



COUNCIL OF GOVERNORS

Finance, Commerce and Economic Affairs Committee

Background

The committee handles all matters relating to Public finance; resolutions and Bills for appropriations; share of national revenue among the Counties and all matters concerning the National Budget; pricing policies; planning and development policies. This may involve:-

1. Revenue collection and allocation in counties;
2. Procurement and asset disposal at the county level;
3. County Planning and Budgeting;
4. Public Private Partnerships;
5. National and county legislation relating to Public Finance and compliance thereto;
6. National policies on Public Finance that affect management of county funds;
7. Budget oversight and accountability.

County Public Finance Challenges

1. Under-funding of county governments transferred functions from the nationally raised revenues leading to slow implementation process.
2. Late disbursement of counties' share of revenue by the national treasury leading to prolonged uncertainties in the planning process.

3. Double taxation of goods and services by both levels of government leading to low revenues collection by the county governments.
4. Counties' huge wage bill arising from the inherited former local authorities' staff.
5. Mutilation of county budgets resulting in the introduction of budget ceilings

Opportunities

The committee offers a platform for peer consultation, sharing of best practices, experience, and learning through capacity building opportunities through (workshops/seminars) for counties.



Water Project in Bungoma County

Resources

The committee develops and maintains a variety of resources on Public Finance, Commerce and Economics issues including:-

- a) Provision of technical assessment of all the national policies such as; the Annual Budget Policy Statement to ensure that counties interests are well presented.
- b) Technical assessment of national legislation including Public Finance Management Act 2012, Division of Revenue Bill, County Allocation of

Revenue Bill to ensure county governments operations are seamless.

- c) Development of counties success stories showcasing the effective implementation of public finance management for the purpose of promoting efficient and effective funds management.
- d) Facilitation of inter-county capacity building workshops to enhance knowledge and ensure effective public finance management in counties.

Status Briefs:

- a) Submission of the Council's position on the proposed Public Finance Management (Amendment) Bill, 2014 to parliament for consideration.
- b) Constant consultations with the National Treasury on the late monthly disbursements of county funds.

Our Approach

The committee functions through:-

- a) Intergovernmental forums such as the Intergovernmental Budget and Economic Council (IBEC) which brings together both the executive arms of the two levels of governments to deal with inter-governmental fiscal relations.
- b) Stakeholders' engagements on PFM related issues to enhance counties capacity on Public Finance Management.
- c) Inter-county consultative forums such as regional counties' clusters to promote effective business environment by development of uniform tax raising measures.

Our Impact

- Through concerted efforts of the committee there has been consistent revenue allocation increase over the last two financial years; 198Bn in 2013/14 FY , 226 Billion 2014/15FY and 283Bn 2015/16 FY
- A capacity building framework for Public Finance Management (PFM) has been put in place for counties.

Success at County Level

Revenue collection: Majority of the counties have achieved pre-set revenue collection targets which have surpassed the levels of collection of the former local authorities which have enhanced development projects.



A grader rolls into Wajir town to begin work for the town's first-ever tarmacked road as part of the development priority through the allocated county resources.

Public Participation: Counties have established the County Budget and Economic Forums that facilitated the development of county plans, budgets, and oversight of county implementation process. This has enhanced transparency and accountability in the management of public finances.

