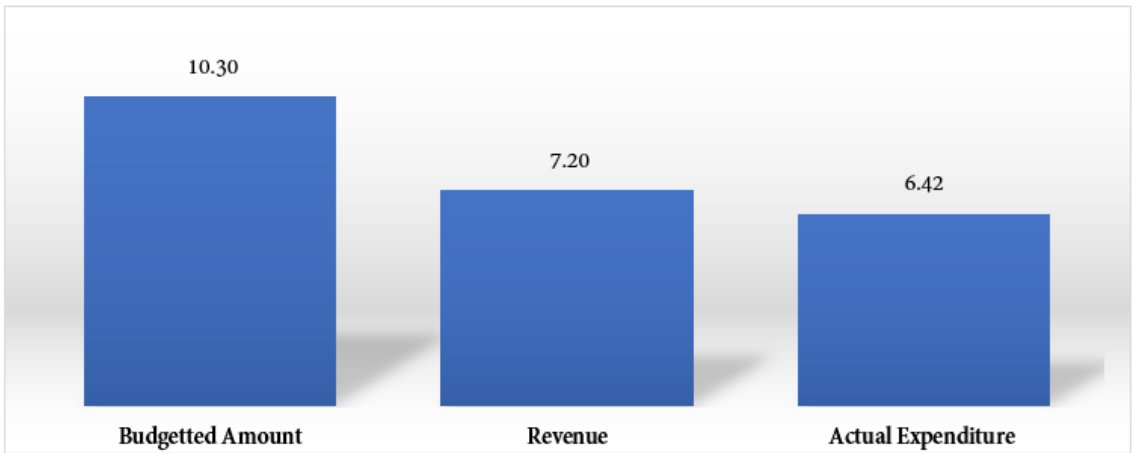




Fact Sheet

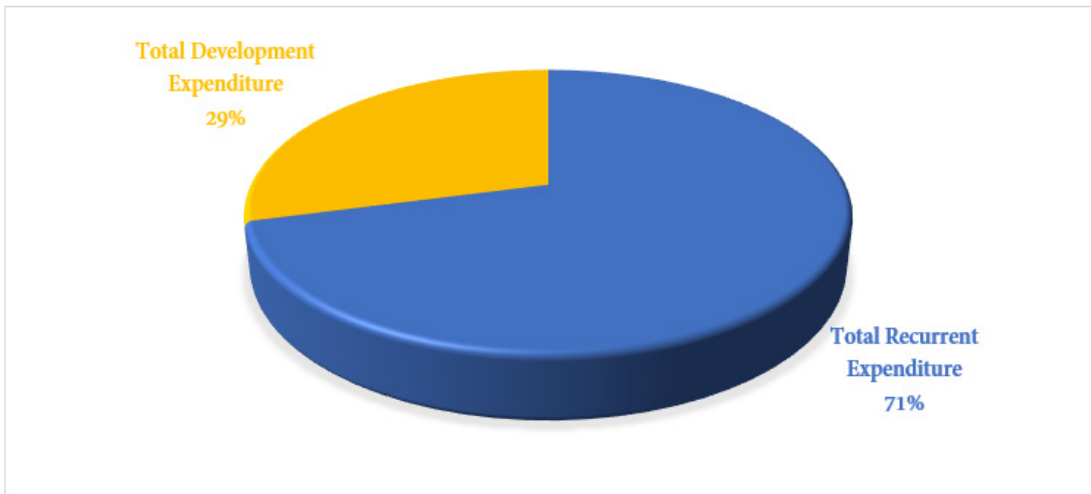
Analysis of the Auditor General’s Report on the Financial Statements of the Busia County Executive: FY 2020/21 – 2021/22

1.0 Budget Highlights for FY 2021/22



Source: Controller of Budget Report

2.0 Comparative Busia County Expenditure

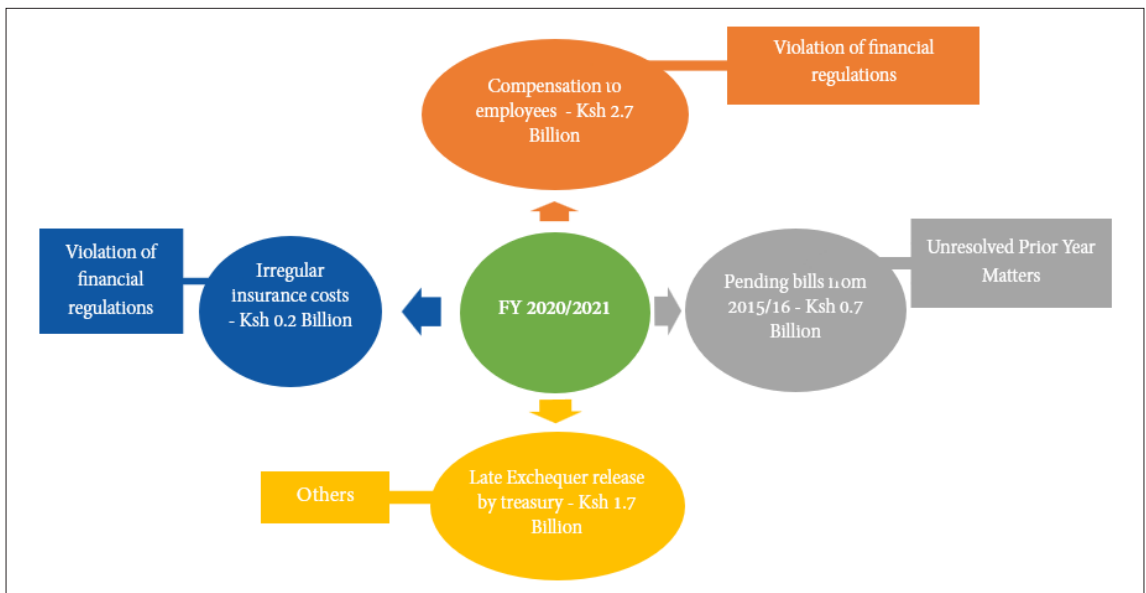


Source: Controller of Budget Report

3.0 Key Trends

Financial Year	2018/19 Ksh (Billions)	2019/20 Ksh (Billions)	2020/21 Ksh (Billions)	2021/22 Ksh (Billions)
Revenue	7.3	7.12	7.67	7.2
Expenditure	6.65	6.75	7.47	6.42
Approved Budget	8.83	9.28	10.42	10.30
Auditor's Opinion	Adverse	Qualified	Qualified	Qualified

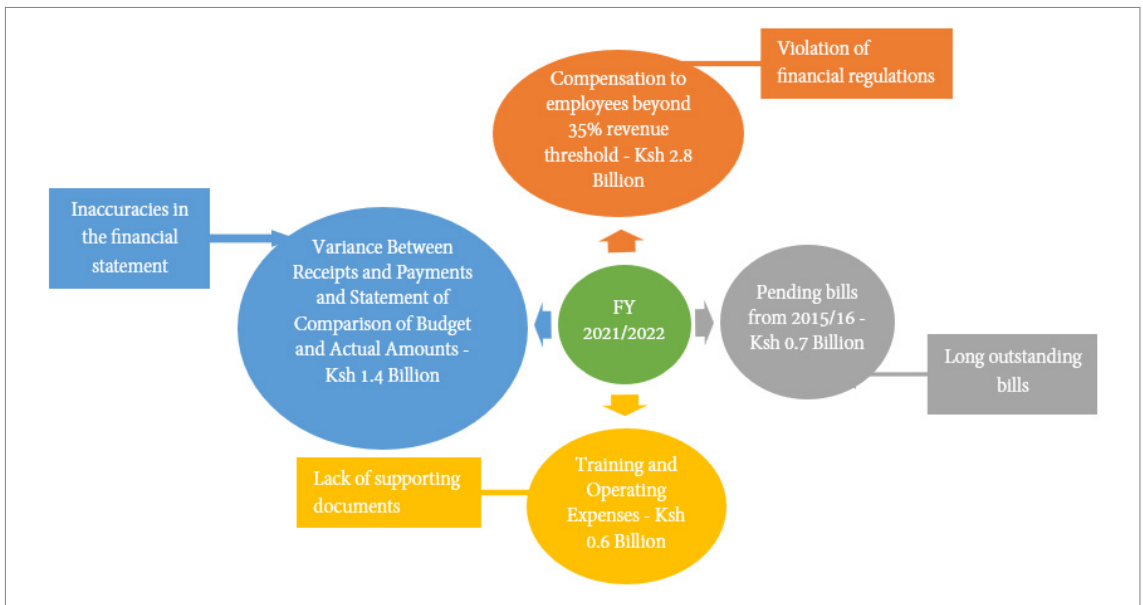
4.0 Major Queries in FY 2020/2021



Source: Auditor General Report

- Total amount queried in FY 2020/21 was **Ksh 5.6 billion**

5.0 Major Queries in FY 2021/2022



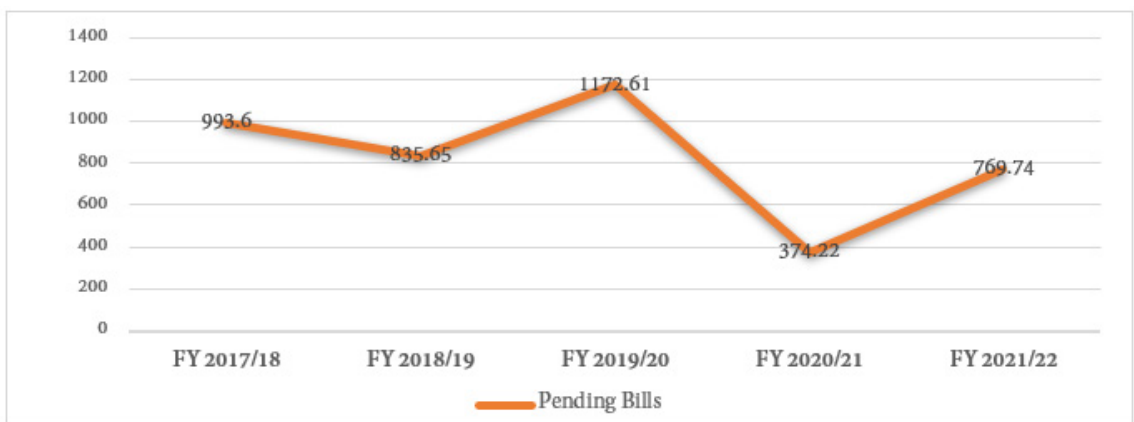
Source: Auditor General Report

- Total amount queried in FY 2021/22 was Ksh 5.8 billion

6.0 Unresolved Prior year Matters

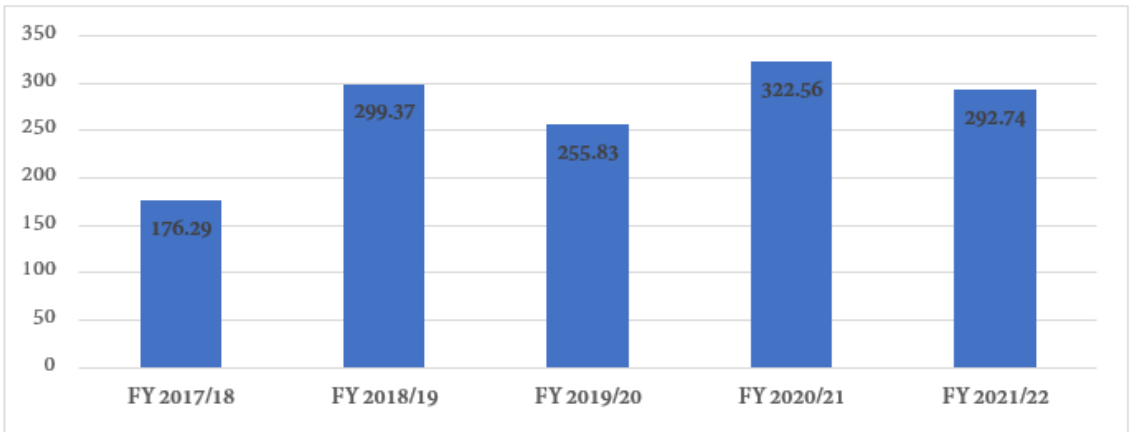
Some of the major unresolve issues reported included:

I. Pending bills – pending bills have been accumulating over the years.



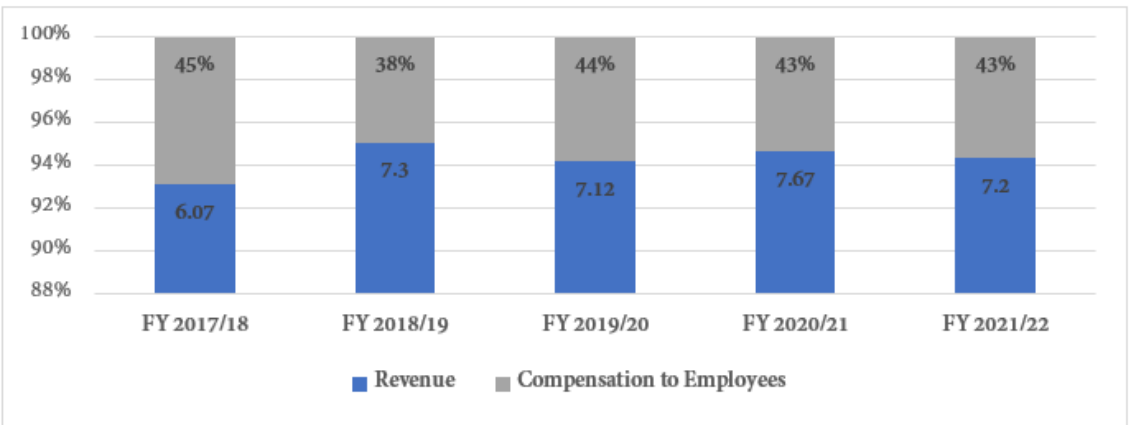
Source: Auditor General Report

II. Own Source Revenue – poor performance of OSR saw the county management collect only Ksh 292.74 million out of an anticipated amount of Ksh 976 million in FY 2021/22



Source: Controller of Budget report

III. Compensation to employees – spending on wage bill has been above the 35% limit.



Source: Controller of Budget report

7.0 Opportunity Cost

- I. **Non collection of parking fee** in the county - Busia county passed a finance bill in 2021 that approved collection of parking fees this has not been effected yet, and there was no explanation was given. The county budgeted for own source revenue amount of ksh. 976 million out of which only 292.74 was collected. The revenue shortfall is attributed to failure of the county to collect revenue from identified sources, thus, denying the residents the opportunity to enjoy services that would have been funded through OSR.

- II. Irregular acquisition of firefighting engine** - The county spent a whopping Ksh. 52,000,000 for a second-hand firefighting engine while a brand-new machine would have costed between 15-20 million shillings. To add to that, the engine lies idle at the office of the governor instead of offering services at Amagoro sub county office. This machine offers no value to the residents and instead, the money in question should have been used to purchase a new fire engines, or invested in other stalled development projects
- III. Irregular construction of mother and child specialized hospital** - The noble intention to construct a specialized hospital for mother and child at Alupe sub county has hit a snag. The project sum was adjusted without approval of the respective committees. The project is facing an 18 months delay with total cost of works not done coming to Ksh. 40,127,749 this even after the initial contract sum is fully paid. The residents in this case been denied access to critical healthcare services especially to vulnerable mothers and children and there was no value for money in the expenditure of Ksh. 109,503,079 paid.

9.0 Key Messages

- There was an increase in amount queried, from Ksh 5.6 billion in FY 2020/21 to Ksh 5.8 billion in FY 2021/2022
- Major audit issues in FY 2020/21 and FY 2021/22 revolved around, lack of supporting documents, violation of financial regulations and pending bills. Most of these issued have been carried forward without any resolutions
- Constant recurrence of similar audit matters is an indication of inadequate oversight and accountability that calls for increased vigilance and advocacy, achievable. Therefore, CSOs and MCAs in Busia should:
 - o Compel County Executive to maintain proper books of accounts,
 - o Communicate to the people of Busia on the key areas of county government expenditure in a bid to advocate for prudent allocation of limited resources, form collaborative engagements with the county assembly and other watchdog groups through MOUs to ensure that the leaders have a clear understanding of the audit reports and
 - o Ensure that evidence gathered from these interactions and reports is forwarded to the relevant agencies for further investigation and apprehension of culpable officials engaged in financial malpractices

- The County Executive on the other hand, should:
 - o Reconstitute project implementation committee to oversee project implementation
 - o Resolve prior year matters flagged out by Auditor General by prioritizing payment of pending bills and complying with fiscal responsibility principles by limiting the wage bill to 35% of revenue and
 - o Balancing books of account to minimize underfunding of the budget and under expenditure of revenue

Map of Busia County



NOTES

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