



KERICHO COUNTY ASSEMBLY

SECOND ASSEMBLY

(Fifth session)

BUDGET AND APPROPRIATION COMMITTEE

REPORT ON KERICHO COUNTY FISCAL STRATEGY PAPER 2021

(Submitted pursuant to standing order 220)

MARCH 2021.

CLERK'S CHAMBERS

KERICHO COUNTY ASSEMBLY BUILDING

KERICHO

Table of Contents

1.0 PREAMBLE	2
1.1 Committee Mandate	2
1.2 Committee Membership	3
2.0 PREFACE	4
2.1 Examination of the County Fiscal Strategy Paper	4
3.0 Acknowledgement	5
4.0 THE KERICHO COUNTY FISCAL STRATEGY PAPER, 2021 (CFSP). ..	6
4.1 Introduction	6
4.2 Adherence to the Legal Framework for the County Fiscal Strategy Paper	6
4.3 Resource Envelope	7
5.0 SECTORAL PRIORITIES	8
5.1 Public Works, Roads and Transport	8
5.2 Agriculture, Livestock and Fisheries	8
5.3 Water, Environment, Energy, Forestry and Natural Resources	8
5.4 Trade, Industrialization, Tourism, Wildlife and Co-Operative.	8
5.5 Health Sector	8
5.6 Education, Child Welfare and Vocational Training	9
5.7 Land, Housing, Physical Planning and settlement	9
5.7.1 Municipal Boards	9
5.8 Information, Communication and E-Government	9
5.9 Public Service Management and Administration	9
5.10. County Public Service Board	9
5.11. Finance and Economic Planning	9
5.12 Office of the Governor and the Deputy Governor	10
5.13 County Assembly	10
6.0 CONCLUSION	10

1.0 PREAMBLE

Mr. Speaker Sir,

Pursuant to Standing Order 220 (1), the County Fiscal Strategy Paper 2021, was submitted to the County Assembly in accordance with section 117 of the Public Finance Management Act of 2012 on 26th February 2021 and was deemed committed to each sectoral committee and subsequently the committee of Budget and Appropriation was to consider the same on th March 2021 after getting views from the sectoral committees.

The committee on Budget and Appropriation had sittings to deliberate and consider the ceilings of the departments of the County. The committee in coming up with this report relied on the following documents:-

1. The Constitution of Kenya 2010
2. The Public Finance Management Act 2012
3. The Public Finance Management Act 2012(Regulations)
4. Kericho County Integrated Development Plan (2018-2022)
5. The Annual Development Plan 2020
6. The programmes as submitted by the respective County Executive Committee Members

1.1 Committee Mandate

Mr. Speaker Sir;

Standing Orders No. 201 (1) & (2) establishes the County Budget and Appropriation Committee and its mandate is as follows:

(a) Investigate, inquire into and report all matters related to coordination control and monitoring of the county budget.

(b) Discuss and review the estimates and make recommendation to the assembly

(c) Examine the County Fiscal Strategy Paper presented to the assembly

(d) Examine bills related to the county budget including appropriations bills; and

(e) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays .

1.2 Committee Membership

The members of budget and appropriation committee are as follows:

- | | |
|--------------------------|------------------|
| 1. Hon. Albert Kipkoech | Chairperson |
| 2. Hon. Collins Biegon | Vice Chairperson |
| 3. Hon. HezronNgetich | Member |
| 4. Hon. Gilbert Ngetich | Member |
| 5. Hon. Sammy Rono | Member |
| 6. Hon. Bernard Mutai | Member |
| 7. Hon. Cheruiyot Bett | Member |
| 8. Hon. Eric Kosgey | Member |
| 9. Hon. David Rono | Member |
| 10.Hon. Joseph Kirui | Member |
| 11.Hon. David Mitei | Member |
| 12.Hon. Alex Bett | Member |
| 13.Hon. JosphatRutto | Member |
| 14.Hon. Anthony Rutto | Member |
| 15.Hon. Nancy Kimetto | Member |
| 16.Hon. Paul Chirchir | Member |
| 17.Hon. Evans Kibet | Member |
| 18.Hon. Philip Rono | Member |
| 19.Hon. Denis Kirui | Member |
| 20.Hon. HumpreyKirui | Member |
| 21.Hon. Stanley Kipraisi | Member |
| 22.Hon. Harun Rotich | Member |
| 23.Hon. Daniel Ngetich | Member |
| 24.Hon. Eric Bett | Member |
| 25.Hon. HesbornTonui | Member |
| 26.Hon. Hillary Bett | Member |

27. Hon. William Soi	Member
28. Hon. Alfred Cheruiyot	Member
29. Hon. KipyegonKoech	Member
30. Hon. Eric Korir	Member

2.0 PREFACE

Mr. Speaker sir, on behalf of the Members of the Budget and Appropriations Committee, and as required under Section 117 of the Public Finance Management Act 2012 as well as Standing Order 220; it is with great pleasure that I present to this House the Committee's report on the County Fiscal Strategy paper (CFSP 2021.)

2.1 Examination of the County Fiscal Strategy Paper

Mr. Speaker sir, this is the fourth CFSP prepared under the fourth session of this County Assembly. It builds on the pillars of the economic transformation agenda and the achievements of the County government over the last five years and sets the pace for key policies, priority programmes and reforms which will be implemented over the five years (2018 -2022) to enhance job creation and improve the quality of life for Kenyans and in this aspect Kericho residents.

The County Government aims at achieving quality life for the residents of Kericho. The CFSP highlights the following strategic priorities in the following order:

Strategic Priority 1: Enhanced provision of Quality Health Care and implementation of universal health care to residents.

Strategic Priority 2: Promotion of Food Security.

Strategic Priority 3: County wide promotion of Infrastructural developments.

Strategic Priority 4: Supply and access to quality basic services

Strategic Priority 5: Enhancing efficiency and effectiveness in service delivery.

3.0 Acknowledgement

Mr. Speaker Sir, the Committee wishes to thank the Offices of the Speaker and the Clerk of the County Assembly for the support extended in fulfilling this mandate. The Committee is also grateful to the Departmental Committees who participated in the process by working hard to ensure that the report is finalized on time.

Mr. Speaker Sir, I would also like to express my gratitude to the County Assembly Budget Office and Secretariat attached to this committee for the unwavering support given to this Committee.

Mr. Speaker Sir, It is therefore my pleasant undertaking, on behalf of the Budget and Appropriations Committee, to table this Report and recommend it to the House for consideration and adoption.

Signed

Hon. Albert Kipkoech MCA

Chairman, Budget & Appropriation Committee

4.0 THE KERICHO COUNTY FISCAL STRATEGY PAPER, 2020 (CFSP).

4.1 Introduction

- 1) **Mr. Speaker Sir**, the County Fiscal Strategy Paper, (CFSP) is a government policy document that sets out the broad strategic priorities and policy goals that will guide County government in preparing the budget for the next financial year. The policy direction of the CFSP is typically informed by the policies outlined in the various government policy documents such as the Vision 2030, Medium term plans, and Sectoral Strategic plans as well as the strategic interventions. The County Fiscal Strategy Paper (CFSP) therefore provides broad strategic direction that will guide the County government in formulating their annual budget for a given financial year.
- 2) **Mr. Speaker Sir**, for the County Fiscal Strategy Paper to provide strategic policy information, it requires the annual development plan to be provided and disseminated so as to link the budget to our county development agenda. In future, the departments should endeavor to cooperate with the committee by submitting programmes and other supporting documents on time and when requested.

4.2 Adherence to the Legal Framework for the County Fiscal Strategy Paper

- 3) **Mr. Speaker Sir**, the format and content of the County Fiscal Strategy Paper should be in line with provisions of the various relevant legal instruments such as the Public Finance Management Act 2012, the Public Finance Management Regulations, 2015 the Standing Orders and any other relevant policy. In reviewing the CFSP, the committee established that to a large extent, the 2020 CFSP has complied with the provisions of the law and has provided most of the required information. However, there were concerns with regard to some information not being provided.

4). Furthermore, **Mr. Speaker**, the County Assembly is the budget making institution of this county constitutionally. As such, any recommendations on the budget should be taken seriously especially if these are tied to existing legal provisions. Since failure to provide this information inhibits County Assembly review of CFSP and estimates, the House must take necessary measures, including censuring the relevant departments, to ensure that the failures are addressed.

5) The CFSP should at all times conform to the following legal provisions and principles:

- i. Compliance with Articles 201 of the Constitution of Kenya 2010;
- ii. Compliance with section 117 of the Public Finance Management Act, 2012;
- iii. Demonstrate linkages to other planning documents namely C-BROP, CIDP, ADP;
- iv. Should show priority areas that the county undertakes;
- v. Revenue sources;
- vi. Ceilings and programmes of the various departments;
- vii. The proof that public participation on CFSP was done; and
- viii. The proof of county executive committee approval.

4.3 Resource Envelope

The County Government of Kericho is earmarked to receive Kshs 6.4 billion from National equitable share. Other sources of revenue include, local revenue of Ksh.299.5 million, FIF of Kshs 184.4 million, DANIDA fund Kshs 15.3 million, Transformative health system Fund(World Bank) Kshs 71.5 million, Kenya Climate Smart Agriculture Project(World bank)Kshs 294.5

Other conditional grants include RMLF of Kshs 162.2 million, User fee reimbursement of Kshs 18 million and Development of Youth Polytechnic fund of Kshs 22.8 million.

The total revenue amounts to Kshs 7.5billion. The recurrent expenditure stands at Kshs 4.83 billion (64%) and Kshs 2.68 billion as development vote (36%).

5.0 SECTORAL PRIORITIES

Mr. Speaker Sir, allow me to highlight details of sectoral priorities as per the committee observations:-

5.1 Public Works, Roads and Transport

The departmental development and recurrent ceilings amount to Kshs.780 million and Kshs 86 million respectively.

5.2 Agriculture, Livestock and Fisheries

Mr. Speaker Sir,

The new ceilings for the department as are Kshs 373 million and Kshs 171 million for development and recurrent expenditure respectively.

5.3 Water, Environment, Energy, Forestry and Natural Resources

Mr. Speaker Sir, The department was allocated Ksh.230 million for the development expenditure while Kshs. 124.9million is for recurrent expenditure respectively.

5.4 Trade, Industrialization, Tourism, Wildlife and Co-Operative.

Mr. Speaker Sir,

The departmental development ceiling is Kshs 52 million and recurrent ceiling is Kshs 70.9 million as per the CFSP 2020/2021.

5.5 Health Sector

Mr. Speaker Sir,

The department's development ceiling has been set at Kshs.229.9 million and the recurrent ceiling was set at Ksh.2.25 billion.

5.6 Education, Child Welfare and Vocational Training

Mr. Speaker Sir,

The department was allocated Kshs. 156 million and Kshs. 378.8 million for development and recurrent expenditures respectively.

5.7 Land, Housing, Physical Planning and settlement

Mr. Speaker Sir,

The department was allocated Kshs.152 million and Kshs.80.7 million for development and recurrent respectively.

5.7.1 Municipal Boards

Mr. Speaker Sir,

Kericho and Litein Municipal boards have been allocated Kshs 14 million and 10 million to be shared equally for recurrent and development respectively..

5.8 Information, Communication and E-Government

The development vote ceiling was retained at Kshs 30.7 million and the recurrent vote ceiling was set at Kshs 64.8 million.

5.9 Public Service Management and Administration

The public service Management and administration was allocated Kshs.6.4million for development and Kshs. 386 million for recurrent expenditure.

5.10. County Public Service Board

The County Public Service Board's recurrent expenditure ceiling was capped at Kshs 58 million.

5.11. Finance and Economic Planning

Mr. Speaker Sir,

The departmental ceiling for development and recurrent expenditure amount to Kshs87.8 million and Kshs 300 million respectively.

5.12 Office of the Governor and the Deputy Governor

Mr. Speaker sir,

The recurrent vote ceiling has been allocated Kshs127 million.

5.13 County Assembly

Mr. Speaker,

The County Assembly development amounts to Kshs. 7.4 million. The recurrent expenditure stands at Kshs 719.7 million for personnel emoluments and operations.

The Committee introduced a line item for construction of an office block and chambers for County Assembly.

6.0 CONCLUSION

Mr. Speaker,

I wish to thank the Offices of the Speaker and the Clerk for the support and the entire County Assembly for their trust to the committee and by extension the committee members for their tireless effort and commitment in production of the report.

Hon Albert Kipkoech,

Chairman, Budget and Appropriation Committee