



COUNTY ASSEMBLY OF KISUMU

HANSARD

SECOND ASSEMBLY – SECOND SESSION

Thursday, 29th March, 2018

House met in the Main Chamber at 02:30 p.m.

(The Temporary Speaker (Hon. Erick Agola) in the Chair)

PRAYERS

The Temporary Speaker (Hon. Agolla): Order Hon. Members!!

The Temporary Speaker (Hon. Agolla): Good afternoon Hon. Members?

Hon. Members (Respond): Good morning Mr. Speaker.

The Temporary Speaker (Hon. Agolla): I want to request Mr. Clerk to take us through the Order Paper of the day.

COMMUNICATION FROM THE CHAIR

The Temporary Speaker (Hon. Agolla): Hon. Members, I have the following communications to make. My first communication is that, Members of the Committee on Appointment to meet on Tuesday, 03rd April, 2018 to vet the County Executive Committee Member Nominee for Lands, Housing, Physical Planning and Urban Development at the Aghakhan Hall. Kindly, I request Members of that Committee to take time and undertake this exercise.

Second Communication is that, if you look at the Order Paper while citing standing order No. 1, I want to order for the re-organization of Business of today so that Order No. 8 should remain the same and Business No. 9 be changed to be number 10, Order 10 to be order 11, Order 11 to be Order 9 and Order 12 to remain the same. I hereby direct.

The Temporary Speaker (Hon. Agola): Next Order!

NOTICES OF MOTION

Hon. Owiti (Chairperson, Budget and Appropriations Committee): Thank you Mr. Speaker. I rise to give Notice of Motion on the Report on the First Kisumu County Supplementary Budget Appropriations Bill, 2018 to be tabled by the Committee.

Mr. Speaker, I rise to give notice of Motion on the First Reading of the Kisumu County Supplementary Appropriations Bill, 2018. Mr. Speaker, I believe that there was an omission that we will be able to table as discussed and agreed upon by the County Budget and Appropriations Committee. Otherwise, we believe and trust that we will not be able to read the Bill for the first time unless some issues are resolved.

Mr. Speaker, this has been necessitated by the fact that there is an Appropriation Bill that was published before we even discussed the proposed Supplementary Budget Estimates FY 2018 and I believe and trust that this Bill should have been published by the County Assembly and not the Executive and for that matter, if the report shall have been tabled here and deliberated upon and approved we believe it is the mandate of this Assembly to publish the Bill that will pass so that it becomes into law/Act, thank you.

The Temporary Speaker (Hon. Agola): Next Order!

The Temporary Speaker (Hon. Agola): What is it Hon. Okiri?

Hon. Okiri: On a point of Order. Thank you Mr. Speaker. Being that the Chair of Budget and Appropriations Committee has made that proposal and your earlier communication...

The Temporary Speaker (Hon. Agolla): Which Standing Orders are you citing?

Hon. Okiri: Mr. Speaker, I am very verse with the Standing Order. I want to refer you to Standing Order No. 50 (f). Mr. Speaker, Order No. 50 (f) Motion made in accordance to the Standing Orders governing the procedures of today. Mr. Speaker, if that is the situation we are currently in, then you need to withdraw the first communication of which you made to alter the sequence of business in the Order Paper to another Standing Order so that all these motions are re-aligned again.

Mr. Speaker, my second point is that whichever way we are going to convince the Budget Committee to work because there is no way we are going to do the first reading of the Kisumu County Supplementary (Amendment) Appropriation Bill, 2018 which is going to be the short title that will be read. From there, it is going to be committed to the relevant Sectoral Committees...

The Temporary Speaker (Hon. Agola): Hon. Okiri, you are out of Order!

Hon. Okiri: Mr. Speaker, these are facts I am putting through...

The Temporary Speaker (Hon. Agola): Hon. Okiri, you are out of Order! If you have your Order Paper, please read Order No. 8 before you continue with what you are saying.

The Temporary Speaker (Hon. Agola): Next Order!

Hon. Okiri: Please let it go to the Hansard that the First Reading is the Short Title...

The Temporary Speaker (Hon. Agola): Hon. Okiri, what you are trying to bring out can only come in Order No. 8.

Hon. Okiri: First Reading of the Kisumu County Supplementary Appropriation Bill, 2018 because this is what is appearing in the Order Paper of the day. Please don't gag the House Mr. Speaker.

The Temporary Speaker (Hon. Agola): Hon. Okiri, please resume your sit.

The Temporary Speaker (Hon. Agola): Hon. Leader of Majority, the next Order after No. 8 can you please guide the House.

Leader of Majority (Hon. Kenneth Onyango): Thank you Mr. Speaker. I would wish to give a Notice for Adjournment of this House for a short Recess, thank you.

The Temporary Speaker (Hon. Agola): Fair enough.

Next Order!

STATEMENTS

Hon. Guya: Thank you Mr. Speaker. Sometimes back I stood here to seek for Statements; two of them.

1. From the Chair, Water, Environment and natural Resources and;
2. County Assembly Service Board.

Mr. Speaker, you directed that the concerned persons give their responses in two weeks' time and it never came up and you made a directive again after another two weeks the responses were to be brought and it never came up. Mr. Speaker, today is the third time I am rising again to request for those statements.

The Temporary Speaker (Hon. Agola): Hon. Leader of Majority, can you please give us the progress report on the same?

Leader of Majority (Hon. Kenneth Onyango): Thank you Mr. Speaker. I want to apologize on behalf of the House for the delays that have been occasioned in tabling these reports and I want to promise that I will expedite and liaise with the relevant departments so that the reports are tabled at the soonest convenient time, thank you.

The Temporary Speaker (Hon. Agola): Order, Hon. Leader of Majority! Can you please give us a timeline because the time provided by law has elapsed and we had given you adequate time which has equally elapsed? Please can you tell the House when you are bringing these reports to the House? So that it is noted down.

Leader of Majority (Hon. Kenneth Onyango): Thank you Mr. Speaker. We are resuming on Monday, 09th April, 2018. Those who are digital can assist us to know when 09th April, 2018 will be. I am duly informed that 09th April, 2018 will fall on a Monday so give me the first Thursday of that week and I want to believe that is fair enough.

The Temporary Speaker (Hon. Agola): That is noted.

Next Order!

MOTION

FIRST READING OF THE KISUMU COUNTY SUPPLEMENTARY APPROPRIATION BILL, 2018 – HON. STEVE OWITI

The Temporary Speaker (Hon. Agola): Hon. Members, I wish to refer you to the business that we have at hand and I direct that the Bill be expunged. Hon. Okiri you were informing the House and it is your time to move what you wanted to move. Hon. Members, don't use this Order Paper because it has some errors because we are waiting for the proper Bill to be brought to the House. Hon. Okiri, the floor is yours?

Hon. Okiri: Thank you Mr. Speaker. With the dignity and the respect we accord this August House, I beg to request that the Bill be read for the First time, thank you.

The Temporary Speaker (Hon. Agola): Hon. Okiri you are right, the Clerk.

THE KISUMU COUNTY SUPPLEMENTARY APPROPRIATION BILL, 2018

The Temporary Speaker (Hon. Agola): Hon. Members, I wish to refer you to the business that we have at hand.

Hon. Okiri: Thank you Hon. Speaker, with the respect of this August House Mr. Speaker, I beg to allow the Clerk of Budget to read the Bill for the 1st time.

Temporary Speaker (Hon. Agola): Yes, you are right Hon. Okiri. Yes it is the Clerk to read the Bill and not the Hon. Chairperson for Budget.

Clerk at the Table: The Kisumu County Supplementary appropriation Bill 2018.

Temporary Speaker (Hon. Agola): Hon. Members, I therefore commit this Bill to the Committee of Budget and Appropriation. Next order. Madam Clerk please change order no.11 to be order no. 9. Take us through order 11 which is now order 9

CONTINUATION OF ECD AND ADULT TRAINING AND VOCATIONAL TRAINING REPORT BY HON. JUDITH OGAGA

Temporary Speaker (Hon. Agola): Hon. Judith Ogaga Member for Central Kisumu Ward.

Hon. Judith: A report of Education Committee on Bursary and Scholarship. We believe that Early Childhood development is the key to a productive life of a child, and to the progress of a Nation and in pursuant to section 193 part 5 of the County Assembly Standing Orders adopted by the County Assembly of Kisumu.....

Temporary Speaker (Hon. Agola): Order! Member, are you continuing or starting a fresh? I ask for the leave of the House for Hon. Judith Ogaga to continue since the Vice Chairperson of the Education Hon. Rashid Miruka who had started reading the report is not present in the House today and he is the one who knows where he stopped. Therefore, Hon. Juddy, I have asked for the leave of the House for you to continue.

MOTION

Hon. Judith: This is;

REPORT OF EDUCATION COMMITTEE ON BURSARY AND SCHOLARSHIP KISUMU COUNTY ASSEMBLY

INTRODUCTION

We believe that Early Childhood Development is the key to a full and Productive life for a child and to the Progress of a Nation and in pursuant to section 193 part 5 of the County Assembly Standing Orders adopted by the County Assembly of Kisumu on Wednesday 2nd March 2016 at 3.30 p.m pursuant to section 14 of the County Government Act (No. 17 of 2010), we have the mandate to ensure quality, child-friendly and accessible service delivery to pre-school children through promoting quality services for children by overseeing the adherence of standard and quality assurance guidelines in Early Childhood Development and Education at the County.

Research indicates that the early years present an unparalleled opportunity for learning and skill development because the young growing brain is receptive. Early skills, which help children think critically express themselves, build confidence and problem solve, are the basis for development of academic skills.

Article 53(1) state that every child has a right to free and compulsory basic education.

Likewise to Vocational Training, also known as Vocational Education Training, Career and Technical Education, is all the training needed for a certain job. Vocational training does not apply to professions like medicine or law, but to trades such as auto repair, plumbing or even funeral services and retail. These programs generally focus on providing students with hands-on instruction in a specific trade, and generally allow them to forgo the general education courses associated with most postsecondary programs.

The Youth Polytechnic Training function was transferred to the County Governments through Legal Notice No. 16 of February 2013 and gazette notice no. 116 of 9th August 2013 pursuant to the Fourth Schedule of the Constitution of Kenya 2010 where the County Government roles were to look after:

1. Pre-Primary education

- i) Registration of pre-primary schools
- ii) Employment of pre-primary teachers
- iii) Capacity Building of stakeholders, school committees and communities on ECDE

2. Village polytechnics

3. Home craft centers

4. Childcare facilities

At the advent of the County Government, all the staff who were in the counties and performing devolved functions were deemed seconded to continue providing services.

The overall goal of Education is to achieve quality education, training and research for sustainable development and facilitate the achievement of Kenya Vision 2030. Others are Home craft Centers and childcare facilities.

COMMITTEE MANDATE

All matters related to pre-primary education, village polytechnics, home craft centers and childcare facilities (Constitution of Kenya 4th Schedule (9))

MEMBERSHIP OF THE COMMITTEE:

The committee is constituted by the following:

- | | | |
|-------------------------------|---|--------------------|
| 1. Hon. Judith Ogaga | - | Chairperson |
| 2. Hon. Rashid Miruka | - | Member |
| 3. Hon. Beatrice Odongo | - | Member |
| 4. Hon. Erick Agolla | - | Member |
| 5. Hon. George Olwal | - | Member |
| 6. Hon. Kenneth Onyango | - | Member |
| 7. Hon. Hon. Gard Olima | - | Member |
| 8. Hon. Paul Okiri | - | Member |
| 9. Hon. Prisca Misachi | - | Member |
| 10. Hon. Victor Rodger Otieno | - | Member |
| 11. Hon. Benny Oiko | - | Member |
| 12. Hon. Seth Ogutu | - | Member |
| 13. Hon. Consolata Ollows | - | Member |
| 14. Hon. Philemon Ojuok | - | Member |
| 15. Hon. Seth Kanga | - | Member |
| 16. M/S Roseline Awuor | - | Committee Clerk |

In attendance:

William Ogada - Serjeant at Arms

TERMS OF REFERENCE:

To investigate on:

Bursary and Scholarship in Kisumu County.

The Kisumu County Education Fund Amendment Bill 2016 provided for legislative framework for the Management of Kisumu County Bursaries Fund to assist needy students from the County. Part III and IV provides for the establishment and functions of the County Education of the Ward Bursary and Scholarships Committee and part V makes provisions for application for the same.

PART III: ESTABLISHMENT AND FUNCTIONS OF THE COUNTY COMMITTEE

5) (1) There is established a committee to be known as the County Education Bursary and Scholarship Committee.

(2) The County Education Bursary and Scholarship Committee shall consist of:-

a) Chief Officer of the County Department for the time being responsible for matters relating to Education or a designated alternate not being below the level of Director;

b) The Chief Officer of the County Department for the time being responsible for matters relating to Finance or a designated alternate not being below the level of Director;

c) The Director of ECD in the County Government designated alternate not being below the level of Director.

d) One person, not being public officers, experienced in education matters and who ordinarily reside in the County.

e) One person representing faith based organizations involved in education matters in the county.

f) Three persons who ordinarily reside in the County representing marginalized groups

g) The Administrator of the Fund who shall be an ex-officio member.

PART IV: ESTABLISHMENT AND FUNCTIONS OF WARD EDUCATION BURSARIES AND SCHOLARSHIPS COMMITTEES

10. There is established Ward Education Bursaries and Scholarship Committee in each Ward.

11. (1) The Committee shall consist of:

- (a) Chairperson appointed by the County Executive Committee Member responsible for matters related to Education
- (b) Ward Administrator who shall be the secretary to the committee.
- (c) A person representing faith based groups
- (d) Additional three members of the community, bearing into consideration gender balance, representation of the youth and persons with disability.
- (e) A representative of non-governmental organizations nominated by a joint forum of non-governmental organizations in the ward.

PART V – APPLICATION AND AWARD OF BURSARY AND SCHOLARSHIPS.

- 14 (1) Every student wishing to be considered for the grant of bursary or scholarship shall make an application to the committee in a prescribed form.
- (2) The ward committee may accept or reject any application for a bursary or scholarship.
 - (3) If the ward committee accepts the application, it shall recommend to the County Committee to grant bursary or scholarship to the eligible student.
 - (4) If the ward committee rejects the application, it shall notify the applicant such rejection in writing and the reasons thereof.
 - (5) Any applicant aggrieved by the decision of the ward committee may appeal to the county committee within thirty days of the ward committee's decision.

The Bursary was introduced to enhance access, ensure retention and reduce the disparities and inequalities in provision of education in Kenya. In communal involvement in decision making, it was anticipated that there would be fairness and efficiency in the whole process. The number of bursary applicants has continued to increase and the bursary award has had no relationship with the beneficiary's socio-economic and the average amount of money allocated depended more on the who is who than one's socio-economic status. There is no statistical significant difference in

allocations between students in provincial, district schools, private and day schools leading to awards spread thinly to many students.

The bursaries fund was necessitated by Bursary Act 2014 and the Kisumu County gazette supplement amendment bill 2016.

The Committee invited the CEC member for Education to their meeting of 11th January 2018 citing areas of interest for discussion. This was as a result of the motion moved by Hon. Steve Owiti on Bursaries and scholarship program for bright needy students and committed to the Committee of ECD Education and Vocational Training on 30th November 2017.

METHODOLOGY:

To achieve the objectives, the research adopted both the Survey and case study designs. The targeted population were Education Committee Members of Bungoma and Kakamega County Assemblies, the Kisumu County Education Office, Sampled few parents of the children who are beneficiary of the Funds, and Head Teaches of Schools.

FINDINGS

Despite achievements, County's Education Sector has had a number of challenges. Governance, management and administration have fallen short of expectations. The result has been gaps in service delivery, learning outcomes, teacher management, teacher competence and performance levels, all of which hinder the meeting of education sector targets. However, the County Executive Committee was receptive and agreed that the level of poverty was very high hence the need for bursary.

Some of the key findings were as follows:

1. Ineffective and uncoordinated monitoring and evaluation of education outcomes and programmes
2. Lack of adequate guidelines to address crosscutting issues that affect learning outcomes such as: Poverty, hunger, conflict and emergencies, social values.

3. Education in the County is not given much attention in terms of budgetary allocation e.g in 2016-2017 education had only 4% of the County budget.
4. Inadequate strategies for teacher development, inefficient management and infrastructure in terms of workshop and office administration.
5. Bursary allocation for Kisumu County is maintained at 2 million per ward annually which is very meager as compared to what other counties are allocated e.g. Kakamega - 8 million and Bungoma – 8 million annually. All these issues produce challenges for relevance, quality and equity for the County Education sector. (See annex 2 - Bungoma Education Fund Bill 2015)
6. To large extent, formal education has focused almost exclusively on academic specialization without proactively generating technical, vocational and other talents, skills and aptitudes to support the County’s development agenda. This has led to poor and limited facilities, resulting in unsatisfactory transition rates from secondary to tertiary and higher education.
7. Inadequate allocation of funds for bursary which leads to weak linkages between education and labour market including low progression from primary to secondary. (see annex 3)

RECOMMENDATIONS

1. Offer bursaries and scholarships in an effort to mitigate the adverse effects of poverty and other factors hindering access to education at all levels with a lot of civic education and follow up on the beneficiaries ‘performance.
2. There is need to amend Kisumu County Education Fund Bill 2014(amendment bill 2016) to conform to the County Program Plan and to safeguard what is not our core mandate i.e the Bursary.
3. The committee recommends an educative administrative structure that ensures equity of access, efficiency of governance and management and provides evidence-based quality assurance of learning.

4. There is need to increase the bursary allocation from 2 million presently to 4 million annually to improve retention and completion rate in our institutions.
5. The County should enhance strong collaborative partnerships between National, counties, Institutions like Non-Governmental Organizations, Equity Bank, Kenya Commercial Bank and community interests for sustainable development.
6. There is need to develop a strategic plan for education department for ease of resource mobilization and consistent tracking of educational activities.
7. Review and strengthen current vocational education, training management and government structures and processes.
8. Construct or rehabilitate existing infrastructure to enhance school attendance.
9. Provide adequate teaching and learning materials to attract students in these institutions.
10. The MCAs should ensure that their oversight role in bursary disbursement is prompt.

CONCLUSION:

Poverty index and rate of unemployment shows that there is a lot of need for scholarship and bursaries to support the vulnerable children who are the future leaders of our County of Kisumu. We need to put more attention on education for sustainable development.

Much appreciation specially goes to the education committee members. Had it not been for their commitment and consistent hard work, then, this assignment would have not been done successfully like it has been done.

Finally, I would like to inform the house that this same committee should be bringing another report to the house on Vocational Training centers which was our very first assignment but due to lack of funds this has not been possible.

I now call upon Hon. Victor Rodgers to second.

Hon. Rodgers: Thank you Mr. Speaker, I stand to second this report on ECD. Aware that most of our students drop out of school because of school fees and as we did our research we realized that some Counties do give adequate money for this programme, we have very bright students who drop out of school because of lack of school fees and some of them hardly go to school. So if we could encourage our County to increase the amount of allocation to these students so that they may be able to continue with their learning programme. So I kindly ask this House to support this report.

Temporary Speaker (Hon. Agola): **Very well Honorable Member, I want to put a question on the adoption of the report and before we adopt this report, I believe that it is your time as Honorable Members to discuss this report. Yes Hon. Kenneth Onyango.**

Leader of Majority (Hon. Kenneth Onyango): I rise to support this report of ECD on Bursaries and scholarship. I want to say that Education especially at that stage is a very important requirement for a child. The child's development is usually by and large an environment in which the child grows so that this child can be given a good education at that tender age and he/she can have an equal opportunity like any other child. As a Member of this committee, I want to say that Bursaries and scholarships have played a very important role in our education system and it will be imperative that these programmes are well guaranteed in our education system. Kisumu County is one of the Counties where the poverty indexes are very high and the Households that normally survive per day. So it therefore means that these House Holds cannot properly manage the needs of their children. That is the reason why the County Government must come in. I want to say that we need to have a system where our ECD are properly mainstreamed in our educational system. As it is today, we find that there are so many ECD teachers that are not properly qualified and even those who are qualified are not properly denominated and that to say can compromise the quality of education. I would wish as it has happened in many other Counties like Busia where mainstreaming ECD has been given an upper priority. Is you go to many primary schools in Busia, you will find that the County Government has a purpose to build ECD bursaries right from the baby class to nursery to pre-unit. If all these are done then I believe that our children will get proper education. I believe that the qualification of our ECD teacher will be looked into and we also need to promote the training of vocational training. Even though we say that education is now free, there are those who still drop out of school at early stage and therefore if we include vocational colleges, that will decrease the gap for those children who will not proceed secondary education. With those remarks, I therefore want to support this motion.

Temporary Speaker (Hon. Agola): Yes Hon. Otura.

Hon. Otura: I rise to support this Motion as per the report that has been table in the House and I take this opportunity to recommend the Chair of ECD for having done a good work. In addition to what has been talked about, I would like to emphasis on the ECD teachers. The report is good and I want to ask the chairperson that when you will be tabling the Vocational Training centers report, you should also consider the aspect of skilled ECD teachers so that these teachers will be able to bring the breed that we want in our County. It is only through the ECD program where we can achieve what the westerners are doing. We need not to have failures in our County. The report talks about the increment in allocation of Bursary fund from **Kshs. 2,000,000.00 to Kshs. 4,000,000.00**. This goes directly in helping the total orphans and the needy. I think that this should be taken very seriously. As you can remember, we had bursary disbursement which was

gives to our various wards and we were only given the **Kshs. 2,000,000.00**. Even up to that, I had 1600 applicants in my ward. I therefore urge that this report to be seriously considered and an increment be implemented as reported. I want to urge the chairperson that it is quite unfortunate that the Vocational Training Report is not tabled and this is the second level of devolved unit in education. The level of arrogance and hooliganism in our wards is brought about by lack of implementation of contingent unit of vocational Training centers. I urge the chairperson that this should be tabled immediately and we should get the support from the necessary departments. I support the motion.

Temporary Speaker (Hon. Agola): Very well. Yes Hon. Okumu.

Hon. Okumu: I rise to give my contribution to the report tabled.

Hon. Okumu: The committee tried their best to give us a report and I want to say they were so biased on the allocation of bursary although I wanted to support it. I want to remind the house that the devolved part of education system was ECDs and Vocational Centres. I would have loved the committee to give us the total number of ECD teachers we have in the County visa vie the number of kids. I would have loved to know the number of Vocational instructors that we have visa vie the institutions. I had an incident that I would never forget. ECD teachers we are having currently were being told to go and collect some money so that the report that they write at the ward would reach the County. That tells you how bad the allocation of that department is. For that reason, I would request the Committee that as we move forward, some of the recommendations they need to give the house is to focus on the mandate of the County with the devolved Education system. It is so sad that we are spending money on bursary yet we have needy children and we have schools which do not have ECD teachers. Sometimes I wonder in 10 – 15 years to come, who will be going to these secondary schools that we want to commit bursaries to without bringing up kids from the early stages.

In the report, they made so many recommendations which I approve of but I would have loved that they be specific. I want to give a case of East Seme which has only one vocational centre. As of last year, 500 children did exams and only 14 are going to university. The rest will go to vocational training. I wanted to bring that to the knowledge of the house so that they know how much we should invest in the Vocational Training. I appreciate the report by the Education Committee but I want to request that they focus more in the devolved functions of the County Government. Thank you.

Hon. Khan: Thank you very much. This report that has been tabled today is good. It is quite impressive. If you want to mould a child from birth you have to know the basis of managing the future of the child and that is why it is called Early Child Development. That is to learn, know, understand, hear and visionary on what she or he would like to be in future. What I want to emphasize more is that whatever you do not give a child especially ECD education, you will find

a child not progressively doing well academically when she or he is in primary school. The same applies when the same child is being pushed to the wall just to pass exams, we are not going to produce people who are worth to the society. Any Primary School within our locality without ECD should be asked to explain why, because this envisage the future of the children and it will make them to fail in life. The same applies to children when they have done Std 8 or 'O' level. During our time we used to have intermediate. It was to prepare you from Std 1-4 then 4-8 then at the end there was academic performance where you do exams then go to 'A' level and University. In this time of the era, we are trying to produce children and they need to have extra classes where children will learn. That is why we are lacking the technocrats in the future of early and other jobs. We find majority of our people would like to go for white collar jobs rather than vocational training. Therefore Mr. Speaker, I join and strongly support this report. Thank you.

Hon. Steve: Thank you. I rise to support the report tabled before this house and Mr. Speaker Sir, I want to applaud the efforts of the Education Committee who have come out clearly to point to us the direction which the County should take with regard to the question. We all agree that if you want to build a good house which will last for ever, you must put a strong foundation. It is very funny that on a number of occasions, we are always more concerned about finishing a house without putting necessary precautions. I would like to relate this to the Education of our County. When we move to our Local schools, it is pathetic, the situation which our children are. In fact when we move around especially my ward in Kolwa East, we find that children who do not even know how to sit well are not even provided with chairs to help them start reading and writing. If we are not going to invest in the Education of our young children, there is no way we as a county will produce professionals that we want. There is no way we will improve the Educational Standards that we cherish. I want to say that as we move forward, we must put a lot of emphasis. We must re-direct the education fund to ECD and we must also take into account the welfare of our ECD teachers who mould the characters of our children because they are the people we entrust our children with and at the end of the day we always have to find ECD teachers have made our children disciplined and focused children who will in turn be reliable people in Education. I beg to support and say we should support the Early childhood education. Let us focus as much as possible so that we put more resources in our next budget.

I would also want to reiterate the importance of bursary. It may be true that Education at Primary and Secondary Level are not devolved but when you look at the parity levels within our people, most of our children who perform well come from poor background and they are not able to access Secondary Education. I think it is very correct and encouraging from the committee to propose and increase the allocation on bursary. If you look at what the Central or National Government is giving, we realize that most of our bright students are not able to go to school on this alone because the boarding fee is always very high. As a County that believes we have brains that would want to develop our man power so that we can exert our skills, I would want to

say that I also support the proposal by committee that this figure be moved up to the tune of 4 million. Thank you.

Hon. Linet: Thank you so much Mr. Speaker Sir. As I stand to support this motion, I would like the house know that this is the stage where a child can be destructed or built. We need to know how to handle children at ECD stage. They need to have good classrooms. One of the schools in Chemelil Ward ECD, children are sitting under a tree. As we support the report of this Committee, we must also think how we are building these children to be good citizens of tomorrow. If we mistreat them, they might not see the importance of Education, therefore we must make them comfortable by providing classrooms for them. We also need to think of their feeding program because it is our core mandate. We also need to provide them with knowledgeable teachers who will bring them up in a good manner. Thank you.

Hon. Ooko: Thank you. May I call the mover of the motion to reply?

Hon. Judith: Thank you so much Mr. Speaker. I want to start by making a correction. This report was specifically on Bursaries and Scholarship Disbursement. Not ECD or Vocational Training though these are our core mandate. Education is the foundation of development according to our SDGs and I therefore call upon our County Government to give it the maximum attention it needs for us to be able to move it to a different level. Proper foundation is very important if given to our children and as much as bursary is not our mandate, as a committee we are aware of that but there is also need for our children to be able to continue with their education. As much as we do things, we need to put in consideration the ECD children and our youths who are supposed to be attending our Vocational Centres. I would also want to make a correction again. Bursary was meant to be two million and not one million. This one million came about because we had to divide it to other institutions like university but the other one million was to take care of ECD and Vocational Training.

I want to also bring to your attention that Nationally, Education Committee are working away of Training Centre within our Counties because they need to have ECD Teachers who are qualified and it is happening in all the 47 counties. I would also like to say that our ECDs face a lot of challenges apart from just having teachers who are not qualified, not motivated we also find that most of the ECD programs that we have are not up to date. You will find ECD children sharing toilet with big primary pupils and this is a problem. There is also feeding program. We only provide rice and you wonder how that program runs. Places like Muranga even give their children milk. We should come out as Legislatures and take action so that our children are well taken care of. We need not to say that Bursary is not our mandate, if it comes from community and it appears in the CIDP, we have no option but to move into our budget and that is why after having bench mark with Bungoma, it was necessary to factor it in because for them they have pushed it to eight million. Kakamega has many program which they do to have capitation for the youth and even ECD which we do not have in Kisumu. That is why we also recommended that

ours should be increased from two million to four million then later to six million if possible but the disbursement of this money should take into consideration the ECD and Vocational Training Students. Otherwise I want to take this opportunity to thank all members for deliberating very well on this report. I also thank the Committee of Education and to request the Speaker now to direct it to the appropriate committee for implementation. Thank you.

The Temporary Speaker (Hon. Agola): Very well, Hon. Members, I want to put a question of the adoption of the report of the Education Committee on Bursary and Bursary for needy and deserving students.

(Question put and agreed to)

I now commit this report to the Committee of Implementation for necessary action and I give them 21 days. The report shall be brought back after recess.

Next order.

MOTION

**REPORT ON THE FIRST KISUMU COUNTY SUPPLEMENTARY BUDGET ESTIMATES
F/Y2017/2018 - BY HON. STEVE OWITI, CHAIRPERSON, BUDGET AND
APPROPRIATIONS COMMITTEE**

Introduction

Mr. Speaker Sir and Hon. Members,

This is the first supplementary budget estimates for the fiscal year 2017/2018 prepared by this new administration after the 8th August, 2017 General Elections.

The budget was submitted vide letter reference **CGK/FIN/C/A/S VOL.1 dated 20th February, 2018** and subsequently laid before the House on Thursday 1st March, 2018 where it was committed to the Sectoral committees for interrogation, scrutiny and verification before making a report with their recommendations to the committee on Budget and Appropriations. The Budget and Appropriations committee to consolidate, review and scrutinize the Sectoral committees reports before making a general report with recommendations to the House. A budget is a financial management tool where a Government entity uses its equitably its financial resources to provide services to its taxpayers. THAT, Chapter 12 of the Constitution of Kenya provides that;

The following principles shall guide all aspects of public finance in the Republic—

- (a) there shall be openness and accountability, including public participation in financial matters;
- (b) the public finance system shall promote an equitable society, and in particular—
 - (i) the burden of taxation shall be shared fairly;
 - (ii) revenue raised nationally shall be shared equitably among national and county governments; and
 - (iii) expenditure shall promote the equitable development of the country, including by making special provision for marginalized groups and areas;
- (c) the burdens and benefits of the use of resources and public borrowing shall be shared equitably between present and future generations;
- (d) public money shall be used in a prudent and responsible way; and
- (e) financial management shall be responsible, and fiscal reporting shall be clear

The preparation of this Supplementary Budget Estimates was necessitated as a tool for management, promoting equity and service delivery.

Acknowledgment

The Budget and Appropriations Committee wishes to convey its sincere gratitude to the leadership of the County Assembly, the Clerk, Members of the Committee and technical staff for the unwavering support they provided to this Committee that has resulted to the timely preparation of this report and in equal measures applaud Hon. Members of this House who made their submission to be placed in Committees that will ensure they discharge their mandate with ease and effectiveness.

Finally, I thank the Office of the Speaker for the moral support, personal input and the provision of a conducive environment suitable for accomplishing this task of interrogating, scrutinizing and analyzing this Supplementary Budget Estimates to enable efficient and smooth operationalisation of the County in major emphasis on service Delivery to its residence.

LEGAL FRAMEWORK FOR THE PREPARATION AND APPROVAL OF THE SUPPLEMENTARY BUDGET ESTIMATES/APPROPRIATION

1. Article 223 of the Constitution allows a County or National Government to spend money that has not been appropriated if; the amount appropriated in the appropriation Act is

insufficient or a need has risen for expenditure for a purpose for which no amount has been appropriated by the Act.

- The approval for any spending shall be sought for the Assembly/parliament within **two** months after the first withdrawal of the money.
- Where the Assembly has approved spending; an Appropriation Bill shall be introduced for the appropriation of the money spent.
- In any particular financial year, the county government may not spend under this article more than ten percent of the sum appropriated by parliament/Assembly for the financial year unless in special circumstances, parliament/Assembly has approved a higher percentage.
- Section 135 of the Public Finance Management Act provides that circumstances which a County Government do submit supplementary budget estimates to county Assembly.
- A county government may spend money that has not been appropriated if the money appropriated under any purpose under the county appropriation Act is insufficient or a need has risen for expenditure for a purpose for which the money has been withdrawn for the county government emergency fund.
- A County Government shall submit a supplementary budget in support of additional expenditure for authority for spending the extra money.
- **A county budget entity shall describe how the additional expenditure relates to the fiscal responsibility principle and financial objectives.**
- The county government may not spend under this section more than ten percent of the amount appropriated by the county assembly for that year unless a higher percentage has been approved by the Assembly.

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

(2) Prior to incurring any expenditure under paragraph (1), Accounting Officers shall seek the approval of the County Treasury, and if approval is granted by the County Executive Committee Member, it shall be communicated to the Accounting Officers through a notification which shall be copied to the Auditor-General and the Controller of Budget.

(3) The purpose for which approval is sought for a supplementary budget shall be—

(a) **unforeseen and unavoidable**, in circumstances where no budget provision was made; or

(b) **unavoidable**, in circumstances where there is an existing budgetary provision which, however, is inadequate.

(4) For purposes of paragraph (3), the following shall not be considered unforeseen and unavoidable expenditure—

(a) expenditure that, although known when finalizing the estimates of the original budget, could **not be accommodated** within allocations; and

(b) **tariff adjustments and price increases**.

(5) Accounting Officers may seek supplementary budget if the expenditure cannot be met by budget reallocation under section 154 of the Act. Kenya Subsidiary Legislation, 2015 341

(6) The request for supplementary budget in paragraph (5) shall be presented in a format that facilitates comparison with the original budget and shall contain all the information necessary to enable a decision on the application to be reached and shall include—

(a) the Vote, program, sub-programme and broad expenditure category which it is desired to supplement, the original sum voted thereon and any supplements which may have since been added;

(b) the actual expenditure and the outstanding liabilities or commitments against the item on the date when the request is made;

(c) the amount of the supplement required, the reasons why the supplement is necessary and why it has not been possible to keep within the voted provision;

(d) the basis for the calculation underpinning the supplementary; (e) the proposed source of financing of the additional expenditure;

(f) an analysis of the fiscal impact of the additional expenditure, or of the implications, if any, for the planned outputs and outcomes of the affected programmes;

(g) any implied deviation from the Medium Term Expenditure Framework (MTEF) and the financial objectives; and

(h) the latest fiscal projections.

(7) The county government entity requesting additional funds through a supplementary budget process shall submit a memorandum to the County Treasury, on a date determined by County Treasury.

(8) For avoidance of doubt, budget allocations for new policy options and service delivery initiatives shall only be considered when introduced in the annual estimates of budget in accordance with the procedure laid down in the Act and these Regulations.

(9) In approving any estimates under sections 135 and 154 of the Act, that County Assembly approval shall not **exceed ten (10%) percent** of the approved budget estimates of a program or Sub-Vote unless it is for an **unforeseen and unavoidable** need as defined in **section 112** of the Act.

(10) The County Executive Committee member shall submit a copy of the budget estimates approved under this regulation to the National Treasury.

(11) Any changes in the Budget by the County Assembly shall not exceed 1% of the vote's ceilings

COMMITTEE COMPOSITION

The Budget and Appropriations Committee as currently constituted under the provisions of County Assembly Standing Order **No. 189** of the County Assembly Standing Order comprises of the following members;

1. Hon. Steve Owiti	Chairperson
2. Hon. Aslam Khan	Vice-chairperson
3. Hon. Kenneth Odhiambo	Member
4. Hon. Gard Olima	Member
5. Hon. Sally Okudo	Member
6. Hon. Jane Manuche	Member
7. Hon. Roy Samo	Member
8. Hon. George Olwal	Member
9. Hon. Judith Ogaga	Member
10. Hon. Kennedy Ouma	Member
11. Hon. Maurice Ngeta	Member
12. Hon. Seth Ochien'g	Member
13. Hon. Carren Oguok	Member
14. Hon. Julius Genga	Member
15. Hon. George Abaja	Member

MANDATE OF THE COMMITTEE

The Committee derives its mandate from county Assembly standing Order No. 189 and it is not limited to;

County Budget and Appropriations Committee

189.(1) There shall be a select Committee to be known as the County Budget and Appropriations Committee.

(2) The Committee shall consist of a Chairperson, the Vice-chairperson, The Liaison Chairperson, Finance Chairperson and not more than eleven and not less than eleven Members.

(3) The functions of the Committee shall be to-

- (a) investigate, inquire into and report on all matters related to coordination, control and monitoring of the County budget;

- (b) discuss and review the estimates and make recommendations to the County Assembly;
 - (c) examine the County Budget Policy Statement presented to the County Assembly;
 - (d) examine Bills related to the County Government budget, including Appropriations Bills; and
 - (e) evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.
- (4)The County Budget and Appropriations Committee constituted by the County Assembly immediately following the General Election shall serve for a period of three calendar years and that constituted thereafter shall serve for the remainder of the County Assembly term.
- (5)Five Members of the Budget Committee shall constitute a quorum.
- (6) The Committee shall invite Chairpersons of all Sectoral Committees to make presentations during the consideration of the budget.

UNPACKING OF THE FIRST SUPPLEMENTARY BUDGET ESTIMATES FY 2017/2018.

FACTORS THAT NECESSITATED THE EXECUTIVE TO PREPARE THIS SUPPLEMENTARY BUDGET ESTIMATES.

The preparation of this Supplementary Budget Estimates was necessitated by the confirmation that, the County had **unspent cash balances** as at **30th June, 2017**, which was overstated by **Kshs 196,952,224.00** in the Approved Budget Estimates. The actual unspent cash balances as at **30th June, 2017** of **Kshs 550,888,446.00** which is lower than the earlier projected balance of **Kshs 747,840,670.00** this reduced the Resource Envelope by a margin of **Kshs 196,952,224.00** hence a need to reduce the approved Budget by way of Supplementary.

The increase of Personnel Emoluments (**PE**) in-line with the Salaries and Remuneration Commission (**SRC**) and successful negotiations of Collective Bargaining Agreement (CBA) in the Health Sector between the Union, National Government and the County Government

increased allocations of Personnel Emoluments hence the need for providing the increase in the Budget.

The new administration, appointed various task-forces to investigate and recommend issues that will enable it fix a myriad of problems facing the County and also to integrate the new administration Manifesto within the structures of the County Government. This exercise has increased operations and maintenance costs which need to be fixed by way of Supplementary Budget, as this was not foreseen when the Budget was being prepared and approved.

In the approved Budget Estimates, the Kenya Roads Board Funds were allocated across all the departments. This is contrary to the PFM Regulation of 2015 which requires that the funds to be ring fenced and domiciled in the Transport, Roads and Public Works Department hence, the removal of all the projects from the various department to comply with the requirements.

Due to political upheavals and long electioneering period which has impacted negatively on locally generated revenues, there is need to project realistic and the probable actual revenues which the County anticipates to collect in this financial year and this has led to reduction of the Resource Envelope.

Below is a summary of factors that necessitated the preparation of a **Supplementary Budget for FY 2017/2018**;

S/No	Necessitating Factors	Effect on Budget
1.	Lower Opening Balance than Projected when Budgeting	Will reduce Resource Envelop and Departmental Allocation across board.
2.	To in-cooperate revised Kenya Roads Board Funds Project	Reduction of Development Allocation across all Departments
3.	To increase Personal Emolument allocation in line with the SRC Guidelines and CRA	Reduction of Operation and Maintenance across all Departments
4.	Unanticipated operations of task-	Reorganization of Operation and maintenance

	forces	across all Departments
5.	Reduction of Low Revenue in-line with advisory from the Office of the Controller of Budget (OCOB)	Reduction of Resource Envelop

Effects of Adjustment on Reduction of Resource Envelope visa-vie the approved Budget Estimates FY 2017/2018.

The reduction of the Resource Envelop by **Kshs 443,389,038.00** which is tabulated herein below has reduced the revenue column in the Approved Budget by the same margin.

S/No.	Revenue Stream	Approved Budget (Kshs)	Supplementary Budget (Kshs)	Reduction	Reduction %
1.	Opening Balances in CRF	747,840,670	550,888,446	196,952,224	26.34%
2.	Share from National Government	7,515,012,382	7,515,012,382	-	-
3.	Locally Collected Revenue – Main Revenue Streams	947,064,629	782,235,469	164,829,160	17.40%
4.	Locally Collected Revenue – Revenues	448,191,421	366,583,767	81,607,654	18.21%

	from other Streams				
5.	Total Revenue	9,658,109,102	9,214,720,064	443,389,038	4.59%

Broad Effect on Executive Programmes

With the compressed resource envelope, the increased Personal Emolument to cater for recently adjusted salaries by the Salaries and Remuneration Commission (SRC) and an increment in the Health Sector emoluments and subsequent reduction on the Development ceilings has warranted the need for the proposed revised estimates which intends to address these challenges.

The change of these effects is summarized here below;

Development Expenditure Component (DE)

Even though Development Expenditure has reduced as shown here below, the statutory **Development Ratio of 30%** is complied with.

Expenditure category	Approved Budget	Supplementary Budget	Reduction	Reduction %
Development	3,037,095,482	2,825,067,704	212,027,778	6.98%

Operation and Maintenance Component (O&M)

The ceiling of O&M has come down due to the reduced Resource Envelop and increased Personnel Emoluments. In order to maintain the intended level of service delivery, it is recommended that Accounting Officers institute austerity measures on the non-essential services.

Expenditure	Approved	Supplementary	Reduction	Reduction %
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category	Budget	Budget		
Operation and Maintenance	3,436,896,121	2,624,842,386	812,026,735	23.63%

Personal Emolument (PE)

The PE ceiling has gone up to take care of the salaries adjustment as explained here below;

Expenditure category	Approved Budget	Supplementary Budget	Increment	Increment %
Operation and Maintenance	3,184,144,499	3,764,809,973	580,665,474	18.24%

The Kisumu County Proposed Supplementary Budget Estimates FY 2017/2018 can now be summarized as shown below;

INCOME/REVENUE STREAMS

COUNTY GOVERNMENT OF KISUMU RESOURCE ENVELOP FOR FY 2017/2018

S/NO.	ITEM	APPROVED BUDGET FY 2017/2018	REVISED BUDGET FY 2017/2018
1	Opening Balance CRF A/c	747,840,670.00	550,888,446.00
2	Equitable Share	6,553,400,000.00	6,553,400,000.00

3	DANIDA	16,403,019.00	16,403,019.00
4	World Bank (Kenya Devolution Support Programme (KDSP))	46,361,941.00	46,361,941.00
5	Conditional Allocation - other loans and grants	30,073,021.00	30,073,021.00
6	Conditional Allocation - Development of Youth Polytechnics	28,472,587.00	28,472,587.00
7	World Bank Grant for transforming Health Systems	46,312,993.00	46,312,993.00
8	EU Grant for Devolution Advise	66,000,000.00	66,000,000.00
9	Level 5 Conditional Grant (Reducing)	369,017,341.00	369,017,341.00
10	Conditional Allocation for compensation for user fees foregone	21,165,550.00	21,165,550.00
11	Conditional Allocation for leasing of Medical Equipment	95,744,681.00	95,744,681.00
12	Conditional Allocation for Road Maintenance Fuel Levy Fund	242,061,249.00	242,061,249.00
	Total Share of National Revenue	8,262,853,052.00	8,065,900,828.00
Locally Collected Revenue			
	Main Revenue Stream		
1	Market Fees	106,890,323.00	87,427,504.00
2	Parking Fees	106,684,436.00	87,259,106.00

3	Bus Park Fees	153,195,258.00	125,301,137.00
4	Boda-boda Self Regulation Fees	25,000,000.00	20,447,946.00
5	Rents	49,524,583.00	40,507,040.00
6	Land Rates	185,231,425.00	159,118,486.00
7	Single Business Permit (SBP)	133,500,389.00	109,192,352.00
8	Building Plans	23,431,689.00	19,165,197.00
9	Liquor License	22,195,755.00	18,154,304.00
10	Sign Board Promotions (etc)	76,256,227.00	62,371,330.00
11	Public Health and Others	3,155,937.00	2,581,298.00
12	Cess– Others	61,998,607.00	50,709,768.00
	Sub-total for Main Revenue Stream	947,064,629.00	782,235,468.00
Revenue from Other Sources			
1	Health	346,122,359.00	283,099,658.00
2	Agriculture Mechanization and Training	15,853,705.00	12,967,028.00
3	Commerce, Tourism and Heritage	1,888,653.00	1,544,763.00
4	Industrialization and Cooperatives	74,256.00	60,736.00
5	Education, Sports & Social Services	2,468,752.00	2,019,237.00
6	Physical Planning and Survey	3,283,696.00	2,685,794.00

7	Water	9,000,000.00	7,361,261.00
8	Roads, Public Works Equipments Hire & Supervision	60,000,000.00	49,075,071.00
9	Energy and Mining	2,500,000.00	2,044,795.00
10	Green Energy and Mining	5,000,000.00	4,089,589.00
11	Environmental Pollution Administrative & Restoration Charges	2,000,000.00	1,635,836.00
	Total Revenue from Other Sources	448,191,421.00	366,583,768.00
	Gross Locally Collected Revenue	1,395,256,050.00	1,148,819,236.00
	GRAND TOTAL (KSHS)	9,658,109,102.00	9,214,720,064.00

EXPENDITURE**SUPPLEMENTARY BUDGET ESTIMATES SUMMARY FY 2017/2018**

Departments	Personnel Emoluments	Operations and Maintenance (O&M)	Development	Total
Agriculture, Livestock and Fisheries	218,701,037.00	57,876,052.00	149,916,875.0	426,493,964
The County Assembly of Kisumu	162,649,138.00	493,967,666.00	0.00	656,616,804
City of Kisumu	596,532,706.00	72,546,522.00	159,784,182.0	828,863,410

Kisumu County Public Services Board	20,895,725.00	14,744,481.00	3,309,175.00	38,949,381
Education, Gender Youth, Culture & Social Services	156,003,244.00	198,042,201.00	12,0508,160.0	474,553,605
Energy and Mining	13,251,482.00	48,174,160.00	126,551,982	187,977,624
Office of the Governor and County Administration	217,079,080.00	211,034,037.00	83,518,641.00	511,631,758
Health Services	2,108,919,482.00	632,027,328.00	145,525,611.0	2,886,472,421
ICT and Communication	20,192,725.00	46,558,949.00	120,508,157.0	187,259,831
Industrialization and Enterprise Development	11,139,462.00	28,327,079.00	136,904,910.0	176,371,451
Roads, Transport and Public Works	59,673,758.00	116,181,744.00	399,070,308.	574,925,810
Lands, Housing and Physical Planning	13,018,993.00	13,682,438.00	131,821,237.0	158,522,668
Commerce, Tourism and Heritage	13,915,595.00	27,410,364.00	133,502,302.0	174,828,261
Finance and Planning	86,839,723.00	570,156,880.00	978,339,927.0	1,635,336,530
Water, Environment and Natural Resources	65,997,823.00	94,112,486.00	135,806,237.0	295,916,546.00

Totals	3,764,809,973	2,624,842,387	2,825,067,704.	9,214,720,064
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EXPENDITURE SUMMARY

Category	Amount	Percentage
Personnel Emolument	3,764,809,973.00	40.86%
Operation and Maintenance (O&M)	2,624,842,386.00	28.54%
Development	2,825,067,704.00	30.60%
Total	9,214,720,063.00	100.00%

THE SUPPLEMENTARY BUDGET ADHERENCE TO LEGAL FRAMEWORK

The process of supplementary budget preparation, approval and implementation must adhere to the Constitution of Kenya, the Public Finance Management Act, 2012, the PFM (County Governments) Regulation, 2015 and the Standing Orders of the County Assembly.

Strictly speaking, an ideal supplementary budget should abide by these set down laws and regulations to avoid distorting the spirit and the letter or agenda envisaged in the approved budget for a given financial year. In interrogating, scrutinizing and reviewing, the adherence of the supplementary budget for **2017/18** to the legal framework, the following concerns were noted:

- a) The provisions of **Article 223(1) of the Constitution, section 135 of the PFM Act, 2012 and regulation No. 39 (3) of the PFM (County Governments) Regulation, 2015**, were adhered to while preparing this supplementary budget since factors that necessitated its production were either insufficiency of funds due to reduced Revenue Ceilings or unforeseen and unavoidable circumstances such as establishment of taskforces by the new administration which were not

envisaged when the approved Budget was being prepared and / or, the increment of Personnel Emoluments as a result of Labour Related negotiations and SRC Evaluation Review Report.

- b) The provision of **Section 135 (7) of the PFM Act, 2012** and **regulation No. 139 (10)** which provides that the **Supplementary Budget Estimates shall not exceed 10%** of the Approved Budget Estimates was adhered to. Since the Supplementary only proposed a change by **4.50%** way below the 10%.
- c) As required under **section 135 (3) of the PFM Act, 2012** and County Assembly Standing No. 217 (2) that, the supplementary budget shall include a statement showing how the additional expenditure relates to the **fiscal responsibility principles and fiscal objectives. This information was not expressively provided.**
- d) As required under **Regulation No. 39 (6)(b) of the PFM**, the supplementary budget has not indicated Information on actual budget performance as well as the outstanding liabilities and commitments.
- e) The provision of **Regulation No. 39 (6) (e)** is **adhere to** since the financing of additional expenditure in the Personnel Emolument is explained.
- f) The **provisions of Regulation 39 (8)** were adhered to since there is no new policy/projects introduced in the Supplementary Budget.

As required in section 107 (2) (b) of the Public Finance Management Act, 2012 the Supplementary Budget adhered to the fiscal responsibility principles of Development Expenditure Allocation at a minimum of 30%.

Legal Compliance Matrix

Legal Compliance of Supplementary Estimates F/Y 2017/2018

Item	Constitution of Kenya, 2010	PFM Act, 2012	PFM Regulations, 2015	Standing Orders	Total Score	Comments
Item	General Overview and Legal provisions					

1. Additional expenditure should be because either insufficiency of amounts provided, need arisen for which no amounts were allocated or withdrawal from Emergency Fund	223 (1)	135 (1)	139	217 (1)	10	Responsive (10/10)
2. Overall budget change should not be more than 10 percent of the printed estimates unless County Assembly approves a higher percentage	223 (5)	135 (7)	39 (9)	N/A	10	Responsive (10/10)
CONFORMITY TO THE PROVISIONS OF THE PFM LAW, ITS REGULATION & COUNTY ASSEMBLY STANDING ORDERS						
3. Reallocation changes per program should not exceed 10 percent of total approved budget of a program unless for unforeseen circumstances	223 (5)	135 (7)	39 (9)	N/A	10	Responsive (10/10)
4. Conformity to Fiscal Responsibility Principles		107	25	217 (2)	10	<ul style="list-style-type: none"> • The Re-current expenditure is equal to total revenue PFM, 2012 107 (2) (a) • There is no wage limit approved by the County Assembly

						<p>contrary to Regulation 25 (a).</p> <ul style="list-style-type: none"> • The provisions of Regulation 25 (b) that, the wage limit shall not exceed 35% is not adhered to since the wage bill is 40.86% • A minimum of 30% of the Development Expenditure is complied with PFM, Act, 2012 section 107 (b) and Regulation 25 (g). • Score 8/10
5. A schedule showing the list of programmes or projects that is affected by the proposed supplementary budget.			39 (6)		10	<p>Responsive 10/10</p>

6. Conformity to Financial Objectives		44(3)			10	7/10
7. Presentation in a Programme Based Budgeting Format					10	
8. Information on budget performance (actual expenditure and outstanding liabilities/commitments)			39(5)(b)		10	No information provided regarding the actual expenditure and liabilities.
9. Details of supplementary changes (amount, reasons for change, basis for calculation)			39(6)		10	Information provided. Responsive 10/10
10. Sources for funding of additional expenditure			39(6)(e)		10	Information provided. Responsive 10/10
11. Analysis of the fiscal impact of the additional expenditures for the planned outputs and outcomes of the affected programmes			39(6)(f)		10	Information provided. Responsive 10/10

12. Updated Fiscal Projections			39(6)(h)		10	Information provided. Responsive 10/10
13. No new programmes/ project to be introduced in the Supplementary Budget			39 (8)		10	Responsive 10/10

COMMITTEE MADE THE FOLLOWING FINDINGS, OBSERVATIONS AND RECOMMENDATIONS.**Office of the Governor and County Administration**

The following is a summary of Departmental Approved and Supplementary Budget Estimates for FY 2017/2018:

OFFICE OF THE GOVERNOR AND COUNTY ADMINISTRATION

Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
General Administration	482,205,184.00	458,740,621.00	23,464,563.00
Internal Administration Services	65,300,000.00	43,371,137.00	21,928,863.00
Inter-governmental Relation		9,520,000.00	9,520,000.00
			0.00
Totals	547,505,184.00	511,631,758.00	35,873,426.00

Committee Observation, Finding and recommendations after defense and Submission by the CEC Finance;

Issues raised by the Budget and Appropriation Committee on The Supplementary Budget Estimates FY 2017/18	CEC Finance Responses	Committee Recommendations
1. There was a reduction of Kshs 35,873,426 in the total allocation which affected the Emergency Vote head by Kshs 29,522,982.00 . The Committee observed that the reduction will affect the looming floods in areas prone to floods within the County	The reduction was as a result of decrease in the resource envelop of Kshs 443,989,038 and a decrease in Governance Development Ceiling of Kshs 29,522,982.00	Though the reduction would affect the operations under Disaster Management and Emergency Relief, the Committee was convinced with the response that the reduction was as a

		result of shrinkage in the Resource Envelope.
<p>2. THAT, out of the funds that were initially allocated for Disaster Management and Relief in the Supplementary Budget as shown above Kshs 10 million has been allocated a major repair works at Sunset Hotel. The Committee demanded an explanation how repair works is related to Emergency Relief. The Committee directed that upon satisfactory explanation on this project, it should be recorded as a County-wide Project and not Ward-based</p>	<p>Total Development allocation to Governance is Kshs83,518,641</p> <p>Kshs 10 million was for major repairs at Sunset Hotel</p> <p>Kshs 73,518,641 for Disaster Management and Emergency Relief.</p>	<p>The CEC Member for Finance further informed the Committee that the Sunset Hotel requires a major face-lift which is estimated to cost Kshs 100 million and the National Government is intending to fund the rehabilitation and the County Government has proposed a Kshs 10 million counter-funding for the rehabilitation to increase their share capital. This will enhance County Revenue.</p> <p>The Committee recommended that,</p> <ul style="list-style-type: none"> • A detailed report of the ownership of the

		<p>Sunset Hotel be availed in the Assembly</p> <ul style="list-style-type: none"> • The Kshs 10 million is justifiable. • The project be placed as a County-wide project and not under Market/Milimani Ward, under the Department of Finance and Planning
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DEPARTMENT OF FINANCE AND PLANNING			
Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
Planning and Development Co-ordination Services	188,326,736.00	89,946,736.00	98,380,000.00
Financial Services	1,891,774,791.00	1,545,389,794.00	346,384,997.00
Totals	2,080,101,527.00	1,635,336,530.00	444,764,997.00

Issues raised by the Budget and Appropriation Committee	CEC Finance Responses	Committee Recommendations
1. THAT , there was no explanation on how a lump-sum of Kshs 288,308,475 in the Sub-program other Operating Expenses. The Committee therefore resolved that a detailed breakdown be availed	Kshs 288,308,475 allocated for Pending Bills - Recurrent	The Committee recommended that <ul style="list-style-type: none"> • The recurrent Pending Bill of Kshs 288,308,475 is justifiable
2. THAT , explanation be availed for the sum of Kshs 871,391,927 under the Sub-program Acquisition of Non-financial Services (Construction of Civil Works)	Kshs 619,609,822 was allocated for pending Bills Grassroots Support Development Program was allocated Kshs 251,257,045 Amount allocated to purchase office Furniture was Kshs 250,000 (operation and Maintenance for Finance Dept) Purchase of Computers, Printers and other IT equipment Kshs 275,000 (Operations and Maintenance for Finance Department)	The Committee recommended that <ul style="list-style-type: none"> • Kshs 100 million be removed from the Development Pending Bill and the same be reallocated to Grass-root Support Development programme • That the Pending Bill for Development be approved at Kshs 519,609,882.00 in the Supplementary

		Budget <ul style="list-style-type: none"> • The grassroots Support Development programme be approved at Kshs 351,257,045
3. THAT, the listing of the projects funded by Kshs. 619,609,882 for the pending bills be availed.	Attached is a List of pending bills.	The list of Pending Bills Kshs 519,609,882 be tabled before the Assembly for scrutiny before payments is made.

DEPARTMENT OF HEALTH SERVICES			
Programme P101	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
General Administration Planning and Support Services	1,804,679,398.00	2,243,738,602.00	439,059,204.00
Preventive and Promotive Health services	38,758,041.00	55,258,406.00	16,500,365.00
Curative and Rehabilitative Health Services	770,300,564.00	587,475,413.00	182,825,151.00
Totals	2,613,738,003.00	2,886,472,421.00	272,734,418.00

The Committee noted the following;

Issues raised by the Budget and Appropriation Committee	CEC Finance Responses	Committee Recommendations
1. Completion of construction of Maternity wing at JOOTRH – Kshs 44,000,000, Countywide	This project was initially budgeted at Kshs 15,000,000. However, by the closure of last financial year good progress had been realized on other projects that have since been completed and therefore removed in this supplementary budget to realize more resources that have been additionally allocated to this project	The Committee recommends that; <ul style="list-style-type: none"> • The completion of Maternity Wing at JOOORTH be approved at Kshs 15 million being the original amount in the approved Budget. • The Committee was concerned that additional Kshs 29 million may not be absorbed within the remaining period of the two months to closure of the year (Procurement Procedures.)
2. Completion of construction of Children’s Center at JOOTRH – Kshs 2,000,000.00 , Countywide	This project was initially budgeted at Kshs 5,234,351. However, by the closure of last financial year good progress had been realized that made us to scale down its budget to Kshs 2,000,000.	The Committee was convinced by the response and approved Kshs 2 million for the project.
3. Construction of Surgical Complex at JOOTRH – Kshs 20,000,000.00, Countywide.	This a new project aimed at decongesting the current surgical ward which does not meet the requirements due to increased number of patients undergoing surgical procedures.	The Committee was not convinced with the responses given by the CEC Member hence recommended removal of Kshs 20 million from the Supplementary Budget.
4. Construction of Waste Disposal Microwave – Kshs 10,000,000.00, Countywide.	This is meant to construct a housing unit for a waste disposal Shredder and Microwave machines that	The Committee was convinced with the response that there was need for Construction of Waste Disposal

	<p>has already been delivered to the site by the National government in corroboration with the Belgium Government. Nine, (9) counties benefited from this project including Kisumu, Kisii, Kakamega, UasinGishu, Nakuru, Nairobi and two others. However Kisumu has lagged behind in putting up this structure since some counties have already commissioned while others are about to commission the machines. The contract signed between the Kenya Government and the Belgium Government is that the machines should be commissioned by August 2018. Therefore pushing this project to next Financial Year will mean that we shall loose the project.</p>	<p>Microwave and therefore approved that amount of Kshs 10,000,000.00.</p>
<p>5. Purchase of Plant Machinery and Equipment – Kshs 10,388,431.00, Countywide</p>	<p>These are basic equipment for health centers and dispensaries. Since the commencement of devolution, the County Government of Kisumu has built more that 33 new health centers and dispensaries, some of which have not been operationalized to date due to absence of these equipment and health staff. These equipments will be used to</p>	<p>The Committee recommended that the original allocation in the Approved Budget of Kshs 20 million be maintained for the purposes of Purchase of Plant Machinery and Equipment to cover the 35 Wards.</p>

	operationalised non-functional facilities and beef up others. The initial budget for purchasing equipment was Kshs 20,000,000 . However this has been scaled down to 10,388,431 to accommodate other emerging priority projects that were not in the initial approved budget.	
6. Completion of Kosawo Health Centre, Kisumu Central – Kshs 4,000,000.00 , Kondele, Kisumu Central	This project was started by the authorities but has never been completed to date. There is a Turkish partner ready to immediately equip the facility if construction is finished and hence there is an urgent need to complete it within this financial year.	The Committee was satisfied with the responses and recommended that the Assembly approves the Budget at Kshs 4 million .
7. Completion of Kisumu County Hospital – Maternity Wing – Kshs 5,242,180.00	Completion of Kisumu County Hospital at 5,242,180 –the budget from the previous financial years was not paid out since it turned to a pending bill at the closure of the financial and the contractor has since failed to continue with the works until the pending bill is paid.	The request for Kshs 5,242,180.00 was disallowed because the Committee noted that the same amount could have been budgeted under the Pending Bills.
8. Completion of Lumumba Sub-county Hospital - Kshs 3,000,000.00, Market Milimani,	This is meant to finish the construction of the administration block to create space for service delivery as KUP project	The request for Kshs 3,000,000.00 to allow for re-location of the current Administration Block to pave way for the KUP to construct

	takes over the rest of the facility for face lifting this financial year.	a modern office block be approved.
9. Wall-fencing of Chulaimbo Sub-county Hospital - Kisumu Central – Kshs 4,000,000.00 , NW Kisumu, and Kisumu Central	This hospital is in dire need of wall fencing and replacement of asbestos roof. Wall fencing has been prioritized in the supplementary budget and replacement of asbestos roof will be prioritized next financial year. This is the only project for Kisumu West Sub-County	The Committee recommends that the priority be given to the removal of the Asbestos roofing hence Kshs 4 million be utilized for the same.
10. THAT, a breakdown and explanation showing the location and nature of the buildings worth Kshs 104,500,000.00 be provided.	There is no specific vote with Kshs 104,500,000 . The department has however provided a full list for all its development project.	The committee established that this amount was provided voted under Sub-programme SP0101 Kshs 39 million and SP0301 at Kshs 75 million totaling to Kshs 114 million which was part of the Development Cost of Kshs 145,522,611.00
11. THAT, details of breakdown on Electricity, Water and Sewerage amounting Kshs 28,600,000.00 at JOOTRH be availed to the Committee.	The amount of sh. 28,600,000 relates to financial year 2019/2020. Attached are copies of bills	The Committee found that this figure was reasonable hence approved the same but, directs that copies of the bills be availed for verification.

DEPARTMENT OF

COMMERCE, TRADE AND HERITAGE			
Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
General Administration	113,014,776.00	81,450,103.00	31,564,673.00
Trade Development and Management	55,783,886.00	54,873,886.00	910,000.00
Regulation and Verification of Weights	16,418,884.00	12,884,272.00	3,534,612.00
Tourism Development and Management	28,070,000.00	25,620,000.00	
Totals	213,287,546.00	174,828,261.00	36,009,285.00

Issues raised by the Budget and Appropriation Committee	CEC Finance Responses	Committee Recommendations
1. Murraming and fencing of Katito market at North Nyakach Ward - Kshs 2,500,000.00	<p>This project was introduced because of the current situation of the market due to the flooding caused by the rains. The traders have raised complaints about the unfriendly trading environment in that market due to the mud and overflow of water and are threatening to boycott paying taxes to the county government.</p> <p>To improve the situation there is need to have the level of ground raised through murraming and leveling it.</p> <p>The fence is also to</p>	<p>The Committee was convinced with the explanation given by the CEC Finance hence Kshs 2.5 million be approved for Murraming and fencing of Katito market at North Nyakach Ward</p>

	enhance the security of the market and control the entry and exit points to and out of the market.	
THAT, the following Development Projects were deleted from the Supplementary Budget without an explanation;		
1. Market Shade at Nyakwere Market in West Nyakach Ward - Kshs 2,000,000.00	The project was deleted from the supplementary budget was necessitated by the reductions we were asked to make by the finance department. We were asked to reduce our development budget by 30 million and that necessitated removal of some projects. This was randomly done to meet that target. However the same project will be carried forward to 2018/2019 if reflected in the Annual Development plan.	The Committee was in agreement that the deletion was occasioned due to reduced Resource Envelop which ultimately reduced the Budget Ceiling for the Department
2. Market Shade and toilet Ogenya Market in Kabonyo/Kanyagwal Ward - Kshs 2,500,000.00	The project was deleted from the supplementary budget was necessitated by the reductions we were asked to make by the finance department. We were asked to reduce our development budget by 30 million and that necessitated removal of some projects. This was	The Committee was in agreement that the deletion was occasioned due to reduced Resource Envelop which ultimately reduced the Budget Ceiling for the Department

	randomly done to meet that target. However the same project will be carried forward to 2018/2019 if reflected in the Annual Development plan.	
3. Infrastructure Works at Riat Market in Ahero Ward - Kshs 3,500,000.00	The project was deleted from the supplementary budget was necessitated by the reductions we were asked to make by the finance department. We were asked to reduce our development budget by 30 million and that necessitated removal of some projects. This was randomly done to meet that target. However the same project will be carried forward to 2018/2019 if reflected in the Annual Development plan.	The Committee was in agreement that the deletion was occasioned due to reduced Resource Envelop which ultimately reduced the Budget Ceiling for the Department
4. Market infrastructure at Apoko Market in South West Nyakach Ward - Kshs 1,200,000.00	The project was deleted from the supplementary budget was necessitated by the reductions we were asked to make by the finance department. We were asked to reduce our development budget by 30 million and that necessitated removal of some projects. This was	The Committee was in agreement that the deletion was occasioned due to reduced Resource Envelop which ultimately reduced the Budget Ceiling for the Department

	randomly done to meet that target. However the same project will be carried forward to 2018/2019 if reflected in the Annual Development plan.	
5. Market infrastructure and toilet at Kinasia Market in East Kano Wawidhi Ward - Kshs 2,500,000.00	The project was deleted from the supplementary budget was necessitated by the reductions we were asked to make by the finance department. We were asked to reduce our development budget by 30 million and that necessitated removal of some projects. This was randomly done to meet that target. However the same project will be carried forward to 2018/2019 if reflected in the Annual Development plan.	The Committee was in agreement that the deletion was occasioned due to reduced Resource Envelop which ultimately reduced the Budget Ceiling for the Department
6. Market toilet at Keyo Market, Ombeyi Ward - Kshs 1,000,000.00	The project was deleted from the supplementary budget was necessitated by the reductions we were asked to make by the finance department. We were asked to reduce our development budget by 30 million and that necessitated removal of some projects. This was	The Committee was in agreement that the deletion was occasioned due to reduced Resource Envelop which ultimately reduced the Budget Ceiling for the Department

	randomly done to meet that target. However the same project will be carried forward to 2018/2019 if reflected in the Annual Development plan.	
7. THAT, an amount of Kshs. 2,530,181.00 gratuity for County Executive Committee Members be explained since there is another allocation of Kshs 10 million budgeted under the Office of the Governor and County Administration	Gratuity for County executive committee Member - since each department had budgeted for their staff salaries including the CEC, it was only logical to budget for the CEC's gratuity since they were exiting within the financial year. I will not be in a position to explain about the allocation in the office of the Governor and County Administration.	The Committee was convinced with the response given by the CEC Finance hence Kshs. 2,530,181.00 be approved.
8. THAT, a breakdown be provided on the beneficiaries of the Trade Loan Revolving Fund which has a budget of Kshs 40,268,386.00 in the Supplementary Budget Estimates FY 2017/2018.	Trade Loan Revolving Fund – This is a credit facility to the Micro and Small individual Traders within Kisumu County. This Fund was established through an act of the County Government called Kisumu County Trade Fund (Amendment) Act, 2016. The loans are given to individual traders who are already in business for purposes of increasing their business stock.	The Committee recommended that; <ul style="list-style-type: none"> • Kshs 10 million be allocated to Trade Loan Revolving Fund • The balance of Kshs 30,268,386.00 be utilized to improve the markets infrastructure to enhance Revenue Collections • A list of beneficiaries

	<p>The Fund so far has only received an allocation of 10 million for the FY 2015/2016. The required seed capital for the fund is 100 million. As a department we have been putting in the budget a certain amount with the aim of reaching the target of 100 million. The Fund has a bank account and once the money is received in the account, the Traders are encouraged to apply, where the vetting process is done and only the applicants who meet the requirements of the loan are considered.</p> <p>Therefore it is not possible to give a breakdown of the beneficiaries of the Khs 40,268,386.00 which is yet to be received. But we have the list of beneficiaries of part of the 10 million that was received earlier.</p> <p>It is our request that we get this money as budgeted for as we strive to reach the 100 million target as the seed capital to be able to give loans to the traders of Kisumu County.</p>	<p>of this Funds be availed to the Assembly for verification.</p> <ul style="list-style-type: none"> • Reference be given to the Markets in the Approved Budget.
<p>THAT, a breakdown be provided on activities to be funded under the sub-program of other Infrastructure and civil works amounting to Kshs 54,400,000.00 and Kshs 49,268,386.00 in the program under General Administration Planning and</p>	<p>That was the approved budget for Trade Revolving Fund which has been reduced to Khs40,268,386.00. That is a typing error and the right</p>	

Support Services and Trade, Development and management respectively.	amount should be inserted. As explained under No. 4 this money once received will be loaned out to the traders of Kisumu County as a revolving loan.	
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DEPARTMENT OF ROADS, TRANSPORT AND PUBLIC WORKS			
Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
Roads, Transport and Public Works	411,654,763.00	574,925,810.00	163,271,047.00
Totals	411,654,763.00	574,925,810.00	163,271,047.00

Issues raised by the Budget and Appropriation Committee	CEC Finance Responses	Committee Recommendations
THAT, the following new item were introduced in the Supplementary Budget, contrary to regulation 39 (8) of regulation, 2015;		
1. Purchase of Clothing and Uniforms worth Kshs 1,218,842.00 .		The Committee approved the expenditure of Kshs 1,218,842.00 .
2. THAT, an explanation be provided for increase in the amount allocated for Routine Maintenance and other assets from Kshs 41,621,020.00 to Kshs 50,811,020.00 .		The Committee approved the expenditure of Routine Maintenance and other assets from Kshs 41,621,020.00 to Kshs

		50,811,020.00.
3. THAT, the Committee was satisfied with an allocation of 4,500,000.00 equally distributed in all the 35 Wards for Development of roads.		
4. THAT, additional funding be made available for the maintenance of various roads within the County Kshs 40,000,000.00		The Committee recommended that the Kshs. 40,000,000 for Roads maintenance be approved for the maintenance of Roads.
5. THAT, the following roads were considered to be new contrary to regulation 39 (8) of regulation, 2015;		
a) KowadeMbaka Oromo Secondary School Access road, North West Kisumu		The Committee the disallowed the request to fund this project
b) MagareSanda Access Road, Masogo/Nyangoma Ward.		The Committee the disallowed the request to fund thisproject
6. THAT, the project called Koru-Gilmori stage – Ogwedhi primary (page 259) be corrected and placed in Muhoroni/Koru ward instead of Chemelil.		The Committee recommended thatthe project called Koru-Gilmori stage – Ogwedhi primary (page 259) be corrected and placed in Muhoroni/Koru ward instead of Chemelil.

DEPARTMENT OF			
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INDUSTRIALIZATION, ENTERPRISE DEVELOPMENT			
Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
Department of Industrialization, Enterprise Development	232,184,985.00	176,371,451.00	-55,813,534.00
Totals	232,184,985.00	176,371,451.00	-55,813,534.00

Issues raised by the Budget and Appropriation Committee	CEC Finance Responses	Committee Recommendation
THAT, the following projects were deleted from the Supplementary Budget,		
1. Completion of Kabonyo/Kanyagwal Solar-based fish farming pilot project. (Blue economy) - Kshs 3,000,000.00		The Committee recommended that due to financial constraint the projects be differed and budgeted for in the FY 2018/2019 budget Estimates.
2. Completion of Kabonyo/Kanyagwal fish water distribution and solar pumping systems - Kshs 1,000,000.00		The Committee recommended that due to financial constraint the projects be differed and budgeted for in the FY 2018/2019 budget Estimates.
3. Supply of Soil correction fertilizer and additives for demo sites - Kshs 1,500,000.00		The Committee recommended that due to financial constraint the projects be differed and budgeted for in the FY 2018/2019 budget Estimates.
4. Supply and purchase bio-fuel (Best-K-Projects) - Kshs 3,000,000.00		The Committee recommended that due to financial constraint the projects

		be differed and budgeted for in the FY 2018/2019 budget Estimates.
5. Purchase of feasibility Services for Climate evidence for housing and archeological material, East Seme Ward - Kshs 2,000,000.00		The Committee recommended that due to financial constraint the projects be differed and budgeted for in the FY 2018/2019 budget Estimates.
6. completion of Magada solar water distribution, Seme - Kshs 4,000,000.00		The Committee recommended that due to financial constraint the projects be differed and budgeted for in the FY 2018/2019 budget Estimates.
7. supply of equipment for energy access pilot centre, Ahero - Kshs 2,000,000.00		The Committee recommended that due to financial constraint the projects be differed and budgeted for in the FY 2018/2019 budget Estimates.
8. pre-feasibility study, sustainable and business model for plant operation, construction and installation of SLP high performance AD plant, countywide - Kshs 4,557,600.00		The Committee recommended that due to financial constraint the projects be differed and budgeted for in the FY 2018/2019 budget Estimates.
9. Design, 2MW, 2 stage AD plant, test and commission and conduct training of personnel for AD plant(commercial biogas), countywide - Kshs 2,000,000.00		The Committee recommended that due to financial constraint the projects be differed and budgeted for in the FY 2018/2019 budget Estimates.
10. Development of Innovation Centres for artisans and Jua-kali in Kibos, Kisumu East, Awasi/ Onjiko Ward in Nyando and Chemelil in Muhoroni - Kshs 12,000,000.00		The Committee recommended that due to financial constraint the projects be differed and budgeted for in the FY 2018/2019 budget Estimates.
11. That details to be provided on Construction of Civil Works costing Kshs 56,294,298.000.		The Committee recommended that due to financial constraint the projects be differed and budgeted for in the FY 2018/2019 budget Estimates.

12. The Committee wishes to be informed the purpose of the Boda-boda garage worth Kshs 2,500,000.00 at Central Nyakach, Nyakach Sub-county.		The Committee recommended that due to financial constraint the projects be differed and budgeted for in the FY 2018/2019 budget Estimates.
5. THAT, the following roads were considered to be new contrary to regulation 39 (8) of regulation, 2015;		
1. Operationalization of Fire-engine donated by the Japanese Government Kshs 6,500,000.00 what is involved in the operationalization, countywide		The Committee approved the expenditure of Kshs 6,500,000.00 for the operationalization of Fire Engine.

DEPARTMENT OF ENERGY AND MINING			
Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
Energy and Mining	171,036,282.00	130,851,760.00	40,184,522.00
Totals	171,036,282.00	130,851,760.00	40,184,522.00

Issues raised by the Budget and Appropriation Committee	CEC Finance Responses	Committee Recommendation
The Committee noted the following; THAT, the following new item were introduced in the Supplementary Budget, contrary to regulation 39 (8) of Regulation, 2015;		
1. Installation of Solar water heater, lighting and solar water pump, Kombewa Sub-county Hospital, Kshs 10,000,000.00 in Central Seme Ward, it is in the Approved		The Committee recommended that the Kshs. 10 Million was satisfactory.

Budget Estimate. (The figure should be justified) THAT, an explanation be provided on how approved budget for Purchasing of Motor Vehicles at a cost of Kshs 4,100,000.00 has been changed to purchase a residential building of Kshs 1,566,900.00 in the Supplementary Budget. The Committee also wondered how that amount can purchase residential buildings. (Public Works to provide the responses)		That the Purchase of Motor Vehicle be disallowed.
THAT, a breakdown be provided on an amount of Kshs 88,585,303.00 on other Infrastructure and Civil Works. (Public Works to provide the responses)		The Committee recommend that the amount be approved for development purposes.

DEPARTMENT OF GREEN ENERGY			
Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
General Administration Planning and Support Services	78,289,612.00	57,125,863.00	21,163,749.00
Totals	78,289,612.00	57,125,863.00	21,163,749.00

Issues raised by the Budget and	CEC Finance	Committee Recommendation
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Appropriation Committee	Responses	
<p>The Committee noted the following; THAT, the following projects were deleted from Supplementary Budget;</p>		
<p>1. Purchase of a 5 tons track hydraulic system, Countywide - Kshs 10,000,000.00 (be deleted)</p>		<p>The Committee was concerned by the failure of this Department to provide responses on the issues raised. The Committee therefore, to make recommendations based on their observation and findings.</p>
<p>2. Completion of Kabonyo/Kanyagwal solar based fish farming pilot project (blue economy), Kabonyo/Kanyagwal - Kshs 10,000,000.00</p>		<p>The Committee recommended the suspension of this project</p>
<p>3. Supply of soil correction fertilizer and additives for Demo sites, Countywide - Kshs 1,500,000.00</p>	<p>This was meant to complement the Demo for mobile testing equipment. However we were making a request for the same money to be used for supply of Greenhouse shed nets technology and water tanks for Pap Kadundo Bio-Technology centre which will produce seedlings production towards the 10% tree cover in Kisumu County. This is critical as we are in the rainy season and wish to maximize on the opportunity.</p>	<p>The Committee The Committee recommended the suspension of this</p>
<p>4. Completion of Magada solar water distribution, Seme - Kshs 4,000,000.00</p>		<p>The Committee The Committee recommended the suspension of this project</p>

5. Supply of equipment for energy access pilot centre, Ahero - Kshs 2,000,000.00		The Committee The Committee recommended the suspension of this project.
6. Pre-feasibility study, sustainable and business model for plant operation, construction and installation of SLP high performance AD plant, countywide- Kshs 4,557,600.00		The Committee The Committee recommended the suspension of this project
7. Design, 2MW, 2 stage AD plant, test and commission and conduct training of personnel for AD plant(commercial biogas)- Kshs 2,000,000.00		The Committee The Committee recommended the suspension of this project
8. Community flood light rehabilitation (power backup) (Maintenance) (Explanation to be provided)	Is meant for ongoing work which is meant to provide residents of respective markets with security lights and enhance business opportunities for small traders. The project was covering 10 centres. Five are complete and the rest are to be completed this F/Y.	The Committee recommended that the remaining projects be finance in the next Budget FY 2018/2019.
9. Community flood light rehabilitation (power backup), Obambo, Otonglo, Korowe, Kombewa, Awasi, Pap-onditi - Kshs 6,000,000.00 (Summation of Project 9 & 10)	Is meant for ongoing work which is meant to provide residents of respective markets with security lights and enhance business opportunities for small traders. The project was covering 10 centres. Five are complete and the rest are to be completed this F/Y.	The Committee recommended the suspension of this project to the next financial year

The Committee inquired to know;		
<p>THAT, an explanation be provided for the completion of Bio-energy Regional Centre, Masogo/Nyangoma which Kshs 20 million has been added in the Supplementary Budget. The Committee further demands that a comprehensive implementation report on this project be availed. (Provide the Committee with Details) Stage III.</p>	<p>This is a flagship project started in 2016. It is meant to support capacity building and trainings in Green energy and climate change concepts. It was realized that in the whole of East African region there is nocentre for Green energy and energy trainings in short or long tern courses. It is also within the mandate of the directorate to build capacity for staff and local community. The centre will have administration block, conference facilities and hostels at later stage. It is located on Eleven acre plot at Masogo -The first phase has done fencing and architectural designs -In its second phase it is going to construction of the administration block- This is an important phase since its start up will trigger support from partners- That is why we need the 20,000,000. -According to the architectural pan the administration block and conference facilities will cost Kshs. 55,760,000 -The next FY 208/2019 the project will need</p>	<p>The Committee recommended reinstatement Kshs 10 million which was in the Approved Budget Estimates. The Committee further recommends that a fact finding mission be conducted to verify and ascertain the project status.</p>

	<p>Kshs 35,760,000</p> <p>-The following years will need to be phased so as to include the accommodation/hostel facilities and the bioenergy labs and other facilities that can be supported by partners from within and without.</p> <p>- The project has long term benefits that will even bring revenue and local as well as international repute to the county.</p> <p>The concept has been explained to the Governor and we hereby attach the conceptual and architectural idea.</p>	
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DEPARTMENT OF AGRICULTURE, LIVESTOCK AND FISHERIES			
Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
General Administration Planning and Support Services	259,873,123.00	277,874,237.00	18,001,114.00
Agricultural Productivity and Output Improvement	79,825,729.00	62,809,710.00	17,016,019.00
Enhancement of Agriculture Credit and Input	33,704,025.00	21,547,793.00	12,156,232.00

Promotion of Sustainable Land Use	35,663,750.00	31,501,363.00	4,162,387.00
Promotion of Market Access and Products Development	35,435,737.00	32,850,861.00	2,584,876.00
Totals	444,502,364.00	426,583,964.00	17,918,400.00

Issues raised by the Budget and Appropriation Committee	CEC Finance Responses	Committee Recommendations
The Committee noted the following; THAT, the following projects were deleted from Supplementary Budget;		
1. Rehabilitation of irrigation Scheme, East Kano, Wawidhi, Nyando Sub-county - Kshs 7,400,000.00		The Committee to make recommendations.
2. Rehabilitation of Mamboleo, Kajulu Ward and Chemelil Slaughter Houses - Kshs 7,943,045.00		The Committee approved the expenditure of Kshs 7,943,045.00 for the rehabilitation of Mamboleo and Chemelil Slaughter House in Kajulu and Chemelil Wards respectively.
3. Construction of Fishbanda, West Nyakach, and East Seme Wards - Kshs 8,992,000.00	The Department planned to construct two Fish bandas in East Seme and West Nyakach wards at a cost of Kshs 8,992,000. However due to the reduced County Resource Envelop it agreed that we construct one at a cost of 5,000,000 the other will	The Committee approved the expenditure of Kshs4. 5 million for the construction of Fish-banda in West Nyakach. The Fish-banda for East Seme Ward be deferred to the next Financial Year

	be done in the next financial year	
The Committee delved and noted the following;		
THAT, the viability of Purchasing tractors at the cost of Kshs 15 million for Tractors, Kshs 8 million was for specialized machinery and purchase agricultural machinery equipment at Kshs 5 million needs to be reviewed. (CEC Member to provide the Committee with details)	The purchase of the tractors at Kshs15,000,000 and 5,000,000 that was meant to buy Motorcycles for field staff was occasioned by these attached cabinet papers and correspondences. (ANNEX 9b).	The Committee recommended <ul style="list-style-type: none"> • That the Expenditure of Kshs 5 million for the purchase of Motorcycle be approved to improve mobility of Agriculture Extension Officers/Field Staff to carry-out their extension services. • A total of Kshs 23 million comprising of Kshs 15 million for the purchase of Tractors and Kshs 8 million for the purchase of Specialized Agricultural Equipment be suspended.
THAT, explanation be provided for various feasibility studies and research and sustainable land use an activity which has been allocated large sums of money in the budget- Kshs 7,323,392.00		The expenditure of Kshs 7,323,392.00 for various feasibility studies and research and sustainable land use an activity was disallowed.
THAT, a breakdown on allocations under Other Infrastructure and Civil Works of civil works be availed to Members - Kshs 29,927,210.00	Breakdown on kshs 29,927,210 includes Development of Community Micro-irrigation for Horticulture, Rehabilitation of irrigation schemes in Nyando and Muhoroni, Irrigation for	The Committee approved the expenditure of Kshs 29,927,210 for the rehabilitation of irrigation schemes for horticulture in Nyando and Muhoroni Sub-counties.

	horticulture.	
THAT, members were concerned that the amount Kshs 10,503,788.00 is inadequate to purchase certified seeds which will cover the entire County. The committee resolved that this money be used to purchase seeds for specific interest groups within the County. (CEC Member to provide the Committee with details)	Ksh 10,503,788 is indeed inadequate for purchase of seeds. We budgeted for Ksh 12,878,925 but due to reduced resource envelop it was reduced to the aforementioned.	The Committee approved the expenditure of Kshs 10,503,788 for certified seeds.
THAT, members queried how the amount Kshs 33,440,000.00 budget under the purchase of animal and breeding stock would be apportioned to benefit the entire county. (CEC Member to provide the Committee with details)	The proposal for distribution of the animals to be procured by ksh 33,440,000 was tabled to the Assembly committee for Agriculture in a meeting called by the CECM Agriculture which ratified the proposal. The draft is herein attached.	The Committee was satisfied with explanation given, therefore recommended expenditure of that amount to be used for the purchase of Dairy Cattle, Dairy Goats and Poultry to be distributed within the County.

DEPARTMENT OF EDUCATION, GENDER AND**SPORTS**

Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
General Administration Planning and Support Services	177,346,953.00	170,233,244.00	7,113,709.00
Gender, Culture , sports and Social Services	98,099,690.00	70,072,316.00	28,027,374.00
Education and Youth Training	255,362,407.00	234,248,045.00	21,114,362.00
Totals	530,809,050.00	474,553,605.00	56,255,445.00

Issues raised by the Budget and Appropriation Committee	CEC Finance Responses	Committee Recommendation
The Committee noted the following;		
1. That there was no budgetary provision for Youth Vocational training Education grants Kitty. The Committee therefore recommended that an amount of Kshs 40,000,000 be provided for the same.	We concur with the committee that Vocational Training be given Ksh.40 Million to cater for various activities in the VTCs.	The Committee approved the expenditure of Kshs 40 million to be used as Bursary to promote Vocational Training. At least Kshs 1 million be distributed equally to all the 35 Wards.
2. Acquisition of non-financial assets of Kshs 62,631,206.00 the Committee demanded for a detailed breakdown of the buildings to be constructed and where.	The construction of the building,are explained in the development budget.	The Committee was satisfied with the explanation given, hence, approved expenditure of Kshs 62,631,206.00 to be used for the intended purpose.
3. Grants Kshs 100,000.00 . the committee sort an explanation on the reasons for the reduction from Kshs 500,000.00 to Kshs 100,000.00	Grant to tertiary should be going up and downwardsand we therefore concur with the committee.	The Committee recommended that the expenditure of Kshs 100,000 for Grants be removed.
4. Other operating expenses Kshs 288,308,474.00 the committee demanded to be provided with a breakdown of the makeup of this amount.	Operating expenses are explained in the recurrent budget.	The Committee observed that this amount be expunged, since it falls under finance department.
5. Construction of civil works Kshs 871,391,927.00 . The committee noted that this was a substantial amount of money that requires a comprehensive breakdown of the various civil works to be undertaken and where.	Not ours.	The Committee recommended that this figure be deleted, since it was captured under Pending Bills..
6. Housing Loans to civil servants Kshs 50,000,000 . The committee sorts an explanation on why there was a huge drop from the initial Kshs 100,000,000 to Kshs 50,000,000.00 and the number of beneficiaries.	Not ours.	The Committee approved the Expenditure of Kshs 50,000,000.00 for Housing Loans for Civil Servants Executive Staff.
7. Construction of buildings Kshs 56,000,000.00 . The committee demanded a detailed explanation on the kind and nature	Not ours.	The Committee noted that this is an expenditure under that Finance

of buildings to be constructed and where (HudumaCentres)		Department hence approved
The Committee further noted;		
a) In this Department, in some of the votes, Completion of ECD classes was allocated Kshs 1,000,000.00 while those earmarked as new where allocated Kshs 790,000.00 which they noted was no rationale in the allocation. It was recommended that old project be completed before embarking on new ones.		The Committee approved the expenditures as follows <ul style="list-style-type: none"> • Kshs 790,000 be used for completion of ECD classes. • Kshs 1,000,000 to be used for construction new classes.
b) The Committee request that they be provided with a Project Implementation Status Report of all incomplete ECD projects.		The Committee recommends that a Status Implementation Report of all projects be provided

DEPARTMENT OF WATER, ENVIRONMENT AND NATURAL RESOURCES			
Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
Water Service Provisions	231,313,774.00	196,353,148.00	34,960,626.00
Environment and Natural Resources	110,543,824.00	99,563,398.00	10,980,426.00
Totals	341,857,598.00	295,916,546.00	45,941,052.00

Issues raised by the Budget and	CEC Finance	Committee Recommendations
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Appropriation Committee	Responses	
<p>The Committee noted the following; THAT, the following new items were introduced in the Supplementary Budget, contrary to Regulation 39 (8), 2015;</p>		
<p>1. Supply and installation of borehole casing/gravel/park/borehole steel pipe cappings/sundries Kshs 10,000,000.00 (Should be retained as per Approved Budget)</p>	<p>This item was curved out of the borehole and equipping Budgets as the modality of undertaking the works have changed with the procurement of the Drilling Rig, Test pumping unit and the support trucks. Note that if the whole drilling works is being outsourced then the contractor provides everything, but when the county is undertaking the drilling then the materials required to secure and develop the borehole must be tendered for, supplied and stored for use during the actual drilling work.</p>	<p>The Committee recommends as follows;</p> <ul style="list-style-type: none"> • That the expenditure of Kshs 5,228,215.00 be removed from the completion of distillation. That Yao Kadongo in West Seme to be removed because falls under special programs • That the amount added be added to Supply and installation of Borehole casing/graveling/park/steel piping/ sundries to be now Kshs 15,228,215.00 respectively.
<p>That the following projects were removed from the Supplementary Budget;</p>		
<p>(a) THAT, rehabilitation of Muhoroni water supply Project phase III in Muhoroni/Koru Ward at a cost of Kshs 3,236,815.00 which was omitted in the Supplementary Budget be brought back. (Be deleted as a result of a funding by the National Government Kshs 29 billion)</p>	<p>The project was omitted as the works which were contracted under phase II have not been fully completed to allow for the phase III to commence. Since there was a reduction in the Development expenditure, the works</p>	<p>The Committee recommended that since there is a mega national water project in the region, the committee was satisfied with the removal of this project since it will be a duplication</p>

	have been deferred to 2018-2019 financial year.	
(b) Ramula Health Centre water project in Ombeyi Ward Kshs 3,413,380.00 omitted in the Supplementary Budget be brought back (Be deleted as a result of a funding by the National Government Kshs 29 billion)	The project was omitted as the works which were contracted under phase II have not been fully completed to allow for the phase III to commence. Since there was a reduction in the Development expenditure, the works have been deferred to 2018-2019 financial year.	Same as recommendation 2(a) above
3. THAT the project named distillation of Yao Kadongo (completion) in West Seme which is currently under water, environment and natural resources Kshs 5,228,215.00 should have been under special programmes.	Pan was tendered for under the 2016-2017 financial year under the open tender, but the contractors could not commence the works. The tender is yet to be terminated following the due process of PPOA regulations.	This amount of Kshs 5,228,215.00 is reallocated to Finance the Supply and installation of Borehole casing.

DEPARTMENT OF ICT AND COMMUNICATIONS			
Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
ICT and Communication Services	230,183,951.00	187,259,831.00	42,924,120.00
Totals	230,183,951.00	187,259,831.00	42,924,120.00

Issues raised by the Budget and Appropriation Committee	CEC Finance Responses	Committee Recommendations
<p>1. THAT, The Committee sought an explanation on the amount of Kshs 9,000,000.00 earmarked for the rehabilitation of civil works. (CEC to give and explanation)</p>	<p>Infrastructure in Information technology is a set of components that are the foundation of IT services typically physical components and in these case computers, networking hardware and facilities, software's and network components. This combined set of hardware, software, networks, facilities are used to develop, control and support IT services. The county has about 720 computers serviced and supported by the IT directorate. This allocation was done to extend the department's services to the sub counties and the wards.</p>	<p>The Committee approved the expenditure of Kshs 9,000,000.00 earmarked for the rehabilitation of civil works.</p>
<p>2. THAT, the amount of Kshs 74,000,000.00 earmarked for Installation ERP system phase II should be redirected to other more viable underfunded development projects. (Re-directed this amount to other more viable projects)</p>	<p>The ERP system Phase II is a viable project, anchored on Kisumu County's ICT Roadmap 2017 – 2022 that was ably drawn with the support of the ICT Authority and is aligned with Kenya's Vision 2030. ICT as an enabler is expected to contribute to the county's economic growth by reducing recurrent outflow,</p>	<p>The Committee was informed that there is investigation that is on-going on the ERP project. The Committee therefore disallowed the expenditure of Kshs 74,000,000.00 until conclusion of inquest.</p>

	<p>increasing efficiency, and ensuring accountability on the part of government officials.</p> <p>The ERP System is the county's processes management software that manages and integrates the county's financials, supply chain, operations, reporting, and human resource activities.</p> <p>The system's role is to accelerate performance using IT as the vehicle.</p> <p>This is an ongoing project, and the department needs to roll out phase II to operationalised the ERP system</p>	
The Committee further noted that;		
<p>THAT, the following new projects were introduced in the Supplementary Budget, contrary to regulation 39 (8) of PFM Regulation, 2015;</p>		
<p>a) County Editing Suite Kshs 3,000,000.00</p>	<p>The sole purpose of the three above is to support;</p> <p>I) Dissemination of information to the public. Information is power. Everyone must have access in line with the Kenyan Constitution of 2010 and The Access to information act of 2016. To comply, the Kisumu County's</p>	<p>The Committee recommends as follows;</p> <ul style="list-style-type: none"> • The expenditure of Kshs 3 million was disallowed That the expenditure of Kshs 7, million for outdoor advertisement was disallowed • Approved Kshs 3 million for web Design

	<p>communications directorate introduced a weekly newsletter produced internally at no cost. The newsletter is on its 59th issue since introduction.</p> <p>II) Production of ‘Kaunti wiki hii’ a weekly radio show as captured in the Communication directorate’s work plan to enhance public communication.</p> <p>III) The Kisumu County Youtube Channel – Though set up at no cost, needs content that can only be prepared in the editing suite.</p>	
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THE COUNTY ASSEMBLY			
Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
General Administration Planning and Support Services	281,517,708.00	314,347,275.00	32,829,567.00
Legislation and Oversight Services	375,099,096.00	342,269,529.00	32,829,567.00
Totals	656,616,804.00	656,616,804.00	32,829,567.00

PROPOSED SUPPLEMENTARY BUDGET FOR THE FY 2018/2018**NOTES TO THE BUDGET ESTIMATES****1 CODE 2211306 Membership /Subscription fee Kshs. 3,000,000**

The committee recommended that this vote be adjusted from the proposed **Ksh. 3,000,000** to **Ksh. 2,000,000** to pay the arrears related to this vote, and that if there shall be any outstanding balance then it should be fully provided for in the **FY 2018/2019** budget estimates

2 Code 2210303 Staff Training Kshs. 26,190,000

The committee noted that this amount was not enough to cover the proposed Staff rationalization, training and recruitment and the strategic plan. Despite this the figure was proposed at **Kshs. 26,190,000**.

3 Code 3111003 Car Loan and Mortgage Ksh. 35,121,244 (staff)

The committee noted that to enhance and motivate employee performance there was need to cater for their welfare through benefits like Car and Mortgage Allowance. The committee therefore recommended that the amount be provided at **Kshs. 35,121,244** and that the fund should be raised to **Ksh. 100,000,000** by providing for another **Kshs. 70,000,000** in the next FY year. **2018/2019**

4 Fringe benefits Tax Kshs. 4,000,000

The committee noted that the Car and Mortgage Loan attracts an element of Fringe Benefits tax, which should be remitted to the Commissioner of Income Tax whenever such fringe benefit is awarded to an employee. The committee therefore proposed **Kshs. 4,000,000** for the current year.

5 Code 280002 Pending bills Kshs. 22,335,752

Due other more urgent votes which required attention, the committee proposed that the pending bills provision be reduced from the proposed **Kshs. 26,000,000**, to cater for some of the current bills.

6 **Code 2211399 Budget Process Kshs. 4,804,000.**

The committee recommended that an amount of **Kshs. 1, 804, 000** originally place under oversight service be removed and place under Fiscal Service .The committee observed that the allocation be provided at this amount to finance the various commitments in the committee.

7 **Code 2110100 Basic Salaries – Permanent Staff Kshs. 69,374,504**

This amount covers the Hon, Members monthly salary that was originally under-budgeted and place under committee Services. The committee hence recommended and proposed that the amount be fully provided for and be removed from the original vote in committee to the Legislation and Oversight Services.

8 **Code 3111002 Purchase of Computers, printers and other IT equipment Kshs.8,000,000**

This provision shall cater for MCA'S IPADS, which the committee proposed at Kshs. 8,000,000 from the original provision of **Kshs, 4, 900,000**

9 **Code 2210801 Kshs. 1,500,000**

The committee noted that the leadership wing of the Assembly did not have any provision for hospitality and catering services, just like the office of the Hon. Speaker. The committee therefore proposed that a similar vote be created under Legislation and oversight and some Kshs 1,000,000.be reduced from the vote in the office of the hon. Speaker to fund the proposed Kshs. 1,500,000 to cater for basic catering services.

10 **Code 2110328 Special duty/ Responsibility Allowance Kshs. 48,021,400**

This vote was previously affected by the earlier SRC directive of reducing it. The vote was however reinstated by the courts and has now been fully provided for by and additional **Kshs.32,145,400** from the previous**Kshs.15,876,000.**

THE KISUMU CITY			
Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
Kisumu City	792,151,052.00	828,863,330.00	36,712,278.00
Totals	792,151,052.00	828,863,330.00	+36,712,278.00

Issues raised by the Budget and Appropriation Committee	CEC Finance Responses	Committee Recommendations
The Committee noted the following;		
1. THAT, the increased budgetary allocations of Electricity, Water and Sewerage vote-heads in all the sub-programmes in the City be explained.		The Committee recommended that this allocation was justifiable.
2. THAT, the allocation of Contracted Guards and Cleaning Services be explained.		The Committee approved the proposal. That a report on the number engaged be provided.
That an explanation be provided on why the following projects were deleted from the Supplementary Budget		
a) Rehabilitation of Drainage/Slabs at Moi Stadium at a cost of Kshs 5 million in Kaloleni/Shaurimoyo Ward.		The Committee recommended the deletion.
b) Rehabilitation of Kaloleni Social Hall at a cost of Kshs 8 million		The Committee recommended the deletion
c) Rehabilitation of Rental Houses at a cost of Kshs 7 million.		The Committee recommended the deletion

d) Installation of Traffic lights (3) and road marking in Railways Ward at a cost of Kshs 12 million		The Committee recommended the deletion
e) Purchase of radio call at a cost of Kshs 3 million.		The Committee recommended the deletion
f) Construction of wall fence and repair of Kosawo Hall in Manyatta Ward at a cost of Kshs 4,432,534.00		. The Committee recommended the deletion
g) Proposed fencing and renovation of dining hall at Mama Ngina, at a cost of Kshs 3,813,833.00 in Kaloleni/Shauri-moyo Ward.		. The Committee recommended the deletion
That the following information be provided on new projects;		
a) Drainage clearing and pavement Slabs at Kshs 6,154,545.00 , citywide.		The Committee approved the supplementary budget
b) Streetlights Kshs 4,500,000.00 , citywide		The Committee recommended the deletion
c) Extension of City Hall office 1st Floor Kshs 6,000,000.00		The committee recommended the deletion of the proposal.
d) Acquisition of land for bus-park at Kshs 6,500,000.00 Central Kisumu Ward.		The committee recommended the deletion of the proposal and be referred to Lands department.
e) Dual carriage way road – lakefront Kshs 27,000,000.00 , railways Ward.		The Committee approved the proposal To further verify location.
f) Sanitary land filled development Kshs 100,000,000.00 , citywide (Be deleted) (Kachok)		The Committee approved the proposal Subject to further explanation on the usage
5. Acquisition of Non-financial Assets (under infrastructure), in the sub-programme of planning and Engineering Kshs 133,742,011.00 a breakdown be provided		The committee recommended that the proposal be approved.
6. Purchase of certified seed/breeding stock/live animals of Kshs 500,000.00 under the sub-programme of Environment.		The Committee recommended the deletion of the project.

7. An explanation be provided as to why there is a decrease in the Supplementary Budget on the critical areas such as Medical drugs, fungicides, pest control and sprays.		The committee recommended that the CEC and the City Manager provide details of the same.
8. An explanation be provided the linkages between the City Directorate of Revenue and the Directorate at the County level.		The committee recommended that the CEC and the City Manager provide details of the same.
9. The Committee wishes to be informed by the CEC Finance and the City Manager on which Projects in the City are being funded by KUP and KISIP and any other donor funded project consequently where they are situated and amounts involved.		The committee recommended that the CEC and the City Manager provide details of the same.

THE KISUMU COUNTY PUBLIC SERVICE BOARD			
Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
County Public Service Board	109,745,040.00	38,949,381.00	70,795,659.00
Totals	109,745,040.00	38,949,381.00	-70,795,659.00

Issues raised by the Budget and Appropriation Committee	CEC Finance Responses	Committee Recommendations
The Committee noted the following;		
1. THAT, a provision of Kshs 4.2 million under Social Benefits (Gratuity) be explained.	Kshs 4.2M is for gratuity and the amount is paid to Lapfund on a monthly basis. However, the budget is for the whole financial year for the seven Commissioners.	The Committee approved the expenditure of Kshs 4 million for Gratuity of 7 commissioners.

2. THAT, a provision of Kshs 3.3 million on the rehabilitation of Office Building be explained.	It was stated that the rehabilitation is for the new office in Milimani and servant quarters. The project is a requirement but due to the fact that it's 2 months to the end of this fiscal year, it can be pushed forward to the next financial year.	The Committee was satisfied with explanation given and recommends that the expenditure be deferred to the next FY.
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LANDS, HOUSING AND PHYSICAL PLANNING			
Programme	Approved Estimates FY 2017/2018	Supplemented	Variance (+/-)
Lands, Housing, Physical Planning and urban development	189,195,387.00	158,522,668.00	30,672,719.00
Totals	189,195,387.00	158,522,668.00	-30,672,719.00

The committee observed the following:-

Issues raised by the Budget and Appropriation Committee	CEC Finance Responses	Committee Resolutions
The Committee noted the following;		
1. Acquisition of Land Bank worth Kshs 30,000,000.00 that the County Government should provide a detailed explanation on the nature, purpose and location of the land to be acquired.		The CEC Finance to come up with new priorities and list of projects.
2. The committee observed that there was no budget line for fuel, oil and lubricant under sub programme whereas there was a budget for routine maintenance of motor vehicles.		

3. The committee sort an explanation on the amount of Kshs 35,821,237.00 earmarked for refurbishment of residential buildings and hostels (the high cost of rehabilitation and location of the buildings). (Which buildings)		
4. That the following Projects were omitted in the Supplementary Budget despite the fact that they were budgeted for in the Approved Budget		
(a) Digitization of Maps county wide Kshs 3,500,000.00		
(b) Renovation of 12 houses at Tamu in Muhoroni Kshs 15,000,000.00		
5. THAT, the valuation roll was indicated in the supplementary budget as an ongoing project at the cost of Kshs 10,000,000.00 yet in the approved budget it was not budgeted for.		
6. The Committee was concerned that the project named implementation of environmental improvement project in Ahero for Kshs 14,800,000.00 as recorded in the approved budget was drastically reduced to Kshs 1,800,000.00 in the supplementary budget without any explanation.		

Conclusion

Mr. Speaker and Hon. Members, it is my duty and privilege to move a motion that this House considers and adopts the report from the Budget and Appropriations Committee on the Kisumu County Supplementary Budget Estimates for FY 2017/2018.

Mr. Speaker, I call upon Hon. Aslam Khan the Vice-chairperson of the Budget and Appropriations Committee to second? Thank you Mr. Speaker.

I now call upon Hon. Khan to second?

Hon. Khan: Thank you Mr. Speaker, I stand to second this report on the Kisumu County Supplementary Estimates FY 2017/2018

Hon. Muga: Thank you Mr. Speaker. This report has become a challenge to most of the Committees because it was done fairly and transparent and with courage that is the reason you see all the members are nodding. This was the Committee report that we thought things would go haywire and I want to commend the committee for the good work done. In actual fact we were told that it will give us a good task in the ground because our role of over-sighting we will

perform it and wherever the funds are going to be appropriated and we must ensure that we use this as a booklet wherever we are and ensure that the indicated projects are done. I support this and I say thank you to the Budget Committee.

Hon. Ogaga: Thank you Mr. Speaker. I support this report and request the mover to reply?

Hon. Steve Owiti (Chairperson, Budget and Appropriations Committee): Thank you Mr. Speaker. I have been asked to reply to this motion but I want to say that there was still some reaction from Hon. Member and I don't know if it would be in order for me to move forward?

The Temporary Speaker (Hon. Agolla): Granted.

Hon. Steve Owiti (Chairperson, Budget and Appropriations Committee): Thank you Mr. Speaker. First I want to take this opportunity to thank the Whole House for the commitment that they have displayed on the debate that was generated.

Mr. Speaker, there was a question that was sought by Hon. Misachi on the Grants that were going to Jaramogi Oginga Odinga Teaching and Referral Hospital (JOOTRH). In our Committee we had sought but it did not come out clearly but we were informed that there are still some Conditional Grants which is supposed to settle part of the utility charges like Water and Electricity. This was not enough and this is the reason this figure has been provided for in our Budget. As we had said that it would be prudent for the House to check on the reports of Jaramogi Oginga Odinga Teaching and Referral Hospital (JOOTRH) so that we ascertain that there is no double allocation of resources to that health facility. This was a matter that was deliberated at length and we were privileged to have Hon. Khan who has been a Board Member of that facility and he also gave some highlights. This is the reason the Committee resolved that we allow the figures provided for in the Supplementary Budget but as we move forward in approving the next Budget Estimates FY 2018/2019 we will take into cognizance the fact that there is need to control some of these funds.

Mr. Speaker, two, the question regarding the answer that was given with regards Kshs 14.6 million was not correct. As a Committee we put to task the CEC Finance and it was clearly stated to him where the Kshs 14.6 million was originating from and we realized it was an error on the person who was reporting our deliberations. After the explanation that we received from the CEC Finance it was realized that the Kshs 14.6 million be approved bearing in mind that it was of great important to that Hospital. We asked that it be brought to the attention of the Assembly. Mr. Speaker, FY 2018. It should be amended to read FY 2017/2018 and it was the response that was give by the Health Department and we did not alter that because it was their response.

Mr. Speaker, I want to highlight that there were emotive issues and it was true that Hon. Members of this Committee made it their work to ensure that we did a fair job. There was a

contention by the CEC Finance that never in their line of duty have they ever met a committed members of the County Assembly. I want to say as a County Assembly we had initially stated and swore that this Assembly shall never be used as a rubber stamp and we realized that even today as we are here it is pertinent and as we are moving forward in the same spirit we will be able to propel this County grow forward.

Mr. Speaker and Hon. Members, I want to conclude by saying that I thank and encourage Hon. Members of this House that we need to continue with the same spirit and moreso as we take charge of the next Budget Estimates FY 2018/2019. Let us ensure that there is adequate Public Participation so that the funds that will be allocated through the Budget and we have the wisdom, courage and we have what it takes to stand on our feet and help this County do the right thing. This is our time and I want to ask that if we move with the same spirit this House will remain with its authority and never again shall any other authority or institution underrate our authority as an Assembly. We are the people's representatives and our roles we will administer it to the best of our abilities, thank you.

The Temporary Speaker (Hon. Agolla): Hon. Members, I now propose that the County Assembly considers adopting the County Budget and Appropriations Committee Report for the Kisumu County Supplementary Estimates FY 2017/2018 laid on the table on this date Thursday, 29th March, 2018. I therefore put a question that those of the adoption of the report?

(Question put and agreed to)

The Temporary Speaker (Hon. Agolla): Hon. Members, that report is adopted by requesting the Hon. Chair for Budget and Appropriations Committee and I want to say that I am happy that you have discharged your responsibilities.

Hon. Steve Owiti (Chairperson, Budget and Appropriations Committee): Thank you Mr. Speaker. I stand to seek your indulgence that we suspend the proceedings for 20 minutes so that we sort out some housekeeping issues before we move to the Second Reading of the Supplementary Appropriations Bill, 2018.

(Question put and agreed to)

(House resumes after 20 minutes break)

The Temporary Speaker (Hon. Agolla): Order Hon. Members!! Hon. Chairperson, Budget and Appropriation. It was your time to respond to some issues.

Hon. Steve Owiti (Chairperson, Budget and Appropriations Committee): Thank you Mr. Speaker. I want to appreciate the Speaker for having allowed members a 20 minutes break to sort

out housekeeping matters on the proceeding to allow members ventilate on issues on the Appropriation Bill.

Mr. Speaker, during the proceedings Members unanimously resolved that they shall proceed with the business of the day, but with regards to discussion on the second reading of the Bill we proposed that it be deferred to Thursday, 05th April, 2018 on a Special Sitting that shall be convened by the Speaker. This will accord Members adequate time moreso for the publication of the Bill with regards to the amendments that the Budget and Appropriations Committee and the House will propose which Members of this Assembly have unanimously approved. We believe and trust that the second reading will be done on Thursday, 05th April, 2018 and the notice will be placed in the Gazette Notices and Members shall be informed accordingly.

Mr. Speaker, I wish to revert that decision back to you so that we continue with the business of the day, thank you.

The Temporary Speaker (Hon. Agolla): Hon. Members, the Chairperson, Budget and Appropriations Committee you have to explain yourself. I would direct that you withdraw the motion of second and third reading of the Bill because it is being captured in our Hansard and that is what you ought to have reported.

Hon. Steve Owiti (Chairperson, Budget and Appropriations Committee): Thank you Mr. Speaker. I stand to withdraw the motion on the second and third reading of the Kisumu County Supplementary Appropriation Bill, 2018.

The Temporary Speaker (Hon. Agolla): Next order!

MOTION

ADJOURNMENT FOR SHORT RECESS AS FROM 30TH MARCH, 2018 TO MONDAY,
09TH APRIL, 2018 – BY LEADER OF MAJORITY.

Leader of Majority (Hon. Kenneth Onyango): Thank you Mr. Speaker. I rise while citing standing Orders No. 26 (3) that calls for adjournment contained in our House Business Annual calendar.

Mr. Speaker, I wish to move a motion that this House adjourns as from tomorrow 30th March, 2018 to 09th April, 2018. Mr. Speaker, while on Recess we would wish that our Committees are engaged in different activities because I am aware that there are Committees that are scheduled for different travels and I believe that they will be able to make it so that the Committees are enriched. Mr. Speaker, I also want to say that, on the 06th April, 2018 we shall have occasion to be visited by the Secretary General of Orange Democratic Movement (ODM) and the venue for that visit will be communicated later. While we are at it, yesterday while at Rock Motel I did say

that the vibrancy that was witnessed especially when the realization dawned on us that the grass-root Support Development Programme was there with us, the mood was so electric. I would wish that going forward that we concentrate on those things that unite us other than the things that separate us. Even today, as we were debating the Supplementary Appropriations Bill, 2018, I have come to realize that when this House is faced with difficult task, we rise to the occasion. I want to believe that we can also rise to the occasion on the need to move as one team, unite this House so that we build on our strengths and we don't concentrate on our weaknesses.

Mr. Speaker, I believe that we have senior Members in this House, who have the experience in all spheres of life and I want to plead with them that let this House not scuttle. This is because the responsibilities that we have are so enormous and we can only achieve them with the unity of purpose. So, moving forward I want to plead with Hon. Members in this House that, while we are in the Recess let us do a retrospection and try to ask ourselves how can we move together as one big group. This is because I know that politics sometimes is divisive in a lot of our lives, this is the reason that we need to talk sometimes especially when we are at it. So, that is the responsibility that must be formed and that we must all bear and I want to believe that from now onwards let us put effort so that we become a team, work together for the benefit of this County. Mr. Speaker, if we synergize our efforts, this County can go to great heights, because we have the potential and even today as the Chairman Budget was going through the report, we have seen that we can have the resources to make this County move forward, but as usual even in our homesteads where there are noises and distractions all the time, development cannot take place. Mr. Speaker, with that I wish that the Hon. Khan seconds the motion, thank you.

The Temporary Speaker (Hon. Agolla): Where are the Serjeant-at-Arms to pass on the microphone, have they gone on recess?

Hon. Khan: Thank you Mr. Speaker. I rise to second the adjournment as moved by the Leader of Majority. Mr. Speaker, as you may see we have agreed to work together including the work of the Serjeant-at-Arms and we don't mind because we have to work together so that the unity we are going to prospect here will help us, thank you.

The Temporary Speaker (Hon. Agolla): Hon. Members, a motion of Adjournment for Short Recess has been moved by the Leader of Majority and seconded by Hon. Khan. Is there any Member who wants to contribute on the same?

Hon. Misachi: Thank you Mr. Speaker, please allow me to call upon the mover to reply?

Leader of Majority (Hon. Kenneth Onyango): Thank you Mr. Speaker. I propose that we proceed on Recess as from 30th of March, 2018 to Monday, 09th April, 2018, thank you.

ADJOURNMENT

The Temporary Speaker (Hon. Agolla): Hon. Members, this House stands adjourned until Tuesday, 10th April, 2018 at 02:30 p.m.

(House arose at 08:45 p.m.)

