

REPUBLIC OF KENYA  
BARINGO COUNTY GOVERNMENT



THE COUNTY TREASURY

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BUDGE STATEMENT FOR 2018/19 FINANCIAL YEAR

By

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Theme: “kick starting the County transformative agenda” ”

28<sup>TH</sup> June, 2018.

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STATEMENT DELIVERED TO BARINGO COUNTY ASSEMBLY BY THE COUNTY  
EXECUTIVE MEMBER FOR FINANCE AND ECONOMIC PLANNING, WHEN  
HIGHLIGHTING THE BUDGET POLICY AND REVENUE RAISING MEASURES  
FOR FISCAL YEAR 2018/2019  
1<sup>ST</sup> JULY, 2018 TO 30<sup>TH</sup> JUNE, 2019

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## 1.0 INTRODUCTION

**Mr. Speaker;** it is a great honour and privilege to present the highlights of the sixth budget since devolution and the first under the Administration of H.E The Governor, Hon Stanley Kiptis, in accordance with part 4 section 102 to 186 of the Public Finance Management Act, 2012 and Standing Order No.209 of the County Assembly.

**Mr. Speaker,** before I proceed, allow me to take this early opportunity to express my sincere gratitude to H.E the Governor for appointing me as County Executive Committee Member and entrusting me with the important task of spearheading the **Transformational Agenda for the People of Baringo County**. My gratitude also come to this house that saw in me a great potential to transform our great county during vetting process and also granting me an opportunity to present my maiden budget statement.

**Mr. Speaker,** let me also, at the onset, thank the Budget and Appropriation Committee under the chairmanship of **Hon. John Aengwo** for the constructive engagement during the assembly review of the Budget Estimates. More appreciation also goes to the Finance and Economic Planning committee, under the able leadership of **Hon. Peter Kebut** for the productive engagement in development planning issues.

**Mr. Speaker;** The FY 2018/2019 budget is set to be consistent with the Medium-Term development frameworks as set out by the four county strategic pillars as outlined in the County Integrated Development Plan (CIDP) 2018-2022, Annual

Development Plan (ADP) 2018/19, the government ‘Big Four’, the Governor’s Manifesto and other broad development policies and priorities.

**Mr. Speaker;** The National Government has prioritized policy objectives under “The Big Four” Agenda that will lead to faster growth of the economy. This Agenda targets to: (i) Support value addition and raise the manufacturing sector share to GDP to 15 percent by 2022; ii. Focus on initiatives that guarantee food security and nutrition to all Kenyans by 2022; iii. Provide Universal Health Coverage thereby guaranteeing quality and affordable healthcare to all Kenyans; iv. Provide affordable Housing to all Kenyans by targeting construction of at least five hundred thousand low cost houses by 2022.

Mr. Speaker; the County Budget for 2018/19 financial year is special as it forms the first part of the implementation of the 2<sup>nd</sup> generation County Integrated Development Plan (CIDP) 2018-2022 under a new county government administration. The plan will be validated in due course and tabled to the Assembly for approval.

**Mr. Speaker;** the CIDP envision *“a transformative agenda for the people of Baringo through focused investments in all sectors of the Economy”*. The plan has been anchored on **Four (4) Thematic Pillars** as key in consolidating the county government’s strategic direction and creating a focused view of the county leaders’ vision over the medium term. The Thematic Pillars.

**Pillar 1: Employment and wealth creation for sustainable economic prosperity.**

**Pillar 2: Universal access to social amenities for improved standard of living**

**Pillar 3: Social protection and equity through empowerment and safety nets.**

**Pillar 4: Legal and Institutional Development, Service Delivery and Public Engagement**

**Mr. Speaker;** you will realize that our local plans, policies, and programmes should take into account measures that will enhance the realization of the “The Big Four” Agenda since most of the transformative issues are devolved to the counties. As a county we endeavor to contribute to this noble cause in a small way.

## Overview of County Development Milestones

**Mr. Speaker,** let me highlight key achievements for the short time of the new administration:

- a) His Excellency the Governor issued an executive order in establishment of the new administration by creating the 10 departments
- b) Kickstarted establishment of Kabarnet Town Management Board
- c) Preparation of the 2<sup>nd</sup> Generation County Integrated Development Plan(CIDP), County Spatial Plan, Kabarnet Town Integrated Urban Development Plan, among other policy documents
- d) Design and Implementation of Kenya Urban Support Program and Kenya Devolution Support Program.
- e) Security has been substantially improved throughout the county thanks to our strategic investment in community engagement and political goodwill among the leaders as well as great investment by the national government.
- f) Roll out roads maintenance through the Rapid Result Initiative (RRI) dubbed “Imarisha Barabara Program”.
- g) The county is among the eighteen counties in the country to benefit from Kes. 6.3 Billion as incentive for maintaining consistency in realizing fiscal discipline.

## 2.0 Summary of the 2018-2019 Budget

**Mr. Speaker sir**, today's Budget message is that we are once again at a crossroads. Tough choices have to be made to achieve the development outcomes we seek:

- ❖ County Economic growth is slow, unemployment is far too high and many businesses and families are under stress.
- ❖ The County Wage bill continues to increase and beyond sustainable level and is of no compliance with Regulations 25(1)(b) of the Public Finance Management (County Governments) Regulations 2015.
- ❖ At the same time, we face immense transformation challenges – we must overcome the inequalities within our society. All county residents must share in a more prosperous future.
- ❖ We have a plan for a more inclusive, shared economy. Its implementation requires greater urgency and effective collaboration among all development stakeholders.
- ❖ Change is difficult, and often contested. In these tough times we draw strength from the resilience and the diverse capabilities of our people, our business sector, and our social formations.

### The Resource Envelope:

The key features of the framework for the **2018-2019** Budget include the following:

- ❖ Expenditure is within the envelope projected.
- ❖ The county expects a total Revenue of Kes. 6,234,370,014.00 comprising of equitable share of Kes 5.086 Billion with an additional conditional allocation of Kes 13.19 Million for compensation for Use Fees Forgone, Kes133.931 Million for Road Maintenance Levy Fund, Kes 200 Million for Leasing of Medical Equipment and Kes16.7Million for DANIDA (Health Facilities), Kes 35.605 million for Rehabilitation of Youth

- Polytechnics and Kes 43.7 Million for Capacity & Performance Grant among other grants.
- ❖ Local revenue collection is expected to rise to Kes. 371 Million Representing five 5 percent of the total revenue of Kes 6.234 Billion. This is an increase of Kes 21.147 Million from Kes. 350 Million Projected in 2017/18 financial year.
  - ❖ **Honourable Speaker;** With the resource envelope given above; Expenditure is allocated as follows: i) Development constitute Kes. 1,941,245,430 representing 31 percent of the total projected revenue. This is in compliance with PFM Regulation, 2015 requiring County Annual Budget allocation for Development of at least 30 percent of total projected revenues.
    - ii) Personnel Emoluments is allocated Kes.3,174,646,814 representing 51 percent which is way above the recommended 35 percent threshold. This affects negatively on operations and maintenance (O&M) allocated Kes. 1,118,477,770 which stands at 18 percent.
  - ❖ The Health Services carries the highest percentage i.e 34% followed by the Roads, transport and infrastructure- 11%; water and irrigation-10%; Agriculture, Livestock and Fisheries and County Assembly each at 9%; Education and Vocational Training -8% and Treasury and Economic Planning-4% and the other departments remain below 2 percent
  - ❖ National Government Proposed Procurement reforms aims to improve the effectiveness of public spending and opening opportunities for small business participation.
  - ❖ Our fiscal and budget plans and the programmes and activities of the County government departments and public entities are highly dependent of Equitable Share and Grants from development partners.

## *Revenue Projections and Raising Measures*

**Mr. Speaker sir**, the county government is committed to ensuring prudent expenditures from recurrent and development towards improving the productivity and service delivery. The total revenue aforementioned from different sources include cash transfer fund of Kes 1,795,000,000. **Mr. Speaker**, The FY 2018/2019 budget targets local revenue collection of Kes 371 million. This performance will be underpinned by on-going reforms in revenue administration. The revenue section is expected to institute measures to expand revenue base and eliminate any leakages. The recent modernization and automation of revenue collection is expected to simplify rates collection and enhance the revenue yield. I will enumerate other enhancement measures on revenue collection later on my speech.

**Mr. Speaker**, for many years we have enjoyed the benefit of increase on revenue collections though below the targets. Our projections on own revenue for 2018/19 financial year is Kes. 371 Million, which is an increase of 7 per cent of the 2017/18 projections of 350 Million.

**Honourable Speaker**; we intend to raise this own Source Revenue from the following sources;

**Table 1: Revenue Projections over the medium term and Increase for 2018/19**

Sources of Revenue	2017/18	2018/19	Increase	2019/20
Game Park Fees	74,356,033	76,562,486	2,206,453	81,156,235
Animal Stock Sale Fees	15,253,617	22,595,872	7,342,256	23,951,625
Produce & Other Cess	38,561,801	37,095,901	1,465,900	57,188,205
Single Business Permit	48,577,208	45,040,773	-3,536,435	47,743,220
Plot Rent/ Rates	39,203,758	55,970,625	16,766,867	25,940,671
Market Fees & Others	50,647,583	45,197,031	-5,450,551	47,908,853
Koibatek ATC	2,700,000	4,489,954	1,789,954	4,759,351

Sources of Revenue	2017/18	2018/19	Increase	2019/20
Marigat AMS	2,400,000	8,087,010	5,687,010	8,572,230
Public Health	6,000,000	3,807,795	2,192,205	4,036,263
Veterinary	18,300,000	18,300,000	~	1,531,450
Hospital Revenue (FIF)	54,000,000	54,000,000	~	90,628,191
<b>TOTAL</b>	<b>350,000,000</b>	<b>371,147,448</b>	<b>21,147,448</b>	<b>393,416,295</b>

**Mr. Speaker;** to realize the above Own Source Revenue targets focus is given to the following measures:

- ❖ We intend to strengthen Revenue Automation through: Introduction of agency banking and pay bill services as a means of going cashless in revenues collection to seal leakages and this shall realize a revenue increase by 5 per cent.
- ❖ Engage *Huduma centre* services in dispensing some of our services like issuance of single business permit among other services
- ❖ We are proposing to undertake a robust assessment and mapping of our potential revenues while strengthening the existing sources including proposing other external measures to mobilize revenue over the medium term.
- ❖ Investing on road network around Lake Bogoria to boost tourism and roads leading to revenue streams like quarries and sand harvesting areas to create an enabling business environment to boost local revenue.
- ❖ Revamp Farmers Training Centre in Koibatek, Agricultural Machinery Station (AMS) in Marigat and County Water Corporation and other county entities to make them self-reliant and generate more income.
- ❖ Lake Baringo conservancy charges to be reinstated through public participation and with support of the County Assembly to generate Kes 6 million.

- ❖ Introduction of conservancy fees in Marigat and other urban centres to generate about Kes 2.5 million
- ❖ Adoption and implementation of valuation roll to generate Kes 5 million
- ❖ Residential rental business permits to generate Kes 6 million
- ❖ Penalty to betting companies doing business without national and county licenses to generate Kes 2 million
- ❖ Penalty on irregular allocation on houses to generate Kes.1.5 million
- ❖ Accrual of interest on unpaid monthly rent to be levied by 50% to generate 0.5 million
- ❖ Expand markets the sub-counties e.g Tiaty, Baringo South, and Baringo North

### Combating Revenue Payment Avoidance

**Mr. Speaker,** Revenue to improve the county's revenue and to counter revenue payment avoidance we are proposing to implement the following:

- ❖ Continuous sensitization meeting of the tax payers in some formal and informal fora
- ❖ We shall make nonpayment of fees and revenues expensive by proposing stiffer penalties through the finance bill 2018.
- ❖ We are in a discussion with the judiciary in establishing a County Court or allocate a day and time to expedite justice to offenders of on revenue collection.

### Revenue Administration

**Mr. Speaker,** an efficient and trusted revenue administration is one of the county's institutional strengths. Revenue unit has played an integral role in revenue enhancement by ensuring that expected levels of revenue are available to fund spending programmes. The unit must continue to develop the skills and capacity

needed to enforce legislation and strengthen its efforts to curb revenue collections avoidance and evasion and address illicit financial businesses.

Continued strengthening of the capacity of revenue staff and enhancing its relationships with taxpayers is vital for our fiscal health.

### Highlight of Budget Expenditure

**Mr. Speaker**, we will continue to strengthen expenditure control and improve the efficiency of public spending through public financial management reforms in order to free fiscal space for priority social and economic investments.

In particular, **Mr. Speaker**, we plan to address the challenges we face in project identification, preparation and execution, which have been responsible for delays, cost overruns; pending bills and Cash Transfers. Towards this end, we shall strengthen systems at the County Treasury to improve the management and budgeting of public development projects. This action with the support from departments and other county entities will ensure that all the projects in the budget are appraised before they are committed. This will improve efficiency of our public investment, streamline spending and reduce waste.

### Budget Expenditure

**Mr. Speaker**, the key policy document guiding the county government's funding allocation decision is the County Integrated Development Plan 2018-22, Annual Development Plan, and the administration's strategic interventions. In the 2018/19 fiscal year, overall expenditures are projected at Kes. 8.029 Billion Inclusive of cash transfer of Kshs 1.795 Billion.

### Recurrent Expenditure

**Mr. Speaker**, the recurrent expenditure is expected to be **Kess 4,293,124,584 Billion** comprising of Kes. 3,174,636,814 Billion for employee compensation and

Kshs 1.118,477,770 Billion for operations. Employee compensation is expected to be in line with the Salaries and Remuneration Commission guidelines and does not anticipate any employment and any salary increases.

## Development Expenditure

**Mr. Speaker,** The projected development expenditure is Kes 3,736,245,430 billion inclusive of development grants and cash transfer. Consistent with the objective of allocating an increasing share of resources towards development activities, the county government has prioritized investing in the following thematic areas:

### a) Towards Realization of Food and Nutritional security; Employment and Wealth Creation for sustainable economic prosperity

**Mr. Speaker;** to address the increasing demand for employment, high incidence of poverty; and inequality in income distribution. We shall be guided by three strategic thrust over the medium term: *Thrust 1:* To build competitive business enterprises, industries and cooperatives which generate income and wealth for the people of Baringo County. *Thrust 2:* To attain food security and modern rural and urban infrastructure for the people of Baringo County. *Thrust 3:* To promote value addition and manufacturing through attracting investments and partnerships.

**Honourable Speaker;** To realize this noble course, we shall direct our investments towards revitalization of productive sectors particularly agricultural; Industrialization, trade and tourism to augment production and productivity.

**Mr. Speaker,** we plan to promote value addition, livestock improvement and upgrading, vector control, fodder development, agribusiness infrastructure development and aquaculture promotion under Agriculture, Livestock and Fisheries

**Mr. Speaker,** to enhance food and nutrition security and modernize agriculture, I have allocated Kes. 261.9 Million for Livestock development and management; Kes. 18.7 Million to promote crop production; and Kes. 6.1 Million towards improved aquaculture development. This investment will go a long way in providing Agribusiness Infrastructure development; increased crop production and farm earnings; Livestock Development and Management through adoption of modern technologies; improve value-addition; building farmers capacities through trainings; and increasing income to producers.

**Mr. Speaker Sir,** Industrial development is central to promotion of our competitiveness as a county. This is in line with the national aspiration as outlined in the “big four agenda” of government on industrialization through investment in sector such as manufacturing.

**Mr. Speaker** as a county we are determined to invest in value addition especially in agro processing; building resilient enterprises; and promotion of co-operative development. Impetus is given to several initiatives in the business sector; a fund to support small and medium enterprises; youth employment service programme (interns) with the aim of creating work opportunities over the next three years; Strategic interventions to initiate value addition in agricultural products have been developed. We are proposing to upgrade Maoi Slaughterhouse to a commercial Meat Processing Plant together with Mogotio Tannery to a complete leather processing factory. This will go a long way in creating employment and revenues generation. As such Kes. 109 Million has been set aside for the two projects under EU IDEAS grant and County Counter funds.

**Mr. Speaker** I propose an allocation of Kes 70.691 Million on development allocated as follows: Kes. 12.6 Million for both trade and Cooperative Development and Kes 23.191Million for Industrial Development and a cash transfer of Kes. 35 Million to finance the on-going projects implemented by the department.

## b) Promoting Universal access to basic social amenities for improved standard of living.

**Mr. Speaker;** Access to affordable and quality education; health services; safe water and infrastructure are not only basic but constitute a fundamental constitutional rights. These in most cases constitute development index that determine economic prosperity of any nation.

**Mr Speaker;** to promote the realization of our vision towards a universal access to basic social amenities, we have adopted four (4) strategic thrusts; ***Thrust 1:*** To ensure ease of access to clean water and sewerage services while protecting and conserving the environment including sustainable utilization of natural resources. ***Thrust 2;*** To provide accessible, affordable and quality healthcare services in a prompt, professional and equitable manner. ***Thrust 3;*** To ensure universal access to quality, affordable and relevant education and training. ***Thrust 4:*** To develop a functional Integrated, Physical, Logical infrastructural facilities and renewable energy access for economic prosperity.

### Water is Life (emphasized by H.E Governor as Water, Maji, Bei)

**Honorable Speaker;** to enhance access to clean, quality and safe water, high quality sewerage services and conserving environment including promoting sustainable utilization of natural resources I proposed an allocation of Kes 709.267 Million.

Development priorities for 2018/19 projects will include acquisition of Eldama Ravine land for sewerage which currently under feasibility study and design supported by African Development Bank, construction, rehabilitation and expansion of water supplies and drilling and equipping of boreholes as well as completion of ongoing projects.

**Mr. Speaker,** I proposed Kes 280.576 Million for Water supply infrastructure (Construction, Rehabilitation, Expansion and New Water Supplies, boreholes

drilling and equipping); and Kes. 23.950 Million towards water harvesting, storage and flood control (Water Pans/Small Dams).

**Mr. Speaker,** the increasing effects of change of climate we experienced in the last few years underscores the importance of reducing our reliance on rain fed agriculture and adopting more resilient approaches to realize sustainable food security for our people

**Mr. Speaker,** in order to reduce our vulnerability to drought and bring additional land under crop production, I have allocated a total of Ksh23.69 Million for irrigation projects to fund Irrigation Head Works and Conveyance in various schemes.

**Mr. Speaker;** Environmental protection, tourism, wildlife management, natural resources and mining is one of the key sectors in our economy. Tourism product development, Wildlife protection and management, Natural resource, wildlife and environmental conservation and management, tourism product diversification and facilities development, and Lake Bogoria Community Grant are key areas of focus for the sector

**Honourable Speaker,** I propose an allocation of Kes. 41.504 Million as follows: Natural resource conservation and management Kess 10.427 Million; tourism product diversification and facilities development Kes. 14 Million; environmental Conservation and management Kes. 9.577 Million; and lake Bogoria Grant Kes. 7 Million.

### **Improving accessible, affordable and quality healthcare services**

**Mr. Speaker,** Health sector prioritizes programmes that aim at achieving universal health care which is one of the Government's Big Four agenda. It will also lay emphasis on Sustainable Development Goals (SDGs) No. 2 and 3, the achievement of AU Agenda 2063 and achieving the Kenya Vision 2030 social pillar on health. A healthy nation is critical for economic development and poverty reduction.

**Mr. Speaker,** we envisage to realize the following set of objective in provision of health care; To enhance attention and investment on primary healthcare as a means to improve general health status of communities; to improve access and quality of all curative and palliative health services; and to promote innovation and professionalism in healthcare provision and management.

**Mr. Speaker Sir,** The department allocation of Kes 2.708 billion apportioned into Kes. 1.9 Billion Constituting over 70 percent of the total department allocation towards financing its operations, administration and planning services that include provision of support services like employee compensation, use of goods and services, transport and infrastructure, procurement of pharmaceutical and non- pharmaceuticals; surveillance, Monitoring and evaluation. The development expenditure of Kes 767.718 allocated as follows: Kes. 225.714 Million allocated to curative and rehabilitative services; Kes. 92.003 allocated to preventive and promotive health services; and Kes.89.931 Million will go to financing infrastructure development respectively.

**Mr Speaker,** the National Government is moving towards the next phase of the implementation of National Health Insurance Fund. We are committed to achieving universal health coverage, in line with the vision of the National Government Development Plan” the Big Four”. Reforms that include: Encouraging and sensitization of our communities to register with NIHF; Strengthening sub county health services through provision of drugs and medical supplies and supportive information systems; To improve access to a common set of maternal health and ante-natal services and family planning services; improving services for people with disabilities, the elderly and mentally ill patients, including provision of wheelchairs and other assistive devices.

## Enhancing Transport and Infrastructure to Improve Service Delivery

**Mr. Speaker,** the main objective of this sector is to develop a functional integrated basic, infrastructural structures and facilities to stimulate development activities.

**Mr. Speaker,** to address infrastructural gaps, improve quality of our roads, and reduce the cost of transportation to create an enabling business environment and socio economic development, I have allocated a total of Kes 504.844 for on-going road construction projects and improvement of ICT infrastructure. This allocation is further apportioned as follows: Rural Infrastructure Development Kes 450.944 Million; and Urban Infrastructure Kes. 53.9 Million.

## Setting the Foundation for a sustainable human capital through investment in Early Childhood Education and Vocational Training.

**Mr. Speaker,** improving quality of our ECDE and technical education is at the heart of our commitment. Our objective of improving ECDE is to facilitate quality, affordable and accessible basic education for our children.

**Mr. Speaker;** we intend to transform our Vocational Training Centres to promote development of skills for our people particularly the youth to improve their competitiveness in the job market, and promote self-reliance and thus create employment and generate income.

**Honourable speaker,** to realize these we focus on improving access by financing through allocation of bursaries; upgrading equipping the centres with modern teaching and learning resources. We shall continue to increase resources for early childhood development. **Mr. Speaker;** I double the allocation of Education Bursary to Kes. 60Million. Allocation for Vocational Training Centres has been increased to Kes. 26.960 Million

## Investing on Lands, Urban Development, Human Settlements and Municipal Infrastructure

**Mr. Speaker,** land is one of the key resources endowed to our county and it is prudent that we invest on sustainable management to create an impetus for socio-economic development.

**Mr. Speaker,** Improved alignment in delivery of services such as housing, water, sanitation, Street electrification and public transport is central to achieving the objectives set out in the Integrated Urban Development Framework. In this regard the county government through the national government has signed a grant, under Kenya Urban Support Programme to implement projects that will transform Kabarnet town and other towns.

**Mr. Speaker,** We will continue to work with our stakeholders in promoting effective land management, improving safety of our urban centres and promoting reliable urban infrastructure and services among others. **Mr. Speaker;** Towards this end, this budget provides resources to improve these services at a tune of Kes 210.564 Million.

### c) Social Protection and Equity through Empowerment and Safety Nets.

**Mr. Speaker;** we envision a society that is equitable. To address issues of disparity in income and access to economic opportunities, we propose pro-poor strategies by reducing dependence through nurturing and promoting talent while mainstreaming gender.

In this regard **Mr. Speaker,** to realize these efforts of sharing prosperity I propose an allocation of Kes 105.466 Million for social protection, gender and youth affairs; promotion of culture and sports development

#### 4) Legal and Institutional Development, Service Delivery and Public Engagement

*Mr. Speaker;* since advent of devolution, it is important to be alive to the fact that resources are closer to the people; decisions are made at the local levels; citizens are more enlightened. As precursor for strong and effective county institutions it is therefore imperative that we focus on quality and timely delivery of public services; prudent management of public affairs in through professional, equitable, efficient, effective and reliable governance systems and most importantly develop a sound policy and legislative frameworks.

*Mr. Speaker;* for effective public administration and service delivery, it is significant that we focus on provision of a conducive working environment for our staff. In this regard, we are proposing Kes. 85.568 Million towards development of County Headquarter Offices to house all departments. This deliberate initiative aims at eliminating our annual allocation of Kes 15 Million for rent of office space for some departments including; Treasury, trade, Industrialization, County Public Service Board; Education and Vocational Training and Health among others.

*Mr. Speaker,* County Assembly plays a significant role in legislation, representation and oversight. As such, I have allocated Kes. 700.243 allocated as follows: Kes. 655.243 Million to finance recurrent expenditure and Kes. 45 million development allocation for Infrastructure development.

#### 3- Fiscal Policy and the Budget Framework

*Mr. Speaker,* let me now turn to the fiscal policy and budget framework for the FY 2018/19 budget and the medium term. But first let me send a message to the Citizens that they should demand accountability to ensure public funds are utilized for their intended purposes.

## **Strengthening financial management**

**Mr. Speaker Sir,** County Government continues to invest in improving the financial capability of our county treasury. If we make progress in local financial management, we will transform the lives our citizens through improved service delivery. In the period ahead, County Treasury in collaborations with other departments have agreed to focus efforts on the following:

- Targeted Supply Chain Management Interventions to improve compliance with the law; achieve timely and effective procurement and delivery of goods and services; realize value-for-money through cost savings measures and combating fraud.
- Enhanced revenue management, including appropriate tariff-setting, regular billing and effective collection systems..

**Mr. Speaker,** to strengthen the county capacity to manage public finances, human resources and performance management, public participation and civic education; implementation of county plans and promote environmental and social safeguards, we shall receive Ksh43.729 Million as a grant from the national government under Kenya Devolution Support Program (KDSP).

## **Oversight and accountability**

**Mr. Speaker sir,** while day-to-day accounting and financial decisions are the responsibility of executive, the county government shall establish the framework and policies that will guide effective operationalization of the County.

The County Assembly must also have adequate technical and support staff to undertake high level budget assessment/ to support Public Accounts Committee, Public Investment Committee, Finance, Budget and Economic Planning Committees to supplement the County Audit Committee that has already been appointed and inaugurated by His Excellency the Governor. This will improve

budget implementation performance and boost the work done by the county's internal audit unit.

### **Austerity Measures:**

**Mr. Speaker,** Improving the quality of public services and cutting waste, Hon. Members, this is a Budget in which circumstances dictate that we cannot add resources to the overall spending envelope. The emphasis is in ensuring that expenditure is allocated efficiently, minimizing waste and corruption prevention.

**Mr. Speaker,** a series of initiatives are focused on these concerns: Spending reviews are under way to examine programme performance and value-for-money for various spending entities in the County. We have strengthened the Office of the Internal Auditor so as to step up efforts to strengthen the financial control environment.

### **Potential Sources of Fiscal Risks**

**Mr. Speaker,** in implementing this budget we expect to be confronted by both internal and external risks that we must be cognizant and adopt mitigation policy measures:

- ❖ Internally, public expenditure pressures, particularly wage related recurrent expenditures
- ❖ Weather related shocks that could impact on agricultural output, environment and general destruction of our infrastructure.
- ❖ Insecurity in some parts of the county leading to displacement of the residents that result to low productivity in socio-economic fronts.
- ❖ Delayed release of funds by the national government.
- ❖ Our Technical capacities to implement the budget within the fiscal year.

## 4- Conclusion

**Mr. Speaker,** the budget I have presented to you has been carefully prepared to balance the difficult choices we had to make in order to move this county forward. I believe we have made the right decisions that will propel this county to prosperity and make us great.

**Mr. Speaker,** despite our limited resources we have to consider optimal allocation of resources to pro-poor programmes especially in the areas of water, social protection, education, health, food security and infrastructure. The budget is also inclusive and promotes shared prosperity in light of resources allocated to social protection and bursary fund for our youth.

**Mr. Speaker,** as I conclude, I wish to pass my sincere gratitude to those whom I did not mention earlier in my opening remarks who made this journey a success:

- I. H.E Governor and Deputy Governor for their support and leadership through the budget process
- II. My Colleagues the County Executive Committee Members with whom I share the collective responsibility of implementing this budget. Their Contributions, support and cooperation throughout the preparation of this budget cannot be overemphasized.
- III. County Assembly Committee Clerks for facilitating the approval process of Budget Estimates for the FY 2018/19 and other budget documents in this house;
- IV. All members of the County Assembly for their cooperation in facilitating legislative proposals in support of budget preparation and implementation;
- V. Staff of the County Treasury and Economic Planning who have tirelessly worked long hours, including most weekends to ensure that this budget and supporting documents meet the legal timelines; We appreciate your deep commitment to public service;
- VI. I must also thank my family for their support and inspiration.

VII. Finally, Mr. Speaker, my utmost gratitude goes to *wananchi* from all walks of life without forgetting the various development partners for their contributions, proposals and suggestions received during the budget public engagement fora.

**Thank you, God Bless You, God Bless Baringo.**