

**COUNTY GOVERNMENT OF BUNGOMA**



**SECOND COUNTY ASSEMBLY OF BUNGOMA**

**FOURTH SESSION**

**BUDGET AND APPROPRIATIONS COMMITTEE**

**REPORT ON THE ANNUAL BUDGET ESTIMATES**

**FY 2020/2021**

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**Clerk's Chambers  
County Assembly Buildings  
PO BOX 1886,  
BUNGOMA, KENYA**

**JULY, 2020**

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## **ACRONYMS/ABREVIATIONS**

|             |   |
|-------------|---|
| <b>AIA</b>  | <b>Appropriation in Aid</b>               |
| <b>AMC</b>  | <b>Agricultural Mechanization Centre</b>  |
| <b>ATC</b>  | <b>Agricultural Training Centre</b>       |
| <b>BCRH</b> | <b>Bungoma County Referral Hospital</b>   |
| <b>BQ</b>   | <b>Bill of Quantities</b>                 |
| <b>CASB</b> | <b>County Assembly Service Board</b>      |
| <b>CFSP</b> | <b>County Fiscal Strategy Paper</b>       |
| <b>CPSB</b> | <b>County Service Public Board</b>        |
| <b>CHVs</b> | <b>Community Health Volunteers</b>        |
| <b>CHWs</b> | <b>Community Health Workers</b>           |
| <b>KDSP</b> | <b>Kenya Devolution Support Programme</b> |
| <b>KUSP</b> | <b>Kenya Urban Support Programme</b>      |
| <b>FY</b>   | <b>Financial Year</b>                     |
| <b>WBP</b>  | <b>Ward Based Projects</b>                |

## **CHAIRPERSON'S FOREWARD**

### **1.0 BACKGROUND:**

**Mr. Speaker,**

On behalf of the Members of the Budget and Appropriations Committee and Pursuant to Article 118 (3) (a) of the Constitution of Kenya 2010 and the Standing Order No. 188, which gives the baseline on how the Estimates of Revenue and Expenditure will be dispensed with by the House, I hereby present to this Honorable House the Committee's report on the Annual Budget FY 2020/2021.

### **COMMITTEE MEMBERSHIP:**

The Committee as constituted currently has the following members:

- |                            |                  |
|----------------------------|------------------|
| 1) Hon. Jack Wambulwa      | Chairperson      |
| 2) Hon. Erick Wapang'ana   | Vice Chairperson |
| 3) Hon. Joseph Juma        | Member           |
| 4) Hon. Meshack Simiyu     | Member           |
| 5) Hon. Jane Chebet        | Member           |
| 6) Hon. Martin Pepela      | Member           |
| 7) Hon. Paul Wamalwa       | Member           |
| 8) Hon. Joan Kirong        | Member           |
| 9) Hon. Grace Sundukwa     | Member           |
| 10) Hon. Sospeter Nyongesa | Member           |
| 11) Hon. Violet Makhanu    | Member           |

### **1.1.1 MANDATE OF THE COMMITTEE:**

The mandate of the Committee is derived in accordance to Standing Orders No 188 which states:

- (1) There shall be a Select Committee to be known as the County Budget and Appropriations Committee.
- (2) The Committee shall consist of a Chairperson and not more than ten other members who are not Chairpersons of any other Committee.
- (3) **The functions of the Committee shall be to-**
  - (a) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget.
  - (b) Discuss and review the estimates and make recommendation to the County Assembly;
  - (c) Examine the County Budget Policy Statement presented to the County Assembly;
  - (d) Examine Bills related to the national budget, including Appropriations Bills; and
  - (e) Evaluate tax estimates, economic and budgetary policies and programs with direct budget outlays.
- (4) The County Budget and Appropriations Committee constituted by the County Assembly immediately following the general election shall serve for a period of three calendar years and that constituted thereafter shall serve for the remainder of the County Assembly term.
- (5) Eight members of the Budget committee shall constitute a quorum.

(6) The Committee shall invite Chairpersons of all Sectoral Committees to make presentations during the considerations of the budget.

**Mr. Speaker,** the Budget and Appropriations Committee is further given legal backing under the Public Finance Management Act (PFM) 2012 and the Constitution of Kenya Article 221(4) and (5).

### **1.1.2 CONSIDERATIONS AND EXAMINATION OF THE ANNUAL BUDGET ESTIMATES OF REVENUE AND EXPENDITURE**

**Mr. Speaker,** The Bungoma County Government and Assembly Budget Estimates for the FY 2020/2021 were tabled on the floor of the House on 8<sup>th</sup> June, 2020 outside the stipulated time. The Budget Estimates were then committed to the Sector Committees for review of the budget proposals within their purview. The Budget and Appropriations Committee examined and discussed the estimates and has made recommendations which are contained in this report.

**Mr. Speaker,** as you are aware of Article 221 (5) of the Constitution of Kenya requires the Budget and Appropriations Committee to seek the views of the public on the budget and take their recommendations into account when finalizing this report. Due to COVID-19 pandemic and the resultant ban on public gatherings

**Mr. Speaker,** the committee could not hold public consultations on the budget in the usual conventional manner. Instead members of the public were requested to submit written memoranda highlighting their areas of concern and key expenditure priorities. The committee reviewed all submissions that were received and has incorporated a number of recommendations in this report.

### 1.1.3 ACKNOWLEDGEMENT

**Mr. Speaker**, the Budget and Appropriations Committee is grateful to the Sector committees for their adaptability to the new normal and their dedication to the process which has enabled the County Assembly to effectively execute its budgetary oversight role.

**Mr. Speaker**, the Chairs of the Sector Committees delivered reports to the Budget committee that were well organized and this was commendable. The consolidated reports are contained in the Annex 2 of this report.

The committee is also grateful to members of the public and organized groups who took their time to review the proposed budget and submit written memoranda thereby enabling the committee to re-align the budget in a manner that is more people oriented. In particular, the committee would like to express its gratitude to the County Budget Economic Forum (CBEF), Bungoma County Child Rights Network (BCCRN), REDO Budget Champions, HENNET, Bungoma County Civil Society Organizations and Bungoma County Youth Champions.

Lastly, **Mr. Speaker**, the committee appreciates the Offices of the Speaker and that of the Clerk to the County Assembly as well as the secretariat for their contributions and the invaluable support to members of the County Assembly as they discharged their mandate of reviewing the printed Budget Estimates FY 2020/2021.

**Mr. Speaker**, it's therefore my pleasant undertaking on behalf of the Budget and Appropriations Committee to table this report and recommend it to the House for debate and subsequent adoption.

**Signed:**

**HON. JACK WAMBULWA- MCA, KIMAETI WARD.**

DATE.....SIGNATURE.....

**CHAIRPERSON: BUDGET AND APPROPRIATIONS COMMITTEE.**



## CHAPTER ONE

### KEY HIGHLIGHTS IN THE ANNUAL BUDGET ESTIMATES-FY 2020/2021

#### 1.0 INTRODUCTION

**Mr. Speaker,** the 2020/2021 budget is being processed at a time when the country is grappling with a public health crisis of unprecedented proportions. Globally and domestically, the Covid-19 pandemic has put a significant strain on public health infrastructure and is jeopardizing the performance of economies worldwide. The impact of the pandemic containment measures on the Kenyan economy is already evident in form of reduced earnings, fewer business operations, declining consumer demand and increased unemployment levels. This is not only a health and economic crisis but also a humanitarian crisis.

It's thus our duty and responsibility as County Leaders to provide strategic direction for the distribution of resources in a manner that effectively mitigates the impact of Covid-19 on the economy and livelihoods of our people. The County budget is the best tool we have that can effectively map out a response and mitigation strategy that will address the health, economic and humanitarian aspects of the crisis.

#### 1.1 RESOURCE ENVELOPE FY 2020/2021

**Mr. Speaker,**

In the financial year 2020/2021, Bungoma County Government intends to spend a total of Kshs. 11,835,998,884 (Eleven billion, eight hundred thirty five million, and nine hundred ninety eight thousands, eight hundred and eighty four shillings only) to finance both its recurrent and development expenditure budget.

The table below shows various sources of revenue and their contribution percentage component in the proposed budget estimates.

**Resource envelope: Table 1- summary of county revenue FY 2020/2021.**

| No.                | Source                       | Amount (Kshs.)        | % Contribution |
|--------------------|------------------------------|-----------------------|----------------|
| <b>1</b>           | <b>Local Revenue</b>         |                       |                |
|                    | Local Revenue ( Finance Act) | 700,000,000           | 5.9%           |
|                    | Appropriation in Aid (AIA)   | 563,357,039           | 4.8%           |
|                    | <b>Sub Total</b>             | <b>1,263,357,000</b>  | <b>10.7%</b>   |
| <b>2</b>           | <b>Equitable share</b>       | 8,993,740,000         | 76.0%          |
| <b>3</b>           | <b>Grants</b>                |                       |                |
|                    | National Government          | 499,669,895           | 4.2%           |
|                    | Development Partners         | 1,079,231,950         | 9.1%           |
|                    | <b>Sub Total</b>             | <b>1,578,901,845</b>  | <b>13.3%</b>   |
| <b>GRAND TOTAL</b> |                              | <b>11,835,998,884</b> | <b>100%</b>    |

It's noted that the County depends largely on the equitable share from the National government in order to implement its programs. This revenue source contributes 76.0% of the County's total revenue. Grants contribute 13.3%, comprising of grants from development partners at 9.1% and those from the national government at 4.2%.

The county's own source revenue contributes a paltry 10.7%. This comprises of 5.9% to be collected based on the proposed Finance Bill, 2020 and 4.8% to be collected as Appropriation in Aid (A.I.A).

**Mr. Speaker**, for us to assist the county in realizing and maximizing our own source revenue, there is need to create awareness on the importance of paying fees to the County by the business community in our wards.

## 1.2 DEVIATION FROM THE APPROVED CFSP

**Mr. Speaker,** the Budget committee realized some insignificant deviations from the adopted County Fiscal Strategy Paper (CFSP) as indicated in the table below; Public Administration and Roads department slightly went above the 1 % threshold.

| DEPARTMENT  | APPROVED CFSP         | ANNUAL ESTIMATES  | VARIANCE         | %-DEVIATION  |
|---|-----------------------|-------------------|------------------|--------------|
| Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development | <b>973,957,647</b>    | 969,519,606.00    | - 4,438,041.00   | -0.455670841 |
| Education, Youth and Sports   | <b>1,510,891,187</b>  | 1,510,394,911.00  | - 496,276.00     | -0.032846575 |
| Health and Sanitation   | <b>3,511,445,586</b>  | 3,386,592,560.00  | - 124,853,026.00 | -3.555601901 |
| Public Administration   | <b>731,357,021</b>    | 746,357,021.00    | 15,000,000.00    | 2.050981883  |
| Roads, Transport, Infrastructure and Public Works                         | <b>1,373,120,392</b>  | 1,413,120,392.00  | 40,000,000.00    | 2.913073044  |
| Trade, Lands, Urban/ Physical Planning, Energy and Industrialization      | <b>585,408,623</b>    | 585,408,624.00    | 1.00             | 0.017        |
| Environment, Natural Resources, Water and Tourism                         | <b>589,957,908</b>    | 549,958,007.00    | - 39,999,901.00  | -6.780127948 |
| Gender and Culture  | <b>326,162,492</b>    | 326,162,492.00    | -                | 0            |
| Finance and Economic Planning   | <b>997,427,795</b>    | 997,427,795.00    | -                | 0            |
| Governor's Office   | <b>438,000,000</b>    | 438,000,000.00    | -                | 0            |
| County Public Service Board   | <b>34,102,840</b>     | 34,102,840.00     | -                | 0            |
| County Assembly   | <b>878,954,635</b>    | 878,954,635.00    | -                | 0            |
| <b>Total</b>  | <b>11,950,786,126</b> | 11,835,998,883.00 | - 114,787,243.00 | -0.960499517 |
| Component percentage  | <b>100</b>            |                   |                  |              |

## CHAPTER TWO

### 2.0 SECTOR ANALYSIS OF THE ANNUAL BUDGET ESTIMATES-FY 2020/2021

#### 2.1 AGRICULTURE, LIVESTOCK, FISHERIES, IRRIGATION AND COOPERATIVES DEVELOPMENT

**Mr. Speaker,** the department has Kshs 357,306,197 for recurrent and Kshs 612,213,409 for development across the 3 sub-departments as follows:

| S/No | Sub Department             | Recurrent             | Development           |
|------|----------------------------|-----------------------|-----------------------|
| 1.   | Agriculture and Irrigation | 196,212,153.52        | 540,713,409.00        |
| 2.   | Cooperatives Development   | 28,846,903.39         | 22,500,000.00         |
| 3.   | Livestock and Fisheries    | 132,247,140.08        | 49,000,000.00         |
|      |                            | <b>357,306,196.99</b> | <b>612,213,409.00</b> |

##### 2.1.1 Agriculture and Irrigation

The sub department has Kshs. 110,571,049.52 allocated for personnel emoluments for the permanent and pensionable employees and Kshs. 4,039,385 for the 70 casual workers. Mabanga training has 25 casuals; the farm has 25 and AMC 20 casuals.

The major highlights of proposed expenditures in the recurrent budget are as follows:

The training vote has an allocation of Kshs 6.6 million which includes research allowance of Kshs 2.9 million.

Gratuity and honoraria worth Kshs 480,000 for the Chief Officer Agriculture and Irrigation. This allocation was declined since personnel emoluments for the Chief Officers are captured under the Governor's office.

Trade shows and exhibition has an allocation of Kshs. 6.9 million where Kshs. 6 million will fund Bungoma County Agriculture Sector Conference (National Agricultural Conference to be held in Bungoma), Kshs. 900,000 will fund the Bungoma ASK Agricultural Show/exhibitions held annually.

Boards, Committees, Conferences and Seminars have a total allocation of Kshs 20.4 Million to fund the operations of the department.

Motor Vehicle Insurance with an allocation of Kshs 1.5 million for 11 motor vehicles.

Under specialised materials and Supplies, the department has allocated Kshs 1 million for agricultural materials and small equipment for purchase of coffee nursery complimentary inputs e.g. seed tubes, fertilizer and other inputs for crop demonstrations.

**Under crop development major projects to be undertaken by the department are:**

Procure Consultancy service on feasibility study on cotton development in Bungoma at a cost of Kshs 2 million. The committee declined the allocation and directed that the same activity is funded by the research allowance vote.

The department has a plan to Purchase and deliver certified fertilizer to Support 402 beneficiaries per ward at a total cost of Kshs 94,950,000 and certified maize seeds at a cost of Kshs 38,113,440.00.

On the same vote on supply of certified seed, there is an allocation of Kshs 18 million on Industrial Crop Development (Avocado, Mango, Macadamia, Passion fruits) at Mabanga ATC which this committee declined the allocation.

Ward based projects has been allocated Kshs 10,088,000 in this budget.

### **2.1.1.2 Mabanga ATC and AMC**

Mabanga ATC and AMC has a total allocation of Kshs 15.8 million for recurrent expenditures to sort out Utilities at Kshs 810,000, Communication Kshs 253,000, Fuel 1.8 million, Boards and conference Kshs 3 million, Motor vehicle insurance Kshs 1.5 million and Maintenance of machinery (tractors) Kshs. 2 million.

The institute is also planning to carry out a feasibility study at Kshs 3 million. This amount was however reduced to Kshs. 1 million. Purchase agricultural materials and small equipment (animal feed for dairy cows and poultry, inputs for farm enterprises development including maize production, tree nursery and other demonstration farms) at Kshs 3.5 million.

Establishment of coffee nurseries at Mabanga ATC at Kshs 4.2 million and Renovation of buildings at Mabanga ATC (4 hostels) at a cost of Kshs 4 million. The committee approved the proposed allocation.

On Purchase of Animals and Breeding Stock, the activity on Purchase of Chicken for Chicken meat production at Mabanga ATC at Kshs 500,000 and Procurement of 5 dairy cows at Mabanga ATC Kshs 1 million which was declined by this committee.

Grants in the department are Kshs 350 million for NARIGP and Kshs 19,861, 969 for ASDSP. Work-plans for the same were submitted.

### **2.1.2 Cooperatives Development**

**Mr. Speaker,** the total recurrent allocation is Kshs 28,846, 903.39 and development Kshs 22.5 million.

The major expenditures under recurrent are:

Salaries Kshs 12,008,503.39, Domestic travels Kshs 2.1 million, Training Expenses 3.2 million, and Temporary committees' expenses Kshs 1.2million.

Gratuity and honoraria 480,000 for Chief Officer Cooperatives which had already been captured under the governor's office.

Prefeasibility, feasibility and appraisal Kshs 3million.

The development programs planned by the department are:

Under Infrastructure and civil works with an allocation of Kshs 15 million, the department intends to rehabilitate the following coffee factories; Lukusi( Kshs 5 million ), Kapkosoobei (Kshs 5million ) and Misikhu( Kshs.5million)

Purchase of coffee seeds and seed tubes at Kshs 4 million for distribution to coffee farmers.

Purchase of Mbuni Haulier for Bungoma County Cooperative Union at Kshs 2,500,000.

Purchase of Coffee Making Equipment Kshs 1 million.

### **2.1.3 Livestock and Fisheries**

**The recurrent budget will cater for the following expenditures:**

Salaries for permanent staff Kshs 92,941,935.88, Casual labourers Kshs.1,005,127.20, Domestic travels Kshs 4.2 million, Training Expenses Kshs 4.1 million, Hospitality supplies and services Kshs.7.5million

Agricultural material supplies and small equipment has an allocation of Kshs1.8million for purchase of supplies for the three slaughterhouses (Bungoma, Kimilili and Webuye).

Gratuity and honoraria for Chief Officer Livestock and Fisheries has been allocated Kshs. 468,720 while Prefeasibility and appraisal studies has Kshs. 2.5million

The department has made a provision for Chwele fish farm with an allocation of Kshs 3,840,000 for recurrent expenditures.

**Mr. Speaker,** the development vote in the department has a total allocation of Kshs 49million for:

Establishment of a Dairy Processing plant at Kshs 40,000,000 for payment for works undertaken in construction of the buildings and structures for the dairy processing plant. The project is 85% Complete and Kshs.91,030,929 out of the contract amount of Kshs. 146,541,000 (Inclusive of Variation) has been paid leaving a balance of Kshs. 55,510,071 where Kshs.40, 000,000 has been provided for. The sector committee should conduct fact-finding to oversight the implementation of the project.

**Mr. Speaker,** Kshs 3 million has been allocated towards installation of milk coolers in selected wards. The funds will be used to renovate cooler houses and install milk coolers at the following areas; Kimalewa, Namorio, Nasusi – Kakina CBO, Chwele Dairy Society, Kanduyi Constituency Network, Lugulu – Ndivisi CBO, Mbakalo Dairy, Chepyuk Dairy.

Rehabilitation of cattle dips has an allocation of Kshs 500,000 in Bukembe West ward;

In an effort to improve livestock breeds among farmers, the department has set aside Kshs 2million for Artificial Insemination (AI) subsidy.

Purchase and delivery of fish feeds at Chwele fish farm at Kshs 1,5million

Purchase of fingerlings (subsidy for fish farmers)- Purchased from Chwele Fish Farm at Kshs 1 million for distribution to all the 45 wards.

Distillation of Ponds and flood control at Chwele Fish Farm has been allocated Kshs. 1 million

Ward based projects has an allocation of Kshs 10,088,000.



## 2.2 EDUCATION AND VOCATIOAL TRAINING

**Mr. Speaker,** the department has a total allocation of Kshs 1,298,888,917 on recurrent and Kshs 211,505,994 on development.

The recurrent expenditures include:  **#iKUWEiKUWE COPY**

Salaries at Kshs 935,040,802 which will cater for permanent and pensionable staff, house allowance and commuter allowance. The department also has set aside Kshs 33,350,000 and Kshs 6million for recruitment and promotion respectively.

Domestic travels and subsistence allowances at Kshs 37.9 million with major allocation of Kshs 10million Domestic Subsistence Allowance, Ksh25.9 million on Field Allowance which will cater for ECDE fun day Kshs. 3 million, Anti-jigger campaigns for ECDE Kshs. 2 million, Supervision of CEF projects Kshs. 3.4million,Scholarships launch Kshs 7 million, Education stakeholders launch Kshs 5 million and Development of the Quality Assurance and Standards guidelines Kshs. 9 million.

The department has also made a provision of training Kshs 8.2 million which will cater for capacity building for Special Needs Education handlers, ECDE teachers, staff training at EBIT and Kenya School of Government.

Boards, committees and seminars has an allocation of Kshs 5 million, for stakeholders forum, governance and formulation of policies.

Specialised materials for education and library supplies at Kshs 3 million, and 3 million for fuel and lubricants.

Scholarship and other Educational benefits at Kshs 300million with Bursaries having Kshs 205 million and Kshs 95 million on scholarship respectively. In the wake of the Covid-19 pandemic and in concurrence with the CECM's submission, this committee reduced Kshs 135,000,000 from bursary and scholarship and reallocated the same towards equipping of ECDEs centres with furniture (Kshs

45million) and Kshs 90million towards construction of VTCs workshops respectively.

**Mr. Speaker,** Development has a total allocation of Kshs 221,505,994 to be expended as follows-

The grant for development of Youth Polytechnics at Kshs 67,849,894 for disbursement of tuition fee for trainees.

Ward based projects has an allocation of Kshs 111,550,000

In respect to other infrastructure and civil works; for Construction / renovation of instructional rooms and administrative offices, workshops in the VTCs to be funded by the exchequer this committee considered and approved include:

Completion of a Centre of excellence at Chwele has an allocation of Kshs 18 million.

Rehabilitation of a Centre of excellence in Lukhokhwe with an allocation of Kshs 3,606,100.

Construction of a Centre of excellence in Matulo has been allocated Kshs 10.5 million.

## **2.3 HEALTH AND SANITATION**

### **2.3. 1 Health**

**Mr. Speaker,** the department has a total budget of Kshs 3,374,499,111with Kshs 3,118,411,022 on recurrent and Kshs 256,088,089 for development.

#### **Sources of the funds (envelop)**

1. Equitable share Kshs 2,601,476,105
2. Grants ( National and devt partners) Kshs. 230,199,584
3. A.I.A (Sale of Goods and fees for services)Kshs. 542,823,422

### **A.I.A- Appropriation in Aid**

Due to the improved performance in the FY 2019/20 as pertains AIA, the projection for AIA has increased from Kshs. 349,572,702 to Kshs.542, 823,422 and this will fund all the sub-county hospitals.

Salaries and development programs will be funded by equitable share.

### **RECURRENT VOTE - Health**

Personnel emolument has a total allocation Kshs 2,027,711,289 i.e. 1.9 billion on permanent and pensionable staff, Kshs.103 million on contracted staff and Kshs. 4,479,624 on contractual staff.

**Under Code 2110100 on Basic Salaries for Permanent Employees** the Committee sought clarification on the personnel budget towards the staff promotion and staff recruitment which was budgeted for just like in the previous year. Upon deliberations it was clarified that, the funds meant for the Staff Promotion of Kshs. 11,464,320 and Staff Recruitment of Kshs. 15,000,000 was an equal amount allocated on the previous budget and was set for the purposes of continuous promotions of the health professional workers as per the provided list attached. (Annex 1) and continuous employment of the deficient cadres of the health professionals' workers for instance in the FY 2020/21 the County Government has put priority on employing additional medical officers and pharmacists.

**On Code 2110200 on basic wages on temporary employees - Contractual Headquarters and Contractual Employees for the 10 Hospitals.**

It was observed that Kshs. 49,440,000 Million has been budgeted for the Contractual employees in the HQ and Kshs. 49,623,164 Million for Contractual Employees for the 10 Hospitals.

Upon deliberations it was clarified that Kshs. 49,440,000 Million Contractual employees were meant for the health professionals' workers who were employed by the County Government on contract terms for a period of 3 years.

Further the allocation of Kshs. 49,623,164 Million for Contractual Employees for the 10 Hospitals, the list was provided although the budget provided for the 10 Hospitals totals to kshs.54,897,116.

**Under Code 2640500 on other Capital Grants and Transfers.**

The Grants from the National Government and development partners have tremendously reduced from Kshs 393,044,659 to Kshs 230,199,584.

|                                   |                    |
|-----------------------------------|--------------------|
| Compensation User Fee<br>Foregone | 32,837,307         |
| Leasing Of Medical<br>Equipment   | 132,021,277        |
| UNICEF                            | 1,571,000          |
| Universal Health Care<br>Project  | 38,480,000         |
| DANIDA                            | 25,290,000         |
| <b>TOTAL</b>                      | <b>230,199,584</b> |

It was observed that the User Fees are reimbursements transferred to the Health Centres and Dispensaries across the County as a compensation of offering free health services to the citizens in lieu of the facilities' workload.

On the Lease of Medical Equipment, the committee observed that there is need for the department of Health to liaise with the National Government on the equipment to be leased to the County Government since the County has not been supplied with last FY equipment's.

On the World Bank grants for transforming Health systems for universal care project, there is a sharp decline from Kshs 198, 056,208 in the FY 2019/20 to 38,480,000.

The sector committee should oversight the implementation of the grants in view of ensuring that the conditionality of the donors is met.

**On Administrative allowance-CHVs**, an allocation of Kshs.78,072,000 Million the Committee noted that the department has continuously been budgeting for the Community Health Volunteers without a legal framework and policy guidelines in managing the community health volunteers. Since they provide vital services, it is proper for their welfare to be handled within an approved legal framework.

Under Code 2211304 on other operating expenses there was an allocation of Kshs. 38 Million meant for the patients' files and cards at the head quarter and across all the sub-county hospitals. In consideration of the sector views, it was observed that the allocation was too high and thus the allocation was reduced by Kshs. 20 Million and re-allocated to other vote heads.

Kshs. 10 million to be moved under **Code 3111403** on research and baseline survey for purposes of the following items;

1. Development of Community Health Volunteers' Policy
2. Development of the Regulations to operationalize the Bungoma Health Services Act, 2019
3. Development of the Policy for Designation, Establishment and Upgrading of Health Units in the County.
4. Development of Mental Health Policy as per the submitted memorandum from Tinada Youth Organisation.

Kshs. 5 Million to be moved under **Code 2210802** on Boards, Committees, conferences and seminars.

On medical drugs, the total allocation is Kshs 137,766,636 while Kshs 145,100,448 will go towards purchase of non-pharmaceutical, the department should ensure that all the facilities have sufficient drugs and non-pharms at all times.

Laboratory materials and supplies has a total allocation of Kshs 79,993,500 across all the facilities to enhance disease diagnosis.

Purchase of bedding and linen has a total allocation of Kshs 18,297,762 and the amount is sufficient to ensure all facilities are well catered for with quality bedding.

### **DEVELOPMENT VOTE- Health**

**Mr. Speaker,** Under the Development Vote in the department of Health, Kshs 256,088,089 will be expended as follows:

1. Purchase of medical and dental equipment at a total cost of Kshs 87,782,726.

- Equipping of the casualty at BCRH 40,452,837.00
- Equipping of the male ward Kimilili 11,254,880.00
- Equipping of Webuye hospital Kshs 17,834,648

The department intends to equip the following dispensaries (Kamuneru Maternity Wing, Samoya, Lukhova, Chebwek ,Lurare, Siritanyi,Namatotoa, Nabukhisa, Nasusi, Namusasi, Chepkitale and Myanga at the cost of Kshs18,240,361.00

1. Construction of Non - Residential buildings (hospitals) at a total cost of Kshs 115 million.The projects list is attached.
2. Refurbishment of Non – Residential Buildings at a cost Kshs 18,510,002. The project list is attached which includes renovation of the Webuye Mortuary at Kshs 10 million.
3. Refurbishment of pharmacy stores at Kshs 4,240,361.00
4. Ward based projects at Kshs**30,555,000**

### 2.3.1.1 Hospitals Budgets (RECURRENT VOTE)

**Mr. Speaker,** Hospital budgets have been drawn against the projected appropriation in aid (A.I.A) to be realized in health facilities in the county.

As per the proposed budget FY 2020/21 it has been proposed as follows;

| <b>Health Facility</b>           | <b>Hospital budgets=Projection (A.I.A) for FY 2020/21</b>                      |
|----------------------------------|--|
| Bungoma County Referral Hospital | 213,551,513  |
| Webuye Sub-County Hospital       | 130,003,960  |
| Kimilili Sub County Hospital     | 48,311,541   |
| Mt. Elgon Sub County hospital    | 19,649,595   |
| Chwele Sub County                | 30,056,179   |
| Naitiri Sub-County Hospital      | 21,806,648   |
| Cheptais Sub-County Hospital     | 9,770,846  |
| Bumula Sub-County Hospital       | 19,145,250   |
| Bokoli Sub-County Hospital       | 5,930,952  |
| Sirisia Sub-County Hospital      | 17,248,203   |
| Sinoko Sub-County Hospital       | 1,500,000 – The balance of Kshs. 5,488,676 is to be catered from the exchequer |
|                                  | 516,974,687  |

The committee adopted the proposals for the sub-county hospitals since the formulation of regulations to operationalize the Health Service ACT will enhance accountability of public funds and bring controls in the expenditures of the sub-county.

It was further observed that hospital budgets need to be standardized and critical items need to be budgeted for across all the hospital facilities.





### **2.3.2 SANITATION**

**Mr. Speaker,** Sanitation has Kshs 2,363,825 to fund its recurrent expenditures including personnel emoluments worth Kshs 896,976 while Development has a total allocation of Kshs 12,093,449

Construction of sewer drainage in Webuye town and lower drivers' quarter has been allocated Kshs 5,304,624.00

Renovation of ablution block Webuye open air Market, Kimilili Main market, Kimilili Katiba grounds and Chwele main market at Kshs 500,000 each.

Ward based projects has an allocation of Kshs 2,425,000.

### **2.4 GENDER AND CULTURE**

**Mr. Speaker,** the department has Kshs 100,171,362 on recurrent and Kshs 5,925,674 on development.

The expenditures under recurrent are :

- Personnel emoluments at Kshs 36,696,748
- KICOSCA /EALASCA Kshs.15 million
- Foreign travels Kshs 4 million
- Gender and disability main streaming at Kshs 4 million
- Temporary committees at Kshs 3 million
- Hospitality supplies ,boards and conference Kshs.6 million
- Training expenses Kshs. 6.5 million.

The department has one development project with an allocation of Kshs 5,925,674 for construction of multipurpose hall at Sang'alo Cultural centre.

The committee declined the allocation since the on-going programme on fencing of the same centre has not been concluded and ownership of the said land has not been clarified by the department.

## 2.5 YOUTH AND SPORTS

**Mr. Speaker,** the recurrent budget is Kshs 35 million and Development Kshs.185,065,456.

Domestic travel has an allocation of Kshs. 17,150,000 which includes 9 million for ward games Kshs 7million i.e. Kshs.150,000 per ward / KYSA Games Kshs. 2.1 million.

Field operation allowance Kshs 4 million and Daily subsistence allowance of Kshs. 3 million. Training expenses has an allocation of Kshs 2million while Hospitality has a total allocation of Kshs 6.3 million and temporary committee expenses at Kshs 1.7 million. Purchase of office furniture and computer Kshs.1 million.

In respect to the Ajiry Program: a project that is co-funded by Centum Investments Company and the Bungoma County Government, the County is only obligated to provide space (rent) for the project at the cost of Kshs. 3,000,000 (*under vote 2210603*) annually whereas Centum Investments Company will pump in in kind towards training of over 200 youth on online job platform for a period of ten years.

*Issues arising out of the above engagement:*

- ✓ The department has not quantified the contribution from Centum Investments
- ✓ Pursuant to PFM regulation 71, Centum's contribution to the County Government is a donation /grant in kind and not in Cash hence it should be executed as the PFMA section 138.
- ✓ The committee noted that there is no Memorandum of Understanding (MoU) that has been submitted to the County Assembly for approval pursuant to Article 201 of the Constitution of Kenya 2010 which avers that there shall be openness and accountability including public participation, in financial matters. The committee observed that the County Executive failed to seek the approval of the County Assembly

prior to entering into the public private partnership agreement with Centum Investment Company and therefore failed to ensure openness and accountability in the process.

- ✓ The committee further noted that the Public Private Partnerships Act provides for the procedures which ought to be followed before entering into any MoU. Specifically, section 20 of the Public Private Partnership Act, 2013 provides that a contracting authority shall prior to entering into public private partnership arrangements pursuant to section 19, undertake a sector diagnostic study and assessment covering inter alia:

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- technical issues
- legal, regulatory, technical framework;
- institutional capacity status;
- commercial, financial and economic issues

Since the project is beneficial to the youth of this county, this committee did approve the Ajiry allocation and directed the sector committee to oversight the implementation of the programme within the provisions of the law.

**Mr. Speaker,** the High Altitude Centre has been an on-going project for the last five financial years. During the consideration of the second supplementary project, the allocation was reduced affecting completion of the project. In consideration of the Sectoral views, this committee allocated Kshs 20 million to ensure completion of the project as well as its operationalization.

On development, the Kanduyi Stadium has a total allocation of Kshs 170,215,454, Kshs 10 million for Nalondo stadium and Kshs 4,850,002 for the ward based projects.

## 2.6 ROADS AND PUBLIC WORKS

**Mr. Speaker,** the department has Kshs 170,573,860 on recurrent and Kshs1,242,546,532 on development.

Personnel emolument is Kshs 65,199,513

Foreign travel Kshs 700,000

Domestic travels and subsistence allowance Kshs.15,510,880

Training expenses Kshs.2.5million

Hospitality Kshs.6.8million

Plant insurance Kshs 4.8 million

Fuel and Lubricants Kshs.38.9million.

Contracted professional and technical services Kshs.2 million

Routine maintenance Motor vehicle, plant and machinery Kshs.20.6 million.

Purchase of computers ,printers and other IT Equipment Kshs. 160,000

On development the submitted budget had captured the following projects.

| <b>Project</b>  | <b>QUANTITY</b>              | <b>AMOUNT<br/>Kshs</b> |
|---|------------------------------|------------------------|
| Upgrading of Misikhu Brigadier Road                       | 3.33Km                       | 100,000,000.00         |
| Upgrading of Kanduyi - Sang'alo Junction<br>Dual Carriage | 3.33km                       | 350,000,000.00         |
| Maintenance of Rural Roads (Ward based<br>projects)       | project list not<br>provided | 306,617,000.00         |
| Pre-feasibility Designs and Environ<br>mentation          | 4                            | 20,700,000.00          |

|  |              |                         |
|--|--------------|-------------------------|
| Equipping of Fire Station(Equipping the dormitory, Kitchen, recreation facilities, completion of watch towers,construction exit ramp,purchase of fire men duty uniforms. |              | 14,268,115.00           |
| Maintenance of Rural Roads (RMLF)  | Project list | 266,961,417.00          |
| Lease of Gravel Pits   | 10 acres     | 4,000,000.00            |
| Contract Routine Framework   | 4            | 140,000,000.00          |
| <b>TOTAL</b>   |              | <b>1,202,546,532.00</b> |

**Mr. Speaker,** the committee approved the allocations on the Dual carriage and Misikhu-Brigadier roads, Equipping of Kanduyi Fire station, Lease of gravel pits as proposed.

Equipping of the fire station will involve; Equipping the dormitory, operationalizing the kitchen and recreational facility, completion of watch tower and purchase of firemen duty uniforms. The activity costing was however not provided and the committee equally noted that some of these activities are recurrent in nature and not development.

The committee requested for project lists for the RMLF grant with an allocation of KShs 266,961,417 but this was not submitted. The sector committee should therefore follow up on the same.

In respect to Contract Routine Framework with a proposed allocation of Kshs 140,000,000 , this committee declined the allocation due to lack of project lists/

work plan to warrant the allocation and also lack of transparency on the financial year 2019/2020 allocation.

## 2.7 FINANCE AND ECONOMIC PLANNING

**Mr. Speaker,** the department has a total allocation of Kshs 997,427,795 on recurrent to be expended at the treasury head quarter and directorates. The distribution of the budget is as follows:

| SUBSECTION                     | AMOUNT                |
|--------------------------------|-----------------------|
| HEAD QUARTER( County Treasury) | 825,656,248.00        |
| REVENUE                        | 35,972,000.00         |
| PLANNING                       | 16,495,206.00         |
| BUDGET                         | 32,569,882.00         |
| AUDITING                       | 20,202,740.00         |
| ACCOUNTS                       | 19,686,266.00         |
| MONITORING AND EVALUATION      | 17,122,960.00         |
| PROCUREMENT                    | 20,844,033.00         |
| SPECIAL COORDINATION UNIT      | 8,878,460.00          |
| <b>TOTAL</b>                   | <b>997,427,795.00</b> |

The head quarter budget will fund personnel emolument to a tune of Kshs. 562,902,764 to all the staff in the County Treasury. There is also a provision of Kshs 30 million for Workman's compensation scheme. It also hosts the emergency fund which in this financial year the figures are dwindling from the previous allocation of Kshs 100 million to Kshs.70million against a legal requirement of 2%

of the County Budget. The budget also has an allocation of Kshs 12 million of the revenue automation system.

The committee adopted the sub department allocation but had reservations on the allocation of the Special Coordination Unit with a paltry Kshs. 8 million to coordinate over a billion worth of ward based projects in the county.

The committee allocated Kshs 10 million from the head quarter budget on contracted professionals and technical services to committee boards and conference for stakeholders' engagement and quarterly reports.

**Mr. Speaker**, the PFMA 130 illustrates the manner in which the CEC –Finance shall submit the annual budget to the County assembly for approval.

The budget estimates must include:

**PFMA 130 (b) (ii)** all revenue allocations from the National Government over the medium term, including conditional and unconditional grants.

**PFMA 130(b) (v)**all estimated expenditure, by Vote, and by programme, clearly identifying both recurrent and development expenditures;

The County Treasury has been steadfast in declaring all the revenues from the National Government including grants from the development partners but they have been missing out on ensuring that supporting documents are attached to give clear guidance on the programmes to be undertaken by the various departments in the County Government. It is becoming a tedious process getting the departments of the County Government to disclose their work plans of the revenue in the department hence delaying budget approval.

As we recommend that supporting documents to the budget estimates must be adhered to henceforth, subsequent budgets should include as per: **PFMA 130(b) (g)** a statement by the County Executive Committee Member for Finance specifying the measures taken by the County Government to implement any

recommendations made by the County Assembly with respect to the budget for the previous financial year.

## **2.8 TOURISM AND ENVIRONMENT**

**Mr. Speaker,** the department has an allocation of Kshs195,275,801 on recurrent and Kshs 18,623,545 on development.

The recurrent allocation will cater for salaries Kshs 24,334,574, cleaning services 144 million and 4 million for feasibility studies.

The committee sort to know the allocation of the Kshs144million on cleaning services. The CECM in his submission indicated the cleaning services are undertaken in 29 market centres including dumpsite management. He also outlined the scope of work that is normally captured in the BQ while contracting the services.

The committee was concerned on non-payment of cleaners yet the County Government is paying Kshs 11,952,112.20 monthly to the contractor. The department should put in controls at the time of contracting the services and also capture in the BQ the number of cleaners per centre as opposed to leaving these key parameters at the discretion of the contractors.

The Kshs 18,623,545 on development is towards dumpsite management in Bumula. The contract sum is Kshs 50 million. The 14 million in the FY 2019/2020 was spent on; construction of perimeter fence (29 %), Construction of 2 No. Latrines, Construction of Sentry and installation of Gates. The department is requesting Kshs 18.6 million which will do the following activities: Construction of part of perimeter fence 36%, construction of an incinerator, Construction of offices and protection of the community water spring and drilling of a bore hole for the community.



## 2.8.1 WATER AND NATURAL RESOURCES

**Mr. Speaker,** the department has an allocation of Kshs 39,456,800 on recurrent out of which Kshs 23,491,552 is for salaries and the balance is for operations.

Development has an allocation of Kshs 296,601,861 broken down as follows:

|         | <b>ACTIVITY</b>  | <b>AMOUNT</b>      |
|---------|--|--------------------|
| 2210310 | Field operations(supervision)  | 3,600,000          |
| 2211006 | purchase of workshop tools, spares and small equipment (drilling tools and accessories, borehole casing) | 13,980,000         |
| 2211201 | Refined Fuels and Lubricants for Transport(drilling and test pumping)                                    | 7,830,000          |
| 2220101 | maintenance expenses-motor vehicle(drilling fleet)   | 10,000,000         |
| 3111401 | Prefeasibility and appraisal(KOICA FUNDING)  | 18,808,328         |
| 3111402 | Engineering and Design plans   | 5,000,000          |
| 3110602 | Overhaul of water supplies   | 40,000,000         |
| 3110599 | Other infrastructure and Civil works(CEF projects)   | 77,600,000         |
| 3110502 | Water supplies and Sewerage  | 39,783,533         |
| 3111305 | Purchase of Tree seed and seedlings(EU FUNDING)  | 80,000,000         |
|         | <b>GRAND TOTAL</b>   | <b>296,601,861</b> |

The allocations on codes 2210310,2211006,2220101 and on request of the department and also as viewed by this committee are recurrent in nature hence they were moved to recurrent budget. The allocations are for operationalizing the drilling rig which the committee directed the department to be fair in the spirit of distribution of resources, ensure that all the 45wards benefit from the drilling rig.

The prefeasibility and appraisal allocation of Kshs 14,218,328 is for KOICA Phase II, while Kshs 4,590,000 is for borehole drilling operation.

Overhaul of water supplies at Kshs 40 million is for Chesikaki-Sirisia-Bumula projects which will be done in two phases and this will serve Chesikaki, Malakisi/Kulisiru and Siboti wards after abstracting water from River Malakisi in Chesikaki.

The Kaberwa, Maeni, Kamenju, Chesamisi, Kamukuywa water project is a proposed water project estimated to supply water to residents of Elgon, Maeni and Kamukuywa wards after abstracting water from River Kimilili in Kaberwa. The project will cost Kshs. 39,783,533.

The European Union (EU) Grant of Kshs 80million is expected to be received by the department in this FY. The department petitioned for the removal of the grant from its budget since it is impacting negatively on them by increasing their ceilings yet the grant has never been released since its inception in the last three years despite correspondences having been done between the department and its counterpart the National Government.

The CECM Finance in her clarification remarks indicated that the grant cannot be removed from the department because it is allocated to Bungoma through CARA.

## **2.9 TRADE, ENERGY AND INDUSTRIALISATION**

**Mr. Speaker,** the department has recurrent budget of Kshs. 50,863,228 and development at Kshs. 68,708,123.

The recurrent allocation will cater for Kshs 16,141,460 for salaries, Kshs 3 million for Tradeshows and exhibition, Fuel Kshs 2.3 million, Committee boards conference Kshs 11.7 million and Publishing and printing Kshs 11.7 million (Branding and launching of street lights and market infrastructure)

The activities under development are: Purchase of lighting equipment at Kshs 21,763,123.

Development of Markets at Kshs 17million.Kshs 12 million will be spend on development of markets at Kamkuywa, Cheptais and Bukembe West while Kshs 5 million will be used to carry out feasibility studies, architectural designs and BQ preparations in the markets to carry out Fair trade policies, Consumer protection policy, Trade development policy and MSMEs Policy.

The Industrial park has a total allocation of Kshs. 12 million. The department made a petition to the sector committee on the amount to be moved from development to recurrent to fund recurrent expenditures. The committee reallocated Kshs 6 million to Committee boards and conferences out of the Kshs 12 million and the balances reallocated to other departments since the Industrial park project is proving not to be a viable project.

Ward Based projects are allocated Kshs 17,945,000.

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

**Mr. Speaker,** the department has an allocation of Kshs 46,989,485 on recurrent and Kshs. 39,233,076 on development.

Recurrent budget will cater for operations in the department including salary payments of Kshs 27,635,604, Committee boards Kshs7 million and Prefeasibility studies Kshs 3,241,000.

Development budget has been allocated as follows:

Development /Physical planning Kshs 3,693,464.

Purchase of survey equipment Kshs 9,931,612; as per the sector committee's report these amounts were moved to recurrent budget.

Processing of titles Kshs 7,460,000; this activity is recurrent in nature hence has been moved to recurrent budget.

Further, Acquisition of Land Kshs 10million; Kshs 5 million is proposed to purchase land for Kapsokwony fire station, Kshs 10,000,000 for the land bank. In its resolution and as per the petition from the sector committee, Kshs 15 million was added to settle the debt for Chepkube land and the Kshs 5 million for land bank.

Ward-based projects were allocated Kshs 8,148,000.

### 2.9.1.2 Bungoma Municipality

The municipality has an allocation of Kshs 8,039,574 for recurrent out of which Kshs 5.5 million is KUSP (Kenya Urban support Programme) to fund capacity building of municipal board members and secretariat.

Development has Kshs 6,791,584 from the equitable share to fund some programmes as enlisted below which the municipality requested for the amounts to be moved to recurrent for ease execution of the programmes

|   |           |
|---|-----------|
| Installation of digital billboards at the bus park, Kanduyi junctions and Municipal grounds | 2,991,584 |
| Installation of collection chambers within Bungoma Municipality                             | 2,000,000 |
| Installation of manhole covers within Bungoma Municipality                                  | 1,350,000 |
| Installation of collection bins within Bungoma Municipality                                 | 450,000   |

The Kenya Urban Support Programme grant amount of Kshs. 109, 887,700 will fund Upgrading of Pamuz – Muyayi – Ndengelwa road to bitumen standard. Submission from the Chief Officer Lands however indicated that this particular road goes beyond the municipality boundaries contravening the conditions of

KUSP. The municipality should consult widely and make necessary adjustment to the workplan so that Bungoma does not lose on benefitting from the grant.

### **2.9.1.3 Kimilili Municipality**

The municipality has Kshs 8,039,575 on recurrent and Kshs 191,089,400 on development. The recurrent budget has a recurrent grant of Kshs 5.5 million from KUSP.

The committee considered the sector report on recurrent allocations of the Kimilili municipality and increased their recurrent allocation by Kshs. 4,791,584 to enable them operate smoothly as per their mandates.

Development work-plan has captured the following projects:

Mkulima- Chesamisi road; Tarmacking (3km)-----Kshs 141 million

Kimilili Kamtiong-Dreamland; Tarmacking (1km)---Kshs 50 million.

## **2.10 HOUSING**

**Mr. Speaker,** the department had an allocation of Kshs 21,301,631 for recurrent budget and Kshs 34,465,248 on development. Of the recurrent budget Kshs 12,851,403 is for salaries.

The development budget Ksh 1 million will fund Sirisia County Residential estate while Kshs. 2 million will do major renovations in 24 residential houses.

The social housing program has a plan to do 1 house per ward with locally available material for the vulnerable. This committee declined the allocation since the programme is not sustainable.

## **2.11 PUBLIC SERVICE MANAGEMENT AND ADMINISTRATION**

**Mr. Speaker,**

The department has proposed an annual budget for financial year 2020/2021 with a total allocation of Kshs. 339,976,577. This amount includes Kshs. 8,465,248 allocated to devolved units in the sub-counties for their day to day operations.

Personnel emolument has an allocation of Kshs.240,907,510. The committee wanted to know if provision had been made towards employment of village administrators. Submission from the department revealed that the allocation had not been captured under the personnel budget yet due to limited ceiling on the department. In view of the sector committee's report, it was resolved that wages and benefits for the proposed village administrators be expunged *in toto* given that the House has not yet approved their employment. *Inter alia*, the village administrative units are yet to be delineated/demarcated.

**Mr. Speaker**, the department has no allocation for development programmes. It should be noted that construction of ward administrator's offices is domiciled in the department. Although the sector committee had recommended for allocation of funds towards this programme, in the County Fiscal Strategy Paper, 2020, this committee proposed for a detailed report on construction of the said offices across the County. This is important for purposes of ascertaining the current status in each ward to enable this honourable house make an informed decision on the same.

In the proposed budget, the department has allocated Kshs. 28 million towards Civic education programme. It was in the interest of the committee that in this era of Covid-19 pandemic, the programme may not be implemented in full in the entire financial year. Further, these allocations were made in the previous financial year's budgets yet there has never been a comprehensive report to this honourable house. It's on this basis that this committee recommends a reduction of Kshs. 10 million from the proposed allocation. The department should submit a detailed report to the sector committee to ascertain the scope of the civic education carried out in the past.

Provision of security services by contracted guards has been factored in the budget together with allocation for cleaning services in offices at Kshs 25 million. There was no specific breakdown as to how much is allocated to contracted guards

services and cleaning services respectively. The committee recommends that the payments to service provider be done regularly on monthly basis to ensure there is no crisis in terms of delays in payments or non-payments of wages to the contracted guards and cleaners.

### **2.11.1 OFFICE OF THE COUNTY SECRETARY**

**Mr. Speaker,**

The office has been allocated funds for operations and development programmes in the financial year totalling to Kshs. 367,911,446; Kshs 155,373,657 for recurrent and Kshs 212,537,789 for development respectively.

Personnel emoluments for all officers working in the County Secretary's office are budgeted for in the department of Public Service Management and Administration.

Internet connectivity is domiciled in the County Secretary's office hence Kshs 10,144,000 has been allocated to ensure that all department access internet. Since there is ICT sub department under the County Secretary's office, the amount should be transferred to ICT on the same vote to ensure proper utilisation of the funds by ICT experts.

The Kenya Devolution Support Programme (KDSP) with an allocation of Kshs 45 million has been in operation for the last three years yet its operation has not been made open to honourable members. Being a conditional grant which is procedurally appropriated by this honourable house, there is need for us to have information on its utilization to ensure donor confidence is maintained. In view of this, we direct the County Secretary to submit a comprehensive report to the County Assembly for scrutiny by the relevant sector committee. The subsequent work plans on the grant should be shared with the sector committee of the Assembly for information before intended programmes are implemented. This will also be applied to the Kshs. 212 million captured under the development with no work-plan attached.



There is an allocation of Kshs. 64million earmarked for payment of a comprehensive medical cover for all County employees. It was realized that the medical cover scheme will be provided by the National Hospital Insurance Fund. There is need to ascertain the total contract sum for the scheme to ensure that all employees access and benefit from the service.

#### **2.11.1.2 Casuals**

**Mr. Speaker,** the County Secretary who is the head of Public Service in the County should check the total wage bill for compliance with the provisions of both the PFM Act, 2012 and its Regulations of 2015.

The issue of Casuals in the County is weighty in terms of ascertaining genuine casuals across departments, where they are stationed, what their daily duties are and who their supervisors are. The Chief Officer in the office of the County Secretary appeared before the committee and submitted that in deed the Casuals issue needs to be addressed collectively once and for all.

In company of the Secretary to the County Public Service Board, the officers submitted that verification exercise was done but is yet to be determined conclusively. They further indicated that to date they have verified a total of 426 casuals in various departments and the committee took note of the 163 casuals in the Governor's Office. However, there is yet another separate list of 463 casuals who went to court and a ruling was made in their favour. The County has since appealed the ruling. The names of the casuals were provided without giving the amount earned and the specifications done by each of them. The sector committee should endeavour to ascertain the authenticity of the list as attached.

In this budget the total allocation for casuals is Kshs 48,713,619 with allocations in Agriculture, Health and Finance.

### **2.11.2 ICT DEPARTMENT**

The sub department has Kshs 38,468,998 allocation with Kshs 13,352,400 on recurrent and Kshs 25,116,598 on development.

The development allocation programmes are:

Net-working & LAN Installation (Webuye East Town Hall Kshs 5 million, Kimilili Sub-county Kshs 3 million, Trade and Revenue Offices Kshs 5 million)

Upgrading of server and server room Kshs 7,116,598 and Record Management System Kshs 5 million. The committee approved the activities except for the Upgrading of server and record management system since they have had allocations before and thus a status report should be availed.

### **2.11.3 COUNTY PUBLIC SERVICE BOARD-(CPSB)**

**Mr. Speaker**, the County Assembly approved a total ceiling of Kshs. 34,102,840 for the Board during the processing of the County Fiscal Strategy Paper, 2020. This is the same amount that the Board has used in their proposed budget for the financial year 2020/2021 hence compliant with the Assembly's resolutions. It has allocated Kshs. 15.4 million to be used for payment of personnel emoluments in the entire financial year out of which Kshs. 3.9 million will be going towards recruitment of four additional officers.

Operations and maintenance component of the proposed budget will consume a total of Kshs. 18.7 million. The operations activities includes, but not limited to carrying out recruitment processes for County employees excluding those at the County Assembly.

Although there was no proposed allocation towards development expenditure by the Board, a petition was submitted requesting for more funds to enable it construct its own offices. The same was deliberated by this committee and looking at the limited finances in the County's resource envelope, it was recommended that

the Board submits the same proposal in subsequent financial year annual development plan for consideration in case the equitable allocations to the County will have improved.

It should be noted that the Board should be submitting its performance reports on regular basis to this honourable house in compliance with section 59 (1) (d) and (f) of the County Government Act, 2012. However, it's nowhere on record as to when the same has ever been submitted for deliberation by this honourable members. This committee recommends that as funds are appropriated to the Board for their operations, they should as a matter of compliance; submit the reports as required by law.

#### **2.11.4 COUNTY ASSEMBLY**

**Mr. Speaker**, the County Assembly's recurrent ceiling is Kshs852,697,314.80 as per the recommendation of CRA and Kshs 26 million on development as per the approved CFSP.

The breakdown of the recurrent expenditures includes:

Personnel emolument has an allocation of Kshs 409,719,148 to cater for basic salaries for the MCAs and the permanent and pensionable staff, House allowance, Commuter allowance, sitting allowances for the committees and plenary, pension, leave allowance, responsibility allowance and provision for promotion of staff. The allocation also captures the provision for the contracted staff for the honourable Speaker as per the SRC directives.

In order to continue operationalizing the ward offices, there is a provision of Kshs 40,853,160 translating to Kshs75,654 per month to pay ward staff and run the operations of the ward.

Medical Insurance has a provision of Kshs 30 million while general insurance is Kshs 12 million which will include insurance of the 6 motor vehicles and all the assets of the County Assembly.

**Mr. Speaker,** Kshs 172 million has been set aside in order to enable the County Assembly conduct its oversight role and the amount will be apportioned among the 24 committees to enable the committees execute their various mandates.

In addition, the committee resolved that Kshs 20 million is set aside for committees' boards and conferences for the whole house for interrogating statutory documents. It was also noted that the Legal fees has a minimal allocation and the allocation should be enhanced.

Gratuity for the Honourable members and 2 representatives of the public on the County Assembly Service Board has a total allocation of Kshs 22,574,310.

On the development front, the allocation of Kshs 26 million is for the preliminary works, drawings designs and BQ to start construction of a new chamber. This committee declined the allocation since this is a new project.

The County Assembly Service Board had requested for Kshs 118million through the sector committee for completion of the administration block, which this committee declined since the previous expenditure reports had not been submitted to the committee for verification. The committee thus directed that a complete independent audit on the project should be conducted before further allocation is made.

## **2.5 WARD BASED PROJECTS**

**Mr. Speaker,** the committee sourced for funds and increased allocation on Ward Based Projects' to Kshs 20,000,000 per ward. There was an allocation of Kshs 13 million per ward in the submitted annual budget. However, the committee increased and distributed Kshs 7 million per ward as follows;

1. Agriculture 7,000,000

|              |             |
|--------------|-------------|
| 2. Education | 32,300,000  |
| 3. Health    | 15,000,000  |
| 4. Trade     | 10,000,000  |
| 5. Lands     | 5,000,000   |
| 6. Roads     | 235,700,000 |
| 7. Water     | 10,000,000  |

**Total** **Kshs. 315,000,000**

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It should be noted that the Honourable elected members submitted the WBP for compilation and as such, the final realignment per department shall be done at first supplementary budget in August 2020.

## CHAPTER THREE

### 3.0 COMMITTEE OBSERVATIONS, RECOMMENDATIONS AND CONCLUSION:

#### 3.1 COMMITTEE'S OBSERVATIONS

1. Most of the departments did not update their PBB; there was a variance between the itemized budget and the programme based budget.
2. Most departments are lacking prerequisite policies to operationalize their activities. CEC-Ms as policy makers with the Chief Officers as the policy implementers should purpose to formulate all the policies required to execute their budgets. There is a gap in the County government both at the Executive and Assembly as far as Policy formulation is concerned.
3. Detailed departmental personnel budgets were not submitted alongside the budget estimates.
4. Departments should voluntarily submit their work plans/ procurement plans as well as cash flow statements.
5. The county has a total of 423 casuals distributed in various departments whose verification has been conducted by CPSB and the list submitted as attached.

### 3.2 COMMITTEE RECOMMENDATIONS:

**Mr. Speaker Sir**, upon scrutiny of the annual budget estimates 2020/2021, the committee recommends as follows:

1. **THAT**, departments should appreciate the need to update the programme based budget to tally with the itemized budget and desist from deviating from the CFSP as approved by the County Assembly. Further, departments should avoid re- allocations in the budget and implement the same as approved by the county assembly.
2. **Policies**, departments should endeavour to formulate policies that will provide guidelines to their programmes. Examples-
  - **Health:** Develop a policy framework for **motivating** Community Health Workers (CHWs) and Community Health Volunteers (**CHVs**), **Prioritize** County of Bungoma Health Services Policy and Regulations, Formulate a County **Immunization** Policy and work with the civil society organizations to champion immunization programmes, Formulate **HIV/AIDS** Work Place Policy and outreach programmes at the village and ward level.
  - **Gender and Culture:** County Children Policy to facilitate structured engagement, effective coordination, partnership and implementation of programmes in the Sector for the benefit of Children; Cultural policy.
  - **Tourism, Environment and Natural Resources;** Wetlands protection policy among others.
3. **Work Plans**, the departments should submit the work plans of the projects under review to the County Assembly without being coerced.
4. **Oversight**, all sector committees should purpose to oversight the departmental payrolls in order to come up with realistic figures
5. **Casuals**, the sector committee should scrutinize the list of the casuals to ascertain authenticity.

**Ward Based Projects,** Honorable members should finalise change of projects before August, 2020 for the same to be realigned at the 1<sup>st</sup> supplementary budget. The implementing departments to fast track procurement of the ward based projects.

### **3.3 BUDGET COMMITTEE'S PROPOSED DECREASES AND INCREASES ON DEPARTMENTAL BUDGET CEILINGS**

**Mr. Speaker,** attached herein is the committee's departmental proposed decreases and increases.





#### **4.0 ANNEXTURES**

1. COMMITTEE'S PROPOSED DEPARTMENTAL INCREASES AND DECREASES
2. THE BUDGET ESTIMATES FOR FY 2020/2021.
3. SECTOR VIEWS ON THE ESTIMATES 2020/2021
4. SUBMITTED MEMORANDA ON THE ANNUAL BUDGET FY 2020/2021.
5. ADOPTION SCHEDULE