



REPUBLIC OF KENYA
COUNTY GOVERNMENT OF NYANDARUA
THE COUNTY TREASURY



NYANDARUA COUNTY GOVERNMENT
FIRST SUPPLEMENTARY BUDGET
FY 2021/2022
CITIZEN BUDGET

THEME

*Actualizing Nyandarua County's Socio-economic
Transformative Agenda*

ABBREVIATIONS

CIDP: County Integrated Development Plan.

ADP: Annual Development Plan.

CECM: County Executive County Member.

ICT: Information and Communication Technology.

ECDE: Early Childhood Development Education.

IFMIS: Integrated Financial Management Information System.

PFM: Public Finance Management.

CRA: Commission on Revenue Allocation.

CBROP: County Budget Review and Outlook Paper.

CFSP: County Fiscal Strategic Paper.

CARA: County Allocation Revenue Act.

DORA: Division of Revenue Act.

O&M: Operation and Maintenance.

M:Million.

B:Billion.

PE: Personal Emolument. (Compensation to Employees)

DANIDA: Danish International Development Agency.

EU: European Union.

KSh: Kenya Shillings.

M&E: Monitoring and Evaluation.

1.0 COUNTY GOVERNMENT STRUCTURE

1.1 OVERVIEW

Nyandarua County is one of the County Governments in Kenya created under the two-tier governance system, i.e. national and county systems established under the Constitution 2010. The County Government started implementing its mandate in March 2013 as per the provisions of the Fourth Schedule of the Constitution which came into effect in August 2010. The county has operationalized these constitutional requirements and other legal provisions including the County Government Act, 2012, Public Finance Management, Act 2012, and the Urban Areas and Cities Act, 201 among other legislations. These provisions require periodic preparation of various planning documents; County Integrated Development Plan (CIDPs), Spatial Plans, Urban Areas and Cities Plan, Sectoral Plans, Annual Development Plans (ADPs) and Budget Estimates.

The county government is composed of two arms; the Legislature and the Executive. The Legislature is composed of the Speaker, one elected member from each of the county's twenty-five Wards, and nominated members representing special interest groups and staff under the County Assembly Clerk. The Legislature's roles are; representation, oversight, and legislation. The role of the Executive arm is to implement laws, policies and plans relating to the county mandates, to achieve county development targets.

The Executive is organized into ten departments based on their mandates. They are headed by County Executive Committee Members (CECMs) with an exception of the County Public Service Board. For appropriate planning approaches, budget considerations, harmony in coordination and synergy in resource mobilization strategies, departments have visions, missions and a set of programmes to deliver on their mandates and development objectives.

1.2 RATIONALE FOR PREPARING A CITIZEN'S VERSION OF THE BUDGET

The Citizen's Budget is a requirement of section 6 (2) of the Public Finance Management Act, 2012 (County Government Regulation, 2015) which states that "the County Treasury shall arrange for effective public participation during the development of their annual budget estimates including publication of citizen's budget which shall explain and summarize the budget proposal.

A Citizens Budget is a shortened and simplified version of the budget taken to the County Assembly. It is meant to be a guide for the general public and explains some of the contents in a simplified form. By doing so, all citizens will be able to understand better the contents of the budget.

1.3 GUIDING NOTES TO MWANANCHI

A. Commission on Revenue Allocation (CRA) on an annual basis recommends;

- (i) Funds to be divided between National Government and County Government contained in the Division of Revenue Act (DORA) as guided by the Constitution.
- (ii) Funds to be allocated between counties contained in the County Allocation Revenue Act (CARA) as informed by the CRA's criteria (formula) revised every 3 years.

B. Funds allocated to Nyandarua County as per the CARA are divided into two expenditure components. These are Recurrent and Development. The recurrent component is further categorized into two; Personal Emoluments (PE) and Operations and maintenance (O&M).

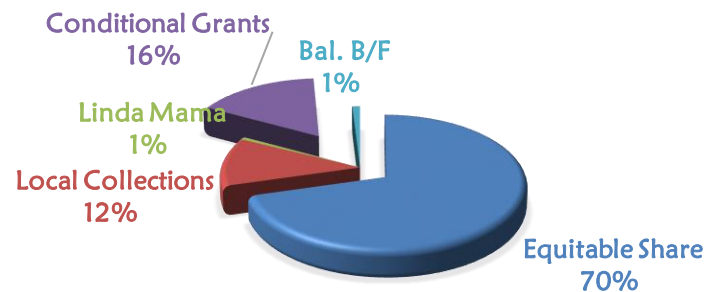
C. Development funds are allocated based on the priorities as approved in the County Integrated Development Plan (CIDP) which covers 5 years but is prioritized every year through the County Annual Development Plan ADP).

2.0 COUNTY REVENUE AND SOURCES FOR FY 2020/2021

2.1 2020/2021 FY Resource Envelope

The Budget is funded from four main sources; these include; an equitable share of 70%, loans and conditional grants of 16%, own-source revenue of 12% and conditional allocations of 2%.

NYANDARUA COUNTY FY 2021-22 RESOURCE BASKET



The total resource outlay for the FY 2021/22 amounts to Kshs8,032,514,327.05.

2.2 Sources of Revenue

Nyandarua County uses a balanced budget where revenue is equal to expenditure. Therefore, the county government is expecting to receive revenue from donors as well as grants to help facilitate its development agenda. The equitable share from the national government is Kshs. 5,670,444,228, local own

revenue collection Kshs.940,000,000, Linda mama Kshs.50,000,000 and conditional grants Kshs.1,294,502,583.

Table: FY 2020/2021 Resource Envelope

Source	Amount	% average
Equitable Share		
Equitable Share Transfers	5,670,444,228	70%
Own Source Revenue		
County generated Revenue	940,000,000	13%
Linda mama (A-I-A)	50,000,000	
Conditional Allocations		
Supplement for Construction of County Headquarters	75,000,000	16%
Leasing of Medical Equipment	153,297,872	
Road Maintenance Fuel Level fund FY 2016-2017 B/f	23,686,619	
DANIDA Grant-Primary Health Care in Devolved Context	10,799,250	
World Bank Grant for Climate Smart Agriculture Project (KCSAP)	289,609,680	
World Bank Grant for Climate Smart Agriculture Project (KCSAP) Bal B/f from 2020/21 FY	118,806,753	
Sweden- Agricultural Sector Development Support Programme (ASDP) Level II	22,983,146	
Sweden- Agricultural Sector Development Support Programme (ASDP) Level II Bal b/f	15,990,243	
World Bank Grant for Kenya Urban Support Programme (KUSP Level 1)	-	
World Bank -Kenya Informal Settlement Improvement Project- KISIP II	50,000,000	
Transfers to Village Polytechnics Bal B/f	5,467,888	
World Bank Grant for KDSP (Level 1)	-	
World Bank Grant for KDSP (Level 1) b/f from FY 2020-21	45,000,000	
World Bank Grant for KDSP (Level II)	-	
World Bank Grant for KDSP (Level II) b/f from FY 2020-21	184,795,683	
EU Grant- Instruments for Devolution Advice and Support (IDEAS)-Potato Tissue Culture Lab	-	

EU Grant -Instruments for Devolution Advice and Support (IDEAS)	31,223,224	
World Bank Loan for Transforming Health Systems for Universal Care Project	94,478,706	
KDSP Level I & II Bal B/f from 2020/21 FY	49,102,131	
IDA (World Bank) Kenya Urban Support Project (KUSP) (UDG) FY 2020/21	34,122,081	
World Bank Loan for Transforming Health Systems for Universal Care Project Bal B/f from 2020/21 FY	90,139,307	
Total conditional grants	1,294,502,583	
Bal b/f CRF Account	77,567,516	1%
Total Revenue	8,032,514,327	100%

2.1 Own Source Revenue

This is the amount of money that the county collects locally from various local sources to support the implementation of its programmes. The county government is intending to raise Kshs. 940,000,000 for the financial year 2021/2022.

Revenue Generation Measures

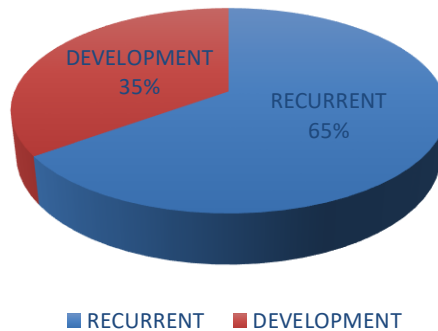
The county government is strengthening its policies to ensure that they raise revenue that will help in building the County and improving the socio-economic welfare of its residents. The county has done this through initiatives such as:

1. Empowering the youth to start businesses;
2. Supporting SMEs;
3. Providing the youth with equipment and machinery to run businesses;
4. Introduction of project management fee; and
5. Continued use of revenue automated system.

3.0 2021/2022 FY COUNTY GOVERNMENT EXPENDITURE

The 2021/2022 financial year has a total budget of Kshs. 8,037,514,327. Out of this amount Kshs. 5,228,937,758.902 (65%) has been allocated to recurrent expenditure while Kshs. 2,808,576,568 (35%) has been allocated to development expenditure.

2021/2022 FY COUNTY GOVERNMENT EXPENDITURE



Priorities in allocation and spending

To achieve its objectives, the county government has its priorities set largely on the completion of ongoing works/phase projects and those with the highest impact on the County residents. Development expenditure carries a large amount of allocation at Kshs.2,808,576,568. Departments such as roads, water and education are among the major departments that carry out development activities in the county and therefore require a lot of capital to achieve their development agenda. The compensation to employees is second in allocation with Kshs. 2,070,000,000. Operations and maintenance have an allocation of Kshs.1,275,228,352 to facilitate the running of all offices in the county, as well as service delivery and the county assembly, has an allocation of Kshs. 809,643,697

Summary of Expenditure by Economic Classification

SUMMARY OF EXPENDITURE	
Item	Amount (Kshs)
Compensation to employees	2,070,000,000
Use of Goods and Services	1,275,228,352
Current Transfers	500,743,773
County Funds (Rec.)	291,300,000
KDSP	63,430,068
Acquisition of Non -Financial Assets	267,444,057
Development expenditure	2,808,576,568
County Assembly	809,643,697
Total	8,032,514,327

3.1 Sector/departmental expenditure allocation

Departments	Recurrent	Development	Totals
Office Of The Governor	129,685,317	-	129,685,317
Office Of The County Secretary	2,280,510,105	-	2,280,510,105
County Attorney	51,141,862	-	51,141,862
Public Administration & ICT	69,934,797	3,499,990	73,434,787
County Public Service Board	27,689,000	-	27,689,000
Finance & Economic Development	212,723,435	-	212,723,435
County Funds	291,300,000	-	291,300,000
Health Services	670,470,156	354,989,656	1,025,459,812
Education, Culture And The Arts	54,636,497	88,399,716	143,036,213
Industrialization, Trade And Co-operatives & Urban Development	55,044,515	127,190,580	182,235,095
Youth, Sports, Gender Affairs And Social Services	262,420,910	62,124,188	324,545,098
Water, Environment, Tourism And Natural Resources	83,096,489	460,657,125	543,753,614
Lands, Housing And Physical Planning	30,632,745	48,098,335	78,731,080
Transport, Energy And Public Works	128,135,060	1,008,146,240	1,136,281,300
County Assembly	709,643,697	105,000,000	814,643,697
Agriculture	153,968,574	466,348,657	620,317,231
Ol'kalou Municipality	17,904,600	84,122,081	102,026,681
Total	5,228,937,759	2,808,576,568	8,037,514,327

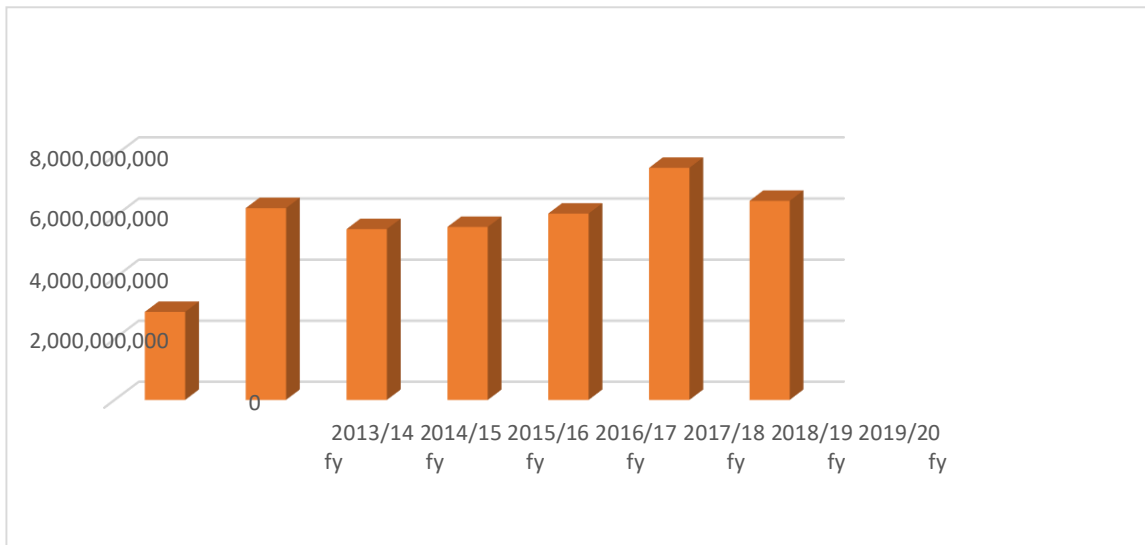
County Expenditure



4. BUDGET HIGHLIGHTS

FINANCIAL YEAR	ALLOCATION
2013/14 FY	2,889,765,287
2014/15 FY	6,282,798,327
2015/16 FY	5,597,056,814
2016/17 FY	5,668,123,647
2017/18 FY	6,105,382,733
2018/19 FY	7,600,000,000
2019/20 FY	7,983,710,937
2020/21 FY	7,815,571,528
2021/22 FY	8,037,514,327

The county allocations from 2013 to date have continued to increase over the years apart from the financial year 2015/16 which showed a decline in the amounts allocated from the previous year.



4.0 COMMUNICATION AND ACCESS TO PUBLIC INFORMATION

The county prepares its documents and posts them on its website which can be accessed by all citizens and other interested parties through the following: www.nyandarua.go.ke. Other channels of communication include social media as well as public fora that are conducted by departments as well as His Excellency the Governor.

COUNTY BUDGET CALENDAR (SUMMARIZED)

TIMELINE	BUDGET ACTIVITY AND CONTENTS
30th August	County Executive Committee member for Finance issues <u>budget circular</u> to all county entities as per S.128 of PFM Act, 2012. The circular contains limits (ceilings) of each department/entity as recommended, key policy areas and issues to be taken into consideration when preparing the budgets.
1st September	County Executive Member for Planning submits <u>Annual Development Plan (ADP)</u> to County Assembly for approval, with a copy to the CRA and National Treasury as per s.126 (3) of PFM Act, 2012. The ADP contains long term and medium-term plans as per s. 125(1) (a) of PFM Act, 2012.
30th September	<u>County Budget Review and Outlook Paper (CBROP)</u> prepared and submitted by county treasury to County Assembly. CBROP covers: (a) Details of actual fiscal performance in the previous year compared to the budget appropriation. (b) Updated fiscal and economic forecasts. (c) Changes in forecasts from the county fiscal strategy paper. (d) How actual fiscal performance affected compliance with fiscal responsibility principles and Budget Policy Statement.

28th February	County Treasury prepares and submits <u>County Fiscal Strategy Paper</u> (CFSP) to the County Assembly. The CFSP must be aligned to national objectives in the Budget Policy Statement as per s. 117(1) & (2) of PFM Act, 2012 . In preparing the CFSP, the County Treasury seeks the views of the CRA, the public, interested persons or groups and any forum that is established by legislation.
30th April	County CEC Finance prepares and submits <u>budget estimates</u> to the county assembly. Budget estimates must be based on the approved CFSP by County Assembly as per s. 129(2) of PFM Act, 2012 .
30th June	The county assembly considers the submitted Budget Estimates to approve with or without amendments as per s. 131 s. 131(2) of PFM Act, 2012 .
30th June	After the county assembly has approved estimates, the County treasury prepares and submits <u>a County Appropriation Bill</u> to the county assembly as per s. 129(7) of the PFM Act, 2012
30th June	Appropriation Bill passed by the County Assembly as per s. 131(1) of PFM Act, 2012
By 30th September	CEC Finance will make a pronouncement on revenue-raising measures and submits a <u>Finance Bill</u> to County Assembly as per s. 132(1) of the PFM Act, 2012