



**GARISSA COUNTY ASSEMBLY  
THIRD ASSEMBLY  
(Third Session)**

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**THE FINANCE, BUDGET AND APPROPRIATIONS COMMITTEE  
REPORT ON THE PROPOSED GARISSA COUNTY  
SUPPLEMENTARY BUDGET (II) FOR THE FINANCIAL YEAR 2022/23**

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**(Submitted pursuant to standing order 187 (3) (b))**

**MAY 2023**

**CLERK'S CHAMBERS  
GARISSA COUNTY ASSEMBLY BUILDING  
GARISSA**

## **CHAIRPERSON'S FOREWORD**

**Mr. Speaker**, on behalf of the Members of the Finance, Budget and Appropriations Committee and as required under Article 221 of the Constitution as well as section 135) of the Public Finance Management Act 2012 and Standing Orders 187(3b); it is my pleasure to present to this House the Committee's report on the Supplementary Estimates **(II)** of Revenue and Expenditure for Financial Year 2022/2023 for the Garissa County Government.

## **MANDATE OF THE COMMITTEE**

**Mr. Speaker,** Article 221 (4 and 5) of the Constitution and the Public Finance Management Act, 2012 provide for the establishment of a Committee of the County Assembly whose main role is to take the lead in budgetary oversight, In this regard, Standing Order 207 establishes the Finance, Budget and Appropriations Committee with specific mandates. The constitution has placed significant responsibilities on parliament and indeed county assemblies over the management of public resources. The legislature has enormous responsibilities with regard to resource mobilization, allocation, monitoring and controls. It is in this regard that a committee of Garissa County Assembly does an oversight role on budget making process as contemplated in Article 221 of the Constitution of Kenya 2010 and Public Finance Management Act 2012.

The Garissa County Assembly Standing Order 187(3) establishes the Finance, Budget and Appropriation Committee whose mandate is to:

- (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 Assembly;
- (c) examine the County Budget Policy Statement 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.'

## COMMITTEE MEMBERSHIP

**Mr. Speaker**, the Finance, Budget and Appropriations Committee as currently constituted comprises of the following members and Secretariat;

S/NO	NAME	DESIGNATION	SIGNATURE
1	Hon.Mahat Abdikadir Ibrahim	Chairman	
2	Hon. Abdihakim Haret Ali	Vice Chair	
3	Hon. Adow Omar Said	Member	
4	Hon. Halima Hussein	Member	
5	Hon. Issa Adan Abdi	Member	
6	Hon. Musdaf Abdirashid	Member	
7	Hon. Omar Abdi Hassan	Member	
8	Hon. Abdirahman M. Ali	Member	
9	Hon. Hamdi Ahmed Ali	Member	
10	Hon. Abubakar Mohamed Khalif	Member	
11	Hon. Mohamed Abdi Farah	Member	
12	Hon. Hajir Mohamed Dahiye	Member	
13	Hon. Hussein Mohamed Dagane	Member	
14	Hon. Ahmed Abdirahman	Member	
15	Hon.Abdi Ibrahim Daar	Member	

## COMMITTEE SECRETARIAT

1. Fatuma H. Dagane	Director Budget Office
2. Abdiaziz M. Said	Committee Clerk
3. Kimutai Vincent	Fiscal Analyst
4. Abdi S. Keinan	Senior Researcher
5. Yunis Fan	Sergeant At Arm
6. Ibrahim Farah	Hansard office

## **INTRODUCTION**

**Mr. Speaker**, the Garissa County Supplementary Budget (II) for the financial year 2022/23 was received in the County Assembly on 4th May, 2023. Pursuant to the provisions of the Public Finance Management Act 2012 and the County Assembly standing orders, it was committed to the Finance, Budget and Appropriations committee as well as the departmental committees of the County Assembly for review of the budget realignment for each Department within their purview. The Finance Budget and Appropriations Committee examined and discussed the changes and has made recommendations which are contained in this report.

**Mr. Speaker**, in reviewing the Supplementary Budget (II) FY 2023/23, the Finance, Budget and Appropriations Committee held various sittings to deliberate on the emerging issues on the proposed supplementary budget, Sectoral committees were taken through departmental Allocations, and Clarifications on pertinent issues noted were sought from the CECM Finance

These submissions have been incorporated in the Committee recommendations. Once approved by the House, these recommendations will form the basis for the passage of the supplementary budget **II** for FY 2022/23 and its Appropriations Bill.

In this regard, the proposed budget estimates For FY 2022/23 is now under scrutiny of the honorable house as part of this larger process of ensuring that all the planning process and allocation of resources in the County is as realistic as possible.

**ACKNOWLEDGEMENTS**

Mr. Speaker, the Finance, Budget and Appropriations Committee is grateful to the Departmental Committees and all Members of Assembly who participated in the process for their hard work and dedication in making sure that Assembly lives up to its budgetary oversight role. Mr. Speaker, the Chairs of Departmental Committees forwarded their respective committees views and observations which were well organized and this was commendable.

Lastly Mr. Speaker, the Committee is grateful to the Office of the Speaker of the County Assembly, the Office of the Clerk , the Clerks to the Departmental Committees and the County Assembly Budget Office for the support received as it discharged its mandate

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

Sign.....Date.....

**HON. MAHAT ABDIKADIR**

**CHAIRPERSON FINANCE,BUDGET AND APPROPRIATION COMMITTEE**

## **2.0 EXAMINATION OF 2ND SUPPLEMENTARY BUDGET ESTIMATES**

Mr. Speaker Sir, The committee on Finance, Budget & Appropriation deliberated extensively on the second supplementary budget FY 2022/23 with the sole aim of promoting principles of public finance management as well as legal compliance on the submission of the supplementary budget pursuant to PFM Act Sections 135(1,2&3), and PFM (County Government) Regulations 2015 No.39(6).The observations arising from these deliberations are captured in this report.

**Mr. Speaker Sir,** In every budget, choices must be made about how to use limited amounts of money. There is no one right way to distribute funds, but good practice is to provide some explanation of priorities and the reasons for making choices.

The second supplementary Budget FY. 2022/23 provides for the re-alignment and re-allocation of both recurrent and development votes.

**Mr Speaker,** The main reason as to why County Executive came up with this supplementary Budget (II) is that there is a shortfall of the targeted Revenues Amounting to **Ksh.1,015,555,565 Billion** due to the failure of County Equalization funds from National Government to materialize as initially projected because it was not captured in the current **CARA Act, 2022/23**. Secondly, the projected Own source Revenue targets will not be met as per the current revenue collection trends given only one month remaining to close of this Financial year. Therefore with above mentioned Resources challenges, the County has to realign its budget downwards and reallocates some funds within departments so as to meet the most pressing priorities with the available Resources.

## 2.1 CHANGES IN SUPPLEMENTARY II TOTAL REVENUE

**Mr. speaker Sir**, the 2nd supplementary Budget Resource Envelope reduces by **Kshs. 1,015,555,565Billion** as shown in the breakdown indicated in the table below.

Table 1, Total Revenue

RESOURCE ENVELOPE	1ST SUPP	2ND SUPP	VARIANCE
Equitable share	7,927,212,254	7,927,212,254	-
Conditional Allocation (National Govt and Donor partners )	1,616,782,554.00	651,226,989	(965,555,565.00)
Own Source Revenues	150,000,000	100,000,000	(50,000,000.00)
Own Source AIA (level 5 hospital)	30,000,000	30,000,000	-
Balance carried forward 2021-2022	661,714,232	661,714,232	-
<b>Total Revenue 2022/2023</b>	<b>10,385,709,040</b>	<b>9,370,153,475</b>	<b>(1,015,555,565.00)</b>
Deficit /surplus			

**Mr. Speaker sir**, the overall cumulative change of **Ksh. 1,015,555,565**. Change from the approved Budget represents **(9.7%)** which is within the **10% limit** as PFM Act 2012 and regulation requirements.

## 2.2 LEGAL COMPLIANCE OF THE 2ND SUPPLEMENTARY BUDGET ESTIMATES

Mr. speaker, The preparation and approval of supplementary budget is provided for in Article 223 of the constitution 2010; Sections 135 of the PFM Act 2012 and section 39 of the PFM (County Government) regulations. The constitution provides that the county treasury should seek approval from Assembly within two months after the first withdrawals of money from the consolidated Fund for purpose of supplementary Appropriation. However, the amount spent should not be more than 10 percent of the total sum initially appropriated by the Assembly unless in special circumstances where Assembly has approved a higher percentage and supplementary budget has been necessitated by an unforeseen and unavoidable need as defined in Sec 112 of the Act.

Mr. speaker, the committee observes that some of the programmes exceed the 10 percent threshold in some of the programme votes reallocations, no information provided on the current budget performance, planned outputs and outcomes of departments whose budget has been reallocated hence raising serious concerns on the conformity to financial objectives of the Budget. However, county treasury has indicated that all suspended projects will be factored in next financial year 2022/23



## **2.3 EXAMINATION OF DEPARTMENTAL SUPPLEMENTARY BUDGET ESTIMATES**

From sectoral point of view, the total supplementary budget was allocated the following departments indicated in the table below

**Table 2. Supplementary II Sector Allocations**

DEPARTMENTS	1ST SUPP	2ND SUPP	VARIANCE	VARIANCE %
	TOTAL ALLOCATION	TOTAL ALLOCATION	TOTAL ALLOCATION	
Agriculture, Livestock & Cooperatives	417,416,972	425,916,972	8,500,000	2%
Gender ,Social Services & Sports	211,200,432	110,660,432	(100,540,000)	- 47.6%
Roads and Transport a	165,323,600	330,523,600	165,200,000	100%
Education & Labour	694,177,474	698,317,479	4,140,005	0.59%
Environment, Energy & Natural Resources	169,148,025	147,748,025	(21,400,000)	-13%
Lands ,Housing and works, Urban Development	805,784,896	645,784,896	( 160,000,000 )	-19.85%
Finance & Economic Planning	2,302,650,008	1,767,352,736	( 535,297,272 )	-23.4%
Health & Sanitation	3,021,846,567	2,817,208,269	(204,638,298)	-7%
Trade, Enterprise Development and Tourism	130,000,255	75,300,255	(54,700,000)	-42.07%
Water & Irrigation Services	953,556,361	903,356,361	(50,200,000)	-5.2 %
Executive Services	418,847,695	347,227,695	(71,620,000)	-17 %
County Public Service Board	37,072,000	42,072,000	5,000,000	13%
Municipal Board	72,000,000	72,000,000	0	0
Assembly	986,684,755	986,684,755	0	0
<b>TOTAL</b>	<b>10,385,709,040</b>	<b>9,370,153,475</b>	<b>(1,015,555,565)</b>	<b>9.77%</b>

NOTE: The overall changes in the proposed supplementary Budget II represents 9.7% which is within the limit set in PFMA 2012 sec 135(7) of not more than 10%

## 2.4 REVIEW OF THE RECURRENT SUPPLEMENTARY ESTIMATES

The Total recurrent allocation has been increased from **kshs.6.515 Billion** to **Kshs. 6.556 Billion**. This is a cumulative increase of **kshs.40.8. Million**. However, the recurrent allocations of six (6) out of fourteen (14) departments has been reduced.

DEPARTMENTS	1ST SUPP	2ND SUPP	VARIANCE	%
	RECURRENT	RECURRENT		
Agriculture, Livestock & Cooperatives	171,997,383	170,497,383	<b>(1,500,000)</b>	-0.9%
Gender ,Social Services & Sports	61,200,432	60,660,432	<b>(540,000)</b>	- 0.9%
Roads and Transport a	40,323,600	40,323,600	<b>0</b>	0
Education & Labour	634,177,474	628,317,474	<b>(5,860,000)</b>	-0.92 %
Environment, Energy & Natural Resources	74,148,025	77,748,025	<b>3,600,000</b>	4.8%
Lands ,Housing and works, Urban Development	266,784,896	274,784,896	<b>8,000,000</b>	2.9%
Finance & Economic Planning	1,045,732,741	1,105,352,736	<b>59,619,995</b>	5.7 %
Health & Sanitation	2,651,208,269	2,646,208,269	<b>(5,000,000)</b>	-0.8 %
Trade, Enterprise Development and Tourism	80,000,255	75,300,255	<b>(4,700,000)</b>	-5.9%
Water & Irrigation Services	183,556,361	187,356,361	<b>3,800,000</b>	2.1%
Executive Services	343,847,695	327,227,695	<b>(16,620,000)</b>	% -4.8
County Public Service Board	37,072,000	37,072,000	<b>0</b>	0
Municipal Board	72,000,000	72,000,000	<b>0</b>	0
Assembly	853,348,051	853,384,051	<b>0</b>	0
<b>TOTAL</b>	<b>6,515,433,182</b>	<b>6,556,233,182</b>	<b>40,800,000</b>	

## 2.5 REVIEW OF THE DEVELOPMENT SUPPLEMENTARY ESTIMATES

The Total development allocation has been reduced from **kshs.3, 870,275,858** to **Kshs.2,813,920,293** .This is a cumulative reduction of **Kshs (1,056,355,565)** The Development allocations of Eight (8) out of fourteen (14) departments has been affected as shown in below table.

DEPARTMENTS	1ST SUPP	2ND SUPP	VARIANCE	VARIANCE %
	DEVELOPMENT	DEVELOPMENT		
Agriculture, Livestock & Cooperatives	245,419,589	255,419,589	<b>10,000,000</b>	4.1%
Gender ,Social Services & Sports	150,000,000	50,000,000	<b>(100,000,000)</b>	-66.7%
Roads and Transport	125,000,000	290,200,000	<b>165,200,000</b>	100%
Education & Labour	60,000,000	70,000,000	<b>10,000,000</b>	16.7%
Environment, Energy & Natural Resources	95,000,000	70,000,000	<b>(25,000,000)</b>	-26.3%
Lands ,Housing and works, Urban Development	539,000,000	371,000,000	<b>(163,000,000)</b>	-30.2-%
Finance & Economic Planning	1,256,917,267	662,000,000	<b>(594,917,267)</b>	-47.3%
Health & Sanitation	370,638,298	171,000,000	<b>(199,638,298)</b>	-53.9%
Trade, Enterprise Development and Tourism	50,000,000	0	<b>(50,000,000)</b>	-100%
Water & Irrigation Services	770,000,000	716,000,000	<b>(54,000,000)</b>	-7%
Executive Services	75,000,000	20,000,000	<b>(55,000,000)</b>	-73.3%
County Public Service Board	-	5,000,000	<b>5,000,000</b>	100%
municipal Board	-	-	<b>0</b>	0
Assembly	133,300,704	133,300,704	<b>0</b>	0
<b>TOTALS</b>	<b>3,870,275,858</b>	<b>2,813,920,293</b>	<b>(1,056,355,565)</b>	-27.2%

### 3.0 DEVELOPMENT PROJECTS

NAME	Project name	Sub County /ward	Estimated cost (Kshs.)
Agriculture and Livestock			
	Supply of Agricultural inputs ,supplies material and fertilizers	All Farmers	10,000,000
	fencing and repair of Masalani offices		10,000,000
	Opening of access roads and bush clearing works	Sankuri ward,Galbet ,Iftin and Nanigi ward each	20,000,000
	Supply of pump set to farmers	10 Pump sets in10 farms Balambala,Township and Bura	20,000,000
	Veterinarian Supplies and Materials	All Sub counties	20,000,000
	ASDSP II	Support to groups in all sub counties	19,237,689
	Grant on locust Response	All sub counties	80,912,850
	Climate smart agriculture program - conditional grant	Support to groups in all sub counties	75,269,050
<b>TOTAL</b>			<b>255,419,589</b>
Culture and Gender ,youth and sports	Donations(Essential equipment and tools to disable, vulnerable groups and institutions ) ward projects	Ward projects	20,000,000
	Women and vulnerable groups support		10,000,000
	Donations to youth and women and Orphanage centers (ward project)	ward projects	20,000,000
<b>TOTAL</b>			<b>50,000,000</b>
Lands ,urban and public works	Purchase garbage collection trucks	Township	
	Completion of Garissa planning and survey program	Township	

	Renovation of of sub county , county council offices	Dadaab and Masalani	10,000,000
	Refurbishment of Garissa children's park	Township	
	Purchase of enforcement truck for township	Township	
	Street lighting works	Township	5,000,000
	Purchase of firefighting engines vehicle	Masalani	15,000,000
	Refurbishment of fire station	Township	23,000,000
	Purchase of firefighting equipment's	All 3 sub counties	18,000,000
	Construction of county Ward offices for ward admin, revenue officer and other county officials	30 ward offices	300,000,000
	Establish additional service bay, parking lots for new Qorehey market	Township	
	Creation of Garissa bus station and garage center	Township	
<b>TOTAL</b>			<b>371,000,000</b>
Water Services	Water system -piping systems co funding with GOK water trust fund	Hulugho water system	23,000,000
	Equipping of boreholes	Various borehole in Garissa	20,000,000
	Constructions of new water pan	Moit in Ijara	20,000,000
	Constructions of new water pan	Quranhidi in Hulugho	
	Desilting 4 dams	Dadaab and Madogashe	
	Construction of dam and Pipping Systems (Co-funding with GOK)	Hagarjarir in Maalimin	
	Drilling of Boreholes at KONE - MODOGASHE	MADOGASHE	46,000,000
	GAWASCO (Support to infrastructure projects new intake, repair of existing water systems )	Township	137,000,000
	Phase 1 -Masalani to Ijara water connection system	Masalani water project	20,000,000
	Water and Sanitation Development Project (World Bank)	Dadaab and Fafi	450,000,000

TOTAL			716,000,000
Health			
	Prefeasibility, Engineering plan and design (Mother and child Hospital in GCH	Garissa Referral hospital	5,000,000
	Construction complete face lift GCRH (main gate, parking lots, underground tank and perimeter fence )	Garissa Referral hospital	106,000,000
	Refurbishment of 7 sub county hospitals	All sub counties	60,000,000
TOTAL			171,000,000
Roads and Infrastructure	Opening and repairing of culverts and Access roads	Township	114,000,000
	Establishment of county Gurage	Township	35,000,000
	Bula Madina construction of Road Bitumen std		101,200,000
	Construction of Garissa Airstrip main Gate and waiting /holding bay		40,000,000
TOTAL			290,200,000
Education ,ICT and Labor	Refurbishment of ECD centers	Ward projects	30,000,000
	ECD and vocational training learning materials	Ward projects	30,000,000
	Purchase of specialized office equipment for HR department	Township	10,000,000
Total			70,000,000
Finance and Economic Planning	Pending bills		598,000,000
	Expansion and partitioning and face lift of the head quarters	Township	64,000,000
	Completion of ongoing project		
TOTAL			662,000,000
County Affairs	Civil works	Township	
	Refurbishment of Ijara Sub County Administrators office in Masalani	Masalani	5,000,000

	Redesigning, cabling ,refurbishing, and Equipping governor ,cs and executive board room		15,000,000
<b>TOTAL</b>			<b>20,000,000</b>
Trade and enterprises	Small and micro enterprise Fund	County wide program	
Environment And natural Resources	County Climate change Adaptation fund	Township	60,000,000
	Environmental Impact Assessments	All projects	10,000,000
	Tourism Attraction Enhancement at BORARGI giraffe center	IFTIN ward	
	<b>TOTAL</b>		<b>70,000,000</b>
County public service board	Repair of county offices		5,000,000
County Assembly	Various projects	Township	133,300,704
<b>GRAND TOTAL</b>			<b>2,813,920,293</b>

### PROPOSED WARD PROJECTS

SECTOR NAME	proposed ward projects	Sub county /ward	Estimated cost (Kshs.)
Culture , Gender ,youth and sports	Donations(Essential equipment and tools to disable, vulnerable groups and institutions ) ward projects	Ward projects	20,000,000.00
Culture , Gender ,youth and sports	Donations to youth and women and Orphange centers (ward project)	Ward projects	20,000,000.00
Lands ,urban and public works	Construction of county Ward offices for ward admin, revenue officer and other county officials	30 ward offices	300,000,000.00
Education ,ICT and Labor	Refurbishment of ECD centers (ward projects)	Ward projects	30,000,000.00
Education ,ICT and Labor	ECD and vocational training learning Materials (ward projects)	Ward projects	20,000,000.00
	<b>Total</b>		<b>390,000,000.00</b>

## SECTORAL RECOMMENDATIONS

### ▪ WATER COMMITTEE

- Reallocate **ksh. 10Million** from Equipping of Boreholes allocations to Various Boreholes across the County and add the same Amount to desilting of **2 Dams** in Dadaab Sub-County.
- Deduct **ksh 15Million** from allocation to Gawasco infrastructure development and Add the same amount to desilting of **3 Dams** in Modogashe Sub-County.

## 4.0 COMMITTEE RECOMMENDATIONS

### 4.1 Policy Recommendations

- ❖ Mr. speaker sir, this county needs to embrace performance based budgeting and in this regard the supplementary estimates should have a scorecard and key performance review of the approved budget so as to enable this house to make an informed decision. The committee therefore recommends that when any supplementary estimates are being submitted to the Assembly they should be accompanied by a half year performance status of programmes, including key performance indicators as stipulated in the current budget circular.
- ❖ The review of the supplementary estimates has been difficult due to lack of enough information on the status of **FY.2022/23** budget under implementation.

### 4.2 Financial proposal

**Mr. Speaker sir**, after many deliberations, the committee recommends that this honorable House Resolves:

- a. To approve the report of the Finance, Budget and Appropriation Committee on the 2<sup>nd</sup> Supplementary Budget Estimates for the Financial year 2022/23
- b. To approve 2nd Supplementary Budget Expenditure with a total of Kshs **9,370,153,475** for **FY 2022/23** in respect of votes reallocations which forms the basis of the Appropriation-Act