



**OFFICIAL HANSARD REPORT**

**COUNTY ASSEMBLY OF BOMET**

**THIRD COUNTY ASSEMBLY**

**ASSEMBLY DEBATES**

**Vol. 1 NO. 30**

## DAILY HANSARD

*The Assembly met at the Main Assembly Chamber,*

*Dr. Joyce Laboso Centre at 2:30 p. m*

Third County Assembly- First Session

Wednesday, 18<sup>th</sup> January, 2023

*(The Assembly met at 2:30 p m in the*

*County Assembly Mini Chamber at County Assembly Buildings)*

*[Hon. Speaker (Hon. C. Korir) in the Chair]*

### PRAYER

**Hon. E. Kirui (Kimulot Ward, UDA):** Mr. Speaker, I rise to give notice of the following motion that this County Assembly adopts the report of the Budget and Appropriation Committee of Bomet County Supplementary Budget of the FY 2022/23 laid on the table of the County Assembly on Wednesday 18<sup>th</sup> January 2023 and pursuant to the provision of section 135 of Public Finance Management Act, 2012 and standing 218 approves the Bomet County Supplementary Estimates for the FY2022/23 with amendments.

### MOTION.

**Hon. E. Kirui (Kimulot Ward, UDA):** Mr. Speaker I rise to move the motion that this county assembly adopts the report of the budget and appropriation committee of Bomet County supplementary budget of the FY 2022/23 laid on the table of the county assembly on Wednesday 18<sup>th</sup> Jan 2023 and pursuant to the provision of section 135 of public finance management act and standing 218 approves the Bomet County supplementary estimates for the FY2022/23 with amendments.

### JUSTIFICATION FOR THE SUPPLEMENTARY BUDGET

The committee sought to establish the justification for the supplementary budget and made the following findings and observations. The supplementary budget;

- Seeks to address the budget deficit in various departments including Roads, Water, Lands Housing and Urban Planning, Finance and Administration.

- Is seeking for Kshs 84,056,000 for Transport Reimbursement to comply with SRC gazette notice dated 27<sup>th</sup> July 2022.
- Seeks to re-budget funds which will not be possible to utilize before the closure of the financial year.

### CLARIFICATIONS AND RESPONSES FROM THE CECM FINANCE

The committee invited responses from the CECM in charge of Finance on a raft of issues stated below;

S/no	ENTITY	Total proposed expenditure	Total Revenues Estimates	VARIANCE
1	County Executive	7,189,085,081		
2	County Assembly	1,095,199,848		
<b>Grand Total</b>		<b>8,284,284,932</b>	<b>8,200,228,929</b>	<b>84,056,000</b>

The above analysis indicates that the submitted supplementary budgets for the two arms of government creates a deficit of Ksh. 84,056,000. This is due to unforeseen SRC gazette notice dated 27<sup>th</sup> July 2022 which gave transport re-imburement benefit to the Members of the County Assemblies.

**ISSUE:** The supplementary budget is on a deficit to a tune of Ksh. 84,056,000.

Section 107 of the PFM Act, 2012 on fiscal responsibility principles provides for mandatory adherence to balanced budgets. It states that County Government’s expenditure shall not exceed its total revenue.

The CECM submitted that the same should be provided in this supplementary budget 3.2.3

Analysis of County Wages and benefits

S/no	ENTITY	Total Proposed Wages and benefits	Total Revenues Estimates	% of PE to total revenue
1	County Executive	2,806,574,860		

2	County Assembly	336,289,260		
<b>Grand Total</b>		<b>3,142,864,120</b>	<b>8,200,228,929</b>	<b>38.3%</b>

Analysis of the above level reveals that the ratio of the County government expenditure on wages and benefits to its officers has been proposed at 38.3%. The PFM Act 2012 through its regulation 25(1) (b) sets a ceiling on County Government expenditure on wages and benefits at 35% of the County’s total revenue.

The above proposed expenditure is way above the ceiling provided by law and efforts to address it has been very elusive?

**Response;**

The CECM stated that this is a work in process and non-core services is being considered for outsourcing. The CECM also stated that Employment on contract is also being explored as an option and that revenue base has also not changed in the past two years yet salaries were being adjusted every year as per SRC circulars.

3.2.4 Analysis of grants and Conditional allocations

The county benefits from conditional allocations, grants and loans from National government and other development partners including World Bank, Nutritional International, REREC etc.

**ISSUE:** Revenues from these sources have either been newly introduced or scaled up.

**CECMF:** Submit statements supporting balances brought down from previous FY for grants and conditional allocations. Also submit copies of agreements and or undertakings for new donor support.

**Response;**

The funds have been ring-fenced by the funders to strictly address specific purposes. I have since conducted the relevant departments with conditional grants and donor support to submit the required information for compilation and onward transmission to the committee.

### 3.2.5 Analysis of Balances brought down from FY 2021/2022

Ksh. 535, 287,927 have been captured as revenue in the supplementary budget. This is a scale up from Ksh. 399,911,732 estimated in the initial Budget estimates.

Hon. Speaker, Ksh. 535, 287,927 have been captured as revenue in the supplementary budget. This is a scale up from Ksh. 399, 911, 732 estimated in the initial Budget estimates.

The issue was that the supplementary budget did not provide a breakdown of the sources of these unspent balances which have only been treated as revenue. In order to ensure prudent management and informed decision making, the County Executive Committee Member for Finance and Economic Planning (CECM) should provide a breakdown of these unspent balances and should indicate the amount by source (entity or department).

Mr. Speaker, the Committee did not get an appropriate response on this matter from the CECM.

#### **Analysis of own source revenue**

The Committee notes that the County's own source revenue had been estimated at Kenya Shillings 300 Million and has been retained in the submitted supplementary budget.

Mr. Speaker, when the CECM was asked on the current status of the collection, he responded that they have collected Kenya Shillings 73 million and expecting Kenya Shillings 60 million in two weeks' time from the land rates. He also stated that they are also at a Single Business Permit season and anticipating about Kenya Shillings 50 million. He said they still have time and if anything they shall submit a request for revision in the second supplementary budget.

On the analysis based on section 135 (7) of the Public Finance and Management Act (PFMA) 2012 Section 135(7) of the Act 2012 set a ceiling on supplementary budget not exceeding 10 per cent additional expenditure on the approved budget and it states that;

*“in any financial year, the County government may not spend under this section more than ten percent of the amount appropriated by the County assembly for that year unless that County assembly has, in special circumstances, approved a higher percentage”*

Further to it, the Kenya gazette supplement no. 33 of 2015 on Public Finance Management Act regulations in regulation 39(9) conditions County Assembly approval of supplementary budget as follows;

*“In approving any estimates under sections 135 and 154 of the Act, that County Assembly approval shall not exceed ten (10%) percent of the approved budget estimates of a program*

*of Sub-Vote unless it is for an unforeseen and unavoidable need as defined in section 112 of the Act.”*

Hon. Speaker, the issue was that the CECM did not seek County Assembly’s approval in compliance with section 135(7) of the Act. However, the CECM submitted a special request for consideration ahead of any approval of supplementary budget on areas exceeding the set limits.

Hon. Speaker, may I take the Assembly through various vote heads that the Committee went through in various departments. However, I will give a summary of the requests for approval. The approved budget for the County Executive is Kenya Shillings 181, 673, 227. In this supplementary budget, the figure has moved to Kenya Shillings 216, 673, 227. This increase was necessitated by the Governor’s reorganization of his government.

The County Public Service Board’s (CPSB) budget was initially at Kenya Shillings 82, 336, 787. This was cut to Kenya Shillings 44, 645, 188 because the CPSB had allocated a development vote. However, due to the time constraints, the development vote was moved. On the Department of Administration, the initial budget was at Kenya Shillings 52, 096, 952. A proposal to raise it to Kenya Shillings 155, 015, 962 was made. On the Department of Public Service, the initial budget was Kenya Shillings 1, 899, 058, 051. The initial budget was reduced to Kenya Shillings 1, 790, 419, 357. This was because of a reduction of the priority areas based on the time constraints.

Mr. Speaker, in the Department of Information and Communication Technology ((ICT) and E-Government, the initial approved budget was at Kenya Shillings 36, 478, 654. The figure was raised to Kenya Shillings 37, 478, 654 to accommodate a few changes in terms of projects shifting to Bomet County from the National Government.

In the Department of Finance, the initial approved budget was at Kenya Shillings 200, 000, 000. This was increased to Kenya Shillings 300, 000, 000. The increase was to accommodate a few changes in the priorities of the department. The Department of Economic Planning the initially approved budget was Kenya Shillings 336, 293, 532 and the figure has been reduced Kenya Shillings 289, 203. 371. This was because the Committee felt that the activities raised were not a priority at the moment compared to other competing activities from the executive.

Mr. Speaker, in the Department of Lands, Housing and Urban Planning, the amount that had been approved was Kenya Shillings 163, 030, 218. This has been increased to Kenya Shillings 321, 918, 102. This is informed by the fact that there are priority areas that have changed owing to the fact the County is seeking acquire land for Software Factory. In youth, Sports, Gender and Culture the initially approved budget was 75 Million and this figure has moved to 70 Million, this slight reduction was due to the fact that the department, on analyzing their expenditure to the date of

preparation of Supplementary budget had not spend some money and the committee felt like it was important to just intern them with the spending rates and also meet the deficit that was caused earlier in the other departments. In the medical services and Public health, the figure put earlier was 2 Billion and this figure reduced slightly to Ksh. 1 billion to accommodate other changing trends in terms of priorities from the Governor. In Education and Vocational Training, there was initially approved figure of 342 Million and this was slightly added to 387 because of the request to increase bursary allocation for our students. In Water, the initial budget that had been approved was 536 286 220 and this figure has slightly reduced to Ksh. 512 451 220. In Agriculture, the figure increased from 254 321 438 to 384,817,988 to accommodate the issues of tea buying centres and various areas the County feels like they need to be given more attention going forward.

In Roads, Public works and Transport, the initially approved budget was 495 Million and increased to 550Million. This is the department that has a Flagship projects that the governor seeks to acquire equipment for Road construction and this shift will accommodate the changing priorities. In the department of Trade, Energy, Tourism, Industry and Investment, initial budget was 68,269,882 and increased by Ksh. 71,739,882.

In the department of Cooperatives and enterprise Development, the budget was Ksh. 100,491,633 and it slightly reduced to Ksh. 91,511,633. I would then want to take this Assembly to basic percentages in terms of the classification of the Budget. It is classified into 3 co-areas and one is personal Emolument that is for Salaries, Operation and Maintenance and the other one is Development. The initially approved budget add the P.E at 41% and part of the issues that had been raised by the committee was that this was way above the provision by the PFM Act and I know I had taken the Assembly earlier on the submission by the CEC. In the recommendation by the committee, this figure has moved down to 38% which is a good move which is tending toward the 35% as provided by the PFM Act.

On Operation and Maintenance, this figure was initially at 30% and this moved to 33% to accommodate other issues that arose during the budget making process and the priority areas by the executive and I know maybe going forward, the committee will give recommendation to the executive on this matter. Finally, on Development, the initial approved budget was Ksh. 20 Million and at 29% and the figure stills remain at 29%.

On committees' recommendation, the committee on budget and appropriation deliberated on the proposed 1<sup>st</sup> supplementary budget estimate for the Financial year ending June 30<sup>th</sup>, aware that a

number of planned activities had 0 expenditure especially on recurrent spending and further aware that there are only 5 months to end of financial year, the committee made the necessary adjustment to enhance service delivery. Adjustment made address the deficit in critical department, namely Education, Health Services, Water and Environment, Roads and Public Works. Reductions were likely affected by service departments. The committee also made necessary adjustment in the revenue to capture the new scaled up support from other development.

The summary that I gave earlier on those areas that we looked at, and the detailed annex report that I said is in the larger report, and it is on this breadth that I seek to ask this Honourable Assembly to support and pass the Motion.

I therefore request honourable. W. Kiprotich to second the Motion.

**Hon. W. Kiprotich (Chepchas Ward, UDA):** Hon. Speaker, thank you. Before I second, I want to laud the Chair Budget and Appropriation Committee who has delved into the document since it was committed to our Assembly.

Hon. Members of Budget and Appropriation Committee and the rest of the Assembly gave input towards this Supplementary Budget Estimates.

I want to confirm that the Committee went into details on the proposed Supplementary Budget Estimates, and the raft of issues that has been changed, and I will not be able to mention all of them because the Chair has done a lot about it.

You heard the Chair mention that some departments have not spend some money that was allocated to them, and he has also indicated that some of them were either reduced or added, owing to the fact and amount of work that is ahead of them.

You have also heard that he has narrated quite a number of departments. There are those that touch on people directly and some indirectly. The Committee was able to consider all those particular factors.

The Committee while coming up with this particular raft of changes, whether it is additions or reductions in some departments, is due to a lot of consultations between the County Assembly and the Executive.



We looked into this particular Budget, and the time remaining which about five months, considering the time that this particular Budget is going to take in the Controller of the Budget for it to be uploaded and for it to be in use. That is why we are asking this particular Assembly that if possible, we should finish what is remaining in this particular document; Appropriation Bill, upon which, this particular Motion by honourable E. Kirui is done well.

I do second.

*(Question proposed)*

*(No Member rose to make contributions)*

**Hon. Speaker (Hon. C. Korir):** It looks like the Members are satisfied with what the Chair has given. I would therefore proceed to putting the question.

*(Question put and agreed to)*

#### MOTION

**Hon. Deputy Leader of Majority (Hon. J. Samoei):** Mr. Speaker, thank you. I beg to move a Procedural Motion that pursuant to Standing Order no. 30 (3), (b), this County Assembly resolves to have a sitting on Friday 20<sup>th</sup> January, 2023, at 9.am, and at 10.30 a.m. Hon. Members, we will have Budget and Appropriation Bill to debate.

I therefore request this honourable Assembly to approve this Motion.

I hereby request hon. E. Sang to second.

**Hon. Speaker (Hon. C. Korir):** Hon. Evaline?

**Hon. E. Sang (Nominated MCA, UDA):** Mr. Speaker, thank you. I second.

**Hon. Speaker (Hon. C. Korir):** Thank you. Hon. Deputy Leader of Majority, thank you for having moved this Procedural Motion.

*(Question proposed)*

**Hon. Speaker (Hon. C. Korir):** The floor is now open for debate. Hon. Eric Kirui.

**Hon. E. Kirui (Kimulot Ward, UDA):** Hon. Speaker, Sir, thank you. I rise to support the Motion. This request for a Special Sitting is important to this Assembly because the passage of the supplementary budget not only gives an opportunity to this Assembly to do its activities but also gives us an opportunity to appropriate the money. The Special Sitting that we are seeking to have on Friday will help us to further work on this Supplementary Budget and I urge the Members to support the Motion so that we finish the work and make it easy for the Executive to proceed with their work.

**Hon. Speaker (Hon. C. Korir):** Hon. Kiprotich

**Hon. W. Kiprotich (Chepchas Ward, UDA):** Hon. Speaker, thank you. I rise to support the Procedural Motion moved by the deputy Leader of Majority, Hon. Joseah Samoei of Nyangores Ward. I also believe that this County Assembly led by you, took us through a rigorous induction exercise and orientation. I have a feeling that the Members now want to do the practical part of it. I believe that the passage of the Motion this afternoon gives node to an Appropriation Bill. I believe the Members are eager to put what they learnt in the induction to practice.

Remember that this is a Bill that is going to go through several readings. It will go through the First Reading, Second Reading, Committee of the Whole, Third Reading and eventually the signing of the vellum. I believe for this Assembly it is the Maiden Bill and being the Maiden Bill, I urge this Assembly to approve this Motion and avail ourselves on the said date so that we can put into practice what we learnt. I support.

**Hon. Speaker (Hon. C. Korir):** Thank you for your contributions.

*(Question put and agreed to)*

*(Hon. W. Kiprotich rose on a point of order)*

**Hon. W. Kiprotich (Chepchas Ward, UDA):** Hon. Speaker, under Standing Order No. 7, I would like to bring to your attention that there was a Question asked by Hon. Eric Kirui about the expenditure and pending bills. If this can be brought before Friday, it can inform what we can do in the Bill.

**Hon. Speaker (Hon. C. Korir):** The Committee to whom the Question was committed to, kindly avail that report on Friday. Thank you.

*(Hon. R. Ruttoh rose on a point of order)*

**Hon. R. Ruttoh (Chemaner Ward, UDA):** Hon. Speaker, thank you. I believe most of the Members who are supposed to give us the report on Friday are outside the country. It will therefore not be possible for them to bring the report on the floor of the Assembly.

**Hon. Speaker (Hon. C. Korir):** Was that a point of order really? I think that is a point of information. Hon. Kiprotich, did you want to say something?

**Hon. W. Kiprotich (Chepchabas Ward, UDA):** Overtaken by events, Hon. Speaker.

**Hon. Speaker (Hon. C. Korir):** Alright. If the Members to give the report are not present, we defer the response to 14<sup>th</sup> February 2023.

### ADJOURNMENT

**Hon. Speaker (Hon. C. Korir):** There being no other business, this County Assembly stands adjourned to Friday, 20<sup>th</sup> January 2023 at 9:00 a.m.

*The Assembly rose at 3.20 p.m*