COUNTY GOVERNMENT OF KISUMU

COUNTY ASSEMBLY OF KISUMU

THE HANSARD

Official Report

SECOND ASSEMBLY – SIXTH SESSION

Thursday 23rd June, 2022

House met in the Main Chamber at 2:30 p.m.

(The Temporary Speaker (Hon. Inviolate Adhiambo) in the Chair)

PRAYERS

The Temporary Speaker (Hon. Inviolate): Good afternoon Honourable Members. I want to refer you to the provisions of County Assembly Standing order No. 32 (2) and request that the Serjeant-at-Arms rings the quorum bell for the first five minutes.

(Quorum bell rung for five minutes)

The Temporary Speaker (Hon. Inviolate): Honourable Leader of Majority can you confirm if we have quorum.

Leader of Majority (Hon. Onyango): Thank you Madam Speaker. There is quorum.

The Temporary Speaker (Hon. Inviolate): Madam Clerk take us through the Order Paper of today.

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

PAPERS LAID

THE APPOINTMENT COMMITTEE REPORT ON THE VETTING OF MR. JOHN AUMA OCHIENG, THE NOMINEE FOR THE POSITION OF THE COUNTY SECRETARY

BY

HON. KENNETH ONYANGO, MCA, MIWANI WARD.

(LEADER OF MAJORITY)

THE KISUMU COUNTY APPROPRIATIONS BILL, 2022

BY

HON. KENNETH ONYANGO, MCA, MIWANI WARD.

(LEADER OF MAJORITY)

The Temporary Speaker (Hon. Inviolate): Yes, Hon. Leader of Majority.

Leader of Majority (Hon. Onyango): Thank you Madam Speaker. Pursuant to the provisions of the Public Appointments, that is the County Assembly Approval Act No. 5 of 2017 read together with the Kisumu County Assembly Standing Order No. 182 (6), I wish to table today Thursday 23rd June, 2022 a report from the Select Committee on Appointments on the Vetting of Mr. John Auma Ochieng, nominee for the position of County Secretary. Thank you.

(Hon. Leader of Majority lays the Paper before the House for consideration)

The Temporary Speaker (Hon. Inviolate): Honourable Members, I confirm the receipt of a report from the Select Committee on Appointments on the Vetting of Mr. John Auma Ochieng, nominee for the position of County Secretary. I therefore, direct that the House Business Committee to consider scheduling this report for debate on the Floor. Hon. Leader of Majority.

The Temporary Speaker (Hon. Inviolate): Next!!

Leader of Majority (Hon. Onyango): Thank you Madam Speaker. Pursuant to the provisions of the Kisumu County Assembly Standing Order No. 113 (7), I wish to table today Thursday 23rd June, 2022 the Kisumu County Appropriations Bill, 2022. Thank you.

(Hon. Leader of Majority lays the Paper before the House for consideration)

The Temporary Speaker (Hon. Inviolate): I confirm the receipt of the Kisumu County Appropriations Bill, 2022 from the Leader of Majority. I want to direct that the House Business Committee to schedule it for discussions.

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

NOTICE OF MOTION

THE APPOINTMENT COMMITTEE REPORT ON THE VETTING OF MR. JOHN AUMA OCHIENG, THE NOMINEE FOR THE POSITION OF THE COUNTY SECRETARY

BY

HON. KENNETH ONYANGO

LEADER OF MAJORITY

THE KISUMU COUNTY APPROPRIATIONS BILL, 2022

BY

HON. KENNETH ONYANGO

LEADER OF MAJORITY

The Temporary Speaker (Hon. Inviolate): Yes, Hon. Leader of Majority.

Leader of Majority (Hon. Onyango): Thank you Madam Speaker. Pursuant to the provisions of the Kisumu County Assembly Standing Order No. 45 (1), I wish to give a Notice of Motion on a report from the Select Committee on Appointments on the Vetting of Mr. John Auma Ochieng, nominee for the position of County Secretary. Thank you.

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

MOTION

RESUMPTION OF INTERRUPTED BUSINESS ON WEDNESDAY 22ND JUNE, 2022

(THE COMMITTEE OF THE WHOLE HOUSE)

SECOND READING OF THE KISUMU COUNTY REVENUE ADMINISTRATION (AMENDMENT) BILL, 2022

BY

HON. STEVE OWITI, MCA, KOLWA EAST.

(CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE)

The Temporary Speaker (Hon. Inviolate): Hon. Aslam Khan.

Hon. Khan: Thank you Madam Speaker. May I request the House to revert to the Committee of the Whole House?

(The House reverts to the Committee of the Whole House)

Chairperson, Committee of the Whole House (Hon. Owiti): Hon. Members, welcome to the Committee of the Whole House. We shall proceed with yesterday's deliberations on the proposed amendments to the Kisumu County Revenue Administrations (Amendment) Bill, 2022.

Chairperson, Committee of the Whole House (Hon. Owiti): What is it Hon. Leader of Majority?

The Leader of Majority (Hon. Onyango): Thank you Chair. We did have an elaborate discussion on the report that was ably presented by the Vice Chair. I have looked at the proposed amendments, they reflect accurately the deliberations that were there. So as the Vice Chair proposes the amendments, I would want us to adopt the guillotine method so that we specifically deal with the proposed amendments. May I ask Hon. Roy Samo to second?

Hon. Samo: Honourable Chair, I second.

Chairperson, Committee of the Whole House (Hon. Owiti): Thank you. May I give a chance to our Clerk to guide us through this stage.

(The Clerk, taking Committee through Standing Order No. 126)

Chairperson, Committee of the Whole House (Hon. Owiti): Hon. Aslam Khan.

Hon. Khan: Thank you Chair. I wish to propose the following amendments to the Bill.

1. CLAUSE 3A (5)(d)

THAT the Bill be amended by;

i. Deleting the provision in (d);
ii. Renumbering the whole sub clause (5)

2. CLAUSE 3A (5)(f)

i. THAT the Bill be amended by deleting the word 'four' appearing immediately at the beginning of the paragraph and replacing it therefor with 'three' to read as follows;

Three other persons appointed by the CEC Member by virtue of their knowledge and experience in accountancy, commerce, law, taxation, business administration or public administration..

3. CLAUSE 3B

THAT the Bill be amended by;

i. Deleting the word 'Chairman' and replacing it therefor with 'Chairperson' to read as follows;

No person shall be appointed as Chairperson of the Board or as a member of the Board under paragraph (e) of sub clause (5) if such is a public officer or has been a public officer within the immediately preceding six months.

ii. Deleting the words 'the immediately' and replacing it therefor with 'a period' to read as follows;

No person shall be appointed as Chairperson of the Board or as a member of the Board under paragraph (e) of subsection (5) if such is a public officer or has been a public officer within a period preceding six months.

4. Delete Clause 3B which read;

No person shall be appointed as the Chairman of the Board or as a Member of the Board under paragraph (f) of subsection (5) is such a person is a public officer or has been a public officer within the immediate preceding six months.

5. CLAUSE 3C (1)

THAT the Bill be amended by deleting '(f)' and replacing it therefor with '(e)' to read as follows;

A person shall be qualified for appointment as a chairperson or a member appointed under sub clause (5) (a) and (e) if the person –

6. CLAUSE 3C (1)(b)

THAT the Bill be amended by deleting the words *'experience of at least five years*' and replaced therefor with the word '*qualification*' to read as follows;

Has knowledge and qualification in matters relating to accountancy, commerce, law, taxation, business administration or public administration;

7. CLAUSE 3C(2)

THAT the Bill be amended by;

i. Deleting (e) and replacing therefor with (d) to read as follows;

The term of office for the Chairperson or a member appointed under sub clause (5) (a) (d) shall be three years which may be renewed for one further term after which the person shall retire from the Board for at least two years before being eligible for reappointment to the Board.

ii. Deleting all the words appearing after the word 'Board' to read as follows;

The term of office for the Chairperson or a member appointed under sub clause (5) (a) (d) shall be three years which may be renewed for one further term after which the person shall retire from the Board.

8. CLAUSE 3K

THAT the Bill be amended by deleting the entire paragraph and substituting therefor with the following new provision;

a. One and such amount, not exceeding two percent of the revenue actually collected in the preceding financial estimates for each financial year collected by the Board under this Act as may be determined by the CECM in each financial year;

9. CLAUSE 4A(6)

THAT the Bill be amended by adding *'s'* to the word *'report'* to read as follows;

The CECM shall cause copies of the annual reports to be laid before the County Assembly within two months after the end of every financial year.

10. CLAUSE 4B(2)

THAT the Bill be amended by deleting this provision.

11. CLAUSE 4B

THAT the Bill be amended by deleting the second (4B) appearing in the paragraph postdating 4B (d) and replacing therefore with (2).

12. CLAUSE 6A (1)

THAT the Bill be amended by deleting (1).

Chair, those are the amendments in the Bill. I therefore call upon Hon. Leader of Majority to second.

The Leader of Majority (Hon. Onyango): Mr. Chair, I second the proposed amendments to the Bill. Thank you.

Chairperson, Committee of the Whole House (Hon. Owiti): Thank you. I now want to put a question for the adoption of the amendments as read by Hon. Aslam Khan.

(Question put and agreed to)

Chairperson, the Committee of the Whole House (Hon. Owiti): Hon. Khan.

Hon. Khan: Mr. Chair, I also want to propose that Clause 2 which is *Interpretation* and it reads,

The Kisumu County Revenue Administration Act and this Act referred to as the Principle Act is amended by inserting following new definition in their alphabetical sequence.

That is the meaning of the *Board,* meaning of the *County Executive Committee Member,* being the Member in-charge of Finance and Economic Planning and the Principle Act be the Act which being amended to be part of the Bill.

Chairperson, the Committee of the Whole House (Hon. Owiti): Thank you. I now want to put a question for the adoption of the amendments as read by Hon. Aslam Khan on Clause 2.

(Question put and agreed to)

Chairperson, the Committee of the Whole House (Hon. Owiti): Hon. Khan.

Hon. Khan: Thank you Chair. May I request the Clerk to take Members through the Memorandum of Objects and Reasons of this Bill?

Chairperson, Committee of the Whole House (Hon. Owiti): Mr. Clerk.

(The Clerk, taking the Committee through the Memorandum Part of the Bill)

MEMORANDUM OF OBJECTS AND REASONS

The principal object of this Bill is to amend the Kisumu County Revenue Administration Act 2015 to give effect to Article 209 (3), Article 210 of the Constitution of Kenya and S. 104 (d) and S. 157 (1) of the Public Finance Management Act, 2012 and to provide for the establishment of the Kisumu County Revenue Board as a body for the assessment and collection of County revenue, for the administration and enforcement of the laws relating to revenue.

Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms

The Bill delegates' legislative powers to the CEC Member for Finance and Economic Planning to formulate Regulations for the operationalization of the provisions of this Act but DOES NOT limit any fundamental rights and freedoms.

Statement on how the Bill concerns the county government

The Bill concerns the County Government of Kisumu pursuant to the provisions of Article 209 (3) and Article 210 of the Constitution of Kenya and establishes the County Revenue Board as an agency of the County Government in revenue collection and to regulate revenue matters related to the fiscal and related economic policies; administration management of revenue; imposition, levy and collection of taxes, duties and other levies and further enforcing the County tax system through application of modern techniques of information and developing automated system of collection and assessment, in Kisumu County and for matters connected therewith or ancillary thereto.

Statement that the Bill is not a money Bill, within the meaning of
Article 114 of the Constitution

This Bill is a money Bill within the meaning of Article 114 of the Constitution.
Dated the 4th March, 2022.

STEVE OWITI,
Chairperson, Budget and Appropriations Committee.

Chairperson, Committee of the Whole House (Hon. Owiti): Thank you. I now want to put a question for the adoption of the Memorandum of Objects and Reasons part of the Bill as read by the Clerk.

(Question put and agreed to)

Chairperson, Committee of the Whole House (Hon. Owiti): Mr. Clerk, please proceed to both Short and Long Title of the Bill.

(The Clerk, taking the Committee through the Short and Long title of the Bill)

THE KISUMU COUNTY REVENUE ADMINISTRATION (AMENDMENT) BILL, 2022

A Bill for

AN ACT of the County Assembly of Kisumu to amend the Kisumu County Revenue Administration Act, 2015 to give effect to S. 157 (1) of the Public Finance Management Act, 2012 and to provide for the establishment of the Kisumu County Revenue Board as a body for the assessment and collection of County revenue, for the administration and enforcement of the laws relating to revenue and for connected purposes.

Chairperson, Committee of the Whole House (Hon. Owiti): Any amendment on the Short and Long title of the Bill? I now want to put a question for the adoption of both the Short and Long Title of this Bill as captured by this document.

(Question put and agreed to)

Chairperson, Committee of the Whole House (Hon. Owiti): Honourable Members, I believe that we are done with this Bill at this stage. I want to thank the Vice Chair of the Budget and Appropriations Committee and the Clerk for their contributions at this stage of the Bill.

Chairperson, Committee of the Whole House (Hon. Owiti): Hon. Khan.

Hon. Khan: Thank you Chair. My I request that we revert back to the plenary.

(The House reverts to the Plenary)

The Temporary Speaker (Hon. Inviolate): Yes Hon. Owiti, Chairperson, Budget and Appropriations Committee.

Hon Steve Owiti: Thank you Madam Speaker. Madam Speaker, in the Committee of the Whole House, there were proposed amendments that were brought before the House, discussed and agreed upon. Madam Speaker, the Committee of the Whole House had resolved that we use the guillotine way when dealing with the amendments which we went through and clauses 3(a) 5(d) 3 (a) (b) Clause 3 (b) 3 (c) (1) ,3 (c) 1 (b) ; 3 (c) (2) and 3 (K) together with 4 (a) (6) and 4 (b) (2) ; 4 (b) and 6 (a) (1) which had various amendments were dealt with and it was resolved that these amendments be part of the Bill.

The Temporary Speaker (Hon Inviolate): Thank you. Who is seconding your motion?

Hon Steve Owiti: Madam Speaker, I want to ask Hon Khan to second?

The Temporary Speaker (Hon Inviolate): Yes Hon Khan.

Hon. Khan: Thank you Madam Speaker. I second.

The Temporary Speaker (Hon. Inviolate): Thank you.

The Temporary Speaker (Hon. Inviolate): Honourable Member, the Report from the Committee of the Whole House on the Kisumu County Revenue Administration (Amendment) Bill, 2022 has been presented by the Chairperson, Hon. Steve Owiti and seconded by Hon. Aslam Khan, I want to put a put a question for the adoption of the proposed amendments?

(Question put and agreed to)

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

MOTION

THIRD READING OF THE KISUMU COUNTY REVENUE ADMINISTRATION (AMENDMENT) BILL, 2022

BY

HON. STEVE OWITI, MCA, KOLWA EAST.

(CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE)

The Temporary Speaker (Hon. Inviolate): Yes Hon Owiti

Hon Owiti: Thank you Madam Speaker. Allow me to ask the Clerk to take us through the Third Reading of the proposed Kisumu County Revenue Administration (Amendment) Bill, 2022.

(The Clerk -at-the Table reading the Kisumu County Revenue Administration Bill for the Third time)

THE KISUMU COUNTY REVENUE ADMINISTRATION (AMENDMENT) BILL, 2022

A Bill for

AN ACT of the County Assembly of Kisumu to amend the Kisumu County Revenue Administration Act, 2015 to give effect to S. 157 (1) of the Public Finance Management Act, 2012 and to provide for the establishment of the Kisumu County Revenue Board as a body for the assessment and collection of County revenue, for the administration and enforcement of the laws relating to revenue and for connected purposes.

MEMORANDUM OF OBJECTS AND REASONS.

The principal object of this Bill is to amend the Kisumu County Revenue Administration Act 2015 to give effect to Article 209 (3), Article 210 of the Constitution of Kenya and S. 104 (d) and S. 157 (1) of the Public Finance Management Act, 2012 and to provide for the establishment of the

Kisumu County Revenue Board as a body for the assessment and collection of County revenue, for the administration and enforcement of the laws relating to revenue.

Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms

The Bill delegates' legislative powers to the CEC Member for Finance and Economic Planning to formulate Regulations for the operationalization of the provisions of this Act but DOES NOT limit any fundamental rights and freedoms.

Statement on how the Bill concerns the county government

The Bill concerns the County Government of Kisumu pursuant to the provisions of Article 209 (3) and Article 210 of the Constitution of Kenya and establishes the County Revenue Board as an agency of the County Government in revenue collection and to regulate revenue matters related to the fiscal and related economic policies; administration management of revenue; imposition, levy and collection of taxes, duties and other levies and further enforcing the County tax system through application of modern techniques of information and developing automated system of collection and assessment, in Kisumu County and for matters connected therewith or ancillary thereto.

Statement that the Bill is not a money Bill, within the meaning of Article 114 of the Constitution

This Bill is a money Bill within the meaning of Article 114 of the Constitution.

Dated the 4th March, 2022.

STEVE OWITI,
Chairperson, Budget and Appropriations Committee.

Madam Speaker and Honourable Members, the Kisumu County Revenue Administration (Amendment) Bill, 2022 is now read for the Third time. Thank you.

The Temporary Speaker (Hon. Inviolate): Honourable Members, any further amendments on the Kisumu County Revenue Administration (Amendment) Bill, 2022 from the Floor of the House? There being no further amendment, I wish to put a question.

(Question put and agreed to)

The Temporary Speaker (Hon. Inviolate): Honourable Members, today Thursday, 23rd June, 2022 at 15:02 p.m. this House has adopted The Kisumu County Revenue Administration (Amendment) Bill, 2022.

Further, I direct that the Office of the Clerk to liaise with the Executive and the Governor for assent. Thank you.

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

MOTION

ADOPTION OF A REPORT BY THE SELECT COMMITTEE ON BUDGET AND APPROPRIATION ON THE CONSIDERATION OF KISUMU COUNTY BUDGET ESTIMATES FOR FISCAL YEAR 2022/2023

BY

HON STEVE OWITI CHAIRPESON

The Temporary Speaker (Hon. Inviolate): Yes Hon Owiti

Hon Steve Owiti: Thank you Madam Speaker. I rise to present a Report from the Select Committee of County Budget and Appropriation on its consideration of the Proposed Kisumu County Budget Estimates for the Fiscal Year 2022/ 2023.

Madam Speaker and Hon. Members. The County Executive Committee Member for Finance and Economic Planning invoked the provisions of Article 224 of the Constitution of Kenya, section 130 and 131 of the Public Finance and Management Act 2012 and County Assembly Standing Orders No. 221 (1) and accordingly submitted the Proposed Kisumu County Budget Estimates FY 2022/2023 to the County Assembly on 28th April, 2022 vide letter Ref: KC/FIN/C.ASSEMBLY VOL.III/194 (see annex i).

Pursuant to the provision of section 129 (2) (a) of the PFM Act, 2012 and Standing Orders No. 222 (2), the Leader of Majority tabled the Proposed Kisumu County Budget Estimates FY 2022/2023 on Thursday, 05th May, 2022 and stood committed to the Budget Committee and Sectoral Committees without question put in line with the provisions of Standing Order No. 222(3) and (4).

Madam Speaker and Hon. Members, my Committee fulfilled the requirements of the provision of Article 196 (a) and (b) and 185 (4) of the Constitution of Kenya 2010, Section 87 of the County Government Act, 2012 and section 207 of the PFM Act, 2012 by conducting Public Participation on the Proposed Budget Estimates for two days on 16th May, 2021 and 17th May, 2022 in all the 35 Wards of Kisumu County.

After receiving the Sectoral Reports and Public Participation Reports on the proposed Estimates, the Committee invited all Sector CECMS and their technical officers to appear before it in Nakuru from 20th May, 2022 to 27th May, 2022 to shed light on thematic concerns raised in the reports which was successfully undertaken.

Madam Speaker and Hon. Members, in this budget, the resource envelope available for allocation among the county sectors comprises of; equitable share of the national revenue amounting to KES. 8,026,139,240; Conditional Grants amounting to KES. 693,154,054 and Own Source Revenue projected at KES. 1,571,268,282 totaling to Kshs. 10,290,561,576 (Ten Billion, two hundred and ninety million, five hundred and sixty one thousand, five hundred and seventy six)

Finally, it is important to note that this is a transitional budget of the 2nd County government to the 3rd County Government and the last to be approved by this second Assembly. This House therefore, should ensure that this Budget enhances smooth transition while fulfilling the dreams, priorities and aspirations of the Great Citizens of this County

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 programs with direct budget outlays.

COMPOSITION OF THE COMMITTEE

The Budget and Appropriations Committee is constituted as follows;

1. Hon. Steve Owiti - Chairperson
2. Hon. Aslam Khan - Vice Chairperson
3. Hon. Kenneth Onyango - Member
4. Hon. Joachim Oketch - Member
5. Hon. Jacktone Ojwang' - Member
6. Hon. Benny Pete - Member
7. Hon. Paul Okiri - Member

8. Hon. Vincent Jagongo - Member
9. Hon. Seth Kanga – Member
10. Hon. Joseph Olale - Member
11. Hon. Maurine Otiang' - Member
12. Hon. Beatrice Odongo - Member
13. Hon. Seth Okumu - Member
14. Hon. Nancy Owiti - Member
15. Hon. Johnson Guya - Member

COMMITTEE MEETINGS

To exhaustively Scrutinize, Review and Examine the Proposed Kisumu County Estimates FY 2021/2022, the CBAC held a total of 15 (fifteen) sittings.

The Committee focused on the following elements during its analysis of the Estimates

I. Alignment of the Estimates to key National and County Policies, Strategies and Plans
II. Alignment of the Sector Priorities to the Third Medium Term Plan 2018-2022 and Government Big 4 Agenda
III. Distribution of Development Projects
IV. Own Source Revenue Trend
V. Compliance to relevant legal provisions
VI. Pending Bills
VII. Ballooning Wage Bill
VIII. Public Participation
IX. Implementation of the Previous Budget

The Committee also invited all CECMS to a meeting to respond to the concerns raised by Sectoral Committees and Members of the Public and given justifications on their proposed departmental budget estimates

ACKNOWLEDGEMENT

Madam Speaker, on behalf of the Select Committee of County Budget and Appropriations, I convey great honor to your office and the clerk's office for the invaluable support accorded us during all the entire period processing the Estimates. The Committee was allocated adequate meeting slots and accordingly facilitated to undertake its various tasks as deemed necessary.

I also express deep gratitude to my Committee Members who entirely committed themselves to the task and offered quality inputs during the course. My appreciation also goes to officers from the executive who positively responded to our invites and generously furnished the Committee with the necessary information whenever sought.

Am grateful to members of the public who positively responded to our invite to attend public participation and aired their views and brought memoranda for consideration.

Lastly, I applaud our technical staff who spiritedly and successfully coordinated various processes and offered technical and physical support and producing this quality work.

Madam Speaker and Hon. Members, I now take the honor to table before this House the Report from the Select Committee of Budget and Appropriation on the Proposed Kisumu County Budget Estimates FY 2021/2022 for your consideration.

LEGAL FRAMEWORK UNDERPINING THE PREPEARTION OF THE ESTIMATES

The Committee in scrutinizing of the Proposed Estimates FY 2022/2023 was guided by the following legislations;

a) Constitution of Kenya, 2010
b) Section 107, 130 and 131 of the Public Finance Management Act, 2012i.

Section 107 of the Public Finance Management Act, 2012 further stipulates that;

i. County Treasury to Enforce Fiscal Responsibility Principles

(1) A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2), and shall not exceed the limits stated in the regulations.
(2) In managing the county government's public finances, the County Treasury shall enforce the following fiscal responsibility principles—

(a) the county government's recurrent expenditure shall not exceed the county government's total revenue;
(b) over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;
(c) the country government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;
(d) over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;
(e) the county debt shall be maintained at a sustainable level as approved by county assembly;
(f) the fiscal risks shall be managed prudently; and
(g) a reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

(3) For the purposes of subsection (2) (d), short term borrowing shall be restricted to management of cash flows and shall not exceed five percent of the most recent audited county government revenue.

(4) Every county government shall ensure that its level of debt at any particular time does not exceed a percentage of its annual revenue specified in respect of each financial year by a resolution of the county assembly.

(5) The regulations may add to the list of fiscal responsibility principles set out in subsection (2).

Consequently, section 130 of the Public Finance Management Act, 2012 whish states;

County Executive Committee member for finance to submit budget documents to County Assembly

(1) The County Executive Committee member for finance shall submit to the county assembly the following documents in respect of the budget for every financial year—

(a) a budget summary that includes—

(i) a summary of budget policies including revenue, expenditure, debt and deficit financing; and;

(ii) an explanation of how the budget relates to the fiscal responsibility principles and the financial objectives;

(iii) a memorandum by the County Executive Committee member for finance explaining how the resolutions adopted by the county assembly on the budget estimates have been taken into account;

(b) budget estimates that include—

(i) a list of all county government entities that are to receive funds appropriated from the budget of the county government;

(ii) estimates of revenue projected from the Equalization Fund over the medium term;

(iii) all revenue allocations from the national government over the medium term, including conditional and unconditional grants;

(iv) all other estimated revenue by broad economic classification;

(v) all estimated expenditure, by Vote, and by program, clearly identifying both recurrent and development expenditures;

(vi) information regarding loans made to the county government, including an estimate of principal, interest and other charges to be paid by that county government in the financial year in respect of those loans;

(c) information relating to any payments and liabilities to be made or incurred by the county government for which an appropriation is not included in an Appropriation Act, together with the constitutional or national legislative authority for any such payments or liabilities; and

(d) a statement by the County Executive Committee member for finance specifying the measures taken by the county government to implement any recommendations made by the county assembly with respect to the budget for the previous financial year.

(2) In preparing the annual Appropriation Bill to put before the County Assembly, the County Executive Committee member for finance shall ensure that the expenditure appropriations in the Bill are in a form that.

(a) is accurate, precise, informative and pertinent to budget issues; and

(b) Clearly identities the appropriations by Vote and program.
Provisions of County Assembly Standing Orders No. 189 and 222

VALIDATION PUBLIC PARTCIPATION ON THE PROPOSED BUDGET ESTIMATES FY 2022/2023

Madam Speaker and Hon. Members, pursuant to the provisions of Article 196 (a) and (b) and 185 (4) of the Constitution of Kenya 2010, section 87 of the County Government Act, 2012 and section 207 of the PFM Act, 2012. The Clerk of the Assembly through the star and daily newspaper notified the general public, interested groups and civil societies that the Select Committee on County Budget and Appropriations shall be conducting the Public Participation exercise on this Proposed Budget Estimates for two days starting from Monday, 16th May, 2022 to Tuesday, 17th May, 2022 at the Ward Level (see annex II).

Members of the Public were also directed to make written submissions regarding the Budget Estimates to the CBAC through the Clerk's office either electronically by the Assembly Official mail or physically to the office of the Clerk.

Our technical staff were dispatched to the wards to facilitate this exercise and came with reports of proposals made by the Public over this estimates as attached below;

PROPOSED WARD BASED PROJECTS BY MEMBERS OF THE PUBLIC FOR FY 2022/2023

1) KUSUMU CENTRAL SUB COUNTY
WARDS

a) RAILWAYS WARD

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	EDUCATION	Completion of Obunga ECD	700,000.00
2.	EDUCATION	Completion of Kudho ECD	1,300,000.00
3.	TRADE ENERGY AND INDUSTRY	Completion of Kambi Works Toilet and Construction of Septic	1,000,000.00
4.	TRADE ENERGY AND INDUSTRY	Construction of Juakali BBI Modern Toilet	1,500,000.00
5.	EDUCATION	Equipping of Obunga Library	1,000,000.00

6.	TRADE ENERGY AND INDUSTRY	Floodlight at Obunga Pap Mbuta Floodlight	2,000,000.00
7.	ROADS	Improvement of SegaSega Mbita Bridge	1,000,000.00
8.	ROADS	Improvement of Asango-Kamakoa Road	1,500,000.00
TOTAL			10,000,000.00

b) MIGOSI WARD

Not Submitted

c). KONDELE WARD

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	CITY OF KISUMU	Completion of Kosawo Market Wall Fence	4,800,000
2.	CITY OF KISUMU	Renovation of Kosawo Hall	4,200,000
3.	CITY OF KISUMU	Floodlight Repair	1,000,000
TOTAL			10,000,000.00

d). KALOLENI SHAURIMOYO

Not Submission

e). MARKET MILIMANI

Not Submission

d). NYALENDA B

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	TRADE AND ENERGY	Installation of Ice Processing Machine	2,000,000.00
2.	TRADE AND ENERGY	Installation of Crips Machine	1,200,000.00
3.	TRADE AND ENERGY	Installation of a Bakery	2,000,000.00
4.	CITY OF KISUMU	Desilting of R. Wigwa	2,000,000.00
5.	CITY OF KISUMU	Desilting of R. Uhuru	2,000,000.00
6.	CITY OF KISUMU	Desilting of R. Alewru	2,000,000.00
7.	TRADE AND ENERGY	Installation of small business solar lambs for Traders	2,000,000.00
TOTAL			10,000,000.00

2. KISUMU EAST SUB-COUNTY

WARDS

a). KOLWA EAST

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	ROADS	Siany Kokuto (Ka Mama Sara) Box Culvert	5,000,000.00
2.	EDUCATION	Completion of Aywang' ECD	2,800,000.00
3.	EDUCATION	Completion of Okago ECD	1,600,000.00
4.	EDUCATION	Floor tiling of buoye ECD (Repair and Maintenance)	600,000.00

TOTAL	10,000,000.00

b). KAJULU WARD

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	Public Works, Roads and Transport	Kopere – Komoge Road	2,900,000.00
2.	Public Works, Roads and Transport	Bukna – Pep – 4 ways Road	2,800,000.00
3.	Public Works, Roads and Transport	Got Nyabondo – Got Ongo Road	3,000,000.00
4.	Education, HR Development and ICT	Completion of Ongadi ECD	1,300,000.00
Total Proposed Allocation (Kshs)			10,000,000.00

c). MANYATTA "B" WARD

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	Trade, Energy and Industry	Construction of Kasawino Market	5,000,000.00
2.	ROADS	Ka Ego box culvert	2,500,000.00
3.	ROADS	Omondi Owala Bix Culvert	2,500,000.00
TOTAL			10,000,000.00

d). NYALENDA "A"

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	HEALTH	Completion of Kowino Maternity Wing	4,000,000.00
2.	TOURISM CULTURE ARTS AND SPORTS	Completion of Dago Community Hall	3,000,000.00
3.	TOURISM CULTURE ARTS AND SPORTS	Completion of Kanyakwar Community Hall	1,000,000.00
4.	ROADS	Completion of Pendeza-Tesh-Apollo-Nyatiya Road	2,000,000.00
TOTAL			10,000,000.00

e). KOLWA CENTRAL

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	ROADS, TRANSPORT AND PUBLIC WORKS	Shell Akado-Ofunyu Road	5,000,000.00
2.	ROADS, TRANSPORT AND PUBLIC WORKS	Black Pearl-Bwanda gulf	5,000,000.00
TOTAL			10,000,000.00

3). KISUMU WEST SUB-COUNTY

WARDS

a) . NORTH KISUMU WARD

DEPARTMENT	PROJECT	AMOUNT (KSHS)
EDUCATION	Completion of Akingli ECDE	800,000
EDUCATION	Completion of Alara ECDE	800,000
EDUCATION	Construction of Bar Ogwal ECDE	1,600,000
EDUCATION	Construction of Dago Thim ECDE	1,700,000
WATER & ENVIRONMENT	Thim Bonde water project	2,100,000
TOURISM, CULTURE, ARTS AND SPORTS	Ogada stadium	3,000,000
	TOTAL	10,000,000

b). NORTH WEST KISUMU WARD

No.	DEPARTMENT	Project	Amount (Kshs)
1.	HEALTH	Completion of Maseno Level 3 Hospital	3,000,000
2.	HEALTH	Completion of Dago Kotiende dispensary	3,000,000
3.	ROADS	Maseno-Ubwa Kali access road	1,500,000
4.	ROADS	Obasanjo bridge	3,000,000
5.	TRADE, ENERGY AND INDUSTRY	Toilet at Nyayo Market	800,000
Total Proposed Allocation (Kshs)			10,00,000.00

c). SOUTH WEST KISUMU

No.	DEPARTMENT	Project	Amount (Kshs)
1.	Health Services	Completion of Uradi Dispensary	2,600,000.00

2.	Health Services	Completion of Ongalo Dispensary	1,500,000.00
3.	Health Services	Electrical Installation – Nyitienge Dispensary	500,000.00
4.	Education, HR Development and ICT	Construction of Ablution Block (6) Doors at Sabako Vocational Training Centre	1,300,000.00
5.	Agriculture, Livestock and Fisheries	Completion of Achuodho Beach Management Unit (BMU) Banda	1,200,000.00
6.	Water, Environment and Natural Resources	Completion of Got Puth Water Project	1,500,000.00
7.	Water, Environment and Natural Resources	Equipping of Ongalo Nyawara Water Project	1,500,000.00
Total Proposed Allocation (Kshs)			10,100,000.00

3. MUHORONI SUB-COUNTY

WARDS

a) CHEMELIL TAMU WARD

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	Health	Ogen Dispenary Maternity Wing completion and Septic Tank	3,000,000.00
2.	Health	Completion of Yago Dispensary staff quarters	1,500,000.00
3.	Health	Completion of Nyangore Dispensary	3,000,000.00
4.	Health	Completion of Kopere Water Project and Completion	2,500,000.00

TOTAL	10,000,000.00

b) MASOGO/NYANGOMA

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	ROADS	Kamrika-Kangindo Road	2,000,000.00
2.	ROADS	Kandiko-Sangayo Primary Road	1,000,000.00
3.	ROADS	Kobwanga-Kochia Road	1,500,000.00
4.	ROADS	Ogilo-St. Bornface Road	1,500,000.00
5.	ROADS	Mikiria-Nyalenya Box Culvert	1,000,000.00
6.	WATER AND ENVIRONMENT	Completion of Orago Water Project	2,000,000.00
7.	HEALTH	Ronovation of Masaka Dispensary	1,000,000.00
TOTAL			10,000,0000.00

c) MIWANI WARD

No.	DEPARTMENT	Project	Amount (Kshs)
1.	ROADS TRANSPORT AND PUBLIC WORKS	Nyakoko Magadi Box Culvert	5,000,000.00
2.	EDUCATION	Completion of Olasi ECD Classroom	1,200,000.00
3.	HEALTH	Completion of Miranga Dispensary	3,700,000.00
TOTAL			10,000,000.00

d) OMBEYI WARD

No.	DEPARTMENT	Project	Amount (Kshs)
1.	HEALTH	Completion of Ramula Male Ward	2,000,000.00
2.	HEALTH	Equipping Ramula Male Ward	1,200,000.00
3.	EDUCATION	Completion of Obiayo ECDE Classroom	1,200,000.00
4.	ROADS	Murraming of Ombeyi-Block F Road	2,800,000.00
5.	ROADS	Murraming of Koyengo-Alungo Road	2,800,000.00
TOTAL			10,000,000.00

e) MUHORONI/KORU WARD

No.	DEPARTMENT	Project	Amount (Kshs)
1.	HEALTH	Completion of God Nyithindo dispensary(Electrical Works and Fencing)	2,500,000.00
2.	HEALTH	Completion of Koguta Dispensary	4,500,000.00
3.	HEALTH	Electrical works and equipping Koru Dispenasry	3,000,000.00
TOTAL			10,000,000.00

5. NYAKACH SUB-COUNTY

WARDS

a) CENTRAL NYAKACH WARD

DEPARTMENT	NAME OF ROAD	PROPOSED AMOUNT
ROADS	Improvement of Chief-Onyuongo Road	3,000,000

ROADS	Improvement of Oloo-Kamenda Road	2,500,000
ROADS	Okanowach-Koromo-Omwaga Road	2,500,000
ROADS	Improvement of Kachianda-Redo School Road	2,000,000
	TOTAL	10,000,000

b) NORTH NYAKACH

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	HEALTH	Completing and equipping of Michura Dispensary	2,500,000.00
2.	EDUCATION	Completion of Katito Vocational Training Dormitory	2,000,000.00
3.	ROADS	Completion of Rae Mixed-Ochwado Road	2,500,000.00
4.	HEALTH	Completion of Maraba Dispensary	3,000,000.00
Total Proposed Allocation (Kshs)			10,000,000.00

c) SOUTH EAST NYAKACH

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	ROADS TRANSPORT AND PUBLIC WORKS	Nyamaroka-PapNdege-Bodi Road	3,000,000.00
2.	HEALTH	Completion of Sigoti Wards	2,000,000.00
3.	ROADS TRANSPORT AND PUBLIC WORKS	Kolum-Achego Road	3,000,000.00

Total Proposed Allocation (Kshs)	8,000,000.00

d) SOUTH WEST NYAKACH

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	EDUCATION	Ramula ECD	1,000,000.00
2.	ROADS	Okemba road	3,000,000.00
3.	ROADS	Radienya-Kadola Road	2,000,000.00
4.	ROADS	Gari-Achingure	2,000,000.00
5.	AGRICULTURE, LIVESTOCK AND FISHERIES	Purchase of Incubators	2,000,000.00
TOTAL			10,000,000.00

e) WEST NYAKACH

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	Health	Completion of Okano-Wach dispensary	2,000,000,000.00
2.	Health	Completion of Boya Health Centre Male Ward	2,000,000.00
3.	Health	Completion of Nyadina Dispensary	2,000,000.00
4.	Health	Completion of Kodingo/Kusa Health Center	1,200,000.00
5.	Roads	Kathewe-Sombro-Koguta Access Road	2,800,000.00
TOTAL			10,000,000.00

6. NYANDO SUB-COUNTY

WARDS

a) AHERO WARD

DEPARTMENT	PROJECT	AMOUNT (KSHS)
EDUCATION	Completion of Obugi ECDE	1,700,000
EDUCATION	Completion of Ombaka ECDE	1,000,000
EDUCATION	Completion of Nyamasogo ECDE	1,700,000
WATER AND ENVIRONMENT	Embankment of kamasiko stream	2,200,000
WATER AND ENVIRONMENT	Embankment of kodhiambo/kowito stream	2,300,000
WATER AND ENVIRONMENT	Obiayo water reticulation	2,000,000
	TOTAL	10,900,00

b) KABONYO-KANYAGWAL WARD

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	HEALTH	Kanyagwal dispensary	1,500,000.00
2.	HEALTH	Obonge dispensary	3,000,000.00
3.	HEALTH	Purchase of Medical Equipment for Ugwe dispensary	2,000,000.00
4.	ROAD	Kadete-Ozavia access road	3,500,000.00
5.			
TOTAL			10,000,000.00

c) EAST KANO WAWIDHI

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	HEALTH	Completion of Magina Maternity Ward	1,500,000.00
2.	HEALTH	Fencing and putting Pit Latrine at Ogango Health Center	2,000,000.00
3.	ROADS	Off Kisii Road to Kochieng JICA Bridge to Odenya to Nyachoda Pri. School	3,000,000.00
4.	ROADS	Maintenance of Ayweyo Canteen Nyakongo Hospital Center Road	2,000,000.00
5.	WATER, ENVIRONMENT AND NATURAL RESOURCES	Drilling and Equipping of Waradho Borehole	2,500,000.00
6.	ROADS	Maintenance of Nyarombe Road	2,000,000.00
TOTAL			10,000,000.00

d) AWASI/ONJIKO WARD

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	WATER AND ENVIRONMENT	Okiro Water Project	2,500,000.00
2.	WATER AND ENVIRONMENT	Kamunda Water Project	2,500,000.00
3.	ROADS	Nyachambla-Nyando Road	2,500,000.00

4.	ROADS	Kolunga-Magendo Road	2,500,000.00
TOTAL			10,000,000.00

e) KOBURA WARD

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	ROADS	Kawuonda HTCA church kogoto access road	3,000,000.00
2.	TRADE AND ENERGY	Rabuor Junction Floodlight	2,000,000.00
3.	ROADS	Lwanda-Nyamware Access Road	2,000,000.00
4.	WATER AND ENVIRONMENT	Kaluore Water Project	2,500,000.00
5.	ROADS	Kochieng Pharmacy access road	1,500,000.00
6.	TRADE AND ENERGY	Alendu Floodlight	1,500,000.00
TOTAL			10,000,000.00

7. SEME SUB-COUNTY

WARDS

a) EAST SEME

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	ROADS TRANSPORT AND PUBLIC WORKS	Grading and Murraming of Kamagore Sunga Road	2,500,000.00
2.	ROADS TRANSPORT AND PUBLIC WORKS	Grading and Murraming of Kawega Runda Nanga Road	2,500,000.00

3.	ROADS TRANSPORT AND PUBLIC WORKS	Grading and Murraming of Kidi Achiel St. Rita Nyaguda Road	2,500,000.00
4.	HEALTH AND SANITATION	Fencing and Latrine at Malela Dispensary	2,500,000.00
TOTAL			10,0000

b) NORTH SEME

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	ROADS	Construction of Kondik-Omuya-Dago Access Road	6,000,000
2.	TRADE, ENERGY AND INDUSTRY	Solarizing of St. Barnabas girls Sec. School borehole	2,000,000
3.	HEALTH	Construction of Onyino Maternity Phase 2	3,000,000
TOTAL			10,000,000

c). WEST SEME WARD

No.	EXECUTING DEPARTMENT	Project	Amount (Kshs)
1.	Energy and Industries	Floodlight at Riat Market	2,000,000.00
2.	Tourism, Arts and Sports	Purchase of Sports Gears	2,000,000.00
3.	Heath Services	Supply of Medical Equipments at Oseure Dispensary	1,500,000.00
4.	Heath Services	Supply of Furniture and water Tank ay Nyandeje Dispensary	700,000.00

5.	Heath Services	Construction of Staff Houses at Oriang Dispensary	2,000,000.00
6.	Agriculture, Livestock and Fisheries	Supply of Life Saving Jackets	1,000,000.00
7.	Agriculture, Livestock and Fisheries	Distribution of Dairy Cattle	800,000.00
Total Proposed Allocation (Kshs)			10,000,000.00

d) CENTRAL SEME

No Submission

OTHER ISSUES RAISED BY MEMBERS OF THE PUBLIC ON THE PROPOSED ESTIMATES FY 2022/2023

Madam Speaker and Hon. Members, the Committee analyzed and scrutinized the public participation reports and noted the following concerns;

I. That the proposed Budget Estimates is not aligned to key National and County Policies, Strategies and Plans
II. That the proposed Development Projects were unfairly distributed and were not derived from public participation
III. That the projected Own Source Revenue Projection is unrealistic considering the previous records of Actual Own Source Revenues realized.
IV. That the allocation towards Personal Emoluments is above the limits set by the provisions of the PFM Act, 2012
V. That there is need clear Pending Bills to build the Counties image and set the County on stable fiscal balance
VI. There is need to conduct staff rationalization and HR audit to regulate the Ballooning Wage Bill.
VII. The Executive should conduct a thorough civic education and Public Participation on the budgetary documents
VIII. That the County should come up with a completing incomplete projects action plan
IX. Need to Put in Place appropriate revenue raising measure to improve County Revenue Collection.

X. Achievement of the 2nd Generation of County Government and project implementation status of the Financial under review.

RESPONSE BY THE CECM. FINANCE AND ECONOMIC PLANNING

Madam Speaker and Honourable Members, the Committee raised the above concerns by Members of the Public to the CECM. Finance and Economic Planning during the Joint meeting held by the Committee from 3rd June, 2022 to 10th June, 2022 at Pride Inn. Flamingo in Mombasa and replied as highlighted below

1. Pending Bills

The CECM informed the Committee that this budget is largely Pending Bills, enforcing that it would be good to clear the Pending Bills once and for all. He explained to the Committee that variance in pending appearing in his records and OCOB are due to variations in Cash flows where some contractors and suppliers with awards wait until succeeding FYs to start the contracts. He also stated that an updated list of pending bills was to be given to the Members in the meeting to also help in reviewing and validating the list.

He presented the below details as summery of County Pending Bills

S/NO	DETAILS PENDING BILLS	AMOUNT
1.	Development	1,376,649,093.10
2.	Recurrent (Suppliers)	279,986,889.00
3.	Recurrent(Service Providers)	121,571,882.00
4.	Legal Fees & Court Awards	70,254,000.00
5.	Gratuity and Staff Medallion	638,092,577.00
Total		2,486,554,441.00

He informed the Committee that the Kshs. 1.510 Billion allocated for pending bills was only meant for Suppliers of goods and Contractors.

2. Revenue Generation

The CECM urged the Committee to approve the Revenue Administration (Amendment) Act, 2022 to create a board in charge of revenue administration and management.

He linked the established of the Board to FIF fund, Act 2022 which was approved by the Assembly and has since contributed to improved revenue realization from the health department.

He also explained that there were plans to limit scope of KIWASCO in managing county water supply due inefficient revenue collection and contract other decentralized Companies to manage water supply in order to increase revenue generation.

3. Implementation Status of Projects.

The CECM indicated that most projects have been rolled out for the FY under review but the remaining will be kick off very soon

4. Own Source Revenue Projection

The CECM. Asked the Committee to retain the proposed the OWSR projection since over the past year the County has proved that it can generate the targeted revenues

5. Development Projects in the Budget

The CECM. Stated that the new projects in the budget were political in nature hence would require consultations further consultations to remove from the Budget.

COMMITTEE RECOMMENDATIONS

1, that all new proposed development projects be collapsed and the funds be reallocated to clear accumulated pending bills and incomplete projects in the County.

2. That adequate amount be allocated for Pending Bill to clear all the outstanding development pending bills and recurrent (Supplier of Goods and Service Providers) pending bills and Staff gratuity.

3. That each ward be allocated Kshs. 10 Million towards completing the incomplete projects.

4. That the proposed OWSR Projection be retained at Kshs. 1.510 billion as proposed by the CECM. Finance and Economic Planning.

5. That the CECM. Finance to provide the Committee with an authentic and a detailed list of pending bills with a breakdown as follows;

a. A breakdown detailing the Financial Year the Contract was awarded.
b. Specific location where the Contract was done or services rendered
c. Reasons why they could not be paid on time.
d. Whether the Pending Bills were authorized by the Auditor General as eligible for payment (provide evidence).
e. A breakdown detailing the beneficiaries of staff medallion, unremitted statutory deductions or any other payroll by product to justify the Pending Bills of Kshs. 638, 092, 577.00.

6. That, the CECM. Finance and Economic Planning to ensure that there is budgetary allocation for the processing of the valuation roll. The Committee also adopted the Kisumu County Revenue Administration (Amendment) Bill, 2022 to be approved by the House to create structure for efficient management and administration for increased Revenue realization.

7. The CECM. Finance and Economic Planning to fast ruck the development and submission of the Sectoral and Spatial Plans to improve the County Planning Framework.

CONSIDERATION OF SECTORAL COMMITTEE REPORTS ON THE PROPOSED BUDGET ESTIMATES FY 2022/2023

Madam Speaker and Hon. Members, my committee prepared a program for joint meeting between the sectoral Committees and their respective line Departments to analyze and review the proposed Departmental Budget Estimates.

Most of the officers from the various relevant County Departments responded to the invite and appeared before the Sectoral Committees for this task except two Departments i.e. Office of the Governor and Public Administration.

It is also regretful to note that despite the officers from the Education Department turning up for the event, the Sectoral Committee of Education failed to convene its meeting as scheduled.

Madam Speaker and Hon. Members, the Sectoral Committees submitted the reports on the above deliberations to my Committee for consideration pursuant to the provisions of Kisumu County Assembly Standing Order No. 222 (4) (see annex III (Compiled Sectoral Committee Reports)).

ISSUES RAISED BY SECTORAL COMMITTEES ON THE PROPOSED BUDGET ESTIMATES FY 2022-2023

Madam Speaker and Honourable Members, my Committee analyzed the Sectoral Committee Reports and observed the following key issues;

a) Submission of Budget Notes which informed the Departmental Budget.
b) Brief on the Departmental Achievements and Shortfalls over the five years
c) Linkage of the Proposed Sector Priorities to the CIDP, ADP and CFSP
d) List of Pending Bills for the Department
e) Submission of updated staff payroll and Staff Database
f) Implementation Status of Programs undertaken during the FY under review
g) High allocation for P&E above the limits set by the provisions of the PFM ACT, 2012
h) Unfair distribution of Development Projects

COMMITTEE RECOMMENDATIONS

1. That, the Line Departments be invited to respond to the above issues raised by the sectoral committees before meeting the CECM. Finance and Economic Planning.
2. The sectors to align their projects to the CIDP II, ADP, CFSP and other national policy frameworks to avoid deviating in planning process.
3. The various sectors to furnish the committee with budget notes, staff data base and the implementation status of programs in the previous financial year.
4. The department to furnish the committee with the list of pending Bills detailing all relevant information.

COMMITTEE MEETING WITH THE CECMS TO JUSTIFY THEIR PROPOSED DEPARTMENTAL BUDGET ESTIMATES AND TO RESPOND TO THE CONCERNS RAISED BY MEMBERS OF THE PUBLIC AND SECTORAL COMMITTEES

Madam Speaker and Honourable Members, after compiling and analyzing the Sectoral Committee and Public Participation reports, the Committee vide a later Ref: CAK/CGK/CS/ADM/VOL.V/21/98 dated 13th May, 2022 invited all respective CECMS to appear before it during its meeting scheduled from 20th May, 2022 to 27th May, 2022 in Nakuru at the Vick Hotel to defend their proposed Departmental Budget Estimates and shed light on the above concerns raised by the Sectoral Committees.

The deliberations of the Committee and the respective CECMS was successful with all the Departments honoring the invites except the Department of City of Kisumu who did not turn up but formally registered their apologies to attend meeting. A detailed report on this discussions were prepared and annexed to this report (see annex iV)

The Committee prepared the below schedule to hold its meeting with the various Departments;

DATE: 20TH MAY, 2022 TO 27TH MAY, 2022

Date	Time	Activities	Objective	Responsible Persons
Friday, 20th May, 2022	09:00 a.m.to 05:00 p.m.	Arrival	Participants	Committee Members Secretariat
Saturday, 21st May, 2022	08:00 a.m. to 05:00 p.m.	Analysis of Report from the Sectoral Committees	Collating of Issues raised during meetings with Sectoral Committees and Department conducted on Friday, 13th May, 2022	Secretariat
Sunday, 22nd May, 2022	08:00 a.m. to 05:00 p.m.	Analysis of Report from the Public Participation	Collating of Issues raised during Public Participation Exercise conducted on 16th and 17th May, 2022	Secretariat
Monday, 23rd May, 2022	09:00 a.m. to 11:00 a.m.	Appearance of Chairperson and Members of the Board	Defend Programs for the County Assembly of Kisumu Budget Estimates FY 2022/2023	- Chairperson

		before the Select Committee.		- Members of the Committee - Secretariat
Monday, 23rd May, 2022	11:00 a.m. to 01:00 p.m.	CEC Member, Public Works and Transport	- Defend Departmental Programs - Clarify issues raised during meeting with Sectoral Committee - Issues raised during Public Participations	
Monday, 23rd May, 2022	02:30 p.m. to 04:00 p.m.	CEC Member, Agriculture, Irrigation, Livestock and Fisheries	Defend Departmental Programs - Clarify issues raised during meeting with Sectoral Committee - Issues raised during Public Participations	- Chairperson - Members of the Committee - Secretariat
Tuesday, 24th May, 2022	08:00 a.m. to 10:00 a.m.	CEC Member, Lands, Housing, Physical Planning, Housing and Urban Development	Defend Departmental Programs - Clarify issues raised during meeting with Sectoral Committee - Issues raised during Public Participations	- Chairperson - Members of the Committee - Secretariat
Tuesday, 24th May, 2022	11:00 a.m. to 01:00 p.m.	CEC Member, Education, Human Resource Development and ICT	Defend Departmental Programs - Clarify issues raised during meeting with Sectoral Committee - Issues raised during Public Participations	- Chairperson - Members of the Committee - Secretariat

Tuesday, 24th May, 2022	02:30 p.m. to 04:00 p.m.	County Public Service Board	Defend Departmental Programs - Clarify issues raised during meeting with Sectoral Committee - Issues raised during Public Participations	- Chairperson - Members of the Committee - Secretariat
Wednesday, 25th May, 2022	08:00 a.m. to 10:00 a.m.	CEC Member, Water, Environment and Natural Resources	Defend Departmental Programs - Clarify issues raised during meeting with Sectoral Committee - Issues raised during Public Participations	- Chairperson - Members of the Committee - Secretariat
Wednesday, 25th May, 2022	11:00 a.m. to 01:00 p.m.	CEC Member, Tourism, Culture, Arts and Sports	Defend Departmental Programs - Clarify issues raised during meeting with Sectoral Committee - Issues raised during Public Participations.	- Chairperson - Members of the Committee - Secretariat
Wednesday, 25th May, 2022	02:30 p.m. to 04:00 p.m.	City Board	Defend Departmental Programs - Clarify issues raised during meeting with Sectoral Committee - Issues raised during Public Participations	- Chairperson - Members of the Committee - Secretariat
Thursday, 26th May, 2022	08:00 a.m. to 10:00 a.m.	CEC Member, Trade, Energy and Industry	Defend Departmental Programs - Clarify issues raised during meeting with Sectoral Committee	- Chairperson - Members of the Committee - Secretariat

			- Issues raised during Public Participations	
	11:00 a.m. to 01:00 p.m.	CEC Member, Health and Sanitation	Defend Departmental Programs - Clarify issues raised during meeting with Sectoral Committee - Issues raised during Public Participations	- Chairperson - Members of the Committee - Secretariat
Friday, 27th May, 2022	08:00 a.m. to 01:00 p.m.	Communication to the CEC Member for Finance and Economic Planning on the Observation and Finding on the Kisumu County Estimates FY 2022/2023	Communique to the CEC Member	- Chairperson - Members of the Committee - Secretariat
Friday, 27th May, 2022	02:30 p.m. to 04:00 p.m.	DEPARTURE		All Participants

GENERAL COMMITTEE OBSERVATIONS

1. The Departments justified their achievements and shortfalls over the past five years however some Departments like; Water, Environment and Natural Resources, Roads, Transport and Public Works and Education had the least performance record.

2. The Most of the Departments failed to present their budget notes, staff database and Departmental Pending Bills as indicated in invite letter except, the Department of Agriculture, Livestock and Fisheries, Department of Water, Environment, Climate Change and Natural Resources and the Department Tourism, Culture, Arts and Sports.

3. That Departments could not give justifications on how the proposed Development Projects were arrived at.

COMMITTEE RECOMMENDATIONS ON ITS DISCUSSION WITH THE RESPECTIVE DEPARTMENTS

a) The department should align their project to the CIDP II, ADP, CFSP and other national policy frameworks to avoid deviating in planning process.
b) The department to furnish the committee with budget notes, staff data base and the implementation status of programs in the previous financial year.
c) The department to furnish the committee with the list of pending Bills outlining all the related information.

INTERROGATION/SCRUTINY AND UNPACKING THE PROPOSED KISUMU COUNTY BUDGET ESTIMATES FY 2022/2023

PROPOSED RESOURCE ENVELOPE

Madam Speaker and Honourable Members, Kisumu County Projected resource Envelop of Kshs. 10,290,561,576 (Ten Billion, two hundred and ninety million, five hundred and sixty one thousand, five hundred and seventy six) for FY 2022/2023 will be sourced as follows;

	2022/2023	2023/2024	2024/2025
Equitable share	8,026,139,240	8,668,230,379	9,361,688,810
DANIDA	15,000,000	16,200,000	17,496,000
KISIP	324,000,000	349,920,000	377,913,600
Transforming Health	51,833,637	55,980,328	60,458,754
ASDSP	12,312,984	13,298,023	14,361,865
KCSAP	290,007,432	313,208,027	338,264,669
Total Share of National Revenue	8,719,293,293	9,416,836,756	10,170,183,697
Locally collected Revenue			
Main Revenue Streams			
Land Rates	193,083,466	208,530,143	225,212,555
Rents	36,233,956	39,132,672	42,263,286
Trade license fees	213,953,452	231,069,728	249,555,306

us Park Fees	139,844,132	151,031,663	163,114,196
Parking Fees	69,953,404	75,549,676	81,593,650
Reserved slot	19,379,747	20,930,127	22,604,537
Monthly Stickers	46,251,150	49,951,242	53,947,341
Clamping Fees	384,038	414,761	447,942
Market Fees	88,026,827	95,068,973	102,674,491
Stock Ring	5,079,726	5,486,104	5,924,992
CESS	22,139,013	23,910,134	25,822,945
Building Plans	31,598,866	34,126,775	36,856,917
Sign Board promotion etc	155,590,717	168,037,974	181,481,012
Liquor Licence	22,495,022	24,294,624	26,238,194
Boda Boda	73,223	79,081	85,407
Sundry revenue	12,605,527	13,613,969	14,703,087
Public Health and Others	3,150,278	3,402,300	3,674,484
Sub-Total	1,059,842,544	1,144,629,948	1,236,200,343
Revenue from Departments			
Health Services	380,000,000	410,400,000	443,232,000
Agriculture, Irrigation, Livestock and Fisheries	8,220,606	8,878,254	9,588,515

Tourism, Culture, Arts and Sports	1,452,466	1,568,663	1,694,156
Lands, Housing and Physical Planning and Urban Development	109,944,340	118,739,887	128,239,078
Education, Human Resource Development and ICT	6,502,391	7,022,582	7,584,389
Water, Environment and Natural Resources	1,644,588	1,776,155	1,918,247
Roads, Transport and Public Works	1,499,721	1,619,699	1,749,275
Governance and Administration	2,161,626	2,334,556	2,521,321
Sub-Total	511,425,738	552,339,797	596,526,981
Total Local Revenue	1,571,268,282	1,696,969,745	1,832,727,324
Grand Total	10,290,561,575	11,113,806,501	12,002,911,021

COMMITTEE OBSERVATIONS

a). That, the proposed revenues comprises of;

Total Share of National Revenue of Kshs. 8,719,293,293 and a Total Local Revenue of Kshs. 1,571,268,282 totaling to Kshs. 10,290,561,575.

b) National Share of Revenue

That the National Revenues as indicated in the Proposed Estimates are not aligned to CARA, 2022. The Committee compared the projected National Share of Revenue sources against the provisions in CARA, 2022 and observed as follows;

Vote heads	Allocations in the Proposed Budget Estimates FY 2022/2023	Allocations as Approved in CARA, 2022 (Kshs)	Deviations (+/-)	Remarks
Equitable share	8,026,139,240	-	8,026,139,240.00	
DANIDA	15,000,000	14,407,200.00	592,800.00	Overestimated
KISIP	324,000,000	278,640,055.00	45,359,945.00	Overestimated
Transforming Health	51,833,637		51,833,637.00	
Conditional Grants (Leasing of Medical Equipment's)		110,698,298.00	(110,698,298.00)	New Revenue Stream (Grants)
Conditional Allocation financed by a World Bank Credit to Finance Kisumu Climate Smart Agriculture Project (KCSAP) as set out in Colum C of the Second Schedule IDEAS		15,626,168.00	(15,626,168.00)	New Revenue Stream (Grants)
ASDSP	12,312,984	10,314,984.00	1,998,000.00	Overestimated
KCSAP	290,007,432	274,627,706.00	15,379,726.00	Overestimated
-Conditional Allocation financed by a World Bank Credit to Finance Local Led Climate Action Program (FLLoCA) as set out		125,000,000.00	(125,000,000.00)	New Revenue Stream (Grants)

in Column G of the Second Schedule				
Total Share of National Revenue	8,719,293,293	8,907,287,288.00	187,993,995.00	Additional Revenue

c). Locally Collected Revenue

The Proposed Own Source Revenue Projection of Kshs. 1,571,268,282 is unrealistic in consideration of the historical trends of actual Own Source Revenue Collection by the County.

LOCALLY COLLECTED REVENUE	FY 2022/2023
Main Revenue Streams	
Land Rates	193,083,466
Rents	36,233,956
Trade license fees	213,953,452
Bus Park Fees	139,844,132
Parking Fees	69,953,404
Reserved slot	19,379,747
Monthly Stickers	46,251,150
Clamping Fees	384,038
Market Fees	88,026,827
Stock Ring	5,079,726
CESS	22,139,013
Building Plans	31,598,866
Sign Board promotion etc	155,590,717
Liquor License	22,495,022
Boda-Boda	73,223
Sundry revenue	12,605,527
Public Health and Others	3,150,278

Sub-Total	1,059,842,544
Revenue from Departments	
Health Services	380,000,000
Agriculture, Irrigation, Livestock and Fisheries	8,220,606
Tourism, Culture, Arts and Sports	1,452,466
Lands, Housing and Physical Planning and Urban Development	109,944,340
Education, Human Resource	6,502,391
Development and ICT	
Water, Environment and Natural Resources	1,644,588
Roads, Transport and Public Works	1,499,721
Governance and Administration	2,161,626
Sub-Total	511,425,738
Total Local Revenue	1,571,268,282

Madam Speaker Hon Members, my committee compressively analyzed the OSR collection trend since FY 2013/2014 to FY 2021/2022 as captured hereunder;

FIRST COUNTY GOVERNMENT 2013 to 2017					SECOND COUNTY GOVERNMENT 2017 to 2022				
FY	Actual Realized	Projected Revenues (Kshs)	Unrealized Amounts (Kshs)	% deviations	FY	Actual Realized	Projected Revenues (Kshs)	Unrealized Amounts (Kshs)	% deviations
2013/2014	621,950,000.	3,417,121,255.	(2,795,171,255.0)	18.20	2017/2018	874,900,000	1,148,656,298	(273,756,298)	76.17
2014/2015	950,930,000.	1,870,000,000.	(919,070,000.0)	50.85	2018/2019	1,012,689,638	1,383,567,120	(370,877,482)	73.19
2015/20 16	979,570,000.	1,870,000,000.	(890,430,000.0)	52.38	2019/2020	804,387,938	1,438,478,604	(634,090,666)	55.92

2016/2017	1,040,400,000	1,580,000,000.	(539,600,000.0)	65.85	2020/2021	904,199,146	1,579,172,106	(674,972,960)	57.26
					2021/2022	1,201,980,180	1,894,000,013	(692,019,833)	63.462522
TOTAL (KSHS)	3,592,850,000.	8,737,121,255.	(5,144,271,255.0)	41.12		4,798,156,902	7,443,874,141	(2,645,717,239)	64.46

1. Computation of Average Own Source Revenue Collection during the Period FY 2013-2014 to 2016-2017 (1st County Government)

Actual OSR for FY 2013-2014 to 2016-2017/ four Financial Years = 3,592,850,000.0/4 = 898,212,500.00

2. Computation of Average Own Source Revenue Collection during the Period FY 2017-2018 to 2021-2022 (2nd County Government)

Actual OSR for FY 2017-2018 to 2021-2022/ four Financial Years =

= 959,631,380.40

REACTIONS BY THE CECM. FINANCE AND ECONOMIC PLANNING

1. The CECM. Finance and Economic Planning presented a Projected Opening Balance for the County Government totaling Kshs. 1,044,705,910. He asked the Committee to allocate the Revenue stream to his Department and break it down as follows;
   a) Recurrent Expenditure be allocated a total Kshs. 630,000,000 with
   P&E component given Kshs. 280, 000,000
   O&M component given Kshs. 350,000,000
   b) Development Component allocated Kshs. 414,705,910
2. The CECM. Appealed to the Committee to retain the proposed OSR projection citing that in FY 2022/2023, the County Government in 3 quarters had collected more than 80% of its targeted revenue hence over the past year the County has proved that it can generate the amount projected.
3. The CECM highlighted that, as revenue raising measure, the Assembly to consider, approve and enact the Kisumu County Revenue Administration (Amendment) Act, 2022 which will create board to effectively and efficiently manage and administrate revenue collection.
4. The CECM informed the Committee that the County had improved in Revenue collection in the FY under review as result of the FIF Act, 2022 passed by the Assembly.

5. He also explained that there were plans to limit scope of KIWASCO in managing county water supply due inefficient revenue collection and contract decentralized Companies to manage water supply in order to increase revenue generation

COMMITTEE RECOMMENDATIONS

a. The Committee recommends that the National Share of Revenue be realigned to CARA, 2022 as indicated below;

Vote heads	Aligned National Share of Revenue to CARA, 2022
Opening Balance	1,044,705,910
Equitable share	8,026,139,240.00
DANIDA	14,407,200.00
KISIP	278,640,055.00
Transforming Health	51,833,637
Conditional Grants (Leasing of Medical Equipment's)	110,698,298.00
Conditional Allocation financed by a World Bank Credit to Finance Kisumu Climate Smart Agriculture Project (KCSAP) as set out in Colum C of the Second Schedule IDEAS	15,626,168.00
ASDSP	10,314,984.00
KCSAP	274,627,706.00
-Conditional Allocation financed by a World Bank Credit to Finance Local Led Climate Action Program (FLLoCA) as set out in Column G of the Second Schedule	125,000,000.00
Total Share of National Revenue	8,907,287,288.00
Total Locally Collected Revenue	1,571,268,282
GRAND TOTAL	11,523,261,480

b. That the proposed OSR Projection be retained at Kshs. 1,571,268,282 billion as proposed by the CECM. Finance and Economic Planning.
c. That the CECM. Finance and Economic Planning to submit detailed a breakdown for the opening balance totaling to Kshs. 1,044,705,910 within the 1st Quarter of the next Financial Year.
d. That, the CECM. Finance and Economic Planning to ensure that there is sufficient budgetary allocation for processing of the valuation roll and operationalize other revenue based laws and submit their regulations within a period of six months.
e. The Committee to adopt the Report on Kisumu County Revenue Administration (Amendment) Bill, 2022 and present to the House for approval to create structures for efficient management and administration of Revenue Collection for increased Revenue realization.
f. That the CECM. to present to the House Revenue raising measures/revenue enhancement plan in the 1st quarter of the FY 2022/2023

BUDGET SUMMARY FY 2022/2023

EXPENDITURE ANALYSIS

Madam Speaker and Honourable Members, the County Government of Kisumu has proposed to spend its revenues amongst its various Departments as listed in the budget summery below;

Department	Personnel Emolument	Ops & Maintenance	Development	TOTAL
Agriculture, Irrigation, Livestock and Fisheries.	168,153,482	36,020,432	357,971,252	562,145,166
County Assembly of Kisumu	364,889,601	336,975,286	340,000,000	1,041,864,887
City of Kisumu	258,695,144	95,644,178	80,000,000	434,339,322
Roads, Transport and Public Works	58,153,738	140,407,532	68,300,000	266,861,270
Kisumu County Public Service Board	40,514,428	48,319,347	0	88,833,775
Education, Human Resource Development	375,654,831	238,425,201	92,549,894	706,629,926
Office of the Governor	75,279,020	132,550,588	45,000,000	252,829,608
Health Services	2,841,055,761	528,982,397	212,698,298	3,582,736,456
Public Service Administration &	217,662,737	105,285,964	0	322,948,701
Tourism, Culture, Arts and Sports.	25,121,198	62,835,800	21,000,000	108,956,998
Lands, Housing and Physical	34,682,901	38,582,861	298,640,055	371,905,817
Trade, Energy and Industry	74,655,345	27,925,972	55,545,769	158,127,086
Finance and Economic Planning	582,097,797	820,440,292	1,924,705,910	3,327,243,999
Water, Environment and Natural	73,740,583	34,097,886	190,000,000	297,838,469
TOTALS	5,190,356,566	2,646,493,736	3,686,411,178	11,523,261,480

COMMITTEE OBSERVATIONS

1. That a total Budget of Kshs. 10,478,555,570 will be expended as follows;

Category	Amount	Percentage
Personnel Emoluments	5,190,356,566	48
Operations & Maintenance	2,646,493,736	22
Development	3,686,411,178	30

2. The Opening balance for the County Government is totaling to Kshs. 1,044,705,910 Committee Resolution on the Opening Balance
   (a) That the CECM. Finance and Economic Planning to submit to the Assembly a breakdown down of the Opening Balance totaling to Kshs. 1,044,705,910 in the before the end the 1st quarter of the next Financial Year
3. Analysis of P&E

a. That the allocation for P&E translates to 48% of the total budget exceeding the 35% as required by the provisions of Section 29 of the PFM Act, 2012.
b. That the P&E allocation has been on an increasing trend since the inception of devolution as outlined in the below committee analysis trend for allocation of P&E on various FY since FY 2013/2014 to FY 2022/2023.

ANALYIS OF THE P/E, FOR THE 1ST COUNTY GOVERNMENT FROM THE PERIOD 2013/2014 TO 2016/2017

Year/Component	2013/2014	2014/2015	2015/2016	2016/2017	Totals (kshs)
Personnel Emolument	3,072,300,000	3,212,050,000	3,286,390,000	3,402,110,000	12,972,850,000
Total Allocations (Kshs)	4,221,700,000	5,734,080,000	6,439,930,000	6,837,860,000	23,233,570,000

% Apportionment	2013/2014	2014/2015	2015/2016	2016/2017	Totals (kshs)
Personnel Emolument	73	56	51	50	56
Total Allocations (Kshs)	100	100	100	100	100

ANALYIS OF THE PE FOR THE 2ND COUNTY GOVERNMENT FROM 2017/2018 TO 2021/2022

Year/Component	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Totals (kshs)
Personnel Emolument	3,607,430,000	3,706,440,000	4,901,939,269	4,884,512,849	4,831,020,207	17,100,322,118
Total Allocations (Kshs)	5,933,450,000	8,378,750,000	12,215,958,368	12,780,355,751	12,177,852,473	39,308,514,119

% Apportionment	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Totals (kshs)
Personnel Emolument	61	44	40	38	40	44
Total Allocations (Kshs)	100	100	100	100	100	100

c. That despite the constant increase in P&E allocation overtime, gratuity for contracted staff and medallion for staff has never been paid.
d. That the Various Departments i.e. Education and Health and Agriculture still lack adequate staff resource to effectively discharge their services.

RESPONSE BY THE CECM. FINANCE AND ECONOMIC PLANNING

a. That the Department of Education has resolved to recruit the ECDE teachers on Permanent terms and backdated the terms since 2013 to eliminate the outstanding Gratuity for ECDE teachers.
b. That the outstanding gratuity and Staff medallion be considered in the pending bill repayment plan for this FY and be cleared once and for all.

COMMITTEE RECOMMENDATIONS

a. That a detailed report on the beneficiaries of gratuity and staff medallion be submitted to the Assembly for validation
b. A detailed report on staff database and payroll be submitted to the Assembly to justify the high allocations on P&E.
c. That, regular HR audit be conducted to identify the active workforce for realization of value for money.
d. That the Executive to conduct staff rationalization.
e. That, the County Executive to increase its actual OSR collection to meet the high P&E requirements.

3. Analysis of O&M

a. The County Government is spending too much on O&M i.e. 22% of its budget to facilitate service delivery.
b. The Committee analyzed the budgetary allocation for O&M since the FY 2013/2014 and 2021/2022 and observed a continuous rising trend overtime as indicated below;

ANALYIS OF THE O&M, FOR THE 1ST COUNTY GOVERNMENT FROM THE PERIOD 2013/2014 TO 2016/2017

Year/Component	2013/2014	2014/2015	2015/2016	2016/2017	Totals (kshs)
Operations and Maintenance	1,050,500,000	1,175,670,000	1,324,860,000	1,453,180,000	5,004,210,000
Total Allocations (Kshs)	4,221,700,000	5,734,080,000	6,439,930,000	6,837,860,000	23,233,570,000

% Apportionment	2013/2014	2014/2015	2015/2016	2016/2017	Totals (kshs)
Operations and Maintenance	25	21	21	21	22
Total Allocations (Kshs)	100	100	100	100	100

c) That the Department of City requested for an increase in O&M allocation in their budget to meet the budgetary requirements for waste management and disposal to Kasese site.
d) The Department of Land, Housing and Physical Planning also requested for an additional allocation for their O&M budget to enable them process the valuation roll and renovate dilapidated County Houses.

REACTION BY THE CECM. FINANCE AND ECONOMIC PLANNING

a. That, all the Departments were duly involved while setting the Departmental budgetary ceilings and most Departments did not acquire their full budgetary needs due to the budget constraints

COMMITTEE RECOMMENDATIONS

ANALYIS OF THE O&M FOR THE 2ND COUNTY GOVERNMENT FROM 2017/2018 TO 2021/2022

Year/Component	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Totals (kshs)
Operations and Maintenance	1,656,660,000	1,996,600,000	3,227,268,369	3,140,923,517	3,611,329,973	10,021,451,886
Total Allocations (Kshs)	5,933,450,000	8,378,750,000	12,215,958,368	12,780,355,751	12,177,852,473	39,308,514,119

% Apportionment	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Totals (kshs)
Operations and Maintenance	28	24	26	25	30	25
Total Allocations (Kshs)	100	100	100	100	100	100

a. The CECM. Finance and Economic Planning to develop strategies to reduce the high O&M allocation to promote service delivery i.e. strict AIE.

4. Analysis of the Development Component

a. That the Kshs. 3,686,411,178 allocated for Development translates to 30% of the total Budget hence complies with the minimum threshold required as per the provisions of the PFM Act, 2012.
b. That the Development budget expenditure is meant to clear pending bills totaling to Kshs. 1.510billion and implement various development projects.
c. That proposed new development projects were not in line with other planning documents hence their origin could not be traced.
d. The Proposed development were not fairly distributed contravening the various provisions of the law.
e. The Projects were not classified into Flagship, Departmental and Ward Based Projects
f. The Committee compressively analyzed the budgetary allocation for development Component since FY 2013/2014 to 2021/2022 and observed a varying trend in allocation for development component which has never exceeded 37% as follows;

ANALYIS OF DEVELOPMENT FOR THE 2ND COUNTY GOVERNMENT FROM 2017/2018 TO 2021/2022

REACTIONS BY THE CECM. FINANCE AND ECONOMIC PLANNING

Year/Component	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Totals (kshs)
Development	669,360,000	2,675,710,000	4,086,750,730	4,754,919,385	3,735,502,293	12,186,740,115
Total Allocations (Kshs)	5,933,450,000	8,378,750,000	12,215,958,368	12,780,355,751	12,177,852,473	39,308,514,119

% Apportionment	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Totals (kshs)
Development	11	32	33	37	31	31
Total Allocations (Kshs)	100	100	100	100	100	100

	2013/2014	2014/2015	2015/2016	2016/2017	Totals (kshs)
Development	98,900,000	1,346,360,000	1,828,680,000	1,982,370,000	5,256,310,000
Total Allocations (Kshs)	100	100	100	100	100

a. The CECM. Stated that the new projects in the budget were political in nature hence would require deeper consultations.

b. Pending Bills

The CECM informed the Committee that the development budget component is largely Pending Bills, citing that it would be good to clear the Pending Bills once and for all. He explained to the Committee that variance in pending appearing in his records and OCOB are due to variations in Cash flows where some contractors and suppliers with awards wait until succeeding FYs to start the contracts

He presented the below details as summery of County Pending Bills

S/NO	DETAILS PENDING BILLS	AMOUNT
1.	Development	1,376,649,093.10
2.	Recurrent (Suppliers)	279,986,889.00
3.	Recurrent(Service Providers)	121,571,882.00
4.	Legal Fees & Court Awards	70,254,000.00
5.	Gratuity and Staff Medallion	638,092,577.00
Total		2,486,554,441.10

He informed the Committee that the Kshs. 1.510 Billion allocated for pending bills was only for Suppliers of goods and Contractors.

COMMITTEE RECOMMENDATIONS

1, that all new proposed development projects be collapsed and the funds be reallocated to clear accumulated pending bills and incomplete projects in the County.
2. That adequate amount be allocated for Pending Bill to clear all the outstanding development pending bills and recurrent (Supplier of Goods and Service Providers) pending bills and Staff gratuity.
3. That each ward be allocated Kshs. 10Million towards completing the incomplete projects.
4. The CECM. Finance and Economic Planning to fast ruck the development and submission of the Sectoral and Spatial Plans to improve the County Planning Framework.
5. That the CECM. Finance to provide the Committee with an authentic and a detailed list of pending bills with a breakdown as follows;

f. A breakdown detailing the Financial Year the Contract was awarded.
g. Specific location where the Contract was done or services rendered
h. Reasons why they could not be paid on time.
i. Whether the Pending Bills were authorized by the Auditor General as eligible for payment (provide evidence).
j. A breakdown detailing the beneficiaries of staff medallion, unremitted statutory deductions or any other payroll by product to justify the Pending Bills of Kshs. 638, 092, 577.00.

VALIDATION OF PENDING BILLS TOTALING TO KSHS. 2,486,554,441.00

Madam Speaker and Honourable Members, the CECM for Finance and Economic Planning presented an authorized of pending bills amounting to Kshs. 2,486,554,441.00 detailed hereunder;

S/NO	DETAILS PENDING BILLS	AMOUNT
1.	Development	1,376,649,093.10
2.	Recurrent (Suppliers)	279,986,889.00
3.	Recurrent(Service Providers)	121,571,882.00
4.	Legal Fees & Court Awards	70,254,000.00
5.	Gratuity and Staff Medallion	638,092,577.00
Total		2,486,554,441.10

The Committee scrutinized the list and observed that the Document lacked the following details;

a. A breakdown detailing the Financial Year the Contract was awarded.
b. Specific location where the Contract was done or services rendered
c. Reasons why they could not be paid on time.
d. Whether the Pending Bills were authorized by the Auditor General as eligible for payment (provide evidence).
e. A breakdown detailing the beneficiaries of staff medallion, unremitted statutory deductions or any other payroll by product to justify the Pending Bills of Kshs. 638, 092, 577.00.

COMMITTTEE RECOMMENDATIONS

1. The CECM. Finance to submit a duly signed/authorized Pending Bills totaling to Kshs. 2, 486,554,441
2. That the CBAC to scrutinize/validate the authenticity of the Pending Bills within a period of 3 months and present the report to the House for approval before payment is done.

ANALYSING/ INTERROGATING AND UNPACKING THE PROPOSED COUNTY ASSEMBLY BUDGET

Madam Speaker and Honourable Members, the County Assembly Budget Estimates Presented is summarized here below;

S/NO	ITEM	FY 2021/2022	FY 2022/2023	Variance
1.	RECURRENT ESTIMATE	KSHS.	KSHS.	Kshs.
	PERSONNEL	348,995,660	386,175,300	37,179,640
	OPN. AND MAINTENANCE	430,321,796	358,858,501	-71,463,295
	Total recurrent estimate	779,317,456.00	745,033,801	-34,283,655
2.	DEVELOPMENT ESTIMATE			
	Total development estimate	150,000,000	340,000,000	190,000,000
	Grant		100,000,000	100,000,000
	Total	929,317,456	1,185,033,801	255,716,345

COMMITTTEE OBSERVATIONS

1. The County Assembly Service Board proposed a recurrent budget of Kshs. 745,033,801 against the CARA ceilings of Kshs. 718, 886, 200.
2. That in the Proposed County Budget, County Assembly is allocated Kshs. 701, 864, 884.
3. That, the County Assembly approved Kshs. 100Million of its Development Budget for Car Loan and Mortgage.
4. The Committee analyzed the proposed County Assembly Budget against the ceilings provided in CARA, 2022 and made observations as follows;

RECURRENT ESTIMATE	ESTIMATED COST (KSHS).	Aligned Estimates to CARA, 2022	VARIANCE (KSHS.)
	PERSONNEL	PERSONELL	PERSONELL
1. GENERAL ADMINISTRATION - CLERK	43,840,970	23,650,290	-20,190,680
2. FINANCE AND ACCOUNTING SERVICES.	9,306,320	18,126,200	8,819,880
3. HUMAN RESOURCE	89,895,720	51,882,260	-38,013,460
4. SUPPLY CHAIN MANAGEMENT		6,881,640	6,881,640
5. ICT, LIBRARY AND RESEARCH		6,343,520	6,343,520
6. FISCAL ANALYSIS	3,842,360		-3,842,360
7. LEGISLATION AND OVERSIGHT	93,328,440	96,781,956	3,453,516
8. POLICY (OFFICE OF THE SPEAKER)	17,693,490	19,777,490	2,084,000
9. COMMITTEE SERVICES	85,068,000	70,466,100	-14,601,900
10. REPRESENTATION	43,200,000	43,200,000	0
	386,175,300	337,109,456	-49,065,844
	OPN. AND MAINTENANCE	OPN. AND MAINTENANCE	OPN. AND MAINTENANCE
1. GENERAL ADMINISTRATION PLANNING AND SUPPORT SERVICES – CLERK	127,746,000	129,217,427	1,471,427

2. FINANCE AND ACCOUNTING SERVICES	31,224,278	31,706,643	482,365
3. HUMAN RESOURCE AND ADMINISTRATION	80,531,867	83,088,667	2,556,800
4. SUPPLY CHAIN AND MANAGEMENT		2,720,000	2,720,000
5. ICT, LIBRARY AND RESEARCH		3,400,000.00	3,400,000
6. FISCAL ANALYSIS	1,360,000		-1,360,000
7. LEGISLATION AND OVERSIGHT	40,456,088	34,554,865.00	-5,901,223
8. POLICY	12,503,468	13,855,468	1,352,000
9. COMMITTEE SERVICES	28,320,000	44,134,454	15,814,454
10. REPRESENTATION / PUBLIC PARTICIPATION SERVICES	36,716,800		-36,716,800
11. Representation	36,716,800	39,098,320	2,381,520
	358,858,501	381,775,844	22,917,343
Total recurrent estimate	745,033,801	718,886,200	-26,147,601
	DEVELOPMENT ESTIMATE	DEVELOPMENT ESTIMATE	DEVELOPMENT ESTIMATE
Total development estimate	340,000,000	240,000,000	-100,000,000
Grant	100,000,000	100,000,000.00	0
GRAND TOTAL ESTIMATE	1,185,033,801	1,058,886,200	-126,147,601

COMMITTEE RESOLUTIONS

1. That the Committee aligns and approves the County Assembly Budget Estimates as highlighted in the table below;

RECURRENT ESTIMATE	ESTIMATED COST (KSHS).	TOTAL KSHS.
PERSONNEL COSTS		

1. GENERAL ADMINISTRATION - CLERK	23, 650, 290	
2. FINANCE AND ACCOUNTING SERVICES.	18, 126, 200	
3. HUMAN RESOURCE MANAGEMENT	51,882,860	
4. SUPPLIES CHAIN MANAGEMENT	6, 881, 640	
5. ICT, LIBRARY AND RESEARCH	6, 343, 520	
6. LEGISLATION AND OVERSIGHT	96,781,956	
7. POLICY	19, 777,490	
8. COMMITTEE SERVICES	70, 466, 100	
9. REPRESENTATION	43, 200, 000	337, 110, 356
OPERATIONS AND MAINTENANCE		
1. GENERAL ADMINISTRATION PLANNING	129, 217, 427	
2. FINANCE AND ACCOUNTING SERVICES	31, 706,643	
3. HUMAN RESOURCE MANAGENEBT	83,088, 667	
4. SUPPLIES CHAIN MANAGEMENT	2,720,000	
5. ICT, LIBRARY AND RESEARCH	3, 400,000	
6. LEGISLATION AD OVERSIGHT	34,554, 865	
7. POLICY	13, 855, 468	
8. COMMITTEE SERVICES	44, 134, 454	
9. REPRESENTATION	39,098,320	381, 775, 804
Total Recurrent Estimate		718, 886, 200
	DEVELOPMENT ESTIMATE	
DEVELOPMENT		240,000,000
COUNTY GOVERNMENT GRAND		100,000,000
GRAND TOTAL ESTIMATE		1,058, 886, 200

2. The Committee approves a total of Kshs. 240,000,000 million for the Construction of Ultra-Modern offices/Chambers.
3. That Kshs. 100 Million be allocated to replenish Car grant and Mortgage when depleted to pay members of the third Assembly.

COMMITTEE OBSERVATIONS ON THE ALIGNMENT OF THE PROPOSED BUDGET SETIMATES TO THE CFSP 2022/2023

1. That, the proposed Kisumu County Budget Estimates is not aligned to KCFSP FY 2022/2023 Ceilings.

RESPONSE BY THE CECM. FINANCE AND ECONOMIC PLANNNING

1. That, the variations were as result of emerging dynamic economic issues which necessitated certain realignments

COMMITTEE RECOMMENDATIONS

1. The Executive should observe and adhere to various policies and plans in the budgeting process
2. The CECM. Finance and Economic Planning to fast ruck the development and submission of the Sectoral and Spatial Plans to improve the County Planning Framework.

CONCLUSION

Madam Speaker and Honourable Members, It is my appeal to this House to ensure this Revenues are transparently and efficiently used to fund the proposed project priorities by the public and to provide for Human Resource Cost and Operations and Maintenance activities of the County Government Institutions.

Madam Speaker and Hon. Members, I therefore move the motion and call upon Hon. Aslam Khan to second. Thank you.

Temporary Speaker (Hon Inviolate): Yes Senior Member, Hon Khan.

Hon Khan: Thank you Madam Speaker. I rise to second the Report as was presented by my able Chair. Thank you.

The Temporary Speaker (Hon Inviolate): Thank you. Honourable Members, a report of the Select Committee of the County Budget and Appropriation on its consideration of the Proposed Kisumu County Budget Estimates for the Fiscal Year 2022/ 2023 has been moved by the Chairperson Hon Steve Owiti and seconded by Khan. I now wish to open it for debate.

The Temporary Speaker (Hon Inviolate): Yes, the Honourable Leader of Majority?

Leader of Majority (Hon Onyango): Thank you so much Madam Speaker. I rise to support the Report of the Budget and Appropriations Committee for the Budget Estimates for the FY 2022/2023.

Madam Speaker, as the Chair Budget has ably stated and demonstrated, this was largely a transitional budget where certain issues had to be dealt with so that we have a fiscal balance in the budget that are due in the third Assembly. One of the stinging issues that we had in this Assembly is the issue of the Pending Bills which has been problematic since the inception of this Third Assembly.

Madam speaker, I want to applaud this House Committee because they were very bold and made a very concise decision that this thorny issue of the Pending Bills be dealt with and indeed, Madam Speaker, if you look at the Estimates, the total for the Pending Bills Account is about Kshs 2.4 billion and you can see a lot of money has been set aside so that this issue of Pending Bills and gratuity can be sorted out.

Madam Speaker, another issue that has been given priority is the Construction of an Ultra- Modern Assembly. A colossal amount of money has been allocated so that this very noble project does not take a very long time to accomplish.

Madam Speaker, we do hope that those who will be re-elected back into this House will have within a very short time the leverage to utilize that Assembly.

Madam Speaker, I also want to say that from the trend that was demonstrated to us by the department of Finance, we are seeing a positive projection of the Own Source Revenue because, when we were analyzing Own Source Revenue during our budget meeting, we were seeing a trend where it is possible to collect in this Financial Year Kshs 1.5 billion.

Madam Speaker, we do believe that by enacting the Kisumu County Revenue Administration (Amendment) Bill, 2022, which the Assembly has just passed a short while ago the issue of revenue collection or Own Source Revenue will be something that I want to believe, will be dealt with.

Just as the Chair said, when we passed the Facility Improvement Funds Bill (FIF), we have seen very positive signal that the collection of revenue from our Health sectors have more than doubled. So, I want to also plead that even the enactment of the revenue bill that is going to establish the Kisumu County Revenue Board will ultimately make us to improve on our revenue so that the complaints of pending bills does not need to recur every Financial Year.

Madam Speaker, even though the allocation that have been given to our 35 wards is modest, I do believe it will go a long way to finish the incomplete projects and it would be my wish that those who oversee the implementation of these projects are going to improve in their commitment to implement projects that this assembly has appropriated funds for.

Madam speaker, for those who will be elected, I believe that the oversight role of the Assembly will be improved so that we task the Executive to be put to account because they are the people who are responsible for project implementation.

Otherwise, I do believe that once we appropriate funds and especially for pending bills, then the Department of Finance and Economic Planning will pay the contractors who have agonized so much and are depending on the Executive to offset these pending bills. Otherwise, I support, thank you.

The Temporary Speaker (Inviolate): Thank you. Yes, Hon Pete, Leader of Minority.

Leader of Minority (Hon Oiko): Thank you Madam Speaker. We are passing our last budget as we go and just has been hinted by Leader of Majority, those who come back will implement and those who won't come back will see the implementation from wherever they will be.

Madam Speaker, a picture is given here that Kshs 1.5 billion will clear the bills for Suppliers of Goods Services and for the Contractors. However, the list of these suppliers and contractors has not been given. Madam Speaker, we have been given a figure of Kshs. 2.4 billion as the total pending bill. About Kshs.1 billion would be regarded as historical and that one the list is also not given.

However, let us hope that once Kshs. 1.5 billion is settled, the hue and cry from the suppliers and contractors will come to an end but let the House open its eyes on these records. Let us discard or put the records under the dust.

Madam Speaker, as the Leader of Majority as indicated that the Kshs. 10 million allocation per Ward is a modest one that is going to complete the work that is not completed. I would say no to that. A number of projects are incomplete in the Wards and the Kshs.10 million was just awarded to cushion the situation. If a survey had been done of all the work that had not been completed in the wards, then we would assume that the Kshs. 10 million would be sufficient.

In my ward, for example, what is tabulated here, are not all the incomplete projects. Let us be serious in doing the next budget that we ask for more funding to ensure that incomplete projects are completed.

Madam speaker, we are passing this budget because it is our duty and this is what we have to pass; but it is our prayer that Executive will ensure that the implementation is done and is done in good time and good work is done so that the residents of Kisumu County would see the value for their money. With those few remarks I beg to support to support to passage of this budget.

The Temporary Speaker (Inviolate): Thank you. Any other Member with contribution?

The Temporary Speaker (Inviolate): Yes Hon Atieno.

Hon Atieno: Thank you Madam Speaker for giving me an opportunity to share my views on the report. It is amazing that this budget has been baptized as a transitional budget. I am wondering where we are transiting to. I think Prof Anyang' Nyong'o is still the Governor of the great County

until 2027. If another Governor was likely to take over, then I would regard this as a Transitional Budget.

Having said that, I want to concur with the Leader of Minority Hon. Benny Peter Oiko that, when he said that this Estimates is quite insensitive to the people of Kisumu County. Reasons being that, colossal amounts of money to the tune of Kshs 1.5 billion has been allocated to the Pending Bills whose authenticity is not known.

Madam Speaker, it would have been prudent that this House is furnished with the List of Pending Bills so that Honourable Members verify projects that if indeed they were undertaken in various wards before they are paid. Madam Speaker, giving the County Executive a blank cheque of Kshs 1.5 billion….

The Temporary Speaker (hon. Inviolate): Hon. Atieno, please allow the Leader of Majority to react because he has risen on a Point of Order!!

Leader of Majority (Hon. Onyango): On a Point of Order. Thank you Madam Speaker. I am aware that the Chair of this Committee reserves the right to reply, but there is this insinuation that the County Executive Committee Member for Finance and Economic Planning did not furnish this House with a List of the Pending Bills. Madam Speaker, I believe that list was given because the Leader of Minority who is equally a Member of the Budget and Appropriations Committee ought to be aware that this House was furnished with that list and it is with the Chairperson, Budget and Appropriations Committee and the secretariat. The only thing that we need to do is make copies. So, I mean, the details are there. Madam Speaker that is what I wanted to clarify. Thank you.

The Temporary Speaker (Hon. Inviolate): Hon. Atieno, please proceed.

Hon. Atieno: Madam Speaker, thank you very much. I have heard the Leader of Majority rise on his feet in support of these insinuations that the List of Pending Bills has been brought in the floor of this House and equally adopted. I believe that I am a bonafide Member of this House and I cannot recall when this list of pending bills was tabled here in this House and adopted. Madam Speaker, what I was stating is that….

The Temporary Speaker (Hon. Inviolate): Order!! Hon .Atieno, the Chair has risen on a Point of Order.

Hon. Steve Owiti: On a Point of Order. Madam Speaker, it is my belief that it is not right for the Hon. Member (Hon. Atieno) to mislead this House that, this House at any given time and point received an order that the Pending Bills be tabled before this House. I believe that in our report we had stated and requested the County Executive Committee Member for Finance and Economic Planning to present to the Select Committee of Budget and Appropriations the List of Pending Bills which this House has been informed that indeed, they have furnished us with the report and our technical team headed by Mr. Peter Anditi has that report. This equally applies to the Members

of the Budget and Appropriations Committee they have it. Madam Speaker, if any Member of this House wants a copy of the List of Pending Bills, it is my belief that it is within their right to go and see it. Thank you.

The Temporary Speaker (Hon. Inviolate): Hon. Okumu.

Hon. Okumu: On a Point of Order. Thank you Madam Speaker. This is a rejoinder of what Hon. Atieno is requesting. It is indeed true we were furnished with the List of Pending Bills but, we have some questions on those Pending Bills and we don't know how to go about it. The Honourable Chair, we feel that there are projects that should not appear in the List of Pending Bills because in our Wards they are neither here or there. I believe that it would be noble if we furnish the MCAs from all the thirty-five wards this list of Pending Bills so that, we can verify and confirm the projects. Then, from that, we can recommend that its true Kshs 1.5 billion worth of Pending Bills allocated in the Budget Estimates is acceptable or it's inadequate or adequate and that can only happen after we have agreed on the List of Pending Bills that they are projects that are really existing and need to be paid. Thank you.

The Temporary Speaker (Hon. Inviolate): Hon. Atieno, please conclude.

Hon. Atieno: Thank you Madam Speaker. I believe that it is logical because it is well known that not all the Members of this House are in the Budget and Appropriations Committee. So, I believe that this List of Pending Bills ought to have been brought to this House so that each and every Honourable Member can get a glimpse on this list and peruse through because it affects all the electoral wards.

Madam Speaker, having stated that, I would like to highlight on an issue on the amount allocated for Ward-based Project which is Kshs 10 million per ward. I believe that, this amount allocated is just to appease Honourable Members or seduce them so that they pass the Budget Estimates for FY 2022/2023. Madam Speaker, Kshs 10 million cannot be used to do the incomplete projects in our wards. It is well known that, a big chuck of projects in our wards are not completed. Madam Speaker, I just wonder what criteria they used to arrive at allocating Kshs 10 million that will be used to complete these stalled projects specifically in Kobura Ward.

Madam Speaker, please protect me, please protect me!!

The Temporary Speaker (Hon. Inviolate): You are protected please continue.

Hon. Atieno: Thank you Madam Speaker. I believe that there is some sense of cartelism in the process of preparing this Budget Estimates because whenever I try to pin-point some of the short-comings in this estimates then, the Chair is very uneasy with me. Madam Speaker, the allocation of Kshs 10 million, yet in my ward I have over ten ECDs that are stalled, what can Kshs 10 million achieve to fixed stalled ECDs classrooms which Kshs 30 million cannot do. Madam Speaker, the infrastructural development that is not complete (roads), what is Kshs 10 million going to achieve?

So, these amount was just to appease Members to pass this Budget Estimates. Madam Speaker, I am aware that, this is our last Budget and I don't want to appear as if I am opposing it, but, I believe that it is fundamental that these short-comings be pointed out so that as we exit this House, though those coming to replace us, or for those who will be fortunate to come back may take their work with zeal unlike the out-going Chairperson who has really given us a raw deal together with the people of Kisumu. Madam Speaker, Kshs 1.5 billion being denied the good people of Kisumu because this amount of money ought to have been allocated to development. We have been slapped with an amount of Kshs 1.5 billion to settle Pending Bills whose details we are not aware of or as to whether they are real or fictitious and the Chair of Budget and Appropriations Committee is really insisting that these Pending Bills are there and genuine. Madam Speaker, how can we be made to be aware that they are really genuine? Madam Speaker, I beg to support with a lot of reservations. Thank you.

The Temporary Speaker (Hon. Inviolate): Yes Leader of Majority.

Leader of Majority (Hon. Onyango): On a Point of Order. Thank you. I wanted to inform the Member for Kobura Ward that, the K'ochieng Tomato Project in Kobura Ward has been completed and the contractor has not been paid. If we do not allocate funds towards the settling of these Pending Bills, then, how will his pet project be paid?

The Temporary Speaker (Hon. Inviolate): Hon. Atieno, please wind up.

Hon. Atieno: Thank you Madam Speaker for again giving me another opportunity to enable me respond. Madam Speaker, K'ochieng Tomato Project is in the current financial year. So, it is not one of the projects in the Pending Bills.

The Temporary Speaker (Hon. Inviolate): Any other member.

The Temporary Speaker (Hon. Inviolate): Yes Hon. Beatrice Odongo.

Hon. Beatrice Odongo: Thank you Madam Speaker. Please allow me to call upon the mover to reply.

The Temporary Speaker (Hon. Inviolate): Yes, Honourable Chairperson, Budget and Appropriations Committee, please reply.

Hon. Steve Owiti: Thank you Madam Speaker. Madam Speaker and Honourable Members, foremost I would like to convey my sincere gratitude to Honourable Members for their robust debate that the Committee report has generated. This being the last reply in this Second County Assembly, I would like to give an explanation that the reason as to why we Baptist this Budget as a Transitional Budget, is because it is the last Budget that is taking us from the Second County Assembly of the Second County Government of Kisumu to the Third.

Madam Speaker and Honourable Members, legally, the Second County Government of Kisumu, for the Honourable Member who was in doubt as to whether we have a Governor proceeding for his second term, he will have to be sworn in afresh as the Governor of Kisumu County for the Third County Government and that is the reasons as to why it is baptised a transitional budget.

Madam Speaker and Honourable Members, having stated that, it is worth noting that the issue of the Pending Bills is a matter that is affecting the same people of Kisumu County. A number of our people, business communities, SMEs have gone under because they offered services to this County but have never been paid. Madam Speaker and Honourable Members, some of these individuals is the reasons as to why this Budget has decided to allocate more funds on Pending Bills so that, we are equally able to support the business communities that have rendered services to this County.

Madam Speaker and Honourable Members, it is not prudent for this House to approve more funds to implement new projects and yet, all those projects that have been implemented and commissioned have not been paid for. I therefore want to respond as I reply that even the Kshs 10 million that one of the Honourable Member has stated was not adequate is just a negotiation because we must continue so that we don't lose funds for the incomplete projects. Otherwise, if it were possible, it is a decision that needs to be taken so that the Pending Bills can become a thing of the past.

Madam Speaker and Honourable Members, in the process of replying, I would also have failed if I do not mention to this Assembly and this August House that, there were projects that were started in the First County Government and to-date, year-in and year-out, we have always seen them being allocated funds yet they were never implemented. We must appreciate that this Second Government has atleast taken its time to implement most of these projects. Some of them were Word Bank funded Projects and we have seen them come to their completion. We have seen a number of projects and one of them is the K'ochieng Tomato Project in Kobura Ward. We now know that the people of Kobura will commence engaging in agriculture so that they can provide the raw materials for that factory. Madam Speaker and Honourable Members, it is not only K'ochieng Tomato Project, we similarly have other projects that have been on-going from the First County Government and today they are in their completion. This can only made possible and I request this House that we encourage the County Executive to settle outstanding bills for services rendered. This has put this County in disrepute and given it a very bad image.

Otherwise, it is my belief that, we as Members of this County Assembly together with this wing of this County Government of Kisumu, we are hoping that, when the Third County Government comes into place, some of these problems that we have been encountering will be sorted out because there are already key structures put in place to address or sort them out these issues.

Madam Speaker and Honourable Members, I want to say that I am jubilant that for the last five years, I have been able to be accorded the opportunity to serve in the August House as the Chairperson of the County Budget and Appropriations Committee. As we come to the end and this

being the last Budget that this House in which I am presenting in this term, I want to appreciate dearly all the Members of this House for the cooperation that I have received because it has not been an easy task. It has been very difficult and overburdening and in a number of instances, the balancing act in the Budget has not been very easy, but because we are brothers and sisters and serving the same people of Kisumu County, we have always agreed.

Madam Speaker and Honourable Members, I want to thank you so much and I want to pray that as we end the session of this Second County Assembly, we want to pray for the Third County Government and the County Assembly that will be in place that, those of us that will get an opportunity to again serve here, kindly, let us serve our people with dedication. I am happy and God Bless this Assembly and God Bless all of us. I reply. Thank you.

The Temporary Speaker (Hon. Inviolate): Thank you. Honourable Members, now that a Report from the Select Committee of County Budget and Appropriations on its consideration of the Kisumu County Budget Estimates for the fiscal year 2022/2023 has been moved by the Chairperson, Hon. Steve Owiti seconded by Hon. Aslam Khan, I now want to put a question for the adoption on the report?

Honourable Members, for those of the opinion that this House adopts the Report from the Select Committee of County Budget and Appropriations on its consideration of the Kisumu County Budget Estimates for the fiscal year 2022/2023?

(Question put and agreed to)

Honourable Members, today Thursday, 23rd June, 2022 at 04:40 p.m. this House has adopted the Report from the Select Committee of County Budget and Appropriations on its consideration of the Kisumu County Budget Estimates for the fiscal year 2022/2023. Thank you.

(Applause)

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

MOTION

FIRST READING ON THE KISUMU COUNTY APPROPRIATIONS BILL, 2022

BY.

HON. STEVE OWITI, MCA, EAST KOLWA.

(CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE)

The Temporary Speaker (Hon. Inviolate): Yes, Honourable Steve Owiti, Chairperson, Budget and Appropriations Committee.

Hon. Steve Owiti: Thank you Madam Speaker and Honourable Members. Please allow me to request the Clerk to take this House through the First Reading on the Kisumu County Appropriations Bill, 2022.

The Temporary Speaker (Hon. Inviolate): Madam Clerk.

THE KISUMU COUNTY APPROPRIATIONS BILL, 2022

A Bill

An Act of County Assembly of Kisumu to authorize the issue of certain sum of money out of the County Revenue Fund and their application towards the services of the year ending on the 30th June 2023, and to appropriate those sums for certain public services and purposes.

Madam Speaker and Honourable Members, the Kisumu County Appropriations Bill, 2022 has now been read for the first time.

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

MOTION

SECOND READING ON THE KISUMU COUNTY APPROPRIATIONS BILL, 2022

BY.

HON. STEVE OWITI, MCA, EAST KOLWA.

(CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE)

The Temporary Speaker (Hon. Inviolate): Yes, Honourable Steve Owiti, Chairperson, Budget and Appropriations Committee.

Hon. Steve Owiti: Thank you Madam Speaker and Honourable Members. Once again, please allow me to request our Clerk to take us through the Second Reading of the Kisumu County Appropriations Bill, 2022. Thank you.

The Temporary Speaker (Hon. Inviolate): Madam Clerk.

An Act of County Assembly of Kisumu to authorize the issue of certain sum of money out of the County Revenue Fund and their application towards the services of the year ending on the 30th June 2023, and to appropriate those sums for certain public services and purposes.

Madam Speaker and Honourable Members, the Kisumu County Appropriations Bill, 2022 has been read for the second time.

The Temporary Speaker (Hon. Inviolate): Yes, Honourable Steve Owiti, Chairperson, Budget and Appropriations Committee.

Hon. Steve Owiti: Thank you Madam Speaker and Honourable Members. Now that the Kisumu County Appropriations Bill, 2022 has been read for the second time. I would like to propose that the House reverts to Committee of the Whole House to enable the House look at the proposed amendments on the Bill and report back. May I call upon Hon. Aslam Khan to second?

The Temporary Speaker (Hon. Inviolate): Yes senior Member.

Hon. Khan: Thank you Madam Speaker, I second that the House reverts to the Committee of the Whole House as proposed by the Chair. Thank you.

The Temporary Speaker (Hon. Inviolate): Honourable Members, I now direct that the House collapses into the Committee of the Whole House.

(House collapses into the Committee of the Whole)

(Hon. Roy Samo presiding the Committee of the Whole)

Chairperson, Committee of the Whole House (Hon. Samo): Honourable Members we are now in the Committee of the Whole House, please let us finish this process.

Chairperson, Committee of the Whole House (Hon. Samo): Yes Leader of Majority.

Leader of Majority (Hon. Onyango): Thank you Mr. Chair, we have specific amendments that we want to undertake on this Bill. So, as I had stated before, because they are very specific, I would propose that the House goes the guillotine way so that we spend the shortest time possible because I can see quite a number of Members are fatigued so that we can give them leave but we do this within the shortest time possible. Thank you.

Chairperson, Committee of the Whole House (Hon. Samo): Leader of Majority, you need a seconder.

Leader of Majority (Hon. Onyango): Thank you. I call upon the Chair to second.

Hon. Steve Owiti: Mr. Chair, seconded.

Chairperson, Committee of the Whole House (Hon. Samo): Honourable Members, it has been proposed by the Leader of Majority that we go the guillotine way and this has as well been seconded by Hon. Steve Owiti. Unless there is a contrary opinion?

Chairperson, Committee of the Whole House (Hon. Samo): Mr. Clerk!!

Thank you Mr. Chair and Honourable Members, in the spirit of guillotine, we may commence from clause 2, 3, 4 and 5 and then we look at the Columns. The areas where the Chair of Budget and Appropriations has some proposed amendments to make, the Chair will rise and propose the amendments and deliberated procedurally then, a question is put for adoption and we move on. Thank you.

Chairperson, Committee of the Whole House (Hon. Samo): Honourable Members, I believe that we are all in agreement that we go the guillotine way.

Chairperson, Committee of the Whole House (Hon. Samo): Yes Chair, Budget and Appropriations.

Hon. Steve Owiti: Thank you Chair. Having agreed on that, we have few amendments in the proposed Bill and when you look at the first page we don't have any amendment but the second page under code 317 R02 which is Kshs. 772,538,089 should be amended to read; Kshs. 1,402,538,089. That is in line with the analysis and the proposal of the amendment that have been adopted in the report.

Chairperson, Committee of the Whole House (Hon. Samo): Yes Chair, Budget and Appropriations please come up again.

Hon. Steve Owiti: Mr. Chair, it is 1,402,538,089.00.

Chairperson, Committee of the Whole House (Hon. Samo): Noted. Thank you.

Hon. Steve Owiti: Mr. Chair, on page 3, we don't have any amendment. Mr. Chair, on page 4 there is a proposed amendment that is in Public Heath which is amended to instead of Kshs. 3,370,630,958 it will be Kshs. 3,370,038,158.

Chairperson, Committee of the Whole House (Hon. Samo): Chair, so it is not Kshs. 3,370,630,958?

Hon. Steve Owiti: Mr. Chair, no it is Kshs. 3,370,038,158. So the 630 is amended to 038,158.00.

Chairperson, Committee of the Whole House (Hon. Samo): Noted.

Hon. Steve Owiti: Mr. Chair, the other amendment is on code 317 R12 on the same page which is the County Assembly. The County Assembly had been proposed amount of Kshs. 701,864,887 but the CARA Bill, 2022 had given as an allocation of Kshs. 718,866,200. So, that is equally amended to be in line with the CARA Act, 2022.

Chairperson, Committee of the Whole House (Hon. Samo): Please read it again Honourable Chair Kshs 701,864,887.00

Hon. Steve Owiti: Mr. Chair, Kshs 701,864,887.00 was the initial figure that was proposed. This was amended to be in tandem with the CARA Act, 2022to read Kshs 718,866,200.

Chairperson, Committee of the Whole House (Hon. Samo): Noted.

Hon. Steve Owiti: Mr. Chair, on page 5 there is no amendment except for the fact that Sub-total under the Recurrent Expenditure will now change because of the proposed amendments we have made and so, it will not be Kshs 7,207,443,102. It will be amended to read Kshs. 7,353,851,615. That amendment is as a result of the amendments that we have had in the other pages.

Mr. Chair, moving to page 6 in this page there are a number of amendments to be undertaken. Mr. Chair, under General Administration; instead of Kshs. 1,510,000,000 which was proposed. It has been amended to read Kshs. 1,924,705,910. And then General Administration, Planning and Support Service, the proposal was Kshs. 359,722,810. This has been amended to read Kshs. 357,971,252. There being no any other amendment proposed for that page.

Mr. Chair, we move to page 7 under code 317 D06 which was Kshs. 344,000,000 has been amended to read Kshs. 298,640,055.

Mr. Chair, we move to code 317 D08 has equally been amended from Kshs. 102,000,000 to Kshs. 212,698,298.

Mr. Chair, we move to code 317 D09 which was proposed at Kshs. 65,000,000 has been amended to Kshs, 190,000,000. That means that there are no further proposed amendment to that page.

Mr. Chair, we move to page 8. There isn't any other amendment except for the Sub-total and the Grant totals which will automatically be amended in line with the other adjustments that we have dome there before. I want to believe that we have to amend as per the proposed figures. The proposed amendments will now read Sub-total for the Development Expenditure Component will be Kshs 3,686,411,178 giving us a Grand total of Kshs. 11,540,262,793.

Mr. Chair, it is my belief that these increment in the figure from Kshs 10,290,561,575 is a result of the new ceilings that were given by CARA Act, 2022 and also some donor fundings that had not been captured.

Mr. Chair, on page 9 of the Bill, in the Memorandum of Objects and Reasons, there is no proposed amendments. Mr. Chair, the Bill will be amended as per the proposed amendment I have highlighted.

Chairperson, Committee of the Whole House (Hon. Samo): Thank you Hon. Chairperson. Honourable Members, the changes that we expected in this Bill have been proposed by the Chairperson of Budget and Appropriations Committee and therefore we need to get a seconder towards the same.

Chairperson, Committee of the Whole House (Hon. Samo): Yes Senior Members, Hon. Khan.

Hon. Khan: Thank you Mr. Chair, I arise to second the proposed amendments.

Chairperson, Committee of the Whole House (Hon. Samo): Thank you. Honourable Members, the changes have been moved and seconded by Hon. Khan and I now want to propose that clause 1,2,3,4 and 5 together with the Memorandum of Objects and Reasons and the Schedules that are there be part of this Bill with the amendments that have been read by the Chairperson of Budget and Appropriations Committee.

Chairperson, Committee of the Whole House (Hon. Samo): Honourable Members, you give us time as the Leader of Majority and the Clerks are working on the figures.

(Loud consultations)

Chairperson, Committee of the Whole House (Hon. Samo): Honourable Members, as we are awaiting any further changes because what is before us has been explicitly communicated by the Chairperson, Budget and Appropriations. So, my I put a question for the adoption?

THAT, clauses 1,2,3,4 and 5 the Schedules of this Bill together with the Memorandum of Objects and Reasons that includes the necessary amendments communicated by the Chairperson, Budget and Appropriations Committee be part of this Bill?

(Question put and agreed to)

Chairperson, Committee of the Whole House (Hon. Samo): The changes now form part of the Bill.

Hon. Steve Owiti: Thank you Chair I now want to propose that we revert back to plenary.

(House reverting to plenary)

The Temporary Speaker (Hon. Inviolate): Yes Hon. Samo, Chairperson, Committee of the Whole House please report back.

Hon. Samo: Thank you Hon. Speaker, I stand to communicate to you what transpired during the Committee of the Whole House.

Madam Speaker, the Committee of the Whole House delved into the Bill and a few changes were made particularly on page 3 under code 317 R02 the amount required in the year ending 30th June 2023 for Salaries and Pending Bills Expenses of the Finance and Economic Planning, including General Administration and Planning for Governance, Kisumu Central, Kisumu East, Kisumu West, Seme, Nyando, Muhoroni and Nyakach the supply totals has been amended to read; Kshs. 1,402,538,089. This alters the figure from the proposed amount of Kshs 772,538,089.

Madam Speaker, again in page 4 the Committee of the Whole House made some notable changes under code 317 R08 the amount required in the year ending 30th June 2023 for Salaries and Expenses of Health Services, including Salaries, General Administration and Planning for Headquarters, Jaramogi Oginga Odinga Teaching and Referral Hospital, Kisumu Central, Kisumu East, Kisumu West, Seme, Nyando, Muhoroni and Nyakach. Madam Speaker this figure has been was amended from Kshs. 3,370,630,958 to read Kshs. 3,370,038,158 respectively.

Madam Speaker, in page 4 of the Bill another notable change made under code 317 R12 the amount required in the year ending 30th June 2023 for expenses of County Assembly including Salaries, General Administration and Planning the figure has been amended from Kshs. 701,864,887 to read Kshs. 718,866,200.

Madam Speaker, another notable change was in page number 5, code 317 R14 the Sub-total for Recurrent Expenditure Component the figures now changed from Kshs 7,207,443,102 to read Kshs. 7,853,851,615.

Madam Speaker, another notable changes was in page 6 a continuation of code 317 D02. The new total is now amended to read Kshs. 1,524,705,910.

Madam Speaker, on the same page 6, code 317 D02 the total now becomes Kshs. 357,971,252.

Madam Speaker, another change that was made in the Committee of the Whole House was in page 7, code 317 D06 where the total figure is Kshs. 298,640,055.

Madam Speaker, code 317 D08 has also been amended from Kshs. 102,000,000 to Kshs. 212,698,298.

Madam Speaker, in page 7, code 317 D09 which was Kshs. 65,000,000 has been amended to Kshs, 190,000,000.

Madam Speaker, this gives us a Sub-total for Development Expenditure Component should read Kshs. 3,686,411,178. The Grand total to read Kshs. 11,540,262,793.

Madam Speaker that is what transpired in the, Committee of the Whole House. Thank you.

The Temporary Speaker (Hon. Inviolate): Honourable Members, I do propose that this House do agree with the report of the Committee of the Whole House?

The Temporary Speaker (Hon. Inviolate): Honourable Members, are there any further proposed amendments?

The Temporary Speaker (Hon. Inviolate): Honourable Members, I therefore want to put a question on the adoption of the report from the Committee of the Whole House. Honourable

Members, for those of the opinion that this House adopts the report from the Committee of the Whole House with the proposed amendment?

(Question put and agreed to)

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

MOTION

THE THIRD READING OF THE KISUMU COUNTY APPROPRIATIONS BILL, 2022

BY

HON. STEVE OWITI, MCA, KOLWA EAST.

(CHAIRPERSON, BUDGET AND APPROPRUITAIONS COMMITTEE)

The Temporary Speaker (Hon. Inviolate): Yes Hon. Steve Owiti.

Hon. Steve Owiti: Thank you Madam Speaker. Allow me to ask the Clerk to take us through the 3rd reading of the Kisumu County Appropriation Bill, 2022.

The Temporary Speaker (Hon. Inviolate): Yes Madam Clerk.

The Kisumu County Appropriations Bill, 2022. A Bill for an Act of the County Assembly of Kisumu to authorize the issue of certain sums of money out of the County Revenue fund and their application towards the services of the year ending on the 30th June 2023 and to appropriate those sums for certain public services and purposes.

MEMORANDUM OF OBJECTS AND REASON.

The Kisumu County statutory sanction for public expenditure for the year ending on the 30th June 2023 on the basis of the estimates of expenditure for FY 2022/2023 (Recurrent) and the estimates of the expenditure for FY 2022/2023 (Development) and for the appropriation of those amounts.

Dated the 21st June 2022.

STEVE OUMA OWITI

Chairperson, Budget and Appropriation Committee).

Madam Speaker and Honourable Members, the Kisumu County Appropriations Bill, 2022 is now read for the Third time. Thank you.

The Temporary Speaker (Hon. Inviolate): Thank you. Honourable Members, any further amendment from the floor of the House. I therefore want to put a question on the adoption of the Kisumu County Appropriation Bill, 2022 with the amendments therein.

Honourable Members, for those of the opinion that this House adopts Kisumu County Appropriations Bill, 2022 with amendment therein?

(Question put and agreed to)

The Temporary Speaker (Hon. Inviolate): Honourable Members, The Kisumu County Appropriation Bill, 2022 is hereby adopted today Thursday, 23rd June 2022 at 17:14 hours.

Honourable Members, I direct that the Office of the Clerk prepares the Velum and Hansard Report to be forwarded to the Office of the Governor for assent. Thank you.

(Applauses)

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

ADJOURNMENT

The Temporary Speaker (Hon. Inviolate): Honourable Members, there being no any other business to transact, the House stands adjourned to Tuesday, 28th June 2022 at 2.30 p.m.

(House rose at 5.16 p.m.)

Addendum

The Hansard Team

Zablon Otiende – Senior Hansard Reporter

Edward Odanga – Hansard Reporter

Fanuel Okode – Hansard Reporter

Patrick Okoyo – Hansard Reporter

Jacklyne Otieno – Hansard Reporter

Jesca Otieno – Hansard Reporter

Vallery Achieng' – Hansard Reporter