

REPUBLIC OF KENYA



KENYA NATIONAL ASSEMBLY

ELEVENTH PARLIAMENT

THE BUDGET AND APPROPRIATIONS COMMITTEE REPORT ON THE
SUPPLEMENTARY BUDGET FOR 2013/2014

February, 2014

29. Hon. Francis Njenga, M.P.
30. Hon. George Muchai, M.P.
31. Hon. George Wanjohi, M.P.
32. Hon. Irshad SuMr.a, M.P.
33. Hon. Isaack Mwaura, M.P.
34. Hon. James Gakuya, M.P.
35. Hon. James Luswet, M.P.
36. Hon. Jared O. Opiyo, M.P.
37. Hon. Jonathan Lati Lelelit, M.P.
38. Hon. Joseph Limo, M.P.
39. Hon. KK Stephen Kinyanjui, M.P.
40. Hon. Makali Mulu Benson, M.P.
41. Hon. Muriuki Njagagua, M.P.
42. Hon. Omar Mwinyi, M.P.
43. Hon. Omondi George Mallan, M.P.
44. Hon. Patrick Ole Ntutu, M.P.
45. Hon. Peter Weru Kinyua, M.P.
46. Hon. Priscilla Nyokabi, M.P.
47. Hon. Samuel Gichigi, M.P.
48. Hon. Shukran Hussein Gure, M.P.
49. Hon. Silverse Lisamula Anami, M.P.
50. Hon. Suleiman Murunga Kasuti, MP
51. Hon. Tiyah Galgalo, M.P.

Mandate of the Committee

The Budget and Appropriations Committee is established under the Standing Order 207 and is mandated to:

- a) investigate, inquire into and report on all matters related to coordination, control and monitoring of the national budget,
- b) discuss and review the estimates and make recommendations to the House;
- c) examine the Budget Policy Statement presented to the House;
- d) examine Bills related to the national budget, including Appropriations Bills; and
- e) Evaluate tax estimates, economic and budgetary policies and programmes with direct Budget outlays.

The Budget and Appropriations Committee is further given legal backing under the Public Finance Management Act, 2012 and the Constitution article 221 (4 and 5).

Mr. Speaker Sir, pursuant to Standing Order 207 3 (b) and Article 221(4) of the Constitution, the Budget and Appropriations Committee discussed and examined the Supplementary Estimates and hereby makes recommendations to the National Assembly.

EXAMINATION OF THE SUPPLEMENTARY ESTIMATES OF REVENUE AND EXPENDITURE

In reviewing the 2013/2014 Supplementary Estimates the Committee held five sittings during which period representatives from the National Treasury were invited to shed clarity on salient matters that came to the Committee's attention.

The Committee also received written submissions with recommendations from the Departmental Committees before holding discussions on them with the various Departmental Committees represented by their respective Chairpersons and considered independent submissions from other stakeholders.

ACKNOWLEDGEMENT

Mr. Speaker Sir,

The Committee is grateful to the heads of government departments who appeared before the Committee and also notes the contribution made by written submissions presented to the Committee by the various stakeholders.

Committee is also particularly grateful to the Office of the Speaker and the office of Clerk of National Assembly and Parliamentary Budget Office for the support received as it discharged its mandate of reviewing the 2013/14 Supplementary Budget as well as to the Members of Parliament who participated in the process.

Mr. Speaker Sir,

It is therefore my pleasant duty and privilege, on behalf of the Budget and Appropriations Committee to table this Report and recommend it to the House for adoption.

Signed.



THE HON. MUTAVA MUSYIMI, MP
CHAIRMAN, BUDGET AND APPROPRIATIONS COMMITTEE

Date 25th February, 2014

I. ADHERENCE OF THE 2013/14 SUPPLEMENTARY BUDGET TO
PREVAILING LEGISLATION

1. Mr. Speaker Sir, as Members can remember, the Printed Estimates were presented and approved on Programme basis with the respective outputs and targets for each programme presented. The itemized budget, however, which contained the details of expenditure per department submitted as supportive documents for the information of Members. The Committee, on that occasion, noted with concern that the outputs of the various programmes were neither concrete nor measurable. The Committee in reviewing the Supplementary Budget noted that Supplementary Budget is presented at itemized level and programmes without outputs. It is therefore difficult for Parliament to understand which outputs are being affected by the changes that have been proposed in the Supplementary Estimates.
2. In addition to this, Mr. Speaker Sir, according to section 44 (3) of the Public Finance Management Act, 2012, as well as the Standing Orders 243 (3) and 240 the Supplementary Estimates must be accompanied by explanations of how the additional expenditure being requested relates to the fiscal responsibility principles and financial objectives. This, however, has not been presented and it was therefore very difficult to understand why there were increases or reductions in most of the votes. The committee thus recommends that any future supplementary budget includes such details.

II. AREAS OF SIGNIFICANT DEVIATION FROM THE 2013/14 BUDGET

3. Mr. Speaker Sir, the Committee has in the past noted with concern the growth of recurrent expenditure relative to development expenditure and this trend has carried on into the Supplementary Budget. This has significantly affected resources available for development and this trend must be addressed if Kenya is to meet the development goals that we are striving to attain.
4. Mr. Speaker Sir, when reviewing the Supplementary Estimates, the following key changes were noted:
 - a) WAGE BILL
5. Mr. Speaker Sir, in spite of the public debate and concerns raised by this House on the increasing public wage bill and its contribution to the overall recurrent expenditure, the Supplementary Budget proposes to increase funding for salary related items to several spending agencies. Although recruitment is required in some key areas such as security, this House must demand a stay on any increase in the wage bill until a concrete policy position on the comprehensive way forward is arrived at.
 - b) REDUCTION IN FUNDS FOR STRATEGIC INTERVENTIONS
6. Mr. Speaker Sir, the Supplementary Estimates further propose to reduce funds for some strategic interventions planned and approved in 2013/14 budget as priority projects. This creates uncertainty on the commitment to adherence to the Annual Budget. This is precipitated by the unrealistic projection of revenues to meet expenditure at the beginning of a financial year which when unrealised, results in cuts in development expenditure and further into pending bills. This has led to critical projects such as irrigation schemes as well as the construction of water pans and small dams which were allocated significant resources in the Annual Estimates but are now proposed for reduction to zero in the Supplementary Estimates.

c) **FUNDING FOR PROJECTS AND INSTITUTIONS IN THE PRINTED ESTIMATES.**

7. Mr. Speaker Sir, the Supplementary Budget further proposes to provide for resources omitted during the Printed Estimates for several institutions. These include resources for the Kenya Urban Roads Authority (KURA), Kenya Rural Roads Authority (KeRRA), the Rural Electrification Authority (REA); as well as other projects not provided for in the Printed Estimates.
8. Mr. Speaker Sir, the resources for the National Land Commission which were previously budgeted under the Ministry of Lands, Housing and Urban Development have been proposed for demarcation in line with Article 249 (3) of the constitution which requires that commissions should have a separate vote. The Committee further noted the proposed increase of resources available to the Kenya Wildlife Service to recruit rangers to curb poaching and conserve our national heritage as well as increments to the Constituency Development Fund, the Salaries and Remuneration Commission, and the Parliamentary Service Commission.

d) **FOOD SECURITY**

9. Mr. Speaker Sir, the Supplementary Budget further proposes to increase the allocation to the national food security under the Ministry of Agriculture, Livestock and fisheries for acquisition of strategic food stocks to meet the deficits in areas experiencing food shortage as a result of drought and inadequate food supply recently experienced in several areas of the country.

e) **REALLOCATION OF FUNDS WITHIN THE MINISTRY**

10. Mr. Speaker Sir, the Committee further noted that the resources for Social Security within the Ministry of Labour, Social Security and Services have been proposed for reallocation to targeted services such as cash transfers to older persons; cash transfers to persons with severe disability; to orphans and vulnerable children and for urban subsidies.

f) INTER-MINISTERIAL TRANSFER OF PROJECTS

11. Mr Speaker Sir, the Committee further noted that the Supplementary Budget proposes to transfer some projects across ministries that include;

- Disaster Management and Western Kenya Flood Mitigation Project from the Ministry of Interior and Coordination of National Government to the Ministry of Devolution and Planning.
- External Trade and Promotion Services and Foreign Trade services from Ministry of East African Affairs Commerce and Tourism to the Ministry of Foreign Affairs.
- Youth Polytechnics and Training Services from Ministry of Devolution and Planning to the Ministry of Education, Science and Technology.
- Kenya/ South Sudan Liaison Office from the Ministry of East African Affairs Commerce and Tourism to the Presidency.

12. Mr Speaker Sir, The Committee invited the Cabinet Secretary, National Treasury to clarify some of the above issues as well as other salient matters that came to the attention of the Committee and made several recommendations on them.

III. RECOMMENDATIONS

a) POLICY PRESCRIPTIONS

13. Mr. Speaker Sir, the Committee noted several critical issues that need redress. These are either inhibiting effective service provision, restraining the socioeconomic growth of our country or are inconsistent with the current legislation. In this regard, Mr. Speaker Sir, the Committee therefore proposes the following policy measures:

- i. That all future expenditure estimates be programme based with specific and measurable outputs, indicators and timeline outlined for each programme;
- ii. That future Supplementary Budgets include explanations on how the outputs of any programme are affected by any reductions proposed to it;

- iii. That increments to any programme in future Supplementary Estimates detail the additional outputs expected from it;
- iv. That revision of budgets before the end of the financial year be discouraged except where absolutely necessary and even then such revision be restricted to increments on programmes that have insufficient allocations to meet their respective targets as opposed to reallocations to entrench predictable budgeting which is a principle of public finance management;
- v. That all effort be made to clear the pending bills in many sectors to guard against unnecessary expenditure on litigation. This should also extend to completion of all outstanding projects before embarking on new ones as well as well as discouraging the introduction of new projects in the Supplementary Budget. Importantly we have to live within our means.

**b) PROPOSED ADJUSTMENTS AND REALLOCATIONS IN THE
2013/14 BUDGET**

14. **Mr. Speaker Sir**, the Committee received presentations by the Chairs of the various Departmental Committees on proposed recommendations and reallocations in the 2013/14 Supplementary budget. In line with its mandate of evaluating economic and budgetary policies and programmes with direct budgetary outlays, the Committee undertook to make several recommendations. In doing so, keen attention was paid and care taken to ensure that any impact on service provision on the nation as a whole is positive.

Expenditure cuts

15. **Mr. Speaker Sir**, the following are proposed reductions in the expenditure:

- i. Reduce allocations to Salaries and Remuneration Commission meant for public sector wage conference by Ksh 50 million.
- ii. Reducing allocation to Judiciary meant for construction of buildings by Ksh 500 million.
- iii. Reduce allocations to National Gender and Equality Commission meant for refurbishment of buildings by Ksh 40 million.
- iv. Reduce allocations to Ministry of Devolution and Planning meant for civil service reform secretariat by Ksh 293 million.

- v. Reduce allocations to Ministry of Devolution and Planning meant for Human Resource Management Service by Kshs 49 million.
- vi. Reduce allocations to National Treasury meant for wages for temporary employees by Ksh 126 million.
- vii. Reduce allocations to National Treasury meant for budget reserves amounting to Ksh 5.3 billion which ought to be reflected in the appropriate item in the budget as it was funds meant for specific purposes within the development budget.

Expenditure Increments

16. Mr. Speaker Sir, the expenditure cuts are targeted to curb non-priority use of public resources and, expenditure increments are informed by core needs identified through concerted effort by the Budget and Appropriations Committee as well as the submissions from Departmental Committees.

17. Mr. Speaker Sir, in summary, the following are the areas where expenditure increases and reallocations should be made:

- i. An additional allocation of Kshs. 100 million be made to the Ministry of Transport and Infrastructure for the construction of Gotu 'Killer' bridge. These funds were to be allocated in the printed estimates following resolution of this house but were eventually left out.
- ii. An additional allocation of Kshs. 80 million be made to the Parliamentary Service Commission for the Socio-Economic Audit of the Kenya Constitution 2010. In this regard Mr. Speaker Sir, I wish to state that the proposed terms of reference for the said audit are annexed to this report.
- iii. An additional allocation of Kshs. 5 billion be made to the Parliamentary Service Commission to cater for the mortgage and car loan funds gazetted by the Salaries and Remuneration Commission. These are loans that will be repaid within the current term of Parliament.
- iv. Additional allocations of Ksh 167 million be made to Ministry of East African Affairs, Commerce and Tourism for operation and maintenance.
- v. Additional allocations of Ksh 500 million be made to Ministry of East African Affairs, Commerce and Tourism for Ronald Ngala Utalii College project for payment of pending bills.
- vi. An additional allocation of Kshs 300 million be made to the Director of Public Prosecutions for employment of additional prosecutors.

- vii. An additional allocation of Kshs 200 million be made to the Office of the Attorney General and Department of Justice for State Law Office.

Expenditure Reallocations

18. Mr. Speaker Sir, the following are proposed reallocations in the expenditure:

- i. Reallocation of funds within the Ministry of Information Communication Technology of Ksh 100 million from the allocations to Konza Techno-polis Authority to support ministry operations in development.
- ii. Reallocation of funds within the Ministry of Energy and Petroleum of Ksh 150 million from KPLC to Kenya Nuclear Energy Board.

19. Mr Speaker Sir, I do now propose to this House to adopt this report and resolve;

- i. That the proposed amendments to the Supplementary Budget in this report be reflected in the Supplementary Estimates.
- ii. That this House approves the Terms of Reference for the Socio-Economic Audit of the Kenya Constitution 2010.

20. I beg to move.

ANNEX 1

SOCIO-ECONOMIC AUDIT OF THE KENYA CONSTITUTION 2010

1. Overview

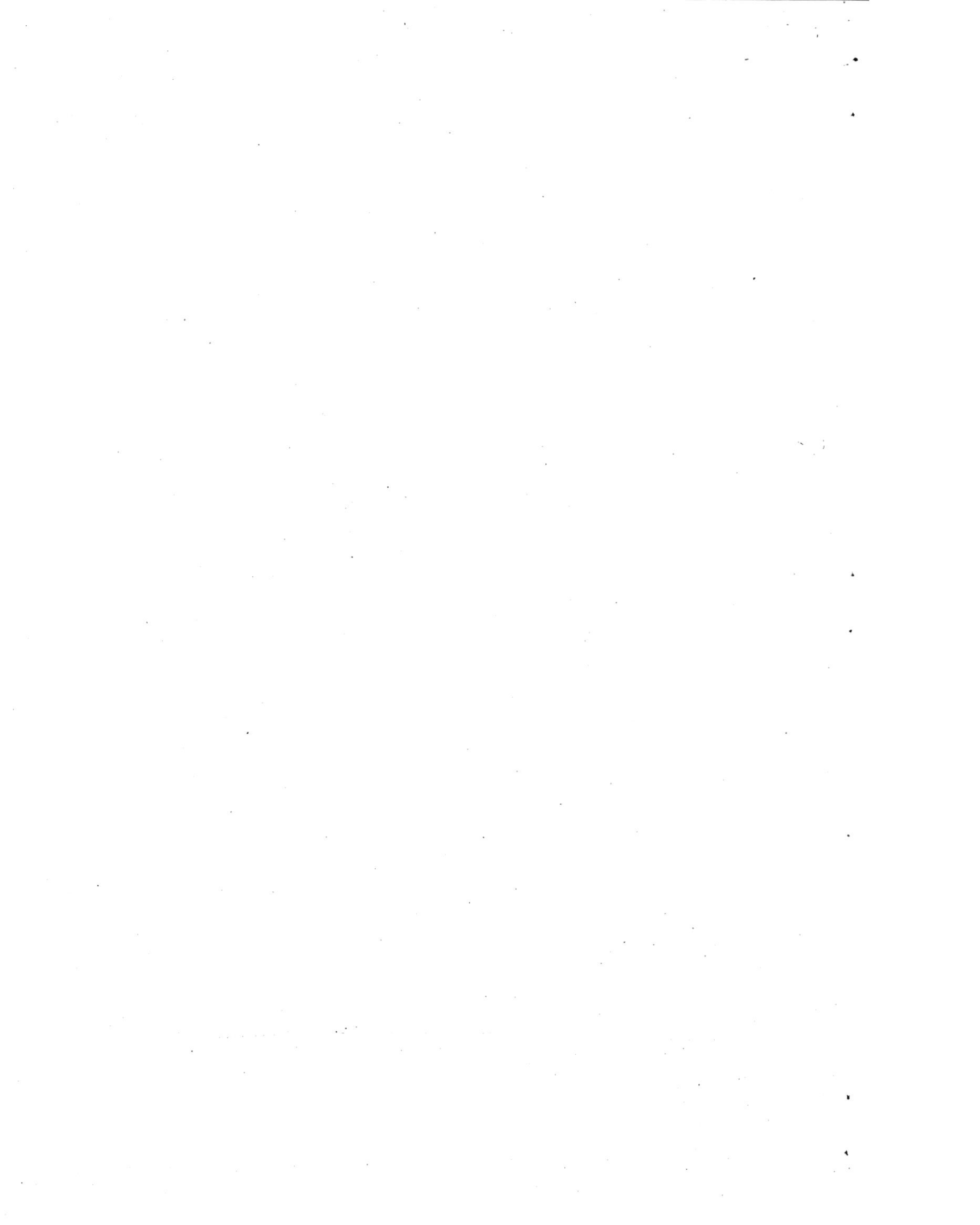
The Constitution of Kenya 2010 introduced fundamental changes to the Country's governance system that have significantly altered Kenya's political and socio-economic landscape. In particular, the Constitution of Kenya 2010 established a bi-cameral parliament, an extensive Bill of Rights, a devolved system of Government and independent offices and commissions. This new set of institutional arrangement has taken full effect during the last four years that the Constitution has been under implementation.

There has not been any comprehensive analysis or audit of the impact of the Constitution on the Country's wellbeing. Undertaking such a socioeconomic audit is now timely in the light of the expansion of institutions and services as well as taking stock of the experience gained in working with the current document during this period of transition.

2. Establishment of a Constitution Working Group

The Budget & Appropriations Committee at its meeting on 21 February 2014 supported the proposal to establish a task-and-finish working group to audit the Constitution of Kenya 2010.

The Working Group shall be established under the Kenya National Audit Office (KENAO) under the Auditor General and shall report to the National Assembly.



3. Purpose

The purpose of the audit is to provide the National Assembly with necessary information and analysis to aid the execution of the Assembly's oversight mandate.

4. Scope of Work

The Constitution Working Group is set up as a short life working group to make socio-economic assessment of the Constitution and the devolved structures and review the Constitution in the light of nearly 4 years' experience.

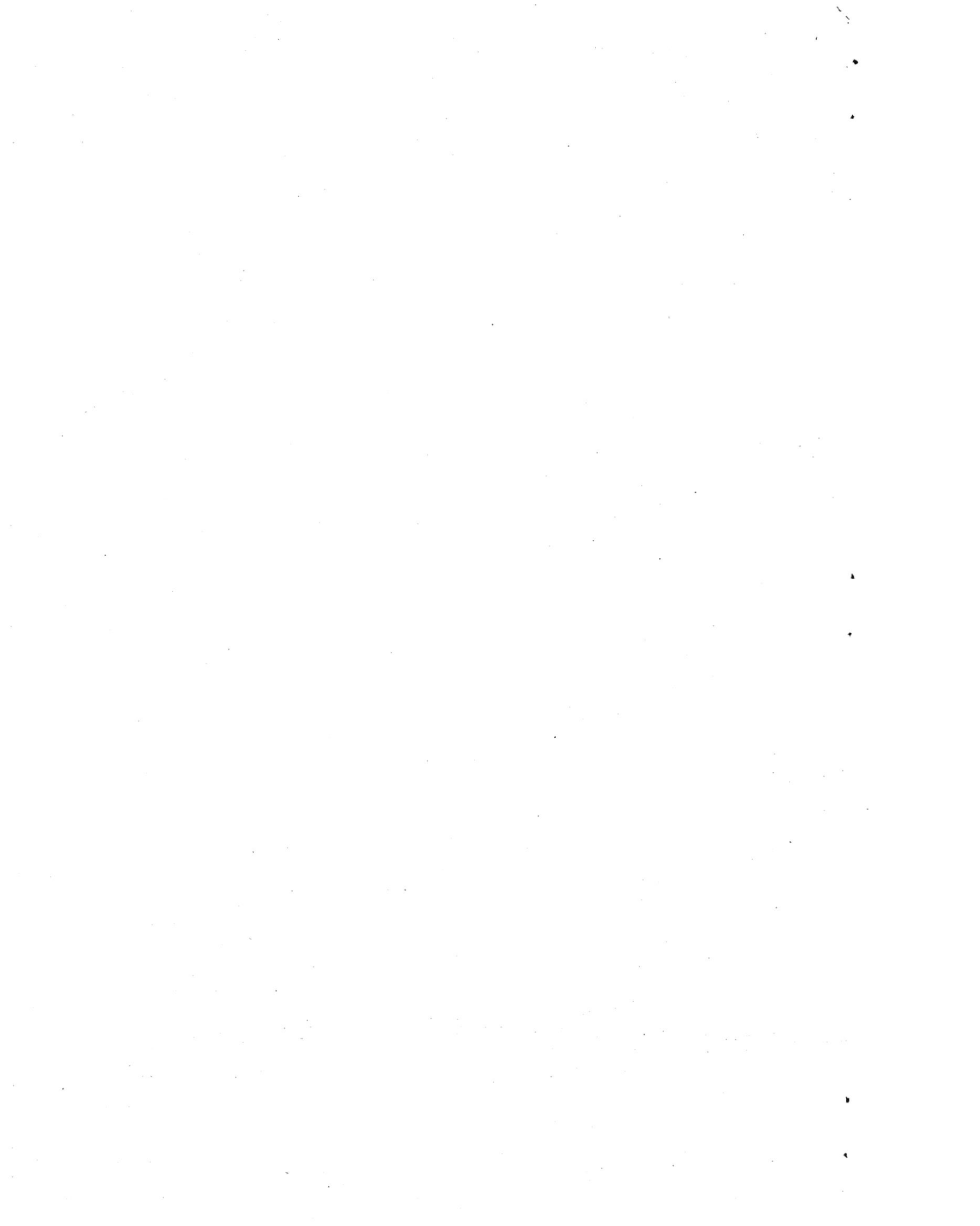
5. Membership

The Membership will consist of 7 persons with experience in public finance, law and public administration.

6. Term of Reference

The terms of reference of the Working Group will be as follows:

- i. To assess the impact of the implementation of the Constitution of Kenya 2010 to the nation's economy and in particular, its public finances;
- ii. To make a rapid assessment of the impact of the of the implementation of the Constitution of Kenya 2010 on public institutions;
- iii. To evaluate the social impact resulting from the implementation if the Constitution of Kenya 2010;
- iv. To make recommendations to the National Assembly on potential measures that could better enhance prudent management of the country's public resources;
- v. To investigate, determine and advise on any matter related to, relevant, consequential or incidental to the foregoing.



- vi. To consult as necessary with the National Assembly through the Budget and Appropriations Committee.

7. Reporting

The Working Group will present a progress report to the Budget and Appropriations Committee 90 days after signing of contract. It will submit the final report to the Committee 90 days thereafter for tabling in the National Assembly.

The life of the Working Group will expire upon receipt and tabling of the report.

**MINUTES OF THE 8th SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE HELD ON TUESDAY, 25th
FEBRUARY 2014 AT 10:00 AM AT THE SMALL DINING ROOM**

PRESENT

1. **Hon. Mutava Musyimi - Chair**
2. **Hon. Mary Emaase - Vice Chair**
3. Hon. Makali Mulu Benson
4. Hon. Omondi George W. Mallan
5. Hon. James Gakuya
6. Hon. Silverse Lisamula Anami
7. Hon. Tiyah Galgalo
8. Hon. Muriuki Njagagua
9. Hon. Jackson Kiptanui
10. Hon. George Wanjohi
11. Hon. Francis Njenga
12. Hon. Priscilla Nyokabi
13. Hon. Abdulaziz Farah
14. Hon. KK Stephen Kinyanjui
15. Hon. Joseph Limo
16. Hon. George Muchai
17. Hon. Jamleck Kamau
18. Hon. Charles Nyamai
19. Hon. Mohamed Shidiye
20. Hon. Dr. Reginalda Wanyonyi
21. Hon. Peter Weru Kinyua
22. Hon. Banticha Jaldesa
23. Hon. Clement Wambugu
24. Hon. John Mbadi
25. Hon. James Lusweti
26. Hon. Samuel Gichigi
27. Hon. Jonathan Lati Lelelit
28. Hon. Suleiman Murunga Kasuti
29. Hon. Chrisantus W. Wakhungu
30. Hon. Dorcas Kedogo

ABSENT

1. Hon. Dennis Kariuki
2. Hon. Alfred Sambu
3. Hon. Jared O. Opiyo

4. Hon. Ali, Fatuma Ibrahim
5. Hon. Patrick Ole Ntutu
6. Hon. Moses Lessonet
7. Hon. Bitok S. Kirwa
8. Hon. Isaac Mwaura
9. Hon. Alice Ng'ang'a
10. Hon. (Eng) Stephen Ngare
11. Hon. Benjamin Langat
12. Hon. Alfred Agoi
13. Hon. Shukran Hussein Gure
14. Hon. Daniel Nanok
15. Hon. Irshad Sumra
16. Hon. Omar Mwinyi
17. Hon. Abdikadir Omar Aden
18. Hon. Dr. J.W. Nyikal
19. Hon. Nelson Gaichuhie
20. Hon. Moses Ole Sakuda
21. Hon. Benjamin Andola Andayi

IN ATTENDANCE

1. Mrs Phyllis Makau
2. Mr. Martin Masinde
3. Mr. Robert Nyaga
4. Mr. Frederick Muthengi
5. Mr. Joseph Ndirangu
6. Mr. Danson Kachumbo

BUDGET COMMITTEE SECRETARIAT

- Director, Parliamentary Budget Office
- Senior Deputy Director, PBO
- Chief Fiscal Analyst
- Principal Fiscal Analyst/Clerk
- Fiscal Analyst
- Junior Fellow

AGENDA

1. Preliminaries / Confirmation of Agenda
2. Confirmation of the Minutes of the Previous Meeting.
3. Adoption of the Draft Report on the 1st Supplementary Estimates 2013/14
4. Any Other Business

MIN 24/2014: Adoption of the Budget Committee Report On Supplementary

The Committee went through the draft report clause by clause. The committee deliberated the contents and merit of each of the proposals before making a decision. The committee finally adopted the report on the supplementary estimates with minor changes.

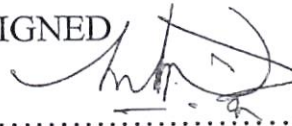
The committee agreed to include the terms of reference for the proposed socio economic audit of the Kenya Constitution 2010 in its report. The committee deliberated on the terms of reference and resolved that the said terms of reference be annexed to the main report.

The committee agreed to table the report the same afternoon and give notice of motion to the House for its adoption.

The committee agreed to hold the next meeting on Wednesday 26th February, 2014 to discuss the Budget Policy Statement.

There being no other business the chairman adjourned the meeting at 12.55 p.m. Next sitting will be held on 26th February, 2014 in the Small Dining.

SIGNED



.....
CHAIRPERSON

25.2.14

.....
DATE

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MINUTES OF THE 7TH SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE HELD ON THURSDAY, 20TH FEBRUARY
2014 AT 10:00 AM AT COUNTY HALL, CHAMBERS

PRESENT

1. **Hon. Mutava Musyimi - Chair**
2. **Hon. Mary Emaase - Vice Chair**
3. Hon. Abdikadir Omar Aden
4. Hon. Alfred Sambu
5. Hon. Ali, Fatuma Ibrahim
6. Hon. Benjamin Andola Andayi
7. Hon. Bitok S. Kirwa
8. Hon. Chrisantus W. Wakhungu
9. Hon. Clement Wambugu
10. Hon. Daniel Nanok
11. Hon. Dennis Kariuki
12. Hon. Dorcas Kedogo
13. Hon. George Wanjohi
14. Hon. Jackson Kiptanui
15. Hon. James Gakuya
16. Hon. James Lusweti
17. Hon. Jamleck Kamau
18. Hon. Jared O. Opiyo
19. Hon. John Mbadi
20. Hon. Jonathan Lati Lelelit
21. Hon. Joseph Limo
22. Hon. KK Stephen Kinyanjui
23. Hon. Makali Mulu Benson
24. Hon. Mohamed Shidiye
25. Hon. Moses Lessonet
26. Hon. Moses Ole Sakuda
27. Hon. Muriuki Njagagua
28. Hon. Nelson Gaichuhie
29. Hon. Omar Mwinyi
30. Hon. Omondi George W. Mallan
31. Hon. Priscilla Nyokabi
32. Hon. Samuel Gichigi
33. Hon. Shukra Hussein Gure

- 34.Hon. Silverse Lisamula Anami
- 35.Hon. Suleiman Murunga Kasuti
- 36.Hon.(Eng) Stephen Ngare
- 37.Hon. Tiyah Galgalo
- 38.Hon. Alfred Agoi
- 39.Hon. Dr. J.W. Nyikal
- 40.Hon. Patrick Ole Ntutu

ABSENT

1. Hon. Charles Nyamai
2. Hon. Isaac Mwaura
3. Hon. Peter Weru Kinyua
4. Hon. Abdulaziz Farah
5. Hon. Benjamin Langat
6. Hon. Irshad Sumra
7. Hon. Alice Ng'ang'a
8. Hon. Banticha Jaldesa
9. Hon. Dr. Reginalda Wanyonyi
10. Hon. Francis Njenga
11. Hon. George Muchai

IN ATTENDANCE

Members of Finance, Trade and Planning Committee

1. Hon. Sammy Mwaita
2. Hon. Abdul Rahin Dawood
3. Hon. Dr. Oburu Oginga
4. Hon. Jimmy Angwenyi
5. Hon. Eng S. Manga
6. Hon. Patrick Makau
7. Hon. Sammy Koech
8. Hon. John Sakwa
9. Hon. Abdullswamad Shariff Nassir

Salary and Remuneration Commission (SRC) Officials

1. Ms. Sarah Serem - Chairperson, SRC
2. Hon. Peter Oloo Aringo - Commissioner, SRC
3. Rtd. Brigadier. Kirugi - Commissioner – SRC
4. Anne Gitau
5. Janet Mabwa

BUDGET COMMITTEE SECRETARIAT

1. Ms. Phyllis Makau Director
2. Mr. Martin Masinde Senior Deputy Director
3. Ms. Lucy Makara Principal Fiscal Analyst
4. Mr. Frederick Muthengi Principal Fiscal Analyst/Clerk
5. Mr. Benjamin Ng'imor Fiscal Analyst II
6. Mr. Joseph Ndirangu Fiscal Analyst III
7. Mr. Danson Kachumbo Junior Fellow

AGENDA

1. Preliminaries / Confirmation of Agenda
2. Confirmation of the Minutes of the Previous Meeting.
3. Matters arising
4. *Meeting with SRC on National Conference on the Public Wage Bill Sustainability*
5. *Decision of Various Proposals Departmental Committee had suggested on Supplementary Estimates 2013/14*
6. Any Other Business

MIN 19/2014: Preliminaries

The Chairman called the meeting to order at 10:00 am and led the Members with a word of prayer. The Chair informed members that the Salary and Remuneration Commission (SRC) had requested to meet BAC. The Chair informed members that when the BAC was probing the establishment and operations of the Constitutional Commissions, it became clear that the country was using huge resources to pay for wages. The Committee had asked the SRC to look at the issue of the increasing public sector wage bill and report back. There was need therefore for SRC to come up with an action plan on how to tackle the problem. In reviewing the supplementary estimates the Finance, Trade and Planning and the Budget and Appropriations

Committees had identified that SRC had requested a budget of Kshs. 187 Million to hold a conference on the issue of wage bill.

MIN 20/ 2014: Confirmation of the Minutes of the Previous Meeting

It was agreed that the minutes of the previous meeting and matters arising shall be discussed in the forth coming meeting. Thereafter the Chairman called upon the Chairperson of Salaries and Remuneration Commission (SRC) to make her presentation

MIN 21/2014: Meeting with SRC on National Conference on the Public Wage Bill Sustainability

The Chair SRC indicated that indeed after meeting with BAC in July and October, 2013, the commission had taken steps on how to deal with the situations. She indicated that the problem was been compounded by the County Governments who are recruiting staff on daily basis and thus the Commission is proposing to hold a National Conference and county forums on the issues so as the public can debate the matter on the wage bill.

The Vice-Chairman Finance, Trade and Planning Committee indicated that during the scrutiny of the supplementary estimates 2013/14, the committee deliberated on the proposed budget and decided to reduce funds meant for the conference by Kshs. 100 Million.

The Chairperson SRC highlighted that there was need for members to approve their budget for National and County Debate on Public Wage Bill conferences. The National Conference debate is expected to be held on 7th March 2014 while the County forums are to be held from 24th March 2014 to 4th April 2014. The total budget for the two conferences amounts to Kshs. 187,974,790.

| | Activities | No | Unit Cost Kshs. | Days | Total Cost KES |
|---|---------------------------------|----|-----------------|------|--------------------|
| 1 | National Debate | 1 | 36,723,600 | 1 | 36,723,600 |
| 2 | Counties Debates | 47 | 995,194 | 1 | 46,774,118 |
| 3 | National Conference | 1 | 22,633,800 | 3 | 67,901,400 |
| 4 | Post Event Activities | 1 | 365,757 | 100 | 36,575,700 |
| | Total Event Organization | | | | 187,974,818 |

The presentation highlighted that the conferences would ensure public participation and discussions on the wage bill which would in turn help in the formulation of the National wage bill policy of the country.

After the presentation, the Chair called upon members to give their views to the presentation. Members of the Finance, Trade and Planning Committee in attendance queried why the presentation was made to the Budget and Appropriation Committee and not the Finance Committee where SRC reports to. Members felt that there was no need of conducting a wage bill conference since the public were aware of the spiral wage bill in the country.

After deliberations the Members of the Committee advised the Salaries and Remuneration Commission to reconsider the need to hold a National Conference on the Public Wage Bill Sustainability and suggested that the budget was too high for such an activity.

MIN 22/2014: Consideration on Proposals of the Departmental Committees on Supplementary Estimates 2013/14

The Chair called upon members to make the decisions of the various proposals that the departmental committees had presented before BAC. After long deliberations, the following reductions were recommendations:

- i. *Kshs. 100 million meant for increase of grants to Kenya Wildlife Service be saved.*
- ii. *Kshs. 100 million meant for increase of grants to Kenya Forest Service be saved.*
- iii. *Kshs. 19 million meant for increase in operating expenses and purchase of office furniture for the headquarters Administrative units in the Ministry of Mining be saved.*
- iv. *Kshs. 100 million savings as proposed by the departmental committee on lands be saved.*
- v. *Kshs. 40 million meant for refurbishment of buildings by the National Gender & Equality Commission be saved.*

The saved funds should be re-allocated to:

- i. Kshs. 100 Million should be allocated to GOTU-bridge in Isiolo.*
- ii. Parliamentary Service Commission should be allocated Kshs. 5.3 Billion*

MIN 23/2014: Any Other Business

Members were informed that they shall discuss the draft BAC report on Tuesday the following week. There being no other business the Chairman adjourned the meeting at 2.05 pm. Next sitting will be on Tuesday, 25th February 2014.

SIGNED



CHAIRPERSON

25-2-14

DATE

MINUTES OF THE 6TH SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE HELD ON WEDNESDAY, 19TH
FEBRUARY 2014 AT 11:00 AM AT COUNTY HALL, CHAMBERS

PRESENT

1. **Hon. Mutava Musyimi - Chair**
2. **Hon. Mary Emaase - Vice Chair**
3. Hon. Abdikadir Omar Aden
4. Hon. Alfred Sambu
5. Hon. Banticha Jaldesa
6. Hon. Benjamin Andola Andayi
7. Hon. Bitok S. Kirwa
8. Hon. Charles Nyamai
9. Hon. Chrisantus W. Wakhungu
10. Hon. Clement Wambugu
11. Hon. Daniel Nanok
12. Hon. Dennis Kariuki
13. Hon. Dorcas Kedogo
14. Hon. Dr. Reginalda Wanyonyi
15. Hon. Francis Njenga
16. Hon. George Muchai
17. Hon. George Wanjohi
18. Hon. Jackson Kiptanui
19. Hon. James Gakuya
20. Hon. James Lusweti
21. Hon. Jamleck Kamau
22. Hon. Jared O. Opiyo
23. Hon. John Mbadi
24. Hon. Jonathan Lati Lelelit
25. Hon. Joseph Limo
26. Hon. KK Stephen Kinyanjui
27. Hon. Makali Mulu Benson
28. Hon. Mohamed Shidiye
29. Hon. Moses Lessonet
30. Hon. Muriuki Njagagua
31. Hon. Nelson Gaichuhie
32. Hon. Omar Mwinyi
33. Hon. Omondi George W. Mallan

- 34.Hon. Priscilla Nyokabi
- 35.Hon. Samuel Gichigi
- 36.Hon. Abdulaziz Farah
- 37.Hon. Dr. J.W. Nyikal
- 38.Hon. Silverse Lisamula Anami
- 39.Hon.(Eng) Stephen Ngare
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- 42.Hon. Isaac Mwaura
- 43.Hon. Irshad Sumra
- 44.Hon. Patrick Ole Ntutu

ABSENT

1. Hon Moses Ole Sakuda
2. Hon. Benjamin Langat
3. Hon. Alice Ng'ang'a
4. Hon. Shukra Hussein Gure
5. Hon. Suleiman Murunga Kasuti
6. Hon. Ali, Fatuma Ibrahim
7. Hon. Peter Weru Kinyua

IN ATTENDANCE

1. Hon. Amina Abdalla- Chairperson, Environment and National Resources
2. Hon. Wilbur Otichilo – Representing the Chairperson, Education, Research and Technology Committee
3. Hon. Ndungu Gathenji- Chairman, Defence and Foreign Relations
4. Hon. Jamleck Kamau – Chairman Energy, Information and Communication Committee
5. Hon. Nelson Gaichuhie – Vice – Chairman, Finance, Trade and Planning Committee
6. Hon. Rachael Nyamai – Chairperson, Health Committee
7. Hon. Tiyah Galgalo – Vice- Chairperson, Labour and Social Welfare Committee

IN ATTENDANCE

1. Mrs. Phyllis Makau
2. Mr. Martin Masinde
3. Mrs. Lucy Makara
4. Mr. Frederick Muthengi
5. Mr. Benjamin Ng'imor
6. Mr. Joseph Ndirangu
7. Mr. Danson Kachumbo

BUDGET COMMITTEE

SECRETARIAT

Director, Parliamentary Budget Office
Senior Deputy Director, PBO
Principal Fiscal Analyst
Principal Fiscal Analyst/Clerk
Fiscal Analyst II
Fiscal Analyst III
Junior Fellow

AGENDA

1. Preliminaries / Confirmation of Agenda
2. Confirmation of the Minutes of the Previous Meeting.
3. Matters arising
4. *Departmental Committees Presentations on the Supplementary Estimates 2013/14.*
5. Any Other Business

MIN 15/2014: Preliminaries

The Chairman called the meeting to order at 11:00, and led the members with a word of prayer.

MIN 16/2014: Confirmation of the Minutes of the Previous Meeting

It was agreed that the minutes of the previous meeting and matters arising shall be discussed in the next meeting.

MIN 17/ 2014: Submission of reports and presentation by the Departmental Committees on the Supplementary Estimates

1. The Chairperson, Environmental and Natural Resources Committee took members through the report on resolutions of the Committee. She stated that the committee had proposed to reduced the recurrent expenditure of Kenya Wildlife by Kshs. 50 Million, Kenya Forest Service by Kshs. 100 Million.

Further Kshs. 19 Million under the recurrent vote and Kshs.50 Million under the development vote in the Ministry of Mining. The Budget Committee noted that there were issues of pending bills and noted that there seems that no

efforts are been made clear them. Ewaso- Nyiro North Development Authority was reported to have been taken to court over the debts.

2. The Chairman, Defence and Foreign Relations Committee took members through the report on the resolutions of the Committee. He stated that his Committee that the Foreign affairs ministry requires more funds for purchase vehicles for the Headquarters and at the embassies all over the world.

The Budget Committee advised him that Government ministries and agencies should have a policy on sharing of vehicles and getting vehicles through leasing when need arises.

3. The Chairperson, Health Committee submitted supplementary estimates report and took members through the resolutions of the Committee. She stated that the Ministry of health requires more funds amounting to Kshs.1.3 Billion to cater for intern doctors salaries and allowances since they have not been paid since September 2013. She noted that more intern doctors are required in April this year. She also stated that there is Kshs. 7.4 Million owed to Kenyatta National Hospital as arrears.

The Budget Committee noted that Health functions have been devolved and thus the issues should be sought out at the County Level.

4. The Vice-Chairman, Finance, Trade and Planning Committee, submitted the Committee's report on its resolutions on the supplementary estimates. He observed that that the Committee proposed the following deductions; Kshs. 292 Million from the Civil Service Reform Secretariat and the money to be allocated to Ronald Ngala Utalii College to pay for pending bills, Kshs. 49 Million from Rationalisation of Civil Servants, Kshs.99.3 Million from the National Treasury, Kshs. 100 Million from Salaries and Remuneration Commission. In their report the Finance Committee had proposed to allocate Kshs. 267 Million to the Ministry of East Africa affairs, Commerce and Tourism.

The Chair BAC directed the Parliamentary Budget Office to check on the status of the Kshs. 500 Million that the Finance, Trade and Planning Committee had proposed to reduce from the National Treasury vote and report back on the next day.

5. Hon. Wilbur Otichilo on behalf of the Chairperson, Education, Research and Technology Committee submitted the Committee report and took members through the Committee's resolution. He highlighted that committee had

proposed to reduce Kshs. 200 Million meant for Sanitary towels and increase allocation to UNESCO by Kshs. 180 Million. The Education Committee also had proposed to reduce funds allocated to Universities under the CBA agreement. The Department Committee had also proposed to allocate from the CBA agreement to ADB funded development projects for counter-part fund for schools and technical institutions for capacity building and allocated more funds to the Higher Education Loans Board.

The Budget and Appropriations Committee decided to call the Chairperson of the Education Committee so as to clarify of the proposed changes.

6. The Chairman, Energy, Information and Communication Committee submitted his committee report and took members through the committee's resolutions. The Committee had noted that the Ministry of Energy and Petroleum had been allocated Kshs. 9.5 Billion for various agencies in the energy docket and the funds were not enough. The Energy committee requested the BAC to consider allocation more funds to the energy sector since it plays a great role in economic development.

For the Ministry of Information, Communication and Technology the Energy committee recommended that the Kshs. 100 Million allocated to Konza techopolis be reallocated as follows: Kshs. 20 Million for rental for produced assets, Kshs. 30 Million for vehicles for field officers, Kshs. 20 Million Construction of building and Kshs. 30 Million for routine maintenance for other assets.

7. The Vice-Chairperson, Labour and Social Welfare Committee submitted to the committee the report on Supplementary estimates to BAC. She informed the Committee that the Committee had proposed to reduce Kshs. 40,000 Million meant for refurbishment of buildings allocated to National Gender and Equality Commission.

The Chairman of the Budget and Appropriations Committee informed members that the Committee had received reports on the Supplementary estimates from the following committees:

- (1) Agriculture, Livestock and Co-operatives Committee
- (2) Administration and National Security Committee

(3) Justice and Legal Affairs

(4) Transport, Public Works and Housing

Lands Committee had yet to submit its report. The secretariat was directed to follow up and report.

Further, the secretariat was tasked with examining all the reports and brief the Committee on the content for discussion. The Chair indicated that he will talk with respective departmental committees on the issues raised.

MIN 18/2014: Any Other Business

The Chairman informed members that the Principal Secretary National Treasury had requested to have a meeting with Budget and Appropriations Committee to discuss matters relating to the issuance of the Sovereign bond. The Committee decided to meet him for an informal sitting on the same day at 3.45 p.m.

Members were also informed that there will be a meeting on continuation of processing of the Supplementary Estimates 2013/14 on the following day, 20th February, 2014.

There being no other business the chairman adjourned the meeting at 2.00 p.m. Next sitting will be held on 20th February, 2014 at 10.00a.m.

SIGNED



CHAIRPERSON

25.2.14

DATE

**MINUTES OF THE 5TH SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE HELD ON TUESDAY, 18TH FEBRUARY
2014 AT 10:00 AM AT SMALL DINING**

PRESENT

1. **Hon. Mutava Musyimi - Chair**
2. **Hon. Mary Emaase - Vice Chair**
3. Hon. Abdikadir Omar Aden
4. Hon. Alfred Sambu
5. Hon. Ali, Fatuma Ibrahim
6. Hon. Alice Ng'ang'a
7. Hon. Banticha Jaldesa
8. Hon. Benjamin Andola Andayi
9. Hon. Bitok S. Kirwa
10. Hon. Chrisantus W. Wakhungu
11. Hon. Clement Wambugu
12. Hon. Daniel Nanok
13. Hon. Dennis Kariuki
14. Hon. Dorcas Kedogo
15. Hon. Dr. Reginalda Wanyonyi
16. Hon. Francis Njenga
17. Hon. George Muchai
18. Hon. George Wanjohi
19. Hon. Jackson Kiptanui
20. Hon. James Gakuya
21. Hon. James Lusweti
22. Hon. Jamleck Kamau
23. Hon. Jared O. Opiyo
24. Hon. John Mbadi
25. Hon. Jonathan Lati Lelelit
26. Hon. Joseph Limo
27. Hon. KK Stephen Kinyanjui
28. Hon. Makali Mulu Benson
29. Hon. Mohamed Shidiye
30. Hon. Moses Lessonet
31. Hon. Moses Ole Sakuda
32. Hon. Muriuki Njagagua
33. Hon. Nelson Gaichuhie

- 34.Hon. Omar Mwinyi
- 35.Hon. Omondi George W. Mallan
- 36.Hon. Priscilla Nyokabi
- 37.Hon. Samuel Gichigi
- 38.Hon. Shukra Hussein Gure
- 39.Hon. Silverse Lisamula Anami
- 40.Hon. Suleiman Murunga Kasuti
- 41.Hon.(Eng) Stephen Ngare

ABSENT

1. Hon. Charles Nyamai
2. Hon. Isaac Mwaura
3. Hon. Peter Weru Kinyua
4. Hon. Tiyah Galgalo
5. Hon. Abdulaziz Farah
6. Hon. Alfred Agoi
7. Hon. Benjamin Langat
8. Hon. Dr. J.W. Nyikal
9. Hon. Irshad Sumra
10. Hon. Patrick Ole Ntutu

IN ATTENDANCE

1. Senator. Beth Mugo
2. Senator. Sammy Leshore
3. Hon. Jimmy Angwenyi
4. Hon. Regina Chengorok
5. Hon. Gladys Wang'a
6. Hon. Adan Keynan
7. Mr. Jeremiah Nyengeny'e
8. Mr. Antony Njoroge
9. Mr. Samuel Obudo
- 10.Mr. David Githua
- 11.Mr. Osborn Obayo

PARLIAMENTARY SERVICE COMMISSION

Vice Chair
 Commissioner
 Commissioner
 Commissioner
 Commissioner
 Commissioner
 Clerk Senate/ Secretary to the
 Commission
 Director Legal
 Ag. Director Finance
 Principal, Finance Officer
 Research Officer, PSC Secretariat

IN ATTENDANCE

1. Mrs. Phyllis Makau
2. Mr. Martin Masinde
3. Mrs. Lucy Makara
4. Mr. Frederick Muthengi
5. Mr. Benjamin Ng'imor
6. Mr. Joseph Ndirangu
7. Mr. Danson Kachumbo

BUDGET COMMITTEE

SECRETARIAT

Director, Parliamentary Budget Office
Senior Deputy Director, PBO
Principal Fiscal Analyst
Principal Fiscal Analyst/Clerk
Fiscal Analyst II
Fiscal Analyst III
Junior Fellow

AGENDA

1. Preliminaries / Confirmation of Agenda
2. Confirmation of the Minutes of the Previous Meeting.
3. Matters arising
4. *The Affirmative Action Social Development Fund Legislative Proposal, 2013*
5. *Meeting with Parliamentary Service Commission on the Supplementary Estimates 2013/14*
6. Any Other Business

MIN 10/2014: Preliminaries

The Chairman called the meeting to order at 10:00 am and led the members with a word of prayer.

MIN 11/ 2014: Confirmation of the Minutes of the Previous Meeting

It was agreed that the minutes of the previous meeting and matters arising shall be discussed in the forth coming meeting. Thereafter the Chairman of the Committee called upon the presenter on the Affirmative Action ,Social Development Fund Legislative proposal, 2013 to make her presentation.

MIN 12/2014: *The Affirmative Action(Social Development Fund) Legislative Proposal, 2013* by Hon. Nyiva Mwendwa

The presenter informed members that the legislative proposal had been amended as per the changes proposed by the Budget and Appropriations Committee and it shall be reintroduced to the committee at a later date. The Chair CDF was asked to give his opinion on how the CDF Model can be used to administer the Fund. He stated that

the proposed fund could be administered by the CDF Board as conditional grant arrangement for County Women Representatives (CWR).

MIN 13/2014: Meeting with Parliamentary Service Commission (PSC)

The presentation from PSC highlighted that arising from the reduction of the resource ceiling for its vote; it had become difficult for the commission to implement the planned activities. The expenditure areas that were mostly affected by the reduction were mortgage, car loan, committee operations, refurbishment of buildings and payment of rents. The bare minimum that was required in Supplementary Estimates for FY 2013/14 was 7.8 billion. This was Kshs. 7.8 billion in the recurrent estimates and Ksh. 1.5 billion in the development estimates.

A Table Summarising the Recurrent Estimates of the Parliamentary Service Commission

| Item | 2013/14 Printed Estimates | Supplementary estimates (amount PSC had initially requested) | Additional Funds(required to cover shortfalls) |
|---------------------|---------------------------|--|--|
| Mortgage | 500 million | 4.5 billion | 2.5 billion |
| Car loan | 200 million | 700 million | 700 million |
| Office Constituency | 1.5 billion | 948 million | 950 million |
| Mileage NA | 1.3 billion | 1.6 billion | 500 million |
| Mileage Senate | 197 million | 297 million | 100 million |
| County Offices | 241 million | 350 million | 109 million |
| Committees NA | 645.2 million | 1.289 billion | 850 million |
| Committees Senate | 284.7 million | 568.7 million | 284 million |
| Rents | 290 million | 604 million | 310 million |
| TOTAL | 5.157 billion | 10.856 billion | 6.303 billion |

Development Estimates

| Item | Printed Estimates | Supplementary estimates (amount PSC had initially requested) | Additional Funds(required to cover shortfalls) |
|----------------------------|----------------------|--|--|
| Senate Project | 700 million | 1 billion | 300 million |
| Refurbishment of Buildings | 315 million | 500 million | 200 million |
| Construction of Buildings | - | - | 500 million |
| Security equipment | 10 million | - | 500 million |
| Total | 1.025 billion | 1.5 billion | 1.5 billion |

It was noted that the Parliamentary Service Commission in the draft estimates for FY 2013/14 had been allocated Kshs. 1.4 billion for construction of office block. However, the National Treasury removed the allocation. The office block project had since been commissioned and therefore the figure of Kshs. 500 million would suffice for payments of initial certificates in the interim period to June 2014.

Underscoring the presentation, the Chairman thanked the PSC and called upon members of the committee to react to the presentation. The following were remarks raised by members.

Remarks raised by members

- i. The presentation should be more detailed such that it should have the programs for PSC that need more allocation
- ii. Why there was delayment of constituencies staff salaries
- iii. Why the allocation per capita per Member of Senate was higher than that of a Member of the National Assembly.
- iv. Why the allocation for security equipment of Kshs. 500 million
- v. Need to factor sports activities in the Budget. A case was given that during the sports activities in Uganda there was a problem in payment of allowances and tickets
- vi. Need to harmonise travel for both Senate and national Assembly.

The Secretary to the Commission informed members that Kshs. 500 million for security would be used to purchase and install the security equipments. This would enhance security within the precincts of Parliament especially so after the terror alerts targeting key government buildings. It was agreed that Members of Parliament shall get better service delivery and that they should report any staff member who tries to solicit money for the services rendered to them.

After deliberations, the following recommendations were made by BAC members on the PSC budget: All their addition funds request remain the same apart from

- i. *The allocation for security equipment be revised from Kshs. 500 million to Kshs.200 million*
- ii. *The allocation for construction of buildings be revised from Kshs. 500 million to Kshs. 250 million*
- iii. *Proportional allocation to Committees of the National Assembly and those of the Senate to reflect the per capita to each member. The ratio of allocation to each member should be 1:1 as opposed to the current ratio which Members stated is highly unequal disadvantaging the National Assembly.*

Finally it was agreed that there was need for the PSC Supplementary budget allocation to be revised upwards to cater for the needs of members of parliament especially mortgage and car loans.

MIN 14/2014: Any Other Business

Members were informed that there shall be a continuation of the processing of the Supplementary Estimates 2013/14 in the following meeting. There being no other business the chairman adjourned the meeting at 12.45 pm. Next sitting will be on 19th February 2014.

SIGNED



CHAIRPERSON

25.2.14

DATE

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MINUTES OF THE 4TH SITTING OF THE BUDGET AND
APPROPRIATIONS COMMITTEE HELD ON THURSDAY, 13TH FEBRUARY
2014 AT 10:00 AM AT SMALL DINNING

PRESENT

1. **Hon. Mutava Musyimi - Chair**
2. **Hon. Mary Emaase - Vice Chair**
3. Hon. Abdulaziz Farah
4. Hon. Alfred Agoi
5. Hon. Alfred Sambu
6. Hon. Benjamin Andola Andayi
7. Hon. Benjamin Langat
8. Hon. Bitok S. Kirwa
9. Hon. Chrisantus W. Wakhungu
10. Hon. Clement Wambugu
11. Hon. Daniel Nanok
12. Hon. Dorcas Kedogo
13. Hon. Dr. J.W. Nyikal
14. Hon. Dr. Reginalda Wanyonyi
15. Hon. Francis Njenga
16. Hon. George Muchai
17. Hon. George Wanjohi
18. Hon. Irshad Sumra
19. Hon. Jackson Kiptanui
20. Hon. James Gakuya
21. Hon. James Lusweti
22. Hon. Jared O. Opiyo
23. Hon. John Mbadi
24. Hon. Jonathan Lati Lelelit
25. Hon. Joseph Limo
26. Hon. KK Stephen Kinyanjui
27. Hon. Makali Mulu Benson
28. Hon. Mohamed Shidiye
29. Hon. Moses Lessonet
30. Hon. Muriuki Njagagua
31. Hon. Nelson Gaichuhie
32. Hon. Omar Mwinyi
33. Hon. Omondi George W. Mallan

- 34.Hon. Patrick Ole Ntutu
- 35.Hon. Samuel Gichigi
- 36.Hon. Silverse Lisamula Anami
- 37.Hon. Suleiman Murunga Kasuti

ABSENT

1. Hon. Abdikadir Omar Aden
2. Hon. Ali, Fatuma Ibrahim
3. Hon. Alice Ng'ang'a
4. Hon. Banticha Jaldeša
5. Hon. Charles Nyamai
6. Hon. Dennis Kariuki
7. Hon. Isaac Mwaura
8. Hon. Jamleck Kamau
9. Hon. Moses Ole Sakuda
10. Hon. Peter Weru Kinyua
11. Hon. Priscilla Nyokabi
12. Hon. Shukran Hussein Gure
13. Hon. Tiyah Galgalo
14. Hon.(Eng) Stephen Ngare

IN ATTENDANCE

1. Ms. Phyllis Makau
2. Ms. Lucy Makara
3. Mr. Frederick Muthengi
4. Mr. Benjamin Ng'imor
5. Mr. Joseph Ndirangu
6. Mr. Danson Kachumbo

BUDGET COMMITTEE

SECRETARIAT

- Director
- Principal Fiscal Analyst
- Principal Fiscal Analyst/Clerk
- Fiscal Analyst II
- Fiscal Analyst III
- Junior Fellow

AGENDA

1. Preliminaries / Confirmation of Agenda
2. Confirmation of the Minutes of the Previous Meeting.
3. Matters arising
4. *Briefing by the Parliamentary Budget Office on 1st Supplementary Estimates for 2013/14*
5. Any Other Business

MIN 06/2014: Preliminaries

The Chairman called the meeting to order at 10:00 am and led the members with a word of prayer.

MIN 07/ 2014: Confirmation of the Minutes of the Previous Meeting

It was agreed that the minutes of the previous meeting and matters arising shall be discussed in the forth coming meeting. Thereafter the Chairman of the committee called upon the secretariat to make their presentation.

MIN 08/2014: 1st Supplementary Estimates for 2013/14

The presentation highlighted the key issues in the supplementary estimates. The key issues were the salary related increments of about 27.4 billion, the reduction in funds for strategic interventions amounting to Ksh. 29 billion. These included Ksh. 22 billion for construction of the standard gauge railway; Ksh. 4 billion for construction of water pans and small dams and ksh. 3 billion for irrigation. Funding for KURA, KERRA and REA. Finally the presentation talked of inter-ministerial transfer of projects such as the 'disaster management' and 'western Kenya Flood Mitigation Project' were being moved to Ministry of Devolution and Planning. Youth Polytechnics and Training Services' were being moved from Ministry of Devolution and Planning to ministry of Education.

After the presentation the chairman called upon members to react on the presentation made by the secretariat. Following were the remarks raised by the members.

Remarks raised by members:

1. The additional Kshs. 1.2 Billion set for the acquisition of strategic food was too little?
2. Why was there a reduction of funds for strategic interventions such as construction of water pans and small dams and yet there was a perennial problem of hunger in Kenya?

3. Why was there an allocation of Kshs. 5.3 Billion in budget reserves for contingencies?
4. Why is it that the National Treasury paying import duty of Kshs. 2 Billion for imported equipment and machinery for Ministry of defence?
5. Why was there an increment of Kshs. 2.6 Billion for health services and yet the health services have been devolved?
6. What was the new allowance for the former presidents that had resulted for increment in salaries and allowance for constitutional office holders by Ksh s. 316.7 Million?
7. Why was the 'Kenya/Southern Sudan Liaison Office' being moved from the Ministry of East Africa Affairs Commerce and Tourism to the Presidency?
8. Why was the secretariat analysis on supplementary budget Kshs.1.69 Trillion different from the National Treasury request of Kshs. 1.67 Trillion
9. Why was there an increase in grants to KRA of Kshs.1 Billion
10. Why was there an increase of funds to the Project Management Unit(for celebrations of Kenya @50) to about Ksh.650 Million yet during the Sector working groups meeting the Sports, Culture and Arts Ministry had indicated that they had a budget of Kshs. 500,000.

Reacting to the remarks raised by the members, the secretariat informed members that some of the issues were pertinent and could only be answered by the National Treasury. However on the issue of the variance between the secretariat supplementary budget total and National Treasury total was because of the format used. The Kshs. 1 Billion grant for KRA was to cater for the contractual employees. Members were informed that a new policy was introduced to KRA, that senior officials were under a contract

It was of the view of the committee that there was a need for them to champion 4 priority areas in forthcoming budgets. These areas were:

- i. *Agriculture*
- ii. *The spiral wage bill and pensions*
- iii. *Support of anti-graft institutions*
- iv. *Primary school education*

Public

MIN 09/2014: Any Other Business

Members agreed that in the following meeting they shall discuss in details the allocation of Parliamentary Service Commission of 1 billion against the request of Ksh. 8.3 billion. It was agreed that there was need for BAC to have the subcommittee in order to carry the mandate more effectively. There was also a call for a proper committee room with microphones and with less noise. However members were informed that at there was no other big room to accommodate them and they had to bear with parliament until the refurbishments have been completed. There being no other business the chairman adjourned the meeting at 12.45 pm. Next sitting will be 18th February 2014.

SIGNED



CHAIRPERSON

25.2.14

DATE

