Network had approved allocation kshs.1, 110,229 with kshs. 1,323,229 expenditure (119.18%).
39. Purchase of Households and Institutional Appliances had zero allocation where Ksh.98, 150 was utilized.
40. Purchase of Office Furniture and Fittings allocated Ksh.1, 066,137 utilized Ksh.1, 134,137(106.37%).
41. Purchase of Computers. Printers and other IT equipment's allocated Ksh.1, 288,187 utilized

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Ksh.1, 795,187 (139.35%).

42. Purchase of Air conditioners, Fans and Heating Appliances had zero allocation and utilized Ksh.3, 110,701.
43. Research (Baseline survey) had zero allocation and utilized Ksh.3, 111,403.

Development budget of Kshs.20m for Construction of Webuye outpatient did not receive any funds

3.1.5.1.5.3 Mt. Elgon Sub County Hospital

The actual revenue collection amounts to Kshs. 16,481,364 i.e 49.76 % of the set targets

The overall recurrent expenditure was Kshs. 99,773,603 against an approved allocation of Kshs. 33,118,921 translating to 301.3% over expenditure .

Budget execution by classification

The absorption of the budget was as follows;

1. Utility supplies and services utilized Kshs. 385,000 against an allocation of Kshs. 1,380,887 (28%).
2. Electricity had an allocation of 1,104,951 with an expenditure 1,674,951 (exceeding with 570,000)
3. Water and sewerage had an allocation of Kshs.275,936 with an expenditure of 380,936 (exceeding budget with Kshs.105,000)
4. Communication Supplies and services utilized kshs. 98,500 against the approved allocation of kshs. 289,214 translating to 34%
5. Telephone and telex, fax had an allocation of 156,281 with an expenditure 271,281 (over expenditure of Kshs. 115,00)
6. Currier and postal services had allocation of 81,328 with an expenditure of Kshs.81,328(100%)
7. Domestic Travel, Subsistence and Other costs utilized Kshs. 994,274 against an allocation of Kshs. 465,588(213.6%)
8. Travel costs (airline) had an allocation of Kshs.146,874 against an expenditure of Kshs.1,266,248 (exceeding 1,119,374)

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9. Accommodation had an allocation of Kshs.158,569 against an expenditure Kshs. 244,569 ,exceeding budget by Kshs.86,0000
10. Daily subsistance had an allocation of Kshs.160,145 against an expenditure of Kshs.1,094,012 ,exceeding budget by Kshs.933,867
11. Publishing and Printing services had approved allocation of kshs. 143,828 with expenditure of Kshs.143,828.
12. Hospitality supplies utilised Kshs. 635,000 against an allocation of Kshs. 826,054(77%)
13. Catering services had an allocation of Kshs.210,310 against an expenditure of Kshs.525,310 , exceeding budget by Kshs. 255,000
14. Board and committee had an allocation of Kshs. 555,743 against an expenditure of Kshs.1,876,743 ,exceeding budget by Kshs. 1,321,000
15. Medical Drugs utilized Kshs. 10,130,711 against an allocation of Kshs. 9,157,687 , exceeding budget by kshs. 973,024
16. Dressing and other Non-Pharmaceutical Medical items had an approved allocation of kshs. 4,649,248 against expenditure of Kshs. 7,438403 absorption,exceeding budget by kshs.2,789,155
17. Fungicide, insecticides and sprays had an allocation of kshs. 77,487 with an expenditure of Kshs.77,748
18. Chemical and industrial gases utilized kshs. 493,037 against the approved allocation of kshs. 429,037,exceeding budget by Kshs. 64,000
19. Laboratory materials, supplies and small equipment had an allocation of kshs. 3,205,551 with an expenditure of kshs. 3,865,751,exceeding budget by kshs. 660,200
20. Food and Ration utilized kshs. 5,640,219 against the approved allocation of kshs. 2, 994,357,surpassing the budget by kshs. 2,645,862
21. Purchase of uniforms and clothing –Staff had an approved allocation of kshs. 434,708 with nil absorption.
22. Purchase of bedding and linens had an approved allocation of kshs. 661,500 actual expenditure was kshs. 776500, surpassing budget by kshs. 115,500
23. Purchase of X-rays supplies utilized Kshs.693,635 against the approved allocation of kshs. 693,635
24. Office and General Supplies and services utilized kshs. 785,768 against the approved

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allocation of kshs. 381,403 exceeding budget by Kshs. 404,365)

25. Supplies and accessories had an allocation ofKshs. 230,586 with an expenditure of Kshs.391,286 ,exceeding by Kshs. 160,700
26. Sanitary and cleaning had an allocation of Kshs.432,847 with an expenditure of Kshs. 461,297 ,surpassing target by kshs. 28,450
27. Fuel, oil and lubricant utilized kshs. 825,000 against the approved budget kshs 1,084,580 translating to 76%
28. Refined fuel had allocation of Kshs.653,638 with an expenditure of Kshs. 1,828,638 ,surpassing budget by kshs. 1,175,000
29. Other fuels (wood etc) had an allocation of Kshs.430,942 with an expenditure of Kshs.568,005 (131.8%)
30. Bank service commission and charges utilized kshs. 52,463against the approved kshs. 13,497 , exceeding budget by Kshs. 38,966
31. Medical expenses with an allocation of kshs. 474,446 utilised kshs. 702,931 surpassing target by kshs. 228,485
32. Contracted guards and cleaning services had no allocation yet kshs. 986,440 was utilised.
33. Maintenance expense allocated Kshs.844,100 utilised Kshs. 1,106,763,Surpassing target by Kshs.262,663
34. Maintenance expenses- motor vehicle absorbed kshs. 202,981 against approved kshs. Kshs.844,100(24%)
35. Maintenance of plant, machinery and equipment had an allocation of kshs. 445,091 with expenditure of kshs. 713,191 surpassing budget by 160.23%
36. Maintenance of office furniture and equipment had an allocation no yet expenditure was Kshs.113,214
37. Maintenance of Medical and Dental equipment had an allocation of kshs. 875,010 with an expenditure of Kshs.875,010
38. Maintenance of Building and stations- Non Residential had an allocation of kshs. 1,529,181 with expenditure of kshs. 2,203431 surpassing budget by kshs. 674,250
39. Maintenance of Computer, software and Network had approved allocation kshs. 232,476 with kshs.296,176 expenditure ,exceeding budget by Kshs. 63,700
40. Purchase of Household and Institutional Appliances had an allocation of kshs. 144,970 and

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utilized Kshs.169,970,surpassing budget by kshs. 25,000

41. Purchase of office furniture and fittings had allocation of Kshs. 274,062 and an expenditure of Kshs.274,062
42. Purchase of Computer, Printers and other IT equipment had an expenditure of Kshs.240,321 against the approved allocation kshs. 146,321 (exceeding with 94,000)

3.1.5.1.5.4 Bokoli Sub County Hospital

The actual recurrent expenditure was Kshs. 12,733,953.97 against the approved allocation of kshs. 36,216,074 translating to 35.16%absorption.

Budget Absorption.

1. Electricity had an allocation of Kshs. 1,800,000 where Kshs. 740,480 was utilized (41.14%)
2. Water and Sewerage charges had an allocation of kshs. 901,200 where kshs. 337,700 was utilized (37.5%).
3. Telephone, Telex, Facsmile and mobile phone services utilized kshs. 102,800 against the approved allocation of Kshs. 135, 166. (76.1%)
4. Internet connections had an allocation of kshs. 360,443 with kshs. 60,800 absorption representing 16.9%.
5. Domestic Travel, Subsistence and Other allocated Kshs. 2,992,323 utilised an allocation of Kshs. 237,250 (15.14%).
6. Publishing and Printing services had approved allocation of kshs. 360,443 and expenditure kshs. 107,350 (29.8%)
7. Hospitality supplies and services had approved allocation of kshs. 2,902,213 , kshs. 1,650,050 was utilised representing 56.9%
8. Medical drugs utilized kshs. 1,245,605 against the approved allocation of kshs. 5,500,000 translating to 22.7%
9. Dressing and Other Non-pharmaceutical medical items had approved allocation kshs. 3,000,000 where kshs. 1,136,950 was utilized (37.9%)
10. Fungicide, insecticides and sprays had an allocation of kshs. 900,000 with kshs. 19,800 expenditure. (2.2%)

11. Chemical and industrial gases utilized kshs. 15,600 against the approved allocation of kshs. 400,000 (3.9%)
12. Laboratory materials, supplies and small equipment had an allocation of kshs, 1,900,000 with an expenditure kshs. 484, 460. (25.5%)
13. Food and Ration utilized kshs. 1,223,208.07 against the approved allocation kshs.2, 500,000 (48.9%).
14. Purchase of beddings and linen had an approved allocation of kshs. 1,200,000 with expenditure of kshs. 47,500 representing 4%
15. Office and General Supplies and services utilized kshs. 988,400 against the approved allocation of kshs. 2,252,766 translating to 43.9 %
16. Fuel oil and Lubricants utilized Kshs. 863,720 from an allocation of Kshs. 2,101,106 (41.1%).
17. Medical expenses utilized kshs. 444,969 against an allocation of kshs. 901,106 (49.4%)
18. Maintenance expenses- motor vehicle utilized kshs. 302,214 against approved kshs. 1,351,600(22.4%)
19. Maintenance of plant, machinery and equipment allocated kshs. 1,351,600 utilised kshs. 24,900 (1.8%)
20. Maintenance of office furniture and equipment had an allocation of kshs. 901,106 with expenditure of kshs. 108,000(12%)
21. Maintenance of Medical and Dental equipment had an allocation of kshs. 225,277 with zero absorption.
22. Maintenance of Building and stations- Non Residential had an allocation of kshs. 1,800,000 with expenditure of kshs. 1,594,310 (88.6%)
23. Supplies and accessories for computers and printers utilised kshs. 49,200 against approved allocation of kshs. 600,100(8.2%)
24. Maintenance of Computer, software and Network had an allocation of kshs. 270,332 with an expenditure of kshs. 70,550 (26.1%)
25. Purchase of Computer, Printers and other IT equipment kshs. 325,000 against the approved allocation kshs. 600,000. (54.2%)

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3.1.5.1.5.5 Cheptais Sub County Hospital

The overall recurrent expenditure was Kshs. 17,664,246 against the approved allocation of kshs. 54,634,528 translating to 32.33%.

Budget execution by classification

The absorption of the budget was as follows;

1. Utilities and supplies allocated Kshs. 1,536,989 had no absorption.
2. Electricity with an approved budget of Kshs.1, 178,386 incurred an expenditure of Kshs. 748,922 indicating a 63.6% absorption.
3. Water and Sewerage charges utilized Kshs. 50,000 from an allocation of Kshs. 358,603 (13.9%).
4. Communication supplies and services allocated Kshs. 360,911 had no expenditure.
5. Telephone Telex and mobile phone services utilized Kshs. 41,000 against the approved allocation of kshs. 174,540 translating to 23.5%
6. Internet connections utilized Kshs. 43,550 from an allocation of Kshs. 150,662(28.9%).
7. Courier and Postal Services allocated kshs. 35,709 had no expenditure in the period
8. Daily subsistence allowance utilized Kshs. 1,611,020 from an allocation of Kshs. 520,186 ,exceeding budget by kshs. 1,090,834
9. Printing, Advertising and information supplies and services allocated kshs. 219,037 had no expenditure.
10. Catering services (reception), Accommodation, Gifts, food and drinks with approved allocation of 392,795 received kshs. 181, 330. (46.2%)
11. Boards and conferences and Seminars cost kshs. 1,042,693 against approved allocation of kshs. 508,100(48.7%)
12. Medical Drugs utilised Kshs. 1,999,244 from an allocation of Kshs. 16,974,789 (11.8%)
13. Dressing and other Non-Pharmaceutical Medical items had an approved allocation of kshs. 6,561,942 with Kshs. 2,188,597 absorption. (33.4%)
14. Fungicide, insecticides and sprays allocated kshs. 2,588,879 utilised kshs. 572,773 (22.1%)
15. Chemical and industrial gases utilized kshs. 108,500 against the approved allocation of kshs. 171,402(63.3%)

16. Laboratory materials, supplies and small equipment had an allocation of kshs. 3,463,741 with an expenditure kshs. 356,600 (10.3%)
17. Food and Ration utilized kshs. 1,306,280 against the approved allocation kshs.3, 657,193. (35.7%)
18. Purchase of bedding and linens allocated kshs. 446,358 utilized kshs. 100,000(22.4%)
19. General office Supplies (Paper, pencils, Forms, Small office equipment) utilized kshs. 1,044,210 against the approved kshs. 438,145 exceeding budget by kshs. 606,065
20. Sanitary and cleaning material utilized kshs. 334,483 against the approved allocation kshs. 1,465,841 (23%)
21. Refined fuels and lubricants for transport utilized kshs. 1,322,440 against the allocation kshs. 2,142,520 (61.7 %)
22. Other Fuels (wood, charcoal, cooking gas) utilized kshs. 120,000 against the allocation of kshs. 1,169,459 (10.3%)
23. Bank service commission and charges utilized kshs. 16,042 against the approved kshs. 42,850 (37.4%)
24. Medical expenses had approved allocation of kshs. 2,800,115 and zero expenditure.
25. Contracted guards and cleaning services had no allocation yet kshs. 1,470,000 was absorbed.
26. Legal dues/fees, Arbitration and compensation payments had no allocation yet kshs. 290,000 was utilised
27. Maintenance expenses- motor vehicle absorbed kshs. 98,670 against approved kshs. 982,212(10%)
28. Maintenance of plant, machinery and equipment had an allocation of kshs. 80,345 with expenditure of kshs. 111,050,surpassing budget by kshs. 30,705
29. Maintenance of Medical and Dental equipment had an allocation of kshs. 1,785,434 with expenditure of kshs.282, 850 (16%)
30. Maintenance of Building and stations- Non Residential had an allocation of kshs. 277,278 with expenditure of kshs. 1,954,483 surpassing budget by kshs. 1,677,205
31. Purchase of office furniture and general equipment utilized kshs. 62,112 against allocated kshs.633,829
32. Purchase of specialized plant, Equipment and Machinery had approved allocation of kshs. 4,999,214 with nil absorption.

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33. Purchase of ICT networking and Communications Equipment, Kshs. 650,000 from an allocation of Kshs. 4,999,214 (13%).

3.1.5.1.5.6 Bumula Sub County Hospital

The facility did not submit its expenditure.

3.1.5.1.5.7 Naitiri Sub County Hospital

The overall recurrent expenditure was Kshs. 17,698,102 against the approved allocation of kshs. 31,753,200 translating to 55.74%.

Budget execution by classification

The expenditure on the votes were as follows;

1. Electricity with an approved budget of kshs.1, 810,856 incurred an expenditure of Kshs.1, 274,651, representing a 70.38% absorption.
2. Water and Sewerage charges, with an approved budget of Kshs. 382,860 utilised Kshs. 13,000 indicating a 3.39% absorption.
3. Telephone Telex and mobile phone services utilized kshs. 215,500 against the approved allocation of kshs. 300,000 translating to 71.83%
4. Internet connections utilised Kshs. 72,000 against an allocation of Kshs. 222,767 (32.32%).
5. Travel cost (airlines, bus, railway, mileage allowances etc.) had an allocation of kshs. 194,078 with expenditure of kshs. 226000 translating to 116.44%
6. Accommodation- Domestic allowance utilised Kshs.710, 500 from an allocation of Kshs. 782,595 translating to 90.78%
7. Daily subsistence allowance utilized Kshs. 908,200 from an allocation of Kshs. 602,121 indicating a 150.83%
8. Publishing and Printing services had an allocation of kshs. 417,033 with an expenditure of kshs. 105,000 absorption (25.17%)
9. Catering Services (reception), Accommodation, Gifts, Food and Drinks utilised Kshs. 382,500 against an allocation of Kshs. 496,710 (77.01%)
10. Boards Committees, Conferences and Seminars Kshs. 879,000 from an allocation of Kshs. 700,000 indicating a 125.57%
11. Medical Drugs utilised Kshs. 1,181,223 against an allocation of Kshs. 5,173,184 (22.83%)

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12. Dressing and other Non-Pharmaceutical Medical items had an approved allocation of kshs. 4476,446 with Kshs. 3,514,944 absorption. (78.52%)
13. Fungicide, insecticides and sprays had an allocation of kshs. 687,626 where kshs. 844,148 was absorbed (122.76%)
14. Chemical and industrial gases utilized kshs.97, 000 against an approved allocation of kshs. 687,626(14.10%)
15. Laboratory materials, supplies and small equipment had an allocation of kshs. 2,000,000 with an expenditure kshs. 824,100(41.21%)
16. Food and Ration utilized kshs. 2,307,934 against the approved allocation kshs.3, 375,253. (68.37%)
17. Purchase of bedding and linens had an approved allocation of kshs. 354,401 where utilized kshs. 92,026(25.96%)
18. General office Supplies (Paper, pencils, Forms, Small office equipment) utilized kshs. 187,390 against the approved kshs. 449,004(41.73%)
19. Sanitary and cleaning material utilized kshs. 488,550 against the approved allocation kshs. 577,683 (84.57%)
20. Refined fuels and lubricants for transport utilized kshs. 604,874 against the allocation kshs. 1,007,151 (60.05%)
21. Other Fuels (wood, charcoal, cooking gas) utilized kshs. 218,700 against the allocation of kshs. 276,600 (79.06%)
22. Bank service commission and charges utilized kshs. 17,399 against allocation of Kshs. 60,000(28.99%)
23. Medical expenses had allocation of kshs. 746,387 yet Kshs. 117,414 (15.73%) was utilised
24. Contracted guards and cleaning services had an allocation of kshs. 1,260,000 with an expenditure of kshs. 840,000 (66.66%).
25. Maintenance expenses- motor vehicle absorbed kshs 234,291 against approved kshs. 683,490 (34.27%)
26. Maintenance of plant, machinery and equipment had an allocation of kshs. 454,695 with expenditure of kshs. 233,884 (51.43%)
27. Maintenance of office furniture and equipment had an allocation of kshs. 228,605 with an expenditure of Ksh.55, 000(24.05%)

28. Maintenance of Medical and Dental equipment had an allocation of kshs. 328,800 with expenditure of kshs.108, 300 (32.93%)
29. Maintenance of Building and stations- Non Residential had an allocation of Kshs. 540,000 with expenditure of kshs. 702,674 (130.12%)
30. Maintenance of Computer, software and Network had approved allocation kshs. 788,813 with kshs. 241,900 expenditure (30.66%)

3.1.5.1.5.8 Kimilili Sub County Hospital

The overall recurrent expenditure was Kshs. 63,965,451 against the approved allocation of kshs. 76, 449,721 translating to 83.67%.

Budget execution by classification

The expenditure on the votes were as follows;

1. Electricity had an allocation of Ksh.2, 838,976 with an expenditure of Ksh.2, 083,275(73.38%)
2. Water and sewerage charges had an allocation of Ksh.520, 479 with an expenditure of Ksh.120, 000(23.05%)
3. Telephone, Telex, Facsimile and mobile phone services with an allocation of Ksh.447, 260 utilised Ksh.360, 000(80.49%)
4. Internet connection had an allocation of Kshs. 319,254 with an expenditure of Ksh.92, 700(29.03%)
5. Courier and Postal Services had an allocation of Ksh.23, 667 with an expenditure of Ksh.9, 450(39.92%)
6. Travel costs (airline, bus, railway, mileage allowance) had an allocation of Ksh.236, 581 with an expenditure of Ksh.470, 525(198.87%)
7. Accommodation-Domestic Travel had an allocation of Ksh.462, 790 with an expenditure of Ksh.2, 012,600surpassing budget by kshs. 1,549,810
8. Daily subsistence allowance with an allocation of Ksh.1, 122,071 had an expenditure of Ksh.2, 775,125 surpassing budget by kshs. 1,653,054
9. Publishing and Printing services had approved allocation of kshs. 236,581 and expenditure of kshs. 366,940 surpassing budget by kshs. 130,359
10. Catering Services (receptions), Accommodation, Gifts, Foods and Drink with an allocation of

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Ksh.912, 818 utilized Kshs. 740, 750 (81.1%)

11. Boards, Committees. Conferences and Seminars with an allocation of Ksh.944, 035 utilized Ksh.1, 345,000 (142.47%)
12. Medical Drugs utilized Kshs. 7,303,968.50 from an allocation of Kshs. 23,727,379 (30.78%)
13. Dressing and other Non-Pharmaceutical Medical items had an approved allocation of kshs. 10,460,080 , Kshs. 14,045,417 was utilized . (134.27%)
14. Fungicide, insecticides and sprays had an allocation of kshs. 466,154 where Ksh.112, 500 was absorbed (24.13%)
15. Chemical and industrial gases utilized kshs. 374,520 against the approved allocation of kshs. 874,257 (42.8%)
16. Laboratory materials, supplies and small equipment had an allocation of kshs. 5,784,782 with an expenditure kshs. 3,429,710 (59.28%)
17. Food and Ration utilized kshs. 6,709,382 against the approved allocation kshs. 3,731,627. (179.79%)
18. Purchase of Uniforms and Clothing's-Staff utilized Ksh.60, 000 against approved allocation of Ksh.300, 000(20%)
19. Purchase of beddings and linen had an approved allocation of kshs. 1,182,907 where kshs. 1,392,840(117.74%) was utilized.
20. Purchase of X-rays supplies utilized kshs. 1,321,418 against the allocation of Ksh.1, 000,000(132.14%)
21. Office and General Supplies and services utilized kshs. 2,072,107 against the approved allocation of kshs. 82 3,664translating to (251.57%)
22. Supplies and Accessories for Computers and Printers with an allocation of Ksh.490, 343 utilized Ksh.168, 080(34.27%)
23. Sanitary and Cleaning Materials, Supplies and Services allocation of Ksh.1, 412,240 utilized Ksh.3, 558,590(251.98%)
24. Refined Fuels and Lubricants for Transport had an allocation of Ksh.1, 712,398 with an expenditure of Ksh.1, 506,937(88%)
25. Other Fuels (wood, charcoal and cooking gas) had an allocation of Ksh.1, 067,335 utilized Ksh.788, 360(73.86%)
26. Bank service commission and charges utilized kshs. 20,880 yet it had no allocation.

27. Medical expenses (patient files and cards) had an allocation of kshs. 894,172 where kshs. 1, 020, 0000 was utilized (114.07%)
28. Contracted guards and cleaning services had approved allocation of kshs. 1,940,998 and kshs. 2,173,880 was absorbed translating to (111.99%)
29. Membership Fees, Dues and Subscriptions to Professional and Trade Bodies allocation of Ksh.200, 000 utilized Ksh.40, 000(20%)
30. Maintenance expenses- motor vehicle absorbed kshs 687,300 against approved kshs. 1,064,616 (64.55%)
31. Maintenance of plant, machinery and equipment had an allocation of kshs. 2,338,775 with an expenditure of Ksh.878, 490(37.56%)
32. Maintenance of office furniture and equipment had an allocation of kshs. 236,581 and expenditure of Ksh.76, 500(32.33%)
33. Maintenance of Medical and Dental equipment had an allocation of kshs. 2,809,787 with zero expenditure
34. Maintenance of Building and stations- Non Residential had an allocation of kshs. 3,752,872 with expenditure of kshs. 4,270,688 translating to 113.79%
35. Purchase of Household and Institutional Appliances had an allocation of kshs. 473,275 and utilized kshs. 197,632. (41.96%)
36. Purchase of Office Furniture and Fittings with an allocation of Ksh.300, 000 utilized Ksh. 150,600(50.2%)
37. Purchase of Computers, Printers and Other IT Equipment's allocation Ksh.500, 000 utilized Ksh.200, 000(40%)
38. Purchase of ICT networking and communications equipment utilized Ksh.1, 028,286 against the approved allocation kshs. 509,753 ,exceeding budget by kshs. 518,533

3.1.5.1.5.9 Sinoko County Hospital

The overall recurrent expenditure was Kshs. 3,859,312 against the approved allocation of kshs. 8,688,498 translating to 43.06%.

Budget execution by classification

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The absorption of the budget was as follows;

1. Electricity allocated Ksh.407,730 utilized Ksh.87,500 an absorption rate of 21.46%
2. Water and sewerage charges allocated Ksh.174, 741 utilized Ksh.76, 000 (43.49%)
3. Telephone, Telex, Facsimile and Mobile Phone Services utilized kshs.110, 500 against the approved allocation of kshs.81, 546 translating to 135.5%. It Exceeded budget by Ksh.28,954
4. Travel costs (Airlines, Bus, Railway, Mileage, etc) allocation Kshs116, 494 utilized Kshs.154, 000 (132.19%).
5. Daily Subsistence Allowance allocated Ksh.46, 598 utilized Ksh.347, 500 (745.74%)
6. Catering Services (Receptions), Accommodations, Gifts, Food and Drinks utilized Kshs.78, 000 from an allocation of Kshs.81, 546 (95.65%)
7. Boards, Committees, Conferences and Seminars allocated Ksh.232, 988 utilized Ksh.327, 000(140.35%).
8. Medical Drugs utilized Kshs.556, 850 from an allocation of Kshs.1, 959,199 (28.42%)
9. Dressing and other Non-Pharmaceutical Medical items had an approved allocation of kshs.875, 751 with Kshs.314, 415 absorption. (35.90%)
10. Laboratory materials, supplies and small equipment had an allocation of kshs.629, 068 with an expenditure kshs.128, 000(20.34%)
11. Food and Ration utilized kshs.393, 498 against the approved allocation kshs.990, 200. (39.73%)
12. Purchase of beddings and linen allocated kshs.52, 422 utilized Ksh.65, 500(124.94%).
13. General Office Supplies (Papers. Pencils, Forms, Small Office Equipment's etc) allocated Ksh.205, 962 utilized Kshs.103, 295 (50.15%)
14. Sanitary and Cleaning Materials, Supplies and Services allocated Ksh.139, 793 utilized Ksh.64, 485 (46.12%)
15. Refined Fuels and Lubricants for Transport allocated Ksh.661, 687 utilized Kshs.71, 000 (10.73%)
16. Other Fuels (Wood, Charcoal and Cooking Gas) allocated Kshs.407, 730 utilized Kshs.25, 500 (6.25%)
17. Bank service commission and charges utilized kshs.14, 372 against approved allocation of kshs.20, 969. (68.53%)

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18. Contracted Professional services utilized Ksh.102, 600 without allocation.
19. Medical expenses had zero allocation where kshs.111, 000 was utilized.
20. Legal Dues/Fees, Arbitration and Compensation payments allocated Ksh.50, 000 utilized Ksh.20, 000 (40%)
21. Maintenance expenses- motor vehicle absorbed kshs.196, 050 against approved kshs.232, 988 (84.14%).
22. Maintenance of plant, machinery and equipment had an allocation of kshs.58, 247 with zero expenditure.
23. Maintenance of office furniture and equipment had an allocation of kshs.23,299 utilized Ksh.6,500 (27.89%).
24. Maintenance of Medical and Dental equipment had an allocation of kshs.58,247 with kshs.11,500 expenditure (19.74%) .
25. Maintenance of Building and stations- Non Residential had an allocation of kshs.664,017 with expenditure of kshs 342,530 translating to 51,58%.
26. Maintenance of Computer, software and Network had approved allocation kshs.58, 247 with expenditure of kshs.61,000
27. Purchase of office furniture and general equipment utilized kshs.15,600 against approved allocation of kshs.159,548. (9.77%)
28. Purchase of Household and Institutional Appliances had an allocation of kshs.81,546 and utilized Ksh.21,617(26.50%).

3.1.5.1.5.10 Chwele Sub County Hospital

The overall recurrent expenditure was Kshs. 13,825,778 against the approved allocation of kshs. 43,271,540 translating to 31.95%.

Budget execution by classification

The expenditure on the votes were as follows;

1. Utility supplies and services, utilized Kshs. 536,069 from an allocation of Kshs. 1,750,567 (30.6%).
2. Water and sewerage had allocation of Kshs.236,563.07 with an expenditure of Kshs.378,660

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exceeding budget by kshs. 142,096.93

3. Telephone, Telex, Facsmile and Mobile phone services had an approved allocation of kshs. 157,708.71 with an expenditure Kshs.173,600 ,exceeding budget by kshs. 15,891.29
4. Internet connections utilised kshs. 126,000 against approved allocation kshs. 36,569.50 exceeding budget by kshs. 89,430.50
5. Domestic Travel, Subsistence and other costs had an allocation of Kshs. 1,151,273.59 with an expenditure of kshs. 1,314,500 exceeding budget by kshs. 163,226
6. Publishing and printing services had no allocation yet had an expenditure of kshs. 249,650.
7. Hospitality supplies utilized kshs. 783,931 against approved allocation of Kshs. 1,602,320.51
8. Medical Drugs utilized Kshs. 1,324,909 against an allocation of Kshs. 14,509,201.46(9.1%)
9. Dressing and other Non-Pharmaceutical Medical items had an approved allocation of kshs. 6,150,639.75 with Kshs. 1,451,455 absorption. (23.6%)
10. Fungicide, insecticides and sprays had an allocation of kshs. 157,708.71 where kshs. 25,000 was absorbed (16%)
11. Chemical and industrial gases utilized kshs. 16,000 against the approved allocation of kshs. 189,250.45(8.4%)
12. Laboratory materials, supplies and small equipment had an allocation of kshs. 4,163,509.98 with an expenditure kshs. 739,700 (17.8%)
13. Food and Ration utilized kshs. 2,031,750 against the approved allocation kshs. 4,644,521.55 (43.7%)
14. Purchase of beddings and linen with an approved allocation of kshs. 630,834.85 utilized kshs. 235,000(37.3%)
15. Purchase of X-rays supplies utilized kshs. 210,500 against the approved allocation of kshs. 189,250.45(111.2%)
16. General office Supplies and services had an approved allocation of kshs. 315,417.42 with kshs. 344,000 absorption
17. Supplies and accessories for computers and printers with an allocation 250,441.43 with an expenditure of 131,000 (53.3%)
18. Sanitary, and cleaning materials supplies and services allocated 394,271.78 with an expenditure of 194,850 (49.2%)
19. Fuel, oil and lubricant utilised kshs. 10,000 against the approved kshs 1,703,254.08

translating to 0.5%

20. Other fuel (wood charcoal and cooking gas etc) with an allocation of kshs. 252,333.94 utilised Kshs. 120,433.(47.7%)
21. Refined fuels and lubricants for transport with an allocation of 1,450,920.15 utilised kshs. 562,531 (38.8%)
22. Bank service commission and charges utilized kshs. 8650 yet it had no allocation.
23. Medical expenses had approved allocation of kshs. 788,543.56 where kshs. 360,100 was utilized
24. Contracted guards and cleaning services had zero allocation yet kshs. 588,400 was absorbed.
25. Maintenance expenses- motor vehicle absorbed kshs 90,000 against approved kshs. 567,751.36 (15.9%)
26. Routine maintenance of other assets with an allocation of 1,338,631.54 with zero absorption.
27. Maintenance of plant, machinery and equipment had an allocation of kshs. 189,200.45 with expenditure of kshs. 56,500 (29.9%)
28. Maintenance of office furniture and equipment had no allocation yet kshs.22,000 was utilized.
29. Maintenance of Medical and Dental equipment allocated kshs. 203,128.82 utilised Kshs. 120,500. (59%)
30. Maintenance of Building and stations- Non Residential had an allocation of kshs. 946,252.27 with expenditure of kshs. 1,290,590 translating to 136.4%
31. Maintenance of Computer, software and Network had no allocation yet kshs. 17,000 was utilised
32. Purchase of Household and Institutional Appliances had an allocation of kshs. 315,496.29 and utilized kshs. 107, 500. (34.1%)
33. Purchase of computers and other it equipments with an allocation of 331,188.29 utilised Kshs. 205,000 (61.9

3.1.5.1.5.11 Sirisia Sub County Hospital

The overall recurrent expenditure was Kshs. 17,685,379.55 against the pproved allocation of kshs. 50,497,588 translating to 26%. Development allocation of Kshs. 12million for purchase of a High frequency full digital radiography system plus X-ray Printer was not funded.

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Budget execution by classification

The expenditure on the votes were as follows;

1. Electricity had an allocation of Kshs.956,453 with an expenditure of Kshs.40, 025 (4.2%)
2. Water and sewerage charges had an allocation of Kshs.106,273 with zero expenditure
3. Telephone, telex, facsimile, and mobile phone service allocated kshs. 212,545 utilised kshs. 30,000 (14.1%)
4. Travel cost (airlines bus , railway, mileage allowance etc) allocated Kshs. 183,121 utilised kshs. 692,200,exceeding budget by kshs. 509,079
5. Accommodation and – domestic travel had zero allocation with an expenditure of 615,500
6. Daily subsistence allowance had an allocation of kshs. 425,090 where kshs. 385,000 was utilized 90.56$%
7. Hospitality supplies utilised Kshs. 1,002,650 from an allocation of Kshs. 1,221,071(82%)
8. Catering services (receptions, accommodations, gifts, food and drinks) allocated Kshs. 530,300 utilised Kshs. 1,284,367 (242.2%)
9. Boards committees, conferences and seminars allocated Kshs. 690,771 utilised Kshs. 730,500z,surpassing the budget by kshs.39,729
10. Medical Drugs utilized Kshs. 2,600,689 against an allocation of Kshs. 8,878,153(29.3%)
11. Dressing and other Non-Pharmaceutical Medical items had an approved allocation of kshs. 3,801,441 with expenditure of kshs.1, 674,592.35 (44.1%)
12. Fungicide, insecticides and sprays had an allocation of kshs. 318,818 with an expenditure of 137,000(43%)
13. Chemical and industrial gases utilized kshs. 1,492,192 against the approved allocation of kshs. 106,273 ,exceeding budget by Kshs. 1,385,922
14. Laboratory materials, supplies and small equipment had an allocation of kshs. 1,581,903 with an expenditure kshs. 2,552,342(161.3%)
15. Food and Ration had an allocation kshs. 2,538,356 with an absorption of kshs. 1, 102, 792. (43.45%)
16. Purchase of beddings and linen allocated kshs. 637,635 utilised Kshs. 80,000 (12.54%)
17. Purchase of X-rays supplies utilized zero against the approved allocation of kshs. 425,090
18. General office supplies (papers, pencils forms and small office equipment etc) allocated

Kshs.531,363 utilisedKshs. 275, 900 (52%)

19. Supplies and accessories for computers and printers had no allocation yet utilized Kshs. 599,530
20. Sanitary and cleaning materials supplies and services had an allocation of 531,363 utilised kshs. 396,530 (74.6%)
21. Refined fuels and lubricants for transport allocated Kshs. 1,487,815 utilised Kshs. 381,520 (25.6%)
22. Other fuels (wood charcoal, cooking gas etc.) utilised kshs. 316,520 against approved allocation of kshs. 159,409
23. Bank service commission and charges utilized kshs. 409,500 against the approved allocation of kshs. 53,136 (770.7%)
24. Medical expenses had approved allocation of kshs. 584,499 yet kshs. 637,000 was utilized (109%)
25. Contracted guards and cleaning services hadno allocation yet kshs. 364,000 was utilized.
26. Legal dues, arbitration and compensation payments had zero allocation yet Kshs. 110,000 was utilized.
27. Maintenance expenses- motor vehicle allocated kshs. 584,499 utilised kshs. 60,000e.
28. Maintenance of plant, machinery and equipment allocated kshs. 107,335 utilised kshs. 1,197,880,exceeding budget by kshs. 1,090,545
29. Maintenance of office furniture and equipment allocated kshs. 212,545 utilised kshs.1,385,280,exceeding budget by Kshs. 1,172,735
30. Maintenance of Medical and Dental equipment allocated kshs. 1,168,998 had no expenditure
31. Maintenance of Building and stations- Non Residential had an allocation of kshs. 850,180 utilised kshs. 376,800
32. Maintenance of Computer, software and Network allocated kshs. 106,273 utilised Kshs. 95, 175. (89.6%)
33. Purchase of Household and Institutional Appliances allocated kshs. 212,545 , utilized Kshs.27, 430. (13%)
34. Purchase of Medical Dental Equipment allocated kshs. 1,285,898 had no expenditure.

Development

The amount was planned for a High frequency full digital radiography system plus X-ray Printer Sirisia at Kshs. 12,000,000

3.1.5.2 Committee observations and recommendations

Committee observations

1. On exchequer funded activities the department expended far much less than what the COB released to them.
2. Significant budget overruns and expenditure outside approved allocations were evident across several facilities.A recurring issue was expenditure exceeding approved budgets, particularly on utilities, travel and subsistence, catering, medical supplies, maintenance, and general office supplies. In several instances, expenditure was incurred against zero budgetary allocations, indicating weaknesses in budgetary control, commitment control, and adherence to approved estimates.
3. Low and uneven absorption of critical health-service inputs and development budgets was widespread.Several facilities had substantial un-utilized allocations for essential medical commodities and equipment, including drugs, laboratory supplies, medical/dental equipment, X-ray supplies, and specialized equipment.
4. Some facilities also recorded zero expenditure on approved development projects, notably Webuye County Hospital's Kshs. 20 million outpatient construction allocation and Sirisia's Kshs. 12 million digital radiography project. This suggests inadequate implementation of approved priorities despite identified resource needs.
5. The expenditure patterns point to weaknesses in budget planning, revenue performance, and financial management capacity at facility level. The combination of low absorption in some facilities, major overspending in others, and expenditures against zero allocations indicates weaknesses in realistic budgeting, expenditure prioritization, monitoring, and timely budget reallocation.

Committee recommendations

1. **THAT,** the Department of Health and Sanitation, in collaboration with the County Treasury, strengthen budgetary and expenditure controls at all health facilities to ensure that expenditure

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is incurred strictly within approved budgetary allocations. No expenditure should be incurred against a zero allocation or beyond an approved allocation without the requisite budgetary authority and documentation.

2. **THAT,** due to facilities operating outside IFMIS, the County Treasury and the Department of Health and Sanitation should ensure that all health facilities are fully integrated and operational on IFMIS to enhance budgetary control, commitment control, expenditure tracking and accountability.
3. **THAT,** the Department to undertake a detailed review of all expenditure overruns and expenditures incurred against zero allocations, establish the causes and responsibility for the variances, and take appropriate corrective measures to prevent recurrence.
4. **THAT**, to avoid instances of inadequate implementation of approved priorities despite identified resource needs particularly for the Sirisia Hospital completion, Webuye ICU/Renal Block, Bokoli Theatre, Cheptais medical equipment and Bumula maternity projects whose approved projects recorded no expenditure, the Department to develop and implement a clear development-budget implementation plan, with defined timelines, responsible officers and measurable milestones, to ensure timely implementation and absorption of approved development projects.
5. **THAT**, the Department to prioritize completion and operationalization of ongoing health infrastructure and equipment projects before initiating new projects, and provide the Committee with a status report on each stalled project, indicating the cause of delay, funds allocated, expenditure incurred, physical progress and expected completion date 60 days after the adoption of this report.
6. **THAT,** the Department and County Treasury undertake regular reconciliation of AIA collections, banked revenue, expenditure and reported financial statements at facility level, and submit reconciled schedules to the Committee.This will help address inconsistencies between reported revenue and expenditure and improve the reliability of financial information.
7. **THAT,** the County Government to develop a clear and time-bound framework for verification, prioritization and settlement of pending bills in the Health and Sanitation sector, while ensuring that new commitments are only entered into where there is adequate budgetary provision .
8. **THAT,** the Department and County Treasury improve the accuracy and realism of health-facility budgets by basing allocations on historical expenditure trends, actual service demand,

facility capacity and clearly identified priorities.

9. **THAT,** the Department institute monthly budget-performance reviews for all health facilities, comparing approved budgets, releases, commitments, actual expenditure and balances, and that corrective action be taken immediately where significant variances arise.
10. **THAT,** the facility managers and other responsible officers be held accountable for compliance with approved budgets, timely submission of financial reports and proper management of allocated resources.
11. **THAT,** the Department prioritize expenditure on essential patient-care services and critical health inputs over non-essential administrative expenditure, particularly where resources are constrained.
12. **THAT,** every health facility prepare a quarterly variance analysis explaining material differences between approved allocations and actual expenditure, including expenditure exceeding 100% and allocations recording minimal or zero absorption.
13. **THAT,** the Department, together with the relevant implementing units, address the identified e-GP challenges affecting Ward-based projects and provide a detailed implementation schedule for the Kshs. 83.07 million allocation on ward-based projects.
14. **THAT**, future financial reports submitted to the County Assembly should provide complete, accurate and reconciled information on budget allocations, funds received, expenditure, commitments, pending bills, AIA collections and project implementation status for each health facility.

3.1.6 Department of Trade Energy and Industrialisation Fy2025/26 Nine Months Financial Statements.

The total budget for Trade, Energy and Industrialization for the financial year 2025/2026 was Kshs. 449,476,292 as per the approved First Supplementary budget comprising of a total of Kshs. 79,268,506 Recurrent budget and Kshs. 370,207,786 Development budget.

1. Budget Absorption

The Department was able to receive a total of Kshs. 166,035,300 from the exchequer (Kshs. 44,903,255 recurrent and Kshs. 121,132,045 for development) translating to 37%. This disclosure

differ from Controller of Budget Implementation Review Report which shows that the Department was able to receive a total of Kshs. 145.2 Million from the exchequer (Kshs. 79.26 Million recurrent and Kshs. 65.94 Million for development) translating to 32.3%.

The Department was unable to adequately explain the variance between the amount of funds it reported as having received from the Exchequer and the amount reported by the Controller of Budget in the Budget Implementation Review Report.

The Department was therefore requested to reconcile the two sets of figures, provide supporting documentation, and clarify the source of the variance between the departmental records and the figures reported by the Controller of Budget.

2. Budget execution by classification

Under Recurrent, the allocation of Kshs. 79,268,506 had an expenditure of Kshs. 44,903,255 translating to 57%. The expenditure at Half Year was Kshs. 15,118,234.05 suggesting that during the Quarter alone, they were able to spend close to Kshs. 30 Million.

The Department explained that expenditure remained below 75% during the period under review due to delays in the release of funds from the Exchequer.

The expenditures were on the following votes:

i. Utilities supplies which had an allocation of Kshs. 40,000 for water and sewerage and Kshs. 34,000,000 for Electricity expenses had an expenditure of Kshs. 34,000,000 (100%) paid to KPLC for Electricity Bill. This implies that water and sewerage had nil expenditure.
   The Department explained that it was unable to utilize the allocation for water and sewerage services due to a dispute over outstanding water bills, which subsequently led to the disconnection of water services to the Department. Regarding electricity bills, the Department submitted payment vouchers as evidence of the payments made
ii. Communication Supplies and Services with an allocation of Kshs. 285,019 (Kshs. 262,519 under Trade and Kshs. 22,500 under Industrialization) had an expenditure of Kshs. 177,268 translating to 62%. Kshs. 125,998 was paid to Safaricom Ltd while Kshs. 50,270 was paid out to Postal Corporation of Kenya as postage charges
iii. Domestic Travel and Subsistence with an allocation of Kshs. 5,297,295 (Kshs. 2,597,505 –

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Trade, Kshs. 1,022,290 – Energy and Kshs. 1,677,500 – Industrialization) had an expenditure of Kshs. 1,869,495 translating to 35%. By half Year the expenditure was Kshs. 262,700 (5%).

iv. Printing, Advertising and Information supplies services with an allocation of Kshs. 1,035,000 (Kshs. 685,000 under Trade and Kshs. 350,000 under Industrialization) had an expenditure of Kshs. 317,194 which represents 31% of the vote. These were paid out in favour of West Drop Solutions Enterprise Ltd (Kshs. 50,000), Nation Media Group (Kshs. 160,254) and Standard Media Group (Kshs. 106,940).

v. Training expenses with an allocation of Kshs. 3,694,081 (Trade – Kshs. 2,063,794, Energy – Kshs210,000 and Industrialization – Kshs. 1,420,287) had an expenditure of Kshs. 1,625,388 translating to 45% absorption. By Half year the absorption was Kshs. 1,252,988. These were paid to IHRM, ICPAK, KISM, KSG for various trainings for its staff.

vi. Hospitality with an allocation of Kshs. 8,328,032 (Kshs. 4,500,000 Trade, Kshs. 828,032 Energy and Kshs. 3,000,000 Industrialization) had an expenditure of Kshs. 2,761,455 representing 33%. At Half Year, the expenditure was Kshs. 2,586,890 which means that only Kshs. 174,565 was utilized in the third Quarter alone. These were paid out to Jadelica Hotel (Kshs. 161,820), Smart Lillies Investment (Kshs. 555,735), County Green Hotel (Kshs. 56,000), Royal Suites (Kshs. 44,400), Olukulu Hotel (135,000), Divine Resort (150,000) for catering charges and facilitation for sensitization of Market Management Committees.

vii. Fuel oil and lubricants with an allocation of Kshs. 3,090,000 (Kshs. 1,352,000 Trade, Kshs. 818,000 Energy and Kshs. 920,000 Industrialization) had an expenditure of Kshs. 1,499,996 translating to 49% this was same as what was declared in Half Year. The entire amount was paid to Webmar Enterprises.

viii. Other operating expenses with an allocation of Kshs. 9,255,260 (Kshs. 4,581,060 Trade, Kshs. 1,012,500 Energy and Kshs. 3,661,700 Industrialization) had an expenditure of Kshs. 2,074,359 translating to 22% absorption. At Half Year the expenditure was Kshs. 458,800. The expenditures relate payments to; Infinity Index for consultancy services around CAIP (1,489,609), ICPAK membership fees (Kshs. 44,800), Facilitation for Sensitization of market Management and Development Committee (Kshs. 414,000), and Kshs. 125,950 Temporary imprest.

ix. Office General Supplies with an allocation of Kshs. 1,420,500 had an expenditure of Kshs.

290,870 translating to 20%. This was paid out to Lasaha General Enterprises Ltd

x. Purchase of Computers, Printers and other IT Equipment with an allocation of Kshs. 800,000 had an expenditure of Kshs. 324,000 translating to 40%. This was paid out to Hati Ltd.

The following were votes in the budget with cumulative allocations that had nil expenditures as at 31st December, 2025:

(a)Insurance expenses with an allocation of Kshs. 660,000

(b)Routine maintenance of motor vehicle with an allocation of kshs. 1,759,830.

(c)Routine maintenance of Others Assets with an allocation of Kshs. 207,899.

(d)Other Capital grants (Trade Loan) with an allocation of kshs. 3,435,064.

The Department submitted that the nil expenditure was due to delays in the release of funds from the Exchequer.

There were expenditures to the tune of Kshs. 1,776,230 declared as Temporary imprest issued to three officers under vote code that were not clear.

Under Development expenditure with an allocation of Kshs. 370,207,786 the document presented absorption to the tune of Kshs. 119,937,919 (32%) of the vote. There were only three votes with an expenditure, namely;

i. County Aggregated Industrial Park construction with an allocation of Kshs. 204,706,886 had an expenditure of Kshs. 55,212,282 translating to 31% absorption.

ii. Ward Based Project Supplier credit with an allocation of Kshs. 13,308,340 had an expenditure of Kshs. 6,654,170 representing 50% of the allocation. This was in respect to the pending bills of the following two companies; Pisonaz International payment of Kshs. 5,487,000 for the installation and Commissioning of 8M High powered integrated streetlights and JONO Logistics part payment of Kshs. 1,167,170 for the Installation of 3no Solar floodlights at maroon, Kabwoyo and Chesito

iii. Supplier credit for construction of Kamukuywa Market with an allocation of Kshs. 88,060,152 had an expenditure of Kshs. 59,265,593 paid out to Wells Trading Company

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Limited in February 2026.

The following votes witnessed nil expenditure by the end of the reporting period;

i. Ward Based projects with an allocation of Kshs. 54,760,000.
ii. Purchase of lighting equipment with an allocation of Kshs. 6,372,408
iii. Installation of Solar back-up in the Office of the County Governor`s complex of Kshs. 3,000,000.
iv. County Aggregated Industrial Park Co-funding County allocation of Kshs. 40,000,000.

3. Pending Staff receivables

The outstanding imprests in the department as at 31st March, 2026 were 25 with a total sum of Kshs. 1,987,680. These include Kshs. 300,000 standing imprest for the CEC office, Kshs. 100,000 standing imprest for Chief Officer`s office. Excluding the standing imprests, scrutiny of the remaining 23 revealed that 7 imprests with a sum of Kshs. 472,290 were newly issued between the months of January and February 2026 while the rest 16 imprests were declared as un-surrendered during the scrutiny of Half Year Financial Statements and Reports as at 31st December 2025. This either suggest that resolutions to have them cleared are not being implemented or the reporting was not accurate.

4. Trade Payables.

Trade payables at the begging of the financial year stood at Kshs. 165,538,005 (Kshs. 42,692,057 recurrent and Kshs. 122,845,947 development). During the period under review, Kshs. 15,681,370 was paid.The approved budget had an allocation of Kshs. 5,960,526 for recurrent and Kshs. 13,308,340 for Development pending Bills. The pending bills settled were;

a. African Touch Safaris Air travel – 47,200
b. KPLC – 8,980,000
c. Pizonas Limited for the installation and Commissioning of 8M High powered integrated streetlights - Kshs. 5,487,000
d. JONO Logistics part payment of Kshs. 1,167,170 for the Installation of 3no. Solar floodlights at maroon, Kabwoyo and Chesito

5. Committee Observations and Recommendation

Observation

1. The Committee observed that recurrent expenditure stood at Kshs. 44,903,255 (57% of the recurrent allocation), while development expenditure was reported at Kshs. 119,937,919 (approximately 32% of the development allocation), indicating low budget execution. The Committee further observed that several recurrent expenditure vote lines recorded low or nil expenditure, including insurance, routine maintenance, trade loans and other asset maintenance. Under the development expenditure, the Committee noted that several programmes had recorded nil expenditure including; Ward-Based Projects, purchase of lighting equipment, installation of a solar back-up system at the Office of the County Governor's Complex and the County Aggregated Industrial Park Co-funding.

   The Department attributed the low absorption was occasioned by delays in the release of exchequer funds. However, the Committee observed that the submission did not provide sufficient information on the measures being undertaken or a clear implementation plan to facilitate the execution of the affected programmes and projects within the remaining period of the financial year.
2. That water services had nil expenditure despite having an allocation of Kshs, 40, 000,000. It further noted that there is a dispute leading to disconnection of water with the service provider over pending bills.
3. The Committee observed that some expenditure items including travel, printing and advertising, training, hospitality, fuel, office supplies and other operating expenses required further supporting documentation and clearer activity-level explanations. The purpose of temporary imprests charged to unclear vote codes was not adequately disclosed.
4. The Committee observed that 25 outstanding imprests amounting to Kshs. 1,987,680 were reported as at 31 March 2026. Of the 23 imprests excluding standing imprests, 16 had already been reported as unsurrendered at the half-year review, raising concern over implementation of earlier resolutions and accountability for public funds.
5. The Committee observed that pending trade payables had reduced from Kshs. 165,538,005 to Kshs. 149,856,635, following reported payments amounting to Kshs. 15,681,370 in the period under review. However, the Committee observed that the Department continues to carry a significant pending bill amounting to Kshs. 149,856,635(Kshs. 33,664,857 recurrent and

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Kshs. 116,191,777 development).

Recommendations

1. **THAT,** the Department should provide a detailed budget-execution plan for the remaining period, indicating activities, timelines and funding requirements for all budget lines with low or nil expenditure, particularly development projects and the county co-funding allocation. Moreover, the Department should provide a project implementation status report for the County Aggregated Industrial Park, ward-based projects, lighting equipment, solar back-up installation and Kamukuywa Market, showing contract sums, amounts paid, physical progress, outstanding works and expected completion dates.
2. **THAT**, the Department should resolve the outstanding water-bill dispute with the relevant service provider and provide an update on restoration of water services and the status of the outstanding liability.
3. **THAT**, the Department should submit complete supporting documents for queried expenditures, including payment vouchers, invoices, receipts, activity reports, attendance lists, and the purpose and vote codes for all temporary imprests, as applicable in future interrogations and monthly reporting.
4. **THAT**, the Department should submit an updated imprest register and evidence of surrender or recovery for all outstanding imprests, particularly the 16 imprests carried forward from the half-year review, and explain measures taken to implement the Committee's earlier resolutions.
5. **THAT,** the department should prioritize settlement of pending Bills, since it is provided in law that pending bills MUST be given first charge. Section 94 (i) of the (PFM) Act,2012 (which states that failure to make any payments as and when they fall due by the public entity may be an indicator of material breach of measures established under law).
6. **THAT,** the Department should submit to the County Assembly, within sixty (60) days, documentary evidence and supporting information for all issues raised by the Committee for which adequate evidence was not provided during the interrogation, including implementation status reports, payment records, supporting documents, contracts, completion certificates, expenditure schedules and any other relevant documentation and provide a status report on the implementation of the Committee's recommendations.

3.1.7 Lands, Urban , Physical Planning, Housing and Municipalities

3.1.7.1 Lands

The total budget for the department for the financial year 2025/26 was Kshs. 72,596,170 as per the approved 1st Supplementary budget comprising of; Kshs. 24,701,170, Recurrent budget and Kshs. 47,895,000 Development budget.

The total money received and spent by the Department was Kshs. 7,972,163 all of it being recurrent expenditure representing 10% budget performance against a target of 75%. The expenditure by 31st December, 2025 was Kshs. 4,386,612 which shows that the Department actual performance for Quarter three alone was Kshs. 3,585,551.

1. Budget Absorption per vote

(a) Recurrent

The absorption of the budget on recurrent was Kshs 7,972,163 translating to a rate of 32 % of the Approved recurrent vote. The expenditures were as follows:

i. Utilities and supplies (Electricity, water and sewerage) with an approved budget of kshs.120, 000 incurred an expenditure of Kshs. 60,000 for payment of electricity expenses
ii. Communications supplies services (Telephone Telex and mobile phone services and Internet connections) had a utilization of Kshs. 105,000 (Kshs. 30,000 for postage and Kshs. 85,000 to Safaricom for airtime) against the approved allocation of kshs. 468,000.
iii. Domestic Travel with an allocation of kshs. 3,730,162 had an expenditure of Kshs. 1,280,410 translating to 34% expenditure.
iv. Printing, advertising, and publishing services with an allocation of kshs. 265,600 had an absorption of Kshs. 30,000 translating to 11%.
v. Training expenses with an allocation of Kshs. 1,656,400 had an expenditure of Kshs. 674,488 translating to 41%. At Half Year the expenditure was kshs. 581,088 translating to a difference of Kshs. 93,400 which the financial statement reveal to be Training allowance for one officer who attended a training with ICPAK
vi. Hospitality Supplies with an allocation of Kshs. 3,481,800 had an absorption of Kshs. 2,061,870 (59%).

vii. Motor vehicle insurance had an absorption of Kshs. 416,720 from an allocation of Kshs. 539,000 translating to 77% budget performance.

viii. Office General supplies kshs. 546,250 had an absorption of Kshs. 544,950 translating to 99% performance.

ix. Refined fuels and lubricants for transport utilized kshs. 1,389,400 all paid to Webar Ltd for supply of fuel against the allocation kshs. 1,389,400(100%).

x. Other operating expenses with an allocation of kshs. 10,154,558 had an expenditure of Kshs. 4,345,675 translating to 43% absorption. The expenditures on this vote include; Ashley suites Hotel (Kshs. 516,825), Kenya Planners Conference (Kshs. 525,800), Kenya School of Government for SMC (Kshs. 93,400), ICPAK (Kshs. 77,741), Office standing imprest for CEC (Kshs. 300,000) and Chief Officer (Kshs. 100,000) and Temporary Committee expenses (Kshs. 1,388,559).

xi. Routine Maintenance of Motor vehicle with an approved allocation of kshs. 1,500,000 had an absorption Kshs. 670,000 paid out to Ndengelwa Garage (Kshs. 412,000) and Namz Garage (Kshs. 258,000) for repair servicers rendered.

xii. Routine Maintenance of other assets like computers, software and Networks with an approved allocation of kshs. 450,000 had NIL absorption.

xiii. Purchase of Computer, Printers and other IT equipment with an allocation of kshs. 400,000 had 100% expenditures.

(b) Development

Infrastructural development that had an allocation of Kshs. 47,895,000 was reported to have NIL absorption. However, the submitted IFMIS vote-ook reveals expenditures and commitments on the following programs;

i. Ward based projects with an allocation of kshs. 18,660,000 had an expenditure of Kshs. 16,250,000 i.e actual payment of Kshs. 13,850,000 and outstanding commitments of Kshs. 2,400,000

ii. Acquisition of land for Kibabii VTC with an allocation of Kshs. 8,000,000 had an expenditure of Kshs. 5,650,000 i.e actual payment of Kshs. 3,600,000 and outstanding commitments of Kshs. 2,050,000

iii. Pending bills with an allocation of Kshs. 21,235,000 had an expenditure of Kshs. 9,370,000

i.e actual payment of Kshs. 8,285,000 and outstanding commitments of Kshs. 1,085,000

(c) Pending staff receivables (Outstanding Imprests)

Outstanding Imprests in the Department were at a cumulative value of Kshs. 5,470,510. These included imprests from Lands, Housing and the two Municipalities. It has been resolved in prior scrutiny that County Treasury should not be lumping together all the un-surrendered imprests during Financial Reporting as this impedes proper oversight and scrutiny by the Legislature. Furthermore from the 35 and excluding five identified office standing imprests, onely one imprest was issued within the Quarter under review while the rest 29 were in the Financial Report and statements for the period ended 31st December 2025. This signifies either the Financial Reports are with errors or the House resolutions on timely surrender of imprests are never followed.

During interrogation with the officers from the Department, they submitted a register that showed that all the outstanding imprests had been surrendered but no evidence were table to support this.

(d) 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). There was an allocation for Ward Based Projects pending bills of Kshs. 21,235,000, of this Kshs. 9,370,000 was paid out to settle this.

Committee observations and recommendations

1. The Department had a development allocation of Kshs. 47.895 million, but the report recorded nil absorption. At the same time, IFMIS votebook balances relating to ward-based projects, acquisition of land for Kibabii VTC and settlement of pending bills reveal an expenditure plus commitments of Kshs. 31.27 Million. The discrepancy suggests that either the development expenditure has been incorrectly reported by County Treasury or the Department's Budget Implementation Report does not accurately reflect the transactions recorded in IFMIS.
2. The Department commenced the financial year with Kshs. 106.55 million in trade payables. Only Kshs. 21.235 million was allocated for settlement of ward-based project pending bills

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and Kshs9.37 million had actually been paid. This means that the Department continues to carry a substantial historical liability, particularly on the development side.

Recommendations

1. **THAT**, the County Treasury and the Department should ensure that all development expenditure is correctly classified and accurately reflected in quarterly budget implementation reports, financial statements and IFMIS, and that the Committee be provided with a programme-by-programme status of all development projects, including amounts allocated, paid, committed and outstanding.
2. **THAT**, the Department, in collaboration with the County Treasury, should prepare and submit a comprehensive schedule of the Kshs. 97.18 million outstanding trade payables, indicating each creditor, nature and year of the obligation, amount verified, amount paid, balance outstanding and proposed settlement date, while ensuring that new commitments are only entered into where funds are available.

3.1.7.2 Housing

The total budget for the financial year 2025/26 was Kshs. 430,365,398 as per the

Approved First Supplementary budget comprising of a total of Kshs. 69,428,198 Recurrent budget and Kshs. 360,937,200 Development budget respectively.

The total receipts and expenditure by the Directorate was Kshs. 235,046,660 (Kshs 59,864,052 recurrent and Kshs. 175,182,608 development expenditure) representing 55% budget performance against a target of 75%.

(a) Budget Absorption

From an allocation of Kshs. 69,428,198, the expenditure was Kshs. 59,864,052 which translates to 86% of the recurrent allocation. The absorption of the recurrent budget was as follows;

a. Utility Supplies (Electricity, water and sewerage) with an approved allocation of Kshs. 102,000 had NIL absorption.
b. Communication supplies utilized Kshs. 54,198 against the approved allocation of kshs.

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168,000 (32%)

c. Domestic Travel with an approved allocation of kshs. 1, 370,000 had an expenditure of Kshs. 905,100 (66%)
d. Training expenses with an allocation of Kshs. 1,037,200 utilized kshs. 542,229 (50%). These were paid out to KSG (Kshs. 265,505), ICPAK (Kshs. 217,000) and Career Boost Ltd (Kshs.59,724) for various trainings
e. Hospitalities supplies with an approved allocation of Kshs. 2,848,271 had an expenditure of Kshs. 269,654 (10%). At Half Year, the absorption was Kshs. 228,900 meaning Kshs. 40,754 was actual expenditure for Quarter Three.
f. Motor vehicle insurance with an allocation of Kshs. 200,000 had nil expenditure
g. Office General Supplies with an allocation of Kshs. 946,027 had an expenditure of Kshs. 767,027 translating to 81% absorption. The payment were made to Banak Ltd (Kshs. 449,400 –supply of office stationaries) and Medhi Investments (Kshs. 317,627) for supply of sanitary materials
h. Refined fuels and lubricants for transport win an allocation of kshs. 1,204,000 utilized 100% of the allocations paid to Shreeji (Kshs. 602,000) and Webmar (Kshs. 602,000)
i. Other operating expenses with an allocation of Kshs. 2,487,700 had an expenditure of Kshs. 1,421,710 translating to 57% expenditure. At Half Year, the expenditure was Kshs. 1,149,800 showing Quarter three expenditure alone was Kshs. 271,910
j. Routine Maintenance Expense- motor vehicles with an allocation of Kshs. 1,050,000 had an expenditure of Kshs. 973,600 translating to 96% expenditure
k. Other capital grants with an allocation of kshs. 57,500,000 (Kshs. 18,500,000 for KUSP grant and Kshs. 39,000,000 KISIP II co-funding) witnessed an expenditure of Kshs. 40,000,000 translating to 70% performance on the allocation.
l. Purchase of office furniture and general equipment with an allocation of kshs. 515,000 had an expenditure of Kshs. 213,621 (41%).

Development budget had approved allocation of Kshs 360,937,200. The budget performance under development was Kshs. 175,182,608 translating to 49% .The expenditure was on the following votes;

i. KISIP grant with an allocation of Kshs.300, 614,270 had an expenditure of Kshs. 115,023,906 translating to 38% performance.

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ii. Other infrastructure works with an allocation of Kshs. 60,322,933 meant for Housing infrastructural development had an expenditure of Kshs. 60,158,702 (100%) paid to Centerline construction for construction of Office Block.

(b) Trade payables

The total accounts payables in the department at the beginning of the financial year was Kshs. 5,369, 302 all recurrent. There was no allocation for settlement of these. However, the Department submits to have paid out pending bills for the following companies from the existing allocations;

a. Kshs. 103,000 to Rodgab Africa Limited for purchase of furniture
b. Kshs. 449,400 to Banak Co. Ltd for supply of stationery
c. Kshs. 210,000 to Wasser E.A Ltd for the purchase and supply of computers and printer.

Committee Observations and Recommendations

Observation

1. The overall budget performance was below the set target in that while the Directorate had an approved budget of Kshs. 430.365 million, receipts and expenditure amounted to Kshs. 235.047 million, representing 55% budget performance against a target of 75%. This indicates that implementation was approximately 20% points below the expected performance level by the end of the reporting period.
2. There were several instances of NIL or significantly low expenditure on approved recurrent votes. For example:

    a) Utilities Kshs. 102,000 allocation, nil expenditure;
    b) Motor vehicle insurance Kshs. 200,000 allocation, nil expenditure;
    c) Hospitality supplies 10% absorption;
    d) Communication supplies 32% absorption;
    e) Office furniture and general equipment 41% absorption.

3. The Directorate commenced the financial year with Kshs. 5.369 million in trade payables, all recurrent, and the report indicates that there was no specific allocation for settlement of these pending bills. This raises a need for the Committee to establish how the pending bills

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were accommodated within the approved votes and whether their settlement affected implementation of the activities for which those votes were originally appropriated

Recommendations

1. **THAT**, the Directorate of Housing should strengthen its budget implementation, procurement and expenditure planning mechanisms to ensure that approved programmes are implemented within the financial year and that budget performance improves in future reporting.
2. **THAT**, the Directorate should review the causes of low or nil expenditure under approved recurrent votes and ensure that expenditure is aligned with approved work plans while avoiding unnecessary accumulation of unutilized budgetary provisions.
3. **THAT**, the Directorate, in liaison with the County Treasury, should maintain a comprehensive and regularly updated schedule of pending bills indicating the creditor, nature of the obligation, year incurred, amount verified, amount paid and outstanding balance, and ensure that settlement of pending bills from existing allocations does not adversely affect the implementation of the programmes for which the funds were originally appropriated.

4.1.7.3 Bungoma Municipality

The Municipality had an approved budget of kshs.142,336,513 comprising of kshs.41,553,099 as recurrent and Kshs. 100,783,414 development expenditure.

The total expenditure budget for the period was Kshs. 54,649,047 representing 38% total budget absorption;

(b) Budget execution by classification

Under Recurrent, with an approved budget of Kshs. 41,553,099, the Municipality absorbed Kshs. 37,651,243 translating to 91% of the recurrent vote. This is broken down as follows:

a) Personnel emolument with an approved budget of Kshs. 25,948,371 had an expenditure of Kshs. 24,338,043 (94%). During the interrogation of Half Year Financial Report, this vote was NIL and the explanation provided then was that the salary for Municipal Staff Members

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is being drawn from the County Secretary`s office.

b) Domestic Travel and Subsistence with an allocation of Kshs1,000,000 had an expenditure of Kshs. 100,133 which represents 10% of the vote.

c) Training expenses with an allocation of Kshs. 1,000,000 had an expenditure of Kshs. 344,400 (34% absorption), this was similar to reporting at Half Year meaning there were no trainings in the third Quarter.

d) Hospitality with an allocation of Kshs. 3,000,000 had an expenditure of Kshs. 4,120,800 (137%) At Half Year, the expenditure here was Kshs. 3,251,600 and this was because by then the supplementary budget had not been uploaded and the allocation then for this vote was Kshs. 6,000,000. This expenditure beyond the budget shall be interrogated.

e) Insurance expenses with an allocation of Kshs. 350,000had NIL expenditure

f) Office General Supplies and services with an allocation of Kshs. 300,000 had NIL expenditure.

g) Fuel oil and lubricants with an allocation of Kshs. 600,000 had NIL expenditure

h) Other operating expenses Kshs. 21,200 from an allocation of Kshs. 60,000 had NIL expenditure.

i) Routine maintenance of motor vehicle with an allocation of Kshs.300,000 had NIL expenditure.

j) KUSP grant with an allocation of Kshs. 8,750,000 had 100% expenditure.

Under development, with an approved budget of Kshs. 100,783,414, the Municipality absorbed Kshs. 7,039,209 translating to 9% of the development vote. This is broken down as follows:

a) KUSP grant with an allocation of Kshs. 55,065,924 had NIL expenditure

b) Other infrastructure and civil works (construction of Kanduyi bus park) with an allocation of Kshs. 33,447,180 had an expenditure of Kshs. 16,997,804 translating to 51% absorption.

c) Ward Based Projects pending bills with an allocation of Kshs. 12,265,730 had NIL absorption

(c) Outstanding Imprests

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

(d) Accounts payables

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

Committee Observations and Recommendations

Observations

1. There was Low overall budget absorption under development with an absorption of 9%, despite development accounting for approximately 71% of the total approved budget.
2. There was still low absorption of several recurrent budget lines, significantly allocations under domestic travel, training, insurance, office supplies, fuel, and vehicle maintenance had either low or nil expenditure.
3. Hospitality expenditure amounted to Kshs. 4.12 million against an allocation of Kshs. 3 million, representing 137% absorption. Although the explanation refers to the supplementary budget having been approved but not uploaded at the time of reporting, expenditure above the current allocation requires verification and reconciliation with the approved supplementary budget.
4. The construction of Kanduyi Bus Park recorded significant implementation, with Kshs. 17 million spent against Kshs. 33.45 million, equivalent to 51%.
5. The Municipality's un-surrendered Imprest are included in a general departmental list, making it difficult to establish the specific outstanding Imprest attributable to the Municipality.
6. The submitted financial statements and reports did not disclose the Municipality's accounts payable, limiting assessment of its outstanding financial obligations.

Recommendations

1) **THAT,** the Municipality should always ensure that all expenditure is supported by the appropriate approved budget, including any supplementary budget. Budget reallocation and supplementary appropriations should be properly approved and reflected in the financial system before any expenditure is incurred.
2) **THAT,** the Municipality should maintain a separate Imprest register, showing the officer, amount, date issued, purpose and surrender status, and follow up outstanding Imprests in accordance with applicable financial management requirements.

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3) **THAT,** the Municipality to prepare and disclose to the committee a complete schedule of accounts payable in its financial reports, including the creditor, amount, nature of obligation and ageing.

3.1.7.4 Kimilili Municipality

The Municipality had an approved budget of kshs.113,681,809 comprising of kshs.46,442,260 as recurrent and Ksh. 67,239,549 development expenditure.

The overall budget expenditure by the end of Third Quarter of the financial year was Kshs. 37,171,635 all recurrent indicating a 37% absorption. This excludes personnel expenditures

(a) Budget execution by classification

Recurrent, with an approved budget of Kshs. 46,442,260, had an absorption of Kshs. 23,910,197 translating to 51% of the recurrent vote. This is broken down as follows:

i. Personnel emolument with an approved budget of kshs.18,081,192 had NIL expenditure. The submission from the Municipal Board during Half Year interrogations indicated that all salary payments are done at the County Secretary`s office.
ii. Utilities Supplies and Services with an allocation of Kshs.128,986 had NIL expenditure.
iii. Communication Supplies and Services with an allocation of Kshs. 56,700 had NIL expenditure.
iv. Domestic Travel and Subsistence with an allocation of Kshs. 5,476,254 had an expenditure of Kshs. 931,631 (17%).
v. Training expenses with an allocation of Kshs. 3,858,134 had an expenditure of Kshs. 1,053,600 (26%).
vi. Hospitality with an allocation of Kshs. 5,605,110 had an expenditure of Kshs. 2,440,100 (44%).
vii. Insurance expenses with an allocation of Kshs. 300,000 had NIL expenditure.
viii. Office General Supplies and services with an allocation of Kshs. 735,000 had NIL expenditure.
ix. Fuel oil and lubricants with an allocation of Kshs. 1,147,814 had an expenditure of Kshs. 430,500 (38%). This was similar to what was reported at Half Year meaning no further

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expenditure on the vote was witnessed during third Quarter

x. Other operating expenses with an allocation of Kshs. 96,500 had an expenditure of Kshs. 8,000 being subscription fees to Institute of Human Resources Management (IHRM).

xi. Routine maintenance of motor vehicle with an allocation of Kshs. 210,000 had an expenditure of Kshs. 50,640 (24%) paid to Mali Safi Garage. This was similar to what was reported at Half Year meaning no further expenditure on the vote was witnessed during third Quarter.

xii. KUSP grant with an allocation of Kshs. 8,751,941 had 100% expenditure.

xiii. Purchase of office furniture with an allocation of Kshs. 420,000 had NIL expenditure.

xiv. Research and feasibility studies with an allocation of Kshs. 1,574,629 had an expenditure of Kshs. 819,000 (52%).

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

i. KUSP grant with an allocation of Kshs. 45,369,982 had Nil expenditure.

ii. Other infrastructure and civil works (Renovation of office block) with an allocation of Kshs. 6,000,000 had Nil expenditure.

iii. Pending Bills with an allocation of Kshs. 15,869,567 had an expenditure of Kshs. 13,261,438.35 translating to 84%. The pending bills paid and which were in the Approved PBB were;

S/No.	Name of supplier/vendor	Payment Description	Allocation
1.	Barmac Limited	Periodic Maintenance of Bahai-Chelekei Road	2,842,533
2.	Piusrobi Investments	Periodic Maintenance of DC-Catholic-Thursday Market Road	1,499,500
3.	Mujana Link Investments	Pipeline Extension from Chebukwabi –Khwiroro Junction-Miruri Primary	2,842,500

4.	Lweya (Kenya) Ltd	Construction and Protection of 4. No. Water Springs in Kimilili	932,126.60
5.	Kiyotra Limited	Proposed Erection And completion work for 2 no. ECDE classrooms at Paspalam Primary School in Kimilili Ward	1,994,775.75
6.	Keen Developer Kenya Limited	Proposed construction and completion of ablution block at Kimilili Municipality Offices – part payment from a pending bill of Kshs. 4,426,371	3,150,000
	Total		**13,261,438.35**

(b) Outstanding Imprests

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

(c) Accounts payables

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

Committee Observations and Recommendations

Observations

1. The reported overall expenditure excludes personnel expenditure which is reported to be under the office of the County Secretary, which affects the completeness of the reported absorption rate.
2. Recurrent expenditure was Kshs. 23.91 million against Kshs. 46.44 million, **representing** 51% absorption. Several recurrent budget lines had nil expenditure, including utilities, communication, insurance, office supplies and furniture.

3. No additional expenditure was recorded in the third quarter under fuel and motor vehicle maintenance, despite substantial remaining balances.
4. Pending bills amounting to Kshs. 13.26 million were paid against an allocation of Kshs. 15.87 million, representing approximately 84% absorption.The payments covered road maintenance, water infrastructure, ECDE classrooms and an ablution block.
5. The Municipality had a personnel budget of Kshs. 18.08 million but reported nil expenditure, with the explanation that salaries are processed through the County Secretary's office. This requires reconciliation to ensure that personnel costs relating to the Municipality are appropriately accounted for.
6. As in Bungoma Municipality, outstanding Imprests are included in a general departmental listing rather than being separately attributed to Kimilili Municipality.
7. The financial statements and reports did not provide a specific schedule of accounts payable for the Municipality.

Recommendations

1) **THAT,** the Municipality to reconcile the reported development absorption figure with the Kshs. 13.26 million pending-bills expenditure to establish the correct development expenditure and absorption rate.
2) **THAT,** the Municipality to strengthen quarterly budget monitoring by comparing approved allocations, actual expenditure, commitments and projected year-end absorption, and take corrective action early where implementation is below target.
3) **THAT,** the Municipality to reconcile personnel costs processed through the County Secretary's office with the Municipality's approved personnel budget and financial records to ensure completeness and accuracy of reporting.

3.1.8 Gender and Culture

3.1.8.1 Departmental Expenditure Analysis

Hon. Speaker,

The department of Gender and Culture had an approved 1st Supplementary Budget of Kshs.39,832,524 comprising of Kshs. 39,650,762 recurrent and Kshs. 181,762 development.

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(a) Budget Absorption

The absorption rate in the department during the period under review is as follows;

The department's recurrent absorption was 68% with an approved allocation of Kshs. 39,832,531 with an expenditure of Kshs. 27,237,393.

The department's development absorption was 0% with an approved allocation of Kshs. 181,762 for Women and Disability Funds Kshs. 90,881 respectively.The zero percent absorption was occasioned by lack of regulations to enable roll out of the Disability and Women Empowerment Funds

The following were programmes and sub-programmes under Budget execution in the department;

(b) Recurrent Expenditure

i. Staff training with an approved allocation of Kshs. 1,800,000 recorded an expenditure of Kshs. 556,018 resulting in 31% budget absorption. The expenditure was broken down as ;
(a) Payment to ICPAK for two officers Kshs. 74,000
(b)Payment to KSG for one staff to undertake Senior Management Course Kshs. 197,618

ii. Utility supplies with a budget of Kshs. 200,000 for Water and electricity bills at Kshs. 100,000 recorded 0% and 100% absorption respectively.

iii. Telephone. telex, facsimile and mobile phone services with an allocation of Kshs. 100,000recorded no expenditure in the period under review as well internet connections with a similar allocation of Kshs. 100,000. Representing 0 % absorption.

iv. Travel costs with an approved allocation of Kshs. 500,000 recorded an expenditure of Kshs. 193,175 translating to 39% absorption .The amount was paid to blue chip company for air travel representing 39% absorption.

v. Accommodation with an allocation of Kshs. 831,062, Kshs. 323,421 was spent on facilitation for the amendment of Bungoma County Alcoholic Drinks Control Act, translating to 39% absorption.

vi. Daily subsistence allowance with an allocation of Kshs. 1,000,000 recorded an expenditure of Kshs. 469,000 representing 47% absorption. The amount was spent on facilitation for Devolution Conference.

vii. Field allowance with an allocation of Kshs. 28,587,062 recorded an expenditure of Kshs.

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20,033,300 representing 88% absorption. The amount was spent on facilitation for KICOSCA Kshs. 18,231,200,KICOSCA registration Kshs. 250,000,hire of buses for transport Kshs. 595,000 and KICOSCA preparation meetings Kshs. 957,000.

viii. Field operational allowance with an allocation of Kshs. 800,000 recorded an expenditure of Kshs. 393,900 representing 49% absorption. The funds were spent on KICOSCA preparatory meetings.

ix. Accommodation allowance with an approved allocation of Kshs. 594,400 recorded an expenditure of Kshs. 233,8000 representing 39% absorption .The amount was utilized on ICPAK facilitation for two accountants in the department Kshs. 176,800

x. Advertising, awareness and publicity with an approved allocation of Kshs. 300,000 recorded an expenditure of Kshs. 176,800 representing 59% absorption.

xi. Tuition fees allowance with an approved allocation of Kshs. 1,000,000 recorded an expenditure of Kshs. 493,618. The funds were utilized on KSG fees for senior management course for accountant Kshs. 197,618 and ICPAK fees for lady accountants Kshs. 148,000.

xii. Catering services with an approved allocation of Kshs. 500,000 recorded an expenditure of Kshs. 235,200 representing 47% absorption. .The amount was utilized on office imprest for CECM Kshs. 100,000 and sundry payment of Kshs. 35,600.

xiii. Boards, committees, conferences and seminars with an approved allocation of Kshs. 1,000,000 recorded an expenditure of Kshs. 482,400 translating to 48 % absorption. The funds were utilized on office imprest for Chief officer Kshs. 300,000 and allowances for the preparation of Bungoma County Alcoholic Drinks Control Bill,2026 Kshs. 182,400.

xiv. National celebrations with an allocation of Kshs. 450,000 recorded no expenditure.

xv. Motor vehicle insurance with an allocation of Kshs. 250,000 recorded no expenditure as well.

xvi. Purchase of uniforms with an allocation of Kshs. 4,000,000 recorded an expenditure of Kss. 3.,200,000 .

xvii. General office supplies with an allocation of Kshs. 100,000 recorded no expenditure as at 31st March, 2026.

xviii. Sanitary and cleaning materials with an approved allocation of Kshs. 100,000 recorded no expenditure in the period under review.

xix. Refined fuels and lubricants for transport with an approved allocation of Kshs. 700,000 utilized Kshs. 250,000 representing 36% absorption. The amount was utilized on fuel.

xx. Membership fees, Dues, and subscriptions to professional bodies with allocation of Kshs. 20,000 recorded no expenditure.

xxi. Temporary committee expenses with an approved allocation of Kshs. 500,000 utilized Kshs. 219,900.The amount was utilized for preparation of alcoholic drinks regulations.

xxii. Maintenance expenses with an allocation of Kshs. 200,000 recorded 0% absorption.

xxiii. Pre-feasibility and appraisal studies with an approved allocation of Kshs. 200,000 had no expenditure.

xxiv. The department provided budget implementation per programme as outlined below;

(c) Settlement of Trade Payables

In the period under review, the department settled a pending bill amount of Kshs. 2,949,483 for proposed construction of a toilet and renovation of Administration block at Sang'alo Cultural center

(d) Pending Bills

The department of Gender and culture had a total outstanding pending bill of Kshs. 14,563,123 as at 31st March,2026 comprising of Kshs. 10,167,997 recurrent and Kshs. 4,395,126 development. Breakdown is as below:

i. Development of departmental policies Kshs.4, 851,196.50
ii. Purchase of stationery Kshs. 242,665
iii. Payment for supply of fuel and lubricants 742,507.44
iv. Advertisement of Sang'alo multipurpose hall Kshs. 216,920
v. Provision of M/V insurance cover Kshs. 199,300
vi. Payment of air ticket Kshs. 98,621
vii. Tuition fee for KISM Kshs. 75,400
viii. Supply of motor vehicle Kshs. 570,750
ix. Payment of air ticket Kshs. 193,175
x. Provision of conference facility for evaluation of tenders Kshs. 498,000
xi. Provision of insurance cover for motor vehicles Kshs. 200,000
xii. Supply and delivery of;
   a. cleaning materials Kshs. 103,795
   b. newspaper Kshs. 54,000

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c. KICOSCA uniforms Kshs. 690,000
d. tonners Kshs. 279,700
e. office stationery Kshs. 73,000
f. tonners Kshs. 73,000
g. catering items Kshs. 306,430
h. catering items Kshs. 498,850
i. tonners Kshs. 200,000
j. office stationery Kshs. 200,000

(e) Development

Completion of Sang'alo multipurpose hall Kshs. 4,395,126.40

Committee observations and recommendations

Committee Observations

Hon. Speaker.

The committee noted that a number of programmes recorded zero percent expenditure as at 31st March,2026 for instance;

i. Electricity Kshs. 100,000
ii. Water and Sewerage charges Kshs. 100,000
iii. Telephone, telex, facsimile and mobile phone services Kshs. 100,000
iv. Internet Connections Kshs. 100,000
v. Motor vehicle insurance Kshs. 250,000

2. The committee observed that the department's pending bills stood at Kshs. 14,563,123 as 31st March, 2026

3. The committee noted that the outstanding imprest for the department was Kshs. 4,329,800 as at 31st March,2026 contrary to Regulation 93(5) and (6) of the Public Finance Management (PFM) Regulations, 2015.

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Committee Recommendations

The committee made the following recommendations;

1. **THAT,** the Department should strengthen expenditure planning and implementation to ensure that budgeted programmes are executed within the approved Financial Year in accordance with Sections 107 and 149 of the Public Finance Management Act, 2012.
2. **THAT,** the Department should give the pending bills amount of Kshs. 14,563,123 first charge in the subsequent budgets to prevent accumulation of liabilities and litigation risks.
3. **THAT,**the Accounting Officer for Gender and Culture should ensure immediate surrender and accountability of all outstanding imprests amounting to Kshs. 4,329,800 and enforce strict compliance with Regulation 93(5) and (6) of the Public Finance Management (County Governments) Regulations, 2015.Failure to which surcharge of the responsible officers should be initiated.

3.1.9 Youth affairs and sports

The department had a budgetary allocation of Kshs.41, 908, 582, broken down as Kshs.38, 128, 582 recurrent and Kshs.3, 780,000 development. This was enhanced to Kshs.46, 090,523 in the 1st supplementary budget broken down as Kshs.29, 454, 574 recurrent and Kshs.16, 635, 949 development.

During the period, Kshs.28, 373, 987 was received i.e Kshs.13, 714, 102 (47%) recurrent and Kshs. 14,659,884 (88%) development.

The expenditure was as follows;

1. Under General Administration, Planning and support services,

Kshs.13, 714, 102 was received on the recurrent vote against an allocation of Kshs.17, 783,382 which was 77% absorption.

Major expenses were:

i. Catering services which received Kshs.2,399,795
ii. Stationery Kshs.630,000
iii. Fuel, Insurance and maintenance received Kshs.300,000

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iv. Administrative service management (boards and Committees, travel costs, with an allocation of Kshs.12, 954, 382 received Kshs.10, 264,707.

On the development vote,Kshs.9million allocated towards High Altitude Centre for Proposed Completion of a Hostel Block (Phase 2) that had a balance of Kshs.15,750,520 and Drilling ,equipping and commissioning of borehole with a balance of Kshs .6,364,815 received Kshs.7,854,452. The amount owing to the drilling of the bore hole was paid in full, while Kshs.1, 544, 782 used to offset the pending bill on the hostel block.

2. Sports facility development and management allocated Kshs.5, 720,200 to participate in KYISA games and support sports clubs did not receive any funding in the period under review.

3. Youth Talent Development and management with an allocation of Kshs.5, 950,992 towards recurrent expenditure did not receive any funding in the period. The money was meant to facilitate marking of the youth week, organize a marathon, youth career empowerment and youth fund.

Kshs.7, 635,949 allocated towards development expenditure received Kshs.6, 805,432. Out of this, Kshs.2, 949, 483 was for construction of a 6 door pit latrine and Landscaping Works at Maraka Stadium and Kshs.3,855,949 meant for supplier credit (pending bills)

Trade Receivables (Imprest)

The department of Youth and Sports had no un -surrendered imprest in the period under review.

Trade Payables (Pending bills)

The department of Youth and Sports had pending bills amounting to Kshs. 24,396,645.Broken down as Kshs. 6,613,846 recurrent and Kshs.17, 782, 781 development.

The following were the recurrent pending bills;

a) Payment for Supply of assorted items for Talanta Hela at a cost of Kshs. 499,560.
b) Payment for Supply of Fuel Kshs.478, 273.
c) Training fees of Kshs.313, 200 payable to Kenya Institute of supply Management (KISM) between 2021/2022 and 2024/2025.

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d) Kshs. 5,801,104 rent for Ajiri center for financial year 2024/2025 and 2025/2026. The Committee noted that the same had no budget this financial year.

Development Pending bills were:

i. The Proposed completion of a Hostel Block at High Altitude Training Centre (Phase 2) at Chemoge Mt. Elgon Sub- County in Bungoma County at a contract sum of Kshs.25, 912,920 has a balance of Kshs.14, 205, 738. The works were reported to be at 80% complete.

ii. The Proposed Erection and completion of a Metallic Stand at Mbakalo Stadium in Mbakalo Ward at a contract sum of Kshs. 6,588,881.20 had a balance of Kshs.2, 258,613. The work was reported to be 100% complete.

iii. Proposed Construction of 6 Door Pit Latrines and Landscaping Works at Maraka Stadium at a contract sum of Kshs.4, 978, 550 had a balance of Kshs. 1,177,750.

Stalled projects

On stall projects, fencing of Maraka stadium with Chain Link Wire and Steel Main Gate with watchman room in Lurare at a contract sum of Kshs.1.8m had never been started

Committee Observations and recommendations

Committee Observations

1. The Committee observed that out of the revised allocation of Kshs.46, 090,523, the Department received Kshs.28, 373, 987 during the period, representing approximately 62% of the budget. The low funding particularly affected recurrent programmes on Sports Facility Development and Youth Talent Development, which received no funding during the period.
2. The Committee observed that the programmes on Sports Facility Development and Youth Talent Development, with allocations of Kshs.5, 720, 200 and Kshs.5, 950, 992 respectively, did not receive any funding during the period. This affected planned activities, including participation in KYISA games, support to sports clubs, Youth Week activities, career empowerment programmes, marathons and youth fund activities.
3. The Committee observed that Kshs.5,801,104 was outstanding in respect to rent for the Ajiri Centre for the financial years 2024/2025 and 2025/2026, despite there being no corresponding

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budgetary provision. The Committee further noted that no provision had been made for the rent in the current financial year.

4. The Committee observed that the lifespan of the Youth and Women Fund had lapsed pursuant to Regulation 197(1) (i) of the Public Finance Management (County Governments) Regulations, 2015, and that the Department had not completed the necessary process of amalgamating or reviewing the relevant regulations to provide a legal basis for continued operations of the Fund.

Committee Recommendations

1) **THAT**, the Department should always make adequate budgetary provision for all contractual and recurrent obligations, including rent for the Ajiri Centre, to ensure timely settlement of obligations and prevent the accumulation of pending bills.
2) **THAT,** the Department, in consultation with the County Attorney and the County Treasury, urgently undertake the necessary legal and administrative processes to review and amalgamate the relevant regulations governing the Youth and Women Fund, and submit the same for approval by the Assembly to provide a lawful basis for continued operations of the Fund.

3.1.10 Finance & Economic Planning

The Department had an allocation of Kshs.647,069,392 in the approved 1st supplementary budget, this was distributed as Kshs.443,347,931 recurrent and Kshs.203,721,461 development expenditure.

During the period, Kshs.304,442,914 was received. Kshs.269,198,286 was for recurrent expenditure 47 % of budgeted Kshs.443,347,931. Kshs.35,244,628 was for development 17% of the budgeted Kshs.203,721,461.

Expenses were as broken down below:

1. General Administration, Planning and support services with an allocation of, Kshs.226,005,413 received Kshs.166,275,097 , which is 74% absorption.

Major expenses were:

i. Administration support services received Kshs.159,072,022 against a budget of Kshs.210,592,751 which is 76% absorption. Expenses include :Other operating expenses Kshs.92,637,354, fuel and lubricants Kshs.5,525,862,Travel cost Kshs.25,982,555 ,catering services Kshs.3,496,275,Boards and conferences Kshs.3,646,095,daily subsistence allowance Kshs.2,333,800.

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ii. Public participation with an allocation of Kshs.15,412,662 received Kshs.7,203,074 which is 47% of budget. Major expenses were publishing and printing Kshs.2,397,150, Field allowance Kshs.2million general office supplies Kshs.1,125,799 and computer accessories of Kshs.916,681.

2. County Planning Management with an allocation of Kshs.68,818,010 received Kshs. 29,968,468 during the period being 53 % absorption.

The major expenses were:

i. Economic Policy and County Planning services with an allocation of Kshs.18,850,802 received Kshs.10,019,560 (44% absorption).Some of the expenditure include: boards and conferences Kshs.5,475,340 and domestic travelling Kshs.2,544,275

ii. Budgeting with an allocation of Kshs.32,681,701 received Kshs.17,980,285 (55 % absorption),the major expenses were Daily subsistence allowance Kshs.3,472,900,Temporary committees Kshs.2,787,870, Field allowance Kshs.2,401,715,Accomodation allowance Kshs.2,229,800,catering services Kshs.1,518,554 , boards and conferences Kshs.5,277,385.

iii. Monitoring & Evaluation with an allocation of Kshs.7,785,507 received Kshs.1,968,624 (25% absorption),the major expenditure was daily subsistence allowance Kshs.1,013,900 , boards and conferences Kshs.554,570

iv. Statistics with an allocation of Kshs.9.5million did not receive any funding during the period.The department submitted that the Directorate received the full allocation in the 4th quarter.

3. County Financial services with an allocation of Kshs.86,976,062 received Kshs. 38,505,018 for recurrent expenditure, which is 44 % absorption.

The major expenses were:

i. Revenue mobilization with an allocation of Kshs.29,561,606 received Kshs.12,244,672 which was 41% absorption .Major expenses were field allowance Kshs.4,044,100,Travel cost Kshs.2,236,200, Boards and conferences Kshs.1,771,700

ii. Accounting services with a budgetary allocation of Kshs.15,951,952 received Kshs.9,737,201 (61% absorption).Major expenses were daily subsistence allowance

Kshs.3,326,625,Temporary committees Kshs.2,385,000,tuition fees Kshs.1,507,920 and Catering services Kshs.1,479,800

iii. Audit services allocated Kshs.18,773,695 received Kshs.8,555,265 (46% absorption),Major expenses include domestic travel Kshs.3,328,940,Training Kshs.150,800 and Hospitality Kshs.500,000.

iv. Supply chain services allocated Kshs.22,688,809 received Kshs.7,967,880 which 35% of target. Major expenses included :field allowance Kshs.4,133,985, catering services Kshs.1,189,000 and maintenance of computers Kshs.983,600, accommodation Kshs.840,200.

4. Service delivery and organizational transformation with an allocation of Kshs.61,548,446 recurrent expenditure and Kshs.203,721,461 development received a total of Kshs.34,449,703 for recurrent and Kshs.35,244,628 for development.

Major expenses were:

i. Special Coordination unit allocated Kshs.61,548,448 received Kshs.32,929,907 (53% absorption) major expenses were daily subsistence allowance Kshs.15,572,965, field allowance Kshs.9,368,445, field operation allowance Kshs.1,828,800,Accommodation Kshs.1,760,500,catereing services Kshs.1,216,200, Boards and conferences Kshs.1,209,750.

ii. Emergency fund with an allocation of Kshs.100,365,961 received Kshs.10,244,628 which is 10% absorption,

iii. ICT Development allocated Kshs.28,355,500 received Kshs.25m on development (88% absorption) with an additional Kshs. 1,522,743 recurrent yet the vote had no recurrent allocation.During interrogations,the County Treasury took note and committed to consider reclassification of the expenditure.

iv. Refund to the retention account had an allocation of Kshs.100m,as at the end of the period, no money had been received.

Challenges

Implementation challenges of strategic objectives for the County Government included the following -inadequate and delayed funding to counties, high poverty level, political interference in project

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prioritization and implementation, inadequate capacity of contractors and delay of procurement process among other challenges.

Committee Observations and recommendations

Observations

1. The County heavily relies on National Government allocations (equitable share) and grants, leading to vulnerability in case of delayed or reduced disbursements. A lack of a diversified revenue base creates budgetary constraints and reduces the County's flexibility in financing development projects.
2. As at 31st March, 2026, the County had a total of Kshs.97,797,996 un-surrendered imprest .Kshs.24,043,190 of this amount dates between 2024 and 2018 contrary to PFM Regulation, 2015 93(5). Finance and Economic Planning had a total of Kshs. 43,305,715 followed by Governor's office with Kshs. 22,379,489. However, documents submitted by Finance and Economic Planning indicate that the balance was Kshs.31,235,065 a variance of Kshs. 12,070,654, casting doubts on the accuracy of the information contained in the report.
3. Other exchange receivables owing from other sources of income eg house rent, market stalls rent, hall hire were not given. Treasury did not give clear information on the number of properties owned by the county, rent payable per month and outstanding rent to date to be able to accurately account for rent paid and arrears expected.
4. The report did not disclose receivables from none exchange transactions like cess and land rates. As at 31st December 2025, amount owing from cess and land rates was Kshs.265,636,317. None declaration of such material amounts cast doubts on the accuracy of the financial statements
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 March 2026 indicated the assets were worth Kshs.2,265,414,711, a negative variance of Kshs.14,501,632,049 before adding the Work in progress for the financial year 2025/2026 of Kshs. 432,653,622. The Treasury did not disclose the value for Land, Buildings, Infrastructure , machinery and Equipment.
6. According to the financial statements, as at 31st March, 2026, The County had Kshs.3,124,758,553 worth of current liabilities. The Treasury has been very reluctant to

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release the verified 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.

7. The County Assembly has been allocating money towards pension arrears over the years but County Treasury has not treated the expenses as a priority with Kshs.661,517,770 still owing to pension schemes. This inconvenience staff that are retiring and costs the County in penalties and interest .
8. The County owes contractors Kshs. 302,208,584 as retention money. An allocation of Kshs.100m in financial year 2025/26 towards refund of money borrowed from the retention account was slashed to Kshs.75million in the supplementary budget but as at 31st March 2026 the money had not been remitted to the retention account. Efforts to get the bank statement of the retention account to confirm the balance in the past have not been fruitful.
9. The County Treasury has been allocating Kshs.25million per year on the development vote to maintain the revenue system, yet the value of the system has not been enhanced by the same amount.

Committee recommendations

1. **THAT,** the County Executive Committee for Finance and Economic Planning should develop and implement a medium-term own-source revenue enhancement and diversification strategy aimed at reducing excessive dependence on equitable share and conditional grants. The strategy should identify additional sustainable revenue streams, strengthen the administration and collection of existing own-source revenues, and set measurable annual revenue targets.The County Treasury should further ensure that development expenditure is aligned with realistic and predictable revenue projections and establish contingency measures to manage delays or reductions in National Government disbursements without disrupting essential services. The County should look for strategic donors to fund expensive projects like roads ,equip hospitals etc instead of relying on exchequer.
2. **THAT,** the County Treasury should in 60 days after the adoption of this report undertake a comprehensive reconciliation of all outstanding imprests and ensure that all amounts that have remained outstanding beyond the 7 days period prescribed under the Public Finance Management Regulations, 2015 are recovered.In addition, the County Treasury should also:

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a) Maintain an up-to-date imprest register showing the officer, amount issued, purpose, date issued and surrender status.

b) Institute controls to prevent officers with outstanding imprests from receiving additional imprests, except where legally justified.

c) Recover long-outstanding imprests through lawful mechanisms, including deductions from remuneration where applicable.

d) Submit periodic reports on imprest recovery to the County Assembly's relevant oversight committee.

e) Ensure that figures presented in financial reports are fully reconciled to supporting records before submission.

3. THAT, the County Treasury in collaboration with the department of Lands,Urban,Physical Planning and Municipalities should undertake a comprehensive inventory and valuation of all County-owned properties and establish a centralized property and revenue register.The register should contain:

a) The location and unique identification of each property;

b) The type and use of the property;

c) The applicable monthly or annual rent;

d) The tenant or user;

e) Amounts invoiced and collected;

f) Outstanding arrears; and

g) Measures taken to recover outstanding amounts.

Further, the County Treasury should ensure that all receivables arising from house rents, market stalls, hall hire and other exchange transactions are accurately quantified, reconciled and disclosed in the financial statements.

4. THAT, the County Treasury should ensure that all receivables arising from non-exchange transactions are completely and accurately recognized and disclosed in the financial statements moving forward. Further, the Treasury should reconcile the reported revenue receivables with the underlying revenue collection systems and records, including cess and land rates, and provide a

detailed ageing analysis showing the amounts outstanding, the period to which they relate and measures being undertaken to recover them.

5. THAT, the County Treasury should undertake an immediate comprehensive verification, physical inspection, valuation and reconciliation of County assets and establish a complete and up-to-date fixed asset register.Further, the Treasury should specifically identify and disclose the value, location and ownership status of land, buildings, infrastructure, machinery and equipment, and explain any disposals, transfers, impairments, reclassifications or accounting adjustments that may account for the substantial variance. The register should be submitted to the County Assembly 90 days after the adoption of this report for scrutiny.

6. THAT, the County Treasury should ensure that only valid, authorized, properly supported and verified obligations are included in the pending-bills register and financial statements.The County Treasury should further:

a) Develop a time-bound settlement plan for verified pending bills;
b) Give priority to legally verified and duly certified obligations;
c) Prevent the accumulation of new pending bills through realistic budgeting and expenditure controls; and
d) Provide the County Assembly with regular reports on the status of pending bills.

8. **THAT,** the County Treasury should treat pension contributions and pension-related obligations as priority statutory commitments and develop a time-bound programme for settling the outstanding Kshs.661,517,770 owed to pension schemes.The County Treasury should reconcile the outstanding pension liability with each pension scheme and submit a schedule to the County Assembly showing:

i. The pension scheme concerned;
ii. Amount deducted from employees;
iii. Amount remitted;
iv. Outstanding balance;

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v. Penalties and interest incurred; and
vi. Proposed settlement dates.

Further, the County Treasury should also ensure that pension deductions made from employees are remitted to the respective schemes within the prescribed timelines to avoid further penalties, interest and hardship to retiring employees.

8.THAT, the County Treasury should immediately reconcile the retention account and submit to the Finance and Economic Planning committee the bank statements, reconciliations and supporting schedules necessary to establish the balance and movement of funds in the account.The County Treasury should further institute controls to ensure that retention funds are ring-fenced and are not utilized for purposes other than those legally authorized.

9.THAT, the County Treasury should conduct a value-for-money and technical assessment of the revenue management system to establish whether the annual allocation of Kshs.25 million is commensurate with the services, maintenance, upgrades and improvements actually received.

The assessment should establish:

i. Contracts and service providers involved;
ii. System enhancements delivered;
iii. Current functionality and capacity of the system; and
iv. The revenue improvements attributable to the expenditure.

Future allocations should be based on documented maintenance requirements, measurable deliverables and demonstrable value for money, rather than a predetermined annual amount.

3.1.11 County Public service Board and County Asembly service Board

(1)County Public Service Board

The total budget for County Public Service Board for the financial year 2025/26 was Kshs. 43,403,818 comprising of Kshs. 39,603,818 recurrent and Kshs. 3,800,000 Development.

(a)Budget Absorption

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The total expenditure for the period was Kshs. 15,558,459 which translates to 36%, all of it being recurrent spending.

(b)Budget execution by classification

Under Recurrent, the allocation of Kshs. 39,603,818 had an expenditure of Kshs. 15,558,459. However, under Accrual reporting, this report relied on the provided IFMIS printout which puts the expenditures and commitments at Kshs. 30,214,602 translating to 76%.

The breakdown of Kshs 30,214,602 are as follows:

- Communication supplies services with an allocation of Kshs. 403,625 which had an expenditure of Kshs. 381,000 (94%) as per IFMIS report. The provided evidence could only supported Kshs. 191,000 paid to Safaricom Limited for provision of airtime.
- Domestic Travel and Subsistence with an allocation of Kshs. 15,511,341 had an expenditure of Kshs. 12,073,865 translating to 78
- Printing & Advertising services with an allocation of Kshs. 2,272,354 had an expenditure of Kshs. 1,233,660 and commitments of Kshs. 294,280 which revealed a 67% budget performance.
- Training expenses with an allocation of Kshs. 2,857,658 had an expenditure of Kshs. 1,976,877 translating to 69%. The supported expenditure amounted to Kshs. 1,419,411.85 and relate to Kenya School of Government (Kshs. 395,236), Institute of Certified Public Secretaries (Kshs. 240,000), Institute of Certified Public Accountants of Kenya (Kshs. 197,000), County Public Service Boards National Consultative Forum (Kshs. 45,000), Kenya Institute of Supply Chain Management (Kshs. 69,000) and a total of Kshs. 472,400 as allowances to officers who attended trainings in the above mentioned institutions.
- Hospitality with an allocation of Kshs. 9,120,782 had an expenditure of Kshs. 7,351,010 translating to 81% absorption. However, the provided breakdown supported expenditures of Kshs. 3,034,746.90 for; Milimani Hotel (228,200), Kika Hotel (Kshs. 73,706.90), facilitation to officers taking part in these seminars (Kshs. 1,305,485) Blue chip Aviations (Kshs. 182,355) and Mabanga ATC catering charges (Kshs. 300,000).

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- Specialized materials supplies meant for purchase of uniform for staff with an allocation of Kshs. 420,000 had an expenditure of Kshs. 404,686 (96%).
- Office and General Supplies Services with an allocation of Kshs. 1,413,540 had an expenditure of Kshs. 1,413,501 (99%). However the payments to a company called Caltomusa Enterprises Ltd for supplies of office stationery amounting to Kshs. 593,125 which was cited as a pending bill by the board was the evidence provided.
- Fuel oil and lubricants with an allocation of Kshs. 1,513,043 had 100% expenditure, paid to Shreeji Petrol Station.
- Other operating expenses (membership fees, Legal fees and Contracted Professional Services) with an allocation of Kshs. 5,138,700 had an expenditure of Kshs. 2,470,500 (48%) with a majority of expenditures being for settlement of legal dues.
- Routine maintenance of motor vehicle with an allocation of Kshs. 574,011 had an expenditure of Kshs. 286,943.05 (50%) and commitment of Kshs. 259,000 on the vote at the close of the Quarter.
- Routine maintenance of other assets with an allocation of Kshs. 378,764 had an expenditure of Kshs. 358,537 (95%).
- The development vote with an allocation of Kshs. 3,800,000 for construction of the Service Board`s office block had NIL expenditure. The IFMIS printout submitted had a commitment of Kshs. 1,068,914 on this vote.

(c) Pending staff receivables (Outstanding Imprests)

The Board had four outstanding imprests totaling to Kshs. 632,430 which includes Kshs. 300,000 office standing imprest. During interrogation, the Board admitted to have cleared all the imprests although the evidence provided showed that one imprest had been surrendered.

(d) Accounts payables

The Board had recurrent Trade payable totaling of Kshs. 10,456,517 at the beginning of the financial year. During the period under review, Kshs. 398,532 was paid out to settle one of the pending bills

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i.e supply of insurance services by Betterline Insurance Company Ltd. However as per the Board`s submission, Kshs. 2,691,277 was paid out leaving a balance of Kshs. 7,765,250.

The supplier/contractors were;

- Betterline Insurance Company for supply of Insurance – Kshs. 398,532
- Caltomusa Enterprises Ltd for supplies of Office stationery – Kshs. 593,125
- Mabanga ATC for provision of catering and conference services – Kshs. 945,000
- Milimani Gardens Hotel LTD for provision of catering and conference services – Kshs. 164,000
- Nation Media Group for provision of advertising services – Kshs. 201,840
- Standard Media Group for provision of advertising services – Kshs. 197,780
- Safaricom Limited for purchase of airtime and office bundles – Kshs. 191,000

(e) Committee Observations and Recommendations

Observations

1. While there were generally high absorption rates, many expenditures in the IFMIS vote book were not supported by the Board during the interrogation of the document
2. While the Board was given time to provide evidence of imprests surrender, only one was provided.
3. The Board generally used the existing budget line votes to settle recurrent pending bills
4. There was low absorption of development vote whose year to year allocations has been shrinking because of low budget performance.

Recommendations

1. In future Financial reporting, IFMIS vote balance should tally with expenditure evidence for consistency and accurate reporting
2. Further disciplinary actions should be taken as per the PFM Act for those officers who continuously fail to surrender imprests on time without justification.
3. Board should regularize reallocation of funds within the provisions of section 154 of the PFM Act,2012.
4. The Board should strive to absorb its development allocations. Towards this, the Board should push for the speedy completion of its administration block

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(2) County Assembly Service Board

The total budget for County Assembly for the financial year 2025/26 was Kshs. 1,390,470,295 comprising Kshs. 1,074,221,694 Recurrent and Kshs. 316,248,601 Development budget.

(a) Financial performance

As at March 31st 2026, the County Assembly had realized an actual expenditure of Kshs. 682,214,729.70 translating to a 49% performance. This differs from the CoB Budget Implementation Report which puts the performance at Kshs. 677.16 Million, which the County Assembly Management attributed to the difference in reporting where one party is still in cash basis of accounting while the Assembly had adopted the accrual basis of accounting. The committee directed the management to harmonize reporting formats to bring uniformity.

(b) Budget execution by classification

Under Recurrent, the allocation of Kshs. 1,074,221,694 had an expenditure of Kshs. 682,214,729.70 (68%) spend as follows;

i. Compensation to employees with an allocation of Kshs. 557,679,177 had an expenditure of Kshs. 399,204,270.40 (72%).
ii. Domestic Travel and Subsistence with an allocation of Kshs. 147,377,326 had an expenditure of Kshs. 117,942,990 (80%).
iii. Foreign Travel and Subsistence with an allocation of Kshs. 14,000,000 had an expenditure of Kshs. 6,900,175 (49%).
iv. Training expenses with an allocation of Kshs. 28,058,685 had an expenditure of Kshs. 17,641,932 (63%).
v. Hospitality with an allocation of Kshs. 46,899,784 had an expenditure of Kshs. 18,231,475 (39%).
vi. Insurance costs with an allocation of Kshs. 59,369,383 had an expenditure of Kshs. 11,026,941.41 (18%).
vii. Other operating expenses with an allocation of Kshs. 131,171,314 had an expenditure of Kshs. 89,449,945 (68%).
viii. Other recurrent votes including; communication supplies, printing & advertising, purchase of

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specialized materials, office general supplies, fuel oil & lubricants, routine maintenance of motor vehicles & other assets, and purchase of office general equipment had a cumulative expenditure of Kshs. 12,004,787.47 .

ix. Under Development, the allocation of Kshs. 316,248,601 has an expenditure of Kshs. 1,551,358(0.5%) performance. However, since these Financial Statements were prepared in accordance with the accrual basis of accounting, commitments to the tune of Kshs. 88,000,000 were reported on the following development votes;

x. ICT transformation project (phase 2) with an allocation of Kshs. 10,277,420 has a commitment of Kshs. 15,000,000.

xi. Construction of the Assembly chambers with an allocation of Kshs. 219,902,701 has a commitment of Kshs. 58,000,000.

xii. Completion of Speakers residence with an allocation of Kshs. 61,335,309 has a commitment of Kshs. 15,000,000.

There were no expenditures on Solarization of Assembly premises with an allocation of Kshs. 15,000,000 and Purchase of Motor Vehicle(for monitoring and Evaluation) with an allocation of Kshs. 9,733,171

(c) Trade and other payables

At the beginning of the financial year, the trade payables amounted to Kshs. 15,241,836.24, broken down as follows;

a. Trade payables – Kshs. (32,327.66) (monies due to supplier)
b. Legal fees payable – Kshs. 5,500,000
c. Other payables - Kshs. 9,774,164 (Car and Mortgage scheme)

As at March, 31st 2026, all of them had been cleared.

(d) Retention deposit and prepayments

There were no retention deposits or prepayment during the period under review i.e July 1st 2025 – March 31st 2026). However, there were declared total retention deposits of Kshs. 72,091,796 owed to contractors with some being outstanding since 2018. The County Assembly is in the process of verifying and releasing these amounts to the respective contractors upon fulfillment of contract conditions.

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(e) Committee Observations and Recommendations

Observations

1. There was notable variance between CoB Budget Implementation Report figures and this Financial Statement figures owing to the reporting format for different entities.
2. The County Assembly is in the process of verifying and releasing retention money to various contractors, some of which have been outstanding since 2018.

Recommendations

1. The reporting format should be harmonized for the different entities so as to bring uniformity.
2. The County Assembly should expedite payment of retention money to the various contractors especially those that have been outstanding for long.

3.1.12 Public Administration and ICT
Hon. Speaker

The department had a budgetary allocation of Kshs. 814,856,497.00, out of which Kshs. 275,396,672 was realized through actual exchequer payments representing 33.80 % absorption rate. The low absorption was due to the continued delay in the disbursement of the KDSP grant amounting to Kshs.425, 737,537 which accounts for 52.25% of the departments total approved budget.

The table below summarizes the departmental expenditure for the period;

S/No	Section	Approved Amount	Actual Expenditure	Variance	Absorption (%)
1	Public Service (HQ)	368,652,720	261,167,775	107,484,945	70.84%
2	KDSP II – Recurrent	73,237,537	5,257,900.00	67,979,637	7.18%
3	Sub County Administration	8,472,553	6,865,110	1,607,443	81.03%
4	ICT	8,000,000	112,200	7,887,800	1.40%

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5	Pending Bills	3,993,687	1,993,687	2,000,000	49.92%
6	Development (Grant)	352,500,000	-	352,500,000	0.00%
	Total	**814,856,497**	**275,396,672**	**539,459,825**	**33.80%**

The table below further breaks down the expenditures for programmes and sub programmes performance report for the period under review.

Programme	Sub Programme	Approved Budget	Actual as at 31st March, 2026	Variance
General Administration, Planning and Support Services	SP 1: Administration services	38,459,276	15,727,376	22,731,900
	SP 2: Human resource management and development	7,000,000	4,222,695	2,777,305
	SP 3: Security and cleaning services	60,436,180	25,725,736	34,710,444
	SP 4: Medical insurance	254,000,000	210,000,000	44,000,000
	SP 5: Information Communication Technology	8,000,000	112,200	7,887,800
Governance and public relations	SP 1: Civic education	1,100,000	0	1,100,000
	SP 2: Public participation	1,900,000	0	1,900,000
	SP 3: Commemoration of National events	7,000,000	4,500,000	2,500,000
	SP 4: Kenya Devolution Support Programme	425,737,537	5,257,900	420,479,637

	SP 5: Co funding - Kenya Devolution Support Programme II	10,000,000	9,850,765	149,235
Public Service Management	SP 1: Organizational transformation	1,223,504	-	1,223,504
	Total	**814,856,497**	**275,396,672**	**539,459,825**

Administrative services expenditures amounted to Kshs. 17,154,140.64, comprising:

1. Sub -County Administration – Kshs. 6,865,110;
2. Finalization of Transport and Fleet Policy – Kshs. 609,000.00;
3. Advertisement – Kshs. 116,000.00;
4. Air Ticket – Kshs. 225,874.30;
5. Posta and Courier Services – Kshs. 16,000.00;
6. Annual Assessment and Strategic Conference – Kshs. 189,000.00;
7. Devolution Conference – Kshs. 935,375.00;
8. AP Security Services – Kshs. 906,000.00;
9. Facilitation for attending Senate Interrogations – Kshs. 100,800.00;
10. Electricity – Kshs. 60,831.34;
11. Office Operations – Kshs. 800,000.00;
12. Cycling Competition in Nairobi – Kshs. 50,250.00;
13. Fuel Services – Kshs. 1,500,000.00;
14. Inspection of Ward Offices – Kshs. 138,600.00;
15. Internship and Communication Policy – Kshs. 658,000.00;
16. Motor Vehicle Maintenance – Kshs. 108,000.00;
17. National Summit – Kshs. 122,900.00;
18. Official Duty at KSG Baringo – Kshs. 283,400.00;
19. Purchase Uniforms – Kshs. 2,999,000.00; and
20. Evaluation of Medical Insurance – Kshs. 470,000.00.

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Human resource management and development (Ksh. 4,222,695.00) comprised of;

1. Capacity Building – Kshs. 898,300.00
2. Tuition Fee ICPAK – Kshs. 379,000.00
3. Training for Administrators – Kshs. 196,275.00
4. Tuition Fees for Administrators Training – Kshs. 129,920.00
5. ICPAK Training Allowances – Kshs. 706,800.00
6. KISM Subscriptions – Kshs. 10,000.00
7. Tuition Fee for ICT Training – Kshs. 185,000.00
8. KISM Training Allowances – Kshs. 314,200.00
9. IFMIS Training Allowances – Kshs. 651,700.00
10. PFM Staff Retreat – Kshs. 462,000.00
11. Finalization of Internship Policy – Kshs. 289,500.00

The department expended Kshs. 25,725,736.05 on security and cleaning services, **comprising** Kshs 19,349,950.00 for Security Services and Kshs. 6,375,786.05 for Cleaning Services.

Medical Insurance KSh. 210,000,000.

a)Information Communication technology

Under Information Communication Technology, the department expended Kshs. 7,062,200.00, comprising:

1. ICT Training Allowances – Kshs. 112,200.00.
2. Feasibility Study on Integrated System Solution – Kshs. 6,950,000.00. (funded by KDSP)

Governance and public relations

Under Commemoration of National Events, the department expended Kshs. 5,974,000.00, comprising:

1. Jamhuri Day Celebration – Kshs. 2,974,000.00.

2. Mashujaa Day Celebrations – Kshs. 3,000,000.00.

Kenya Devolution Support Programme

KDSP had an allocation of Kshs.425, 737,537 which accounts for 52.25% of the departments total approved budget. In the financial year 2025/2026, the county government projected revenues of Kshs. 397,753,472 compared to Kshs.42, 500,000 projected in financial year 2024/25.The first nine months realized revenues to a tune of Kshs 40,253,472 with expenditure recorded of Kshs. 10,524,000.The breakdown of the expenditures of the funds available of Kshs. 10,524,000 recorded in the nine months is broken down as below:

SP 2.4: Kenya Devolution Support Programme		
1	Compilation of Public Participation Report and civic education	616,000
2	Sensitization workshop on revised APA III protocol in Naivasha by State Department of Devolution	436,800
3	Workshop for County Programme Strategic Committee in Kisumu	1,013,400
4	Provision of Conference Service during Workshop for screening of KDSP II Projects	972,300
5	Integration of Human Resource Records	2,009,400
6	Provision of conference services during workshop for screening of KDSP II	210,000
	Total	**5,257,900**

2.5: Counter Part Funding - Kenya Devolution Support Programme II		
1	Preparation of PMC Guidelines	266,000.00
2	Workshop on Implementation of KRA III programmes for FY 2025/2026	738,400.00

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3	Workshop on Implementation of KRA I programmes for FY 2025/2026	755,200.00
4	Preparation of Annual End Year Reports	325,000.00
5	World bank Technical Support Mission in Naivasha	579,600.00
6	Evaluation and Vetting of Performance Contracting	639,200.00
7	CPSC Meeting in Kisumu	461,100.00
8	Provision of Conference facilities - for various activities	501,300.00
9	Human Resource Audit	694,400.00
10	Screening of KDSP II Projects	305,900.00
	Sub Total	**5,266,100.00**

Sub- County Administration;

The sub county administration had a budget of Kshs. 8,472,553 the absorption amounted to Khs. 6,865,110 broken down as below:

S/NO.	Description	Amount
1.	Office Operations	1,215,000
2.	Purchase of Laptops and Printers	2,000,000
3.	Purchase of Office Furniture	1,698,500
4.	Purchase of Stationery	1,951,610
	Total	**6,865,110**

Pending bills

The department paid pending bills amounting to Ksh. 1,993,687 as at end of 31st March 2026 as highlighted below;

FY	NAME OF SERVICE PROVIDER	DESCRIPTION	TOTAL AMOUNT OWED	AMOUNT PROCESSED
2013/2014	Brightshine Enterprises	Provision of Cleaning Services	3,637,760.00	993,687.00
2023/2024	Kims Kisika Multi Supplies Ltd	Provision of Cleaning Services	9,857,477.00	1,000,000.00
	Total		**13,495,237.00**	**1,993,687.00**

Trade receivables (Imprests)

The department has one unsurrendered imprest in the name of Francis Tome, a former employee of County Assembly of Bungoma Kshs. 3,689,000 which is under investigation.

b)Office of the county secretary

Revenue Realized

The Office of the County Secretary had an approved budget allocation of Kshs. **7,060,362,932** all recurrent with Kshs.4, 555, 290,638 having realized in the first 9 month of the FY 2025/26 representing a 65% absorption rate as shown below;

S/NO	Section	Approved Budget	Actual Expenditure	Variance	Absorption (%)
1	Administration	7,055,362,932	4,552,842,538	2,502,520,394	65%

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2	Human resource mgt and devt	4,000,000	2,208,000	1,792,000	55%
3	Records Management	1,000,000	240,100.00	759,900	24%
	TOTAL	**7,060,362,932**	**4,555,290,638**	**2,505,072,294**	**65%**

Local revenue and AIA collected in the half year pursuant to PFMA 165 &166 amounts to Kshs. 13,799,619.60 as below;

1. Training levy Kshs. 268,263.50
2. Imprest & salary recovery Kshs. 3,970,309
3. Commission Kshs. 9,561,047.10

Activities and projects implemented as per the approved PBB

Administrative Services had an approved budget of KShs.7, 055,362,932, of which Kshs. 4,552,842,538 was absorbed, representing an absorption rate of 64.5%.

Personnel budget of Kshs. 7,002,462,932 recorded expenditures worth Kshs. 4,542,244,706 representing 65% absorption.

The Committee noted that the absorption was lower than the expected 75%.During interrogation, the office submitted that requests were processed and submitted to County Treasury but as at 30th March 2026, some of the requests had not been actualized due to delays in realization of exchequer releases due to COB procedures. However, most of the requests were paid during the last quarter of the year where the office realized aggregate absorption rate 99%.The breakdown is as shown below:

1. Basic Salaries Kshs. 4,443,429,546
2. Community Health Promoters Stipends Kshs. 53,700,000.The payment was in respect of CHP stipends for six months (July to December 2025. The other half of the year January to June 2026 were paid in the fourth quarter of the year.

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3. Pension – Lapfund Kshs.32,244,489
4. Pension – Laptrust Kshs.12,870,671

A summary of the personnel paid out is as summarized below:

	P&P	CONTRACT	PROBATION	SECONDMENT	TOTAL
AGRICULTURE	230,242,154.40	21,513,709.94	10,589,538.75		262,345,403.09
CPSB	6,239,485.80	5,259,772.09	112,853.30		11,612,111.19
EDUCATION	868,485,710.70	5,911,806.30	4,590,482.75		878,987,999.75
FINANCE	256,932,294.85	7,157,447.87	42,524,216.35	2,705,759.50	309,319,718.57
GOVERNORS	149,569,469.15	188,924,026.06	389,381.55	779,942.05	339,662,818.81
HEALTH	1,658,329,941.40	223,514,675.01	286,744,261.56	215,366.30	2,168,804,244.27
PUBLIC ADMINISTRATION	191,820,511.75	2,053,882.65	4,291,851.85		198,166,246.25
TOURISM	25,924,832.25	423,890.42	6,674,179.45		33,022,902.12
BUNGOMA MUNICIPALITY	16,171,693.85		935,303.05		17,106,996.90
HOUSING & LANDS	28,616,187.55		2,879,787.00		31,495,974.55
KIMILILI MUNICIPALITY	12,674,485.15		1,204,084.05		13,878,569.20
ROADS & PUBLIC WORKS	68,087,373.65		4,030,581.60		72,117,955.25
GENDER& YOUTH AFFAIRS	39,447,489.00		4,363,389.00		43,810,878.00
TRADE	25,030,925.70				25,030,925.70
WATER	28,525,870.50		9,540,931.65		38,066,802.15

TOTAL	**3,606,098,425.70**	**454,759,210.34**	**378,870,841.91**	**3,701,067.85**	**4,443,429,545.80**

The Committee further noted that the salaries of Bungoma and Kimilili municipalities are paid under County Secretary office and not the respective municipality budgets. The office submitted that the payment of salaries is centralized due to HRIS system. A detailed bio data of staff both on probation and contract was submitted to the Committee.

The Committee also noted monthly salary payments fluctuations, with variations in expenditure from one month to another as highlighted in the table above.

MONTH	AMOUNT	VARIANCES	REASONS FOR CHANGE
Jun-25	473,858,539.20		
Jul-25	467,392,902.45	-6,465,636.75	Retirees and other exits
Aug-25	487,248,987.83	19,856,085.39	Employment of new contracted employees and payment of their salary arrears
Sept-25	474,663,334.26	(12,585,653.57)	Employment of new contracted employees and payment of their salary arrears
Oct-25	510,248,383.63	35,585,049.37	Promotion of 1384 employees and payment of arrears
Nov-25	485,135,381.54	(25,113,002.09)	No promotion and nor payment of arrears
Dec-25	532,485,376.35	47,349,994.82	Payment of leave allowance and uniform allowance

Jan-26	479,153,194.45	(53,332,181.90)	No payment of leave allowance nor uniform allowance
Feb-26	504,922,787.82	25,769,593.37	Implementation of new review of SRC circular 2024/2025
Mar-26	502,179,178.49	(2,743,609.33)	Staff exits from service
Total	**4,443,429,526.81**		

In addition, the nine months payroll cleansing report was submitted to the Committee for review and verification.

Other administrative services expenditures include:

1. Payment for postal EMS services – Kshs. 49,425.00
2. Purchase of airtime and office bundles for official use – Kshs. 250,000.00
3. Facilitation to attend supervisory training at KSG Matuga – Kshs. 107,500.00
4. Tuition fees for two officers to attend supervisory training at KSG Matuga – Kshs. 454,664.00
5. Facilitation to attend the 12th Summit with CSs & HPS in Mombasa – Kshs. 211,500.00
6. Facilitation to attend KISM National Dialogue Conference in Mombasa – Kshs. 140,500.00
7. Tuition fees for CS to attend Leadership Programme for National Transformation – Kshs. 800,400.00
8. Refund of DSA for officers who attended Cabinet Secretariat training in Kisumu – Kshs. 485,000.00
9. Refund of DSA to officers who attended LAPFUND AGM in Kisumu – Kshs. 126,000.00
10. Registration fees for the Annual ICPAK Conference on Governance & Ethics in Mombasa for three officers – Kshs. 187,000.00
11. Registration fees for officers who attended the National Dialogue Seminar – Kshs. 278,400.00
12. Refund of DSA to officers who attended TOTs training on EGP at the National Treasury – Kshs. 789,200.00

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13. Facilitation to attend ICPAK Annual Conference on Governance and Ethics in Mombasa – Kshs. 270,100.00
14. Facilitation to Kakamega for Capacity Building Forum of CSPBS, CASBS and Executive – Kshs. 132,200.00
15. Registration fees for officers to attend PSSF Pan-African Pensions Scheme – Kshs. 70,400.00
16. Facilitation for office operations – Office of CS and Accounting Officer – Kshs. 500,000.00.
17. Facilitation to attend EGP training in Kisumu – Kshs. 785,975.00
18. Annual subscriptions to Kenya Institute of Supplies & Management (KISM) and Institute of Certified Public Accountants of Kenya (ICPAK) for two Procurement Officers and one Accountant – Kshs. 50,400.00
19. Provision of insurance cover KBY 368C – Kshs. 595,000.00
20. Supply of airtime for official communication – Kshs. 250,000.00
21. Payment of pending bill for supply of office stationery – Kshs. 288,000.00
22. Payment of pending bill for development of strategic plan for Office of CS & HPS – Kshs. 2,700,000.00
23. Supply of refined fuel & lubricants for official use – Kshs. 250,000.00
24. Payment for placement of adverts in newspapers – Kshs. 84,025.00
25. Supply & delivery of office furniture – Kshs. 742,142.00

Human resource management and development

The approved budget was KShs.4, 000,000, against which KShs.2,208, 000 was expended.

1. Registration fees for officers attending the PSSF Pan-African Pensions Scheme in Mombasa – KSh 123,500.
2. DSA and travel costs for two officers who attended a Data Protection Workshop in Eldoret – KSh 85,500M
3. Facilitation costs for two officers attending the IHRM Conference 2025 in Naivasha – KSh 146,000
4. Facilitation costs for officers attending a retreat on HRIS–IFMIS integration and other Government systems in Mombasa – KSh 506,000

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5. Registration fees for three officers who attended the 27th Annual National HRM Conference in Naivasha – KSh 150,000
6. Facilitation costs for HRM officers attending Human Resource Systems Training in Kisumu – KSh 1,197,000

Records Management

With a budget of Kshs. 1 million, Kshs. 240,100 was expended on Facilitation for Records Management officers while carrying out records assessments at sub-counties offices.

Pending Bills

The Office of the County Secretary had a pending bills allocation of Kshs. 34,258,928, as approved in the First Supplementary Budget, of which **Kshs. 30.2 million** related to gratuity arrears. The breakdown of the pending bills paid is as follows:

S/No.	Name of supplier/Vendor	Payment Descriptions	Amount Payable as of 1st July 2025 (Kshs.)	Amount Paid (Kshs.)
1	Laxet Ltd	Supply & delivery of office furniture	742,142.00	742,142.00
2	Clanex General Contractors Limited	Preparation of strategic plan	2,700,000.00	2,700,000.00
3	THE Star Publications Limited	Advertisement costs	84,025.40	84,025.40
5	LAPFUND	Pension arrears	522,673,689.81	32,244,489.20
6	LAPTRUST	Pension arrears	159,326,715.01	12,870,671.35
	Total		**685,526,572.22**	**48,641,327.95**

1. The committee noted an expenditure of Kshs. 48,641,327.95 against a budget of Kshs.30.2 million. The office submitted that out of the Kshs.48, 641, 327.95 indicated above, Kshs.45,115, 160.55 was out of an allocation of Kshs.100m that was provided for specifically to pay pension arrears. Thus, not part of the Kshs.34.2m allocation to pay pending bills including kshs.30.2m for gratuity arrears which was paid in the fourth quarter.
2. Preparation of strategic plan payment of Kshs. 2.7million was done against a provision of Kshs. 297,593 on contracted professional service vote. During interrogation, it was noted that preparation of strategic plan was done at a total cost of Kshs.2,997,593 out of which part payment of Kshs.2.7m was paid vide contracted professional services vote hence leaving an outstanding balance of kshs.297,593 which was latter allocated through the supplementary budget and paid in the fourth quarter of the year.
3. Office furniture payment was made yet there was no allocation for supply of office furniture under the pending bills. The department submitted that the payment was made from the FY 2025/26 vote 3111001 allocation to clear the debt that was overdue from previous years since the supplier was threatening to either sue the County or collect back his supplies. Thus the office could not procure new furniture when the earlier supplies had not been paid for.
4. The Assembly had budgeted for 100million towards pension arrears, the department submitted evidence of payments done as shown in the table below;

CREDITOR	REFERENCE/EFT NO	PAYMENT KSHS.	DATE PAID
LAPFUND	BNK25325KOBDLOFF	32,244,489.20	21/11/2025
LAPTRUST	BNK25325CGOMFFKF	12,870,671.35	21/11/2025
LAPTRUST	BNK26110MLGoHoKL	26,653,070.40	20/04/2026
LAPFUND	BNK26110GoBKHFLH	28,231,768.75	20/04/2026
TOTAL		**99,999,999.7**	

Accounts receivables (Impresta)

Outstanding Imprests for the office of the County Secretary amounted to Kshs. 1,962,580.The outstanding imprests are as listed below with reasons why they were outstanding;

1. Facilitation for senior Management course kshs. 101,200

As at the time of production of this report, the officer was currently undergoing Senior Management Course training at KSG- Mombasa campus. This is after delays in payment of tuition fees before being admitted at the school that was made in the fourth quarter of the year.

2. Facilitation for travel to Kampala for MSME Expo kshs. 308,880

The unsurrendered imprest was recovered from the gratuity payable to the officer vide payment refence number; BNK26163GJOBDDBH of 12th June 2026 to County Revenue Fund Account.

Office of the county attorney

The office the County Attorney is operating on an approved recurrent budget of Kshs. 76,906,008 and zero allocation towards development vote.

Budget Implementation

The office recorded a total expenditure amounting kshs. 4,305,385 representing 5.6%.
The expended items are as highlighted below;
i.Administration services had an approved allocation of kshs. 25,352,348.00 with an expenditure of Kshs. 4,305,385 representing 17%.The activities are as follows:

1. Refund of Subsistence Allowance to 5 officers who attended ICPAK conference in Mombasa kshs. 456,100.
2. Supply & delivery of airtime for official use kshs. 250,000.
3. Tuition fees and accommodation allowance for a legal officer attending mediation training in Machakos Kshs. 141,000.
4. Tuition fees for an administrative assistant to attend communication skills training at Kenya School of Government Mombasa kshs. 44,774.
5. Refund of Daily Subsistence Allowance to an officer for attending a training on EGP in Nairobi kshs. 221,600.

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6. Tuition fees and accommodation allowance for officers attending a training at Kenya Institute of Supplies & Management kshs. 300,000.
7. Motor vehicle repair & maintenance services kshs. 250,000.
8. Facilitation for a legislative workshop to develop County property hire & lease regulations kshs. 989,800.
9. Facilitation of office operations in the County Attorney kshs. 100,000
10. Registration fees for 2 legal officers who attended Legal professionals & entrenchment of rule of law training at the Law Society of Kenya in Malindi kshs. 120,000
11. Tuition fees for one officer attending communication skills training at Kenya School of Government in Mombasa kshs. 44,774
12. Tuition fees for 4 officers who attended training on empowerment of Public Service professionals in Mombasa kshs. 208,800
13. Supply & delivery of office catering items kshs. 599,133
14. Supply & delivery of office stationery kshs. 458,620
15. Supply & delivery of sanitary items kshs. 49,800
16. Provision of air tickets to County Solicitor and County Attorney while on office duties kshs. 70,984

ii.Legal Support Services had an approved allocation of kshs. 51,553,660.00 With nil expenditure.

Payment of pending bills

The county attorney office had an approved allocation for pending bill of Kshs. 45,510,000 with an expenditure of Kshs. 320,984 constituting to 0.71%.

The expenditure on the votes were as follows;

1. Provision of maintenance of motor vehicles Kshs. 250,000
2. Provision of air tickets to County Solicitor and County Attorney while on office duties kshs. 70,984.

The Committee noted the extremely low absorption of the budget, particularly considering that the financial year was already in the third quarter. The Office submitted that most of the programmes had been implemented and the respective requisitions forwarded to the County Treasury for processing. However, by the end of the third quarter, most of the payments had not been processed

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and would therefore be reflected in the fourth quarter.

Office of the governor and deputy governor

Office of the Governor

The total budget estimate was Kshs. 139,577,490 out of which Kshs. 32,926,842.70 was expended representing 23.60% absorption

The activities done include;

1. Payment for maintenance of motor vehicle no.39CG010A at Kshs. 1,868,460.00.
2. Reimbursement for H.E the governor to the notice of meeting and agenda at the Council of Governor's Kshs. 86,800.
3. Reimbursement for Human Resource metrics and analytics programme –Arusha Kshs. 465,130.00.
4. Reimbursement for annual 29th annual national HRM conference in Naivasha at Kshs. 138,600.
5. Reimbursement for sensitization of officers on accrual basis of accounting at Kshs. 1,813,000.
6. Reimbursement for H.E the governor while on official duty in Nakuru Kshs. 260,400.
7. Being payment and delivery of assorted office stationery Kshs. 3,439,655.15.
8. Reimbursement for attending staff retreat in Aturkan hotel in Kitale Kshs. 3,945,200.
9. Facilitation for selection panel for appointment of chairperson, CEO and members of Bungoma Public Service Board Kshs. 825,000.00
10. Facilitation to attend international learning module in Paris kshs. 920,400.00.
11. Facilitation for office imprest-director communication kshs. 100,000
12. Facilitation for Tongaren sub county youth leadership dialogue kshs. 750,000.00.
13. Payment for tuition fee in Naivasha Kshs. 191,520.00.
14. Payment for human resource and workforce flexibility training, tuition fee -Dr. Janet Manyasi, kshs. 63,879.30.
15. Payment for maintenance of motor vehicles kshs. 63,879.30.
16. Payment for motor vehicle maintenance and repair for kshs. 86,482.75
17. Being payment subscription kshs. 11,200.
18. Facilitation for Bumula sub county youth leadership dialogue kshs. 600,000.

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19. Payment for maintenance motor vehicle reg. No.39CG259A kshs. 567,675.80.
20. Payment intergovernmental relations and legal fees contribution to the council for the financial year fy2025/2026 and the devolution conference 2025 contribution at kshs. 3,500,000.
21. Being payment for catering and conference facilities kshs. 47,565.50
22. Being payment for supply and delivery of catering items kshs. 2,787,398.30
23. Being payment for supply and delivery of sanitary materials/items kshs. 786,206.90.
24. Being payment for tuition fee- at kshs. 236,212.90.Where.provide details
25. Being payment for supply and delivery of sanitary and cleaning items kshs. 784,339.65
26. Being payment for catering services kshs. 257,974.15
27. Being payment for training fee-Sarah Chebet kshs. 202,762.75
28. Being payment for training fee-leadership training in Singapore kshs. 491,379.30
29. Being facilitation for selection panel appointment of chairperson, secretary and members of the Bungoma PSB kshs. 1,710,000
30. Facilitation for south-south knowledge exchange in Mexico kshs. 607,840
31. Facilitation for leadership summit in Singapore kshs. 1,667,500
32. Facilitation to attend the resource mobilization programme Esami Arusha KSHS. 342,360
33. Facilitation to attend international women's political leadership programme kshs. 495,870
34. Facilitation for stakeholder engagement with Bungoma town public services transport operators' Kshs. 2,050,000.

Deputy Governor's office

The office utilized Kshs. 11,822,789.85 out of the recurrent budget of Kshs. 35,608,450 translating to 33.20% absorption.

The expenses include:

1. Reimbursement for logistics office -Deputy Governor Kshs. 350,100.00
2. Reimbursement for breakfast meeting at KICC Taifa hall Nairobi at Kshs. 210,000.
3. Reimbursement for MAA cultural and tourism festival 2025 Kshs. 1,470,000
4. Being payment for tuition fee-CPA Wamukoya Kshs. 255,316
5. Payment for maintenance of motor vehicle reg.no.39CG260A Kshs. 267,653
6. Payment for maintenance of motor vehicle reg.no.39CG278A Kshs. 154,005

7. Payment for airtime office of the deputy Governor at Kshs. 249,000
8. Payment for supply of fuel -deputy Governor's office at Kshs. 2,456,896.55
9. Reimbursement for attending BREHS project inter-governmental participatory agreement in Weston hotel Nairobi Kshs. 310,800.
10. Payment for fuel services Kshs. 2,456,896.55
11. Payment for training fee-Vickie Chesori at Kshs. 202,762.75.
12. Facilitation for sensitization on triple threat on teenagers in Mt. Elgon Kshs. 3,097,000.00
13. Facilitation to attend the resource mobilization programme Esami Arusha Kshs. 342,360.00.

Special Programmes

The directorate budget was Kshs. 15,227,501 out of which Kshs. 460,290 was utilized for payment for motor vehicle maintenance for Governor representing 3% absorption.

Service Delivery Unit

The unit had an allocation of Kshs. 7,000,000 with nil expenditure.

Pending Bill

Pending bills had a total budget of Kshs. 30,478,363. Reported expenditures totals to Kshs. 13,443,219 translating to 44.10%. Expenses for the period include;

1. Payment for insurance cover, vehicle reg.no. 39cg278 A at Kshs. 500,000.00.
2. Payment for insurance cover no.KBY367C, 39CG010A, 39CG046A, gvn039B at Kshs. 897,725.00.
3. Payment for insurance services vehicle NO.39CG259A, 39CG024A, 39CG021A, 39CG015A, 39CG295A at kshs. 1,093,000.00.model
4. Payment for air tickets in the office of the Governor at kshs. 2,390,591.80
5. Payment for supply and delivery of food stuff to Muslim youth group at Kshs. 1,217,637.95.
6. Supply and delivery of furniture items kshs. 5,353,264.10.
7. Payment for supply of tonners' kshs. 899,000.00
8. Facilitation for officers guarding governor's residence Bungoma Kshs. 1,092,000.00.

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3.1.12.1 COMMITTEE OBSERVATIONS AND RECOMMENDATIONS

Committee observations

Hon. Speaker.

The Committee having examined the nine-month Financial Statements for the period ended 31st March 2026 and having considered the submissions made by the respective Accounting Officers, the Committee made the following observations:

1. Budget implementation across most departments under the Committee's mandate remained below the expected threshold with low absorption recorded under which was attributed to delayed exchequer releases i.e ICT, Office of the Deputy Governor and office of the County Attorney, special programmes and Service delivery Unit.
2. Delays in the settlement of payments to contracted service providers for security and cleaning services adversely affected service delivery and contributed to the accumulation of huge pending bills.
3. Under the Office of the County Secretary, personnel emoluments accounted for a significant proportion of the expenditure, with Kshs. 4,542,244,706 expended against a personnel budget of Kshs. 7,002,462,932. The Committee further noted fluctuations in monthly salary expenditure, attributed to staff exits, recruitment of contracted employees, payment of salary arrears, promotions, leave and uniform allowances, and implementation of the revised SRC circular.
4. Salaries for staff of Bungoma and Kimilili Municipalities are paid under the Office of the County Secretary rather than under the respective municipal budgets. The Office submitted that this arrangement was due to the centralization of salary payments through the HRIS system.
5. Several training and capacity-building expenditures across the departments lacked sufficient supporting information on the number of officers trained resultant training reports and value derived from the programmes.
6. Pension arrears amounting to Kshs. 99,999,999.70 were paid to LAPFUND and LAPTRUST, against the Kshs. 100 million provided for pension arrears.

Committee Recommendations

Honorable Speaker,

The Committee made the following recommendations;

1. **THAT,** the County Treasury to ensure timely exchequer requisitions to facilitate smooth implementation of planned activities, while the affected departments should strengthen budget execution and procurement planning to improve absorption of both recurrent and development budgets.
2. **THAT,** the department of Public Service Management and ICT to prioritize timely settlement of verified invoices for contracted service providers i.e cleaning and security services and establish effective payment planning mechanisms to prevent the accumulation of pending bills and ensure uninterrupted service delivery. Contract implementation committee reports to be submitted together with subsequent expenditure reports within 60 days upon adoption of this report.
3. **THAT,** the Office of the County Secretary to strengthen payroll controls through regular payroll reconciliation, validation, and periodic staff establishment reviews to detect and address unexplained payroll fluctuations promptly.
4. **THAT**, the County Government review the current arrangement for payment of salaries for staff of Bungoma and Kimilili Municipalities and ensure that personnel expenditure is appropriately reflected against the respective municipal budgets, while maintaining the benefits of centralized payroll processing through the HRIS. This should be done within 60 days after adoption of this report.
5. **THAT,** the departments to ensure that training expenditures are supported by comprehensive documentation, including attendance registers, training reports, participant lists, and post-training evaluation reports demonstrating the value and impact of the programmes.

CHAPTER FOUR

4.1 COMMITTEE ON FINANCE AND ECONOMIC PLANNING GENERAL OBSERVATIONS AND RECOMMENDATIONS.

4.1.1 Observations

1. The Committee observed with concern that the financial statement contains material inconsistencies, unexplained variances and omissions that undermine the reliability, completeness and credibility of the County Government's financial information.

The report indicates that total expenditure against the approved budget of Ksh 14.896 billion stood at Ksh 7.922 billion, representing 53% budget absorption by 31st March 2026. However, development expenditure of Ksh 432.654 million against an allocation of Ksh 2.153 billion represents only approximately 20% absorption, raising concerns about the County Government's capacity to implement development programmes within the approved financial year.

Further, the report presents conflicting figures for the same expenditure items. For example:

a) Other operating expenses, including bank charges, are reported at Ksh 351.744 million, while the comparative figure of Ksh 47.470 million is subsequently explained by management as a transposition error, with the actual comparative expenditure stated to be Ksh 400.432 million.
b) Employee costs are reported differently in the cash-flow and financial-performance statements, principally because the former includes payments relating to previous periods. However, the report does not provide a sufficiently clear reconciliation of the differences.
c) Pending-bill balances are presented differently in various sections of the report, while the explanations also refer to figures dated 30th June 2026, notwithstanding that the report under review covers the period ended 31st March 2026.

These inconsistencies suggest weaknesses in financial data validation, reconciliation and internal controls. They also impair the Assembly's ability to assess actual expenditure, verify fiscal performance and exercise effective oversight over public resources.

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2.The Committee observes that the County Government had outstanding imprests amounting to Ksh 97.798 million as at 31st March 2026, of which Ksh 23.615 million related to imprests dating back to 2018–2024. The continued existence of such long-outstanding balances indicates weaknesses in expenditure controls, imprest accountability and recovery mechanisms.

The report further indicates that some officers had been issued with additional imprests despite having outstanding balances, contrary to Regulation 93(4)(b) of the Public Finance Management (County Governments) Regulations, 2015. The County Treasury also reported Ksh 43.306 million in outstanding imprests under the Department of Finance and Economic Planning, whereas documents submitted by the department indicated Ksh 31.235 million, resulting in an unexplained variance of Ksh 12.071 million.

Although management reported that recoveries through payroll had been initiated and that some imprests were under investigation, the report does not demonstrate that the outstanding amounts had been fully reconciled, recovered or otherwise accounted for.

Additionally, the report omits a comprehensive disclosure of receivables from non-exchange transactions, including land rates and CESS, despite the report identifying KSh 265.636 million as outstanding in respect of these revenue streams as at December 2025. The Treasury also failed to provide a comprehensive register of County properties, monthly rental obligations and outstanding arrears from house rent, market stalls and hall hire.

These weaknesses expose the County to potential loss of public funds, concealment of revenue arrears, inaccurate financial statements and possible abuse of imprest facilities.

3.The Committee notes a significant and unexplained reduction in the reported value of County assets between the financial statements for 30th June 2025 and those for 31st March 2026.

The report indicates that the County's assets were valued at Ksh 16.767 billion as at 30th June 2025, whereas the statement for 31st March 2026 reports property, plant and equipment of only KSh 2.265 billion. This represents a negative variance of approximately Ksh 14.502 billion before accounting for current-year work in progress of Ksh 432.654 million.

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The report further indicates that major asset categories, including land, buildings, infrastructure, machinery and equipment, were not disclosed. Management attributes the omissions to incomplete valuation, unresolved ownership documentation and assets that have not yet been transferred from the National Government to the County Government.

However, the report does not provide a comprehensive reconciliation of asset disposals, reclassifications, transfers, depreciation, impairment, valuation adjustments or other movements that could explain the substantial difference between the two reporting periods.

The Committee is concerned that failure to maintain a complete and verifiable asset register may expose public assets to loss, encroachment, unauthorised disposal and inaccurate reporting. It also raises questions about the County Government's preparedness to meet the applicable public-sector financial reporting requirements under accrual accounting.

4.The Committee observes that the County Government continues to carry substantial unpaid obligations, with the report indicating current liabilities of Ksh 3.125 billion as at 31st March 2026. These comprise trade payables, employee-related liabilities and third-party payments, including retention money owed to contractors.

The report further indicates that the County Fiscal Strategy Paper (CFSP) verification exercise identified eligible pending bills amounting to approximately Ksh 2.916 billion. However, the County Executive had not approved the verification report, which reportedly classified a substantial portion of the submitted bills as ineligible due to missing supporting documentation. The report does not adequately explain the circumstances necessitating further verification or provide a definitive reconciliation between the verified eligible bills and the liabilities disclosed in the financial statements.

Of particular concern is the reported borrowing of Ksh 150 million from the contractors' retention account during the 2023/2024 financial year to finance the County budget, with a commitment to refund the funds in the subsequent financial year. The report states that the amount had not been refunded by 31st March 2026, despite a subsequent budgetary allocation towards repayment. Although management later indicated that a deposit was made on 10th June 2026, no supporting bank statement or deposit confirmation was provided.

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The Committee is further concerned that outstanding pension and gratuity obligations continue to burden the County, with the report identifying Ksh 661.518 million in pension arrears. Delayed settlement may expose the County to additional interest, penalties, contractual claims and reputation risks, while adversely affecting suppliers, contractors and retiring employees.

These circumstances point to weaknesses in commitment control, liability verification, cash management and protection of funds held on behalf of third parties.

5.The Committee observes that the County Government had utilised only Ksh 432.654 million out of the approved development budget of Ksh 2.153 billion by 31st March 2026, representing approximately 20% absorption after nine months of the financial year. In contrast, recurrent expenditure absorption stood at approximately 59%.

The low development absorption rate raises concerns about delays in project implementation, weak budget execution, inadequate project readiness and the risk of underutilisation of development allocations. If not addressed, this may result in incomplete projects, delayed service delivery and accumulation of pending bills as the financial year approaches closure.

The Committee is also concerned about expenditure pressures within recurrent operations. Employee-related cash payments amounted to Ksh 5.516 billion, compared with Ksh 4.505 billion in the comparative period, while employee costs in the statement of financial performance amounted to Ksh 4.496 billion. The report attributes part of the difference between cash payments and recognised expenditure to the payment of May and June 2025 salaries carried forward from the previous financial year.

Further, expenditure on other operating expenses, insurance, domestic travel and hospitality supplies is substantial. For instance, the statement of financial performance reports Ksh 210.436 million in insurance costs, Ksh 171.428 million in domestic travel and subsistence, and Ksh 160.364 million in hospitality supplies and services. The report does not consistently demonstrate the corresponding outputs, service-delivery results or measurable benefits achieved from these expenditures.

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The Committee is therefore concerned that, without stronger expenditure monitoring and performance reporting, the County may continue to incur substantial recurrent costs while development projects remain underfunded in implementation terms or experience delays.

4.1.2 Recommendations

1. **THAT** the County Treasury is required in 60 days after adoption of this report to submit a corrected, complete and fully reconciled financial statement for the period ended 31st March 2026, accompanied by supporting schedules explaining all material variances between the cash-flow statement, statement of financial performance, budget implementation reports and pending-bill schedules; and further, that the County Treasury institute documented financial reporting and quality-assurance controls, including independent review and approval of all figures before submission to the County Assembly, in compliance with Articles 201(a) and 226(1)(a) of the Constitution of Kenya, 2010, and Section 166 of the Public Finance Management Act, 2012.
2. **THAT** the County Treasury is directed in 60 days after adoption of this report to undertake an immediate, officer-by-officer and department-by-department reconciliation of all outstanding imprests amounting to Ksh 97.798 million, recover unsupported and overdue amounts in accordance with the law, and provide the Committee with a schedule showing the original imprest date, purpose, holder, amount outstanding, recovery action and status of any investigation; and further, that no additional temporary imprest be issued to an officer with an outstanding imprest contrary to Regulation 93(4)(b) of the Public Finance Management (County Governments) Regulations, 2015. The County Treasury shall also prepare and submit a verified register of County-owned properties, rental income, land rates, CESS and other outstanding revenue receivables, including ageing schedules and a recovery plan, pursuant to the County Treasury's statutory responsibilities under the Public Finance Management Act, 2012.
3. **THAT** the County Treasury, in collaboration with the departments responsible for Finance and Economic Planning, Lands, Housing and Public Works, be required to undertake a comprehensive physical verification, valuation and reconciliation of all County assets, including land, buildings, infrastructure, motor vehicles, machinery, equipment and work in progress, and submit to the Committee a complete asset register supported by ownership

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documents, valuation reports and a schedule reconciling the KSh 16.767 billion reported as at 30th June 2025 with the Ksh 2.265 billion reported as at 31st March 2026. The reconciliation shall clearly disclose additions, disposals, transfers, depreciation, impairment, reclassification and other material adjustments. Further, the County Treasury shall prepare a time-bound asset regularisation and accrual-accounting implementation plan, in accordance with Article 226(1)(a) of the Constitution, 2010, the Public Finance Management Act, 2012, and applicable Public Standard Accounting Standards Board(PSASB.)

4. **THAT** the County Treasury is required in 60 days after adoption of this report, to submit to the Committee a comprehensive and independently reconciled schedule of all pending bills as at 31st March 2026, distinguishing verified eligible bills, disputed claims, ineligible claims and liabilities awaiting supporting documentation, and providing reasons for any differences between the financial statements and the CFSP verification report. Further, the County Treasury shall provide documentary evidence of the reported refund of KSh 150 million borrowed from the contractors' retention account, including certified bank statements and reconciliation of the retention account balance; and, where the refund cannot be substantiated, institute immediate corrective measures and accountability proceedings in accordance with the law. The Treasury shall also prepare a funded, time-bound settlement plan for verified pending bills and pension arrears, prioritising legally due obligations and mitigating avoidable interest and penalties, in compliance with Section 107 of the Public Finance Management Act, 2012, Article 201(d) of the Constitution and applicable contractual obligations under Section 140 of the Public Procurement and Asset Disposal Act, 2015.
5. **THAT,** the County Treasury, in collaboration with all Accounting Officers, shall be required immediately after adoption of this report, to submit a departmental budget implementation and expenditure performance report explaining the low development budget absorption of approximately 20% as at 31st March 2026, identifying stalled and delayed projects, unspent balances, procurement bottlenecks and outstanding commitments, and setting out corrective measures and realistic completion timelines. Further, all departments shall provide measurable outputs and supporting documentation for significant expenditure on travel, hospitality, insurance and other operating expenses, while the County Treasury shall reconcile prior-period salary obligations with current-period expenditure and strengthen controls to ensure that future budgets prioritise timely implementation of approved

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development programmes and value for money, in accordance with Articles 201(d) and 227(1) of the Constitution and Sections 102, 107 and 166 of the Public Finance Management Act, 2012.

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 Kimeta	Chairperson	
2.	Hon. Godfrey Mukhwana	V/Chairperson	
3.	Hon. Stephen Wamalwa	Member	
4.	Hon. Vitalis Wangila	Member	
5.	Hon. Joan Kirong	Member	
6.	Hon. Aggrey Mulongo	Member	
7.	Hon. Grace Sundukwa	Member	
8.	Hon. Tony Barasa	Member	
9.	Hon. George Makari	Member	
10.	Hon. Miliah Masungo	Member	
11.	Hon. Anthony Lusenaka	Member	
12.	Hon. Jack Kawa	Member	
13.	Hon. Violet Makhanu	Member	
14.	Hon. Orize Kundu	Member	
15.	Hon. Catherine Kituyi	Member	