

COUNTY GOVERNMENT OF KITUI



THE COUNTY ASSEMBLY

FIRST ASSEMBLY – (FIFTH SESSION)

THE BUDGET AND APPROPRIATIONS COMMITTEE

REPORT ON CONSIDERATION OF THE KITUI COUNTY BUDGET
ESTIMATES FOR
THE FINANCIAL YEAR
2017/2018

CLERK OF ASSEMBLY CHAMBERS

P. O BOX 694

KITUI

MARCH, 2017

Table of Contents

| | | |
|------------|---|-----------|
| 1.0 | PREAMBLE | 1 |
| 2.0 | ESTABLISHMENT AND COMPOSITION OF THE COMMITTEE | 3 |
| 2.1 | Membership..... | 3 |
| 2.2 | Committee Mandate | 3 |
| 3.0 | BACKGROUND | 4 |
| 4.0 | ACKNOWLEDGEMENT | 5 |
| 5.0 | THE BUDGET ESTIMATES 2017/2018 | 6 |
| 5.1 | Comprehensiveness of the Budget Estimates and adherence to the Public Finance Management Act, (PFMA) 2012 | 8 |
| 5.2 | Key priority Areas for the 2017/2018 Budget. | 9 |
| 6.0 | COMMITTEE CONSIDERATION OF THE BUDGET ESTIMATES | 11 |
| 6.1 | General observation | 12 |
| 6.2 | Summary of key issues arising from public hearings..... | 13 |
| 7.0 | COMMITTEE RECOMMENDATIONS | 16 |
| 7.1 | Areas of Reduction | 16 |
| 8.0 | CONCLUSION | 19 |

ABBREVIATIONS AND ACRONYMS

| | |
|--------------|--------------------------------------|
| CECM | County Executive Committee Member |
| CFSP | County Fiscal Strategy Paper |
| CRA | Commission on Revenue Allocation |
| ECDE | Early Childhood Development |
| ICT | Information Communication Technology |
| NGOs | Non-Governmental Organizations |
| PFMA | Public Finance Management Act |
| PLWDs | People Living With Disabilities |

1.0 PREAMBLE

Mr. Speaker Sir,

Article 224 of the Constitution of Kenya 2010, provides that every County Government shall prepare and adopt its own Annual Budget and Appropriation Bill in the form and according to the procedure prescribed in an Act of Parliament.

Thus, as contemplated in the above quoted Article, County Governments are specifically guided by Part 4 (four) of the Public Finance Management Act, 2012 that touches on County Government Responsibilities with respect to Management and Control of Public Finance.

Mr. Speaker Sir,

Public Finance Management Act (PFMA), 2012 has placed significant responsibilities on the County Assemblies as relates to financial management in particular regarding to resource mobilization, allocation, monitoring and control. Section 130 and 131 of the (PFMA), 2012 bestows the fundamental responsibility of budget approval and the relevant appropriations laws to the County Assemblies.

Section 131 (2) of (PFMA), 2012 inter alia provides that

“before the County Assembly considers the estimates of revenue and expenditure, the relevant Committee of the County Assembly shall discuss and review the estimates and make recommendations to the County Assembly”

Mr. Speaker Sir,

Standing Order 206 provides that, the Budget and Appropriation Committee shall discuss and review the estimates and make recommendations to the county assembly, taking into account the recommendations of the sectoral committees, the views of the County Executive Committee Member for Finance and Economic Planning (CECM) and the public. To achieve this therefore, the County Assembly undertook the above exercise guided by the Standing Orders which directly borrows procedures from the Public Finance Management Act, 2012.

The County Assembly engaged the Sectoral Committees as provided by Standing Order 206 (3) which states that;

“Upon being laid before the County Assembly, the Estimates shall be deemed to have been committed to each Sectoral Committee without question put, for each such Committee to deliberate upon according to their mandate”

In addition, the Budget and Appropriations Committee conducted public participation exercise upon committal in adherence to Article 196 and 201 of the Constitution and Standing Order 206. This exercise was undertaken in five designated centers namely, Kitui Town at Multipurpose Hall, Mwingi Town at Mwingi Central Sub County Headquarters, Zombe at Zombe African Inland Church, Mutomo at Mutomo Chiefs Camp and Kyuso at Kyuso Market Shades. During this exercise, the Committee collected public views which forms part of the basis for recommendations of this report.

2.0 ESTABLISHMENT AND COMPOSITION OF THE COMMITTEE

Mr. Speaker sir,

The Budget and Appropriations committee is established under the provisions of Standing Order 186. As currently constituted, the committee comprises of the following Members;

2.1 Membership

| | |
|-----------------------------|---------------|
| Hon. Antony K. Muthui - | Chairman |
| Hon. Beatrice V. Musyoka - | Vice Chairman |
| Hon. Felix K. Kauvi - | Member |
| Hon. Anastasia M. Mutunga - | Member |
| Hon. James M. Munuve - | Member |
| Hon. Mary P. Ndumbu - | Member |
| Hon. Deiys M. Mukala - | Member |
| Hon. Kalovo Musau - | Member |
| Hon. Jenifer N. Munuve - | Member |

2.2 Committee Mandate

Mr. Speaker sir,

Standing Order 186 (3) outlines the roles of the Committee on Budget and Appropriations as to inter alia:-

- i. Investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget.*
- ii. Discuss and review the estimates and make recommendations to the Assembly.*

3.0 BACKGROUND

Mr. Speaker sir,

The Kitui County Budget Estimates for the financial year 2017/2018 was submitted to the County Assembly earlier than previous years notwithstanding the provisions of Section 129 (2) of the Public Finance Management Act (PFMA), 2012 and the provisions of Standing Order 206 which provides that following approval by the County Executive Committee, the County Executive Committee Member for Finance (CECM) shall submit to the County Assembly the budget estimates, supporting documents, and any other Bills required to implement the budget, except the finance Bill, by the 30th April, in that year.

Recognizing this is an election year, the budget calendar/cycle was slightly changed by the Cabinet Secretary for National Treasury through Circular No. 14/2016 dated July 13th, 2016. In adherence to this national circular, the County Executive Committee Member (CECM) for Finance and Economic Planning issued circular no. 1/2017/2018 dated 22nd August 2016 that required the submission to the Assembly of the Budget Estimates for the Financial year 2017/2018 on 27th January, 2017 and its final approval by 31st March, 2017.

Mr. Speaker sir,

Upon submission, the Budget was laid on the Table of the Assembly on 16th February, 2017 pursuant to the provisions of Standing Order 206 and subsequently committed to the Budget and Appropriations Committee for public participation and consideration by the Sectoral Committees in line with their Committee mandate. As explained above, the public participation exercise took place in five (5) centres from 28th February to 3rd March, 2017, while the Sectoral Committees sat from 8th to 11th March, 2017.

4.0 ACKNOWLEDGEMENT

Mr. Speaker sir,

The Committee on Budget and Appropriations extends its gratitude to the office of the Speaker of the Assembly and that of the Clerk of the Assembly for the guidance and the necessary logistical support in this exercise. The Committee also appreciates her members for the dedication and commitment in ensuring that the process was a success.

Finally the committee is indebted to the staff from the Executive and the County Assembly who offered the technical support and service to the Committee in successively compiling this report.

Mr. Speaker sir,

It is therefore my pleasant duty and pleasure on behalf of the Budget and Appropriations Committee to table this Report and recommend it for adoption by the Assembly.

Antony K. Muthui
Chairperson
Committee on Budget and Appropriations Committee

Annexures

1. Signed Committee Members List (**Annex i**)
2. The resource envelop (**Annex ii**)
3. Expenditure Summary sheet as recommended by the committee (**Annex iii**)

5.0 THE BUDGET ESTIMATES FOR FINANCIAL YEAR 2017/2018

Mr. Speaker Sir,

This is the fifth County Annual Budget to be considered by the Assembly since the inception. The County annual estimates have been incremental over the period with gradual growth as follows:-

(Without re-vote)

2013/2014 – Kshs 6,548,244,241

2014/2015 – Kshs 7,635,960,523

2015/2016 – Kshs 8,089,575,084

2016/2017 – Kshs 8,889,828,722

2017/2018 – Kshs 9, 873,405,731

The budget estimates for financial year 2017/2018 as submitted exceeded the approved revenue ceiling in the County Fiscal Strategy Paper by Kshs 226M from Kshs. 9,647,405,731 to Kshs 9, 873,405,731. This was explained to be an estimated recurrent re-vote from this financial year ending 30th June, 2017.

Mr. Speaker Sir,

This budget is proposed to be financed as indicated here below:

| | |
|------------------------------|-------------------------|
| Equitable share – | 8,368,427,839.00 |
| Grants - | 576,937,392.00 |
| Local revenue – | 702,040,500.00 |
| Recurrent Revote (2016/17) - | <u>226,000,000.00</u> |
| TOTAL | <u>9,872,405,731.00</u> |

The above resource envelop is captured and analyzed in the table below which outlines revenue by source as follows:

| KITUI COUNTY GOVERNMENT | | | | | | |
|---------------------------------------|---|----------------------------------|-------------------------------------|-------------------------------------|--------------------------|-----------------------|
| REVENUE PROJECTIONS 2016/17 - 2019/20 | | | | | | |
| S/No | Source | Actual Revenue 2015/16 (Kshs) | Revenue Estimates 2016/17 (Kshs) | Revenue Estimates 2017/18 (Kshs) | Projected Revenue (Kshs) | |
| | | | | | 2018/19 | 2019/20 |
| 1 | Equitable share | 7,267,273,063 | 7,841,480,359 | 8,368,427,839 | 9,037,902,066 | 9,760,934,231 |
| 2 | Grants | | - | - | - | - |
| | Free Maternal Healthcare | 50,790,000 | 54,367,434 | 63,610,400 | 69,971,440 | 75,569,155 |
| | Compensation for User Fees Forgone | 23,606,211 | 23,144,997 | 23,606,211 | 25,966,832 | 28,044,179 |
| | Road Maintenance Fuel Levy | 92,318,534 | 120,484,293 | 220,500,000 | 242,550,000 | 261,954,000 |
| | Grants from UNDP | - | - | - | - | - |
| | Grants from World Bank (KDSP) | - | 34,721,395 | | 296,142,859 | 319,834,288 |
| | HSSP/HSPS - (DANIDA/IDA) | 83,985,266 | 150,020,244 | 269,220,781 | - | - |
| | Subtotal | 250,700,011 | 382,738,363 | 576,937,392 | 634,631,131 | 685,401,622 |
| | | 7,517,973,074 | 8,224,218,722 | 8,945,365,231 | 9,672,533,197 | 10,446,335,853 |
| 3 | Own Revenue | | - | - | | |
| | County Ministries/Entity | | - | - | | |
| | Office of the Governor | 19,217,455 | 135,099,731 | 141,854,717 | 148,947,453 | 156,394,826 |
| | Ministry of Administration and Coordination | - | - | - | - | - |
| | Ministry of Agriculture water and Irrigation | 33,406,650 | 27,300,000 | 28,665,000 | 30,098,250 | 31,603,163 |
| | Ministry of Basic Education and Skills Development | - | | | | - |
| | Ministry of Land Infrastructure and Urban Development | 20,620,263 | 60,105,760 | 63,111,048 | 66,266,600 | 69,579,930 |
| | Ministry of Health and Sanitation | 109,883,587 | 167,550,000 | 175,927,500 | 184,723,875 | 193,960,069 |
| | Ministry of Trade, Industry IT and Cooperative Dev | 1,130,475 | 1,050,000 | 1,102,500 | 1,157,625 | 1,215,506 |
| | Ministry of Culture, Youth, Sports & Social Services | - | 1,050,000 | 1,102,500 | 1,157,625 | 1,215,506 |
| | Ministry of Environment, Energy and Minerals Investment Development | 1,317,800 | 1,050,000 | 1,102,500 | 1,157,625 | 1,215,506 |
| | Ministry of Tourism and Natural Resources | 1,133,475 | 210,000 | 220,500 | 231,525 | 243,101 |
| | Ministry of Finance & Economic Planning | 185,061,443 | 129,845,073 | 136,337,326 | 143,154,193 | 150,311,902 |
| | Kitui Town Administration | 29,439,954 | 101,966,986 | 107,065,335 | 112,418,602 | 118,039,532 |
| | Mwingi Town Administration | 14,977,626 | 43,382,451 | 45,551,574 | 47,829,152 | 50,220,610 |
| | Subtotal | 416,188,728 | 668,610,000 | 702,040,500 | 737,142,525 | 773,999,651 |
| 4 | Revote from previous budget | - | 1,573,640,249 | 226,000,000 | - | 0 |
| | Total Resource Envelop | 7,934,161,802 | 10,466,468,971 | 9,873,405,731 | 10,409,675,722 | 11,220,335,504 |
| | % of Equitable Share | 91.59 | 74.92 | 84.76 | 86.82 | 86.99 |
| | % of Own Resurces | 5.25 | 6.39 | 7.11 | 7.08 | 6.90 |
| | % of Grants | 3.16 | 3.66 | 5.84 | 6.10 | 6.11 |
| | % of Re-vote | 0.00 | 15.04 | 2.29 | 0.00 | 0.00 |

5.1 Comprehensiveness of the Budget Estimates and adherence to the Public Finance Management Act, (PFMA) 2012

Mr. Speaker sir,

The financial year 2017/2018 budget as presented was in a program based format as articulated under the PFMA, 2012. All the stages in county government budgeting process were observed as stipulated by Section 125 as follows:-

- a) Integrated development planning process which includes both long term and medium term planning;
- b) Planning and establishing financial and economic priorities for the county over the medium term;
- c) Making an overall estimation of the county governments revenues and expenditures;
- d) Adoption of the County Fiscal Strategy Paper;
- e) Submission of prepared budget estimates for the county government;

Mr. Speaker sir,

Hon. Members will agree with the Committee that it was difficult to decipher information from the estimates provided to this Assembly for the financial year 2017/2018 and the medium term. While we thank the CECM for finance for submitting the estimates on program basis, the budget estimates ought to have been annexed with budget explanation notes. This would have been crucial in ensuring an informative budget to the members of the public during public participation. The principles of public finance as explained in Article 201 requires openness and accountability, including public participation in financial matter. It is then imperative to present to the public a budget which is self-explanatory for accountability purpose.

Mr. Speaker sir,

The estimates submitted reflected 62.4% and 37.6% for both recurrent and development. This indicated an increase in the recurrent and a decline in the development as compared with the previous budget 2016/2017. This would be associated with increase in personnel and maintenance and operations cost which over the period has grown to 36.1% and 26.3% respectively in this proposed estimates. However this is a trend which needs to be observed as strongly highlighted by the members of the public during public participation exercise.

5.2 Key priority Areas for the 2017/2018 Budget.

Mr. Speaker sir,

The budget estimates for the financial 2017/2018 has given priority to the following Key areas:

- **Lands and infrastructure**
 - Under this area, the largest allocation goes to Construction, maintenance and rehabilitation of road network in the County. The intention is to enhance efficient transport and support effective service delivery in Kitui County.
 - The County Government also intends to take lead in assisting her citizens by ensuring people's rights and interests over their land are recorded and solve arising cases in order to have land registered for ease of issuance of title deeds in the whole County.
- **Agriculture, Water and Irrigation**

- Under this area, the key priority areas are, food security, Enhanced accessibility and availability of safe water and livestock production and diseases management.
- **Community level infrastructure development and pro poor programs**
 - These are programs under the Office of the Governor. The programs are intended to promote socio-economic development in the community by facilitating and implementing pro-poor and community level infrastructure support programmes.
 - These are some of the County programs that over the period have been very popular with the members of the public especially during public participation.
- **Health and sanitation**
 - Under this area, the County will ensure efficiency and effectiveness in health care provision by enhancing maternal, new born and child health care through Construction, Completion and equipping of more maternity wards across the county.
 - The Ministry also aims at improving health Promotion and disease prevention through strengthening disease surveillance and reporting, promoting community based preventive health services, enhancing provision of quality, timely and responsive health care services, timely diagnosis of diseases/conditions, timely and appropriate treatment and rehabilitative healthcare services.

- **Basic Education, Training And Skills Development**
 - Under this area, the County will ensure expansion of learning opportunities in Early Childhood Development (ECDE) and youth polytechnics. This will be done through Construction and equipping of more ECDE classrooms and youth polytechnic workshops in the designated centres of excellence in the county.
 - Further the county is planning to improve academic standards in the county by mounting performance enhancing workshops for teachers handling candidate classes and expanding the mentorship target from the current 6,000 to 10,000 learners.

6.0 COMMITTEE CONSIDERATION OF THE BUDGET ESTIMATES

Mr. Speaker sir,

In reviewing the submitted Budget Estimates for the financial year 2017/2018, the Committee sought to assure itself of the following two fundamental issues:-

- **Whether the resources are applied in a manner that is efficient, effective and equitable;**
- **Secondly, whether the resources available adequately defray the desired expenditure.**

The Constitution of Kenya provides in Article 201 provides that public money should be spent in a prudent and responsible manner. This means that we must make every effort to reduce wastage of public resources on non-realistic budget items and apply them to the most productive areas.

Indeed, Hon. Members, the principle that should guide budget making should therefore be “*achieving the greatest public good in the most cost-effective way*”.

6.1 General observations

Mr. Speaker sir,

The Committee upon considering the submitted budget vis-à-vis the public hearings, Sectoral Committee views, the views by the CECM Finance and Economic Planning and relevant laws guiding the budget preparation and approval process made the following general observations;

i. Adherence to the provisions of Section 107 of the PFMA, 2012

Section 107 (2) (b) of the PFMA, 2012 provides that over the medium term a minimum of thirty percent of the County Government Budget shall be allocated to the development expenditure. The submitted budget adheres to this by allocating thirty seven percent to development.

ii. Compliance with the Approved County Fiscal Strategy Paper

This budget as submitted did not totally comply with the approved CFSP especially on the expenditure allocation ceilings. You will find that some allocations to several County Entities either exceeded/ fell below the approved ceilings in the 2017/2018 County Fiscal Strategy Paper (CFSP). This could be attributed to an estimated recurrent re vote of Kshs. 226M from the current budget 2016/2017.

The Committee will endeavor to rationalize some programs to align the budget as required during its recommendations to the Assembly.

iii. Adherence to the provisions of regulation 31(c) of the public finance management (County Government) regulations, 2015

The submitted budget estimates for the County Executive and the County Assembly totaled to Kshs. 10,066,725,731 varying from the resource envelope with Kshs 193,320,000. This could be attributed to the following

provision in the County Assembly Budget that has not been recognized by the County Executive budget;

- Development budget of Kshs. 50M
- Difference in Member's Mortgage Loans provision of Kshs. 66M
- Contingency reserve for the eight months' salary for members of the County Assembly of Kshs. 77.32M

The committee will seek to address this deficit in the recommendations to ensure a balanced budget.

iv. Variance in the resource envelop of Kshs. 226M

The submitted budget, as mentioned above in this report, had an additional Kshs. 226M up and above the revenue amount approved by the CFSP. These funds were allocated for funding;-

- Mutomo-Kanyangi Water Pipeline under the Ministry of Agriculture, Water and Irrigation,
- Construction of Day Care centres and funding of mentorship program under the ministry of Basic Education, Training and Skills Development, and
- Training under strategy 247 under the Ministry of Trade, Industry, ICT and Cooperatives which aims at identifying unique product for each of the 247 villages within the county and training the residents on ways of value addition.

6.2 Summary of key issues arising from public hearings

Mr. Speaker sir,

On the following thematic areas, members of the public gave the following submissions:

Agriculture

The public proposed that the government should invest more in agriculture so as to spur economic development in the County. This includes investments in realistic irrigation programs, training of farmers on modern farming skills, provision of certified seeds, farm products value addition etc. This should also include improved livestock keeping and increased agriculture extension services.

Water

There was a concern that the government should increase funding in water recourse management. The government should construct more dams, dig boreholes especially and put mechanism of water harvesting. This will ensure access to clean water, large scale irrigation and enhance food security. Shallow pans and other forms of rain water harvesting and storage will assist in reducing household's dependence rain fed agriculture by increasing small scale irrigation at the grassroots.

Road infrastructure

Despite the heavy investment in the roads infrastructure, the state of the county roads still remains dilapidated and impassable. The public reiterated that the poor state of the road transport system is an impediment to business and economic growth. In this regard, the county should allocate more funds to at least allow more road grading, culverts installations and murruming to improve the roads situation. Where necessary especially Kitui and Mwingi Towns, the roads should be tarmacked.

Money also should be set aside to improve drainage systems which during rainy seasons gets flooded hence damaging the roads and causing expensive to repairs.

Health

The public was concerned by the huge allocation to curing communicable diseases which could be moderated by putting enough allocation for preventive measures. Citizens felt there is need to concentrate mostly on preventive measures rather than curative.

Culture, Sports and Social Services

Under this area, the public proposed that the county should set aside a specific budget to deal with social and economic issues concerning people living with disabilities (PLWDs). There was a general claim that they have been sidelined in most of the county social economic activities. It was their feeling that the county government should formulate a policy geared at addressing some of the key issues such as;-

- Conducting public awareness to empower this special group with information as relates to governance and also alleviate their demotivated feeling. This will also include accessing information as relates to special programmes tailored for this group by the national and county governments.
- Setting aside funds for acquisition and supply of specialized tools and equipment to the PLWDs.
- Assisting PLWDs to access to government tenders as well as assisting them with surety for financial facilities to undertake the works.

County government should also embrace partnering with Non-Governmental Organizations (NGOs) and other agencies who are actively involved in addressing the special needs for the PLWDs

The public appealed to the government to undertake construction and development of more playing fields and sports grounds. In addition, the county

government should also engage into programmes of sports talents identification and development. Sporting activities are vital to good health and a safe way of engaging the youth as well as an upcoming economic source in most parts of the country.

7.0 COMMITTEE RECOMMENDATIONS

Mr. Speaker Sir,

In the circumstances therefore and in an effort to address the overall challenges raised in this report, and in adherence to various government guidelines and regulations relating to budget preparation, this Committee makes the following recommendations:-

7.1 Areas of Reduction

Mr. Speaker Sir,

After intensive consultations and considerations, the committee has considered reduction in allocations to the following areas in an attempt to clear the budget deficit;-

- i. Reduce mentorship program under the ministry of Basic Education, Training and Skills Development by **Kshs. 35M**. Notwithstanding the benefits accruing out this program, the committee noted with concern that the ministry should embark on its core mandate which is ECDE and Youth Polytechnics. Therefore it would be prudent to reduce this allocation in attempt to cover the budget deficit.
- ii. Reduce allocations to item no. 3110202 – construction of non-residential building (classrooms and four day care centres) under sub program 2.1: Early Child Development under the ministry of Basic Education, Training and Skills

Development with **Kshs. 69.32M**. The Committee found that construction of day care centers not being a priority at the moment. It would be prudent to first construct one day care center as a pilot project at a most appropriate location.

- iii. Reduce **Kshs. 15M** from the Ministry of Trade, Industry, ICT and Cooperatives earmarked for training expenses under strategy 247. The committee felt it would be prudent to undertake a case study with at least one village in every ward with the balance of Kshs. 5M left under this item.
- iv. Reduce the County Assembly Development Budget by **Kshs. 20M**. The Committee is fully aware of the allocation of Kshs. 50M for the item in the 2017/2018 CFSP. The Committee is also aware that getting land within the required proximity for such development would be an uphill task as the case for the Members recreational facility. For this reason therefore, it was found to be prudent for the Assembly to first utilize the Kshs. 20M in the 2016/2017 budget and the balance of Kshs. 30M in this budget.
- v. Reduce **Kshs. 54M** from the allocation made for the Mortgage Loans to Members under the County Assembly Budget. The existing fund already has an allocation of Kshs. 58M currently held at Family Bank. The balance of Kshs. 62M after the above reduction will top up the fund to Kshs. 120M which this Committee feels will be sufficient taking into account that Mortgage is not disbursed as a lump sum but in phases.

These reductions totaling to **Kshs. 193.32M** will be applied towards eliminating the budget deficit of equal amount to comply with the provisions of Section 107 of the PFMA, 2012.

7.2 Other Intra Ministerial Movements

The committee further considered intra ministerial movement of funds as per Sectoral Committees' proposals and recommends as follows:-

- i. Reduce Kshs. 5M from the allocation made to item 3111499 - Construction of Lower Eastern Heritage Centre Gallery under program P4: Culture and transfer the same to item 3110599 - Youth Local Infrastructure, Savings and Investment under program P2: Gender and Youth Empowerment. It was the feeling of the Sectoral Committee on Culture, Youth, Sports and Social Services and my Committee concurs with it that the program on Youth Local Infrastructure, Savings and Investment has had significant impact in our society since its introduction in the financial year 2015/2016. The Committee therefore acknowledges the need to increase the funding for this Item to Kshs. 55M
- ii. Reduce Kshs. 7M, 2M and 10M from allocations made for items 2211007 (Agricultural Materials, Supplies and Small Equipment), 3130299 (Acquisition of Other Intangibles – Support Development of Sports in the County) and 3111499 (Construction of the Lower Eastern Heritage Centre) respectfully and transfer these amounts to item 3110504 (Other Infrastructure civil works for development of sports facilities). This increases the item allocation from Ksh.30M to Ksh.49M. The Committee considers this program a priority since it impacts and affects a greater population of the youth. Further, the outcome of the project is tangible compared to most of the software programs in this Ministry. The Committee notes that the program for construction of Lower Eastern Heritage Centre can be implemented in phases since it is not a priority to the residents of Kitui County.

- iii. Reduce Kshs. 1M from amount allocated for item 3111499 – Research, Feasibility Studies, Project Preparation and Design – Preservation of Sites of Cultural Significance under program P4: Culture and transfer the same to item 3111504 – Other Infrastructure and Civil Works under program P5 Social Development and Children Services for constructing a standard ablution block at the already completed Kitui Recreational Park located within the County Headquarters. The Committee noted that as social grounds for the public, it is important for the park to have the facility and considering that this was not factored in the previous allocations.

8.0 CONCLUSION

Mr. Speaker Sir,

These adjustments maintained the budget balanced with neither a surplus nor a deficit at a total of Kshs 9,873,405,731.00 being Kshs. 9,006,788,570 and Kshs. 866,617,161 for County Executive and County Assembly budgets respectively.

The summary of recommended expenditure for the financial year 2017/2018 by program will therefore appear as contained in the table below:

**KITUI COUNTY GOVERNMENT
RECOMMENDED BUDGET ESTIMATES FY 2017/18**

| VOTE CODE TITLE | PROGRAMME CODE AND TITLE | GROSS RECOMMENDED RECURRENT ESTIMATES | GROSS RECOMMENDED DEVELOPMENT ESTIMATES | GROSS RECOMMENDED TOTAL ESTIMATES |
|------------------------|---|---------------------------------------|---|-----------------------------------|
| | | 2017/18 - Kshs | 2017/18 - Kshs | 2017/18 - Kshs |
| Office of The Governor | Total | 585,926,042 | 580,000,000 | 1,165,926,042 |
| | 0701003710 P1: General Administration Planning and Support Services | 404,534,414 | 400,000,000 | 804,534,414 |
| | 0702003710 P2: National Social Safety Net | 8,676,000 | 180,000,000 | 188,676,000 |
| | 0703003710 P3: Cabinet Affairs | 39,740,000 | - | 39,740,000 |
| | 0704003710 P4: Public Financial Management | 62,612,461 | - | 62,612,461 |
| | 0705003710 P5: Human Resource | 33,029,098 | - | 33,029,098 |

| | | | | |
|--|--|--------------------|--------------------|----------------------|
| | 0706003710 P6: Publicity and Reception Services | 27,184,324 | - | 27,184,324 |
| | 0707003710 P7: Monitoring and research services | 10,149,745 | - | 10,149,745 |
| Administration & Coordination of County Affairs | Total | 506,517,981 | 64,662,102 | 571,180,083 |
| | 0701003710 P1: General Administration Planning and Support Services | 65,558,195 | - | 65,558,195 |
| | 0705003710 P2: County Government Administration and Field Services | 252,090,971 | 64,662,102 | 316,753,073 |
| | 0706003710 P3: Devolution Services | 144,995,208 | - | 144,995,208 |
| | 0707003710 P4: Monitoring and Evaluation | 43,873,606 | | 43,873,606 |
| Agriculture, Water & Irrigation | Total | 459,680,006 | 699,233,995 | 1,158,914,001 |
| | 0101003710 P1: General Administration Planning and Support Services | 64,890,683 | - | 64,890,683 |
| | 0102003710 P2: Crop Development and Management | 11,385,088 | 9,117,840 | 20,502,928 |
| | 0103003710 P3: Agribusiness and Information Management | 49,632,475 | 41,234,796 | 90,867,271 |
| | P4: Agricultural Extension Services and Training | 158,089,474 | 46,544,000 | 204,633,474 |
| | 0104003710 P5: Irrigation and Drainage Infrastructure | 14,492,313 | 25,165,204 | 39,657,517 |
| | 0105003710 P6: Fisheries Development and Management | 12,428,729 | 5,640,000 | 18,068,729 |
| | 0106003710 P7: Livestock Resources Management and Development | 55,505,600 | 18,763,500 | 74,269,100 |
| | 0111003710 P8: Water Resources Management | 93,255,644 | 552,768,655 | 646,024,299 |
| Basic Education, Training and Skills Development | Total | 512,781,056 | 144,602,220 | 657,383,276 |
| | 0501003710 P1: General Administration, Planning and Support Services | 92,927,603 | - | 92,927,603 |
| | 0502003710 P2: Primary Education | 381,759,854 | 61,602,220 | 443,362,074 |
| | 0504003710 P3: Youth Training and Development | 38,093,599 | 48,000,000 | 86,093,599 |
| | 0503003710 P4: Quality Assurance and Standards | - | 35,000,000 | 35,000,000 |
| Lands, Infrastructure, and Urban Development | Total | 290,786,596 | 749,652,395 | 1,040,438,991 |
| | 0101003710 P1: General Administration Planning and Support Services | 140,659,521 | - | 140,659,521 |
| | 0108003710 P2: Land Policy and Planning | 32,936,596 | 20,739,292 | 53,675,888 |

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|---|--|----------------------|--------------------|----------------------|
| | 0107003710 P3: Housing Development and Human Settlement | 12,705,424 | 7,780,000 | 20,485,424 |
| | 0109003710 P4: Government Buildings | 26,060,120 | 5,000,000 | 31,060,120 |
| | 0110003710 P5: Road Transport | 78,424,935 | 716,133,103 | 794,558,038 |
| | Total | 1,870,767,003 | 505,414,426 | 2,376,181,429 |
| Health & Sanitation | 0401003710 P1: General Administration, Planning & Support Services | 1,271,767,912 | - | 1,271,767,912 |
| | 0404003710 P2: Maternal and Child Health | 90,452,414 | 231,027,246 | 321,479,660 |
| | 0403003710 P3: Preventive & Promotive Health Services | 87,054,000 | - | 87,054,000 |
| | 0402003710 P4: Curative Health Services | 421,492,677 | 274,387,180 | 695,879,857 |
| | Total | 80,494,925 | 141,210,750 | 221,705,675 |
| Trade, Industry, I.C.T. & Cooperatives | 0301003710 P1: General administration and support-H/Qs | 28,798,254 | - | 28,798,254 |
| | 0302003710 P2: ICT Infrastructure Development | 16,098,000 | 34,000,000 | 50,098,000 |
| | 0303003710 P3: Trade development and Promotion | 17,284,670 | 90,100,000 | 107,384,670 |
| | 0304003710 P4: Cooperative development and Management | 18,314,001 | 17,110,750 | 35,424,751 |
| | Total | 76,359,677 | 156,915,696 | 233,275,373 |
| Culture, Youth, Sports and Social Services | 0901003710 P1: General Administration, Planning and Support Services | 22,989,023 | - | 22,989,023 |
| | 0902003710 P2: Gender & Youth Empowerment | 17,541,919 | 68,915,696 | 86,457,615 |
| | 0903003710 P3: Sports | 10,700,981 | 31,000,000 | 41,700,981 |
| | 0904003710 P4: Culture | 12,654,268 | 17,000,000 | 29,654,268 |
| | 0905003710 P5: Social Development and Children Services | 12,473,486 | 40,000,000 | 52,473,486 |
| | | Total | 48,607,281 | 167,468,439 |
| Environment, Energy & Minerals Investments Development | 1001003710 P1 General Administration, Planning and Support Services | 27,432,525 | - | 27,432,525 |
| | 1002003710 P2 Environment Management and Protection | 4,779,578 | 11,309,525 | 16,089,103 |
| | 1003003710 P3 Natural Resources Conservation and Management | 4,197,181 | 11,601,000 | 15,798,181 |
| | 1004003710 P4 Water Resources Management | 2,543,659 | 4,803,959 | 7,347,618 |
| | 1005003710 P5 Power Transmission and Distribution | 4,219,163 | 61,979,902 | 66,199,065 |
| | 1006003710 P6 Alternative Energy Technologies | 1,678,097 | 66,796,098 | 68,474,195 |
| | 1007003710 P7 Power Generation | 1,752,573 | 4,050,000 | 5,802,573 |
| | 1008003710 P8 Mineral Resources Management | 2,004,504 | 6,927,955 | 8,932,459 |
| | | Total | 48,607,281 | 167,468,439 |

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|--|--|--------------------|--------------------|--------------------|
| Tourism & Natural Resources | Total | 62,261,099 | 103,189,045 | 165,450,144 |
| | 0301003710 P1: General Administration, Planning and Support Services | 29,217,118 | - | 29,217,118 |
| | 1003003710 P2: Natural Resources Conservation and Management | 26,401,385 | 63,599,045 | 90,000,430 |
| | 0305003710 P3: Tourism Development and Promotion | 6,642,597 | 39,590,000 | 46,232,597 |
| Finance & Economic Planning | Total | 661,926,079 | 72,574,824 | 734,500,903 |
| | 0701003710 P1: General Administration, Planning and Support Services | 482,883,983 | 38,193,535 | 521,077,518 |
| | 0710003710 P2: Economic Policy and National Planning | 17,556,593 | - | 17,556,593 |
| | 0711003710 P3: Monitoring and Evaluation Services | - | - | - |
| | 0712003710 P4: Public Financial Management | 161,485,503 | 34,381,289 | 195,866,792 |
| County Public Service Board | Total | 69,716,209 | 17,864,841 | 87,581,050 |
| | 0701003710 P1: General Administration, Planning and Support Services | 50,606,979 | 17,864,841 | 68,471,820 |
| | 0713003710 P2: Human Resource Management and Development | 14,324,139 | | 14,324,139 |
| | 0714003710 P3: Governance and County Values | 4,785,091 | | 4,785,091 |
| County Assembly | Total | 866,617,161 | 30,000,000 | 896,617,161 |
| | 070100 P1: General Administration, Planning and Support Services | 235,135,028 | 30,000,000 | 265,135,028 |
| | 0710500 P2: Legislation, Representation and Oversight | 631,482,133 | | 631,482,133 |
| Kitui Town Administration | Total | 94,174,832 | 138,947,405 | 233,122,237 |
| | 0201003710 P1: General Administration Planning and Support Services | 73,409,972 | - | 73,409,972 |
| | 0202003710 P2: Road Transport | 1,430,000 | 58,275,000 | 59,705,000 |
| | 0207003710 P3: Urban and Metropolitan Development | 1,300,000 | 62,371,500 | 63,671,500 |
| | 0208003710 P4: Coastline Infrastructure and Pedestrian Access | 85,000 | - | 85,000 |
| | 0109003710 P5: Government Buildings | 17,002,080 | - | 17,002,080 |
| | 0706003710 P6: Devolution Services | 947,780 | 18,300,905 | 19,248,685 |

| | | | | |
|-------------------------------------|---|----------------------|----------------------|----------------------|
| Mwingi Town Administration | Total | 63,780,380 | 51,273,267 | 115,053,647 |
| | 0201003710 P1: General Administration Planning and Support Services | 43,310,906 | 500,000 | 43,810,906 |
| | 1001000000 P2: Environmental Policy Management | 3,833,164 | 4,000,000 | 7,833,164 |
| | 0109003710 P3: Government Buildings | 4,801,342 | 13,093,994 | 17,895,336 |
| | 0207003710 P4: Urban and Metropolitan Development | 8,851,804 | 30,679,273 | 39,531,077 |
| | 0706003710 P5: Devolution Services | 2,983,164 | 3,000,000 | 5,983,164 |
| Total Voted Expenditure Kshs | | 6,250,396,326 | 3,623,009,405 | 9,873,405,731 |
| Percentage Allocations | | 63 | 37 | 100 |

| | | | | |
|--|-------------------------|----------------------|----------------------|----------------------|
| Allocation Within the Arms of County Government | County Executive | 5,383,779,165 | 3,593,009,405 | 8,976,788,570 |
| | County Assembly | 866,617,161 | 30,000,000 | 896,617,161 |

Mr. Speaker Sir,

The Committee therefore requests this House to resolve as follows;

That:-

- a) The House adopts this report;
- b) The proposed amendments to the proposed 2017/18 budget as contained in this report be adopted; and
- c) The recommended summary above becomes the basis for the appropriations for 2017/2018 budget.

Report Compiled by *Charles N. Nyaga (Senior Fiscal Analyst I) and Mulandi Kavali (First Clerk Assistant)*