

COUNTY GOVERNMENT OF KISUMU



THE COUNTY ASSEMBLY OF KISUMU
THIRD ASSEMBLY – THIRD SESSION

THE COUNTY ASSEMBLY OF KISUMU 3 RD ASSEMBLY	
DATE: 18/03/24	Time: 0900H Day: Wed.
TABLED CLERK AT THE TABLE	Hon. Joachim Ojien Haman M. N. <i>[Signature]</i>

COUNTY BUDGET AND APPROPRIATIONS COMMITTEE

REPORT ON THE KISUMU COUNTY SUPPLEMENTARY ESTIMATES NO. 1 FOR FY
2023/2024

*The Clerk's Chambers
Directorate of Committee Services
County Assembly of Kisumu*

MARCH, 2024

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ABBREVIATION AND ACRONYMS

KCADP	Kisumu County Annual Development Plan
KCIDP	Kisumu County Integrated Development Plan
FY	Financial Year
M&E	Monitoring and Evaluation
CBAC	County Budget and Appropriations Committee
MTP	Medium Term Plan
PPPs	Public Private Partnerships
S.O	Standing Order
CECM.	County Executive Committee Member
CEC	County Executive Committee
PPIs	Projects, Programs and Initiatives
PEM	Public Expenditure Management
PFMA	Public Finance Management Act
OSR	Own Source Revenue
CRA	Commission on Revenue Allocation
CARA	County Allocation of Revenue Act
BQs	Bill of Quantities

CHAPTER ONE

1. CHAIPERSONS FOREWORD

Mr. Speaker Sir and Hon. Members.

This is a report of the County Budget and Appropriations Committee on its consideration of the Supplementary Estimates (I) for the Financial Year 2023/2024 in line with Section 135 & 154 of the PFM Act, 2012 and the Kisumu County Assembly Standing Order No. 225 which provide for the County Assembly's consideration and Approval of the Supplementary Estimates.

The Supplementary Estimates (I) was tabled in the County Assembly and duly submitted and tabled in the House on **Wednesday, 21st February, 2024** immediately the House resumed from its long recess. The Estimates were thereafter committed to the County Budget and Appropriations Committee for consideration. Supplementary Estimates are aimed at making provisions for any purpose where the amount allocated in the Appropriations Act is insufficient or a need has risen for expenditure that was unforeseen and had therefore not been provided for in the Appropriations Act.

The Supplementary Estimates (I) for the FY 2023/2024 have been prepared at a time when the County & Countries' Economy s facing significant challenges as a result of high cost of living, the continuous weakening of the Kenyan Shilling against other currencies due to local, domestic and external factors.

Mr. Speaker Sir and Hon. Members, the Supplementary Estimates I for the FY 2023/2024 is intended to;

1. Realign the budget estimates with the County Allocation Revenue Act of 2023.
2. Realign budget vote heads within departments while maintaining the budget ceilings as in the approved Budget Estimates FY 2023/2024.
3. Review the County Revenue Projection and make appropriate adjustments.

Hon. Speaker, the various adjustments in this Supplementary however, do not shift the programmatic and developmental focus of the County Government as declared in the Governor's re-election Manifesto, the CIDP,, CADP FY 2023/2024 and approved estimates.

In the proposed supplementary estimates, the resource envelope available for allocation among the county sectors comprises of; equitable share of the national revenue maintained

at KES. 8,361,797,770; Conditional Grants supplemented to KES. 1,597,265,985 being (an additional allocation of Kshs. 1,405,000 for common wealth of learning credit information, an additional allocation for Finance Locally-Led Climate Action of Kshs. 37,500,000, New conditional Grant allocation for Change Maker at Kshs. 30,000,000, New conditional Grant allocation for Transfer of Library Services at Kshs. 10,494,779); Opening Balance of KES. 1,450,625,819 and Own Source Revenue at KES. 2,282,862,694.

Consequently, 31 per cent has been allocated for development expenditure, 30 per cent towards operations and maintenance and 39% per cent will go towards human resource cost. The total County government revised expenditure in the Supplementary Budget adds to Kshs. 13,692,552,268.

2. EXAMINATION OF THE SUPPLEMENTARY ESTIMATES

Mr. Speaker Sir and Hon Members,

In processing this Supplementary Estimates I for FY 2023/2024, the Committee held 8 sittings including consultative meetings with the respective County Departments and the CECM. Finance and Economic Planning and ICT.

The outcome of this deliberations has informed the various recommendations which are contained in this report. If approved by the House, this recommendations will form the basis for the passage of the First Kisumu County Supplementary Appropriations Bill for FY 2023/2024.

3. FINANCIAL RECOMMENDATIONS

Based on the deliberations of the Committee and the Consultative engagements the Committee recommends to this House:

1. Approves a total Revenues of Kshs. 13,692,552,268 for the 1st County Supplementary Budget Estimates FY 2023/2024 as outlined in (schedule I) of this report which is an increment of the Total Revenues projected in the Approved of Kshs. 13,613,134,489 by Kshs. 79,417,779.
2. Approves additional Revenues totaling to Kshs. 79,417,779 being conditional grants additional allocation for Finance Locally-Led Climate Action at Kshs. 37,500,000, additional allocation of Kshs. 1,405,000 from common wealth of learning credit information, new conditional Grant allocation for Change Maker at Kshs. 30,000,000 & Transfer of Library Services at Kshs. 10,494,779 and a revised OSR projection of Kshs. 18,000.

3. Approves a total County Expenditure of Kshs. 13,692,552,268 which is further allocated to P&E at Kshs. 5,355,255,370, O&M at Kshs. 4,083,561,006 and Development component at Kshs. 4,253,735,892. The total expenditure be appropriated amongst the various County Sectors as outlined in the (Schedule 2) of this report and should consequently form the basis for preparation of the **Supplementary Appropriations Bill**.

4. A total of Kshs. 401,298,601 sourced by reallocation of budget lines from the following Departments be approved as indicated below;

SOURCES OF FUNDING IN SUPPLEMENTARY					
S/ N	DEPARTMENT	APPROVED TOTALS	SUPPLEMENTA RY TOTALS	VARIANCE	% CHA NGE
1	DEPARTMENT OF AGRICULTURE, LIVESTOCK & FISHERIES	933,555,700	863,172,629	(70,383,071)	-7.54
2	DEPARTMENT OF MEDICAL SERVICES, PUBLIC HEALTH AND SANITATION	3,617,238,371	3,605,980,783	(11,257,588)	-0.31
3	DEPARTMENT OF TRADE, ENERGY, INDUSTRY & TOURISM	392,561,667	309,695,646	(82,866,021)	-21.11
4	SPORTS,CULTURE,GENDER AND YOUTH AFFAIRS	318,634,644	209,525,161	(109,109,483)	-34.24
5	LANDS, HOUSING, PHYSICAL PLANNING AND URBAN DEVELOPMENT	571,272,041	530,401,229	(40,870,812)	-7.15
6	DEPARTMENT OF FINANCE & ECONOMIC PLANNING	2,512,792,793	2,505,398,946	(7,393,847)	-0.29
		8,346,055,216	8,024,174,394	321,880,822	
	Additional Revenue Streams being additional allocation for Grants to Finance Locally-Led Climate Action at Kshs. 37,500,000, Kshs. 1,405,000 from common wealth of learning credit information, Change Maker at Kshs. 30,000,000, Transfer of Library Services at Kshs. 10,494,779 and Revised OSR at Kshs. 18,000			79,417,779	
	TOTAL REVENUE SOURCED			401,298,601	

5. Approves that the total revenues sourced above of Kshs. **401,298,601** be applied to the following sectors to supplement their budgetary deficits;

APPLICATION OF THE ADDITIONAL ALLOCATIONS					
S/ N	DEPARTMENT	APPROVED TOTALS	SUPPLEMENT ARY TOTALS	ADDICATI ONAL ALLOCATI ON	% CHAN GE
1	DEPARTMENT OF AGRICULTURE, LIVESTOCK & FISHERIES	933,555,700	947,410,361	13,854,661	1.48
2	CITY OF KISUMU	760,716,334	773,370,983	12,654,649	1.66
3	PUBLIC SERVICE, COUNTY ADMINISTRATION & PARTICIPATORY DEVELOPMENT, OFFICE OF THE GOVERNOR	1,061,508,114	1,246,908,144	185,400,030	17.47
4	LANDS, HOUSING, PHYSICAL PLANNING AND URBAN DEVELOPMENT	571,272,041	630,401,229	59,129,188	10.35
5	WATER, ENVIRONMENT & NATURAL RESOURCE	525,995,646	542,726,389	16,730,743	3.18
	TOTAL	4,029,287,812	4,430,586,413	401,298,601	

6. That Kshs. **800,000** be added to the Department of Water Environment and Natural Resources for purposes of maintenance of the **Rig Machine** with a condition that the Rig should start working within next 14 days of approval of Supplementary Budget to address the acute water shortage in the County.

7. That the CECM. Finance and Economic Planning to create a budget line of Kshs. **6.7M** for utilization of the funds banked at the **Youth Polytechnic Bank Account** being counterpart contribution for construction of Pap Othany and Lela VTC.

8. DEPARTMENT OF TRADE TOURISM INDUSTRY AND MARKETING

That, Kshs. **6,000,000** for Purchase of Unit Verification Van be expunged from the Supplementary Budget and the funds be appropriately reallocated. The Department

requested deletion of the project on the basis that the amount allocated is less than the Market price.

9. CITY OF KISUMU.

That, Kshs. 37,000,000 request for additional funding to the Development Expenditure for Renovation and additional Reconstruction works for the Nyamasaria-Molem Bus Park is approved.

10. DEPARTMENT OF PUBLIC SERVICE, COUNTY ADMINISTRATION & PARTICIPATORY DEVELOPMENT, OFFICE OF THE GOVERNOR

a.) The request for additional funding of Kshs. 57,000,000 to the Development Expenditure for additional Civil and Structural Works within the Department be approved.

b.) The Committee approves an additional allocation of Kshs. 30,000,000 for Disaster Risk Management.

11. DEPARTMENT OF INFRASTRUCTURE, ENERGY AND PUBLIC WORKS

a. That, the request of Kshs. 3,000,000 additional funds to the Development expenditure for Repair of Sunga Box Culvert is approved.

Recommendations on County Assembly Supplementary

12. This house to consider approving the various budgetary reallocations and readjustment in the County Assembly Supplementary Budget Estimates (I) for FY 2023/2024 of Kshs. 33,535,180.00 as outlined in schedule (III).

4. ACKNOWLEDGEMENT

The Committee wishes to thank the office of the Speaker and Clerk of the County Assembly for the support extended in fulfilling its mandate. Our sincere gratitude is extended to all Departments/Sectors for honoring the invitation by the County Assembly to be part of this critical process of reviewing the supplementary budget No. 1 for the FY 2023/2024.

I am highly indebted to the Committee members for the unwavering support accorded in promoting equity, transparency and accountability in budgetary processing and oversight.

Finally the Committee would wish to thank the Technical Staff and the Secretariat for the extensive work undertaken in reviewing and processing of the supplementary budget No. 1 for the FY 2023/2024.

It is therefore my pleasant undertaking on behalf of the County Budget and Appropriations Committee, to table this report in this House and recommend it for adoption.

SIGNED

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HON. JOACHIM OKETCH, MCA FOR KONDELE WARD
CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE

12th MARCH, 2024
.....

DATE

5. NON FINANCIAL RECOMMENDATIONS

Mr. Speaker Sir and Hon. Members, the Committee recommends as follows;

1. That all expunged Ward based projects be reinstated in Supplementary Budget Estimates.

That majority of the expunged projects have been procured and committed hence their removal would attract bitter legal implications and or lead to pending bills which is already a huge burden for the County. Further, majority this projects were major priorities of the people and formed key Departmental objectives hence would disrupt policy implementation and attract a negative fiscal impact.

2. That in subsequent submission of budget estimates, the CECM. Finance and Economic Planning to ensure that proposed Budget Estimates and Supplementary Budget Estimates are accompanied by sufficient and detailed budget notes in line with the provisions of section 129 (2) (a) of the PFM Act, 2012.

3. That the Procurement plan for County Executive must be prepared and submitted to the Assembly by 30th August of every Financial Year. Further, procurement planning for Development Projects must be completed within the 3rd Quarter of every Financial Year to permit effective implementation of the development projects.

4. The CECM Finance and Economic planning to promote effective coordination and communication between project execution stakeholders i.e. the relevant sector, Public works Department and Procurement to prevent cases of duplication of projects and other administrative errors.

5. That, in subsequent submission of all statutory budgetary document being approved by CEC to the Assembly, an addendum of valid minutes adopting the documents must be provided. This will prevent case denial and dismissal of such Documents by some County Executive Committee Members.

6. Pending Bills continue to pose a challenge. That the CECM Finance and Economic Planning to submit a detailed list of all stock of accumulated County pending bills accompanied with a Pending Bill repayment plan within two weeks of approval of this report. To note; that individual Departments i.e. Department of Lands, Public Service Administration, Health and Sanitation have reported payment of Pending Bills at the Departmental level while the County was allocated Kshs. 1B towards the effect.

7. That in subsequent budgeting, the Department of Sports, Culture, Gender and Youth Affairs to spread their support to other local County teams without singular concentration on Kisumu all stars. The effect will be vast and many talents will be natured and developed.

ADJUSTMENT/REALIGNMENT OF SOME WARD BASED PROJECTS IN THE SUPPLEMENTARY BUDGET

8. The following adjustments be effected to the following ward based projects in the Supplementary Budget as outlined below;

DEPARTMENT	Proposed Supplementary		REMARK/CONCERN	Approved Realignments	
	Project Name	Amount (Kshs)		Project Name	Amount (Kshs)
EDUCATION, HUMAN RESOURCE DEVELOPMENT AND ICT	Project No. 86 Completion of Siany PWD Resource Centre in South East Nyakach	1,000,000	The Project is a duplicate of project No. 85 hence the funds herein be reallocated to; Fencing of Siany Social Hall	Fencing of Siany Social Hall	1,000,000
MEDICAL SERVICES, PUBLIC HEALTH AND SANITATION	Project No. 46 Construction of Patient waiting Bay and Equipping of Railways Health Centre in Railways Ward	2,000,000	The project actual location is Market Milimani Ward hence be amended	Construction of Patient waiting Bay and Equipping of Railways Health Centre in Market Railways Ward	2,000,000
	Project No. 91 Construction of Sigoti Health Center in West Nyakach Ward	1,000,000	The project be renamed as follows	Renovation of Sango-Rota Health Centre in West Nyakach Ward	1,000,000
INFRASTRUCTURE	Project No. 46	1,500,000	Project name be changed as follows	Construction of Drainage at	1,500,000

ENERGY AND PUBLIC WORKS	Gabbioning on Osiepe Ongadi Road in Kajulu Ward			Osiepe Ongadi Road in Kajulu ward	
	Construction of Katieno footbridge in west Nyakach	1,200,000	The project be expunged and the funds be reallocated to raise adequate funds for construction of Kambeche footbridge with initial allocation of Kshs. 1.2M	construction of Kambeche footbridge in West Nyakach ward	2,400,000
	Installation of Culverts at Kawandoi-Oyuma-Kankong access road in Ombeyi ward	1,000,000	The project be expunged and the funds be reallocated to raise adequate resources for Opening/Formation of Ober-Yawo Market-Obumba Dispensary/Gor Market Ring road with an approved budget of Kshs. 1,500,000	Opening/Form ation of Ober-Yawo Market-Obumba Dispensary/Go r Market Ring road in Ombeyi Ward	2,500,000
TRADE, TOURISM, INDUSTRY AND MARKETING	Project No. 12 Fencing of Oyuma Market in Ombeyi ward	500,000	The project be expunged and the funds be reallocated to Backfilling of Ombeyi market with an approved budget of Kshs. 2,000,000	Backfilling of Ombeyi market	2,500,000

9. The CECM. Finance and Economic Planning to Enforce Compliance to the relevant legal frameworks violated on our review of the compliance various relevant legal provisions guiding the preparation Supplementary Budget to prevent case by case violation of law as demonstrated in our observations.

CHAPTER TWO

6. COMMITTEE MANDATE

The Budget and Appropriations Committee is bestowed with the mandate as enshrined in the County Assembly Standing Order No. 189 (3) as below;

- (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.

7. COMPOSITION OF THE COMMITTEE

The Budget and Appropriations Committee is constituted as follows;

COMMITTEE MEMBERS

NO.	NAMES	WARD	POSITION	PARTY
1.	Hon. Joachim Oketch	Kondele	Chairperson	ODM
2.	Hon. Seth Okumu	East Seme	Vice. Chairperson	ODM
3.	Hon. Lumumba Owade	South East Nyakach	Member	ODM
4.	Hon. Nereah Okombo	Manyatta "B"	Member	ODM
5.	Hon. Kennedy Ooko	Ahero	Member	ODM
6.	Hon. Seth Kanga	Market/Milimani	Member	ODM
7.	Hon. Vincent Jagongo	North West Kisumu	Member	ODM
8.	Hon. Ratib Boitone	Nyalenda "A"	Member	ODM
9.	Hon. Carren Odhiambo	Kaloleni/Shaurimoyo	Member	ODM
10.	Hon. Moses Ochele	East Kano Wawidhi	Member	ODM
11.	Hon. Pamela Oyoo	Migosi	Member	ODM

12.	Hon. Jennipher Obonyo	South West Kisumu	Member	ODM
13.	Hon. Hon. George Abaja	West Seme	Member	ODM
14.	Hon. Geoffrey Warindu	Miwani	Member	ODM
15.	Hon. Rueben Rakwach	Kolwas East	Member	ODM

SECRETARIAT

- | | | |
|------------------------|---|------------------|
| 1. Mr. Felix Owuor | - | Committee Clerk |
| 2. Mr. Omollo Isaac | - | Clerk Assistant |
| 3. Mr. Zablon Otiende | - | Hansard |
| 4. Mr. Denis Ogola | - | Public Relations |
| 5. Mr. Hezekiah Awinda | - | Sergeant At Arms |

8. COMMITTEE MEETINGS

Mr. Speaker Sir and Hon. Members,

To exhaustively scrutinize, analyze and interrogate the **CBROP FY 2022/2023**, the Committee held a total of six meetings. This gave the Committee humble time to plan and engage various Sectors/Departments and discuss its findings with CECM. Finance and Economic Planning and make the sound recommendations contained herein.

9. COMPLIANCE TO LEGAL PROVISIONS UNDERPINNING THE SUPPLEMENTARY

Mr. Speaker Sir and Hon. Members,

The legal provisions underpinning the Supplementary are contained in Section 107, 135 & 154 of the PFM Act, 2012, Section 31 & 39 of the PFM regulations of 2015 and the County Assembly Standing Order No. 225.

Committee Observations

The Committed has noted that the supplementary Budget has flouted certain significant provisions.

1. New Projects in the Supplementary Budget

Contrary to regulation 39 (8) of the PFM regulations of 2015, there are a number of new projects which have been introduced in the supplementary Budget. To illustrate, there is Upgrading of Nyamasaria Bus Par under Department of City, Four New Projects under the Department of Infrastructure, Energy and Public Works, Two new project under the Department of Trade Tourism Industry and Marketing, One new Project under the Department of Agriculture, Irrigation, Livestock and Fisheries

2. Approval of Budgetary reallocation/adjustments of programs above 10%

Contrary to regulation 39 (9) of the PFM regulations of 2015, some expenditure adjustments have exceeded 10%. These includes City of Kisumu, Sports Culture Gender and Youth Affairs.

3. Breach of Procurement rules

The Committee has notably observed that some accounting officers have procured and committed projects which were not appropriated in the approved Budget and the annual procurement in contravention of Regulation No. 50 (2) & (3) of the PFM regulations of 2015

4. Limited Powers of Account Officers to reallocate appropriated Funds

a. That Contrary to the provisions of Section 154 (I) (b) of the PFM Act, 2012, the Development expenditures appropriated in the approved budget of Kshs. 4,457,734,638 has been reduced to Kshs. 4,307,035,892 giving a variance of Kshs. 150,698,746. Ideally, Kshs. 100Million of this variance is conditional grants for aggregated industrial parks program which was struck in the County allocation of Revenue Act, 2023. The major Concern becomes the reallocation Kshs. 50,698,746 to non-capital expenditure projects.

5. Fiscal Responsibility

The Budgetary allocation for P&E in the supplementary Estimates (I) for FY 2023/2024 is 39% of the total budget which contrives the provisions of Section 25 (I) (b) of the PFM regulations of 2015.

6. Despite major adjustments in the Supplementary Budget, provision of an assessment of the Fiscal Impact of the proposed reductions and or increase to various programs have not been provided. For Example the Department of Infrastructure, Energy and Public Works whose main objective was to open, construct and Maintain Roads and Drainage Networks, a total

of Kshs. 35,600,000 has been proposed for reallocation to other programs in the Supplementary

GENERAL OBSERVATIONS DURING THE CONSULTATIVE MEETING WITH DEPARTMENTS

7. During the Committee engagement with the Sectors, many Departments reported expungement of various Development projects which had been procured and committed as at the time of preparation of the Supplementary which could have legal implications and or pending bills which is already a huge burden for the County.
8. According to our analysis the County Government had averagely absorbed 40% of the total Budget within the 1st and 2nd Quarter of the Financial Year. The under absorption of the Budget was linked to late exchequer releases, delay in preparation and submission of BQs by the Public works Department
9. Some Donor funded projects appear to be facing implementation challenges. The Committee noted that the low implementation of Donor funded projects is a problem on how donor funded projects are being conceived, structured and implemented. Such projects includes IDA (World Bank funded National Agricultural Value Chain Development Project) still at the initial stages, the struck conditional grant for aggregated industrial park program and the Fertilizer subsidy which residents have not been sensitized on its distribution and access.

CHAPTER THREE

10. CONSULTATIVE MEETING WITH COUNTY SECTORS/DEPARTMENTS

Mr. Speaker Sir and Hon. Members,

The provisions of Kisumu County Assembly S.Os No. 189 & 125 requires the County Budget and Appropriations Committee to hold consultative engagements with various stakeholders, the County Government Sectors/Departments while considering County Budget Estimates or County Supplementary Budget Estimates.

The Committee through the office of the Clerk in conformity to this provisions formally extended invitations to all County Sectors/Departments to attend a consultative meeting with the Committee to deliberate on the Proposed County Supplementary Budget Estimates (I) for FY 2023/2024. Through the letter REF: **CAK/CG/VOL.III/2023** dated **21st March, 2023 (See Annex I)**, all the Departments including City of Kisumu and the Kisumu County Public Service Board were furnished with a program scheduling each Sector a specific time to appear before the Committee. The meetings were conducted for two days on **26th & 27th February, 2024**.

It is important to note that all the Sectors attended this vital activity except the Kisumu County Public Service Board who rendered their apologies on the basis that the Board Members were attending a workshop in Naivasha at the same time.

The consultative engagements majorly focused on these areas;

- I. Review the Departmental Budgetary Absorption rates for the 1ST half of the FY 2023/2024.
- II. Discuss the Milestones and Challenges encountered during the implementation of the County Budget in the 1ST half of FY 2023/2024.
- III. Review the Departmental OSR Collection performance within the 1st half of the FY 2022/2023.
- IV. Analyze and interrogate the various proposed Departmental Budgetary reallocation/readjustments on the 1ST Proposed County Supplementary Budget Estimates FY 2023/2024 and to determine sources of finances and their applications respectively.
- V. Assess the extent of Compliance to the various relevant legal frameworks on preparation of the Supplementary Budget Estimates.
- VI. We have comprehensively consolidated and compiled all the resolutions made during these engagements as outlined in **(Annex II)**

LIST OF SCHEDULES

SCHEDULE (I)

APPROVED TOTAL COUNTY REVENUES FOR THE SUPPLEMENTARY ESTIMATES (I)

RESOURCE ENVELOPE FY 2023-2024			
ITEM	APPROVED BUDGET	SUPPLEMENTARY BUDGET	NEW REVENUES/ VARAINCE
SHARE OF NATIONAL REVENUE			
Opening Balance	1,450,625,819	1,450,625,819	0
Equitable share	8,361,797,770	8,361,797,770	0
DANIDA	36,380,926	36,380,926	0
Africities	40,000,000	40,000,000	0
KISIP	600,000,000	600,000,000	0
Finance Locally -Led Climate Action Plan (FLLOCA)	111,000,000	148,500,000	37,500,000
Kenya Climate Smart Agriculture project(KCSAP)	139,274,117	139,274,117	0
Change Maker		30,000,000	30,000,000
IDA (World Bank Credit to Finance Agricultural Value Chain Development Project(NAVCDP)	250,000,000	250,000,000	0
ASDSP II	5,367,707	5,367,707	0
Aquaculture Business Development Project (ABDP)	15,407,244	15,407,244	0
PRACTICE	28,269,703	28,269,703	0
Conditional Grant for transfer of library services		10,494,779	10,494,779
Allocation for court fines	233,000	233,000	0
Conditional Grant for Aggregated Industrial parks programme	100,000,000	100,000,000	0
Conditional Grant for provision of fertilizer subsidy programme	120,042,858	120,042,858	0
Livestock Value Chain Support Project	14,323,680	14,323,680	0
THS	10,699,473	10,699,473	0
TVET	8,332,281	8,332,281	0
IDEAS	3,898,833	3,898,833	0
Climate Change	17,950,658	17,950,658	0

KDSP	12,742,939	12,742,939	0
KUSP	2,339,915	2,339,915	0
KRB	896,372	896,372	0
Common Wealth of Learning Credit Information	706,500	2,111,500	1,405,000
Total Share of National Revenue	11,330,289,795	11,409,689,574	79,399,779
LOCAL REVENUE SOURCE			0
Main Revenue Streams			0
Land Rates	327,090,635	327,090,635	0
Rents	63,844,894	63,844,894	0
Trade license fees	260,000,000	260,000,000	0
Bus Park Fees	182,234,036	182,234,036	0
Parking Fees	131,000,000	131,000,000	0
Reserved slot	9,000,000	9,000,000	0
Monthly Stickers	46,251,150	46,251,150	0
Clamping Fees	500,000	500,000	0
Market Fees	153,026,826	153,026,826	0
Stock Ring	5,000,000	5,000,000	0
CESS	27,139,013	27,139,013	0
Building Plans	4,000,000	4,000,000	0
Sign Board promotion	204,493,194	204,493,194	0
Sundry revenue	20,000,000	20,000,000	0
Public Health and Others	6,000,000	6,000,000	0
Sub-Total	1,439,579,748	1,439,579,748	0
Revenue from Departments		0	0
Health Medical Services	600,000,000	600,000,000	0
Agriculture, Livestock and Fisheries	8,220,606	8,220,606	0
Commerce, Tourism, Trade and Heritage	2,000,000	2,000,000	0
Lands, Housing and Physical Planning	159,944,340	159,944,340	0
Education, Youth, Culture and Sports	500,000	500,000	0
Liquor Licence	40,000,000	40,000,000	0
Environment	2,500,000	2,500,000	0
Governance and Administration	100,000	118,000	18,000
Revenue from Payroll	30,000,000	30,000,000	0
Sub-Total	843,264,946	843,282,946	18,000
Total Local Revenue	2,282,844,694	2,282,862,694	18,000
TOTAL COUNTY REVENUE	13,613,134,489	13,692,552,268	79,417,779

SCHEDULE (II)

SUPPLEMENTARY BUDGET SUMMARY 2023-2024 (APPRPRIATION SCHEDULE)				
DEPARTMENT	PERSONNEL	OPS & MAINT	DEVELOPMENT	TOTALS
DEPARTMENT OF AGRICULTURE, LIVESTOCK & FISHERIES	208,114,836	89,268,858	565,788,935	863,172,629
COUNTY ASSEMBLY OF KISUMU	319,289,881	650,243,489	165,000,000	1,134,533,370
CITY OF KISUMU	297,416,334	154,654,649	375,300,000	827,370,983
COUNTY PUBLIC SERVICE BOARD	54,938,744	48,319,347	-	103,258,091
DEPARTMENT OF EDUCATION, HUMAN RESOURCE DEVELOPMENT AND ICT	467,828,762	261,592,967	204,832,281	934,254,010
PUBLIC SERVICE, COUNTY ADMINISTRATION & PARTICIPATORY DEVELOPMENT, OFFICE OF THE GOVERNOR	385,798,526	810,609,618	115,500,000	1,311,908,144
DEPARTMENT OF MEDICAL SERVICES, PUBLIC HEALTH AND SANITATION	2,728,154,740	645,651,509	232,174,534	3,605,980,783
DEPARTMENT OF TRADE, ENERGY, INDUSTRY & TOURISM	69,198,766	58,649,677	181,847,203	309,695,646
SPORTS,CULTURE,GENDER AND YOUTH AFFAIRS	63,910,746	128,614,415	17,000,000	209,525,161
ROADS, TRANSPORT & PUBLIC WORKS	108,461,493	134,065,394	529,500,000	772,026,887
LANDS, HOUSING, PHYSICAL PLANNING AND URBAN DEVELOPMENT	78,897,853	81,503,376	370,000,000	530,401,229
DEPARTMENT OF FINANCE & ECONOMIC PLANNING	485,203,139	958,052,868	1,062,142,939	2,505,398,946
WATER, ENVIRONMENT & NATURAL RESOURCE	88,041,550	62,334,839	434,650,000	585,026,389
Totals	5,355,255,370	4,083,561,006	4,253,735,892	13,692,552,268

SCHEDULE (III)
APPROVED COUNTY ASSEMBLY SUPPLEMENTARY BUDGET (I)

PROPOSED SOURCES AND APPLICATION FOR THE FIRST SUPPLEMENTARY BUDGET FY2023/2024				
VOTE CODE		APPROVED	SOURCE	APPLICATION
	ITEM		-5,778,540.00	
	OPENING BALANCE			
P0201:	GENERAL ADMINISTRATION, PLANNING AND SUPPORT SERVICES			
	Item Description			
2110100	Basic Salaries Permanent Employees			
2210302	Accommodation (Pending bills -staff allowances)	11,301,100.00		2,542,492.00
2210500	Printing, Advertising and Information Supplies and Services			
2210504	Printing, Advertising & Publicity Campaigns	14,464,160.00	-1,000,000.00	
2210505	Trade Shows & Exhibitions	1,500,000.00	-500,000.00	
	Hire of Equipment	200,000.00	-200,000.00	
2211016	Purchase of Uniforms & Clothing -Staff (uniforms during CASA games)	3,000,000.00		3,242,596.00
2211305	contracted guards	5,400,000.00		500,000.00
2211305	Committee Services, Responsibility / Special duty Allowance			
2211101	General Office Supplies and Services plus water	11,797,200.00		789,958.00
	Maintenance of Mv	6,426,500.00	-2,000,000.00	
2211308	Legal Fees, Arbitration and Compensation Payment	20,000,000.00	-2,000,000.00	
3111001	Purchase of office furniture and fittings	14,950,000.00	-6,350,000.00	
3111002	Purchase of computer, printers & other equipments	9,300,000.00		250,000.00
2110101	Salaries & Wages - Civil Servants		-292,160.00	

2110301	House Allowance			11,400.00
2110314	Transport Allowance			20,000.00
	Leave Allowance		-2,000.00	
	Acting Allowance			314,040.00
2200000	Use of Goods and Services			
	Utilities supplies and services			
2210102	Water & Sewerage	272,600.00		460,037.00
PO201: GENERAL ADMINISTR ATION, PLANNING AND SUPPORT SERVICES	GENERAL ADMINISTRATION, PLANNING AND SUPPORT SERVICES			
Sub- Programme: DIRECTORA TE OF ICT, RESEARCH AND LIBRARY SERVICES	DIRECTORATE OF HUMAN RESOURCE & ADMINISTRATION			
2110101	Salaries & Wages - Civil Servants	67,260,960.00		351,913.00
2210711	Staff Training + (NITA)			166,800.00
2211399	Stipend for interns/ Attachees	3,500,000.00	-3,000,000.00	
2110301	Housing Levy	-		5,000,000.00
2210603	Rent & rates of non- residential (office rent)			1,200,000.00
2710102	Pension (Civil Servants + Contract + Interns)- NSSF + Pension.	-		3,900,000.00
4140000	Car loan and mortgage fringe benefits tax (MCAs staff & d/ Speaker)			3,964,000.00
2710115	Gratuity (contracted staff)= Laptrust arrears			
PO201: GENERAL ADMINISTR ATION,	GENERAL ADMINISTRATION, PLANNING AND SUPPORT SERVICES			

PLANNING AND SUPPORT SERVICES				
Sub-Programme:	DIRECTORATE OF ICT, REASERACH AND LIBRARY SERVICES			
2110101	Salaries & Wages -			233,160.00
	Acting Allowance			153,672.00
PO201	LEGISLATION AND OVERSIGHT SERVICES			
SPO20201:	LEGISLATION & OVERSIGHT			
Code	Item Description			
2710103	Gratuity - MCAs .+NSSF	14,823,270.00		1,672,712.00
PO201:	LEGISLATION & OVERSIGHT SERVICES			
SPO20203	(COMMITTEE SERVICES)			
Code	Item Description			
2110328	Committee Services, Responsibility / Special duty Allowance	45,305,000.00	-6,412,480.00	
2210300	Domestic Travel, Subsistence and Other Transportation Costs			
2210302	Accommodation	66,000,000.00		8,762,400.00
SPO20204:	(REPRESENTATION / PUBLIC PARTICIPATION SERVICES)			
Code	Item Description			
	Membership Fees & Subscriptions to CAF.	1,000,000.00	- 1,000,000.00	
2211320	Temporary committee expenses (Public participation)	45,000,000.00	-5,000,000.00	
			-33,535,180.00	33,535,180.00

12.

LIST OF ANNEXES

1. INVITATION LETTERS TO VARIOUS SECTORS (ANNEX I)

2. COMPILED REPORT ON THE CONSULTATIVE MEETING WITH SECTORS (ANNEX II)



P.O Box 86-40100, Kisumu
Email: kisumuassembly@gmail.com

Email: owenojuok@gmail.com
Web: www.kisumuassembly.go.ke

County Assembly of Kisumu

OFFICE OF THE CLERK

REF: CAK/CG/VOL.III/2023

DATE: WEDNESDAY, 21ST FEBRUARY 2024

All County Executive Committee Members,
County Government of Kisumu.

Through

The County Secretary



RE: CONSULTATIVE MEETING WITH THE COMMITTEE ON THE 1ST PROPOSED KISUMU
COUNTY SUPPLEMENTARY BUDGET ESTIMATES FY 2023-2024

Above matter refers.

The Select Committee on County Budget and Appropriations pursuant to the Provisions of S.O No. 189 & 225 of Kisumu County Assembly is charged with the responsibility to investigate, inquire into and report on all matters related to coordination, control and monitoring of the County Budget and to discuss and review the estimates and make recommendations to the County Assembly.

The Committee is presently analyzing and interrogating the 1ST Proposed Kisumu County Supplementary Budget Estimates FY 2023/2024.

The Committee has scheduled consultative meetings with all County Departments/Sectors on 26TH and 27TH February, 2024 to deliberate on 1ST Proposed Kisumu County Supplementary Budget Estimates FY 2023/2024.

In this regard, the Committee has resolved to invite you to appear before it accompanied by your relevant Technical Staff to compressively discuss the following issues;

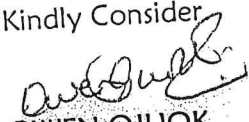
- I. Review the Departmental Budgetary Absorption rates for the 1ST half of the FY 2023/2024.
- II. Discuss the Milestones and Challenges encountered during the implementation of the County Budget in the 1ST half of FY 2023/2024.
- III. Review the Departmental OSR Collection performance within the 1ST half of the FY 2022/2023.
- IV. Analyze and interrogate the various proposed Departmental Budgetary reallocation/readjustments on the 1ST Proposed County Supplementary Budget Estimates FY 2023/2024 and to determine sources of finances and their applications respectively.
- V. Assess the extent of Compliance to the various relevant legal frameworks on preparation of the Supplementary Budget Estimates.

You are required to submit any relevant reference material for this engagement 48 hours before the actual meeting date.

We request you to prepare to address the Committee on these concerns on such a date and time as indicated in the program attached to this letter.

Mr. Edwin Omollo, the Committee Clerk (Tel. 0702223981-Email. omollokatiba71@gmail.com) is responsible for coordinating this matter.

Kindly Consider



OWEN OJUOK,

CLERK OF THE COUNTY ASSEMBLY/SECRETARY, CASB

THE;

CECM. Finance, Economic Planning and ICT Services
CECM. Agriculture, Fisheries, Livestock Development and Irrigation
CECM. Education, Human Resource Development and ICT
CECM. Medical Services, Public Health and Sanitation
CECM. Trade, Tourism, Industry and Marketing
CECM. Infrastructure, Energy and Public Works
CECM. Lands, Housing and Physical Planning
CECM. Sports, Culture, Gender and Youth Affairs
CECM. Water, Environment, Natural Resources and Climate Change
CECM. Public Service, County Administration, Participatory Development and Office of the Governor

COUNTY ASSEMBLY OF KISUMU



BUDGET AND APPROPRIATIONS COMMITTEE

PROGRAM FOR CONSULTATIVE MEETING WITH VARIOUS COUNTY DEPARTMENTS/SECTORS ON 26TH AND 27TH FEBRUARY, 2024 AT (COUNTY ASSEMBLY OFFICES - MEGA BUILDING – SHILOAH 9TH FLOOR)

S/NO	DEPARTMENT/SECTOR	DATE	TIME	VENUE
DAY ONE – MONDAY, 26 TH FEBRUARY, 2024				
1.	Trade, Tourism, Marketing and Industry	26/02/2024	8:00am -9:30am	SHILOAH
2.	Kisumu County Public Service Board	26/02/2024	9:30am -11:00am	SHILOAH
3.	City of Kisumu	26/02/2024	11:00am -12:30pm	SHILOAH
4.	Water, Environment, Natural Resources and Climate Change	26/02/2024	12:30pm -2:00pm	SHILOAH
5.	Infrastructure, Energy and Public Works	26/02/2024	3:00pm -4:30pm	SHILOAH
6.	Education, Technical Training, Innovation and Social Services	26/02/2024	4:30pm -6:00pm	SHILOAH
DAY TWO – TUESDAY, 27 TH FEBRUARY, 2024				
7.	Lands, Physical Planning and Urban Development	27/02/2024	8:00am -9:30am	SHILOAH
8.	Medical Services, Public Health and Sanitation	27/02/2024	9:30am -11:00am	SHILOAH
9.	Agriculture, Fisheries, Livestock Development and Irrigation	27/02/2024	11:00am -12:30pm	SHILOAH
10.	Sports, Culture, Gender and Youth Affairs	27/02/2024	12:30pm -2:00pm	SHILOAH
11.	Public Service, County Administration, Participatory Development and Office of the Governor	27/02/2024	3:00pm -4:30pm	SHILOAH

ANNEX (II)

COUNTY GOVERNMENT OF KISUMU



THE COUNTY ASSEMBLY OF KISUMU

THIRD ASSEMBLY – THIRD SESSION

COUNTY BUDGET AND APPROPRIATIONS COMMITTEE

· COMPILED REPORT OF THE CONSULATATIVE MEETING WITH ALL COUNTY
DEPARTMENT/SECTORS ON THE PROPOSED KISUMU COUNTY SUPPLEMENTARY
ESTIMATES NO. 1 FOR FY 2023/2024

*The Clerk's Chambers
Directorate of Committee Services
County Assembly of Kisumu*

MARCH, 2024

INTRODUCTION

The provisions of Kisumu County Assembly S.Os No. 189 & 125 requires the County Budget and Appropriations Committee to hold consultative engagements with various stakeholders, the County Government Sectors/Departments while considering County Budget Estimates or County Supplementary Budget Estimates.

The Committee through the office of the Clerk in conformity to this provisions formally extended invitations to all County Sectors/Departments to attend a consultative meeting with the Committee to deliberate on the Proposed County Supplementary Budget Estimates (I) for FY 2023/2024. Through the letter REF: **CAK/CG/VOL.III/2023** dated **21st March, 2023**, all the Departments including City of Kisumu and the Kisumu County Public Service Board were furnished with a program scheduling each Sector a specific time to appear before the Committee. The meetings were conducted for two days on **26th & 27th February, 2024**. It is important to note that all the Sectors attended this vital activity except the Kisumu County Public Service Board who rendered their apologies on the basis that the Board Members were attending a workshop in Naivasha at the same time.

The consultative engagements majorly focused on these areas;

- I. Review the Departmental Budgetary Absorption rates for the 1ST half of the FY 2023/2024.
- II. Discuss the Milestones and Challenges encountered during the implementation of the County Budget in the 1ST half of FY 2023/2024.
- III. Review the Departmental OSR Collection performance within the 1st half of the FY 2022/2023.
- IV. Analyze and interrogate the various proposed Departmental Budgetary reallocation/readjustments on the 1ST Proposed County Supplementary Budget Estimates FY 2023/2024 and to determine sources of finances and their applications respectively.
- V. Assess the extent of Compliance to the various relevant legal frameworks on preparation of the Supplementary Budget Estimates.

We have comprehensively consolidated and compiled all the resolutions made during these engagements as outlined below;

1. DEPARTMENT OF LANDS PHYSICAL PLANNING AND URBAN DEVELOPMENT

IN ATTENDANCE

- | | |
|--------------------|--------------------|
| 1. Dr. Hongo | - CECM FOR LPPHU |
| 2. Mr. Peter Ogada | - KISIP Accountant |

DELIBERATIONS

The Committee presented to the Department its comparative analysis of the Supplementary Budget and the Approved Budget as highlighted in the matrix below;

S/NO	COMPONENT	APPROVED BUDGET	SUPPLEMENTARY BUDGET	VARIANCE	%CHANGE
1	P&E	78,897,853	78,897,853	-	-
2	O&M	42,374,188	81,503,376	39,129,188	92.34
3	DEVELOPMENT	450,000,000	470,000,000	20,000,000	4.44
	TOTAL	571,272,041	630,401,229	59,129,188	10.35

1. The Department was tasked to justify a total of **Kshs. 59,129,188** additional funding request being; O&M at Kshs. 39,129,188 and Development at Kshs. 20,000,000

Response by the Department

- That the additional Financial Requirement for O&M was meant to pay the accrued Departmental Pending Bills majorly for the implementation of the draft valuation roll and set the newly created Municipalities rolling.
- That Kshs. 20,000,000 additional Financial Requirement for Development expenditure is meant for purchase of County Land Bank.

Committee Observations

- I. The CECM. Adduced that it was his first time interacting with the Supplementary Budget presented before him by the Committee raising pertinent concerns to whether the Document was duly approved by CEC prior to its submission to the Assembly in violation compliance with the law.
- II. The Department tabled a list of accrued Departmental pending bills totaling to Kshs. 113,935,000.
- III. The Department has absorbed 41% of their budgetary allocation within the 1ST half of the Financial year

Committee Resolutions

- I. Approved Kshs. **59,129,188** additional Financial Resources requested by the Department.
- II. The CECM. to submit effective budget notes to justify the additional allocations.

2: CITY OF KISUMU

In Attendance

1. Abala Wanga - City Manager
2. Steven Oketch - Accountant

DELIBERATIONS

The Committee presented to the Department its comparative analysis of the Supplementary Budget and the Approved Budget as highlighted in the matrix below;

S/NO	COMPONENT	APPROVED BUDGET	SUPPLEMENTARY BUDGET	VARIANCE	%CHANGE
1	P&E	297,416,334	297,416,334	-	-
2	O&M	166,000,000	141,654,649	(24,345,351)	(14.67)
3	DEVELOPMENT	297,300,000	334,300,000	37,000,000	12.45
	TOTAL	760,716,334	773,370,983	12,654,649	1.66

I. The City Manager was tasked to justify the Kshs. 12,654,649 total additional financial requirement for City being; sourced internally by reducing its O&M by Kshs. (24,345,351) and increasing its Development Budget with Kshs. 37,000,000.

Response by the Department

- That the reduction of Kshs. 24,345,351 under O&M budget is meant to source for Financial Resources to raise revenue for the underfunded additional works under the Development Component.
- That Kshs. 37,000,000 additional Financial Requirement for Development is meant for renovation and additional reconstruction works for the Nyamasaria-Molem Bus Park.

Committee Observations

1. That City of Kisumu has utilized Kshs. 360,756,502 against its total budget of Kshs. 760,716,334 translating into an absorption rate of 47%.
2. That City of Kisumu committed additional works projects at Molem Bus stage to a tune of Kshs. 37,000,000 without a budgetary provision for the projects in violation of the law.

Committee Resolutions

The Committee Approved Kshs. 12,654,649 additional Financial Resources requested by City of Kisumu.

3: DEPARTMENT OF WATER ENVIRONMENT AND NATURAL RESOURCES

In Attendance

1. Ms. Meryline Agwa – CECM. Water Environment and Natural Resources
2. Mr. Ken Koyo –Dir
3. Mr. Francis Osuna
4. Benard Odhiambo – Dir. Water
5. Martin Oloo – Dir. Environment

DELIBERATIONS

The Committee presented to the Department its comparative analysis of the Supplementary Budget and the Approved Budget as highlighted in the matrix below;

S/NO	COMPONENT	APPROVED BUDGET	SUPPLEMENTARY BUDGET	VARIANCE	%CHANGE
1	P&E	88,041,550	88,041,550	-	-
2	O&M	71,804,096	61,534,839	(10,269,257)	(14.30)
3	DEVELOPMENT	366,150,000	393,150,000	27,000,000	7.37
	TOTAL	525,995,646	542,726,389	16,730,743	3.18

1. The Department was tasked to justify the Kshs. 16,730,743 total additional financial requirement being; sourced internally by reducing its O&M by Kshs. 10,269,257 and increasing its Development Budget with Kshs. 27,000,000.

Response by the Department

The CECM. Water, Environment and Natural Resources told the Committee that it was her first interaction with the proposed Supplementary Budget tabled before her.

Committee Observations

- The Department has absorbed 45% of its approved Budget within the first half of the Financial Year.
- The Department has collected Kshs. 3M out of the Targeted Kshs. 6M for the period under review.

Committee Resolutions

1. The Department was returned to go and interrogate their Supplementary Budget and submit their proposal to the Committee for consideration since it was their first time seeing the document.
2. The CECM. Water and his technical staff to appear before the Committee during its joint consultative meeting with Department of Finance scheduled on 4th & 5th March, 2024 in Bondo to deliberate on the proposed Supplementary Estimates.
3. The Department be allocated an additional Kshs. 800,000 for maintenance of the Rig with a condition that the Rig should start working within next 14 days of approval of Supplementary Budget to address water shortage in the County.

4. DEPARTMENT OF INFRASTRUCTURE, ENERGY AND PUBLIC WORKS

In Attendance

1. Mr. Salmon Orimba _ CECM. INFRASTRUCTURE, ENERGY AND PUBLIC WORKS
2. Eng. Daniel Okia _ C.O INFRASTRUCTURE, ENERGY AND PUBLIC WORKS

DELIBERATIONS

The Committee presented to the Department its comparative analysis of the Supplementary Budget and the Approved Budget as highlighted in the matrix below;

S/NO	COMPONENT	APPROVED BUDGET	SUPPLEMENTARY BUDGET	VARIANCE	%CHANGE
1	P&E	108,461,493	108,461,493	-	-
2	O&M	142,646,994	139,565,394	(3,081,600)	(2.16)
3	DEVELOPMENT	510,200,000	474,600,000	(35,600,000)	(6.98)
	TOTAL	761,308,487	722,626,887	(38,681,600)	(5.08)

1. The Department was tasked to justify a total of Kshs. 38,681,600 proposed reduction of its budgetary allocation being; a reduction of O&M by Kshs. 3,081,600 and the Development Budget by Kshs. 38,681,600.

Response by the Department

- The CECM. Declined taking responsibility of the Kshs. 35,600,000 proposed reduction of the approved Departmental Budget.
- The CECM. also presented a list of 16 Development projects expunged in the Budget totaling to Kshs. 39,600,000. That amongst the projects six (6) have been committed and would attract litigation.
- The CECM. Presented a list of four new projects which have been introduced in the Supplementary totaling o Kshs. 10,500,000.

Committee Observations

That, project number 125 – Installation of Floodlight at Carwash-Gorofa Chafu mistakenly placed in Manyatta “B” be attached in Migosi Ward.

That, the supplementary Budget reports a figure of Kshs. **763,308,487** as the approved Departmental Budget which differs with the approved Budget Book figure of Kshs. 761,308,487 giving a variance of Kshs.2, 000,000.

Committee Resolutions

1. That Kshs. 10,500,000 meant for allowances for Road Maintenance Team be reallocated to finance the six (6) projects which were expunged but had already been Committed.
2. That, project number 125 – Installation of Floodlight at Carwash-Gorofa Chafu mistakenly placed in Manyatta “B” be correctly attached to Migosi Ward.
3. The CECM. Finance and Economic Planning to readjust the figure of approved Departmental Budget to correct the reported figures in the proposed Supplementary Budget in conformity with the approved budget.

5. DEPARTMENT OF EDUCATION, HUMAN RESOURCE DEVELOPMENT AND ICT

In Attendance

1. Mr. John Awiti – CEC. Education, Human Resource Development and ICT
 2. Mr. Fred Osewe – C CEC. Education, Human Resource Development and ICT
 3. Wilkista Odera – Dir. Education and ECD
- Amongst other Technical Officers

DELIBERATIONS

The Committee presented to the Department its comparative analysis of the Supplementary Budget and the Approved Budget as highlighted in the matrix below;

S/NO	COMPONENT	APPROVED BUDGET	SUPPLEMENTARY BUDGET	VARIANCE	%CHANGE
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1	P&E	459,828,762	459,828,762	-	-
2	O&M	259,098,188	259,098,188	-	-
3	DEVELOPMENT	200,832,281	198,532,281	(2,300,000)	(1.15)
	TOTAL	919,759,231	917,459,231	(2,300,000)	(0.25)

1. The Department was tasked to justify a total proposed reduction of Kshs. 2,300,000 in its budgetary allocation being; a decrease of the Development Budget by Kshs. 2,300,000
Response by the Department

- The following three projects (Construction of Ratta, Nyaimbo & Ayara @ Kshs. 3,000,000) faced technicalities during procurement process and the processing were not finalized by the time the Supplementary was being prepared therefore the sum total of Kshs. 9,000,000 was reallocated as a Counter Funding for construction of Pap Othany at Kshs. 6,700,000 giving a balance of Kshs. 2,300,000 which is the source of reduction in Development Expenditure component.

Committee Observations

- The Departmental accountant confirmed that revenues totaling to Kshs. 6,700,000 previously appropriated for Counter funding for Construction of Pap Othany and Lela were still available in the Youth Polytechnic Bank Account domiciled.

Committee Resolutions

1. The three expunged projects i.e. Construction of Ratta, Nyaimbo & Ayara totaling to Kshs. 9M be retained as per the approved budget and counterpart contribution of Kshs. 6.7M for Pap Othany and Lela be sourced from the Youth Polytechnic Bank Account.
2. That project number 86 being (completion of Siany PWD Resource Centre allocated Kshs. 1,000,000 in South East Nyakach be renamed Construction of 4 door toilet at Siany Social Hall.
3. The Department to hold a consultative meeting with the Central Procurement Department to design a framework to address the issues of doubled procurement of projects such as Project No. 28 – Completion of Ongadi ECDE at Kshs. 1,500,000 & No. 30. Construction of ECDE Classroom at Ongadi at Kshs. 950,000.

6. DEPARTMENT OF TRADE TOURISM INDUSTRY AND MARKETING

In Attendance

1. Ms. Farida Salim - CECM Trade Tourism Industry and Marketing

2. Mr. Bovince Ocvhieng - C.O Trade Tourism Industry and Marketing
3. Ms. Inviolet Adhiambo - Dir. Tourism
4. Mr. Thomas Ouko - Tourism

DELIBERATIONS

The Committee presented to the Department its comparative analysis of the Supplementary Budget and the Approved Budget as highlighted in the matrix below;

S/NO	COMPONENT	APPROVED BUDGET	SUPPLEMENTARY BUDGET	VARIANCE	%CHANGE
1.	P&E	69,198,766	69,198,766	-	-
2	O&M	48,215,698	43,649,678	(4,566,020)	(9.47)
3	DEVELOPMENT	275,147,203	166,609,470	(108,537,733)	(39.45)
	TOTAL	392,561,667	279,457,914	(113,103,753)	(28.81)

1. The Department was tasked to justify a total of Kshs. 113,103,753 proposed reduction of its budgetary allocation being; a reduction of O&M by Kshs. 4,566,020 and the Development Budget by Kshs. 108,537,733.

Response by the Department

- The CECM. cited that the reduction is majorly as a result of underutilized funds for County Counter Funding for the construction of Industrial Parks totaling Kshs. 100M which has faced a problem with land acquisition.

Committee Observations

1. The CECM. tabled a list 9 expunged projects in the Supplementary totaling to Kshs. 23,537,733 amongst them are 7 awarded and two projects committed.
2. A new project costing Kshs. 15,000,000 has been introduced in the proposed supplementary being pre-feasibility study and appraisal studies for the Industrial Parks (*Contravenes Provision of Regulation No. 39 (8)*)
3. The CECM. Proposes deletion of Purchase of Unit Verification Van allocated Kshs. 6M in consideration of that the allocation is less than the Market price.
4. That, the supplementary Budget reports a figure of Kshs. 381,861,667 as the approved Departmental Budget which differs with the approved Budget Book figure of Kshs. 392,561,667 giving a variance of Kshs.10, 700,000.

Committee Resolutions

1. That the Kshs. 6M for Purchase of Unit Verification Van be reallocated to partially raise revenues to finance projects expunged but already awarded or committed.
2. That Program I- **Code 2211305 (Contracted Guards and Cleaning Services @ Kshs 5,000,000)** is new vote in the Supplementary. The vote line be expunged and the funds be reallocated to finance projects expunged but already awarded or committed.
3. The Kshs. 15,000,000 for Research Feasibility Study be retained.
4. The CECM. Finance and Economic Planning to readjust the figure inconsistent figure of the approved Departmental Budget reported in the proposed Supplementary Budget to in line with the approved budget.

N/B - Provisions of Section 154 (1) (b)

States that;

1. *An accounting Officer shall not authorize the transfer of an amount that is appropriated;*
- b) for Capital Expenditure except to defray other Capital Expenditure.*

7. DEPARTMENT OF MEDICAL SERVICES, PUBLIC HEALTH AND SANITATION

In Attendance

1. Dr. Gregory Ganda – CECM. Medical Services, Public Health and Sanitation
2. Ojwang Lusi – C.O Medical Services, Public Health and Sanitation

Amongst other Technical Officers in the Department

DELIBERATIONS

The Committee presented to the Department its comparative analysis of the Supplementary Budget and the Approved Budget as highlighted in the matrix below;

S/NO	COMPONENT	APPROVED BUDGET	SUPPLEMENTARY BUDGET	VARIANCE	%CHANGE
1	P&E	2,728,154,740	2,728,154,740	-	-
2	O&M	652,909,097	645,651,509	(7,257,588)	(1.11)
3	DEVELOPMENT	236,174,534	228,174,534	(8,000,000)	(3.39)
	TOTAL	3,617,238,371	3,601,980,783	(15,257,588)	(0.42)

1. The Department was tasked to justify a total proposed reduction of Kshs. 15,257,588 in its budgetary allocation being; reduction of O&M by Kshs. 7,257,588 and a decrease of the Development Budget by Kshs. 8,000,000

Response by the Department

That a reduction of Development Budget by Kshs. 8,000,000 is as result of two expunged projects being;

- i. Rehabilitation and Equipping of Chemelil Health Centre at Kshs. 4M (expunged but has already been committed)
- ii. Rehabilitation and Fencing of Katito Sub-County Hospital at Kshs. 4M (expunged in the proposed Supplementary but should be reinstated)

Committee Observations

The Department absorbed 48% of budget during within the first half of the Financial Year.

Committee Resolutions

1. All the Development Projects be retained as per the approved Budget Estimates and the two expunged projects be reinstated in conformity to the provisions of Section 154 (1) of the PFM Act, 2012

2. Project No. 46 - Construction of Patient waiting Bay and Equipping of Railways Health Centre in Railway ward (the project be attached to its correct locality- Market Milimani Ward).

8: DEPARTMENT OF AGRICULTURE, IRRIGATION, LIVESTOCK AND FISHERIES

In Attendance

- | | |
|--------------------|---|
| 1. Kenneth Onyango | - CECM Agriculture, Irrigation, Livestock and Fisheries |
| 2. Eric Ogalo | - C.O Agriculture, Irrigation, Livestock and Fisheries |
| 3. Thadius Ouko | - Accountant |

DELIBERATIONS

The Committee presented to the Department its comparative analysis of the Supplementary Budget and the Approved Budget as highlighted in the matrix below;

S/NO	COMPONENT	APPROVED BUDGET	SUPPLEMENTARY BUDGET	VARIANCE	%CHANGE
1	P&E	206,161,353.00	208,114,836	1,953,483	0.95
2	O&M	78,667,679	57,268,857	(21,398,822)	(27.20)
3	DEVELOPMENT	648,726,668	682,026,668	33,300,000	5.13
	TOTAL	933,555,700	947,410,361	13,854,661	1.48

1. The Department was tasked to justify the Kshs. 13,854,661 total additional financial requirement being; sourced internally by reducing its O&M by Kshs. 21,398,822 and increasing its Development Budget by Kshs. 33,000,000.

Response by the Department

The CECM. Explained that additional financial requirement of Kshs. 33,000,000 on the development budget is majorly to raise counter funding for NAVCDP totaling to Kshs. 26,800,000 and Kshs. 10M additional allocation for construction of Pap Konam ATC.

Committee Observations

That the following Development Projects have been expunged in the proposed supplementary;

- Construction of Fish Processing Slabs at Katito Market in Noth Nyakach Ward allocated Kshs. 2,500,000 (the project had not been awarded by the time of preparation of Supplementary Budget)
- Purchase of Fertilizer for South East Nyakach Ward (procurement not completed by time of preparation of this supplementary estimates)

Committee Resolutions

The two expunged projects be reinstated.

9. DEPARTMENT OF SPORTS, CULTURE, GENDER AND YOUTH AFFAIRS

In Attendance

1. Ms. Beatrice Odongo – CECM. Sports, Culture, Gender and Youth Affairs
2. Mr. Kajwang Timothy - C.O Sports, Culture, Gender and Youth Affairs
3. Ms. Wasamo

DELIBERATIONS

The Committee presented to the Department its comparative analysis of the Supplementary Budget and the Approved Budget as highlighted in the matrix below;

S/NO	COMPONENT	APPROVED BUDGET	SUPPLEMEN TARY BUDGET	VARIANCE	%CHANGE
1	P&E	63,910,746	63,910,746	-	-
2	O&M	127,162,885	125,614,415	(1,548,470)	(1.22)
3	DEVELOPMENT	127,561,013	17,000,000	(110,561,013)	(86.67)
	TOTAL	318,634,644	206,525,161	(112,109,483)	(35.18)

1. The Department was tasked to justify a total of Kshs. 112,109,483 proposed reduction of its budgetary allocation being; a reduction of O&M by Kshs. 1,548,470 and the Development Budget by Kshs. 110,561,013.

Response by the Department

- The CECM. cited that the huge reduction on Development Budget is as a result of expungement of Kshs. 100,000,00 budgetary allocation for Moi Stadium, Kshs. 5,561,013 allocated to Music and Film Production in Market Milimani Ward and Kshs. 5,000,000 allocated for Development of Moi Stadium.

Committee Observations

- That CECM informed the Committee that the allocation for Music and Film Production and Development of Moi Stadium were expunged yet the projects had already been tendered.

Committee Resolution

1. The Department was to submit proof that the projects were actually awarded before preparation of the Supplementary Estimates by 4:00pm of 27th February, 2024 but no submission was received.
2. In the future, the Department to spread their support for local team without singular concentration on Kisumu all stars.

N/B - Provisions of Section 154 (I) (b)

States that;

1. *An accounting Officer shall not authorize the transfer of an amount that is appropriated;*
b) for Capital Expenditure except to defray other Capital Expenditure.

10. DEPARTMENT OF PUBLIC SERVICE, COUNTY ADMINISTRATION &
PARTICIPATORY DEVELOPMENT, OFFICE OF THE GOVERNOR

IN ATTENDANCE

1. Ms. Judith Raluoch – CECM. Public

2. Ms. Benter Omollo - C.O
3. Dir. Governance -
4. Milliscent Atieno -
5. Mourice Dir. Admin -
6. Christine Amoke Acc -
7. George Amoke -

DELIBERATIONS

The Committee presented to the Department its comparative analysis of the Supplementary Budget and the Approved Budget as highlighted in the matrix below;

S/NO	COMPONENT	APPROVED BUDGET	SUPPLEMENTARY BUDGET	VARIANCE	%Change
1	P&E	385,798,526	385,798,526	-	-
2	O&M	617,209,588	745,609,618	128,400,030	20.80
3	DEVELOPMENT	58,500,000	115,500,000	57,000,000	97.44
	TOTAL	1,061,508,114	1,246,908,144	185,400,030	17.47

1. The Department was tasked to justify the request of Kshs. 185,400,030 total additional financing being; an increase of O&M by Kshs. 128,400,030 and Development by Kshs. 57,000,000.

Response by the Department

- That the CECM stated that the request for additional funding is due to high cost of civil works and purchase of goods and services due to inflation.
- That cost of Construction of the Governor's residence was under budgeted and required an additional funding of Kshs. 34.8M

Committee Observations

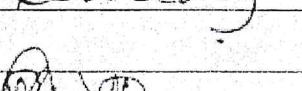
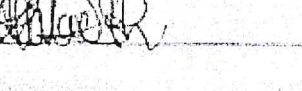
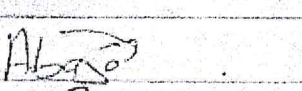
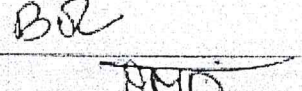
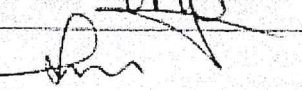
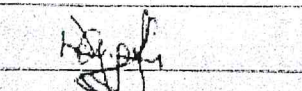
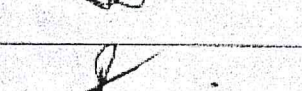
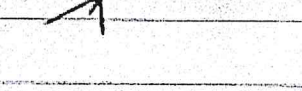
- i. That the Department had paid pending Bills totaling to Kshs. 7M for Air Travelling.
- ii. Code 2211308 - Legal Fees Arbitration and Compensation has been allocated Kshs. 40,000,000
- iii. The Department has committed additional works totaling to 34.8M on construction of the Governors House without Budgetary allocation.

Committee Resolutions

1. The CECM. to submit a detailed Breakdown of County Attorney Pending Bills to justify the Kshs. 40,000,000 allocated towards the effect. (Not submitted)
2. The CECM. to submit Concept Notes for Building Plans and Designs for additional works under Office of the Governor to justify the additional financial resources requested by the Department (Not yet submitted)

ADOPTION SCHEDULE

We, the Members of the Select Committee of Budget and Appropriations do hereby append our signatures to the Committee Report on the 1st Proposed Kisumu County Supplementary Estimates FY 2023/2024 in affirmation that the contents in the report are true records of proceedings;

No.	Names	Position	Signature
1.	Hon. Joachim Oketch	Chairperson	
2.	Hon. Seth Okumu	Vice-chairperson	
3.	Hon. Nereah Okombo	Member	
4.	Hon. Kennedy Ooko	Member	
5.	Hon. Seth Kanga	Member	
6.	Hon. Lumumba Owade	Member	
7.	Hon. Jennipher Obonyo	Member	
8.	Hon. George Abaja	Member	
9.	Hon. Boitone Ratib	Member	
10.	Hon. Moses Ochele	Member	
11.	Hon. Vincent Jagongo	Member	
12.	Hon. Geoffrey Warindu	Member	
13.	Hon. Carren Odhiambo	Member	
14.	Hon. Reuben Rakwach	Member	
15.	Hon. Pamela Oyoo	Member	