



**REPUBLIC OF KENYA  
COUNTY GOVERNMENT OF MACHAKOS  
COUNTY ASSEMBLY OF MACHAKOS**



Email: [assemblymks@gmail.com](mailto:assemblymks@gmail.com)

County Hall  
Along Mwatu Wa Ngoma Rd  
P.O Box 1168-90100  
Machakos-Kenya

---

**BUDGET AND APPROPRIATIONS COMMITTEE**

---

**THE BUDGET AND APPROPRIATIONS COMMITTEE'S EIGHTH  
REPORT ON THE BUDGET ESTIMATES FOR THE FY 2024/2025**

---

**JUNE, 2024**



Table of Contents

CHAIRPERSON’S FOREWORD..... 3

1.0 PREFACE..... 4

1.1 Mandate of the committee ..... 4

1.2 Membership of the Committee..... 4

1.3 Secretariat ..... 4

2.0 LINKING THE 2024/2025 BUDGET ESTIMATES TO THE COUNTY ANNUAL DEVELOPMENT PLAN, CIDP, CFSP AND PFM ACT, 2012 ..... 5

2.1 Fiscal responsibility principles ..... 6

3.0 EXAMINATION OF THE FY 2024/25 BUDGET ESTIMATES..... 7

3.1 Submission and Committal of Budget Estimates ..... 7

3.2 Public Participation Consultations and Submission of Memoranda..... 7

4.0 KEY HIGHLIGHTS OF THE FY 2024/2025 BUDGET ESTIMATES..... 8

5.0 FINANCING OF THE FINANCIAL YEAR 2024/25 BUDGET ..... 9

6.0 SUBMISSIONS FROM THE PUBLIC, SECTORAL AND CECM FINANCE..... 10

6.1 Submissions from public participation..... 10

6.2 Submissions from the Sectoral Committees..... 12

6.3 Submissions from the CECM Finance, Economic Planning and Revenue Management ..... 15

7.0 GENERAL COMMITTEE’S OBSERVATIONS ..... 17

8.0 BUDGET COMMITTEE’S RECOMMENDATIONS ..... 17

9.0 CONCLUSION ..... 23

ANNEX I: PUBLIC PARTICIPATION ADVERT ..... 24

ANNEX II - SCHEDULES: ..... 25

Schedule 1: Summary of recommended budgetary allocations for the Assembly, Office of the Governor and Departments..... 25



## CHAIRPERSON'S FOREWORD

The FY 2024/25 budget is the second under the current County Government Administration and is expected to improve on the lessons learnt from the experience in implementation of the current budget estimates. The budget is being processed at a time when the country is experiencing high levels of inflation, suppressed consumer demands, effects of climate change and the recent flashfloods which has led to loss of lives, property and destruction of infrastructure. The economic situation is currently volatile which in turn will significantly affect the County Government's ability to collect own source revenue, the amount of equitable share from the National Government, grants from development partners/donors and the overall budget implementation.

This budget was consultatively prepared in line with Section 125 of the Public Finance Management (PFM) Act, 2012. It integrates the Government's plans, objectives and the available estimated resources provided in the Annual Development Plan (ADP) for 2024/25 generated by the various Sector Working Groups (SWGs) and the County Fiscal Strategy Paper (CFSP) 2024 ceilings as approved by this Honorable House earlier. The concept or model of Programme Based Budgeting is used to translate this budget into programmes that provides stakeholders with a basis of tracking and interrogating budgetary allocations for the various County Government Entities. The County has focused resources mainly on agriculture, affordable health-care, gender, trade, lands, infrastructure, water, climate change and effective governance.

The Budget and Appropriations Committee is grateful to the Sectoral Committees and all Honorable Members who participated in the budget making process for their hard work and dedication in making sure that the Assembly lives up to its budgetary role of oversight. The Committee is also grateful to the public for their submissions during public participation fora and written memoranda. Lastly, the Committee is grateful to the Offices of the Speaker and the Clerk for the support granted to the Committee as it discharged it's mandate in reviewing the FY 2024/25 budget estimates.

It is therefore my humble pleasure, on behalf of the Budget and Appropriations Committee to table this report and recommend it to the House for adoption.

SIGNED  DATED 26-06-2024  
**HON. DOMINIC MULWA NDAMBUKI (MCA, KATHIANI CENTRAL WARD)**  
**CHAIRMAN, BUDGET AND APPROPRIATIONS COMMITTEE**



## 1.0 PREFACE

### 1.1 Mandate of the committee

1. The Budget and Appropriations Committee is a select Committee of the County Assembly of Machakos established pursuant to Standing Order 186 whose functions include to:

- 1) Investigate, inquire into and report all matters relating to coordination control and monitoring of the County budget;
- 2) Discuss and review the budget estimates and make recommendations to the Assembly;
- 3) Examine the County Budget Policy Statement presented to the Assembly;
- 4) Examine the bills related to the County budget including Appropriation Bills; and
- 5) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

### 1.2 Membership of the Committee

2. The Budget and Appropriations Committee as constituted by this honorable Assembly comprises of the following members: -

1. Hon. Dominic Ndambuki - Chairperson / MCA, Kathiani Ward
2. Hon. Justus Mutuku - Vice Chairperson / MCA, Wamunyu Ward
3. Hon. Stephen Mwanthi - MCA, Ekalakala Ward
4. Hon. Nicholas Nzioka - MCA, Machakos Central
5. Hon. Judas Ndawa - MCA, Matuu Ward
6. Hon. Peter Kilonzo - MCA, Mbiuni Ward
7. Hon. Phoebe Koki - MCA, Special Elect
8. Hon. Margaret Ndalana - MCA, Special Elect
9. Hon. Winfred Mutua - MCA, Special Elect

### 1.3 Secretariat

3. The Committee secretariat comprised the following:

1. Ms. Evelyn Kimote -Senior Clerk Assistant
2. Ms. Mary Nzembi -Clerk Assistant
3. Mr. Sylvester Nzangi -Senior Fiscal Analyst
4. Mr. Shadrach Mbithi -Fiscal Analyst
5. Ms. Margaret Wania -Legal Clerk
6. Ms. Ruth Mwikali -Hansard Reporter
7. Ms. Abigail Mulei -Commissionaire



## 2.0 LINKING THE 2024/2025 BUDGET ESTIMATES TO THE COUNTY ANNUAL DEVELOPMENT PLAN, CIDP, CFSP AND PFM ACT, 2012

4. The Second Schedule of the Public Finance Management (PFM) Act, 2012, paragraph 12(1) required that the implementation of Programme Based Budgets commence in the FY 2014/2015 for County Governments. This framework focuses on binding decisions on allocation of resources to expected outputs. Past budgets have always shown how much money is going to various departments and accounts without providing specific, measurable and realistic programmes. However, recently, the focus is more on the actual programmes and projects to be undertaken at the ward level that shall be supported by the resources received from the National Government and the revenues collected at the County level.
5. Programme Based approach in budgeting aims at:
  - (i) Enhancing programme outcomes through the exercise of an accountability framework;
  - (ii) Making use of budget resources more transparent by use of performance information to set targets and priorities by departments;
  - (iii) Ensuring that allocation of funds in the budget is linked to achievement of the county's development aspirations in an effective and efficient manner;
  - (iv) Giving decision makers a clearer understanding of the relationship among policies, programmes, resources and results; and
  - (v) Linking resource allocation to proposed development interventions as captured in the County's Integrated Development Plan (CIDP) and Annual Development Plan (ADP).
6. The Budget and Appropriations Committee has ensured that projects that are more realistic to implement are accommodated in this year's budget. As it is widely known, devolved units were meant to deliver development services to the wards to directly benefit the residents. The FY 2024/25 Budget is more focused on programmes that include equitable ward projects to ensure dynamic growth of the County's economy. The 2024/25 estimates were also informed by the strategies and ceilings that were formulated in the County Fiscal Strategy Paper (CFSP) 2024, County Integrated Development Plan (CIDP) 2023-2027 and the County Annual Development Plan (ADP) 2024/25.



## 2.1 Fiscal responsibility principles

8. Section 107 of the PFM Act, 2012 states that: -

- (1) *A County Treasury shall manage its public finances in accordance with the principles of fiscal responsibility set out in subsection (2) and shall not exceed the limits stated in the regulations.*
- (2) *In managing the County Government's public finances, the County Treasury shall enforce the following fiscal responsibility principles-*
  - (i) *The County Government's recurrent expenditure shall not exceed the County Government's total revenue;*
  - (ii) *Over the medium term, a minimum of thirty percent of the County Government's budget shall be allocated to the development expenditure;*
  - (iii) *The County Government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the County Government's total revenue as prescribed by the County Executive Member for Finance in regulations and approved by the County Assembly; Regulation 25 (1) (b) of the PFM Regulations (County Governments), 2015 sets the limit at 35% of the total revenue;*
  - (iv) *Over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;*
  - (v) *The County debt shall be maintained at a sustainable level as approved by the County Assembly;*
  - (vi) *The fiscal risks shall be managed prudently; and*
  - (vii) *A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, considering any tax reforms that may be made in the future.*

9. The preparation of the 2024/25 budget estimates has adhered to the fiscal responsibility principles so as to ensure prudence and transparency in the management of public resources save for the compensation to employees limit which stands at 45.4% way above the set limit of 35%; mainly driven by the compensation to our health workers.



### 3.0 EXAMINATION OF THE FY 2024/25 BUDGET ESTIMATES

#### 3.1 Submission and Committal of Budget Estimates

10. The proposed budget estimates for the FY 2024/25 were submitted to the County Assembly on 30<sup>th</sup> April, 2024 in line with Article 224 of the Constitution as read with Section 129(2) of the PFM Act, 2012 and Standing Order 206(1) of the County Assembly Standing Orders. Pursuant to Standing Order 206 (3), the budget estimates were committed to the Budget and Appropriations Committee as well as the Sectoral Committees of the Assembly on 7<sup>th</sup> May, 2024 for review of the proposals for each sector/department. The Budget and Appropriations Committee examined and discussed the submissions of the Sectoral Committees as well as from the public participation and subsequently considered them in finalizing the next financial year's budget.

#### 3.2 Public Participation Consultations and Submission of Memoranda

11. Articles 196(1) of the Constitution provides that, a County Assembly shall—

*(a) Conduct its business in an open manner, and hold its sittings and those of its committees, in public; and*

*(b) Facilitate public participation and involvement in the legislative and other business of the Assembly and its committees.*

12. Section 131(2) of the PFMA, 2012 provides that, *before the County Assembly considers the estimates of revenue and expenditure, the relevant committee of the County Assembly shall discuss and review the estimates and make recommendations to the County Assembly, and in finalizing the recommendations to County Assembly, the committee shall take into account the views of the County Executive Committee member for finance and the public on the proposed recommendations.*
13. In reviewing the FY 2024/25 budget estimates and in accordance with the above provisions, the Budget and Appropriations Committee and Sectoral Committees held several sittings with relevant stakeholders which included meetings with the County Executive Committee Members (CECMs), Chief Officers (COs) from various County Departments, County Assembly's Accounting Officer and Members of the Public.
14. The County Assembly invited CECMs and COs of the various departments to sectoral committees for interrogations of their respective departmental budget estimates on 27<sup>th</sup> and 28<sup>th</sup> May, 2024. The Assembly also held public participation on 30<sup>th</sup> May, 2024 (**Annex 1**) and requested for written memoranda from the general public to be submitted through the Office of the Clerk.



15. By the end of the set deadline for submission of memoranda, the Assembly received two memoranda on 28<sup>th</sup> and 30<sup>th</sup> May, 2024 from Emmanuel N. Kaloki regarding high wage bill and the Shinning Hope for Communities (SHOFECO) on youth business start-up kitty respectively. These submissions have been considered and incorporated in the Budget and Appropriations Committee's recommendations and in preparation of the Estimates.

#### **4.0 KEY HIGHLIGHTS OF THE FY 2024/2025 BUDGET ESTIMATES**

16. The submitted proposed total budget for the County for FY 2024/25 is estimated at Kshs. 13,953,201,444.00. This is a decrease of Kshs.793,801,002.00 from the FY 2023/24 approved budget. The County Treasury has proposed an increase of Kshs. 158,597,439.00 of the resource envelope from the 2024 CFSP ceiling of Kshs. 13,794,604,005.00 as approved by the Assembly. The difference was as a result of enhanced Conditional Grants from Kshs. 882,993,225.00 to Kshs. 899,418,486.00, Hospital Revenues from Kshs. 500M to Kshs. 600M and own source revenue from Kshs. 2,694,783,195.00 to Kshs. 2,749,783,195.00. The unconditional grants have also been reduced to Kshs. 1,708,218.00 from Kshs 14,536,040.00.
17. The projected revenue is appropriated for recurrent and development purposes in these proposed proportions: Kshs. 9,766,241,010.00 (70%) for recurrent and Kshs. 4,186,960,434.00 (30%) for development expenditure. The total personnel emoluments is budgeted at Kshs. 6,335,195,693.00, a total wage bill of 45.4%. The Operations and Maintenance is projected at Kshs. 3,262,587,099.00.
18. During deliberations with sectoral committees, it emerged that the issue of pending bills continues to persist despite the National Government directive to clear all pending bills in preceding FYs. The Committee proposes that no new commitments should be entered into if there are no funds.
19. The County should also adhere to the proposed budget estimates, and the Assembly should interrogate any additional expenditure requests that may arise in the course of the FY and only allow requests that are deemed to be core and of emergency nature at the time of request.



## 5.0 FINANCING OF THE FINANCIAL YEAR 2024/25 BUDGET

20. The revenue for FY 2024/25 as proposed by the County Treasury is **Kshs. 13,953,201,444.00** comprising of:

- i. Equitable Share: Kshs. 9,689,368,198.00;
- ii. Equalization Fund: Kshs. 12,923,347.00;
- iii. Conditional Grants: Kshs. 899,418,486.00;
- iv. Unconditional Grants: Kshs. 1,708,218.00
- v. Hospital Revenues: Kshs. 600,000,000.00;
- vi. Own Source Revenue: Kshs. 2,749,783,195.00.

21. After submission of the budget, the County Allocation of Revenue Bill and the County Governments Additional Allocations Bill were tabled at the Senate proposing to amend the resource envelope for the County. Following this, the CECM Finance submitted additional notes to the County Assembly vide letter ref. MCG/BB/2023-2024/Vol.1(71) dated 24<sup>th</sup> June, 2024 and received by the Assembly on 25<sup>th</sup> June, 2024 with a revised resource envelope as follows;

(1) Equitable Share: Kshs. 9,914,003,936.00;

(2) Unconditional Grants: Kshs. 1,708,218.00 which includes;

- i. Court fines Kshs. 1,617,189.00
- ii. Mineral royalties Kshs 91,029.00

(3) Conditional Grants: Kshs. 1,000,511,971.00 comprising of:

- i. Community Health Promoters project - Kshs. 83,250,000.00
- ii. Road Maintenance Fuel Levy – Kshs. 314,847,146.00
- iii. Kenya Urban Support Project Institutional Grant – Kshs.35,000,000.00
- iv. Kenya Urban Support Project Development Grant – Kshs. 90,174,566.00
- v. Kenya Devolution Support Programme (KDSP II) – Kshs. 37,500,000.00
- vi. Primary healthcare in devolved Context - DANIDA: Kshs.11,943,750.00
- vii. Emergency locust response project - World Bank: Kshs. 104,600,000.00
- viii. Kenya Agricultural Business Development Project (KABDP) – Kshs 10,918,919.00
- ix. Aquaculture business development programme (ABDP) -IFAD Kshs. 12,262,438.00
- x. Financing locally led climate change action programme (FLLoCA) Kshs. 137,500,000.00.
- xi. FLLoCA county climate institutional support by World Bank Kshs. 11,000,000.00
- xii. National agricultural value chain development project: Kshs. 151,515,152.00.

(4) Hospital Revenues: Kshs. 687,000,000.00.

(5) Own Source Revenue: Kshs. 2,788,961,509.00.

**Total Revenue**

**Kshs. 14,392,185,633.00**



22. The Committee notes that the Own Source Revenue (OSR) target is very high given the trend of the same over the previous years and thus urges the County Treasury to review the same and further put in place strong revenue collection strategies to ensure the achievement of the target. Despite the continued trend of not realizing OSR collection targets, the County Treasury has enhanced the revenue targets from the CFSP, 2024 ceiling of Kshs 2.69B to Kshs 2.75B. This may be unattainable leading to more pending bills and overall under implementation of the budget especially the development expenditure.

## **6.0 SUBMISSIONS FROM THE PUBLIC, SECTORAL AND CECM FINANCE**

### **6.1 Submissions from public participation**

23. Article 196(1)(b) of the Constitution requires the County Assembly to facilitate public participation and involvement in the legislative and other business of the Assembly and its committees. In addition, Section 131(2) of the PFM Act, 2012 requires the relevant Committee of the County Assembly to which the budget estimates are committed to, to consider the views of the public when finalizing its report on the proposed recommendations to the Assembly.
24. In this regard, the Assembly conducted public participation on 30<sup>th</sup> May, 2024. The submissions received from the public covered a wide range of concerns from all the sectors. The summary of public views as per Departments are as follows:
- (a) Department of Roads, Transport and Public Works**
25. In the Department of Roads, Transport and Public Works, members of the public proposed that the budget for construction of rural access roads be increased to at least Kshs. 800M from the allocation of Kshs. 200M since the roads were damaged by the recent flash floods. Further, allocation of routine maintenance be enhanced from Kshs. 10M to Kshs. 50M. On the vote line for buildings the public proposed that the specific buildings be indicated.
- (b) County Assembly**
26. The public proposed that the budget should include specific breakdown of the ward offices and related facilities that will be constructed with the Kshs. 50M allocation, the location and amount to be spend on each office.



**(c) Department of Health**

27. The public requested for allocation of more funds for upgrading some of the health facilities to the next levels such as Matuu Level IV to Level V.

**(d) Department of Lands, Housing, Urban Development and Energy**

28. Under this department, the public proposed that the County Government increases the allocations for rural electrification, street lights and flood lights. They further proposed that the specific projects location be indicated. It was also proposed that some allocations be made to facilitate the establishment of the recently gazetted municipalities.

**(e) Department of Trade, Industry, Tourism and Innovation**

29. Under this department, the public proposed allocation of funds for construction and completion of modern Kiosks.

**(f) Department of Water, Irrigation, Environment and Climate Change**

30. Members of public proposed:

- (i) An increase in the budgetary allocation for de-silting of dams, water pans and canals from Kshs. 100.5M to Kshs. 150M.
- (ii) Enhancement of budgetary allocation for drilling, equipping, rehabilitation and casing of boreholes to address the acute water shortage in the County.

**(g) Department of Education**

31. Members of the public proposed an increase of budgetary allocation for bursaries, teaching aids, construction of ECDE classes and rehabilitation of youth polytechnics/VTCs. In addition, it was proposed that funds be allocated to support youths who have been trained in the Polytechnics/VTCs to start self-employment ventures.

**(h) Department of Gender, Youth, Sports and Social Welfare**

32. The public proposed that there is need for budget allocation to sensitize the youths on the available resources since most of them could not utilize the funds due to lack of information e.g youth empowerment and Wikwatyo funds. It was also proposed that an allocation be made for levelling of community play grounds.



**(i) Department of Devolution**

33. Members of public proposed for budgetary enhancement of public participation and citizen engagement from Kshs. 8M to at least Kshs. 30M.

**(j) Department of Finance, Economic Planning and Revenue Management**

34. The public noted that there was budgetary allocation for emergencies, but were concerned that even after the effects of the recent floods there was no compensation done to the victims. They also proposed that the emergency fund be enhanced to enable the County deal with unforeseen happenings effectively.

**6.2 Submissions from the Sectoral Committees**

35. The Sectoral Committees reviewed the budget proposals for each department within their purview, conducted interrogations and submitted their recommendations to the Budget and Appropriations Committee for incorporation in this report as follows:

**(a) Environment and Natural Resources Committee**

36. The committee noted and resolved the following:

- i. That the tree seedlings be bought from the local farmers in the wards.
- ii. That the department collaborates with the National Government with an aim of devolving the forests within the County e.g Katunga forest.
- iii. That the budget be approved as proposed.

**(b) Finance and Revenue Collection Committee**

37. The Committee recommended that the departmental estimates be retained as proposed.

**(c) Agriculture Committee**

38. The Committee made the following observations/proposals:

- (i) The department to initiate the procurement process early enough to ensure that most of the projects are implemented before the end of the financial year.
- (ii) Further the department be allocated sufficient budget by the County Treasury to avoid relying on donor funds which come with specific conditions and cannot be diverted to other projects.
- (iii) The budget allocation for the department be retained as per the CFSP ceilings.



**(d) Transport, Roads and Public Works Committee**

39. The Committee made the following observations/proposals:

- a) That the allocated budget for personnel emoluments as per the CFSP ceilings is Kshs. 186,758,309 whereas the required budget allocation for FY 24/25 is Kshs. 198,186,209.32 leading to a deficit of Kshs. 11,427,900.32.
- b) That the allocated budget for insurance cost for transport is Kshs. 25M and the required budget is Kshs. 39M for all county equipment and motor vehicle leading to a deficit of Kshs. 14M.
- c) That the Roads, Transport and Public Works department's development budget be increased by Kshs. 361,537,614.93; Kshs. 203,924,000.00 for Roads and Transport and Kshs. 157,613,614.93 for Public Works.

**(e) Social Welfare and Sports Committee**

40. The Sectoral Committee proposed the following;

- i. That the department should allocate funds for upgrading of community playgrounds noting that most of them have been affected by the recent heavy rains experienced in the country.
- ii. That the budget for completion of stadia to be revised upwards.
- iii. That the staff remunerations be increased noting that the department has a deficit of Kshs. 24,374,868.00 in the proposed budget estimates.

**(f) Water and Irrigation Committee**

41. The Committee recommends as follows:

- i. That the funds amounting to Kshs. 33M allocated for research and feasibility study (Drainage system and waste management) be utilized for construction of public toilets and sanitation blocks in all the forty wards.
- ii. The department's ceilings be retained as they were in the CFSP ceilings for 2024/25.
- iii. That the department should ensure equality while distributing water projects to all the 40 wards.
- iv. That the department should clearly capture the project sites to avoid conflicts on where projects are being done.



**(g) Education and Social Services Committee**

42. The Sectoral Committee recommends that;

- i. The feeding programme be properly captured and be assigned its own vote line i.e other current transfers (feeding programme) and not as food and rations.
- ii. The budget for construction of ECDE classes be enhanced to factor construction of ECDE classes and the required amenities which include washrooms, office, kitchenette that has a store to cater for storage of the food rations for the learners.
- iii. There is need for additional budget of Kshs. 43.2M and Kshs. 40M for recruitment of 100 ECDE teachers and 100 VTC instructors respectively.
- iv. The budget for capitation be enhanced from the current Kshs. 31M to Kshs. 61,225,000.00
- v. The budget for Teaching and learning Materials be enhanced to Kshs. 15M.

**(h) Lands and Energy Committee**

43. The sectoral committee recommends that;

- i. The recurrent budget for the department of Lands be adjusted from Kshs. 46M to Kshs. 49M as per the provisions in the CFSP 2024.
- ii. The recurrent budget for the department of Energy be adjusted from Kshs. 20M to Kshs. 32M as provided in the CFSP to cater for Rural Electrification and Renewal Energy Corporations (REREC) bills.
- iii. The Development budget for the department of Energy be adjusted from Kshs. 123M to Kshs. 153M as provided in the CFSP to cater for Solarization programs.

**(i) Trade, Economic Planning and Industrialization Committee**

44. The Committee recommends that;

- i. The development budget for trade be retained as per the CFSP ceiling.
- ii. Enhancement for budget for compensation of employees under the departments of Trade & External Relations, Industry & Innovation and SMEs by Kshs. 70, 573,542.00.

**(j) Culture and Tourism Committee**

45. The Sectoral Committee proposes allocation of additional Kshs. 25M for enforcement of liquor licensing which includes acquisition of liquor licensing software and establishment of two rehabilitation centers.



**(k) Labor, Public Service and ICT Committee**

46. In the sector, public Service and Performance Management the sectoral committee recommends that the budget be enhanced as follows;

- i. Kshs. 15M for County Human Resource Audit which will assist to curb the ballooning wage bill.
- ii. Kshs. 5,910,399.00 allocated for operational expenses and Kshs. 3,796,931.00 for purchase of motor vehicles be enhanced.

**(l) Health and Emergency Services Committee**

47. The Committee proposed that the Kshs. 16M which has been allocated for conducting Research, feasibility studies (survey on customer satisfaction on health services) be equally disbursed to Mwala Level 4 and Kimiti Level 4 hospitals for construction of non- residential buildings and Kshs. 30M under recurrent be allocated to the newly Level 4 Hospital in Masii for purchase of drugs and other consumables since it's expected to be operationalized by 30<sup>th</sup> June, 2024.

**(m) Decentralized Units and County Administration Committee**

48. The Sectoral Committee thus proposes as follows;

- i. Enhancement of budget for staff salaries to cater for promotions, statutory deductions, employment of 100 new staff and for the three municipalities.
- ii. An increase in the development vote budget to cater for purchase of skip loaders, facilitation of Ad hoc committee on conferment of Municipal status (Kshs.10M), construction of dump sites in Machakos and Kangundo Municipalities.

**(n) Justice and Legal Affairs Committee**

50 The committee recommended as follows;

- i. The recurrent budget for the office of the County Attorney be enhanced for employees' salaries and statutory deductions.
- ii. The development budget be enhanced to enable construction of office block.

**6.3 Submissions from the CECM Finance, Economic Planning and Revenue Management**

49. The Budget and Appropriations Committee invited the CECM Finance, Economic Planning and Revenue Management on 24<sup>th</sup> June, 2024 to shed light on issues raised from the budget estimates 2024/2025. The following clarifications were made;

- a) The overall absorption rate as at 30.5.2024 is at 55%.
- b) Most of the programs are aligned with the ADP and CFSP 2024 except for the ceiling



allocation under the approved CFSP 2024 which has been caused by change of the resource envelope.

- c) The settlement of the pending bills will be done in phases within a period of four years so as to ensure that the County continues implementing projects.
- d) The issue of high compensation to employees is as a result of high wages for the health sector which accounts for 54% for the total wage bill.
- e) On strategies put in place to achieve OSR, the CECM informed the committee that the Treasury has automated the health revenues and implementation of the valuation roll which is in draft form and has identified 2 Million parcels of land against 55,000 parcels existing in the current government records. Further, the County Executive will enhance enforcement on various regulations to improve revenue collection.
- f) The County Treasury circular is domesticated from the National Treasury circular on budget preparation and therefore the information provided under PBB is deemed satisfactory.
- g) The allocation of Kshs. 42M for emergency fund will be enhanced in future when the disaster management plan is approved and fund has been operationalized.
- h) The conditional grants agreements are undertaken between the National Government and the Development Partners/Donors. The County allocations are therefore dependent on the County Additional Allocation Act as approved by the National Assembly/Senate.
- i) In relation to asset disposal revenue the CECM informed the committee that the process is on-going in the current financial year.
- j) The funding of L5 and L4 hospitals has been allocated as per the constraint of resource envelope. Further after the County Revenue Allocation Bill by Senate on 11.6.2024 the County Executive has enhanced the development allocation of the said hospitals.
- k) The recurrent budget for fuel in the departments of Roads and Water are capitalized due to their social economic impact (allocated for purpose of project implementation) to citizen.
- l) After Change of the resource envelope and gazettelement of the ad-hoc committee on municipalities, the County Executive has done the initial allocation of Kshs. 4.8M.
- m) The County allocation on conditional grants/unconditional is dependent on County Governments Additional Allocations Bill.



## **7.0 GENERAL COMMITTEE'S OBSERVATIONS**

50. The proposed Budget Estimates have a Recurrent Expenditure of Kshs. 10,067,055,062.00, this represents 69.95% of the total budget (approved CFSP 2024 ceiling was Kshs. 9,639,472,804.00), while the Development Expenditure is Kshs. 4,325,130,572.00 which represents 30.05% of the total budget (approved CFSP,2024 ceiling was Kshs. 4,155,131,201.00). The County Resource Envelope for FY 2024/25 totals to Kshs. 14,392,185,634.00 while the amount recommended in the approved CFSP 2024 was Kshs. 13,794,604,005.00.
51. Due to the adjustments of the proposed expenditure framework, the recurrent expenditure has been revised to Kshs. 10,067,055,062.00 translating to 69.95% and development expenditure to Kshs. 4,325,130,572.00 translating to 30.05%. This allocation conforms to Section 107 of the PFM Act which has set development to be at least 30% of the total revenue.
52. The County Treasury proposed Budget Estimates are not in line with the approved CFSP, 2024 ceilings resulting to deviations that were caused by upward revision of revenues.
53. In relation to the fiscal responsibility principles, the County Treasury proposes to allocate 30% of the total revenue on development expenditures while compensation to employees stands at 45.4%. A revision of revenues as per the County Allocation of Revenue Bill, 2024 pushes compensation to employee to 44.39% of the total revenue. This has violated the set limit of 35% of total revenue.
54. Some items that are normally classified as of recurrent nature have been budgeted for under development e.g. purchase of motor vehicles, purchase of softwares, feasibility studies, purchase of computers, fuels and lubricants, purchase of office furniture and general equipment. The Committee is concerned as to whether these allocations will be absorbed at their current classification and recommends that they be reclassified to recurrent votes.
55. The Committee observed that the County Treasury has proposed to collect Kshs. 2,788,961,509.00 from ordinary own source revenue. This projected amount is above the Kshs. 2,694,783,195.00 approved in the CFSP, 2024 as well as the actual revenue collected from previous financial years.

## **8.0 BUDGET COMMITTEE'S RECOMMENDATIONS**

56. The Budget and Appropriations Committee received and took into consideration the recommendations of Sectoral Committees arising from their engagement with the respective CECMs/Chief Officers of various departments, those from the public as well as the views of the CECM Finance, Economic Planning and Revenue Management. Further, the committee had interaction sessions with the Accounting Officer of the County Assembly concerning the Assembly's budget. The committee also received memoranda from Mr. Emmanuel Kaloki and



Shinning Hope for Communities (SHOFSCO). Based on the above deliberations and putting into consideration the fiscal responsibility principles, the Committee recommends as follows;

57. Approval of the resource envelope:

- a) Equitable Share: Kshs. 9,914,003,936.00;
- b) Unconditional Grants: Kshs. 1,708,218.00 which includes;
  - i. Court fines Kshs. 1,617,189.00
  - ii. Mineral royalties Kshs 91,029.00
- c) Conditional Grants: Kshs. 1,000,511,971.00 comprising of:
  - i. Community Health Promoters project - Kshs. 83,250,000.00
  - ii. Road Maintenance Fuel Levy – Kshs. 314,847,146.00
  - iii. Kenya Urban Support Project Institutional Grant – Kshs.35,000,000.00
  - iv. Kenya Urban Support Project Development Grant – Kshs. 90,174,566.00
  - v. Kenya Devolution Support Programme (KDSP II) – Kshs. 37,500,000.00
  - vi. Primary healthcare in devolved Context - DANIDA: Kshs.11,943,750.00
  - vii. Emergency locust response project - World Bank: Kshs. 104,600,000.00
  - viii. Kenya Agricultural Business Development Project (KABDP) – Kshs 10,918,919.00
  - ix. Aquaculture business development programme (ABDP) -IFAD Kshs. 12,262,438.00
  - x. Financing locally led climate change action programme (FLLoCA) Kshs. 137,500,000.00.
  - xi. FLLoCA county climate institutional support by World Bank Kshs. 11,000,000.00
  - xii. National agricultural value chain development project: Kshs. 151,515,152.00.
- d) Hospital Revenues: Kshs. 687,000,000.00.
- e) Own Source Revenue: Kshs. 2,788,961,509.00.

**Total Revenue**

**Kshs. 14,392,185,633.00**

58. The Committee noted that the County Additional Allocation of Revenue Bill had stipulated conditions to be met for the County to be able to access the conditional grants. The Executive should ensure that they meet the said conditions within a reasonable time so as to be able to access these conditional grants.

59. The County Treasury should put in place strong revenue mobilization strategies to avert in future a scenario where revenue projections from own source streams are adjusted downwards as it has happened in previous fiscal years. These revisions also result in increased pending bills.

60. The Committee recommends that the implementation of the FY 2024/25 projects should commence immediately with the planning/procurement process beginning as early as July, 2024.



61. The Committee recommends that the Key Performance Indicators (KPIs) should be specific, measurable, attainable, realistic and time bound (SMART) in the Programme Based Budget (PBB).
62. The recurrent expenditure to be set at Kshs. 10,067,055,062.00 and development to be set at Kshs. 4,325,130,572.00. The resultant effect is allocation of 30.05% to development and 69.95% to recurrent expenditure as required by the PFMA, 2012 and be distributed among departments as per schedule 1:
63. The Budget and Appropriation Committee observes and recommends the expenditure framework for FY 2024/25 as follows;

**a. Office of the Governor**

64. Under the Office of the Governor, the County Treasury had proposed total budget estimates of Kshs. 658,679,214.00 which constituted Kshs. 598,849,155.00 and Kshs. 59,830,059.00 for Recurrent and Development expenditures respectively.
65. The committee noted that the County Executive's recurrent ceiling was revised upwards in the County Allocation of Revenue Bill, 2024. It is worth noting that according to the Commission on Revenue Allocation (CRA), the County Executive consists of the Office of the Governor, Deputy Governor, County Executive Committee (Cabinet), County Secretary, Chief Officers, Chief of staff, Advisors, Audit Committee, County Budget and Economic Forum, Sub County/Ward/village administrators, Public Service Board and the County Attorney. However, the budget of the County Attorney has been reflected as an independent department. The committee recommends that the budget should be aligned to the County Allocation of Revenue Bill ceiling.
66. The Committee recommends Kshs. 797,345,769.00 for Recurrent Expenditure and Kshs. 59,830,059.00 for Development Expenditure respectively; resulting to a total of Kshs. 857,175,828.00 for the Office of the Governor.

**b. Department of Devolution**

67. Under this department, the County Treasury proposed total budget estimates of Kshs. 1,141,158,511.00, which constitutes of Kshs. 1,010,248,037.00 for Recurrent expenditure and Kshs. 130,910,474.00 for Development expenditure.
68. The Committee recommends Kshs. 1,010,248,037.00 for Recurrent Expenditure and Kshs. 117,987,127.00 for Development Expenditure; a total of Kshs. 1,128,235,164.00



**c. Department of Trade, Industry, Tourism and Innovation**

69. In this department, the County Treasury had proposed total Budget Estimates of Kshs. 287,593,261.00 which constituted Kshs. 157,017,292.00 and Kshs. 130,575,969.00 for Recurrent and Development expenditures respectively.

70. The Committee recommends Kshs. 157,017,292.00 for Recurrent Expenditure and Kshs. 130,575,969.00 for Development Expenditure; a total of Kshs. 287,593,261.00

**d. Department of Finance, Economic Planning and Revenue Management**

71. In the Department of Finance, Economic Planning and Revenue Management, the County Treasury had proposed a total budget of Kshs. 1,241,521,121.00 which constituted Kshs. 994,884,450.00 and Kshs. 246,636,671.00 for Recurrent and Development expenditures respectively.

72. The Committee recommends an allocation Kshs. 994,884,450.00 for Recurrent Expenditure and Kshs. 246,636,671.00 for Development Expenditure; a total of Kshs. 1,241,521,121.00.

**e. Office of The County Attorney**

73. The County Treasury had proposed a total Budget of Kshs. 93,361,773.00 which constituted Kshs. 86,851,773.00 and Kshs. 6,510,000.00 for Recurrent and Development expenditures respectively in the office of County Attorney.

74. The Committee recommends an allocation of Kshs. 86,851,773.00 and Kshs. 6,510,000.00 for Recurrent and Development Expenditures respectively; a total of Kshs. 93,361,773.00.

**f. Department of Agriculture, Food Security and Cooperative Development**

75. In this department, the County Treasury had proposed a total budget of Kshs. 787,361,765.00 which constituted Kshs. 276,621,746.00 and Kshs. 510,740,019.00 for Recurrent and Development expenditures respectively.

76. Hon. Speaker, the Committee recommends Kshs. 276,621,746.00 for Recurrent Expenditure and a Development Budget of Kshs. 521,658,938.00; a total of Kshs. 798,280,684.00.

**g. Department of Water, Irrigation, Environment and Climate Change**

77. Under this department, the County Treasury had proposed a total budget estimate of Kshs. 751,812,220.00 which constituted Kshs. 146,200,496.00 and Kshs. 605,611,724.00 for Recurrent



and Development expenditures respectively.

78. After considerations, the Committee recommends a Recurrent Expenditure of Kshs. 146,200,496.00 and that of Development Kshs 605,611,724.00 a total of Kshs. 751,812,220.00.

**h. Department of Health**

79. Under Health, the County Treasury had proposed a total budget of Kshs. 4,765,362,254.00 which constituted Kshs. 4,242,640,010.00 and Kshs. 522,722,244.00 for Recurrent and Development Expenditures respectively.

80. The Committee hereby recommends an allocation of Kshs. 4,242,640,010.00 for Recurrent Expenditure and Kshs. 522,722,244.00 for Development Expenditure; a total of Kshs. 4,815,362,254.00

**i. Department of Roads, Transport and Public Works**

81. The County Treasury had proposed a total Budget of Kshs. 1,274,321,385.00 which constituted Kshs. 244,405,006.00 and Kshs. 1,029,916,379.00 for Recurrent and Development expenditures respectively.

82. The Committee recommends Kshs. 244,405,006.00 and Kshs. 1,029,916,379.00 for Recurrent and Development Expenditure respectively; a total of Kshs. 1,274,321,385.00.

**j. Department of Education**

83. In this department, the County Treasury had proposed a total budget of Kshs. 671,214,132.00 which constituted Kshs. 560,803,754.00 for Recurrent and Kshs. 110,410,378.00 for Development.

84. The Committee therefore recommends an allocation of Kshs. 560,803,754.00 for Recurrent Expenditure and Kshs. 110,410,378.00 for Development Expenditure; a total of Kshs. 671,214,132.00.

**k. Department of Lands, Urban Development, Housing and Energy**

85. Under Lands, Urban Development, Housing and Energy, the County Treasury had proposed a total budget of Kshs. 472,879,025.00 which constituted Kshs. 236,137,941.00 for Recurrent and Kshs. 236,741,084.00 for Development.



86. The Committee recommends Kshs. 253,137,941.00 for Recurrent Expenditure and Kshs. 326,915,650.00 for Development Expenditure; a total of Kshs. 580,053,591.00.

**l. Department of Gender, Youth, Sports and Social Welfare**

87. In this department, the County Treasury had proposed total budget estimates of Kshs. 544,730,317.00 comprising of Kshs. 144,571,815.00 for recurrent and Kshs. 400,158,502.00 for development expenditure.

88. The Committee further recommends that the Recurrent Expenditure be set at Kshs. 144,571,815.00 and Kshs. 400,158,502.00 for Development Expenditure; a total of Kshs. 544,730,317.00.

**m. County Public Service Board**

89. Under the County Public Service Board, the County Treasury had proposed a total budget of Kshs. 59,810,640.00 comprising Kshs. 38,013,709.00 and Kshs. 21,796,931.00 for recurrent and development spending respectively.

90. The Committee recommends that the Recurrent Expenditure be set at Kshs. 38,013,709.00 and Kshs. 21,796,931.00 for Development Expenditure; a total of Kshs. 59,810,640.00 as per the County Treasury's proposal.

**n. The County Assembly**

91. In the County Assembly, the County Treasury had proposed a total budget estimate of Kshs. 1,203,395,826.00 comprising Kshs. 1,028,995,826.00 for Recurrent expenditure and Kshs. 174.4M for Development expenditure.

92. The committee noted that the Assembly recurrent ceiling was revised upwards in the County Allocation of Revenue Bill, 2024 from Kshs. 1,028,995,826.00 to Kshs 1,094,313,264.00.

93. The Committee in line with the CARB, 2024, recommends Kshs. 1,114,313,264.00 for Recurrent Expenditure, inclusive of current transfers and Kshs. 174.4M for Development Expenditure; a total budget of Kshs. 1,288,713,264.00.




## 9.0 CONCLUSION

94. The Committee therefore recommends that this Honorable House resolves to:

- a) Approve the report and recommendations of the Budget and Appropriations Committee on the Budget Estimates for the FY 2024/25;
  - b) Approve that this report forms the basis for the preparation of the Appropriation Act of FY 2024/25;
  - c) Approve that this report forms the basis for the FY 2024/25 final itemized/detailed budget estimates and the Programme Based Budget; and,
  - d) Approve the County Fiscal Strategy Paper, 2024 deviations as recommended by the Committee.
95. On behalf of Budget and Appropriations Committee and as required under Article 224 of the Constitution of Kenya, 2010 read with Section 131 (2) of the PFM Act, 2012, it is my pleasure to present to this Honorable House the Committee's report on the FY 2024/25 budget estimates for consideration and approval.

SIGNED \_\_\_\_\_



DATED \_\_\_\_\_

26-06-2024

**HON. DOMINIC MULWA NDAMBUKI (MCA, KATHIANI CENTRAL WARD)**

**CHAIRMAN, BUDGET AND APPROPRIATIONS COMMITTEE**





County Hall  
Along Mwatu wa Ngoma Rd.  
P.O. Box 1168-90100  
Machakos-Kenya

REPUBLIC OF KENYA  
**COUNTY GOVERNMENT OF MACHAKOS**  
**COUNTY ASSEMBLY OF MACHAKOS**



Email: [info@machakosassembly.go.ke](mailto:info@machakosassembly.go.ke)

**THE MACHAKOS COUNTY FINANCE BILL 2024 AND THE MACHAKOS  
COUNTY BUDGET ESTIMATES FY 2024/2025**

**PUBLIC HEARINGS/RECEIPT OF MEMORANDA**

Pursuant to Article 35, Article 174 (c) &(d), Article 196 (1) (b) and Article 232 (d) & (f) of the Constitution of Kenya, 2010, Section 87 of the County Governments Act (No. 17 of 2012), Section 129(2)(a) of the Public Finance Management Act, 2012 and Standing Order no. 120 (3) of the County Assembly of Machakos Standing Orders; the Committees on Finance and Revenue Collection and that of Budget and Appropriations invites interested members of the Public for public participation and submission of memoranda on the Machakos County Finance Bill 2024 and the Machakos County Budget Estimates FY 2024/2025.

Representations may be made orally or by submission of written memoranda in the following manner:

1. Public hearings which shall be held on the date, venues and time indicated below.

DATE	VENUE	TIME
30 <sup>TH</sup> MAY, 2024	MACHAKOS SOCIAL HALL	10:00 AM
30 <sup>TH</sup> MAY, 2024	MATUU OUTSIDE MCA'S WARD OFFICE	10:00 AM

2. Written memoranda and recommendations may be forwarded to the Clerk of the County Assembly through Post Office address 1168-90100, Machakos or hand delivered to the Office of the Clerk, County Assembly of Machakos, County Hall, along Mwatu Wa Ngoma Road, Machakos Town or by email through [info@machakosassembly.go.ke](mailto:info@machakosassembly.go.ke) so as to reach the Clerk on or before **Friday 31<sup>st</sup> May, 2024 by 5:00 p.m.**

The Machakos County Finance Bill 2024 and the Machakos County Budget Estimates 2024/2025 are available on the County Assembly of Machakos website <http://www.machakosassembly.go.ke>

**DENIS MUTUI**  
**AG. CLERK OF THE COUNTY ASSEMBLY.**



**ANNEX II - SCHEDULES:**

**Schedule 1: Summary of recommended budgetary allocations for the Assembly, Office of the Governor and Departments**

**Recommended Departmental Recurrent and Development Allocations**

Code	Department	Recommended Recurrent Budget	Code	Recommended Development Budget	Total (Kshs.)
R0001	Office of the Governor	797,345,769.00	D0001	59,830,059.00	857,175,828.00
R0002	Devolution	1,010,248,037.00	D0002	117,987,127.00	1,128,235,164.00
R0003	Trade, Industry, Tourism and Innovation	157,017,292.00	D0003	130,575,969.00	287,593,261.00
R0004	Finance, Economic Planning & Revenue Management	994,884,450.00	D0004	246,636,671.00	1,241,521,121.00
R0005	Agriculture, Food Security and Co-operative Development	276,621,746.00	D0005	521,658,938.00	798,280,684.00
R0006	Health	4,242,640,010.00	D0006	572,722,244.00	4,815,362,254.00
R0007	Roads, Transport and Public Works	244,405,006.00	D0007	1,029,916,379.00	1,274,321,385.00
R0008	Education	560,803,754.00	D0008	110,410,378.00	671,214,132.00
R0009	Lands, Urban Development, Housing and Energy	253,137,941.00	D0009	326,915,650.00	580,053,591.00
R0010	Gender, Youth, Sports and Social Welfare	144,571,815.00	D0010	400,158,502.00	544,730,317.00
R0011	Water, Irrigation, Environment and Climate Change	146,200,496.00	D0011	605,611,724.00	751,812,220.00
R0012	County Public Service Board	38,013,709.00	D0012	21,796,931.00	59,810,640.00
R0013	County Assembly	1,114,313,264.00	D0013	174,400,000.00	1,288,713,264.00
R0014	County Attorney	86,851,773.00	D0014	6,510,000.00	93,361,773.00
<b>Total</b>		<b>10,067,055,062.00</b> <b>(69.95)</b>		<b>4,325,130,572.00</b> <b>(30.05%)</b>	<b>14,392,185,634.00</b> <b>(100%)</b>





REPUBLIC OF KENYA  
COUNTY GOVERNMENT OF MACHAKOS  
COUNTY ASSEMBLY OF MACHAKOS



County Hall  
Along Mwatu wa Ngoma Rd  
P O Box 1168 – 90100  
MACHAKOS – KENYA  
Third Assembly

Email: [assemblymks@gmail.com](mailto:assemblymks@gmail.com)

**Adoption schedule for Report of the Budget and Appropriations Committee  
on Machakos County Budget Estimates FY 2024/2025.**

The report was adopted by the following Members:

**Date: 26<sup>th</sup> June, 2024**

NO.	COMMITTEE MEMBERSHIP	SIGNATURE
1.	Hon. Dominic Ndambuki –Chair	
2.	Hon. Justus Mutuku – Vice Chair	
3.	Hon. Nicholas Nzioka - Member	
4.	Hon. Stephen Mwanthi - Member	
5.	Hon. Judas Ndawa - Member	
6.	Hon. Phoebe Koki - Member	
7.	Hon. Peter Kilonzo - Member	
8.	Hon. Winfred Mutua - Member	
9.	Hon. Margaret Ndalana - Member	