

**COUNTY GOVERNMENT OF BUNGOMA**

**COUNTY ASSEMBLY OF BUNGOMA**

**COUNTY ASSEMBLY DEBATES**

**THE DAILY HANSARD**

**WEDNESDAY, 9<sup>TH</sup> APRIL, 2025**

**Morning Sitting**

**3<sup>rd</sup> County Assembly**

**4<sup>th</sup> Session**

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# COUNTY ASSEMBLY OF BUNGOMA

## THE DAILY HANSARD

**WEDNESDAY, 9<sup>TH</sup> APRIL, 2025**

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

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

### PRAYER

### MOTIONS

### EXPOSITION OF THE GOVERNOR'S ADDRESS

**Mr. Speaker:** Honorable Members; today is the last day of the debate on the Governor's speech. I will be able to allow some two or three members then invite the Majority Leader who was the one tabling the speech for reply. If there is no contribution then I will call Leader of Majority to make brief remarks. Leader of Majority proceed.

**Hon. Joseph Nyongesa:** Thank you, Hon. Speaker. First, allow me appreciate the member who had time to go through and listen keenly to His Excellency's speech. I was impressed with members who were contributing and the key issue that came up clearly was the balancing of regions in terms of flagship projects and as we speak, every region is yearning to also see the flagship projects in their area and as we move forward, His Excellency should know that actually the whole County needs development.

The other thing that came up; was that the Governor lacks the people to support him in terms of his cabinet because they are not following what the Governor is always intending to do.

Again, we also urge him to ensure that he puts his cabinet on checks and balances plus the support from this House to ensure that they make a follow up so that the people of Bungoma receive what is due in terms of development.

Otherwise, I appreciate those members who contributed.

**Mr. Speaker:** Thank you, Hon. Leader of Majority. Hon. Members, that will mark the end of the contributions to the Thanks of the County Assembly having been recorded for the exposition of the Public Policy contained in the address of the Governor which was delivered on 27<sup>th</sup> of March, 2025. The HANSARD will be extracted and synchronized from the first day of the tabling to the last day of today's contribution and be forwarded to the relevant departments for their perusal and use where necessary.

## **MOTION ON THE FORMATION OF AD-HOC COMMITTEE TO SCRUTINIZE THE COLLECTION, WAIVERS AND UTILIZATION OF CESS MONEY**

**Mr. Speaker:** Hon. Ipara, you are called upon to come forward and be able to move your motion. As you do so, I hope your seconder is ready because you must have a serious seconder. Proceed!

Hon. Ipara, you ought to be coming here not going to whisper, you did not prepare him.

**Hon. Johnston Ipara:** Hon. Speaker, I was shocked by the word you said; the seconder must be a serious man.

**Mr. Speaker:** I never spoke of character. He must be prepared to second the motion. You know the consequence of lacking a seconder, it dies a natural death.

**Hon. Johnston Ipara:** Hon. Speaker, I have a seconder who is well prepared.

Hon. Speaker Sir, I beg to move the following motion pursuant to Standing Order 58. Aware that article 209(3)(4) of the Constitution of Kenya 2010 provides that a County may impose property rates, entertainment access and any other tax that it is authorized to impose by an Act of parliament, The National and County Governments may impose charges for services they provide.

Further aware that article 210(1) (2) of the Constitution of Kenya provides that no tax or licensing fees may be imposed waived or varied except as provided by legislation. If legislation permits the waiver of any tax or licensing fee, a public record of each waiver shall be maintained together with the reason for the waiver and each waiver and the reason for it shall be reported to the Auditor General.

Considering that The County Assembly passed the Bungoma County Agricultural Produce CESS Act 2017 and on utilization of the CESS money, section 12 of the Act stipulates that 90% of all monies collected as CESS from all Agricultural products shall be used to maintain Agricultural Infrastructure and provide other services related to Agriculture in areas where the Agriculture produce are produced in the County and 3% deposited in the County Revenue Account and shall be used for the CESS committees and Administrative purposes while the remaining 7% shall be credited to the County Revenue Account. The 90% allocation shall be administered under a separate road maintenance account in the department of Roads, Transport, Infrastructure and Public Works.

Further, considering Section 15 of the same Act on waiver provides that the County Executive committee Member of Finance may waive the CESS payable under this Act to any Agriculture producer persons or group of persons to whom this Act apply. A waiver of CESS under this Act

shall before a determinant period not exceeding one year. Where such waivers is made, the County Executive Member shall give reasons for such waivers and table before the County Assembly the list of persons to whom payments of CESS is waived and the reasons thereof. The County Assembly may waive CESS as made by the County Executive Member.

Acknowledging that management and utilization of Agricultural produce CESS runs across three departmental committees namely Finance and Economic Planning, Agriculture, Livestock, Fisheries, Irrigation and Co-operatives Development and Roads, Transport, Infrastructure and Public works which makes it cumbersome for three committees comprising of a total of 45 members to look into this complex issue of collection and utilization of CESS money.

I now move and propose that this House resolves to form an 11 member Ad-Hoc Committee to investigate and scrutinize the collection, waivers and utilization of all the revenue collected from Agriculture Produce CESS across the County and in particular the committee should investigate;

- a) Entities that have been paying CESS since September 2022.
- b) Published lists of exit points where CESS is collected from
- c) The existence and operation of the County CESS committee as established in the Act.
- d) Total Revenue collected from Agricultural CESS since September 2022
- e) Utilization of the revenue collected through Agriculture CESS and how much was used to construct Road Infrastructure in areas where CESS is collected.
- f) Percentage submitted to the separate road maintenance account in compliance with the Act.
- g) Whether West Kenya Sugar Company Naitiri unit is one of the companies paying CESS to the County and if yes how much has the company paid to the County since September 2022.
- h) Whether the County Government has granted any CESS waivers to West Kenya Sugar Company Naitiri unit and if Yes, how much.
- i) Waivers given to any other company
- j) Whether there is any memorandum of understanding with any entity with regard to payment of CESS and challenges occasioned by the said memorandum.
- k) Whether lack of allocation of CESS money in some cases leads to disputes between stakeholders and the County Government.

The Committee should submit the report to this House within 60 working days from the adoption of this motion.

Hon. Speaker, at this juncture, let me to call upon Hon. Benjamin Otsiula to second the motion.

**Mr. Speaker:** Hon. Otsiula, you have the honor of seconding the motion as moved by Hon. Ipara.

**Hon. Benjamin Otsiula:** Thank you, Hon. Speaker for giving me this opportunity to second the motion. First of all, I want to appreciate and thank Hon. Okasida Ipara for his wisdom and knowledge in bringing this motion and deeming it important that I second it.

First of all, looking at the way the motion is coached, it is well founded on legal provisions. The motion basically brought and premised on article 209(3) & (4) of the Constitution of Kenya and also Article 210 (1) & (2) of the Constitution.

True to the word that the County Government throughout the Republic of Kenya are allowed to impose property rates, entertainment taxes and other taxes, However, our key concern as far as this motion is concerned is how this CESS is collected and how the very CESS and revenue is utilized as far as Agriculture produce across the County of Bungoma is concerned.

It is a proposal that an eleven member Ad-Hoc committee be put in place to investigate and scrutinize the collection; waivers and utilization of all revenue collected from Agricultural produce CESS across the County. This is very necessary. One, at the moment it is very difficult to tell which entities pay this CESS. It is very important for this House to know whether there is any CESS in the first place being collected or not because the details are very scanty.

Two, these Companies that are paying CESS, are there any agreements, engagements for example if there are any memorandums that exist between the companies and the County Government of Bungoma. It is also important that they are brought out so that members can understand whether we are generating revenue from these factories that are operating within this County.

One company which has been brought out in this motion is West Kenya Sugar Company Naitiri unit. We understand or believe that this is a company that has been paying CESS to the County, we need to get a clear record of how much has been paid and if they have not been paying we also need to understand the reasons as to why since September 2022. We also wish this House to be furnished with details on the percentage submitted to the separate road maintenance account in compliance with Act.

Agriculture is the backbone of the economy of this County, recently there was the distribution of farm inputs that informs the reason as to why even this House is giving priority to our farmers across the County and proceeds coming out of this Agricultural produce must in terms of CESS which should be used to improve infrastructure within the County.

The formation of this committee is very necessary and vital because we have been talking about improving our revenue collection. Every year we are told Bungoma has collected this much and

for us to get higher equitable share from the National Government, then we must improve our revenue collection.

Section 15 of the same Act talks about waivers; We also want to understand if at all the County Government of Bungoma has granted any company any waivers as far as this CESS is concerned, because at the moment the record is not there and we are not having sufficient information and also the reasons as to why such waivers were granted to those entities. It is very important for this House to be furnished for the benefit of the people of Bungoma County.

As the mover of this motion has said and ably presented, I wish to implore upon this House to consider the motion, support it so that we have in place the formation of this committee which will go a long way into unraveling the issues concerning collection of CESS in the County of Bungoma. I wish to second.

*(Applause)*

**Mr. Speaker:** Hon. Members, allow me be able to propose a motion for debate. Hon. Members, I now propose that this Honorable House resolves to form an eleven member Ad-Hoc committee to investigate and scrutinize the collection, waiver and utilization of all the revenue collected from Agriculture Produce CESS across the County and in particular the committee should investigate items listed in the motion.

*(Question proposed)*

Yes Hon. Caleb!

**Hon. Caleb Wanjala:** Thank you, Hon. Speaker. I think this is wisdom and it's timely because if you look at our own source revenue, we are not doing well and this is because of not having clarity on the CESS collection and other agricultural produce collection.

In my Ward that is Bukembe East, every day we have trucks that are carrying bananas to Mombasa, North Eastern and there is no money that this County is getting from them. I think this is timely and it's going to change our County. It's going to make our County to have money.

Another issue is our Roads; every Hon. Member that is seated here, we do allocate money on the CEF to our Roads but even after those Roads are made; it will not take long because of some of the tractors from these companies that are carrying sugarcane. We are only capturing few factories here, Butali, West Kenya but we have Busibwabo and Olepito. They are carrying sugarcane now and then in fact some of the good roads that were made recently, like Kanduyi to Mateka if you go on that road, it is getting depleted because of the tractors, so this is timely, it's going to streamline and put things in order and this will help to enhance our own source revenue. I support this report fully.

**Mr. Speaker:** Hon. Makari, you will go next!

**Hon. George Makari:** Thank you, Hon. Speaker.

**Mr. Speaker:** I will pick all the MIC's that are on, and then from there I will be able to allow the mover to respond. We have another motion ahead of us. Hon. Makari, proceed!

**Hon. George Makari:** Thank you, Hon. Speaker. I want to applaud the mover and the seconder of the motion for executing it so well. I want to support the motion fully and fortunately the notorious Chair of ad-Hoc committees did not make it back to the County Assembly, so we have to find a new Chair. I do not want to propose to you who the Chair will be but in your wisdom, we will cross that bridge when we reach there.

I have a point on this issue of CESS and it's very disturbing. I think and I do not want maybe I will be a witness or not but there is a particular issue on this CESS but then also if you find out clearly, you will find that the revenue department only lists West Kenya as the payer of CESS in Bungoma County whereas there are so many companies. There is BAT Kenya, Nzoia Sugar, Mumias Sugar even Busia Sugar factory. There are other small entities like the bananas that Lorries are collecting here in Bukembe and even the Maize and coffee. There are many trucks coming from Central Kenya picking maize from farmers here. There is one time when we went for fact finding with Finance Committee and specifically went to Kimilili where Hon. Mulongo comes from...

**Mr. Speaker:** Hon. Mulongo is from Kibingei. He is not from Kimilili.

**Hon. George Makari:** But we walked with him on the market of Kimilili that day, we were with him and several other members of the Committee. In the Finance Bill, each sack of maize was supposed to be paid for Kshs 100 but there is a lorry with almost 800 sacks and pays Kshs 500 cumulative, you see the County is losing a lot of money and we found that they have given him a small receipt saying he has already cleared but it's a lorry full of maize. If you say now you are taking 100 per sack, you will get almost Kshs. 8,000 but they have cumulatively asked the guy to pay only Kshs. 500 for the entire track. That is where we are losing money in revenue and then forecasting of revenue now goes down.

The disturbing issue of West Kenya and we will bring here a table and a list when the Ad-Hoc committee will be formed if it will be formed. West Kenya from the submission to the Finance committee, I want to leak an exam to those members who will be in Ad-Hoc committee, when West Kenya submits 5,000,000 in February when the same reaches at the revenue office, the statement will read 2,000,000, three million is missing and it's a fact, it is confirmed. We have it even here in the Assembly, we have not tabled the report but it's there and we can authenticate it because the submission from West Kenya is stamped and details as February 2024, CESS payment to Bungoma County Kshs.5, 000, 000, when it reaches the revenue office, they edit and now tell us in their statement that revenue and CESS for the month of February was 2,000,000.

and we have followed that and you find that every month that West Kenya has submitted that CESS payment and I am glad the Committee Clerk is here he can also testify .

Every month that West Kenya has submitted its payment, the payment is edited at the revenue office here and they give us the remnant of the money, the rest we do not know who takes it. You will find that the County misses a lot of money, each month West Kenya says we have submitted 6,000,000, it is edited to 3,000,000. If it submits 4,000,000 they edit to 1.8 Million and that has been the trend and those are the reports that have been coming to this County Assembly. I am glad if we form this Ad-Hoc committee, it will deal with all entities that are supposed to pay CESS like BAT Kenya, coffee factories and any other entity. I strongly support this motion.

**Mr. Speaker:** Thank you, Hon. Makari. Hon. Jack Wambulwa, you are the next to speak.

**Hon. Jack Wambulwa:** Thank you, Hon. Speaker. I am humbled you have given me this opportunity as I rise to applaud the member who brought this motion. I want to support it fully and humbly request colleague members; you have seen what the executive are saying about this House, that we are a weak oversight. I think this is a wakeup call to this House that indeed we have been sleeping. Remember in our reports in every budget, we have been questioning this money of CESS and I want to call upon Finance committee that oversees the Finance Department, indeed, we have been receiving this CESS however little, how is it utilized?

We have the membership of CESS that was constituted by the CEC Finance, you meet them and ask them how they are utilizing the CESS funds, they fail from the time they were constituted and given the letters. They have never convened a single meeting then how is this money being utilized without committee resolutions?

When it comes to these issue of AiA, we are crying allover that as a County we are not meeting the targets but indeed through CESS, we are losing a lot of money because we collect a lot other than West Kenya, we have Butali, Naitiri, Olepito, Busia Sugar that collects from Bumula Sub county and Mumias that collects from Bumula Sub county. Where do all these monies go to, we are sleeping on our jobs? I can agree with them for calling us a weak oversight. Hon. Members lets wake up and demand to know through this Ad-Hoc Committee where CESS money goes to.

Coming on the MOU, whoever sat down and wrote the MOU is the person we should also enquire to know how he came up with the MOU whereas Naitiri Sugar Company has a corporate responsibility to repair Roads within Bungoma County; it didn't require us giving in CESS for it to service the roads! That is an area that when we are enquiring into, we need to know what responsibility has Naitiri Sugar done to the communities of Bungoma, because these are farmers monies that are supposed to service the infrastructure. They are even supposed to go as far as supporting hospitals, schools and even sports so the more we continue being confused by those who are trying to steal the money, the more we allow even West Sugar to now come in and even steal from the farmer who have contributed towards the same.

I do not want to talk much but, I call upon the House that we support this motion fully so that we can have this committee to unearth the biggest scandal in Bungoma County. I support it!

**Mr. Speaker:** Thank you, Hon. Wambulwa. Hon. Simotwo,

**Hon. Frankline Simotwo:** Thank you, Hon. Speaker. First, allow me appreciate the mover of the motion and the seconder for coming up with this motion. It is sad that we Bungoma people have so many areas where we can have collection of this revenues, but it is sad that up to this time Bungoma people are not realizing development because of having such mischievous way of doing this. I want to support the formation of this Ad-Hoc Committee so that we can be able to know exactly what is ailing the collection of revenue in our County.

First of all, we talk of Sugar in terms of collection of the CESS but when you look at the whole Bungoma we have so many areas, items which are not mentioned as being part of this CESS, for instance Bungoma Mt Elgon we have the coffee, Maize and Irish potatoes and onions. Last year in Chepyuk it happened that there was rain and the trucks were there, we had to count over 300 trucks that come from Nakuru, Kampala, and Mbale which were stuck on the road, all of them are paying CESS but I don't if that money reach the County Treasury. We do these roads in these areas but immediately they come they destroy all those roads.

So, I support this Ad-Hoc committee so that we know exactly what type of crops do we classify as part of the crops being utilized as CESS because when you look at this issue, it's normally talked about the sugarcane but they have completely overlooked other crops. so we support the formation of the committee which I know I was in the last session, the report of the Ad-Hoc as mentioned by Hon. Makari, maybe we have capable members who will be the Chairmen of Ad-Hoc and I know I will not miss this because am interested so...

**Mr. Speaker:** Hon. Simotwo that is automatic disqualification. You are disqualified by that virtue of you expressing interest personally. If your name comes here, I will remove it

**Hon. Frankline Simotwo:** No, I have withdrawn.

**Mr. Speaker:** But it's on HANSARD, so, I think.

**Hon. Frankline Simotwo:** Otherwise, I think we need to be so much awake in this matter. Personally, I support formation of the committee so that we can be able to look into these issues so that people of Bungoma can really realize where we are missing in terms of collecting our revenues. Otherwise, I support the motion.

**Mr. Speaker:** Thank you, Hon. Simotwo. Hon. Chikati!

**Hon. Timothy Chikati:** Thank you, Mr. Speaker. Allow me to appreciate the mover Hon. Ipara and the seconder Hon. Otsiula. Actually this is a critical moment that this Ad-Hoc committee needs to have been in place like yesterday.

Bungoma County as of now at least we have like three sugar factories that Naitiri West, Butali and Nzoia. I'm wondering why the Honorable members especially Hon. Makari and Wambulwa their focus is centered on Naitiri Sugar. I...

**Mr. Speaker:** Hon. Chikati, that line of argument will not be allowed because they have spoken about Mumias, Butali and BAT.

**Hon. Timothy Chikati:** I am just giving as an example.

**Mr. Speaker:** Why are you being defensive about Naitiri?

**Hon. Timothy Chikati:** I am just giving an example. I do not want to lose my point. My point is that in Bungoma County we are nine sub counties and if you check that for example Hon. Makari has said we lose 5,000,000. If you divide 5,000,000 by nine sub counties at least each County should be getting at least half a million for road maintenance and since the other counties were sleeping on their jobs...

**Mr. Speaker:** Hon. Chikati, that line of argument is what we are trying to avoid. How can you declare that other counties are sleeping on job?

**Hon. Timothy Chikati:** I am trying to defend the MOU because Hon. Wambulwa has talked about it.

**Mr. Speaker:** Hon. Chikati defending the MOU, appear before the Ad-Hoc, not now, you cannot defend the MOU in this house now...

*(Loud Consultation)*

Wait for that defense before the committee but for now, let us support the motion for creation or oppose it!

**Hon. Timothy Chikati:** I do agree but let me finalize by saying, let the sub counties where those factories are domiciled get the lion's share of the CESS. That should go on record.

**Mr. Speaker:** Hon. Chikati, I appreciate but you are pre-emptying the Ad-Hoc information. You either support or oppose! Hon. Luseneka you are the next one on line.

**Hon. Anthony Luseneka:** Thank you, Hon. Speaker. I also rise to support the motion as moved by Hon. Ipara. If you look at our resource envelope for next Financial Year, it has dropped. One of the reasons is the low collection of local revenue. So this motion has come in at the right time, we need to find ways of increasing our resource envelope and am sure this committee will do justice for this County. Sometime when we try to correct our Government it's not that we hate them, we just want things done the right way. We have a lot of leakages in our local revenue AiA. Some of the systems are not working, we are not collecting and so on the issues of CESS, our roads are being damaged by some of these Sugar companies.

Recently I repaired almost 7 roads in my ward and within a week those trailers carrying cane had damaged almost five culverts. I do not know who is going to repair them. Previously when Hon. Meshack was the Chair of Bungoma County Council, we saw roads being repaired by CESS funds. Roads in Bukembe West, Bukembe East, Sang'alo West and East were passable because those CESS funds were used to at least repair those roads but currently we find that trailers come, collect the cane but they do not repair the roads. We use CEF money to do the roads but after one month, they are all damaged. So I just want to request those members who will be appointed to this Ad-Hoc committee to be serious and do a good job for this County, so that we close all those loopholes where we have leakages especially the MOU that was done which Hon. Chikati is trying to defend. That MOU was done by three people, The Governor, The CEC Finance and CEC Roads and it never came to this House for approval. That is an illegal document which is being used.

**Mr. Speaker:** Hon. Luseneka, you are following one of your members' line of argument! The MOU is not before us for discussion. Let the MOU be taken before the committee for discussion.

**Hon. Anthony Luseneka:** Thank you Mr. Speaker. I was just saying the purported MOU...

**Mr. Speaker:** We do not know it. Leave it out!

**Hon. Anthony Luseneka:** Thank you, Hon. Speaker for that direction. Any agreement done with any supplier or any sugar company should come here for approval so that we also contribute to it. We are the ones who know where the problems on the ground are, especially what Hon. Makari mentioned about the maize. You find that Lorries come to our Wards and carry maize and other stuff but they are not paying the taxes that are required. This is the only way that is going to help this County raise revenue, so that we also move forward on matters development. I rise to support the motion and let those members that will be appointed do justice for this County.

**Mr. Speaker:** Thank you Hon. Hentry then Milliah.

**Hon. Hentry Nyongesa:** Thank you, Hon. Speaker. I want to applaud the mover of this motion who has thought it wise and moved this motion on the CESS. I represent Bumula Ward, in the old Constitution under CAP 265 where we had CESS Act and amendment has been done through this House in creating the Bungoma County CESS Act.

In the Financial Years that have passed, CESS monies have not been reflecting in our budgets and members why CESS money is not captured in our revenue collection...

I was a counselor here and we had very serious projects undertaken in our wards and I want to just mention one or two; we had the Sio and Mikokwe bridges in Bumula ward which were constructed using CESS money. Also many roads were maintained using the same money. I am saying this to just... that money was coming and projects were done.

Hon. Otsiula can also bear witness; we have the Milele Bridge which goes through the Mungore that was the bridge that was constructed with CESS money. During this devolution, we have not had any tangible projects being done through CESS monies. That is the question the mover of the motion is asking. Where is this money going?

Members have mentioned and it's very clear CESS in simple terms is tax imposed on item in terms of weight and here in terms of Sugarcane, every tonne that is transported on the farmers name is billed through the company. Every cob of maize in terms of kilograms to the cereals board whether in Moi's Bridge or Bungoma is calculated in terms of one shilling per kilogramme of maize transported from the farmers. When you look at the maize that is coming from this County especially... I want to mention in Bumula Sub County which harvests maize in the middle of the year, that as we are talking today, in May, July we shall have dry maize being transported out of Bumula. Whether they are going to be consumed directly or not, that money must be respected in the County.

I want to say that I support this motion that the Ad-hoc committee is formed. I am one person who has been asking a lot of questions about the CESS because Bumula Sub County as Hon. Jack Wambulwa has said, the weighbridge that transports Sugarcane for the entire Mumias Sugar Company in..., Mumias Sugar Company collects 100 tonnes of Sugarcane per month from Bumula..

**Mr. Speaker:** Honorable, you are misleading us. That Lorry only when it leaves the farm...

**Hon. Hentry Nyongesa:** I am saying 100,000 tonnes.

**Mr. Speaker:** You said 100 tonnes!

**Hon. Hentry Nyongesa:** Sorry. I meant 100,000 tonnes is collected from Bumula Sub County only and this does not go to Mumias Sugar Company but other sugar companies like Busia, called Musibwabo. Even this is happening from every Sub County. I support this motion that the Ad Hoc committee is formed to interrogate the CESS collected from maize, tobacco, coffee and even tea.

If we collected CESS properly, then it will surpass the budget deficit we are crying about in this County. I support.

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

**Hon. Milliah Masungo:** Thank you, Hon. Speaker to have given me this chance also to contribute on this weighty motion before us. Coming last is difficult, because most of the key points have already been said, so there is no need of repeating. But I will only emphasize that this is a very weighty motion and matter before us. I am the most affected member of this program called CESS collection in the County Assembly because most of these tracks pass

through my ward before reaching West Kenya. These Asians fear weighbridges and you can find that most of the tracks ferrying Sugarcane from Sitikho and Bokoli, they all connect and run away from the weighbridge. The only linkage to the factory is Misikhu Ward, so every day you get a truck stuck on the road. As I'm talking my roads are totally destroyed due to these trucks.

The members have said about the tonnage these factories are collecting. I want to say that the report we received here from West Kenya last time indicating the number of tonnage they collect every month in our respective areas is more than the report we received here. I want to applaud the mover of this motion that the Ad-Hoc Committee be formed and secondly give us a detailed report on the collection, tonnage collected per factory and I would propose that we invite even the committee on CESS before this House, so that they can also tell us on how they have programmed on matters CESS.

Mr. Speaker, you disputed and I might not know whether there is an MOU the way you are putting it, maybe as we wait for the report from the Ad-Hoc committee but if there is the Committee, we should also know the contents, bring it before...

**Mr. Speaker:** Hon. Milliah Masungo, you are pre-emptying the work of the committee.

**Hon. Milliah Masungo:** We are guiding them.

**Mr. Speaker:** The Ad-Hoc Committee will have a secretariat. It will frame the scope of work. So, do you guide before you form the committee?

**Hon. Milliah Masungo:** As I finish Honorable Speaker...

**Mr. Speaker:** You are all learned and you are capable of being in that committee. So let us form the committee; they will have the scope of work.

**Hon. Milliah Masungo:** Yeah, it is equally important we briefly share so that anything they might miss should be captured. I want to support this motion because for heaven's sake, we have suffered and we are losing a lot of revenue through this CESS that is not accounted for by this County Government. I support the motion.

**Mr. Speaker:** Thank you. Hon. Allan, then I will have Leader of Majority to respond!

**Hon. Allan Nyongesa:** Thank you, Mr. Speaker. I want first to start by thanking Hon. Ipara for deeming it fit to bring up this motion. If this motion is well done, it will enable us as a County to enhance our own source revenue. Due to interest of time, I will not wish to repeat what members have already said but I want to only beseech the House as we proceed to form this Ad-Hoc committee, let there be fairness. Previously we had an Ad-Hoc Committee in place; I beseech that as we form this one...

**Mr. Speaker:** Hon. Allan, we have never had an Ad-Hoc Committee in this House.

**Hon. Allan Nyongesa:** We had one.

**Mr. Speaker:** Which one?

**Hon. Allan Nyongesa:** On the casuals, pending bills and scholarship. I do not know something of that sort where...

**Mr. Speaker:** Those were members from Budget and Public Administration.

**Hon. Allan Nyongesa:** No, it was an Ad-Hoc committee.

**Mr. Speaker:** It is okay!

**Hon. Allan Nyongesa:** Hon. Speaker, my point is, let there be fairness in forming this Ad-Hoc committee and I want to beseech the House as we form it...

**Mr. Speaker:** Hon. Allan, I will just correct Hon. Allan that what was formed was Taskforce from the executive. So, what came here was taken to the Committee of Public Administration. We did not form a committee amongst us here. When you become the Chair of Ad-Hoc automatically you are in this House, so it went to Public Administration where Tony was the Chair.

**Hon. Allan Nyongesa:** Thank you, Mr. Speaker. My point is as the leadership forms this committee, I am only humbly asking that you also consider these nominated MCAs to be part of this committee.

**Mr. Speaker:** Thank you, Allan. Hon. Leader Majority!

**Hon. Joseph Nyongesa:** Thank you, Mr. Speaker. First also allow me appreciate the initiator of this report who is Hon. Ipara for coming up with a very noble idea at least to assist the County. I do appreciate all members who have been contributing...

**Mr. Speaker:** Hon. Members, just lower your consultations but you are just allowed to consult,

**Hon. Joseph Nyongesa:** It is important and you know the issue of formation of the Ad-Hoc Committee is a hot cake that is why you see a lot of consultation and we do hope that whoever will be in that committee will do us the best.

I was going through the motion of Hon. Ipara and he was very categorical that the committee should start investigating since September 2022 and the initiator of this report served in the office of the DCI, so I am imagining why specific from September 2022 then it tells me that at least he has seen something which was fishy and we do hope they will not only dwell on Agriculture but also expand to other departments that actually contribute to CESS.

I have listened to members and I am totally convinced that this House is 100% ready to handle this issue but the only caution is that if they could be fair enough to ensure that they give us the raw information that they will get from those entities, so that the issue of compromising cannot be there and we are also doing some consultation with the Leader of Minority to ensure that actually coming up with 11 members in the House of 62 is not an easy thing. So members, as I support, we are also moving ahead to have a committee in place and we do wish the committee will do us what we need but more so if you could allow that the initiator of the motion could also be part of it because it seems he has a lot of information on it and the seconder, the way he was seconding it seems he had some information and other members will come on. I support!

**Mr. Speaker:** Hon. Ipara!

*(Applause)*

You reply from the dispatch!

**Hon. Johnston Ipara:** Thank you, Hon. Speaker Sir. On the onset, allow me to laud the Hon. Members both who have contributed and all who are seated here. I have been watching and listening on the passion the members have. I want to say this; when this Ad-Hoc committee will be appointed and when this House adopts this report, it will apply to everybody who is involved in Agricultural products and other products classified as CESS within the County. So, it will address the worries. Members who think that we shall target one product; in reality we shall target all entities that do Agricultural business within Bungoma County.

At this juncture, allow me thank Hon. Benjamin Otsiula who seconded; Caleb who in his wisdom contributed; Makari as always the lion who is injured and looks for who has injured; Masungo a fearless Honorable lady; Nyongesa Hentry a friend indeed; Luseneka our Minority Leader. Chikati, your fear will be addressed; Frankline Simotwo, thank you for raising the plight of the people of Mt Elgon and Mt Elgon is our store when we talk of any horticulture item particularly from vegetables to the last item and when we do not address inequality that the member has said, they will suffer and will have no access roads along the place.

All Honourable Members who have spoken have confirmed they support this motion and formation of the committee. What they were simply asking, are we getting value for the products that we are giving out to the rest of the country? Do we recognize that CESS is one source of revenue and it's that money put in the rightful use and have we at any given time checked on our weakness and strengths and addressed them? That is what the members are saying and what I only want to appeal to the leadership of this House whom I have a lot of respect and believe they will do what is just as stated by Hon. Luseneka.

Just nominate Honourable Members without fear, favor and let them also come to do what is right for the people of Bungoma County. I submit and plead with every one of them here, let's support the adoption of this report. I rest my case.

**Mr. Speaker:** Thank you, Hon. Ipara for the reply to the motion as moved and seconded. Honourable Members, allow me be able to proceed and put a question to the motion before the House.

Hon. Members, a motion was moved and seconded and debate having ensued that this Honorable House resolves to form an 11 member Ad-Hoc Committee to investigate and scrutinize the collection, waiver and utilization of all the revenue collected from Agricultural produce CESS across the County and in particular the committee should investigate;

- a) Entities that have been paying CESS since September 2022
- b) Published lists of exit points where CESS is collected from
- c) The existence and operation of the County CESS committee as established in the Act
- d) Total Revenue collected from Agricultural CESS since September 2022
- e) Utilization of the revenue collected through Agriculture CESS and how much was used to construct Road Infrastructure in areas where CESS is collected
- f) Percentage submitted to the separate road maintenance account in compliance with the Act
- g) Whether West Kenya Sugar Company Naitiri unit is one of the companies paying CESS to the County and if yes how much has the company paid to the County since September 2022
- h) Whether the County Government has granted any CESS waivers to West Kenya Sugar Company - Naitiri unit and if Yes, how much?
- i) Waivers given to any other company
- j) Whether there is any memorandum of understanding with any entity with regard to payment of CESS and challenges occasioned by the said memorandum
- k) Whether lack of allocation of CESS money in some cases leads to disputes between stakeholders and the County Government.

The committee should submit the report to this House within 60 working days from the adoption of this report

*(Question put and agreed to)*

The ayes have it.

*(Applause)*

The House has now formally approved the motion allowing the formation of the Ad-Hoc committee. Note that the task rests solely on the leadership of the House where the Majority and Minority will forward the names here for you to vote for those names for the approval. If the names are ready, I can have the Majority move the motion asking for the House to approve, they be seconded then you vote on the same and we go to the next item of the budget committee.

Above all members, when the committee is sitting as Ad-Hoc, you are not barred from attending those sittings. You are allowed to sit as a friend of the Ad-Hoc committee and you are allowed to give your input to the committee or you share the knowledge you have especially where you think the committee may not be aware like Hon. Simotwo. Supposedly he misses, I am not saying he will miss, he can share with the Ad-Hoc the knowledge he knows about the potatoes in Mt. Elgon and equally Hon. Chikati can share the knowledge he has about Naitiri Sugar factory.

There is no problem. Yes, Hon. Majority!

**Hon. Joseph Nyongesa:** Thank you Mr. Speaker. We have had a very urgent brief consultative meeting to ensure that we come up with the following names and I do hope man is to error. If I made an error, kindly bear with us so that at least the issue can move ahead.

Hon. Speaker, following the approved motion on the formation of the Ad-Hoc committee, I move under Standing Order 175(1) as read together with Standing Order 177 that the House approves the nomination of the following members to serve in this Ad-Hoc committee;

1. Hon. Johnston Ipara - initiator of the motion
2. Hon. Benjamin Otsiula - the seconder of the motion
3. Hon. Jack Kawa - basing on the sugar region he comes from
4. Hon Francis Chemion - to represent Mt Elgon
5. Hon. Christine Mukhongo - from Kimilili also representing gender
6. Hon. Grace Sundukwa - gender representing Webuye region
7. Hon. George Makari - representing Kanduyi
8. Hon. Bernard Kikechi - as an expert who is CPA and will guide
9. Hon. Job Mukoyandali
10. Hon. Cornelius Makhanu
11. Hon. Alfred Mukhanya

Having reached there, allow me call upon the leader of Minority to second.

**Hon. Anthony Luseneka (Leader of Minority):** Thank you, Hon. Speaker. I second the motion as moved by the Leader of Majority. I just want to request this House that we give members ample time and the support they require so that they come up with a good report which can help this County move forward. I second.

**Mr. Speaker:** Hon. Members, a motion of list of Honourable Members who have been nominated to the Ad Hoc Committee having been moved and seconded, allow me now propose the question.

*(Question proposed)*

*(Question put and agreed to)*

The membership as read, you will be given support from the Office of the Clerk, secretariat and us members are free to be friends of the committee and share our views.

Equally as the Speaker, I will be a friend of the Committee to share my views on revenue leakages the way I know because I am a farmer in various fields.

According to Standing Order 81, the Clerk shall appoint a place, date and time for the first meeting of the committee within 7 days of its constitution by the County Assembly or any such period as the Speaker may approve and as soon as majority of the committee members are present.

The Clerk shall by secret ballot conduct an election of the Chairperson and Vice Chairperson of the committee, so the 11 members will now become voters to elect the Chairperson and Vice Chairperson.

### **REPORT BY THE BUDGET AND APPROPRIATIONS COMMITTEE ON BUNGOMA COUNTY 1<sup>ST</sup> SUPPLEMENTARY BUDGET FOR FINANCIAL YEAR 2024/25**

**Hon. Grace Sundukwa:** Thank you, Speaker. A report on Bungoma County Government 1<sup>st</sup> Supplementary Budget F/Y 2024/25;

We have the table of contents and chapter One has background of the committee.

#### **Committee membership**

The Committee as currently constituted 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. Miliah Masungo	Member
7. Hon. Sudi Busolo	Member
8. Hon. Ali Machani	Member
9. Hon. Grace Sundukwa	Member
10. Hon. Caleb Wanjala	Member

## Acknowledgement

The Committee is grateful to the Offices of the Speaker and Clerk for the logistical support accorded to it. The Committee also extends its gratitude to the County Executive Committee Members, Chief Officers and the County staff for honoring the invitation to appear and clarify on the proposed budget reallocations in the First Supplementey Budget FY 2024/2025.

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

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

**Mr. Speaker Sir**, 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 Suplementary Budget FY 2024/2025 for debate and adoption. The report is signed by the Chairperson Hon. Jack Wambulwa.

## OVERVIEW OF THE FIRST SUPPLEMENTARY BUDGET FY 2024/2025

The County had an annual approved budget of Kshs. 15,589,447,703 for the financial year 2024/2025. This has been increased by Kshs. 1,586,017,097 to Kshs. 17,175,464,801 in the 1<sup>st</sup> Supplementary Budget. The recurrent budget has been increased by Kshs. 392,594,896 and development by Kshs. 1,193,422,201. The recurrent budget will be Kshs. 11,013,681,929 (64.1%) while development will be Kshs. 6,161,782,872 (35.9%).

## Rationale for Supplementary Budget Estimates

The 1<sup>st</sup> Supplementary Budget FY 2024/25 was occasioned by the following;

- a) Compliance with the approved CARA 2024 that has resulted in a decrease of Kshs. 372,368,170 On the equitable share and revision of the County Assembly and Executive ceilings.
- b) Re-voting equitable share, grants, local revenue and AIA balances from FY 2023/24
- c) A reduction in local revenue projection by Kshs. 322,875,237
- d) A reduction in projection of Appropriation In Aid in the department of Health by Kshs. 415,558,278
- e) Re-prioritization of County government programs, projects and initiatives.

f) Net personnel increment of Kshs. 221,661,708 across departments.

## **Revenue**

The First Supplementary Budget has seen the total county budget resource envelop increased by Kshs. 1,586,017,097, from Kshs. 15,589,447,703 as approved in the annual budget to Kshs. 17,175,464,801.

### **Summary of 1<sup>st</sup> Supplementary resource envelop**

1. Balance brought forward Equitable share Kshs. 888,958,688
2. Balance brought forward CRF Kshs. 74,044,435
3. Short term Loans (Salary advance) Kshs. 470,000,000.
4. Transfer from central government Kshs. 11,170,673,599.
5. Conditional grants from National Government Kshs. 814,274,844.
6. Grants from development partners Kshs. 1,931,623,694.
7. Funds account balances Kshs. 47,956,352 initially not in budget
8. AIA Kshs. 735,471,646.
9. Local revenue Kshs. 1,042,461,543.

## **Ward Based Projects**

The Ward Based Projects had an approved allocation of Kshs. 1,125,000,000 translating to Kshs. 25 million per ward. This supplementary has seen reductions to a tune of Kshs. 22.1 million which are savings realized in 4 departments through the tendering process. Based on the sector interrogations, the submissions from the CECM Finance indicate that the savings amounted to Kshs. 59 million after the Health and Water departments completed their tendering processes, while no savings were recorded in the Lands and Trade departments. The contributions to the reductions in the departments are as below:

- ALFIC - Kshs. 6,090,437.20
- Education - Kshs. 14,404,318.75
- Health - Kshs. 10,847,633.77

- Roads - Kshs. 4,493,267.15
- Water - Kshs. 23,462,852.20

The Ward Based Projects accumulated pending bills amounts to Kshs. 720,766,313.

### Pending Bills

There is no clear allocation of funds towards pending bills especially Ward Based Projects in this Supplementary Budget. Pending bills were allocated to a tune of Kshs. 102,980,597 in the Annual Budget Estimates. Attention has been given to flagship projects. The equitable share resources carried forward from the previous fiscal year have not been properly reallocated to their originally intended projects/programs from FY 2023/24. The County has accumulated unverified pending bills of Kshs. 3.8 billion, with Kshs. 1.17 billion allocated in the current financial year's budget to address these obligations, including pension commitments and flagship projects.

A clear payment plan has been provided in the MTEF period 2025/26-2027/28 as the Government transitions accrual basis accounting. This Committee in finalizing this report has made considerations towards pending bills as per the attached schedule of increases and decreases.

### Personnel Budget

This supplementary has seen additional allocations on the personnel vote amounting to Kshs. 221,661,708 as illustrated below.

Department	Amount
ALFIC	6,076,212.00
Tourism & Environment	9,954,696.00
Water & Natural resource	3,353,623.00
Education	30,107,408.00
Roads	10,850,790.00
Finance	30,254,813.00
Health	82,491,574.00
Trade	5,778,142.00

Lands	4,166,911.00
Gender	4,623,630.00
Public Administration	38,195,701.00
Bungoma Municipality	3,126,882
Kimilili Municipality	3,686,885
Governor	(8,454,743)
CPSB	(247,129)
Housing	(1,270,419)
Youth and Sports	(1,033,268)
<b>Total</b>	<b>221,661,708</b>

The addition was occasioned by the May and June FY 2023/24 salaries being charged on the current year vote due to delayed release of exchequer. However the addition is not commensurate to the 2 months charge on the personnel vote. Payroll reconciliations was submitted revealing; in the annual approved budget the total personnel vote was overstated by Kshs. 178,683,245; Exits across the departments amounts to Kshs. 25,043,124; In calculating the deficits the additional Kshs. 221.6 million tabulated above in addition to the overstated amounts and exits, fills in for one month salary. The entire amount of Kshs.424 million was declined and moved to cater for pending bills across the departments because during the main budget, the salaries for the whole year was fully budgeted for and salaries for May and June 2024 were released.

The total personnel budget including the increments above amounts to Kshs. 7.8 billion which translates to 45.51% of the total revenues and 70% of the equitable share.

The CECM Finance and Economic Planning also submitted a request of Kshs. 16.1 million to cater for promotions and redesignation across departments which this Committee considered and allocated funds accordingly.

### **Own Source Revenue**

Own source revenue had a projection of Kshs. 2,256,892,816: AIA Kshs. 1,063,647,395 and local revenue as per the approved Finance Act, 2024 Kshs. 1,193,245,421. The Supplementary has proposed a reduction of Kshs. 738,433,511 on the own source Revenue: AIA Kshs.

415,558,274 and local revenue Kshs. 322,875,237. There are also balances brought forward: AIA Kshs. 87,382,525 while local revenues Kshs. 172,091,359.

## **Borrowing**

This Supplementary Budget has proposed a borrowing of Kshs. 470 million termed as Salary advance (short term borrowing)

PFM Regulation 178 states that the County Governments may borrow pursuant to the requirements of Sections 140 of the PFM Act, 2012.

It should be understood that approving the Medium Term Debt Management Strategy Paper does not in itself authorize the County Government to borrow but it only gives a framework and an additional strategy which the County Government can pursue to fund deficit in its budget.

PFMA, 2012 Section 142. (1) States that the County Assembly may authorize short term borrowing by County Government entities for cash management purposes only. PFM Regulation 177 (4) goes ahead to state that such short term borrowings shall be deemed guaranteed by the Cabinet Secretary and that guarantee shall be secured by the county equitable share of the revenue raised nationally.

Pursuant to PFMA Section 58 (4), to enable the Assembly to decide whether or not to approve a draft loan request, The CECM Finance and Economic Planning should submit a paper that gives details of the loan proposed, including the amount of the loan, the terms of repayment, and the details of the interest or any other amount payable under the loan.

The paper should include approval by the County Executive Committee and also show what the loan is to fund.

In a quest to understand the voting in of the short term salary advance, the CECM Finance and Economic Planning submitted to this Committee a request done to KCB on 28<sup>th</sup> June 2024 to borrow Kshs. 1,004,964,977 due to delay in the June exchequer. The breakdown of the borrowing was May Salary Kshs. 456,493,176, June Kshs. 451,081,683 and casuals 97,390,118 but narration on the Memo to the bank shows the borrowing was done for the purpose of clearing the payments of the contractors before closure of the FY. The borrowing goes beyond the June exchequer amount of Kshs. 888,958,688 indicating that the equitable share did not fully secure the loan as stated in the PFM Regulations 177(4) but assuming the exchequer came and the loan repayment done there could be an outstanding amount of Kshs. 116,006,289 and not Kshs. 470 million. More clarity sought on the expenditures of May exchequer that did not pay May salary and the June exchequer loan repayment.

The allocation of Kshs. 470 million, as explained by the CECM for Finance and Economic Planning, serves as a contingency measure in case a similar situation occurs as the financial year

draws to a close. This committee observes that repayment of short-term borrowing is automatically charged to and payable from the County Revenue Fund without requiring additional appropriation, and this has guided the previous borrowings done by both the County Assembly and County executive in the event of a delay in exchequer release. The short-term borrowing lacks a guarantee of the equitable share since repayment depends on funds being appropriated in FY 2025/26 according to the County Fiscal Strategy Paper 2025 contrary to the provision of Section 142 (3) of PFMA, 2012. The Committee declined the allocation.

The County Executive also borrowed Kshs. 150 million from the Retention account in the Supplementary Budget of the FY 2023/24 with a plan to refund in the Annual Budget of FY 2024/25. The amount is still outstanding even as we consider this Supplementary Budget. Retention funds are currently being captured as pending bills in the Financial Statements. The Finance and Economic Planning Committee agreed with the treasury submission that the reduction of Counties revenue share by National Government has strained balancing of budget making it difficult for treasury to honor its commitment to refund Kshs. 150 million borrowed from retention fund to finance the budget. In adopting the sector committee recommendation, this Committee resolved that the amount should be recognized in current Fiscal Strategy Paper and further budgeted in FY 2025/2026 budget.

## **DEPARTMENTAL EXPENDITURE HIGHLIGHTS**

### **Agriculture, Livestock, Fisheries, Irrigation & Cooperative Development**

The department of Agriculture, Livestock, Fisheries, Irrigation and Cooperative Development had an approved budget allocation of Kshs. 1,061,347,822 comprising Kshs. 383,577,441 recurrent and Kshs. 677,770,381 developments.

#### **Agriculture and irrigation**

Personnel Budget has a proposed increase of Kshs. 6,076,212 which was declined.

#### **Development**

Development has a net increase of Kshs. 108,918,705 as highlighted below:

- NAVCDP allocation of Kshs. 156,515,152 increased by Kshs. 120,782,858.
- NARGIP and ASDSP have Kshs. 391,721 and Kshs. 5,467 respectively as bank balances brought forward.
- Other infrastructure and civil works with an allocation of Kshs. 31,787,500 has a reduction of Kshs. 20,531,100, leaving a balance of Kshs. 11,256,400. The allocations for establishment of a Tea Factory in Mt. Elgon and establishment of an Agricultural Information and Resource Centre have been dropped.

- Ward based projects with an approved allocation of Kshs. 82,180,000 has a reduction of Kshs. 6,090,437 leaving a balance of Kshs. 76,089,563.
- Kenya Agricultural Business Development Project is a new grant of Kshs. 10,918,919. KABDP will support 29 Agricultural value chains encompassing crops, livestock and fisheries. Bungoma County had chosen chicken, dairy cows and tomatoes as its value chain. The sector committee should follow up on the work-plan which was not submitted.
- The department also through the Sector Committee made a request of Kshs. 12 million towards fuel for fertilizer distribution. The committee considered the request and allocated Kshs. 4 million. Ward committees also received an allocation of Kshs. 3 million.

### **Cooperative development**

Purchase of certified crop seed-coffee seedlings with an approved allocation of Kshs. 4,000,000 has a reduction of Kshs. 1,000,000 which was reinstated as per the sector Committee recommendation since the department is underfunded. The Committee also considered the allocation of Kshs. 4 million towards field extension activities capacity building, complete the cooperatives policy and sensitization of SACCO to enable revenue collection.

### **Livestock and fisheries**

#### **Recurrent**

Recurrent has a reduction of Kshs. 5,467 on specialized materials and supplies with an approved allocation of Kshs. 800,000 leaving a balance of Kshs. 794,533.

#### **Development**

Development has an increase of Kshs. 14,617,432.

#### **Changes are highlighted below;**

- Supplies for production allocation of Kshs. 13,750,000 have a reduction of Kshs. 2,500,000 leaving a balance of Kshs. 11,250,000. The affected programmes are Artificial Insemination (AI) Subsidy Programme reduced by Kshs. 1 million leaving a balance of Kshs. 2.5 million and Aquaculture Input Support (Fingerlings, fish feeds, accessories) reduced by Kshs. 1.5 million leaving a balance of Kshs. 3.2 million. This committee reinstated the amount.
- Veterinarian supplies and materials which includes procurement of vaccines with an approved budget allocation of Kshs. 5,000,000 has a reduction of Kshs. 2,000,000. The amount was reinstated.

- Other infrastructure and civil works with an approved allocation of Kshs. 10,000,000 has a reduction of Kshs. 3,000,000 leaving a balance of Kshs. 7,000,000. The affected projects; Desiltation of ponds has been dropped and slaughterhouse in Mbakalo has a reduction of Kshs. 500,000.
- KeLCoP with an approved allocation of Kshs. 37,500,000 has an increase of Kshs. 22,174,432 making a total of Kshs. 59,674,432.
- The department had a total pending bills of Kshs. 189.7 million where Kshs. 6.4 million has been allocated

## **Health**

Health had a total budget of Kshs. 3,261,548,086 comprising Kshs. 3,115,227,927 recurrent expenditure and Kshs. 146,320,159 development expenditure was appropriated in the annual budget.

This Supplementary has raised the department recurrent budget by Kshs. 139,822,553 to Kshs. 3,255,050,481 and decrease development budget by Kshs. 21 million to Kshs. 125,320,159.

## **Recurrent**

There is an increase on basic salaries of Kshs. 82,491,574 which was declined. This committee has made an additional allocation of Kshs. 2,271,000 for promotion of 116 Health staff.

There is an increase of Kshs. 57,330,979 on Other Capital grants with an allocation of Kshs. 245,189,750 which includes;

- DANIDA grant additional Kshs. 17,326, 210 to make it Kshs. 31,024,960
- Covid- 19 Balance brought forward of Kshs. 150,710 was retention amounts for the establishment of Isolation Centre in Webuye. The Committee advices that the account to be closed since it has outlived its usefulness.
- A new allocation - CBA Agreement Salary arrears Kshs. 39,854,059.
- Kshs. 10 million has been considered for payment of pending bills related to non-pharms

## **Development**

The development vote has a net decrease of Kshs. 21,000,000 affecting the following programs:

- Purchase of Household and Institutional appliances with an approved allocation of Kshs. 22,583,013 has a reduction of Kshs. 6 million. The amount was for equipping of dispensaries and health centers.

- Purchase of ambulance reduction of Kshs. 2 million on the allocated Kshs. 13 million. The actual contract sum as per documents submitted is Kshs. 12,890,157 hence Kshs. 1,890,157 was reinstated
- There was a notable reduction of Kshs. 13 million from the approved allocation of Kshs. 43,137,146 for other infrastructure and civil work vote. Initially the amount was meant for equipping BCRH, Bumula and Sirisia Hospitals. With the reduction, Bumula and Sirisia were dropped.
- Ward based projects had a pending bill of Kshs. 101,309,726 out of which Kshs. 62,683,127 has been allocated to clear part of the pending bills.

### **Health Facilities;**

The Supplementary Budget has a reduction of AIA which funds the Hospital facilities by Kshs. 415,558,274 and a balance brought forward of Kshs. 87,382,525 resulting to a reduction from current approved budget of Kshs. 1,063,647,395 to Kshs. 735,471,646. However the facilities budgets remain unchanged not reflecting the reduced AIA figures.

The department through the Sector Committee requested that the reduction of Kshs. 415.5 million not to be effected citing the directive of H.E The President that all outstanding arrears for health facilities be cleared promptly to enable smooth operation of the facilities and also with the advent of SHA, the trend shows improved collections compared to similar period in FY 2023/2024 despite the nurses' strike.

However, the department did not submit data showing improved collections, with the half year ending December 2024 collection indicating a collection of Kshs. 314.9million an early indication that they might not meet the 1.06 billion targets.

The supplementary budget shows a reduction of Kshs. 415,558,274 in Appropriations-in-Aid (AIA) for hospital facilities, plus a balance brought forward of Kshs. 87,382,525. This decreases the total budget from the currently approved Kshs. 1,063,647,395 to Kshs. 735,471,646. However, the individual facility budgets haven't been adjusted to reflect this reduced AIA and balances brought forward.

The Health Department, through the Sector Committee, requested that the Kshs. 415.5 million reduction should not be effected, citing the President's directive to clear all outstanding health facility arrears promptly to ensure smooth operations. They also noted that with the implementation of the Social Health Authority (SHA), collections have improved compared to the same period in FY 2023/2024, despite the nurses' strike.

However, the department did not provide data supporting their claim of improved collections. Half-year data ending December 2024 shows collections of only Kshs. 314.9 million, suggesting they are unlikely to meet the original Kshs. 1.06 billion target

In consultation with the CEC Finance the AIA supplementary targets were upheld and re revised Supplementary Budgets were considered and adopted to enable the facilities reallocate funds as follows:

- ✓ AIA Carryovers from facility budgets KES 87,382,525 re-voted to the facilities as per schedule provided.
- ✓ Introduced the development vote at BCRH to cater for sewer lines and equipping of 300 bed maternal and child hospital at Kshs 16 million and Kshs. 14million respectively
- ✓ Introduced development vote at Webuye to cater for completion of the Sewer line at Kshs. 32 million

## **Sanitation**

The Department had a reduction of Kshs. 2million on the purchase of incinerator.

## **Tourism, Environment, Water and Natural Resources**

### **Tourism and Environment**

The department had an allocation of Kshs. 639,755,502 comprising Kshs. 67,166,837 as recurrent and Kshs. 572,588,665 as development.

### **Recurrent**

Recurrent has an increment of Kshs. 20,954,696 with the adjustment highlighted as below:

- Basic salary with an approved allocation of Kshs. 39,864,336 has an increase of Kshs. 9,954,969 which was declined.
- CCCU budget with an allocation of Kshs. 11,000,000 has a proposed increase of Kshs. 11,000,000 which is a balance brought forward from the FY 2023/2024

### **Development**

Development has proposed increase of Kshs. 383,113,369.

### **Changes are highlighted below;**

- Climate change co-funding with an allocation of Kshs. 80,000,000 has a reduction of Kshs. 1,493,861 leaving a balance of Kshs. 78,506,319.

- Climate change grant of Kshs. 153,488,888 has an increase of Kshs. 384,607,230 as balance brought forward.

## **Water and Natural Resources**

The department had an approved budget allocation of Kshs. 756,402,380 comprising Kshs. 75,513,691 as recurrent and Kshs. 680,889,689 as development.

### **Recurrent**

Recurrent has a reduction of Kshs. 16,646,377.

#### **Changes are highlighted below**

- Basic salary's Kshs. 46,092,640 has an increase of Kshs. 3,353,623.
- KOICA co-funding with an allocation of Kshs. 20,000,000 dropped. As submitted by the Sector Committee, KOICA phase three has been approved for funding and co funding component aspect is mandatory, this Committee therefore reinstated the co funding budget of Kshs 20,000,000.

### **Development**

Development has a reduction of Kshs. 13,216,137 which has affected purchase of workshop tools, spares and rig operation allocated Kshs. 26,087,637. In view of the sector committee the amount was voted back to ensure rig operation and Kshs. 5million allocated for fuel for the rig.

The competitive tendering process for Ward Based Projects resulted in Kshs. 23,462,852 remaining unspent.

This Committee has allocated Kshs. 30,264,362 towards clearing part of Ward Based Projects' pending bills of Kshs. 149,799,888.

## **Gender and Culture**

The department of Gender and Culture had an approved allocation of Kshs. 103,285,018 comprising Kshs. 75,120,355 recurrent and Kshs. 28,164,663 for development.

In this 1<sup>st</sup> Supplementary, the department has a gain of Kshs. 8,355,314 under recurrent and a loss of Kshs. 17,164,663 under development.

#### **The changes are highlighted below;**

- Basic salary with an allocation of Kshs. 51,289,428 has an increase of Kshs. 4,623,630 which was declined. Promotions of 21 staff has a provision of Kshs. 617,364

- Other operating expenses with an approved allocation of Kshs. 1,124,807, has an increase of Kshs. 5,000,000. The amount is meant to operationalize the sub county liquor committees as per work plan below: Capacity Building Kshs. 1 million, Stakeholder sensitization Kshs. 2 million, Liquor License Committee sitting allowance Kshs. 1 million, Carrying out spot checks Kshs. 1 million
- Routine maintenance of vehicle with an approved allocation of Kshs. 400,000 has a reduction of Kshs. 300,000.

## **Development**

Development programmes with an approved allocation of Kshs. 18,164,663 has a loss of Kshs. 7,984,680.

The affected projects are:

- Establishment of Bukusu Cultural sites at Tulienge/Marakaru and Tachoni Cultural sites at Chetambe Hills have been dropped due to land ownership challenge.
- Sang’alo multi-purpose has been enhanced by Kshs. 2,015,320 to Kshs. 10.1 million.

Ward based pending bills of Kshs. 959,040 allocated to clear it. The department also had pending bills to a tune of Kshs. 4.7 million which was considered.

## **Funds**

Women empowerment fund with an approved allocation of Kshs. 5,000,000 has a reduction of Kshs. 4,178,983 leaving a balance of Kshs. 820,017 while Disability Fund with an allocation of Kshs. 5,000,000 the whole amount removed.

## **Public Administration and ICT, County Secretary, County Attorney, Governor’s Office and Deputy Governor’s Office**

### **Governor’s office**

The Office of the Governor had an approved budget allocation of Kshs. 723,658,690 which has a reduction of Kshs. 43,470,338.

### **The changes are as highlighted below;**

- Basic salary with an approved allocation of Kshs. 531,452,303 has a reduction of Kshs. 8,454,743 which this committee has reinstated.
- Communication supplies and services with an approved allocation of Kshs. 920,000 have a reduction of Kshs. 800,000.

- Domestic travel and subsistence allowance with an approved allocation of Kshs. 38,000,000 has a reduction of Kshs. 4,000,000.
- Foreign travel and subsistence with an approved allocation of Kshs. 10,000,000 has a reduction of Kshs. 2,000,000.
- Training expenses with an approved allocation of Kshs. 12,000,000 reduced by Kshs. 3,500,000.
- Hospitality supplies' Kshs. 25,000,000 reduced by Kshs. 4,000,000.
- Office and general supplies Kshs. 1,470,000 has a reduction of Kshs. 700,000.
- Fuel oil and lubricants allocation of Kshs. 15,057,043 has a reduction of Kshs. 2,000,000.
- Special programs of Kshs. 41,047,501 have a reduction of Kshs. 8 million with a further reduction of Kshs. 15 million due to lack of clarity in the implementation of the special programs.
- Maintenance - vehicles reduced by Kshs. 2,000,000.
- Purchase of computers reduced of Kshs. 815,595,
- Supplier credit of Kshs. 22.9 million has a reduction Kshs. 5,000,000.

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

The Office of the Deputy Governor had an approved budget allocation of Kshs. 38,642,390 and a reduction Kshs. 8.8million communication, foreign travels, hospitality and routine maintenance.

### **Public Service Management and Administration**

The department had an approved budget allocation of Kshs. 629,975,388 comprising Kshs. 615,784,296 as recurrent and Kshs. 14,191,092 as development.

#### **Recurrent**

The department recurrent budget has a net gain of Kshs. 25,236,577.

#### **Changes are highlighted below;**

- Basic salary with an approved allocation of Kshs. 223,073,211 has an increase of Kshs. 38,195,701 which was declined. Promotions have an allocation of Kshs. 1,201,080 for 17 staff.

- Reduction done in the following: Communication supplies Kshs. 250,000, Domestic travel and subsistence Kshs. 1,700,000, foreign travel and subsistence allocation of Kshs. 500,000 dropped, printing, advertising Kshs. 500,000, Field operation allowance - civic education Kshs. 1,500,000.
- Rental of produced Assets had an approved allocation of Kshs. 35,000,000 (Kshs.30 million for black house and Kshs. 5 million for ward /sub-county offices) has a reduction of Kshs. 16,862,262 leaving a balance of Kshs. 18,137,738. This committee has allocated Kshs. 22 million to clear pending bills relating to the black house.
- Hospitality supplies reduced by Kshs. 1,000,000, Office and general supplies and services reduced by Kshs. 350,000, Routine maintenance – vehicles with an reduced by Kshs. 530,000.
- KDSP 1 co-funding Kshs. 5,000,000. Owing to a co- funding framework and upon a circular from the state department of devolution, the County Government has committed to meet its share of obligation which was not captured in the main budget
- KDSP balance brought forward Kshs. 6,753,138. This amount shall cater for the construction of a sewage management system for the maternity ward in Bumula Sub-county hospital which was a KDSP funded project.

## **Development**

Development has lost Kshs. 10,000,000 leaving a balance of Kshs. 4,191,092

### **Changes are highlighted as below**

- Supplier credit with an approved allocation of Kshs. 1,749,406 which had been removed has been reinstated and enhanced to Kshs.3 million.
- Construction of non-residential buildings with an approved allocation of Kshs. 12,441,686 has a reduction of Kshs. 8,250,594 leaving a balance of Kshs. 4,191,092 for Milima ward office and Kapkateny ward office, indicating that each ward office will cost Kshs. 2,095,546. The allocation was voted back since the construction of the offices are ongoing.
- Pending bill relating to construction of ward offices has been allocated Kshs. 21 million.

## **County Secretary**

The office of the County Secretary had an approved budget allocation of Kshs. 21,699,996.

## **Recurrent**

The office of the County Secretary has lost Kshs. 3,650,000 affecting foreign travels, printing and advertising, training expenses, hospitality, Office and General Supplies and maintenance of computer and soft wares. Bereavement has an allocation of Kshs. 2 million for benevolent fund which the committee declined since benevolence is funded through payroll deductions. The amount was reallocated to preparation of the strategic plan.

## **Human Resource Management**

The Human Resource Management had an approved budget allocation of Kshs. 6,000,000. Purchase of computers, printers and other IT equipment with an approved allocation of Kshs. 1,000,000 has a reduction of Kshs. 400,000.K

## **Record Management**

The record management had an approved budget allocation of Kshs. 5,000,000 for hospitality, supplies and services with a reduction of Kshs. 107,833 leaving a balance of Kshs. 4,892,167.

## **County Attorney**

The office of the County Attorney had an approved budget allocation of Kshs. 41,000,852 losing Kshs. 932,000 affecting Communication supplies, office and general supplies, temporary, routine maintenance, and purchase of office furniture. Kshs. 1 million has been reallocated to strategic plan

## **ICT**

### **Recurrent**

The directorate of ICT had an approved budget allocation of Kshs. 10,000,000 and a reduction Of Kshs. 4,497,250 in the 1<sup>st</sup> Supplementary Budget affecting communication supplies, Domestic travels, Training expenses, office and general supplies and routine maintenance.

## **Youth & Sports**

The department had an allocation of Kshs. 71,824,586 comprising Kshs. 23,007,518 recurrent budget and Kshs. 48,817,068 development budget.

The department's budget has increased by Kshs. 12,352,215 to Kshs. 35,359,733 on the recurrent budget and an increase of Kshs. 33 million and development Kshs. 81,817,068.

**The changes are as highlighted:**

### **Recurrent**

- Basic salaries reduction of Kshs. 1,033,268 has been reinstated.
- Foreign travel costs with no initial allocation increased by Kshs. 13,000,000. The amount is meant to fund EALASCA which has been a function of Gender department rather than Youth; the Department through the Sector Committee has requested that the allocation be retained in Youth Affairs and Sports to go in line with the Sports Policy.
- Catering services, receptions reduced by Kshs. 100,000 from Kshs. 1,000,000 to Kshs. 900,000
- Temporary Committee Expenses increased by Kshs. 2,995,483 from Kshs. 1,400,000 to Kshs. 4,395,483 for marathon. The Committee declined to fund the Marathon because the work plan was not provided.
- The entire allocations of the following items were removed: Water and sewerage; Telephone and mobile phone services; Internet connection; Maintenance expenses-motor vehicle; Purchase of office furniture and fittings.

### **Development**

- Completion and equipping of hostels at High Altitude Centre increased by Kshs. 33,000,000 from Kshs. 25,430,681 to Kshs. 58,430,681.
- Masinde Muliro Stadium allocation had been retained at Kshs. 23,386,387 but this committee has made an additional Kshs. 72 million as balance for phase 1.

The department is required to collect Kshs. 3,773,830 to finance its operations.

This Committee allocated Kshs. 16.6 million towards pending bills submitted to complete sub-county stadiums and youth centres.

### **Roads, Infrastructure, Transport and Public Works**

Roads, Infrastructure, Transport and Public Works had an approved allocation of Kshs. 1,355,884,291 comprising Kshs. 129,135,678 recurrent and Kshs. 1,226,748,613 development in the Annual Budget FY 2024/25, this was enhanced to Kshs. 1,652,167,450; Kshs. 138,728,845 for recurrent and Kshs. 1,513,438,605 for development expenditure. Recurrent budget has a net increase of Kshs. 9,593,167 and development Kshs. 286,689,992 hence an overall net increase of Kshs. 296,283,159.

**The changes are as highlighted below:**

## **Recurrent**

- Basic salaries vote has been increased by Kshs. 10,850,790 raising the total allocation from Kshs. 88,265,241 to Kshs. 99,116,531.
- Courier & postal services amount of Kshs. 100,000 has been removed
- Professional membership decreased by Kshs. 799,680
- Maintenance of Computer, software and networks decreased by Kshs. 357,943.

## **Development**

The development vote has a net increase of Kshs. 286,689,992 distributed as follows

- Overhaul of roads vote has an increased by Kshs. 250,000,000, raising the total allocation from Kshs. 299,500,000 to Kshs. 549,500,000. The original Kshs. 299,500,000 was for paying pending bills for the following three projects: Dual carriage way Kshs. 105,000,000, Salmond-Khalaba river road Kshs. 74,000,000, and Misikhu brigadier Kshs. 120,000,000. The entire Kshs. 250,000,000 increase has been allocated to the Misikhu brigadier project, bringing its total allocation to Kshs. 370,000,000.
- Other infrastructure & civil works has an increase of Kshs. 50,000,000 from an initial allocation of Kshs. 36.5 million to Kshs. 86.5 million. The increment is on framework contracts. This committee has made a further allocation of Kshs. 50 million.
- Ward Based Projects amount was reduced by Kshs. 5,310,008 from Kshs. 649,702,720 to Kshs. 642,392,712. The amounts relates to savings after the tendering process. This Committee observed that a bridge for Kaptama Ward estimated to cost of Kshs. 3m failed to take off due delay in tendering process and declared as a saving, same to acquisition of Murram in Chesikaki ward hence this committee re-voted the amount based on the views from the Sector Committee.
- Construction of Bridges with an initial allocation of Kshs. 20 million was reduced by Kshs. 8 million to Kshs. 12 million to cover shortfall in equitable share

The Department has a target of Kshs. 159, 795,088 as local revenue collection to fund its budget. From the CECM's submissions, they had managed to collect a total of Kshs. 70,891,079 including the third quarter of the current FY.

The department has Kshs. 257.9 million worth of Ward Based Projects pending bills which this Committee has sourced for Kshs. 80.11 million to reduce the pending bills.

## **Finance and Economic Planning**

The department of Finance and Economic Planning had an initial allocation of Kshs. 1,295,089,288, this was enhanced by a net increase of Kshs. 645,550,357 to Kshs. 1,940,639,645; Kshs. 594,667,068 relates to recurrent budget while Kshs. 50,883,289 relates to development budget.

## **Administration**

### **Recurrent**

Administration had an initial budget of Kshs. 947,623,564; this has been increased by Kshs. 573,819,606 to Kshs. 1,521,443,170.

The Changes include:

- Basic salaries civil servants increase of Kshs. 30,254,813 has been declined by this committee. Promotion has an allocation of Kshs. 2,245,920 for promotion of 41 staff.
- Short term borrowing allocation of Kshs. 470 million for salaries
- Gratuity increased by Kshs. 3.2 million on the Kshs. 41,666,399.
- Domestic travel increased by Kshs. 2.5 million from Kshs. 1,010,000
- Rentals-non-residential increased by Kshs. 1,194,800 from Kshs. 1.2 million to Kshs. 2,394,800.
- Motor vehicle insurance increased by Kshs. 1.7 million on the Kshs. 2.5 million to Kshs. 4.2 million
- General office supplies increased by Kshs.4m from Kshs. 1,615,020.
- Supplies and Accessories for Computers and Printers increased by Kshs.4m from Kshs. 958,960 to Kshs. 4,958,960.
- Refined Fuels and Lubricants for Transport increased by Kshs. 7 million from Kshs. 7,669,800 to Kshs. 14,669,800
- WIBA had no budget, it has been allocated Kshs. 5,539,926
- Other operating expenses increased by Kshs. 39,430,067 from Kshs. 60 million to Kshs. 99,430,067. The Alternative dispute Resolution (ADR) agreement between the County Government and KRA were attached showing an outstanding payment of Kshs. 57 million.
- Maintenance of motor vehicles increased by Kshs. 5 million from Kshs. 2.5 million to Kshs. 7.5 million.

The allocations were reduced by Kshs. 21.07 million as attached.

## **Development**

Development had an initial allocation of Kshs. 155,718,949; this was increased by Kshs. 50,883,289 to Kshs. 206,602,238

### **The changes include:**

- Equalization fund has balance brought forward of Kshs. 58,779,835
- Emergency fund has been increased by Kshs. 355,038 on the Kshs. 100 million
- Purchase of ICT software has been reduced by Kshs. 8,251,584 from initial allocation of Kshs. 18.2 million. (*meant for purchase of health system software*)

## **Auditing**

The directorate had an initial budgetary allocation of Kshs. 16,114,467; this was increased by Kshs. 1,847,462 to Kshs. 17,961,929.

## **Revenue**

The directorate had an initial budgetary allocation of Kshs. 40,192,006; this was increased by Kshs. 5 million on temporary expenses.

## **Budget**

The directorate had an initial allocation of Kshs. 36,465,600; this was increased by Kshs. 14 million to Kshs. 50,465,600.

### **The changes are as highlighted:**

- Travel Costs increased by Kshs. 1.5 million from Kshs. 628,000 to Kshs. 2,128,000.
- Field Allowance increased by Kshs. 6 million from Kshs. 5,016,675 to Kshs. 11,016,675.
- General Office Supplies increased by Kshs. 3 million from Kshs. 1,331,500 to Kshs. 4,331,500.
- Supplies and Accessories for Computers and Printers increased by Kshs. 200,000 from Kshs. 3.5 million to Kshs. 3.7 million.

## **Education**

A total of Kshs. 1,631,682,111 comprising Kshs. 1,470,531,111 recurrent and Kshs. 161,150,000 development was appropriated in the Annual Budget Estimates. This 1<sup>st</sup> Supplementary has raised the department's budget by Kshs. 4,469,338 to Kshs. 1,636,150,449 with recurrent being increased by Kshs. 28,864,454 and development being reduced by Kshs. 24,395,116.

Under recurrent, the following were the affected votes;

- An increase on basic salaries by Kshs. 30,107,408 was declined.
- Scholarship has a proposed increase of Kshs. 8,757,046 to take its total to Kshs. 53,757,046 while Bursary has been reduced by Kshs. 10 Million to Kshs. 170 Million. The unspent balance of Kshs. 90 million was reallocated to other votes, with priority given to VTCs and ECDE, following the Controller of Budget's directive that bursary and scholarship for secondary schools are national Government functions.

The development vote changes affect the following votes

- Kshs. 1,646,887 being reduced from supply of learning materials which had an allocation of Kshs. 23,000,000.
- Ward Based projects reduced by Kshs. 14,404,318.75 from the allocated Kshs. 98,150,000.
- Other capital grants and transfers for VTCs (capitation) have a reduction of Kshs. 5 million from Kshs. 15 million to Kshs. 10 million. This Committee has allocated Kshs. 4 million towards the program.
- Equipping of VTCs with an allocation of Kshs. 25 million is reduced by Kshs. 5 million.

The local revenue target for the department is Kshs. 4,205,000 and relates to registration of schools.

The pending Bills for the department is Kshs. 151,812,744 with Kshs. 8,719,591 being recurrent and Kshs. 143,093,153 being development (Ward Based Projects). This Committee has allocated Kshs. 65,595,988 towards development pending bills in the department.

### **Trade, Energy and Industrialization**

A total of Kshs. 417,032,293 comprising Kshs. 88,614,649 recurrent and Kshs. 328,417,664 development was appropriated in the Annual Budget. This 1<sup>st</sup> Supplementary has raised the department's budget by Kshs. 291,290,263 to Kshs. 708,322,556 with recurrent being reduced by Kshs. 7,757,775 to Kshs. 80,856,874 and development being increased by Kshs. 299,048,038 to Kshs. 627,465,882.

Under recurrent, the following were the affected votes;

- An increase on basic salaries by Kshs. 5,778,142 has been declined.
- Committee Boards and Conferences under Trade with an allocation of Kshs. 2,979,375 have a reduction of Kshs. 489,687. The same vote under Energy with an allocation of

Kshs. 491,000 has a reduction of Kshs. 45,500 while under Industrialization, the allocation of Kshs. 7,580,000 reduced by Kshs. 4,790,000

- Domestic Travels under Energy with an allocation of Kshs. 3,029,460 has a reduction of Kshs. 366,000 while under Industrialization, the allocation of Kshs. 3,450,200 and the reduction by Kshs. 900,000
- General office supplies under Trade with an allocation of Kshs. 2,148,000 has a reduction of Kshs. 500,000
- Purchase of furniture under Trade allocation of Kshs. 529,380 dropped.
- Contracted professional services under Trade with an allocation of Kshs. 3 million have a proposed reduction of Kshs. 1,500,000.
- Office general supplies under Industrialization with an approved allocation of Kshs. 600,000 have a reduction of Kshs. 300,000.
- Research (Prefeasibility studies) under Industrialization with an approved allocation of Kshs. 9,000,000 has a reduction of Kshs. 5,000,000.

The development vote changes affect the following votes;

- Trade Loan with Kshs. 30 million has increased by Kshs. 963,496
- Ward Based Projects reduced by Kshs. 1,464,348 from Kshs. 59,467,280 to Kshs. 58,002,932.
- Construction of Kamukuywa Market with an allocation of Kshs. 80 Million has been increased by Kshs. 150 million to Kshs. 230 million. The Committee further noted through Sector Committee's report that department was allocated Kshs. 92 million in the previous financial year 2023/2024 with the contract sum for the entire project being Kshs. 272,672,927, Kshs. 72,032,462 was paid from the allocation giving a balance of Kshs. 200,640,459. Therefore from the current year's allocation of Kshs. 80 Million, the department requires an additional of Kshs. 120,640,459 to fully finance the entire project. It is therefore, further, observed that the Kshs. 150 million allocations is Kshs. 29,359,541 (Kshs. 150,000,000 – Kshs. 120,640,459) above the required allocation hence the extra amount was declined.
- A further Kshs. 30.7 million reallocated to the payment of pending bills.

- Purchase of lighting equipment with an allocation of Kshs. 20,033,314 has been reduced by Kshs. 5 million
- CAIP (County co-funding) with an allocation of Kshs. 80 Million has been reduced by Kshs. 60 Million while the National Government grant has been allocated Kshs. 194,548,890 being the balance brought forward from the Kshs. 250 million allocations in the financial year 2023/24.

The local revenue target for the department is Kshs. 295,325,381 and relates to market fees and stalls rent, Single Business Permits and Weights & Measures revenues.

The pending Bills for the department is Kshs. 463,300,414 with Kshs. 18,033,869 being recurrent and Kshs. 400,905,411 being development and Kshs. 44,361,134 being for Ward Based Projects. Kshs 10 million was considered towards payment of pending bills.

## **Lands, Urban, Physical Planning, Housing and Municipalities**

### **Lands, Urban, Physical Planning**

A total of Kshs. 180,165,275 comprising Kshs. 53,375,232 recurrent and Kshs. 126,790,043 development was appropriated in the Annual Budget Estimates for implementation of various programs in the financial year 2024/2025. This 1<sup>st</sup> Supplementary has reduced the department's budget by Kshs. 63,694,628 to Kshs. 116,470,647 with recurrent increased by Kshs. 166,911 to Kshs. 53,542,143 and development reduced by Kshs. 63,861,539 to Kshs. 62,928,504.

Under recurrent, the following were the affected votes;

- Salaries vote increase of Kshs. 4,166,911 was declined.
- The temporary committee and land registration has a reduction of Kshs. 2 million each.

The development vote changes affect the following votes:

- Development of physical plans for Misikhu market with an allocation of Kshs. 2,269,231 has a reduction of Kshs. 1,361,539.
- Purchase of land with an allocation of Kshs. 95 million (Kshs. 80 million for Matulo Airstrip and Kshs. 15 million for Muanda dumpsite) has a reduction of Kshs. 65 million (Kshs. 50 million for Airstrip and Kshs. 15 million for dumpsite) leaving a balance of Kshs. 30 million for the Matulo Airstrip. The balance was further reduced by Kshs. 20 million to cater for ward based pending bills leaving a balance of Kshs. 10 million.

- Construction of Ndengelwa Auction ring allocation of Kshs. 2,400,000 was restored since the project was awarded and on-going.

The local revenue target for the department is Kshs. 253,329,512 and relates to land rates, plan approval and advertisement fees.

The pending Bills for the department amounts to Kshs. 65,937,143 with Kshs. 30,771,763 recurrent and Kshs. 23,332,380 development and Kshs. 11,833,000 for Ward Based Projects. Kshs. 55.4million was considered for the development pending bills.

### **Housing**

The Supplementary Budget proposes to increase the directorate's allocation from the current approved budget of Kshs. 479,955,008 to Kshs. 539,039,250, a Kshs. 59,084,242 increase.

Recurrent budget has a net increase of Kshs. 175,546 from an approved allocation of Kshs. 52,655,527 with the affected votes outlined below;

- Salaries with an allocation of Kshs. 11,414,925, has a reduction of Kshs. 1,270,419 which was reinstated.
- KISP co-funding with an allocation of Kshs. 37,500,000 has an increase of Kshs. 31,445,965. The conditions set are for the County Government to contribute 20% of the grant amount which translates to 75,799,500 as per the work-plan submitted.

The development vote has an increase of Kshs. 58,908,696 with the changes affecting the following votes;

- Other capital grant and transfers (KISIP) with an allocation of Kshs. 297,400,170 has an increase of Kshs. 92,702,987
- Other infrastructure and civil works with an allocation of Kshs. 129,899,311 has a reduction of Kshs. 83,794,291 leaving a balance of Kshs. 41,105,020 (Governor's residence – Kshs. 20,120,200, DG residence – Kshs. 5,980,900 and Office block – Kshs. 15,003,920). This Committee has allocated Kshs. 19 million to office block.

The local revenue target for the Directorate is Kshs. 12,510,270 and relates to house rent.

The pending bill for the directorate is Kshs. 41,060,824 with Kshs. 939,924 recurrent and Kshs. 40,120,900 development.

### **Bungoma Municipality**

A total of Kshs. 155,015,897 comprising Kshs. 55,949,973 recurrent and Kshs. 99,065,924 development was appropriated in the Annual Budget. This 1<sup>st</sup> Supplementary has increased the Municipality budget by Kshs. 119,626,882 to Kshs. 274,642,779 with recurrent increased by Kshs. 2,126,882 to Kshs. 58,076,855 and development increased by Kshs. 117,500,000 to Kshs. 216,565,924.

Under recurrent, the following were the affected votes;

- Salaries had been increased by Kshs. 3,126,882 that was declined.
- Daily subsistence Allowance Kshs. 2,709,250 reduced by Kshs. 1 million

The development vote changes affect the following votes:

- Construction of Kanduyi Bus Park, which had an initial allocation of Kshs. 25,500,000, has an increase of Kshs. 120 million, resulting in a total allocation of Kshs. 145,500,000. This Committee has made a reduction of Kshs. 60 million and reallocated to payment of pending bills.
- Overhaul of other infrastructure and civil works with an allocation of Kshs. 2,500,000 has been dropped.

### **Kimilili Municipality**

A total of Kshs. 100,678,314 comprising Kshs. 42,698,217 recurrent and Kshs. 57,980,097 development was appropriated in the Annual Budget Estimates. This 1<sup>st</sup> Supplementary has reduced the Municipality budget by Kshs. 3,702,489 to Kshs. 96,975,825 with recurrent increased by Kshs. 1,618,713 and development reduced by Kshs. 5,321,202. No changes proposed by the committee. A salary increment of Kshs. 3,686,885 has been declined.

### **County Public Service Board**

A total of Kshs. 65,928,430 comprising Kshs. 49,910,124 recurrent and Kshs. 16,018,306 development was appropriated in the Annual Budget. This 1<sup>st</sup> Supplementary proposes to reduce the department's budget by Kshs. 8,820,062 to Kshs. 57,108,368 with recurrent reduced by Kshs. 4,557,904 and development reduced by Kshs. 4,262,158. Salary reduction of Kshs. 247,129 was reinstated.

The development vote reduction affects the construction of the office block whose allocation of Kshs. 16,018,306 has a reduction of Kshs. 4,262,158.

## **County Assembly**

The County Assembly had a total budget of Kshs. 1,356,950,433: Kshs. 1,166,950,433 for recurrent expenditure and Kshs. 190 million for development expenditure. In compliance with CARA 2024, the Assembly has lost Kshs. 147,375,237 for recurrent expenditures, resulting in a revised allocation of Kshs. 1,019,575,196. A non-ceiling item of Kshs. 93 million has been retained for mortgage and car funds. Recurrent votes have been reorganized to accommodate the loss.

On development, the Assembly, through the Sector Committee, has requested the unspent balances from the FY 2023/24 be brought forward to complete ongoing projects and this Committee considered the request as below:

- The Speaker's residence Kshs. 35 million
- Construction of a waiting bay Kshs. 1,964,964
- Refurbishment of the new and old building Kshs. 15 million
- Construction of new chambers Kshs. 4,490,260.

A retention balance of Kshs. 15,883,273 has been requested for the construction of the administration block following the closure of books to address outstanding issues that arose during the defect liability period. This Committee directs that the amount be transferred from the County Retention account to the County Assembly development vote and the County Assembly should open its own retention account.

## **COMMITTEE OBSERVATIONS AND RECOMMENDATIONS**

### **Committee Observations**

The Committee makes the following observations:

1. As the Assembly reviews the 1st Supplementary Budget for FY 2024/25, we face a critical financial challenge with a total loss of Kshs. 2,045,381,716 severely straining County resources. This shortfall stems from multiple factors:
  - a local revenue deficit of Kshs. 479,886,424 from FY 2023/24 that had been allocated to fund programs;
  - a Kshs. 372,368,170 decrease in equitable share due to CARA 2024 compliance and
  - Reduction of Kshs. 322,875,237 in current year local revenue projections.

Compounding these issues, an Appropriation-in-Aid loss of Kshs. 454,693,611 in FY 2023/24 affected budget carryovers, while a further reduction of Kshs. 415,558,274 has occurred in FY 2024/25. As a result, the health facilities budget has been severely impacted by a total loss of Kshs. 870,251,885.

2. The County Executive borrowed Kshs. 150 million from the Retention account in the 1<sup>st</sup> supplementary budget of the FY 2023/24 with a plan to refund in the annual budget of FY 2024/25. The amount is still outstanding even as we consider this supplementary budget. Retention funds are currently being captured as pending bills in the financial statements.
3. The equitable share resources carried over from the FY 2023/2024 of Kshs. 888,958,688, have not been directed back to their initially designated projects/programs, instead, flagship projects have been prioritized. There is no allocation for Ward Based programmes pending Bills and unpaid salaries in the FY 2023/24. There was a proposed borrowing of Kshs. 470million to fund salaries.
4. The 1<sup>st</sup> quarter FY 2024/25 financial statements should have informed the decisions taken in the 1<sup>st</sup> supplementary budget. The statements do not show the expenditures of the May and June 2024 personnel. Events that led to the last FY salaries being charged on the current year budget should have been reported as an over expenditure in personnel in 1<sup>st</sup> quarter financial statements.
5. It was noted that most development projects had variations raising questions on how Bills of Quantities are prepared leaving out key mandatory components of projects.
6. The County government is not fully utilizing Medium-Term Expenditure Framework (MTEF) budgeting for flagship projects and salary allocations, leading to potential financial unpredictability and inefficient resource allocation. Without proper MTEF implementation, the county cannot effectively plan for predictable expenses like retirements, annual increments, and promotions.
7. Based on the vote books submitted, the majority of proposed reductions are targeting vote heads that lack adequate balances especially from recurrent vote heads.
8. The County has accumulated unverified pending bills of Kshs. 3.8 billion, with Kshs. 1.17 billion allocated in the current financial year's budget to address these obligations, including pension commitments and flagship projects.

9. The County Government of Bungoma has not communicated to schools and parents on the termination of the Education Support Programme by the Controller of Budget despite having commitments with the schools and the previous years' fee arrears.

### **Committee recommendations**

The Committee recommends as follows:

1. **THAT**, the County Treasury should establish a Revenue Enhancement Task Force to develop innovative approaches to boost local revenue collection, including improved enforcement mechanisms and exploration of untapped revenue streams. The County Treasury should collect the outstanding CESS arrears lost through the West Kenya illegal MOU of the Kshs. 48.9 million receivable, Kshs. 24.7 million was recovered through the County Assembly Finance and Economic Planning Committee's intervention, leaving Kshs. 24.2 million still outstanding as of December 2024. An audit of all other millers should be conducted, as this issue likely extends to other sugar factories throughout the county. The CESS Committee should provide quarterly collection reports to the County Assembly and maintain a dedicated CESS account. Additionally, efforts should be made to collect outstanding land rates, with defaulters offered waivers as an incentive for repayment. The valuation roll approval process should be expedited to boost revenue collection in this stream. To enhance overall revenue collection, revenue infrastructure and resources should be distributed across Departments. Health management system should be fully implemented in the health facilities to curb leakages and health facilities should operate on IFMIS.
2. **THAT**, the County Treasury should create a transparency framework for retention account management that includes publishing quarterly reports on retention account balances and activities. A comprehensive database should be submitted to the County Assembly documenting purpose, source, intended use, and release timeline. There is a heavy correlation between the pending bills and the retention payable. Contractors will demand their retention payments after clearing pending bills. Therefore, Finance and Economic Planning Committee should make a follow up and report to this House the status of retention funds within 30 days after consideration of this report.
3. **THAT**, the County Treasury should adhere to proper management and control of finances of the County Government pursuant to PFMA 104(1) (i). Treasury should

implement their own circular that directed that salaries and development should be funded by the equitable share of revenue while operation and maintenance funded by own source revenue. Salaries should be given a first charge on the equitable share carry overs. The County Executive should avoid borrowing to fund salaries, without voting-in salaries in the budget. In this regard the County Treasury proposed borrowing of Kshs. 470 million to finance salaries was declined. The accounting officers should approve monthly salary requests before the payroll is uploaded in IPPD for payment since they have no idea of what happens on their personnel votes and they cannot accurately defend any addition or reductions in their salary votes. The County should conduct payroll cleansing and submit a report to the County Assembly within 30 days following the adoption of this report, prior to consolidating all personnel emoluments under the County Secretary Office.

4. **THAT**, expenditure reporting should be clear as it informs budget decisions and identifies seasonal variations in spending that require attention. Sector committees must rigorously examine quarterly expenditure reports and ensure accounting officers fulfill their responsibilities.
5. **THAT**, Director Public Works should ensure that all components of a project are catered for when preparing Bills of Quantities to avoid variations. Further, in case of any variations Accounting Officers must comply with the provisions of Section 139 of the Public Procurement and Asset Disposal Act, 2015 and Regulation 132(4) of the Public Procurement and Asset Disposal Regulations, 2020.
6. **THAT**, the County Treasury should fully implement MTEF budgeting processes for all expenditures, particularly for multi-year projects and personnel costs. Salary allocations should be projected over a multi-year period, incorporating known variables such as planned retirements, contractual annual increments, and anticipated promotions. This approach would create more accurate financial forecasts, improve fiscal discipline, and ensure better alignment between the county's strategic priorities and its resource allocation decisions.
7. **THAT**, in subsequent budgets, Accounting Officers should comply with Regulation 119(2) of the FFM Regulations, 2015 which states that budgetary allocation for personnel costs shall be determined on the basis of a detailed costing of a human capital plan of

County Government entity as approved by the responsible County department for public service management matters, the County Public Service Board and County Treasury to avoid overstating or understating of personnel budget.

8. **THAT**, proposed budget reductions should be directed only towards vote heads with sufficient available balances to absorb the cuts. This will prevent disruption of essential ongoing operations and avoid creating unauthorized deficits in critical recurrent vote heads.
9. **THAT**, The County Treasury should submit a complete database of all pending bills to the County Assembly within 14 days after this report is adopted by the House, in preparation to the transition to accrual accounting. Each sectoral committee, working jointly with their respective Chief Officers and County Executive Committee Members, should conduct a thorough verification and validation of the pending bills and forward their findings to the Budget and Appropriations Committee within 30 days after the House consideration of this report.
10. **THAT**, the CECM for the Department of Education and Vocational Training should promptly notify schools, parents, and other stakeholders about the termination of the Education Support Programme and consult with the Controller of Budget regarding the management of outstanding fee arrears from previous years. Additionally, a detailed report documenting the expenditure of scholarship allocations for both FY 2023/24 and FY 2024/25 must be provided. These reports should be submitted to the Sectoral Committee on Education and Vocational Training within 30 days following the House consideration of this report.

#### **BUDGET AND APPROPRIATIONS COMMITTEE'S PROPOSED DECREASES AND INCREASES ON DEPARTMENTAL BUDGET ON THE 1ST SUPPLEMENTARY BUDGET FY2024/2025**

The following are the committee's proposed decreases and increases on the departmental budget in this First Supplementary Budget FY 2024/20245. (annexed).

<b><u>FIRST SUPPLEMENTARY BUDGET ESTIMATES</u></b>	<b><u>FIRST SUPPLEMENTARY</u></b>
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	<u>FOR FY 2024/25</u>					<u>BUDGET ESTIMATES FOR FY 2024/26</u>				
	<b><u>BUDGET COMMITTEES' RECOMMENDED DEPARTMENTAL DECREASES AND INCREASES</u></b>									
	<b>RESOURCE ENVELOPE</b>									
	Resource envelop understated	-	-	8,757,0 46.00	-	-				
	-	-	-	<b>8,757,0 46.00</b>	-		<b>(8,757,046.00)</b>			
<b>A</b>	<b>EDUCATION</b>									
	<b>RECURRENT(PR OGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>					
	salaries Supplementary reduction			24,437, 706						
	scholarship and bursary	221 030 9	(10,000, 000)	90,000, 000						
	<b>Sub-Total</b>			<b>114,43 7,706</b>	-		<b>(114,437,706.0 0)</b>			
<b>A</b>	<b>EDUCATION</b>									
	<b>DEVELOPMENT( PROGRAMMES)</b>	<b>ITE M CO</b>	<b>SUPP ALLO CATIO</b>	<b>DECR EASE</b>	<b>INCR EASES</b>					

		DE	N	S					
	Construction and equipping of VTC	311 050 4	(1,646,8 87)		7,100,0 00.00				
	Construction and equipping of ECDE	264 050 3	-		82,900, 000.00				
	VTC capitation				4,000,0 00.00				
	pending bills	241 050 4'			65,595, 988.00				
	Ward based(Savings)	311 059 9		1,656,0 88.75					
	<b>Sub-Total</b>			<b>1,656,0 89</b>	<b>159,59 5,988</b>	<b>157,939,899.25</b>			
<b>C</b>	<b>FINANCE</b>								
	<b>RECURRENT (PROGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>INCR DECR EASE S</b>					
	Salary promotion				2,245,9 20.00				
	salaries over budgeting			42,719,					

				094					
	Short term borrowing			470,00 0,000					
	Motor Vehicle insurance	221 090 4	1,700,0 00	1,700,0 00					
	general office supplies	221 110 1	4,000,0 00	2,000,0 00					
	supplies and accessories	221 110 2	4,000,0 00	2,000,0 00					
	refined fuel	221 120 1	7,000,0 00	2,000,0 00					
	maintenance expenses - motor vehicle	222 010 1	5,000,0 00	3,000,0 00					
	Boards committee - Audit	221 080 2	1,180,6 00	1,180,6 00					
	maintenance of computers - audit	222 021 0	1,194,8 62	1,194,8 62					
	Temporary expenses - revenue	221 132 0	5,000,0 00	5,000,0 00					
	Field allowance(budget)	221 030	6,500,0	3,000,0					

		9	00	00					
	Other operating expenses (KRA penalty)	221 139 9	39,430, 067 000						
	<b>Subtotal</b>			<b>562,79 4,556.0 0</b>	<b>2,245,9 20.00</b>	<b>(560,548,636.0 0)</b>			
<b>D</b>		<b>TR AD E</b>							
	<b>RECURRENT(PR OGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>				
	salary supplementary allocation			3,840,3 22					
	Salary(Promotion)			-	927,18 7.00				
	<b>Sub-Total</b>			<b>3,840,3 22</b>	<b>927,18 7</b>	<b>(2,913,135.00)</b>			
<b>D</b>		<b>TR AD E</b>							
	<b>DEVELOPMENT( PROGRAMMES)</b>	<b>ITE M</b>	<b>SUPP ALLO</b>	<b>DECR</b>	<b>INCR EASES</b>				

		CO DE	CATIO N	EASE S				
	Other Infrastructure (Trade) - Kamukuywa	311 150 4	150,000 ,000	29,609, 919				
	Overhaul of other (Industry) - CAIP	311 069 9	(40,000, 000)	20,000, 000				
	pending bills	241 050 4'			11,035, 318.00			
	<b>Sub-Total</b>			<b>49,609, 919</b>	<b>11,035, 318</b>	<b>(38,574,601.00)</b>		
<b>D</b>		<b>YOUTH AND SPORTS</b>						
	<b>RECURRENT(PR OGRAMMES)</b>	ITE M CO DE	SUPP ALLO CATIO N	DECR EASE S	INCR EASES			
	Temporary committee expenses - Marathon	221 032 0	2,995,4 83	2,995,4 83				
	salary supplementary allocation			972,30 8				
	<b>Sub-Total</b>			<b>3,967,7 91</b>	<b>-</b>	<b>(3,967,791.00)</b>		

		<b>YOUTH AND SPORTS</b>						
	<b>DEVELOPMENT (PROGRAMMES)</b>	ITE M CO DE	SUPP ALLO CATIO N	DECR EASE S	INCR EASES			
				-				
	pending bills	241 050 4'			21,696, 770.00		23,000, 000.00	
	Masinde Muliro	311 150 4			72,000, 000.00			
<b>E</b>	<b>Sub-Total</b>			-	<b>93,696, 770</b>	93,696,770.00		
	<b>LANDS</b>							
	<b>RECURRENT(PR OGGRAMMES)</b>	ITE M CO DE	SUPP ALLO CATIO N	DECR EASE S	INCR EASES			
	salary supplementary reduction			3,063,5 30				
	<b>Sub-Total</b>			<b>3,063,5</b>	-	(3,063,530.00)		

				<b>30</b>					
<b>LANDS</b>									
	<b>DEVELOPMENT( PROGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE</b>	<b>INCR EASES S</b>				
	purchase of land - Matulo		(60,000, 000)	30,000, 000.00					
	Purchase of land- Dumpsite		(60,000, 000)	5,000,0 00.00					
	Other infrastructure - Auction ring	311 060 4	(2,500,0 00)		2,400,0 00.00				
	pending bills	241 050 4'			60,433, 000.00				
	<b>Sub-Total</b>			<b>35,000, 000</b>	<b>62,833, 000</b>	27,833,000.00			
<b>HOUSING</b>									
	<b>RECURRENT(PR OGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE</b>	<b>INCR EASES S</b>				
	Refined Fuel and lubricants	221 120 1	-		500,00 0.00				

	salary supplementary reduction			807,74 5				
	Maintenance of motor vehicles	222 020 4	-		500,00 0.00			
	<b>Sub-Total</b>			<b>807,74 5.00</b>	<b>1,000,0 00.00</b>	<b>192,255.00</b>		
	<b>HOUSING</b>							
	<b>DEVELOPMENT(</b> <b>PROGRAMMES)</b>	<b>ITE</b> <b>M</b> <b>CO</b> <b>DE</b>	<b>SUPP</b> <b>ALLO</b> <b>CATIO</b> <b>N</b>	<b>DECR</b> <b>EASE</b> <b>S</b>	<b>INCR</b> <b>EASES</b>			
	other infrastructure (Admin block + DG residence)	311 150 4	(33,794, 291)	55,000, 000				
	KISIP co-funding grant	264 050 3		-	30,000, 000.00			
	<b>Sub-Total</b>			<b>55,000, 000</b>	<b>30,000, 000</b>	<b>(25,000,000.00)</b>		
	<b>ROADS</b>							
	<b>RECURRENT(PR</b> <b>OGRAMMES)</b>	<b>ITE</b> <b>M</b> <b>CO</b> <b>DE</b>	<b>SUPP</b> <b>ALLO</b> <b>CATIO</b> <b>N</b>	<b>DECR</b> <b>EASE</b> <b>S</b>	<b>INCR</b> <b>EASES</b>			
	salaries supplementary			7,851,9				

	reduction			07						
	<b>Sub-Total</b>			<b>7,851,907</b>	-	<b>(7,851,907.00)</b>				
	<b>ROADS</b>									
<b>E</b>	<b>DEVELOPMENT( PROGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>					
	framework				50,000, 000.00					
	pending bills	241 050 4'	-		80,156, 962.00					
	Ward based (Kaptama ward bridge)	311 039 9	- 5,310,0 08		3,000,0 00.00					
	Chesikaki Ward (Murram)	311 039 9	-		500,00 0.00					
	<b>Sub-Total</b>			-	<b>133,65 6,962.0 0</b>	<b>133,656,962.00</b>				
<b>F</b>	<b>GOVERNOR</b>									
	<b>RECURRENT(PR OGGRAMMES)</b>	<b>ITE M CO</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>					

		DE	N	S					
	special program	221 139 9	(8,000,0 00)	15,000, 000					
	salaries over budgeting			238,00 7,588					
	<b>Sub-Total</b>			<b>253,00 7,588</b>	<b>-</b>	<b>(253,007,588.0 0)</b>			
<b>F</b>	<b>DEPUTY GOVERNOR</b>								
	<b>RECURRENT(PR OGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>				
	Travel cost	221 030 1		1,000,0 00					
	Accommodation	221 030 2		1,300,0 00					
	field allowance	221 030 9		500,00 0					
	accommodation allowance	221 071 0		500,00 0					
	catering services	221 080	-	1,000,0					

		1		00					
	Committees Boards and conferences	221 080 2		2,000,0 00					
	Temporary Committee expenses	221 132 0	-	1,000,0 00					
	<b>Sub-Total</b>			<b>7,300,0 00</b>	-	<b>(7,300,000.00)</b>			
<b>F</b>	<b>ALFIC</b>								
	<b>RECURRENT(PR OGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>				
	salaries over budgeting			28,191, 347					
	Fuel for fertilizer distribution(Agric)	221 120 1	-		4,000,0 00.00				
	Fertilizer distribution committee(Agric)	221 030 3			3,000,0 00.00				
	Field allowance - sensitization of Sacco(COPERATIVES)	221 030 9			4,000,0 00.00				

	<b>Sub-Total</b>			<b>28,191, 347.00</b>	<b>11,000, 000.00</b>	<b>(17,191,347.00)</b>			
	<b>ALFIC</b>								
	<b>DEVELOPMENT( PROGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>				
	Ward based(Savings)	311 059 9	- 2,649,1 60.00	3,441,2 77.20					
	Supplies of production/veterinar y supplies	221 102 3	(2,500,0 00)		4,500,0 00.00				
	Pending bills				6,499,3 97.00				
	Purchase of certified crop seedlings (Co- operatives)	311 130 1	(1,000,0 00)		1,000,0 00.00				
	<b>Sub-Total</b>			<b>3,441,2 77.20</b>	<b>11,999, 397.00</b>	<b>8,558,119.80</b>			
	<b>TOURISM</b>								
	<b>RECURRENT(PR OGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>				
	salaries supplementary reduction			4,637,5 87					

	<b>Sub-Total</b>			<b>4,637,5 87</b>	-	<b>(4,637,587.00)</b>			
	<b>WATER</b>								
	<b>RECURRENT(PR OGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>				
	Fuel for Rig operation					5,000,0 00.00			
	salaries over budgeting			4,578,5 02					
	KOICA co-funding grant					20,000, 000.00			
	<b>Sub-Total</b>			<b>4,578,5 02</b>	<b>25,000, 000</b>	<b>20,421,498.00</b>			
<b>F</b>	<b>WATER</b>								
	<b>DEVELOPMENT( PROGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>				
	Ward								

	based(pending bills)				30,264, 362.00				
	workshop tools (for rig operations)				15,200, 000.00				
	Ward based(Savings)			23,462, 852.00					
	<b>Sub-Total</b>			<b>23,462, 852.00</b>	<b>45,464, 362.00</b>	<b>22,001,510.00</b>			
	<b>HEALTH</b>								
	<b>RECURRENT(PR OGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>				
	Salary(Promotion)				2,271,0 00				
	salaries supplementary allocation			230,60 8,833					
	BCRH(AIA)			30,000, 000.00					
	Webuye(AIA)			32,000, 000.00					
	<b>Sub-total</b>								

				292,60 8,833.0 0	2,271,0 00.00	(290,337,833.0 0)			
<b>F</b>	<b>HEALTH</b>								
	<b>DEVELOPMENT( PROGRAMMES)</b>	ITE M CO DE	SUPP ALLO CATIO N	DECR EASE S	INCR EASES				
	BCRH(AIA)		-		30,000, 000.00				
	Webuye(AIA)				32,000, 000.00				
	Other infrastructure and civil works (Sanitation)			2,000,0 00.00					
	pending bills				72,683, 127.47				
	Ward based( Savings)			10,847, 633.77					
	Ambulance		(2,000,0 00)		1,890,1 57.00				
	<b>Sub-Total</b>			<b>12,847, 633.77</b>	<b>136,57 3,284.4</b>	<b>123,725,650.70</b>			

					7			
	<b>PUBLIC ADMIN</b>							
	<b>RECURRENT(PR OGRAMMES)</b>							
	salaries supplementary allocation				173,48 5,260.0 0			
	Salary (Promotion)				1,201,0 80.00			
	Rent( Black house)				22,000, 000.00			
	<b>Sub-Total</b>			-	<b>196,68 6,340</b>	<b>196,686,340.00</b>		
<b>F</b>	<b>PUBLIC ADMIN</b>							
	<b>DEVELOPMENT( PROGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>INCR EASES</b>				
	construction of ward offices(Milima and Kapkateny)				8,250,5 94			
	Pending bills(ward office)				21,000, 000			
	<b>Sub-Total</b>							

				-	29,250, 594	29,250,594.00			
<b>F</b>	<b>COUNTY PUBLIC SERVICE BOARD</b>								
	<b>RECURRENT(PR OGRAMMES)</b>	ITE M CO DE	SUPP ALLO CATIO N	DECR EASE S	INCR EASES				
	salaries supplementary reduction			795,52 2					
	<b>Sub-Total</b>			795,52 2	-	(795,522.00)			
<b>F</b>	<b>COUNTY ASSEMBLY</b>								
	<b>DEVELOPMENT( PROGRAMMES)</b>	ITE M CO DE	SUPP ALLO CATIO N	DECR EASE S	INCR EASES				
	Construction of Speaker's Residence bal b/f				35,000, 000				
	Construction of waiting bay(Pending bill)				1,964,9 64				
	Refurbishment( Balance b/f)				15,000, 000				
	New chambers				4,490,2				

	balance brought forward				60				
	<b>Sub-Total</b>			-	<b>56,455, 224</b>	<b>56,455,224.00</b>			
<b>F</b>	<b>BUNGOMA MUNICIPALITY</b>								
	<b>DEVELOPMENT( PROGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>				
				-					
				-	-	-			
<b>F</b>	<b>BUNGOMA MUNICIPALITY</b>								
	<b>RECURRENT(PR OGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>				
	Salaries over budgeting			2,154,5 38					
	<b>Sub-Total</b>			<b>2,154,5 38</b>	-	<b>(2,154,538.00)</b>			
<b>F</b>	<b>KIMILILI MUNICIPALITY</b>								
	<b>RECURRENT(PR</b>	<b>ITE</b>	<b>SUPP</b>		<b>INCR</b>				

	<b>OGRAMMES)</b>	<b>M CO DE</b>	<b>ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>EASES</b>			
	Salaries over budgeting			1,638,2 50				
	<b>Sub-Total</b>			<b>1,638,2 50</b>	<b>-</b>	<b>(1,638,250.00)</b>		
	<b>GENDER AND CULTURE</b>							
	<b>RECURRENT(PR OGRAMMES)</b>	<b>ITE M CO DE</b>	<b>SUPP ALLO CATIO N</b>	<b>DECR EASE S</b>	<b>INCR EASES</b>			
	Salaries over budgeting			4,570,5 62				
	salary(Promotion)				617,36 4.00			
	pending bills				4,753,3 52.25			
	<b>Sub-Total</b>			<b>4,570,5 62.00</b>	<b>5,370,7 16.25</b>	<b>800,154.25</b>		
	<b>GENDER AND CULTURE</b>							
	<b>DEVELOPMENT(</b>	<b>ITE</b>	<b>SUPP</b>		<b>INCR</b>			

	PROGRAMMES)	M CO DE	ALLO CATIO N	DECR EASE	EASES S				
	Ward based(Pending bills)				959,04 0.00				
	<b>Sub-Total</b>			-	<b>959,04 0.00</b>	<b>959,040.00</b>			
	<b>GRAND TOTAL</b>			<b>1,486,0 21,103</b>	<b>1,016,0 21,103</b>	(470,000,000.0 0)			
						(470,000,000.0 0)			

The notes from this table is provided. From page 30. Members can go through them.

**Mr. Speaker:** Which one Hon. Grace?

**Hon. Grace :** This table.

*(Laughter)*

**Mr. Speaker:** The one indicating increases and decreases is important for us. So I urge you now to call your seconder accordingly. She requires applause Honourable Members.

*(Applause)*

**Hon. Grace Sundukwa:** All members of the Budget and Appropriations Committee have appended their signatures. I call upon my chair Hon. Jack Wambulwa to second.

*(Applause)*

**Hon. Jack Wambulwa:** Thank you, Hon. Speaker. First of all, may I applaud the mover of the motion Hon. Grace Sundukwa for doing it eloquently and for the first time as a lady whom we are looking forward to going to the National Parliament as a Women Representative. She has made us proud as a House. Members clap for her.

*(Applause)*

As I second the motion, I want to bring to the attention of members that this supplementary has been one of the confusing documents we have ever had in the House because I am serving my second term in the Assembly but looking at this supplementary in terms of the movement of allocations, if you are not keen, there is no way members we could have raised pending bills.

Remember they had told us about AIA not being met, so it affects our rollovers. And you see as Budget committee, to have come out with a report without paying any pending bills especially to local contractors. Where will we be as a House? Budget is consultative both political and also trying to reach out every individual that was concerned in preparation of this document. We had to reach out to the CEO whom I want to appreciate for understanding and making sure that as a committee, we try and source for funds to make sure that our local contractors can be paid immediately after uploading this Budget.

I want to clarify the following areas, that Kanduyi Bus Park allocation; you might have realized it remains 120 million. Looking at the allocation towards Kanduyi Stadium, this is supposed to generate revenue but the only way we can do it is by making sure that we clear the current contractor who is on site. That is why we have allocated 72 million for first phase to clear off the contractor so that phase two can continue by the National Government, equip and make sure that it is functional.

On the dual Carriage Road account; you could think this money is meant for dual, but the vote head holds for both dual and brigadier, so the amount is going towards Misikhu - Brigadier completion. We want to support the legacy projects to be complete, so that we can concentrate on CEF matters and especially now that we have no scholarship and bursary. We can move forward and have serious allocations in the wards.

We are even looking forward that in the main budget, we want the County Government in conjunction with the National Government to work out to ensure that Kanduyi Stadium is complete for the upcoming Africa Cup so that we can generate more funds because we have very few stadiums that are of that standard in the County compared to Kanduyi.

I want to bring to the attention of members who are worried that money put in other departments towards land was not allocated. I want to advise my colleagues that if you want money to purchase land then allocate money in that department. So all those worries that you had money is

put in lands, the sector committee requested for 51 million but we have put 60 million to clear all the pending lands within our County so that development can continue.

*(Applause)*

In Health Department, looking at SHA, if we did not allocate any money towards Lab and other reagents, then we could not be moving forward as a leadership of this County. So we had to source for some 10 million to take care of buying lab reagents in this financial year to be able to complete without any outcry.

As I sum up in this County, our employees have been demoralized and we have allocated funds for promotion in every department. Why do we want to promote? It is because we want to motivate our workers. I want to ask the sector committee, that is, Labor Relations, to follow up and make sure that this money is well utilized by promoting deserving employees, so that we can have a motivated staff who will work for us in this County.

I want to request the House that we support this motion as it is, so that we continue working as a united team that is not over sighting weakly but as a team that has woken up as a hungry lion to make sure that we correct the mistakes that were there previously and correct this County to move in the right direction. I second the motion.

**Mr. Speaker:** Thank you, Jack Wambulwa. Allow me appreciate the mover and the seconder of the motion beforehand and I will proceed to propose a motion for debate and as you all know, this debate you will not be voting on the same. It will be for noting because it will be going to the Committee of Supply.

*(Question proposed)*

Hon. Kawa, proceed.

**Hon. Jack Kawa:** Thank you, Hon. Speaker. First, allow me applaud my sister Hon. Grace for the eloquence. Secondly, allow me also applaud the members of Budget Committee for working tirelessly to ensure that the first supplementary budget report comes to this Honorable House.

As you are aware, it is long overdue but now at long last we have it in our Assembly here. On Health; we have some projects that were funded by the department for example the Bokoli Sub County Hospital Theatre and in the main budget, it was captured somewhere. My brother Hon. Chair Makari is here. Bokoli Sub County Hospital operates minus a theatre, X-ray, Wards and yet it serves many people.

The catchment of Bokoli Sub County Hospital serves Nangeni and Mungakha in Misikhu ward, Kibunde in Kibingei ward, Lukhuna in Mukuyuni ward, Chenjeni in Mukuyuni Ward,

Khachonge and Sikenga Nasaka in Luuya /Bwake ward. That is the catchment of Bokoli Sub County Hospital and the theatre I am mentioning here has taken long. Sincerely speaking, our Governor as he says a legacy regime, why can't we complete the stalled projects. It is almost 8 years since it started.

Secondly, I am a member of CASA; the National Deputy Organizing Secretary on CASA and I am calling upon Hon. Leader of Majority who is chair of Selection, the issue of pull and push; I am observing that the formation of KICOSCA and CASA, it was number one for inter-relations amongst the Counties, number two for cohesion amongst our County Assemblies and Counties but when we mix issues concerning youths and cultural events, we are missing a point somewhere.

I want to urge my colleague members of budget that yes we have a youth policy, I am not disputing that, Hon. Leader of Majority who is a member of Tug of war; at his age is he a youth? No, Hon. Waiti a volley baller, why is that when we go for these events, even our staffs on internship are not accepted to participate, why?

**Mr. Speaker:** Hon. Kawa, I thought you are the one who brings the regulations governing CASA games.

**Hon. Jack Kawa:** Hon. Speaker, no KICOSCA and CASA games are cultural events and not sporting events like in Youth and Sports department.

**Mr. Speaker:** But Hon. Kawa, I thought you are the one who brings rules and regulations for us to participate? They are from CASA and you are the CASA official team.

**Hon. Kawa:** Yes Sir.

**Mr. Speaker:** You are the one who fights for our welfare in CASA. You are the one who demands for our employment details.

**Hon. Kawa:** Why I am reacting is because when you go to Gender and Culture...

**Mr. Speaker:** Yes

**Hon. Job Mukoyandali:** (*On a point of information*) Hon. Speaker, I want to appreciate what Hon. Kawa is telling us but right now we are not discussing the issue of Youths, Gender and Sports in relation to CASA. We are specifically discussing about the supplementary budget. How I wish Hon. Speaker that you direct him to limit himself to the topic at hand, so that he comes up with this issue of Gender and Sports and we discuss it fully and resolve it once and for all.

**Mr. Speaker:** Hon. Members, we are curing this mischief soon. We have a circular basically collapsing committees from 22 to 16, so some of them will be merged. Some chairs will disappear, so do not worry.

*(Laughter)*

**Mr. Speaker:** Finance and Budget are going to be one thing. Hon. Kawa, wind up please.

**Hon. Jack Kawa:** Thank you, Hon. Speaker

*(Loud consultation)*

**Mr. Speaker:** It is from the Senate recommendations not me, Hon. Kawa proceed.

**Hon. Jack Kawa:** Thank you, Hon. Speaker. Let me draw the attention of Hon. Job Mukoyandali; that go to Youths and Sports that the Budget committee followed travel costs with no initial allocation increased by 13million. The amount is meant to fund EALASCA which has been a function of Gender department other than Youth. The department through the sector committee has requested that the allocation be retained in Youths and Sports. Am I out of the point?

I want to wind up, but you are a member of budget committee why can't you give me time to.

*(Loud Consultations)*

**Mr. Speaker:** Let him wind up.

**Hon. Jack Kawa:** We have the Youth Policies; I was eagerly waiting for the Youths Committee to propose that we have sport games across all the 45 Wards. Today in the morning, the people living with disability whoever heard it, *barakoa* we are going to host our...

## ADJOURNMENT

Members; we adjourn now and when we reconvene, it will be in the following order: Hon. Kawa, George Makari, Job Mukoyandali, Henry and Allan. So Hon. Kawa, make sure you are here early enough.

*The House rose at 1:00 p.m.*