

KISII COUNTY GOVERNMENT

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COUNTY ASSEMBLY

SECOND ASSEMBLY-SIXTH SESSION

BUDGET & APPROPRIATIONS COMMITTEE

REPORT OF THE ESTIMATES OF REVENUE AND EXPENDITURE FOR FY, 2022/2023 AND THE MEDIUM TERM

INTRODUCTION:

Mr. Speaker Sir, on behalf of the members of the committee of Budget & Appropriations and as mandated by the Kisii County Assembly Standing Order 207 (6); it is my pleasure to present to this honourable house the committee report on the estimates of revenues and expenditures for the financial year, 2022-2023 and the medium term for the County Executive and the County Assembly.

Mr. Speaker Sir,

The Kisii County Budget Estimates, 2022-23 were submitted and tabled in the County Assembly on 5th April, 2022. The estimates were committed to the select committee on budget and appropriations and the sectoral committee for interrogation so as to make recommendations to the house.

Mr. Speaker Sir,

The committee of budget and appropriations has over the years reviewed the budget estimates for both arms of government and can report to this house that preceding budgets have had many challenges with regard to compliance to the generally accepted best practices in fiscal discipline, transparency and accountability. The review of the budget estimates of FY, 2022/23 has come at a time when the economy is recovering from the effects posed by the COVID-19 pandemic whose economic impact need special attention. Therefore, notwithstanding the challenges normally faced during budgeting, it's crucial to re-align our budget priorities in the medium term and put more emphasis on measures that will direct more resources towards economic recovery after the ravaging effects of Covid-19.

Mr. Speaker Sir,

It's imperative therefore that, in spite of our economic challenges and limited resource envelope, our budget will play a central role as the government responds to the various economic shocks to spur economic development of the County. The committee strongly support aggressive government action and, like others, the believe that leaders should pay special attention to the needs of those living in poverty and who are particularly vulnerable to devastating health and economic impacts. To meet these unparalleled challenges, the committee has proposed a rapid shift in priorities to realigned tax and spending policies accordingly. The policy framework of the 2022/2023 budget is therefore anchored on a response and recovery strategy that comprehensively addresses government intervention matrix geared towards provision of economic stimulus packages to the poor and those directly affected by the rising cost of living. However, while this interventions will demands swift and decisive action, it will nevertheless require honesty, transparency, committed engagements and, above all, public trust.

COMMITTEE MANDATE

Mr. Speaker Sir,

The Constitution of Kenya, 2010 and the Public Finance Management Act, 2012 have contemplated a committee of the County Assembly to oversight the budget making process. Furthermore, Standing Order 187 establishes the County Committee on Budget and Appropriations with specific mandate among them being to;-

- a) Investigate, inquire into and report on all matters relating to coordination, control and monitoring of the county budget; and
- b) Discuss and review the estimates and make recommendations to the County Assembly for debate and adoption.

COMMITTEE MEMBERSHIP

Mr. Speaker Sir,

The Budget and Appropriations Committee that reviewed the FY, 2020-21 Budget Estimates comprise of the following members:

- | | |
|-----------------------------|-------------------|
| 1. Hon. Denis Ombachi | - Chairperson |
| 2. Hon. Rosa Orondo | -Vice-Chairperson |
| 3. Hon. Benson Onger | - Member |
| 4. Hon. Evans Mokoro | - Member |
| 5. Hon. Vincent Gitene | - Member |
| 6. Hon. Timothy Ogugu | - Member |
| 7. Hon. Geoffrey Ondong'a | -Member |
| 8. Hon. Zablun Mokua | -Member |
| 9. Hon. Charles Nyagoto | -Member |
| 10. Hon. Agatha Mayora | -Member |
| 11. Hon. Benard Ogari | -Member |
| 12. Hon. Josephine Ombati | -Member |
| 13. Hon. James Anunda | -Member |
| 14. Hon. James Ondari | -Member |
| 15. Hon. Protus Moindi | -Member |
| 16. Hon. Methusela Nyakundi | -Member |
| 17. Hon. Joseph Chweya | -Member |
| 18. Hon. Ibrahim Ombuya | -Member |
| 19. Hon. Evans Mokoro | -Member |
| 20. Hon. James Ngisa | -Member |
| 21. Hon. Harriet Ong'era | -Member |
| 22. Hon. Bathsheba Sanaya | -Member |

PUBLIC PARTICIPATION

Mr. Speaker Sir,

The budget estimates report that we present before this house today will have a great impact on the socio-economic wellbeing of the people of Kisii County. Article 196 (1) (b) of the Constitution of Kenya, 2010 and section 115 of the County Government Act, 2012 requires citizens to participate in all decisions made that affect them. The committee requested for submission of memoranda in its attempt to collect views from the public via an advert that was done by the Star Newspaper on Monday, April, 2022. Consequently, the committee was able to receive memoranda from the public whose recommendations have greatly enriched this report.

COMMITTEE MEETINGS

Mr. Speaker Sir,

The budget estimates for the FY, 2022/23 were submitted to the county assembly on 5th April, 2022, tabled in the house and committed to the Budget and Appropriations Committee. Pursuant to standing order 207 (5) the committee of budget then embarked on a series of meetings and engagements whose major objective was to review the estimates so as to make recommendations to the Kisii County Assembly for discussion, debate and adoption.

Mr. Speaker Sir,

In consideration of the 2022/23 Budget, the Committee was taken through the estimates by the technical teams from both the county executive and the county assembly. The members took that opportunity to make recommendations on the estimates making references to preceding budgets and other applicable budget policy documents.

ACKNOWLEDGEMENTS.

Mr. Speaker Sir,

The Committee is grateful to the Office of the Speaker and the office of Clerk of Kisii County Assembly for the support received as it discharged its mandate of reviewing the 2022/23 Budget Estimates.

The Committee is also grateful to the Members of the Kisii County Assembly and the public who participated in the process.

Much appreciation also goes to the technical staff from both the county assembly and the executive who worked tirelessly to make this exercise a success.

Mr. Speaker Sir,

It is therefore my pleasant duty and privilege, on behalf of the Budget and Appropriations Committee to table this Report and recommend it to the House for adoption.

Sign.....Date.....

Hon. Dennis Ombachi, MCA

Chairman, Budget & Appropriations Committee

BUDGET FINANCING (RESOURCE BASKET)

Mr. Speaker Sir,

In reviewing the estimates the Committee did a delicate balancing act between the size of the resource basket against efficient, effective and equitable allocation of the resources within departments. The committee was also guided by the ceilings as approved in the County Fiscal Strategy Paper (CFSP), 2022 and the Commission on Revenue Allocation (CRA).

The total budget for this FY, 2022/23 will be financed as follows:

Table 1: Revenues

REVENUE BUDGET FOR FY2022/2023		
ITEM	PROPOSED REVENUES 2022/23	ADJUSTED REVENUES 2022/23
Equitable Share	8,894,274,509	8,894,274,509
Leasing of Medical Equipment	153,297,872	110,638,298
Kenya Devolution Support Program 'Starter Pack' - (Level 11)		00
National Agricultural and Rural Inclusive Project	324,295,427	324,295,427
Agriculture Sector Development Support Program - SIDA	26,370,204	9,525,128
Conditional Allocation-Health Systems for Universal Care	63,079,905	00
DANIDA	17,250,750	16,408,200
European Union Instruments for Devolution Advice and Support	16,140,145	00
Urban Development Grant	164,053,800	00
Finance for Locally-Led Climate Action Program (FLLoCA)		125,000,000
Unspent balances FY 2021/2022	1,391,532,596	1,454,612,501
Local Revenues	650,000,000	750,000,000
TOTAL REVENUE	11,700,295,208	11,684,754,063

DEPARTMENTAL EXPENDITURE ADJUSTMENTS

Mr. Speaker Sir,

The committee of budget made the following adjustments to the recurrent and development expenditures:-

Table 2:

SUMMARY OF RECURRENT AND DEVELOPMENT EXPENDITURE				
Department	Recurrent	Development	Proposed Budget 2022/23	Adjusted Budget 2022/23
County Assembly	1,344,649,046	339,350,465	1,715,649,046	1,683,999,511
Office of the Governor and Deputy Governor	413,275,082	33,000,000	466,675,082	446,275,082
County Public Service	35,950,000	00	35,550,000	35,950,000
Administration, Enforcement and Devolved Units	416,239,227	30,759,253	455,450,980	446,998,480
Stakeholder Management, Public Participation and Disaster Services	51,424,764	69,309,253	122,073,485	120,734,017
Finance & Accounting Services	868,907,387	00	915,907,387	868,907,387
Economic Planning and Development	87,212,049	31,233,404	133,427,508	118,445,453
Agriculture and Cooperatives Development	275,526,493	68,868,530	387,820,244	344,395,023
Fisheries, Livestock and Veterinary Services	118,725,908	677,927,437	845,953,345	796,653,345
Energy, Environment and Natural Resources	50,570,000	170,705,759	66,275,759	221,275,759
Water and Sanitation Services	129,033,600	137,717,166	266,750,766	266,750,766
Education, Labour and Manpower Development	551,946,157	168,430,148	722,126,305	720,376,305
Medical Services	3,162,405,913	810,020,958	4,030,928,995	3,972,426,871
Public Health and Preventive Services	29,500,000	00	29,500,000	29,500,000

Lands, Physical Planning and Development	150,820,000	110,939,480	270,539,480	261,759,480
Roads Development	82,208,717	734,785,616	825,014,333	816,994,333
Public Works and Housing	118,213,838	54,592,474	180,731,312	172,806,312
Trade, Industry and Tourism Development	97,419,998	79,538,782	179,828,780	176,958,780
Culture, Sports, Youth and Social Services	94,777,596	92,093,054	188,670,650	186,870,650
Kisii Municipality	112,996,000	50,295,137	329,344,937	163,291,137
Total	8,191,801,775	3,659,566,916	12,168,218,394	11,851,368,691-
Surplus/Deficit				-

THE COUNTY ASSEMBLY.

Mr. Speaker Sir, The Kisii County Assembly recurrent budget has been adjusted at **Ksh. 1,099,399,046**, Car Loan & Mortgage **Ksh.245, 250, 000** while the development budget has been set at **Ksh. 339,350,465** to make a total budget of **Ksh. 1,683,999,511**.

Mr. Speaker Sir, In reviewing the County Assembly Budget for FY, 2022-23, the committee made the following adjustment:-

Table 3:

KISII COUNTY ASSEMBLY		
BUDGET ESTIMATES 2022/2023		
Recurrent	Proposed 2022/23	Adjusted 2022/2023
Compensation of Employees(Salaries)	620,407,999	620,407,999
Utilities Supplies and Services	1,026,836	1,026,836
		4,349,500

Communication, Supplies and Services	4,349,500	
Domestic Travel and Subsistence, and Other Transportation costs	126,388,000	126,388,000
Foreign Travel and Subsistence, and other transportation costs	29,400,000	29,400,000
Printing , Advertising and Information Supplies and Services	2,648,000	2,648,000
Rentals of Produced Assets	720,000	720,000
Training Expense (including capacity building)	18,800,000	18,800,000
Hospitality Supplies and Services	53,379,863	53,379,863
Insurance Costs	57,000,000	57,000,000
Specialized Materials and Supplies	9,533,107	9,533,107
Office and General Supplies and Services	38,398,851	38,398,851
Fuel Oil and Lubricants	4,470,312	4,470,312
Other Operating Expenses	36,617,924	36,617,924
Routine Maintenance - Vehicles and Other Transport Equipment	6,754,326	6,754,326
Scholarships and Other Educational Benefits	-	-
Purchase of Specialized Plant, Equipment and Machinery	89,504,328	89,504,328
TOTAL OPERATIONS & MAINTENANCE	478,991,047	478,991,047
TOTAL RECURRENT	1,099,399,046	1,099,399,046
Mortgage and Car Loan Fund	245,250,000	245,250,000
DEVELOPMENT BUDGET		

Construction of New County Assembly Chambers	200,000,000	200,000,000
Construction of Speaker's Residence	35,000,000	35,000,000
Refurbishment of Offices	25,000,000	25,000,000
Construction of Underground Water Tank	15,000,000	15,000,000
Refurbishment of Old Chambers	40,000,000	40,000,000
Construction of Ward Offices	37,000,000	5,350,465
Construction of Main Administration Block at the Headquarters (On-Going)	19,000,000	19,000,000
TOTAL DEVELOPMENT	371,000,000	339,350,465
GRAND TOTAL	1,715,649,046	1,683,999,511

RECOMMENDATIONS

Mr. Speaker Sir,

The committee of budget has proposed the following recommendations for the FY, 2022/2023 Budget Estimates:-

- **THAT**, pending bills that have been determined as legally payable shall be settled and clearance matrix be put in place by all departments. The County Treasury should come up with a framework for the completion of stalled and on-going projects by ring-fencing funds in FY, 2022/23 budget estimates to ensure completion of all projects since 2013 before funding any new projects.
- **THAT**, for ease of implementation of the budget, departments should fast-track preparation of annual work plans and the procurement plans. The 2022/23 Budget implementation schedules of all departments should be ready and the same

submitted to the County Assembly to facilitate oversight roles of the sector committees on departmental projects.

- **THAT**, the Kisii County Climate Change Fund be operationalized.
- **THAT**, the department of education to improve remuneration of ECDE caregivers in line with the new schemes of service.
- **THAT**, to support ongoing reduction in the fiscal deficit, the County treasury should strive to forecast County own revenues with certainty to avoid creation of unsustainable pending bills and also put in place sound debt management policies. The department of revenue is directed to undertake mapping of all possible revenue streams and ensure the County Government Valuation Roll is duly updated.
- **THAT**, quarterly reporting on budget implementation status, all departments should not only report on financial performance aspects but also non-financial performance by programmes/projects.
- **THAT**, the County assembly should strengthen objective oversight on departmental units by empowering of the technical staff and members of county assembly to ensure regular reviews of sectoral reports and follow up on house recommendations.

Mr. Speaker Sir, in conclusion and pursuant to the provisions of Section 131 (2) of the Public Finance Management Act 2012 and Standing Order 207 (5) and (6), the County Budget and Appropriation Committee recommends to the County Assembly to adopt the Kisii County Budget Estimates for the FY 2022/23.

Sign.....Date.....

Hon. Dennis Ombachi, MCA

CHAIRMAN, BUDGET AND APPROPRIATIONS COMMITTEE