



REPUBLIC OF KENYA

MURANG'A COUNTY ASSEMBLY

THIRD ASSEMBLY

SECOND SESSION

*passed
by Hon. Charles
J.K.M. 23/10/2023
9:39 a.m.*

**THE BUDGET AND APPROPRIATIONS COMMITTEE REPORT ON THE FIRST
NINE MONTHS BUDGET IMPLEMENTATION REVIEW REPORT FY 2022-23 FROM
THE CONTROLLER OF BUDGET**



Clerk's Chambers,
Murang'a County Assembly Buildings,
MURANG'A.

SEPTEMBER 2023

Table of Contents

1.0 PREFACE 3

1.2 Committee Mandate..... 3

1.3 Committee Membership 3

1.4 Acknowledgements..... 3

2.0 INTRODUCTION..... 5

3.0 COMMITTEE OBSERVATIONS..... 5

4.0 COMMITTEE RECOMMENDATIONS..... 10

5.0 ADOPTION OF THE REPORT 11

1.0 PREFACE

Hon. Speaker, on behalf of the Budget and Appropriations Committee, it is my pleasure and duty to present to the County Assembly, the report of the Committee on the Budget implementation during the First Nine Months of the FY 2022-23. Hon. Speaker, this report was guided by the Controller of Budget Review which was submitted to the County Assembly on 27th July 2023. The committee has scrutinized the report and has made policy recommendations to improve budget implementation going forward.

1.2 Committee Mandate

Mr. Speaker, pursuant to Standing Order 200(3), the County Budget and Appropriation Committee is mandated among other functions 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 House; and;
- c) Examine Bills related to the County budget, including Appropriations Bills

1.3 Committee Membership

The County Budget and Appropriation Committee as currently constituted, comprises of the following Members:-

- | | |
|----------------------------------|--------------------|
| 1. Hon. Charles Machigo Karina | - Chairperson |
| 2. Hon. Julian Njiiri | - Vice Chairperson |
| 3. Hon. Francis Kamau | - Member |
| 4. Hon. Gerald Wambugu | - Member |
| 5. Hon. Grace Sharleen Wambui | - Member |
| 6. Hon. Caroline Wairimu Njoroge | - Member |
| 7. Hon. James Karanja Kabera | -Member |
| 8. Hon. Jeremiah Gichobe | - Member |
| 9. Hon. Naomi Nyambura Maina | - Member |
| 10. Hon. John Mwangi Kamau | - Member |
| 11. Hon. John Ngugi Kibaiya | - Member |
| 12. Hon. Dinah Muthoni Kagiri | - Member |
| 13. Hon. Samson Mukora Ngigi | - Member |
| 14. Hon. Edwin Mwangi Wairagu | - Member |
| 15. Hon. Peter Murigi Ngugi | - Member |
| 16. Hon. Liz Muthoni Mbugua | -Member |
| 17. Hon. Moses Mirara | -Member |


1.4 Acknowledgements

- a. The Committee wishes to sincerely thank the offices of the Speaker and the Clerk to the County Assembly for the support extended to it in the execution of its mandate.

- b. The Chairman further takes this opportunity to thank all the members for their participation and dedication during the scrutiny of the First Nine Months Budget Implementation Review Report.
- c. The Committee also applauds the efforts of the Controller of Budget in providing adequate information that guided budget oversight role.
- d. Finally, the Committee wishes to extend special acknowledgement to the members of the secretariat for their fiscal analysis and technical support during the exercise.

It is now my pleasant duty on behalf of the Budget and Appropriations Committee to present this report for adoption by the Assembly.

Thank you.

Signed..........
Date.....26/9/23.....

HON. CHARLES MACHIGO KARINA

CHAIRPERSON, BUDGET AND APPROPRIATIONS COMMITTEE.

2.0 INTRODUCTION

Hon. Speaker, the First Nine Months of the FY 2022-23 ranged from 1st July 2022 to 31st March 2023. During the reporting period, the county government put various structures to ensure that budget implementation is enabled within the new fiscal framework. Hon. Speaker the following legal instruments were adopted by the Assembly during the first nine months of the FY 2022-23;

- a) The Revised Annual Development Plan FY 2022-23
- b) The Supplementary Estimates FY 2022-23
- c) The Murang'a County Agriculture Input Subsidy Policy
- d) Murang'a County Health Policy 2022-2027
- e) The Murang'a County Agriculture Input Subsidy Regulations
- f) The Murang'a County Internship Policy

Hon. Speaker the controller of budget authorized withdrawal of money from the County Revenue Fund (CRF) with reference to the approved budget and policy documents. Notably Hon. Speaker, the new county administration adopted the following development projects that were not in the previous regime;

- a) Agriculture input subsidy
- b) Community projects
- c) Universal Health and Maternal Support
- d) Youth Services Support

3.0 COMMITTEE OBSERVATIONS

- a) The county approved supplementary budget amounted to Kshs. 9.64 billion that comprised of Kshs. 2.89 billion for development and Kshs. 6.74 billion for recurrent activities.
- b) As at 31st March 2023 the county received Kshs. 3.55 billion as the equitable share, raised Kshs. 453.67 own-source revenue, Kshs. 453.67 million, received Kshs. 284.37 million as

conditional grants and had a cash balance amounting to Kshs. 574.41 million. The total funds available for budget implementation amounted to Kshs. 4.85 billion.

- c) The conditional grants received comprised of Kshs. 215.5 million from IDA (World Bank) NARIGP, Kshs. 6.97 million DANIDA Universal Health care support, Kshs. 15.2 million Agriculture Sector Development Support Programme (ASDSP) and Kshs. 46.5 million for county Nutrition Grant.
- d) The amount collected from local revenue sources amounting to Kshs. 453.67 million represented an increase of 15 per cent when compared to Kshs. 394.49 million realized in a similar period of the FY 2021-22. The revenue collection per stream is as analysed below;

No.	Stream	Amount (Kshs.)	Proportion (%)
1	Licenses	149,905,117	33
2	Hospital Fees	94,561,812	21
3	Land Rates	34,031,966	8
4	Building Materials Cess	30,162,746	7
5	Barter Market Fee	28,872,518	6
6	Other Sources	116,133,266	26
	Total	453,667,425	100

- e) Revenue from licenses contributed the highest amount of Kshs. 149.91 million that was 33% of the total revenue. The committee attributed the performance to the fact that businesses seek permits from January to March every year.
- f) Approved amount for withdrawal from the CRF account amounted to Kshs. 4.77 billion that comprised of Kshs. 512.67 million for development programmes and Kshs. 4.26 billion for recurrent expenditure.

- g) The expenditure review indicated that the county spent Kshs. 4.67 billion that was 97.9 % of the total funds released. The amount comprised of Kshs. 506.81 million spent on development activities and Kshs. 4.17 billion spent on recurrent activities. The expenditure on development budget represented an absorption rate of 17.5% while that on recurrent was 61.7%.
- h) During the period, the county reported a stock of eligible pending bills amounting to Kshs. 661.07 where bills of Kshs. 93.1 million was settled. The bills settled represented Kshs. 26.87 million for recurrent expenditure and Kshs. 66.23 million for development expenditure.
- i) There were three County Established Funds as at 31st March 2023 that reported expenditure and they comprised the Murang'a County Education Scholarship Fund Kshs. 261.9 million, Agricultural Farm Inputs Subsidy and Incentives Fund Kshs. 10.38 million and County Assembly Car Loan and Mortgage Fund Kshs. 149.29 million.
- j) During the first Nine months the county incurred Kshs.506.81 million on development programmes as indicated in the schedule below;

No.	Project Name	Location	Budget	Expenditure	Absorption
1	Agricultural Farm Input Subsidy Fund	County wide	200,000,000	60,615,280	30
2	Installation of Electronic voting machine	County wide	9,000,000	9,000,000	100
3	Sports equipment	County wide	6,461,394	6,461,394	100
4	Persons living with disabilities	County wide	5,929,600	5,929,600	100
5	Grading works of mutunguru-kigori-Irati access road	Kigumo ward	3,941,100	3,941,100	100
6	Grading works of kongoini pri-kongoini catholic church and Majoice access road	Mbiri	3,891,510	3,891,510	100
7	Grading works of Ng'araria-Githini-Njooria-Kaburugi Kirarii Mwaya access road	Ng'araria Ward	3,709,680	3,709,680	100

8	Grading works of Gaiyanga-Kagumoi-ini access road	Kagumoi-ini	3,540,000	3,540,000	100
9	Grading works of Gikuu-Ndaamba access road	Gikuu-Ndaamba	3,515,960	3,515,960	100
10	Grading/gravelling works of Ihiga Gituri access road	Gitugi	3,456,800	3,456,800	100
		Total	243,446,044	104,061,324	43

k) The budget performance by department is as indicated below;

Recurrent Budget Performance per Department

No.	Department	Budget (Kshs. Million)	Exchequer (Kshs. Million)	Expenditure (Kshs. Million)	Expenditure to Exchequer (%)	Absorption (%)
1	Agriculture	239.79	171.21	126.04	73.62	52.56
2	Trade	45.65	16.39	21.57	131.60	47.25
3	CPSB	38.51	23.43	12.12	51.73	31.47
4	Education	668.96	594.50	510.89	85.94	76.37
5	Transport	21.76	14.15	7.32	51.73	33.64
6	Environment	23.18	10.40	8.35	80.29	36.02
7	Finance	345.90	168.14	209.43	124.56	60.55
8	Health	3,180.25	1,870.95	2,294.48	122.64	72.15
9	Lands	28.42	10.38	9.46	91.14	33.29
10	PSA	748.13	645.22	321.86	49.88	43.02
11	Water	90.18	35.72	22.89	64.08	25.38
12	Youth	62.31	44.37	35.46	79.92	56.91
13	County Assembly	927.00	508.86	419.48	82.44	45.25
14	Governorship	264.76	143.99	165.99	115.28	62.69

15	Municipality	64.27	2.58	2.08	80.62	3.24
		6,749.07	4,260.29	4,167.42	97.82	61.75

The Health department had the highest absorption rate of 72.15% while Municipality expended the least as compared to budget allocation All the departments had recurrent expenditure.

Development Budget Performance per Department

No.	Department	Budget (Kshs.Million)	Exchequer (Kshs. Million)	Expenditure (Kshs.Million)	Expenditure to Exchequer (%)	Absorption (%)
1	Agriculture	668.63	305.30	302.40	99.05	45.23
2	Trade	110.26	1.77	1.77	100.00	1.61
3	CPSB	-	-	-	-	-
4	Education	32.80	1.50	1.50	100.00	4.57
5	Transport	513.30	48.18	48.18	100.00	9.39
6	Environment	73.00	-	-	-	-
7	Finance	167.00	-	0.07	-	0.04
8	Health	783.49	141.49	138.48	97.87	17.67
9	Lands	63.70	1.23	1.23	100.00	1.93
10	PSA	-	-	-	-	-
11	Water	90.50	1.56	1.56	100.00	1.72
12	Youth	218.00	7.01	7.00	99.86	3.21
13	County Assembly	50.00	4.63	4.63	100.00	9.26
14	Governorship	-	-	-	-	-
15	Municipality	122.04	-	-	-	-

	Total	2,892.72	512.67	506.82	98.86	17.52
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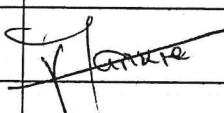
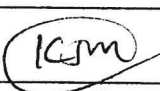
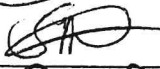

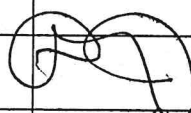

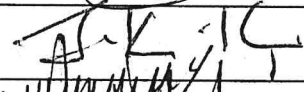


The development expenditure analysis indicates that Agriculture had the highest absorption rate of capital funds where Finance expended the least. The Municipality and the Environment Department did not expend their development funds as at 31st March 2023 despite having a budget allocation.

4.0 COMMITTEE RECOMMENDATIONS

The committee recommends that;

- a) The County Executive Committee Member for Finance and Economic Planning should submit to the county assembly a detailed report on the status of pending bills as at 30th June 2023. The report should indicate the strategy of clearing the existing pending bills.
- b) The County Treasury should ensure that there is effective local revenue collection and management. The enactment and approval of the Finance Bill 2023 should be expedited to enable realization of revenue during the FY 2023-24.
- c) The County Executive Committee Member for Finance should ensure that the wage bill is contained of 35% of total revenue as provided by Section 107 2(c) of the Public Finance Management Act 2012. Further, all wages and other dues to county employees should be processed through the Integrated Personnel and Payroll Database (IPPD) and not the manual system.
- d) All County Executive Committee Members should submit annual work plans for budget implementation of the FY 2023-24 to enable the Budget and Appropriations Committee perform its oversight role appropriately.

5.0 ADOPTION OF THE REPORT

No.	NAME	SIGN
1	HON. CHARLES KARINA	
2	HON. JULIAN NJIRI	
3	HON. FRANCIS KAMAU	
4	HON. GERALD WAMBUGU	
5	HON. NAOMI MAINA	
6	HON. JOHN MWANGI	
7	HON. SAMSON MUKORA	
8	HON. PETER MURIGI	
9	HON. LIZ MUTHONI	
10	HON. EDWIN WAIRAGU	
11	HON. JEREMIAH GICHOBE	
12	HON. JAMES KABERA	
13	HON. JOHN KIBAIYA	
14	HON. SHARLEEN WAMBUI	
15	HON. DINAH DAMARIS KAGIRI	
16	HON. MOSES MIRARA	