

**COUNTY GOVERNMENT OF BUNGOMA**

**COUNTY ASSEMBLY OF BUNGOMA**

**COUNTY ASSEMBLY DEBATES**

**THE DAILY HANSARD**

**WEDNESDAY 6<sup>TH</sup> DECEMBER, 2023**

**Morning Sitting**

**COUNTY ASSEMBLY OF BUNGOMA**  
**THE HANSARD- OFFICIAL REPORT**  
**TUESDAY, 6<sup>TH</sup> DECEMBER, 2023**

The House met at the County Assembly Chamber at 9:30 a.m.

(The Speaker [Hon. Emmanuel Situma] in the Chair)

**PRAYER**

**MOTION**

**1. REPORT BY BUDGET AND APPROPRIATIONS COMMITTEE ON THE BUNGOMA COUNTY FIRST SUPPLEMENTARY BUDGET FOR  
THE FINANCIAL YEAR 2023-2024**

**Hon. Charles Nangulu(Vice Chairperson, Budget and Appropriations Committee):** Thank you Mr. Speaker for allowing me move this motion on report by Budget and Appropriations Committee on the Bungoma County First Supplementary Budget for the financial year 2023-2024.

**CHAPTER ONE**

**BACKGROUND:**

On behalf of the Members of the Committee on Budget and Appropriations and as per the provisions of Section 135 of the Public Finance Management Act, 2012, Regulation 39 of Public Finance Management (County Governments) Regulations, 2015 and Standing Order No. 239 of County Assembly of Bungoma Standing Orders, it is my pleasure to present to this House the report by Budget and Appropriations Committee on the First Supplementary Budget Estimates for FY 2023/2024; which was tabled on 21st

November, 2023 and pursuant to provision of Standing Order No. 232 (3) (a) committed to all Sectoral Committees for interrogation and thereafter submitting their recommendations to Budget and Appropriations Committee.

### **COMMITTEE MEMBERSHIP:**

As currently constituted, the Committee comprises 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. Miliyah Masungu  | Member           |
| 7) Hon. Sudi Busolo      | Member           |
| 8) Hon. Ali Machani      | Member           |
| 9) Hon. Grace Sundukwa   | Member           |
| 10) Hon. Caleb Wanjala   | Member           |
| 11) Hon. Polycarp Kimeta | Member           |

### **MANDATE OF THE 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.

## **LEGAL FRAMEWORK**

**Mr. Speaker Sir**, the Budget and Appropriations Committee is given legal backing under the Public Finance Management Act (PFM) 2012 and Public Finance Management (County Governments) Regulations, 2015.

Section 135 (1) of the PFM Act, 2012 provides that,

- 1) A County government may spend money that has not been appropriated if the amount appropriated for any purpose under the County Appropriation Act is insufficient or a need has arisen for expenditure for a purpose for which no amount has been appropriated by that Act, or money has been withdrawn from the County Government Emergency Fund.
- 2) A County Government shall submit a supplementary budget in support of the additional expenditure for authority for spending under subsection (1).
- 3) In complying with subsection (2), a County government shall describe how the additional expenditure relates to the fiscal responsibility principles and financial objectives.
- 4) Except as provided by subsection (5), the approval of the County Assembly for any spending under this section shall be sought within two months after the first withdrawal of the money.
- 5) If the County Assembly is not sitting during the time contemplated in subsection (4), or is sitting but adjourns before approval has been sought, approval shall be sought within fourteen days after it next sits.
- 6) When the County Assembly has approved spending under subsection (2), a supplementary Appropriation Bill shall be introduced for the appropriation of the money spent.
- 7) In any Financial Year, the County Government may not spend under this section more than 10 per cent of the amount appropriated by the County Assembly for that year unless that County Assembly has, in special circumstances, approved a higher percentage”

## **PFM Regulations**

Regulation 39 provides as follows;

- 1) Each Accounting Officer shall within the guidelines of the supplementary budget circular and in conformity with budget guidelines issued by the County Executive Committee Member, prepare revised budget estimates in the format to be issued by the County Executive Committee Member.

- 2) Prior to incurring any expenditure under paragraph (1), Accounting Officers shall seek the approval of the County Treasury, and if approval is granted by the County Executive Committee Member, it shall be communicated to the Accounting Officers through a notification which shall be copied to the Auditor-General and the Controller of Budget.
- 3) The purpose for which approval is sought for a supplementary budget shall be—
  - a) ***unforeseen and unavoidable***, in circumstances where no budget provision was made; or
  - b) ***unavoidable, in circumstances*** where there is an existing budgetary provision which, however, is inadequate.
- 4) For purposes of paragraph (3), the following shall not be considered unforeseen and unavoidable expenditure—
  - a) expenditure that, although known when finalizing the estimates of the original budget, could not be accommodated within allocations; and
  - b) tariff adjustments and price increases.
- 5) Accounting Officers may seek supplementary budget if the expenditure cannot be met by budget reallocation under section 154 of PFM Act. The request for supplementary budget in sub regulation (5) shall be presented in a format that facilitates comparison with the original budget and shall contain all the information necessary to enable a decision on the application to be reached and shall include—
  - a) the Vote, program, sub-programme and broad expenditure category which it is desired to supplement, the original sum voted thereon and any supplements which may have since been added;
  - b) the actual expenditure and the outstanding liabilities or commitments against the item on the date when the request is made;
  - c) the amount of the supplement required, the reasons why the supplement is necessary and why it has not been possible to keep within the voted provision;
  - d) the basis for the calculation underpinning the supplementary;
  - e) the proposed source of financing of the additional expenditure,
  - f) an analysis of the fiscal impact of the additional expenditure; or of the implications, if any, for the planned outputs and outcomes of the affected programmes;
  - g) any implied deviation from the Medium Term Expenditure Framework (MTEF) and the financial objectives;
  - h) be accompanied by the latest fiscal projections

## **ACKNOWLEDGEMENT**

The Committee is grateful to the Office of the Speaker and Clerk for the logistical support accorded to it to undertake this exercise successfully. The Committee also extends its gratitude to the County Executive Committee Members, Chief Officers and the County staff who found time amid tight schedules and short notice, to appear and clarify on the proposed budget reallocations in the First Supplementey Budget FY 2023/2024.

In addition, we applaud the Sector Committees for fruitful interrogations and informative reports they submitted to Budget and Appropriations Committee in time despite the short notice.

Finally, the significant role played by the Committee Members and its Secretariat for their steadfastness in the compilation and completion of this report cannot be overlooked.

**Mr. Speaker Sir,**

I wish to confirm that the adoption of the recommendations of the Committee was unanimous. It is now my pleasant duty and privilege, and on behalf of the Budget and Appropriations Committee, to present to this House the report of the Committee on the First Supplementary Budget FY 2023/2024 for debate and adoption.

Signed by Hon. Jack Wambulwa, Mca; Kimaeti Ward

## **CHAPTER TWO**

### **ANALYSIS OF THE FIRST SUPPLEMENTARY BUDGET FY 2023/2024**

The First Supplementary Budget Estimates for the FY 2023/24 was occasioned by the following reasons;

- a) Re-voting and re-appropriation of balances including conditional grants, from the previous financial year 2022/23.
  - Equitable Share Kshs275,350,297
  - Retention figure Kshs150 million
  - NARIGP Balance B/F Kshs61,681,141
  - DANIDA grant B/F Kshs28,609,315

- b) Compliance with the approved CARA, 2023 that has resulted in :
- **Equalization Fund Kshs137,839,232**
  - **Lease of Medical Equipment additional Kshs14, 723,404.**
  - **Aggregated Industrial Park** grant additional Kshs150 million
  - Fertilizer subsidy programme Kshs242,962,800
  - Transfer of Library Services Kshs6,865,428
  - Danida grant reduced from Kshs28.6 million to Kshs590,000
  - NARIGP Grant reduced to Kshs150 million
  - National Agricultural Value Chain Development Project (NAVCDP) Kshs250 million
  - Kenya Livestock Commercialization Project (KELCLOP) Kshs34.5 million
  - ASDSP reduced by Kshs200,349
- c) Compliance with SRC Gazette Notice (The Kenya Gazette No. 10346 of 9<sup>th</sup> August, 2023) that had overall financial implication on personnel emoluments as detailed below:
- Increase in amount for NSSF (Employers Contribution);
  - Introduction of Housing Levy Fund (Employers Contribution);
  - Monthly computation for payment of Gratuity for contracted staff;
  - Effecting of the SRC New Salary Review with effect from 1<sup>st</sup> July, 2023 as First Phase;
  - New Library employees transferred to County from National Government;
  - Interdepartmental Transfers and deployments of staff;
- d) Revision of the approved projections in Local Revenue and the Appropriation in Aid.
- Local revenue has been reduced by Kshs50,500,000
  - AIA has a balance B/F of Kshs27, 405,991 (Kshs17, 552,874 in Health, Kshs719, 897 in Agriculture and Kshs9, 133,220 in Education.
- e) Regularization of the re-allocations done on specific budget lines.

### 2.1.1 Revenue

The first supplementary budget has seen the total county budget resource envelop increased by Kshs1,447,093,288, from Kshs14,032,209,500 as approved in the annual budget to Kshs15,479,302,788. The increase was occasioned by budgeting of the balances brought forward, increase in AIA in the departments of Agriculture, Education and Health, retentions, and additional

allocation from the National Government and development partners as contained in the County Governments Additional Allocations (CGAA) Act, 2023 and as shown in the table below;

#### Summary of Resource Envelop

	ITEM	TOTAL
1	Balance Brought forward (Equitable share)	275,350,297
2	National Government Additional Allocation	807,390,864
4	Equitable share 2023/24	11,111,983,608
5	Additional Grants from Development partners FY 2023/24	955,496,948
6	Retention fee	150,000,000
7	Local Revenue plus AIA	2,020,272,854
8	Funds	158,808,217
	<b>GRAND TOTAL</b>	<b>15,479,302,788</b>

The total increase of the Budget from the approved annual budget estimates for financial year 2023/24 comprises the following breakdown.

- |      |                                      |                 |
|------|--------------------------------------|-----------------|
| i)   | Equitable share (Balance b/f)        | Kshs275,350,297 |
| ii)  | Retention                            | Kshs150,000,000 |
| iii) | Proposed increase on AIA balance b/f | Kshs27,405,991  |



iv)	Conditional grant increase from development partners	Kshs492,446,136
v)	Additional allocations from National Government	Kshs552,390,864
vi)	Proposed decrease on Own Source Revenue	Kshs(50,500,000)
	Grant total increase on the first supplementary budget	<b>Kshs1, 447,093,288</b>

- Part of retention monies, Kshs150 million has been brought into the resource envelop to reduce budget deficit with a plan to refund it in the next financial year.
- The increase of Kshs492,446,136 condition grant from development partners is due to the following;
  - Danida brought forward of Kshs28.6 million
  - NARIGP grant brought forward of Kshs61, 681,141 and current year reduced to Kshs150 million.
  - World Bank Agricultural and Rural Growth Projects grant of Kshs250 million.
  - Kenya Livestock Commercialization Project (KELCLOP) Kshs34.5 million.
  - ASDSP II brought forward of Kshs4, 550,444 and scaling down current year allocation to Kshs593, 849.
  - KUSP grant of development Kshs133.7 million and recurrent Kshs35.8 million
  - KISP grant Kshs50 million plus a Kshs30 million balance brought forward;
  - FLLOCCA balance brought forward of Kshs110,884
- The increase of Kshs552,390,864 from National government is as detailed below;
  - Equalization Fund. The grant has been released for the year 2022 Kshs7, 057,347 and 2023 Kshs58, 779,835 hence total of Kshs137, 837,182. The CECM Finance is the Accounting Officer of the Fund. The Fund will be shared among the four wards in Mt. Elgon Sub-county as per the following work plan:
    - ✓ Elgon Ward has Kshs29,546,275
    - ✓ Chepyuk Ward Kshs48,501,851
    - ✓ Kapkateny has Kshs44,317,731
    - ✓ Kaptama has Kshs15, 471,325.

The work-plan was submitted and it captures roads, health and water projects.

- The transfer of library service funds Kshs6, 865,428. This includes the transfer of staff and its attendant personnel budget and operation and maintenance costs from National Government to County Governments since it is a devolved function. It will be domiciled in the department of Gender and Culture.
- Local revenue collection has seen a reduction of Kshs50.5 million which has been occasioned by the subsidized of fertilizer revenue cost decrease from Kshs3,500 to Kshs2,500

### **2.1.2 WARD BASED PROJECTS**

The ward based projects allocation remained unchanged as approved in the Annual budget that is at Kshs1,080,000,000 translating to Kshs24,000,000 per ward save for project supervision fee. Project supervision fees across the department has been dropped hence ward based amount will reduce to the extent of the project supervision fee allocation. This is due to the fact that the Bill of quantities prepared by the Works department are still incorporating bill one costs in the project costs hence double budgeting for the same.

The pending bills and commitments relating to ward based projects as at 30<sup>th</sup> June, 2023 stood at Kshs773, 211,875

#### **PENDING BILLS**

The pending bills requirement is Kshs2, 166,751,402; Recurrent at Kshs773, 899,910, Development at Kshs619, 639,617 and Ward-Based Projects at Kshs773, 211,875.

The departments with the highest amounts are; Roads and Public Works at Kshs444.3M, Finance at Kshs411.6M, Water at Kshs244.4 million, Education at Kshs222.6 million.

Departments with the least pending bills amounts are Bungoma Municipality at Kshs1, 320,740, Youth and Sports at Kshs3.3 million and CPSB at Kshs7.5 million.

This supplementary budget has made a provision of Kshs181, 998,277 on development vote for pending bills and Kshs32, 500,000 on recurrent vote.

Highest allocation is Governor's Office at Kshs32.5, Health at Kshs25.6 million, Trade at Kshs23.3 million and Kshs20.7 million for Kimilili Municipality.

## CHAPTER THREE

### DEPARTMENTAL EXPENDITURE HIGHLIGHTS

#### AGRICULTURE, LIVESTOCK, FISHERIES, IRRIGATION AND COOPERATIVE DEVELOPMENT

**Mr. Speaker Sir**, the department had an approved budget allocation of KShs1,102,548,834; recurrent expenditure of Kshs402,632,492 and development expenditure of Kshs699,916,342. In the proposed 1<sup>st</sup> Supplementary Budget, there is a net decrease on recurrent of Kshs24, 632,560 and net increase on development expenditure of Kshs287, 288,403.

#### Cooperative development

The sub department had an allocation of Kshs32, 049,478 for its recurrent expenditures and in the proposed first Supplementary Budget there is a net decrease of Kshs2, 459,420 that has affected various recurrent votes.

There is a positive change on hospitality supplies and services by Kshs1, 832,500; and Boards committees' conferences and seminars by a total sum of Kshs1, 887,500. No change on development votes.

#### Livestock and Fisheries

Livestock and Fisheries had an approved budget of Kshs146, 856,167 for recurrent and there is a proposed net increase of Kshs992, 448. It had a proposed increase on basic salaries for permanent employees of Kshs5, 630,759 and decrease on utilities & general supplies, domestic travels, fuel and maintenance.

Under development, it had an approved allocation of Kshs31, 319,142 and the supplementary has proposed a net increase of Kshs31, 965,151. The changes are on:

- Kenya Livestock Commercialization Project (KELCLOP) Kshs34.5 million.
- Scaling down ASDSP II grant to Kshs593,849 as per CGAA Act, 2023 and balance brought forward of Kshs4,550,444.
- Rehabilitation of Mbakalo slaughter house Kshs3,000,000

#### Agriculture and Irrigation

The sub department had an approved budget of Kshs197, 881,423 and the supplementary has proposed a net reduction of Kshs17, 710,187 with a major reduction on basic salaries for permanent employees reduced by Kshs10, 588,387.

Mabanga ATC had an approved allocation of Kshs22, 059,600 and there is net reduction of Kshs5, 455,400.

On development expenditure, the department of Agriculture and Irrigation had an approved budget of Kshs658, 597,200 and the supplementary has proposed net increase of Kshs255, 323,252. The following programs were affected;

- Project supervision fees of Kshs19,000,000 dropped
- Other capital grants and transfers has an increment of Kshs424,113,827; it entails Fertilizer subsidy program Kshs242,962,800, NARIGP grant balance b/f of Kshs61,681,141 and a reduction of Kshs150 million on current year NARIGP grant.
- Dropped Magemo dam with Kshs12, 350,000 and introduced Tea Factory Kshs20 million. The amount is meant to purchase land for the Tea Factory hence it has been reduced to Kshs10 million and moved to Lands.
- Purchase of certified crop seeds has a reduction of 50% that is Kshs26, 600,000.
- Acquisition of strategic stocks has a reduction of 50% that is Kshs128, 250,000.

The reduction has been occasioned by introduction of the fertilizer subsidy program.

This Committee directs that the Department should consider a government to government mode of procurement for the County Government to source for the subsidized National Government fertilizer hence maintaining the same number of 500 beneficiaries per ward.

## **GENDER AND CULTURE**

The Department had an approved Budget allocation of KShs126, 880,908; recurrent expenditure of Kshs71, 168,159 and development expenditure of KShs55, 712,749. In the proposed first Supplementary Budget, there is net increase of Kshs9, 940,307 on recurrent and net reduction of Kshs4, 341,488 on development.

Under recurrent, the following programmes were affected;

- Basic salaries has an increase of Kshs5,935,513.07
- Operation and Maintenance decreased by Kshs8,760,633
- Rent and rates has an allocation of Kshs6, 000,000 for Ajiry programs.
- Other capital grants and transfers for Transfer of Library Services has an allocation of Kshs6,865,428

On development, supervision fee has a reduction of Kshs300, 000, Sang'alo cultural center decreased by Kshs15, 000,000 and supplier credit has an allocation of Kshs958, 513.

## **YOUTH AND SPORTS**

The Department had an approved allocation of Kshs124, 782,899; Kshs24, 284,371 for recurrent expenditure while Kshs100, 498,528 for development expenditure. In the proposed supplementary budget, recurrent has a net reduction of Kshs2, 793,296 while development had a net reduction of Kshs10, 514,202.

On recurrent expenditure the following programmes were affected;

- Basic salaries increased with Kshs1,676,578
- Operation and maintenance decreased by Kshs2,654,874

This committee has made a reallocation of Kshs3 million as rent for Ajiry center which had wrongly been captured under Gender and Culture. There is also a cut of Kshs10 million on Masinde Muliro Stadium which had the initial allocation of Kshs36 million; due to slow implementation which the sector committee should inquire into and ensure the project is completed.

On development; project supervision allocation of Kshs5, 514,200 was dropped.

## **TOURISM, ENVIRONMENT, WATER AND NATURAL RESOURCES**

### **Tourism and Environment**

The Department had an approved budget allocation of Kshs509, 738,987; recurrent expenditure of Kshs304, 738,987 and development expenditure of Kshs205, 000,000. In the proposed 1<sup>st</sup> Supplementary Budget, the recurrent vote has a net increase of Kshs81, 637,854.

Programmes that have proposed increase include;

- Basic salaries has an increase of Kshs2,117,372
- Cleaning services has an increase of Kshs72,549,334

- Other capital Grants and transfers has an increase of Kshs11, 110,884. The amount is for FLLOCCA program, County Climate Institutional Support (CCIS) grant. As per the approved County Government Additional Allocation Act, 2023 Bungoma County will receive Kshs11 million as recurrent grants with counterpart contribution of Kshs11 million from exchequer which has not been provided. The balance brought forward is Kshs110, 884. This committee has made a provision of Kshs11 million as the County's contribution.
- Operation and maintenance votes has a total reduction of Kshs5,039,735
- Supplier credit has an allocation of Kshs7, 399,464.25 under development.

### **Water and Natural Resources**

The department had an approved budget of Kshs302, 640,010 out of which Kshs65, 732,119 for recurrent expenditure and Kshs236, 907,891 for development.

Recurrent expenditure has a proposed net reduction of Kshs4, 126,870 affecting the following programmes;

- Basic salaries has a reduction of Kshs802,601.45
- Hospitality supplies and services has an increase of Kshs2,475,000
- Operations and maintenance has a total reduction of Kshs5, 969,269.

On development vote, the net reduction is Kshs21, 265,746 and the programmes affected are;

- Field allowance (Project supervision fee) Kshs9, 855,000 has been dropped.
- Supplier Credit has an allocation of Kshs14,000,000
- Specialized material (rig operation) has a reduction of Kshs20,810,746
- Construction and Civil Works (Maintenance of KOICA Road) has a reduction of Kshs7,600,000
- Research (Rig policy) has a reduction of Kshs3,000,000

## HEALTH & SANITATION

### Health

**Mr. Speaker Sir,**

On recurrent expenditure, the department had an approved budget of Kshs2, 875,290,691. There is a proposed budget increase of Kshs121, 077,153. The major changes are on the following items:

- Basic Salary for permanent employees had an allocation of Kshs2, 451,653,520 which has been enhanced by Kshs110, 892,162.
- Hospitality supplies and services allocation of Kshs11.300, 000 reduced by Kshs2, 825,000.
- Medical drugs have an increase of Kshs25, 000,000 on the initial allocation of Kshs40, 000,000. This committee has made an additional Kshs10 million.
- Laboratory materials, supplies and small equipment's was allocated Kshs25, 000,000 and has a decrease of Kshs5, 248,018 which has been reinstated.
- Operation and maintenance has a total reduction of Kshs20,799,000
- Other capital grants and transfers has an increase of Kshs16, 232,009 on the approved Kshs41, 777,772. This amount includes County's counterpart-funding of Kshs11, 442,022.

### Development

The approved development budget Kshs215, 114,000 has a net increase of Kshs36, 254,833. The major changes are on the following;

- Project supervision fee allocation of Kshs4, 142,500 dropped.
- Allocation on Supplier credit Kshs25, 673,929. As per the Sector Committee recommendation, an additional Kshs15 million has been added for the ward-based projects for the FY 2022/23 which are now complete and due for payment.
- Other capital grants (MES equipment) have an increase of Kshs14, 723,404 where the initial allocation was Kshs110, 000,000 to conform to CGAA Act, 2023.

### **Bungoma Referral Hospital**

The BCRH had an approved allocation of Kshs204, 048,926 for recurrent expenditure, there was no proposed increase nor reduction in this supplementary while approved development budget of Kshs113, 672,440, has a reduction of Kshs6, 208,622. The amount relates to project supervision fees.

### **Webuye Sub County Hospital**

Had an approved allocation of Kshs181,044,550 for recurrent expenditure, there was no proposed increase nor reduction in this supplementary budget and approved development budget of Kshs103,000,000 which has a reduction of Kshs5,800,000 relating to project supervision fee.

All the health facilities (Sub-county hospitals) made submissions through the sector committee on changes on their recurrent votes within their allocated ceilings which this committee went through and approved.

### **Sanitation**

The department had an approved recurrent allocation of Kshs2, 017,430 and which has no change in this supplementary and the approved development budget of Kshs14, 226,438 has a reduction of Kshs868, 073 on project supervision fee.

## **ROADS AND PUBLIC WORKS**

### **Mr. Speaker Sir,**

The approved budget for the department in the financial year 2023/24 was Kshs1, 396,626,350 broken down as Kshs130, 714,030 for recurrent expenditure and Kshs1, 265,912,320 for development expenditure.

In this supplementary, there is a proposed net reduction of Kshs202, 191,436 where recurrent vote has a proposed decrease of Kshs11, 807,436 while development vote has a proposed decrease of Kshs189, 384,000.

Under recurrent vote, there is a proposed increase on basic salaries for permanent employees by Kshs2, 031,235 and decrease of Kshs13, 838,670 on operations and maintenance votes.

On development votes, reductions are on the following programs;

- Project supervision allocation of Kshs31,634,000 has been dropped
- Construction of roads (Framework contracts) has a reduction of Kshs50 million



- Overhaul of Roads has a net reduction of Kshs95 million. Dual Carriageway allocation of Kshs300 million has been reduced by Kshs150 million, Misikhu Brigadier allocation of Kshs140million increased by Kshs55 million.
- Construction and civil works for bridges reduced by Kshs10 million which has been reinstated.
- Overhaul of infrastructure and civil works (RMLF) had a reduction of Kshs18.7 million which this committee has reinstated due to the ongoing projects.

## **EDUCATION**

### **Mr. Speaker Sir,**

The Department has a total approved budget of Kshs1, 628,772,340 comprising Kshs1, 220,439,340 for recurrent expenditure and Kshs408, 333,000 for development expenditure. This supplementary proposes to raise the department's budget by Kshs60, 349,898 to Kshs1, 689,122,238 with recurrent being increased by Kshs44, 580,898 and development by Kshs15, 769,000.

Recurrent vote, has a proposed net increase of Kshs44,580,898 resulting from proposed increase on basic salaries of Kshs58,511,042 and Kshs29,440,125 on catering services relating to the school feeding (Uji program) and a reduction on the following votes;

- Employment of ECDE teachers with Kshs26,163,912,
- Operation and maintenance Kshs14,120,569

The reduction on the allocation for recruitment of ECDE teachers by half is due to the delay in recruitment in the first half of the financial year; however the employment of 200 ECDE teachers remains.

The allocation for the Uji program was declined since it not sustainable.

In echoing the sector committee views Kshs45 million was added to the Kshs135 million allocated in the annual budget to bursaries hence Kshs4 million per Ward.

The development vote has a net increase of Kshs15, 769,000 relating to an addition of Kshs5 million for renovation of DICECE building which has been scaled down by Kshs2 million and Kshs18 million for supplier credit. The reduction of Kshs7, 331,000 relates to field allowance vote for project supervision.

## **TRADE, ENERGY AND INDUSTRIALIZATION**

This Supplementary had proposed to increase the departmental budget by Kshs288, 583,300 from Kshs561, 741,299 to Kshs855, 274,599. The increases relates to development votes where Kshs23,327,308 has been set aside for pending bills against a requirement of Kshs128 million, Kshs10,000,000 has been added to Trade loans as a balance a brought forward, Kshs57 million addition to the approved Kshs15 million for construction of Kamukuywa market bringing the total to Kshs72 million. This Committee has also re-voted back allocation for purchase of land for Chwele market at Kshs8 million and construction of Kipsigon market at Kshs5 million since the projects are ongoing.

Construction of the County Aggregated Industrial Park has an addition of Kshs150 million grant to the approved sum of Kshs100 million as per CGAA Act, 2023 and an additional Kshs60 million from exchequer to the approved Kshs100 million. In summary the Industrial park has a total of Kshs410 million in this budget; Kshs250 million grant and Kshs160 million from equitable share. There was a notable reduction of Kshs1, 297,139 on the salaries vote and a development reduction of Kshs5, 176,500 on project supervision cost.

## **LANDS, URBAN AND PHYSICAL PLANNING**

**Mr. Speaker Sir,**

A total of Kshs83, 469,091 comprising Kshs52, 265,191 for recurrent expenditure and Kshs31, 203,900 for development expenditure was approved in the annual budget estimates FY 2023/2024. This supplementary proposes to reduce the department's budget by Kshs10, 388,176 to Kshs73,080,915 with recurrent being decreased by Kshs6,506,759 and development by Kshs3,881,417.

Under recurrent vote head, the proposed decrease relates to basic salaries of Kshs2,676,264, domestic travels by Kshs2,316,963, fuel and lubricants by Kshs300,000, and other operating expenses by Kshs2,053,613 which includes Kshs1,250,000 meant for registration of lands. The department through the sector committee had requested for reinstatement of reduced salary and 50 per cent was granted for the remaining six months. The amount was meant for employment of a Land Valuer and GIS expert. The department should move with speed and employ the two technical staffs to unlock the pending land issues in the department.

On the development expenditure, contracted technical services (Physical planning) had a reduction of Kshs7, 637,625 which this committee re-voted back since it is a key mandate of the department. Field operations allowances for project supervision; the entire

allocation of Kshs3, 414,875 has been removed. The department has been allocated Kshs7, 171,083 to offset pending bills against a requirement of Kshs50.3 million.

### **Housing**

The supplementary budget proposes to increase the department's allocation from the current approved budget of Kshs147,329,600 to Kshs287,888,500 hence an increase of Kshs140,558,900.

Recurrent expenditures involves reallocations within the votes while development expenditure has realized Kshs139,601,100 relating to an increase of Kshs51,101,100 on other infrastructure and civil works (Construction of Governor and deputy governor's Houses), Kshs80,000,000 KISP grant and an allocation of Kshs15,000,000 for supplier credit. There is also a reduction of Kshs6, 500,000 for field operations allowances (Project Supervision fee).

The submission from the department and county treasury through sector committee shows the department has pending bills on recurrent to a tune of Kshs1, 523,774 which has not been catered for and Kshs3 million for development bills against a provision of Kshs15 million. This committee has made necessary adjustments and covered recurrent pending bills and the extra amount transferred to lands on physical planning.

The department had a balance brought forward of Kshs51.1 million; Kshs30 million for Governor's residence and Kshs20.1 million for Deputy Governor's residence. The allocation was declined and directed to departments with colossal outstanding pending bills. The same projects have current year's allocation of Kshs123 million including the administration block. Only Governor's residence has commenced and at 10 per cent complete. Deputy Governor Residence has unresolved site issues, administration block is awaiting site handing over hence current year allocation might not be fully utilized.

### **Bungoma Municipality**

The Municipal budget has been proposed to increase by Kshs69, 517,362 from the approved Kshs216, 257,800 to Kshs285, 775,162.

Recurrent vote has a proposed net increase of Kshs14,354,114 majorly aided by an allocation of Kshs20,074,841 KUSP grant (recurrent) while there is reductions on the following votes; Domestic Travel and others (Kshs2,096,825), Hospitalities supplies services (Kshs1,053,250), fuel and lubricants (Kshs520,667), printing services (Kshs350,000) and contracted professional services (Kshs530,000.)

Development vote has an increase of Kshs55, 163,248 which entails an addition of Kshs68, 575,248 KUSP grant (development) and a reduction of Kshs9, 412,000 project supervision costs and research, feasibilities studies, project preparation and design of Kshs4, 000,000.

### **Kimilili Municipality**

The Municipal budget has been proposed to increase by Kshs85, 262,852 from the approved Kshs151, 439,632 to Kshs236, 702,484.

Recurrent vote has a proposed net increase of Kshs6, 100,000. KUSP grant (recurrent) has an allocation of Kshs15, 810,237 while there have been reduction on operations and maintenance votes by Kshs8, 692,241.

Development vote has an increase of Kshs79, 846,979 which entails an addition of Kshs65, 192,239 KUSP grant (development) and supplier credit allocation of Kshs20, 754,740. There is a reduction of Kshs6, 100,000 relating to field allowance.

## **PUBLIC ADMINISTRATION, COUNTY SECRETARY, SUB-COUNTY ADMINISTRATION, COUNTY ATTORNEY GOVERNOR' S OFFICE AND DEPUTY GOVERNOR'S OFFICE**

### **Public Administration**

The approved budget was Kshs772, 344,127; recurrent expenditure at Kshs722, 344,127 and development expenditure at Kshs50 million.

Recurrent expenditure has a net increase of Kshs106, 671,675 resulting from increases on the following;

- Increase of Kshs34.3 million on the basic salary.
- Medical insurance increased by Kshs69 million to make it Kshs250 million.
- Contracted guards and cleaning services Kshs16.9 million added to the approved Kshs84.1 million.
- Rent for offices Kshs8 million added on the approve Kshs20.9 million. In line with sector committee recommendation Kshs10 million has been added to cater for rent for the black house offices and ward office which are in arrears.

- Increase of Kshs34.3 million on the basic salary. The department through the sector committee has requested for an additional salary of Kshs7.2 million. Analysis from the county treasury on personnel shows the department holds a total of Kshs6.8 million that will not be absorbed due to some members of staff leaving service through natural attrition.
- The Operations and maintenance votes has a decrease of Kshs17, 375,000.
- On development; allocation for project supervision was dropped and supply for credit vote allocated Kshs1, 213,240 against a requirement of Kshs5.3 million and it relates to Ward offices. The pending bills figure was reduced by Kshs3 million.

### **County Secretary**

The County Secretary office with an approved budget of Kshs13.8 million for recurrent has a net increase of Kshs3, 306,720. Hospitality vote has an increase of Kshs9, 094,220; Kshs5 million for payroll cleansing and Kshs4.09 million for CHRAC affairs. This amount was reduced by Kshs7 million. Operations and maintenance votes has a total reduction of Kshs5.7 million.

### **Sub-County Administration**

Approved allocation of Kshs9 million has a reduction of Kshs3 million on boards and committees.

### **County Attorney**

The Attorney's office had an approved budget of Kshs12 million. There is an additional Kshs11, 759,000 on the total budget. With an additional reallocation done on all the votes, legal dues vote has an additional Kshs3, 671,500 on the approved Kshs6 million.

### **Governor's Office**

The approved budget was Kshs404, 242,799 and there is a proposed increase of Kshs81, 488,899 on the following vote items:

- Increase of Kshs18.2 million on the Kshs210.2 million allocation on salary
- Domestic travels increase of Kshs5 million on the allocated Kshs28 million was declined.
- Foreign travel increase of Kshs4 million on the allocated Kshs5 million. was declined
- Hospitality supplies increased by Kshs14.5 million on the allocated Kshs38.05 million, the amount was reduced by Kshs8.5 million

- Specialized materials and supplies for purchase of uniform and clothing additional Kshs2million on the allocated Kshs200,000.
- Kshs1 million added on the approved Kshs8 million for fuel and lubricants.
- Temporary committee Kshs2 million addition to the approved Kshs8 million.
- Supplier of credit has an allocation of Kshs32, 500,000. The amount was reduced by Kshs22.5 million since the absorption in the previous year was almost 100 per cent.
- Gratuity vote has an increase of Kshs2,286,020

### **Deputy Governor's office**

The office has a proposed net increase of Kshs6 million on the approved Kshs27.3 million which was declined;

### **COUNTY PUBLIC SERVICE BOARD**

The Board had an approved budget of Kshs44, 641,488 for its recurrent expenditures. There is a proposed net reduction of Kshs6, 288,934. The major changes are on the following items:

- Basic Salary had an allocation of Kshs7, 100,550 and increase of Kshs2, 306,132.
- Operations and maintenance vote has a total reduction of Kshs8, 595,066. The amount was reinstated to cater for legal dues and to enable CPSB perform its mandate.

The approved development budget of Kshs30, 000,000, has reduction of Kshs1, 500,000 which was supervision fee for the construction of the administration block. The committee reduced the allocation by Kshs14, 000,000 because the construction site is yet to be agreed on.

### **COUNTY ASSEMBLY**

The County Assembly had an approved allocation of Kshs1, 154,263,678; recurrent expenditure of Kshs1, 071,362,230 and development expenditure of Kshs82, 901,448, there is a proposed net increase of Kshs50, 000,000 on the recurrent budget and zero on development.

The proposed recurrent budget increase of Kshs50, 000,000 is for car purchase allowance for the honorable members in addition to the annual budget allocation of Kshs68.5 million. The major changes are on the following items:

Personnel budget has an overall increase of Kshs23.9 million to cater for the housing levy fund and NSSF increased deductions.

Gratuity has a proposed increase of Kshs10, 196,277 to cater for the shortfall on the vote.

Reallocations have been done within the recurrent celling to source for the funds.

The County Assembly Service Board petitioned this committee through the sector committee for the unspent development funds in the FY 2022/23. The specific projects whose funds were to be rolled over are:

- Construction of waiting bay at Kshs5,000,000
- Construction of Speaker's official residence Kshs20,000,000
- Automation of Asset register Kshs10 million
- Construction Administration Block Kshs3,081,848

They further made a request for an additional allocation of Kshs86 million toward construction of a new chamber which has Kshs13 million in the approved budget.

This committee considered the petition on construction of waiting bay, automation of asset register, construction of Speaker's official residence and new chambers to an extent of allocating Kshs18.8 million. It also allocated Kshs876, 000 deficit on car reimbursement. The request for Kshs10 million for fringe benefits was not granted due to lack of funds.

## **FINANCE AND ECONOMIC PLANNING**

**Mr. Speaker Sir,**

The department had an approved allocation of Kshs1, 263,723,407; there is a proposed increase of Kshs271, 814,626 in this supplementary.

### **Administration**

The section was allocated an approved budget of Kshs853, 755,299 for recurrent, there is a proposed budget increase of kshs.94, 375,394.

The major changes are on the following items:

- Basic Salary had an allocation of Kshs236, 740,588 and increase of Kshs44, 375,394.
- Contracted technical services have an increase of Kshs20, 000,000 on the approved Kshs5, 000,000. The amount was scaled down by Kshs10 million.
- An increase of Kshs.30, 000,000, of KRA on the approved allocation of Kshs35, 000,000.
- On field allowance the committee allocated Kshs10 million for capacity building on Public Finance.

The approved development budget Kshs204, 155,528, has an increase of Kshs162, 439,232 in this supplementary. The changes are on the following areas as indicated below;

- Field allowance allocation of Kshs5,400,000 has entirely been removed
- Other capital grants and transfers of Kshs137, 839,232 for equalization fund.
- Emergency funds has a proposed increase of Kshs30,000,000 for El Nino which the committee declined as expenditures for El Nino can be catered for from the initial approved estimates of Kshs100,000, 000 which the CECM Finance indicated was still intact.

## **Budget**

The Directorate had an approved allocation of Kshs.47, 257,695 on recurrent expenditure; there was a proposed increase of Kshs15, 000,000 in this supplementary on field allowance to the approved budget of Kshs2, 912,890.

## **CHAPTER FOUR**

### **COMMITTEE OBSERVATIONS AND RECOMMENDATIONS**

#### **COMMITTEE'S OBSERVATIONS**

The Committee made the following observations;

1. There was a disconnect between the County Treasury and the departments in coming up with this Supplementary Budget as evidenced during the sector committees interrogations.



2. The total balance brought forward was Kshs275,350,297 but departments did not indicate their specific balances as at 30th June, 2023.
3. The approved projections of local revenue collection and appropriation had a shortfall of Kshs192,280,870; Kshs120,780,134 on local revenue and Kshs71,500,736 on AIA in the FY 2022/2023.
4. The total pending bill as at 30th June, 2023 was Kshs2,166,751,402 but only Kshs181,998,277 has been provided for in this Supplementary Budget.
5. There are new projects that have been introduced in the First Supplementary Budget FY 2023/24.
6. Some departments do not disclose donor support both in cash and in kind contrary to the PFM provisions.
7. There is capacity gaps on public finance management among CECMs and accounting officers.

#### **4.2 COMMITTEE RECOMMENDATIONS:**

This Committee makes the following recommendations;

1. **THAT**, the County Treasury should work in consultation with all the departments in preparation of all budgetary documents before they are submitted to the County Assembly.
2. **THAT**, all the Accounting Officers should keep track of their balances at the end of the Financial Year including ward based projects' balances and ensure the amounts are revoted back in the supplementary budget to implement intended projects.
3. **THAT**, the Department of Economic Planning should come up with realistic targets on own source revenue and implement all set strategic measures to maximize local revenue collection.
4. **THAT**, the County Treasury must come up with a clear plan on how the pending bills in the county will be offset and report back to the County Assembly within 60 days after adoption of this report.
5. **THAT**, the County Executive should desist from introducing new projects during supplementary budgets instead implement the approved and funded projects as per the County Fiscal Strategy Paper and the County Annual Development Plan.
6. **THAT**, all departments must declare engagements with donors both in cash and in kind to conform to the provisions Section 138 of Public Finance Management Act, 2012.
7. **THAT**, County Treasury should organize for capacity building of all CECMs and accounting officers on public finance management and Public Investments Management Regulations.

## **BUDGET COMMITTEE’S PROPOSED DECREASES AND INCREASES ON DEPARTMENTAL BUDGET IN THE 1ST SUPPLEMENTARY BUDGET FY2023/2024**

**Mr. Speaker Sir**, the following are the committee’s proposed decreases and increases on the departmental budget in this first supplementary budget FY 2023/2024. (annexed).

We have it annexed which I hope I will not go through. Everyone has it...

**Mr. Speaker:** Hon. Nangulu, the list we have is that these recommendations per department is always captured in every year because when we take this budget for uploading, they demand this schedule on different increases in summary form. Since it's too early and you have taken enough water since morning, it is a small portion remaining; just go through it quickly!

**Hon. Charles Nangulu:** Thank you Mr. Speaker. I am not tired, I am still strong here. We have the annexures, we have the Budget and Appropriations Committee proposed increases and decreases; then we have the Budget and Appropriations Committee proposed departmental Budget ceilings.

Members, you go to your gadgets, we can go through together.

### **FIRST SUPPLEMENTARY BUDGET ESTIMATES FOR FY 2023/24**

#### **BUDGET COMMITTEES' RECOMMENDED DEPARTMENTAL DECREASES AND INCREASES**

	AGRICULTURE					
A	RECURRENT(PROGRAMMES)	ITEM CODE	SUPP ALLOCATION	DECREASE S	INCREASE S	

	Boards, Committees and conferences	2210802	1,887,500	1,200,000		(1,200,000.00)
	<b>Sub-Total</b>			<b>1,200,000</b>	<b>-</b>	
	<b>AGRICULTURE</b>					(20,000,000.00)
<b>B</b>	<b>DEVELOPMENT(PROGRAMMES)</b>	<b>ITEM CODE</b>	<b>SUPP ALLOCATION</b>	<b>DECREASES</b>	<b>INCREASES</b>	
	Other Infrastructure and Civil Works (tea factory)	3110504	20,000,000	20,000,000		
	<b>Sub-Total</b>			<b>20,000,000</b>	<b>-</b>	
	<b>TOURISM</b>					

<b>c</b>	<b>RECURRENT (PROGRAMMES)</b>	<b>ITEM CODE</b>	<b>SUPP ALLOCATION</b>	<b>DECREASES</b>	<b>INCREASES</b>	10,000,000.00
	Boards committees and conferences	2210802	1,874,128	1,000,000		
				-		
	Climate change (Co-funding contribution by CG)				11,000,000	
	<b>Sub-Total</b>			<b>1,000,000</b>	<b>11,000,000</b>	
	<b>WATER</b>					(6,000,000.00)
<b>D</b>	<b>DEVELOPMENT(PROGRAMMES)</b>	<b>ITEM CODE</b>	<b>SUPP ALLOCATION</b>	<b>DECREASES</b>	<b>INCREASES</b>	
	specialized materials (purchase of workshop tools, rig)	2211006	14,810,746	6,000,000		
	<b>Sub-Total</b>			<b>6,000,000</b>	<b>-</b>	

	<b>ROADS</b>					
<b>E</b>	<b>RECURRENT(PROGRAMMES)</b>	<b>ITEM CODE</b>	<b>SUPP ALLOCATION</b>	<b>DECREASES</b>	<b>INCREASES</b>	
	fuel and Lubricants	2211200		5,443,000		
	<b>Sub-Total</b>			<b>5,443,000</b>	<b>-</b>	(5,443,000.00)
	<b>ROADS</b>					
<b>F</b>	<b>DEVELOPMENT(PROGRAMMES)</b>	<b>ITEM CODE</b>	<b>SUPP ALLOCATION</b>	<b>DECREASES</b>	<b>INCREASES</b>	
	Overhaul of Other Infrastructure and Civil Works(RMLF)	<b>3110604</b>	(18,750,000)		18,750,000	
	Bridges		(10,000,000)		10,000,000	

	other infrastructure and civil works		(52,000,000)		23,000,000	51,750,000.00
	<b>Sub-Total</b>			-	<b>51,750,000</b>	
	<b>EDUCATION</b>					(29,440,125.00)
<b>G</b>	<b>RECURRENT(PROGRAMMES)</b>	<b>ITEM CODE</b>	<b>SUPP ALLOCATION</b>	<b>DECREASES</b>	<b>INCREASES</b>	
	catering services (uji program)	2210801	29,440,125	29,440,125		
	<b>Sub-Total</b>			<b>29,440,125</b>	-	

						35,000,000.00
	EDUCATION					
H	DEVELOPMENT(PROGRAMMES)	ITEM CODE	SUPP ALLOCATION	DECREASE S	INCREAS ES	
	other infrastructure & civil works( renovation of DICECE)	3110504	5,000,000	2,000,000		
	Bursaries	2640101	-		45,000,000	
	other infrastructure & civil works	3110504	-	8,000,000		
	Sub-Total			10,000,000	45,000,000	
	HEALTH					
I	RECURRENT (PROGRAMMES)	ITEM CODE	SUPP ALLOCATION	DECREASES	INCREASES	
	Medical Drugs	2211001	25,000,000		10,000,000	

	Laboratory materials	2211008	(5,248,018.00)		5,248,018	15,248,018.00
				-	<b>15,248,018</b>	
	<b>HEALTH</b>					15,000,000.00
	<b>DEVELOPMENT PROGRAMMES</b>					
	Supplier for Credit	2210104	25,673,929.00		15,000,000	
	<b>Sub-Total</b>			-	<b>15,000,000</b>	
	<b>SANITATION</b>					2,000,000.00
<b>J</b>	<b>DEVELOPMENT(PROGRAMMES )</b>	<b>ITEM CODE</b>	<b>SUPP ALLOCATION</b>	<b>DECREASES</b>	<b>INCREASES</b>	
	Other Infrastructure and Civil Works	3110504	-		2,000,000	
	<b>Sub-Total</b>			-	<b>2,000,000</b>	



				-	-	-
	<b>TRADE</b>					
<b>K</b>	<b>DEVELOPMENT(PROGRAMMES)</b>	<b>ITEM CODE</b>	<b>SUPP ALLOCATION</b>	<b>DECREASES</b>	<b>INCREASES</b>	
	other infrastructure and civil works(Kamukuywa)	3110504	57,000,000			
	Purchase of lighting equipment	3111011	-	5,000,000		
	Purchase of land for Chwele market	3110504			8,000,000	
	Construction of Kipsigon Market	3110504			5,000,000	
	<b>Sub-Total</b>			<b>5,000,000</b>	<b>13,000,000</b>	<b>8,000,000.00</b>
	<b>LANDS</b>					
<b>L</b>	<b>RECURRENT(PROGRAMMES)</b>					
	Basic Salary	2110101	-		1,338,132	

	Sub-Total			-	1,338,132	1,338,132.00
	LANDS					21,637,625.00
M	DEVELOPMENT(PROGRAMMES)	ITEM CODE	SUPP ALLOCA TION	DECREASES	INCREASES	
	Land (Pending bills)		-		4,000,000	
	Contracted Technical Services	2211311	(7,637,625)		7,637,625	
	Purchase Land For tea Factory		20,000,000		10,000,000	
	Sub-Total			-	21,637,625	
	Bungoma Municipality					
N	DEVELOPMENT(PROGRAMMES)	ITEM CODE	SUPP ALLOCATION	DECREASES	INCREASES	

	field allowance (project supervision)	2210309	18,824,000	18,824,000		(18,824,000.00)
	Sub-Total			18,824,000	-	
O	RECURRENT PROGRAMMES					
	Pending bills2210104-1,523,774					
	other capital grants and transfers (KISIP)	264050310,000,000				
					-11,523,774	
	HOUSING					

P	DEVELOPMENT (PROGRAMMES)	ITEM CODE	SUPP ALLOCATION	DECREASES	INCREASES	(63,101,000.00)
	Other infrastructure and civil works (Governor’s ad DG residence)	3111504	51,101,000	51,101,000		
	pending bills	2210104	15,000,000	12,000,000		
	Sub-Total			63,101,000	-	
	GENDER & YOUTH					
Q	RECURRENT(PROGRAMMES)	ITEM CODE	SUPP ALLOCATION	DECREASES	INCREASES	
	rental and rates (gender)	2210603	6,000,000	6,000,000		
	rental and rates(youth)	2210603	(940,000)			

					3,000,000	8,000,000.00
	Field Allowance(EALASCA)(gender)	2210309	-		10,000,000	
	Purchase of uniform & clothing(Youth)	2211016	(1,000,000)		1,000,000	
	Sub-Total			6,000,000	14,000,000	
	GENDER AND YOUTH					
R	DEVELOPMENT(PROGRAMMES)	ITEM CODE	SUPP ALLOCATION	DECREASES	INCREASES	
	other infrastructure and civil works (gender)(Sang'alo cultural)	3110504	(5,000,000)	10,000,000		
	other infrastructure and civil works (youth)(Masinde)	3110504	-	10,000,000		

	Field allowance(Project supervision fees) (Youth)		5,514,202	5,514,202		
	Pending Bill(Youth)				4,000,000	
	<b>Sub-Total</b>			<b>25,514,202</b>	<b>4,000,000</b>	(21,514,202.00)
	<b>COUNTY ASSEMBLY</b>					
<b>S</b>	<b>RECURRENT (PROGRAMMES)</b>	<b>ITEM CODE</b>	<b>SUPP ALLOCATION</b>	<b>DECREASES</b>	<b>INCREASES</b>	
			-			
	car and mortgage	4110401	-		10,000,000	
	Car Purchase allowance	2110336	50,000,000			

					876,000	10,876,000.00
	Sub-Total			-	10,876,000	
	COUNTY ASSEMBLY					
T	DEVELOPMENT(PROGRAMMES )	ITEM CODE	SUPP ALLOCA TION	DECREASES	INCREASES	
	Waiting bay				5,000,000	
	New Chambers				18,836,202	
	Asset Register Automation				10,000,000	
	Speaker's Residence				20,000,000	
	Sub-Total			-	53,836,202	
	FINANCE					
U	RECURRENT(PROGRAMMES)	ITEM CODE	SUPP ALLOCATION	DECREASES	INCREASES	
	Field Allowance	2210309	-			

					15,312,576	5,312,576.00
	contracted services	2011399	20,000,000	10,000,000		
	Sub-Total			10,000,000	15,312,576	
	FINANCE					(30,000,000.00)
V	DEVELOPMENT(PROGRAMMES )	ITEM CODE	SUPP ALLOCATION	DECREASES	INCREASES	
	Emergency Fund	2810205	30,000,000	30,000,000		
	Sub-Total			30,000,000	-	
	CPSB					
W	RECURRENT(PRORAMMES)			DECREASES	INCREASES	
	Legal dues	2211308	-		5,000,000	
	Contracted professional	2211310	-		5,000,000	



					-	10,000,000.00
	Sub-Total			-	10,000,000	
	CPSB					
X	DEVELOPMENT(PROGRAMMES )	ITEM CODE	SUPP ALLOCATION	DECREASES	INCREASES	
	other infrastructure and civil works (office construction)	3110504	-	14,000,000		
	Sub-Total			14,000,000	-	
	GOVERNOR`S OFFICE					
Y	RECURRENT(PROGRAMMES)	ITEM CODE	SUPP ALLOCATION	DECREASES	INCREASES	
	domestic travels	2210300	5,000,000	5,000,000		
	foreign travels	2210400	4,000,000	4,000,000		

	hospitality	2210800	14,500,000	8,500,000		(40,000,000.00)
	supplier credit	2410104	32,500,000	22,500,000		
	Sub-Total			40,000,000	-	
	DEPUTY GOVERNOR					
Z	RECURRENT (PROGRAMMES)	ITEM CODE	SUPP ALLOCATION	DECREASES	INCREASES	
	domestic travels	2210300	2,500,000	2,500,000		
	foreign travels	2210400	2,000,000	2,000,000		
	hospitality	2210800	1,500,000	1,500,000		
	Sub-Total			6,000,000	-	(6,000,000.00)
	PUBLIC ADMINISTRATION					

I	RECURRENT(PROGRAMMES)	ITEM CODE	SUPP ALLOCATION	DECREASES	INCREASES	10,000,000.00
	Rents and Rates - Non-Residential	2210603	8,000,000		10,000,000	
	Sub-Total			-	10,000,000	
	PUBLIC ADMINISTRATION					3,000,000.00
II	DEVELOPMENT(PROGRAMMES )	ITEM CODE	SUPP ALLOCATION	DECREASES	INCREASES	
	Other Infrastructure and Civil Works(Ward office)	3111504	-		3,000,000	
	Sub-Total			-	3,000,000	
	COUNTY SECRETARY					
III	RECURRENT (PROGRAMMES)	ITEM CODE	SUPP	DECREASES	INCREASES	

			ALLOCATION			
	boards, committee and conferences (CS)	2210802	9,219,220	7,000,000		
	other operating expenses - legal fees (C. Attorney)	2211308	13,671,500	10,000,000		
	<b>Sub-Total</b>			<b>17,000,000</b>	<b>-</b>	(17,000,000.00)
	<b>TOTAL</b>			<b>308,522,327</b>	<b>308,522,327</b>	-

This other table here it's about the same. It carries the same figures and same information

**Mr. Speaker:** Yes it is in summary form. Yes. So think you can proceed now.

**Hon. Charles Nangulu:** So thank you speaker. That having been our supplementary report, may I call upon my able Chair to second?

*(Applause)*

**Mr. Speaker:** Hon. Jack Wambulwa the Vice Chair of the Committee you have the honor of seconding the motion of the Committee.

**Hon. Jack Wambulwa:** Thank you Hon. Speaker as I correct that I am the Chair of the Committee, not the Vice Chair here; but may I takes this opportunity to thank my able Vice Chair

**Mr. Speaker:** Hon. Jack Wambulwa, our records here indicate that you are the Chair of the Committee

**Hon. Jack Wambulwa:** Yes! But you had said the Vice Chair of the Committee

**Mr. Speaker:** Sorry for that. You are the Chair of the Committee

**Hon. Jack Wambulwa:** Thank you. May I take this opportunity to thank the Hon. Vice Chair of Budget and Appropriations Hon. Nangulu for the effort he has done to present to us this first supplementary of the Bungoma County. As I second the report, this is one of the supplementary I found to be unique in a manner; that there were so many demands from every department that needed to be addressed. Unfortunately, it came at a time when we had increases caused by the national government resolutions.

One being on the new levies of housing and NSSF; every department required that allocation to be given of which they had to source for funds. That is the area they had to apply the austerity measures. Honourable Members, as much as we were addressing the Executive requirements; but look at this now, at our ward level. There was this outcry over the bursaries coming down to Kshs3million instead of the Kshs4 million. As a Committee, we had to go out of our way and source for funds to make sure that we retain the bursaries to Kshs4 million of which we had to source Kshs45 million.

Coming on departments that are very sensitive; one of it being Health. As much as what we have allocated is not enough but at least we wanted to reduce the noise. We wanted to see that patients are being handled in a professional way by having the requirements like non-firms, we had an increase. Laboratory, we had an increase, come to medicines, we had an increase.

All I want to do is urge the sector committee to follow up and make sure that these items are procured locally and on time unlike waiting until you win; where they are going to suppliers via the national government procured agency, which ends up bringing us other things instead of giving drugs.

On roads, you remember, the roads that were advertised Honourable Members. Those roads had already been awarded yet we had deductions on them but they are cutting across the wards. We had to make sure that we retained those allocations that were there so that when contractors finish their work, we are able to pay; the most important thing that we as a Budget Committee will want to advise committees and in fact; it forms part of our recommendations. This issue of pending bills, each sector department should come out clear on what are pending before them because as far as I am concerned, the supplementary is supposed to cater for unforeseen and pending bills nothing else, nothing short of that.

Unfortunately, we are coming up with projects in between the year after we have already budgeted. Where do you want us to source these funds from? It will be difficult going forward Honorable Members, I want to urge you as a House, let us tell our sector departments that we cannot come up with a project in the course of the year. That there is something that was never planned for... we have programs that were already planned, which we are not addressing. So we are causing more and more pending bills.

Otherwise, I want to thank the House for being patient and having listened to what we are saying. All I want to urge you is that let us think about the county. Let us not think about myself... Let us not think about my Ward... Let us not think about my sub county. That is why I will give an example, I as a Chair for the Budget and Appropriations Committee, nothing has gone to Kimaeti. I come from Kimaeti, nothing has gone to the Bumula constituency. I come from Bumula... I value the county, and then value myself. If we go that way, we shall take our county go to greater places. Thank you. I second the report.

*(Applause)*

**Mr. Speaker:** Thank you Hon. Jack Wambulwa our Chair for the Committee on Budget and Appropriations. Honorable Members, now allow me to move to the next step and propose a motion for this House to debate.

*Motion proposed*

Hon. Johnston Okasida will be the first one to go then Hon. Benjamin.

**Hon. Johnston Okasida:** Thank you Hon. Speaker for according me this moment to also contribute to this very important motion. Allow me first of all to appreciate the mover and secondly, appreciate the seconder of the motion start from where the seconder left. The seconder asked, where do we get more money from? I wish to inform the seconder that we have several sources where the County Government of Bungoma is supposed to get money from. One of them is balances brought forward from the equitable share, which was Kshs275, 350 297. Secondly, the County Government is supposed to get money from the national government additional allocation, which for our case, we did get Kshs807, 309.

**Mr. Speaker:** Hon. Ipara for guidance purposes. During supplementary budget making, we don't get any allocation afresh as per the CARA. It is passed in June and that is the allocation for the financial year. That was for guidance.

**Hon. Johnston Ipara:** Thank you for the guidance, I was saying that because you allowed the seconder to ask where we were to get the sums, so I wanted to give him some confidence that we have a source. First of all let me go to the Department of Education and I wish to do some simple calculation and you can also have a pen and paper and anyone can do this. We want to start from two. In form two, we have 42 students from every ward; we have 45 wards which translate to 1890 students. What is available according to the supplementary budget is 144 which has been increased and rolled over which is Kshs177 million.

But based on 144, it means, if we are going to pay Kshs45, 000 for every student; that is just a rough figure... we shall be required to pay for form twos alone a sum of Kshs85, 050,000 and we shall be left with a balance out of Kshs144 Million, We shall be left with a balance of 58.9 million on roll over money; Kshs177 million shillings plus Kshs58. 9 million. This means that we shall be having Kshs235 million available to address issues of form one, form three and form four. That is if we are going to use the same figure of 45,000 shillings, which is not the actual figure and it means that we shall be able to pay for 5243 students.

So the question that we are now left on the issues raised is how many students are we supporting on the scholarship program? And we can now address whether we have deficiencies or we have money that is not accounted for. I brought a Figure because I wanted the House to address this issue with the sober minds and with information that is very important.

Trade Department is one of the key departments within the county and is a source from where we get revenue. If you talk about any fees, if you talked about any charges, if you talked about anything, it is trade that helps the county to generate more revenue. I wanted to make this kind plea with the mover and the Chair of the Budget Committee. If we can be kind and get some Kshs10 million so that

it is used on the infrastructure that we have already put in place; and this infrastructure I wish to say includes the repair of street lighting.

You remember during the last budget, we allocated Kshs119 million purposefully for new installation and for repair of the old installation; and if this is not done, it means that we shall not get value for our money. I want to plead with the Chair, if we can just hive some Kshs10 million from somewhere, we allocate to this Department to enable it carry out this particular function. You never correct a wrong with a wrong... actually you will not have done justice. I wanted to say this, Kamukuywa market has already been advertised and a contractor was allowed to move to ground. The advertisement was done with the knowledge that what was available was not sufficient to start the construction. We entered the contract as a county government and the county government approved a contract of Kshs272 million.

The contract was signed by the parties that were the Department of Trade on behalf of the County government of Bungoma and the contractor. If we cannot address this particular issue, it will eat us, it will drag us to court which will result to a breach of contract; because they will not mind whether money was available by the time of advertisement or not. So we must soberly address this issue.

On agriculture, I heard the mover of the report saying that initially the tea factory was allocated Kshs10 million and after consultation, it was increased to Kshs20 million. Where was the Kshs10 million was sourced from? It is simple. The Kshs10 million was sourced from Makemo Dam and moved to the tea factory. Here we needed to consider very openly facts. Among other two, which one poses more danger to our people and if we lose life, whom will be blamed. I want to make a kind of plea that we reverse that increase. We leave the Kshs10 million where it is and we return the additional Kshs10 million to Makemo dam.

*(Applause)*

I am saying this not to seek attention of any person, but to plead with all of us because actually we are here for one purpose.

**Mr. Speaker:** Hon. Ipara this is not an avenue for seeking attention. You are just in order. Proceed.

**Hon. Johnston Ipara:** Thank you Hon. Speaker. I wanted to plead with the Chair and the leadership of this House; kindly see if we can move the Kshs10 million back to Makemo so that the two... One thing that makes me get worried is; I remember the CECM for



Agriculture appearing before this House and you gave direction where you said, “I want you and the Committee of Agriculture and the Member of the local area to Visit Makemo and come with recommendations.

The recommendation they brought here is, if my memory is not failing me because of my age; the CECM said I want to confirm to this House that Kshs12.5 Million is available to correct the waiting danger in Makemo. Why I am saying this, we should not reduce our own government. I am saying this because I belong to the Kenya Kwanzaa which forms the government! Let us not reduce our government to be called a government of lies.

Lastly, on fertilizer; previously when I was casually reading the document, the assumption I made was the fertilizer has been reduced by half, but after taking some time thoroughly and going through the writings and remembering the consultation meeting that we had with the CECM for Finance, where he vividly gave a promise that they will have a contract covering for two financial years and others we may call that as a framework contract. With that, it gives us a leeway on how to demand the full quantity of what is required, so that we are able to fulfill what we started and make our people trust the County Government of Bungoma where all of us; whether you are in the opposition or you are in the government belong. With that I want to say I support the motion with those issues that I have raised.

*(Applause)*

**Mr. Speaker:** Thank you Hon. Ipara, Hon. Otsiulah

**Hon. Benjamin Otsiulah:** Thank you Hon. Speaker. First of all, I wish to thank members of the Budget Committee for presenting this report before this House. Documents that emanate from the Budget Committee generate a lot of heat but the truth of the matter looking at this report; it tries to reflect the actual position of the County Government and the resources that are available.

It is only how the realignments are being done that may be were raising these eyebrows, however, looking at this report; I appreciate the efforts put forth by the members of this respective committee. If you look at the education sector, Kshs26, 163,912 partially reserved for the employment of ECDE teachers has been reduced. These however following the budget allocation and processing mechanisms, I understand not in any way go down to affect the already advertised and applications tendered by various teachers to the Department of Education for employment.

Amidst that and within this budget that now remains, the Department still has enough time to recruit the 200 teachers and have sufficient budget which this process could run. By the time it comes to the main budget, the teachers will have served for three months and the budget that has remained there will be sufficient to maintain all the teachers that will be recruited.

Therefore I also agree with the Budget Committee in their wisdom that the Kshs26 million, part of it was pushed to the bursary. When the main budget was passed in this house, there was an allocation of Kshs3 million for bursaries within our wards. I think Honourable Members agree that during the Supplementary Budget, we shall push so that we get the extra Kshs1 million and I want to laud this Committee that they have kept their word and ensured that each is now going to have the Kshs4 million to cater for bursaries.

We have so many needy cases in the county and all these students cannot be accommodated on the scholarship programme and therefore, by sufficiently providing for them and allocating something small on the Bursary Fund, this will ensure that most of our students go to school. However, going forward I even propose further that we move from the Kshs4 million shillings and the get to Kshs5 million. This will give those larger wards an opportunity to ensure that the students in those wards are well catered for.

Therefore it is just my observation and from where I sit that the Committee has done well to at least others. In future let us agree that the best way we can reach majority and most of the students who are needy is by increasing the kitty to at least Kshs5 million. When you look at the issue of scholarships, it has been a very thorny issue and in the approved budget, there was an allocation of Kshs140 million to cater for students on the scholarship programme. For example, the Department considered to take a maximum of 20 students in form one, per ward. If you sum then you multiply by 45 wards, you get 900 students on scholarship in form one, who currently are in formed two. If you multiply by 45,000 then that means Kshs40, 500,000 shillings. Out of our budget of Kshs140 million, it means it is monies paid. For these form twos now, we shall have a budget of Kshs100 million under the vote head of scholarship.

Then for those in form three and form four, some wards have 12 others have 15. So if we take a rough estimation of 30 per ward for form, threes and fours, we get a total number of 1350 students. These again multiply by 45,000 will give us Kshs60, 750,000. That means if you take Kshs40 million for form twos and Kshs60 million for form threes and fours. We will have consumed the Kshs100 million on scholarships. We will then remain with Kshs40 million, which we will then in our wisdom or in our oversight role allow

the Department of Education to reorganize and budget itself and accommodate those new students who were going to be taken on the form one scholarship programme and then offset the fees arrears pending in several institution.

Therefore, I support this budget because looking at where we are, we cannot source for more funds. But the department must also move very fast because if these funds were located and it appears in the supplementary budget, they now have money items in terms of the bursary and should move forward and quickly to ensure that the funds are available; So that the arrears are cleared and those students that are accommodated in this scholarship programme are allowed in school.

However, we must agree that the numbers are very high and you see when we come here asking for more money for scholarships and it is not the core mandate of the county governments; it becomes very difficult. We have already been challenged and questioned and therefore these numbers must come down. The department going to carry out the vetting have to do it according to the budget that is there. Otherwise, if we get more numbers with the little resources available as witnessed in this supplementary budget, we are going to run into trouble.

Finally on the issue of VTCs, I want again too laud, the members of this committee. They had proposed to reduce money which was set aside for the VTCs; that was around Kshs25 million. But when we raised eyebrows on this report, they have not touched that amount and I am sure that our VTCS will have something so that they can also improve in terms of the facilities and in terms of infrastructure. I support the report.

**Mr. Speaker:** I will be following you on requisitions. From Hon. Hentry, I will go to Mukhanya. No, requisition here has time. Please proceed. It is not possible for Hon. Alfred to start I said after Hon. Hentry, I will go to Mukhanya

*(Laughter)*

Hon. Hentry proceed

**Hon. Hentry Nyongesa:** Thank you, Mr. Speaker

**Mr. Speaker:** It is a sign of ageing, you understand. Let us proceed.

**Hon. Hentry Nyongesa:** Thank you Mr. Speaker, I wish to laud the Committee for the report and recommendations that have been made; especially the mover has really tried. I will quickly say something on the increase on the government statutory payments. It is a challenge as the seconder was putting up that statement and I want to request that as we are passing this supplementary budget; I wish to request that the Treasury liaises with the National Government and National Treasury such that this recommendation is being brought from the above and you see, we are the people receiving the recommendations and a double edged sword on our Treasury.

As statutory decisions by the National Government are done, we hereby request that they consider the budgetary allocation on the counties; because it is affecting us indirectly. I wish to look at the issue of the ward based projects and I want to allow that the money that we propose in the budgets for the ward based project infrastructure be retained, but the question that I am left with is about the pending bills under the CEF. There is no recommendation that has been made and they are giving us the pending bills of Kshs773 million.

We start wondering how that pending bill is being sought because something that has been happening with the County Government is that they initiate a project and they have been re assuring us that immediately they initiate the projects that the funds have been committed. So I am assuming that the Kshs773 Million is intact and it is not going to bring issues on our brothers and sisters who are the suppliers of credit.

When you move further, look at the entire pending bill; you don't know and we don't know if it is clear because from the rumors we have been told that the county has a pending bill of Kshs5 billion. But I want to applaud the Budget Committee that they have given us a pending bill of Kshs2, 166,751,402. If that is the pending bill as we stand now, I will say that the Treasury has tried.

When I look at the Department of Health where most of the things have not been seen especially in terms of infrastructure. When I look at the pending bills, I realize that there isn't a lot in the Department of Health. They have only given them some little money for supplier of credit; that is Kshs25 million. I started wondering where I have for example Bumula Hospital, which is now complete; no payment has been done, it has no equipment and here I am only seeing an increase of Kshs25 million. An addition of around... I think they have not specified the addition but I remember in the budget, we had Kshs15 million and so the proposal was Kshs15 Million in addition to the Kshs25million; bringing it to Kshs40 million.

So I don't know if that also includes the CEF projects or it certainly stands out; or may be other suppliers' credit because there is no specification. I sympathize with other departments like Cooperatives and I think the Chair is even able to smile today because you realize that there is no development under Cooperatives. There is no development under Department of Livestock. I can only see some very serious terms here that Kenya Livestock Maculation project; some of these things, we have not come across them. We don't know where it operates from. We don't know it propels in air or how it operates. But it has been given allocation of Kshs34.5 million and it is a development aspect under the Department of Livestock. Same to SASTSP; they are calling number two grant. If they have been coming they are also categorized as a development. The only thing they say they are going to rehabilitate is the slaughter house at Mbakalu. Well, maybe the chairman smiling at the cost of Kshs3 million.

You realize that one of the biggest areas that assist the Chair, Finance to get revenue is Bungoma slaughterhouse. When you move there, this thing was brought up during the colonial time at the inception of the local authorities. I mean the colonial wherever as I speak, it has remained the same. There is no modification, so I don't know if we want to look at ways of raising revenue and then when we look at the government; there is nothing you are putting in such aspects.

I wish to allow the Chair, Education to speak because in this budget we have been taken care of under the bursary fund. When Hon. Ipara was doing mathematics, I think he is only looking at where we stand now. When the children were going to school, I went to Kibabii High School where we have vulnerable children especially from my ward and for the financial year that ended, out of around Kshs75,000 shillings per year that the school demands from the child, only Kshs20,000 was paid and this child is on full scholarship. This child is in form two... I mean from three. In one year we have only paid Kshs20,000 and the others in form four. I am talking about form threes and from fours.

When Hon. Ipara was doing the mathematics, I was waiting to hear him say that though he is not the mover, I was eagerly listening to hear that we are also having the balances for the previous years. You have to pay and so we have only calculated for this year... the children are going and we might have the money, yes. But we are digging a hole to fill another hole. So the Chair should look at it very keenly; that we might be preparing for those children going to form one and others for this financial year, but we are having the bigger hole behind and this must also be looked at in terms of pending bills.

I want to look at the Department of Water and the Chair should explain to us; we didn't know that we are allocating money under the Department that was going to maintain a road that is called KOICA Road. So I don't know that term maintaining of the KOICA road cost of around Kshs7 million under the Department of Water means. They have a reduction and you see they have not given us the entire figure but they have a reduction on construction and civil works. Maintenance of KOICA road has a reduction of Kshs7.6Million; I have not referred back to the main budget and so I don't know what we had put in the main budget now that we are doing the reduction. This is something that we have to look at very keenly because it might be duplication. We have a department of Roads which takes most of civil works of infrastructure and maintenance and here we are allocating money under the department of Water.

Lastly, when I look at the department of Roads, everything has been provided for but some of the serious challenges we are having is that the dual carriage is becoming a thorn in this County. The money that is being put on this road in terms of development and the penalties we are getting is wanting. I remember in the last financial year the money that was paid on this road was around Kshs108Million, this money was only a penalty and this financial year, I mean supplementary budget we are having a reduction of Kshs95 Million on the same road; so we are only attracting other penalties which is going to cost this County Government. If the National Government is looking into this, we also have to look at it very keenly because it is a credit to this County.

I want to appreciate that as they are reducing that they are adding to Misikhu/Brigadier which has been a song in every financial year. As we do that, the Chairperson, Budget as you do budget tracking, you should also find out the value for money on this road.

Otherwise I support this report; but as members have said and the chairperson also indicated, we have proposed projects in this supplementary budget which didn't appear when we were making the main budget and that one under PFM Act we shall be contravening the law. That we are committing a project in the middle of the year and I think that one the chairperson has come out clearly and has also made a comment over. We have to pronounce ourselves very clearly but because of time, I don't know if we can manage. We could have moved some amendments on this supplementary budget. I rest my case.

**Mr. Speaker:** Thank you, Hon. Mukhanya and then Hon. Makari

**Hon. Alfred Mukhanya:** Thank you Mr. Speaker, I have about two or three points to make but first of all I want to thank the mover of the motion that he has read it well.

I want to talk about Education being one of the key departments in our county. When you look at the Bursary Fund, it has been a problem in our Wards but how I feel that since we are moving towards the CBC entry in the next financial year, we as a county should look at it and see if it is possible we move to our key functions. We don't have to move to functions that are taken care by the National Government; these are secondary schools and universities. The VTCs and ECDEs are our core functions and if we cherish we can move out of the functions run by the National Government and concentrate mainly on the two functions that we are supposed to be cherishing.

The second point is about Health, drugs are a problem and this is one issue that we should look at because most cases we are running out of drugs and doing other things that cannot help us. When you move to Health Centres, you will find we have no drugs, sometimes patients get there and they come out complaining about poor treatment and what have you. Buying drugs has been a problem and we are diverting money to other functions that are not in our line.

The issue on pending bills is a thorn in the flesh. We have already done projects in our Wards and already there is an outcry on payments and here we are we don't have enough money. When we looked at this issue last week with the Finance Department, we realized that we have so much to pay and yet the contractors are on our neck; so this issue in future needs to be looked at critically so that we sort it out.

The other issue is about Agriculture. I am very much hit because as you realize I was the first person in this House to move a motion complaining about Makemo dam. Thrice or so we called the CECM for Agriculture and she answered some questions here and it was allocated Kshs20 Million, afterwards it was reduced to Kshs12 Million and now it has come to Kshs10 Million. Even the little that I had been given has also been snatched. How I wish that Makemo Dam is given consideration so that it retains what has been given, the Kshs10 Million so that work goes on. We made a public visit with the Committee on Agriculture and met the community, it is even in the public that we are doing something on the Dam; this is something that concerns people's lives. Imagine if water swept the people of that region and you go for burials, will you be listened to? It is actually a problem; so this is one issue I am looking at and saying that we retain the Kshs10 Million so that in the next supplementary budget we do something for where this money has been moved from and that is Lands.

Otherwise I support the report.

**Mr. Speaker:** Thank you Hon. Makari, then after him I will have Hon. Allan

**Hon. George Makari:** Thank you Hon. Speaker. It is a good afternoon, I want to report that I had amendments ready but you see when your senior talks to you and says we stop these amendments today you oblige, I will not be moving amendments to the supplementary budget and the chairperson Budget should clap for me.

However, one or two issues from this budget, for example on page twelve, I saw that there is retention monies of Kshs150 Million brought into the budget to cut on deficit and the same will be refunded next year. I don't know if it has ever worked like that or this is a new law. This retention monies is for suppliers and contractors who when they finish projects they run to get their retention money. Now, if you get Kshs150 Million from retention then you put it in the budget to meet your deficit; when these people want their payment, how will you pay them? I hope the chairperson is listening and he will respond to that.

On pending bills, I am in the Committee on Finance and you find that Finance has a pending Bill of Kshs411 Million, Kshs.411Million. I wonder how they accumulated all that... maybe when they will be replying they can also talk about that, it is on page 14. Again, there is no mention of pending bills in the Governor's office but when you see the allocation in the Governor's office they say he is also getting Kshs32 Million on a pending bill in the recurrent expenditure but there is no mention of the pending bill. Now how did he accumulate that Kshs32 Million as a pending bill? That is also another question you must respond to.

As I wind up, on Trade Energy and Industrialization, Kshs57 Million added to Kamukuywa market. I have nothing against the construction of Kamukuywa market, but if you look at the recommendation of the Committee, observation five, there are new projects that have been introduced in the first supplementary budget. The chairperson must confirm if Kamukuywa market is a new project or it is a project that exists because there is introduction of new projects. I would have wished that the Committee states clearly because they just generalized in the observation that there are new programmes that have been introduced in the first supplementary budget. Why couldn't the Budget Committee enumerate the new projects that were added so that we see why they were added? And is it lawful that new projects not even in the ADP are included in the supplementary budget when they were never there? We must also know that.

Then the Committee comes to recommendation number five where they are recommending that the County Executive should desist from introducing new projects during supplementary budgets and instead implement approved and funded projects as per CFSP and ADP. This means they knew they introduced projects that were new but they did not enumerate them here Hon. Speaker. The Committee could have done us proud by enumerating the new projects that have been sneaked into the supplementary so that we sit and ask why they have included new projects in the supplementary which within the law.



Otherwise as I support, those are the areas that we must look at; chairperson as you respond maybe you can look at that and see if there is a correctional measure which can be undertaken so that we don't pass an anomaly.

Finally, if you look at the budget document number 30, there is an animal there called budget, the directorate had an approved allocation of Kshs47.2 Million on recurrent expenditure then there was a proposal to increase Kshs15 Million in this supplementary on field allowance to the approved budget of Kshs2.9 Million. We approved Kshs2.9 Million for them for field allowance but the Budget Committee saw it wise that these people will not work with Kshs2.9 Million so they increased by Kshs15 Million. I remember this Kshs2.9 Million is what the Executive requested; now can we increase what was requested a tenfold? That is almost 400 per cent increase, maybe we could also get to know from the chairperson when he is responding the purpose of that increase of Kshs15 Million; when in their wisdom, the Executive thought they needed increment of 400 per cent and on what, to do what?

As I said earlier, you don't contradict your bosses when they call you and so I don't want to contradict them. I want to support the report and I will not table amendments at this particular point, but we must be very alert because there are glaring abnormalities that can be corrected; but since we are passing it as it is, maybe we can just pass it.

Hon. Speaker allow me greet my good friend Hon. Mulongo who was suspended for three weeks but it is only one week and he is back.

**Hon. Allan Nyongesa:** Thank you Hon. Speaker. First allow me applaud the Budget Committee for coming up with a very well thought and easy to understand report. I want to agree with those who have spoken before me. They have actually touched on most of the issues I wanted to say, but when you hear me repeating whatever they said, I will only be emphasizing.

I wish to thank the Budget Committee for increasing an allocation on the Misikhu/Brigadier road. We have spoken about that road over and over but this time round, I thank the Budget Committee for increasing an allocation by Kshs55 Million.

I also wish to say something about the Makemo Dam. There is need to revert the money meant for Makemo Dam. Between buying land for a Tea factory which is very important and saving lives that are in danger around Makemo Dam, which one is a priority? The two are important but which one is more important? There is need to revert money back to Makemo Dam.

In the Department of Youths and Sports, this has been a department that has been neglected for long. I remember in the last financial year 2022/23 the budget for that department was Kshs234 Million, this financial year the budget was dropped by Kshs110 Million to

Kshs124 Million in the main budget. As we speak, still, there is reduction on the projects that are meant to be ongoing in the Youths Department; there is a reduction of Kshs105 Million on development which is not clear on which specific project. This money was meant to be for the High Altitude and Tongaren stadium but now...

*(Loud consultations)*

**Mr. Speaker:** Honourable Members, doing consultations please do so in low tones

**Hon. Allan Nyongesa:** But here it is not clear about this Kshs10.5 million that has been reduced from which specific project? I will urge the vice chairperson when he will be responding to tell us which specific project is affected.

There is also a reduction on Masinde Muliro Stadium and I understand we were told sometimes back that we will be holding a national event come June next year; now there is a reduction of Kshs10 Million. Will we be able to finish the stadium before that National event or maybe the National Government has come in? They need to make us understand.

Also there is this issue of Ajiri Centre, I understand it is domiciled in the department of Youth and Sports but I have seen in the department of Gender and Culture there is an allocation of rent and rates of Kshs6 Million for Ajiri programme, I also wish to be informed whether this Ajiri Centre is being run by the two sectors because in the Youths and Sports I saw a pending bill for Ajiri worth Kshs3.3 Million provided for and again under Gender and Culture there is this Kshs6 Million meant for rent and rates for Ajiri Centre; there is a contradiction there.

Going forward there is need for us to have an itemized budget to avoid this new projects coming in. For example when we passed the main budget for this financial year, we passed it just the way it was but along the way, in the Youths and Sports department we realized there were new projects that were to be undertaken, that is Kolani stadium and Maraka stadium. These are new projects that we didn't discuss about but they are there at the expense of the ongoing projects like Tongaren Stadium, Mbakalo, Nalondo Stadium, Maeni Youth Empowerment Centre, the High Altitude Centre and the Masinde Muliro Stadium. There is need to finish ongoing projects before introducing new projects.

Lastly, I want to agree with Hon. Hentry as I differ with my senior Hon. Ipara and chairperson for Education on scholarship. There is no allocation for scholarship in this budget because that Kshs140 Million is meant to pay the arrears which we are still having for previous years and we still have ongoing students on scholarship. For the new academic year 2024, there is no provision for

scholarship and so from where I stand, I am not for scholarship. I am for the department to implement its core mandate, to me the *Uji* programme is more viable as compared to scholarship. We need to have money for the ECDE children than to have scholarship money because this thing is taking most of the money in the Education Department at the expense of our VTCs and ECDEs. I will urge my chairperson and Hon. Ipara to review their mathematics.

**Mr. Speaker:** Thank you Hon. Allan for your submissions. I will end up now relying on CPAK holders only because I have heard your version, I have heard Ipara's version, Hon. Otsiula's version now I want the CPAK holders who do mathematics. Hon. George.

**Hon. George Tendet:** Thank you Hon. Speaker. First of all I would like to thank the Budget Committee for work well done, you know, I have been a teacher and I am used to awarding marks. According to me, in this Supplementary budget if I am asked to give marks I will say 98 per cent; they have done a very good job.

Yesterday I came to your office asking permission to be allowed to be off and I told you I was going to meet His Excellence the Governor together with people from my Ward. This morning, I led a big delegation and that is why I came in late. During his campaign he promised that he was going to build a Tea factory in Kaberwa, and that is what he assured the same delegation; that his government in the Supplementary budget has already set aside Kshs10 Million. My people have gone home knowing that there is Kshs10 Million for purchase of land. I am requesting this Hon. House that let us not let down our Governor according to how he had promised my people.

I wish to remind my great friend. I was wondering what happened to him today because he wanted to create a problem by solving another problem. Hon. Ipara is a great friend of mine, but today I don't know what went wrong with him. Having said that...

**Mr. Speaker:** Hon. Ipara, he has said nothing about you.

**Hon. George Tendet:** I want to remind this Hon. House that in Bungoma County, we have our two prominent leaders that the National Assembly Speaker Hon. Wetangula and then we have the Governor. Both of them did promise people of Mt. Elgon about the tea factory; so let us respect our leaders; let us also go as per the budget which we have been given. You remember the Executive came earlier on with Kshs100 Million budget for the same then it was cut to Kshs55 Million and from there, it came to Kshs35 Million. Later on it was Kshs20 Million and now it has come to Kshs10 Million. Removing it completely as per what other members have shared will send a wrong signal to the people of Mt. Elgon.

I want us to treat this Tea factory not as a factory belonging to the people of Mt. Elgon, NO! That is a wrong notion! It belongs to Bungoma County residents. I am not saying Makemo Dam should not be given money, let them be given money but don't touch the money concerning the Tea factory.

**Hon. Franklin Simotwo:** Thank you Mr. Speaker for giving me this opportunity to say something on this supplementary budget. First of all allow me to appreciate the Budget Committee for coming up with this report in this House. Kenya as we speak today is a country that has got what we call economic pressure but we thank God because we are still living and we must continue living.

I wish to mention something on Agriculture; it is one of the departments that are very important and very crucial to the nation and to Bungoma County. Bungoma is an Agricultural County and most of its revenue if you analyze comes from the farm produce.

I am looking at the budget, I know this is the 1<sup>st</sup> Supplementary Budget but they have done some of the adjustments. When you look at what we call the project supervision, you have seen they have cut down, remember Agriculture is a field oriented department, we have our officers who engage farmers on various activities to improve farm produce and other trainings and technical advice yet they have cut it. If we are not keen in the coming years, production will go down because we have no technocrats going to farms to teach these farmers on how we can increase our produce. If the Budget Committee would have considered especially in Agriculture, I am an ambassador from areas with 99 per cent of people being farmers; very few people are government employees and so this is a serious sector in that area.

I wish to touch again on the issues of pending bills. The department of Roads is one of the departments that have huge pending bills. Remember this is a department that has got so many works that are pending. The CEF projects from different Wards, contractors did their work and as we speak today they have not been paid. Some of them will commit suicide because they have some debts to pay but when you look, they have low provision for pending bills. I have seen our colleague say it is amounting to Kshs2 Billion, we ask whether the provision for pending bills on CEF should have been a priority because this is the bill that touches on our Wards or else we are increasing the pending bills as we continue.

In future, we need to look critically at how we are going to salvage pending bills because if it accrues, we are moving to a different zone; we must address these issues of pending bills. We are using the bridges, roads but the person who made that road is crying because he has not been paid his money. We have the responsibility as a County to pay these people their monies. As a chairperson of Roads Committee, I feel for these contractors because they are really suffering.

On the issue of KOICA in the Department of Water, I have heard my colleague say the money meant for KOICA for rehabilitation of roads leading to these areas has been dropped. I want to be categorical that if you look at phase 1 and II of KOICA, the supply of water comes all the way from Mt. Elgon to Kanduyi and even Bumula. It is unfortunate that our colleague Honorable Member for Bumula Hon. Nyongesa who has left, but if today we have El Nino or the rains continue and they block the site, if we have no allocation to address an emergence, we may not get water for a year because we cannot address an emergency. Remember Water is life; we need to be candid so that some essential monies put in the department which are critical or touch the lives of the people should be left to address the issues.

I wish to also echo the sentiments made by Hon. George that the tea factory in Mt. Elgon is our factory and not the factory of the people of Mt. Elgon. If we initiate that factory; even a son of Hon. Ipara will be employed there.

Mr. Speaker, we wish that every area would have been given its share but because of the economical or budget constraints we have touched some of them and this is not the last Supplementary Budget we are setting. There could be another or the main budget; we will address other issues that we want to address. Let us pass this budget and any other thing that comes we may address in the second supplementary or main Budget. As a county, let us just accept and pass this budget so that we address the issues that are here.

**Hon. Abraham Waliekeke:** Asante Bwana Spika. Kwanza kabisa nachukua fursa hii kukushukuru kwa kunipa hii nafasi nami nikachangie kwa huu mjadala wa makadirio ya kifedha. Nashukuru wanakamati wa Bajeti kwa kazi nzuri wanayoifanya. Pili, nashukuru bwana Gavana kwa kujali watu wake na kufanya kazi nzuri, ni kazi ngumu; nami nampongeza tu aendelee kufanyia wadogo kazi.

Hivi sasa tunavyoongea soko la Kamukuywa linaendelea kujengwa na watu wake wameshukuru sana. Hii pesa ingelikuja mapema ili soko hili liishe haraka ili akina mama wapate nafasi ya kufanyia kazi. Kamukuywa ni soko kubwa sana katika hii Kaunti yetu ya Bungoma; inaleta ushuru ulio mkubwa. Hivi sasa watu wetu wanaouza ng'ombe, hawana mahali pa kuuzia mifugo. Ningeliomba wanakamati wangelitenga pesa kidogo ili hata watu wetu wanaouza ng'ombe wapate mahali pa kuuzia; lakini hatuwezi enda sana kwa maana pesa yenyewe ni kidogo. Tunajua bajeti nyingine inayokuja tutajua vile tutapanga kisha watu wetu wapate mahali pa kuuzia ng'ombe.

**Hon. Joseph Nyongesa:** Thank you Speaker. First allow me also appreciate the members of Budget Committee; it was so strenuous because we have been doing Supplementary Budgets, but this one was somehow technical. Sometimes it is so hard to accept the

reality and as we are moving it is like we are accepting the reality that actually our basket is not enough; we should just realign our priorities to ensure that we cope up and move on.

I wish to appreciate them on one thing; they saw it necessary for us to have bursaries in our Wards which really touches our children and you know January is just around the corner. We are also calling upon the department through the chairperson, Education to ensure that they have proper plans on this.

The other problem we are having is that Finance as per now is overloaded but because of policies and regulations that we pass in this House, sometimes it triggers us to also ensure that we approve it the way it is. We are also calling upon the chairman, Finance plus the Treasury Department to ensure that the key issue to us which is revenue and is very low is improved to ensure that in future we have proper revenue collection.

This issue of pending bills; I remember when we were tackling the issue of CEF roads in our Wards which were done towards elections, you saw the reaction of members. We are also urging every department to ensure that at least we have realistic pending bills. This will help us establish as much as we budget for them, are we budgeting for the right issues or we are just anticipating that it was done.

Another critical issue I am seeing is balancing of Makemo and the issue of the Tea Factory. In my view, I see that it could be better for us to pass with some notes to ensure that Makemo and Tea factory are touched so that we balance the regions and the issue of priorities.

*(Applause)*

As a county, we should try and be neutral. Members through my own thinking and the Speaker and leadership of this House, let us continue engaging so that we ensure that we balance our priorities and ensure that our County is moving. Otherwise I continue appreciating the Budget Committee for their wisdom to balance the way it is, I support.

**Hon. Aggrey Mulongo:** Thank you Mr. Speaker Sir for giving me this chance to contribute towards the Budget Committee's report. I take this opportunity to thank the Committee for coming up with this report.

I will start with Makemo Dam. I have to raise this and from what I have heard from both sides, it is better that we divide Kshs10 Million so that Makemo Dam and the Tea factory can each get Kshs5 Million and next time we can put there some other monies.

In Agriculture, on the part of fertilizer, the government to government initiative has been introduced nationally now on the side of fuel. They said government to government; so when we come down here as we are going to buy from the National Government at Kshs2500 instead of Kshs7000 per bag; then we shall be doubling the number of bags that we are going to have from 500. We can now have 1000 bags. I am equally seeing that if we are going to buy at Kshs2500 from the cereals board, we shall now cut down this thing they call EACC all the time on our doors concerning purchase of that fertilizer.

Finally on Education; there are so many students in Form one and three, there are huge balances in schools and so as a department, they need to organize and at least pay for the Form threes and twos. The best thing they can do is they pay the arrears before we can now embark on the new school fees.

Otherwise, the Budget Committee has really done it and I appreciate and I stand here to support the report.

**Hon. Everton Nganga:** Thank you Hon. Speaker for giving me a chance to contribute on this motion that was moved on the report by the Budget Committee. First, I would like to thank the mover because he read eloquently to be understood by every Honourable Member. I would like to first congratulate the Committee for the good job.

One thing that I have highlighted here is the increase of Kshs10 Million on Trade Loan; I have seen it has been mentioned here. It is my request now that we have the committee that oversights the department of Trade and Energy that they make sure that the gazzement and publication of the regulation is in place; to make sure that the Ward Trade Loan committees have been inducted so that the funds that are allocated are ready to be disbursed procedurally, following the regulations. This will enable our people to use these funds to make sure that they eradicate poverty in our Wards.

Hon. Speaker, a lot has been said but under normal circumstances nothing is ever at 100 per cent right. Let us accept this Budget. Just to give the best example, recently when the Kenya National Examination Council was releasing exams, we discovered that some students who had never even done French as a subject got results for French, those were minor irregularities. So issues that have been mentioned here, issues like construction of Tea Factory at Mt. Elgon and reduction of monies at Makemo Dam are minor issues. When they construct that factory, as a person who did statistics, it is appearing at 85 per cent reduction, and Makemo is appearing at 35 per cent reduction; and most important things are appearing at the middle of the curve. At the end of everything when you look at that budget and plot it on the curve, you will come up with a normal curve where most or important things are appearing in the middle. When you plot that curve however much you try, it will never touch on the X- axis which means it will never be 100 per cent. Let us

accept this budget, it is not positively or negatively skewed, it is a normal curve when you look at the possible distribution. Thank you Honourable Speaker, let us support this budget.

*(Applause)*

## **ADJOURNMENT**

**Mr. Speaker:** Honourable members, it is 1:00 p.m.; we will adjourn and continue at 2:30 p.m. with the continuation of the budget. If there are no more contributors, he can't reply now; it is already 1:00 p.m., he will come back and reply at 2:30 p.m.

*(House Adjourns)*