

REPUBLIC OF KENYA



COUNTY ASSEMBLY OF KWALE

SECOND ASSEMBLY – SECOND SESSION

THE FINANCE, BUDGET AND APPROPRIATIONS COMMITTEE REPORT ON

THE 2017/18 SUPPLIMENTARY BUDGET

DATED 13TH MARCH 2018

PREAMBLE

Mr. Speaker Sir, one of the salient roles of the County Assembly as envisaged in Section 8 of the County Governments Act 2012 is that the County Assembly shall approve the budget and expenditure of the County Government in accordance with Article 207 of the Constitution, and the legislation contemplated in Article 220(2) of the Constitution

COMMITTEE MANDATES

Mr Speaker sir, the committee on finance, budget and appropriation has been tasked to carry out the following mandates:

- (a) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the 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 national budget, including Appropriations Bills;
- and
- (e) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

COMMITTEE MEMBERSHIP

Mr Speaker sir, the budget and appropriation committee as constituted comprises of the following honourable members:

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|--------------------------|-------------|
| 1. Hon. Chirema Kombo | -Chairman |
| 2. Hon. Hanifa Mwajirani | -V/Chairman |
| 3. Hon. Mwinyi Mwasera | - Member |
| 4. Hon. Nassoro Mgutta | -Member |

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| 5. Hon. Anthony Yama | -Member |
| 6. Hon. Fatuma Masito | - Member |
| 7. Hon. Mishi Mayumbe | - Member |
| 8. Hon Manza Beja | -Member |
| 9. Hon Joseph Ndeme | -Member |

BACKGROUND

Mr Speaker sir, the **2017/18 supplementary budget report** is with accordance to section 135 of the county government Act that gives the county governments power to appropriate for funds that had earlier not been appropriated for in the appropriation bill.

METHODOLOGY

Mr speaker sir, in preparation of this report , the committee ;

- Engaged with various CECs for different department
- Engaged with the department of Finance and Economic planning;
- Engaged with the MCAs in reviewing the budget;
- Engaged with the management of the county assembly;
- Engagement with the county Assembly service board

ACKNOWLEDGEMENT

Mr Speaker sir, I sincerely want to thank the members of county assembly for their input, the office of the speaker and office of the clerk for their support during the preparation of this report.

Mr Speaker sir, I therefore table before this honourable house the 207/18 supplementary budget report.

Thank you.

SIGNATURE **DATE**

**HON CHIREMA KOMBO,
CHAIRMAN, FINANCE, BUDGET AND APPROPRIATION COMMITTEE.**

INTRODUCTION

Mr Speaker sir, the supplementary budget is prepared with accordance with section 135 of the county government Act, 2012 which states that a county government may prepare supplementary budget in special circumstances as follows:

- (1) A county government may spend money that has not been appropriated if the amount appropriated for any purpose under the County Appropriation Act is insufficient or a need has arisen for expenditure for a purpose for which no amount has been appropriated by that Act, or money has been withdrawn from the county government Emergency Fund.
- (2) A county government shall submit a supplementary budget in support of the additional expenditure for authority for spending under subsection (1).
- (3) In complying with subsection (2), a county government shall describe how the additional expenditure relates to the fiscal responsibility principles and financial objectives.
- (4) Except as provided by subsection (5), the approval of the county assembly for any spending under this section shall be sought within two months after the first withdrawal of the money.
- (5) If the county assembly is not sitting during the time contemplated in subsection (4), or is sitting but adjourns before approval has been sought, approval shall be sought within fourteen days after it next sits.
- (6) When the county assembly has approved spending under subsection (2), a supplementary Appropriation Bill shall be introduced for the appropriation of the money spent.
- (7) 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.

COMMITTEE REPORT

Mr Speaker sir, the report on finance, budget and appropriation 2017/18 will comprise of the following section:

1. Sources of revenue for the supplementary
2. Extra funding on National Revenue allocation
3. Affected development projects on supplementary
4. Departmental re-allocation
5. County assembly supplementary budget
6. Committee finding and observation.

7. Committee recommendations

SOURCES OF REVENUE FOR THE SUPPLIMENTARY BUDGET

Mr speaker sir, the supplementary budget 2017/18 has increased from **ksh 9,710,703,780.38** to **ksh 9,784,705,261.32** inclusive of the conditional grants, loans and grants as indicated in the table below:

SOURCE OF REVENUE	ALLOCATION (KSHS)			
	FY 2017/18	MOVEMENT (- VE)	MOVEMENT (+VE)	REVISED FY 2017/18
Equitable Share of Revenue from National Government	7,042,000,000.00	-	206,000,000.00	7,248,000,000.00
County Own Source Revenue	275,000,000.00	-	-	275,000,000.00
SUB TOTAL	7,317,000,000.00	-	206,000,000.00	7,523,000,000.00
CONDITIONAL GRANTS				
Compensation for User Fees Forgone	15,209,593.00	-	-	15,209,593.00
Leasing of Medical Equipment	95,744,681.00	-	-	95,744,681.00
World Bank Grant on Kenya Devolution Support Programme	47,394,016.00	-	-	47,394,016.00
Road Maintenance Levy	190,575,000.00	-	27,815,206.00	218,390,206.00
Development of Youth Polytechnics	-	-	43,762,833.00	43,762,833.00
EU Grant for Instrument for Devolution Advice and Support	-	-	66,000,000.00	66,000,000.00
SUB TOTAL		-		

	348,923,290.00		137,578,039.00	486,501,329.00
LOANS AND GRANTS				
World Bank Loan to Supplement Financing of County Health facilities	71,182,447.00	34,107,447.00	-	37,075,000.00
DANIDA Grant to Supplement Financing of County Health facilities	-	-	14,798,976.00	14,798,976.00
World Bank Grant for Universal Health Care Project	138,263,309.00	70,767,813.00	-	67,495,496.00
World Bank Loan for National Agricultural and Rural Inclusive Growth Project	-	-	50,000,000.00	50,000,000.00
SUB TOTAL	209,445,756.00	104,875,260.00	64,798,976.00	169,369,472.00
Income brought forward	1,835,334,734.38	298,460,699.06		1,536,874,035.32
Balance brought forward - World Bank Grant (RBF)			52,555,457.00	52,555,457.00
Balance brought forward - DANIDA Grant			14,949,437.00	14,949,437.00
Kwale County Plan Int'l Devolution Project			1,455,531.00	1,455,531.00
SUB TOTAL	1,835,334,734.38	298,460,699.06	68,960,425.00	1,605,834,460.32
GRAND TOTAL	9,710,703,780.38	403,335,959.06	477,337,440.00	9,784,705,261.32

EXTRA NATIONAL REVENUE EQUITABLE ALLOCATION

Mr Speaker sir, the approval of the county revenue allocation bill, 2017 and its assent by H.E The President resulted in an improvement of the equitable revenue to counties.

Mr Speaker sir, this led to improvement of kwale county equitable share from ksh 7,042 billion to ksh 7,248 billion translating to an excess of 206 million on the approved budget by the county assembly.

Mr Speaker sir, this amount is depicted in the county revenue allocation act (CARA) 2017

AFFECTED DEVELOPMENT PROJECT

Mr speaker sir, various development projects have been affected by the supplementary budget either by allocation of more funds ,reduction of funds or introduction of new projects.

Mr speaker sir, the following table indicates projects affected ,amount reduced or added and the reason for re-allocation or introduction of the projects:

COUNTY EXECUTIVE SERVICES

PROJECT AFFECTED	APPROVED BUDGET	FUNDS ADDED	FUNDS REDUCED	SUPLIMENTARY ALLOCATION	EXPLANATION
3110203Residential Buildings (Governor’s residence)	38,000,000	6,000,000		44,000,000	Amount added for the fencing of the residence.

PUBLIC SERVICE AND ADMINISTRATION

PROJECT AFFECTED	APPROVED BUDGET	FUNDS ADDED	FUNDS REDUCED	SUPPLIMENTAR Y ALLOCATION	EXPLANATION
3110202 Non-Residential Buildings (offices, schools, hospitals, etc..)	34,000,000		19,000,000	15,000,000	Construction of village administrators offices @ 19 m removed. Amount of ksh 15 million allocated for construction of sub county offices in Kinango.
3110704 Purchase of motorcycle (31 Motorcycles@533,313)	New project introduced	16,532,703.00		16,532,703.00	For the Ward Administrators for easy of movement to enhance service delivery
FINANCE AND ECONOMIC PLANNING					
PROJECT AFFECTED	APPROVED BUDGET	FUNDS ADDED	FUNDS REDUCED	SUPPLIMENTAR Y ALLOCATION	EXPLANATION
3110299 Construction of Buildings - Others- Revenue Container offices for Revenue Collectors And 10 Solar Panels for Ward Offices	20,000,000.00		10,000,000	10,000,000	Reduced on the number of containers to be constructed and also based on the implementation status

3110301 Refurbishment of Non-Residential Buildings- County Treasury	New project introduced	2,000,000		2,000,000	County Treasury current offices dilapidated needs urgent renovations to enhance office environment
Murraming of Pungu Revenue Station Parking	5,000,000	1,500,000		6,500,000	Under provision in the budget increased as per Bill of Quantities cost of project
Murraming of Samburu Revenue Station Parking	6,000,000		6,000,000	0	Project differed to next Financial Year FY 2018/2019
3111504 Other Infrastructure and Civil Works- Construction of Revenue office in Samburu	New project introduced	12,000,000		12,000,000	Office required to provide centre for collection of revenue and enhance service delivery
Valuation of assets and Revenue Management System(Automation)	38,363,571.42		10,689,938.90	27,673,632.52	No explanation provided for the reductions
Valuation Roll	New project introduced	20,484,590.5		20,484,590.58	Project incomplete and there is no

		8			provision in the budget
Provision for construction of -Pungu Revenue Office Phase 1I	Captured as new project in supplementary though its approved at budget	5,600,000		5,600,000	Needs clarification since it appears in the approved budget 2017/18 with amount of ksh 5,000,000
AGRICULTURE,LIVESTOCK AND FISHERIES					
PROJECT AFFECTED	APPROVED BUDGET	FUNDS ADDED	FUNDS REDUCED	SUPPLIMENTAR Y ALLOCATION	EXPLANATION S
Other Current Transfers	New grant introduced	50,000,000		50,000,000	CARA 2017 allocation for Grant on National Agricultural and Rural Inclusive Growth Project (breakdown on projects not provided by department).
2640499 Other cash tranfers-NARIGP	New project introduced	5,000,000		5,000,000	County Government's contribution to the National Agricultural and Rural Inclusive Growth Project
3110599 Other Infrastructure and Civil Works-Organization of kwale county agricultural show	5,000,000		5,000,000	0	Project has been differed to next

					Financial year
3110599 Other Infrastructure and Civil Works- Construction of green houses for micro irrigation support	New project introduced	6,000,000		6,000,000	To cater for growth of micro fresh produce production to enhance rural incomes and food security
3111399 Purch. of Certified Seeds - provision of certified seeds ,seedling)	40,000,000		4,000,000	36,000,000	Allocation reduced as apart of the costs already defrayed for purchase of certified seeds
3110500 Construction and Civil Works Construction -contruction of dairy value addition -units(Kubo South and Mkongani)	4,000,000		4,000,000	0	Program differed to next financial year 2018/2019
3110504 Other Infrastructure and Civil Works- construction and rehabilitation of cattle dip-Ramisi	2,000,000		2,000,000	0	Project deffered to next financial year due to land conflicts project land encroached
3110504 Other Infrastructure and Civil Works- construction and rehabilitation of cattle dip-Vanga	2,000,000	1,700,000		3,700,000	Enhanced to cover costs as reflected in the Bills of Quantities (BQs)

3110504 Other Infrastructure and Civil Works- construction and rehabilitation of cattle dip at Majimboni-Kubo south	2,000,000	1,800,000		3,800,000	Enhanced to cover costs as reflected in the Bills of Quantities (BQs)
3110504 Other Infrastructure and Civil Works- Construction of kwale slaughter house	5,000,000	500,000		5,500,000	Enhanced to cover costs as reflected in the Bills of Quantities (BQs)
3110504 Other Infrastructure and Civil Works- Construction of samburu slaughter house	5,000,000	2,000,000		7,000,000	Enhanced to cover costs as reflected in the Bills of Quantities (BQs)

EDUCATION ,RESEARCH AND DEVELOPMENT					
PROJECT AFFECETED	APPROVED BUDGET	FUNDS ADDED	FUNDS REDUCED	SUPPLIMENTAR Y ALLOCATION	EXPLANATION S
Purchase of Tools and equipment under youth polytechnic	18,000,000		18,000,000	0	Amount covered in the grant to support development of youth polytechnic.
National Government Grant for Development of Youth Polytechnics (Capitation of youth polytechnics)	New item on grant introduced	18,000,000		18,000,000	Grant on development of polytechnics refer CARA 2017
National Government Grant for Development of Youth Polytechnics (Purchase of Tools and equipment)	New item introduced on grant	22,762,833.0 0		22,762,833.00	Grant on development of polytechnics refer CARA 2017

National Government Grant for Development of Youth Polytechnics (Construction of twin workshop Matuga youth polytechnic)	New item introduced on grant	3,000,000		3,000,000	Grant on development of polytechnics refer CARA 2017
2649999 Countering violent extremism program(suport to 16 youth groups - ukunda)	4,000,000		4,000,000	0	Transfer to Bursary allocation as per advise from the Controller of Budget
2649999 Countering violent extremism program(Promotion of youth education and training - ukunda)	15,000,000		15,000,000	0	Transfer to Bursary allocation as per advise from the Controller of Budget
MEDICAL AND PUBLIC HEALTH					
PROJECT AFFECTED	APPROVED BUDGET	FUNDS ADDED	FUNDS REDUCED	SUPLIMENTAR Y ALLOCATION	EXPLANATION
2210999 Insurance Costs - Other (health insurance)	10,000,000		10,000,000	0	Programme has been suspended and deffered to next financial year
3111504 Other Infrastructure and Civil Works(Msambweni sub county hospital)	30,000,000	2,164,083.00		32,164,083.00	To meet additional costs as the Bills of Quantities for Construction of Msambweni Maternity

					Complex
3111504 Other Infrastructure and Civil Works(Kinango sub county hospital)	35,000,000		15,000,000	20,000,000	Allocation for purchase of Generator separated from physical infrastructure
3112299 Purchase of Specialised Equipment (Purchase of Generator, Kinango)	New project introduced	13,000,000		13,000,000	Alocation for purchase of the Generator separated from physical infrastructure-3111504 above
3111504 Other Infrastructure and Civil Works(kwale sub county hospital)	15,000,000	1,000,000			No explanation provided on the item
3112299 Purchase of Specialised Equipment(kwale subcounty hospital)	5,000,000	12,500,000		17,500,000	No explanation provided
3112299 Purchase of Specialised Equipment (samburu health centre)	8,000,000	1,000,000			Additional allocation to reflect the price for the theatre equipment
3111504 Other Infrastructure and Civil Works(Lunga Lunga hospital)	25,000,000		3,000,000	22,000,000	Over provision reduced to reflect the cost requirements in the Bills of Quantities BQs

3111504 Other Infrastructure and Civil Works(rural health facilities)	291,106,180.50		5,862,668.00	285,243,512.50	Over provision reduced to reflect the cost requirements in the Bills of Quantities BQs
3111504 Other Infrastructure and Civil Works - Construction of waiting bay for Mkongani Health Centre	New item introduced	1,500,000		1,500,000	Allocation for construction of Waiting bay for Mkongani Health Centre
3112299 Purchase of Specialised Equipment(rural health facilities)	24,999,550.00	14,094,328.00		39,093,878.00	Under provision in the budget enhanced to cater adequately for purchase of medical equipment for facilities
TRADE AND COOPERATIVE DEVELOPMENT					
PROJECT AFFECTED	APPROVED BUDGET	FUNDS ADDED	FUNDS REDUCED	SUPPLEMENTARY ALLOCATION	EXPLANATION
2210799 Training Expenses - Ward Business forums, BC trainings	3,000,000		3,000,000	0	Transfer from Development to Recurrent on advice from Controller of Budget
2210505 Trade Shows and Exhibitions	3,000,000		3,000,000	0	Transfer from Development to Recurrent on

					advice from Controller of Budget
2210799 Training Expenses - Ward Business forums, BC trainings	7,000,000		7,000,000	0	Transfer from Development to Recurrent on advice from Controller of Budget
2640499 other cash transfers (Trade Revolving Fund)	81,000,000		81,000,000	0	Allocation transferred to the pool owing to lack of Act to implement the fund account
3110202 Non-Residential Buildings (offices, schools, hospitals, etc.)-Construction of window and door grills and burglar proof for Matuga Biashara Centre in Kwale and tagging of assets	New project introduced	835,000		835,000	Construction of window and door grills and burglar proof for Matuga Biashara Centre in Kwale and tagging of assets
3110202 Non-Residential Buildings (offices, schools, hospitals, etc.)-Internet connection to Matuga Biashara Centre in Kwale	New item introduced	2,150,000		2,150,000	Internet connection to Matuga Biashara Centre in Kwale
3110202 Non-Residential Buildings (offices, schools, hospitals, etc.)-Connecting water to open air markets- Mwangoloto,Dzimanya,Shimbahills,Mwangwei,Kwa Masai,Nyalani and Vigurungani	New item introduced	500,000		500,000	Transfer from commitments FY 2016/2017 on construction of Lungalunga Industrial Parks

3110202 Non-Residential Buildings (offices, schools, hospitals, etc.)-Renovation of markets	New item introduced	500,000		500,000	Transfer from commitments FY 2016/2017 on construction of Lungalunga Industrial Parks
3110202 Non-Residential Buildings (offices, schools, hospitals, etc.)-demarcation of markets	New item introduced	1,000,000		1,000,000	Transfer from commitments FY 2016/2017 on construction of Lungalunga Industrial Parks
3110202 Non-Residential Buildings (offices, schools, hospitals, etc.)-Construction of public toilets for the Kombani market	New item introduced	1,175,000		1,175,000	Transfer from commitments FY 2016/2017 on construction of Lungalunga Industrial Parks
3110202 Non-Residential Buildings (offices, schools, hospitals, etc.)-Electrification of markets	New item introduced	1,840,000		1,840,000	Transfer from commitments FY 2016/2017 on construction of Lungalunga Industrial Parks
3110299 Construction of Buildings - (markets)	47,798,226.15		6,000,000.00	41,798,226.15	Mwaluphamba market allocation reallocated due to land conflict on implementation of project
2210799 Training Expenses - Ward Business forums, BC trainings	1,000,000		1,000,000	0	Transferred to Recurrent

					expenditure on advice from Controller of budget
COMMUNITY DEVELOPMENT,CULTURE AND TALENT MANAGEMENT					
PROJECT AFFECTED	APPROVED BUDGET	FUNDS ADDED	FUNDS REDUCED	SUPPLIMENTAR Y ALLOCATION	EXPLANATION
Purchase of motor vehicle	New item introduced	2,000,000		2,000,000	Additional amount to enable purchasing of land cruiser long chassis vehicle
3111504-Fencing of Vanga cemetery	1,500,000	2,000,000		3,500,000	Additional allocation to reflect with the cost given in the Bills of Quantities BQs
2640499 Village Savings and Loans Association (VSLA)	7,000,000		7,000,000	0	Transferred to Recurrent Expenditure on advice from the Contoller of Budget
311504 Perimeter wall, parking and gate installation and construction of a guard house for the rehabilitation centre-Kombani-Waa-Ng'ombeni	New item introduced	10,000,000		10,000,000	Provision for improvement of the Rehabilitation Centre in Kombani Waa-Ng'ombeni ward

3111504 Grading of Wards sports fields	New item introduced	2,000,000		2,000,000	No explanation provided
Support to sports Disciplines-magutu,ss asaad,nacet		2,500,000	2,500,000	0	Transfer to Recurrent Expenditure on advice from the Office of the Controller of Budget
311504 Rehabilitation of Ukunda sports field-Field leveling, Goals posts provision, grass planting and field marking	New item	2,400,000		2,400,000	Field leveling, Goals posts provision, grass planting and field marking
311504 Rehabilitation of Waa sports field-Field leveling, Goals posts provision, grass planting and field marking	New item	2,400,000		2,400,000	Field leveling, Goals posts provision, grass planting and field marking
311504 extra funds to accommodate machine cut stones ukunda sports field	New item	500,000		500,000	xtra funds to accommodate machine cut stones ukunda sports field
311504 extra funds to accommodate machine cut stones dzombo sports field	New item	500,000		500,000	extra funds to accommodate machine cut stones dzombo sports field
311504 extra funds to accommodate machine cut stones mirihini sports field	New item	500,000		500,000	extra funds to accommodate

					machine cut stones mirihini sports field
311504 extra funds to accommodate machine cut stones Shirazi sports field	New item	500,000		500,000	extra funds to accommodate machine cut stones Shirazi sports field
311504 extra funds to accommodate machine cut stones Pongwe sports field	New item	500,000		500,000	extra funds to accommodate machine cut stones Pongwe sports field
3110399 Kinondo and Tiwi Public Toilets Grills	New item	150,000		150,000	Additional allocation for improvement of Kwale Cultural Centre
311504 Kinango library perimeter wall	New item	3,000,000		3,000,000	Additional allocation for improvement of the Kinango Community Library
3111112 Kinango library software	New item	800,000		800,000	Additional allocation for improvement of the Kinango Community Library
3110901 Water tank for kinango library	New item	500,000		500,000	Additional allocation for improvement of

					the Kinango Community Library
3110399 Old restaurant renovation and landscaping , parking & gates-Kwale Cultural Centre	New item	6,000,000		6,000,000	Additional allocation for improvement of Kwale Cultural Centre
3111009 Purchase of Lawn Mower	New item	500,000		500,000	Additional allocation for improvement of Kwale Cultural Centre
3110202. Construction of generator room-Kwale Cultural Centre	New item	380,000		380,000	Additional allocation for improvement of Kwale Cultural Centre
INFRASTRUCTURE AND PUBLIC WORKS					
PROJECTS AFFECTED	APPROVED BUDGET	FUNDS ADDED	FUNDS REDUCED	SUPPLIMENTAR Y ALLOCATION	EXPLANATION S
3110402 Access Roads	236,248,559.99		24,675,000.00	211,573,559.99	Over provision for budget shortfalls for projects in FY 2016/2017
3110499 Construction of Roads - Other(Bridges and drifts)	118,702,939.56		19,872,000.00	98,830,939.56	Over provision for budget shortfalls for

					projects in FY 2016/2017
3110499 Construction of Roads - Other(Bridges and drifts)	NEW ITEM	2,800,000		2,800,000	Provision for rehabilitation of the SGR road
3111504 Other Infrastructure and Civil Works	28,506,413.58		7,000,000	35,506,413.58	Additional allocation to cater for emergencies on damaged roads
TOURISM, INVESTMENT AND ICT					
PROJECT AFFECTED	APPROVED BUDGET	FUNDS ADDED	FUNDS REDUCED	SUPPLIMENTAR Y ALLOCATION	EXPLANATION
3110599 Other Infrastructure and Civil Works (Construction of Tourism Information Sheds at Taru, Mackinon road, Ukunda, Vanga, Shimoni)	2,200,000		2,200,000	0	Project deferred to the next financial year FY 2018/2019
3110599 Other Infrastructure and Civil Works (Construction of Concrete Pathways Trade winds - beach access road)	13,500,000	2,200,000		15,700,000	Under provision in the budget allocation now increased to reflect the costs as per the Bill of Quantities BQs
3110599 Other Infrastructure and Civil Works (Complete Automation of Msambweni Referral Hospital - Hospital Management System)	21,630,800.00		3,504,000.00	18,126,800.00	Over provision in the budget allocation reduced to reflect the correct costs estimates

3110599 Other Infrastructure and Civil Works (Installation of Local Area Network for Ramisi, Ukunda and Kinango Ward Administrative Units)	4,500,000		4,500,000	0	Not explained
3110599 Other Infrastructure and Civil Works (Installation of Local Area Network for Kinango)	3,700,000.00	1,654,000.00		5,354,000.00	Under provision in the budget allocation increased to reflect the correct costs estimates
3110599 Other Infrastructure and Civil Works (Installation of Local Area Network for Lunga Lunga hospital)	New item	6,350,000		6,350,000	No provision in the budget now allocated to cater for the Lungalunga hospital LAN installation
LANDS AND PHYSICAL PLANNING					
PROJECT AFFECTED	APPROVED BUDGET	FUNDS ADDED	FUNDS REDUCED	SUPPLIMENTAR Y ALLOCATION	EXPLANATION
2220205 Maintenance of Buildings	New project introduced	600,000		600,000	To cater for refurbishment of the office buildings in the department
Demarcation of Chengoni Adjudication section(2211029 Purchase of safety gears)	New project introduced	300,000		300,000	Demarcation of Chengoni Adjudication section
Preparation of Advisory Plans for Trading Centres (Ndavaya, Mamba, Mwangulu,	New project introduced	500,000		500,000	Allocation for transport of

Kasemeni, Kanana, Mabokoni)- 2210604 Hire of transport					officers to undertake the surveys in the trading centres
3110704 Purchase of Motorvehicle	7,000,000		7,000,000	0	Transferred to Recurrent Expenditure on advice of the Office of the Controller of Budget
Demarcation and survey - Macknon Road S.S. III	3,000,000		3,000,000	0	Project cancelled on issues of lease renewal
Demarcation and survey of Amukhan Farm S.S.	3,000,000		3,000,000	0	Project cancelled on issues of lease renewal
Demarcation and survey of Parbat Farm S.S.	3,000,000		3,000,000	0	Project cancelled on issues of lease renewal
Demarcation of Chengoni Adjudication section	3,000,000		3,000,000	0	Project cancelled on issues of lease renewal
Demarcation of Taru Adjudication Section	3,000,000		3,000,000	0	Project cancelled issues of lease not adequately addressed
Survey and Monumentation of Maji ya Chumvi Adjudication Section(2210303 Daily Subsistence Allowance)	1,000,000	1,000,000		2,000,000	Additional allocation to cater for the new officers who will undertake the

					survey and adjudication
Finalization of MwaluganjeB Adjudication section	New project introduced	1,000,000		1,000,000	To cater for the completion of the adjudication project to be undertaken in this FY 2017/2018
Finalization of Mnyenzi Adjudication section	New project	1,000,000		1,000,000	To cater for the completion of the adjudication project to be undertaken in this FY 2017/2018
Finalization of Bofu Adjudication section	New project	1,000,000		1,000,000	To cater for the completion of the adjudication project to be undertaken in this FY 2017/2018
S P. 3.1 : Forest development and environmental management(2211311 Contracted Technical Services (Energy saving stoves)	New project	5,000,000		5,000,000	Allocation for new Kuni Mbili project on conservation of the environment and energy saving
2211324 Sustainable management and conservation of county forests - casual labour and enforcement plan	1,500,000	500,000		2,000,000	Increased allocation to cater for officers,the community engagement and also pay casual labourers

3111305 Sustainable charcoal industry- capacity building and sensitization of charcoal producer associations	1,000,000	1,000,000		2,000,000	Under provision in the budget based on the number of stakeholders therefore enhanced
2210802 Management of Diani- Chale Marine reserve	New project	3,000,000		3,000,000	Allocation for stakeholder engagement to develop management structures and protect the reserve
Preparation of an urban development plan for Macknon Road	2,000,000		2,000,000	0	Project differed to next financial year FY 2018/2019 due to boundary conflicts which are yet to be resolved
Beautification of Ukunda Town	New project	8,507,619.50		8,507,619.50	To cater for beautification of Ukunda Town
WATER SERVICES					
PROJECT AFFECTED	APPROVED BUDGET	FUNDS ADDED	FUNDS REDUCED	SUPPLIMENTAR Y ALLOCATION	EXPLANATION
3111499 Research, Feasibility Studies	10,250,133.62		6,000,000.00	4,250,133.62	Over provision in the budget amount reallocated to other uses within the department
3111504 Other Infrastructure and Civil Works(Support & maintenance of community	70,000,000		23,622,509.4	46,377,490.52	Over provision in the budget for

water projects, pumps/motor, pipes&pipe fittings/accessories)			8		budget shortfalls of projects in 2016/2017
3111504 Other Infrastructure and Civil Works(Support & maintenance of community water projects, pumps/motor, pipes & pipe fittings/accessories)	New project	10,500,000		10,500,000	New allocation for payment of KWAWASCO bills on community water projects
3111502 Water Supplies and Sewerage(water pipeline supply systems)	303,811,320.54		79,000,000.00	224,811,320.54	Over provision in the budget for budget shortfalls of projects in 2016/2017 and extra works
3111502 Water Supplies and Sewerage(borehole water supply system)	137,437,439.46		5,500,000.00	131,937,439.46	Over provision for budget shortfalls in the FY 2016/2017 projects
3111502 Water Supplies and Sewerage	140,149,124.19		10,500,000.00		Oover provision in the budget amount reduced and reallocated to pay KWAWASCO bills

DEPARTMENTAL RE-ALLOCATION

Mr Speaker sir, various departments have gained from supplementary budget as indicated below:

DEPARTMENT	ALLOCATED VOTES
DEPARTMENT OF EXECUTIVE SERVICES (KSHS. 54,839,185.73)	<ul style="list-style-type: none"> i. Intergovernmental Relation Kshs. 10,000,000.00(EQUITABLE SHARE) ii. Boards, Committees and Conferences Kshs. 2,500,000.00 (Out – sourced) iii. Residential Buildings Kshs. 6,000,000.00 (Out – sourced) iv. Legal fees Kshs. 36,339,185.73(30M, EQUITABLE SHARE)
DEPARTMENT OF PUBLIC SERVICE AND ADMINISTRATION (KSHS. 22,955,531.00)	<ul style="list-style-type: none"> i. Medical cover Kshs. 20,000,000.00(EQUITABLE SHARE) ii. Maintenance Expenses – Motor vehicle Kshs. 1,000,000.00 (Out – sourced) iii. Maintenance of buildings and stations Kshs. 500,000.00 (Out – sourced) iv. Other current transfers (Plan Int’l Project) Kshs. 1,455,531.00 (TRASNFER TO PROJECT A/C)
DEPARTMENT OF FINANCE AND ECONOMIC PLANNING (KSHS. 296,060,376.98)	<p>Administration</p> <ul style="list-style-type: none"> i. Gratuity - Executive Kshs. 30,000,000.00(EQUITABLE SHARE) ii. Gratuity – ECDE Care givers Kshs. 59,187,186.40(EQUITABLE SHARE) iii. Other current transfers – EU Grant Kshs. 66,000,000.00 (CARA 2017) iv. Travel Costs (airlines, bus, railway, mileage allowances, etc.) Kshs. 2,000,000.00 v. Daily subsistence allowance Kshs.62,000.00 vi. Boards Committees and conferences Kshs. 1,000,000.00 vii. Purchase of uniforms for staff Kshs. 1,000,000.00 viii. Supplies and accessories for computers and printers Kshs. 1,504,000.00 ix. Fuel oil and lubricants Kshs. 2,000,000.00 x. Maintenance Expenses - Motor Vehicles Kshs. 1,000,000.00 xi. Purchase of motor vehicle Kshs. 6,102,600.00 <p>Budget Division</p> <ul style="list-style-type: none"> i. Electricity Kshs. 30,000.00 ii. Travel Costs (airlines, bus, railway, mileage allowances, etc.) Kshs. 200,000.00 iii. Daily subsistence allowance Kshs. 6,000,000.00 iv. Subscriptions to Newspapers, Magazines and Periodicals Kshs. 15,000.00 v. Boards, Committees, Conferences and Seminars- Public participation for the Budget Making process Kshs. 11,500,000.00 (EQUITABLE SHARE)

	<p>CIDP Preparation for MTEF 2018 – 2022 (EQUITABLE SHARE)</p> <ul style="list-style-type: none"> vi. Daily subsistence allowance Kshs. 5,400,000.00 vii. Advertising, Awareness and Publicity Campaigns Kshs. 1,000,000.00 viii. Publishing and Printing Services Kshs. 3,000,000.00 ix. Boards, Committees, Conferences and Seminars Kshs. 21,000,000.00 x. Hire of Transport Kshs, 600,000.00 xi. Contracted Professional Services for preparation of the CIDP 2018-2022 Kshs. 10,000,000.00 xii. Purchase of Motor Vehicle Kshs. 6,200,000.00 <p>County Budget and Economic Forum(Out – sourced)</p> <ul style="list-style-type: none"> xiii. Training Expenses - Other (Bud-Training on PFM Processes Kshs. 500,000.00 xiv. Boards, Committees, Conferences and Seminars Kshs. 8,000,000.00 xv. Supplies and Accessories for Computers and Printers Kshs. 300,000.00 xvi. Communication, Supplies – Other Kshs. 150,000.00 <p>Revenue Mobilization(Out – sourced)</p> <ul style="list-style-type: none"> i. Daily Subsistence Allowance Kshs. 2,200,000.00 ii. Accommodation - Domestic Travel Kshs. 1,000,000.00 iii. Purchase of motorcycle (Motorcycles) Kshs. 2,400,000.00 iv. SBP Inspection allowance Kshs. 1,400,000.00 v. Valuation Roll (Commitments) Kshs. 20,484,590.00 vi. Provision for construction of -Pungu Revenue Office Phase II (Commitments) Kshs. 5,100,000.00 <p>Treasury Accounting(Out – sourced)</p> <ul style="list-style-type: none"> i. Travel Costs (airlines, bus, railway, mileage allowances, etc.) Kshs. 1,000,000.00 ii. Accommodation - Domestic Travel Kshs. 600,000.00 iii. Daily Subsistence Allowance Kshs. 3,650,000.00 iv. Boards, Committees, Conferences and Seminars- Kshs. 1,300,000.00
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	<p>v. Membership Fees, Dues and Subscriptions to Professional and Trade Bodies Kshs. 450,000.00</p> <p>Procurement(Out – sourced)</p> <p>i. Travel Costs (airlines, bus, railway, mileage allowances, etc.) Kshs. 500,000.00</p> <p>ii. Daily Subsistence Allowance Kshs. 1,200,000.00</p> <p>iii. Accommodation - Domestic Travel Kshs. 1,050,000.00</p> <p>Internal Audit (Out – sourced)</p> <p>i. Travel Costs (airlines, bus, railway, mileage allowances, etc.) Kshs. 500,000.00</p> <p>ii. Daily Subsistence Allowance Kshs. 2,200,000.00</p> <p>iii. Accommodation - Domestic Travel Kshs. 1,000,000.00</p> <p>iv. Publishing and Printing Services Kshs. 475,000.00</p> <p>v. Training Expenses - Other Kshs. 1,000,000.00</p> <p>vi. Boards, Committees, Conferences and Seminars- Kshs. 4,800,000.00</p>
<p>DEPARTMENT OF AGRICULTURE, LIVESTOCK AND FISHERIES KSHS. 65,000,000.00</p>	<p>Administration</p> <p>i. Basic Salaries - Permanent – Others Kshs. 3,000,000.00</p> <p>ii. Daily Subsistence Allowance Kshs. 1,000,000.00</p> <p>iii. Boards, Committees, Conferences and Seminars Kshs. 4,000,000.00</p> <p>iv. Maintenance of Buildings and Stations -- Non-Residential Kshs. 100,000.00</p> <p>v. Purchase of Computers, Printers and other IT Equipment Kshs. 100,000.00</p> <p>vi. Other Current Transfers – World Bank Loan (NARIGP) Kshs. 50,000,000.00 (CARA 2017)</p> <p>Crop Development (Out – sourced)</p> <p>i. Daily Subsistence Allowance Kshs. 500,000.00</p> <p>ii. Maintenance of Buildings and Stations -- Non-Residential Kshs. 200,000.00</p> <p>iii. Other Infrastructure and Civil Works-Construction of green houses for micro irrigation support Kshs. 6,000,000.00</p> <p>Fisheries Development</p>

	<ul style="list-style-type: none"> i. Maintenance Expenses - Boats and Ferries Kshs. 100,000.00
DEPARTMENT OF EDUCATION, RESEARCH AND HR DEVELOPMENT KSHS.37,402,833.00	ECDE Education – (Out – sourced) <ul style="list-style-type: none"> i. Contracted Professional Services- Support to Education Curriculum development Kshs. 3,000,000.00 ii. Purchase motor vehicle Kshs. 640,000.00 Youth Training <ul style="list-style-type: none"> i. Purchase motor vehicle Kshs. 8,000,000.00 (Out – sourced) ii. Purchase of Tools and equipment Kshs. 22,762,833.00 (CARA 2017) iii. Construction of twin workshop Matuga youth polytechnic Kshs. 3,000,000.00 (CARA 2017)
MEDICAL AND PUBLIC HEALTH SERVICES KSHS. 30,463,733.85	Kwale Hospital <ul style="list-style-type: none"> i. Purchase of Specialized Equipment Kshs. 12,500,000.00 Samburu <ul style="list-style-type: none"> i. Maintenance of Buildings and Stations -- Non-Residential Kshs. 2,800,000.00 ii. Purchase of Specialized Equipment Kshs. 1,000,000.00 Rural Health Facilities <ul style="list-style-type: none"> i. Casual Labour-Others Kshs. 7,000,000.00 ii. Other Infrastructure and Civil Works - Construction of waiting bay for Mkongani Health Centre Kshs. 1,500,000.00 iii. Purchase of Specialized Equipment Kshs. 5,663,733.85
TRADE AND COOPERATIVE DEVELOPMENT KSHS (79,500,000.00)	Trade Development <ul style="list-style-type: none"> i. Other cash transfers (Trade Revolving Fund) Kshs. 81,000,000.00 (Deducted) Markets Development <ul style="list-style-type: none"> ii. Non-Residential Buildings (offices, schools, hospitals, etc..)-Renovation of markets Kshs. 500,000.00 (Funded through savings from TRF) iii. Non-Residential Buildings (offices, schools, hospitals, etc..)-demarcation of markets Kshs. 1,000,000.00 (Funded through savings from TRF)
COMMUNITY DEVELOPMENT, CULTURE AND TALENT	Administration <ul style="list-style-type: none"> i. Training Expenses- To support Youth Groups,Women and PWDs to prepare for

MANAGEMENT KSHS.15,870,000.00	<ul style="list-style-type: none"> ii. economic empowerment Kshs. 8,900,000.00(Out – sourced) ii. Purchase of office furniture and fittings(Purchase of tents and plastic chairs for wards Kshs. 6,970,000.00(Out – sourced)
INFRASTRUCTURE AND PUBLIC WORKS KSHS (26,747,000.00)	Infrastructure and Public Works <ul style="list-style-type: none"> i. Access Roads Kshs. 14,103,300.00 ii. Construction of Roads - Other(Bridges and drifts) Kshs. 12,643,700.00
LANDS, PHYSICAL PLANNING AND NATURAL RESOURCES KSHS. 2,507,619.50	Rural and Urban Planning Beautification of Ukunda Town Kshs. 2,507,619.50
DEPARTMENT OF WATER SERVICES KSHS. (108,822,509.48)	Assessment, Survey and Design of Water Supply Systems <ul style="list-style-type: none"> i. Research, Feasibility Studies Kshs. 6,000,000.00 ii. Other infrastructure and Civil works (Support & maintenance of community water projects, pumps/motor, pipes&pipe fittings/accessories) Kshs. 23,622,509.48 Water Pipeline Supply Systems <ul style="list-style-type: none"> i. Water supplies and sewerage Kshs. 79,000,000.00 Borehole Water Supply Systems <ul style="list-style-type: none"> i. Water supplies and sewerage Kshs. 200,000.00

Mr speaker sir, it good to note that those departments which are not affected by supplementary additions are not captured in the table.

COUNTY ASSEMBLY SUPPLIMENTARY BUDGET

Mr Speaker sir, during the financial year 2017/18 the assembly appropriated ksh 78,012,432 from the development funds to recurrent budget to carter for potential salary liabilities for the members of the 1st assembly who contested their term in court.

Mr Speaker sir, due to the movement of the ksh 78, 012, 432, the development budget of the assembly reduced to ksh 36,987,568.

However, **Mr Speaker sir**, the court of appeal ruled against decision on payment of the salaries forcing the amount to be reallocated back to development vote.

Mr Speaker sir, the county assembly service board considered the need to furnish the ward offices for members of the assembly and also to increase the members ward office offices from the current two to ten offices.

Mr Speaker sir, the CASB considering the above changes proposed that:

1. Ksh 78,012,432 be reduced from the personal emolument and be revoted back to development budget
2. That ksh 45,572,593 be adjusted for use of goods and services in the recurrent budget.
3. That the reallocated funds of ksh 78,012,432 be distributed as follows:
 - Addition of ksh 57,085,974.10 to construction of eight ward offices
 - Ksh 3,379,845.90 be allocated to provision of works for construction of septic tank at the assembly complex offices.
 - Ksh 400,000 be allocated for purchase of water tank and pumping machine for the complex
 - Ksh 1,000,000 for construction of story water tower at the assembly complex.
 - Ksh 4,646,612 be allocated for the refurbishment of building at the parking lot of the county assembly
 - Ksh 11,500,000 be allocated under construction of building for the speaker's residence.

COMMITTEE OBSERVATIONS

Mr Speaker sir, the committee made the following observations:

1. That there was an additional national equitable revenue to the county of ksh 206 million that was added after the budget for FY 2017/18 had been approved
2. That the ksh 78,012,432 allocated for payment of salaries for members of the 1st assembly had been reallocated back to development following directives from the court of appeal and controller of budget on ceilings
3. That the project of construction of pungu slaughter house offices-phase II had been captured wrongly in the supplementary budget since its already captured in the main budget
4. That the project on construction of market at mwaluphamba,mkongani ward removed due to unavailability of land was a departmental mistake
5. That ksh 81 million made for trade revolving fund had been re-allocated due to lack of amendment on the trade revolving fund Act as directed by the controller of budget.

- That the amount allocated for murraming of Pungu revenue station parking and Samburu revenue parking station was enough to carry out cabro paving.

COMMITTEE RECOMMENDATIONS

Mr Speaker sir, the committee recommends as follows:

- That ksh 15 million be re-allocated from the county assembly development project on construction of ward offices to executive department of finance.
- That the introduced project on construction of Pungu revenue office phase II(under finance department) at ksh 5.6 million be removed since its already captured in the current budget
- That the accumulated amount of ksh 20.6 million accumulated for above (1) and (2) be reallocated as follows:
 - Ksh 10 million be allocated under department of education on boards and conferences vote
 - Ksh 10.6 million be allocated under department of finance(budget and economic planning) on boards and conferences vote
- That the project on construction of market at Mwaluphamba at ksh 6million that had be removed due to availability of land be reallocated back.
- That the extra revenue of ksh 206 million from national equitable share be allocated as follows;

DEPARTMENT	AMOUT ALLOCATED ON SHARE	PURPOSE
COUNTY EXECUTIVE	10,000,000	Intergovernmental Relations
PUBLIC SERVICE AND ADMINISTRATION	20,000,000	Addition to staff medical cover
COUNTY EXECUTIVE	30,000,000	Addition to the legal fees
FINANCE AND ECONOMIC PLANNING	46,000,000	Facilitation of the county integrated development plan(CIDP) 2018-2022
FINANCE AND ECONOMIC PLANNING	11,000,000	Facilitation for the county budget making process
FINANCE AND ECONOMIC PLANNING	30,000,000	Gratuity for the county executive committee members(CECs)

FINANCE AND ECONOMIC PALNNING	59,000,000	Gratuity for the ECDE caregivers whose terms ends by end of financial year 2017/18.
TOTAL	206,000,000	

6. There is need for the assembly to hasten the process of approving the amendment on the trade revolving fund Act to enable citizen benefit from the fund
7. That the project murraming of Pungu and Samburu revenue parking be changed to cabro paving instead of murraming.

Mr Speaker sir, I again thank the members of the county assembly for their input, the office of the speaker and the office of clerk for their support in preparation of this report.

Mr Speaker sir, I therefore request this honourable house to adopt the report on **supplementary budget 2017/18**.

Thank you.

SIGNATURE **DATE**

HON CHIREMA KOMBO,

CHAIRMAN, FINANCE, BUDGET AND APPROPRIATION COMMITTEE