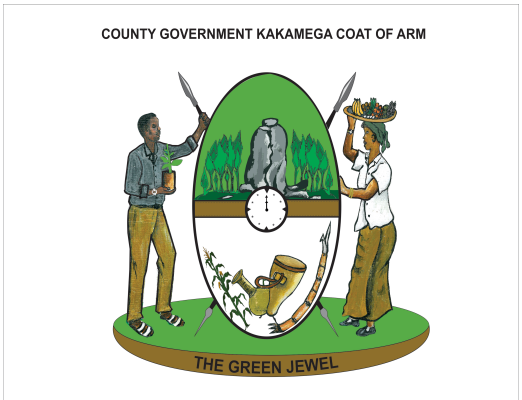
COUNTY GOVERNMENT OF KAKAMEGA



KAKAMEGA COUNTY ASSEMBLY

THE BUDGET AND APPROPRIATIONS COMMITTEE REPORT ON THE KAKAMEGA COUNTY SUPPLEMENTARY BUDGET FOR FINANCIAL YEAR 2018/2019

1st, February, 2019

PREFACE

Mr. Speaker, on behalf of the Members of the Budget and Appropriation Committee and as required under Article 223 of the Constitution, section 135 of the Public Finance Management Act, 2012, PFM Regulations, 2015, Standing Order 186 (3), it is my pleasure to present to this House, the Committee's Report on the Revised budget estimates for 2018/2019 Financial Year which was committed vide letter ref. KKCA/COMM/B&A to the committee on 31st December, 2018 by the Hon. Speaker.

In accordance with Standing Order No. 186 (3), the Budget and Appropriations committee later held joint meetings with the sectorial Committees from 8th-25th January, 2019 as per Standing Order No.182, to interrogate the CECs on Ministerial changes and the County Assembly.

Mr. Speaker, the current membership of the Budget and Appropriation Committee is as follows: -

1. Hon. Willis Opuka - Chairman
2. Hon.Mathews Nyangweso- Vice Chairman
3. Hon. Rocky Omwendo -Member
4. Hon. Gladys Omukongolo-Member
5. Hon. Joel Ongoro-Member
6. Hon. Dickson Ombayo-Member
7. Hon. Linda Aseyo-Member
8. Hon. David Ndakwa-Member
9. Hon. Walter Andati-Member
10. Hon. Patrick Lumula-Member
11. Hon. Faustine Werimo-Member

Mr. Speaker,

The sectors were represented by the various chairmen as follows

1. Hon. Geoffrey Ommatera-Agriculture, Livestock, Fisheries and Co-operatives
2. Hon. Bernard Omboko –Industrialization, Trade and Tourism
3. Hon. Bonface Osanga-Public Service and Administration.
4. Hon. Winnie Musungu -Labour, Social Services Youth and Sports
5. Hon. Lucas Radoli -Health Services
6. Hon.Kenneth Indusa-Lands, Housing, Urban Areas and Physical Planning
7. Hon. Charles Imbali-Education Science and Technology.
8. Hon. Swaka Limera -Environment, Natural Resources, Water and Forestry
9. Hon. Libinus Oduor -Transport, Infrastructure and Public Works
10. Hon. David Ikunza -Finance and Economic Planning
11. Hon.Kennedy Kilwake-ICT,E-Government,Library and Communication.

Mandate of the Committee

Mr. Speaker, the Budget and Appropriation Committee is established under Standing Order No. 186 and is mandated to do the following:

1. Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget.
2. Discuss and review the County Estimates and make recommendations to the House.
3. Examine Bills related to the County budget, including Appropriation Bills.
4. Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

Mr. Speaker, pursuant to Standing Order Nos. 186, the Budget and Appropriations, Committee examined and discussed the Revised Estimates for 2018/2019 Financial Year and has made recommendations taking into account the provisions of Article 223 of the Constitution and section 135 of the Public Finance Management Act and section 39 of the PFM Regulations, 2015 on the Revised Budget.

Examination of the Revised Estimates

Mr. Speaker, in reviewing the Revised Estimates for 2018/19 Financial Year, the Committee held a retreat to scrutinize the document alongside Actual Expenditure on the County approved Budget FY 2018/2019.The Committee also held extensive discussions with the Chairpersons, on the revised budget requirements of the various Ministries and Departments within their purview during submission of the sector reports. The recommendations arising from these deliberations are included in this report.

Acknowledgement

Mr. Speaker, the Committee extends its gratitude to all representatives from the Executive arm of government who appeared before them and also acknowledges the insightful contributions made by members who were in attendance. The Committee is also particularly grateful to all the Members of County Assembly who participated in the process and worked tirelessly to ensure that the work was accomplished. Lastly, the Committee wishes to thank the Offices of the Speaker and the Clerk of County Assembly for the support received as it discharged its mandate.

Mr. Speaker, it is therefore my pleasant duty and privilege, on behalf of the Budget and Appropriation Committee, to table this Report on the Kakamega County Supplementary Budget FY 2018/19 and recommend it to this House for adoption.

Signed

HON. WILLIS OPUKA
CHAIRMAN, BUDGET AND APPROPRIATION COMMITTEE
DATED: …….

BACKGROUND

1. **Mr. Speaker,** the Revised Budget for FY 2018/19 was submitted to the County Assembly on 21st December. 2018. This is in line with Article 223 of the Constitution and Section 135 of the PFM Act, 2012 and section 39 of the PFM Regulation,2015 that gives latitude for introduction of supplementary appropriations for the County Government to appropriate funds in cases of inadequacies or where an emergency has arisen.

2. **Mr. Speaker,** the Revised Estimates for 2018/19 shows that the total Budget has been revised down by Kshs18.3M. This comprises of Kshs 156.3 Million being a increase in total Own Source revenue, Kshs 359.1 Million being an increase in recurrent expenditure and a decrease of Kshs 377.4 million for development expenditure. The Appropriations Act, 2018 appropriated a total of Kshs 14.5 billion for discretionary expenditure (*Discretionary expenditure means resources voted for Ministerial/Departmental spending)* expenditures comprising of Kshs 7.5 billion for recurrent and Kshs 7 billion for development expenditure.

3. **Mr. Speaker,** the Revised Budget has increased local Revenue by Kshs 156.3Million and reduced the Exchequer Balance brought forward by Kshs 315.1 Million, Conditional Grants have increased by Kshs 140Million through County Allocation of revenue amendment Act (CARA) 0f 21st Nov.2018 as follows, Kenya Urban Support Programme Kshs 42.1M, Kenya Agricultural Support Programme Kshs 19.2M, Water Tower Protection and Climate Change Mitigation and Adaptation Programme(WaTER)-Kshs 80M.

4. **Mr Speaker,** County Allocation of Revenue Act 2018 upgraded the Assembly budget ceiling from Kshs 998M to Kshs 1B, an increament of Kshs 62M .

REASONS FOR PREPARATION OF REVISED BUDGET FINANCIAL YEAR 2018/19

Mr Speaker, the following reasons prompted the revision of the Budget for FY 2018/19.

- To align the Budget to the County Allocation of Revenue (Amendment) Act, 2018 which approved additional conditional grants and the Approved CARA of July, 4th 2018 that approved additional funding to the County Assembly Budget? These documents were finalized after the approval of the main Budget by the County Assembly in June.
- To cater for changes in the salary review majorly the decision to increase the basic Salaries for permanent employees to cater for casual Laborers who were employed as Revenue Clerks and they have now been captured in IPPD.
- Reduction of the Exchequer Balance Brought Forward from the previous Financial Year from Kshs 1.6B to Kshs 1.29B.
- Anticipated increase in Own Source Revenue

UNSATISFACTORY REASONS FOR ADDITIONAL RESOURCES

5. **Mr. Speaker**, much as supplementary budget is provided for in the Constitution, the PFM Act, and PFM Regulations, it should be applied sparingly with a rider that only expenditures of an emergency or insufficient allocations in the Appropriations Act will be catered for under supplementary appropriation as per section 39 (3 &4) of the PFM regulations 2015. There are issues which do not warrant any additional funding. The County Treasury has introduced new projects in this Revised Estimates for example construction of Sabatia Bus Park.

   Mr. Speaker, this practice is prone to abuse and poor planning as Ministries may from time to time fail to capture the totality of resource requirements in anticipation for due consideration in supplementary budgets**.**
6. **Mr. Speaker Sir**, the unsatisfactory areas where additional allocations are being sought include; Purchase of office furniture across the ministries, purchase of

computers and IT equipment across the ministries, Contracted Guards and cleaning services, legal fees ,Refurbishment of buildings, Electricity bills etc.

GENERAL OBSERVATIONS

7. **Mr. Speaker**, the Committee while deliberating this Revised Budget observed that there is a gap in the procedure on discussion and review of the document in the County Assembly. The role of Departmental Committees and time line for considering the estimates is not explicitly provided for in the PFM Act 2012 and Standing Orders respectively.

8. ***Financing of the Supplementary Estimates:***

Mr. Speaker, the Revised Budget has increased Local Revenue by Kshs 156.3 M and reduced Exchequer Balance brought forward. The current performance of Local revenue is projected to be increasing as per the County Treasury half year implementation report which indicates that by December 2018, local revenue collected was Kshs 212Million against a budget of Kshs 843.6 Million. This therefore means that if the County has to achieve the objective of this Budget, then proper revenue enforcement mechanisms have to be put in place for us to be able to collect the revenue as budgeted. Otherwise, we may end up with a **deficit budget** at the end of the day.

9. ***Additional funding to areas with Low Absorption Rate***

Mr. Speaker, a careful review of the budget exchequer issues for the first half of the year indicates that some of the Departments being considered for additional funds have very low absorption rate. This raises concern as to whether any review was done on the absorption capacities before the proposed additional resources. This information was revealed after comparing these Estimates with the Actual Expenditure and projects status reports up to December 2018, provided to the Committee by the Ministries. For instance Ministry of Health, Agriculture, Education, Environment etc. had implemented very few projects by December 2018. However, the committee was notified that National treasury did not release development funds to Counties in the 1st quarter of the financial year which eventually led to the low absorption.

10. **Mr. Speaker,** this committee has noted that Ministry of Transport has been highly funded to a tune of Kshs 354 Million while Labour and Social Services ministry is the biggest looser by a reduction of Kshs 296 Million under development budget. Reason being that the County is planning to complete 3 Bitumen Roads while activities earmarked under Bukhungu Stadium will not commence on time as it had been anticipated.
11. **Mr. Speaker,** the PFM Act, section 107 and PFM Regulations sec.25 (b) provides a thresh hold for salaries and wages at 35% maximum. The committee noted that the County has surpassed this thresh hold and currently our salaries and wages have risen beyond 37% due to increase in allocation on Basic Salaries by an additional Kshs 10M to cater for revenue clerks who have been factored in the IPPD System.

12.Low Absorption by Ministries.

The Budget Committee observed that the entire Budget FY 2018/19 had been revised across all ministries thus raising concern as to why revisions were being done across the board yet some ministries such as the Ministry of Health Services, Agriculture, Social Services among others did not spend any funds under development in the first quarter.

13.Haphazard Revision across the votes

Mr.Speaker, Preparation of a supplementary Budget involves revision of allocation by increasing the insufficiently funded votes and reduction of others. The County treasury prepared this supplementary but they did not indicate clearly how the movement of funds was done across the whole budget thus making it a big task for the Committee to track the revisions.

Pending bills.

As per the documents availed, there were pending bills accumulating to Kshs. 158.3Million with Development Expenditure at Kshs. 145.8Million while Recurrent Expenditure at Kshs. 12.5Million. The CEC Treasury informed the committee that the accrued pending bills were due to slow procurement process in some ministries and delay in exchequer releases from National Treasury.

Exchequer Balance Brought Forward

The Exchequer balance brought forward from 2017/18 financial year reduced by Kshs. 315.1M from Khs. 1.6Billion to Kshs. 1.2 Billion. This was after the County Treasury received May and June 2018 disbursement that initially had been factored during preparation of the main Budget.

SECTORIAL OBSERVATIONS AND RECCOMENDATIONS ON THE SUPPLEMENTARY BUDGET FY 2018-19.

WATER, ENVIRONMENT AND NATURAL RESOURCES MINISTRY

The Ministry has spent Kshs 9.1M against the approved Budget of Kshs 41.5M.The response was that the low absorption occurred in the 1st quarter due to delay in disbursement of funds from National Treasury.

The committee observed that an expenditure of Kshs 426,400 had occurred on Daily subsistence allowance vote under environment department against a budget of Kshs 479,887 leaving a balance of Kshs 53,487 and yet the vote had not been revised upwards.

DEVELOPMENT BUDGET

There is an allocation of Kshs 80M which was received as a Grant from European Union and the funds will be used under forestry department on Water Tower protection and Climate Change.

The committee noted that there was drastic reductions under development to a tune of Kshs 32M overall and that the following vote heads have been affected;

Rehabilitation and augmentation of water supply schemes has been reduced from Kshs 30M to Kshs 20M.

Water Infrastructure Development vote has been reduced from Kshs 232.5M to Kshs 150.6M.Furthermore,the National Government is funding Shitooli Water project at a cost of Kshs 30M and that our Youth under the County Youth programme will undertake the excavation activities on the project.

The committee was also informed that drilling of Lugari Borehole water supply project which started in 2016 was complete and that Kshs 3.1M out of a total cost of Kshs 7.9M had been paid.

The committee also noted that the slow implementation of Likuyani Borehole Water Supply Project was as a result of abandonment of the site by the Contractor .However, a new contract has been awarded for the pending works and the installation of a solar pump is on Course and the project will be complete by April 2019.Furthermore there was an expenditure of Kshs 2.7M out of the total cost of Kshs 15.7M .This payment was made to the 1st contractor for the works undertaken before abandoning the site.

Expenditure reports submitted to the committee also indicated that a total of Kshs 6.1M has been spent on rehabilitation of 40 boreholes across the County .

County greening programme allocation of Kshs 10M has been completely removed but the Ministry will use part of the grant to undertake the activities under this vote.

Natural Resource Management allocation of Kshs 5M has been reduced by Kshs 2.5M.

Expenditure reports also indicated that out of a total cost of Kshs 7.1M, Kshs 5.3M has been cumulatively spent on maintenance of Roaster man Waste disposal Site and that the process is still on course.

The response was that these reductions were affected by County Treasury in order to rationalize the Budget although the movement of funds was not clearly explained.

The expenditure report also indicated that water supply project at Sisokhe Disabled Children School in Bunyala West Ward was complete and a total amount of Kshs 4.8M was already paid.

RECOMMENDATIONS

1. The ministry should avail the work plan for Kshs 80M for the Kenya Water Tower protection and climate change mitigation and adaptation programme to the Environment committee within 7 days after approval of this budget
2. That Kshs 400,000 be reduced from vote 2210802 Boards, committees Conferences and seminars and added to code 2210303- Daily subsistence allowance for the Ministry to be able to operate for the remaining period of time.
3. That out of Kshs 81.1M reduced from Water Infrastructure Development vote, Kshs 30M be reinstated back to cater for rehabilitation of water springs in the wards(Kshs 500,000 per ward)
4. That Kshs 2M proposed for construction of toilets in existing markets be moved to solid waste infrastructure development vote to enable the Ministry to purchase a garbage collection truck.
5. The ministry should strive to clear the pending bills on the completed projects before embarking on other new projects eg Kshs 4.8M on Lugari borehole water supply.
6. That at least 2M per ward be budgeted in the main budget for FY 2019/2020 for construction of toilets in existing markets.

MINISTRY OF PUBLIC SERVICE AND ADMINISTRATION

The committee noted that Kshs 10.1 M has been moved from the Casuals vote under County Treasury to basic Salaries for permanent Employee's vote. The response was that these funds are to cater for employee promotions and also to pay wages for Casual workers who work as revenue clerks.

This was an anomaly from the beginning because funds under casuals vote have been moved to increase the permanent employees vote.

The committee was not informed whether these employees have now been absorbed on permanent basis or not and if that is the case, then as a County, our wage bill which is already beyond 35% will affect the other operations in the Budget.

It should be noted that the required threshold is 35% according to the Fiscal Responsibility Principles as stipulated in the PFM Act, 2012.

The committee was also not provided with details indicating the number of Casuals, resident ward and remuneration for each of them.

The Ministry has also introduced a new vote on purchase of a generator for the County Headquarters at a cost of Kshs 2.8M which will serve as backup during blackouts.

Kshs 4.3M has been added to item code 2211016 for purchase of additional uniforms for community administrators, drivers and Enforcement officers. The increase is from Kshs 10M to Kshs 14.3M.

There's also an increase of Kshs 500,000 on purchase of computers, printers and IT equipment .This is for purchase of heavy duty scanning machine.

DEVELOPMENT

The ministry even after carrying forward Kshs 11.3M on Kenya Devolution support programme, they have spent only Kshs 2.5M on the same vote.

Construction of County Headquarter Block under code 3110202 of Kshs 40M has been reduced by Kshs 12.6M to cater for the following vote heads

Kshs 5M for fencing of the completed rehabilitation center in Roaster man

Kshs 5M for procurement of a digital clocking system

Kshs 2.6M for completion of ward offices and Navakholo police Houses

However, the committee noted that the ministry was funding construction of police houses which is a National Government function.

Construction of a disaster centre was initially earmarked to be undertaken in the Northern Region but has been reduced by Kshs 1M and the remaining balance of Kshs 5M will be used to complete the disaster centre in the Central Region.

Construction of the ward offices project has been increased by Kshs 5.1M .Expenditure on the same is Kshs 2M leaving a balance of Kshs 7.2M.Therefore,the increase will bring the total allocation to Kshs 12M.Response by the ministry was that these funds are going to cater for ongoing ward offices.

Construction of sub-County offices vote allocation was Kshs 30M against an expenditure of Kshs 9.4M giving a balance of Kshs 20.5M, how ever,Kshs 3.6M has been reduced to cater for completion of ward offices and Navakholo police houses. The remaining balance of Kshs 16.9M will be sufficient for completion of the sub-County Offices in Ikolomani and Likuyani.

Therefore, the total development allocation for this Ministry was Kshs 159M against an actual expenditure of Kshs 17.1M giving a balance of Kshs 142.3M

OFFICE OF THE GOVERNOR

Kshs 13M has been increased on travel and accommodation vote due to increase in the number of departments in the office of the Governor. However expenditure report on the same vote head indicate that out of the budgeted Kshs 24M, Kshs 17M had already been spent by end of December 2018.

An increase by Kshs 3M on Advertisement, awareness and publicity campaign from Kshs 20M to Kshs 23M was to cater for newspaper adverts and publicity on documentaries about our County in the media. Furthermore expenditure on the same vote has been incurred at a cost of Kshs 10.6M.

The allocation of Kshs 10M on office refurbishment has been transferred from recurrent to development and increased to Kshs 20M to facilitate major refurbishment in the office of the Governor, Deputy Governor, County Secretary and the press unit section.

DEVELOPMENT BUDGET

The committee noted that Kshs 20M had been reduced from the Governors residence and yet during preparation of the main budget, the ministry explained that Kshs 36M had been allocated for completion of Lugari residence which was at 48% completion status and the balance of Kshs 40M was to be used for construction of Lurambi residence. The Lurambi residence was to commence in FY 2018-19 . As at Dec.2018, only Kshs 2.7M had been spent out of the Kshs 76M

Cumulatively, the total cost of the residence in Lugari is Kshs 66.6M and already Kshs 46M has so far been paid and the project is currently at 80% completion status.

The response by the ministry was that Kshs 20M had been moved for refurbishment of the offices and that the balance of Kshs 56M will be spent as follows;

Kshs 20M will clear the remaining balance on completion of the Lugari residence

Kshs 10M will be spent on landscaping at the Governors residence in Lugari

The balance of Kshs 26M will be used to start construction of the Lurambi residence.

The committee noted that Kshs 10M allocated on the Deputy Governors residence has been removed .The response was that the old building on the land where construction is to take place is supposed to be condemned through the government procedure before demolition.

COUNTY PUBLIC SERVICE BOARD

The committee noted that code 2210308 on legal fees had been increased by Kshs 900,000.That is from Kshs 800,000 to Kshs 1.7M.The justification was that the

County Public Service board has been sued on personnel related cases and the initial allocation was not sufficient thus resulting to the increase.

RECOMMENDATIONS

1. The committee on Public Service should follow up on the allocation of additional Kshs 10M for casual employees and also get details on the procedure of factoring them in the IPPD and report back to this House within 14 days after approval of this report.
2. After completion of the police houses in Navakholo which is a National function, the ministry should focus on the devolved functions.
3. The committee on Public Service to follow up on completion of the disaster centre in the Central Region.
4. The Office of the Governor should take note of the SRC Circular and ensure that the Governors residence in Lugari is completed by June 2019 since this vote has been sufficiently funded.
5. The County Public service Board while recruiting should comply with the PFM Act, 2012 on the personnel threshold of 35%.

COUNTY ASSEMBLY

Mr Speaker,

The County Assembly received additional allocation of Kshs 62M from National Treasury which was approved through County Allocation of Revenue Act, Gazette Notice no.8 of 4th July 2018.This necessitated us to revise our budget upwards to incorporate the additional funding of Kshs 62M.

Besides the additional funding, there was normal revision of vote heads to rationalize the budget by increasing the insufficiently funded ones.

There was a reduction by Kshs 83.5M from code 2110318-Other Allowances for Mcas. This occurred because in the main budget, the sitting allowances were calculated to the maximum of 12months including the recess period. But during rationalization of the Budget, there was a saving from 2 months period when Members proceed for recess and therefore no plenary sittings are normally paid.

The funds were used to increase the following vote heads which were insufficiently funded in the main Budget;

Code-2210700-Training expenses for staff-Kshs 4M

Code-2211016-Purchase of Uniforms & Clothing for staff-Kshs 2M

Code-2211100-Office and General Supplies &services vote –Kshs 11.5M

Code-2211305-Contracted Guards and cleaning services-Kshs 3.5M

Code-2211306-Membership fees, subscriptions- Kshs 1.5M

Code-2211308-Legal Fees and arbitration vote-Kshs 6M

Code-2211310-Contracted professional services vote-Kshs 4M

Code-2220101-Maintenance of Motor Vehicles vote Kshs 1.9M

Code-3110701-Purchase of Motor Vehicles vote-Kshs 9M

Code-3111001-Purchase of office furniture and fittings-Kshs 6M

Code-3111002-Purchase of printers, computers and IT Equipment-Kshs 3M

Code-3111004-Purchase of communication Equipment-IPADS for Mcas-Kshs 8.5M

Code-3111004-Purchase of security equipment vote Kshs 1M

Code 21102 01-Contractual Employees vote has been increased by Kshs 2.4M to cater for increase in monthly allowances paid to Nominated Mcas staff.

Code-2210504-Public Participation was increased by Kshs 3.7M for effective engagement of the members of the public.

Code -2210801 –Catering services, food &Beverage vote was increased by Kshs 3M.

Code 2210901-Group personal Insurance +WIBA vote increased by Kshs 3M

Code 2210902- Group Life Insurance vote increased by Kshs 2M

Code-2211306-Membership fees, subscriptions vote partly increased by Kshs 6.5M.

Code-2210303-Foreign Travel Kshs 1M.

Mr. Speaker,

The following votes have been funded by the Kshs 62M received from National Treasury;

Code 2210300-Domestic Travel ,Subsistence and other Transport costs vote has been increased by Kshs 63M out of which Kshs 20M will facilitate committee activities ,Kshs 38M on committee of the whole House activities and the balance of Kshs 4M on Foreign Travel.

The committee also noted that the Assembly has not started development of the Assembly chambers despite the allocation of Kshs 50M.

Mr, Speaker

The committee noted that the Assembly had accrued pending bills to a tune of Kshs 107M as at December 2018 which is a worrying trend but the board committed to clear them once this budget was approved.

RECOMMENDATIONS

1. That appropriation for committee budgets should be done immediately after approval of this Budget.
2. The members should be considered for one foreign trip before the end of the Financial Year.
3. Public participation should be effectively done through proper publicity to include ward representation
4. Assembly should ensure procurement fort the purchase of 2 motor vehicles starts immediately to avoid funds being returned to National Treasury.
5. Purchase of security equipment should be given 1st priority because security of members is paramount.
6. Wards that have not been facilitated by furniture to be considered as soon as this budget is approved.

7. Members should be facilitated with IPADS **(Apple)** as soon as possible since the procurement process for the same is on course.
8. The Assembly should ensure that the pending bills are cleared on time to avoid subsequent budget pressures.
9. The County Assembly Service Board should submit quarterly Budget Implementation Reports to the Budget and Appropriation committee on timely basis for oversight.
10. The Assembly should follow up on development allocation of Kshs 50M for the project be able to start within the Financial Year.
11. The KATECO Offices should be fully functional if not, the unutilized space to be surrendered back to the Landlord and tenancy cancelled.

FINANCE AND ECONOMIC PLANNING.

There is increase of Local Revenue from in Kshs 834M to 1Billion,(an increase of Kshs 156M) .The committee was concerned on whether the County Treasury will be able to achieve this target in the remaining period of time bearing in mind that by December 2018, they had collected only Kshs 212M.The response was that the revenue from our Hospitals specifically the County General Hospital was fast growing and therefore that target will be achieved.

Secondly, the Ministry assured the committee that the months of January to March are normally the peak period for collection of Revenue on Trade Licenses and that this will boost the revenue as targeted.

Enforcement of cashless system is also on course and the new revenue clerks who have been brought on board are collecting revenue optimumly.

RECURRENT BUDGET

Purchase of Motor Vehicles vote has been reduced by Kshs 10M because of the slow and lengthy procurement process and that the ministry will not be able to absorb all the funds in the remaining period.

The committee noted that the allocation of Kshs 15M on Casual laborers' under revenue Agency has been reduced by Kshs 14M .Kshs 10M has been moved to

Ministry of Public Service on the Basic Salaries . This is un procedural because terms of service for casual laborers' is quite different from those of Permanent employees. Furthermore this increase of the basic salaries is increasing our wage bill beyond the required threshold of 35% as stipulated in the PFM Act, 2012.

The increase on Contracted professional fees by Kshs 6.2M will be spent on completion of Revenue Enhancement Contract which will eventually guide the Ministry on identification and establishment of new revenue sources to enhance revenue collection.

DEVELOPMENT BUDGET

The committee has noted that expenditure of Kshs 26.7M on the Emergency Fund has been used under the following activities;

- Emergency Fund for accident bodies preservation 500,000
- Bridge construction in Lurambi sub-County-Kshs 2.9M
- Mwibubi Box Culverts-Lurambi Sub-County-Kshs 5.9M
- Nakhakosia Box Culvert-Matungu Sub-County-Kshs 3.9M
- Nyapora Box Culverts-Mumias East sub-County-Kshs 4M
- Bumamu Bridge-Navakholo Sub-County-Kshs 7.5M
- Terven Retension Transfer-Lurambi Sub County-Kshs 726,415
- Vibon Trading Co.Ltd taxes-Matungu Sub-County-Kshs 330,705
- Requem Mass Coverage-Lurambi Sub-County-Kshs 183.280
- Tervan International Ltd.taxes-Lurambi 563,600.

These fund is Budgeted under the Finance department but implementation of the above mentioned activities was done under public service although reporting on the same appears under Finance department.

The committee also noted that Kshs 5M has been reduced from the Regional bank vote of Kshs 105M which is meant for seed money and reclassified under Lake Region Economic Block (LREB) to cater for recurrent activities. However there was no proper explanation on how they arrived at a figure of Kshs 5M per County.

RECOMMENDATIONS

1. Revenue collection should be accorded the seriousness it deserves and proper enforcement mechanisms put in place for us to achieve the target as budgeted, failure to which we are going to operate on a deficit Budget and eventually fail to implement some programmes and projects in this Budget.
2. The committee on Public Service to follow up on the reallocation of funds from Casuals vote to Basic salaries for permanent Employees and report back to this House 14days after approval of this Budget.
3. The Finance Committee to follow up on the Revenue Enhancement Report and LREB allocation of Kshs 5M and report the findings to this House 14 days after approval of this Budget.
4. Public Service and Finance committees to follow up on the Emergency Fund expenditure and report back to this House 14 days after approval of this Budget.

1. MINISTRY OF INDUSTRIALIZATION TRADE AND TOURISM

RECURRENT

1. There was reallocation of funds in most of the votes with the Ministry which was attributed to;
   - Pending bills
   - Emerging issues eg. legal cases
   - Low absorption of funds in some departments for example Trade.
2. The ministry increased the vote on legal fees by kshs. 233,000 because they are anticipating legal issues especially on Khayega market since there will be demolition of structures around the market. Similarly the same market has a pending bill of ksh. 500,000 on the previous cases.

DEVELOPMENT

Kshs. 365M was approved for expenditure but the ministry has revised down to **Kshs. 260M** a reduction of **kshs. 105M** reallocated to other ministries.

1. Kshs. 40m has been reduced from the vote on construction of markets from kshs. 140M to Kshs. 100M. These funds are meant to enhance refurbishment of existing markets. The committee noted that the phase 1 markets are complete and in use and fully paid for except Shianda market which has kshs. 5.2M outstanding balance.
2. The Ministry is undertaking refurbishment of 6 markets and already sprnt Kshs 8.6M against a contact sum of Kshs 21.7M
3. Votes on Dairy factory in Malava and Tea factory in Shinyalu has been reduced by kshs. 20M and kshs. 30M respectively since the process is at procurement stage and the ministry may not utilize all the approved funds within the remaining period of the Financial Year.
4. Construction of Juakali sheds has been earmarked in Lugari, Mumias west, Navakholo, Butere, Malava and Mumias East sub counties at a revised cost of kshs.20M. Construction will be done depending on the priority on the availability of land in the proposed areas.

RECOMMENDATIONS

1. Proper feasibility study should be carried out while identifying the land to ensure value for money.
2. Trade committee to investigate on the status of tourist attraction sites especially the crying stone and subsequently report to the house for necessary action. Similarly, the committee should also report on the status of the Eco-

lodge which has been funded subsequently but no implementation has taken place.

3. The Implementation and Monitoring committee should ascertain the current status as well as value for money for the phase 1 markets (Shianda, Matunda, Harambee, Butali, Butere and Mulwanda) and phase II markets (Nambacha, Bukura,Malinya,kipkaren, Khayega and Mumias modern market)and report to this House 14 days after approval of this Budget.

2. MINISTRY OF HEALTH SERVICES

RECURRENT

1. The ministry had an approved budget of kshs.382.9 million which has been revised up to kshs.519.9Million an increase of kshs. 136.9M.This increase is to facilitate purchase of more drugs and to offset the water bills in the Health facilities. The committee could not ascertain the correct position of this vote on medical drugs because in the supplementary, the purchase of drugs vote has been increased by Kshs 170M and the explanation was that the Ministry decided to merge Medical Drugs and dressing and non-pharmaceutical medical items vote heads.

2. Kshs. 10Million has been increased on the casual laborers' vote and this was attributed to pending bills accrued since other Health facilities apart from the county General hospital have not been budgeting for the same. The ministry did not provide data on the number of casuals engaged.

3. Funds allocated under the department of public Health were reallocated to support medical services department. The committee was informed that the Chief Officer of the affected department was not consulted for the same and

that the department will not be able to operate. Furthermore out of the budgeted Kshs 5M, the department has already spent Kshs 2.5M.

4. The vote on travel cost has been increased by kshs. 3.1 million to cater for foreign travel expenses incurred by a delegation to India.

DEVELOPMENT

1. The total expenditure for the County Teaching and Referral Hospital for the FY 18/19 is ksh. 165.2 M against a budget of Kshs 400M giving a balance of Kshs 234.8M.The reallocated funds were distributed as follows, Kshs 42M has been moved to purchase of drugs,Kshs 28M to County Assembly and Kshs 30M to completion of Mumias and Shamakhubu Hospitals.

The project has been revised down to ksh. 328 million to facilitate implementation in the remaining period of the Financial Year and it's at 75% completion status.

2. Completion of Mumias west and shamakhubu hospitals have been allocated additional funds of kshs 30M from CTRH

3. Mumias west Hospital has so far consumed kshs. 168Million while Shamakhubu kshs. 159Million and the hospitals were at 85% and 80% respectively as at 31st December,2018

4. Likuyani and Butere mortuaries will not be implemented in the current financial year since funds have been reallocated due to time constraint and lengthy procurement process.

   The committee noted that Likuyani mortuary had been earmarked for development from FY2017/2018 supplementary due to public demand and that continued removal in the Budgets will have a negative impact on the residents.

5. Construction of a maternity Block in Matete health centre had been allocated kshs.5million which has been reallocated since the project will be done as a

Corporate Social Responsibility programme by the contractors working on the Kakamega Webuye Road.

6. The balance carried forward from FY 2017-18 of Kshs 10.4M on World Bank Universal Care Fund (THS-UCP) will be spent on clearance of the unpaid bills that were due by close of the Financial Year.

7. Kshs 25.8M balance B/F on Danida Grant will be used to carry out the pending activities from the last Financial Year.

8. Kshs 23M has been committed to pay stipend to CHVs this will go a long way since their wages are in arrears.

RECOMMENDATIONS

1. Kshs 5M approved under the department of public health under recurrent should be retained for effective and efficient service delivery since there is already an expenditure of Kshs 2.5M under the same .Furthermore, most of the programmes in this Budget are to be implemented under this department.Eg Imarisha Afya Ya Mama na Mtoto Reproductive Health, Nutrition Programme among others.

2. Likuyani and Butere Mortuaries should be given first priority in the FY 2019/2020 Budget.

3. Funds carried forward on the Grants should be spent on the intended purposes as specified in the County Allocation of Revenue Act, 2018 and the committee on Health to do a follow up on the already spent funds on Grants and submit a report to this House 14 days after approval of this report.

4. The Health Committee should follow up on the status on Construction of Dispensaries because as at December 2018,only 4 were under construction at a cost of 20M and an actual expenditure of Kshs 6.3M
5. The ministry should spent the funds allocated for Medical Drugs and Dressing and Phamaceuticals votes separately as budgeted and not merging the two together as earlier stated.
6. The Ministry to hasten the process of paying the CHVs since their wages are in arrears and strive to ensure that subsequently they are paid on monthly basis.

3. MINISTRY OF EDUCATION SCIENCE AND TECHNOLOGY

RECURRENT

Kshs. 34M was approved for expenditure in the budget and has been revised to kshs. 114M an increase of kshs. 80M

The increase is as a result of reclassification of **kshs. 60** Million for bursary and **kshs. 20Million** for county HELB Fund. The new votes have been budgeted for under the recurrent budget.

There was movement of funds within the votes to supplement the exhausted ones. For instance, electricity and water votes in the department of county polytechnic were reduced by kshs. 40,000 each while votes on boards and seminars for both ECD -kshs. 385,912 and Polytechnics kshs. 330,000 departments increased to enhance capacity building for the Board of management teachers.

DEVELOPMENT

The ministry had an approved budget of kshs. 782.9Million but this has been reduced to Kshs. 635.9M a reduction of kshs 147Million.

The committee noted that Kshs. 60M allocated for construction of ECD model centres has been reallocated to ward bursaries under recurrent Budget. Kshs. 20 million allocated for county Helb has been moved from development and reclassified under recurrent budget as directed by the Controller of Budget.

The ministry will only construct 23 ECD centres in FY 2018-19 with an allocation of kshs. 150M. they further responded that the Ksh. 65 million moved from the vote is as a result of rationalization of the ministry budget by 10%. Further, Ksh. 10 million allocated for feasibility study on school feeding program me has been reallocated to cater for completion of centres of excellence.

The ministry has reallocated kshs. 8Million for polytechnic subsidy programme . out of which Kshs 7M will finance awards to support top schools , commissioning launching and public participation on the projects.

Kshs. 3 million has also been reduced from the ECD capitation vote to cater for tuition fees for students in china on scholarship. In total this vote has an allocation of Kshs 17M the increase is to facilitate payment of the revised fees by China.

The committee noted that the ministry has been funding centres of excellence projects that were commissioned in the FY 2013/2014 and the cumulative expenditure on this project is kshs.353 Million up to date. The project cost has been accumulating because of retendering of the projects leading to variations of the extra works e.g

- Musingu High school was originally awarded at Kshs 22M, later stalled at suspended slab and retendered at Kshs 10M
- Buchifi Sec was originally awarded Kshs 20M,later stalled at suspended slab and retendered at cost of Kshs 12M
- Henry Saisi secondary was originally awarded at Kshs 20M ,stalled at ground floor walling but it was retendered at Kshs 15M
- Shikondi Girls was originally awarded at Kshs 20M, stalled at suspended slab, retendered at Kshs 12M.

The committee also noted that the Ministry, apart from the construction of Centres of Excellence, has also been funding other secondary schools which normally don't appear in the budget but reported during implementation. Currently, the total expenditure on these projects is Kshs 136.3M.

The committee has noted that funds that have been reduced on most of the vote heads are to be used to finance National Function projects at the expense of the devolved functions.

RECOMMENDATIONS

a) The ministry has concentrated on education support programmmes especially secondary and Centres of Excellence at the expense of our devolved functions and therefore Kshs. 8 million funds moved to award of top schools should be reinstated to polytechnic subsidy programme.
b) Since the ministry is not prepared to undertake the ECD feeding programme despite its importance, Kshs. 10 million for the same should be moved to construction of ECD centres.
c) The ministry should ensure that construction of ECD centres should take place in all the wards as per the budget and not the 23 as earlier reported.

d) The Education Committee to follow up on the implementation of projects in other secondary and Primary schools and submit a report to this House with in14 days after approval of this report.
e) The Ministry should ensure that the Bursary funds are disbursed to the wards on time so as to keep the needy students in school.
f) The Committee on Education to follow up on the implementation of top schools awards allocation and report back to this House 14 days after approval of this Budget.

MINISTRY OF SOCIAL SERVICES, YOUTH AND SPORTS

The approved recurrent budget of the ministry was kshs. 45.3 million which has been revised up to kshs. 49.1 Million by an increase of ksh. 3.8Million to cater for the following;

i. Electricity bill increased by ksh.1.5 million which is due for payment following the activities that were undertaken at the Bukhungu stadium during the preparations of Mashujaa day celebrations in October, 2018.

ii. Domestic travel and accommodation votes have also been increased by kshs. 600,000 and kshs 492,000 respectively to cater for the county sports and cultural teams that are scheduled to participate in regional and international competitions after excelling in national championship.

iii. Equipment of the new offices at Bukhungu stadium since it accommodates all the departments has necessitated an increase of the vote by kshs.300, 000.

iv. The ministry has legal cases with staff who were terminated and thus the need to increase the vote on legal services and litigation by kshs.2million

DEVELOPMENT

1. The approved budget was kshs.511 million which has been revised down to kshs. 210.5 million, a reduction of Kshs 300.5M.
2. Shelter improvement programme has been increased by kshs. 12 million, from Kshs 40M to kshs. 52 Millon.This is to facilitate the reviewed BQs that has included plastering of the floors. The cost per unit will increase from kshs. 91,550 to kshs. 113,652.
3. Bukhungu stadium was allocated kshs. 400M which has been reduced to kshs 100M due to delay in procurement process. The actual expenditure in FY 2018-19 as at January 2019 was 66M
4. Gender based Violence rescue center was previously budgeted for but implementation has never taken place. The vote was allocated kshs. 3million and has been increased by kshs 500,000. No status report was availed to the committee for scrutiny.
5. 60 boda boda youth SACCOS drawn from the 60 wards have been earmarked for training and funding as startup capital. The vote has been increased by kshs. 2.5million, from kshs. 7 million to kshs. 9.5 million. The implementation on the same has not commenced and yet this vote has been highly funded.
6. Allocation of Kshs 20M on culture promotion programme has been reallocated on other activities in the ministry. The ministry responded that this budget was to facilitate activities by cultural groups from the ward levels up to the county and that an expenditure of Kshs 3M has already been incured.

7. The ministry is set from February 2019, to conduct a disability census to highlight and profile the types of disabilities and the statistics will be used to formulate an action point and programme for the groups. However, the allocation for the same has been reduced by kshs. 500,000 from Kshs 5M to Kshs 4.5M

8. The county staff did not participate in the KICOSCA games in Kisii County and yet the Assembly's recommendation in the main budget was that the Ministry to set aside funds for the same. Furthermore, the vote on sports support programme has been increased from Kshs 25M to Kshs 30M .This is to promote governors cup competitions scheduled for February, 2019. The increase will facilitate the games starting from the ward level and purchase of sports equipment and kits.

9. The ministry has further initiated new projects cabro laying at the parking, construction of inner perimeter wall at Bukhungu stadium which accumulated a pending bill of kshs 43M

RECOMMENDATIONS

1. The committee on implementation and monitoring should follow up on the implementation of the gender based violence rescue centre and the Khayega Art gallery projects which receive funding but implementation has taken a long time.

2. Kshs 1M to be reinstated on Bukhungu Stadium to facilitate the activities under the same including clearance of pending Bills. These funds have been obtained from the Boda Boda Sacco .

3. Mcas should be actively involved in Governor's Cup activities since they are to start at the ward level.

4. Kshs 3M on Culture promotion should be reinstated to facilitate the pending bill .
5. BodaBoda Youth Saccos should be done across the wards and Social Services Committee should carry close monitoring of the same during implementation to ensure that all the earmarked Youths have been equitably trained.

MINISTRY OF INFRASTRUCTURE, PUBLIC WORKS AND ENERGY

RECURRENT

The approved budget was kshs. 44.9million which has not been revised against an expenditure of kshs. 3.55 million, an absorption rate of 7% as at December, 2018. This was attributed to the slow disbursement of funds from National Treasury.

DEVELOPMENT

Bitumen roads

Kshs. 520 million was approved in the main Budget and the vote has been increased by kshs.142 M to cater for soy-kogo, shibuli-Bukura, and khwisero-wakatsa roads.The actual expenditure as at 15th January,2019 was Kshs 365M.

The committee noted that these roads had been budgeted from FY2015/2016 and that additional fund for the same is jeopardizing implementation of other county projects.

Similarly the committee was informed that no new bitumen roads will be undertaken in the current financial year and that the funds allocated were to clear the pending bills on the following roads;

PROJECT	CONTRACT SUM	PAYMENT	STATUS	BALANCE
Soy-kogo	585.1M	361.1M	73%	223 M
Kwhisero-	305M	224.9M	87%	80M

wakatsa				
Bukura - shibuli	333M	131.1M	50%	201M
National housing-amalemba	53.5M	42.4M	80%	11.1M
Public Works Access Road	19.3M	16.5M	86%	2.7M
Amalemba – sheywe Road	34.8M	22M	63%	12.7M

10km ward based roads

This vote was allocated kshs. 300million and has been increased by kshs. 65.8millon.

In the FY17/18 kshs. 300Million was paid to the contractors but the work is still ongoing. Commencement of the projects delayed due to prolonged rains.

In the FY2018/2019 Kshs 65M budgeted will pay for pending bills for the same roads and that alreadyan expenditure of Kshs 202M has taken place.

County Youth Service

The ministry had budgeted for kshs. 300 million and has reduced the allocation to kshs. 250 million. This is to facilitate salaries at kshs 144 million, and the rest for purchase motor cycles, uniforms, capacity building of the secretariat and other working tools. An expenditure of Kshs 20M has already been incurred on this vote but documentation was not provided to justify the reduction.

Road Maintenance Levy Fund

This is a grant from National Government for maintenance of specific Roads. The allocation in the main Budget was Kshs 271.9 and the vote has been increased by Kshs 107.8M as balance brought forward from FY 2017/18. Kshs 99M has been spent on this vote although documentation was not provided to justify and support the expenditure.

Electrification

The ministry has reclassified kshs. 30 million from the Electricity vote to facilitate payment of pending bills for high masts.

The committee was informed that installation of transformers (phase 1) with each ward getting 3 transformers will not be possible and therefore only one transformer will be distributed per ward The committee noted that only Kshs 130M was budgeted for in FY 18-19.Furthermore, this vote has been reduced by Kshs 30M to facilitate payment of pending Bills on High Masts.

BRIDGES

The following Bridges have been constructed.

Project	**Contract Sum**	**Payment**	**Status**
Lumakanda Bridge	10.7M	7.9M	100%
Mukombe Bridge	33.9M	24.9M	95%
Vitwaa Box Culvert	8.2M	8.2M	100%
Majani Bridge	9.8M	9.8M	100%
Singeteti	6.9M	6.9M	100%
Mulubako Bridge	6.5	6.5M	100%
TOTAL	**76M**	**67M**	

RECOMMENDATIONS

1. The Infrastructure committee should take up the oversight role and report to the house on the status of the three bitumen roads to be implemented in the FY2018/2019.
2. The committee on Infrastructure to take up the issue on 10 km ward based road projects and report to the house on the funds allocated since FY 2016/2017within 14 days after approval of this report
3. The Infrastructure committee should audit the work plan on the RMLF submitted to the Kenya roads Authority vis a vis the implementation report on the same and report to this House 14 days after approval of this report.

4. The Infrastructure committee should follow up on the nature of contract with REA and report to this House within 14 days after approval of this Budget.
5. The committee on Transport should be furnished with status report on 10KM Roads,Bridges and Electrification.

MINISTRY OF AGRICULTURE, LIVESTOCK, FISHERIES AND CO-OPERATIVES

RECURRENT

The increase on travel costs by kshs.504, 949 was to facilitate the trip to India. This trip was of importance to the County because the government of India had a plan to supply farm machinery at a fair and affordable price and these machines are much needed to improve our farming. The budget catered for travel expenses for the CEC, Chief Officer, Head of Procurement and the Liaison Officer.

The daily subsistence allowance vote had an increment of kshs. 973,736 which will facilitate increased extension support programmes, office floats and plant clinics.

The committee noted that most of the votes have been revised down to cater for pending bills totaling to Kshs 2.4M

DEVELOPMENT BUDGET

The Ministry has received a grant from Swedish Government of Kshs 23.7M for Kenya agricultural support programme (KASP) through County Allocation of Revenue Act ,2018.The committee noted that additional funding of Kshs 10M was by the County Government bringing the grant to a total of 33M.

The ATVET programme has been reduced by kshs. 24.5 million to kshs.5.5 million and the ministry responded that this occurred during rationalization of the Budget.

The kShs. 3M vote on Slaughter slabs was relocated to veterinary lab to make it 8M, because most of the slaughter slabs don't meet public health requirements which necessitates that they be done afresh and this will be considered in the main Budget. However, out of Kshs 5M budget for veterinary lab, Kshs 3.9M was used to construct the lab and the balance rationalized during budget revisions.

The committee noted that Fisheries department is normally underutilized and that as at Dec.2018,only Kshs 409,500 had been spent against a budget of Kshs 90M.

GENERAL SUBMISSIONS

1. On crop development, the Ministry affirmed that the seeds supply is on check, and the ministry is on procurement process to find subsidized fertilizer supplier.

2. Most of the existing cattle dips are in a deplorable state and they require fresh construction therefore allocation in this supplementary may not be sufficient. This project should be given priority in the main Budget FY 2019/20.

3. The 10M allocated on the stock rings is meant to construct only one stock ring in Lubao .

COMMITTEE RECOMMENDATIONS

The committee recommended that;

1. Kshs 6M to be allocated for Tick control from Fisheries department.

2. The Agriculture committee should follow up on implementation of the Kenya Agriculture Support Programme.(KASP)
3. Fish farming should be enhanced and implementation to start immediately since this vote has a budget of Kshs 64M and an expenditure of Kshs 409,500 only.
4. The Agriculture committee to follow up on status report on the supply of subsidized fertilizer.

MINISTRY OF ICT, E-Government AND COMMUNICATION

There was an increase in budget on the vote of IT equipment from kshs. 800,000 to kshs. 2,300,000 for purchase of modern communication equipment for efficient publicity of the County operations by the ministries

The vote for advertisement was increased by kshs 1 million to clear a pending bill for the FY 2017/18 for media adverts and news papers.

ERP PROGRAM

This program was initially under the ministry of treasury and then later transferred to the ICT, e-Government and communication ministry.

ERP program had its budget increased from kshs.88 million to ksh. 132 million, an increment of 44 million. The ministry explained that the program had to cost the county a total of kshs. 439 million that was to be paid in 60 months, with a monthly installment of kshs.7.5 million. The ministry had to provide for six months pending bill that was not paid in FY 2017/18.The total amount paid as at December 2018 was Kshs 265M and the project is at 55% completion status.

Connectivity

This vote was budgeted for at Kshs 40M and has been allocated an additional Kshs 10M.The ministry urged the committee to consider the budget because they are planning to put up a data centre, a control unit, structured cabling and networking for the entire County.

Allocation of Kshs 6M for the CCTV will be used for installations once the County Annex is complete.

The ministry has pending bills of Kshs 14.3M which will be cleared after approval of this Budget.

COMMITTEE RECOMMENDATIONS.

1. The ministry should allocate more funds towards the purchase of computers, printers and other IT equipment to enable them to realize its core mandate.
2. The Ministry should reallocate the membership fee of Kshs 104,976 to Daily Subsistence allowance vote no.2210303-Daily Subsistence allowance.
3. The ministry to furnish the committee with their quarterly budget implementation reports on timely basis for proper oversight.
4. The Ministry should endeavor to clear their pending bills before the end of the Financial Year.
5. The ICT Committee to follow up on the implementation of the ERP Programme since it has been highly funded.

LANDS, HOUSING, URBAN AREAS &PHYSICAL PLANNING

RECURRENT

The committee noted that there was an increase of kshs.15million on vote (2210101) on the electricity. This is to facilitate payment of bills for 58 High masts and the streetlights which were installed in the current financial year. The budget was initially under Ministry of Infrastructure. When the street lights on the dual carriage were installed by the National Government, they were handed over to the County and they are currently being managed by the town management committee.

The committee felt that this ministry is duplicating these vote heads since a similar vote has been budgeted under urban development at Kshs 14M and an expenditure of Kshs 433,559 incurred.

Legal fees vote (2211308) was increased from kshs.3million to kshs.9million .the ministry informed the committee that this was due to pending bills of kshs. 19 million that the county owes different legal firms.

The ministry has received a Grant of kshs.41million from Kenya Urban support programme. These funds will be used for capacity building of the town management boards in Mumias and Kakamega , Equipment of the offices, purchase of the office utilities and staff training. The committee was not furnished with a workplan for the same.

The committee also sought for an explanation on the increase of contracted guards and cleaning services vote from kshs. 44M to kshs. 51 million, an increase by Kshs 7.2M The response was that the funds will be used to pay the companies contracted to offer cleaning services in Kakamega and Khayega as follows; Western Cross Kshs 2.4M on monthly basis, Hill Holdings-Kshs 1.4M on monthly basis and Wins cleaning company Kshs 350,000 monthly.

Kshs 36M has been reduced from purchase of land vote, from kshs. 60 million to kshs 24 million. Although the Ministry is keen on purchase of Land there is need for development of the Mumias spartial plan at a cost of Kshs 22M.This plan has already adopted by the County Assembly.

Kshs 13M for valuation Roll has been removed and moved to purchase of waste management truck at a cost of Kshs 15M by Treasury who are in charge of

purchase of vehicles. This is un procedural because the allocation is shifting from development to recurrent budget.

The allocation for Symbio city was reduced from Kshs 10M to 6M to facilitate the purchase of GIS Equipment. Kshs 8M has already been spent on the same and therefore this will create a deficit on the vote and eventually an audit querry.

The committee noted that a total of Kshs 33.5M has been introduced in the budget to clear pending bill for activities that took place prior to Mashujaa Day on the following activities;

Refurbishment, road markings, bill boards, banners, landscaping and signage installations.

Sabatia Market was allocated Kshs 12M on the development Budget for Mumias town.

RECOMMENDATIONS

1. The committee on Lands to follow up on why Sabatia Market was introduced and budgeted for under Mumias town.
2. The committee on Lands should establish the status of all the World Bank projects implemented using the Kenya Urban Support Programmes in Kakamega and Mumias towns.
3. The ministry to provide an implementation report on the Kakamega and Mumias towns to the Lands committee.
4. Kshs 2M to be reallocated from purchase of Land vote to Symbiocity to clear a pending bill.

GENERAL RECOMMENDATIONS ON THE SUPPLEMENTARY BUDGET FY 2018/19

Mr. Speaker, the committee further recommends the following;

1. Treasury should come up with realistic mechanisms of ensuring there's optimum revenue collection for the County to meet the revenue target.
2. The County Treasury should ensure that subsequent budget documents are prepared in programme based format as required by the PFM Act.
3. In submission of subsequent supplementary budgets the County Treasury should attach memorandum to support movement of funds across the Budget.
4. The County Treasury while preparing the supplementary Budget should adhere to the relevant laws and ensure compliance.
5. County Treasury should disburse the funds to all the Ministries as soon as they receive to facilitate implementation of the projects on time.
6. The County Treasury while preparing the supplementary Budget should also refer to expenditure reports from the ministries to avoid reallocation of funds from already spent vote heads.
7. Relevant committees to make follow up on grants received by the County and report back to this house on the status of the projects undertaken.
8. Treasury should adhere to the relevant laws when preparing the budget and other policy documents.
9. The County, moving forward should concentrate on funding of devolved functions as per the Fourth schedule of the Constitution.

10. Treasury should bring on board all Ministries of the County during budget preparation and revision.
11. The county should employ modalities to ensure that the thresh hold of 35% on Personnel Emoluments is not surpassed.
12. Purchase of vehicles for revenue collection should be given priority.
13. The Finance and Economic planning committee to follow up on the pending bills of Kshs 158.3M

Signed……Date…….
HON. WILLIS OPUKA
CHAIRMAN, BUDGET AND APPROPRIATIONS COMMITTEE