BCA/B&A/16/2019/15

REPUBLIC OF KENYA

COUNTY ASSEMBLY OF BOMET

SECOND ASSEMBLY- THIRD SESSION

BUDGET AND APPROPRIATION COMMITTEE

REPORT

ON THE BOMET COUNTY REVISED BUDGET ESTIMATES FOR FY
2019/2020

OCTOBER 2019

Tabled on 23/10/2019 at 9.00am.

for 23/10/2019.

1 PREFACE

1.1 Background

On behalf of the Members of the Committee on Budget and Appropriation and as required under standing order No. 190, I take this opportunity to present to the House, the Committee's report on the Revised Budget Estimates for FY 2019/2020.

Mr. Speaker sir,

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

1. Hon. Haron Kirui – Chairperson
2. Hon. Clarah Cherotich – V. Chair
3. Hon. Weldon Kirui
4. Hon. Josphat Kirui
5. Hon. Joseah Chepkwony
6. Hon. Leonard Kirui
7. Hon. Robert Serbai
8. Hon. Robert Langat
9. Hon. Davis Kipkirui
10. Hon. Chesangi Alice
11. Hon. Kiprotich Wesley
12. Hon. Robert Rono
13. Hon. Andrew Maritim

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;***

1.3 ACKNOWLEDGEMENT

Mr. Speaker sir,

I wish to thank the members of Budget and Appropriation Committee for sacrificing their invaluable time to deliberate on the revised county budget. The committee also wish to extend its gratitude to the Sectoral committees for providing important recommendations which formed the basis of my Committee's decision. The Committee is also grateful to executive departments particularly the CEC Member for Finance and Economic planning for responding to various issues sought.

2 ANALYSIS OF THE DRAFT REVISED BUDGET ESTIMATES;

2.1 Variance Analysis Between the originally Approved and Proposed Revised Budget Estimates

SECTOR	Approved Budget	Revised budget	variance (L-I)	%Change
COUNTY EXECUTIVES	**1,853,827,874**	**1,845,866,426**	-7,961,448	-0.4%
Personal emoluments	1,587,600,000	1,586,638,552	-961,448	-0.1%
Operation & maintenance	266,227,874	259,227,874	-7,000,000	-2.6%
PUBLIC SERVICE BOARD	**25,000,000**	**20,034,200**	-4,965,800	-19.9%
Operation & maintenance	25,000,000	20,034,200	-4,965,800	-19.9%
ADMINISTRATION	**151,000,000**	**128,000,252**	-22,999,748	-15.2%
Operation & maintenance	60,390,000	58,390,252	-1,999,748	-3.3%
Development	90,610,000	69,610,000	-21,000,000	-23.2%
ICT	**72,000,000**	**57,705,000**	-14,295,000	-19.9%
Operation & maintenance	32,000,000	29,705,000	-2,295,000	-7.2%
Development	40,000,000	28,000,000	-12,000,000	-30.0%
FINANCE AND ECONOMIC PLANNING	**284,549,398**	**351,568,986**	67,019,588	23.6%
Operation & maintenance	269,121,639	246,641,227	-22,480,412	-8.4%
Development	15,427,759	104,927,759	89,500,000	580.1%
LANDS AND URBAN PLANNING	**340,934,800**	**353,049,974**	12,115,174	3.6%
Operation & maintenance	32,491,187	72,491,187	40,000,000	123.1%
Development	308,443,613	280,555,787	-27,887,826	-9.0%
YOUTH, SPORTS, GENDER AND CULTURE	**161,000,000**	**127,020,370**	-33,979,630	-21.1%
Operation & maintenance	112,000,000	90,020,370	-21,979,630	-19.6%
Development	49,000,000	37,000,000	-12,000,000	-24.5%
MEDICAL SERVICES AND PUBLIC HEALTH	**1,539,197,228**	**1,562,827,634**	23,630,406	1.5%
Personal emoluments	700,000,000	700,000,000	0	0.0%
Operation & maintenance	581,942,334	523,092,740	-58,849,594	-10.1%
Development	257,254,894	339,734,894	82,480,000	32.1%
AGRICULTURE, LIVESTOCK AND COOPERATIVES	**462,500,401**	**397,172,095**	-65,328,306	-14.1%
Operation & maintenance	65,300,401	60,972,095	-4,328,306	-6.6%
Development	397,200,000	336,200,000	-61,000,000	-15.4%
WATER, SANITATION AND ENVIRONMENT	**580,877,594**	**432,860,281**	-148,017,313	-25.5%
Operation & maintenance	109,514,199	11,914,199	-97,600,000	-89.1%

attributed to the reduction of total revenue and budgeting of pending bills in the department of Finance and Economic Planning amounting to KES 84,500,000.

The biggest casualty was development expenditure which suffered a huge cut amounting to **KES 234,165,698.** This was largely attributed to reduction of development expenditure in the department of Roads (131M), Agriculture (61M), Trade (56M), and Education (33M) among others.

3 SUBMISSIONS AND RECOMMENDATION BY SECTORAL COMMITTEES ON THE REVISED BUDGET ESTIMATES

The committee received various submissions from sectoral committees as follows;

1. **Roads, Public Works and Transport**

Observation

a. That **KES 341,747,504 has** been allocated to construction of roads resulting from reduction of **KES 121,370,371** from the approved budget which will enable the department construct 5.3KM of roads in every ward instead of 6KM of roads as earlier approved.

b. That **KES 5,000,000** allocated for Plant. Equipment and Machinery is justified because all machinery within the department ought to be insured yet no allocation for the same was made in the approved estimates.

c. That **KES 500,000** allocated to publishing and printing is justified because the department indicated that they need the allocation for purposes of printing the lease agreements and other documents at the government printers.

d. That the additional **KES 4,000,000** added to Construction and Equipping of Material Testing Lab is indeed justified because the works towards its construction has already started.

e. That the additional **KES 3,000,000** additionally allocated to operationalization of a fleet management system and construction of a control room to cover the remaining vehicles. So far they have installed Fuel calibration systems and trackers to 56 county vehicles out of 80 vehicles and they have been able to track, account and manage the use of county vehicles with ease.

The committee through the engagement with the department notes the following;

a. That the most affected water project is Segem Water in Kapletundo ward where initial allocation of KES 60M had to be reduced to KES 50M because of the reduction witnessed in the revised budget. The project further requires 167 pipes to be laid down to a span of 30KM and other excavation cost. However, the department informed the committee that the cost of implementing this project at KES 50M will be sufficient because they will issue open tendering for the project and hopefully the lowest bidder will bid the cost herein.
b. That **KES 33M** meant for water harvesting and storage will be used for construction of water pans at a cost of **KES 28M** and Purchase of water tanks at a cost of **KES 5M**.
c. That **KES 13M** proposed in the revised budget meant for drilling of boreholes will be utilized in settling of a pending Bill of **KES 8M** from drilling works undertaken by National Water and Conservation in the past financial years and **KES 5M** for equipping of already drilled boreholes by building of tanks etc.

Recommendation to BAC

The committee had no further comment as to regards to the submitted revised budget and agreed with the changes made. The committee requested for consideration of acquisition of a drilling machine and the committee further requests for reinstatement of reduction made under BIDP programme.

4. Lands, Housing and Urban Planning

Observations

a. The committee observed that this is the only department that received additional allocation in the revised budget. The approved Estimates were **KES 340,934,800** and the revised estimates are **KES 353,046,974** indicating an increase of **KES 12,112,174**
b. The committee after consultation with the department noted that it was impossible to alter the allocation meant for Bomet Municipality because of donor demands.

Recommendations to BAC

The committee recommends;

PENDING BILLS SUMMARY FOR THE FY2018/2019				
SNO	DEPARTMENTS	DEVELOPMENT	RECURRENT	TOTAL
1	ADMINISTRATION	4,000,000	12,114,999	**16,114,999**
2	WATER	20,713,843	-	**20,713,843**
3	ROADS	36,316,808	20,739,916	**57,056,724**
4	EDUCATION	29,681,455	2,550,675	**32,232,130**
5	SOCIAL	2,960,000	1,359,027	**4,319,027**
6	PUBLIC H AND MEDICAL	-	20,651,385	**20,651,385**
7	LANDS HOUSING AND URBAN PLANNING	13,480,025	922,254	**14,402,279**
8	AGRICULTURE	6,685,887	6,061,500	**12,747,387**
9	TETI	13,592,016	2,122,957	**15,714,973**
10	ECONOMIC PLANNING	-	2,277,400	**2,277,400**
11	FINANCE	-	16,214,271	**16,214,271**
	TOTAL	**127,430,034**	**85,014,384**	**212,444,418**

c. The Committee sought clarification as to why the department introduced a new allocation of pending bill amounting to **KES 84.5M** out of the total pending bills amounting to KES 212M. The department submitted to the committee that the reason they introduced the pending bill amounting to KES 84.5 was part payment beginning with those with court cases and litigations from suppliers and service providers who had not to be paid.

d. The following are the list of some of the suppliers and service providers owed.

- Insurance- KES19M
- KLB (Revenue automation)- KES 4.2M
- Riverbank (Revenue Collection)- 4.2M
- Revenue Software- KES 35M
- Chege and Kamau (Litigants in the University Case) = KES 6.8M

Recommendations to BAC

The committee recommends that the amount allocated for Pending Bills is justified and should be retained as submitted in the revised budget.

7. Committee on Trade, Tourism and Cooperatives (Department of Trade, Energy, Tourism, Industry and Investment)

Observation

The committee observed that KES 34M was reduced from Co-operatives.

c. The committee could not establish the allocation amounting to KES 7M meant for Purchase of Motor Vehicle marked as a pending Bill.
d. The Committee noted that the allocation meant for Residential Building (Governor's residence) was reduced from KES 40M to KES 19M was justified because the amount is sufficient to execute the phase marked for this financial year.

Recommendations to BAC

a. The committee recommends that KES 100,000 allocated for CDG be reallocated for other purposes because of the existing land disputes in the CDG land.
e. The budget committee should investigate the allocation amounting to KES 7M meant for Purchase of Motor Vehicle marked as a pending Bill

10. Committee on Gender, Culture and Social Services (Department of Youth, Sports, Gender and Culture)

The committee had no issue on the submitted revised budget

11. Committee on Health Services (Department of Medical Services and Public Health)

Observations

The committee noted the following;

a. The department was additionally allocated KES 23M in the revised budget
b. The domestic travel was additionally added KES 454,738
c. Transformative health care systems reduced but it is a conditional allocation, same case to DANIDA
d. Sanitation programme including BIDP was reduced by KES 5M

Recommendations to BAC

a. The committee recommends that community health facility and intervention reduced by KES 1M and not KES 2M as proposed.
b. The committee noted that KES 85M was added to the allocation meant for construction of Non-Residential buildings which technically will be used to construct the Mother to Child

4 SUBMISSIONS FROM THE CEC MEMBER FOR FINANCE

Mr. Speaker Sir,

These are the submissions from the CEC member for Finance and Economic Planning on the proposed recommendations of the Committee and his clarifications on issues sought. Written submissions have been annexed to this report.

1. Department of Youths and Sports

Sp 4.3 Revitalizations of youth programs

The Committee had asked what revitalization program entailed and what activities would be implemented under this program.

The CEC through written submissions informed the Committee that this program was previously meant for youth trainings and enterprise support. He further informed the Committee that previous program was changed into a program for Bomet Youth Service volunteerism which will begin this financial year with the approval of youth policy. The volunteerism program will take in skilled, expected to be at least 10 per Ward that will support programs as drainages for roads, culverts, shelters for the vulnerable, among other activities. This program is meant to cater for the certificate level and below which were not captured by the internship policy

The stipend payable for the volunteers will be a monthly KES. 6,000 meaning the first cohort will be delayed to start in December so that it runs for a 6-month period coinciding with the end of the financial year. In subsequent financial years we anticipate two cohorts per year of 6 months each, which were not with the 250 number will cost an annual 18Million shillings on stipends alone.

This program also includes trainings and coordination for both the interns and the volunteers. This vote head therefore needs KES.9Million and KES.3Million

Sp 4.5 Youth empowerment facilities

This program was meant for the development and equipping of youth empowerment facilities and resourcing of youth groups. This f/y we had anticipated the construction of Chepalungu youth center in Siongiroi costing KES.4Million but due to budget cut to KES.3Million the department will forego the said youth center.

The activities to be funded under sub Item 3111504 (County Urban Planning and Housing with an allocation of KES.33, 943, 613)

The CEC provided the following breakdown of the said KES. Sh.33,943,613

Item	Amount
Fencing of Sotik Residential Estate	2,500,000
Maintenance of all current public toilets, gates, stadia and fencing	6,943,613
Construction of Merigi access roads	2,500,000
Construction of Kembu access roads	2,500,000
Bomet Town Beautification/landscaping	1,000,000
Kabtebengwet market drainage system	2,500,000
Kipkoibet market drainage system	2,500,000
Fencing of Sotik dumpsite	2,500,000
Other Urban Infrastructure(Drainage, culverts ,walkways, unblocking sewers and repairs	5,0000,00
Office and Residential Houses Renovation	6,000,000
Total	**33,943,613**

3. Department of Trade, Tourism, Energy and Industry

An explanation of KES.2M which was reduced from '2210505' Trade shows and exhibitions to finance critical priority programs

Response from the CEC: In order to market Bomet County products the department has participated in the following trade shows and exhibition

- Kenya Trade Week and Exhibition Show-July 3rd -7th July 2019
- Nakuru International Trade Fair-September 30th -6th October 2019
- Annual trade awards which reward enterprises that immensely contribute to the county domestic product

3 items had been identified in the program-setting up of strategic masts, enhancement of connectivity at headquarters and installation of client sites masts. The reduction of KES.4M means the budget is now KES.4.3 M

This means county wide connectivity project will greatly suffer. Up to 4 strategic sites had been identified for construction and with the reduction

ii. **KES 20 million** was reduced from County Urban Planning and Housing to finance critical priority programmes highlighted hereunder.

iii. **KES 20M** was additionally allocated for acquisition of county projects lands under lands, survey and mapping programme to make the total allocation for land acquisition to KES 25 (KES 1M per ward) for implementation of county government projects including for ECD.

iv. On **KES 25 Million** being 1st instalment budgeted for EPZ land acquisition under the programme of Lands, Survey and Mapping (Engeneering and Design plans), the committee recommended that proper documentation including valuation report, pre-sale agreement on full surrender of 50 acres of land upon payment of 1st instalment should be provided to the Committee on Lands, Housing and Urban Planning for verification.

5.6 Youth, Gender, Sports and Culture

i. **KES 1M** was reduced from item "2210399" domestic travel and subsistence to finance critical priority programmes highlighted hereunder.

ii. **KES 1M** was reduced from item "2210504" SP 3.2 Public records and archives management to finance critical priority programmes highlighted hereunder.

5.7 Trade, Energy, Tourism, Industry and Investment

I. **KES 2.5M** was reduced from item "2210505" Trade Shows and Exhibitions to finance critical priority programmes highlighted hereunder.

II. **KES 2.5M** was reduced from item "2210301" Travel Cost to finance critical priority programmes highlighted hereunder.

III. KES. **21M** was reduced from item "2640499" County Enterprise Fund to finance critical priority programmes highlighted hereunder. In the meantime, the department should put in place the relevant regulation for the programme.

5.8 Medical Services and Public Health

I. **KES 35M** was reduced from item "2110101" Basic Salaries to address surplus due to over budgeting. Furthermore, the of issues persistent rise in salaries is currently under investigation by county assembly adhoc committee.

II. **KES. 35M** was additionally allocated to item "3110202 Non-residential Buildings". Out of this allocation, KES 25 million was conditioned for completion of ongoing dispensaries

In conclusion the committee maintained all the resolutions (not affected by the above resolutions on the revised estimates) adopted in the report on the approved estimates for FY 2019/2020.