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REPORT

OF

THE AUDITOR-GENERAL

ON

COUNTY EXECUTIVE OF BUNGOMA

FOR THE YEAR ENDED
30 JUNE, 2020

PAPERS LAID	
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COUNTY GOVERNMENT OF BUNGOMA

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020

Prepared in accordance with the Cash Basis of Accounting Method under the International Public
Sector Accounting Standards (IPSAS)

BUNGOMA COUNTY GOVERNMENT
Reports and Financial Statements
For the year ended June 30, 2020

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1. KEY ENTITY INFORMATION AND MANAGEMENT

a) Background Information

The County Government of Bungoma is constituted as per the constitution of Kenya and is headed by the County Governor, who is responsible for the general policy and strategic direction of the County.

b) Key Management

The County Executive's day-to-day management is under the following key ministries/departments:

- Agriculture, Livestock, Fisheries and Co-Op Development
- Tourism
- Water and Natural Resource
- Roads and Public Works
- Education, Science and ICT Statistics
- Health and Sanitation
- Trade, Energy and Industrialization
- Lands, Urban and Physical Planning
- Municipal Boards
- Gender, Culture, Youth and Sports
- Finance and Economic Planning
- County Public Service Board
- Governor's D/Governor's Offices
- Public Administration
- Sub County Administration
- County Secretary

c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	CEC, Finance and Economic Planning	CPA Esther N. Wamalwa
2.	Chief Officer, Finance.	Dinah Makokha
3.	Director accounting services	CPA Lumba Bernard

Senior Management – County Executive of Bungoma



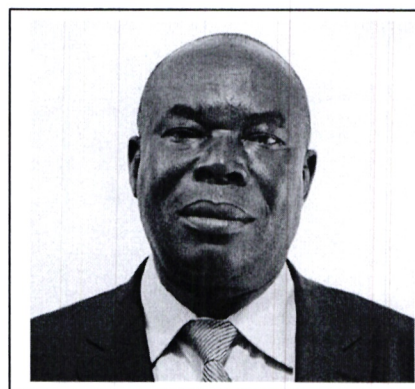
H.E. Wycliffe Wafula Wangamati – Governor

Until August 8, 2017, H.E. Governor Wycliffe Wafula Wangamati served as the Managing Director and shareholder of all the holdings of Alexander Forbes Risk and Insurance Brokers Kenya – a position he has held from July 1, 2009. He is the second Governor of Bungoma County. Hon Wangamati holds BSc Mathematics (First Class) from Moi University. He also holds professional qualifications as a Fellow of the Institute Of Actuaries from the UK – making him the 4th Kenyan to qualify as an Actuary in the country at the time. Governor Wangamati is a Qualified Actuary and an Experienced Senior Manager with both Local and International experience in Pensions and Investment Consultancy. He is a Fellow of the Institute of

Actuaries in England and has worked both in South Africa and England for over six years where gained cutting-edge experience in Investment Consultancy and Pensions Management. He has an in-depth understanding of the financial marketplace through both formal training and broad international experience. H.E. Governor Wangamati is a Scheme Actuary and Principal Consultant to several Pension Schemes in Sub Saharan Africa with an Asset Base of about USD1 billion. Governor Wangamati is keen on agro-processing, infrastructure and manufacturing as a way of boosting trade and creating employment.

Prof. Charles K. Ngome – Deputy Governor

Prof. Charles Kibanani Ngome is the Deputy Governor, Bungoma County. He is a respected educationist whose experience spans generations. He holds a PhD and a Master of Education degree from Kenyatta University and a Bachelor of Arts degree and Post Graduate Diploma in Education from Makerere University. Prof Ngome has taught in various universities in the Country, including the University of Nairobi, Kenyatta University, Masai Mara University, Masinde Muliro University of Science and Technology, Moi University as well as Mt Kenya University. He has also held various positions including serving as Chief Executive – Soteni a Nairobi-based NGO, External Examiner University of Nairobi, Managing Consultant Kamkam Development Consultants and Commissioner, Commission for Higher Education (CHE) Nairobi.



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Ms. Esther Wamalwa - CECM, Finance and Economic Planning

Ms. Wamalwa was appointed as the CEC, Finance and Economic Planning on December 21, 2017 she has since been in the same role and has been driving the Financial Management Agenda in the County.

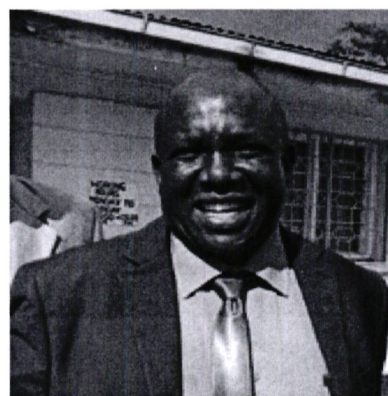
Before her appointment, she served as the Head of Finance at the Print Exchange Limited from 2008 to 2017. She has also worked at Sotik Tea Company as Senior Finance Officer. Ms. Wamalwa holds MSc. in Commerce (Finance and Economics option) from KCA University (Nairobi). She also holds

Bachelor of Commerce (Finance Option) from KCA University. She is a CPA (K) and a member of ICPAK.

Dr. Anthony Walela - CECM, Health Services

Dr. Anthony Walela was appointed the CEC of ministry of Health and Sanitation. Before joining the County Government of Bungoma, Dr. Walela has acted in the capacity of Director for the following firms; Countywide Pharmaceuticals, Mumbi house Pharmaceuticals – Nairobi, Lela Pharmacy – Bungoma, Lake Basin Development Authority – Kisumu and Pharmacy & Poison Board.

Dr. Walela has a Bachelor of Pharmacy from the University of Nairobi.



Mr. Gregory Naulikha - CEC, Trade, Energy and Industrialization



Mr. Naulikha was appointed CEC, Trade, Energy and Industrialization in December 2017. Prior to his appointment, Mr. Naulikha was a Consultant - Baseline Survey for WFPs USDA, Mc Govern-Dole International Food for Education and Child Nutrition Program's Support in Kenya: Programme Manager for African Digital Schools: Planned, organized, directed and managed the ADSI Programme. He has also been a Lecturer at Kenyatta University and later, Lecturer and Head of the Geography Department at Catholic University of Eastern Africa.

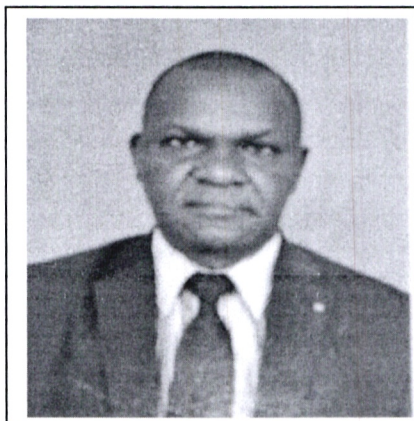
Mr. Naulikha holds a Bachelor of Education (Hons) Degree and a Master of Arts Degree in Economics (Agricultural Geography

-Major; Rural Development. Planning -Minor) from Kenyatta University and is currently pursuing PhD studies in Philanthropy and Development in Kenya

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Mr. Collins Mukhongo - CECM, Roads Transport and civil Infrastructure

Mr. Collins Mukhongo was appointed the CEC for Roads in December 2017. Prior to his appointment, he worked with Kenya Revenue Authority in various positions like; Project Management Officer, manager IT Infrastructure, Ass. Commissioner ICT, Principal Engineer among others. Mr. Mukhongo holds an MBA from University of Nairobi. Post graduate certificate in Applied Radiation Protection, BSc. Electrical and Electronics Engineering both from University of Nairobi.



Mr. Bramuel Murgor - CEC, Lands, Urban, Physical planning and Housing.

Mr. Murgor was appointed CEC for Lands, Urban and Physical planning in December 2017. Prior to his appointment, He has been a Lecturer Moi University Eldoret, Mount Kenya University. He previously worked as Chief Settlement Officer and HOD Ministry of Lands and Settlement in Various stations across the country.

Mr. Murgor holds, MBA-Strategic Management from Kenya Methodist University, A (Geography, government and Public administration)

Currently he is a PhD. Student Business Administration (Strategic Management Kisii University).

Mr. Richard Sabwami Keya – CEC, Public Administration

Mr. Richard Keya was appointed CEC for Public Administration in December 2017. Prior to his appointment, he was a school Principal at St. Stephens Sikusi Secondary school. He has also been a teacher to various schools. Mr. Sabwami holds a bachelor of Education (ARTS) from Kenyatta University.



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Ms. Betty Mayeku - CEC, Education, Youth Affairs, and Sports



Ms. Betty Mayeku was appointed CEC for Education Youth Affairs and Sports in December 2017. Prior to her appointment, Ms. Mayeku was a Lecturer at Kibabii University, Kenya - Department of Computer Science, School of Computing and Informatics (SCAI) , she previously worked for Oracle Academy, Kenya - Java programming Informatica Feminale (International Summer University for Women in Informatics), University of Bremen, Germany - Agile programming with Ruby on Rails, programming in PHP, Ruby and

Python, Jomo Kenyatta University of Science and Technology (JKUAT) - Elearning (Training of Trainers), Web based learning and content development training
She holds: PhD. Computer Science, Georg-August University, Göttingen, Germany, M.Ed., Educational Technology, Maseno University, Kenya Bachelor of Education (science, Maseno University, Kenya Computer Studies (Major subject) & Physics (Minor subject)

Ms. Everlyne Kakai – CECM, Gender and Culture

Ms. Everlyne Kakai was appointed CEC for Gender and Culture in December 2017. Prior to her appointment, she was working as head of Accounting unit in County Government of Nakuru. Ms. Everlyne Kakai holds a Bachelor of Commerce (Banking and Finance option) from Egerton University. She is currently pursuing MBA (Accounting Option).

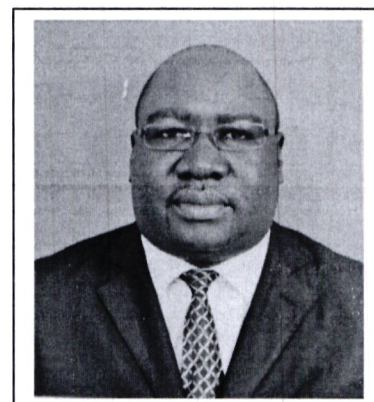


Mr. Renson Makhethi – CEC, Tourism, Forestry, Environment and Natural resources

Mr. Makhethi was appointed CEC, Tourism, Forestry, Environment and Natural Resources in December 2017. Prior to his appointment; he was Quality Assurance Coordinator, Mount Kenya University (MKU) before then he was Deputy Director MKU Garissa Campus. Previously he was the Head of Business Development Service Unit, Kenya Industrial Estates. Mr. Makhethi holds MBA University of Nairobi 2008/09, Mount Kenya University 2014/15 BA (Hons) in Economics and Philosophy UoN. Currently he is a PhD student in Strategic Management-JKUAT.

**Mr. Mathews Chirasha - CEC, Agriculture, Livestock,
Fisheries and Cooperative Development.**

Mr. Mathews Chirasha was appointed the CEC ministry of Agriculture in December 2018. Prior to his appointment, he worked as an Independent Consultant, a Value Chain Development Specialist with USAID. He also worked as a Regional Manager and a Business Development Advisor. He holds a degree in Business and Management from Egerton University and an MBA in Administration from the University of Nairobi among other trainings.



e) Fiduciary Oversight Arrangements

The key fiduciary oversight bodies at the County for the year ended 30th June 2018 were:

i. County Assembly of Bungoma County

The responsibilities of the County Assembly of Bungoma were as follows:

- To vet and approve nominees for appointment to county public offices as may be provided for in the relevant laws;
- To perform the roles set out under Article 185 of the Constitution;
- To approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution, guided by Articles 201 and 203 of the Constitution;
- To approve the borrowing by the county government in accordance with Article 212 of the Constitution;
- To approve county development planning; and
- To perform any other role as may be set out under the Constitution or legislation

ii. Audit Committee

The functions and responsibilities of the audit committee were as follows:

- To obtain assurance from management that all financial and non-financial internal control and risk management functions are operating effectively and reliably.
- To provide an independent review of the County Executive's reporting functions to ensure the integrity of financial reports.
- To monitor the effectiveness of the County Executive's performance management and performance information.
- To provide strong and effective oversight of County Executive's internal audit function.
- To provide effective liaison and facilitate communication between management and external audit.

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- To provide oversight of the implementation of accepted audit recommendations.
- To ensure that the County Executive effectively monitors compliance with legislative and regulatory requirements and promotes a culture committed to lawful and ethical behaviour.

iii. Public Accounts Committee

The main function of the Public Accounts Committee is to invite the County Executive's Accounting Officer to appear before it to adduce evidence on the reports of the Auditor-General.

iv. Budget and Appropriations Committee

Budget and Appropriations Committee approves expenditure budget of the County Executive for the execution of governance.

f) County Executive of Bungoma Headquarters

P.O. Box 437-50200,
Former Municipal Buildings,
Moi Avenue Street
Bungoma, KENYA

g) County Executive of Bungoma Contacts

Telephone: 055-30343
E-mail: info@bungoma.go.ke
Website: www.bungoma.go.ke

h) County Executive of Bungoma Bankers

1. Central Bank of Kenya
Haile Selassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya
2. Kenya Commercial Bank,
P.O. Box 201-50200
Bungoma.
3. Equity Bank Ltd,
P. O. Box 2450-50200,
Bungoma.

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4. Co-operative Bank of Kenya Ltd,
P.O. Box 1964-50200,
Bungoma.

5. National Bank of Kenya,
P.O. Box 25-50200,
Bungoma.

i) Independent Auditors

Auditor-General
Office of the Auditor-General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

j) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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2. FORWARD BY THE COUNTY EXECUTIVE COMMITTEE (CEC)

It is my pleasure to present the County Government of Bungoma financial statements for the year ended 30th June 2020. The financial statements present the financial performance of the County Government over the past year.

The promulgation of the Constitution of Kenya, 2010, under Chapter 11 ushered Kenya into a new system of governance, replacing the centralized system with a devolved system of governance. The devolved system of governance consists of the National Government and 47 County Governments.

Financing of the County Governments

Article 202 of the Constitution of Kenya provides that revenue raised nationally shall be shared equitably among the National Government and the County Governments. Each County Government's equitable share of revenue raised nationally, is determined yearly through the County Allocation of Revenue Act (CARA). The revenue sharing formula is developed by the Commission on Revenue Allocation and approved by Parliament in accordance with Article 217 of the Constitution.

The County also finances its operations through own generated revenues. These are revenues collected within the County. The key local revenue sources for Bungoma County included business permits, land rates, cesses, market fees, parking fees, Administrative service fees, public health facilities' fees, among others.

Financial Performance

a) Revenue

In the year ended 30 June 2020, the County had projected revenues of Kshs.13,836,129,303 consisting of Kshs.919,174,079 from own sources and Kshs.12,916,955,224 from other sources.

A Graphical Representation of the Revenue Budget Is as Shown Below:

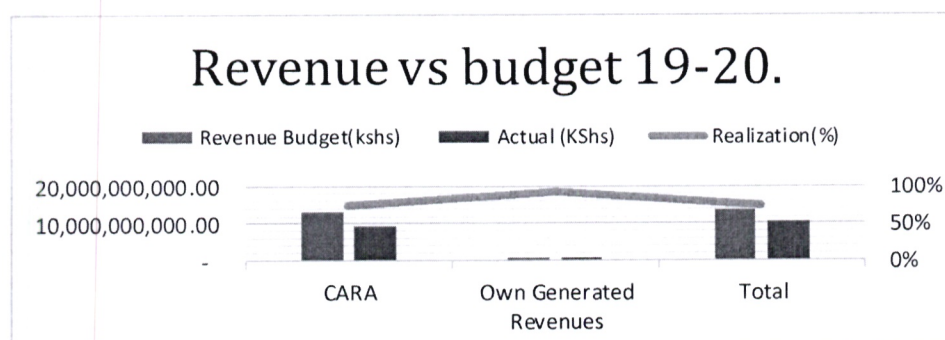


Figure 1: Bungoma County Revenue Sources in FY 2019/20.

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- CARA revenues continue to form the largest part of our revenue budget, contributing 93% towards our budget. Our own generated revenues formed 7% of our budget.
- Out of the projected revenue, the County was able to realize Kshs.10, 298,407,290.50 in actual revenues, representing 74% performance. In the table below, we present an analysis of revenue performance during the year.

Table 1: Revenue Performance in FY 2019/20

REVENUE CLASSIFICATION	Revenue Budget(Kshs)	Actual (Kshs)	Realization (%)
CARA	12,916,955,223.65	9,438,326,707.30	73%
Own Generated Revenues	919,174,079.40	860,080,583.20	94%
Total	13,836,129,303.05	10,298,407,290.50	74%

b) Payments

The total expenditure budget for the financial year was Kshs.13,836,129,303 and total actual expenditure amounted to Kshs.11,230,128,338, representing 81% budget absorption. Out of the total expenditure, Kshs.2,584,361,638 was development expenditure while Ksh 8,602,595,740 was recurrent expenditure as analyzed and depicted in the table and chart below:

Expenditure Classification	Expenditure budget (Kshs)	Actual (Kshs)	Realization (%)
Recurrent	9,241,790,022	8,602,595,740	93%
Development	4,594,339,281	2,584,362,238	56%
Total	13,836,129,303	11,186,957,978	81%

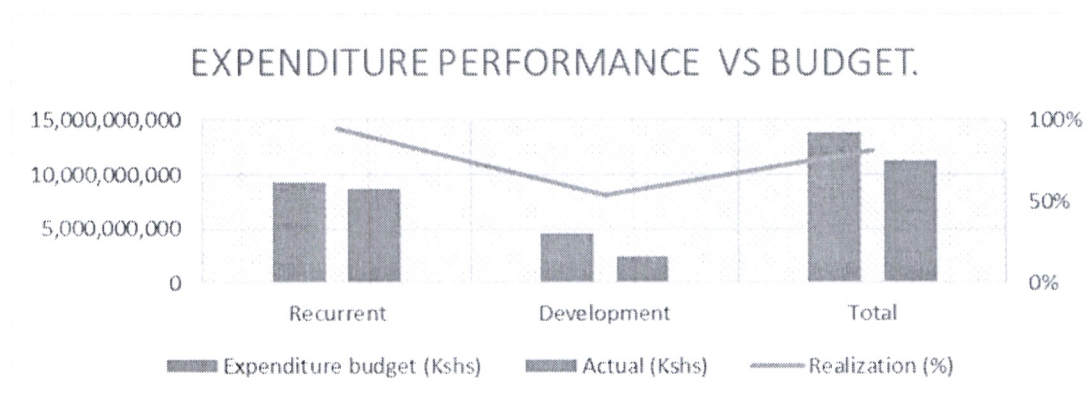


Figure 2: Depicts Bungoma county Expenditure Performance vs budget for year 2019-20

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c) County Projects

The County Government of Bungoma undertook a number of projects during the year, including issuing of bursaries to needy students, overhaul and maintenance of Roads amounting to Kshs.1, 515,514,807.50, uplifting county stadium, Improving on water supplies by purchasing drilling machine, issuing of fertilizers, constructing a 300 bed capacity maternity wing at Bungoma referral, up lifting sub county hospitals and seeds to small-scale farmers, among other projects.

Below are some of the projects undertaken by the county government in 2019/20:

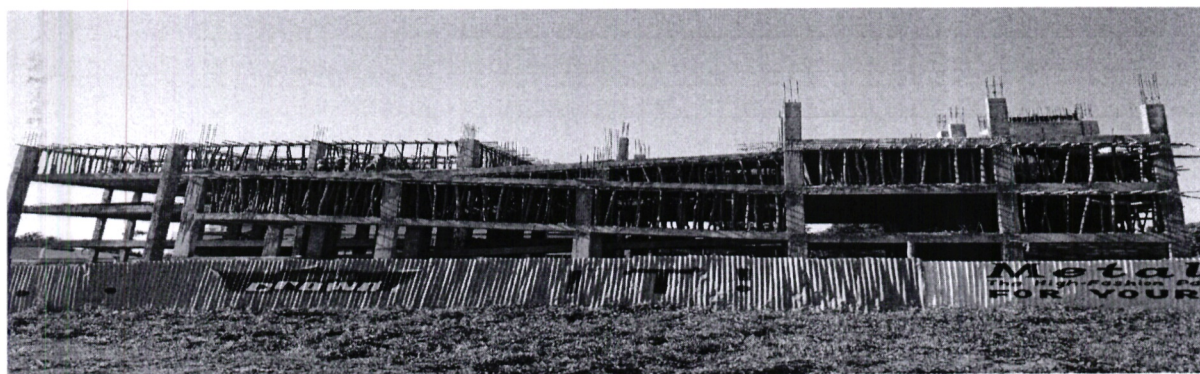


Figure 3: construction of a 300 bed capacity Maternity Wing At Bungoma County Referral.

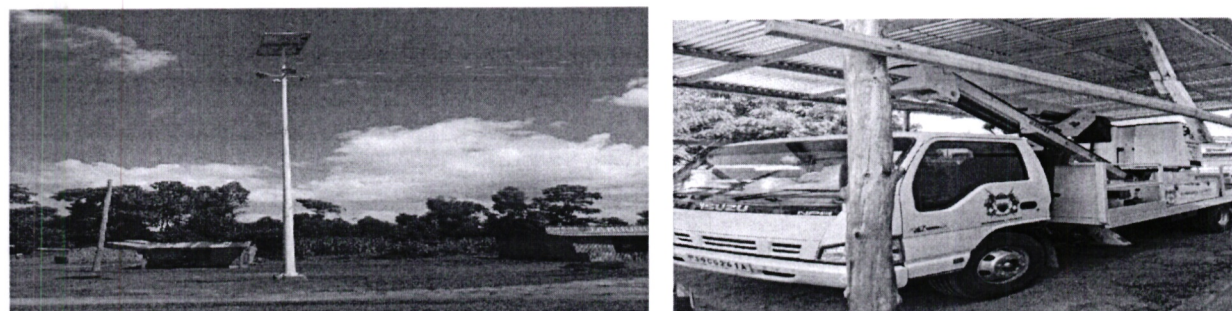


Figure 4: Streetlights installed along markets and highways to enhance on security and promote 24hr economic and purchase of lifter for maintenance.

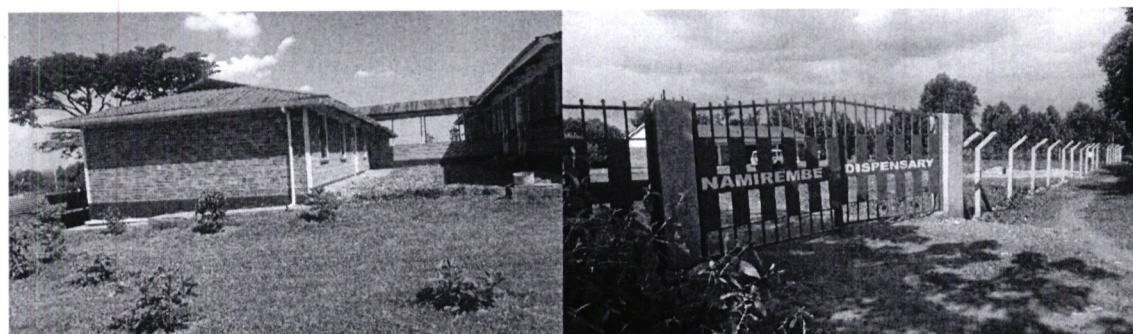


Figure 5: mechimeru & namirembe Part of the many facilities uplifted within the year 2019-2020



Figure:6: Milk coolant at Webuye construction 70%

complete.



Figure: Upgrading Kanduyi sangalo to a dual road 40% complete.

d) Challenges

Implementation challenges of strategic objectives for the County Government included the following: - Inadequate and delayed Government funding to sectors, High poverty level Political interference in project prioritization and implementation, Inadequate Infrastructure, Inadequate capacity of contractors, Lack of Industrial land, Delay of procurement process, the Covid-19 pandemic among other challenges.

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e) Future Outlook

In the financial year 2020/2021, the County Government has a total budget of Kshs.11,902,328,882 of which, recurrent is Kshs.8,298,250,996 and development is Kshs.3,604,077,887. The budget intends to fund various project which include:

- Upgrading of access and main roads across the countywide i.e. The Kanduyi –sang’alo junction dual road.
- Bursary allocation to need students amounting to ksh 124,336,685..
- Upgrading Chwele market (Chwele agribusiness)
- Construction of a dairy plant at Webuye East
- Renovation and construction of Masinde Muliro stadium at Kanduyi.
- Construction of industrial park
- Construction of 300 bed capacity maternity wing at bungoma county referral
- Maintenance of Rural Roads(WBP).
- Protection of water towers.



CPA ESTHER WAMALWA

CPA ICPAK NO. 10770

CECM: FINANCE AND ECONOMIC PLANNING.

COUNTY GOVERNMENT OF BUNGOMA.

3. STATEMENT OF PERFORMANCE AGAINST COUNTY PREDETERMINED OBJECTIVES

Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

Strategic development objectives.

The County's 2018-2022 CIDP has identified nine (9) key strategic development objectives. Broadly, these objectives have been identified through a participatory process that reviewed the development priorities of the Governor's Manifesto, the National Government's "Big Four", NIUPLAN, SDGs and the MTP III.

The strategic objectives are a synthesised product of the afore-mentioned planning frameworks that amalgamate the thematic focus and development aspirations in these policy frameworks.

The key development objectives of the Bungoma County's 2018-2022 CIDP are to:

- a) Create an enabling environment for sector development;
- b) Increase productivity and outputs in the sector;
- c) Improve market access, commercialization of sector products and trade;
- d) Contribute to County and national food security;
- e) Strengthen institutional capacity for efficient and effective service delivery;
- f) Enhance the role of youth and women in the sector;
- g) Ensure accessibility, equity and sustainable management of land resource for social and economic development
- h) Enhance secure storage, access and retrieval of land information; and
- i) Enhance sustainable utilization of Resources and the blue economy.

Progress on attainment of Strategic development objectives.

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

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Department	Objective	Outcome	Indicator	Performance
Agriculture development / Fisheries Extension service	To improve fisheries production and productivity	Improved food security, incomes and livelihoods	Number of fish farmers reached	Achieved 23% (450/2000)
		Value addition and security	Number of value added products developed	Achieved 100% (5/5)
		Fish Marketing	Number of fish seed producers supported and trained	Achieved 100% (17/17)
		Fish Marketing	Number of facilities inspected	Achieved 100% (10/10)
	To enhance crop production and productivity	Improved food security, incomes and livelihoods	No. of trainings on production and management techniques	Achieved 25% (50/200)
		Farm Input Support	Number of fertilizer beneficiaries (50kg)	Achieved 20 % (17,646/90,000)
		Increased number of technologies disseminated	No. of farmers adopting appropriate technologies	Achieved 100 % (100,000/100,000)
	To improve livestock production and productivity	Improved Food Security, incomes and livelihoods	Number of farmers trained on new technologies	Achieved 90 % (4,500/5,000)
Education	To improve access and ensure equity and quality of Early Childhood Education and development	Increased access, retention, completion and transition rate in early childhood	No. of co-curricular activities held	Achieved 100 % (3/3)
			Number of Quality Assurance and Standards	Achieved 30 % (51/170)
		Needy and bright students supported through bursaries	Number of students benefitting	Achieved 50 % (13,216/26,422)
Water, Natural Resources,	To provide access to clean portable water for domestic	Increased population with access to clean	Number of Drilling rig	Achieved 100 %

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Environment & Tourism	use	water	procured	(1/1)
		Improved clean, healthy and sustainable environment	Acreage of land fenced and managed	Achieved 100 % (3/3)
	To develop and market county tourist products and attractions	Increased no of tourists visiting county tourist sites	No of tourist sites and products developed	Achieved 8 % (1/12)
Trade and Energy		Renewable energy provided	No. of solar street lights installed	Achieved 8 % (5/60)
			No. of flood mast lights installed	Achieved 100 % (22/10)
Department of Public Works	To Make all Roads accessible	Road construction and maintenance	Km of rural roads upgraded to bitumen standards	Achieved 20 % (10/50)
			Km of urban roads upgraded	Achieved 100 % (2.60/2)
			Km of sub County Roads Gravelled	Achieved 100 % (133.80/100)
			Km of ward roads maintained	Achieved 53 % (239/450)
			No. of Box Culverts Constructed	Achieved 44 % (4/9)
Health and Sanitation	Halt and reverse the rising burden of non-communicable conditions	Reduced burden of preventable diseases and mortalities	No of awareness meetings conducted	Achieved 93% (45/48)
		Increased cancer prevention n intervention in women enhanced	No of cervical cancer cases managed	Achieved 100% (80/74)
		Reduced malaria burden in the community	No. of radio talks held	Achieved 100% (10/6)
		Increased management of HIV	No. of people tested for HIV for	Achieved 58% (6,935/11,890)

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		and AIDs patients	the first time	
		Increased management of HIV and AIDs patients	No. of people tested for HIV for the second time	Achieved 58% (162,318/278,260)
		Increased management of HIV and AIDs patients	No. of Pregnant women counselled and tested for HIV	Achieved 58% (24,666/42,285)
		Increased food and water sampling tested	No. of food samples tested	Achieved 83% (40/48)
		Reduced outbreak of diseases	No. of emergence teams established	Achieved 100% (9/9)
	To ensure Quality service provided	Operational laboratory and investigative services provided	number of clients investigated	Achieved 95% (1,577,000/1,660,000)
		Medical drugs availed in primary health facilities & hospitals and all other required Supplies.	Percent age of primary health facilities with tracer drugs in all the four quarters	Achieved 100%
		Specialize d medical equipment acquired	No. of public hospital s with specialized equipment	Achieved 100% (2/2)
		Non – communicable diseases managed	No. of women of reproductive age screened for cervical cancer	Achieved 58% (4,730/8,109)
	To Increase access to maternal and child health services.	Increased number of WRA receiving FP Commodities.	Number of women of reproductive age receiving family planning services	Achieved 85% (188,854/222,181)
		Increased number of pregnant women receiving ANC services	No. of pregnant women attending 1st ANC visit (Coverage	Achieved 85% (42,632/51,364)
		Skilled delivery enhanced	No. of skilled deliveries	Achieved 83%

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			conducted	(36,623/44,124)
		Pregnant women accessing iron and folic acid increased	No. of pregnant women accessing folic acid	Achieved 58% (42,118/72,202)
		Immunization enhanced	No. of under 1 year fully immunized children	Achieved 85% (41,940/48,768)
Gender, Culture, Youth and Sports	To promote gender equality and freedom from discrimination among vulnerable groups..	Increased appreciation of Gender Equality and Freedom from Discrimination of vulnerable groups	N0. Of GTWG operational zed	Achieved 100% (10/10)
	To improve heritage and culture awareness, knowledge, appreciation, conservation and nurture talents through sports	Improved heritage and culture knowledge, appreciation and conservation	Construction of cultural centres (Fencing)	Achieved 100% (1/1)
	To develop Facilities for Recreation	Masinde Muliro Stadium renovated / Modernize d(Pavilion)	Number of stadiums	Under construction
	To nurture young talent in Development	Increased nurtured young talent in sports	Number of young people trained	Participated in the KYISA games held in Busia

BUNGOMA COUNTY GOVERNMENT

Reports and Financial Statements

For the year ended June 30, 2020

4. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

The County Government of Bungoma exists to transform lives. This is our purpose; the driving force behind everything we do. It is what guides us to deliver our strategy, which is founded on four pillars: putting the customer/Citizen first, delivering relevant goods and services, and improving operational excellence. Below is a brief highlight of our achievements;

- ✓ The Department of Water in conjunction with the Sang'alo Institute undertook town cleaning and clearance of drainage and sewer systems in three towns, Bungoma, Misikhu and Ndivisi.
- ✓ As the world was fighting Covid19 through all possible means, the Governor's Office in Bungoma County was not left behind; it conducted education about the Covid protocols in place and provided the tools required to do the same.
- ✓ The Ministry of Lands Urban and urban planning conducted education barazas in line with the requirements in place before one starts constructing a permanent building; this is in a quest to reduce the number of structures coming up illegally which have in the recent past raised concern after buildings have collapsed and led to loss of lives and to avoid construction on prohibited places.
- ✓ In the spirit of giving back to the Community, the Ministry of Lands, Urban and Physical Planning conducted land clinics through which the members of the public were enlightened about procedures involved when one wants to acquire land and the types of transfer of title that exist.
- ✓ After the emergency of Covid19 and being a year in which the Bukusu conduct their initiation, the Ministry went out of its way to actively educate the public about the dangers of undergoing this practise as is normal. The elders and administrators were engaged in various places to help spread this information about safe practises in the prevailing circumstances.
- ✓ While construction works of roads are being undertaken, the communities around have time and again suffered from unwanted relationships with engaged workers leading to pregnancies in school children and increased cases of transmission of HIV. In a bid to curb this, the Ministry undertook trainings to create awareness about the same.
- ✓ Organising for medical camps where they invite specialist who provide specialist services to the residents of Bungoma County. So far two medical camps have been held one in

Webuye County Hospital and Chwele hospital where a total of 3,000 patients accessed specialized services.

- ✓ The department through the Beyond Zero program offer outreach services and conduct reverse referral services where they take medical specialist to rural facilities. There is a routine program for all the eleven sub counties.
- ✓ The department also supports the community health volunteers by paying them stipends to offer primary health services freely to people.

BUNGOMA COUNTY GOVERNMENT

Reports and Financial Statements

For the year ended June 30, 2020

5. STATEMENT OF MANAGEMENT RESPONSIBILITIES

Sections 163,164 and 165 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the County Treasury shall prepare financial statements of each County Government entity, receiver of receipts and consolidated financial statements for all County Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

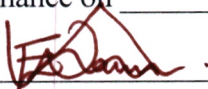
The County Executive Committee (CEC) member for finance of the County Government is responsible for the preparation and presentation of the County Government's financial statements, which give a true and fair view of the state of affairs of the County Government for and as at the end of the financial year ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the County Government; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the County Government; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The CEC member for finance accepts responsibility for the County Government's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The CEC member for finance is of the opinion that the County Government's financial statements give a true and fair view of the state of the County Government's transactions during the financial year ended June 30, 2020, and of its financial position as at that date. The CEC member for finance further confirms the completeness of the accounting records maintained for the County Government which have been relied upon in the preparation of the its financial statements as well as the adequacy of the systems of internal financial control.

The CEC member for finance confirms that the County Government has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the County Government's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the CEC member for finance confirms that the County Government's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The County Government's financial statements were approved and signed by the CEC member for finance on 8/12/ 2020.



County Executive Committee Member – Finance



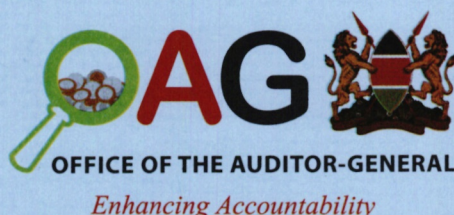
BUNGOMA COUNTY GOVERNMENT
Reports and Financial Statements
For the year ended June 30, 2020

**6. REPORT OF THE INDEPENDENT AUDITORS ON THE COUNTY EXECUTIVE
OF BUNGOMA.**



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REPORT OF THE AUDITOR-GENERAL ON COUNTY EXECUTIVE OF BUNGOMA FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of County Executive of Bungoma set out on pages 1 to 59, which comprise the statement of assets and liabilities as at 30 June, 2020, and the statement of receipts and payments, statement of cash flows, summary statements of appropriation - recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the County Executive of Bungoma as at 30 June, 2020, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012 and the County Governments Act, 2012.

Basis for Qualified Opinion

Variances Between Financial Statements and IFMIS Records

The following balances reflected in the financial statements were at variance with the balances reflected in the County Executive's Integrated Financial Management Information System (IFMIS) generated financial statements as detailed below:

	Amount as per Financial Statements (Kshs.)	Amount as per IFMIS Records (Kshs.)	Variance (Kshs.)
Receipts	10,298,407,290	11,005,028,247	(706,620,957)
Compensation of Employees	4,575,821,138	4,538,978,422	36,842,716
Use of Goods and Services	2,435,568,065	2,149,490,157	286,077,908
Transfers to Other Government Units	1,022,394,769	1,346,181,217	(323,786,448)
Other Grants and Transfers	1,405,248,658	170,000,000	1,235,248,658
Acquisition of Assets	1,433,943,390	1,433,351,067	592,323

	Amount as per Financial Statements (Kshs.)	Amount as per IFMIS Records (Kshs.)	Variance (Kshs.)
Other Payments	298,106,780	285,956,485	12,150,295
Assets	1,525,797,831	5,029,414,775	(3,503,616,944)
Liabilities	245,929,312	4,512,137,396	(4,266,208,084)
Fund Balance	1,279,868,520	4,559,328,099	(3,279,459,579)

The Management has attributed the above variances to the non-operational cash management module, mis-posting of revenues captured in IFMIS to the ledger and use of journal entries to record most of the use of goods and services expenditures relating to health facilities and dispensaries.

Under the circumstances, the accuracy and completeness of the balances reflected in the financial statements for the year ended 30 June, 2020 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the County Executive of Bungoma Management in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no key audit matters to communicate in my report.

Other Matter

1. Budgetary Control and Performance

The summary statement of appropriation - recurrent and development combined reflects an approved revenue budget of Kshs.13,836,129,303 against actual receipts of Kshs.10,298,407,291, resulting in an overall net under collection of Kshs.3,537,722,013 or 26%. Similarly, the statement reflects an approved expenditure budget of Kshs.13,836,129,303 against actual expenditure of Kshs.11,186,957,978, resulting to an overall under expenditure of Kshs.2,649,171,925 or 19%. The underfunding and underperformance constrained execution of planned activities and delivery of services to the residents of Bungoma County.

2. Late Exchequer Releases

During the year under review, the County Executive of Bungoma had budgeted for Exchequer releases of Kshs.10,846,450,004 but received a total of Kshs.9,184,320,428, out of which Exchequer releases totalling Kshs.2,351,512,079 were released in the month of June and July, 2020 as shown below:

Date Received	EFT No.	Amount (Kshs.)
04 June, 2020	FT20156HR2YS	933,833,250
24 June, 2020	FT20176TLKYR	800,428,500
15 June, 2020	FT2016750P2W	13,359,375
30 June, 2020	FT20182FZLV1	9,975,000
04 June, 2020	FT20156KT84R	26,964,149
04 June, 2020	FT20156X8TP6	32,837,307
02 July, 2020	FT201848HS1B	8,800,000
02 July, 2020	FT201844CBWR	215,270,498
04 June, 2020	FT20156G3KXH	213,714,000
06 July, 2020	FT20188PB7Z8	66,330,000
02 July, 2020	FT201840F18C	30,000,000
Total		2,351,512,079

As a result of the delayed receipt of funds, the County Executive did not have sufficient time to absorb its total budget for the year.

3. Pending Bills

As disclosed in Note 7.9(1) and Annex 2 to the financial statements, the County Executive had pending bills totalling Kshs.322,771,151 which were due to suppliers of goods and services as at 30 June, 2020. The balance includes long outstanding payables of Kshs.47,584,498 dating from 15 September, 2012 to 31 December, 2019. Further, pending bills amounting to Kshs.7,817,181 settled during the year under review were not in the lists of pending bills for 2017/2018 and 2018/2019 financial years. Failure to settle pending bills in the year to which they relate affects the budget for the following year and may attract penalties and interest in case of litigations.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Projects Implementation Performance

During the financial year under review, the County Executive was to implement a total of 437 projects or programmes with a total budget of Kshs.11,048,122,237 by different sectors. However, analysis of the projects implementation performance indicated that thirty-eight (38) or 9% of the projects had not started, two hundred and thirty-five (235) or 54% projects were on-going, eleven (11) or 3% projects had been halted, fifteen (15) or 3% of the projects, though complete, had defects, and one hundred and thirty-eight (138) or 32% of the projects had been completed.

Under the circumstances, the County Executive may not have achieved its targets as approved by the County Assembly hence service delivery may not be fully realized by the residents of Bungoma County.

2. Long Outstanding Imprests

The statement of assets and liabilities reflects an accounts receivables – outstanding imprests balance of Kshs.67,189,354 as at 30 June, 2020. Review of the position on 15 December, 2020 indicated that imprests totalling Kshs.8,936,000 had been accounted for, leaving a balance of Kshs.58,253,354 still outstanding. This is contrary to Regulation 93(5) of the Public Finance Management (County Governments) Regulations, 2015 which requires imprest holders to surrender or account for imprests within seven working days after returning to duty station.

In the circumstances, Management was in breach of the law.

3. Non-Compliance with Public Finance Management Fiscal Responsibility Principles

The statement of receipts and payments reflects total expenditure of Kshs.11,186,957,378 which comprised of recurrent and development expenditure of Kshs.8,602,595,740 and Kshs.2,584,361,638, respectively. However, development expenditure accounted for 23% of the total expenditure which is below the 30% threshold stipulated by Section 25(1)(g) of the Public Finance Management (County Governments) Regulations, 2015.

Further, the statement reflects an expenditure of Kshs.4,575,821,138 under compensation of employees which is 44% of the actual total revenue for the year of Kshs.10,298,407,291. This is contrary to the maximum limit of 35% set under Section 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015.

The Management was, therefore, in breach of the law.

4. Failure to Submit Revenue Statements for Audit

Information available indicates that the receiver of revenue for the County Government of Bungoma did not prepare and submit the quarterly and annual revenue statements as required by Sections 158 and 165 of the Public Finance Management Act, 2012. The statements and information not availed included the following:

- a) Statement of receipts and disbursements
- b) Statement of arrears of revenue, classified by financial year;
- c) Reasons for material differences between approved estimates and the actual revenue collected.
- d) The actual revenue received by the receiver and transmitted to the county exchequer account;
- e) The actual revenue received by the receiver and not transmitted to the county exchequer account;

- f) A responsibility statement by the receiver of revenue on the revenue statement.

Consequently, Management was in breach of the law.

5. Compensation of Employees

5.1 Non-Adherence to One Third Basic Salary Rule

Analysis of the payrolls revealed that one hundred and seventeen (117) employees drew net salary that was below one third of their basic pay contrary to Section 19(3) of the Employment Act, 2007 which requires that the total amount of all deductions which may be made by an employer from the wages of his employee at any one time shall not exceed two-thirds of the basic pay.

In the circumstance, the Management is in breach of the law.

5.2 Engagement of Temporary Workers

During the year under review, the County Executive spent an amount of Kshs.242,671,993 on basic wages of temporary employees, an increase of Kshs.64,587,778 from the previous year's expenditure of Kshs.178,084,215. However, scrutiny of employees records revealed that out of the expenditure of Kshs.242,671,993, an amount of Kshs.235,888,852 was not supported with the following documents:

- i) Evidence of how the temporary employees were hired, the work for which they were hired, and their terms and conditions of services.
- ii) Muster roll showing attendances of casual work.
- iii) Approval by the County Public Services Board, authorizing Departments to recruit casual employees.
- iv) Listing of all temporary workers engaged by various Departments.

In the circumstance, the Management is in breach of the law.

5.3 Over-Employment of People from the Dominant Ethnic Community

Review of human resource records revealed 5,205 or 84% of all the County Executive's employees were from the dominant local community in the County. This is contrary to the provisions of the National Cohesion and Integration Act, 2008 which stipulates that at least 30% of employees should be from communities other than the dominant one.

Consequently, the Management is in breach of the law.

6. Payment of Legal Dues/Fees

Information available indicates that the Department of County Secretary paid five (5) legal firms legal dues/fees totaling Kshs.8,001,644 for representing the County Executive in various cases during year under review. However, the following anomalies were noted:

- a) Two (2) of the legal firms were not in the list of prequalified firms to provide legal services to the County Government. Management indicated that one of the legal firms was prequalified by the defunct County Council of Bungoma and Municipal Council of Bungoma, while the other was prequalified in the year 2014.
- b) Further, Management did not provide details of how the legal fees/dues totalling to Kshs.8,001,644 were arrived at and the current status of the cases involving the County Government.

In the circumstances, the County Government may not have received value for money totalling Kshs.8,001,644 incurred on legal services.

7. Construction of Ward Offices

During the year under review, the Department of Public Service Management and Administration implemented several Ward Offices construction projects which included three projects costing a total of Kshs.12,274,440. However, the following anomalies were noted;

Project Name	Cost (Kshs.)	Findings
Ward Administrators Offices in Soysambu, Tongaren and Ndalu Wards	7,500,000	- Land had no title deed, - Fencing not done, - Offices not complete Management indicated, without providing documentary evidence, that the process of acquiring title deeds was ongoing and that the office at Tongaren was complete and in use.
Ward Administrators Offices in Maraka, Ndivisi and Mihuu Wards	3,887,248	- Land had no title deed - Project stalled Management indicated that the Maraka and Ndivisi offices were complete and in use, while Mihuu office was 90% complete, but did not provide documentary evidence to support the explanation.
Ward Administrators Offices in Misikhu and Bokoli Wards	887,192	- Land had no title deed - Project stalled Management explained without providing documentary evidence, that the project had been delayed by a court case and was 75% complete.
Total	12,274,440	

In the circumstances, the County Executive may not have received value for money on the expenditure of Kshs.12,274,440.

8. Supply and Installation of Networking Equipment and CCTVs

During the financial year 2017/2018, the Department of Public Service Management and Administration awarded a tender for supply, delivery and installation of networking equipment and closed circuit televisions (CCTVs). The tender was awarded to a local firm at a contract sum of Kshs.10,832,178 and was fully paid as at 30 June, 2020. However, the audit of the contract, in October, 2020 revealed the following anomalies:

- a) The networking items were not tagged.
- b) The networking equipment installed in the Departments of Environment, Water and Tourism; and Agriculture, Livestock, Fisheries, and Cooperative Development were not working, due to a damaged router.

In view of the foregoing, the County Executive may not have obtained value for money on the expenditure of Kshs.10,832,178 and the purpose for which the equipment and CCTVs were procured may not be achieved.

9. Delayed Completion of High Altitude Training Centre in Mt. Elgon Sub-County

A local contractor was awarded a tender for proposed completion of the High Altitude Training Center in Mt. Elgon Sub-County at a contract sum of Kshs.37,068,629. The contract commenced on 11 April, 2016 and was expected to be completed on 12 December, 2016. As at the time of audit in October, 2020, the contractor had been paid Kshs.14,606,224. However, audit inspection revealed that the project was not complete, despite several extensions of the contract period. Further, ownership documents for the parcel of land on which the Training Centre stands were not provided for audit review.

In the circumstances, the County Executive may not have received value for money on the expenditure of Kshs.14,606,224 and the Training Centre may not be completed to benefit the residents of Bungoma County.

10. Delayed Completion of Market Stalls

On 2 May, 2020, the Department of Trade, Energy and Industrialization engaged a local Technical Training Institute to supply and fabricate 50 modern market stalls in Bungoma Town at a total cost of Kshs.9,500,400. The stalls were to be made from ten (10) containers, with each container accommodating five (5) stalls. The work was to commence on 2 May, 2020 and end on 30 September, 2020, a period of five months. However, the following was noted;

- (i) As at the time of audit on 16 October, 2020, the Department had paid a total of Kshs.5,700,240 to the Institute. However, physical verification carried out on 16 October, 2020 revealed that no single-stall had been erected. Management attributed the delay in constructing the stalls to inability by the Institute to transport containers from Mombasa during the lock-down period brought about by the Covid-19 pandemic and delay in receiving funds from the Exchequer.
- (ii) An audit inspection of the project on 26 January, 2021 revealed that out of the ten containers (fifty stalls), eight containers (forty stalls) had been supplied and partly fabricated, while two containers (ten stalls) had not been supplied.

- (iii) Further, out of the forty stalls supplied, thirty had been installed at two sites, one site with four containers (twenty stalls) and the other site with two containers (ten stalls). However, the latter ten stalls had been occupied by homeless boys.
- (iv) The remaining two containers (ten stalls) had not been installed and were lying idle. Management explained that the site where these ten stalls and the ten not yet delivered were to be installed had dispute and therefore, the Department was looking for an alternative site.

In the circumstances, the County Executive may not receive value for money on the expenditure Kshs.5,700,240 and the targeted traders may not benefit from the project.

11. Non-Operational Market Sheds

During the year under review, the County Executive, through the Department of Trade, Energy and Industrialization, awarded a local company contracts to construct two (2) Mama Mboga Sheds at Bukembe Market at a cost of Kshs.1,116,312 and three (3) Mama Mboga Sheds at Malakisi Market at a cost of Kshs.1,430,423. The contract periods were 60 days and 90 days respectively and the total contract sum of Kshs.2,546,735 was paid to the contractor. During field verification exercise, it was observed that although the Mama Mboga Sheds existed, they were not being used by the intended beneficiaries because they did not have walls as well as merchandise worktops. Instead, the traders were using their own makeshift stalls at the roadside. Management indicated that the walls and merchandise worktops were not part of the work procured but did not clarify why they were excluded.

In the circumstances, the purpose for which the sheds were constructed may not have been achieved and the expenditure of Kshs.2,546,735 may have been a waste of public resources.

12. Non-Operational Water Projects

During the year under review, the County Government awarded contracts for drilling of three boreholes to three contractors at a total cost of Kshs.8,481,061 as detailed below:

Project Name	Payment Voucher No.	Amount (Kshs.)
Mwibale, Sikalame and Mwikhupo	280	3,662,018
Bukembe market borehole	245	3,176,970
Sangalo market borehole	248	1,642,072
Total		8,481,060

Review of water analysis report and physical verification of the boreholes conducted on 15 October, 2020, revealed that although the boreholes had been sunk and the hand pumps installed, the water that was flowing therefrom was contaminated and was, therefore, not fit for human consumption. Management indicated that the County Executive had engaged chemists from Nzoia Water and Sanitation Company Limited to purify the water.

In the circumstances, the County Executive may not obtain value for money in the expenditure of Kshs.8,481,060 and the intended purpose of the boreholes may not be achieved.

13. Chebukwabi-Kibingei Water Project

The County Executive through the Department of Environment, Water and Tourism signed three interlinked contracts with a local company to construct intake, pipeline, and two water tanks (100m³) at Kamuneru and Sambocho and Kamuneru Sacho community water project at a total cost of Kshs.50,589,665 as detailed below:

Details	Tender No.	Amount (Kshs.)
Construction of intake pipeline and tanks at Chebukwabi-Kibingei water project	BGM/CNTY/OT/WTR/96/2017-2018	38,390,917
Construction of Sambocho water project	BGM/CNTY/WTR/DT/291/2018-2019	4,964,000
Kamuneru Sacho Community water project	BGM/CNTY/WTR/127/2017-2018	7,243,748
Total		50,598,665

As at the time of audit inspection on 15 October, 2020, the contractor had been paid a total of Kshs.48,890,169. It was also observed that the intake was complete with the pipeline running up to the tank at Kamuneru and another one up to the tank at Sambocho. However, the water was not flowing and Management attributed lack of flow of water to vandalism of pipeline, control valves and air valves said to be perpetrated by the neighbouring communities of Sambocho and Kamuneru.

In view of the foregoing, the County Executive may not obtain value for money on the expenditure of Kshs.48,890,169 and the residents of Kamuneru and Sambocho may not get the expected water.

14. Land Procured Without Ownership Documents

The summary of fixed assets register, at Annex 5 to the financial statements, indicates that the County Executive had land costing Kshs.11,724,035,015 as at 30 June, 2020, which includes land valued at Kshs.40,910,000 acquired during the year under review. However, the following audit issues were noted:

14.1 Purchase of 12 Parcels of Land

The Department of Lands, Urban Physical Planning and Housing purchased twelve (12) parcels of land during the year ended 30 June, 2020 at a total cost of Kshs.20,550,000. However, information provided indicates that the Department did not have ownership documents for all the parcels of land. Further, the Department did not budget for administrative costs which would have been used to cover valuation fees, survey fees, stamp duty, registration fees, laying of beacons, and fencing/securing charges. Management indicated that the process of acquiring title deeds for the parcels of land was on-going while administrative costs of Kshs.7,460,000 were factored in the 2020/2021 budget.

14.2 Purchase of 3 Acres of Land

The Department of Environment, Water and Tourism purchased three (3) acres of land at Chepyuk Phase I Settlement Scheme/1262, under Korea International Cooperation Agency (KOICA) project at a cost of Kshs.1,800,000. Management explained that the land was acquired from beneficiaries of the Settlement Scheme who did not have title deeds but were issued with allotment letters. However, copies of the allotment letter in respect of the 3 acres of land purchased was not provided for audit verification.

In the absence of the title deed and allotment letter, the ownership of land costing Kshs.22,350,000 could not be confirmed.

15. Upgrading of Misikhu-Naitiri-Brigadier Road

The Department of Roads, Infrastructure and Public Works awarded a contract for the upgrading of forty (40) km Misikhu-Naitiri-Brigadier Road to a construction company at a contract sum of Kshs.1,115,939,198. Available documents indicated that out of the contract sum of Kshs.1,115,939,198, the National Government was to contribute Kshs.700,000,000, while the balance of Kshs.415,939,198 was to be met by the County Government of Bungoma. The scope of work entailed site clearance and demolition, earth works, excavation and filling for structures, culverts and drainage works, passage of traffic, natural material base and sub-base, bituminous surface treatment and surfaces dressing, concrete works and road furniture repair and maintenances. The contract period was twenty-four months, from 19 December, 2016 to 19 December, 2018. The completion date was later extended by eleven (11) months twice to November 2020. As at 30 June, 2020, payments on contract amounted to Kshs.617,538,270, representing 55% of contract sum. However, the audit of the project revealed the following unsatisfactory matters:

- a) The Kshs.700,000,000 expected from the National Government had not been received as at 30 June, 2020, which adversely affected implementation of the project. Management indicated that the National Government had factored Kshs.200,000,000 in the budget of the Kenya Rural Roads Authority. It was also explained that the contract for the section of the road that had not been undertaken was to be terminated and re-advertised by KeRRA.
- b) Physical inspection of the road on 11 October, 2020 revealed the following:
 - i) Only 18.65Km of the road had been tarmacked.
 - ii) The contractor had partially done earthwork on 2.2Km of the untarmacked section which was impassable due to heavy rains.
 - iii) The contractor was not on site and no material or workers were seen at the site, an indication of no work in progress. Management explained that this was due to ongoing discussions between the National Government and County Government on completion of the remaining section of the road.
 - iv) There were no road signage. According to Management, the road signage had been installed but were later vandalized.

- v) The culvert and drainage work had not been done beyond the first 10km of the road because the quantities provided in the Bills of Quantities were exhausted.
- vi) Some sections of road had started developing potholes as result of use of the road by heavier trucks than intended in the design of the road.
- vii) Stone pitching indicated in the Bills of Quantities was poorly done on a section of the road, while it had not been done on other sections due to exhaustion of quantities provided in the Bills of Quantities.

In view of the foregoing, it may take a long period of time for the residents of Bungoma County to fully benefit from the road and the County Executive may not achieve value for money from the expenditure of Kshs.617,538,270.

16. Non-Operational Generators

The Department of Health and Sanitation procured 7 generators consisting of five (5) 11KV generators for Sinoko Hospital, Kimilili Hospital, Mechimeru Health Centre, Bumula Sub-County Hospital and Sirisia Sub-County Hospital and two (2) 20KV generators for Kapsokwony and Chwele Sub-County Hospitals. The contract for supply of the generators was awarded to a local company which was paid Kshs.9,460,690 on 16 June, 2020. Physical inspection carried out in October, 2020 revealed that the generators were not operational, which Management attributed to failure by the health facilities to install 3-phase power supply since the generators were to be on standby in case of power outage.

In the circumstances, the Department may not have received value for money for the expenditure of Kshs.9,460,690 and the people of Bungoma County may not obtain services efficiently from the hospitals as intended due to lack of reliable electric power.

17. Un-Procedural Borrowings - Department of Health and Sanitation

- a) The County Executive, through the Department of Health and Sanitation, borrowed Kshs.51,068,602 from Bungoma County Referral Hospital over a period stretching from 3 June, 2015 to 24 March, 2020. The borrowed funds were in form of temporary imprests issued to the staff of the County Executive for various reasons, including Covid-19 pandemic awareness campaign. However, it was not clarified why the borrowed amount was not first received in the County Treasury accounts before being paid out as imprests. Further, available records indicated that as at 30 June, 2020, only Kshs.15,208,719 had been refunded to the Hospital, while the balance of Kshs.35,859,883 had not been refunded. Management indicated, that out the outstanding amount of Kshs.35,859,883, Kshs.28,000,000 was refunded through purchase of specialized materials for the hospital. In addition, the imprest warrants and supporting documents for Kshs.51,068,602 were not provided for audit verification.
- b) The County Executive, through the Department of Health and Sanitation, borrowed Kshs.6,598,100 from Webuye Sub-County Hospital through temporary imprests issued to several officers of the County Executive to facilitate County activities, despite the County Executive having its own budget lines and Exchequer funding. Further, it was not clarified why the borrowed amount was not first received in the County Treasury accounts before being paid out as imprests. In addition, the imprest warrants and surrender vouchers for Kshs.6,598,100 were not provided for audit verification and although a sum of

Kshs.2,744,880 had been refunded to the Hospital as at 30 June, 2020, the balance of Kshs.3,853,220 was still outstanding.

In the circumstances, the County Executive may not have obtained value for money on the expenditure of Kshs.57,666,702 and the outstanding amounts of Kshs.39,713,103 may not be refunded to the hospitals, which may adversely affect service delivery by the two hospitals.

18. Stalled and Non-Operational Projects

Physical audit verification of a sample of eight (8) projects with a budget of Kshs.94,535,078 and actual expenditure of Kshs.75,147,848 under the Department of Health and Sanitation revealed the following unsatisfactory implementation status:

Project Name	Location of the Project	Budget (Kshs.)	Expenditure (Kshs.)	Absorption (%)	Status as at 10/12/2020	Comments
Construction of Maternal/Child Ward Block at Bungoma County Referral Hospital	BCRH	25,045,531	25,045,531	100	48% Complete	Stalled (contractor not on site) despite full payment
Construction of Maternal/Child Ward Block at Sirisia Hospital	Sirisia Hospital	35,000,000	24,678,258	71	45% Complete	Stalled (contractor not on site)
Supply of seven generators to seven health facilities	Bumula, kimilili, sinoko mechimeru, Kapsokwony Sirisia Chwele	9,870,200	9,460,691	96	100% Complete	Not operational. Power supply to be upgraded to 3 -phase.
Construction of Makunga dispensary	Makunga dispensary	3,939,580	1,898,069	48	70% Complete	Complete but not operational due to lack of personnel and equipment. No ownership documents for land.
Erection and completion of dispensary and 2 door pit latrine	Mukuyuni dispensary	3,216,773	3,216,773	100	100% Complete	Not operational because of lack of personnel and toilets
Construction of Kabula market modern tiles	Kabula	2,295,849	1,606,507	70	Taslim Global Ventures Ltd	Stalled project because the contractor has not been paid 2 nd certificate.
Construction of Mechimeru maternity wing	Mechimeru	2,157,145	2,151,080	100	100% Complete	Non-operational with defects such as hanging doors and poor

Project Name	Location of the Project	Budget (Kshs.)	Expenditure (Kshs.)	Absorption (%)	Status as at 10/12/2020	Comments
						painting and no drainage
Purchase of medical equipment for casualty wing at BCRH	Bungoma	13,010,000	7,090,940	55	50% Complete	Complete but not operational due to lack of equipment.
Total		94,535,078	75,147,848	79		

In the circumstances, the County Executive may not have received value for money on the expenditure of Kshs.75,147,848 and residents of Bungoma County may not benefit from these projects.

19. Sub-Standard Works at Kamasielo and Kamuneru Primary Schools

The Department of Education and Vocational Training contracted two local companies to construct Early Childhood Development (ECD) classrooms at Kamasielo Primary School (Kimaeti) and Kamuneru Primary School (Mt. Elgon) at costs of Kshs.2,373,810 and Kshs.1,673,340 respectively, for each classroom both totaling Kshs.4,047,150. As at 30 June, 2020, the two contractors had been paid Kshs.631,005 and Kshs.1,670,851 respectively, both amounting to Kshs.2,301,856. Physical inspection of the projects carried out in October, 2020 revealed the following;

- (i) Flooring of the classrooms was poorly done and did not conform to the specifications in the Bills of Quantities.
- (ii) Further, the high cement sand screed skirting with rounded junction, wall finishing and coved junction had started chipping and cracking. Management indicated that the contractor would not be paid the remaining amount until they completed work.

Consequently, the County Executive may not have received value for money on the expenditure of Kshs.2,301,856.

20. Incomplete Works on Construction of Classrooms

In the year 2018/2019, the Department of Education and Vocational Training awarded a contract for construction of one classroom each in Toroso and Kimambole Polytechnics to a local contractor at a contract sum of Kshs.5,819,220. Site visits done in October, 2020 revealed that the two classrooms were not complete and the contractor had left the sites without providing explanation, after being paid Kshs.2,750,383.

Consequently, the County Executive may not have received value for money on the expenditure of Kshs.2,750,383 and the students of Toroso and Kimambole polytechnics may not enjoy decent learning environment as planned.

21. Stalled and Non-Operational Projects

- a) During the year 2018/2019, the Department of Agriculture, Livestock, Fisheries and Cooperative Development awarded a tender for the proposed construction of a chicken production unit at Mabanga Agricultural Training College (ATC) to a local

company at a contract sum of Kshs.2,556,375. A payment of Kshs.1,063,888 was made to the Contractor on 2 June, 2020. However, physical audit inspection of the project in October, 2020 revealed that the project, though complete, was not operational. Management indicated that the project was not operational because the Department had not yet purchased the chickens.

- b) The Department also awarded a tender for the proposed erection and completion of a zero grazing unit at Mabanga ATC to a local company at a contract sum of Kshs.2,112,307. A payment of Kshs.1,142,971 was made to the Contractor on 19 March, 2020. However, physical audit inspection of the project in October, 2020 revealed that the project had stalled due to existence of gaps in the Bills of Quantities prepared by the Department of Works.

Consequently, the County Executive may not receive value for money from the payments Kshs.2,206,859 and residents of Bungoma County may not receive benefits from the two projects as planned.

22. Purchase and Distribution of Maize Seeds to County Wards

Information available indicates that the Department of Agriculture, Livestock, Fisheries and Co-operative Development purchased 7,274 bags of maize seeds - Western Seed Varieties (WS) Hybrids at unit price of Kshs.2,500 for Kshs.18,185,000 which was paid on 16 June, 2020. The seeds were delivered to all the 45 wards of Bungoma County. However, the supplier was identified through direct method of procurement and no convincing reasons were provided to satisfy the conditions specified in Section 103(2) of the Public Procurement and Asset Disposal Act, 2015 for using this procurement method.

In the circumstances, the County Executive was in breach of law.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance section of my report, I confirm that nothing else has come to my attention to cause me to believe that internal controls, risk management, and overall governance were not effective.

Basis for Conclusion

Internal Control Weakness in Health Facilities

During the year under review, the County Executive, through the Department of Health and Sanitation, spent an amount of Kshs.269,705,782 on specialized materials and

supplies which included medical drugs, lab reagents, equipment, dressing and other non-pharmaceutical items. During audit inspection of health facilities in the County, the following internal control weaknesses were noted:

- a) Bungoma County Referrals Hospital (BCRH) had a very small store and supplies procured by the Department and the Hospital were crammed there in such a way that it was very difficult to trace an item. Management indicated that construction of a commodity store had been initiated.
- b) BCRH procured a Health Management Information System to facilitate the smooth running of the Hospital. However, the store module was not fully operational.
- c) In the Sirisia Sub-County Hospital, the store's records were not properly kept and the balances in the ledgers were not matching the actual balances in the stores. For instance, the bin cards for catheters and urine bags and Canular gauges had balances of 615 and 1820, while the actual balances in the store were 21 and 24 respectively.
- d) Bumula Sub-County Hospital did not have a fuel register.

The weaknesses noted may lead to irregularities and losses in the Department, which may lead to loss of public funds.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management, and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the County Executive's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to dissolve the County Executive or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements

are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the County Executive of Bungoma financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the County Executive policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the applicable basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County Executive's ability to continue to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the County Executive to cease to sustain its services.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the County Executive to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.


Nancy Gathungu

AUDITOR-GENERAL

Nairobi

28 October, 2021

BUNGOMA COUNTY GOVERNMENT
Reports and Financial Statements
For the year ended June 30, 2020

7. FINANCIAL STATEMENTS

7.1. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019/2020 Kshs	2018/2019 Kshs
RECEIPTS			
Exchequer releases	1	9,184,320,428	9,696,714,509
Proceeds from Domestic and Foreign Grants	2	-	99,999,945
Transfers from Other Government Entities	3	252,452,156	293,788,933
County Own Generated Receipts	4	860,080,583	674,998,437
Returned CRF issues	5	1,554,123	1,043,241
TOTAL RECEIPTS		10,298,407,291	10,766,545,066
PAYMENTS			
Compensation of Employees	6	4,575,821,138	4,421,148,066
Use of goods and services	7	2,435,568,064	2,068,484,305
Subsidies		-	-
Transfers to Other Government Units	8	1,022,394,769	959,806,960
Other grants and transfers	9	1,405,248,658	801,726,259
Social Security Benefits	10	15,875,178	9,927,814
Acquisition of Assets	11	1,433,943,391	1,532,607,687
Other Payments	12	298,106,780	577,531,408
TOTAL PAYMENTS		11,186,957,978	10,371,232,499
SURPLUS/DEFICIT		- 888,550,687	395,312,567

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 8/12 2020 and signed by:


 Chief Officer
 Name: Dinah Makokha


 Director Accounting services
 Name: Bernard Lumba
 ICPAK Member Number: 21133

BUNGOMA COUNTY GOVERNMENT
Reports and Financial Statements
For the year ended June 30, 2020

7.2. STATEMENT OF ASSETS AND LIABILITIES

FINANCIAL ASSETS	Note	2019/2020 Kshs	2018/2019 Kshs
Cash and Cash Equivalents			
Bank Balances	13A	1,458,607,877	2,323,151,127
Cash Balances	13B	-	-
Total Cash and cash equivalents		1,458,607,877	2,323,151,127
Accounts receivables – Outstanding Imprests	14	67,189,354	30,555,970
TOTAL FINANCIAL ASSETS		1,525,797,231	2,353,707,097
FINANCIAL LIABILITIES			
Accounts Payables – Deposits and retentions	15	245,929,312	212,152,684
NET FINANCIAL ASSETS		1,279,867,919	2,141,554,414
REPRESENTED BY			
Fund balance b/fwd	16	2,141,554,414	1,873,303,228
Prior year adjustments	17	26,864,193 -	127,061,381
Surplus/Deficit for the year	-	888,550,687	395,312,567
NET FINANCIAL POSITION		1,279,867,919	2,141,554,414

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 8/12/2020 and signed by:


 Chief Officer
 Name: Dinah Makokha


 Director Accounting Services
 Name: Bernard Lumba
 ICPAK Member Number: 21133

BUNGOMA COUNTY GOVERNMENT
Reports and Financial Statements
For the year ended June 30, 2020

7.3. STATEMENT OF CASH FLOWS

		2019/2020	2018/2019
	Note	Kshs	Kshs
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from operating income			
Exchequer releases	1	9,184,320,428	9,696,714,509
Proceeds from Domestic and Foreign Grants	2	-	99,999,945
Transfers from Other Government Entities	3	252,452,156	293,788,933
County Own Generated Receipts	4	860,080,583	674,998,437
Returned CRF issues	5	1,554,123	1,043,241
		10,298,407,291	10,766,545,066
Payments for operating expenses			
Compensation of Employees	6	4,575,821,138	4,421,148,066
Use of goods and services	7	2,435,568,064	2,068,484,305
Transfers to Other Government Units	8	1,022,394,769	959,806,960
Other grants and transfers	9	1,405,248,658	801,726,259
Social Security Benefits	10	15,875,178	9,927,814
Other Payments	12	298,106,780	577,531,408
		9,753,014,587	8,838,624,812
Adjusted for:			
Other Adjustments	17	26,864,193	- 127,061,381
Decrease/(Increase) in Accounts receivable:(outstanding Imrest)	18	- 36,633,384	172,624,138
Increase/(Decrease) in Accounts Payable: (deposit & retention)	19	33,776,628	- 7,742,644
Total Adjustments		24,007,437	37,820,113
Net cash flows from operating activities		569,400,140	1,965,740,367
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of Assets	11	- 1,433,943,391	- 1,532,607,687
Net cash flows from investing activities		- 1,433,943,391	- 1,532,607,687
NET INCREASE IN CASH AND CASH EQUIVALENT		- 864,543,250	433,132,680
Cash and cash equivalent at BEGINNING of the year	16	2,323,151,127	1,890,018,447
Cash and cash equivalent at END of the year	13	1,458,607,877	2,323,151,127
As per statement of assets		1,458,607,877	2,323,151,127

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 8/12/2020 and signed by:


 Chief Officer
 Name: Dinah Makokha


 Director Accounting Services
 Name: Bernard Lumba
 ICPAK Member Number: 21133

7.4. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	10,790,415,522	56,034,482	10,846,450,004	9,184,320,428	1,662,129,575	85%
Transfers from Other Government Entities	252,452,156	-	252,452,156	252,452,156	-	100%
County Own Generated Receipts	878,664,822	40,509,257	919,174,079	860,080,583	59,093,496	94%
Returned CRF issues	-	1,818,053,065	1,818,053,065	1,554,123	1,816,498,942	0%
TOTAL	11,921,532,500	1,914,596,803	13,836,129,304	10,298,407,291	3,537,722,013	74%
PAYMENTS						
Compensation of Employees	4,595,565,381	(7,757,532)	4,587,807,849	4,575,821,138	11,986,711	100%
Use of goods and services	1,859,099,684	631,067,593	2,490,167,277	2,435,568,064	54,599,213	98%
Transfers to Other Government Units	1,083,661,683	(11,074,603)	1,072,587,080	1,022,394,769	50,192,312	95%
Other grants and transfers	1,944,550,810	1,012,413,329	2,956,964,139	1,405,248,658	1,551,715,481	48%
Social Security Benefits	16,407,273	(63,375)	16,343,898	15,875,178	468,720	97%
Acquisition of Assets	2,322,247,668	31,015,499	2,353,263,167	1,433,943,391	919,319,776	61%
Other Payments	100,000,000	258,995,893	358,995,893	298,106,780	60,889,113	83%
TOTAL	11,921,532,500	1,914,596,803	13,836,129,303	11,186,957,978	2,649,171,325	81%
Surplus/ Deficit				(888,550,687)	888,550,687	

Notes

- Underutilization in returned CRF issues of 0% arose because the budget amount represents unutilized CRF balances brought forward from the year 2018/2019 and not amount expected to be received in 2019/2020.
- Underutilization in other grants and transfers of 48% was as a result of delays in receipt of grants.
- The increase of Kshs.1,914,596,803 from original to final budget was due to additional funds allocated in supplementary estimates and Approved Reallocations.

The entity financial statements were approved on 8/12/ 2020 and signed by:



 Chief Officer
 Name: Dinah Makokha



 Director Accounting Services
 Name: Bernard Lumba
 ICPAK Member Number: 21133

7.5. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	7,305,715,425	702,821,777	8,008,537,202	7,084,988,474	923,548,728	88%
County Own Generated Receipts	878,664,822	40,509,257	919,174,079	860,080,583	59,093,496	94%
Returned CRF issues	-	314,078,741	314,078,741	4,378	314,074,363	0%
TOTAL	8,184,380,247	1,057,409,775	9,241,790,022	7,945,073,435	1,296,716,587	86%
PAYMENTS						
Compensation of Employees	4,595,565,381	- 7,757,532	4,587,807,849	4,575,821,138	11,986,711	100%
Use of goods and services	1,831,099,684	647,970,467	2,479,070,151	2,420,468,515	58,601,636	98%
Transfers to Other Government Units	867,661,683	- 0	867,661,683	867,646,617	15,066	100%
Other grants and transfers	733,318,475	361,391,109	1,094,709,584	583,343,142	511,366,442	53%
Social Security Benefits	16,407,273	- 63,375	16,343,898	15,875,178	468,720	97%
Acquisition of Assets	40,327,750	52,274,305	92,602,055	84,703,150	7,898,905	91%
Other Payments	100,000,000	3,594,802	103,594,802	54,738,000	48,856,802	53%
TOTAL	8,184,380,247	1,057,409,775	9,241,790,022	8,602,595,740	639,194,282	93%
Surplus/ Deficit				- 657,522,305	657,522,305	

- Underutilization in returned CRF issues of 0% arose because the budget amount represents unutilized CRF balances brought forward from the year 2018/2019 and not amount expected to be received in 2019/2020.
- The increase of Kshs.1,057,409,775 from original to final budget was due to additional funds allocated in supplementary estimates.

The entity financial statements were approved on 8/12 2020 and signed by:


 Chief Officer
 Name: Dinah Makokha


 Director Accounting Services
 Name: Bernard Lumba
 ICPAK Member Number: 21133

7.6. SUMMARY STATEMENT OF APPROPRIATION: DEVELOPMENT

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget utilization difference	% of Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Exchequer releases	3,484,700,097	(646,787,295)	2,837,912,802	2,099,331,954	738,580,847	74%
Transfers from Other Government Entities	252,452,156	-	252,452,156	252,452,156	-	100%
Returned CRF issues	-	1,503,974,324	1,503,974,324	1,549,745	1,502,424,578	0%
TOTAL	3,737,152,253	857,187,028	4,594,339,281	2,353,333,855	2,241,005,426	51%
PAYMENTS						
Use of goods and services	28,000,000	(16,902,874)	11,097,126	15,099,550	(4,002,424)	136%
Transfers to Other Government Units	216,000,000	(11,074,603)	204,925,397	154,748,152	50,177,246	76%
Other grants and transfers	1,211,232,335	651,022,220	1,862,254,555	821,905,516	1,040,349,039	44%
Acquisition of Assets	2,281,919,918	(21,258,806)	2,260,661,112	1,349,240,241	911,420,871	60%
Other Payments	-	255,401,091	255,401,091	243,368,780	12,032,311	95%
TOTAL	3,737,152,253	857,187,028	4,594,339,281	2,584,362,238	2,009,977,043	56%
Surplus/ Deficit				(231,028,382)	231,028,382	

Notes

- Underutilization in returned CRF issues of 0% arose because the budget amount represents unutilized CRF balances brought forward from the year 2018/2019 and not amount expected to be received in 2019/2020.
- Overutilization in use of goods and services of Kshs.4,002,424 was because the amount was paid through development account (because it affects development bank balance) as a system mistake, but codes indicate they were charged to recurrent account.
- Underutilization in other grants and transfers of 44% was as a result of delays in receipt of grants.
- The increase of Kshs.857,187,028 from original to final budget was due to additional funds allocated in supplementary estimates

The entity financial statements were approved on 8/12/2020 and signed by:



 Chief Officer
 Name: Dinah Makokha



 Director Accounting Services
 Name: Bernard Lumba
 ICPAK Member Number: 21133

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7.7. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme /sub programme	Original budget (ksh)	Adjustments (Ksh)	Final Budget (ksh)	Actual Expenditure (ksh)	Budget Utilisation Diffirence	% budget Utilisation
General Administration, Planning and support	6,019,551,394	1,847,512,639	7,867,064,033	7,536,935,958	330,128,075	96%
<i>Administartion & support services</i>	607,124,835	1,933,427,969	2,540,552,804	2,259,254,156	281,298,648	89%
<i>HR development and management</i>	4,597,565,381	- 7,757,532	4,589,807,849	4,540,978,422	48,829,427	99%
<i>Human resource management services</i>	814,861,178	- 78,157,798	736,703,380	736,703,380	0	100%
Water and sewerage services management	133,000,000	- 68,000,000	65,000,000	65,000,000	-	100%
<i>Purchase of drilling gir</i>	80,000,000	- 15,000,000	65,000,000	65,000,000	-	100%
<i>Overhaul of water supplies</i>	40,000,000	- 40,000,000	-	-	-	0%
<i>Water supplies and Senerage</i>	13,000,000	- 13,000,000	-	-	-	0%
Forest conservation, protection and managem	45,000,000	99,000,000	144,000,000	-	144,000,000	0%
<i>Purchase of Tree seed and seedlings</i>	45,000,000	99,000,000	144,000,000	-	144,000,000	0%
Energy access and Industrial development	15,000,000	- 1,206,500	13,793,500	13,071,000	722,500	95%
<i>Energy access and Industrial development</i>	15,000,000	- 1,206,500	13,793,500	13,071,000	722,500	95%
Early Childhood Development and Education	163,397,166	- 35,374,225	128,022,941	32,439,500	95,583,441	25%
<i>ECDE CB curriculum implementation</i>	500,000	-	500,000	500,000	-	100%
<i>Special needs education</i>	300,000	-	300,000	300,000	-	100%
<i>Quality assurance and standards</i>	300,000	-	300,000	300,000	-	100%
<i>Infrastructure development</i>	162,297,166	- 35,374,225	126,922,941	31,339,500	95,583,441	25%
Vocational Education and Training	92,528,298	44,818,545	137,346,843	7,987,144	129,359,699	6%
<i>Tuition support programme</i>	53,928,298	70,575,000	124,503,298	7,387,144	117,116,154	6%
<i>Special needs education</i>	300,000	-	300,000	300,000	-	100%
<i>Centres of excellence</i>	19,000,000	- 19,000,000	-	-	-	0%
<i>Quality assurance and standards</i>	300,000	-	300,000	300,000	-	100%
<i>Infrastructure development</i>	19,000,000	- 6,756,455	12,243,545	-	12,243,545	0%
Education Support Programme	240,000,000	3,726,800	243,726,800	170,000,000	73,726,800	70%
<i>Education scholarship and bursary scheme</i>	240,000,000	3,726,800	243,726,800	170,000,000	73,726,800	70%
Tourism product development and marketing	8,000,000	- 2,844,865	5,155,135	-	5,155,135	0%
<i>Feasibility and Appraisal studies</i>	2,000,000	- 711,216	1,288,784	-	1,288,784	0%
<i>Tourist product promotion and marketing</i>	6,000,000	- 2,133,649	3,866,351	-	3,866,351	0%
Intergrated solid Waste management	14,000,000	- 4,120,539	9,879,461	6,173,314	3,706,147	62%
<i>Dumpsite development and management</i>	14,000,000	- 4,120,539	9,879,461	6,173,314	3,706,147	62%

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Land Resource Management and survey	116,877,797	-	51,840,157	65,037,640	64,586,046	451,594	99%
<i>Land Resource Management and survey</i>	116,877,797	-	51,840,157	65,037,640	64,586,046	451,594	99%
Governance and National Values	2,400,000	-	2,400,000	-	2,400,000	0%	0%
<i>Governance and National Values</i>	2,400,000	-	2,400,000		2,400,000	0%	0%
Public participation ,civic education and Ou	6,000,000	-	6,000,000	6,000,000	-	100%	100%
<i>Civic education</i>	6,000,000	-	6,000,000	6,000,000	-	100%	100%
Service Delivery and organizational transfor	9,000,000	1,897,624	10,897,624	7,373,271	3,524,353	68%	68%
<i>Institutional development and support services</i>	9,000,000	1,897,624	10,897,624	7,373,271	3,524,353	68%	68%
housing development and management	10,000,000	-	3,556,081	6,443,919	6,437,915	6,004	100%
<i>housing development and management</i>	10,000,000	-	3,556,081	6,443,919	6,437,915	6,004	100%
Economic development planning and coordin	64,171,569	21,854,946	86,026,515	72,750,240	13,276,275	85%	85%
<i>Economic development planning and coordination</i>	64,171,569	21,854,946	86,026,515	72,750,240	13,276,275	85%	85%
Monitoring & Evaluation services	8,072,960	9,272,784	17,345,744	16,491,213	854,531	95%	95%
<i>Monitoring & Evaluation services</i>	8,072,960	9,272,784	17,345,744	16,491,213	854,531	95%	95%
County Public Financial Management	174,642,010	-	111,284,469	63,357,541	60,127,005	3,230,536	95%
<i>Planning(budget & projects Monitoring)</i>	3,000,000	-	3,000,000	3,000,000	-	100%	100%
<i>County Public Financial Management</i>	154,131,610	-	123,821,969	30,309,641	29,100,000	1,209,640	96%
<i>Audit Services</i>	17,510,400	12,537,500	30,047,900	28,027,005	2,020,896	93%	93%
County Executive Committee Affairs	86,735,495	-	86,735,495	68,846,015	17,889,480	79%	79%
<i>County Executive Committee Affairs</i>	22,956,484	-	22,956,484	22,956,484	-	100%	100%
<i>County Strategic and Service Delivery</i>	6,627,827	-	6,627,827	6,627,827	-	100%	100%
<i>Governance and strategic leadership</i>	47,151,184	-	47,151,184	30,046,519	17,104,665	64%	64%
<i>County government advisory services</i>	10,000,000	-	10,000,000	9,215,185	784,815	92%	92%
Preventive and Promotive Health Services	346,959,893	66,195,049	413,154,942	163,834,856	249,320,086	40%	40%
<i>Preventive and Promotive Health Services</i>	332,889,500	46,765,348	379,654,848	162,357,556	217,297,292	43%	43%
<i>Sanitation Management</i>	14,070,393	11,421,151	25,491,544	1,477,300	24,014,244	6%	6%
<i>Public health services.</i>	-	8,008,550	8,008,550		8,008,550	0%	0%
Curative and Rehabilitative Health Services	315,001,345	46,765,348	361,766,693	100,000,000	261,766,693	28%	28%
<i>Curative and Rehabilitative Health Services</i>	315,001,345	46,765,348	361,766,693	100,000,000	261,766,693	28%	28%
Reproductive, Maternal, New Born and Child	190,613,112	-	190,613,112	24,008,466	166,604,646	13%	13%
<i>Reproductive, Maternal, New Born and Child Health</i>	190,613,112	-	190,613,112	24,008,466	166,604,646	13%	13%
ICTand information management services	29,670,244	-	1,605,171	28,065,073	10,895,073	17,170,000	39%
<i>ICTand information management services</i>	29,670,244	-	1,605,171	28,065,073	10,895,073	17,170,000	39%
public safety and transport operations	5,316,000	-	5,316,000	-	5,316,000	0%	0%
<i>public safety and transport operations</i>	5,316,000	-	5,316,000		5,316,000	0%	0%

RUNGOMA COUNTY GOVERNMENT
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building standard and civil works	2,936,000	-	2,936,000	-	2,936,000	0%
building standard and civil works	2,936,000	-	2,936,000		2,936,000	0%
Other Capital grants and transfers	586,851,881	140,513,639	727,365,520	284,534,833	442,830,687	39%
Other Capital grants and transfers-ASDSP and NAR	374,314,092	140,513,639	514,827,731	230,090,976	284,736,755	45%
Kenya devolution development	212,537,789	-	212,537,789	54,443,858	158,093,931	26%
Infrastructure development and ma	1,760,479,405	20,275,434	1,780,754,839	1,158,788,365	621,966,474	65%
Infrastructure and civil works	103,570,929	34,548,735	69,022,194	65,254,459	3,767,735	95%
Urban development	309,000,000	212,078,910	521,078,910	209,979,672	311,099,238	40%
Ward Based Projects	36,964,006	14,118,822	22,845,184	8,027,362	14,817,822	35%
Ward Fund projects	3,357,452	5,324,430	8,681,882	4,053,615	4,628,267	47%
other infrastructure and civil works (Ward Based Projec	150,344,323	54,064,983	96,279,340	41,019,814	55,259,526	43%
Transport and infrustructure development and	1,157,242,695	94,395,366	1,062,847,329	830,453,443	232,393,886	78%
Crop development and management	179,479,070	81,323,132	98,155,938	94,018,138	4,137,800	96%
Crop production and productivity	179,479,070	81,323,132	98,155,938	94,018,138	4,137,800	96%
Livestock resource management and develop	43,070,930	43,070,930	-	-	-	0%
Livestock Product Value Chain Developmen	33,070,930	33,070,930			-	0%
Livestock disease control and management	10,000,000	10,000,000			-	0%
Agricultural Institutions and Development	7,100,000	2,824,692	4,275,308	3,450,000	825,308	81%
Mabanga ATC Administration management services	7,100,000	2,824,692	4,275,308	3,450,000	825,308	81%
Cultural Development and management	24,000,000	24,000,000	-	-	-	0%
Development of historical & cultural sites	24,000,000	24,000,000	-	-	-	0%
Gender Equality and Empowerment of vulne	5,000,000	5,000,000	-	-	-	0%
establish gender Technical working groups	5,000,000	5,000,000	-	-	-	0%
Sports and talent development & managemen	13,000,000	15,934,000	28,934,000	27,201,580	1,732,420	94%
Sports and talent development & management	13,000,000	15,934,000	28,934,000	27,201,580	1,732,420	94%
Infrasctructure and civil works	-	3,611,843	3,611,843	3,461,798	150,045	96%
Infrasctructure and civil works	-	3,611,843	3,611,843	3,461,798	150,045	96%
Sports Facility development and managemen	120,016,248	40,343,517	160,359,765	160,151,477	208,288	100%
Sports Facility development and management	120,016,248	40,343,517	160,359,765	160,151,477	208,288	100%
					-	
TOTAL PROGRAMME BUDGET	10,837,870,817	1,925,671,407	12,763,542,224	10,164,563,209	2,598,979,015	80%

Total programmes amounts differ with total amounts reflected in the summary statement of appropriation: recurrent and development combined by amounts relating to transfers to the County Assembly (ksh1, 072,587,080).

7.8. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of compliance and basis of preparation

The financial statements have been prepared in accordance with Cash-basis IPSAS financial reporting under the cash basis of Accounting, as prescribed by the PSASB and set out in the accounting policy notes below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The receivables and payables are disclosed in the Statement of Assets and Liabilities.

The financial statements are presented in Kenya Shillings, which is the functional and reporting currency of the entity all values are rounded to the nearest Kenya Shilling. The accounting policies adopted have been consistently applied to all the years presented.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB.

2. Reporting entity

The financial statements are for the County executive. The financial statements encompass the reporting entity as specified under section 164 of the PFM Act 2012.

3. Recognition of receipts and payments

a) Recognition of receipts

The County Government recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Government.

Tax receipts

Tax Receipts is recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received.

Transfers from the Exchequer

Transfer from Exchequer is recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

BUNGOMA COUNTY GOVERNMENT

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Donations and grants

Grants and donations shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary. In case of grant/donation in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice.

Proceeds from borrowing

Borrowing includes Treasury bill, treasury bonds, corporate bonds; sovereign bonds and external loans acquired by the entity or any other debt the County Government may take on will be treated on cash basis and recognized as receipts during the year of receipt.

Undrawn external assistance

These are loans and grants at reporting date as specified in a binding agreement and relate to funding for projects currently under development where conditions have been satisfied or their ongoing satisfaction is highly likely and the project is anticipated to continue to completion. During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans. The amount of undrawn external assistance for the year is detailed in the notes

County Own Generated Receipts

These include Appropriation-in-Aid and relates to receipts such as trade licences, cess, fees, property income among others generated by the County Government from its citizenry. These are recognised in the financial statements the time associated cash is received.

Returns to CRF Issues

These relate to unspent balances in the development, recurrent and deposit accounts at the end of the year which are returned to the County Revenue Fund (CRF) and appropriated through a supplementary budget to enable the County to spend funds. These funds are recognised once appropriated through a supplementary budget process.

b) Recognition of payments

The entity recognises all expenses when the event occurs and the related cash has actually been paid out by the entity.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensation of employees

Salaries and Wages, Allowances, Statutory Contribution for employees are recognized in the period when the compensation is paid.

Use of goods and services

Goods and services are recognized as payments in the period when the goods/services are consumed and paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Interest on borrowing

Borrowing costs that include interest are recognized as payment in the period in which they incurred and paid for.

Repayment of borrowing (principal amount)

The repayment of principal amount of borrowing is recognized as payment in the period in which the repayment is made. The stock of debt is disclosed as an annexure to the County consolidated financial statements.

Acquisition of fixed assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the consolidated financial statements.

4. In-kind contributions

In-kind contributions are donations that are made to the Bungoma County executive in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the county executive includes such value in the statement of receipts and payments both as receipts and as an expense in equal and opposite amounts; otherwise, the contribution is not recorded.

BUNGOMA COUNTY GOVERNMENT

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SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Third Party Payments

This relates to payments done directly to supplier on behalf of the county governments such as; national government may fund the operation of health or education program, a donor may pay directly for construction of a given market etc. Details of payments by third parties on behalf of the county government is detailed in the notes to this financial statement.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

Restriction on cash

Restricted cash represents amounts that are limited /restricted from being used to settle a liability for at least twelve months after the reporting period. This cash is limited for direct use as required by stipulation.

Amounts maintained in deposit bank accounts are restricted for use in refunding third party deposits. As at 30th June 2020, this amounted to **Kshs 245,929,312** compared to **Kshs 212,152,684** in prior period as indicated on note 15.

There were no other restrictions on cash during the year

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year is treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized as accounts payables. This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted and prescribed by the Public Sector Accounting Standards Board. Other liabilities including pending bills are disclosed in the financial statements.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Non-current assets

Non-current assets are expensed at the time of acquisition while disposal proceeds are recognized as receipts at the time of disposal. However, the acquisitions and disposals are reflected in the entity fixed asset register a summary of which is provided as a memorandum to these financial statements.

10. Pending bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they are recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the county at the end of the year. Pending bill form a first charge to the subsequent year budget and when they are finally settled, such payments are included in the statement of receipts and payments in the year in which the payments are made.

11. Contingent Liabilities

A contingent liability is:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Some of contingent liabilities may arise from: litigation in progress, guarantees, and indemnities. Letters of comfort/ support, insurance, Public Private Partnerships,

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote. Annex 6 of this financial statement is a register of the contingent liabilities in the year.

Section 185 (2) (i) of the PFM Act requires the County Government to report on the payments made, or losses incurred, by the county government to meet contingent liabilities as a result of loans during the financial year, including payments made in respect of loan write-offs or waiver of interest on loans

SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Contingent Assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

13. Budget

The budget is developed on the same accounting basis (cash basis), the same accounts classification basis, and for the same period as the financial statements. The County budget was approved as required by Law and as detailed in the County Revenue Allocation Act. The County Assembly approved the original budget on 5th July 2019 for the period 1st July 2019 to 30 June 2020 as required by law. There were two number of supplementary budgets passed in the year. A high-level assessment of the county executive actual performance against the comparable budget for the financial year under review has been included in an annex to these financial statements.

14. Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

15. Subsequent events

Events subsequent to submission of the financial year end financial statements to the National Treasury and other stakeholders with a significant impact on the financial statements may be adjusted with the concurrence of National Treasury.

16. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

17. Related party transactions

Related party transactions involve cash and in-kind transactions with the National Government, National Government entities and County Government entities. Specific information with regards to related party transactions is included in the disclosure notes.

BUNGOMA COUNTY GOVERNMENT
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NOTES TO THE FINANCIAL STATEMENTS

1. EXCHQUER RELEASES

Description	2019/2020	2018/2019
	KShs	KShs
Total Exchequer Releases	9,184,320,428	9,696,714,509
Total	9,184,320,428	9,696,714,509

The above comprises transfers from the Exchequer from CARA, comprising of equitable share, Level 5 and donor funds released through the exchequer.

1A. Equitable Share

Description	2019/2020	2018/2019
	KShs	KShs
Total Equitable Share for quarter 1	1,547,495,100	447,450,000
Total Equitable Share for quarter 2	1,600,857,000	2,326,740,000
Total Equitable Share for quarter 3	2,534,690,250	2,460,975,000
Total Equitable Share for quarter 4	2,445,753,750	3,713,835,000
Total	8,128,796,100	8,949,000,000

1B: Donor Funds released through Exchequer Releases as per CARA

Description	2019/2020	2018/2019
	KShs	KShs
DANIDA - Universal Healthcare in Devolved Units Programme	36,693,750	29,362,500.00
World Bank – THUSCP	141,024,526	72,564,291.40
National Agricultural & Rural Inclusive Growth Project (NARIGP)	233,309,572	50,078,476.00
Kenya Devolution Support Programme	30,000,000	212,537,789.00
Youth Polytechnic support grant	53,928,298	-
Abolishment of user fees in health centres and dispensaries	32,837,307	32,837,307.00
Kenya Urban Support Programme (KUSP)-UDG	224,070,498	342,177,100.00
Agriculture Sector Development Support Project (ASDSP)	23,616,377	8,157,046.00
Covid -19 support fund	280,044,000	
Total	1,055,524,328	747,714,509

BUNGOMA COUNTY GOVERNMENT
Reports and Financial Statements
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. PROCEEDS FROM DOMESTIC AND FOREIGN GRANTS

Name of Donor	Date received	Amount in foreign currency	2019/2020 Kshs	2018/2019 Kshs
Grants Received from other levels of government				
Ministry of Health (Sirisia Hospital Grant)	0	ksh	-	99,999,945
TOTAL		-	-	99,999,945

3. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

	2019/2020 Kshs	2018/2019 Kshs
Transfers from Central government entities		
Roads Maintenance levy fund	252,452,156	293,788,933
Total	252,452,156	293,788,933

NB: The expected amount for the year was Kshs.189,339,117 but there was an addition of Kshs.63,113,039, which was budgeted in the year 2018/2019.

4. COUNTY OWN GENERATED RECEIPTS

	2019/2020 Kshs	2018/2019 Kshs
RECEIPTS		
Rents	2,992,295	2,221,985
Other Property Income(AMC)	3,664,588	3,654,595
Receipts from Administrative Fees and Charges	6,103,090	6,269,000
Fines, Penalties and Forfeitures	1,367,210	10,651,987
Business Permits	106,003,238	84,374,876
Cess	22,555,708	18,153,421
Poll Rates	12,002,382	16,042,434
Plot Rents	302,000	274,905
Administrative Services Fees	1,965,740	48,119,222
Sales Of Council Assets		22,300
Other Miscellaneous Receipts	17,358,917	2,103,160
Market/Trade Centre Fee	38,766,547	34,193,799
Vehicle Parking Fees	66,100,398	73,717,987
Housing	8,691,915	5,402,830
Social Premises Use Charges	42,000	114,800
Other Education Receipts(Mabanga ATC)	15,096,472	11,448,925
Public Health Services	2,758,083	4,142,300
Public Health Facilities Operations	457,599,261	307,695,781
Environment & Conservancy Administration	12,821,603	10,492,620

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Slaughter Houses Administration	3,522,570	4,702,060
Alcoholic drinks licence.	3,758,900	4,771,200
Other Health & Sanitation Revenues	63,334,461	26,428,250
Technical Services Fees	13,273,205	
		-
TOTAL	860,080,583	674,998,437

5. RETURNED CRF ISSUES

	2019/2020	2018/2019
	Kshs	Kshs
County Assembly - Recurrent account	1,554,123	1,043,241
Total	1,554,123	1,043,241

Funds returned to CRF are from county assembly.

6. COMPENSATION OF EMPLOYEES

	2019/2020	2018/2019
	Kshs	Kshs
Basic salaries of permanent employees	3,456,520,727	4,224,562,588
Basic wages of temporary employees	242,671,993	178,084,215
Personal allowances paid as part of salary	715,259,297	6,591,749
Personal allowances paid as reimbursements	11,099,566	10,031,300
Pension and other social security contributions	150,269,555	1,878,214
Total	4,575,821,138	4,421,148,066

Reasons for increase in personnel expenses include promotions, yearly increments, new employments and SRC increase on all county staff.

7. USE OF GOODS AND SERVICES

	2019/2020	2018/2019
	Kshs	Kshs
Utilities, supplies and services	51,129,593	43,095,612
Communication, supplies and services	23,837,738	15,977,801
Domestic travel and subsistence	367,472,042	347,535,224
Foreign travel and subsistence	43,628,669	23,346,053
Printing, advertising and information supplies & services	28,091,951	33,296,771
Rentals of produced assets	5,264,644	8,821,623
Training expenses	120,145,642	188,028,920
Hospitality supplies and services	429,649,846	372,590,856
Insurance costs	148,284,799	39,861,121
Specialised materials and services	653,075,304	442,389,819

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Office and general supplies and services	49,556,586	73,684,510
Other operating expenses	295,611,034	315,520,458
Routine maintenance – vehicles and other transport	62,030,858	49,349,149
Fuel Oil and Lubricants	89,868,819	87,730,371
Routine maintenance – other assets	67,920,540	27,256,018
Total	2,435,568,064	2,068,484,305

8. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019/2020	2018/2019
	Kshs	Kshs
Transfers to County government entities	-	-
Transfers to County Assembly	1,022,394,769	959,806,960
TOTAL	1,022,394,769	959,806,960

This represents exchequer releases apportioned for the County Assembly of Bungoma, transferred from the CRF account to their account. It comprises Kshs.867,661,683 recurrent and Kshs.204,925,397 Development.

9. OTHER GRANTS AND PAYMENTS

Description	2019/2020	2018/2019
	Kshs	Kshs
Scholarships and other educational benefits	170,000,000	190,000,000
Other capital grants and transfers	1,235,248,658	611,726,259
TOTAL	1,405,248,658	801,726,259

The fund is transferred to other accounts in aid of bursaries, medical services, support of community to boost their economic welfare through the Nagrip funding and other critical services for the County.

10. SOCIAL SECURITY BENEFITS

	2019/2020	2018/2019
	Kshs	Kshs
Government pension and retirement benefits	15,875,178	9,927,814
Total	15,875,178	9,927,814

The fund is gratuity for chief officers, CEC Members, paid to CPF (Laptrust, pension fund) paid upon expiry of their contracts/terms.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. ACQUISITION OF ASSETS

	2019/2020	2018/2019
	Kshs	Kshs
Non Financial Assets	-	-
Construction of Buildings	25,707,207	-
Refurbishment of Buildings	4,517,500	10,953,794
Construction of Roads		221,803,940
Construction and Civil Works	548,504,956	899,927,448
Overhaul and Refurbishment of Construction and Civil Works	363,516,343	4,918,278
Purchase of Vehicles and Other Transport Equipment	18,171,308	9,986,862
Purchase of Household Furniture and Institutional Equipment	4,041,436	-
Purchase of Office Furniture and General Equipment	21,436,374	19,140,454
Purchase of ICT Equipment	1,583,980	
Purchase of Specialized Plant, Equipment and Machinery	113,562,830	172,681,856
Purchase of Certified Seeds, Breeding Stock and Live Animals	22,146,000	33,681,366
Research, Studies, Project Preparation, Design & Supervision	34,076,275	61,297,690
Rehabilitation of Civil Works	169,348,043	
Acquisition of Strategic Stocks and commodities	64,621,138	94,251,000
Acquisition of Land	40,910,000	
Acquisition of Intangible Assets	1,800,000	3,965,000
Total acquisition of assets	1,433,943,391	1,532,607,687

12. OTHER PAYMENTS

	2019/2020	2018/2019
	Kshs	Kshs
Civil Contingency Reserves	50,000,000	100,000,000
Other expenses	248,106,780	477,531,408
Total	298,106,780	577,531,408

- a) Civil Contingency Reserves represents transfers to the Emergency Fund
- b) Other payments represent payments made under the Suppliers' Credits economic sub-item as analyzed below. The payments under this category are meant to exclusively cater for 2017/2018/2019 pending bills brought forward: (ANNEX 7)

Breakdown for other expenses(Amounts paid to suppliers c/d from previous years.	
DESCRIPTION	AMOUNT
Construction of bridges & civil works	4,486,880.00
Consultancy Services	1,061,492.50
Routine Maintenance of Access Roads	242,558,407.50
TOTALS	248,106,780.00

BUNGOMA COUNTY GOVERNMENT**Reports and Financial Statements****For the year ended June 30, 2020****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****13. CASH AND BANK BALANCES****13A. BANK BALANCES.**

		Indicate whether recurrent or development, deposits, receipts, etc	2019/2020	2018/2019
Name of Bank, Account No. & Currency			Kshs	Kshs
1. Central Bank of Kenya Account No. 1000171518	KES	Revenue	536,913,842	1,593,546,942
2. Central Bank of Kenya Account No. 1000170006	KES	Recurrent	8,092,138	36,725,368
3. Central Bank of Kenya Account No. 1000170921	KES	Development	164,576	117,516,681
4. Bumula Health Centre Dev Community	KES	FIF	1,660,480	94,439
5. Mt. Elgon District Health Services	KES	FIF	196,301	120,268
6. Kimilili Health Management Services	KES	FIF	7,915,089	1,151,028
7. Health Care Services Webuye	KES	FIF	6,796,046	1,510,523
8. MOH Hospitals(Bungoma Referral)	KES	FIF	32,712,074	36,373,010
9. Bokoli Sub-District Hospital	KES	FIF	600,046	94,993
10. Med Sup Nait. Cost Sharing Account	KES	FIF	558,265	75,919
11. Sirisia Sub-District Hospital CA MoE/ School Acco	KES	FIF	1,797,383	673,688
12. Chwele Sub-District Hospital - BGM	KES	FIF	800,801	117,172
13. Cheptais Sub-District Hospital	KES	FIF	252,372	1,651,532
14. Cheptais Sub County Hospital Collection Account	KES	FIF	-	21,080
15. Bungoma HSSF(Consolidated)	KES	FIF	58,113,995	13,935,061
16. Mabanga Agricultural Training Centre KCB	KES	FIF	1,808	236,634
17. Bungoma County Agriculture Mechanization Centre	KES	FIF	54,546	250,438
18. Chwele Sub County Hospital Collection account (C	KES	FIF	-	87,900
19. Public Health Collection Account KCB 1156993392	KES	FIF	1,456,534	1,460,326
20. Public Health Collection Account KCB 1225921872	KES	FIF	27,243	2,357,250
21. Bumula Sub County Hospital Collection Account -01	KES	FIF	-	44,300
22. .MT. Elgon Sub County Hospital - Collection 11417	KES	FIF	61,590	87,100
23. Sirisia Sub County Hospital Revenue Collection -01	KES	FIF	-	65,120
24. Naitiri Sub-District Hospital Collection Account(KE	KES	FIF	- 619	- 619
25. Sinoko Sub County Hospital cooperative Bank	KES	FIF	126,438	
26. Sinoko Sub County Hospital kcb Bank	KES	FIF	22,622	
27. Co-operative Bank of Kenya Account No. 0114166	KES	Revenue Collection	-	0
28. Kenya Commercial Bank Account No. 1177737930	KES	Revenue Collection	119,025	4
29. Equity Bank Account No. 0480261006908	KES	Revenue Collection	244,971	13,105

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30. National Bank of Kenya Account No. 010011136760	KES	Revenue Collection	5,000	61,954
31. Central Bank of Kenya	KES	Deposits	236,992,575	203,215,947
32. Bungoma County DANIDA Fund Account 10003420	KES	Fund	69,706,311	39,442,16
33. Bungoma County NARGIP Account 1000368446	KES	Fund	0	44,202,311
34. Bungoma County RMLF Account 1000338784	KES	Fund	101,679,180	1,916,357
35. Bungoma County Village Polytechnic Project 1000368	KES	Fund	28,913,798	5,075,00
36. Bungoma County Urban Support programme	KES	Fund	0	211,950,033
37. Bungoma County Agric Sector Dev. Prog	KES	Fund	-	9,078,09
38. Bungoma County Kenya devplution support Program	KES	Fund	185,700,931	
39. Bungoma County Agric Sector Dev. Prog(operation)	KES	Fund	27,461,015	
40. Bungoma county NAGRIP account(kcb operation)	KES	Fund	106,291,140	
41. Kimilili Municipality 077000039020	KES	Fund	32,283,907	
42. Bungoma municipality 077000039018	KES	Fund	10,449,945	
43. Bungoma County Institutional Support programmes- 0	KES	Fund	437,109	
Total			1,458,608,477	2,323,151,12

The amounts are captured as per cashbook figures and bank reconciliation.

14. ACCOUNTS RECEIVABLE - OUTSTANDING IMPRESTS .

	2019/2020	2018/2019
	Kshs	Kshs
Government Imprests	67,189,354	30,555,970
Total	67,189,354	30,555,970

The outstanding imprest amount of ksh 67,189,354 is inclusive of ksh 26,571,350 imprest carried down from previous years.

Below is a breakdown of the outstanding imprest of Kshs.67,189,354 per Ministries/Departments. Detailed breakdown is in annex 3:

Name of Ministry/Department	Date Imprest	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Agriculture, livestock & cooperative Mgt		1,030,000		1,030,000
County Secretary		12,820,000		12,820,000
Finance and economic planning		21,910,806		21,910,806
Gender, sports & youth		700,000		700,000
Governors		17,629,748		17,629,748
Lands & urban planning		29,600		29,600
Public Administration		13,069,200		13,069,200
Total Imprest		67,189,354	-	67,189,354

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15. ACCOUNTS PAYABLE

	2019/2020	2018/2019
	Kshs	Kshs
Retention	245,929,312	212,152,684
Total	245,929,312	212,152,684
Bf Outstanding Retention 30th june 2019		212,152,684
Addition for during the year-2020		180,666,174
Total balance		392,818,858
Less: Retention payments during the year	-	146,889,546
Balance as at 30th june 2020.		245,929,312

16. FUND BALANCE BROUGHT FORWARD

	2019/2020	2018/2019
	Kshs	Kshs
Bank accounts-Central Bank	1,951,004,938	1,514,579,117
Commercial Bank Accounts-FIF	60,407,161	71,571,690
Commercial Bank Accounts-Revenue	75,064	3,600,548
Commercial Bank Accounts-Funds	311,663,965	295,633,753
Cash in hand	-	4,633,340
Accounts Receivables	30,555,970	203,180,108
Accounts Payables	- 212,152,684	- 219,895,327
Total	2,141,554,414	1,873,303,228

17. PRIOR YEAR ADJUSTMENTS.

	Balance b/f	Adjustments	Adjusted Balance b/f
	FY 2018/2019 as per Financial statements		FY 2019/2020
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	2,323,151,127	30,848,813	2,353,999,940
Accounts Payables			-
Receivables	30,555,970	- 3,984,620	26,571,350
	2,353,707,097	26,864,193	2,380,571,290

a). 30,848,813 adjustment on bank balances is attributes to bank balances not captured in the previous financial year (Fund operation account Nagrip & Sinoko facility)

b). the adjustment on receivables of 3,984,620 were imprests surrendered from previous years financial years.

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18. CHANGES IN RECEIVABLES

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	30,555,970	203,180,108
Imprest issued during the year (B)	40,618,004	30,555,970
Imprest surrendered during the Year (C)	3,984,620	203,180,108
Outstanding Imprest as at 30th June 2020 D= A+B-C	67,189,354	30,555,970
Net changes in Account receivables (Increase) Decrease	36,633,384	172,624,138

19. CHANGES IN ACCOUNTS PAYABLES – DEPOSITS AND RETENTIONS

Description of the error	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	212,152,684	219,895,327
Deposit and Retentions held during the year (B)	180,666,174	212,152,684
Deposit and Retentions paid during the year (C)	146,889,546	219,895,327
Deposit and Retentions as at 30th June 2020 D= A+B-C	245,929,312	212,152,684
Net changes in Account Payables Increase (Decrease) C=A-D	33,776,628	- 7,742,644

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7.9. OTHER IMPORTANT DISCLOSURES

1. PENDING ACCOUNTS PAYABLE (See Annex 2)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year	Balance c/f
	KShs			FY 2019/2020
	ksh	ksh	ksh	ksh
Construction of buildings	34,304,237	13,683,008	34,185,106	13,802,139
Construction of civil works	183,829,005	132,194,483	172,740,861	143,282,627
Supply of goods	98,060,954	71,103,000	77,844,862	91,319,093
Supply of services	109,666,691	28,093,004	70,121,989	67,637,706
	425,860,887	245,073,496	354,892,818	316,041,565

2. OTHER PENDING PAYABLES (See Annex 4)

	Balance b/f FY 2018/2019	Additions for the period	Paid during the year(Received)	Balance c/f
Description	Kshs	Kshs	Kshs	Kshs
Amounts due to National Government entities	-	-	-	-
Amounts due to County Government entities	-	8,893,650,000	8,128,796,100	764,853,900
Amounts due to third parties	-	-	-	-
Others Amounts	-	802,819,892	471,482,496	331,337,396
Total	-	9,696,469,892	8,600,278,596	1,096,191,296

a). As per annex 4, others are project funds (THUSP, NAGRIP, KUSP) we had expected to receive during year 2019/20 ksh 802,819,892 but as at the closure of the year ksh 331,337,396 not yet disbursed to the county.

3. RELATED PARTY DISCLOSURES

Related party disclosure is encouraged under non-mandatory section of the Cash Basis IPSAS.

The following comprise of related parties to the County Government:

- Key management personnel that include the Governor, the Deputy Governor Members of the County Assembly, County Executive Committee Members and Chief Officers for various County Ministries and Departments;
- The National Government;
- Other County Governments; and
- County Established Public Funds
- Nzoia Water and Sewerage Company Limited.

Related party transactions

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	2019- 2020	2018- 2019
	Kshs	Kshs
Key Management Compensation (Governors, CEC M	99,196,464	75,495,376.42
Transfers to related parties		
Transfer to the County Assembly	1,022,394,769	959,806,960.00
Transfers to other County Government Entities	273,928,298	838,240,893.00
Transfers to Development Projects	490,443,766	
Transfers to non reporting entities e.g schools and w	-	
Transfers to County Water Service Providers	-	
Expenses paid on behalf of County Water Service Pro	-	
Total Transfers to related parties	1,786,766,833	1,798,047,853.00
Transfers from related parties		
Transfers from the Exchequer	9,184,320,428	8,949,000,000.00
Transfers from MDAs	-	747,714,509.40
Transfers from SCs and SAGAs- National Governme	-	
(Insert any other transfers received)	-	-
Total Transfers from related parties	9,184,320,428	9,696,714,509.40

4. ESTABLISHMENT OF OTHER COUNTY GOVERNMENT ENTITIES

Section 182 of the Public Finance Management (PFM) Act, 2012 enables the County Government to establish and dissolve County Corporations/ entities. For purposes of follow up on financial reporting, audit and disclosure, outlined below is a list of entities established by the County Government of Bungoma since inception:

Entity	Date Established	Location	Accounting Officer Responsible
Bungoma County Youth Empowerment Fund	01/06/2014	County Headquarters	Dr. Benjamin Masete
Bungoma County Women Empowerment Fund	01/06/2014	County Headquarters	Saphia Awil
Bungoma County Disability Empowerment Fund	01/03/2015	County Headquarters	Saphia Awil
Bungoma County Trade Loans Scheme	01/10/2014	County Headquarters	Chris Nyongesa Simiyu
Bungoma County Emergency Fund	15/06/2019	County Headquarters	Jonathan Namulala.
Bungoma County Bursary Fund	01/02/2014	County Headquarters	Rose Nafula Situma

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5. EXTERNAL ASSISTANCE.

	FY 2019/2020	FY 2018/2019	
Description	Kshs	Kshs	
External assistance received as loans and grants	1,055,524,328	747,714,509	
Total	1,055,524,328	747,714,509	
<i>a) External assistance relating loans and grants</i>			
	FY 2019/2020	FY 2018/2019	
Description	Kshs	Kshs	
External assistance received as grants	1,055,524,328	747,714,509	
Total	1,055,524,328	747,714,509	
<i>b) Undrawn external assistance</i>			
Purpose for which the undrawn external assistance may be used	FY 2019/2020	FY 2018/2019	
Description	Kshs	Kshs	
Undrawn external assistance - grants		897,275,676	400,926,816
Total		897,275,676	400,926,816
<i>c. Classes of providers of external assistance</i>			
	FY 2019/2020	FY 2018/2019	
Description	Kshs	Kshs	
Multilateral donors	688,714,723	714,877,202	
Bilateral donors	366,809,605	32,837,307	
Total	1,055,524,328	747,714,509	
<i>Provide details of the reasons for external assistance e.g.</i>			
<i>1. Maternal & primary health care(Danida & Thsucp)</i>			
<i>2. Reimbursement of level one & two facilities for free services offered(user Fee)</i>			
<i>3. Development of Youth Polytechnics</i>			
<i>4. Urban Development &</i>			
<i>5. Economic development</i>			
<i>e Purpose and use of external assistance</i>			
PAYMENTS MADE BY THIRD PARTIES	FY 2019/2020	FY 2018/2019	
Other grants and transfers	1,055,524,328	747,714,509	
TOTAL	1,055,524,328	747,714,509	

6. PAYMENTS BY THIRD PARTY ON BEHALF OF THE COUNTY

This relates to payments done directly to supplier on behalf of the county governments but during the financial year 2019-20 no third party had done a payment for the county government.

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7. DISCLOSURE OF BANK BALANCES

Facility & health centres bank balances. (Hssf Consolidated).

	NAMES OF HEALTH CENTERS AND DISPENSARIES	ACCOUNT NO.	BANK	BANK BALANCE 2019/2020	BANK BALANCE 2018/2019
1	Luuya Dispensary	01134049437000	Co-operative	472,017.75	413
2	Lukhome Dispensary	01134290483900	Co-operative	483,634.71	1,160
3	Ngalasia Dispensary	01141049728500	Co-operative	420,966.15	339,297
4	Sinoko Dispensary	01141011400100	Co-operative	-	110,881
5	Mahanga Dispensary	01141409223200	Co-operative	516,119.15	52,620
6	Kibisi Dispensary	01141050017200	Co-operative	273,110.69	27,822
7	LUNGAI DISPENSARY	01141269553600	Co-operative	128,537.00	5,324
8	Pwani dispensary	01141435786400	Co-operative	437,744.85	73,602
9	Tamlega Dispensary	01141049074300	Co-operative	205,344.95	786
10	Kaptanai Dispensary	01141049045200	Co-operative	1,036,643.05	111,872
11	Kapkateny Dispensary	01141050438401	Co-operative	551,935.80	35,304
12	Chesikaki Dispensary	01141049332100	Co-operative	1,864.87	1,052
13	Kapsambu Dispensary	01141050577300	Co-operative	314,006.10	98,095
14	Tuikut Dispensary	01141049712500	Co-operative	110,399.72	751
15	Kang'anga Dispensary	01141049982500	Co-operative	404,043.44	262
16	Kamuneru Dispensary	01134290031700	Co-operative	687,346.45	19,113
17	Kaborom Dispensary	01141096819500	Co-operative	580,368.70	63
18	Sango Naitiri Dispensary	01141096544700	Co-operative	310,266.90	596,167
19	Sirakaru Dispensary	01141085193000	Co-operative	230,579.85	333
20	Lukhuna Dispensary	01109085068000	Co-operative	145,120.75	172
21	Mihuu Dispensary	01141130928500	Co-operative	831,346.10	695,015
22	Makhanga Dispensary	01141269615300	Co-operative	258,170.75	203,011
23	Kaboywo Dispensary	0330295464204	Equity	408,237.30	2,346
24	Kabula Dispensary	1126756431	K.C.B	2,507,114.10	872,211
25	Kibuke Dispensary	1126756016	K.C.B	713,016.15	155
26	Miluki Dispensary	1126756245	K.C.B	305,672.30	62,804
27	Nasianda Dispensary	1126756350	K.C.B	551,638.85	230,265
28	Siboti Dispensary	1126756512	K.C.B	872,507.50	506,106
29	Lwanda Dispensary	1121484921	K.C.B	456,685.55	86,124
30	Nalondo Dispensary	1119245664	K.C.B	997,821.55	82,541
31	Sikulu dispensary	1121429734	K.C.B	310,687.50	22,217
32	Bukembe Dispensary	1126755885	K.C.B	926,403.65	365,704
33	Bulondo Dispensary	1126756172	K.C.B	556,029.25	6,827
34	Ekitale Dispensary	1126755397	K.C.B	822,134.20	943,060
35	Mayanja Dispensary	1126756121	K.C.B	747,519.05	308,125
36	Mechimeru Dispensary	1126756075	K.C.B	1,490,010.95	545,313
37	Mumbule Dispensary	1126756288	K.C.B	568,737.30	170,721

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38	Korosiandet Dispensary	1133480020	K.C.B	639,409.35	55,553
39	Lwandanyi Dispensary	1133456782	K.C.B	527,478.10	908,231
40	Chepkube Dispensary	1126467936	K.C.B	865,572.40	60,731
41	Karima Dispensary	1115059491	K.C.B	710,970.45	170,495
42	Kopsiro Dispensary	1121202845	K.C.B	584,331.10	284,458
43	Bahai Dispensary	1119946247	K.C.B	169,540.25	407
44	Bituyu Dispensary	1129369609	K.C.B	397,351.45	20,268
45	Kibingei Dispensary	1112690573	K.C.B	288,862.85	253,038
46	Maeni Dispensary	1119084148	K.C.B	266,282.00	141
47	Nasusi Dispensary	1124755470	K.C.B	634,387.55	343,327
48	Kamenjo Dispensary	1135202273	K.C.B	220,507.65	2,611
49	Kaptalelio Dispensary	1139490230	K.C.B	205,482.55	37,991
50	Sacha Dispensary	1126740012	K.C.B	157,625.65	474
51	Makutano Dispensary	1133593828	K.C.B	417,840.00	20,064
52	BISUNU DISPENSARY	01141049313100	CO-OPERATIVE	280,929.20	37,830
53	BUKOKHOLO DISPENSARY	1223084612	KCB	467,707.60	115,364
54	BUTIELI DISPENSARY	01141782045000	COOPERATIVE	404,665.50	15,879
55	Chebukwabi Dispensary	01141469972500	Cooperative	62,834.45	9,510
56	CHEMOGE DISPENSARY	1223047083	KCB	-	-
57	Chemses Dispensary	01141687687000	Cooperative	150,550.05	1,379
58	Chemwa Bridge Dispensary	1141535789700	Cooperative	363,454.55	530
59	Chemworemo Dispensary	01141470036300	Cooperative	165,236.84	945
60	CHEPKERER DISPENSARY	01141687659500	CO-OPERATIVE	318,279.85	21,524
61	Chepkutumi Dispensary	01141011540000	Cooperative	462,010.60	70,789
62	Chesinende Dispensary	01141470169600	Cooperative	344,967.55	1,357
63	CHMT BUNGOMA	1148438475	KCB	-	-
64	CHWELE FRIENDS DISPENS	1224550242	KCB	-	-
65	GK PRISON DISPENSARY	01071204600100	NATIONAL	206.00	206
66	KABUCHAI HEALTH CENTR	1119257611	K.C.B	874,526.85	111,334
67	Kakimanyi(webuye West)	01141744614800	CO-OPERATIVE	551,414.00	137,720
68	Kamasielo Dispensary	1168162181	KCB	296,166.70	8,578
69	Kambini community Dispensary	001141469899800	Cooperative	254,228.35	14,562
70	Kamukuywa Dispensary	1134427409	KCB	376,359.65	10,808
71	Kapchebon Dispensary	01141469394900	COOPERATIVE	819.00	819
72	Kapkota community Dispensary	0480294087914	Equity	504,320.45	84,490
73	Kayaya Dispensary	01141435270700	Cooperative	499,890.55	10,186
74	Khalala Dispensary	1141411854800	Cooperative	508,564.40	129,655
75	Khalumuli Dispensary	1134108605	KCB	466,087.60	190,607
76	Khaoyo Dispensary	1135328056	K.C.B	459,619.10	55,278
77	KIMAETI HEALTH CENTRE	1125431814	K.C.B	2,189,896.95	556,998
78	KIMALEWA HEALTH CENTR	1126227307	K.C.B	590,543.44	47,945
79	Kitabisi Dispensary	01256127428800	NBK	572,118.30	68
80	KITUNI DISPENSARY	1216095639	KCB	367,158.30	68,634

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81	Kolani Dispensary	01141668658900	Cooperative	375,105.84	18,198
82	Kongit Dispensary	1222956810	KCB	-	-
83	Kongoli Dispensary	1221419838	KCB	657,424.95	397,300
84	Koshok Dispensary	01141470070200	Cooperative	371,763.65	1,545
85	Kubura Dispensary	01134011620700	cooperative	64,543.85	11,556
86	Lukhokwe Dispensary	1202679234	KCB	361,214.15	1,578
87	Lukusi Dispensary	1141273926	KCB	407,689.24	13,703
88	LUNAKWE Dispensary	01141409553801	Cooperative	380,575.00	86,143
89	Lurare Dispensary	1126598348	K.C.B	476,332.70	186,129
90	Lucho Dispensary	1111283303	KCB	153,338.90	1,209
91	LWAKHAKHA DISPENSARY	1215747039	KCB	469,594.00	45
92	Machakha Dispensary	1209161346	KCB	471,037.15	1,182
93	Makhonge dispensary	1183733992	KCB	314,084.95	139,972
94	MAKHONGE HEALTH CENT	1106942612	K.C.B	334,441.75	157,227
95	Makololwe Dispensary	1141695043000	Cooperative	380,057.15	19,293
96	MALAKISI HEALTH CENTRE	01134011578100	Co-operative	657,164.25	41,651
97	MARIGO DISPENSARY	01141669793600	COOPERATIVE	234,643.55	43,167
98	MATISI DISPENSARY	01141610194300	COOPERATIVE	511,726.30	51,464
99	Matulo Dispensary	1141411179000	Cooperative	652,539.00	214,944
100	Miendo Dispensary	1126000426	K.C.B	646,354.85	128,565
101	MILO HEALTH CENTRE	1119113954	K.C.B	729,246.80	203,230
102	Misikhu Dispensary	1121572766	KCB	376,142.80	76,565
103	Muanda Dispensary	1202843387	KCB	446,164.00	70,366
104	Mukhe Dispensary	1134526148	K.C.B	544,829.70	318,638
105	Mukwa Dispensary	12028886205	KCB	467,890.50	2,981
106	Mulachi Dispensary	01141744346500	Cooperative	252,476.20	8,886
107	Musikoma Dispensary	01134050187400	Cooperative	494,412.20	120,256
108	MWAIMWAI DISPENSARY	1222987937	KCB	-	-
109	Mwikhupo Dispensary	01141695042900	Cooperative	295,836.00	8,792
110	MWOMO DISPENSARY	1224313038	KCB	408,435.90	53,052
111	Namang'ofulo Dispensary	1223274977	KCB	365,210.60	374
112	Namarambi Dispensary	1122173369	KCB	83,063.15	153,577
113	NAMWATIKHO DISPENSARY	1220172251	KCB	429,702.80	1,570
114	NASAKA DISPENSARY	01141290153701	COOPERATIVE	3,990.70	3,661
115	NDALU HEALTH CENTRE	01141268589000	Co-operative	1,416,330.35	135,478
116	Ndegelwa Dispensary	01134425359400	Cooperative	684,148.10	186,092
117	Ranje Health Centre	01141425361600	Cooperative	388,911.65	6,751
118	Ruanda Dispensary	01141426784100	cooperative	395,090.10	83,634
119	Sango Kabuyefwe Dispensary	1141470741000	Cooperative	276,334.75	1,157
120	Sikusi Dispensary	114436007200	KCB	253,729.45	6,913
121	SITIKHO DISPENSARY	1134634846	KCB	482,143.70	39,914
122	Sulwe Dispensary	1153820064	KCB	215,202.45	3,240
123	Tabani Dispensary	01141687129700	Cooperative	186,790.30	69,779

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124	Talitia Dispensary	01256127373500	NBK	493,536.00	138,400
125	TONGAREN HEALTH CENT	1125057971	K.C.B	383,481.00	41,652
126	TULIENG DISPENSARY	1238380069	KCB	196,278.30	11,669
127	Wasio Dispensary	01141536910000	cooperative	294,349.70	3,308
128	NALONDO DISPENSARY	1260357740	KCB	137,381.50	-
129	KAMUSINDE DISPENSARY	1254388427	KCB	253,796.95	-
130	WEBUYE HEALTH CENTRE	01134340000200	Co-operative	987,478.45	235,088
CONSOLIDATED HSSF TOTAL				58,113,995	13,935,061



RECONCILIATION OF ACCOUNTS PAYABLE AND DEPOSITS BANK BALANCE

The statement of assets and liabilities reflects accounts payables balance of Kshs.245,929,312, while note 13A shows deposit bank account balance of Kshs.236,992,575, resulting in a variance of Kshs.8,936,737. This variance is attributed to payments made to CRF account before the deposit account had been opened. The payments, which are analysed below, are yet to be transferred to deposits bank account:

RETENTION LIST FROM PRVEVIOUS ACCOUNTS		
Date	Payee	Amount
10/19/2015	XEROX VENTURES LIMITED - pv no.844 /	296,315.00
6/28/2016	JYAN CONSTRUCTION SERVICES - pv no469 /	124,332.05
5/27/2016	MAMI BUILDING AND CIVIL ENGINEERING CO	140,278.80
6/22/2016	ndarumanya company limited - PV NO. 372 /	305,190.00
5/24/2016	XEROX VENTURES LIMITED - PV NO 356 /	99,382.50
4/19/2016	terra craft limited	286,979.95
1/11/2016	IMAGE INNOVATIONS LTD - pv no.156 /	204,056.00
3/17/2016	Sarit Building and Civil Contractors limited	222,794.25
5/25/2016	NAMUKOLI PLUMBERS AND FABRICATORS - PV	21,543.70
2/22/2016	M'big ltd.	983,054.75
4/19/2016	JYAN CONSTRUCTION SERVICES - Pv no 376 /	214,884.80
2/24/2016	Batacom Contractors	144,416.00
4/5/2016	Calsilanic Building & Civil Contractors limited	129,018.00
1/15/2016	Filtego Group limited	336,017.20
6/16/2016	Filtego Group limited	293,394.30
6/29/2016	Ealm Enterprises Kenya limited	122,349.75
9/10/2015	P.G Mals Enterprises	351,422.00
2/22/2016	Imalison Enterprises	292,320.00
12/23/2015	SAKAM ENTERPRISES LTD - pv no.2367 /	2,258,783.30
6/24/2016	Namwaya Enterprises ltd	147,342.00
5/24/2016	BARESE ENTERPRISES LIMITED - pv no 358 /	257,053.50
6/7/2016	Glare Technology and Electrical Systems Limited	835,640.80
4/11/2016	Hanal Investment ltd	85,352.80
4/5/2016	barowest suppliers and stationaries	271,158.10
5/9/2016	kitekesy investment	147,890.00
6/24/2016	ronex enterprises limited	134,669.50
4/22/2016	efficient contractors limited	124,180.00
2/9/2016	weima enterprises limited	61,980.00
4/5/2016	kwang construction	44,937.00
	Total	8,936,736.05

2. PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the Auditor-General in 2015/2016, 2016/2017 and 2017/2018, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to Status (Resolved/Not Resolved)	Timeframe:
2015/2016 FINANCIAL YEAR					
REPORT ON THE FINANCIAL STATEMENTS					
Basis for Adverse Opinion					
1.0	Accuracy and Completeness of the Financial Statements - Expenditures amounting to Kshs.194,867,503 were not recorded IFMIS	The variance of KShs.194,867,505 was expenditure incurred by the health facilities that were not captured in IFMIS at the time of audit. The amount was subsequently captured in IFMIS as per the attached IFMIS print out and Analysis.	Head of Treasury(Account s)	Partially resolved	By 30 June 2021
2.0	Outstanding Imprest The statement of assets reflects outstanding imprests totaling Kshs.24,065,317.	The analysis of imprest outstanding includes the imprest holders and dates issued as well as the current status as per the attached schedule	Various Accounting Officers	Resolved	
3.0	Pending Accounts Payable – Pending bills amounting to Kshs.45,957,983 as at 30 June 2016 despite availability of cash-and-cash-equivalents balance of Kshs.870,653,893 as at the same date. Further, there were staff pending payables of Kshs.24,065,317 (Note 17.2) which balance is identical to the account receivables balance under Note 14 to the financial statements. No explanation has been provided for this anomaly. In addition, the statement of assets reflects accounts payables - Deposits and Retention of Kshs.93,371,821 that have not been analysed and supported.	KShs. 24,065,317 captured in note 17.2 is the accounts receivable, reported under Note 14 (outstanding imprests) that is already analyzed. Note 17.2(that was erroneous) did not affect the financial statements as only Note 14 was reflected in the statement of assets and liabilities (page 9 of the financial statements). Similarly, Annex 2 is the analysis of outstanding imprests. Pending bills The pending bills of KShs. 45,957,983 accrued due to the IFMIS instability and delay in exchequer releases. The pending bills have since been paid. Retention of KShs. 93,371,821 See the attached analysis	Chief Officer-Finance and Economic Planning.	Resolved	

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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to Status (Resolved/Not Resolved)	Timeframe:
4.0	Fixed Assets The summary fixed assets balance of Kshs.3,163,099,384 reflected under Annex 3 to the financial statements for the two years ending 30 June 2016 excludes assets that were taken over from the defunct local authorities. Further, no hand-over report was availed for audit review to show how the assets and liabilities of the defunct local authorities were taken-over by the County Executive of Bungoma	Inherited Assets Excluded from The Financial Statements The inherited assets were not included in the financial statements because the County Government was in possession but not in ownership of the assets. However, the assets have since been transferred to the County Government via Gazette Notice No. 858 dated 27th January, 2017. No Hand-Over Report See the attached CALC report	Chief Officer-Finance and Economic Planning.	Resolved	
5.0 Unsupported Procurement of Goods and Services					
5.1	Department of Education, Youth and Sports During the year under review, the Department of Education, Youth and Sports procured food supplies for children for Kshs.2,500,000, using direct procurement method. However, management did not provide the reason for use of this method Further, the stores records were not provided to show receipt and utilization of the feeds hence the occurrence of supply and distribution of these feeds could not be ascertained	The Ministry sourced for children unga feeds from Susera Supplies for Kshs.2,500,000 through request for quotation. This programme was initiated in support of ECD Schools programme as a pilot programme for the Skip-a-lunch-initiative. Distribution of 19 tons of Unimix to the 9 was made.	Chief Officer-Culture, Gender, Youth and Sports	Resolved	
5.2	Department of Housing and Sanitation Arotum General Contractors was paid Kshs.1,482,745 for renovation of Miendo Dispensary. However, the payment was not supported with original Minutes of the tender evaluation committee duly signed to verify competitiveness in the award of the tender	During the audit, the minutes of tender evaluation committee had been taken by EACC. Attached hereto, please find a certified copy of the evaluation report	Chief Officer-Health and Sanitation	Resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to	Status (Resolved/Not Resolved)	Timeframe:
5.3	Department of Water and Natural Resources During the year under review, the Department procured works totaling Kshs 3,006,509. However, the tender evaluation minutes were not provided for audit review.	The evaluation minutes have been provided	Chief Officer-Water		Resolved	
7.0	Purchase of Motor Bicycles The County Executive purchased motor cycles from Toyota Kenya Ltd at a cost of Kshs.2,230,150. However, the supplier did not supply the motorcycles, reportedly because withholding tax withheld by KRA was not reflected in the suppliers statement of account	The motorcycles were subsequently delivered by the supplier after the issue on taxes was resolved and they are in use as per the attachment	Chief Officer-Roads, Public Works		Resolved	
8.0	Un-refunded Borrowings - Department of Health The Department of Health through various letters borrowed monies totaling Kshs.3,999,400 during the year under review from Bungoma Referral Hospital without involving the County Treasury.	The borrowing was necessitated by some urgent requirements that came up when the Department had run out of liquidity. However, the funds have since been refunded verified by the auditor	Chief Officer-Health and Sanitation		Resolved	
9.0	Women and Youth Fund					
9.1	Loan Repayments Defaults As at 30 June 2016, only Kshs.7,987,144.00 and Kshs.13,467,984 had been recovered resulting in doubtful debts of Kshs.15,862,856 and Kshs.10,032,016 owed by youth and women groups respectively. Further, analysis of the loan repayment performance revealed that 324 and 288 youth and women groups respectively were behind the repayment schedule with 87 and 18 groups respectively having not started repaying the loans	The two Funds experienced challenges as explained to the auditor. However, the Management has taken some action including but not limited to: - Renewal of the 12 months contract with the group members under new terms. - Introduction of mobile banking with a special short messaging service to remind the loanees of the balances Further to this, the initiatives have seen the previously defaulted amounts reduce gradually	Chief Officer-Culture, Gender, Youth and Sports		Partially resolved	By 31 March 2021
9.2	Sustainability of the Youth and Women Funds Youth and Women Funds received interests	Currently, with the revised Regulations, staff remuneration costs are currently zero as all positions of the Fund Ambassadors were scrapped	Chief Officer-Culture, Gender, Youth and Sports		Not resolved	

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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to Status (Resolved/Not Resolved)	Timeframe:
	of Kshs.1,187,500 and Kshs.1,004,625 and incurred expenses of Kshs.4,649,000 and Kshs.4,225,000, resulting in deficits of Kshs.3,461,500 and Kshs.3,220,375 respectively.	and the activities tasked to the currently serving County Public Servants.			
6.0	Human Resources Management				
6.1	Casual Employees As reported in previous years, the County Executive has many casual employees with the majority having worked for more than three months contrary to the Employment Act 2007.	The County Government has stopped the recruitment any new casual employee	County Public Service Board	Resolved	
6.2	Staff Establishment and Appraisal The County Executive lacks a staff establishment plan. Further, the County Executive does not carry out annual staff appraisals to assess staff performance as required under public service regulations.	a) Staff establishment plan is in draft form b) Staff Appraisals are currently being undertaken	County Public Service Board	Partially resolved	By 31 March 2021
7.0	Non Establishment of Audit Committee Further, the management has not developed and implemented a risk management framework and policy to guide the achievement of County Executive's strategic goals and objectives.	The Audit Committee is currently established Risk Management Policy Framework There is an approved Policy Framework is currently in place	CECM, Finance	Resolved	
8.0	County Public Service Board (CPSB)				

RUNGOMA COUNTY GOVERNMENT

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For the year ended June 30, 2020

Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:
8.1	Irregularities in Recruitment by the CPSB The County Public Service Board recruited 120 Early Childhood Development Centre ECD teachers whose positions were advertised internally. As a result, the recruitment was not conducted competitively and the best available talent could have missed selection	The board advertised the above vacancies internally through adverts that were circulated to respective county offices. The reason for this was due to financial constraints. The process was still competitive based on the number of applicants as the County Government received 1,080 number of applications for the 120 positions. The interview score sheets have also been verified by the auditor.	County Public Service Board	Resolved	
8.2	Procurement of Legal Services The County Public Service Board procured legal services from a firm at a cost of Kshs.3,035,230. However, the firm was not among legal firms prequalified by the County Executive to offer legal services. Also, the CPSB did not provide procurement documents for audit to confirm that the firm was procured competitively.	This payment were in relation to court cases that were actively in courts from July 2014 when the firm was engaged.	Secretary, CPSB	Resolved	
2016/2017 FINANCIAL YEAR					
REPORT ON THE FINANCIAL STATEMENTS					
Basis for Qualified Opinion					
1	Receipts				
1.1	Long Outstanding Un-Collected Land Rates The County had long outstanding un-collected land rates arrears brought forward from the defunct local authorities to the tune of Kshs.133,284, 123 as at 30 June 2017.	The County Government has developed the Rating Bill and Valuation Roll that are pending approval. These documents will subsequently guide the County land rates management.	Chief Officer - Finance and Economic Planning	Not resolved	By 31 March 2021
1.2	Un-Collected Rent Arrears Rent amounting Kshs.6,945,150 as per rent collection system of the County arising from public houses had not been collected	Structured Billing The County Government has developed a Housing Management Module Inventory of Houses	Chief Officer - Finance and Economic Planning	Partially resolved	By 31 March 2021

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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:
		The County Government has updated the inventory of houses. Arrears from National Government houses The houses have not been formally transferred to the county			
2	Compensation of Employees The County Executive recruited 77 senior staff, 316 enforcement officers and 303 vocational educational and technical instructors. However, the score sheets to show the basis for recruitment were not availed for audit verification. The Management further promoted another 77 employees but did not provide interview score sheets. Further, there was no staff establishment to validate these recruitments and promotions.	The interview score sheets have since been verified by the auditor	County Public Service Board	Resolved	
3	Use of Goods and Services				
3.1	Direct Procurement of Supply Uniforms and Choir Equipment Kshs.3,747,681 was used to purchase uniforms and choir equipment for KICOSCA games from a local firm through direct procurement	The tender was a direct procurement due to the KICOSCA games that were due to be held. Find the attached recommendation of the tender committee approving for a direct procurement	Chief Officer- Culture, Gender, Youth and Sports	Not resolved	By 31 March 2021
3.2	Irregular Leasing of Office Rent The Department of Education paid rent of Kshs.123,250 per month to a landlord against the previously agreed lease rate of Kshs.69,700. The lease agreement indicating the monthly rent increment was not however availed for audit review to justify increased monthly rate of Kshs.53,550.	The payment of Kshs.123,250 was based on a new lease agreement that involved increased office space. The space was increased from 820 ft ² to 1450 ft ² at KShs. 85 per ft ²	Chief Officer- Education, Science and ICT Statistics	Resolved	

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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:
3.3	Garbage Collection within the County The County spent Kshs.60,415,660 on garbage collection services. However, there was no budget allocation for such services and the procedure for re-allocation of funds from other votes was not supported.	The contract for Garbage collection, transportation and disposal was budgeted for under the item of Contracted Guards and Cleaning Services from which Kshs. 27,503,630 was paid from. The balance of Kshs. 32,912,030 was paid for through reallocation due to under-budgeting.	Chief Officer- Tourism, Forestry, Environment and Natural Resources		Resolved	
3.4	Training of County Public Service Board Members Kshs.5,919,130 was used to pay facilitation fees and per diem for eight (8) members of the County Service Board who attended training organized by the East and South Africa Management Institute (ESAMI) in Uganda.	The training was on Public Private Partnership Programme that was not scheduled for offer by the Kenya School of Government. See the 2016-2017 KSG Calendar	County Public Service Board.		Resolved	
4	Other Grants and Transfers					
4.1	Irregular Leasing of Office Rental Space Kshs.116,661,300 was spent on lease rental fees paid to a local company for lease of five (5) storey building for five years starting 1 July 2017 to 30 June 2022 . However, physical verification of the premises revealed that the building is occupied only from ground floor up to 1 st floor, leaving the 2 nd to 5 th floors unoccupied.	At the time of the audit, the Management was still in the process of partitioning the Office Space. Currently, the building is fully occupied as verified by the auditor	Chief Officer- Public Admin.		Resolved	
4.2	Unsupported Returns in the Bursary Fund Sample audit verification of 10 wards revealed that funds amounting to Kshs.2,619,243 could not be properly accounted for as the returns from the institutions that received the funds were not availed for audit verification.	The schools and colleges delay in providing acknowledgements. However, the acknowledgements have since been received and verified by the auditor.	Chief Officer- Education, Science and ICT Statistics		Resolved	
4.3	Women, Youth, Disability Funds and Ward Trade Development Loans Fund					
4.3.1	Internal Borrowing from the Funds The Ministry of Gender and Youth borrowed a total of Kshs.6,409,278 from the Bungoma County Women Empowerment Fund, while	This occurred at a time when the County Government had cash flow problems due to delayed Exchequer Releases. The advances were a stop gap measure to address the urgent needs in the	Chief Officer- Culture, Gender, Youth and Sports		Resolved	

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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:
	the Ministry of Education also borrowed a total of Kshs.6,615,230 from the Bungoma County Youth Empowerment Fund. Despite the fact that they were refunded, borrowing ought not to be diverted for non-fund use and hence this was an irregular borrowing.	parent County Ministry. The funds were eventually refunded.			
4.3.2	Non-sustainability of the Funds The four Funds earned total net interest of Kshs.1,355,241 while they incurred total administrative expenditure of Kshs.12,158,618. Therefore, administrative expenses of Kshs.10,803,377 was paid from the principal amount, thus all the funds were operating on deficits.	Currently, with the revised Regulations, staff remuneration costs are currently zero as all positions of the Fund Ambassadors were scrapped and the activities tasked to the currently serving County Public Servants. More actively, the County Government is undertaking a business re-engineering process that will see all the County Public Funds that offer credit facilities amalgamated into one.	Chief Officer- Culture, Gender, Youth and Sports	Not resolved	By 31 March 2021
4.3.3	Long Outstanding Loans The total long outstanding loans of Kshs.29,337,069 as per the table below for the Bungoma County Youth Empowerment Fund, Bungoma Women Empowerment Fund and Bungoma Disability Empowerment Fund are past the recovery date with a likelihood of high default rate.	The two Funds experienced challenges due reasons explained to the auditor However, the Management has taken some action including but not limited to: • Renewal of the 12 months contract with the group members under new terms. • Introduction of mobile banking with a special short messaging service to remind the loanees of the balances	Chief Officer- Culture, Gender, Youth and Sports	Partially resolved	By 31 March 2021
4.3.4	Non-Funding of the Budget during the year The County's Women, Youth, PWDs and Trade Funds had budgeted to receive Kshs.93,000,000 during the year under review which was not transferred to the Funds	The Office of the Controller of Budget did not approve the financing of the Public Funds because of some clauses in the Fund Regulations that were not consistent with the PFM Regulations, 2015. The Management has since addressed the concern by reviewing and revising the Regulations to comply with the PFM Act, 2012.	Chief Officer- Culture, Gender, Youth and Sports	Partially resolved	By 31 March 2021
4.3.5	Non-Compliance with Revolving Fund Principles The Funds received a total of Kshs.168,513,256 from the County Executive since inception of the Funds in the year 2014-2015. The revolving fund principles requires	The operationalization of the Funds required the creation of some sunk costs. These costs included; a) Formulation of the policy documents and regulations b) Training of Fund Ambassadors and Committee members			

Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:
	Fund balances to be equal to the initial funds disbursed or increase in value. However, this was not the case as at 30 June 2017. Further, the Funds may not sustain themselves as going concern as they had total unrecoverable deficit of Kshs.36,437,276 as at 30 June 2017.	c) Launching of the Fund These were one-off expenses. The funds were also utilized in the payment of stipend to 90 Fund Ambassadors. The engagement of Fund Ambassadors has since been stopped.				
5	Acquisition of Assets					
5.1	Fixed Assets Register The asset register was not complete by the time of the audit	The register is currently complete and updated.	Chief Officer - Finance and Economic Planning		Resolved	
5.2	Integrated Short Text Message System Not Functioning Kshs.4,988,000 was spent in putting up a messaging system that was not functioning	The system is currently functional	Chief Officer- Public Admin		Resolved	
5.3	Rehabilitation of Akola Dam Kshs.297,643,681 was utilized for overhaul and refurbishment of Akola dam and includes Kshs.2,699,550 awarded to a local contractor. However, audit inspection conducted on the project on 10 January 2018 revealed that the project was completed in March 2017 but the cattle watering point, sanitary facilities and community watering place were non-functional. In addition, the fence which was erected had been vandalized.	The contractor cleared the said works and handed back the project to the client, who in turn handed it to the local community. However, at the time of the audit, the project had been vandalized and some components were not in use. Currently, arrangements are being made through the department of Water to make sure that the Community puts the project to use.	Chief Officer- Water		Not resolved	By 31 March 2021
5.4	Upgrading of Misikhu -Naitiri -Brigadier Road The contractor has since been paid a total of Kshs.217,630,234 by the County Executive for the work in progress at 20% completion but has already left the site.	Progress Work at 20% and the Contractor Was Not On Site The current completion rate is 35% as verified by the auditor. The project has a contract period of 24 months but due to the political uncertainties and the unusual rainfall experienced during the months of July, 2017 to November, 2017, the contractor requested for more time and submitted a new programme of works. Possibility of the project stalling This is a multi-year project that the County	Chief Officer- Roads, Public Works		Not resolved	By 30 June 2021

BUNGOMA COUNTY GOVERNMENT
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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to Status (Resolved/Not Resolved)	Timeframe:
		Government has committed to make annual budgetary allocations to ensure that it doesn't stall.			
5.5	Upgrading of Mareli- Namuyemba Road During the year under review, a total of Kshs.59,661,352 was paid to the contractor. However, audit verification conducted in January 2018 on progress of the project indicated slow progress of work since the actual works begun on 16 January 2017 with completion date fixed for 16 November 2017. In addition , the road had not been fully completed and had not been handed over, two (2) months after the end of the contract period and the contractor was not on site.	a) The political uncertainties from July 2017 to early November 2017 heavily impacted on the progress of the work b) The project is currently complete	Chief Officer- Roads, Public Works	Resolved	
5.6	Construction of Perimeter Fence at Bungoma County Referral Hospital The contractor had been paid Kshs.32,463,110. However, physical verification conducted on the project established that the project was not complete yet the completion date had elapsed on 31 May 2017 and had not been extended officially.	The project is currently complete as verified by the auditor.	Chief Officer- Roads, Public Works	Resolved	
5.7	Purchase and Distribution of Tree Seedlings Kshs.3,190,000 was spent on purchase of seedlings for distribution to farmers. However, no schedule of beneficiaries was availed for verification hence usage and equitable distribution could not be confirmed.	The tree seedlings were properly received and entered in the stores Cards. The stores cards and distribution schedule have since been reviewed by the auditor	Chief Officer- Environment	Resolved	
5.8	Chicken Slaughter House Not Working Audit inspection of the project showed that the project is not functional despite being complete, casting doubts on feasibility studies having been conducted.	The Ministry re- advertised for the lease of Chwele Poultry Slaughter in the Daily nation newspaper dated Friday of 16th December 2016. Unfortunately, the tender process was cancelled because all the bidders didn't meet minimum	Chief Officer - Agriculture, Livestock, Fisheries, And Co-operative	Not resolved	By 31 March 2021

Ref No.	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:
		threshold as prescribed in the Public Procurement and Asset Disposal Act 2015. The Ministry is in the process of sourcing for a tenant to run the slaughter house. The status report of the project is as attached	Development		
5.9	Mt. Elgon High Altitude Training Center Kshs.33,758,718 was spent on construction works awarded to a local contractor to complete a high altitude training center in Mt. Elgon. However, it was noted that prior to this contract, another local contractor had been contracted for the same and paid Kshs.14,591,659 leaving an outstanding balance of Kshs.31,050,501 causing a variation of Kshs.2,708,217 between the new and old contract. Physical verification of the project revealed that the project is not functional despite the huge investment amounting to Kshs.48,350,377 spanning for over 4 years since inception of the project.	Project implementation status is as provided.	Chief Officer- Culture, Gender, Youth and Sports	Not resolved	By 31 March 2021
5.10	Outsourcing for the Installation of Network and Communications System However, it was not clear why labour was outsourced yet the County Executive has a fully-fledged ICT Department with twenty six (26) qualified personnel that could have carried out the works leading to saving on labor cost of Kshs.1,768,785 which was factored in the contract.	The works were outsourced because the ICT Department does not have the specialized networking skills.	Chief Officer- Education, Science and ICT Statistics	Resolved	
6	Accounts Payables-Deposits and Retention Statement of assets and liabilities under Note 15 reflects accounts payables-deposits and retention balance of Kshs.179,175,277 which differs with a balance of Kshs.100,780,813 held in the bank account, by a deficit of Kshs.78,394,464 Account.	The retention amount of ksh.78, 394,464 was not transferred to the deposits account because it occurred when the deposits account was not opened. The amount was rather transferred to the County Revenue Fund Account in the year 2015/2016 as verified by the auditor. the amount was captured in the 2016/2017 budget process. The financial statements in the year	Chief Officer - Finance and Economic Planning	Resolved – Reconciliation provided to the auditor	

BUNGOMA COUNTY GOVERNMENT
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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:
		2018/2019 will be adjusted and restated to reflect this			
7	Accounts Receivables - Outstanding Imprests The statement of assets and liabilities reflects under Note 14 outstanding imprests of Kshs.12,319,511 which had not been recovered Further, also imprest register had not been updated and hence cannot be relied on.	The analysis of imprest outstanding includes the imprest holders and dates issued as well as the current status as per the attached schedule.	Departmental Chief Officers	Resolved	
4	Insurance of County Assets A review of insurance records revealed that the County paid for insurance by various Ministries and Departments amounting to a total of Kshs.20,600,371 to insure its . Had the Executive centralized this service, it would have enjoyed economies of scales.	The recommendation to centralize is in order and the County Government is in the process of centralizing some of common utilities and services.	Chief Officer - Finance and Economic Planning	Partially resolved	By 30 June 2021
5	Pending Bills During the year under review pending bills had accumulated to Kshs.758,441,930. It is not clear why there were pending bills despite the reported positive liquidity position of cash and cash equivalents balance of Kshs.943,707,	The outstanding payments occurred largely because of an unstable IFMIS network towards the end of the FY 17/18 and delayed Exchequer Releases. Therefore, the Exchequer balances were carried forward to the FY 2018/19. This did not negatively affect our budget implementation for the FY 2018/19 as the corresponding budget and Exchequer release was carried forward to the FY 2018/19. Most of the outstanding bills have since been paid.	Departmental Chief Officers	Resolved	
6	Non-Absorption of Funds Issued by Kenya Roads Board The Ministry of Roads, Transport, Infrastructure and Public Works budgeted to carry out road maintenance levy fund projects totaling Kshs.127,250,840 during the 2016/2017 financial year under review. In order for the Ministry to be able to access the funds, the Kenya Roads Board advised the County Executive to open a Roads	The RMLF grant had not been spent due to the delay in opening of the RMLF Account at Central Bank of Kenya. The funds have since been fully utilized as the contractors have been paid for the completed works	Chief Officer- Roads, Public Works	Resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to Status (Resolved/Not Resolved)	Timeframe:																				
	Maintenance Levy Fund account at the Central Bank of Kenya. However, it was noted that the account was not opened as required leading to 100% of the available funds not being utilized in the period under review.																								
7	County Executives Policies The following policies and guidelines have not been developed or are in draft form awaiting for approval and adoption: - Policy framework for Co-operative Societies (Draft) - Policy framework for Vocational Training Centers (Not developed) - Trade Development Policy (Not developed) - Urban Development Policy (Not developed) - County Public Land Policy (Not developed) - Supply Chain Management Policy (Not developed) - County Housing Policy (Not developed) - County Energy Development Policy (Not developed) - County Livestock Management Policy (Draft) Further, there was no evidence that the risk management policy and framework is operational despite having been completed	The table below show the current status of the policies: <table><tr><th>Policy</th><th>Status</th></tr><tr><td>Policy framework for Co-operative Societies</td><td>Draft</td></tr><tr><td>Policy framework for Vocational Training Centers</td><td>Draft</td></tr><tr><td>Trade Development Policy</td><td>Not done</td></tr><tr><td>Urban Development Policy</td><td>Not done</td></tr><tr><td>County Public Land Policy</td><td>Not done</td></tr><tr><td>Supply Chain Management Policy</td><td>Draft</td></tr><tr><td>County Housing Policy</td><td>Approved</td></tr><tr><td>County Energy Development Policy</td><td>Not done</td></tr><tr><td>County Livestock Management Policy</td><td>Draft</td></tr></table> The County Government has tasked the Accounting Officers to continuously review the various Policy gaps with a view of revising the existing Policies or developing new Policies as the case may be.	Policy	Status	Policy framework for Co-operative Societies	Draft	Policy framework for Vocational Training Centers	Draft	Trade Development Policy	Not done	Urban Development Policy	Not done	County Public Land Policy	Not done	Supply Chain Management Policy	Draft	County Housing Policy	Approved	County Energy Development Policy	Not done	County Livestock Management Policy	Draft	Various Chief Officers	Partially resolved	By 30 June 2021
Policy	Status																								
Policy framework for Co-operative Societies	Draft																								
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2017/2018 FINANCIAL YEAR

BUNGOMA COUNTY GOVERNMENT
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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to Status (Resolved/Not Resolved)	Timeframe:
REPORT ON THE FINANCIAL STATEMENTS					
Basis for Qualified Opinion					
1	Accounts Payables-Deposits and Retention The accounts payables- deposits and retentions figure of Kshs.219,985,327 differs with the confirmed bank balance figure of Kshs.141,500,862 resulting into un-reconciled difference of Kshs.78,484,675. In the circumstances, it was not possible to confirm accuracy of the payables, deposits and retention balance of Kshs.219,985,327.	The retention amount of ksh.78, 394,464 was not transferred to the deposits account because it occurred when the deposits account was not opened. The amount was rather transferred to the County Revenue Fund Account in the year 2015/2016 as verified by the auditor. Subsequently, the amount was captured in the 2016/2017 budget process. The retention amounts have since been paid and the subsequent financial statements in the year 2018/2019 will be adjusted and restated to reflect this	Chief Officer - Finance and Economic Planning	Resolved	
4	Pending Accounts Payables The pending accounts payables figure of Kshs.725,731,414 detailed under annex 2 to the financial statements remained outstanding as at 30 June 2018 despite the positive liquidity status confirmed by the cash and cash equivalents balance of Kshs.1,890,018,447 (Note 13A statement of assets and liabilities). Further, it was noted that the pending accounts payables figure of Kshs.725,731,412 includes Kshs.94,173,642 in respect of commitments	The outstanding payments occurred largely because of an unstable IFMIS network towards the end of the FY 17/18 and delayed Exchequer Releases. Therefore, the Exchequer balances were carried forward to the FY 2018/19. This did not negatively affect our budget implementation for the FY 2018/19 as the corresponding budget and Exchequer release was carried forward to the FY 2018/19. Most of the outstanding bills have since been paid	All Chief Officers	Resolved	
5	Long Outstanding Un-Collected Revenue Arrears Included in the Executive's own generated receipts of Kshs.545,226,040 is property rates and rent and cess collections totaling Kshs.9,690,437 and Kshs.13,031,511 respectively. However, the Executive had arrears not collected since the inception of the County Government totaling	(A) Property Rates Arrears The county government has had a challenge in enforcing the collection of property rates due to lack of a Valuation Roll. The last valuation roll was developed in 2008 before devolution. However, the County has developed a Valuation Roll that has been forwarded to the County Assembly for approval. A list of defaulters was prepared and submitted to	Chief Officer - Finance and Economic Planning	Partially resolved	By 31 March 2021

RUNGOMA COUNTY GOVERNMENT
Reports and Financial Statements
For the year ended June 30, 2020

Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to	Status (Resolved/Not Resolved)	Timeframe:															
	Kshs.221,347,558 as at 30 June 2018 as highlighted below: Further, accrued penalties and interests could not be accurately ascertained. Consequently, non-collection of all due revenue may have denied the County Executive funds for service delivery to its residence.	County Attorney to pursue litigation measures. (B) Cess Defaulters <table><tr><th></th><th>Cess Defaulter</th><th>Outstanding Amount</th></tr><tr><td>1.</td><td>Mumias Sugar Co. Ltd</td><td>30,614,569</td></tr><tr><td>2.</td><td>Nzoia Sugar Co. Ltd</td><td>12,364,707</td></tr><tr><td>3.</td><td>Mastermind Kenya Ltd</td><td>5,000,000</td></tr><tr><td colspan="2">Total</td><td>47,979,276</td></tr></table> These companies defaulted in remitting both current and arrears inherited from the pre-devolution era. The County Government has made demand notices to the struggling sugar companies to no avail. (C) Rent Arrears Arrears from houses inherited from the defunct local authorities Some of the houses are condemned (6 in Kimilili) and have been proposed for demolition to pave way for construction of high-rise buildings. In addition, some houses are unoccupied due to bad state of repair and this reduces the amount of collectable monthly rent i.e. in Ndal, Sirisia and Tamlega Dispensary. Arrears from National Government Houses Some of the houses are occupied by the National Government Officers such as Assistant County Commissioners and Police officers e.g in Kabula, Malakisi, Tongaren and Bumula Health facilities. However, we are in discussion with the County Commissioner to amicably resolve the issue that will also seek to obtain a formal transfer of the houses. Some houses have been converted into County Government Offices e.g Tongaren, Bumula, Naitiri, Cheptais, Kapsokwony and		Cess Defaulter	Outstanding Amount	1.	Mumias Sugar Co. Ltd	30,614,569	2.	Nzoia Sugar Co. Ltd	12,364,707	3.	Mastermind Kenya Ltd	5,000,000	Total		47,979,276				
	Cess Defaulter	Outstanding Amount																			
1.	Mumias Sugar Co. Ltd	30,614,569																			
2.	Nzoia Sugar Co. Ltd	12,364,707																			
3.	Mastermind Kenya Ltd	5,000,000																			
Total		47,979,276																			

BUNGOMA COUNTY GOVERNMENT
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For the year ended June 30, 2020

Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:
		Kimaeti.			
1	Failure to Adhere to the Fiscal Responsibilities Principles During the year under review and as disclosed in the statements of appropriations: recurrent, development and combined for the year ended 30 June 2018, the County Executive incurred actual total expenditure of Kshs.8,774,624,422 comprising recurrent expenditure of Kshs.7,464,410,420 (85% of total expenditure) and development expenditure of Kshs.1,310,214,002 (15% of total expenditure). The actual expenditure on development was lower than the prescribed minimum of 30% required by Section 107(2) of the Public Finance Management Act, 2015. Further, and as disclosed in the statement of receipts and payments for the year ended 30 June 2018, In addition, the compensation to employees expenditure was Kshs.4,261,626,702 of which the amount was 43% of the actual total revenue of Kshs.9,871,076,328 contrary to the maximum limit of 35% set by Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015.	The incidences of low absorption were because of the prolonged political period in the year 2017 and the delayed Exchequer financing that resumed normally after the political period in October, 2017. The expenditure on personnel emoluments has increased for a number of factors, some of which are inevitable. The largest contributor are collective bargaining agreements such as the increment given to the Health Service Personnel. The personnel emoluments increased because of the following; • The CBA of health workers that led to an increase of KShs. 463,800,000 in negotiated allowances. • Conversion of terms of 1,923 ECD teachers from contractual to permanent that led to an increase in salaries by KShs. 384,746,760. • Conversion of terms of 402 long serving casual employees from casual to permanent Conversion of terms of 402 long serving casual employees from casual to permanent (some of whom were inherited from the defunct local authorities), leading to an increase in salaries by KShs.63,282,180.40.	Chief Officer - Finance and Economic Planning Chief Officer, County Public Service Board	Partially resolved	By 31 March 2021
2	Unauthorized Re-allocations of Vote Heads The County Executive incurred various expenditures totaling Kshs.53,343,017 in different vote heads instead of the approved budget lines hence contravening the provisions and requirements of the Public Finance Management Act, 2012.	The expenditures were necessitated based on the individual cases because of the delay in uploading the procurement plan among others. Some of the expenditures included Maternity fee reimbursements of Kshs. 18,745,000 transferred to three Sub-County hospitals, KShs. 1,940,046 paid for the repair of Motor Vehicles among other.	Chief Officer - Finance and Economic Planning	Resolved	
3	Long Outstanding Imprests The accounts receivables balance in the statement of assets and liabilities of	The County Treasury has already taken the necessary measures to recover the unsurrendered imprests. The surrendered imprests have since been	All Chief Officers	Resolved	

RUNGOMA COUNTY GOVERNMENT
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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:
	Kshs.203,180,108 includes long outstanding imprest figure of Kshs.125,250,064, held by staff for up to six (6) months after their due dates had lapsed,	reviewed by the auditor				
4	Under Utilization of Mechanical and Transport Fund Included in other grants and transfers figure of Kshs.646,385,558, under Note 9 to the financial statements is the other capital grants transfers of Kshs.121,105,480 which in turn includes Mechanical and Transport Fund (MTF) user fees for opening and grading amount of Kshs.65,668,325 for 206km of road and opening, grading and gravelling of Kshs.6,098,360 for a 5km road. However, only 190km of opening and grading roads has been completed, leaving 21km of roads not done in various wards costing approximately Kshs.11,157,230.	By 30 th June, 2018 the projects done covered 190km of the 225km. However, the works are now complete	Chief Roads, Works and Housing	Officer- Public and	Resolved	
5	Irregular Award of Scholarships The management, through Ministry of Education spent Kshs.22,675,734 to cater for scholarship of the bright and needy students. However, verification of the scholarship records revealed the following anomalies. (i) The Ministry awarded scholarship yet no scholarship policy had been formulated and the criteria on how the scholarships were awarded was not availed for audit verification. (ii) The Ministry did not provide acknowledgment of receipts from schools, evidence that the funds benefited the intended students. (iii) No admission letters from the students	Scholarship Policy The Scholarship was awarded under the provisions of the Bursary Regulations and the guidelines issued by the Accounting Officer. The County Government has since developed Bursary and Scholarship Regulations, 2018. Acknowledgement Receipts At times, the schools and colleges delay in providing acknowledgements. However, the acknowledgements have been made to the County Government and have been reviewed by the auditor. iii) No admission letters Admission letters available and have been verified by the auditor. iv) Unsurrendered imprest	Chief Education, Science	Officer-	Resolved	

BUNGOMA COUNTY GOVERNMENT

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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:
	was availed for audit verification to authenticate that the applicants were indeed students in the schools listed. (iv) Imprests amounting to Kshs.9,900,00 meant to cater for educational benefits and expenses of the students was not surrendered after 7 days of the official assignment and had not been cleared by the County Treasury which is against the regulations.	The imprests were not surrendered in time due to the roll-over of activities. The imprests were eventually surrendered and have since been reviewed by the auditor.			
6	Completed Projects not Operational				
6.1	Incomplete Development of a Data Centre The County made payment of Kshs.4,975,490 to a local computer dealer for setting up a data center. However, physical verification of the project under implementation revealed that the equipment costing were Kshs.3,634,500 supplied but were not installed for use.	At the time of the audit, the equipment were not yet installed as the delivery was made towards the end of the year. The data centre was to be completed in two phases. In phase one of the implementation, the components listed above were acquired, most of which have been installed and are in use as verified by the auditor. Phase two of the implementation is at an advanced level of procurement. The implementation of Phase two will make the Centre fully functional.	Chief Officer- Public Administration	Resolved	
6.2	Dairy Commercialization Project Not Operational The County made a payment of Kshs.9,377,350 to a local contractor for dairy commercialization area network at Bukembe. However, physical verification of the project under implementation revealed that the project is not operational not withstanding full settlement of the contact price.	The Bukembe Dairy Commercialization Area Network project upon completion will be a milk collection and chilling Centre for value addition purposes. The milk cooler is available at Mabanga ATC awaiting installation. The installation of the cooler will be done after 3 phase power connection. The National Government has already delivered the machine. After the connection of 3 phase power, the project would be put to use.	Chief Officer - Agriculture, Livestock, Fisheries, And Co-operative Development	Not resolved	By 31 March 2021
6.3	Mihuu Water Project Completed and not Operational The County paid Kshs.4,111,580 for Mihuu Water Project. However, physical verification of the project revealed that it was not operational. In addition, the bills of quantities raised had no specifications on the	a) Project not functional Mihuu Water Project is currently operational as verified by the auditor b) Bill of Quantities did not specify the works The Bill of Quantities for the kiosk did not have a breakdown of the specific activities. However, the drawings of the kiosks which has all the	Chief Officer- Water	Resolved	

Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:
	dimensions and the extent of works to be done in the power house Kshs.500,000, water pump Kshs.1,200,000 and water kiosk Kshs.350,000. Further, the Department of Water and Natural Resources did not provide documents from the other bidders to confirm whether the contractor was competitively procured.	specifications has been availed. c) Specification of the Solar Panel and the Pump The specification of the solar panels is determined by the discharge of the pump which is also determined by the discharge of the spring. By the time the tenders were being floated, the data on the discharge of the spring was not available. After establishing the discharge, the contractor was given instructions on the specifications of the pump, which determined the specifications of the solar unit. d) List of other bidders The list has since been provided and has since been verified by the auditor.				
6.4	Variation on Construction of Slaughterhouse Road A local company was paid a total of Kshs.47,680,180 for the construction of slaughterhouse road measuring 2.4km in Kimilili Sub-County at a contract price of Kshs.86,256,910. However, review of the project status inspection report revealed the following: (i) The contractor deserted the site for unknown reasons after completing 1.1km only. (ii) The contract was eventually terminated without putting the contractor to account as per the terms of award of contract. (iii) At the point of termination, the works done were estimated to be less than 45% of the total while payment made was estimated at 55%. No steps were taken against the contractor to recover the	i. Abandonment of site The contractor left the site after which the County Government made reminders without success. The contract was later terminated and awarded to another contractor after an open tender procurement process that ran from advertisement to award. ii. Accountability after termination The termination was a sufficient recourse obtained after the works were abandoned as the payments were only made for valued works. iii. Payment at 55% The payments were made for the valued works. The total length of the contract was 1.5 km and not 2.4 km. 2.4 km was based on the reissued contract that was given to the second contractor after termination. The payment of KShs. 47,680,180 based on two interim certificates; 1st and 2nd interim payment certificates. This was based on 1.1km of the 1.5km, hence 73% of the total length of the road. Cost overran by 21%	Chief Officer-Roads, Public Works and Housing		Resolved	

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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to Status (Resolved/Not Resolved)	Timeframe:
	overpayment. (iv) The County Executive advertised for the same contract and it was awarded to another contractor for the remaining works at a contract price of Kshs.66,000,000 and subsequently paid Kshs.18,337,721. The total amount spent on the project was Kshs.104,000,000, resulting into budget overrun and cost escalation by over 21%.	The second contractor was issued with a new contract that included the abandoned 0.4km plus other works. The other works included not in the initial contract included; • Lime treatment of the sub base layer • Increase in thickness of subbase from 150mm to 175mm based on the design • Provision of the subgrade materials • Provision of reflective studs (cat eyes) • Provision of road humbs and rumble strips • Provision of concrete road kerbs and channels			
6.5	Irregular Partitioning of Leased Office Space A local contractor was paid Kshs.13,518,652 for partitioning a leased office space. However, the following anomalies were noted in the transaction: - (i) The lease agreement between the County Executive and landlord was dated 27th June 2017 yet the contract award for partition was issued on 26th April, 2016 which way ahead of lease agreement. (ii) The agreement is dated but did not state the period of the works. Inspection and Acceptance Committee report is dated 17th May 2017 and certificate of works dated 2nd May 2017 all before the lease was agreed upon. (iii) The payment was made in June 2018 though not listed among the pending bills as at 30th June 2017. Therefore, the payment had not been budgeted during the year under review.	i) The contractor let the office space to the County Government of Bungoma with effect from 1st July 2015 to 1st July 2017. The agreement is dated 26th June 2015. The partitioning was in order since the office space was under the County Government ii) The payment was not captured as a pending bill of the year 2016/2017 as it was a commitment and the payment had not accrued.	Chief Officer- Public Administration	Resolved	
6.6	Un-operational Sanitation Units Under the Ministry of Lands, Housing and	A report explaining why the ablution blocks are not in use because of lack of water connection that the	Chief Officer- Health and	Resolved	

RINGOMA COUNTY GOVERNMENT
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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:														
	Sanitation the following projects had been completed but have never been utilized despite the contract price been paid in full. <table><tr><th>Project</th><th>Kshs.</th></tr><tr><td>a) Manyanga Mkt-Ablution Block</td><td>3,409,924</td></tr><tr><td>b) Boyofu Mkt-Erection of Pit latrines</td><td>1,266,232</td></tr><tr><td>c) Webuye Town-construction of ablution block</td><td>3,490,706</td></tr><tr><td>d) Chwele-ablution block</td><td>3,375,478</td></tr><tr><td>e) Tongaren Mkt-Pit latrines</td><td>1,486,644</td></tr><tr><td>Total</td><td>13,028,984</td></tr></table> In view of the above, the Executive may not have achieved its targets and service delivery may not have been obtained by the residents of the County.	Project	Kshs.	a) Manyanga Mkt-Ablution Block	3,409,924	b) Boyofu Mkt-Erection of Pit latrines	1,266,232	c) Webuye Town-construction of ablution block	3,490,706	d) Chwele-ablution block	3,375,478	e) Tongaren Mkt-Pit latrines	1,486,644	Total	13,028,984	County Government is currently working on. The detailed report on why each block is not in use has been explained in the attached report	Sanitation		
Project	Kshs.																		
a) Manyanga Mkt-Ablution Block	3,409,924																		
b) Boyofu Mkt-Erection of Pit latrines	1,266,232																		
c) Webuye Town-construction of ablution block	3,490,706																		
d) Chwele-ablution block	3,375,478																		
e) Tongaren Mkt-Pit latrines	1,486,644																		
Total	13,028,984																		
7	Procurement of Goods, Works and Services																		
7.1	Direct Procurement of Furniture A local supplier was paid a total of Kshs.2,378,000 to supply furniture. However, the Ministry of Agriculture used direct procurement to procure the furniture contrary to the Section 91 of the Public Procurement and Assets Disposal Act, 2015. Further, the Executive did not provide for audit review, notification to the authority to use direct procurement, the appointment and minutes of the ad-hoc evaluation committee. Consequently, the regularity of the expenditure of Kshs.940,457,716 on	The procurement process documents have been availed to the auditors.	Chief Officer - Agriculture, Livestock, Fisheries, and Co-operative Development	Not resolved	By 31 March 2021														

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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to Status (Resolved/Not Resolved)	Timeframe:
	acquisition of assets during the year could not be confirmed.				
7.2	Direct Procurement of Legal Expenses The County Executive sourced for legal services and paid Kshs.10,076,080 under the case, Kisumu E and LRC constitutional petition No.45 of 2017 and another case which have been going on since 23 rd September 2015. However, no explanation was provided on how the County Executive came up with the legal fees outside the advocates remunerations order.	The fees charged were all within the Advocates Remuneration Order.	County Public Service Board	Resolved	
7.3	Purchase of Corrugated Steel Pipes A local supplier was paid Kshs.46,064,273 for the supply and delivery of corrugated steel pipes. However, scrutiny of the payment records revealed the following: (i) The County Executive did not provide a needs assessment on how it intended to utilize the pipes which are still in the yard since 30 August 2017 when they were delivered. (ii) The corrugated steel pipes were not in the procurement plan and the budget for the financial year. (iii) The County Executive did not maintain proper stores record to determine usage and stock balance as at 30 June 2018. In the circumstances, the value for money in relation to purchase of corrugated steel pipes totaling Kshs.46,064,273 may not have been achieved.	Photos to show the installation of the culverts on various roads in different wards have been attached for verification of the use. The use has subsequently been verified by the auditor. The items were approved in the subsequent supplementary budget of the Financial year 2017/2018 and store records available	Chief Officer- Roads, Public Works	Resolved	
8	Compensation of Employees The County Executive recruited twenty-seven (27) employees in different groups. However, the following irregularities were identified in	Recruitment The employees recruited were personal staff. They include Governor's security details, the communication officers i.e. Governor's Press	County Public Service Board	Resolved	

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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to Status (Resolved/Not Resolved)	Timeframe:
	the recruitment: - There was no approved recruitment plan and indents from the Ministers; - the positions were not advertised to ensure competitive recruitment; - there were no shortlisting minutes, interview score sheets and authority from County Public Service Board to the County Secretary to appoint employees Further, it was noted that six (6) staff members were not appointed to the correct job groups. In addition, the County Executive absorbed four hundred and two (402) casual employees into permanent and pensionable terms during the year under review without following necessary recruitment procedures such as advertising for vacant positions to pave way for competitive recruitments, gender and regional balancing of staff. Consequently, the legality and competitiveness of the recruitment process could not be verified.	Service, the protocol officers, the Gardener, Cook, Governor's/Deputy Governor's Personal Assistants and Chief of Staff. These are personal staff attached to the Officer bearers. On the part of officers being given higher job groups, already that anomaly was detected for the affected officers and a corrective measure taken by lowering the grade for those who didn't have the requisite qualifications and salaries re-adjusted to be commensurate with the qualifications. The salaries for the affected officers have been lowered and resultant overpayments effected. Casual employees Some of the confirmed casual employees were inherited from the defunct Local authorities and had worked with the defunct Local Authorities and the County Government for a long time. The County Secretary in his official capacity requested the Board in December 2016, to confirm the said casuals to permanent and pensionable terms as there were funds to meet their budgetary requirements. However, before absorption, the Human Resource Audit was carried out of all County Casual workers where each of them appeared before the Board for verification of their documents and to determine their suitability for absorption into Permanent and Pensionable establishment. Not all casuals were confirmed, as some of them were terminated as follows: - Those who were found to be over-age; - Those found without requisite qualifications and, or basic certificates; - Those who failed to turn out for a head count and audit prior to the confirmation.			
1	Internal Controls on Revenue Collections The Executive has designated persons as	The revenues in the County Department of Health are utilized as AIA because of the nature of services	Chief Officer- Finance and	Not Resolved	By 30 June 2021

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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:
	receivers of revenue and further officers designated as authorized receivers of revenue. A review of the Ministry of Health and other health facilities shows that over Kshs.200 million was collected from various sources. However, these amounts were not supported by monthly returns, quarterly returns and receiver of revenue accountability statements showing total receipts and transfers to the exchequer or County Revenue Fund.	offered by the facilities. Having the AIA collections transferred to the County Revenue Fund Account would cripple many activities in the hospitals because of the long procedure embedded in accessing Exchequer Financing. The collections properly accounted for and used in the provision of service to the public	Economic Planning		
2	Incomplete Fixed Assets Register According to the Public Finance Management Act Regulations, 2015, Section 143(1), the Accounting Officer shall be responsible for maintaining a register of assets under his or her control or possession as prescribed by the relevant laws. A review of the fixed assets register indicated that various respective departments were still verifying the data. However, the following issues were noted. a) The asset inherited from the Defunct Local Authorities and National Governments are still being verified to ascertain completeness of the assets. b) L/R number for most of land and buildings have not been indicated in the reference section hence we could not confirm the ownership. c) The depreciation and net value of the assets have not been factored into in determining the valuation of these assets. Consequently, in the absence of a complete and verified register, we were unable to confirm the completeness and accuracy of	Assets inherited from the defunct local authorities The assets were completely ascertained through the County Assets and Liabilities Committee Report except for a few cases highlighted in the report. Assets from the National Government These category of assets has not been formally transferred to the County Government. These were assets that followed functions such as in the Departments of Health and Agriculture. However, the County Government has maintained an inventory of the same in the Comprehensive Assets Register. See. Missing LR Numbers The County Government inherited an inventory of incomplete assets with substantial information and documentation missing. However, the County Government has set aside some funds in the 2019/2020 budget to survey and demarcate the parcels of land that have incomplete information. Depreciation not factored in the value of the assets The County Government is in the process of completing adoption of the County Asset Management Policy. The Policy will enable the County Government to adopt an appropriate	Chief Officer- Finance and Economic Planning	Partially resolved	By 31 March 2021

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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to resolve the issue	Status (Resolved/Not Resolved)	Timeframe:
	assets belonging to the County Executive.	Depreciation Policy. Therefore, the assets are recorded at historical cost. Assets inherited from the defunct local authorities were recorded at the Net Realizable Value.				
3	Management of All County Insurance of Assets The County Executive paid Kshs.19,671,437 to different insurance companies contracted by various Ministries to insure its assets. Had the Executive centralized these service, they would have enjoyed economies of scales in negotiations, avoid variant agency fees and ease in management of insurance.	The recommendation to centralize is in order and the County Government is in the process of centralizing some of common utilities and services.	Chief Officer-Finance		Not resolved	By 30 June 2021
4	Internal Controls on Air Travel The air travel by various ministries amounting to Kshs.14,212,379 had no approval from the accounting officers despite the County having designed a form to ensure compliance. Furthermore, no boarding passes were attached as proof of travel and there were instances where some staff who were not within the approved job groups were allowed to use this mode of travel.	Lack of approval from Accounting Officer The travels were authorized by the logistics officer who had been assigned take charge of logistical arrangements in the Governor's Office. The County Government was also having a shortage of Accounting Officers, hence the assignment. With the recruitment of Accounting Officers, the gap has since been addressed and the journeys are personally authorized by the Accounting Officer unless otherwise delegated. Boarding Passes The Boarding passes are always attached to the imprest surrender documents as proof of travel. The same have since been extracted and reviewed by the auditor. Staff not within the approved Job Groups The only officers below prescribed job groups who travel using the air transport are the Personal Assistants to the Governor/Deputy Governor and the security officers because of the nature of their duty	Chief Officer-Finance and Economic Planning		Resolved	
5	Under-recruitment of the Accounting Officers	Currently, there are accounting officers in each of the identified County Departments.	County Public Service Board		Resolved	

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Ref No.	Issue / Observations from Auditor	Management comments	Focal person to resolve the issue	Point to Status (Resolved/Not Resolved)	Timeframe:												
	Our review of the County Governance showed that some Ministries were under one accounting officer as follows: <table><tr><th>Ministry</th><th>Accounting Officer</th></tr><tr><td></td><td></td></tr><tr><td>Agriculture, Livestock, Fisheries and Co-operative Development Public Administration and County Secretary Governor's and Deputy Governor's office</td><td>One Accounting Officer</td></tr><tr><td>Tourism, Forestry, Environment Water and Natural Resource Trade, Energy and Industrialization Lands, Urban and Physical Planning Housing and Sanitation</td><td>One Accounting Officer</td></tr><tr><td>Education, Youth and Sports Gender, Culture and Cooperatives</td><td>One Accounting Officer</td></tr><tr><td>Roads and Public works Health</td><td>One Accounting Officer</td></tr></table>	Ministry	Accounting Officer			Agriculture, Livestock, Fisheries and Co-operative Development Public Administration and County Secretary Governor's and Deputy Governor's office	One Accounting Officer	Tourism, Forestry, Environment Water and Natural Resource Trade, Energy and Industrialization Lands, Urban and Physical Planning Housing and Sanitation	One Accounting Officer	Education, Youth and Sports Gender, Culture and Cooperatives	One Accounting Officer	Roads and Public works Health	One Accounting Officer	There were transitional challenges that delayed the recruitment of Accounting Officers in the year 2017. The tenure for most Chief Officers ended on 31st March, 2018. Prior to this, the County Public Service Board had initiated the process of recruiting new Chief Officers. It was expected by the time the tenure of Chief Officers expires, new Chief Officers will be in office. The contracts of five Chief Officers were extended so as to cover the transitional period. Thus, the reason for Accounting Officers having more than one portfolio. However, because of their experience of the Chief Officers their performance is above reproach, therefore the services have not been affected.			
Ministry	Accounting Officer																
Agriculture, Livestock, Fisheries and Co-operative Development Public Administration and County Secretary Governor's and Deputy Governor's office	One Accounting Officer																
Tourism, Forestry, Environment Water and Natural Resource Trade, Energy and Industrialization Lands, Urban and Physical Planning Housing and Sanitation	One Accounting Officer																
Education, Youth and Sports Gender, Culture and Cooperatives	One Accounting Officer																
Roads and Public works Health	One Accounting Officer																
6	County Executives Policies The following policies and guidelines have not been developed or are in draft form awaiting approval and adoption. Further, there was no evidence that the risk management policy and framework is operational despite having been completed.	The table below show the current status of the policies: <table><tr><th>Policy</th><th>Status</th></tr><tr><td>Policy framework for Co-operative Societies</td><td>Draft</td></tr><tr><td>ICT Revenue Frameworks</td><td>Not done</td></tr><tr><td>Policy framework for</td><td>Draft</td></tr></table>	Policy	Status	Policy framework for Co-operative Societies	Draft	ICT Revenue Frameworks	Not done	Policy framework for	Draft	Various Chief Officers	Partially resolved	By 30 June 2021				
Policy	Status																
Policy framework for Co-operative Societies	Draft																
ICT Revenue Frameworks	Not done																
Policy framework for	Draft																

RUNGOMA COUNTY GOVERNMENT
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Ref No.	Issue / Observations from Auditor	Management comments		Focal person to resolve the issue	Point to	Status (Resolved/Not Resolved)	Timeframe:
	a) Policy framework for Co-operative Societies b) ICT Revenue Frameworks c) Policy framework for Vocational Training Centers d) County Training Policy e) County Transport Policy f) Trade Development Policy g) Urban Development Policy h) County Public Land Policy i) Supply Chain Management Policy j) County Housing Policy k) County Energy Development Policy l) County Livestock Management Policy The County Executive thus manages its resources and operates with lack of clear operating guidelines.	Vocational Training Centers County Training Policy County Transport Policy Trade Development Policy Urban Development Policy County Public Land Policy Supply Chain Management Policy County Housing Policy County Energy Development Policy County Livestock Management Policy	 Draft Draft Not done Not done Not done Draft Approved Not done Draft				
		The County Government has tasked the Accounting Officers to continuously review the various Policy gaps with a view of revising the existing Policies or developing new Policies as the case may be.					

CECM FINANCE AND ECONOMIC PLANNING.

COUNTY TREASURY

SIGN. 

DATE. 08/12/2020

BUNGOMA COUNTY GOVERNMENT
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ANNEXES

ANNEX 1 – ANALYSIS OF TRANSFERS FROM THE EXCHEQUER

Periodic	Equitable share		Donor Funds released through Exchequer	Total Transfers from the National Treasury
		Danida(THUSCP)		
	Kshs		Kshs	Kshs
Exchequer Releases for quarter 1	1,547,495,100		-	1,547,495,100
Exchequer Releases for quarter 2	1,600,857,000	24,547,925	40,854,003	1,666,258,928
Exchequer Releases for quarter 3	2,534,690,250	64,834,372	130,239,882	2,729,764,504
Exchequer Releases for quarter 4	2,445,753,750	88,335,980	706,712,167	3,240,801,897
Total	8,128,796,100	177,718,276	877,806,052	9,184,320,428

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ANNEX 2 – ANALYSIS OF PENDING ACCOUNTS PAYABLE

No.	Supplier/ Contractor Name	Contracted Amount	Date of LPO/LSO Contract NO.	Amount Paid	Outstanding Pending Bills as at 30 June 2020	Outstanding Pending Bills as at 30 June 2019	Details of Work performed.
Construction of buildings							
1	Ba Lenridh Investment	2,800,066	MARCH .2017	1,872,008		928,058	Renovation works for Ndalul dispensary
2	M/S JOWK ENTERPRISES	12,438,076.80		6,707,676.95	5,730,399.85		Proposed completion of Chwele chicken Slaughter House
3	Blk timber limitif	3,899,039.4			3,899,039.4		Renovation works Bulondo
4	Bumbe Constructors Co.	3,725,521	12/3/2019	-		3,725,521	Construction of navakholo water project
5	Cyanel solutions limited, box 7945	195,901	1-May-16	-		195,901	Proposed erection and completion of market stalls
6	Cyanel solutions limited, box 7945	587,215	1-May-17	-		587,215	Proposed erection and completion of market stalls
7	DELTEL TECHNOLOGIES	1,240,785	1-Jun-16			1,240,785	CONSTRUCTION OF 5 PIT LATRINE BUNGOMA HOS
8	DYNAMIC GENERAL CONTR	12,422,753	3/20/2017	12,420,474		2,279	Renovation of Matisi market in bungoma County
9	Ferdtech Engineering	2,747,796	MARCH .2016	1,005,766		1,742,030	Renovation works for Nasayanda dispensary
10	Filtego group ltd,	588,848	1-May-17	-		588,848	Proposed erection and completion of kamusinde health cent
11	JOKAMA BEES	2,088,310	2-Jul-19	-		926,933	Construction of maternity wing and fencing of Lunakwe disp
12	Kemasha investment	4,106,120.4	16.4.2020		4,106,120.4		construction of makutano health centre maternity wing
13	KITEYI RC PRIMARY	1,250,000	1-Mar-19			1,250,000	Construction of Ecde class rooms
14	LIMASSOL LTD	11,251,641	17/7/2018	10,709,630		542,011	Construction of Bumul theatre
15	Lunao Enterprises ltd	13,984,027	AUG.2017	9,953,000		4,031,027	Renovation of governors office
16	M/S BA Lenridh Contractors	1,604,536	MAY.2017	1,424,799		179,737	Renovation works for Sikusi Dispensary
17	M/S Lunao Enterprises	53,294,758	MAY.2017	53,214,464		80,294	Construction of aperimeter fence at the BCRH
18	M/s Ndarumanya co limited	3,997,708	16/12/15	3,767,390		230,318	Completion of butieli health centre
19	M/S Open Yard Developers	3,939,621	MAY.2017	2,814,809		1,124,812	Erection and completion of a maternity wing and constructio
20	MAMOFA CONSTRUCTION CO	4,307,065	5/7/2018	2,584,239		1,722,826	Construction of a Borehole and installation of pumping wate
21	MID FIRM ENTERPRISES	10,526,431	1-May-16	10,479,637		46,794	Renovation of ndalu market in Bungoma County
22	MY LENNAH(K) Ltd	3,912,719.4		3,846,140.0	66,579.4		RENOVATION OF COUNTY HOUSES
23	NAMAMUKA AGENCIES	1,486,644	1-Apr-15			237,100	FINAL PAYMENT MAYANJA SEPTIC TANK
24	Ngadi Multipurpose limited	6,621,716	4/12/2018	-		6,621,716	Construction of Machani Water Project
25	RENJA HOLDINGS LTD	936,763	13-Apr-15			936,763	CONSTRUCTION OF WANASIKOKO BOX CULVERT
26	SAMFRA GENERAL CONTRAC	3,373,560	30/11/2018	-		1,718,760	COMPLETION OF MIHUU DISPENSARY
27	SAMOZEK LTD	1,946,480	21/5/2016	926,666		1,019,814	Renovation works for Bukembe market in Bungoma county
28	SKYLIGHT HOLDINGS BOX 6	3,481,745	19/12/2018	-		3,481,745	EXTENSION OF LWANDA WATER PROJECT PHASE I
29	THOMAJEM CONTRACTORS I	573,331	1-Jun-14			573,331	Construction of Ecde class rooms
30	TRESSAR INVESTMENTS	119,131	2-Jul-19			119,131	Bukumuma erection & completion of classrooms
31	Tresser investment ltd, box 2274, I	50,487	1-May-16	-		50,487	Erection and completion of ECDE classroom at bukuruma p
32	YELLOWLINE GROUP	400,000	9-Dec-18			400,000	OFFICE PARTITIONING
	Sub total	173,898,796.9	729,009.0	121,726,699.4	13,802,139.1	34,304,236.9	

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Construction of civil works							
33	M/S AMBASS COMPANY	2,881,440.00	29/06/2020		1,840,340.00		DESILTATION OF PONDS,FLOOD CONTROL,PEI
34	ALEX WANGILA	250,000	June. 2017	-		250,000	Aquisition of Murram
35	AMBE GENERAL MERCHANT	2,032,000	18/06/2020	-	2,023,842		PROPOSED SUPPLY AND INSTALLATION OF SOI
36	Ambe General Merchants	7,815,245	6/1/2017	7,743,639		71,606	Construction of Box Culvert on Masielo - Siboti River
37	Antoo Ivestment ltd	4,513,545.50	4/6/2020	-	3,159,482		Chebukwa Water Project In West Nalondo Ward
38	Bamudhi Data Solutions	12,164,562	june 2017/2018	12,053,430		111,132	Periodic Maitenance of Roads in Ndal/Tabani ward
39	BISHIN TRANSPORTER & COI	2,478,200	21/05/2020	-	2,475,732		PROPOSED SUPPLY AND INSTALLATION OF SOI
40	Brimate technology	2,109,332.8	16.7.2018		2,109,332.8		CONSTRUCTION OF MODERN DISP AT MANGA
41	Bumula Building Contractors and	3,290,229	30/5/2017	2,632,183		658,046	Rehabilitation of 7 Boreholes and Busakala/Nakitumba
42	CHERANGANI HILLS LTD	82,688,442		81,016,963.52	1,671,478.48		Construction of fire station complex
43	CHERANGANI HILLS LTD	82,688,442	5/1/2017	72,445,724		10,242,718	Construction of fire station complex
44	CLEOPHAS MANYONGE	250,000	June. 2017	-		250,000	Aquisition of Murram
45	DAMEWA ENTERPRISE LTD	6,330,684	29/5/2020	-	2,062,030		Construction of Chemdie Water Project
46	Davalnye ventures	652,340.4			652,340.4		4 NO DOOR PIT LATRINE AT KONGOLI, NANDO
47	DELTEL TECHNOLOGIES	1,240,785.0			1,240,785.0		CONSTRUCTION OF 5 PIT LATRINE BUNGOMA
48	Efficient Contractors Ltd	2,483,300	25/3/2015	1,241,800		1,241,500	Upgrading of Maeni Community Water Project
49	Energia Engineering Limited	2,315,139.6	17.7.2019		2,315,139.6		Construction of nasaka dispensary
50	Enville Ventures	1,718,656	3/9/2018	1,546,791		171,865	rehabilitation of Kimilili Auction Ring
51	Godhi Agency Ltd	4,158,252	2017-2018	3,115,888		1,042,364	Periodic Maintenance of Wamangoli - Malaha Mkt - Lugu
52	Grip Ventures Kenya Ltd	11,305,841	27/3/15	-		11,305,841	Periodic Maitenance of Roads in East Sangalo ward
53	Haad Enterprise	1,549,938	20/8/2015	1,084,957		464,981	Protection of 10 water Springs
54	HANAL INVESTMENT	1,018,665	1-Jul-18			1,018,665	MAINTENANCE OF ROADS IN SITIKHO WARD
55	Hanal Investments	2,133,820	16/12/15	1,920,438		213,382	Rehabilitation of Webuye auction ring
56	Hanal Investments Ltd	10,389,309	19/12/2018	10,279,456		109,853	Periodic Maitenance of Roads in Sitikho ward
57	Homeland Africa Ltd	7,976,795	4/12/2018	6,266,873		1,709,922	Construction of Box Culvert on Kewaanikoy Kabukwo
58	Image Innovations Ltd	36,106,026	17/5/2017	35,950,962		155,064	Upgrading of Chwle Mkt Rds
59	Interdty Construction Ltd	36,034,960	17/5/2017	-		36,034,960	Rehabilitation and augmentation of Kaberwa, Maeni, kar
60	Jambo Construction Company	448,180	4/12/2018	358,544		89,636	Sitikho piped scheme
61	Janventures	4,016,674.00	22/6/2020		2,811,672		Drilling Of 2no Boreholes And Construction Of 4no. W
62	Jeridh company	906,728.8			906,728.8		Construction of namirembe dispensary
63	Kaffrey Engineers Ltd	691,100	21/06/2020	-	691,100		Supplies of Electrical Equipment
64	Kamukuywa Enterprise Ltd	2,789,415	2016-2017	-		2,789,415	Periodic Maitenance of Roads in Chesikaki ward
65	Kanduyi Construction Ltd	7,775,712	6/7/2015	4,779,398		2,996,314	Periodic Maitenance of Roads in Ndivisi ward
66	Kanduyi Enterprises Ltd	28,332,993	27/3/15	27,926,002		406,991	Construction of Wamodia Bridge
67	KEMASHA INVESTMENTS	11,153,120	28/5/2020	10,039,520.00	1,113,600		CONSTRUCTION OF LUBUNDA - NAMUSASI BO
68	khetia drapers ltd	80,000,000		38,000,000.00	42,000,000		purchase of land for relocation of chepkube traders
69	kongasis Investment ltd	2,676,837.85	4/6/2020		2,676,837.9		Fencing of sangalo
70	Lawon women trading	492,089.4	30-11-2018		492,089.4		Construction of septic tank at cheptais market

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71	lunao enterprises	37,257,250		28,358,394.00	8,898,856		storm water drainage in bungoma otwn
72	Lunao Enterprises	26,834,217.00		23,134,891	3,699,326.34		Renovation works and landscaping at Governors office
73	M/S MID FIRM ENTERPRISES	12,335,022.40	20/06/2019	11,449,559.60	884,616.00		PROPOSED CONSTRUCTION OF PERIMETER FENCE
74	M/s Avalandie investment limited	2,839,482	4/5/2020		2,229,705.60		Periodic Maintenance of Roads in Township Ward
75	M/s Billuck enterprises limited	7,497,776	25/7/2018			5,494,050	Periodic Maintenance of Roads in Kimaeti Ward
76	M/S BLUE NILE KENYA LIMITED	1,999,060	15/4/2020		1,999,060		DRILLING OF BOREHOLE AND CONSTRUCTION OF
77	M/S Crowada Construction Ltd	5,455,422	31/3/2015	4,376,761		1,078,661	Periodic Maintenance of Roads in Soysambu/Mitua ward
78	M/S DAVBEES SOLUTIONS	7,040,101	28/2/2019	5,827,202.00	593,050.00		PERIODIC MAINTENANCE OF ROADS IN KAPTAMA
79	M/s Dawson Company Ltd	6,110,706	2017-2018	5,896,976		213,730	Periodic Maintenance of Roads in Kamukuywa ward
80	M/s Depalk Consortium Ltd	13,934,529	6/1/2018	-		13,934,529	Periodic Maintenance of Roads in Khalaba ward
81	M/s Enville ventures Ltd	9,792,476	22/6/2020	7,196,592.00	2,470,380.00		Periodic Maintenance of Roads in South Bukusu Ward
82	M/s Enville ventures Ltd	9,792,476	25/9/2018			7,322,848	Periodic Maintenance of Roads in South Bukusu Ward
83	M/s Flashbright contractors limited	8,738,048	3/2/2020	7,068,750.00	1,668,660.00		Periodic Maintenance of Roads in Musikoma Ward
84	M/S GASPAS ENGINEERING	2,099,600	22/6/2020		629,880		CONSTRUCTION OF SHALLOW WELLS IN SIBOTI
85	M/s Hill Holdings Ltd	4,086,877	2016-2017	3,900,935		185,942	Periodic Maintenance of Roads in Kimaeti ward
86	M/S INTERGRATED SERVICES	1,923,800	19/9/2018	-		1,923,800	DRILLING OF BISUCHE BOREHOLE IN SIBOTI
87	M/s Kelco builders limited	10,741,368	24/6/2020	8,180,640.00	1,436,400.00		Periodic Maintenance of Roads in Matulo Ward
88	M/s Lexah holdings limited	10,142,924	16/6/2020	8,423,460.00	1,452,360.00		Periodic Maintenance of Roads in West Bukusu Ward
89	M/s Limassol ltd	8,098,134	7/6/2020	3,883,980.00	4,138,880.00		Periodic Maintenance of Roads in Siboti Ward
90	M/s Limassol ltd	8,098,134	12/3/2019			3,952,120	Periodic Maintenance of Roads in Siboti Ward
91	M/S Lunao Enterprises	9,605,878	2016-2017	7,534,475		2,071,403	Periodic Maintenance of Roads in Khasoko ward
92	M/S Makanaka Investment ltd	7,583,268	3/9/2018	7,078,320		504,948	Periodic Maintenance of Roads in Kimilili ward
93	M/S NABWAYA CONTRACTORS	1,800,000	3/6/2020		1,800,000		DRILLING OF SIKHENDU MARKET BOREHOLE
94	M/s Nekome Investments Ltd	2,665,593	7/1/2016	2,131,210		534,383	Periodic Maintenance of Roads in Maeni ward
95	M/s Netima enterprises Limited	8,877,132	26/5/2020	6,946,776.00	1,698,240.00		Periodic Maintenance of Roads in Chepyuk Ward
96	m/s netima enterprises ltd	11,201,946	12/3/2019			7,985,904	periodic maintenance of c3kcc ranje
97	M/S Phelamix Investments Ltd	9,174,828	2017-2018	9,104,724		70,104	Periodic Maintenance of Roads in Bokoli ward
98	M/s Rearyn company Limited	3,946,668	22/6/2020		3,791,583.00		Periodic Maintenance of Roads in Milima Ward
99	M/s Sabema international Ltd	6,655,152	15/4/2020		6,516,300.00		Periodic Maintenance of Roads in Kaptama Ward
100	M/s Twin Master Enterprises ltd	11,293,296	3/9/2018	-		11,293,296	Periodic Maintenance of Roads in Matulo ward
101	M/s Valeria construction Limited	10,071,340	24/6/2020	8,431,155.00	1,620,054.00		Periodic Maintenance of Roads in East Sang'alo Ward
102	M/s Wingar limited	10,121,359	18/5/2020	4,495,704.00	4,273,440.00		Periodic Maintenance of Roads in Khalaba Ward
103	M/S Yonak Kenya Ltd	2,502,503	2016-2017	1,760,770		741,733	Periodic Maintenance of Roads in Musikoma ward
104	MAKOLOLWE	825,427	25/06/2020	-	822,404		CONSTRUCTION OF 3 NO BODA BODA SHEDS AND
105	Makololwe General agencies	663,450.4	24.5.2018		663,450.4		4 no door pit latrine khaoya dispensary
106	Makson Enterprises	4,900,440	6/7/2015	-		4,900,440	Construction of East Bukusu Water Project
107	MALILI CONSTRUCTION & ENGINEERING	82,969,436	5/1/2017	81,403,423		1,566,013	Upgrading of ACK - Nabuyole Road
108	Mandx – East African contractors	3,447,044	27/3/15	3,102,340		344,704	Nakoyonjo W/s

BUNGOMA COUNTY GOVERNMENT

Reports and Financial Statements

For the year ended June 30, 2020

109	Masterpiece construction co.ltd	59,850.00	5/30/2019		59,850.00		1st and 2nd moiety for construction of boda boda sheds
110	maurice mbishai chemorion	200,000	1-Jul-18			200,000	supply of murram
111	M'big Ltd	51,077,111	25/3/2015	48,138,596		2,938,515	Upgrading of Kapsokwony Rds-Retention
112	Moonster light Gen Service Ltd	7,522,010	june 2017/2018	-		7,522,010	Periodic Maintenance of Roads in Kaptama ward
113	MURIDEN CONTRACTORS LTD	4,115,622	2017-2018	3,432,430		683,192	Periodic Maintenance of Nangili Khamoto Road
114	Nabcos Co. LTD	7,036,630	2017/2018	7,015,100		21,530	Periodic Maintenance of Roads in Township ward
115	NABWAYA CONTRACTORS CO	29,045,614	24/6/2020	20,190,844.00	313,200		CONSTRUCTION OF MAUSO - BUNANGENI BRIDGE
116	Nakhwana enterprise	1,000,000			1,000,000		purchase of land for nakhwana dispensary
117	NAMBAYA NATELA ENTERPRISE	4,045,240	3/9/2018	1,972,620		2,072,620	DRILLING OF CHENJENI AND KULISIRU BOREHOLES
118	Namwali enterprise	1,500,000			1,500,000		purchase of land for kimwanga market
119	Namwaya Construction	412,909.2	12.05-2020		412,909.2		male ward at kamasielo dispensary
120	Ndarumanya	2,845,480	16/12/15	-		2,845,480	Rehabilitation of Kapkateny auction ring
121	Ndarumanya Company	3,529,200	16/12/15	3,051,900		477,300	Extension of nzowaso pipeline to kimaeti market
122	Neko Investments	2,611,740	16/12/15	-		2,611,740	Rehabilitation of Chwele Auction ring
123	Ngachi multipurpose limited	5,877,482	15/6/2020		1,544,880		Drilling Of 4no. Boreholes In Lwandanyi Ward
124	Ngachi multipurpose limited	4,892,880	12/6/2020		1,482,543		Drilling Of 3no. Boreholes In TuutiMarakuru Ward
125	PG Mals	4,300,340	5/1/2016	3,870,310		430,030	CONSTRUCTION OF EMIA CHANGEYWO WATER PROJECT
126	PG MALS ENTERPRISES LTD	3,805,525	8/1/2018	3,514,220		291,305	Periodic Maintenance of Bondeni - Lukokwe Lower - Mu
127	Rachan	2,737,127	29/5/2017	1,783,950		953,177	Construct 5No Roof catchment Construct 1No Masonry
128	RENJA HOLDING	2,044,268.0		1,920,415.0	123,853.0		FENCING OF RESIDENTIAL HOUSES
129	Renja Holdings ltd	936,763.80	5/19/2017		936,763.80		final payment for construction of wanasikoko box culvert
130	Ronex Enterprise	6,415,786	2014-15	5,745,783	670,003		Upgrading of mateka borehole to electrical pumping system
131	Ronex Enterprise	6,415,786	7/1/2016	5,745,783		670,003	Upgrading of mateka borehole to electrical pumping system
132	Rubina Investment	1,928,755	21/8/2015	1,735,000		193,755	Protection of 10 water Springs and Construction of 1Sha
133	Rudami enterprises	4,369,720	8/6/2020		1,310,916		Drilling Of 3no. Boreholes In Tongaren Ward
134	Shirsamo	2,390,440.0			2,390,440.0		Erection and Completion of Kipsabula dispensary
135	Silke Investment Ltd	27,855,080	2016/2017	27,602,200		252,880	Periodic maintenance of Kapkateny - Cheptonon - Kaim
136	Skytones investment co. ltd	1,364,632.00			1,333,732.32		Erection and completion of dassrom at mungore youth
137	Som	1,046,586	18/19		1,046,586		Construction of Market Sheds
138	Stan Holdings Co. Ltd	9,754,109	2017/2018	-		9,754,109	Periodic Maintenance of Roads in Mukuyuni ward
139	SUPPLY KINGS LIMITED	4,450,572	2017-2018	3,413,749		1,036,823	Periodic Maintenance of Kongoli - Babuya - Paile Spring
140	SWALIBORA AND MWASAME	4,963,999	29/5/2018	3,455,917		1,508,082	SAMBOCHO WATER PROJECT
141	SWALIBORA AND MWASAME	7,243,748	4/12/2018	5,070,623		2,173,125	KAMUNERU SACHO COMMUNITY WATER PROJECT
142	Tashiro K LTD	1,380,745.2			1,380,745.2		Construction of maternity wing at Tongaren Health centre
143	Taxan Investment	19,067,559	19/9/2018	18,617,878		449,681	Periodic Maintenance of Wabukhonyi Makusdwa with borehole
144	Tinman general contractor & supplier	11,696,695	10/6/2015	10,686,925		1,009,770	Kibingi Chepkwabi water -construction of intake works
145	TREMISY ENTERPRISES LTD	471,656	2018-2019			471,656	MAINTENANCE OF BUKUMUMA ROADS IN KAIM
146	Two Calves Investment Ltd	73,020,631	17/5/2017	67,402,005		5,618,626	Upgrading of Marell - Namuyemba Rd
147	vincent keyari marango	400,000	1-Jul-18			400,000	supply of murram