

**COUNTY GOVERNMENT OF LAMU**



**THE COUNTY ASSEMBLY OF LAMU**

**THE HANSARD**

**Wednesday, 17<sup>th</sup> May, 2023**

*The Assembly met at the  
Main Chambers, at 10:30 a.m.*

[Deputy Speaker (Honorable Paul Kimani Njuguna) in the Chair]

**PRAYERS**

**Deputy Speaker (Honorable Paul Kimani Njuguna):** Next Order.

**Clerk-at-the-Table:** Motions

**MOTIONS**

**MCA Bwana Mohamed Bwana (Majority Leader):** Thank you Mr Deputy Speaker Sir.

Mr Deputy Speaker, I beg to give the following Motion: -

THAT, the House approves and adopts the Report of Finance, Budget and appropriations committee on consideration on the medium-term expenditure framework budget estimates 2023/24-2025/26 and annual budget for the year ending 30<sup>th</sup> June 2024 tabled on the House on Tuesday, 16<sup>th</sup> May, 2023 and pursuant to the Constitution, County Government Acts and Standing Orders of the County Assembly's approves and adopts the committee recommendations.

**MCA Bwana Mohamed Bwana (Majority Leader):** Mr Deputy Speaker Sir, allow me to read the Report of the Committee.

**Deputy Speaker (Honorable Paul Kimani Njuguna):** Proceed.

**MCA Bwana Mohamed Bwana (Majority Leader):** Thank you Mr Deputy Speaker Sir.

Mr Deputy Speaker Sir, this is the report of Finance, Budget and Appropriation Committee on the consideration of the medium-term expenditure framework budget estimates 2023/24-2025/26 and annual budget for the year ending 30<sup>th</sup> June 2024.

Mr. Deputy Speaker Sir, on behalf of the Members of the Finance, Budget and Appropriations Committee and as required under Article 224 of the Constitution of Kenya as well as Section 131 of the Public Finance Management Act (2012), I hereby present to the House, the Finance, Budget and Appropriation committee report on consideration of the Lamu County Medium Term Expenditure Framework Budget Estimates 2023/24-2025/26 and Annual Budget for the year ending 30 June 2024, which were submitted to the County Assembly for review and approval by Mr Mohamed Bwana Ali – the County Executive Member for Finance, Budget Strategy and Economic Planning on 28<sup>th</sup> April 2023.

Mr. Deputy Speaker Sir, The Lamu county Assembly and the Lamu County Executive Medium Term Expenditure Framework Estimates were tabled and committed to the Finance, Budget & Appropriations Committee in accordance with the Standing Orders of the County Assembly of Lamu.

## COMMITTEE MANDATE

Mr. Deputy Speaker Sir, the Committee on Finance, Budget and Appropriations is established under Standing Order No. 187 and is mandated to;

- 1) Investigate, inquire into and report on all matters related to coordination, control and monitoring of the of the county budget,
- 2) Discuss and review the estimates and make recommendations to the County Assembly;
- 3) Examine the County Fiscal Strategy Paper, as presented to the County Assembly;
- 4) Examine Bills related to the budget, including Appropriations Bills; and
- 5) Evaluate tax estimates, economic and budgetary policies and programmes with direct budget outlays.

## COMMITTEE MEMBERSHIP

Mr. Deputy Speaker Sir, the Finance, Budget and Appropriations Committee as currently constituted includes the following members:

- |                           |                  |
|---------------------------|------------------|
| 1. Barisa Deko Bana       | Chairperson      |
| 2. Bwana Mohamed Bwana    | Vice-Chairperson |
| 3. Francis Ngure Gakonga  | Member           |
| 4. Paul Kimani Njuguna    | Member           |
| 5. Zahara Shee Mohamed    | Member           |
| 6. Aisha Ali Abdulrahman  | Member           |
| 7. Suleiman Farah         | Member           |
| 8. Amina Hassan Bwanamkuu | Member           |
| 9. Mohamed Aboud Abubakar | Member           |

The Finance, Budget and Appropriation Committee is established under the Standing Order 187 and one of its main function is to discuss and review the Budget Estimates and make recommendations to the County Assembly.

Mr. Deputy Speaker Sir, in reviewing the 2023/24 Budget Estimates submitted by the County Executive Committee Member for Finance, Budget Strategy and Economic Planning, the Committee held four Committee Sittings and in depth consultation with sectorial committees on the relevant departmental allocations.

**HIGHLIGHTS OF THE 2023-24 BUDGET ESTIMATES.**

Mr. Deputy Speaker Sir, the 2023/24 Budget Estimates have projected a revenue of kshs four billion, three hundred and fifty five million, three hundred and nine thousand and three hundred and fifty nine shillings **(4,355,309,359)** as summarized below.

<b>REVENUE STREAM</b>	<b>Amount (Kshs)</b>	<b>Percentage</b>
Equitable share	3,237,350,707	74%
Local Revenue	350,000,000	8%
FLOCAA	100,000,000	2%
Aggregated Industrial Parks Program	100,000,000	2%
DANIDA	4,735,500	0.1%
Kenya Informal Settlement Support Program	150,000,000	3%
Brought Forward Balances Recurrent	68,874,691	2%
Brought Forward Balances Development	344,348,461	8%
<b>Total Revenue</b>	<b>4,355,309,359</b>	<b>100%</b>

Mr. Deputy Speaker Sir, The total recurrent expenditure for the financial year 2023/2024 accounts for **Kshs** Two billion, six hundred seventy three million, two hundred and ninety six thousand and eight hundred and forty seven shillings (**2,673,296,847**) which constitutes **61%** of the total budget. Compensation to employee's accounts for Kshs. One billion, eight hundred and seven million, three hundred and fifty seven thousand and fifty one shillings (**1,807,357,051**) of the total expenditure translating to **41%** while other recurrent expenditure accounts **Kshs**. Eight hundred and sixty five million, nine hundred and thirty nine thousand and seven hundred and ninety six shillings (865,939,796) translating to **20 %** of county total expenditure.

Mr. Deputy Speaker Sir, The total development expenditure for the FY 2023/24 budget accounts for Kshs one billion, six hundred and eighty-two million, twelve thousand and five hundred and twelve shillings (**1,682,012,512**). This development expenditure translates to **39%** of the total expenditure.

Mr. Deputy Speaker Sir, the 2023-24 Budget Estimates have met some of the fiscal responsibilities in section 107(2) (a) (b) of the PFM Act, which requires a county government's recurrent expenditure not to exceed the county government's total revenue, and over the medium term a minimum of thirty percent of the county government's budget to be allocated to the development expenditure.

Mr. Deputy Speaker sir, over the medium term, the County Government of Lamu does not intend to borrow funds to finance its development expenditure either through internal or external borrowing to finance budget. County own revenue, equitable share, conditional grants and locally generated revenues will therefore finance the 2023/2024 budget.

Mr. Deputy Speaker Sir, However, The County government's expenditure on wages and benefits for public officers is at **41%** and has exceeded the set limit in the PFM, Act (County Governments Regulations, 2015) which requires; The County government's expenditure on wages and benefits for public officers shall not exceed 35 percent of the County government's total revenue.

Mr. Deputy Speaker Sir, The County Executive Committee Member for Finance did not attach a memorandum to the County Assembly on how the County Government intends to reduce this expenditure to the set limit in the PFM, Act County Government Regulations, 2015).

### **ACKNOWLEDGEMENTS**

Mr. Deputy Speaker Sir, first, on behalf of the Committee I wish to express our gratitude to the office of the Speaker and the Assembly Clerk for the support the Committee received as it discharged its mandate of reviewing the Lamu County Medium Term Expenditure Framework Budget and Annual Budget for the year ending 30th June 2024.

Further, I wish to express my appreciation to the Honorable Members of the Committee who traded off their time to participate in the activities of the Committee and whose dedication and fortitude saw the completion of this report.

This Committee similarly extends its gratitude to the Finance and Legislative Department for technical and professional advices they actively played in ensuring successful writing of this Committee Report.

Special appreciation also goes to the Secretariat of the Committee who, on several occasions, had to go beyond the normal call of duty. The commitment and devotion to duty of all those involved in this noble task made the work of the Committee and production of this report a success.

Mr. Deputy Speaker Sir, it is therefore my pleasant duty and privilege, on behalf of the Finance, Budget & Appropriations Committee, to table this report on consideration of the Medium Term Expenditure Framework Budget 2023/24-2025/26 and Annual Budget for the year ending 30 June 2024, with the amendments contained therein and recommend it to the House for adoption.

*(Seconded)*

*(Motion proposed)*

*Members Contributions*

**MCA Fahd Dini Adnan (Minority Leader):** Asante Bwana Naibu Spika kwa kunipatia fursa ya kuchangia. Makadirio ya bajeti ni muhimu sana kwa kaunti yetu na hatuezi kusonga mbele ikiwa hatujajipanga. Kwa hio naunga mkono mswada huu.

**MCA Ahmed Hamid Omar (Nominated):** Asante Bwana Naibu Spika, mimi nasimama kuunga mkono mswada huu na pia ningependa kuipongeza kamati husika pamoja na Bunge zima katika utendakazi wao. Katika Makadirio ya bajeti wameeleza kuwa hawana haja ya kukopa katika uendelezaji wa Kaunti na hatimaye, hili ni jambo ambalo limenivutia Zaidi.

**MCA Francis Ngure Gakonga (Bahari):** Asante Bwana Naibu Spika, naunga mkono kupitishwa kwa mswada huu. Naona ni vizuri tuipatie serikali ya Kaunti fursa ya kupambana na pia ni vyema tuonekane serikali yetu ya Kaunti inapata pesa katika kujiendeleza shughuli zetu mbali mbali.

**MCA John Mburu Gitonga (Hongwe):** Asante Bwana naibu Spika, mimi pia nasimama kuunga mkono kwani ikiwa hakuna bajeti, itakuwa hakuna maendeleo katika kaunti.

**MCA James Njaaga Kariuki (Hindi):** Bwana Naibu Soika nashukuru kunipatia fursa hii hata mimi naunga mkono mswada huu kwani kaunti ambayo haina bajeti, ni kaunti ambayo imekufa. Pia naomba kamati ya bajeti iendelee na utendakazi wake kwa asababu sisi tutapitisha na tungependa kuona matunda kutoka kwao.

*Mover's Response*

**MCA Bwana Mohamed Bwana (Majority Leader):** Bwana Naibu Spika, kwa niaba ya Kamati ya bajeti, ningependa kutoa shukrani kwa kamati yenyewe na kwa ushirikiano wenu nyote katika kuunga mkono kwa bajeti hii.

*(Question put and agreed upon)*

**ADJOURNMENT**

**Deputy Speaker (Honorable Paul Kimani Njuguna):** Honorable Members, there being no other business, the Assembly stands adjourned until in the afternoon at 2:30 p.m.

*The Assembly rose at 12:15 p.m.*