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COUNTY GOVERNMENT OF BUNGOMA



**COUNTY ASSEMBLY OF BUNGOMA
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COUNTY ASSEMBLY OF BUNGOMA
(LPCS)
13 MAR 2024
TABLED
By: Hon. Jack Kamukama

COUNTY ASSEMBLY OF BUNGOMA
(LPCS)
13 MAR 2024
NOTICE ISSUED
By: Hon. Jack Kamukama

THIRD ASSEMBLY THIRD SESSION

BUDGET AND APPROPRIATIONS COMMITTEE

**REPORT ON BUNGOMA COUNTY FISCAL STRATEGY
PAPER, 2024**

Clerks Chambers
County Assembly Buildings
P.O BOX 1886 - 50200
BUNGOMA, KENYA

MARCH 2024

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CHAPTER ONE

1.0 PREFACE

Mr. Speaker Sir, on behalf of the members of the Budget and Appropriations Committee and pursuant to the provisions of Section 117 (6) of the Public Finance Management Act, 2012, Part III of PFM Regulations, 2015 as well as the Standing Orders No. 210 (4) (b) and 231, it's my pleasant duty and privilege to present to this House, the report of the Committee on the Bungoma County Fiscal Strategy Paper, 2024.

The County Fiscal Strategy Paper, 2024 was submitted and tabled on Wednesday 28th February, 2024 as required by Section 117 (1) of PFM Act and committed to the Budget and Appropriations Committee and deemed to have also been committed to all Sectoral Committees to interrogate their respective sectors and make recommendations to the Budget and Appropriations Committee as provided in Standing Order No. 231 (4).

It is worth noting that Regulation 30 (4) of PFM Regulation, 2015 and Standing Order 231 (5) state that the County Assembly should adopt the County Fiscal Strategy Paper by 15th March.

Mr. Speaker Sir,

Once the County Assembly approves the County Fiscal Strategy Paper, Regulation 37 restricts changes on the vote ceilings to not more than 1% in the annual estimates. This therefore, means the Assembly must scrutinize the programmes proposed by each sector to be fully convinced on the sector ceilings.

1.1 MANDATE OF THE BUDGET AND APPROPRIATIONS COMMITTEE

Mr. Speaker Sir, Budget and Appropriations Committee is established under Standing Order No. 210 of the County Assembly of Bungoma and is mandated to:

- a) Discuss and review the estimates and make recommendation to the County Assembly;
- b) Examine the County Fiscal Strategy Paper presented to the County Assembly;
- c) Examine the County Debt Management 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.

Mr. Speaker Sir, the Committee was also guided by the provision of Standing Order 231 that is explicit on presentation of County Fiscal Strategy Paper and further given legal backing under the PFM Act 2012 and PFM Regulations, 2015 and the Constitution of Kenya.

1.2 TERMS OF REFERENCE

The Committee's mandates were executed with the following terms of reference:

1. To analyze and consider the proposed Bungoma County Fiscal Strategy Paper, 2024;
2. To consider the recommendations of Sectoral Committees on their respective sector County Fiscal Strategy Paper, 2024;
3. To consider the public views and memorandum on the proposed Bungoma County Fiscal Strategy Paper, 2024; and

4. To compile and lay a Report in the House on the proposed Bungoma County Fiscal Strategy Paper, 2024 for consideration.

1.3 COMMITTEE MEMBERSHIP:

The Committee on Budget and Appropriations as currently constituted comprises of the following members:-

1. Hon. Jack Wambulwa	Chairperson
2. Hon. Charles Nangulu	Vice Chairperson
3. Hon. Anthony Lusenaka	Member
4. Hon. Joan Kirong	Member
5. Hon. Meshack Simiyu	Member
6. Hon. Ali Machani	Member
7. Hon. Miliar Masungo	Member
8. Hon. Sudi Busolo	Member
9. Hon. Grace Sundukwa	Member
10. Hon. Polycarp Kimeta	Member
11. Hon. Caleb Wanjala	Member

1.4 ACKNOWLEDGEMENT

Mr. Speaker Sir, let me take this opportunity to express my gratitude to your office and that of the Clerk of the County Assembly for the logistic support accorded to the Committee for successful undertaking of this exercise. Further, the Committee is grateful to the CECMs, County Chief Officers and other County staff who honoured the invitation of the County Assembly to appear before their respective sector Committees for the interrogation of the proposed County Fiscal Strategy Paper, 2024.

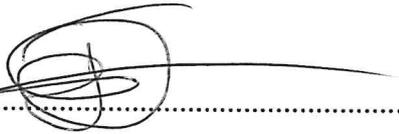
In addition, I register my appreciation to all Sector Committees of the County Assembly who took time to interrogate the County Fiscal Strategy Paper, 2024 and made their recommendations to this Committee.

I acknowledge the members of the public and stakeholders across the County for their invaluable contribution to ensure timely collection and organization of information incidental to the preparation of the report on the County Fiscal Strategy Paper, 2024. Finally, the significant role played by the Committee Members and Secretariat of this Committee cannot be overlooked.

Mr. Speaker Sir,

It is now my pleasant duty and privilege, on behalf of the Budget and Appropriations Committee, to present to the County Assembly the report of the committee on the County Fiscal Strategy paper 2024 for debate and adoption.

Signed:



Date:

13/3/24

HON. JACK WAMBULWA; MCA-KIMAETI WARD

CHAIRPERSON BUDGET & APPROPRIATIONS COMMITTEE

CHAPTER TWO

2.0 INTRODUCTION

The County Governments are responsible for spearheading development in their respective areas of jurisdiction; within the County. They are to achieve this through a participatory process that links planning and budgeting as provided for in Section 102 of the County Government Act, 2012.

The Public Finance Management Act, 2012 provides guidelines on the budgeting process to ensure a comprehensive budget process.

The CFSP is one of the key documents of budgeting that answers the following two vital questions:

- i. How big should the total budget be in the next year? This means estimating total revenue, total spending, and where spending is larger than revenue, the total deficit; and
- ii. What share of the budget should go to each of the major sectors, such as Health, Agriculture, Education, etc.? This is also known as setting the ceilings for each sector and determines the maximum amount of funds that each sector should receive. It therefore establishes the priorities for the year.

2.1 EXAMINATION & INTERROGATION OF THE FISCAL STRATEGY

PAPER

Mr. Speaker Sir, in the consideration of the Bungoma County Fiscal Strategy Paper, 2024, the Committee adopted a multifaceted approach that included holding consultative forums with various stakeholders across the County who submitted memoranda, interrogation by Sectoral Committees of the County Assembly with their respective departments in the Executive Arm who submitted their reports to this Committee.

Public participation views

Mr. Speaker Sir,

The Committee invited members of the public and all stakeholders to a public participation forum and submission of memoranda on 7th and 8th March, 2024 in the County Assembly precinct; Paskari Nabwana Hall. The public participation report is annexed. Some of the views from the members of the public have been incorporated.

Among the stakeholders that made submissions include;

1. Maendeleo ya Wanawake organization
2. Torch Africa
3. Races-Africa
4. Voice of Bungoma CSOs network
5. Mayanja Health Centre Community Scoreboard
6. Elgon Ward community leaders and stakeholders
7. Rural women in Action Kenya
8. Bungoma County child rights network and partners
9. Kimilili stakeholders
10. Disability Empowerment Network
11. Bungoma Civil Society Organization Forum
12. Health NGO Network (HENNET) Bungoma Chapter
13. Lwandanyi community champions
14. Bungoma Reproductive Maternal New-born Child and Adolescent Health (RMNCAH) Network and Primary Health Care champions
15. Kanduyi champion stakeholders

2.2 LEGAL FRAMEWORK

Mr. Speaker Sir, the County Fiscal Strategy Paper is prepared pursuant to Section 117 of the Public Finance Management Act, 2012, Regulation 26 of Public Finance Management (County Governments) Regulations, 2015 and Standing Orders 210 (4)(b) and 231 of the Bungoma County Assembly Standing Orders.

Section 117 of the PFM Act, 2012 states;

1. The County Treasury shall prepare and submit to 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 28th February of each year.

The document was submitted on 28th February, 2024 and tabled on the same day in compliance with this provision.

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 their budget both for the next 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 of 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 finalizing the budget proposal for the financial year concerned.
8. The County Treasury shall publish and publicize the County Fiscal Strategy Paper within seven days after it has been submitted to the County Assembly.

Regulations 25 and 26 of the Public Finance Management (County Governments) Regulations, 2015 and Standing Order No. 231 of the County Assembly of Bungoma Standing Orders also prescribe the form and content of County Fiscal Strategy Papers.

2.3 SUMMARY OF COUNTY FISCAL STRATEGY PAPER, 2024

Mr. Speaker Sir, the budget for FY 2024/25 is divided into allocation of Kshs. 4,307,657,232 for development and allocation of Kshs. 10,046,415,519 for recurrent representing 30 and 70 percent respectively of the total budget **Kshs. 14,354,072,751**.

Economic classification takes the form of ;

- 1) Non-discretionary expenditures (Personnel Emoluments); this takes first charge and includes payment of statutory obligations such as salaries, pension and others. These expenditures are projected to account for about 45.9% of the Budget.
- 2) Operations and maintenance make up 24.1% of the FY 2024/25 budget..
- 3) Development expenditure; as already indicated, is 30% of the total budget and is shared out based on the sector plans and priorities and other strategic county considerations.

The budget is distributed between the County Executive and County Assembly as follows:

Arm/Department	Approved Original Budget FY 2023/24	CFSP Projection FY 2024/25	Increment
County Executive (Governor)	499,905,378	578,234,882	78,329,504
County CDAs	11,391,293,609	12,615,829,407	1,224,535,798
County Assembly	1,051,958,943	1,160,008,462	108,049,519
Totals	12,943,157,930	14,354,072,751	1,410,914,821

2.4 REVENUE PROJECTION

Mr. Speaker Sir, as mentioned above in the FY 2024/25, the County total resource envelope including Appropriation-in-Aid (A.i.A) is estimated at Kshs. 14.35 billion. The sources are as detailed below:

Own source Revenue and AIA

The own source Revenue will amount to Kshs. 417.68 million which is a decrease of a Kshs. 450.52 million and Appropriation in Aid of Kshs. 820.25 million in FY 2024/25 which is a decrease of Kshs. 321.95 compared to the projections in the current FY 2023/24.

Equitable Share

Exchequer is projected at Kshs. 11,278,987,461 compared to Kshs. 11,111,983,608 in the FY 2023/24 hence an increment of a paltry Kshs. 167,003,853.

Conditional Grant from development partners

Projection is Kshs. 1,246,523,980 in the FY 2024/25 compared to Kshs. 799,527,648 representing an increase of Kshs. 446,996,332. The breakdown is as below;

Danida.....	Kshs. 13,698,750
Agriculture value chain development projects (NAVCDP).....	Kshs. 151,515,152
UNICEF.....	Kshs. 1,571,000
FLLOCA-Water.....	Kshs. 11,000,000
Climate change grant	Kshs. 153,488,888
Urban Support program.....	Kshs. 35,000,000
KDSP II.....	Kshs. 37,500,000
KOICA III.....	Kshs. 500,000,000
UNFPA.....	Kshs. 7,400,000
KELCOP.....	Kshs. 37,950,000
KISP II.....	Kshs. 297,400,190

Conditional grant from National Government

The projected grant from National government is Kshs. 419,292,891 which a reduction from the FY 2023/24 by Kshs. 388,097,973. Conspicuously missing are grants towards; leasing of medical equipment, fertilizers subsidy programme and aggregate industrial park. The breakdown of the 419,292,891 grant is;

SHIF Reimbursement.....	Kshs. 105,600,000
Community Health Promoters.....	Kshs. 84,137,892
Fuel Levy.....	Kshs. 184,554,999
REREC.....	Kshs. 45,000,000

Funds

The amount of money available in the revolving funds is Kshs. 171,327,531 as detailed below:

- Trade loans.....Kshs. 121,463,930
- Women fundKshs. 15,441,660
- Disability Funds....Kshs. 9,437,615
- Youth FundKshs. 24,984,326

Deficit Financing

Based on the resource requirements as per the Annual Development Plan 2024/25 which is Kshs. 35.4 billion and the County resource envelope is estimated at Kshs. 14.3 billion, creating a fiscal deficit (including grants) of Kshs. 21.1 billion in the FY 2024/25. The County faces a significant fiscal deficit for the upcoming fiscal year, and various strategies are being considered to finance this shortfall, including seeking support from the national government, engaging with development partners, boosting local revenue collection efforts, and borrowing from the market at negotiated rates subject to the provisions of the County Medium Term Debt Management Paper 2024/25 – 2026/27. The paper indicates the County Treasury has a directorate for Revenue Mobilisation whose overall mandate is to mobilise resources for the County. The impact of this directorate has not been felt owing to shrinking resource envelop.

2.5 Flagship Projects

Mr. Speaker Sir, in the medium term, the County will continue directing resources towards the completion of its strategic development agenda. This will be done through partnerships with National Government and development partners. The priority projects include; completion and equipping of the 300, 100 and 80 bed capacity maternal/child blocks at Bungoma County Referral Hospital, Sirisia Sub County Hospital and Bumula Sub County Hospital respectively; expansion and modernizing of Masinde Muliro Stadium; Equipping of the County Dairy Processor at Webuye; Completion of Brigadier- Misikhu Road and dualing of 6.5 Km of the high traffic section of Mumias- Bungoma Road (C-33) from Kanduyi Junction to Sang’alo Junction, issuance of planting and top dressing certified fertilizer and seeds to at least 750

beneficiaries per ward, street lighting, trade loans, youth, women and disability funds among others.

2.6 Ward based Projects.

Mr. Speaker Sir, this CFSP has captured the aspirations of Ward Based Projects formally Community Empowerment Fund (CEF) as a strategy to be pursued by the County Government in the medium term with an allocation of Kshs. 777,327,531. This comprises Kshs. 450,000,000 (Kshs. 10,000,000 per ward for the 45 wards) as an allocation for development programs and Kshs. 327,849,458 as an allocation for Ward based projects pending bills. The figure has however, not distributed to the various sectors so as to form part of the departments' ceilings. This will result in a shift in the departmental ceilings to the extent of the Ward based projects cost per sector.

2.7 FISCAL RISK

Mr. Speaker Sir, as examined the CFSP, 2024, over the medium term, the following fiscal risks came out;

i. Pending Bills

Failure to make payments as and when they fall due by the County Government may constitute a serious material breach or a persistent material breach of measures as outlined under Section 94(1) (a) of Public Finance Management Act, 2012.

As at January 30, 2023, the County Government reported accumulated pending bills amounting to Kshs. 2.12 billion. Although Kshs. 177.64 million was allocated for pending bills in the approved First Supplementary Budget Estimates for FY 2023/24, there remains a substantial balance of Kshs. 1.94 billion to be addressed in the FY 2024/25 budget estimates. In FY 2024/25, there is a provision of Kshs. 472,696,589 representing 36.6%, leaving a significant balance of Kshs. 817,714,285, representing 63.3%, which poses a considerable risk to the financial health and stability of the County Government. The situation regarding the pending bills for Ward-based projects is indeed critical, with a total amount of Kshs. 655,698,915 reported and only 50% of that amount, equivalent to Kshs. 327,849,458, provisioned in the FY 2024/25 budget estimates. This leaves a balance of Kshs. 327,849,457, which poses a substantial risk, particularly considering

that this balance involves many contractors. The pending bills list and classification per Ward has not been provided.

Statutory Remittances

County Government owes money to the various pension funds ((the Local Authorities Provident Fund (LAPFUND), the Local Authorities Pension Trust (LAPTRUST), and the County Pension Fund (CFP)) that serves employees of County Governments and affiliated entities which have accumulated over the years. As at 31st December, 2023, the Treasury has indicated unremitted contributions stood at Kshs. 395.54 million. First Supplementary Budget had a provision of Kshs. 157.8 million to cater for the FY 2018/19 - 2022/23 arrears and a deficit of Kshs. 157.88 million will be provided for in the FY 2024/25 Annual Budget. It's crucial for the government to consider addressing the accrued interest of Kshs. 610.2 million along with the outstanding pension contributions. This would demonstrate a genuine commitment to fulfilling its responsibilities towards retirees and ensuring that they receive their full entitlement since this situation was caused by the same government.

ii. Multi-year projects

Regulation 55 of PFM Regulation, 2015 states that;

- 1) County government entity may enter into a contract which will impose financial obligations on the county government entity beyond a financial year. Contracts with multi-year financial implications.
- 2) Contracts imposing financial obligations in excess of one year may be concluded by the accounting officer only if—
 - (a) the accounting officer discloses all finalized and signed contracts by the beginning of a financial year;
 - (b) the finalized and signed contracts are budgeted for first, before new projects are considered by the accounting officer of the County government entity; and
 - (c) the accounting officer secures the resources required in line with the financing requirements set out in the contracts.

The accounting officers should implement this provision in planning and budgeting of the multi-year projects to avoid stalling of the projects, accumulation of the pending bills and several variations to the contract sum.

iii. Personnel emolument

The County Government need to institute measures geared towards lowering expenditure on wages and benefits for public officers so as not to exceed 35% of the county government revenue as prescribed by the PFM Regulations 25 (1). The projected personnel expenditure in the CFSP 2024 is 45.9% of the Budget.

iv. Weak management of assets and liabilities

This is characterized by incomplete fixed assets register leading to under estimation of the assets held by the County Government. This has been made worse by lack of automation of asset register despite allocating funds to asset management under the Finance docket.

CHAPTER THREE

DEPARTMENTAL HIGHLIGHTS OF THE COUNTY FISCAL STRATEGY PAPER, 2024(CFSP)

3.1 AGRICULTURE, LIVESTOCK, FISHERIES, IRRIGATION AND COOPERATIVE DEVELOPMENT.

Mr. Speaker Sir, the department of Agriculture, Livestock, Fisheries, Irrigation and Cooperative development has a proposed ceiling of Kshs. 740,554,154 compared to Kshs. 1,102,398,053 of the current financial year, hence a loss of Kshs. 361,843,900. On recurrent the ceiling is Kshs. 370,663,544 compared to Kshs. 402,673,939 in the current year, hence a loss of Kshs. 50,010,395. On development the department has a ceiling of Kshs. 369,890,609 compared to Kshs. 699,724,114 in the current year, hence a loss of Kshs. 329,833,505.

3.1.1 Agriculture and Irrigation.

The sub-sector of Agriculture and Irrigation has a proposed ceiling of Kshs. 500,653,482 compared to Kshs. 776,112,732 in the FY 2023/24 hence a loss of Kshs. 275,459,250. On recurrent, the proposed ceiling is Kshs. 189,888,330 compared to Kshs. 180,171,236 in the current year.

On development the proposed ceiling is Kshs. 310,765,152 compared to Kshs. 413,892,800 in the current year translating to a loss of Kshs. 103,127,648.

The programs captured are:

Recurrent

- Policy, legal and regulatory framework Kshs. 2,000,000
- Sector coordination Kshs. 1,000,000
- Planning and financial management Kshs. 2,000,000
- Monitoring and evaluation Kshs. 1,800,000
- Weather information Kshs. 1,500,000
- Leadership and Governance Kshs. 1,000,000
- Administration and support services Kshs. 2,971,043

- International and County celebrations Kshs. 2,000,000
- Household irrigation Technologies Kshs. 1,400,000
- Development and management of irrigation infrastructure Kshs. 1,500,000
- Agricultural water storage and management Kshs. 500,000
- Human Resource Management and Development Kshs. 333,155,660 for salaries and emoluments for all sub-sectors.

Development

- Co-funding Kshs. 5,000,000
- Crop seed Kshs. 26,000,000
- NAVCDP- National Agricultural Value Chain Development Programme Kshs. 151,515,152
- Fertilizer Kshs. 128,250,000 compared to Kshs. 256,500,000 in the current year before the approved 1st Supplementary Budget FY23/24 the amount was reduced to half. Whereas the Sector Committee advocates for the increase of the allocation to the initial amount, views from a section of the public are opposed to free fertilizers and prefers subsidized fertilizers as seen with the National Government. The public also suggests a need for the farmers to be put into clusters for ease of monitoring and evaluation and for effective implementation and oversight of fertilizer programs.

3.1.2 Livestock and Fisheries

The sub-sector of Livestock and Fisheries has a proposed ceiling of Kshs. 198,284,017 compared to Kshs. 213,832,293 in the FY 2023/24 hence a loss of Kshs. 15,548,276. On recurrent the proposed ceiling is Kshs. 149,061,904 compared to Kshs. 150,548,615 in the current year. On development the proposed ceiling is Kshs. 49,223,113 compared to Kshs. 63,284,293 in the current year translating to a loss of Kshs. 14,062,180.

The programs captured are;

Recurrent

- Livestock and Veterinary extension and training services Kshs. 3,000,000
- Development of Mabanga ATC Kshs. 2,100,000
- Development of Mabanga AMC Kshs. 2,500,000
- Disease and Vector control Kshs. 1,500,000
- Animal Breeding Kshs. 1,200,000
- Development of Chwele Fish Farm (CFF) Kshs. 1,000,000
- Fisheries Extension and training services Kshs. 2,100,000

Development

- Provision for pending bills Kshs. 13,350,378
- Kenya Livestock Commercialization Project. (KeLCoP) Kshs. 37,950,000

3.1.3 Cooperative development and Management

The sub-sector of Cooperative Development and Management has a proposed ceiling of Kshs. 41,616,654 compared to Kshs. 38,390,058 in the FY 2023/2024 hence a gain of Kshs. 3,226,596. On recurrent the proposed ceiling is Kshs. 31,713,310 compared to Kshs. 28,390,058 in the current year, hence a gain of Kshs. 3,323,252.

On development the proposed ceiling is Kshs. 9,903,344 compared to Kshs. 10,000,000 in the current year translating to a loss of Kshs. 96,656.

The programs captured are;

Recurrent

- Cooperative governance, advisory and training services Kshs. 1,736,841
- Cooperative audit services Kshs. 2,000,000
- Cooperative registration services, agribusiness and marketing services, infrastructure/ financial support services has no allocation

Development

- Pending bill allocation of Kshs. 9,903,344

3.2 GENDER AND CULTURE

Mr. Speaker Sir, The department of Gender and Culture has a proposed ceiling of Kshs. 129,096,942 compared to Kshs. 126,479,728 in the FY 2023/24 hence again of Kshs. 2,617,214. On recurrent the proposed ceiling is Kshs. 69,553,612 compared to Kshs. 85,108,466 in the current year, hence a loss of Kshs. 15,574,854.

On development the proposed ceiling is Kshs. 59,437,285 compared to Kshs. 41,371,728 in the current year translating to a gain of Kshs. 18,065,557.

The programs captured are:

Recurrent

- Gender Equality and Empowerment of Communities Kshs. 2,500,000
- Salaries and remunerations Kshs. 45,499,976
- General administration and planning Kshs. 18,934,807
- Pending bill recurrent Kshs. 2,598,829 against a requirement of Kshs. 5,197,656
- Kimilili library services has no allocation but in the current year it had an allocation of Kshs. 6,865,428.

Notably was a lack of allocation for KICOSCA games. Submissions from the department through the Sector Committee indicate that the department will be responsible for funding participants for the Kamabeka competition and coordinating the County's participation in the KICOSCA competitions. For other disciplines besides Kamabeka and KICOSCA, participants will be chosen through interdepartmental competitions. Each department will presumably organize competitions within its domain to identify talented individuals. Participants selected to represent the County in various disciplines will be funded by their respective departments. This implies that each department will bear the financial responsibility for supporting their representatives in competitions.

Development

- Cultural Development and Management Kshs. 33,494,746
- Provision of Pending bill Kshs. 1,189,309
- Women Development Fund Kshs. 15,441,660
- Disability Development Fund Kshs. 9,437,615

The Sector Committee raised concerns on the delay to publish regulations on women and disability funds in order to operationalize them.

3.3 TOURISM, ENVIRONMENT, WATER AND NATURAL RESOURCES.

3.3.1 TOURISM AND ENVIRONMENT

Mr. Speaker Sir, the department of Tourism and Environment has a proposed ceiling of Kshs. 557,945,371 down from Kshs. 585,876,307 in the FY 2023/24 hence a loss of Kshs. 27,930,936. On recurrent the proposed ceiling is Kshs. 318,356,929 compared to Kshs. 373,476,842 in the current year translating to a loss of Kshs. 55,219,913.

On development the proposed ceiling is Kshs. 239,688,442 compared to Kshs. 212,399,464 in the current year translating to a gain of Kshs. 27,288,978.

The programs captured include:

Recurrent

- Salaries and Emoluments Kshs. 29,654,428.
- Operations Kshs. 13,426,501
- Maintenance Kshs. 651,000
- Waste collection and disposal services Kshs. 252,000,000 compared to Kshs. 312,552,734 in the current year. The contract sum is Kshs. 346,675,470 representing a deficit of Kshs. 94 million.
- Policy and legal framework formulation Kshs. 525,000
- Climate Change Institutional support Kshs. 11,000,000

Development

- Climate Change Grant Kshs. 153,488,888
- Provision for pending bill of Kshs. 6,199,554
- Climate change grant co- funding Kshs. 80,000,000

3.3.2 WATER AND NATURAL RESOURCES

Mr. Speaker Sir, the department of Water and Natural Resources has a proposed ceiling of Kshs. 619,859,614 down from Kshs. 271,247,394 in the FY 2023/24 hence a gain of Kshs. 348,612,220. On recurrent the proposed ceiling is Kshs. 76,257,997 compared to Kshs. 61,605,249 in the current year translating to a gain of Kshs. 14,652,748.

On development the proposed ceiling is Kshs. 543,601,617 compared to Kshs. 209,642,145 in the current year translating to a gain of Kshs. 333,959,472.

The programs captured include;

Recurrent

- Salaries and emoluments Kshs. 37,444,946 compared to current year of Kshs. 38,151,374
- Operation Kshs. 5,842,731
- Maintenance of water projects Kshs. 5,970,320
- Policy and legal framework formation Kshs. 2,000,000
- KOICA co-funding Kshs. 25,000,000. However submissions from the department through the Sector Committee shows a commitment by the County Government to contributing a total of Kshs. 150 million starting FY 2024/25.

Development

- Water services provision Kshs. 22,197,513 compared to Kshs. 27,600,000 in the current year.
- KOICA Phase III Kshs. 500,000,000

- Pending bills provision of Kshs. 21,404,104

3.4 Trade, Energy & Industrialization.

Mr. Speaker Sir, the department has an allocated ceiling of Kshs. 425,719,499 comprising Kshs. 59,680,897 recurrent ceiling and Kshs. 366,038,602 as development ceiling. This is a drop by over 50% from the current financial year's allocation of Kshs. 863,274,599. The Industrialization sub-sector bears the biggest drop in ceiling from Kshs. 410,000,000 to Kshs. 90,000,000 because these ceiling has not captured what the County is bound to receive from the County Aggregated Industrial Parks program.

Sub-sector allocation

3.4.1 Trade

The Directorate has an allocation of Kshs. 245,976,328 with Kshs. 46,678,297 being recurrent and Kshs. 199,298,031 development. The current budget being implemented has a total of Kshs. 326,980,406 where Kshs. 25,637,165 is recurrent while Kshs. 301,343,241 is development. Among the major projects and activities that the department proposes to do are;

- Human resource development and management including salaries and emoluments at Kshs. 24,086,326 up from Kshs. 21,316,842
- Planning and support services at Kshs. 4,708,185.
- Administrative services at Kshs. 6,023,988
- Development of market infrastructure has an allocation of Kshs. 54,437,825 where Kshs. 4,437,825 is for recurrent and Kshs. 50 million development
- There is a provision for pending Bills in the department of Kshs. 35,256,074. The breakdown on recurrent and development is Kshs. 7,421,973 and Kshs. 27,834,101 respectively. Through the Sector Committee, the department requests for the allocation on pending bills ceiling to be enhanced in order to clear KPLC pending bills.

3.4.2 Energy

Mr. Speaker Sir, the Directorate has an allocation of Kshs. 76,280,583 with Kshs. 14,456,042 being recurrent and Kshs. 60,824,541 for development. The current budget being implemented has a total of Kshs. 119,222,416 where Kshs. 23,222,416 is recurrent while Kshs. 96,000,000 is development. Among the major projects and activities that the department proposes to do are;

- Human resource development and management including salaries and emoluments at Kshs. 4,430,425.
- Planning and support services at Kshs. 7,497,420
- Administrative services at Kshs. 3,528,197
- For development; Purchase and installation of transformer (REREC) Kshs. 45,000,000 national grant.
- Purchase of lighting equipment Kshs. 15,824,541

3.4.3 Industrialization

The Directorate has an allocation of Kshs. 99,406,356 with Kshs. 9,406,356 being recurrent and Kshs. 90,000,000 development. The current budget being implemented has a total of Kshs. 417,071,777 where Kshs. 7,071,777 is recurrent while Kshs. 410,000,000 is recurrent. Among the major projects and activities that the department proposes to do are;

- Human resource development and management including salaries and emoluments at Kshs. 1,980,216 from Kshs. 1,885,920.
- Planning and support services at Kshs. 4,416,106
- Administrative services at Kshs. 3,010,034
- Industrial development management at Kshs. 90,000,000. The amount is an addition to current year allocation of Kshs. 160 million as County Government contribution to the industrial park project to match the Kshs. 250 million from National Government.

3.5 Lands, Housing & Municipalities

3.5.1 Lands, Urban & Physical Planning

The department has an allocated ceiling of Kshs. 59,931,735 comprising Kshs. 50,890,920 recurrent ceiling and Kshs. 9,040,815 as development ceiling. This is a Kshs. 36,124,937 drop from the current financial year's allocation of Kshs. 96,056,672. There is a net gain of Kshs. 3,794,356 on recurrent while development has a net loss of Kshs. 39,919,293

Among the major projects and activities that the department proposes to do are;

- Salaries and emoluments at Kshs. 26,656,643
- Administration planning and support services at Kshs. 13,624,736
- Planning and financial management Kshs. 2,729,550
- Policy formulation (land policy) Kshs. 2,813,542
- Training Kshs. 650,000 against a requirement of Kshs. 4,431,314
- There is a provision for pending bills of Kshs. 3,429,037 (Kshs. 987,412 recurrent and development Kshs. 3,441,625) against a requirement of Kshs. 6,858,073.
- Registration of land (processing of title deed) at Kshs. 3,429,037.
- Development/physical planning of 8 centers at Kshs. 5,000,000.
- Review the physical development plans for Webuye and Chwele urban centres at Kshs. 1,599,190.

3.5.2 Housing

The directorate has an allocated ceiling of Kshs. 482,490,557 comprising Kshs. 18,880,587 recurrent ceiling and Kshs. 463,609,970 as development ceiling. This is a gain from the current financial year's allocation of Kshs. 236,311,274.

Among the major projects and activities that the department proposes to do are;

- Salaries and emoluments with a requirement of Kshs. 11,112,521 has been fully funded
- Administration planning and support services at Kshs. 4,000,000
- Training with a requirement of Kshs. 2,300,000 has been allocated Kshs. 271,396

- Operationalization of new municipalities had a requirement of Kshs. 7,000,000 with only Kshs. 500,000 being allocated. This should be implemented under the Lands and physical planning sector.
- Pending bills requirement of Kshs. 1,523,774 was not considered.

Under development, the directorate plans to fund the following programs:

- Under County residential Houses management, there are allocations of Kshs. 500,000 for inventory of County Houses, Kshs. 443,940 for assessment of County House, Kshs. 375,000 for automation of House inventory, and Kshs. 500,000 for repairs
- Construction of office block has been allocated Kshs. 105,108,700 against a requirement of Kshs. 400,380,000. The current budget has an allocation of Kshs. 98,500,000
- Construction of Governor's residence at Kshs. 30,120,900 with the current allocation being Kshs. 10,000,000
- Construction of Deputy Governor's residence at Kshs. 20,980,200 erroneously captured as a pending bill. The current allocation is Kshs. 15,000,000.
- On the construction of Governors, Deputy Governors and construction of new Executive this paper indicates that the County Government of Bungoma wrote to the Chief Architect seeking for an extension period for construction of Governor/Deputy Governor's residence and a review of the cost of construction of the residences from recommended ceilings by CRA of Kshs. 80,000,000, Kshs. 40,000,000 and Kshs. 500,000,000 to Kshs. 171,442,866, Kshs. 96,555,874 and Kshs. 735,452,599 respectively. The letter Ref: CG/BGM/GVN/GEN/VOL/1(141) dated 20th February 2023 was received by the Ministry on 21st February 2023. The County has not received any response from the Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works and Senate hence the Assembly directs that the recommended ceilings should be adhered to pending any approval for review.
- KISIP 2 grant co-funding for upgrading of slums at Kshs. 10,000,000
- KISPI 2 Grant of Kshs. 297,400,170 with the current financial year (KSIP 1) having an allocation of Kshs. 80,000,000.

3.5.3 Bungoma Municipality

Mr. Speaker Sir, the Municipality has an allocated ceiling of Kshs. 213,100,343 comprising of Kshs. 93,100,343 recurrent ceiling and Kshs. 120,000,000 as development ceiling. This is a drop from the current financial year's allocation of Kshs. 285,775,162. However recurrent has gained from Kshs. 43,099,914 while development has dropped from Kshs. 242,675,248 as this ceiling does not include the projection for Ward Based Projects from the Wards in the Municipality.

Among the major projects and activities that the Municipality proposes to do are;

- Salaries and emoluments at Kshs. 21,271,066 against a requirement of Kshs. 23,465,532.
- Administration planning and support services at Kshs. 27,815,260 from a requirement of Kshs. 36,172,500.
- Human resource capacity development at Kshs. 5,742,345 from a requirement of Kshs. 25,305,000.
- Grant (recurrent) Kshs. 17,500,000
- Planning and financial management at Ksh. 2,632,042
- Institutional accountability Kshs. 3,800,000
- Research and development Kshs. 7,339,630
- Purchase of a motor vehicle at Kshs. 7,000,000

Under development expenditure, the following are the projects to be implemented;

- Construction of a municipality office block has been allocated Kshs. 8,000,000 from a requirement of Kshs. 82,687,500. This allocation was declined since it is too low compared to contract sum.
- Construction of a modern bus park with market stalls has Kshs. 55,000,000 from a requirement of Kshs. 441,000,000. The current financial year's allocation is Kshs. 58,200,000.
- Construction/upgrading of urban sanitation facilities has Kshs. 11,500,000 against a requirement of Kshs. 10,500,000. The current financial year's allocation for this program is Kshs. 9,500,000 (drainage works at Soko Kubwa)

- Kshs. 3,000,000 has been allocated towards fencing of purchased public land in the Municipality.
- Installation of waste collection chambers has been allocated Kshs. 1,500,000 against a requirement of Kshs. 10,500,000 while waste collection bins had a request of Kshs. 787,500 whereas, Kshs. 3,000,000 has been allocated.
- Purchase of land for trailer parking has been allocated Kshs. 38,000,000 against a requirement of Kshs. 420,000,000. In the current year, this project has Kshs. 38,000,000 allocation which submission from the department shows the said amount was relocated to purchase Chepkube market land as per min CGB/SFBM/MB/3.10.02.24 of the municipal board. This is contravention of the PFMA Section 149 and this Committee directs the Sector Committee to look into the public financial management of the municipal boards to ensure they operate within the purviews of the PFMA, 2012.

3.5.4 Kimilili Municipality

Mr. Speaker Sir, the Municipality has an allocated ceiling of Kshs. 143,177,040 comprising of Kshs. 78,638,217 recurrent ceiling and Kshs. 64,538,823 as development ceiling. This is a drop from the current financial year's allocation of Kshs. 236,703,484. Recurrent has increased by Kshs. 33, 782,712 from Kshs. 44,855,505 while development has reduced by Kshs. 127,308,156 as Ward Based Projects have not been factored in yet.

Among the major projects and activities that the Municipality proposes to do are;

- Salaries and emoluments at Kshs. 16,317.
- Policy, legal and regulation services at Kshs. 13,000,000
- Planning and financial management at Kshs. 8,000,000
- Urban institution leadership and coordination services at Kshs. 22,640,855
- Pending bill (recurrent) has been allocated Kshs. 1,180,000
- Grant (recurrent) Kshs. 17,500,000
- Under development, urban greening has been allocated Kshs. 5,000,000 while urban infrastructure development has been allocated Kshs. 59,538,823.

3.6 Education and Vocational Training

Mr. Speaker. Sir, the department has an allocated ceiling of Kshs. 1,433,157,743 comprising of Kshs. 1,249,151,498 recurrent ceiling and Kshs. 184,006,245 as development ceiling. The education sub sector has an allocation of Kshs. 1,384,376,506 while vocational training allocation is Kshs. 48,781,237. There is a noticeable drop of Kshs. 261,524,370 in the budget ceiling from the current year allocations of Kshs. 1,694,682,113. It is worth noting that the figure excludes what the department shall be allocated under Ward Based Projects.

Staff remuneration has been allocated a budget at Kshs. 1,212,895,524 whereas the current year's allocation is Kshs. 1,210,144,825 while promotions has an allocation of Kshs. 6,000,000. There is no allocation for promotions or recruitment under Vocational Training.

Administration support services has an allocation of Kshs. 14,635,857 under Education and Kshs. 14,774,992 under VTCs.

There is a provision for recurrent pending bills amounting to Kshs. 845,125 against a requirement of Kshs. 1,690,250 (50%)

Among the major project that the department proposes to do are;

- Equipping of ECDE centers with learning materials has an allocation of Kshs. 15,000,000.
- Education support program at Kshs. 135,000,000 against a requirement of Kshs 638,987,824. The current financial year allocation for this program is Kshs. 320,000,000. There are fees arrears worth Kshs. 115.7 million as we move into the new FY 2024/25.
- Construction of VTCs workshop at Kshs. 9,000,000 against a requirement of Kshs. 25,000,000. The current financial year allocation for this program is Kshs. 20,500,000
- Equipping of VTCs workshop at Kshs. 5,000,000 against a requirement of Kshs. 25,000,000

- Renovation of VTCs workshop at Kshs. 5,006,245 against a requirement of Kshs. 25,000,000
- VTCs capitation at Ksh. 15,000,000

The chief officer made a submission through the Sector Committee that the department will received Kshs. 2.9 million in the current FY and planned to receive Kshs. 3 million next financial year from UNICEF towards CBC training. Hence the amount should be captured in the County resource envelop.

3.7 Youth and Sports

Mr. Speaker Sir, the Sector has a total allocation of Kshs. 60,466,726 broken down as Kshs. 24,096,013 recurrent, Kshs. 11,386,387 development and Kshs. 24,984,326 for Youth Development and Management- Youth Fund compared to Kshs. 110,475,401 allocated current year.

Major expenses will be;

- i. Sports facility development and management Kshs. 11,386,387
- ii. Sports and talent development and management Kshs. 2 million
- iii. Youth Development and Management: Youth Fund Kshs. 24,984,326
- iv. Salaries and remunerations Kshs. 12,649,658
- v. General administration, planning and support services Kshs. 9,466,726.

This committee notes the pending bill on Masinde Muliro Stadium of Kshs. 154 million with Kshs. 128 million being variations from the original contract sum of Kshs. 679 million and directs the sector committee to look into the procedure on varying the project sum on whether the provisions of Public Procurement and Asset Disposal were followed.

3.8 Roads and Public works

Mr. Speaker Sir, the Sector has a total allocation of Kshs. 850,086,868 for FY 2024/25. This comprises of Kshs. 127,391,066 for recurrent expenditure and Kshs. 722,695,802 for development expenditure for the period compared to Kshs. 1,396,626,350 current financial year

General Administration, Planning and Support Services

The programme has an allocation of Kshs. 123,360,700 compared to Kshs. 130,714,030 in the current financial year.

Major expenses are;

- Capacity Development and Motivation Kshs. 83,840,885
- Administration Services Kshs. 31,787,604
- Financial Services, Planning and Stewardship Kshs. 7,732,211

Transport infrastructure development and management has an allocation of Kshs. 726,726,168 against Kshs. 1,265,912,320 allocated current FY where Kshs. 4,030,366 is recurrent and Kshs. 722,695,802 being development expenditure.

Major expenses include;

- Maintenance of roads Kshs. 461,159,015 against Kshs. 1,170,912,320 allocated current year.
- Rehabilitation of Roads, Bridges and Drainage Works has no allocation against Kshs. 47,500,000 allocated current year
- Roads Maintenance Levy Fund Kshs. 184,554,999
- Supplier credit Kshs. 81,012,154 broken down as Kshs. 4,030,366 recurrent and Kshs. 76,981,788 development

Building Standards and Quality Assurance has no allocation, current year Kshs.1.4 million was allocated.

3.9 HEALTH AND SANITATION

Mr. Speaker Sir, the department of Health and Sanitation has a ceiling of Kshs. 4,168,015,395 which has a gain of Kshs. 46,910,713 from the current financial year 2023/24. On recurrent the ceiling of Kshs. 4,095,193,435 translates to a gain of Kshs. 460,479,770 and on development the ceiling is Kshs. 72,821,960 translating to a loss of Kshs. 413,569,057.

3.9.1 HEALTH

The sector has a proposed allocation of Kshs. 3,169,340,542 for recurrent and Kshs. 63,915,957 for development. There is also an allocation of Kshs. 925,852,893 for the

health facilities hence the total budget is Kshs. 4,095,193,435 for recurrent and Kshs. 63,915,957.

These will fund the health programs below:

1. Health Sector General Administration, Planning and Support Services has an allocation of Kshs. 4,017,709,640 and include;

Recurrent

- Personnel Kshs. 2,924,728,132
 - Leadership and governance Kshs. 2,000,000
 - Health Outreach and Support Services Kshs. 2,000,000
 - Health Planning, Policy, Resource mobilization and health financial management Kshs. 12,661,390
 - Pending Bills Kshs. 29,960,833 against a requirement of Kshs. 84,816,483
 - Community Health Promoters Kshs. 84,137,892
 - UNICEF Kshs. 1,571,000
 - UNFPA Kshs. 7,400,000
 - DANIDA Kshs. 13,698,750
 - DANIDA Co Funding Kshs. 13,698,750
2. Curative and Rehabilitation services has an allocation of Kshs. 30.1 million and include;
- Primary health care Kshs. 9,000,000
 - Blood transfusion services Kshs. 2,100,000
 - Universal health care Kshs. 9,000,000
 - Health Product and Technologies Kshs. 5,000,000
 - Referral services Kshs. 5,000,000
3. Preventive and Promotive Health Services has an allocation of Kshs. 45,269,997 and include;
- Reproductive, Maternal, New-born, Child and Adolescent Healthcare Kshs. 25,249,997

- Market Sanitation Kshs. 2,000,000
- Quality food and water hygiene Kshs. 4,000,000
- Diseases surveillance Kshs. 6,020,000
- Neglected Tropical Diseases Kshs. 5,000,000
- Non-communicable diseases Kshs. 2,000,000
- Gender mainstreaming Kshs. 1,000,000

Development

- Health infrastructure allocation of Kshs. 63,915,957. The details have not been provided.

This committee notes the following from the Sector Committee report:-

- The amount of Kshs. 100 million co-funding for AMREF (IIP) programme is missing; the programme seeks to equip and improve service delivery in level 2& 3 in all the 45 wards. AMREF seeks to pump in Kshs. 400 million per year with every Kshs. 100 million injection by County Government.
- The salaries for CHPs of Kshs. 107 million has not been captured since enumeration for CHPs will be co-funded by the National Government and County Government. This committee recommends for allocation of CHP funds.
- The salaries worth Kshs. 161 million for the contractual staff has been left out.
- Naitiri equipping of male and female wards requires Kshs. 40 million counterparts funding, with Safaricom bringing in Kshs. 30 million and H.E the president Kshs. 30 million.

3.9.2 SANITATION

Mr. Speaker Sir, the sector has a ceiling of Kshs. 2,113,798 for recurrent which translates to a gain of Kshs. 96,368 from the current financial year while development has Kshs. 8,906,003 leading to a loss of Kshs. 6,452,363 for the current financial year.

This will be realized through the following programs;

Recurrent

- Sanitation recurrent expenses Kshs. 2,113,798

Development

- Sanitation Infrastructure Kshs. 8,906,003. The department is encouraged to pursue Public Private Partnership arrangement for provision of ablution blocks, sanitation facilities at public places. This will guarantee service delivery and revenue collection.

3.10 Finance and Economic Planning

Mr. Speaker Sir, the department has a total allocation of Kshs. 1,098,012,573 broken down as Kshs. 934,104,998 recurrent and Kshs. 163,907,575 development compared to Kshs. 1,510,850,610 allocated in the current financial year hence a reduction of Kshs. 412, 838,037.

Programs to be undertaken include;

General administration, planning and support services has an allocation of Kshs. 707,360,161 and Kshs. 100 million as recurrent and development respectively.

Major expenses include;

- Administration Services with an allocation of Kshs. 50,891,301
- Personnel costs Kshs. 438,583,673
- Employer contribution for staff pension Kshs. 147, 885,187
- Staff development Kshs. 10 million
- KRA Kshs. 60 million

Under Development, Emergency fund has an allocation of Kshs. 100 million.

County Planning management has an allocation of Kshs. 60,378,455 against Kshs. 43,217,576 allocated the current year

Major allocations include;

- Economic Policy and County Planning Services has been allocated Kshs. 27,400,767 against Kshs. 26,095,966 allocated in the current year.

- Monitoring and Evaluation Kshs. 17,977,691 against Kshs. 17,121,610 allocated current year.
- Statistics Kshs. 15 million which is a new directorate.

County Financial Service Management has an allocation of Kshs. 156,366,382 against Kshs. 180, 348,934 allocated in the current year approved budget.

The major allocations include;

- Revenue Mobilization Kshs. 41, 242,992
- Accounting Services Kshs. 21, 335,192
- Budgeting Kshs. 37, 620,580
- Audit Services Kshs. 18, 425,107
- Supply Chain Services Kshs. 19, 024,147
- Special Coordination Unit Kshs. 18,718,364

Information and Communication Technology Management has an allocation of Kshs. 73,907,575 broken down as Kshs. 10 million recurrent and Kshs. 63,907,575 development

- Information Communication Technology Unit recurrent Kshs. 10m
- Maintenance of computer, software and networks - Revenue System Kshs. 25 million as capital expenditure
- Information Communication Technology Development Kshs. 15,529,371
- Health Management System Kshs. 22,044,472
- Pending bill Kshs. 1,333,732 as capital expenditure.

3.11 PUBLIC SERVICE MANAGEMENT AND ADMINISTRATION & OFFICE OF THE COUNTY SECRETARY; OFFICE OF H.E. THE GOVERNOR AND DEPUTY GOVERNOR

Mr. Speaker Sir, the sector's main goal is to provide leadership and oversight in economic and devolution management, resource mobilization and management; and Inter-governmental relations for a responsive public service.

3.11.1 Public Administration

Sector has a total allocation of Kshs. 796.5 million recording a decrease of Kshs. 45.8 million on its recurrent ceiling. Development has dropped from Kshs. 51.7 million in the current year to Kshs. 21.7 million in the next year.

In FY 2024/25, the department plans to:

1. General administration amounts to a total of Kshs. 780.8 Million which is a decrease from an allocation of Kshs. 825.5 million in the current year. The sub-programmes underneath are:-
 - Personnel costs allocation of Kshs. 441.8 million up from Kshs. 429 million in the current year.
 - Training and development Kshs. 4.6 million
 - Transport and logistics Kshs. 4.5 million
 - The allocation of Kshs. 131.5 million for medical insurance cover represents a decrease from the current year's allocation of Kshs. 249 million. This reduction in funding for medical insurance cover may have several implications: impact on coverage, quality of care and risk management.
 - Cleaning & Contracted guards Kshs. 67.4 million compared to 84.1 million in the current financial year.
 - Office Rent Kshs. 21 million for the ward offices.
 - Uniforms Kshs. 8 million
 - Sub County Administration Kshs. 6.48 million. The amount should be enhanced to cover the 9 sub-counties.
 - Pending bills for recurrent Kshs. 29 million.
 - KDSP Grant Kshs. 37.5 Million for capacity building
 - General administration services Kshs. 26.7 million

2. Governance and Public relations amounts to Kshs. 18 million with sub-programmes as follows:-
 - Civic education Kshs. 8,000,000

- Commemoration of National events Kshs. 10 million.

Development

- The one sub-programme of Institutional development allocated Kshs. 19.3 million. The money is for construction of ward offices.
- Pending bills has an allocation of Kshs. 2.3 million.

3.11.2 Office of the County Secretary & ICT

Mr. Speaker Sir, The recurrent ceiling is Kshs. 33.7 million which is an increase compared to current year's allocation of Kshs. 11.7 million. On development there is no allocation.

In FY 2024/25, the department plans to do the following:-

- Training and development – CS, legal, HRM, Records and ICT Kshs. 3.7 million
- General administration services CS – Kshs. 10 million
- General administration services – Records directorate Kshs. 5 million
- General administration services – HR directorate Kshs. 5 million.
- Human resource management – payroll cleansing and audit, HR policies, schemes of service for enforcement officers & administrators and performance contracting Kshs. 10 million

Under the ICT infrastructure the following development projects have been lined up without allocation.

- 1 ICT hub established
- 1 operational data centre
- 100% Local Network installed in Head Quarters offices
- 100% of County offices installed with CCTV
- 100% of offices with internet installation.

The absence of a budget ceiling specifically allocated to ICT functions under the County Secretary's office, coupled with the confusion surrounding the movement of ICT functions between departments, is indeed a matter of concern. This situation can lead to ICT initiatives being overlooked or underfunded, which may hinder the County

Government's ability to leverage technology effectively for its operations and service delivery.

To address this issue and ensure that ICT receives adequate attention and funding, the following steps could be taken:

- **Clarify Responsibility and Authority:** Clearly define the responsibility for ICT functions within the organizational structure. Determine whether ICT functions should fall under the County Secretary's office, the Finance department, or a dedicated ICT department.
- **Allocate dedicated Budget for ICT:** Advocate for the establishment of a dedicated budget or budget line item specifically allocated to ICT functions. This will ensure transparency and accountability in the allocation of resources for technology-related initiatives.

3.11.3 Office of the County Attorney

Mr. Speaker Sir, the recurrent ceiling is Kshs. 72.1 million which is a substantial increase compared to current year's allocation of Kshs. 12 million. On development there is no allocation.

The sub-programmes underneath this office have been allocated as follows:-

- **Legal fees** Kshs. 5 million against a requirement of Kshs. 70 million. This allocation is intended to cover costs associated with legal representation, consultation, litigation, and any other legal matters that may arise within the county's jurisdiction. The county government should utilize the services of the county attorney's office to represent the county in legal matters. By doing so, we can avoid outsourcing legal services to external law firms, which often result in higher fees and expenses. The county attorney's office should handle a wide range of legal issues, including but not limited to contractual disputes, regulatory compliance, litigation, and providing legal advice to county officials and departments.
- **Recurrent Programmes** Kshs. 20 million. The programmes should be clearly marked.
- **General administration services** Kshs. 5.3 million

- Pending Bills: allocated Kshs. 41 million against a requirement of Kshs. 83.4 million

3.11.4 Governor and Deputy Governor's

Mr. Speaker Sir, the governor's office ceiling has been decreased to Kshs. 405.7 million from a ceiling of Kshs. 445.7 million being a decrease of Kshs. 40 million. Deputy Governor's office ceiling has slightly improved from Kshs. 27.3 million to Kshs. 28.6 million.

The programmes to be undertaken in FY 2024/2025 are;

1. General Administration amounts to Kshs. 392.5 million. The Sub-programme underneath include the following:-
 - Personnel Costs Kshs. 286.99 million
 - Training and development Kshs. 3 million
 - Transport and logistics Kshs. 10 million
 - General administration Kshs. 20.95 million
 - Pending Bills Kshs. 42.9 million
 - Office of the Deputy Governor Kshs. 28.6 million
2. Governance and public relations Kshs. 41.5 million. The sub-programmes underneath include the following:-
 - Field attachments Kshs.9.27 million
 - Stakeholders engagement Kshs. 4.2 million
 - Chaplain office Kshs. 2 million
 - 1st lady activities Kshs. 3 million
 - Events management directorate Kshs. 2 million
 - Communication directorate Kshs. 2 million
 - Public relations office Kshs. 2 million
 - Gender advisor activities Kshs. 2 million
 - Lands and emerging issues advisor activities Kshs. 2 million
 - Political advisor activities Kshs. 2 million
 - Economic advisor activities Kshs. 2 million

- Service delivery unit Kshs. 4 million
- Special programme Kshs. 5 million down from an allocation of Kshs. 40 million.

3.12 COUNTY PUBLIC SERVICE BOARD AND COUNTY ASSEMBLY

3.12.1 County Public Service Board

Mr. Speaker Sir, the department has a ceiling of Kshs. 72,123,071 which translates to a gain of Kshs. 9,270,517 from the current financial year. On recurrent the allocation is Kshs. 50,690,039 while on development is Kshs. 21,433,032.

The programmes captured under this department are listed below;

For Recurrent;

- General Administration and Planning, and Support Services Kshs. 6,827,421
- Human Resource Management and development (Personnel)Kshs. 13,725,212
- Human Resource Management(New appointments, promotion and confirmations) Kshs. 2,100,000
- Human Resource Development(trainings)Kshs. 6,983,836
- Governance and national values Kshs. 3,628,745
- Quality Assurance Kshs. 5,376,347
- Ethics, Governance and National Values Kshs. 8,268,563
- Pending bill Kshs. 3,779,915

For Development;

- Kshs. 21,433,032 will fund the ongoing construction of board offices.

3.12.2 COUNTY ASSEMBLY

Mr. Speaker Sir, the Assembly has a ceiling of Kshs. 1,160,008,462 which translates to a loss of Kshs. 108,967,418 from the current financial year. On recurrent the allocation is Kshs. 1,073,147,000 compared to Kshs. 1,132,238,230 in the current year hence a loss of Kshs. 59,091,230 while on development is Kshs. 86,861,462 down from Kshs 136,737,650 resulting in a loss of Kshs. 49,876,188.

The programmes captured under this department are;

For recurrent;

- General Administration and Planning, and Support Services Kshs. 805,774,121
- Legislation; Bills processing, publications and printing, Motions debating Kshs. 13,734,600
- Oversight (Committee fact-finding, budget interrogation expenditure, report writing retreats, Foreign and Domestic travels Kshs. 115,045,099
- Representation and other outreach services (ward office operationalization, Processing of petitions, Bunge Mashinani programme) Kshs. 138,593,180

Development;

The county Assembly's plan on infrastructural development includes:

- Construction of New debating Chambers
- Installation of New Hansard system in the new debating chambers
- Installation of Committee services software
- Construction of Hon Speaker's residence
- Business Continuity, Data Recovery and Disaster Management Policy development training and Implementation
- Installation of video conferencing facilities
- Installation of cooling system in the server room

The allocated ceiling on development is Kshs. 86,861,462 which will not be sufficient for the planned programmes. However the construction of Speaker's residence received full allocation in the current year hence it shouldn't be in the next year's funding concern. Additionally the installation of Hansard in the new debating chambers cannot be achieved within the same period of constructing the chambers.

Given these factors, the County Assembly service board did a petition to the Labour Relations, Member Service and Facilities Committee to consider allocating the funds to the below projects:-

Debating chambers Kshs. 367,490,260; Refurbishment of old chambers Kshs. 20,000,000; ICT infrastructure Kshs. 20,000,000; Solar Infrastructure Kshs. 12,243,930. The request was considered by this Committee and recommended for allocation of 419,734,190 to County Assembly development ceiling.

CHAPTER FOUR

4.0 COMMITTEE'S OBSERVATIONS, RECOMMENDATIONS AND CONCLUSION ON THE PROPOSED CFSP, 2024

4.1 OBSERVATIONS

The Committee made the following observations:

1. The County Treasury submitted the County Fiscal Strategy Paper, 2024 within the stipulated time frame thus complying with the provisions of the Public Finance Management Act, 2012.
2. The Revolving funds amounting to Kshs. 171,327,531 form part of the resource envelop yet they have not been operationalized hence inflating the size of the resource envelop.
3. The Own Source Revenue in the FY 2024/25 has been projected at Kshs. 417.68 million which is Kshs. 450.52 million less than the current year target while AIA has been projected at Kshs. 820.5 million which is Kshs. 321.95 million less than the current year target. This committee notes a non-adherence of revenue enhancement measures that the treasury in its own wisdom set and it includes:-
The delay to gazette six enacted bills , Non-payment of revenue collectors, poor costing of the finance bill, lack of effective internal controls and audit mechanisms and weekly report to monitor revenue performance.
4. A number of departments through their sector committee reports requested for increases on salaries and emoluments indicating that what they have been allocated is less than their requirements.
5. The proposed CFSP, 2024 has total pending bills of Kshs. 1.94 billion yet the County Treasury has allocated Kshs. 472,696,589 for departmental projects and

Kshs. 327,849,458 for Ward Based Projects thus representing 36.6% leaving a significant balance of 63.4%.

6. The County Government has not provided for the counterpart-funding for some donor funded programs; REREC Kshs. 45,000,000, AMREF (IIP) programme Kshs 100 million, equipping Naitiri male and female wards Kshs. 40 million, KOICA III Kshs 150 million and climate change.
7. The Ward Based Projects have been allocated Kshs. 450,000,000; Kshs. 10,000,000 per ward.
8. The provision of Education Support programme has been allocation Kshs. 135,000,000. This allocation is meant for Ward bursary at Kshs. 3 million per ward. There is no allocation for the scholarship programme.
9. The institutional development programme for construction of ward offices has been allocated Kshs. 19,322,268 that will only construct two ward offices.
10. The absence of a budget ceiling specifically allocated to ICT functions under the County Secretary's office. There is a confusion surrounding the movement of ICT functions between County Secretary Office and Finance department.
11. Fertilizer program has an allocation of Kshs. 128,250,000.
12. Rehabilitation of Roads, bridges and drainage works has no allocation in the proposed CFSP.
13. This Committee notes the reinstatement of the RMLF grant from the National Government with an allocation of Kshs. 184,554,999.
14. The County Assembly service board did a petition to the Labour Relations, Members Service and Facilities committee to consider allocating the funds to the below projects:-Debating chambers Kshs. 367,490,260; Refurbishment of old

chambers Kshs. 20,000,000; ICT infrastructure Kshs. 20,000,000; Solar Infrastructure Kshs. 12,243,930.

15. Framework contracting programme in Roads, Transport, Infrastructure and Public Works has no allocation.
16. Regulation 26(3) of PFM Regulation, 2015 provides that this committee shall seek the views of the CECM Finance on its recommendations. The CECM, however, did not honour this invitation and therefore the Committee made its recommendation without his comments.

4.2 RECOMMENDATIONS

The Committee makes the following recommendations;

1. **THAT**, County Treasury should endeavor to submit other statutory documents before the set time lines to allow the County Assembly sufficient time to process them without deadline pressure.
2. **THAT**, relevant departments should fast track the formulation of requisite legal frameworks to operationalize the revolving funds and forward the same to the County Assembly for consideration within 30 days from the date of approval of this report to enable the said funds to serve the intended purposes.
3. **THAT**, County departments and County Treasury should harmonize the salaries and emoluments for the staff to ensure that they are fully provided for before submission of the budget estimates for the FY 2024/2025 to the County Assembly for processing.
4. **THAT**, County Treasury should provide detailed list of verified pending bills within 30 days of adoption of this report and that Accounting Officers should

ensure that all allocations for pending bills are fully utilized to avoid escalation of pending bills to subsequent fiscal years.

5. **THAT**, the department of Finance and Economic Planning should project progressive and realistic targets on Own Source Revenue and AIA. The current year local revenue projection of Kshs. 868,201,471 and AIA of Kshs. 1,152,071,383 totalling to Kshs. 2,020,272,854 should be maintained given the revenue enhancement measures put in place and the Assembly oversight initiative.
6. **THAT**, the County Treasury should provide their fair share of funds for grants that require co-funding for smooth implementation of those programmes.
7. **THAT**, the Ward Based Project allocation to be pegged at Kshs. 2.25 billion translating to Kshs. 50 million per Ward.
8. **THAT**, on Education Support Programme, the current year allocation of Kshs. 320,000,000 to be retained.
9. **THAT**, the institutional development programme for construction of Ward offices should be allocated Kshs. 50,000,000 for construction of five ward offices as per the House resolution.
10. **THAT**, ICT function within the organizational structure should be clearly defined. ICT functions should fall under the Public service management as per the executive order by HE the Governor and a dedicated Budget ceiling provided for ICT to ensure transparency and accountability in the allocation of resources for technology related initiatives. The Health management system should revert to health department for proper management.
11. **THAT**, the department of ALFIC should consider a government to government mode of procurement for the County Government to source for the subsidized

National Government fertilizer hence increase the beneficiaries to 1,000 per Ward.

12. **THAT**, the current year allocation of Kshs. 47.5 million on rehabilitation of bridges and drainage works to be reinstated
13. **THAT**, the work plan on RMLF should be submitted together with the annual budget PBB.
14. **THAT**, the County treasury should consider the County Assembly request and allocate Kshs. 419,734,190 to County Assembly development ceiling.
15. **THAT**, the CECM Finance should adhere to the provision of Regulation 26 (3) of the PFM (County Government) Regulation and Section 117(7) of the PFM Act, 2012.
16. **THAT**, framework contracting programme in Roads, Transport, Infrastructure and Public Works be allocated Kshs. 147 million.

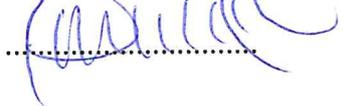
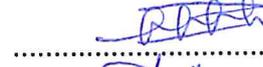
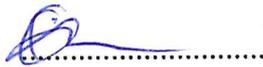
CONCLUSION

Mr. Speaker Sir, Section 117(7) of PFM Act, 2012 requires that the County Treasury considers the recommendations made by the County Assembly when finalizing the budget proposal for the financial year concerned. The law therefore obligates CEC-Finance to take the above recommendations into consideration as he prepares the budget estimates for 2024/25 which should be submitted as per the legal provisions.

Mr. Speaker Sir, pursuant to the provisions of Standing Order No. 210 and 231 the Budget and Appropriations Committee discussed and examined the County Fiscal Strategy Paper, 2024 and hereby presents the report with the recommendations to this House for deliberation and approval.

ADOPTION SCHEDULE

We the undersigned members of the Budget and Appropriations Committee append our signatures adopting this report on the Bungoma County Fiscal Strategy Paper, 2024 with the contents therein.

NAME	DESIGNATION	SIGNATURE
1. Hon. Jack Wambulwa	Chairperson	
2. Hon. Charles Nangulu	Vice Chairperson	
3. Hon. Ali Machani	Member
4. Hon. Anthony Lusenaka	Member	
5. Hon. Meshack Simiyu	Member	
6. Hon. Joan Kirong	Member	
7. Hon. Miliar Masungu	Member	
8. Hon. Sudi Busolo	Member	
9. Hon. Grace Sundukwa	Member	
10. Hon. Caleb Wanjala	Member
11. Hon. Polycarp Kimeta	Member	