



REPUBLIC OF KENYA
COUNTY GOVERNMENT OF
NYANDARUA
THE COUNTY TREASURY
P. O. Box 701-20303 OI Kalou,
Email: finance@nyandarua.go.ke



Press Statement on the Absorption of the 2018/19 Budget

Ol'Kalou, 17th July, 2019: Our attention has been drawn to reports appearing in some sections of the media, and attributed to the Office of the Controller of Budget, regarding absorption of the County Budget for the Financial Year 2018-2019.

We wish to correct this gross misrepresentation of facts by stating as follows:

1. The 2018/19 FY Budget came to a closure on 30th June, 2019;
2. While the payment process is still ongoing, absorption of development funds in 2018/19 FY currently stands at 54.8% which when aggregated with the recurrent yields an overall weighted average rate of above 75%;
3. Disbursement schedule of funds by the National Government resulted in the County receiving Kshs. 1.3 Billion on 5th July, 2019 accounting for 17% of the total budget and 26.4% of the equitable share. Closure of the IFMIS system on 28 June, 2019, and its constant interruption prior to and

during the end months of the year, interfered with the process of initiating payments for eligible payees;

4. Late and erratic patterns in release of National Government Equitable Share disbursements including those from donors (especially in Agriculture and Health Sectors) has curtailed absorption;

5. It is the norm in any financial management setting that before payment for any works or supplies is effected, due diligence in ascertaining that all has been done/delivered and in the right quality is ascertained. As such, the County Government couldn't have paid before ascertaining that all completed works and supplies match the preconceived specifications and achieve prudence in resource utilization as required by the PFM Act, 2012;

6. The majority of the development allocations were domiciled in Sectors which entail construction works such as transport, water, education etc. The weather conditions mainly the heavy rains slowed down the speed of implementation thereby dragging their completion time. Also included in the development allocations was the grant for constructing the Potato and Vegetable Processing Plant which had an allocation of Kshs. 382 Million. This project is a multi-year project and good progress has been made so far with its procurement to start in August, 2019;

7. In spite of all these, all tenders were awarded in time. The status of the implementation of awarded projects is at various stages with some already completed and paid, while others are still ongoing;

8. In the 2018/19 FY, the County adopted the full automation of the procurement process i.e. end to end via the *e-procurement* platform. This modality of sourcing for goods, services and works was new to most of the service providers and as such provided a challenge in completion of the procurement process;

9. It is worth noting that some crucial Departments such as Health are predominantly recurrent expenditure oriented where nearly 90% goes towards staffing, running of facilities including stocking of drugs etc. All these in the standard chart of accounts are considered recurrent but are actually “development” in the eyes of wanjiku. The same case applies to Bursary Fund, Agriculture Supplies, operation of facilities such as Polytechnics, Agriculture Centres among others;

10. While we welcome and appreciate the role of each Institution in carrying out their mandate, it is important that every information is supported with facts and requisite disclaimers to give honest meaning and context.

11. Importantly, this report by the Controller of Budget, while acknowledging the failure of the National Treasury to disburse funds in time for the ended Financial Year, including as of now – almost a month into another new Financial Year, equally fails to acknowledge the accountability framework employed to ensure that only verified projects get paid. This is a framework which, as the County Government, we will not divert from to beat the rush to be seen to spend; there always have to be value for the money spent.

12. Even under these circumstances and disbursement delays for the period under review, the County Government was able to achieve the following milestones which are of great impact to Mwananchi:

- Clean Audit Report from the Office of the Auditor General;
- Number 1 ranking in the World Bank assessment findings under the Kenya Devolution Support Programme;
- High ranking by Kenya National Bureau of Statistics (KNBS) in terms of Gross County Product contribution to the National Gross Produce;
- Successful implementation of the Mechanical Transport Fund programme in the construction and maintenance of County roads leading to increased length and quality of roads;
- Acquisition of world class fire engine to help address emergencies;
- Establishment of Ol Kalou Municipality in line with Urban Areas and Cities Act, (Amendment, 2019). These includes urban development infrastructure such as parking lots, walk ways, drainage, upgrade of estate roads, solar street lighting, etc. Also the Municipal Charter is almost complete with recruitment of Municipal Manager done coupled with appointment of Board Members;
- Completed survey of 15 squatter villages and over 3,000 beneficiaries will get title deeds;
- Acquisition of numerous land for social amenities (health centres, ECDEs) and access roads;

- Acquisition of Youth and Sports empowerment equipment worth over Kshs 20M distributed in all wards to youth groups transforming the lives of youth from idleness to creative business ventures;
- Upgrading of Ol Kalou National Stadium by fencing, Presidential Dias, running tracks and improvement of 10 wards play grounds which will enhance sports talent in the County;
- Roll out of Ajira programme to equip youth with ICT knowledge for gainful employment through online platform;
- Development of Health Sector including infrastructure development, equipping, drug management, staffing, NHIF enrolment and up scaling etc.;
- Award of bursaries amounting to Kshs. 106 M to needy students across the County;
- Successful implementation of the school feeding programme in all public ECDEs;
- Drilling and equipping of 21 boreholes across the County;
- Laying of distribution pipe network of 68. 2 Kms;
- Water bank reserves in terms of storage facilities of 550,000 litres;
- Supply of 600 gas cylinders to protect forest destruction;
- Partnered with National Government in Karagoini WP intake construction including laying of gravity mainline and distribution networks;
- Distribution of over 6,000 bags of subsidized fertilizers;
- Renovation of Agricultural Training Centre Ol Joro Orok;
- Purchase and distribution of over 4,000 bamboo seedlings; over 150,000 pyrethrum seedlings, over 5,000 fruit seedlings;

- Agriculture Extension Services across the county; and
- Construction of Tissue Culture Laboratory for certified seed potato multiplication at ATC Ol Jor Orok.

13. Through the First Supplementary Budget for 2019/20 FY, all projects that are complete and up to the required specifications will be settled upon verification and on disbursement of funds by the National Treasury.

14. In execution of its mandate, the County Executive enjoys a cordial working relationship with the County Assembly.

15. Finally, the County Government, through the stewardship of His Excellency Governor Francis T. Kimemia, will deliver its mandate to the citizenry of achieving the Socio-Economic Transformative Agenda. The continued partnership with the County Assembly and all other stakeholders involved in this journey will continue to sustain Nyandarua County at number one position, and a model County in the Country.

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