

Approved for tabling.

REPUBLIC OF KENYA



SNA
25/3/15



Tabled by the V. chair
Budget & Appropriation Comtee
Hon. Mary Amase, MP
On 15/3/15 Afternoon
Sitting.

KENYA NATIONAL ASSEMBLY

ELEVENTH PARLIAMENT - THIRD SESSION

PARLIAMENT
OF KENYA
LIBRARY

THE BUDGET AND APPROPRIATIONS COMMITTEE REPORT ON THE DIVISION OF
REVENUE BILL, 2015

MARCH 2015

PREFACE

Mr Speaker Sir, on behalf of the Members of the Budget and Appropriations Committee following the introduction of the Division of Revenue Bill (DORB), 2015, I hereby present to the House the Committee's report on the Bill as required in our Standing Orders. The Bill provides for the Division of nationally raised Revenue between the two levels of government as well as demarcating specific resources to be provided to Counties as conditional grants and the Equalization Fund.

Mr. Speaker Sir, the Bill is accompanied by an explanatory memorandum as required in Article 218(2) setting out the explanation of revenue allocation as proposed by the Bill along with the evaluation of the Bill in relation to the criteria mentioned in article 203 of the constitution and a summary of any significant deviation from the Commission on Revenue Allocation's recommendations.

Mr Speaker Sir, the Committee has done this pursuant to Article 95 of the Constitution, which provides that the National Assembly has the responsibility of playing a part in the determination of the allocation of national revenue between the levels of government. Specifically, Article 95 (4) provides the mandate by which this House examines the Division of Revenue Bill by stipulating that the National Assembly;

- a) Determines the allocation of national revenue between the levels of government, as provided in Part 4 of Chapter 12;
- b) Appropriates funds for expenditure by the national government and other State organs; and
- c) Exercises oversight over national revenue and its expenditure.

Mr. Speaker Sir,

This it is important to note that this financial year, both Houses of Parliament have been involved in the processing of the Budget Policy Statement which is the precursor the Division of Revenue Bill. In this regard although section 191 and 25(2) of the Public Finance Management Act, 2012, provide for legislative proposal on Division of Revenue is to be submitted to Parliament along with the Budget Policy Statement by the 15th of February every year it is important that the executive endeavour to submit these documents much earlier to give both Houses sufficient time to process them.

Mr. Speaker Sir, the Budget and Appropriations Committee as currently constituted comprises the following Honourable Members:

- | | | |
|-----|-----------------------------------|-------------------------|
| 1. | Hon. Mutava Musyimi, M.P. | Chairperson |
| 2. | Hon. Mary Emaase, M.P. | Vice Chairperson |
| 3. | Hon. Alfred Sambu, M.P. | |
| 4. | Hon. Benjamin Langat, M.P. | |
| 5. | Hon. Charles Nyamai, M.P. | |
| 6. | Hon. Clement Wambugu, M.P. | |
| 7. | Hon. Jackson Kiptanui, M.P. | |
| 8. | Hon. Jamleck Kamau, M.P. | |
| 9. | Hon. John Mbadi, M.P. | |
| 10. | Hon. Mohamed Shidiye, M.P. | |
| 11. | Hon. Moses Lessonet, M.P. | |
| 12. | Hon. Moses Ole Sakuda, M.P. | |
| 13. | Hon. Nelson Gaichuhie, M.P. | |
| 14. | Hon. Abdikadir Omar Aden, M.P. | |
| 15. | Hon. Abdulaziz Farah, M.P. | |
| 16. | Hon. Alfred Agoi, M.P. | |
| 17. | Hon. Alice Ng'ang'a, M.P. | |
| 18. | Hon. Banticha Jaldesa, M.P. | |
| 19. | Hon. Benjamin Andola Andayi, M.P. | |
| 20. | Hon. Bitok S. Kirwa, M.P. | |
| 21. | Hon. Daniel Nanok, M.P. | |
| 22. | Hon. Dennis Kariuki, M.P. | |
| 23. | Hon. Dr. James W. Nyikal, M.P. | |
| 24. | Hon. Dr. Reginalda Wanyonyi, M.P. | |
| 25. | Hon. Dorcas Kedogo, M.P. | |
| 26. | Hon. Eng. Stephen Ngare, M.P. | |
| 27. | Hon. Fatuma, Ali Ibrahim, M.P. | |
| 28. | Hon. Francis Njenga, M.P. | |
| 29. | Hon. George Muchai, M.P. | |
| 30. | Hon. Irshad Sumra, M.P. | |
| 31. | Hon. Isaack Mwaura, M.P. | |

32. Hon. James Gakuya, M.P.
33. Hon. James Lusweti, M.P
34. Hon. Jared O. Opiyo, M.P.
35. Hon. Jonathan Lati Lelelit, M.P.
36. Hon. Joseph Limo, M.P.
37. Hon. KK Stephen Kinyanjui, M.P.
38. Hon. Makali Mulu Benson, M.P.
39. Hon. Muriuki Njagagua, M.P.
40. Hon. Mwashetani Khatib Abdallah, M.P
41. Hon. Omar Mwinyi, M.P.
42. Hon. Omondi George Mallan, M.P.
43. Hon. Patrick Ole Ntutu, M.P.
44. Hon. Peter Weru Kinyua, M.P.
45. Hon. Priscilla Nyokabi, M.P.
46. Hon. Samuel Gichigi, M.P.
47. Hon. Shukran Hussein Gure, M.P.
48. Hon. Silverse Lisamula Anami, M.P.
49. Hon. Suleiman Murunga Kasuti, MP
50. Hon. Tiyah Galgalo, M.P.

Mr. Speaker Sir,

In considering the Division of Revenue Bill, the Committee held 2 Sittings and the Committee is grateful to the Members of Parliament who participated in the process for their diligence and insightful input in making sure that Parliament fulfils its role provided under Article 95 of the Constitution.

Honourable Members, I would like to remind Members that ideally the enactment of the Division of Revenue Bill should swiftly follow the approval of the report on the Budget Policy statement. This is in order allow for the preparation of subsequent documents in the budget process which take the cue from the enactment of this Bill. I therefore urge this House to consider and approval this Bill in sufficient time to allow the preparation before submission of the Estimates submitted by the 30th of April later this year.

Mr. Speaker Sir, the Committee is grateful to the Office of the Speaker, the Office of the Clerk of the National Assembly and the Parliamentary Budget Office for the continuous and relentless support received as it discharged its mandate.

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 adoption.

Signed

A handwritten signature in black ink, appearing to be 'M. Musyimi', with a small 'for' written below it.

The Hon. Mutava Musyimi, M.P.
Chairman, Budget and Appropriations Committee
March, 2015

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I. **THE VERTICAL DISTRIBUTION OF RESOURCES FOR THE 2015/15 FINANCIAL YEAR**

1. **Mr. Speaker Sir**, Committee took note of the resolutions on the sharing of revenue contained in the report on the Budget Policy Statement (BPS) approved by this House on 17th March, 2015. In considering the BPS, this House observed several challenges that have been experienced in the first two years of budgeting under devolution that have hampered smooth budget implementation at County level and resulted in less than optimal service delivery to the citizens from devolved units.
2. These challenges, **Mr. Speaker Sir**, include disputes on budgetary ceilings with national institutions (i.e., the Commission on revenue Allocation and the Controller of Budget) business-unfriendly county finance bills and the submission of budget documents in formats that are not approved by law as well as the absence of medium term planning in budget cycles.
3. The Committee additionally observed that there have been weak methods used in the projection of revenues by counties which have resulted in unrealized revenue targets and it is therefore important that the National Treasury undertake capacity building of Counties to ensure that the skills of preparation of Finance Bills are available to devolved units.

II. **REVENUE ALLOCATION AS CONTAINED IN THE ORIGINAL DIVISION OF REVENUE BILL, 2015**

4. **Mr. Speaker Sir**, in reference to Revenue sharing basis for FY 2015/16, the Division Of Revenue Bill, 2015 begins by adding the following items to the 2014/15 equitable portion of revenue availed to counties;
 - i. Allocation for Personnel Emoluments for staff transferred to County Governments from the State Department of Livestock Development amounting to Ksh.1,466 million;
 - ii. Allocation of Ksh.935 million for village polytechnics previously under the Ministry of Education; and

- iii. Allocation of Ksh.545 million for functions transferred to County Governments vide TA gazette notice of March 2014.This results in a new baseline figure of kshs.229.606 billion for FY2015/16.
5. The resultant revenue figure of kshs.226.606 billion is then grown by a rate of revenue growth of 10.41percent (Kshs.23.9 billion) before an additional allocation of kshs.4.5 billion to provide for salary and allowances awarded to State and other Public Officers of the County Governments by the SRC in the 2014/15 financial year is added. This arrives at a total sharable revenue figure of **kshs.258,008** billion
6. The DORB further provides conditional grants to counties as follows;
 - i. Free maternal healthcare – kshs.4.298 billion
 - ii. Leasing of medical equipment – kshs.4.5 billion
 - iii. Allocation for level 5 hospitals – kshs.2.06448 billion
 - iv. Compensation for forgone user fees (health) – kshs.900 million
 - v. Allocation from the Road Maintenance fuel levy fund (15percent) – kshs.3.3 billion
 - vi. Conditional Allocations (loans and grants) kshs.10,671,205,204
7. **Mr. Speaker Sir**, Adding this to the equitable share, the total allocations to counties in DORB is **Ksh.283.741 billion** equivalent to 37% based on 2012/13 revenue numbers.

III. OBSERVATIONS BY THE COMMITTEE

8. **Mr. Speaker Sir**, the Committee took into account the Salaries allocated to state officers by the Salaries and Remuneration Commission at devolved level of government with the inclusion of a kshs.4.5 billion. The Committee, however, observed that this would not support the proposed principle of containing wages at 35% of total budget in counties and it is therefore important that all government agencies work in synergy to ensure coherent policies in remuneration of public service workers..
9. The Committee further included “fuel levy funds” and “loans and grants” in the computations. These resources have been provided in the Bill as conditional allocations, pursuant to Article 202(2). These are national government resources allocated as additional

resources to counties from the national share of revenue to further enhance service delivery and adequately support devolution.

IV. PUBLIC PARTICIPATION ON THE VERTICAL ALLOCATION OF REVENUE

- 10. Mr. Speaker Sir**, the National Assembly organized Public hearings where the public views and recommendations are to be used to inform the 2015/2016 Budget in October 2014. The Constitution recognizes the public as a key stakeholder in the budget making process to enhance openness and transparency and ensure that the budget is responsive to public needs.
- 11.** In that regard, **Mr Speaker Sir**, the hearings were held in fourteen (14) counties around the country. These Counties include Turkana, Muranga, Baringo, Kajiado, Kiambu, Nandi, Busia, Kirinyaga, Siaya, Elgeyo - Marakwet, Vihiga Manderu, Kericho and Migori.
- 12.** The focus of the hearings were to use the information when reviewing key policy and budgetary documents including the Budget Review and Outlook Paper (BROP) submitted to Parliament by 30th September as well as Budget Policy Statement (BPS) submitted by 15th February together with the Division of Revenue Bill. Through this process the Committee received invaluable input from the Public which has been instrumental in arriving at the vertical allocation of resources proposed in the Division of Revenue Bill, 2015.

V. RECOMMENDATIONS

- 13. Mr. Speaker Sir**, having considered the Bill, and to provide guidelines to the relevant spending units in the budgeting for their respective functions, the Committee recommends that:-
 - i) Parliament processes the Division of Revenue Bill in an expedient manner to give firm direction to both levels of government on the share of national**

revenue due to them respectively to use when finalizing their budgets for the 2015/16 FY

- ii) That the County Allocation of Revenue Bill be introduced in a timely manner to give counties direction on their respective share of nationally raised revenue for use when preparing their respective estimates of expenditure for the 2015/16 FY.

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MINUTES OF THE 10TH SITTING OF THE BUDGET AND APPROPRIATIONS COMMITTEE (BAC) HELD ON WEDNESDAY 25TH MARCH, 2015 AT 11.30 A.M AT SMALL DINING HALL, GROUND FLOOR MEETING ROOM

PRESENT

1. **Hon. Mary Emaase, M.P.- Vice Chair – Chairing**

2. Hon. Jamleck Kamau, M.P
3. Hon. John Mbadi, M.P
4. Hon. Moses Ole Sakuda, M.P
5. Hon. Clement Wambugu, M.P
6. Hon. Makali Mulu, M.P
7. Hon. Tiyah Galgalo, M.P
8. Hon. Abdulaziz Farah, M.P
9. Hon. Alfred Agoi, M.P
10. Hon. Benjamin Andola Andayi, M.P
11. Hon. Daniel Nanok, M.P
12. Hon. Dr. Reginalda Wanyonyi, M.P
13. Hon. Dennis Kariuki, M.P
14. Hon. Isaac Mwaura, M.P
15. Hon. Jared O. Opiyo, M.P
16. Hon. Joseph Limo, M.P
17. Hon. Muriuki Njagagua , M.P
18. Hon. Omondi George, M.P
19. Hon. Bitok S Kirwa, M.P
20. Hon. James Lusweti, M.P
21. Hon. Suleiman Murunga Kasuti, M.P
22. Hon. Banticha Jaldesa, M.P
23. Hon. Ali, Fatuma Ibrahim, M.P
24. Hon. Nelson Gaichuhie, M.P
25. Hon. Benjamin Langat, M.P
26. Hon. Mwashetani Khatib Abdallah, M.P
27. Hon. Charles Nyamai, M.P
28. Hon. KK Stephen Kinyanjui, M.P

ABSENT

1. Hon. Mutava Musyimi, M.P.- Chair
2. Hon. Afred Sambu, M.P

3. Hon. Moses Lessonet, M.P.
4. Hon. Mohamed Shidiye, M.P
5. Hon. Jackson Kiptanui, M.P
6. Hon. Abdikadir Omar Aden, M.P
7. Hon. Moses Kuria, M.P
8. Hon. (Dr.) J.W. Nyikal, M.P
9. Hon. Shukran Hussein Gure, M.P
- 10.Hon. Francis Njenga, M.P
- 11.Hon. Patrick Ole Ntutu, M.P
- 12.Hon. Irshad Sumra,M.P
- 13.Hon. Peter Weru Kinyua, M.P
- 14.Hon. Priscilla Nyokabi, M.P
- 15.Hon. Alice Ng'ang'a, M.P
- 16.Hon. Omar Mwinyi, M.P
- 17.Hon. Eng.Stephen Ngare, M.P
- 18.Hon. James Gakuya, M.P
- 19.Hon. Jonathan Lati Lelelit, M.P
- 20.Hon. Samuel Gichigi, M.P
- 21.Hon. Silverse Lisamula Anami,M.P
- 22.Hon. Dorcas Kedogo, M.P

IN ATTENDANCE

1. Mr. Frederick Muthengi
2. Mr. Danson Kachumbo
3. Mr. Ali Salat
4. Mr. Vitalis Ndambuki

BUDGET COMMITTEE SECRETARIAT

- Principal Fiscal Analyst /Committee Clerk
 Fiscal Analyst
 Fiscal Analyst
 Office Assistant

AGENDA

1. Preliminaries
2. Confirmation of previous minutes meeting
3. Matter Arising
4. Agendas:
 - a) *Consideration and Adoption of the Draft BAC Report on Division of Revenue Bill, 2015*
5. Any Other Business

MIN 10/2015/1: Preliminaries and confirmation of Agenda

The meeting was called to order at 11:30 a.m. The Hon. Makali Mulu lead the members with a word of prayer.

The Chair informed members that the committee the Division of revenue Bill was on the Order paper for the day. She informed the Committee that there the Division of Revenue Bill, 2015 was also scheduled for Committee of the Whole house hence the necessity to hold an urgent meeting to adopt the report before tabling the report. She informed the Committee the Speaker had actually approved the Committee sitting that particular day – a written memo would follow to that effect.

MIN 10/2015/2: Confirmation of the previous meetings minutes

The minutes of the previous meeting held on 17th March were approved as the true record of the meeting. The minutes was proposed by Hon. Kinyanjui and seconded by Hon. Makali Mulu.

MIN 10/2015/3: Consideration and Adoption of the Draft Division of Revenue Bill, 2015

The Committee read the report clause by clause and made the following observations

The leasing of the Medical Equipment for County Government: The Committee noted with concern that the top down approach on the leasing of the medical Equipment may lead to equipment remaining idle since there was lesser buy-ins from all stakeholders. Therefore the committee observed that there should be wider consultations on the matter on so as to formulate a clear policy on future leasing of the medical equipment.

The committee observed that the some of their recommendations are not being complied with and hence the need for proper implementation of the Committee reports.

MIN 10/2015/4: Any Other Business

There being no other business the Chairman adjourned the meeting at 1.30pm. Next meeting will be held on Thursday, 26th March, 2015 at 11.00a.m

SIGNED



for

CHAIRPERSON

25/03/2015

DATE

MINUTES OF THE 9TH SITTING OF THE BUDGET AND APPROPRIATIONS COMMITTEE (BAC) HELD ON TUESDAY, 17TH MARCH, 2015 AT 12.30 P.M AT COUNTY HALL, GROUND FLOOR MEETING ROOM

PRESENT

1. **Hon. MutavaMusyimi M.P. -Chair**
2. **Hon. Mary Emaase,M.P.- Vice Chair**
3. Hon. Afred Sambu, M.P
4. Hon. Clement Wambugu, M.P
5. Hon. Moses Lessonet, M.P.
6. Hon. Abdikadir Omar Aden, M.P
7. Hon. Abdulaziz Farah, M.P
8. Hon. Alfred Agoi, M.P
9. Hon. Benjamin Andola Andayi, M.P
10. Hon. Daniel Nanok, M.P
11. Hon. Dr. ReginaldaWanyonyi, M.P
12. Hon. Francis Njenga, M.P
13. Hon. Isaac Mwaura, M.P
14. Hon. Jackson Kiptanui, M.P
15. Hon. Jared O. Opiyo, M.P
16. Hon. Joseph Limo, M.P
17. Hon. Muriuki Njagagua , M.P
18. Hon. Omar Mwinyi, M.P
19. Hon. Omondi George, M.P
20. Hon. Bitok S Kirwa, M.P
21. Hon. Irshad Sumra,M.P
22. Hon. James Lusweti, M.P
23. Hon. Patrick Ole Ntutu, M.P
24. Hon. Suleiman Murunga Kasuti,M.P
25. Hon. Alice Ng'ang'a, M.P
26. Hon. Eng.Stephen Ngare, M.P
27. Hon. James Gakuya, M.P
28. Hon. Jonathan Lati Lelelit, M.P
29. Hon. Samuel Gichigi, M.P
30. Hon. Silverse Lisamula Anami,M.P
31. Hon. Banticha Jaldesa, M.P
32. Hon. Ali, Fatuma Ibrahim, M.P

33. Hon. Nelson Gaichuhie, M.P
- 34.Hon. Benjamin Langat,M.P
- 35.Hon. Mwashetani Khatib Abdallah, M.P
- 36.Hon. Mohamed Shidiye, M.P
- 37.Hon. Charles Nyamai, M.P
- 38.Hon. KK Stephen Kinyanjui,M.P

ABSENT

1. Hon. Moses Kuria, M.P
2. Hon. Jamleck Kamau, M.P
3. Hon. John Mbadi, M.P
4. Hon. Moses Ole Sakuda, M.P
5. Hon. (Dr.) J.W. Nyikal, M.P
6. Hon. Shukran Hussein Gure, M.P
7. Hon. Dennis Kariuki, M.P
8. Hon. Peter Weru Kinyua, M.P
9. Hon. Priscilla Nyokabi, M.P
- 10.Hon. Dorcas Kedogo, M.P
- 11.Hon. Makali Mulu, M.P
- 12.Hon. Tiyah Galgalo, M.P

IN ATTENDANCE

1. Hon. Irungu Kangata, M.P

IN ATTENDANCE

1. Mr. Joseph Ndirangu
2. Mr. Gichohi Mwaniki
3. Mr. Benjamin Ng'omor
4. Mr. Vitalis Ndambuki

BUDGET COMMITTEE SECRETARIAT

Fiscal Analyst -BAC Committee Clerk
Fiscal Analyst
Fiscal Analyst
Office Assistant

AGENDA

1. Preliminaries
2. Confirmation of previous minutes meeting
3. Matter Arising
4. Agendas:

a) *Consideration of the amendments proposed by Hon. Irungu Kangata on the 2015 BPS report and referred to the Committee*

b) *Presentation and consideration of the draft Division of Revenue Bill, 2015*

5. Any Other Business

MIN 9/2015/1: Preliminaries and confirmation of Agenda

The meeting was called to order at 12:40 p.m and the Chairman lead the members with a word of prayer.

The Chair informed members that the committee had received an amendment been proposed by the Hon. Irungu Kangata on the tabled BPS 2015 committee report. He also informed the Committee that there was a draft bill on the Division of Revenue Bill, 2015 which the Committee required to go through and make a decision on before it is taken for publication to the Government printers.

MIN 9/2015/2: Confirmation of the previous meetings minutes

There were no minutes to be confirmed as they had been confirmed in the previous meeting.

MIN9/2015/3: Consideration of the amendments proposed by Hon. Irungu Kangata

The proposal is to amend the motion/tabled report by shifting Ksh 3 billion from the development budget under the Judiciary vote to Higher Education Loans Board (HELB) under the State Department of Education. The MP indicated that the idea behind the amendment was because of the priority of funding higher education against construction of law courts. The Committee deliberated on the matter and recommended that the proposal be rejected.

MIN 9/2015/4: Presentation and Consideration of the draft Division of Revenue Bill, 2015

Members were taken through the draft bill by the Parliamentary Budget Office, it was noted that the Bill provides for the Division of nationally raised revenue between the two levels of government as well as demarcating specific resources to be provided to Counties as conditional grants and the Equalization Fund.

Furthermore, the Bill is accompanied by an explanatory memorandum as required in Article 218(2) setting out the explanation of revenue allocation.

Specifically, Article 95 (4) provides the mandate by which this House examines the Division of Revenue Bill by stipulating that the National Assembly;

- a) Determines the allocation of national revenue between the levels of government, as provided in Part 4 of Chapter 12;
- b) Appropriates funds for expenditure by the national government and other State organs; and
- c) Exercises oversight over national revenue and its expenditure.

Further members were informed that both Houses of Parliament have been involved in the processing of the Budget Policy Statement which is the precursor the Division of Revenue Bill. In this regard although section 191 and 25(2) of the Public Finance Management Act, 2012, provide for legislative proposal on Division of Revenue is to be submitted to Parliament along with the Budget Policy Statement by the 15th of February every year it is important that the executive endeavour to submit these documents much earlier to give both Houses sufficient time to process them.

Members were informed that the Revenue sharing basis for FY 2015/16, the Division Of Revenue Bill, 2015 begins by adding the following items to the 2014/15 equitable portion of revenue availed to counties;

- i. Allocation for Personnel Emoluments for staff transferred to County Governments from the State Department of Livestock Development amounting to Ksh.1,466 million;
- ii. Allocation of Ksh.935 million for village polytechnics previously under the Ministry of Education; and
- iii. Allocation of Ksh.545 million for functions transferred to County Governments vide TA gazette notice of March 2014. This results in a new baseline figure of kshs.229.606 billion for FY2015/16.

The resultant revenue figure of kshs.226.606 billion is then grown by a rate of revenue growth of 10.41 percent (Kshs.23.9 billion) before an additional allocation of kshs.4.5 billion to provide for salary and allowances awarded to State and other Public Officers of the County Governments by the SRC in the 2014/15 financial year is added. This arrives at a total sharable revenue figure of **kshs.258,008** billion.

Furthermore the Committee was informed that the DORB provides conditional grants to counties as follows;

- i. Free maternal healthcare – kshs.4.298 billion
- ii. Leasing of medical equipment – kshs.4.5 billion
- iii. Allocation for level 5 hospitals – kshs.2.06448 billion
- iv. Compensation for forgone user fees (health) – kshs.900 million
- v. Allocation from the Road Maintenance fuel levy fund (15percent) – kshs.3.3 billion
- vi. Conditional Allocations (loans and grants) kshs.10,671,205,204

Thus an additional of the above to the equitable share, the total allocations to counties in DORB, 2015 would result to Kshs.283.741 billion equivalent to 37% based on 2012/13 revenue numbers.

After long deliberations the Committee resolved to adopt the draft DoRB, 2015 .

MIN 9/2015/5: Any Other Business

There being no other business the Chairman adjourned the meeting at 1.30pm. Next meeting will be held on Thursday, 19th March, 2015 at 11a.m

SIGNED



.....
CHAIRPERSON

25/03/2015

.....
DATE

**MINUTES OF THE 8TH SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE (BAC) HELD ON THURSDAY , 12TH
MARCH , 2015 AT 11.00 AM AT COUNTY HALL, MINI CHAMBERS**

PRESENT

1. **Hon. MutavaMusyimi M.P. -Chair**
2. **Hon. Mary Emaase,M.P.- Vice Chair**
3. Hon. Afred Sambu, M.P
4. Hon. Clement Wambugu, M.P
5. Hon. Moses Lessonet, M.P.
6. Hon. Abdikadir Omar Aden, M.P
7. Hon. Abdulaziz Farah, M.P
8. Hon. Alfred Agoi, M.P
9. Hon. Benjamin Andola Andayi, M.P
10. Hon. Daniel Nanok, M.P
11. Hon. Dr. ReginaldaWanyonyi, M.P
12. Hon. Francis Njenga, M.P
13. Hon. Isaac Mwaura, M.P
14. Hon. Jackson Kiptanui, M.P
15. Hon. Jared O. Opiyo, M.P
16. Hon. Joseph Limo, M.P
17. Hon. Muriuki Njagagua , M.P
18. Hon. Omar Mwinyi, M.P
19. Hon. Omondi George, M.P
20. Hon. Bitok S Kirwa, M.P
21. Hon. Irshad Sumra,M.P
22. Hon. James Lusweti, M.P
23. Hon. Patrick Ole Ntutu, M.P
24. Hon. Suleiman Murunga Kasuti,M.P
25. Hon. Alice Ng'ang'a, M.P
26. Hon. Eng.Stephen Ngare, M.P
27. Hon. James Gakuya, M.P
28. Hon. Jonathan Lati Lelelit, M.P
29. Hon. Samuel Gichigi, M.P
30. Hon. Silverse Lisamula Anami,M.P
31. Hon. Banticha Jaldesa, M.P
32. Hon. Ali, Fatuma Ibrahim, M.P
33. Hon. Nelson Gaichuhie, M.P

- 34.Hon. Benjamin Langat,M.P
- 35.Hon. Mwashetani Khatib Abdallah, M.P
- 36.Hon. Mohamed Shidiye, M.P
- 37.Hon. Charles Nyamai, M.P
- 38.Hon. KK Stephen Kinyanjui,M.P

ABSENT

1. Hon. Moses Kuria, M.P
2. Hon. Jamleck Kamau, M.P
3. Hon. John Mbadi, M.P
4. Hon. Moses Ole Sakuda, M.P
5. Hon. (Dr.) J.W. Nyikal, M.P
6. Hon. Shukran Hussein Gure, M.P
7. Hon. Dennis Kariuki, M.P
8. Hon. Peter Weru Kinyua, M.P
9. Hon. Priscilla Nyokabi, M.P
- 10.Hon. Dorcas Kedogo, M.P
- 11.Hon. Makali Mulu, M.P
- 12.Hon. Tiyah Galgalo, M.P

IN ATTENDANCE

1. Hon. Jakoyo Midiwo,M.P
2. Hon. (Eng) Nicholas Gumbo,M.P
3. Hon. Wafula Wamunyinyi,M.P
4. Hon. Patrick Musimba,M.P
5. Hon. Christopher Omulule,M.P
6. Hon. Bishop Mutemi,M.P
7. Hon. (Dr.) Christine Ombaka,M.P
8. Hon. Sivancse Osele,M.P
9. Hon. Patrick Wangamati,M.P
- 10.Hon. Osman Osman,M.P
- 11.Hon. Zuleiba Hassan,M.P

INATENDANCE

1. Moses Kosgei Serem
2. Susan Oyatsi

STAFF FROM JUDICIARY

Registrar, Court of Appeal
Ag. DF

- | | |
|--------------------|------|
| 3. Peter Wanyama | PPBO |
| 4. John Ole Tambul | SFO |

IN ATTENDANCE

1. Mr. Joseph Ndirangu
2. Mr. Benjamin Ng'imor
3. Mr. Vitalis Ndambuki

BUDGET COMMITTEE SECRETARIAT

- Fiscal Analyst -BAC Committee Clerk
Fiscal Analyst
Office Assistant

AGENDA

1. Preliminaries
2. Confirmation of previous minutes meeting
3. Matter Arising
4. Agendas:
 - a) *Consideration of the various amendments proposed on the 2015 BPS report and referred to the Committee*
 - b) *Presentation on the Legislative proposals referred to the Committee*
5. Any Other Business

MIN 8/2015/1: Preliminaries and confirmation of Agenda

The meeting was called to order at 11:15a.m and the Chairman lead the members with a word of prayer.

The Chair informed members that the committee had received various amendments been proposed by the members on the tabled BPS, 2015 committee report. He also informed members that the Judiciary had also petitioned him to re-evaluate their proposed ceilings as contained in the tabled report and thus he had taken the initiative to invite the Judiciary to the meeting.

MIN 8/2015/2: Confirmation of the previous meetings minutes

There were no minutes to be confirmed as they had been confirmed in the previous meeting.

MIN8/2015/3: Consideration of the various amendments referred to the Committee

1. Hon. Eng. Nicholas Gumbo, M.P.

The proposal is to amend the motion/tabled report by shifting Kshs. 3 billion meant for public hearings proposed under the National Treasury and moving it to the Constituency Development Fund under the State Department for Planning. The Committee considered and incorporated some of the proposals but rejected the amendment as proposed.

2. Hon. Jimmy Agwenyi, M.P

The proposal is to amend the motion/tabled report by increasing the ceiling of the Parliamentary Service Commission by Kshs. 2.23 billion from Kshs. 26 billion to Kshs. 28.23 billion. The Committee incorporated proposals contained in Hon. Agwenyi's amendment but agreed to add Kshs. 1 Billion to the Parliamentary Service Commission.

The Chair of the Committee also informed members that he had held talks with the Clerk to the Senate who had requested the committee to move the vote meant for Senators monitoring and evaluation activity from the state department of planning to the Parliamentary Service Commission vote. The Committee agreed to the request.

3. Hon. Bishop Robert Mutemi, M.P.

The proposal is to amend the motion/tabled report by introducing a new expenditure item 'Special Interest Issues Fund' with an allocation of Ksh 300 million to be voted under the State Department of Planning. The Committee rejected the amendment.

4. Hon. (Dr.) Christine Ombaka, M.P

The proposal is to amend the motion/tabled report by increasing the additional allocation to the Social Affirmative Action Fund by Kshs. 1 billion from Kshs 2.12 billion to Ksh 3.12 billion..The committee rejected the amendment.

5. Hon. Wafula Wamunyinyi, M.P.

It relates to amendment of the motion by reducing the allocation to the Salaries and Remuneration Commission by Kshs. 256.6 million, from Kshs. 476 million to Kshs. 219.4 million. The Committee rejected the amendment.

6. Meeting with Judiciary

The officers from Judiciary informed members that the proposed ceiling in the tabled Budget and Appropriations Committee report on the BPS was way below the resources required to enable the judiciary to function properly. After lengthy deliberations the committee decided that the Judiciary required additional funds to operationalise tribunals that are arising from the legislations that Parliament is enacting. The Committee therefore agreed to increase the judiciary ceiling by Kshs. 500 Million.

MIN 8/2015/5: Consideration and approval of amendments

Members noted that the issue of proposed allocation of Kshs. 3 billion meant for public hearings had been politicised and thus for the sake of the committee integrity there was need to redistribute the proposed allocation. After long deliberations the committee agreed on the following amendments and recommendations.

1. THAT, additional resources be provided to the following specific areas:

- a) Parliamentary Service Commission for operations - Kshs. 4.1 billion
- b) Parliamentary Service Commission for Monitoring and Evaluation for Senators - Kshs.1 billion
- c) State Department for Planning for Social Affirmative Action Fund - Kshs. 2.1 billion
- d) State Department for Planning for Constituency Development Fund (CDF) - Kshs. 2 billion
- e) State Department for Planning for Completion of ESP Centers of Excellence through CDF - Kshs. 1.038 billion
- f) State Department for Planning for Uwezo Fund: - Kshs. 1.45 billion
- g) Ethics and Anti-Corruption Commission for county operations - Ksh 750 million
- h) Auditor General for county operations - Kshs. 1 billion
- i) Independent Policing Oversight - Kshs. 100 million

Commission	million
j) For completion of <i>Jua Kali</i> sheds started under the Economic Stimulus Programme (ESP)	- Kshs. 225 million
k) Judiciary for tribunals	- Ksh 500 million
l) Controller of Budget for operations	- Ksh 112 million

2. THAT, the ceiling for The Judiciary be set at Kshs. 18.462 billion;
3. THAT, the ceiling for The Parliamentary Service Commission be set at Kshs. 28 billion.
4. THAT, the County Equitable share be maintained at Kshs. 258 billion;
5. THAT, all other additional expenditure increments contained in First Schedule be deferred until additional resources are available;
6. THAT, the National Treasury takes these recommendations into consideration in the finalization of the Estimates for 2015/2016 financial year.

The Committee decisions and recommendations were proposed by Hon. Jonathan Lati Lelelit, M.P and seconded by Hon. Suleiman Murunga Kasuti, M.P

MIN 8/2015/6: Any Other Business

There being no other business the Chairman adjourned the meeting at 1.30pm. Next meeting will be held on Tuesday, 24th March, 2015 at 11a.m

SIGNED



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CHAIRPERSON

25/03/2013
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DATE