BCA| B&A| S| 2017/15

REPUBLIC OF KENYA

COUNTY ASSEMBLY OF BOMET

FIRST ASSEMBLY- FIFTH SESSION

BUDGET AND APPROPRIATION COMMITTEE

2ND REPORT

ON THE BOMET COUNTY MEDIUM TERM COUNTY FISCAL STRATEGY PAPER 2017-2018 TO 2019-2020 FY

Tabled on 1st March, 2017
at 9:00 am

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1 PREFACE

1.1 Background

Mr. Speaker Sir,

On behalf of the Members of the Budget Committee and as required under standing order No. 190, may I take this opportunity to present to the House, the Committee's Report on the Medium Term County Fiscal Strategy Paper (CFSP) for FY 2017-2018 submitted to the County Assembly by the Executive Committee Member for Finance.

Mr. Speaker sir,

The Budget and Appropriation committee as currently constituted comprises of the following Honorable members:

1. Hon. Benard Ngeno – Chairperson
2. Hon. Reuben Langat V. Chair
3. Hon. David Rotich Big Five
4. Hon. Josphat Kirui
5. Hon. Samwel Bor
6. Hon. John Ngetich
7. Hon. Leonard Kirui
8. Hon. Wilson Keter
9. Hon. John Molel
10. Hon. Samson Towett
11. Hon. Leah Kirui
12. Hon. Julius Korir
13. Hon. Patrick Chepkwony

1.1 Mandate of the Committee

The standing order No. 190 establishes the Budget and Appropriation Committee with specific mandate to:

a) ***Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County Budget.***
b) ***Discuss and review the estimates and make recommendations to the County Assembly.***
c) ***Examine the County Fiscal Strategy Paper presented to the County Assembly;***
d) ***Examine Bills related to the County budget, including Appropriations Bills; and***
e) ***Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.***

1.2 Examination of the Medium Term Fiscal Strategy Paper

Mr. Speaker sir,

The provisions of the PFM Act, 2012 require the County Executive Member for Finance to submit the approved Fiscal Strategy Paper to the County Assembly by the 28^{th} February of each year. The Act further states that, not later than fourteen days after submitting the County Fiscal Strategy Paper to the County assembly, the County Assembly shall consider and may adopt it with or without amendments.

Mr. Speaker sir,

In reviewing the County Fiscal Strategy Paper, the Budget and Appropriation Committee held a three sittings and one report writing retreat. During these meetings, the Committee managed to get the views of the Clerk in regard to the County Assembly ceilings and priorities. The views were required to allow the Committee members to make an informed judgment.

1.3 Acknowledgement

Mr. Speaker sir,

The Committee is grateful to the Assembly administration for facilitation, Clerk for his clarifications on matters touching on Assembly and last but not least legal and budget officers for their invaluable input.

1.4 Affirmation and approval

Mr. Speaker sir,

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

Signed---Hon. Benard Ngeno---

THE HON. BENARD NGENO

CHAIRPERSON, BUDGET & APPROPRIATION COMMITTEE

Date---1/3/2017.---

We, honourable members of the committee on Budget & Appropriation, do hereby affix our signatures to this report to affirm our approval and confirm its accuracy, validity and authenticity:-

No.	Name	Position	Signature
1.	Hon. Benard Ngeno	Chairperson	
2.	Hon. Reuben Langat	Vice Chairperson	
3.	Hon. Leonard Kirui	Member	
4.	Hon. Samwel Bor	Member	
5.	Hon. Josphat Kirui	Member	
6.	Hon. Patrick Chepkwony	Member	
7.	Hon. Wilson Keter	Member	W. K
8.	Hon. John Molel	Member	
9.	Hon. Leah Kirui	Member	
10.	Hon. Samson Towett	Member	Sam Towett
11.	Hon. Julius Korir	Member	
12.	Hon. David Rotich Big Five	Member	
13.	Hon. John Ngetich	Member	

2 ANALYSIS OF THE BOMET COUNTY FISCAL STRATEGY PAPER FOR COUNTY 2017 AND THE MEDIUM TERM

Mr. Speaker sir,

2.1 Overview

The County Fiscal Strategy Paper (CFSP) is an important document in the budget cycle. It is safe to equate the document with National policy statement. A County Assembly approved Fiscal Strategy Paper is as good as a budget. The document sets out broad objectives, policy goals and strategic priorities that guide the County Governments in preparing their budgets both for the following financial year and over the medium term. Ideally, it should contain four key elements as explained below:

Budget performance in the previous year and the first six months of the current year:

Since the document is produced in February, it should then contain data on revenue and expenditure from June to December. These performance data is important for making decisions about what is realistic going forward.

Projections of the total budget (revenue, expenditure and deficit) for the coming financial year:

While the projections is at a highly aggregate level, it should include broad categories for revenue (National Revenue Allocation, County Own Revenue, Conditional grants, etc.) and expenditure for both Recurrent and development.

Priorities in the budget. The narrative section on priorities in the CFSP should explain the choices made in the coming budget year among different sectors, for example why education is prioritized more than the health sector. We can then examine the budgets for each sector to see if the narrative and the numbers match. It should be possible to then link these narrative explanations to the numbers in the ceilings section.

Ceilings are the maximum amount of funds going to each sector. The CFSP determine the final distribution of funds across sectors. The sector ceilings, and how it changes over time, are useful for understanding which sectors will be prioritized in the coming year.

2.2 LEGAL FRAMEWORK

Mr. Speaker Sir,

Section 117 of the PFM Act provides that;

"(1) The County Treasury shall prepare and submit to the County Executive Committee the County Fiscal Strategy Paper for approval and the County Treasury shall submit the approved Fiscal Strategy Paper to the county assembly, by the 28th February of each year.

(2) The County Treasury shall align its County Fiscal Strategy Paper with the national objectives in the Budget Policy Statement.

(3) In preparing the County Fiscal Strategy Paper, the County Treasury shall specify the broad strategic priorities and policy goals that will guide the county government in preparing its budget for the coming financial year and over the medium term.

(4) The County Treasury shall include in its County Fiscal Strategy Paper the financial outlook with respect to county government revenues, expenditures and borrowing for the coming financial year and over the medium term.

(5) In preparing the County Fiscal Strategy Paper, the County Treasury shall seek and take into account the views of—

(a) the Commission on Revenue Allocation;

(b) the public;

(c) any interested persons or groups; and

(d) any other forum that is established by legislation.

(6) Not later than fourteen days after submitting the County Fiscal Strategy Paper to the county assembly, the county assembly shall consider and may adopt it with or without amendments.

(7) The County Treasury shall consider any recommendations made by the county assembly when finalising the budget proposal for the financial year concerned.

(8) The County Treasury shall publish and publicise the County Fiscal Strategy Paper within seven days after it has been submitted to the county assembly.

2.3 Legal compliance of the County Fiscal Strategy Paper 2017

Mr. Speaker Sir,

The committee carried out an assessment on the extent to which the County Fiscal Strategy Paper for Bomet 2016 budget has complied with legal compliance and obtained the following results;

Item	**PFM Section**	**% Level of Compliance**	**Comment**
Submission of the County Fiscal Strategy Paper by 28th February every year	117(1)	4 out of 5 80%	Submitted on 13th January way after the period recommended by the National guidelines owing to the forthcoming general election.
The County Fiscal Strategy Paper should align with national objectives in the Budget Policy Statement 2016.	117(2)	3 out of 5 60%	The Fiscal strategy paper has outlined the national objectives. The CFSP has prioritised investment in infrastructure, healthcare services and social safety net being some of the key objectives in the Budget Policy Statement.
Adherence to Fiscal responsibility principles	107(2)(f) and PFM regulation 25(2)	2 out of 5 40%	The paper did not outline how the county will manage fiscal risks including how it intends to deal with perennial pending bills. It does not also expound on how the county intends to address the worrying growth rate of wage bill.

The total resources allocated to individual programmes and projects within departments for the period identified indicating outputs expected from such programme or project during the period.	-	0 out of 5 0%	There are no allocations to the listed programmes for each sector.
The principle of public participation and other stakeholders is a requirement in the Constitution.	117(5)	4 out of 5 80%	The CEC for Finance complied with the county assembly resolutions requiring him to submit evidence of public participations. However, there is no clear information to show how the views of the different stakeholders were incorporated. It is not clear whether CRA was consulted during the preparation of the document.
Total Level of Compliance	-	**13 out of 25** **52%**	-

A compliance rate of **52%** is a drastic drop from **76%** achieved in the CFSP, 2016. There should be no reason as to why the county treasury failed to disclose allocations to programmes. In fact it is pointless to propose departmental ceilings without apportioning to specific programmes. Furthermore, the baseline ceilings do not tally with the approved budget. Lack of this information hinders the Budget and Appropriations and other Departmental Committees from making informed decisions.

2.4 Adherence to Fiscal Responsibility Principles

PFM Act 2012 and the PFM (County) Regulations 2015 require the County Government to adhere to the following guidelines:

i. The County Government's recurrent expenditure shall not exceed the County Government's total revenue;
ii. Over the medium term a minimum of thirty percent of the County Government's Budget shall be allocated to the development expenditure;
iii. The County Government's expenditure on wages and benefits for its public officers shall not exceed 35% percentage of the County Government's total revenue as prescribed by the County Executive Member for Finance in regulations and approved by the County Assembly;
iv. Over the medium term, the County Government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure
v. The County Debt shall be maintained at a sustainable level as approved by County Assembly;
vi. The fiscal risks shall be managed prudently; and
vii. A reasonable degree of predictability with respect to the level of Tax Rates and Tax bases shall be maintained, taking into account any Tax reforms that may be made in the future

2.5 Trend Analysis of County Own Revenue

No.	Revenue Sources	2015-2016 Actual	2016-2017 Target	2017-2018 Projection	% change for 2017/18 using 2015/16 as the base year
1	Property Rates	9,275,843	17,989,835	19,788,818	113%
2	Business Permits	27,350,252	48,090,000	52,899,000	93%
3	Cess Collections	4,243,031	1,650,000	1,815,000	-57%
4	Markets & Slaughter Fees	11,668,305	16,229,580	17,852,538	53%

5	Rental Income	3,675,959	4,138,690	4,552,559	24%
6	Parking Charges	12,301,750	16,983,337	18,681,670	52%
7	Others	18,398,232	10,222,219	11,244,441	61%
8	Hosp/Disp/Health center HSSF	39,723,940	31,680,000	34,848,000	88%
9	Water Revenue	0	0	0	
10	Multi Nationals	40,349,975	60,725,907	66,798,498	66%
11	Agriculture and Food authority	0	67,015,009	0	
	TOTALS	**166,987,287**	**274,724,576**	**228,480,524**	37%

Mr. Speaker Sir,

Table 2.5 shows that the revenue projections for 2017/18 are expected to grow by 37% using the actual revenue collected in 2015/16 as the base year. The revenue projected is more than 20% of the revenue collected in 2015/16 and it requires a lot to be done for it to be achieved. The implication of unrealistic revenue targets is that some programmes end up not being implemented as a result of a budget deficit. Analysis of revenue collected in the financial years 2013/2014 and 2014/15 shows that revenue has been declining and therefore the county should put up tangible measures to address the declining revenue. The table 2.5 further shows that most of the revenue sources have been grouped as either fees, rates etc. This implies that revenue performance per source cannot be easily determined hence hindering the committee from making informed decisions. Revenue from water sector has not been declared with explanation that the revenue is spent at Bomet Water Company. Revenue authorized for spending at source rather than surrendering it to the revenue fund is known as Appropriation in Aid (A.I.A). Revenue can be spent at source only if it complies with section 109 of the PFM Act 2012. Even if the revenue is spent at source it should still be declared as part of county own revenue.

2.6 Analysis of development approved in ADP Vs. proposed CFSP Ceilings

Department	ADP	CFSP	DEVIATION
Administration	68,574,000	*108,200,000*	*39,626,000*
Finance	16,700,000	40,891,655	*24,191,655*

Economic planning and Development	31,250,000	0	*-31,250,000*
ICT, Training and Industry	100,600,000	74,020,000	-26,580,000
Roads, Public Works and Transport	446,156,244	510,049,855	63,893,611
Water Services	550,500,000	340,907,545	-209,592,455
Social Services	432,000,000	123,000,000	-309,000,000
Agri-Business and Cooperatives	224,290,041.60	198,703,265	-25,586,777
Lands, Public Health and Environment	152,289,112	113,891,302	-38,397,810
Education, Vocational Training	260,193,476.60	310,642,023	50,448,546
Medical Services	529,962,530	64,419,851	-465,542,679
County Assembly	380,000,000	0	-380,000,000
TOTAL	**3,192,515,404**	**1,884,725,496**	**1,307,789,908**

Mr. Speaker Sir,

Table 2.6 shows that the approved allocations for development expenditure in the Annual Development Plan 2017/2018 amounted to **Ksh. 3,192,515,404**. However CFSP, a document which is almost certain with County resource envelope indicates that it can support development programmes to a tune of **Ksh.1, 884,725,496,** a reduction of **Ksh. 1,307,789,908.** The deviation **of Ksh. 1,307,789,908** could also be as a result of part of recurrent expenditure which was initially being termed as development expenditure but has since been rectified. These include programmes in the Medical Services and Economic Planning Departments. Table 2.6 also shows that Administration, finance, Roads and Public Works and Education and Vocational Training Sectors have benefited from increased allocation on development funds in the CFSP. However, the CFSP has not indicated the programmes that the additional funds will cater for.

2.7 Detailed Analysis of Personnel Emoluments

	PERSONNEL EMOLUMENTS			
SECTOR	2016/17	2017/18 CFSP PROPOSED CEILINGS	DEVIATION	% CHANGE
COUNTY EXECUTIVES	164,007,525	251,608,278	87,600,753	53%
PUBLIC SERVICE BOARD	29,520,000	30,472,000	952,000	3%
ADMINISTRATION	284,500,000	443,077,636	158,577,636	56%
FINANCE	155,682,465	158,750,712	3,068,247	2%
LANDS, PUBLIC AND ENVIRONMENT	192,496,758	201,746,434	9,249,676	5%
SOCIAL SERVICES	45,206,029	47,226,632	2,020,603	4%
MEDICAL SERVICES	472,366,896	560,603,586	88,236,690	19%
ECONOMIC PLANNING AND DEVELOPMENT	19,996,295	21,995,925	1,999,630	10%
AGRIBUSINESS CO-OPERATIVES AND MARKETING	156,000,000	170,080,171	14,080,171	9%
WATER SERVICES	86,152,032	46,804,635	-39,347,397	-46%
EDUCATION AND VOCATIONAL TRAINING	172,700,000	208,135,411	35,435,411	21%
ROADS AND PUBLIC WORKS	56,400,000	52,642,775	-3,757,225	-7%
ICT, TRAINING & INDUSTRY	28,700,000	64,940,132	36,240,132	126%
COUNTY ASSEMBLY	272,304,300	274,534,730	2,230,430	1%
TOTAL	**2,136,032,300**	**2,532,619,057**	**396,586,757**	**19%**

Table 2.7 shows that some departments had their salaries revised downwards from the previous financial year. These include water services and roads and public works by 46% and 7% respectively. How could this be possible when there are annual wage increments? Are their staffs being retrenched in 2017/18? It can also be deduced from the table that some departments had their salaries rising drastically namely; ICT training and industry, office of governor, administration, medical services, agribusiness cooperatives & marketing, and education & vocational training. It is quite interesting to note that in the analysis of the 2016/17 CFSP, the same departments had drastic increase in salaries. The committee was deeply concerned that

personnel emoluments were rising from 38% to 43% in the next financial year. This shows that the county government was not serious on its statement to adhere to fiscal responsibility principles specifically the one which caps the county government Personnel emoluments at maximum limit of 35% of the total budget. Allocations to personnel emoluments worldwide, increases on annual basis by approximately 3-5% percentage due to annual salary increments.

2.8 Comparison analysis of allocation for Development per sector

SPENDING UNIT	Development			
	2016/17	2017/18 PROPOSED CFSP CEILINGS	DEVIATION	% Change
COUNTY EXECUTIVES	-	-	-	
PUBLIC SERVICE BOARD	-	-	-	
ADMINISTRATION	60,000,000	108,200,000	48,200,000	80%
FINANCE	25,356,050	40,891,655	15,535,605	61%
LANDS, PUBLIC AND ENVIRONMENT	121,756,525	113,891,302	(7,865,223)	-6%
SOCIAL SERVICES	30,698,000	123,000,000	92,302,000	301%
MEDICAL SERVICES	55,400,000	64,419,851	9,019,851	16%
ECONOMIC PLANNING AND DEVELOPMENT	30,000,000	-	(30,000,000)	-100%
AGRIBUSINESS CO-OPERATIVES AND MARKETING	207,081,856	198,703,265	(8,378,591)	-4%
WATER SERVICES	284,000,000	340,907,545	56,907,545	20%
EDUCATION AND VOCATIONAL TRAINING	253,357,706	310,642,023	57,284,317	23%
ROADS AND PUBLIC WORKS	429,777,408	510,049,855	80,272,447	19%
ICT, TRAINING & INDUSTRY	68,200,000	**74,020,000**	5,820,000	9%
COUNTY ASSEMBLY	116,408,716	-	(116,408,716)	-100%
TOTAL	**1,682,036,261**	**1,884,725,496**	**202,689,235**	

Table 2.8 shows that the total allocation for development expenditure in the financial year 2017/18 is KES 1.8847 **Billion.** It is important to note that the amount allocated to development is purely for development programmes, unlike in the past where recurrent programmes were considered as development. The sectors affected are medical service, economic planning and social services. The allocation to development is expected to increase from KES 1.682 **Billion** to KES. 1.8847 **Billion**

3 SUMMARY OF THE PUBLIC VIEWS

Mr. Speaker Sir,

The committee conducted public participation on 23rd February 2017 at Assembly grounds. The event was advertised in newspapers and announced in radio stations. The event was meant to give the opportunity to the public to react on the documents and to confirm whether their views were taken into consideration after the first public participation conducted by the executive during the preparatory stage of the document.

Allocations to motor vehicles should be slashed and be re-allocated

i. Allocations to new ward offices should be slashed and its planned construction postponed.

ii. Allocations should be made for marketing and promotion of cash crops such as coffee and tea

iii. Status of allocations to old persons should be clarified.

iv. Allocations have only considered existing water schemes, and thus wards which have no schemes like Chemaner stands to lose.

v. Allocations should be considered for the2nd phase of the Assembly Chamber.

vi. Locations of projects should be specified.

i. Allocations to agri-business, co-operatives development and marketing should be increased.

ii. Allocations for water services should be increased and that there should be equity in allocations to wards.

iii. Expenditure on previous allocations should be provided.

iv. Complete stalled ECDs before allocating funds for new ones. However other members of the public felt that any allocations of ECDs should be for new projects. And follow up of previous allocations should be fast tracked

v. Allocations to motor vehicles should be re-allocated to medical services

vi. County should stick to schedule four of the constitution on its functions

vii. There is no need of allocating funds for electricity connection to schools since the programme had already been implemented by National government.

viii. On-going bridges should be prioritized in terms of allocations.

ix. Sizes and locations of lands acquired or planned for acquisition as well as their purpose should be specified.

x. Follow up on previous allocations should be prioritized

xi. Allocations should be made for opening up of new roads.

4 VIEWS FROM SECTORAL COMMITTEES

Sectoral committees reviewed the document and submitted their views to Budget and Appropriation committee. The committees raised pertinent issues of concern which requires clarifications from their respective CECs. These observations are attached to this report as annexure 1. The committee recommends that the sectoral committees seeks for clarifications from their respective department in order to ease processing of the forthcoming budget estimates.

5 FINDINGS AND OBSERVATIONS

Mr. Speaker Sir,

Upon review of the document, the committee made the following findings and observations;

1. The revised ceilings in the current financial year 2016/17 were not drawn from The Bomet County Appropriation Act 2016 and hence could not be relied upon by the committee as they were obviously misleading. The CEC for Finance defended the issue by stating that that the budget estimates approved by the county assembly for the FY ending 30th June 2017 had been adjusted significantly with regards to changes in wages and other expenditure items of the county executive. It is clear that the CEC relied on the "submitted" supplementary budget. However it would have been more procedural had the CEC used approved budget. The revised ceilings (supplementary budget) have not yet been processed. The executive should therefore cease from relying on unprocessed documents. Who approved the revised ceilings? This is because the Assembly had not revised any allocations appropriated in the Bomet County Appropriation Act 2016, a valid Act of this house Mr. Speaker. To put it into context, the total appropriated amount

for the financial year 2016/17 as per the Act is Kshs. 5,644,992,676. However, the CFSP indicates the total amount as Kshs. 5,582,950,295. Neither the committee nor, I believe by extension, this house is privy to whereabouts of this figures.

2. Further review of the document reveals that despite indicating programmes to be undertaken by various departments/entities in the 2017/18 CFSP, the total resources allocated to individual programmes and sub-programmes within departments for the period have not been provided. Despite Assembly's resolutions requiring the CEC for finance to address the issue, he instead chose to challenge the decision arguing that it was unnecessary as they will be provided in the budget estimates. The committee wishes to remind the CEC that availing such information will assist the committee in appreciating the proposed ceilings for each spending unit. Without such vital justification, the county treasury should be prepared to accept any eventuality that the committee arrives at including any adjustment made.

3. The committee also established that the achievements highlighted in the 2017/18 CFSP are a complete replica of what was contained in the 2016/17 CFSP. The CEC for finance defended this by arguing that the spending priorities have not changed four years since inception of devolution. He further submitted that poverty, inequality and unemployment continue to negatively affect the lives of many of our people. The committee observes that while this may be an honest reflection, it is a clear indication that we are far cry from achieving the promises we made to our people. Can we say this is the time to try other policy prescriptions?

4. The committee also noted that the reasons cited for low revenue collection as well as the proposed measures to increase revenue collection in the financial year 2017/18 is a complete replica of what was provided in the financial year 2016/17. This means that the county treasury has no plans of improving the collection local revenue, hence over reliance on the equitable share by the county government.

5. A further analysis in the document reveals that the expenditure on wages is expected to increase from 38% to 43% in the financial year 2017/18. This contravenes the fiscal

responsibility principles as stated in the PFM Act 2012 and PFM (county) Regulations 2015.

6. The statement on fiscal risk was not satisfactory if the past known and future prospect on fiscal outlook of the county was anything to go by. The members of this house, **Mr. Speaker Sir**, will recall if they have been reading the past budget implementation reports from the controller of budget that in one instant, the county had pending bills amounting to Ksh. 200 million. However the CEC defended this arguing that in his view, pending bills will not be significant enough to pose any financial risks to the county government.

7. The CEC for finance stated that the commission on Revenue Allocation was consulted and their views incorporated during the preparation of the document. However, no evidence or proof by way of copies of correspondence was availed in support thereof. The CEC however complied with assembly's resolution by providing evidence of public participation conducted at sub-county levels.

COUNTY ASSEMBLY

Mr. Speaker Sir,

8. The committee had invited the County Assembly Clerk to provide his views on the part touching on the County Assembly. The Clerk disputed the contents attributable to the County Assembly in the document arguing that there was no prior consultation or any intention by the CEC for Finance to ensure consultation was carried out before finalizing the document. He stated that despite his written attempt requesting for CEC for Finance to discuss on Assembly's priorities and ceilings, the CEC responded that it was their decision that such consultation should be carried out after the document has been tabled in the Assembly thereby locking the Assembly's administration input on the document. This situation forced the committee to recommend to the CEC to carry out the required consultation. The recommendation was adopted and the CEC was notified accordingly. However, the CEC for finance deliberately, for unknown reason, avoided the issue.

As a result and with intention of bringing the issue to closure, the committee ignored the Assembly ceilings submitted by the CEC for Finance and deliberately requested the County Assembly Clerk to submit his own proposal on Assembly priorities and ceilings directly to the committee. The committee arrived at this decision owing to the CEC for Finance failure to consult the Assembly on its ceilings despite Assembly's resolutions asking him to do so and cognizant of the fact that there was need to safeguard the independence of the Assembly and separation of powers envisaged in the creation of the two arms of the county government.

6 COMMITTEE RECOMMENDATIONS

Mr. Speaker Sir,

In view of the foregoing observations, the committee arrived at the following raft of recommendations;

1. The Committee set the ceilings for the two arms of government as follows:

   A. County Executive: **KES 5,046,279,288** comprising of;
      - **KES 2,195,084,327** for personnel emoluments, **KES 1,144,629,278** for operations and maintenance and **KES. 1,706,565,683** for development expenditure

   B. County Assembly: **KES. 849,765,837** comprising of;
      - **KES. 509,765,837** for recurrent,
      - **KES. 130,000,000** for car and mortgage loans for Members of the County Assembly in the second Assembly in line with SRC circulars. The deposits in Transnational Bank should be used to address the resulting deficit of **KES. 50 Million.**
      - **KES.10, 000,000** for car and mortgage loans for county assembly staff in line with SRC circulars to top up the current budgetary allocation of **KES. 6 million** to **KES. 16 million.**
      - **KES.200 million** for Assembly's development expenditure.

2. The expenditure will be funded from revenues amounting to **Ksh. 5,896,045,125** of which **Ksh. 5,420,093,145** is from national equitable share of resources, **KES. 228,480,524** from local revenues and **Ksh. 247,471,456** from donor funding and conditional allocations by the National Government.

3. It is worth noting that the proposed expenditure ceilings for the Executive and county Assembly as submitted by the CEC for Finance and County Assembly clerk respectively amounted to **KES. 6,466,867,462** which was way above the resource envelop of **KES.5, 896,045,125.** Therefore the above ceilings were arrived at by making the following necessary but unavoidable adjustments in order to ensure that expenditure fits into the resource envelope.

a. Adjustments made in the County Executive

i. **Administration department**:
  - **KES. 63 million** was reduced owing to unsupported/unjustified increment in personnel emoluments.
  - **KES. 39,626,000** were reduced from development to balance the budget and to uphold approved allocations in the Annual Development Plan.

ii. **Finance department**:
  - **KES. 24,191,655** were reduced from development to balance the budget and to uphold approved allocations in the Annual Development Plan.

iii. **Roads department**:
  - **KES. 63,893,611** were reduced from development to balance the budget and to uphold approved allocations in the Annual Development Plan.

iv. **Economic Planning department:**
  - **KES. 10 Million** were reduced from operations and maintenance to balance the budget. The committee noted that allocations made to the department for spatial planning in the current FY have not been utilized casting doubts on its implementation.

v. **Water department:**
  - **KES. 100 million** were reduced from operations and maintenance due to unjustified increase from the current allocations. This reduction also addressed the deficit in the proposed ceilings.

vi. **Education and Vocational Training department:**
  - **KES. 50,448,546** were reduced from development expenditure ceiling to balance the budget and to uphold approved allocations in the Annual Development Plan.

b. Adjustments made in the County Assembly proposed ceilings

In accordance with the committee resolutions; the county assembly clerk submitted assembly ceilings and priorities as follows;

i. Recurrent Expenditure of **Kshs 509 million** as per the CRA's recommendations
ii. Car Loan and Mortgage Scheme for members of the County Assembly Kshs 180 million
iii. Development expenditure Kshs 380 million as per the ADP.

As stated earlier the committee noted that the assembly proposed budgetary requests when combined with CEC for Finance budgetary proposals will exceed the county's available resources. As a result the committee proposes to adjust Assembly proposed budgetary ceilings as follows;

i. To retain recurrent expenditure as per CRA recommendations at **KES. 509,765,837.**
ii. That the proposed allocations of **Ksh. 180 million** for car and mortgage loans for Members of the County Assembly in the second Assembly in line with SRC circulars be reduced by **KES. 50 million** to **KES. 130,000,000**. That **KES. 50 Million** domiciled at Transnational Bank as collateral for car and mortgage loans for the MCAs in the first Assembly be used to cater for the resulting deficit.
iii. The committee allocated **KES.10, 000,000** for county assembly staff car and mortgage loans in line with SRC circulars to top up the current budgetary allocation of **KES. 6 million** to **KES. 16 million.**
iv. That Assembly's proposed development expenditure be reduced by **KES. 180 million** from **KES. 380 million** to **KES 200 million** comprising of **KES 95** million to complete the first phase which was allocated **KES. 116,408,716 in the FY 2016/17** and **KES 105 million** to start the 2nd Phase. That Assembly's development be implemented in three phases each phase being allocated **KES. 210 million**. The reduction was made so as to address the deficit in the budget.

4. **That approved ceilings for each spending unit after effecting the aforesaid adjustments are;**

SECTOR	PERSONNEL EMOLUMENTS	OPERATION & MAINTENANCE	DEVELOPMENT	TOTAL
COUNTY EXECUTIVES	251,608,278	216,798,212	**0**	**468,406,490**
PUBLIC SERVICE BOARD	30,472,000	19,800,000	0	**50,272,000**
ADMINISTRATION	380,077,636	90,243,700	68,574,000	**538,895,336**
FINANCE	158,750,712	122,120,538	16,700,000	**297,571,250**
LANDS, PUBLIC AND ENVIRONMENT	201,746,434	16,522,388	113,891,302	**332,160,124**
SOCIAL SERVICES	47,226,632	59,717,290	123,000,000	**229,943,922**
MEDICAL SERVICES	560,603,586	**365,958,806**	64,419,851	**990,982,243**
ECONOMIC PLANNING AND DEVELOPMENT	21,995,925	45,018,238	**0**	**67,014,163**

AGRIBUSINESS,CO-OPERATIVES AND MARKETING	170,080,171	40,355,040	198,703,265	**409,138,476**
WATER SERVICES	46,804,635	31,801,316	340,907,545	**419,513,496**
EDUCATION AND VOCATIONAL TRAINING	208,135,411	10,258,899	260,193,476	**478,587,786**
ROADS AND PUBLIC WORKS	52642775	81,515,839	446,156,244	**580,314,858**
ICT, TRAINING & INDUSTRY	64,940,132	44,519,012	**74,020,000**	**183,479,144**
COUNTY ASSEMBLY	274,534,730	375,231,107	200,000,000	**849,765,837**
TOTALS	2,469,619,057	1,519,860,385	1,906,565,683	**5,896,045,125**
	42%	26%	32%	

Mr. Speaker Sir,

In conclusion, the above proposed new areas of funding and re-allocations do not add an extra burden to the Fiscal framework. Indeed, the Committee has adhered to the total gross revenue projections of **KES. 5,896,045,125.** Therefore, the recommendations by the Committee do not create an additional financing gap.

ANNEXURE 1 SECTORAL COMMITTEES' VIEWS ON THE CFSP 2017

A. COMMITTEE ON ADMINISTRATION, PEACE, JUSTICE AND LEGAL AFFAIRS

Office of the Governor and Administration

The office of the Governor provides an overall coordination of the other departments in the county for effective, timely and efficient implementation of policies and programs including vision 2030 and Sustainable Development Goals (SDGs)

In reviewing and analyzing the CFSP, the following key areas guided the committee in making observations, noting emerging issues and recommendations

1. Priority programs (spending priorities for 2017/18)
   a) policy development
   the department shall develop policies which will be used as guideline in projects and program implementation.
   b) General Administrative Services
   To co-ordinate and provide administrative Services to all department to enable efficient service delivery.
2. Challenges that warrant funding
   The department faces a number of challenges and difficulties which includes-:
   a) Inadequate office space
   b) Lack of information
   c) Inefficient communication systems
   d) Inadequate means of transport
   e) Political interference
   f) High and at times unrealistic expectations from the public.
3. Expenditure Ceilings

Budget ceilings

2016/2017	2017/2018	2018/19	2019/20
626,837,578	641,52 1,336	700,673,469	775,740,816

Committee observations

Why the increase in the cost of construction of ward offices from 6 million to 9 million

Agreement between the county Government and nacada

Why more vehicles are they being purchased

Approval of the BOCABCA by the County Assembly

Priority programs (spending priorities for 2017/18)

There are two programs

B. FINANCE, ICT &ECONOMIC PLANNING COMMITTEE

REPORT ON THE CFSP 2017 FOR FINANCE, ICT, ECONOMIC PLANNING AND DEVELOPMENT SECTOR

In reviewing and analyzing the CFSP, three key sectors were examined by the Committee. **Finance, ICT, Economic Planning and Development** .The following **key areas** guided the committee in making observations, noting emerging issues and recommendations

Areas examined related to finance included fiscal responsibility, fiscal policy, fiscal reforms and revenue.

Key areas of the Committee

1. Sector achievement
2. Priority programs(spending priorities for 2017/18)
3. Challenges that warrant funding
4. Expenditure Ceilings

Committee observations

Table1. Sources of Revenue

As shown in Table 1, the main sources of revenue are rates and single business permits. Revenues from other sources are largely fees and incomes and need to be separated to clarify revenue from charges for services, licenses and investment incomes. Revenues from water are utilized for operations and maintenance by the water company. Fiscal reforms carried out in 2016/2017 including automation of revenue system and enactment of Finance Act 2016 will help increase revenue and reduce leakages.

Table 1: Sources of Revenues 2015-2016		**2016-2017**	**2017-2018**	**2018-2019**		**2019-2020**
No.	**Revenue Sources**	**Actual**	**Target**	**Projection**	**Projection**	**Projection**
1	Property Rates	9,275,843	17,989,835	19,788,818	21,767,700	23,944,470
2	Business Permits	27,350,252	48,090,000	52,899,000	58,188,900	64,007,790
3	Cess Collections	4,243,031	1,650,000	1,815,000	1,996,500	2,196,150
4	Markets & Slaughter Fees	11,668,305	16,229,580	17,852,538	19,637,792	21,601,572
5	Rental Income	3,675,959	4,138,690	4,552,559	5,007,814	5,508,596

6	Parking Charges	12,301,750	16,983,337	18,681,670	20,549,837	22,604,821
7	Others	18,398,232	10,222,219	11,244,441	12,368,885	13,605,773
8	Hosp/Disp/Health Centres(HSSF)	39,723,940	31,680,000	34,848,000	38,332,800	42,166,080
9	Water Revenue	0	0	0	0	0
10	Multi Nationals	40,349,975	60,725,907	66,798,498	73,478,348	80,826,182
11	Agriculture and Food Authority	0	67,015,009	0	0	0
TOTALS		**166,987,287**	**274,724,576**	**228,480,524**	**251,328,576**	**276,461,434**

ii. Fiscal Policy Reforms

Inappropriate tax systems threaten budget stability which leads to inefficient public services and slow economic growth. The county through the enactment of Finance Act 2016 has established systems to attain sound economic policies. The county government has reformed the tax regime to increase the tax effort without necessarily imposing undue burden on the taxpayers.

On tax modernization, the county has procured revenue automation system to promote efficiency of revenue administration and to reduce leakage of revenues. Connectivity will be extended to sub-county revenue offices through installation of a WAN system. A county rating act will be passed to provide for the levying of rates and trade licensing act will be enacted to provide for levying of licenses, fees and charges. The county will also undertake consultations on the role of Kenya Tea Growers Association in the collection of tea cess.

The county is now receiving benefits on tea levies previously collected by Tea Board of Kenya and now collected by the Tea Directorate of the Agriculture, Fisheries and Food Authority.

In the meantime, to maintain certainty revenues will be collected on a calendar year basis. The county has been zoned into three areas for the purpose of promoting equity. Bomet town is classified as zone A, Sotik town as zone B and other areas as zone C, with the level of taxation to be charged in each zone on descending order. This classification will apply mostly to payment of rates, SBP, market fees and parking fees. In the financial year 2016/2017, the county government is likely to surpass the revenue target since the finance bill was passed on time.

In the medium term the Treasury will maintain the 2016/17 disciplined expenditure management and implementation of savings measures on operations and maintenance which continues to improve the County's fiscal position. The County government has also maintained close partnership with various development partners to mobilize resources for better service delivery.

Priorities of Ministries and Departments

1. **Finance**

I. **Achievements**

Finance sector achievement-pg 25

-First phase of revenue automation has been covered which is unstructured revenue stream.
-Second phase to be completed by end of second financial year.
-FMIS compliance for f/y 2016/17 is at 80%.
-IFMIS is yet to be roll out to departments and Sub-Counties

II. **Spending priorities and programs**

The Finance department has two programs
Programme1: Financial Management Services
Objective: To mobilize, budget and prudently manage financial resources
2. Programme2: General administrative services
Objective: To co-ordinate and provide administrative Services to all departments

Challenges

Despite the achievement the department also has been facing the following challenges; Inadequate Financial Resources, Delay in disbursements of funds from the National Treasury and **Integrated Financial Information System (IFMIS) infrastructure not in place yet.**

Spending Priorities 2017/2018 Pg. 52

-Revenue_Automation
-Automation of Level 4 hospitals (Longisa, Cheptalal and Sigor Hospitals)
-Automation of Embomos Tea Farm

(c) Expenditure Ceilings

In the f/y 2017/18 the finance sector Development ceilings is Ksh.40, 891,655, a reduction from the previous allocations of Ksh. 75,356,050.

Issues noted on programs and expenditure ceilings

i. Revenue collection has been a terminal challenge. This is partly contributed by the fact that Trade Licence Act was not enacted. The delay in passage of Finance Bill 2016 has also contributed to this.
ii. The status of automation of revenue in Longisa Hospital should be verified since allocation has been done for the past two years of which was supposed to have been complete and operational.
iii. It is also stated that Integrated Financial Information System (IFMIS) infrastructure not in place yet is a challenge yet in the achievements, it was stated that it is at 80% and this is contradictory.

III. **ICT, Training & Industry**

2.1 Program Objectives/overall Outcome

1 Programme1: ICT Development

Objective: To develop ICT infrastructure for efficient and effective service delivery

Challenges

The ICT department is faced with a challenge of inadequate budgetary allocation especially for ICT Infrastructure development, which is basement for installation, or development of any system. The implementation of ICT roadmap (2015-2020) is capital intensive and the department will seek to work with other partners in 2017/18 FY to operationalize it.

Spending Priorities 2017/2018

i. ICT infrastructure and connectivity development

ii. Embrace ICT technology – ICT satellite in all sub county offices

iii. Policy formulation and drafting

IV. **Economic Planning and Development**

The economic planning and development department derives its mandate from Section 107 of the county Government Act, 2012. The department is charged with production of comprehensive and reliable population data, county statistics and preparation of county development plans. It develops county monitoring and evaluation framework and coordinates the monitoring and evaluation of implementation of development projects. It also carries out research and analysis, economic modelling and forecasting and feasibility studies.

Part C- Programs/development priorities

Program 1: Policy and Administrative services

Objective: To enhance provision of quality administrative Services, development and implementation of sound policies

Program 2: Monitoring and evaluation services

Objective: To promote M&E culture and practice through prudent planning and implementation of development programs and policies

Program 3: Planning services

Objective: To enhance development and implementation of quality plans and collection of reliable statistics.

Challenges

Achievements notwithstanding, the department is faced with some challenges which include; inadequate financial resources, inadequate capacity and inadequate transport for the department as a whole and particularly for M&E field visits.

Spending Priorities 2017/2018

Review of CIDP

Review of CIDP (Public Participation and sector presentations)

Develop the next five year CIDP for 2018-2023

Baseline survey

Baseline surveys for the whole county

Comprehensive M&E report

Spatial plan

Issue noted –Spatial Plan was supposed to be submitted in eary January 2017 but that has not happen.

CIDP was supposed to be reviewed after 2 yrs and reviewing it after 5 years would not make impact.

4.5 Summary

As all programs and projects developed through the CIDP cannot be fully funded, ministries will develop viable public investments for additional funding under PPPs or with the support of the national government or development partners. These projects will be incorporated in the budget once agreements for support have been signed.

Summary/overall challenges

Several challenges were identified which require attention in the short to medium term. These include:

Lack of data: this especially true for macroeconomic data required for developing indicators on the performance of the county. The county will work with the national government, development partners and institutions of higher learning to address the problem.

Financial constraint: The county government is in the first stages of implementing the revenue automation aimed at improving revenue collection. Three pieces of revenue legislation which are before the county assembly once enacted will provide an appropriate framework and powers for revenue collection.

Overreliance on national revenue allocations: this imposes constraints the county budget especially the funding of public investments. It is expected that appropriate regulations governing guarantees will be agreed between county governments and the national government to enable the counties to supplement national revenue allocations with borrowing. The county will also develop a resource mobilization strategy to provide guidelines on borrowing and engagement with donors.

C. OBSERVATION OF THE COMMITTEE ON LANDS, HOUSING AD URBAN PLANNING ON THE CFSP

- The department did not clearly indicate how the enforcement officers enforce law in the riparian areas.
- The department has been allocated money in the budget for street lighting but this has not been implemented in most parts of the County
- Modern markets have not been constructed to date and yet allocations for the same had been captured in the budget for over three years

- It was noted that there are markets that have been constructed but are not utilised. It was emphasised that Mogogosiek market was constructed that by the defunct County Council.
- Modern toilets that have been budgeted for in previous years are not yet operational to date in some wards.

RECOMMENDATIONS

- The department does not need an increment of 40 million.

D. SOCIAL SERVICES

OBSERVATIONS OF THE COMMITTEE

- In the support for vulnerable groups, PWDs is not factored in yet it was there in the Annual Development plan.
- The department has always budgeted for 10 charitable children institutions and 10 special needs institution and the committee was concerned why the number has never changed
- The department did not specify the number of sporting activities to be developed.
- The targets keep changing
- The department should give the total number of PWDs in the entire county and indicate the number of PWDs who have been supported.
- The department should have a policy guideline in terms of the extent they should support the PWDs

Reccommendations

- There should be harmonization of roles to know which roles belong to the County Government and those of the National Government.
- Recheck why the funds for the elderly persons cash transfer programs were not factored in. Whether it was affected by the letter from the controller of budget

E. COMMITTEE ON AGRICULTURE

Committee's Observation, Findings and Recommendation

1. Allocations lumped on programs and sub programs should at best be itemized
2. Acquired assets e.g generators for cooling plants for Cooperatives should be properly housed to enhance durability
3. Planning for Multipurpose Cooperative Societies which have since stopped the funding… need more allocation geared towards the same
4. The status chicken slaughter facility in Chebole, Kipsonoi ward need to be ascertained because the same has been budgeted for from previous budgets- no more allocations should be advanced towards it.

5. Building of food stores should not be funded until when the County is assured of food security.
6. Provision of adequate veterinary resources and materials in (Semen and liquid nitrogen) Sotik, Chemagel Ward
   -the committee should consider having a site visit to the area.

F. COMMITTEE ON ENERGY, ENVIRONMENT, WATER AND NATURAL RESOURCES

REPORT ON THE CFSP 2017 FOR WATER,ENERGY &IRRIGATION SECTOR

In reviewing and analyzing the CFSP, three key sectors were examined by the Committee. **Water, Environment/Natural Resources and Energy** following .The following key areas guided the committee in making observations, noting emerging issues and recommendations

5. Achievements
6. Priority programs(spending priorities for 2017/18)
7. Challenges that warrant funding
8. Expenditure Ceilings

Committee observations

I. ENERGY SECTOR

(a) Achievements-pages 26(Energy)

1. County Asset Map was developed for investment in small hydro, biomass, and solar PV.
2. County partnered with REA under matching fund initiative to complete power installation in public institutions-480 primary schools, 63 health centers and over 20 water works have been connected.
3. Iria-Maina Cooperative Society was supported to construct Somorio Mini hydro power plant.

Priority programs (spending priorities for 2017/18) Energy Sector page 57

1. Program 5 is Energy development- which targets to promote affordable renewable energy and increase coverage of electricity to over 80% of the county by 2017.
2. Summary of programs and spending priorities

Program	Sub-Program-4
Energy development	Promote affordable renewable energy
	Power generation and development
	Expansion and management of street lights in selected urban centres.
	Street Lighting

3. Total development expenditure ceilings for the entire department is **Ksh.74,020,000,** an increment from the current **Ksh.63,200,000** and a reduction from is **Kshs. 100,600,000** as proposed in the 2017/2018 ADP.
4. Challenge noted is the capital intensive nature of energy infrastructure.

Issues and recommendations on achievements under energy

1. Number of megawatts so far generated at Iria-Maina power plant since 2013 after county funding.
2. Contract agreement between the County Government and REA in terms of power connection/supply to primary schools and health facilities. How much has the County used in this kind of joint funding? A list of the said 480 primary schools and the 63 health centers that have benefited should be provided.
3. There is no County Energy policy so far formulated yet since 2013 promises to develop the policy were made. This should be developed to address particularly on funding renewable energy-solar, biogas, hydro and wind power

II. Water &Irrigation Sector

Achievement for (Water &Irrigation Refer to pg. 32)

There are two programs for Development

Program	Sub-program	Allocations (Ksh.)
Programme1: Planning and Administrative Services	Include policy, administrative, Planning and capacity building	-
Programme2: Water Supply Infrastructure Development	Upgrading of existing water supply schemes for expansion of supply coverage.	201 Million
	Development, rehabilitation & protection of water points and community sensitization	25million
	Development of Irrigation infrastructure	50million
	Resource mobilization – counterpart contribution for funding from development partners and project proposals	22million
	Implementation of Bomet Integrated Development Program -BIDP(Grants)-upgrading Sergutiet water supplies	80million
	Support to Bomet Water Company	116.8million

	(Grants).	
TOTAL FOR DEVELOPMENT		Shs.494.8 Million

(b) The document indicated on page 62 that the two program will require budgetary allocation amounting to Ksh. 535.7 million in the f/y 2017/18. This exceeds the given ceilings as stated in Table 4. On page 80.

(c) The challenges water sector faces, as noted include; huge financial investment. The Department seeks to address this through partnership and resource mobilization. Secondly, the declining of water resources due to climate change and environmental degradation, among others, adversely affects provision of adequate water supply. In addition, the existing water supply schemes cannot meet the growing demand for water across the county, hence the need for their upgrading and development of new ones. In order to address these challenges, the Department will prioritize implementation of two key programs, which will require budgetary allocation amounting to Kshs 535.7 million in 2017/2018 financial year.

(d) Revenues from water are indicated as 0 since these revenues were utilized for operations and maintenance by Water Company-refer to page 38 and table 1 of page 39.

Issues noted by the Committee and recommendations

1. Revenues collected from water were not declared and the total amount collected should be known before being spent. Why should the BWC spent the same revenues yet it is given grants?
2. The document indicates on page 62 that the two programs will require budgetary allocation amounting to Ksh. 535.7 million in the f/y 2017/18 contrary to the proposed ceilings inclusive recurrent expenditure amounts to Ksh.519,513,496 as stated in Table 4 on page 80 .This requires further clarification.
3. Formulation and approval of County water policy has taken too long and the department ought to submit it.
4. All incomplete water projects that were initiated in 2013 and had issues as highlighted in the Auditor General Report of f/y 2014/15 should not be funded until the issues raised are sufficiently addressed.

Department of Environment and Natural Resources

<u>Achievement on (Environment) pg. 31</u>

i. Elaborate garbage collection system has been established, drainage improved.
ii. Tree planting in all towns and public institutions have been done.
iii. Riparian protection and prohibitory sign notices is ongoing in major rivers

<u>Priority programs (spending priorities for 2017/18) pg-54-55</u>

(a) There is one (program 5) for Development of Environment conservation and Natural Resources

(b) The spending priorities for 2017/18 for Environment are Riparian protection in all major rivers, tree planting and beautification in all urban centres and public institutions.
(c) The amount allocated for the program could not be determine since Environment and Natural Resources falls under the one department of Lands, Public Health and Environment.
(d) A challenge under this department as pointed out by the department is lack of dumping site in major towns and urban centers.

Issues noted by the Committee and recommendations

1. The allocation/ceilings for Environment protection and Natural Resources conservation should be known and sufficient amounts of (Ksh.30 million) should be allocated. This will also help in mitigating effects of climate change, a challenge identified in the water department.
2. Indeed lack of proper solid waste disposal in the Towns and Urban areas is in dire need for consideration and funds should be allocated for purchase of land to be used as dump site, purchase of waste Trailer, installation and construction of an incinerator.
3. Why is the department targeting to plant trees in all urban centres and public institutions yet under achievements it is stated that Tree planting in all towns and public institutions have been done.
4. Having placed prohibitory signs at major rivers in county, what role does the enforcement officers play in ensuring these rivers are protected?

Priority programs (spending priorities for 2017/18) pg-54-55

1. Program 5 is Energy development- which targets to promote affordable renewable energy and increase coverage of electricity to over 80% of the county by 2017.
2. Total development expenditure ceilings for the entire department is **Ksh.74,020,000,** an increment from the current **Ksh.63,200,000** and a reduction from is **Kshs. 100,600,000** as proposed in the 2017/2018 ADP.
3. Summary of programs and spending priorities

Program	**Sub-Program**
Energy development	Promote affordable renewable energy
	Power generation and development
	Expansion and management of street lights in selected urban centres.
	Street Lighting

5. Challenge noted is the capital intensive nature of energy infrastructure.

Issues and recommendations

None. Ceilings are satisfactory

COMMITTEE ON EDUCATION

OBSERVATIONS ON THE COUNTY FISCAL STRATEGY PAPER

- The department should give the number of ECD classrooms that have been completed to help in budgetary allocation
- In the ADP there was additional recruitment of the ECD assistants and the same has not been featured in the County Fiscal strategy paper.
- The department indicated that they supported infrastructure developments in public primary schools and secondary schools yet it a national function. The department should use the same allocation to construct ECD classrooms and vocational training centres.
- Bursaries to secondary schools should be stopped and used for capitation.

RECOMMENDATIONS

- They should be capitation of those in vocational training institutions instead of giving bursaries to those in secondary schools.

G. OBSERVATION OF THE COMMITTEE ON ROADS TRANSPORT AND PUBLIC WORKS ON THE CFSP

- It was noted that the department forwarded a very shallow report.
- The committee also noted that whenever the department is allocated more money, it tends to construct lesser number of kilometres and vice versa. This was in reference to the number of kilometres constructed in the financial years 2013/14, 2014/15 and 2015/16, vis a vis the amount allocated to the department in these years.
- There is no fleet management in place
- The issue of the ad valorem levy was not well responded to
- Nine d-max were purchased when documentation of eight were received.
- There are roads that are indicated to be tarmacked but in essence they are just gravelled.

RECOMMENDATION

- Fleet management should be automated
- Enforcement officers should be tasked to be in control of the fleet management.
- Purchase of five more motor vehicles was disapproved.
- Audit motor vehicles that have been bought in Bomet

End page.