**THE MEMORANDUM TO AMMEND THE COUNTY FISCAL STRATEGY PAPER 2023:**

The County Fiscal Strategy Paper 2023 was prepared and approved by the County assembly as provided in section 1127 of the PFM Act 2012 and so the budget has also been done using the approved County Fiscal Strategy Paper as per sectio125 of the PFM Act 2012.

The County Treasury therefore forwards a memorandum requesting to amend the County Fiscal Strategy Paper 2023 to suite the following requirements and justifications.

1. **Valuation Roll**

The County Treasury requests for the additional funding on the valuation roll whose total cost has been approximated at Ksh. 67,000,000. The County has planned to implement this initiative in three phases, phase one is estimated at Ksh.16,000,000 in the current financial year and has planned to do the next phase at Ksh. 30,000,000 and the balance to be allocated in the next financial year financial year 2024/2025. This has been highlighted in the Governors manifestos and it is one of the flagship projects in the County integrated Development Plan 2022-2027. The importance of this intervention is therefore seen to double our county own source revenue in the County.

1. **Nyamaiya Stadium**

The allocation of Nyamaiya stadium at Ksh. 6,500,000 was meant to construct the toilets in the stadium and therefore the County Treasury Requests the intervention to be changed to beaconing, Fencing and surveying meant to recover the encroached land at the stadium.

1. **Manga Stadium**

The County Treasury requests for the reverse of the Ksh. 10,000,000 as earlier proposed in the CFSP to cater for the pending obligations in the stadium.

1. **Revolving Fund (INUKA FUND)**

The Current Fiscal Strategy Paper 2023 has allocated Ksh. 10,000,000 towards the stated intervention, the County Treasury request that the fund to be enhanced by another Ksh. 10,000,000 since its part of the Government’s priority areas.

1. **The aggregated industrial Park Programme**

The County Fiscal Strategy Paper 2023 had approved the conditional grants as per BPS at Ksh. 100,000,000 and a contribution towards the implementation of the same at Ksh. 100,000,000. As per the advisory from the ministry of investment, trade and industry on the criteria and minimum conditions for development of the county aggregated centers and industrial parks, the County is required to set aside Ksh. 250,000,000 as a contribution towards it and to enhance the conditional at Ksh. 250,000,000.

1. **Mangongo**

The municipality board requests that the money allocated for the Mangongo Health centre to be channeled to construct modern kiosk in Nyamira Town.

1. **Irrigation programme**

County Treasury requests that the irrigation programme to be moved from water department to agriculture department. This is basically to meet the intended purpose of irrigation for crop production.

1. **Interventions in water department**

The county treasury request for the change of development intervention as per the attached. This is basically to allow for the completion of the on-going projects.

1. **Governors Ceilings**

The approved County Fiscal Strategy Paper 2023 has approved the governors ceiling less Ksh. 18,000,000 and requests for the additional funding for the County Attorney at Ksh.25,000,000.

1. **Underfunding in Finance and Accounting Services Department**
2. Additional Ksh. 10,000,000 towards the Audit Committee Support
3. Additional Ksh. 5,000,000 towards the procurement support
4. Additional Ksh. 15,000,000 towards accounting Services especially Preparation of financial statements and reporting, preparation of audits reports and capacity building of the staff and members subscriptions.
5. **Underfunding Economic Planning, Resources Mobilisation and ICT**
6. Additional Ksh. 10,000,000 towards the Revenue infrastructure and maintainace (Networking)
7. Additional Ksh. 20,000,000 towards the Revenue administration cost
8. Additional Ksh. 15,000,000 towards theInnovation Hub and digital economy
9. **Interventional Changes in the department of agriculture**
10. Additional Ksh. 3,800,000 towards the support to soil fertility improvement and management
11. Additional Ksh. 5,000,000 towards the support to Crop Value chain development for industrial growth
12. Additional Ksh. 5,000,000 towards the support to Crop Value chain development for industrial growth
13. Additional Ksh. 5,000,000 towards the support to value chain dairy.
14. Additional Ksh. 3,000,000 towards the support to CASCOMM Support (3 BILLs)
15. **Health Department**

Health department has got uncompleted projects amounting to Ksh.158,000,000. The FIF therefore will finance the ongoing projects to a tune of Ksh. 69,000,000 and that the county treasury request that the remaining balance to be done from the ward projects allocation.

1. **Realignment on the gender department**

The department request that the narration under the intervention of tap, nature and develop youth talents academy be renamed TALAHA HELAM and be added extra ksh.1,000,000. The liquor licensing be enhanced to ksh. 2,000,000.

1. **Unspent Balances**

The approved County Fiscal Strategy Paper 2023 had approved Ksh. 994,264,260 as unspent balances as opposed to the proposed ksh.430,000,000. This allocation was projected to fund the pending bills both in recurrent and development. The approved CFSP has declared only Ksh. 537,094,755 as the pending bills in recurrent and development, the balance of ksh. 457,169,505 is therefore allocated to new projects and programs. The declared ksh. 994,264,260 is tied to the current budget which implies that the same to be reflected in the pending bills.

1. **Table detailing the memorandum details**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **ISSUES** | **CURRENT ALLOCATION** | **PROPOSED ADDITION** | **FINAL AMOUNT** | **DEPARTMENT** | **CLASSIFICATION** |
| Valuation Roll | 10,000,000 | 20,000,000 | 30,000,000 | Lands | Development |
|  | **10,000,000** | **20,000,000** | **20,000,000** |  |  |
| Manga stadium | 0 | 10,000,000 | 10,000,000 | Sports | Development |
|  | **0** | **10,000,000** | **10,000,000** |  |  |
| Revolving Fund (Inuka FUND) | 10,000,000 | 10,000,000 | 20,000,000 | Trade | Recurrent |
| Contribution towards the Industrial Park | 100,000,000 | 85,000,000 | 195,000,000 | Trade | Development |
| Industrial park, conditional grants | 100,000,000 | 150,000,000 | 250,000,000 | Trade | Development |
|  | **310,000,000** | **245,000,000** | **465,000,000** |  |  |
| Support to soil fertility improvement and management | 1,200,000 | 3,800,000 | 5,000,000 | Agriculture | Development |
| Support to Crop Value chain development for industrial growth | 0 | 5,000,000 | 5,0000,000 | Agriculture | Development |
| Dairy Value chain | 0 | 5,000,000 | 5,000,000 | Agriculture | Development |
| CASCOMM Support (3 BILLs) | 0 | 5,000,000 | 5,000,000 | Agriculture | Development |
|  | **1,200,000** | **18,800,000** | **30,000,000** |  |  |
| Executive ceiling in line with CARA 2022 | 451,000,000 | 18,000,000 | 469,000,000 | Governors | Recurrent |
| County Attorney allocation | 0 | 25,000,000 | 45,000,000 | Attorney | Recurrent |
|  | **451,000,000** | **33,000,000** | **484,000,000** |  |  |
| Revenue infrastructure and maintainace (Networking) | 0 | 10,000,000 | 10,000,000 | Revenue | Development |
| Revenue administration cost (National Bank of Kenya) | 0 | 20,000,000 | 20,000,000 | Revenue | Development |
| Innovation Hub and digital economy | 0 | 15,000,000 | 15,000,000 | Ict | Development |
| Stationery to sub-counties, fuel, uniforms and enforcement gadgets for revenue enhancement. | 10,000,000 | 10,000,000 | 20,000,000 | Revenue | Recurrent |
| Preparation of financial statements and reporting, preparation of audits reports and capacity building of the staff and members subscriptions | 4,000,000 | 15,000,000 | 19,000,000 | Accounts | Recurrent |
| Audit committee support | 4,000,000 | 10,000,000 | 14,000,000 | Audit | Recurrent |
| procurement support services | 4,000,000 | 5,000,000 | 9,0000,000 | Procurement | Recurrent |
|  | **22,000,000** | **85,000,000** |  |  |  |
| Liquor licensing | 600,000 | 1,400,000 | 2,000,000 | Gender | Recurrent |
| Talanta hela | 470,000 | 1,000,000 | 1,470,000 | Gender | Recurrent |
|  | **1,070,000** | **2,400,000** | **107,000,000** |  |  |
| **TOTAL** | **789,200,000** | **414,200,000** | **983,000,000** |  |  |
|  |  | **264,200,000** |  |  |  |

**NB**

* The total additional allocation comes ksh.414,200,000
* Out of this allocation Ksh, 150,000,000 will be sourced out of the conditional grants
* The remaining ksh. 264,200,000 will funded as follows;
* Ksh. 150,000,000 from the ward projects
* Ksh. 114,200,000 to be sourced from the enhanced own source revenue