REPUBLIC OF KENYA

COUNTY ASSEMBLY OF BOMET

FIRST ASSEMBLY- THIRD SESSION

BUDGET AND APPROPRIATION COMMITTEE

# REPORT

ON THE BOMET COUNTY MEDIUM TERM COUNTY FISCAL STRATEGY PAPER 2015

Tabled on 12/03/2015

CLERK

12 MAR 2015

Budget and Appropriation Committee Report on CFSP 2015

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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, I take this opportunity to present to the House, the Committee's Report on the Medium Term County Fiscal Strategy Paper (CFSP) 2015 as 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. Aurelia Rono – Chairperson
2. Hon. Benard Ngeno - V. Chair
3. Hon. Robert Metet
4. Hon. Cecilia Towett
5. Hon. Tablelei Rotich
6. Hon. Samwel Bor
7. Hon. Philip korir
8. Hon. Sammy Kirui
9. Hon. Wilson Keter

## 1.2 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 Budget Policy Statement presented to the County Assembly;*
d) *Examine Bills related to the national budget, including Appropriations Bills; and*
e) *Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.*

**Mr. Speaker Sir,**

In line with the provision of the PFM Act, 2012 the County Treasury is required to submit the approved Fiscal Strategy Paper to the County Assembly by the 28th 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.

## 1.3 Examination of the Medium Term Fiscal Strategy Paper

**Mr. Speaker sir,**

In reviewing the County Fiscal Strategy Paper, the Budget and Appropriation Committee held three sittings. The Committee also held one public hearing in line with Article 201(a) of the Constitution at 'Green Stadium', Bomet to get the views of the public on the document. The views were required to allow the Committee members to make an informed judgment on the paper.

## 1.4 Acknowledgement

**Mr. Speaker sir,**

I wish to express my sincere gratitude to the members of Budget and Appropriation Committee who committed their valuable time and worked tirelessly in preparing this report. The Committee is also grateful to the Offices of the Speaker and the Clerk of County Assembly for the support received as it discharged its mandate of reviewing the Medium Term County Fiscal Strategy Paper, (CFSP) 2015.

**Mr. Speaker sir,**

I also wish to thank the C.E.C for Finance for observing the legal deadlines in preparing and submitting this Medium Term County Fiscal Strategy Paper. The document was submitted on 27th February 2015.

I wish to acknowledge the Members of County Assembly who participated in the process, via sectorial committees and thank them for their contribution. I also thank the members of the public and interest groups who took their time to participate during the public hearing and acknowledge that their views were considered by the committee.

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

Signed---------------------------------------------------------------------------

THE HON. AURELIA RONO

CHAIRPERSON, BUDGET AND APPROPRIATION COMMITTEE

Date---------------------------------------------------------------------------

List of Appendices

i. Appendix 1................Minutes

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

Members Signature

1. Hon. Aurelia C. Rono....................................
2. Hon. Benard Ngeno ....................................
3. Hon. Robert Metet....................................
4. Hon. Cecilia Towett....................................
5. Hon. Tablelei Rotich....................................
6. Hon. Samwel Bor....................................
7. Hon. Philip korir....................................
8. Hon. Sammy Kirui....................................
9. Hon. Wilson Keter....................................



1.

# 2 ANALYSIS OF THE BOMET COUNTY FISCAL STRATEGY PAPER FOR COUNTY 2015 AND THE MEDIUM TERM

**Mr. Speaker sir,**

The County Fiscal Strategy Paper (CFS) is an important document in the budget cycle that is prepared by the County Treasuries. It sets out the 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.

## 2.1 Review of Compliance of the County Fiscal Strategy Paper 2015

With regard to the contents, the County Fiscal Strategy Paper should include the following:

i. Financial outlook with respect to county revenues, expenditures and borrowing for the next financial year and over the medium term.
ii. The County Fiscal Strategy Paper should align itself with the national objectives in Budget Policy Statement(BPS)
iii. The proposed expenditure ceilings for sectors of the county
iv. The fiscal responsibility principles and financial objectives over the medium term including limits on total annual debt.
v. The total resources to be allocated to individual programmes and projects within sector, ministries, departments and agencies indicating outputs expected during the period.
vi. The table below shows an assessment on the extent to which the County Fiscal Strategy Paper for Bomet 2015 budget has complied.

## 2.2 Legal compliance of the County Fiscal Strategy Paper for Bomet

| Item | PFM Section | % Level of Compliance | Comment |
|---|---|---|---|
| Submission of the County Fiscal Strategy Paper by 28th February every year | 117(1) | 5 out of 5<br>100% | Submitted on 27th February, 2015 thus within the timeline |
| The County Fiscal Strategy Paper should align with national objectives in | 117(2) | 4 out of 5<br>80% | The Fiscal strategy paper has outlined the national objectives. However allocations to Agricultural sector was scaled down from the previous |

| | | | |
|---|---|---|---|
| the Budget Policy Statement 2015. | | | allocations whereas the County mainly rely on agriculture |
| Financial outlook with respect to county government revenues, expenditures and borrowing for the next financial year and over the medium term | 117(4) | 4 out of 5 80% | The paper outlines a balanced budget. However the paper did not clearly outlined short term borrowing/overdraft and its future management |
| The total resources to be allocated to individual programmes and projects within departments for the period identified indicating outputs expected from such programme or project during the period. | - | 3 out of 5 60% | CFS does not fully comply with the requirement. Information not provided in the required format. Outputs are either not clear/stated in department of Environment & Natural resources, Trade, energy, Tourism & Industry, Social services and Agri-business, Co-operatives and Marketing. |
| The principle of public participation and other stakeholders is a requirement in the Constitution. | 117(5) | 4 out of 5 80% | The County Treasury held one Public hearing at Brevan Hotel. The committee however noted that more public participation ought to have been held at-least at the sub-county level to enhance participation of the public |
| Total Level of Compliance | **-** | **18 out of 25 72%** | **-** |

A compliance rate of **72 %** is an improvement from 64% in the CFSP, 2014 and implies that the information required was availed but lacks important information that shows outputs and key targets for some departments noted above. Lack of this information hinders the Budget and Appropriations and other Departmental Committees from making informed decisions.

## 2.3 Detailed Analysis on various allocations

| ANALYSIS OF ALLOCATIONS BASED ON TOTAL EXPENDITURE PROJECTIONS | | | | |
|---|---|---|---|---|
| **TOTAL PROGRAMS 2015/2016** | **PERSONAL EMOLUMENTS** | **OPERATIONS AND MAINTAINANCE** | **DEVELOPMENT** | **TOTALS** |
| OFFICE OF THE GOVERNOR | 167.4 | **125.4** | **0** | 293 |
| ADMINISTRATION AND PUBLIC SERVICE BOARD | 182 | **88.6** | **58** | 328 |
| FINANCE ICT AND ECONOMIC PLANNING | 156.6 | 230 | 17.7 | 404 |
| AGRI-BUSINESS, COOPERATIVES& MARKETING | 141.4 | 15.7 | 330.6 | 488 |
| ENVIRONMENT & NATURAL RESOURCES | 10 | 4 | 21.5 | 36 |
| ROADS AND PUBLIC WORKS | 75.8 | 89.5 | 499.2 | 665 |
| WATER AND IRRIGATION | 68 | 2.5 | 250.2 | 321 |
| EDUCATION, SPORTS AND VOCATIONAL TRAININGS | 158 | 1.5 | 518.6 | 678 |
| CULTURE,CHILDREN AND SOCIAL SERVICES | 45.4 | 2.5 | 387.8 | 436 |
| HEALTH AND SANITATION | 537.9 | 35 | 364.3 | 937 |
| TRADE, ENERGY, TOURISM AND INDUSTRAILIZATION | 13.5 | 6 | 81.4 | 101 |
| LANDS, HOUSING AND URBAN PLANNING | 53 | 23 | 79.5 | 156 |
| COUNTY ASSEMBLY | 182.5 | 109 | 0 | 292 |
| **TOTALS** | **1791.5** | **732.7** | **2608.4** | **5132.6** |

| ANALYSIS OF DEVELOPMENT EXPENDITURE % CHANGE FOR FY 2014/2015 AND FY 2015/2016 | | | | | |
|---|---|---|---|---|---|
| | **BUDGET** | **BUDGET** | Ranking | **CHANGE** | **% CHANGE 2014/15 BASE YEAR** |
| **TOTAL PROGRAMS** | **2014/15** | **2015/16** | | **CHANGE** | **PERCENTAGE CHANGE IN %** |
| OFFICE OF THE GOVERNOR, ADMIN AND PSB | 125,000,000 | 57,600,000 | 9 | (67,400,000.00) | -54% |
| FINANCE ICT AND ECONOMIC PLANNING | 20,000,000 | 17,700,000 | 11 | (2,300,000.00) | -12% |
| AGRI-BUSINESS, COOPERATIVES& MARKETING | 458,400,000 | 330,640,000 | 5 | (127,760,000.00) | -28% |

| | | | | | |
|---|---|---|---|---|---|
| ENVIRONMENT & NATURAL RESOURCES | 13,800,000 | 21,580,000 | 10 | 7,780,000.00 | 56% |
| ROADS AND PUBLIC WORKS | 412,000,000 | 499,228,686 | 2 | 87,228,686.00 | 21% |
| WATER AND IRRIGATION | 214,700,000 | 250,270,000 | 6 | 35,570,000.00 | 17% |
| EDUCATION, SPORTS AND VOCATIONAL TRAININGS | 545,600,000 | 518,660,000 | 1 | (26,940,000.00) | -5% |
| CULTURE,CHILDREN AND SOCIAL SERVICES | 365,200,000 | 387,820,000 | 3 | 22,620,000.00 | 6% |
| HEALTH AND SANITATION | 372,240,000 | 364,464,000 | 4 | (7,776,000.00) | -2% |
| TRADE, ENERGY, TOURISM AND INDUSTRAILIZATION | 74,000,000 | 81,400,000 | 7 | 7,400,000.00 | 10% |
| LANDS, HOUSING AND URBAN PLANNING | 100,000,000 | 79,500,000 | 8 | (20,500,000.00) | -21% |
| **TOTALS** | **2,700,940,000** | **2,608,862,686** | | **(92,077,314.00)** | -3% |

| ANALYSIS OF PERSONAL EMMOLUMENTS % CHANGE FOR FY 2014/2015 AND FY 2015/2016 | | | | |
|---|---|---|---|---|
| | **BUDGET** | **BUDGET** | **CHANGE** | **% CHANGE TAKING 2014/15 AS THE BASE YEAR** |
| BUDGET ITEM | **2014/15** | **2015/16** | **CHANGE** | **PERCENTAGE CHANGE IN %** |
| Office of the Governor & County Executives | 160.2 | 167.4 | 7.2 | 4% |
| Administration and PSB | 111.7 | 182 | 70.3 | 63% |
| Finance,ICT & Economic Planning | 101 | 156.6 | 55.6 | 55% |
| Agribusiness, Co-operatives and Marketing | 135 | 141.4 | 6.4 | 5% |
| Environment and Natural resources | 18 | 10 | -8 | -44% |
| Roads and Public Works | 30 | 75.8 | 45.8 | 153% |
| Water and Irrigation | 30 | 68 | 38 | 127% |
| Education, Youth,Sports and Vocational Training | 160 | 158 | -2 | -1% |
| Children,Culture and Social Services | 42 | 45.4 | 3.4 | 8% |
| Health and Sanitation | 300 | 537.9 | 237.9 | 79% |
| Trade,Energy,Tourism & Industry | 14.6 | 13.5 | -1.1 | -8% |
| Lands, Housing and Urban Development | 35 | 53 | 18 | 51% |
| County Assembly | 192.2 | 182.5 | -9.7 | -5% |

| Total | 1329.7 | 1791.5 | 461.8 | 35% |
|---|---|---|---|---|

| ANALYSIS OF OPERATIONS AND MAINTENANCE % CHANGE FOR FY 2014/2015 AND FY 2015/2016 | | | | |
|---|---|---|---|---|
| | BUDGET | BUDGET | CHANGE | % CHANGE TAKING 2014/15 AS THE BASE YEAR |
| **TOTAL PROGRAMS** | **2014/15** | **2015/16** | **CHANGE** | **PERCENTAGE CHANGE IN %** |
| COUNTY EXECUTIVES | 110,550,000 | 125,404,580 | 14,854,580 | 13% |
| ADMINSTRATION AND PSB | 80,550,000 | 88,600,235 | 8,050,235 | 10% |
| FINANCE ICT AND ECONOMIC PLANNING | 159,264,000 | 230,012,000 | 70,748,000 | 44% |
| AGRI-BUSINESS, COOPERATIVES& MARKETING | 14,010,000 | 15,711,000 | 1,701,000 | 12% |
| ENVIRONMENT & NATURAL RESOURCES | 6,836,000 | 4,069,600 | -2,766,400 | -40% |
| ROADS AND PUBLIC WORKS | 44,626,000 | 89,505,200 | 44,879,200 | 101% |
| WATER AND IRRIGATION | 8,350,000 | 2,500,000 | -5,850,000 | -70% |
| EDUCATION, SPORTS AND VOCATIONAL TRAININGS | 6,906,000 | 1,500,529 | -5,405,471 | -78% |
| CULTURE,CHILDREN AND SOCIAL SERVICES | 7,846,000 | 2,500,600 | -5,345,400 | -68% |
| HEALTH AND SANITATION | 33,320,000 | 35,000,790 | 1,680,790 | 5% |
| TRADE, ENERGY, TOURISM AND INDUSTRAILIZATION | 6,576,000 | 6,000,467 | -575,533 | -9% |
| LANDS, HOUSING AND URBAN PLANNING | 18,626,000 | 22,824,500 | 4,198,500 | 23% |
| COUNTY ASSEMBLY | 72,810,000 | 109,010,000 | 36,200,000 | 50% |
| **TOTALS** | **570,270,000** | **732,639,501** | 162,369,501 | 28% |

# 3 VIEWS AND OPINIONS BY THE PUBLIC AND OTHER INTEREST GROUPS

**Mr. Speaker Sir,**

The views and opinions of the public and other interest groups as registered during the Public hearing are as follows;

i. The public commended the County for allocating more resources to development at as compared to allocations for recurrent expenditure.
ii. The public were concerned on the resources allocated to education. They recommend more allocations to sports programme i.e. construction of athletic training grounds

iii. That the County assembly should provide the documents early in advance to enable the public to actively and effectively participate.
iv. That the county should consider more resources for water programmes especially in dry areas and prioritize accessibility of clean drinking water by the locals
v. The county should support Land and Urban development so as to encourage investors and also support development of low cost housing and encourage local tourism

# 4 SUBMISSIONS FROM SECTORAL COMMITTEES

**Speaker Sir,**

County assembly Sectoral committees gave their written and oral submission on the CFSP 2015 as follows;

## 4.1 County Assembly Committee on Administration, Peace, Justice and Legal Affairs

The committee on Administration, Peace, Justice and Legal Affairs made the following observations;

i. That nine ward offices and two sub-county headquarters costs 60m and at the same time sixteen ward offices and three sub-county headquarters will cost 50M was unrealistic.
ii. In the previous financial year there was allocation for radio and TV station at a cost of 4million and it was committed to the same. The committee noted that further allocations would lead to double funding. In case there is need to fund, then it should cost 1.5M and not 5M.
iii. That 75million allocated for purchase of vehicles and motorbikes be slashed and only funds be left to purchase motorbikes where needed.

## 4.2 County Assembly Committee on Finance, ICT and Economic Planning

The committee on Finance, ICT and Economic Planning recommended that;

i. The estimates for total recurrent Expenditure should not exceed those of Development expenditure.
ii. The Operation and maintenance costs in the Finance and Economic Planning should not include all utilities, furniture and computer accessories for all departments in the County

## 4.3 County Assembly Committee on Water, Environment, Energy, Forestry and Natural resources

The committee on Water, Environment, Energy, Forestry and Natural resources recommended that;

i. The 2015/2016 estimates for the three sectors, Energy, Water and Irrigation, Environment and Natural Resources having been verified was found to be satisfactory except those for Energy development which should be increased to about Ksh.5million

## 4.4 County Assembly Committee on Agriculture, Fisheries and Livestock

The committee on Agriculture, Fisheries and Livestock made the following findings and recommendations;

i. The committee found that the development expenditure allocation is still reducing from 458,400,000 in 2014/2015 to 330,640,000 in 2015/2016.
ii. For fiscal year 2015/16, kshs.1,295,500,000 million was budgeted for implementation for the entire sector ,representing 26% which the committee found to be unrealistic
iii. That seven cooperative cooling plants was a misplaced priority for they could have majored in production enough to sustain the cooling plants
iv. That insemination was started but stopped after some time
v. That 2.5 million was spent for bee-keeping in two wards Embomos and Kapletundo, with no clear criteria on how the two wards were identified
vi. That the fish feed making machine was established by the national government
vii. That Mogogosiek fresh produce was funded by defunct municipal council and not county government

viii. The sector has not received any policy and especially on cash crop development programme

ix. During the site visit to Nokirwet irrigation scheme the committee found that the project was funded by defunct municipal council and red cross

x. That farmers need subsidy of fertilizers and seeds. Currently the farmers have requested for 143,000 bags of fertilizers and the committee recommend that they can be given a subsidy of 500 shillings per bag

xi. That the county need to prioritize in value addition of local produce for better returns

xii. There is no clear specific priority in the area of spending. The committee recommends programme to be specific, measurable, attainable, realistic and time bound (SMART)

In conclusion the committee on Agriculture, Fisheries and Livestock recommended for an increase of funds to Ksh. 800M for the sector so as to achieve vision 2030 and make tangible contribution to the county

## 4.5 County Assembly Committee on Gender, Culture and Social Services

The committee on Gender, Culture and Social Services made the following findings and recommendations;

i. The programme on Children Services which has been placed under Education, Youths and Vocational Training should be under the department of Social services

ii. The allocation on the county safety net should be increased because it covers vulnerable groups, persons with disabilities, elderly persons, HIV/AIDS infected and affected street families, orphans and vulnerable children and marginalized groups in the entire county

iii. The allocation on Culture, Music and Library Services should be increased. This is because the committee noted that a lot has not been done in terms of promotion of the Kipsigis Culture. The county even lack museums

iv. The priority areas in the paper were not well outlined

## 4.6 County Assembly Committee on Labour and Public Service

The committee on Labour and Public Service made the following recommendations;

i. That the County Public Service Board should have an independent budget separate from the office of the governor and administration

# 5 COMMITTEE FINDINGS AND OBSERVATION

**Speaker Sir,**

The committee made the following findings and observation;

i. The committee noted that the paper did not indicate whether the County Treasury sought the views of the Commission on Revenue Allocation as required by law. The paper outlined the legal basis for publication of the County Fiscal Strategy Paper including section 117 (5) (a) of PFM Act, 2012 which states that the County Treasury shall seek and take into account the views of the Commission for Revenue Allocation.

ii. The committee established that the County Assembly Clerk was never consulted for his views on the CFSP, 2015. The committee noted with concern that the County Treasury set the County Assembly ceiling at **Ksh. 291.5Million without consulting the County Assembly Clerk.** This is against the provisions of the law as the County assembly needs were clearly **NOT** taken into account

iii. The committee established that the Paper correctly stated that Agriculture was the backbone of the County. The committee however noted that allocations to the Agriculture sector was not reflective of the statement and in fact had been drastically reduced from the previous allocations

iv. The committee observed from the paper that the local revenue from cess was expected to reduce drastically from **Ksh. 31.1M** in 2014/15 to **Ksh.8.9M.** The paper did not however provide reasons for the same

v. The committee established that the correct total revenue for the county is **Ksh.5, 033, 002, 186** and not **Ksh. 5, 133, 002, 186** as indicated in the CFSP, 2015 indicating a difference of **Ksh. 100,000,000**. The committee however noted that the total amount has been factored in the expenditure projections thus will result in a deficit if not corrected.

vi. The committee established that the increase in budget allocation for f/y 2015/16 is Ksh. 432, 002, 186 and not Ksh. 877 million as indicated in the CFSP 2015

vii. The committee noted with concern that the CFSP seeks to reduce allocation for personnel emoluments for the County Assembly by **Ksh. 10 million** without any justification. It also raises questions on the criteria used to allocate funds for personnel emoluments and operations and maintenance.

viii. The committee noted that the paper did not clearly outlined short term borrowing/overdraft and its future management

ix. The committee noted that the CFSP did not factor local revenue from water as part of the total local revenue. There is no clear explanations to why revenue from water is used at source by Bomet Water Company

x. The committee noted that CFSP indicated that the County Assembly has one programme for construction of offices. The committee however noted with concern that the stated programme was not allocated funds. The committee further established that the MTEF Ceilings on development indicates that the county assembly will **NOT** be undertaking **any development** for the next **three** years

xi. The committee noted that the CFSP 2015 stated that one of the core mandate of the department of Children, Culture and Social services as raising standards of living of children and vulnerable groups through socio-economic development. The committee however was concerned that the CFSP places the programme of Children services in the department of Education, Youths and Vocational Training which is a clear mandate of Children, Culture and Social services

xii. The committee observed that the following departments did not indicate their priorities;

- Environment & Natural resources,
- Trade, energy, Tourism & Industry,
- Children, Culture and Social services and
- Agri-business, Co-operatives and Marketing

xiii. The committee commends the department of water and health which indicated and explained clearly their departments priorities

xiv. The committee established that the department of Administration and public service copied and pasted the priorities and allocations from the CFSP 2014

# 6 RECOMMENDATIONS OF THE BUDGET AND APPROPIATION COMMITTEE

**Speaker Sir,**

The committee recommends as follows;

i. THAT the programme on Children services placed under the department of Education, Youths and Vocational Training should be moved to the department of Children, Culture and Social services complete with its budgetary allocations

ii. THAT the department of Education , Youths and Vocational Training include a programme on vocational training

**Adjustments**

The committee proposes that ceiling allocations to the following departments be **adjusted** as follows;

i. That the ceiling allocation for the office of the Governor be maintained at **Kshs. 167.4M** for Personnel emoluments, **Ksh.125.4M** for operations and maintenance.

ii. That the ceiling allocation for Administration and Public Service be reduced by **Ksh. 58** million comprising of **Kshs. 20 million** for Personnel emoluments, **Ksh.18million** for operations and maintenance and **Ksh. 20million** for Development. Reductions on PE and O&M are based on the current level of expenditure

iii. That the ceiling allocation for Finance, ICT and Economic Planning be reduced by **Ksh. 81.1 million** comprising of **Kshs. 26.4 million** for Personnel emoluments, **Ksh.50million** for operations and maintenance and **Ksh. 4.7million** for Development. Reductions on PE and O&M are based on the current level of expenditure

iv. That the ceiling allocation for Agri-business, Cooperative and Marketing be reduced by **Ksh. 33.6 million** comprising of **Ksh.8 million** for operations and maintenance and **Ksh. 25.6 million** for Development. Reductions on PE and O&M are based on the current level of expenditure

v. That the ceiling allocation for Environment and Natural Resources be reduced by **Ksh. 7.1 million** for Development due to lack of clear priorities

vi. That the ceiling allocation for Roads and Public Works be reduced by **Ksh. 94 million** comprising of **Ksh.31 million** for Personnel emoluments, **Ksh. 20 million** operations and maintenance and **Ksh. 43 million** for Development. Reductions on PE and O&M are based on the current level of expenditure

vii. That the ceiling allocation for Water and Irrigation be reduced by **Ksh. 25.3 million** comprising of **Ksh.22.6 million** for Personnel emoluments and **Ksh. 2.7million** for Development. Reductions on PE was based on the current level of expenditure

viii. That the ceiling allocation for Education, Sports and Vocational Training be reduced by **Ksh. 25 million** for Development. Reductions on development were done to cover the total revenue deficit error of 100million

ix. That the ceiling allocation for Health and Sanitation be reduced by **Ksh. 26 million** comprising of **Ksh.15 million** for Operation and Maintenance and **Ksh. 11million** for Development. Reductions on O&M were based on the current level of expenditure. Reductions on development were done to cover the total revenue deficit error of 100million

x. That the ceiling allocation for Trade, Energy, Tourism and Industrialisation be reduced by **Ksh. 20.4 million** comprising of **Ksh.4 million** for Operation and Maintenance and **Ksh. 16.4 million** for Development. Reductions on O&M were based on the current level of expenditure. Reductions on development was done due to lack of clear priorities and to cover the total revenue deficit error of 100million

xi. That the ceiling allocation for Lands, Housing and Urban Planning be reduced by **Ksh. 26 million** comprising of **Ksh.15 million** for Operation and Maintenance and **Ksh. 11million** for Development. Reductions on O&M were based on the current level of expenditure. Reductions on development were done to cover the total revenue deficit error of 100million

xii. That the ceiling allocation for the County Assembly be increased by **Ksh. 321, 424,103** comprising of **Ksh.74,702,143** for Personal Emoluments, **Ksh. 145,121,960** Operation and Maintenance and **Ksh. 101, 600,000** for Development. Increment on O&M was based on the current level of expenditure. Allocations for development were meant to cover the programmes which were not allocated funds

**Mr. Speaker Sir,**

The ceilings for both the County executive and the county Assembly for each entity after the above adjustments would be as follows;

| RECOMMENDED CEILINGS BY THE BUDGET AND APPROPRIATION COMMITTEE | | | | |
|---|---|---|---|---|
| **TOTAL PROGRAMS 2015/2016** | **PERSONNEL EMOLUMENTS(Ksh.in millions)** | **OPERATION AND MAINTAINANCE(Ksh.in millions)** | **DEVELOPMENT(Ksh.in millions)** | **TOTALS (Ksh.in millions )** |
| OFFICE OF THE GOVERNOR | 167.4 | 125.4 | 0 | 292.8 |
| ADMINISTRATION AND PUBLIC SERVICE BOARD | 162 | 70.6 | 38 | 270.6 |
| FINANCE ICT AND ECONOMIC PLANNING | 130.2 | 180 | 13 | 323.2 |
| AGRI-BUSINESS, COOPERATIVES& MARKETING | 141.4 | 7.7 | 305 | 454.1 |
| ENVIRONMENT & NATURAL RESOURCES | 10 | 4 | 14.4 | 28.4 |
| ROADS AND PUBLIC WORKS | 44.8 | 69.5 | 456.2 | 570.5 |
| WATER AND IRRIGATION | 45.4 | 2.5 | 247.5 | 295.4 |
| EDUCATION, SPORTS AND VOCATIONAL TRAININGS | 158 | 1.5 | 493.6 | 653.1 |
| CULTURE,CHILDREN AND SOCIAL SERVICES | 45.4 | 2.5 | 363.4 | 411.3 |
| HEALTH AND SANITATION | 537.9 | 20 | 353.3 | 911.2 |
| TRADE, ENERGY, TOURISM AND INDUSTRAILIZATION | 13.5 | 2 | 65 | 80.5 |
| LANDS, HOUSING AND URBAN PLANNING | 53 | 11 | 65 | 129 |

| | | | | |
|---|---|---|---|---|
| COUNTY ASSEMBLY | 257.2 | 254.12 | 101.6 | 612.92 |
| **TOTALS** | **1766.2** | **750.82** | **2516** | **5033.02** |
| **PERCENTAGE OF TOTAL ALLOCATION** | **35%** | **15%** | **50%** | **100%** |

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 expenditure ceiling projections of **Kshs.5, 033,002,186** as presented by the County Executive Member for Finance. Therefore, the recommendations by the Committee do not create an additional financing gap.