

COUNTY GOVERNMENT OF KITUI



County Budget Review Outlook

Paper

September 2017

FOREWORD

This County Budget Review and Outlook Paper (CBROP), prepared in accordance with Public Financial Management Act, 2012, is the third to be prepared by the Kitui County Government under the devolved governance structure. It presents the recent economic developments and actual fiscal performance of the FY 2016/2017 and makes comparisons to the budget appropriations for the same year. It provides updated MTEF financial forecasts and how these projections deviated from estimates contained in the last County Fiscal Strategy Paper (CFSP) released in February 2017, actual budget 2016/17.

In this paper also, we show how the actual performance of the local and national economies in 2016/17 FY affected our compliance with the fiscal responsibility principles and financial objectives as detailed in CFSP 2017.

Though the County Government is moving along with the National Government in implementing a raft of strategies and reforms geared towards accelerated economic growth, serious challenges have included inadequate human capacity to harness the full potential of some of these reforms. A case in point is the changing terrain in the budgeting process (from itemised to program based budgeting) that has roped in the use of the Integrated Financial Management Information System (IFMIS), which is presenting a new face of challenges right from planning to implementation.

The need to address the local challenges such as poverty, has led the county Government to put in place policies and programs necessary to tackle the problem. However, such policies that include local contracting have also resulted in low absorption of funds as the contractors lack the financial capacity to fund the projects awarded to them. This has affected the implementation of the programs, at times affecting the absorption rate and the amount re-voted to the next financial year.

This policy document also compares the performance of locally generated revenue and the receipts from the equitable share and grants from the national government between the two financial years and make appropriate recommendations. In looking at the two financial years, it is clear that there was improvement in both revenue collection and receipts from the national government went up in absolute terms.

MR. SIMON N. MUNDU
CECM, FINANCE AND ECONOMIC PLANNING,
KITUI COUNTY GOVERNMENT

ACKNOWLEDGEMENT

This CBROP has been prepared in conformity with the requirements laid down by section 26 of the PFM Act 2012. The document provides an overview of the performance of the previous year 2015/16 and paints an outlook of the economy's performance in the medium term, emphasising on the performance forecast for 2016/17. It compares the actual performance of the period under review to the budget, and gives highlights of how the performance in 2015/16 affected our compliance with the fiscal responsibility principles and the financial objectives as outlined in the PFM Act 2012 and the CFSP 2016.

The preparation of CBROP 2016 was collaborative, with all departments providing necessary information to explain the achieved level of performance and the safeguards they have put in place to mitigate against low absorption rates. The departments also did provide reports on individual ministry performance and the challenges they encountered while implementing the programs. All this information is consolidated in annex I that is attached to this document for further clarity.

It is important at this time to particularly acknowledge the effort and the team spirit of County Treasury that made it possible to come up with a well consolidated paper. I wish to appreciate the efforts of all economists led by Fidhelis Mwaniki, the Deputy Director, Joel Muyanga, Assistant Director, Victor Mwangi, Principal Statistician, the work of revenue team led by Enoch Nguthu, Deputy Chief Finance Officer and John Makau, Assistant Director, and the support of the Finance team led by the Chief Finance Officer, in summarising financial information necessary to make the report easy to understand. The tireless effort of the recently formed multi-sectoral budget team provided invaluable contribution towards preparation of this CBROP.

It may be difficult to mention all those who participated in the preparation of this document and acknowledge them particularly, but we recognise the role played by all the staff of County Treasury for making it possible to consolidate and produce this document.

It's my hope that the lessons learned in previous financial years will form the basis of our decision making in the future financial years and help us improve our services delivery.

JUNE M. KAVYATI
AG. CHIEF OFFICER/CHIEF FINANCE OFFICER
COUNTY MINISTRY OF FINANCE AND ECONOMIC PLANNING

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ABBREVIATIONS

AD	Assistant Director
AIA	Appropriation-In-Aid
AMS	Agricultural Mechanization Services
BPS	Budget Policy Statement
CAATs	Computer Aided Audit Tools
CECM	County Executive Committee Member
CFAs	Community Forest Associations
CFSP	County Fiscal Strategy Paper
CG	County Government
CLIPD	Community Level Infrastructure Projects Development
CO	Chief Officer
CoK 2010	Constitution of Kenya 2010
CRA	Commission for Revenue Allocation
CT	County Treasury
DD	Deputy Director
ECDE	Early Childhood Development Education
EZs	Economic Zones
GDP	Gross Domestic Product
GIS	Geographical Information System
IDCs	Industrial Development Centres
IFMIS	Integrated Financial Management Information System
KBRR	Kenya Bank Reference Rate
KES	Kenya Shilling
KEWI	Kenya Water Institute
KMTC	Kenya Medical Training College
KTTC	Kitui Teachers Training College
LAN	Local Area Network
LAPSSET	Lamu Port South Sudan Ethiopia Transport (Corridor)
MDGs	Millennium Development Goals
MTEF	Medium Term Expenditure Framework
NCD	Non Communicable Diseases
PPP	Public Private Partnerships
REA	Rural Electrification Authority
SEKU	South Eastern Kenya University
SGR	Standard Gauge Railway
SRC	Salaries and Remuneration Commission
VPN	Virtual Private Network

Legal Basis for the Publication of the County Budget Review and Outlook Paper

The County Budget Review and Outlook Paper is published in accordance with Section 118 of the Public Finance Management Act, 2012. The law states that:

1. A County Treasury shall –
 - a) prepare a County Budget Review and Outlook Paper in respect of the county for each financial year; and
 - b) submit the paper to the County Executive Committee by 30th September of that year.
2. In preparing the county Budget Review and Outlook Paper, the County Treasury shall specify –
 - a) details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
 - b) updated economic and financial forecasts with sufficient information to show changes from the most recent County Fiscal Strategy Paper;
 - c) information on –
 - i. any changes in the forecasts compared with the County Fiscal Strategy Paper;
 - ii. how actual financial performance for the previous financial year may have affected compliance with fiscal responsibility principle, or the financial objective in the County Fiscal Strategy Paper for that year; and
 - d) reasons for the deviations from the financial objectives in the County Fiscal Strategy Paper together with proposal to address the deviations and estimated time for doing so.
3. The County Executive Committee shall consider the County Budget Review Paper with a view to approving it, with or without amendments, within fourteen day after its submission.
4. Not later than seven days after the County Budget Review and Outlook Paper is approved by the County Executive Committee, the County Treasury shall –
 - a) Arrange for the Paper to be laid before the County Assembly; and
 - b) as soon as practicable after having done so, publish and publicise the Paper.

Fiscal Responsibility Principles for the National and County Governments

In line with the Constitution, the Public Finance Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudent and transparent management of public resources. The PFM act, 2012, (Section 15) states that:

- 1) Over the medium term, a minimum of 30 percent of the national and county budgets shall be allocated to development expenditure
- 2) The national government's expenditure on wages and benefits for public officers shall not exceed a percentage of the national government revenue as prescribed by the regulations.
- 3) The county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly.
- 4) Over the medium term, the national and county government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure.
- 5) Public debt and obligations shall be maintained at a sustainable level as approved by Parliament for the National Government and the County Assemblies for the County Governments.
- 6) Fiscal risks shall be managed prudently; and
- 7) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

EXECUTIVE SUMMARY

This County Budget Review and Outlook Paper (CBROP) is the third one since the inception of devolution. It presents the fiscal outcome for FY 2016/17 and how this affects the financial objectives set out in the 2016/17 budget. The updated macroeconomic outlook therein also provides us with a basis to revise the 2016/17 in the context of the supplementary estimates as well as setting out the broad fiscal parameters for the next budget and in the medium term.

This County Budget Review and Outlook Paper is organised in five parts as follows:

Part One presents introductory information regarding the objective of the CBROP and an assessment of the County's fiscal performance in FY 2016/17.

Part Two analysis the fiscal performance in detail, capturing both revenue collection and expenditure as well as highlighting the implications of FY 2016/17 fiscal performance on fiscal responsibility principles and financial objectives contained in the 2017 County Fiscal Strategy Paper (CFSP).

Part Three looks at the recent county economic developments and outlook both at the National and County levels.

Part Four looks at the resource allocation framework. It gives a report of the budget estimates 2016/17 and adjustments of the same after the re-prioritization of County Government programmes for the financial year.

Chapter Five concludes by giving recommendations on the best way forward.

I. INTRODUCTION

Objective of the County Budget Review and Outlook Paper (CBROP)

1. The objective of the 2017 CBROP is to provide a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles set out in the last County Fiscal Strategy Paper (CFSP) released in February 2015. This together with updated revenue and expenditure performance provides the basis for the revision of the current budget in the context of Supplementary Estimates and informs the choice of broad fiscal parameters underpinning the next budget and medium term. The details of the fiscal framework and medium term policy priorities will be clearly outlined by the next CFSP to be released later this year (under the revised guideline for 2017/18 budget cycle).

2. The CBROP, like the CFSP links policy, planning and the budgeting through reviewing the performance of the government in line with the budget and the laid down policies as tied to the broad priorities. These policies include the County Integrated Development Plan (CIDP), The Kenya Vision 2030 and its Medium Term Plans I & II (MTP I&II), and all other national and county policies relevant to planning. This CBROP is based on the current administrative structure and incorporates the priorities of the CIDP as well as other emerging challenges that transition to the devolved system entails. Its themes are framed around the county ministries that form the sectors of the county to develop projects and programs for each sector covering 2014/15 to 2016/17 Medium Term Expenditure Framework (MTEF).

3. This CBROP rolls out the implementation of the policies initiated in 2016/17 financial year, and continues to address the five thematic areas of CFSP 2015 framed around the five key pillars ensuring development enjoyed by every sector of the economy. These pillars are

Pillar I: Ensuring a conducive business environment to enable the private sector conduct their business and attract investment.

Pillar II: Investing in agricultural transformation and food security through irrigation and appropriate technology to expand food supply.

Pillar III: Investing in infrastructural development such as roads network, energy and water supply to improve on the ease of doing business and attract private investors as well as reducing the cost of our products.

Pillar IV: Investing in quality and accessible health care services and quality education as well as social safety nets to reduce the burden on the households.

Pillar V: Cascading devolution to the decentralized units of governance for better service delivery and enhanced rural development.

4. The rest of the paper is organised as follows: Section II provides a review of the fiscal performance in FY 2016/17 and its implications on the financial objectives set out in the last budget submitted to the County Assembly in April 2015. This is followed by brief highlights of the recent economic developments and updated revenue and expenditure in section III. Section IV provides the resources allocation framework, while Section V concludes.

II. REVIEW OF FISCAL PERFORMANCE IN FY 2016/17

A. Overview

5. The fiscal performance in 2016/17 improved significantly both on the expenditure side, where overall absorption rose from 53 per cent to 78.45%, and revenue side where performance improved from 85.24% to 97.68%.

6. Though revenue collection realised improved performance, the county ministries handling devolved functions are still grappling with the challenge of organising themselves to collect Appropriation-in-Aid that falls within their function. This is underscored by the fact that even though there was rise in locally generated resources, key performing streams are those traditionally falling under the defunct local authorities. This is evident when major revenue streams like liquor licensing are analysed in terms of actual revenue collected vis-à-vis target.

7. Another challenge emerged with implementation of the Finance Act 2015, as a result of ban on sand and charcoal cess. Further, delay in the operationalization of liquor licence Act also led to loss of revenue in form of uncollected liquor licences fees.

B. 2015/16 Fiscal Performance

8. The table 1 below presents the fiscal performance for the FY 2015/16 and 2016/17, together with the deviations from the original budget estimates of FY 2016/17.

Table 1: Revenue and Expenditure Summary for 2014/15 - 2015/16 FY

	2015/16		2016/17		Deviation (%)
	Actual	Targets	Actual	Targets	
A. TOTAL REVENUE AND GRANT					
1. Revenue	9,638,817,685	9,830,828,957	10,000,741,803	10,463,830,633	-4.4
Equitable Share	7,267,273,063	7,267,273,063	7,841,480,359	7,841,480,359	0.0
Other Revenues	2,371,544,622	2,563,555,894	2,159,261,444	2,622,350,274	-17.7
Locally Generated Revenue	416,188,728	608,200,000	315,347,363	668,610,000	-52.8
Equitable Share 2014/15	-	-	-	-	
Unspent Balances b/fwd.	1,955,355,894	1,955,355,894	1,843,914,081	1,953,740,274	-5.6
2. Grants	250,700,011	283,520,411	452,721,532	506,575,381	-10.6
Free Maternal Healthcare	50,790,000	63,610,400	70,080,000	54,367,434	28.9
Compensation for User Fees Forgone	23,606,211	23,606,211	23,144,996	23,144,997	0.0
Road Maintenance Fuel Levy	92,318,534	92,318,534	120,484,292	120,484,293	0.0
Grants from UNDP	-	20,000,000		0	
Grants from World Bank (KDSP)			0	34,721,395	-100.0
HSSF (DANIDA)/World Bank	83,985,266	83,985,266	150,020,244	208,619,262	-28.1
Other GOK Grants (Doctors & Nurses Allowance)	0	0	88,992,000	65,238,000	36.4
Total	9,889,517,696	10,114,349,368	10,453,463,335	10,970,406,014	-4.7
B. EXPENDITURE					
1. Recurrent	4,122,629,421	4,691,762,193	4,625,953,758	5,750,303,234	-19.6
Salaries and Wages	2,623,132,187	2,661,006,445	2,864,831,189	3,116,953,487	-8.1
O&M/Others	1,499,497,234	2,030,755,748	1,761,122,569	2,633,349,747	-33.1
2. Development	3,812,402,658	5,422,587,175	3,688,648,678	5,220,102,781	-29.3
Total	7,935,032,079	10,114,349,368	8,314,602,436	10,970,406,016	-24.2
C. SURPLUS/(DEFICIT)	1,954,485,617	-	2,138,860,899		

Notes

- i. Equitable share: this is the amount of funds the county government expected to receive from the national government, as shared out using the Commission on Revenue Allocation formula, which was disbursed in full for the period.
- ii. Unspent balance carried forward to 2016/17 amounted to Kshs 1.843 billion, compared to Kshs 1.955 billion for the previous period.

Revenue

a. Equitable Share and Grants

The total disbursement to the county revenue fund account during the financial year 2016/2017 was Kshs 7,841,480,359, representing 100% of the total equitable the county expected to receive from National Treasury. This represents an improvement of 7.9% from previous financial year.

9. Over the same period, the county expected to receive a total of Kshs 506,575,381 from both the National Treasury and International donors (World Bank, United Nations Development Fund and DANIDA). Local grants comprised of Kshs 54.3m for Free Maternity, Kshs 23.1m for compensation of user fees forgone, and Kshs 120.4m for Roads Maintenance Fuel Levy (RMFL). A total of Kshs 452,721,532 was received, adding up to Kshs 15,712,566 for Free maternity and less Kshs 190,124,264 from DANIDA. World Bank released an excess of Kshs. 95,803,849 and Kshs 23,754,000 from UNDP Health. (a total of Kshs 53,853,848m), representing 11.89% of the total grants.

Table 2: Schedule of Disbursement of Equitable Share

Month	Amount due	Date Received	Amount
July	627,318,429	8/8/2016	627,318,429
August	705,733,232	16/09/2016	705,733,232
September	627,318,429	8/11/2016	627,318,429
October	666,525,831	9/12/2016	666,525,831
November	705,733,232	12/1/2017	705,733,232
December	627,318,429	10/3/2017	627,318,429
January	627,318,429	24/03/2017	627,318,429
February	705,733,232	25/04/2017	705,733,232
March	627,318,429	12/5/2017	627,318,429
April	666,525,831	31/5/2017	666,525,831
May	627,318,429	30/06/2016	627,318,429
June	627,318,429	30/06/2016	627,318,429
TOTAL	7,841,480,361		7,841,480,361
Grants			
USER FEES -HEALTH	23,144,996		23,144,996
MATERNITY - HEALTH	54,367,434		70,080,000
FUEL LEVY -LANDS	120,484,293		120,484,292
DANIDA - HEALTH	208,619,262		18,495,000
WORLD BANK - HEALTH	34,721,395		131,525,244
UNDP			
HEALTH FUNDS	65,238,000		88,992,000

Month	Amount due	Date Received	Amount
	506,575,380		452,721,532
TOTAL	8,348,055,741		8,294,201,893

Table 3: Own Generated Revenue

Month	Target	Amount Collected	Variance
July	55,717,500	31,537,036	-24,180,464
August	55,717,500	33,665,196	-22,052,305
September	55,717,500	26,044,355	-29,673,145
October	55,717,500	21,344,179	-34,373,322
November	55,717,500	19,087,051	-36,630,449
December	55,717,500	15,947,915	-39,769,585
January	55,717,500	21,668,489	-34,049,011
February	55,717,500	27,599,244	-28,118,256
March	55,717,500	38,642,885	-17,074,615
April	55,717,500	28,009,951	-27,707,550
May	55,717,500	23,872,359	-31,845,141
June	55,717,500	27,928,704	-27,788,796
Total	668,610,000	315,347,363	-353,262,637

10. The total revenue generated by the county over the period was Kshs 315,347,363, down from Kshs 416,188,728 collected in the previous year 2015/16. This amounts to 24.2% drop from the previous year or Kshs 100,841,365. In comparison to the projected revenue, the County missed its revenue target by 52.8% or Kshs 353,262,637.

11. The overall performance however records underperformance from various county ministries, which reported revenue collection below 40% of the targets. This accounts for the underperformance of the county below the revenue target by 52.8%. Nonetheless, the improvement in revenue side was commendable (25%), and if maintained or improved in the succeeding period may address some risks likely to undermine our economic outlook.

Table 4: Own Generated Revenue by Ministry for the Period ending 30th June 2017

Vote/County Ministries/Entity	2015-16		2016-17		Variance
	Actual	Target	Actual	Target	
Office of the Governor	19,217,455	-	16,392,240	-	0.00
Ministry of Administration and Coordination	-	128,666,410	-	135,099,730	-100.00
Ministry of Agriculture water and Irrigation	33406650	26,000,000	17,167,612	27,300,000	-37.11
Ministry of Basic Education and Skills Development	-	-			-
Ministry of Land Infrastructure and Urban Development	20,620,263	57,243,581	24,958,150	60,105,761	-58.48

Vote/County Ministries/Entity	2015-16		2016-17		Variance
	Actual	Target	Actual	Target	
Ministry of Health and Sanitation	109,883,587	131,000,000	72,740,757	167,550,000	-56.59
Ministry of Trade, Industry IT and Cooperative Development	1130475	1,000,000	425,671	1,050,000	-59.46
Ministry of Culture, Youth, Sports & Social Services	-	1,000,000	0	1,050,000	-100.00
Ministry of Environment, Energy and Minerals Investment Development	1,317,800	1,000,000	6,785,460	1,050,000	546.23
Ministry of Tourism and Natural Resources	1,133,475	200,000	0	210,000	-100.00
Ministry of Finance & Economic Planning	185,061,443	123,661,974	106,022,233	129,845,073	-18.35
Kitui Town Administration	29,439,954	97,111,415	45,252,270	101,966,986	-55.62
Mwingi Town Administration	14,977,626	41,316,620	25,602,970	43,382,451	-40.98
Subtotal	416,188,728	608,200,000	315,347,363	668,610,000	-52.84

Figure 1: Pie Chart of Budgeted Revenue by Source

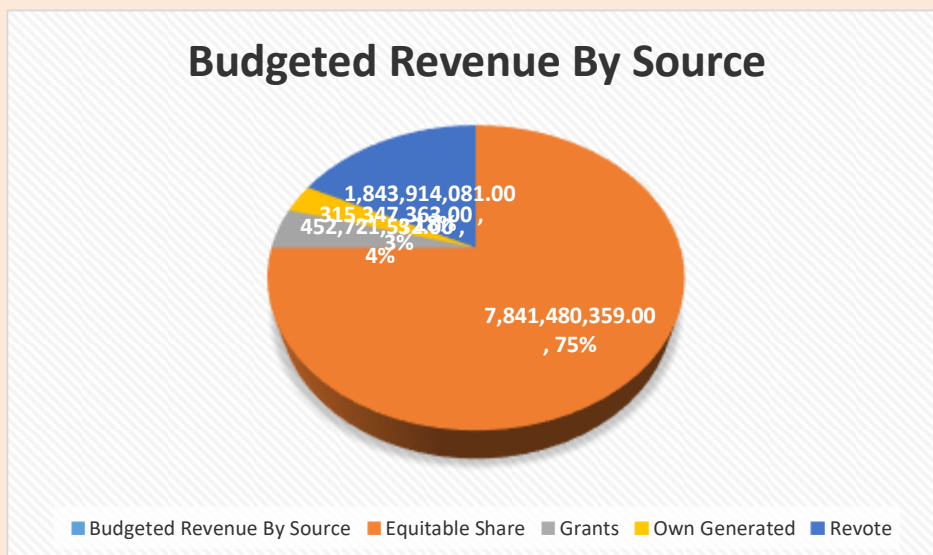
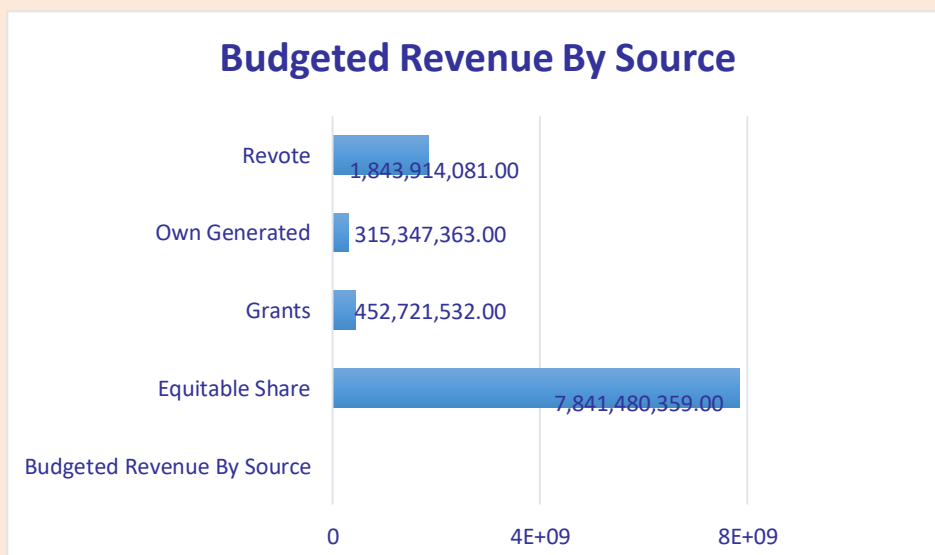


Figure 2: Bar graph of budgeted vs Actual Revenue by Source



Expenditure

12. The approved budget for the county was Kshs 10,970,406,016, comprising 52.4% recurrent (or Kshs 5,750,303,234) and 47.6% development (or Kshs 5,220,102,781). This represents 23.6% above the PFM Act 2012 recommended ceiling for funds allocation between recurrent and development. However, this amount includes Kshs 1,955,355,894 brought forward from 2015/16 financial year, which represents 19.3% of the total budget. This therefore indicates that the current allocation to development is only 4.3% above the PFM Act ceiling and not 23.6% as implied by the budget allocations.

13. Further, analysis of recurrent expenditure shows that Personnel Emoluments (PE) and Operations and Maintenance (O&M) were allocated 26.3% and 20.0% respectively, compared 26.3% and 21.8% in the previous financial year. This reveals a constant trend for PE cost and increase in O&M expenses, explained by no ongoing personnel recruitment within the county. It is also explained by the formational structures in the devolved structure like town administrations and ward structures.

Total expenditure for the year ending 30th June 2017 amounted to Kshs 8,314,602,436, representing gross absorption of 75.79%, up from 78.45% in 2015/16. Of this expenditure, recurrent expenditure was Kshs 4,625,953,758 while development expenditure amounted to Kshs 3,688,648,678. Overall, even though the approved budget estimates for the year had lower proportion for development than recurrent, actual expenditure reported higher recurrent absorption i.e. 80.4% against 19.6% for recurrent and development respectively.

14. In absolute terms, overall absorption went up from Kshs 7,935,032,079 in the financial year 2015/16 to Kshs 8,314,602,436 in the last financial year. The proportion of development expenditure to actual expenditure also went down from 48% in 2015/16 financial year to 44.36% in 2016/17. Recurrent expenditure however went up from 52% to 55.63% in 2016/17 financial year.

15. In comparing the budgeted expenditure vis-à-vis the actual expenditure, recurrent budget realised the highest level of utilisation at 80.4% down from 88.1% in the previous year. Development budget reported expenditure was 44.36% down from 48.04% in the financial year 2015/16. The

higher utilisation rate in recurrent expenditures resulted to the overall absorption rate rising to 75.8%, underlining the need to disaggregate expenditure reporting into recurrent and development.

16. The table below analyses the total expenditure by county spending entities giving the overall absorption rate. Amounts in brackets indicate the deviation from the planned target expenditures. Major contributors to this adverse variation are Ministry of Health and sanitation; Ministry of Agriculture, Water and Irrigation; Office of the Governor, Kitui Town administration among others

Table 5: Ministry/ Spending Entity Expenditure for the Period Ending 30th June 2017 (Kshs)

Vote	Ministry/Spending Entity	16-Jun		Variance	%	16-Jun		Variance	%	16-Jun		Variance	% of total exp to budget
		Recurrent				Development				Total			
		Actual	Target			Actual	Target			Actual	Target		
1	Office of the Governor	443,483,329	576,538,551	-133,055,222	-23.08	629,980,013	685,663,065	-55,683,052	-8.12	1,073,463,342	1,262,201,616	-188,738,274	-14.95
2	Ministry of Administration & Coordination of Affairs	348,092,712	404,936,491	-56,843,779	-14.04	59,317,083	91,868,546	-32,551,463	-35.43	407,409,795	496,805,037	-89,395,242	-17.99
3	Ministry of Agriculture, Water & Irrigation	489,169,338	559,110,943	-69,941,605	-12.51	524,257,264	709,334,860	-185,077,596	-26.09	1,013,426,602	1,268,445,803	-255,019,201	-20.10
4	Ministry of Basic Education, Training & Skills Development	340,451,975	366,142,820	-25,690,845	-7.02	320,691,053	419,143,618	-98,452,565	-23.49	661,143,028	785,286,438	-124,143,410	-15.81
5	Ministry of Lands, Infrastructure & Urban Development	226,782,810	218,848,250	7,934,560	3.63	641,957,660	1,073,924,461	-431,966,801	-40.22	868,740,470	1,292,772,711	-424,032,241	-32.80
6	Ministry of Health & Sanitation	1,509,761,836	1,836,016,617	-326,254,781	-17.77	477,217,796	780,852,976	-303,635,180	-38.89	1,986,979,632	2,616,869,593	-629,889,961	-24.07
7	Ministry of Trade, Industry, IT & Cooperatives	85,265,181	149,843,607	-64,578,426	-43.10	203,503,810	252,802,911	-49,299,101	-19.50	288,768,991	402,646,518	-113,877,527	-28.28
8	Ministry of Culture, Youth, Sports & Social Services	42,306,499	58,953,746	-16,647,247	-28.24	145,903,985	162,638,216	-16,734,231	-10.29	188,210,484	221,591,962	-33,381,478	-15.06

Vote	Ministry/Spending Entity	16-Jun		Variance	%	16-Jun		Variance	%	16-Jun		Variance	% of total exp to budget
		Recurrent				Development				Total			
		Actual	Target			Actual	Target			Actual	Target		
9	Ministry of Environment, Energy and Mineral Investment Development	43,778,268	42,164,693	1,613,575	3.83	188,364,993	229,371,508	-41,006,515	-17.88	232,143,261	271,536,201	-39,392,940	-14.51
10	Ministry of Tourism and Natural Resources	50,316,027	52,562,489	-2,246,462	-4.27	56,543,538	86,930,775	-30,387,237	-34.96	106,859,565	139,493,264	-32,633,699	-23.39
11	Ministry of Finance & Economic Planning	305,594,861	548,742,398	-243,147,537	-44.31	19,906,774	102,331,368	-82,424,594	-80.55	325,501,635	651,073,766	-325,572,131	-50.01
12	County Public Service Board	62,324,161	66,707,602	-4,383,441	-6.57	-	-	0	0.00	62,324,161	66,707,602	-4,383,441	-6.57
13	County Assembly Service Board	585,716,252	729,130,694	-143,414,442	-19.67	101,363,791	185,381,473	-84,017,682	-45.32	687,080,043	914,512,167	-227,432,124	-24.87
14	Kitui Town Administration	51,826,286	81,908,745	-30,082,459	-36.73	224,626,176	296,120,522	-71,494,346	-24.14	276,452,462	378,029,267	-101,576,805	-26.87
15	Mwingi Town Administration	41,084,223	58,695,588	-17,611,365	-30.00	95,014,742	143,738,482	-48,723,740	-33.90	136,098,965	202,434,070	-66,335,105	-32.77
	TOTALS	4,625,953,758	5,750,303,234	-1,124,349,476	-19.55	3,688,648,678	5,220,102,781	-1,531,454,103	-29.34	8,314,602,436	10,970,406,016	-2,655,803,580	-24.21

Notes

The overall variance does not net out all the monies which were not received by the county as at 30th June 2017. This includes, Kshs 34,721,395, Grants from World Bank (KDSP) and Kshs 58,599,018 DANIDA grant, Kshs 353,262,637 not collected by the county government as targeted in its revenue budget. These funds will not be carried forward to 2017/18.

17. Recurrent expenditure for the financial year 2016/2017 was Kshs 4,625,953,758 which is 8.9 % up the expenditure for the previous period of Kshs 4,122,629,421 This resulted from an increase in Personnel Expenses (PE) of 9.2 % and an increased in Operations and maintenance costs of 17.4%, resulting to an overall absorption of 88%. The table below shows the overall recurrent expenditure by spending entities.

Table 6: Recurrent Expenditure by County Spending Units

Vote	Ministry/Spending Entity	16-Jun		Variance	%
		Recurrent			
		Actual	Target		
1	Office of the Governor	443,483,329	576,538,551	-133,055,222	(23.1)
2	Ministry of Administration & Coordination of Affairs	348,092,712	404,936,491	-56,843,779	(14.0)
3	Ministry of Agriculture, Water & Irrigation	489,169,338	559,110,943	-69,941,605	(12.5)
4	Ministry of Basic Education, Training & Skills Development	340,451,975	366,142,820	-25,690,845	(7.0)
5	Ministry of Lands, Infrastructure & Urban Development	226,782,810	218,848,250	7,934,560	3.6
6	Ministry of Health & Sanitation	1,509,761,836	1,836,016,617	-326,254,781	(17.8)
7	Ministry of Trade, Industry, IT & Cooperatives	85,265,181	149,843,607	-64,578,426	(43.1)
8	Ministry of Culture, Youth, Sports & Social Services	42,306,499	58,953,746	-16,647,247	(28.2)
9	Ministry of Environment, Energy and Mineral Investment Development	43,778,268	42,164,693	1,613,575	3.8
10	Ministry of Tourism and Natural Resources	50,316,027	52,562,489	-2,246,462	(4.3)
11	Ministry of Finance & Economic Planning	305,594,861	548,742,398	-243,147,537	(44.3)
12	County Public Service Board	62,324,161	66,707,602	-4,383,441	(6.6)
13	County Assembly Service Board	585,716,252	729,130,694	-143,414,442	(19.7)
14	Kitui Town Administration	51,826,286	81,908,745	-30,082,459	(36.7)
15	Mwingi Town Administration	41,084,223	58,695,588	-17,611,365	(30.0)
	TOTALS	4,625,953,758	5,750,303,234	-1,124,349,476	(19.6)

Note: The amount indicated as unabsorbed of Kshs 1,124,349,476 includes Kshs 12,820,400 meant for Free Maternity grant, Kshs 192,011,272 not collected by the county government as targeted in its revenue budget and Kshs 20,000,000 expected from United Nations Development Program (UNDP) for budgetary support towards training. The amount available for revote will be net of these figures as the free maternity grant may not be disbursed.

The development expenditure for the period was Kshs 3,688,648,678, down from Kshs 3,812,402,658 spend in the financial year 2015/16. This represents a decrease of 3.2% or Kshs 123,753,980 spend in the financial year 2016/17 below the amount absorbed on development budget in the previous year. The table below shows the expenditures by each spending entity, the variances both actual values (in brackets) and the percentages.

Table 7: Development Expenditure by County Spending Units

Vote	Ministry/Spending Entity	16-Jun		Variance	%
		Development			
		Actual	Target		
1	Office of the Governor	629,980,013	685,663,065	-55,683,052	(8.12)
2	Ministry of Administration & Coordination of Affairs	59,317,083	91,868,546	-32,551,463	(35.43)
3	Ministry of Agriculture, Water & Irrigation	524,257,264	709,334,860	-185,077,596	(26.09)
4	Ministry of Basic Education, Training & Skills Development	320,691,053	419,143,618	-98,452,565	(23.49)
5	Ministry of Lands, Infrastructure & Urban Development	641,957,660	1,073,924,461	-431,966,801	(40.22)
6	Ministry of Health & Sanitation	477,217,796	780,852,976	-303,635,180	(38.89)
7	Ministry of Trade, Industry, IT & Cooperatives	203,503,810	252,802,911	-49,299,101	(19.50)
8	Ministry of Culture, Youth, Sports & Social Services	145,903,985	162,638,216	-16,734,231	(10.29)
9	Ministry of Environment, Energy and Mineral Investment Development	188,364,993	229,371,508	-41,006,515	(17.88)
10	Ministry of Tourism and Natural Resources	56,543,538	86,930,775	-30,387,237	(34.96)
11	Ministry of Finance & Economic Planning	19,906,774	102,331,368	-82,424,594	(80.55)
12	County Public Service Board	-	-	0	-
13	County Assembly Service Board	101,363,791	185,381,473	-84,017,682	(45.32)
14	Kitui Town Administration	224,626,176	296,120,522	-71,494,346	(24.14)
15	Mwingi Town Administration	95,014,742	143,738,482	-48,723,740	(33.90)
	TOTALS	3,688,648,678	5,220,102,781	-1,531,454,103	(29.34)

Note:

- i. Actual expenditure for the county went down from 70.3% in 2015/16 to 3.2% of the total development budget in 2016/17 FY, resulting in a decrease of 67.1%.

C. Implications of 2016/17 fiscal performance on fiscal responsibility principles and financial objectives contained in the 2016 CFSP

18. The performance of 2016/2017 did not affect the financial objectives set out in the 2017 CFSP and the budget for FY 2016/17 in any fundamental way. However:

- i. Based on the performance of revenue and expenditure projections for the last three financial years, the revenue forecasts should be adjusted to reflect actual performance in order to mitigate against budget deficit in the event of actual expenditure conforming to budget;
- ii. Due to underperformance in revenue and realisation that some grants expected from the National Treasury will not be received, actual re-vote will not include this amount. However, this will not affect any development project as much of the unrealised funds were meant to finance recurrent expenditures;
- iii. The accelerated absorption rate recorded in 2016/17 is likely to inform the reallocation of funds during supplementary to address the funds roll-over from one financial year to another. However, this will have to be done within the broader priorities set out in the CFSP 2017 and all other medium term policies; and
- iv. Funds not spend in the previous year whether recurrent or development are reallocated to development in 2016/17. However, the amount of re-voted over the last two financial years has been declining due to increased absorption.

19. The outcome of the national economic performance indicates our national economy is still resilient, as evidenced by the response of the performance Kenya's first sovereign bond in the market. However, volatility in our main foreign exchange earners such as tourism and export of tea and coffee leaves some doubts on our growth forecast. Inadequate rainfall received in the second quarter of 2015 has dampened the performance of the economy. Drought is one of the main challenges that can adversely affect the performance of our local economy and there is need to devise ways of circumventing, given that farming is the main source of livelihood. Nevertheless, we remain optimistic that growth projections outlined in CFSP 2016 will be achieved albeit with challenges.

20. Our local revenue projections will remain as set out in our CFSP 2017, given that main sources of revenues will be severely affected by any foreseeable shock. Nonetheless, poor crop yields resulting from inadequate rains will definitely undermine the growth forecast in general. Revenue collection from devolved functions is still performing below forecasts, mainly due to operational and other setup challenges. There is need to review all the revenue streams for each county ministry/entity and assess its potential to ensure realised revenue does not vary much to forecasts.

21. The contention raised over the implementation of the Finance Bill in 2016 and the ban on charcoal cess has had impact on the revenue targets set out in our 2016 CFSP, however, such incidences have been taken into account while preparing our projections. The effect on revenue underperformance in revenue collection has been to reduce our allocation for development as such funds could not be re-voted for utilisation in the current financial year. This, in effect has resulted in downward review of our development allocation.

22. Given that agriculture is going to be the main driver of our local economy in the medium term, measures have been put in place to improve productivity particularly to address food security

and support favourable growth prospects. This is signalled by the amount allocated to agriculture and production sectors to boost output in 2016/17 FY and over the medium term. Targets here include support to farmers through provision of farm inputs, provision of post-harvest advice/services and investment in non-rain fed agriculture. Other interventions include increased funding for acquisition of necessary machineries to revamp the agricultural mechanisation services.

III. RECENT COUNTY ECONOMIC DEVELOPMENTS AND OUTLOOK

Recent Economic Developments

a) National

23. The Kenyan economy has significantly increased in 2016 as compared to other East Africa's states due to the solid growth founded on investment in infrastructure-roads and the standard gauge railway (SGR), expansion of the airports to international standards. The other aspect is buoyant manufacturing and vibrant agriculture sector. This is confirmed by rebasing of its GDP in 2016 that placed Kenya in the ninth position in Africa. Sustained investment in mega infrastructural projects within stabilised macroeconomic environment bearing fruits for the country. However, expansionary fiscal policies underlying the physical infrastructure growth agenda may present downside risks associated with variability in some macroeconomic variables such as exchange rates, inflation and interest rates.

24. The economic growth prospects for the country looks favourable, with medium term growth forecast for 2015 to 2017 being 6.0, 6.6 and 7.0 per cent for 2015, 2016 and 2017 respectively up from 5.4 estimate for 2014. This is anchored on strong macroeconomic base, declining risks, infrastructural development and recovery in major economic driver sectors like agriculture and tourism, in the domestic market. Recover and stability of economies in the country's major trading partners, coupled with declining oil prices in the international markets that is reducing inflationary pressures also prop this gloomy economic outlook.

25. The Country has approached the 2017 general election when the economy is gaining momentum after a period a period of economic slowdown due to its diversified nature. The Kenyan economy grew from to 5.8% in 2016 from 5.7 % in 2015. The growth is reflection of the countries effectiveness of macro-economic stability policy and the growing dividends of massive public investment in infrastructure. The economy may affected by the current political temperatures after the nullification of the August polls by the court.

26. The Tourism sector which contributes much in Kenya economy improved from 2014 and 2015 due to the reduced number of terrorist attacks mostly in the coastal region. However, many foreign countries have issued travel advisory to its citizens who are travelling to Kenya due to the political climate. Such sectors are very volatile on those incidents likely to disrupt social order.

27. The Sixth Tokyo International Conference on African Development (TICAD VI) was held in Nairobi, Kenya, 27-28 August 2016, the very first TICAD to be held in Africa. It serves as a pioneering multilateral forum for international cooperation on African development. it is premised on Africa being a dynamic continent that now hosts most of the fastest growing economies in the world, including Kenya. The TICAD VI was an advanced of the TICAD V commitments which included; the enhanced role of the Regional Economic Communities (RECs), the New Partnership for Africa's Development Planning and Coordinating Agency (NPCA) and the African Peer Review Mechanism (APRM) in Africa's development management, the adoption of Agenda 2063, the adoption of the Common African Position on the Post-2015 Development Agenda by African Heads of State and Government, which facilitated global negotiations and culminated in the adoption of the 2030 Agenda for Sustainable Development at the United Nations. Three pillars were identified under TICAD VI;

promoting structural economic transformation through economic diversification and industrialization, Promoting resilient health systems for quality of life and promoting social stability for shared prosperity. Kenya being one of the middle income countries in Africa has positioned itself to reap immensely from such initiatives in sectors like infrastructure, power generation, trade and investment and Research and Development.

b) County level

28. The county is a good-based as opposed to service- based economy. Most of the products in the county are from the agriculture sector. Therefore, it is expected that the performance of the county economy was greatly undermined by the inadequate rains received over the period. The dismal performance of the agriculture resulted into poor performance of the county economy due to the structural vulnerabilities inherent in our county. The county being agriculture based, which is particularly rain fed exhibits a high degree of exposure to the risks of weather variability.

29. The low production in the agriculture sector has continued to pile inflationary pressure from food and non-food sectors, resulting in an upward trend in the cost of living generally over the medium term, and eroding the purchasing power of the real wage. The non-food inflation stemmed from generally volatile oil prices in the international markets, which has received a mixed basket over the period, moving up and down at times. However, the general Consumer Price Index (CPI) has been trending up, confirming that benefits from reduced oil prices have not been passed on to the consumers.

30. There are several planned projects/programmes at the National or County Governments likely to have great impacts in the Kitui County economy. Some of these projects have already been initiated while others are still in the inception/planning stage. Such programmes/projects include but not limited to:

31. Masinga – Kitui Phase I - The Water and Sewer System project funded African Development Bank (AfDB). This project will expand the pipeline infrastructure that bring water to Kitui Town from Masinga Dam, and construct a sewer system for the town. It has been under implementation for over two years now and is contracted to Sino Hydro Co., Ltd. The likely impact of the project is to increase access to save water, reduce water borne diseases within the town and increase the value of real estate within Kitui town and its environment. The Phase II of the project and the sewer system have not been operationalized yet.

32. The Mui Coal Basin Projects, concessioned to Flenxi Mining Co., Ltd of China, for blocks C and D will involve mining of the coal. A coal powered plant to generate over 900MW has also been earmarked for the same region. Block A and B lie in Kitui East sub county and were concessioned to a consortium of Liketh and HCIG. Very little activities have been undertaken. The State department of Energy and Petroleum is the one in charge of the mineral exploitation.

33. The Standard Gauge Railway (SGR) is a 500 km railway line running from Mombasa to Uganda and Rwanda and it was commissioned in 2014/15 financial year. The railway will run along several counties; Mombasa - Kilifi - Kwale - Taita - Taveta - Makueni - Kajiado - Machakos and Nairobi. For Kitui county this major transport system is expected to transform transport business has a T junction at Mtito Andei to Mui coal basin is envisaged to be laid. The intention of this T junction is to provide means for transporting coal from the mining site to the port for export as well as supplying

other coal fired power generation plants. Once completed the project is scheduled to be operational during 2016/17 financial year.

34. The Lamu Port Southern Sudan Ethiopia Transport (LAPSSET) corridor which was officially launched by the immediate former president, Mwai Kibaki on 2nd March 2012. It is also another mega project being implemented by the National Government that is expected to have great impact on the economic growth of Kitui County hence Kibwezi –Kitui Road is one of the product of LAPSSET. The project has highway which is 60 % complete, a railway and a pipeline which will be started after completion of the Lamu Port. It will pass to the north of the Kitui County and will provide a major economic opportunity for the county such as the export of livestock to the Ethiopia and South sudan. It is envisaged that preparatory activities were being implemented for the take-off of the project over the period under review.

35. Another major development initiative likely to have impact on the lives of the Kitui residents is the Kanyangi – Mutomo – Ikutha – Kanziko water project inaugurated in 2015. This project is co-funded by the County Government of Kitui and World Vision Kenya at a cost of KES 650m. This project will increase water coverage by 50% in the entire southern region of the county expected serve 100,000 people in Kanyangi, Mutomo/Kibwea, Ikutha, Kanziko and Athi wards as well as Mathima and Ndakani areas of Mutha Ward. It is designed to produce water at the rate of 1700 m³/day. During the period under review, 21km of pipeline have been laid and 44km of pipeline of on-going. Additionally, storage facilities of 500M³ reinforced concrete storage tank and 225M³ masonry storage tank are at 75% completion level. The acute problem of water which has characterised southern region of Kitui County will be sustainably solved.

36. Over the period under review, this emergence of institutions of higher learning in the County (Universities and middle level colleges) resulted in massive influx of people in the County especially the Towns of Kitui, Mwingi and Kwa Vonza. On the supply side, this has constrained sectors like housing, transport, agriculture, health, education among others. In effect, market prices for the housing and land has gone up. It is expected that once the SEKU campus in Mwingi is operational, the demand for more hospitality facilities will out way supply creating potential for expansion of physical facilities for Mwingi town.

37. The County Government has invested a sizeable portion of its development expenditure on rehabilitation of existing access roads and opening of new ones across the county with an aim of addressing access to markets and improving road transport network. A total of 19 No. drifts (1450 metres) and 120.5 km of road works were done in 2015/16. This has had the effect of cutting down on the time residents take to move from one trading centre to another as well as reducing the travel costs.

38. One of the various approaches to strengthening rural and urban financial base is to create conducive environment for business operations. The County Government of Kitui has implemented urban Street lighting over 2013/14, 2014/15 and 2015/16 which has brought in light to business premises area and allowed traders more time to operate their enterprises towards the 24-hour economy initiative. Markets are now able to operate beyond dusk and traders are more confident to extend their operations to late hours of the night. All these efforts are intended to provide large return to investment by the Kitui County residents.

39. The Kibwezi – Mutomo – Kitui – Kabati – Migwani is National government project under the Kenya National Highways Authority (KeNHA) and forms part of the Mombasa - Isiolo - Addis Ababa Road Transport Corridor. The length of the whole project is approximately 192 Km including

18 Km of Township roads. The road construction works are based on a Design and Build Contract (FIDIC EPC/Turnkey based). The road will benefit the Kitui county in its development agenda of mineral extraction (Limestone and coal), sand harvesting. However, the road will connect Kitui County and Central Kenya since will be the shortest rout to Mombasa.

Macroeconomic stability (Inflation, Interest rates, Exchange rates)

40. Though the management of these variables is the sole responsibility of the National Treasury as alluded to earlier, their impact on the national economy is an aggregation of the effects to individual counties, which is of great concern to the counties as the National Treasury itself. The inflation rates outlook over the medium term is expected to be stable at around 5.6 per cent, as predicted, reflecting a significantly improvement from 7.0 per cent. This is attributable to; subdued oil prices, lower electricity tariffs due to increased reliance on drought-resistant geothermal power and low food prices due to improved rainfall. Sustaining inflation rates at this or even lower level is critical for the nation and the county to achieve their fiscal objectives, given that inflationary pressures have had adverse budgetary effects in the past.

41. It will be important to see how the National and County Government address the food inflation which is the main driver of overall inflation, which has remained relatively high. Energy and oil related inflationary pressures are easing up thanks to declining oil prices at the international markets and structural shifts in our energy generation mix.

42. The assenting to act of the Banking (amendment act) 2016 by HE the President, Uhuru Kenyatta set a stage for cushioning of the business sector. Section 33B of that Act introduced a limit to interests charged on credit facilities to 4% of the base rate set by the Central Bank of Kenya and a minimum of interests earned in deposits earning interest to 70% of the base rate set by the Central Bank of Kenya. This in effect meant that the interest rate will be capped at 14.5% a decrease from the 18% average that the banks used to charge. Lower interest rates have the effect of stimulating both public and private credit that is required to accelerate development. This will be important for the county since the main target of the county will be private investors who may need to raise funds either from commercial banks or the stock exchange. Further, the introduction of Kenya Banks Reference Rate (KBRR) was to bring about transparency in the lending sector. The KBRR gives the basic rate of lending of banks in Kenya and is calculated from the average of the Central Bank Rate and the two-month weighted moving average of the 91-day Treasury bill rate. The last review of the KBRR was from 9.87 to 8.90 in July 25, 2016.

43. Access to credit is necessary for the acceleration of development through capital borrowing, which has been a major source of slow projects implementation. This is also understood in the premise that trade in livestock, construction of real estate and retail and wholesale in agricultural produce (cereals), need to be financed by commercial banks.

Medium Term Fiscal Framework

44. Over the medium term, the county government will pursue prudent fiscal policy aimed at maintaining stability in the revenue segments while still improving the business environment. Expenditures management controls will continue to be implemented to stem unnecessary wastage to release funds for development, and where financial prudence requires austerity measures to be put in place, necessary policies will be prepared to avert any financial crisis.

45. Debt management policies under the PFM Act 2012 require that counties avoid borrowing within the first few financial years. It is therefore not in the county's plan to finance any short fall in budget through loan, whether recurrent or development. However, where necessity dictates otherwise, all necessary precautions will be employed to avoid debt traps. Further, when necessary and applicable the County Government of Kitui shall raise revenue through donor funding by way of raising proposals. The funding shall be utilised purely for development purposes.

46. The proportion of the target own revenue to overall budget is insignificant. For the period under review it is still below 10%. This poses a major risk to the county's operations as delay in National Treasury disbursements could paralyse county operations. The target for the annual locally collected revenue cannot cover five payroll expenses. Monthly collections from all the sources also cannot meet the monthly salary expenditure. All these call for urgent measures to improve administrative efficiency and widen the revenue base to ensure county operations are cushioned from disruptions in case of disbursement delays.

47. It is evident that revenue collection suffers as a result of delay in passing of Finance Bills. When necessary pieces of legislation in form of county bills and policies are not approved and/or passed on time there are unnecessary disruptions. It should be recommended that all laws that allow the county to collect levies should be prepared and appropriately approved on time to ensure adherence to legal provisions and maximise on the revenue collection period. Delay in passing bills into laws shortens implementation period, thus affecting resource mobilisation timeframe.

48. On the expenditure side, the county will continue to rationalise expenditures to bring efficiency and stem wastage. Accelerating implementation of expenditure management reforms as contained in the PFM Act 2012, and its regulations alongside full adoption of the Integrated Financial Management Information System (IFMIS) platform is expected to improve financial management capacities of the County Treasury. This will eventually improve fiscal responsibility.

49. There are claims from contractors and suppliers of services left by the former local authorities, which have not been verified for authentication. The former Transition Authority (TA) had not given counties any direction on the inherited debts before the authority was phased out. Effort toward that direction was a moratorium imposed on the counties not to pay any claim left by the former local authorities. It is a considered opinion that TA should have provided guidelines on the modalities of handling such cases to mitigate against interest payment on claims verified as genuine. After the phasing out of the TA, the Inter-Governmental Relations Technical Committee was established to perform the same functions. The 10-member committee is chaired by Karega Mutahi.

50. The National Government enacted a law to allow for Public – Private – Partnership (PPP) undertakings. However, the technicalities involved require experts with training and experience on the same to initiate and negotiate such contracts. This is a viable option that the county will explore over the medium term, in consultation with the National Treasury which hosts the national secretariat on

PPP. Long term projects such as solar power generation, water supply sewer system management and other infrastructure projects are some of examples of viable projects to be initiated under PPP.

51. H.E. the President directive on procurement to all government entities necessitated public entities to embrace e-procurement. In line with this directive, the county has prepares Annual Procurement Plans to guide the procurement of the county within a particular fiscal year and in the medium term. It has also recruited more personnel in the department to reduce the workload and fast-track the process. This is expected to address low absorption rate in development expenditure.

52. In order to address the low proportion that locally generated revenue contributes to the overall budget, a Revenue Enhancement Plan has been prepared to address collection challenges experienced in the past years. This plan includes unbundling of the Finance bill 2016 to bring in more categorisation in rates and charges as well as creating zones within towns to complement the unbundling. A draft Revenue Administration bill has been prepared and submitted to cabinet for approval. All these efforts are geared towards enhancing locally generated revenues to ensure sustainability in cases of financial delays emanating from the National Government.

County Economic Outlook

53. At the national level, the economy may be affected by the ongoing political environment despite of the country had significant improvement from the previous years over the period under review. An improvement in the nation economy reflects overall performance of all the counties. It is also important to note that improved economic performance at the national government signals trend wise increase in revenue collection and hence equitable share received by counties.

54. The county government is positioning itself to join the Coast-Eastern-Mount Kenya Tourism Circuit so as to reap benefits from the tourism sector. Initial works towards this which involve rehabilitation of all the tourist sites including Nzambani rock, South Kitui national park, Kora and Mwingi game reserves were initiated in 2013/14 fiscal year. They are incorporated in the County medium-to-long term plans. The County through the department responsible for Tourism and Natural Resources has partnered with Kenya Wildlife Services (KWS) to market tourism within the parks and reserves. It is anticipated that aggressive marketing and rebranding of our tourist destinations can increase the number of tourists visiting our county.

55. Kitui County leverages on its huge mineral deposits that will create job opportunities if extraction begins. The mining sector will prosper well if well anchored by the service sectors such as financial and hospitality. It is hoped that the extraction of coal in Mui, cement in Kanziko and Ngaie will attract the services of financial and hospitality business. Investor confidence and predictable political climate is pertinent in order to achieve sustainable economic development in the county.

56. The completion of Kibwezi-Mutomo-Kitui road will position the Kitui County as the bridge between the central Kenya and the Kenyan Coast. This will result to development of a 24hrs economy along the major towns. However, the access of tourist in the Kitui Parks will be improved, access to the mineral deposits will be improved.

Risks to Economic Outlook

57. One of the major risks facing this outlook, just as many other counties is the weak revenue base that cannot cushion the county from cash flow delays from the National Treasury. Most of the

counties experienced problem in payment of salaries for the months of July and August this year following a delay by the national treasury to release funds. This problem could have been averted if all the counties were able to collect own revenue adequate to shoulder monthly payroll burden.

58. Due to the weak revenue base of the county, delay in the release of the equitable share by the national treasury will definitely paralyse the operations and dampen the outlook. In essence, the achievement of the outlook forecasts is anchored on timely release and utilisation of the equitable share, mainly because the contribution of the local revenue is less than 8% of the annual budget.

59. Other risks to the economic outlook for 2016/2017 and the medium term include slow recovery in the advanced economies that will impact negatively on our tourism and export; the weak shilling against the dollar and other major currencies; emerging financial risks in the China economy that are likely to hit our stock markets too due to financial integration, resulting in capital flight and losses.

60. Delay in implementation of major infrastructural projects like Kibwezi-Kitui-Mwingi road tarmacking, Mui coal basin projects, exploration of cement, and other big impact projects will dampen the outlook.

61. Public expenditure pressures especially recurrent expenditures, mainly salaries and other personnel emoluments pose fiscal risks. The wage bill in particular limits the funds available to development, curtailing the ability of the county to expand its infrastructure and fulfil other developments as outlined in the budget. There is need to manage the wage bill in more sustainable way to avoid unnecessary redundancy costs.

62. The national as well as the county are dependent on the rain fed agriculture. Erratic weather pattern that is so characteristic in our county derailed the county development agenda with substantial resources channelled to emergency relief services and other associated expenditures. This unpredictable weather patterns pose real threat to our forecast given that Kitui is food deficient and hunger results in emergency reallocation of resources which are unprecedented.

63. Other risks that the economic outlook may be prone to include lack of goodwill from the political class, low staff morale that will affect revenue performance, delay in enactment of bills into laws, liquor licensing structure and resistance from the devolved functions staff to collect revenue.

64. Political interference and resistance by locals not to pay local revenue have negative impact on the revenue projections and the overall revenue performance. Some of efforts being put towards addressing the envisaged challenges include; automation of revenue collections and dissemination of civic education on revenue collection to the traders to create awareness on the benefits of revenue at county level.

IV. RESOURCE ALLOCATION FRAMEWORK

Adjustments to 2016/17 Budget

65. Given the performance in 2015/16 and the updated macroeconomic outlook of the national economy, the risk to the FY 2016/17 include instability in the stock markets both locally and internationally, the effects of Brexit to the export business, slow recovery of the advanced economies that absorb our exports; volatility and slow recovery in tourism sectors which in a major foreign exchange earner and geographical turbulence in the international oil market.

66. Actual expenditure for the county went down from 70.3% in 2015/16 to 3.2% of the total development budget in 2016/17 FY, resulting in a decrease of 67.1%.

67. At the local level, the county reported declined rates of development funds absorption (from 70.3% in 2015/16 to 3.2% in 2016/17). This performance should be improved in the next financial years to solidify the gains envisaged in program implementation.

68. The experience on the budget implementation so far suggests that departments need to rationalise their budget to and align resources availability to needs, allocating funds to quick-win-projects. In this regard, supplementary budget will have to be prepared to rationalise expenditures and where possible cut spending in non-priority areas. However in line with our development policy goals, resources allocated to development will not be re-allocated to recurrent expenses and any movement of resources is expected flow from recurrent to development budget.

69. In order to achieve the revenue targets set out in the 2016/17 budget, the revenue department of the County Treasury will undertake resource mapping to identify untapped revenue potential and reassess revenue streams to improve revenue collection. The supervision of revenue collection is essential to seal off all possible revenue leakages and loss through non-collection. Other measures necessary to realise the budget are to speed up the preparation and approval of Revenue Administration.

70. With respect to locally generated revenues, the County Government managed to collect Kshs 315m against a projection of Kshs 668m. This represents an underperformance of 52.8%, down from 32% in 2015/16. However, the actual revenue collected went down by Kshs 100m or 24.2% compare to the previous period as the previous target was Kshs608m. This could be attributed to ban on charcoal, sand cess and contention of the Finance Act 2016.

71. The county government has taken the necessary steps to ensure that revenues expected from devolved functions transferred from national government are collected and remitted to the county revenue fund. One such step is preparation of the Liquor Licensing Bill, which has been passed by the County Assembly and assented to by the H.E the Governor. The e-revenue projected is also another such bold step the county has taken to improve revenue performance. The projected is expected to be executed in 2016/17 financial year.

72. On the expenditure side, the County Government continued to rationalize expenditures to improve efficiency and reduce wastage. In the medium term, expenditure management is expected to improve with the implementation of the Integrated Financial Management Information System (IFMIS) platform. Above all, the PFM Act, 2012 is expected to guide and accelerate reforms in expenditure management system necessary for the efficient utilisation of resources.

Medium Term Expenditure Framework

73. Looking forward, and in view of the outlook, MTEF budgeting will involve expenditures rationalisation to move resources from non-priority sectors to accommodate priority needs within the broad sector goals. Over the medium term, the budget will draw largely from the CIDP, and all other planning documents, including national plans such as MTP I&II in order to address the development challenges of the county.

74. The county ministries are not organised around the MTEF sectors as recognised at the Classification of Functions of Governments (COFOG) and the national level. However, grouping by related sectors of the economy reveal the following allocation:-

i. The Ministry of Lands, Infrastructure and Urban Development and Towns (Kitui and Mwingi), which address the infrastructural development and urban development were allocated Kshs 1.292b or 12% of the total budget. This sector is the driver of the economy and reflects Government's commitment in improving infrastructure such as roads and ensure sustainable development through planning of urban areas.

ii. The social sectors, comprising ministries of education and health, will continue to receive considerable amount of the budget share. The allocation for this financial year is Kshs 3.402b (or 31%) up from previous year's allocation of Kshs 2.8billion. This is in line with the county government's policy to address health access inequalities across the county and empower people through education.

iii. Agriculture, water and Irrigation sector has received a huge allocation consistent with the county policies to improve food security and water availability in the county. Kitui is ranked as food insecure and water deficit, a picture that county government is fighting to change. The Agriculture, Rural & Urban Development sector has been allocated 984 million which is equivalent to 11% of the entire budget, a drop of 1% from the previous allocation of Kshs 998m in 2015/16.

iv. Public, Administration & Internal Relations. The sector, which incorporates the office of the governor, administration and coordination of county affairs, Finance and economic planning, County assembly and County public service board, plays the crucial role of ensuring the smooth running of the County government. The sector received a total allocation of over Kshs 3.39 billion in the FY 2016/2017 or (31%) of the total budget. This allocation is 6% lower than the previous allocation of Kshs 3.32 billion (37%) allocated in 2015/16 financial year. Even though this group of sectors do not undertake development projects, Office of the Governor houses the CLDP and Pro-poor programmes which had great impact in community development and education.

v. Environment, Energy and mineral resources development, which is an important sector of the county economy given the mineral wealth potential. The ministry is also responsible for electricity distribution through Rural Electricity Authority (REA). This sectors received Kshs 271m mainly to power urban centres through connection to the national grid and the solar powered street lights.

vi. Other priority sectors including youth, women and disadvantaged groups have been incorporated in various development programs, which will continue to attract funding. The County government will continue allocating adequate funding to social protection, culture and

recreation sector in order to ensure the special interest groups are taken care of. In the 2016/2017 financial year, the sector has been allocated 221 million translating to 2% of the total budget.

vii. Trade, Industry, IT and cooperatives as well as Tourism and natural resources are also key pillars in development of the county. Expansion of tourism access roads in south Kitui game reserve and the north Mwingi game reserve are expected to open up the game reserves for tourists' attraction and activate the tourism circuit from south to the north of the county. IT enables services is reducing the cost of doing business. These sectors received a total of Kshs 542m to address the business environment, expand markets and improve tourism potential in the county.

75. Specifically, the County government has prioritized key strategic interventions across major sectors as a way of accelerating county's economic and social transformation so as to improve quality of services to the population. The main areas of interventions cover food security, improved access to quality health care and water, empowering youth and women as well as putting in place a transformative education system. Resources earmarked for these interventions are ring fenced over the medium term and are carried forward (re-voted) at the end of the financial year to ensure these interventions are fully implemented.

76. To address structural reforms on County Budgeting, the following will be implemented over fiscal cycle;

i. The expenditure side of the County budget, the County Government will continue with expenditure management reforms to improve efficiency and reduce wastage in line with the PFM Act, 2012. Expenditure management will be strengthened with implementation of the Integrated Financial Management Information System (IFMIS) to cover the expenditures of the 15 County spending units. Major operational reforms introduced by the IFMIS such e-procurement are expected to streamline wastage and free resources for development.

ii. The County Government has over the last three financial years instituted measures to rationalise public expenditures and tame wage bill to recommended levels (below 35% of the total expenditure) and eliminate other unnecessary expenditures. This will free some resources that will be channelled to development financing. Some of the measures proposed here would include payroll cleansing, staff rationalization and streamlining expenditures to county priorities.

Budget Framework 2016/17

77. The 2016/17 budget framework is built around the fiscal and medium term framework set out above. Stability in macroeconomic variable such as interest rates, inflation and unemployment in the global and the local economy is set to accelerate recovery and simulate growth at the county economy. The projected growth assumes normal weather pattern during the year. At national level, inflation is expected to remain low and stable, reflecting continued implementation of a prudent monetary policy and stable food and oil prices, as well as stable exchange rates. All these macroeconomic parameters have adverse ripple effects to the county economy.

78. Locally generated revenue is projected to grow at the rate of 5% over the medium term from Kshs 668.6m in 2016/17 to 737.1m in 2018/19. This is in line with the county plan to improve revenue collection to tame the risks associated with delay in funds disbursement, as experienced by

most the county during the months July and August before funds are released from National Treasury. However, this own revenue will still not be able to cushion the county from cash flow problems associated with delay in funds release and other measures need to be identified to strengthen revenue based of the county (own revenue still too low at less than 3% of the total budget). The revenue projection for the financial years 2016/17 – 2018/19 are provided in the table 7 below.

Table 8: Revenue projections 2016/17 – 2018/19

S/No	Source	Revenue Estimates 2016/17 (Kshs)	Revenue Estimates 2017/18 (Kshs)	Projected Revenue (Kshs)	
				2018/19	2019/20
1	Equitable share	7,841,480,359	8,368,427,839	9,037,902,066	9,760,934,231
2	Grants		-	-	-
	Free Maternal Healthcare	54,367,434	63,610,400	69,971,440	75,569,155
	Compensation for User Fees Forgone	23,144,997	23,606,211	25,966,832	28,044,179
	Road Maintenance Fuel Levy	120,484,293	220,500,000	242,550,000	261,954,000
	Grants from UNDP	-	-	-	-
	Grants from World Bank (KDSP)	34,721,395		296,142,859	319,834,288
	HSSP/HSPS - (DANIDA/IDA)	208,619,262	269,220,781	-	-
	Other GOK Grants (Doctors & Nurses Allowance)	65,238,000			
	Subtotal	506,575,381	576,937,392	634,631,131	685,401,622
		8,348,055,740	8,945,365,231	9,672,533,197	10,446,335,853
3	Own Revenue		-		
	County Ministries/Entity		-		
	Office of the Governor	135,099,731	141,854,717	148,947,453	156,394,826
	Ministry of Administration and Coordination	-	-	-	-
	Ministry of Agriculture water and Irrigation	27,300,000	28,665,000	30,098,250	31,603,163
	Ministry of Basic Education and Skills Development		-	-	-
	Ministry of Land Infrastructure and Urban Development	60,105,760	63,111,048	66,266,600	69,579,930
	Ministry of Health and Sanitation	167,550,000	175,927,500	184,723,875	193,960,069

S/No	Source	Revenue Estimates 2016/17 (Kshs)	Revenue Estimates 2017/18 (Kshs)	Projected Revenue (Kshs)	
				2018/19	2019/20
	Ministry of Trade, Industry IT and Cooperative Development	1,050,000	1,102,500	1,157,625	1,215,506
	Ministry of Culture, Youth, Sports & Social Services	1,050,000	1,102,500	1,157,625	1,215,506
	Ministry of Environment, Energy and Minerals Investment Development	1,050,000	1,102,500	1,157,625	1,215,506
	Ministry of Tourism and Natural Resources	210,000	220,500	231,525	243,101
	Ministry of Finance & Economic Planning	129,845,073	136,337,326	143,154,193	150,311,902
	Kitui Town Administration	101,966,986	107,065,335	112,418,602	118,039,532
	Mwingi Town Administration	43,382,451	45,551,574	47,829,152	50,220,610
	Subtotal	668,610,000	702,040,500	737,142,525	773,999,651
	TOTAL	9,016,665,740	9,647,405,731	10,409,675,722	11,220,335,504

Table 9: MTEF Projections for 2016/17 – 2018/19

No.	Sector/ County Ministry		Revised 2016/17 Estimates	2017/18 Estimates	Projections 8%	
					2018/19	2019/20
1	Office of the Governor	SUB-TOTAL	1,262,201,616	1,165,926,042	1,277,429,511	1,390,389,363
		Rec. Gross	576,538,551	585,926,042	651,029,511	713,877,363
		Dev. Gross	685,663,065	580,000,000	626,400,000	676,512,000
2	Ministry of Administration and Coordination Affairs	SUB-TOTAL	496,834,927	571,180,083	625,172,817	684,369,764
		Rec. Gross	404,966,381	506,517,981	555,337,747	608,947,889
		Dev. Gross	91,868,546	64,662,102	69,835,070	75,421,876
3	Ministry of	SUB-TOTAL	1,268,445,803	1,062,914,001	1,155,478,098	1,256,250,300

No.	Sector/ County Ministry		Revised 2016/17 Estimates	2017/18 Estimates	Projections 8%	
					2018/19	2019/20
	Agriculture, Water & Irrigation	Rec. Gross	559,110,943	459,680,006	503,985,384	552,638,168
		Dev. Gross	709,334,860	603,233,995	651,492,715	703,612,132
4	Ministry of Basic Education, Skills & Development	SUB-TOTAL	785,286,438	646,703,276	706,840,475	772,684,383
		Rec. Gross	366,142,820	512,781,056	562,204,477	616,477,506
		Dev. Gross	419,143,618	133,922,220	144,635,998	156,206,877
5	Ministry of Lands, Infrastructure & Urban Development	SUB-TOTAL	1,292,772,710	1,040,438,991	1,128,438,092	1,223,985,072
		Rec. Gross	218,848,250	290,786,596	318,813,506	349,590,519
		Dev. Gross	1,073,924,461	749,652,395	809,624,587	874,394,554
6	Ministry of Health & Sanitation	SUB-TOTAL	2,617,327,593	2,376,181,429	2,604,825,417	2,847,258,918
		Rec. Gross	1,836,474,617	1,870,767,003	2,058,977,837	2,257,743,532
		Dev. Gross	780,852,976	505,414,426	545,847,580	589,515,386
7	Ministry of Trade, Industry, IT & Co-operatives	SUB-TOTAL	402,646,518	221,705,675	240,760,884	261,481,120
		Rec. Gross	149,843,607	80,494,925	88,253,274	96,772,901
		Dev. Gross	252,802,911	141,210,750	152,507,610	164,708,219
8	Ministry of Culture, Youth, Sports & Social Services	SUB-TOTAL	221,591,962	233,275,373	253,188,410	274,827,876
		Rec. Gross	58,953,746	76,359,677	83,719,458	91,801,409
		Dev. Gross	162,638,216	156,915,696	169,468,952	183,026,468
9	Ministry of Environment, Energy & Mineral Resources	SUB-TOTAL	271,536,201	216,075,720	234,157,502	253,771,338
		Rec. Gross	42,164,693	48,607,281	53,291,588	58,436,151
		Dev. Gross	229,371,508	167,468,439	180,865,914	195,335,187
10	Ministry of Natural Resources & Tourism	SUB-TOTAL	139,493,264	165,450,144	179,706,184	195,211,467
		Rec. Gross	52,562,489	62,261,099	68,262,016	74,851,765
		Dev. Gross	86,930,775	103,189,045	111,444,169	120,359,702

No.	Sector/ County Ministry		Revised 2016/17 Estimates	2017/18 Estimates	Projections 8%	
					2018/19	2019/20
11	Ministry of Finance & Economic Planning	SUB-TOTAL	651,073,766	734,500,903	804,105,368	880,434,452
		Rec. Gross	548,742,398	661,926,079	725,724,558	795,783,178
		Dev. Gross	102,331,368	72,574,824	78,380,810	84,651,275
12	County Public Service Board	SUB-TOTAL	66,707,602	87,581,050	95,729,700	104,652,024
		Rec. Gross	66,707,602	69,716,209	76,435,672	83,814,474
		Dev. Gross	0	17,864,841	19,294,028	20,837,550
13	County Assembly	SUB-TOTAL	914,512,167	777,297,161	851,723,968	933,410,310
		Rec. Gross	729,130,694	747,297,161	819,323,968	898,418,310
		Dev. Gross	185,381,473	30,000,000	32,400,000	34,992,000
14	Kitui Town Administration	SUB-TOTAL	378,029,267	233,122,237	253,314,890	275,287,462
		Rec. Gross	81,908,745	94,174,832	103,251,693	113,219,209
		Dev. Gross	296,120,522	138,947,405	150,063,197	162,068,253
15	Mwingi Town Administration	SUB-TOTAL	202,434,070	115,053,647	125,302,858	136,483,419
		Rec. Gross	58,695,588	63,780,380	69,927,730	76,678,280
		Dev. Gross	143,738,482	51,273,267	55,375,128	59,805,139
TOTALS	TOTALS	TOTAL	10,970,893,904	9,647,405,731	10,536,174,177	11,490,497,270
		Rec. Gross	5,750,791,123	6,131,076,326	6,738,538,420	7,389,050,652
		Dev. Gross	5,220,102,781	3,516,329,405	3,797,635,757	4,101,446,618

V. CONCLUSION AND WAY FORWARD

79. The FY 2016/17-2018/19 MTEF presented in this CBROP is prepared taking into account the challenges facing the county and the national economy as a whole. It is therefore marked by moderate growth in revenue projections and the need to contain expenditure to maintain fiscal discipline adhered to in the last three financial years. The policies therefore are consistent with fiscal responsibilities outlined in the PFM law.

80. In relation to resource allocations, funds should be allocated to sector projects that result in “quick-wins” and widespread impacts. Such projects/program are cost effective in nature and take shorter time to implement. This does not really amount to any policy shift, but program rationalisation to ensure maximum benefit with least resource allocation.

81. Going forward, the policies outlined in this CBROP are expected to ensure continuity in resource allocation based on prioritised programs that have earmarked by the county government to accelerate growth, create employment and reduce poverty.

82. The policies will be reiterated by the next County Fiscal Strategy Paper, which will released before December this years (in line with shortened budget calendar for 2017/18).

ANNEXTURES

I. EXPENDITURE ANALYSIS BY PROJECT/PROGRAMME

3711: Office of the County Secretary

S/No	Project/Programme	Budget (2016-2017) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	CLIDP (Ward-Level Project)	312,288,433	450,645,571	144.30%	In this financial year the actual allocation was KES 518,140,657 but through a supplementary budgeting process KES 205,852,224 was deducted from the voteline. This resulted to a deficit hence the absorption rate exceeding 100%. This deficit has resulted to huge pending bills for CLIDP.	In future the department will request to be involved in supplementary budget preparation process so as to advice against over deductions, which might result to deficits.
2.	CLIDP (Cross-Ward Projects)	67,427,773	105,640,961	156.67%	In this financial year the actual allocation was KES 100,000,000 but through a supplementary budgeting process KES 32,575,227 was deducted from the voteline. This resulted to a deficit hence the absorption rate exceeding 100%. This deficit has resulted to huge pending bills for CLIDP.	In future the department will request to be involved in supplementary budget preparation process so as to advice against over deductions, which might result to deficit.

S/No	Project/Programme	Budget (2016-2017) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
3.	Pro-Poor Programme	233,682,809	232,874,680	99.65%	The absorption level for Pro-Poor Programme was satisfactory. This was so because the infrastructure project awards were done on time and the fee support cheques were drawn and issued on time.	The department wish to use the same strategy in the future to maintain high absorption rate.
4.	County Staff Administration Block	27,118,046	21,137,937	77.95%	This absorption rate is acceptable because the award of a variation for the building was done in March 2017.	The department will liaise with the County Ministry of Lands, Infrastructure and Urban Development to ensure continued project inspection and monitoring so that the works can be finished by December 2017.

3712: Ministry of Adiministration and Coordination of County Affairs

S/no	Project /programme name	Budget (2016-17) (ksh)	Expenditure (ksh)	Absorption rate (%)	Explanation for the level of the absorption	Measures to safeguard against such risk in the future
1.	Construction of ward offices	85,868,546.00	59,063,383.00	69%	<ol style="list-style-type: none"> 1. Land dispute 2. Unavailability of land either though 	<ol style="list-style-type: none"> 1. Identify / find land outside the current proposed site. 2. Do proper due diligence to

S/no	Project /programme name	Budget (2016-17) (ksh)	Expenditure (ksh)	Absorption rate (%)	Explanation for the level of the absorption	Measures to safeguard against such risk in the future
					purchase. 3. Stalled projects due to abandon by awarded contractors	prevent disputes. 3. Undertake public participation for involent and ownership.
2.	Acquisition of land	6,000,000.00	0	0	1. Unavailability of land either through donation or for purchase. 2. Delay in processing the payments for the identified land.	1. Identify/find land outside the current proposed areas/ sites. 2. Fast track the procurement and payment process in liaison with the Head of supply Chain Managent and Finance officer respectively.

3713: Agriculture, Water and Irrigation

S/No.	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Farm Input Support	8,583,090.00	13,720,533.00	159.86 %	Money was used to pay for the materials for 2015/2016 show	To ensure that budget ceilings are adhered to
2	Sorghum Promotion and Utilization	1,279,650.00	1,273,550.00	99.52 %	Contractor quotation was lower than the	Proper costings to be done so

S/No.	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
					budgeted amount	that the variance is almost zero
3	Kitchen gardening	11,959,355.00	10,912,461.00	91.25 %	Quoted amount by contractor	Proper costings to be done so that the variance is almost zero
4	Farm Business planning and record keeping	4,985,000.00	4,971,600.00	99.73 %	Quoted amount by contractor	Proper costings to be done so that the variance is almost zero
5	Soil Testing and Fertility Management	2,776,600.00	483,100.00	17.40 %	Contractor never supplied the Kits	Contracts shall be given to those contractors with ability to supply
6	On-farm ponds	9,219,343.00	9,075,455.00	98.44 %	Quoted amount by contractor	Proper costings to be done so that the variance is almost zero

S/No.	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
7	Fencing of AMS Compound	2,350,500.00	2,321,900.00	98.78 %	Quoted amount by contractor	Proper costings to be done so that the variance is almost zero
8	Procurement of wheel loader	18,791,046.00	18,791,000.00	100.00 %	Absorption was good	Maintain the trend
9	Small scale cluster irrigation project	37,579,668.00	37,470,445.00	99.71 %	Only 6 projects were complete as at 30th June 2017, Part payment was done for 8 projects as at 30th June 2017, Breakdown of IFMIS System	Timely release of funds, User friendly IFMIS System to be installed to enable fast process of payments
10	Construction of sanitary block at County Headquarters/ CDAs office	500,000.00	399,950.00	79.99 %	Satisfactory. Efficiency in funds utilization	N/A
11	Procure motorbikes for extension	1,000,000.00	1,000,000.00	100.00 %	Timely procurement	N/A
12	Procure e-extension notepads	2,400,000.00	2,360,100.00	98.34 %	Timely procurement	N/A

S/No.	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
13	Facilitation of Kitui Agricultural Show and Trade Fair	18,156,585.00	13,158,154.00	72.47%	Late procurement of certain components such as show ground fence repair	Timely procurement of all items of expenditure
14	Construction of a Cabbro at Kitui ATC	3,417,450.00	3,417,265.00	99.99 %	The funds were fully absorbed as per the budget. The minor difference was occasioned by the quotation given by the contractor	Timely execution of the projects planned for will always be emphasized
15	Renovation of Dining hall and Hostel Block at Kitui ATC	3,023,550.00	2,252,228.68	74.49 %	The difference in absorption was occasioned by the contractor quoting less than the amount budgeted for.	Timely execution of the projects planned for will always be emphasized

S/No.	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
16	Supply of Dining hall furniture at Kitui ATC	1,000,000.00	999,000.00	99.90 5	The funds were fully absorbed as per the budget. The minor difference was occasioned by the quotation given by the contractor	Timely execution of the projects planned for will always be emphasized
17	Construction of a perimeter wall to an isolated transformer at Kitui ATC	1,241,768.00	1,241,674.44	99.99 %	The funds were fully absorbed as per the budget. The minor difference was occasioned by the quotation given by the contractor	Timely execution of the projects planned for will always be emphasized
18	Supply of animal feeds at Kitui ATC	460,000.00	459,090.00	99.80 %	The funds were fully absorbed as per the budget. The minor difference was occasioned by the quotation given by the contractor	Timely execution of the projects planned for will always be emphasized

S/No.	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
19	Supply of seed materials at Kitui ATC	1,500,090.00	1,499,510.00	99.99%	The funds were fully absorbed as per the budget. The minor difference was occasioned by the quotation given by the contractor	Timely execution of the projects planned for will always be emphasized
20	Local goat breeds improvement	12,920,897.00	12,919,697.00	99.99%	Part payment due late delivery of bucks. The balance Kshs 1,490,550 to be paid in 2017/18 FY	Adopt timely procurement process
21	Local chicken breed improvement (Cocks)	700,000.00	-	-	Contractor failed to supply cocks	Strengthen criteria for selection of livestock breeders
22	Local chicken breed improvement (Egg Incubators)	1,000,000.00	998,200.00	99.82 %	Timely initiation of procurement process	N/A

S/No.	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
23	Local chicken breed improvement (Poultry slaughter slabs)	5,000,000.00	-	-	Project awarding delayed because it was funded through supplementary budget. Project to be implemented in 2017/18 FY	Implement the project in phases according to funded available
24	Bee keeping development and honey production	7,414,262.00	4,808,155.00	64.85 %	Timely initiation of procurement process	N/A
25	Pasture Production and Development	2,000,000.00	1,997,435.00	99.87 %	Timely initiation of procurement process	N/A
26	Dairy improvement through artificial insemination	3,861,400.00	1,598,600.00	41.40 %	Payments for semen/Nitrogen not effected	Hasten the payments process to avoid delays
27	Disease Control (veterinary supplies and materials)	3,113,301.00	3,102,193.00	99.64 %	Quoted amount by contractor	Proper costings to be done so that the variance is almost zero

S/No.	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
28	Disease Control (Vaccines and Sera)	3,723,440.00	3,668,440.00	98.52	Quoted amount by contractor	Proper costings to be done so that the variance is almost zero
29	Disease control and surveillance (Dips rehabilitations)	8,382,256.00	7,738,419.00	92.32	Timely initiation of procurement process	Implemented the project in phases according to funded available
30	Rehabilitation of fish ponds	5,374,116.00	4,168,350.00	77.56	Ponds for 2015/16 financial year were not paid	Pond rehabilitation should be done using imprest to ensure prompt payment of the groups
31	Procurement of fish feeds & fishing gears	450,000.00	-	-	The supplier was unable to supply	The procurement department should treat these as specialized items.

S/No.	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
32	Procurement of pond liners	2,276,000.00	596,950.00	26.23	The supplier was unable to supply	The procurement department should treat these as specialized items.
33	Purchase of certified crop seed	6,905,860.00	4,480,000.00	64.87	Awaiting ponds to be lined so as to stock	N/A
34	Construction of SSD's	71,000,000.00	65,571,888.45	92.35	Funds diverted to pipelines	To allocate a budget to each programme.
35	Drilling and equipping boreholes	126,875,213.00	121,441,660.77	95.72	Funds diverted to maintenance to water supply systems	
36	Construction/desilting of Earth dams and Rock catchment	-	34,670,705.00		There were no funds allocated for this programme	
37	Construction/extension of water pipelines	-	8,178,656.00		There were no funds allocated for this programme	
38	Procure double axle tipper	14,000,000.00	14,000,000.00	100.00	LPO issued, awaiting delivery	

S/No.	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
39	Construction of Athi-Kanyangi-Mutomo-Kanziku water pipeline	238,643,716.90	185,221,589.73	77.6%	Funds diverted WSP's subsidy and Construction of earth dams	
40	Subsidies for WSPs	38,240,557.10	38,240,557.10	100%	N/A	
41	Purchase of maintenance items in Water supply systems	27,230,146.00	35,671,850.00	131%	Maintenance cost was higher than the allocation	
	Totals	709,334,860.00	674,880,362.17	95.14		

3714: Basic Education Training and skills Development

S/No	Project/Programme Name	Budget (2016-2017) (B)KES	Expenditure (Ksh) (E)KES	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measures to safeguard against such risk in the future
1	Construction of ECDE Classrooms	270,832,772.00	196,248,483.00	72%	Delay by contractors to complete their work in time for timely process of payment	Contractors and Suppliers who fail to accomplish their works or deliver goods or services on time to be issued default notice
2	Purchase of ECDE Desks	18,679,161.00	16,194,890.00	87%	Suppliers take longer to deliver the desks	Suppliers who fail to deliver goods or services on time to be issued default notice

S/No	Project/Programme Name	Budget (2016-2017) (B)KES	Expenditure (Ksh) (E)KES	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measures to safeguard against such risk in the future
3	Construction of Vocational Training Centre's Workshops	14,077,665.00	10,273,531.00	73%	Delay by contractors to accomplish their work in time for timely process of payment	Contractors and Suppliers who fail to accomplish their works or deliver goods or services on time to be issued default notice
4	Refurbishment of Vocational Training centers	31,495,689.00	31,275,132.00	99%	Delay by contractors to accomplish their work in time for timely process of payment	Contractors and Suppliers who fail to accomplish their works or deliver goods or services on time to be issued default notice
5	Fencing and Construction of Gate to Newly Established Vocational Training Centre's	18,000,000.00	10,635,785.00	59%	Delay by contractors to accomplish their work in time for timely process of payment	Contractors and Suppliers who fail to accomplish their works or deliver goods or services on time to be issued default notice
6	Purchase of tools and Equipment For Newly established Vocational Training Centre's	14,058,331.00	13,551,937.00	96%	Suppliers take longer to deliver the tools and equipment.	Suppliers who fail to deliver goods or services on time to be issued default notice
7	Education standards and Skills Improvement	52,000,000.00	43,035,040.00	83%	Some of the programmes were carried out during the end of the financial year	These programmes should be planned to take place earlier in the financial year.
	Total	419,143,618.00	321,214,798.00	77%		

3715: MINISTRY OF LANDS, INFRASTRUCTURE & URBAN DEVELOPMENT

No.	Project/ Program Name	Budget FY 2016/2017	Expenditure	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
1.	Department of Public works	2,000,000	1,586,380	79%	Following new recruitment of staff there was need to equip them	Proper budgeting of the new recruitments within the department.
	Purchase of computers, printers and other IT equipment		1,586,380		N/A	N/A
2.	Department of Roads & Allied Infrastructure	992,989,461	997,231,600	100.4%	N/A	N/A
	31No. drift projects	701,791,408	700,593,002	99.8 %	N/A	N/A
	31No. road projects					
	2327.79km of road graded					
	250.5km of road opened					
	35.9km of road gravelled					
	Kenya Roads Board projects	120,484,293	68,076,352	56.5 %	Late allocation of funds and tenders	Timely disbursement of funds and tender allocation.
	SEKU Projects – Gate construction 6m wide with 4no. 6m columns, 2 leaf gate with wing walls, sentry house, 2 flush toilets and side gates for pedestrians	129,513,599	185,665,853	143.4 %	Under estimation of the project value	Proper project expense valuation within the procurement stage.
	Design, construct LED streetlights along Kasarani-Kanzoka-Ikuuni road	21,750,161	20,927,208	96.2%	Improper road condition, designing and construction	Improve road condition, designing and construction

No.	Project/ Program Name	Budget FY 2016/2017	Expenditure	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
	8.165km					
	Construction of a material testing lab and workshop shed	5,000,000	8,032,758	160.7 %	Other internal developments not in the project	Fully description of the project for better funds allocation.
	Purchase of 1no. pickup	2,800,000	2,700,000	96.4 %	Change in Price	Proper survey on the prices
	Purchase of motor vehicle and machinery spare parts and equipment	4,400,000	4,342,230	98.7 %	Change in Price	Proper survey on the prices
	Purchase of various mechanical and material testing lab equipment	4,000,000	3,882,537	97.1 %	Change in Price	Proper survey on the prices
	Purchase of road design software	3,250,000	3,011,660	92.7 %	Change in Price	Proper survey on the prices
3.	Department of Housing	2,600,000	2,600,000	100.0 %	N/A	N/A
	Renovation of residential and non-residential buildings; Kitui Level IV hospital LG11 A-C, MG40, MG41 and drainage works for MG33, Ikanga Health Centre MG2, Tyaa Kamuthale LG1 A & B, Mwingi Town LG33 A	2,600,000	2,600,000	100.0 %	N/A	N/A
4.	Department of Physical Planning	39,255,000	38,540,864	98.2 %	Delays in procurement and tender awarding	Timely procurement and tender allocation, project evaluation and monitoring.
	Construction of mechanical & transport services office, Sub-County LIUD HQ Kitui	18,000,000	17,326,831	96.3 %	Delays in procurement and tender awarding	Timely procurement and tender allocation, project evaluation and

No.	Project/ Program Name	Budget FY 2016/2017	Expenditure	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
	West, Material Testing Lab and extension of server room at CO's office					monitoring.
	Purchase of computers, printers & ICT equipment	3,500,000	3,500,000	100.0 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
	Purchase of software	3,500,000	3,500,000	100.0 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
	Collection of data and preparation of Local PDPs for Kamuongo, Kabati and Kyusiani. Facilitation for 66no. field visits for the above exercise	14,255,000	14,214,033	99.7 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
5.	Department of Survey and Mapping	17,980,000	17,406,208	96.8 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
	Purchase of survey equipment	4,000,000	3,984,050	99.6 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
	Carrying out market surveys and drawing plans in three sub-counties namely; Kitui South (5), Kitui East (4) and Kitui Rural (1) Resolution of boundary disputes, Road access opening, amendment of mutation and creating parcels	13,980,000	13,422,158	96.0 %	Delays in procurement and tender awarding	Timely procurement and tender allocation, project evaluation and monitoring.
6.	Department of Land Adjudication & Settlement	19,100,000	18,834,997	98.6 %	Delays in procurement and tender awarding	Timely procurement and tender allocation, project evaluation and monitoring.

No.	Project/ Program Name	Budget FY 2016/2017	Expenditure	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
	Construction of Kitui South LIUD HQ offices, Kitui Rural LIUD HQ offices & Mwingi West LIUD HQ offices	10,000,000	9,770,451	97.7 %	Delays in procurement and tender awarding	Timely procurement and tender allocation, project evaluation and monitoring.
	Purchase of Survey equipment	4,000,000	4,000,000	100.0 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
	Purchase of computers, printers and ICT equipment	1,000,000	1,000,000	100.0 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
	Streetlights	2,600,000	2,599,245	100.0 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
	Registration of 61 adjudication sections in Kitui adjudication area, Hearing of appeal to the minister cases in Lower Yatta & Katulani	1,500,000	1,465,300	97.7 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
	TOTAL	1,073,924,461	1,076,200,049	100.2%	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds

3716: HEALTH AND SANITATION

S/No.	Project/Programme Name	Budgeted/ Revoted Amount (Kshs)	Expenditure By End Of 2016/17 Fy	Absorption Rate (%)	Explanation For The Level Of Absorption	Measures To Safeguard Against Such Risks In Future
	<u>New Projects for 2016/17 FY</u>					
1	Construction works of 7 new maternity wards at Nuu, Migwani, Katse, Kyuso, Mathuki, Kiusyani, Mbitini and Kauwi	40,000,000	21,130,740	53 %	Preparation of Bills of Quantities and procurement by respective technical departments delayed the implementation of the programme	FastTrack preparations of BoQs and procurement process
2	Construction/ renovation of 23No. New Dispensaries	46,125,656	46,125,656	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
3	Construction of surgical and amenity Wards at Kitui County referral hospital.	15,000,000	-	0	Preparation of Bills of Quantities and procurement by respective technical departments delayed the implementation of the programme	Fast track preparations of BoQs and procurement process
4	Construction of maternity and paediatric wards at Kitui County referral hospital.	15,000,000	5,000,000	33 %	Preparation of Bills of Quantities and procurement by respective technical departments delayed the implementation of the programme	FastTrack preparations of BoQs and procurement process

S/No.	Project/Programme Name	Budgeted/ Revoted Amount (Kshs)	Expenditure By End Of 2016/17 Fy	Absorption Rate (%)	Explanation For The Level Of Absorption	Measures To Safeguard Against Such Risks In Future
5	Purchase of specialised plant (installation of Medical oxygen Production Plan and settelite blood bank at Kitui County referral hospital.)	30,000,000	-	0	Preparation of Bills of Quantities and procurement by respective technical departments delayed the implementation of the programme	FastTrack preparations of BoQs and procurement process
6	Construction of a Medical oxygen Production Plan house at Kitui County referral hospital.	2,000,000	-	0	Preparation of Bills of Quantities and procurement by respective technical departments delayed the implementation of the programme	FastTrack preparations of BoQs and procurement process
7	Construction of a 36 body capacity mortuary at Kitui County referral hospital.	20,000,000	-	0	Preparation of Bills of Quantities and procurement by respective technical departments delayed the implementation of the programme	FastTrack preparations of BoQs and procurement process
8	Extension of maternity ward at Mwingi Level IV hospital.	10,000,000	-	0	Preparation of Bills of Quantities and procurement by respective technical departments delayed the implementation of the programme	FastTrack preparations of BoQs and procurement process

S/No.	Project/Programme Name	Budgeted/ Revoted Amount (Kshs)	Expenditure By End Of 2016/17 Fy	Absorption Rate (%)	Explanation For The Level Of Absorption	Measures To Safeguard Against Such Risks In Future
9	Construction of a 32 body capacity mortuary with a chapel at Mwingi Level IV hospital.	20,000,000	-	0	Preparation of Bills of Quantities and procurement by respective technical departments delayed the implementation of the programme	Fastrak preparations of BoQs and procurement process
10	Construction of OPD at Nzombe and Mutomo	8,000,000	-	0	Preparation of Bills of Quantities and procurement by respective technical departments delayed the implementation of the programme	FastTrack preparations of BoQs and procurement process
11	Completion of OPD at Kitui County Referral Hospital	20,000,000	17,686,633	88 %	The project was terminated and later rewarded, hence the delay in completion	strict supervision by technical departments and regular M&E of the projects
12	Completion of Renovations at kitui County Referral Hospital	15,000,000	12,551,407	84 %	The contractor presented his claims late in the year	Proper procurement of the contractor
13	Gate and cabro paving at Kitui Referral Hosp. new OPD	4,500,000	-	0	The contractor presented his claims late in the year	Proper procurement of the contractor.
14	Purchase of Medical and Dental Equipment (Kitui, Kyuso, Tseikuru, Mwingi, Ikutha, Kauwi, Ikanga, Nuu, Katulani, Kanyangi, Mutitu and Migwani hospitals; Kathungi and Kyangunga health centres and 37 newly	264,497,573	200,518,065	76 %	Some of the funds were revoted late in the year, hence affecting implementation of the programme	Timely allocation of funds in the budget

S/No.	Project/Programme Name	Budgeted/ Revoted Amount (Kshs)	Expenditure By End Of 2016/17 Fy	Absorption Rate (%)	Explanation For The Level Of Absorption	Measures To Safeguard Against Such Risks In Future
	operationalised dispensaries)					
	<u>Projects funded through 2015/16 Fy Revote</u>					
15	Completion of OPD in Kitui Hospitals	30,533,745	28,220,378	92 %	The project was terminated and later rewarded, hence the delay in completion	Strict supervision by technical departments and regular M&E of the projects
16	Completion of OPD in Mwingi Hospitals	29,416,911	23,078,553	78 %	The project is at defect liability stage	Proper procurement of the contractor
17	Refurbishment and equipping kitui level IV amenity ward	16,000,000	16,000,000	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
18	Completion and equipping of mwingi level IV hospital surgical and amenity ward	22,043,344	16,210,988	74 %	The project is at defect liability stage	Proper design of the project and tender awarding.
19	Completion of roofing and refurbishment of Kitui Level IV hospitals	25,000,000	20,720,667	83 %	The project is at defect liability stage	Proper design of the project and tender awarding.
20	Refurbishment and equipping of Maintenance units at Kitui and Mwingi Level IV Hospitals	3,000,000	2,923,000	97 %	The project is at defect liability stage	Proper design of the project and tender awarding.

S/No.	Project/Programme Name	Budgeted/ Revoted Amount (Kshs)	Expenditure By End Of 2016/17 Fy	Absorption Rate (%)	Explanation For The Level Of Absorption	Measures To Safeguard Against Such Risks In Future
21	Refurbishment and equipping of eye unit and ENT unit at Kitui and Mwingi LIV Hospitals	5,000,000	2,500,000	50 %	The contractor presented his claims late in the year	Proper design of the project and tender awarding.
22	Refurbishment and equipping of MCH and CCC at Mwingi Hospital	5,000,000	5,000,000	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
23	Expansion of Kauwi Hospital (construction of a ward)	4,000,000	3,424,373	86 %	The contractor presented his claims late in the year	Proper design of the project and tender awarding.
24	Expansion of Ikanga Hospital (construction of a ward)	4,000,000	3,806,657	95 %	The project is at defect liability stage	Proper design of the project and tender awarding.
25	Expansion of Nuu Hospital (construction of a ward)	2,916,290	2,876,290	99 %	The project is at defect liability stage	Proper design of the project and tender awarding.
26	Expansion of Katulani Hospitals (construction/ renovations of a ward)	4,000,000	-	0	The contractor did a shoddy job, hence no payment could be done	strict supervision by technical departments and regular M&E of the projects
27	Completion & Renovation of Dispensaries/ Health centres	7,036,278	3,000,000	43 %	Preparation of Bills of Quantities and procurement by respective technical departments delayed the implementation of the programme	FastTrack preparations of BoQs and procurement process
28	AMENITY WARD KITUI DISTRICT HOSPITAL	14,970,110	14,970,110	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of

S/No.	Project/Programme Name	Budgeted/ Revoted Amount (Kshs)	Expenditure By End Of 2016/17 Fy	Absorption Rate (%)	Explanation For The Level Of Absorption	Measures To Safeguard Against Such Risks In Future
						funds
29	CONSTRUCTION OF KANYANGI MATERNITY	9,006,390	7,729,989	86 %	The project is at defect liability stage	
30	RENOVATION OF MATHYAKANI DISPENSARY	335,255	335,255	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
31	MUTOMO MORTUARY COLDROOMS	1,243,180	-	0	The project is at defect liability stage	Proper design of the project and tender awarding.
32	CONSTRUCTION OF MAIN THEATRE IKUTHA	1,506,220	1,110,000	74 %	the extra works were given late in the year	strict supervision by technical departments and regular M&E of the projects
33	CONSTRUCTION OF OPD IKUTHA	1,088,567	972,011	89 %	The project is at defect liability stage	Proper design of the project and tender awarding.
34	CHAINLINK FENCE AT IKUTHA	2,783,500	-	0		
35	RENOVATION OF KYUSO WARD	1,289,992	-	0	the extra works were given late in the year	strict supervision by technical departments and regular M&E of the projects
36	EXTRA WORKS- RE-ROOFING AND REPAINTING OF VARIOUS BUILDINGS AT KITUI DISTRICT HOSPITAL	4,554,080	4,554,080	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds

S/No.	Project/Programme Name	Budgeted/ Revoted Amount (Kshs)	Expenditure By End Of 2016/17 Fy	Absorption Rate (%)	Explanation For The Level Of Absorption	Measures To Safeguard Against Such Risks In Future
37	CONSTRUCTION OF OPD AT KITUI DISTRICT HOSPITAL	7,584,804	-	0	The project was terminated and later rewarded, hence the delay in completion	strict supervision by technical departments and regular M&E of the projects
38	RENOVATION AND EQUIPPING OF KITUI DISTRICT HOSPITAL HIGH DEPENDENCY UNIT	6,118,936	6,118,936	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
39	CONSTRUCTION OF ZOMBE MATERNITY	4,360,920	4,163,056	95 %	The project is at defect liability stage	Proper design of the project and tender awarding.
40	EARTH WORKS AT ZOMBE MARTENITY	3,208,650	3,196,650	100 %		
41	CONSTRUCTION OF MUTOMO MATERNITY	5,113,489	4,886,511	96 %	The project is at defect liability stage	Proper design of the project and tender awarding.
42	EXPANSION OF IKUTHA HEALTH CENTRE (completion of male and female wards at Ikutha)	4,000,000	-	0	The project was terminated due to poor workmanship	strict supervision by technical departments and regular M&E of the projects
43	COMPUTERIZATION KITUI AND MWINGI HOSPITALS	1,500,000	1,500,000	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
44	RENOVATION OF NUU DISPENSARY	144,000	144,000	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds

S/No.	Project/Programme Name	Budgeted/ Revoted Amount (Kshs)	Expenditure By End Of 2016/17 Fy	Absorption Rate (%)	Explanation For The Level Of Absorption	Measures To Safeguard Against Such Risks In Future
45	RENOVATION OF KAKEANI DISPENSARY	1,089,685	-	0	The contractor presented his claims late in the year	Proper design of the project and tender awarding.
46	ELECTRICAL INSTALLATION AT KATHOME DISPENSARY	616,329	616,329	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
47	RENOVATION OF MUI DISPENSARY	289,500	289,500	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
48	CONSTRUCTION OF STORAGE BLOCK AT IKUTHA	1,016,949	1,016,949	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
49	CONSTRUCTION OF PEDIATRIC WARD IKUTHA	5,194,700	3,515,970	68 %	The contractor presented his claims late in the year	Proper design of the project and tender awarding.
50	INSTALLATION OF 4NO. 10,000 LITRES PLASTIC WATER TANKS IKUTHA	690,200	690,200	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
51	CONSTRUCTION OF RADIOLOGY ROOM IKUTHA	8,134,950	5,214,980	64 %	There were delays in the implementation of the project	strict supervision by technical departments and regular M&E of the projects
52	DRAINAGE WORKS AT IKUTHA	2,092,487	2,087,487	100 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds

S/No.	Project/Programme Name	Budgeted/ Revoted Amount (Kshs)	Expenditure By End Of 2016/17 Fy	Absorption Rate (%)	Explanation For The Level Of Absorption	Measures To Safeguard Against Such Risks In Future
53	CONSTRUCTION OF INSINERATOR AT IKUTHA	367,300	-	0	The project is at defect liability stage	Proper design of the project and tender awarding.
54	CONSTRUCTION OF POWER HOUSE AND GENERATOR AT IKUTHA	2,478,754	-	0	There were delays in the implementation of the project	Proper design of the project and tender awarding.
55	CONSTRUCTION OF CEC MEMBER-HEALTH OFFICE	214,977	-	0	The project is at defect liability stage	Proper design of the project and tender awarding.

3717: MINISTRY OF TRADE, INDUSTRY, ICT AND CO-OPERATIVES

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Construction of 40No. Capacity Market Shed at Kimangao	1,200,043.20	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
2	Construction of Market Shed at Musosya in Matinyani Ward	1,268,135.20	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
3	Construction of Nguni Market Fence	767,570.00	614,056.00	80.00 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
4	Construction of 40No. Capacity Market Shed at Maseki Market	1,200,043.90	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
5	Renovation Works at Banda Market at Zombe	1,638,850.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
6	Construction of Open Market Shed at Inyuu Market	936,365.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
7	Construction of 40No. Capacity Market at Makongo	1,199,560.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
8	Renovation works at Mutito Banda Market Shed	559,090.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
9	Construction of Simple Market Shed at Jua Kali Site	1,480,001.58	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
10	Construction of Market Shed at Mutanda	1,308,451.00	1,308,424.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
11	Construction of Market Shed at Katutu	1,296,201.40	1,206,201.40	93.06 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
12	Construction of Market Shed at Ikuuni Market	1,000,822.48	900,822.48	90.01 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
13	Construction of 40 Capacity Market Shed at Kandwia Market	1,350,000.40	1,350,000.40	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
14	Construction of Market Shed at Mathiakani	995,220.68	895,698.63	90.00 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
15	Construction of Market Shed at Lundi Market	1,196,154.00	1,196,154.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
16	Construction of 40 Capacity Market Shed at Kathonzweni Market	1,196,154.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
						implementation
17	Construction of Market Shed at Mithikwani	1,200,050.00	592,680.00	49.39 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
18	Construction of Market Shed at Kyaani	1,200,060.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
19	Construction of Market Shed at Kathivo	1,200,059.00	1,115,169.00	92.93 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
20	Construction of Market Shed at Iiani	1,200,020.00	1,200,019.40	100.00 %	100% absorption rate achieved	
21	Construction of Market Shed at Kisiuni	1,302,240.00	1,235,000.00	94.84 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
22	Construction of Market Shed at Mbusyani	1,298,927.40	1,298,927.40	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
23	Roofing Kisasi Old Market Shed	815,718.74	815,718.74	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
24	Construction of 40 Capacity Market Shed at Mwangeni	1,298,022.60	1,297,522.60	99.96 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
25	Construction of Market Shed at	1,298,869.40	1,298,869.40	100.00 %	Timely procurement	Timely procurement and

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
	Enzou Market				and disbursement of funds	disbursement of funds
26	Construction of Market Shed at Kamale	1,297,010.00	1,297,010.00	100.00%	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
27	Construction of Market Shed at Ungatu Market	1,298,998.97	1,298,996.97	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
28	Construction of Market Shed at Mutyangombe Market	1,328,807.20	1,095,926.48	82.47 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
29	Construction of Market Shed at Mwangeni / Ivuusya	1,199,010.00	1,139,058.50	95.00 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
30	Construction of Market Shed at Kiseveni / Kivani	1,221,840.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
31	Construction of Market Shed at Kitungati Ward	1,200,050.00	1,200,050.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
32	Construction of Market Shed at Katwala - Mbitini Ward	1,200,010.00	1,200,010.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
33	Construction of Market Shed at Kithumula	1,200,000.00	667,300.00	55.61 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
34	Construction of Market Shed at Ekani - Kitui South	997,440.00	896,938.00	89.92 %	Final certificate processing delay by	Liase with respective departments to FastTrack

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
					Contractor	payment document processing
35	Construction of Market Shed at Katulani	1,200,048.00	1,200,048.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
36	Construction of Market Shed at Ngwate	997,440.00	997,000.00	99.96 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
37	Construction of Market Shed at Kaliani	997,400.00	897,660.00	90.00 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
38	Construction of Market Shed at Kyulungwa Market	1,200,021.00	1,200,021.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
39	Construction of Market Shed at Wingemi/Kavindu Market	1,250,270.00	1,250,270.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
40	Construction of Market Shed at Kaai	1,296,610.00	1,231,779.50	95.00 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
41	Construction of Market Shed at Mutyangombe Market	1,216,666.00	1,155,832.70	95.00 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
42	Construction of Simple Market Shed at Kwa Vonza	1,200,020.00	1,200,019.40	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
43	Construction of Market Shed at Mwambiu	1,299,700.00	1,269,700.00	97.69 %	Final certificate processing delay by	Liase with respective departments to FastTrack

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
					Contractor	payment document processing
44	Construction of Market Shed at Kawongo	990,987.00	904,800.00	91.30 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
45	Construction of 40Capacity Market Shed at Kea	1,199,440.00	856,331.20	71.39 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
46	Construction of Market Shed at Kathungi	1,200,000.00	1,200,000.00	100.00%	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
47	Construction of Market at Kavisuni	10,889,960.00	9,206,155.40	84.54 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
48	Construction of 40No. Capacity ay Kyoani Market Shed at Ikutha/Kasaala Ward	1,211,063.00	1,089,963.00	90.00%	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
49	Construction of 80No. Capacity Market Shed at Kanziko	2,399,120.00	2,159,210.00	90.00 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
50	Construction of Market Shed at Kyatune - Ikanga Ward	1,081,000.00	975,040.00	90.20 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
51	Construction of Market Shed at Konyu Market - Tharaka Ward	1,157,305.00	1,041,574.50	90.00 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
						processing
52	Construction of Market Shed at Kitoo Market	1,168,937.00	1,052,137.00	90.01 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
53	Construction of Market Shed at Kaa Chonjo	1,087,407.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
54	Construction of Market Shed at Ngengeka	1,195,902.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
55	Construction of Market Shed at Kiusyani-Mwingi west Kyome/Thaana	1,120,270.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
56	Construction of Market Shed at Kakuyu - Mumoni Ward	1,080,000.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
57	Construction of Market Shed at Kinakoni	1,247,791.60	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
58	Construction of Market Shed at Masyungwa	1,214,410.00	1,214,410.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
59	Construction of Market Shed at Kiusyani	1,914,142.00	1,914,142.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
60	Construction of Market Shed at	1,200,021.60	1,200,021.60	100.00 %	Timely procurement	Timely procurement and

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
	Kyulugwa				and disbursement of funds	disbursement of funds
61	Construction of Cattle and Goat Holding Yard at Mutitu	498,258.28	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
62	Chainlink Livestock Fence at Kavisuni	2,490,749.00	2,490,748.50	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
63	Chainlink Fence and Gate at Kamanyi Youth Polytechnic	798,602.00	798,602.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
64	Construction of 4 Door Pit Latrine at MTIIC	560,164.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
65	Construction of 4Door Pit Latrine at nduluni Market Center	450,400.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
66	Construction of 2Door VIP & 2Door Shower Rooms Water Tank & Plumbing Works @Jua Kali Site	814,000.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
67	Construction of 4Door Pit Latrine at Yatwa Nuu Ward	450,460.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
68	Construction of 4Door Pit Latrine at kikuuni - Kisasi Ward	450,015.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
69	Construction of Pit Latrine at Muangeni	450,360.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
70	Construction of Public Toilet at Kisuna	559,650.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
71	Construction of 4Door Pit Latrine at Syumunyu Market	450,130.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
72	Construction of Public Toilet at Vutu Market	450,200.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
73	Construction of 4Door Pit Latrine at Kikuuni	450,015.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
74	Construction of Pit Latrine with Urinal at Kimongo Maerket	554,264.00	498,837.60	90.00 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
75	Construction of 4 Door Pit Latrine at Mathima	450,211.00	400,999.90	89.07 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
76	Construction of Pit Latrine at Kakumuti	560,160.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
77	Construction of Pit Latrine at Syathani	556,090.00	556,090.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
78	Construction of Pit Latrine at Zombe	539,880.00	321,950.00	59.63 %	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
79	Construction of 4Door Pit Latrine at Kaai	460,000.00	342,930.00	74.55 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
80	Construction of Public Toilet at Mutomo	568,800.00	568,000.00	99.86 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
81	Construction of Public Toilet at Katulani	450,460.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
82	Construction of Bodaboda Shed at Kathukini	237,890.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
83	Construction of Bodaboda Shed at Garissa/Cottage Junction - Mwingi Central/Kivou Ward (Ikuuni Market)	214,250.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
84	Construction of Bodaboda Shed at Kavisuni Market Centre	237,915.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
85	Construction of Bodaboda Shed at	237,950.00	-	-	Contractor delay in	Project management

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	Yatwa Market Center				project implementation	monitoring & evaluation tools to FastTrack implementation
86	Construction of Bodaboda Shed at Kathungi Market	236,050.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
87	Construction of Bodaboda Shed at Ndaluni	237,830.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
88	Construction of Bodaboda Shed at Kimangao	237,300.00	237,300.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
89	Construction of Bodaboda Shed at Kathivo	236,074.00	236,074.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
90	Construction of Bodaboda Shed at Kandwia Market	237,300.00	237,300.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
91	Construction of Bodaboda Shed at Kangweni - Nzambani	230,285.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
92	Construction of Bodaboda Shed at Kwa Ngindu	258,667.90	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
93	Construction of Bodaboda Shed at Kyethani	214,155.00	184,380.00	86.10 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
94	Construction of Bodaboda Shed at Zombe	243,935.00	243,935.00	100.00%	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
95	Construction of Bodaboda Shed at Mwitika	243,935.00	243,935.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
96	Construction of Bodaboda Shed at Mutanda	251,010.00	250,919.12	99.96 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
97	Construction of Bodaboda Shed at Katheani	236,074.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
98	Construction of Bodaboda Shed at Mutwangombe	257,700.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
99	Construction of Bodaboda Shed at Kavisuni	237,070.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
100	Construction of Bodaboda Shed at Maliku	249,160.00	249,160.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
101	Construction of Bodaboda Shed at Mutyangome	237,300.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to fasttrack implementation
102	Construction of Bodaboda Shed at Katwala	249,290.00	249,290.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
103	Construction of Bodaboda Shed at Mwingi Level IV	227,736.00	227,736.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
104	Construction of Bodaboda Shed at Mutonguni	142,200.00	142,200.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
105	Construction of Bodaboda Shed at Mitamisiyi	244,200.00	244,200.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
106	Construction of Bodaboda Shed at Kwa-Vonza	214,155.00	214,155.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
107	Construction of Bodaboda Shed at Katutu	236,430.00	236,430.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
108	Construction of Bodaboda Shed at Matinyani	158,000.00	158,000.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
109	Construction of Bodaboda Shed at Kivou HQs	288,500.00	288,500.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
110	Construction of Bodaboda Shed at Kyamatu	237,950.00	237,950.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
111	Construction of Bodaboda Shed at Kilonzo	237,310.00	237,310.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
112	Construction of Bodaboda Shed at Ngengeka	233,749.00	233,749.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
113	Construction of Bodaboda Shed at Mutyangombe	213,176.00	213,176.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
114	Construction of Bodaboda Shed at Mutanda	250,919.12	250,919.12	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
115	Construction of Bodaboda Shed at Kiseuni	226,394.00	226,394.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
116	Construction of Bodaboda Shed at Kiusyani	237,000.00	237,000.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
117	Construction of Bodaboda Shed at Kiusyani	250,755.00	250,755.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
118	Construction of Bodaboda Shed at Mulango	235,132.00	235,132.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
119	Construction of Bodaboda Shed at Kithiini	238,000.00	238,000.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
120	Construction of Bodaboda Shed at Kakuuni	250,755.00	250,755.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
121	Construction of Bodaboda Shed at Kathivo	236,074.00	236,074.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
122	Construction of Bodaboda Shed at Kyangwithya	237,950.00	237,950.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
123	Construction of Bodaboda Shed at Kandwia	237,300.00	237,300.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
124	Construction of Bodaboda Shed at Kimangao	237,300.00	237,300.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
125	Construction of Bodaboda shed at mumbuni	233,214.50	233,214.50	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
126	Construction of Bodaboda shed at maliku	249,160.00	249,160.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
127	Construction of Bodaboda shed at mwitika	243,935.00	243,935.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
128	Construction of VIP Toilet at Ekani	230,080.00	230,080.00	100.00%	Timely procurement and disbursement of	Timely procurement and disbursement of funds

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
					funds	
129	Construction of Toilet at Majengo	446,000.00	446,000.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
130	Construction of Pit Latrine at Mathima	246,622.00	246,622.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
131	Construction of Toilet at Kasiluni	304,200.00	304,200.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
132	Construction of Toilet at Ikanga	230,830.00	230,830.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
133	Construction of Pit Latrine at Mataka	230,390.00	230,390.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
134	Construction of VIP Toilet at Kiseuni	408,240.00	408,240.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
135	Fencing at Nguutani	173,199.92	173,199.92	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
136	Chainlink Fencing at Nuu	1,558,483.21	1,558,483.21	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
137	Cattle, Goat Yard - Mutitu/Kaliku	498,258.28	498,258.28	100.00 %	Timely procurement	Timely procurement and

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
					and disbursement of funds	disbursement of funds
138	Fencing at Nguni Ward	614,056.00	614,056.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
139	Chainlink Fencing at Kathivo Youth Polytechnic	1,478,530.01	1,478,530.01	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
140	Microfinance Institutions	9,000,000.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to fasttrack implementation
141	Microfinance Institutions - supplementary budget deduction	21,000,000.00	21,000,000.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
Total		142,615,920.5	99,663,303.8			
ICT DEPARTMENT						
1	Establish County Government Radio Station	1,800,000.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to fasttrack implementation
2	Construction of Studio for the MTIIC	223,800.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to fasttrack implementation
3	Construction of ICT Center at Mutonguni	2,899,450.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to fasttrack implementation

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
4	Construction of ICT Center at Matinyani	2,895,874.00	2,053,529.80	70.91 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
5	Construction of ICT Center at Muthue	2,890,087.80	2,889,520.00	99.98 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
6	Construction of ICT Center at Syongila	2,891,195.60	2,891,195.60	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
7	Construction of ICT Center at Mutito Youth Polytechnic	2,896,357.00	1,306,000.00	45.09 %	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
8	Construction of ICT Center at Ithiani Polytechnic	2,371,770.80	2,265,100.00	95.50 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
9	Construction of ICT Centre at Kiio Secondary School in Mwingi West	2,288,293.00	1,478,488.63	64.61 %	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
10	Construction of ICT Center at Ngomeni	2,400,000.00	2,160,000.00	90.00 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
11	Construction of ICT Center at Muthue	2,890,087.80	2,745,044.00	94.98 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
12	Chainlink Fencing at Kaai ICT	1,387,165.00	1,248,448.50	90.00 %	Final certificate	Liase with respective

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
	Center				processing delay by Contractor	departments to FastTrack payment document processing
13	Supplementary Budget Deduction	13,844,549.00	13,844,549.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
14	Supply and Delivery of ICT Centers Equipment	6,777,838.98	6,777,838.98	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
15	Supply and Delivery of ICT Center Equipment at Muthue, Migwani, Mutito, Kiio and Syongila	7,004,040.00	7,004,040.00	100.00 %	Timely procurement and disbursement of funds	Timely procurement and disbursement of funds
TOTAL		55,460,508.9	46,663,754.5			
COOPERATIVES DEPARTMENT						
1	Supply of Bee Keeping Equipment / Accessories	1,801,052.00	1,350,789.00	75.00 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
2	Completion of Works at Miambani Honey Processing	1,214,360.00	-	-	Contractor delay in project implementation	Project management monitoring & evaluation tools to FastTrack implementation
3	Construction of Honey Processing Factory at Tharaka	2,800,000.00	1,990,000.00	71.07 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
4	Construction of Honey Processing Factory at Zombe	1,449,250.00	1,275,604.70	88.02 %	Final certificate processing delay by Contractor	Liase with respective departments to FastTrack payment document processing
5	Construction of Honey Processing	2,356,025.00	2,045,422.50	86.82 %	Final certificate	Liase with respective

S/No	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) {E}	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
	Factory at Nguuku - Mumoni Ward				processing delay by Contractor	departments to FastTrack payment document processing
6	Supplementary Budget Deduction	7,873,730.00	7,873,730.00			
TOTAL		17,494,417.00	14,535,546.2			

3718: Ministry of Culture, Youth, sports and Social Services

S/NO.	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Youth Infrastructure Savings and Enterprise Programme (YISEP)	25,000,000.00	5,461,000.00	21.84%	Delay of YISEP guidelines	Timely legislation by County Assembly
2.	Poverty Eradication among the Youth – Talents search initiatives, music dance and performing arts, capacity building, leadership, ICT, IGAs, Procurement, Drug & Substance Abuse (Youth Training 1,715,000) (Youth Mentorship 760,000) (Hire of Services & Hall for 8No. Days 2,682,600)	6,146,195.00	5,157,600.00	83.92%	Logistical challenges	Timely procurement of services

S/NO.	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
3.	Agricultural Materials, Supplies and Small Equipment (Support to Marginalized groups, women, youth and PWDs with equipment, Supplies and materials) (PWDs Forum – 102,000) (National Champs 170,000) (Green Run 95,400) (Park 3,996,670) (Traditional Items 346,000) (SES 14,287,383.40) (SES 2,843,000) (Inter-county Music 102,312) (Guidelines 38,280)	22,000,000.00	21,981,045.40	99.91%	Delays in procurement process partly caused by delayed release of funds	-Prompt release of funds
4.	Acquisition of other intangible – Support development of Sports – Support tournaments, clinics, athletics camps, races and sports equipment (Track Suits – 395,200) (Sports Equip. 844,900) (KYISA 1,919,140) (KVF referees camp 1,195,000) Nguutani Athletics Camp 943,600)	5,000,000.00	5,297,840.00	106%	The over expenditure was drawn from the recurrent vote	Put in place risk mitigation measures against fluctuation of market prices
5.	Other Infrastructure and Civil Works (Support Development of 2 Sports facilities and stadia Mwingi and Kitui Township (at 26,883,048.74), and 16 play grounds, 2 in each 8 sub-counties (at 42,127,577.26)	69,010,626.00	69,010,626.00	100%	Target achieved Supplementary budget of 29,010,626.00 approved	Maintain
6.	Design, Project-on cultural programmes for community	1,500,000.00	1,385,600.00	92.37%	Delays in procurement	Faster coordination between

S/NO.	Project / Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
	performing groups, performing and visual artists and schools (UNESCO – 600,300) (Int'l Youth Day 623,500) (Stake holders dinner 161,800)				process	procurement department and the Ministry
7.	Research, Feasibility Studies, Project Preparation and Design, Project preservation, conservation of plants of historical and cultural significance of sites (Adverts 290,000) (Training Artists 565,000) (Recording groups 2,687,200)	3,500,000.00	3,542,200.00	101.21%	-Over expenditure drawn from recurrent vote -Targets achieved	Maintain
8.	Other Infrastructure and Civil Works – Construction of Resource Centres (Manyenyoni – 25,000,000) (Mwitika – 3,983,620) (Equipping Kyoani & Mwingi – 15,000,000) (Progressive Completion of Lower Eastern, Kyoani & Mutonguni – 7,102,634)	51,086,254.00	51,086,254.00	100%	Target achieved Supplementary budget of 10,961,258.00 approved	Maintain

3719: Ministry of Environment, Energy and Mineral Investment Development

S/N	Project / Programme Name	Activity descriptions	Budget 2016/17 FY	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
Department of Environment							
1.	Tree growing	Establishment of 3 community tree nurseries, support of County tree planting exercise, purchase and distribution of tree seedlings to public schools	3,712,217.00	3,694,276.00	99.52 %	Tree seedlings and tree nursery equipment were procured at once and distributed to the beneficiaries	Department shall be supporting community empowerment through the support for the establishment of tree nurseries, community tree champions & demonstration plots
2.	Rehabilitation of Mumaki Ecosystem	Purchase and distribution of 2,000 stems of dryland bamboo, payment of casuals for bush clearing, pitting & tree planting	2,384,627.00	2,374,593.00	99.58 %	Tree seedlings and tree nursery equipment were procured at once and distributed to the beneficiaries	Department shall procure targeted tree seedlings early in order to ensure high survival rate
3.	Climate Change Adaptation and Resilience	Support feasibility surveys and consultative meetings	2,100,238.00	2,001,953.00	95.32	Activities were implemented as per the work plan and annual targets	The department is working with development partners in order to build community capacities to adapt and mitigate effects of climate change in Kitui County
4.	Environmental education	Support World Environment Day, International Day of Forest & show events	3,512,345.00	3,475,348.00	98.95 %	County, National & International events were held as planned	Activities shall continue to be implemented as planned
5.	Environmental Policies,	Research survey on High Value and Multi	1,582,426.00	1,572,368.00	99.36 %	Activities were implemented as per	The department shall continue working with

S/N	Project / Programme Name	Activity descriptions	Budget 2016/17 FY	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
	Research & Development	- Purpose Trees and Shrubs (HVMTS) data collection and consultative meetings				the work plan and annual targets	research institutions such as KEFRI, SEKU and also communities shall be involved
6.	Environmental Compliance & Enforcement	Support sensitization and public participation meetings, inspection patrols and arrests	2,381,364.00	2,374,583.00	99.72%	Activities were implemented as per the work plan and annual targets	The department shall continue working with national government security institutions such as National Police Service, other county departments and also communities shall be involved
	Total		15,673,217.0	15,493,121.0	98.85		
Department of Energy							
7.	Renewable energy promotion (community groups training on energy saving technologies)		2,345,500.00	2,074,212.00	88.43%	Planning and mobilization of the groups for the trainings was not done in time, However some payments could not be made at closure of the year due systems failure	Early planning is required
8.	Renewable energy promotion (Installation of solar panels at ward level)		102,610,988	96,046,063.0	93.60%	Most of the projects had been fully completed by the close of the financial year, however the payments were not	Early planning and faster procurement procedures

S/N	Project / Programme Name	Activity descriptions	Budget 2016/17 FY	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
						made due to system failure	
9.	Rural Electrification projects (Power lines extension and installation of transformers at rural areas and public institutions)		68,750,598	43,975,480	63.96%	Rural electrification Authority (REA) has not been cooperative in offering technical backstopping, as agreed in the MOU, lack of materials in REA stores has led to delay in the completion of the projects.	We are seeking partnership with Kenya Power and Lighting Company (KPLC) and already the batch of projects we are implanted have already been surveyed, designed and ongoing
			173,707,086	142,095,755			
Department of Mineral Investment							
10.	Research and Development (Mapping of Minerals resources)		3,460,655	1,860,040	77.47%	Planning and mobilization of the survey team was not done in time, also the team from SEKU had other commitments at the University, and there was also delay in getting analysis results from the laboratory.	Early planning and also developing mapping programmes during the university long vocation to allow SEKU team participate effectively
11.	Liaison Committee		3,467,300	2,707,420	78.08%	Planning and mobilization of the	Early planning

S/N	Project / Programme Name	Activity descriptions	Budget 2016/17 FY	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
	(Establishment of Ikutha/Athi iron ore Liaison Committee)					community was not done in time. There was challenges in mobilizing the community due to the expansiveness of the area covered by iron ore	
12.	Enhance Community Capacity to Utilize Minerals Liaison Committee (Training of Kanziko, Ngaaie Liaison Committee, Community sensitization awareness, Training of artisanal miners)		4,050,000	3,798,050	93.77%	Challenges in mobilizing the artisanal miners due to lack of data on their locations	Early planning and mapping of the artisanal miners locations within the County
	Sub Total		10,977,955	5,658,090	51.54 %		
	Grand Total		200,358,258	163,246,966			

3720: Ministry of Tourism and Natural Resources

S/No	Project	Budget (2016-2017)	Expenditure	Absorption	Explanation For The Level Of Absorption	Measure To Safeguard Against Such Risk In The Future
1.	Prefeasibility, feasibility and appraisal studies(Miss Kitui, Tourism Promotion & Marketing)	6,343,000	6,343,000	100.00%	These funds were used for tourism promotion and marketing including organization of Miss Kitui Event	N/A
2.	Research	9,621,750	5,236,950	54.43%	Planned research was derailed by technical complexity and consultations	Prior consultations and preparations for all involving research work to be done in time to facilitated smooth execution
3.	Non- Residential Buildings (Offices, schools, hospitals etc.)	1,341,760	1,475,688	109.98%	The work carried out was slightly expensive than the budgeted amount	Enough funding based on bills of quantities estimates to be sought where necessary
4.	Other Infrastructure and Civil Works(Kaluu View point)	13,681,386	17,851,794	130.48%	There was a deficit of 4 million shillings which was occasioned by a supplementary budget that reduced prior budged amounts	Liaise with the county assembly committee to ensure priorities are noted and funding for them safeguarded during supplementary
5.	Prefeasibility, feasibility and appraisal studies	1,000,000	3,468,700	346.87%	N/A	N/A
6.	Acquisition of land(Ikoo Valley)	2,832,474	0	0.00%	The land targeted for acquisition is at Bazaar viewpoint in Ikoo Valley and deal with the owners had not been reached	Land valuation has been done, owners brought on board and negotiations started

S/No	Project	Budget (2016-2017)	Expenditure	Absorption	Explanation For The Level Of Absorption	Measure To Safeguard Against Such Risk In The Future
7.	Other Infrastructure and Civil Works(National Museums of Kenya and Nature Kenya Engagements)	4,980,245	4,465,735	89.67%	The contractual tender sum for works was slightly less than the budgeted amount	N/A
8.	Purch. of Certified Seeds - Ot	2,711,500	40,000	1.48%	There was a national advisory from national drought authority on insufficient rains hence buying seedlings would have been a waste of public money	Measures are not definite as this was purely based on nature and the present day drastic climatic changes
9.	Support of Community conservation groups in Mutitu and Muumoni	1,500,000	1,498,210	99.88%	The community groups have been very actively engaged in conservation and organizing their activities and funding their projects has been easy	N/A
10.	Research (Kitui County Forest Feasibility Study)	2,500,000	924,716	36.99%	The planned research work is ongoing	All proposals for research and concepts to be done early and if outside agencies are required to be engaged early to avoid last minute delays
11.	Access roads and opening up of cut lines in the protected areas(Grading of	20,685,358	19,122,547	92.44%	The cost for completing the budget work was slightly less	N/A

S/No	Project	Budget (2016-2017)	Expenditure	Absorption	Explanation For The Level Of Absorption	Measure To Safeguard Against Such Risk In The Future
	access roads in Kanyonyoo, Mwingi national reserve and Construction of Slab)					
12.	Pre-feasibility, Feasibility and Appraisal Studies(Equipping of Kaningo Rangers camp)	9,733,302	9,708,687	99.75%	N/A	N/A
13.	Establishment of a reptile park at Mutomo Hill Plant Sanctuary, Kanyonyoo Management plan, and Development of TNR strategic plan	10,000,000	9,099,320	90.99%	Most the undone work could not be achieved with the remaining 900 thousands shillings, hence the balance	Ensure more funds are channelled to this project to fulfil its flagship status and hasten its completion
		86,930,775	79,235,347	91.15%	N/A	N/A

II. Revenue Streams

REVENUE ANALYSIS BY STREAM

S/No.	Revenue Stream	Revenue Target 2016/2017 FY	Actual Revenue 2016/2017	Deviations	Reasons for deviations (highlighting the key factors contracting to the deviations)
1.	Collections From Miss Tourism Event	200,000	0	(200,000)	There as last minute decision to make the event a free entry one after it was joined with the cultural day. All Appropriations-In-Aid would then be quantified inform of donations and sponsorships form Coca-Cola, Kenya Institute of management among others
2.	Collections from National Reserves Entrance gates	0	0	0	Delayed signing of MOU between KWS and Kitui County Government
3.	Lease of picnic sites	0	0	0	Leases to be effected this financial year

3721: Ministry of Finance & Economic Planning

S/No.	Program/ Project	Target/ Coverage	Description of Activities	Cost est. (Kshs)	Time Frame				Performance Indicators	Key outputs/ expected Impacts
					Q ₁	Q ₂	Q ₃	Q ₄		
1.	Kenya Devolution Support Program	Countywide	Analysis, review and reporting	34,721,395	X	X	X	X	increased devolution effectiveness	Smooth and seamless implementation of devolution

S/No.	Program/ Project	Target/ Coverage	Description of Activities	Cost est. (Kshs)	Time Frame				Performance Indicators	Key outputs/ expected Impacts
					Q ₁	Q ₂	Q ₃	Q ₄		
	(KDSP)									
2.	Fibre Connectivity to County Treasury	County treasury HQs	Fibre connectivity	2,000,000	X	X	X	X	Number of offices connected	Good fibre connectivity
3.	County and Sub-County documentation centres	County and Sub-County HQs	- Construction of the documentation centres	20,000,000	X	X	X	X	No. of documentation centres	Well-equipped documentation centres
4.	Economic Survey (<i>Socioeconomic indicator survey</i>)	County wide	- Undertaking feasibility study to assess the impact of county interventions for the previous 5 years (2013-2017)	50,000,000		X	X	X	Consultancy draft reports, citizen consultation reports, final report and its popular version,	A county with a systematically delineated socioeconomic data

S/No.	Program/ Project	Target/ Coverage	Description of Activities	Cost est. (Kshs)	Time Frame				Performance Indicators	Key outputs/ expected Impacts
					Q ₁	Q ₂	Q ₃	Q ₄		
5.	County Revenue Resource Mapping	Kitui west, Rural, South, East, Mwingi North, West	<ul style="list-style-type: none"> - Recruitment data enumerators - Data collection - Data collation and analysis 	6,000,000			X	X	List of recruited enumerators, resource mapping report	A well designated revenue spots
6.	Computer Aided Audit Tools (CAATS)	County treasury HQs	<ul style="list-style-type: none"> - Acquisition of the computers - Capacity building both on the application of the software and implementation of the projects 	5,000,000	X	X			No. system reports compiled	A computerized county audit system
7.	County Treasury Block	One storey Treasury building with 3 floors and a parking lot	<ul style="list-style-type: none"> - Construction of the 	30,000,000	X	X	X	X	Architectural designs, Bill of quantities, payment certificates.	Conducive working environment for treasury staff

S/No.	Program/ Project	Target/ Coverage	Description of Activities	Cost est. (Kshs)	Time Frame				Performance Indicators	Key outputs/ expected Impacts
					Q ₁	Q ₂	Q ₃	Q ₄		
8.	Automation of County operations	Connect e- revenue to IFMIS	<ul style="list-style-type: none"> - Procure and configure additional e-revenue gadgets - Apply for an authority from National Treasury to connect the e-revenue to IFMIS program - Capacity building of the personnel - Roll out the revenue collection component - Connect to the fibre optic cable 	10,000,000	X	X	X	X	No. of extra gadget procured, Performance reports of the systems.	Efficient and effective county public service delivery
9.	Second Generation County Integrated Development Plan (CIDP)	County wide	<ul style="list-style-type: none"> - Procurement of consultancy - Preparation of a draft CIDP - Validation of CIDP - Launch of CIDP - Approval of CIDP by County Assembly - CIDP Dissemination 	12,000,000	X	X			No. of draft CIDP reports, No. of citizen participation reports and a CIDP final report and its popular version	A well-coordinated basis for all budgeting and planning in the county; An harmonized development within the county
	TOTAL			169,721,395						

3723: County Assembly Service Board

S/no	Project	Budget (2015-2016)	Expenditure	Absorption	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Non-Residential Buildings (Construction of Chamber)	147,648,897	150,105,543	102%	Need to speed up completion as a result of delay caused by court case	Ensure adherence to set targets
2.	Other Infrastructure & Civil Works	31,913,517	1,612,674	5%	It has been difficult to identify suitable piece of land where the project can be undertaken	Continue with the search for land

3724: Kitui Town Administration

S/No.	Project /Programme Name	Budget(2016-17) (Ksh) (B)	Expenditure(Ksh) (E)	Absorption Rate (Amount Paid) (%) (E/B)	Explanation for the level of Absorption.	Measure to safeguard against such risks in future.
1.	Repair works for drainage and unblocking of culverts at Kalundu Area	1,064,574.47	1,064,574.47	100%	Fully absorbed as budgeted.	Keep it up in timely procurement and effective project supervision.
2.	Proposed grading and gravelling of Jubilee college building –Redeemed church-Slaughter box culvert.	3,999,855.97	3,999,771.41	100%	Fully absorbed as budgeted.	Keep it up in timely procurement and effective project supervision.

S/No.	Project /Programme Name	Budget(2016-17) (Ksh) (B)	Expenditure(Ksh) (E)	Absorption Rate (Amount Paid) (%) (E/B)	Explanation for the level of Absorption.	Measure to safeguard against such risks in future.
3.	Proposed grading and gravelling of resort club-site primary school-tourist building road.	4,425,689.13	4,425,371.00	100%	Fully absorbed as budgeted.	Keep it up in timely procurement and effective project supervision.
4.	Proposed grading and gravelling of CDF office building to Kwa-Ngindu Secondary School road.	3,771,621.60	3,771,473.71	100%	Fully absorbed as budgeted.	Keep it up in timely procurement and effective project supervision.
5.	Proposed grading and gravelling of Thika Medical College to Premier Resort.	3,997,484.70	3,997,380.98	100%	Fully absorbed as budgeted.	Keep it up in timely procurement and effective project supervision.
6.	Grading and gravelling of Kitui Referral Hospital to Resort Club Road.	4,859,216.80	4,858,091.60	100%	Fully absorbed as budgeted.	Keep it up in timely procurement and effective project supervision.
7.	Fabrication and installation of three revenue collection points.	755,850.00	0.00	0%	Project completion certificate issued, but delayed in payment due to end of year closure.	Ensure early procurement and effective project supervision.
8.	Paving of the road from law courts entrance to law court gate B Phase-I.	3,536,363.73	0.00	0%	Project completion certificate issued, but delayed in payment due to end of year closure.	Ensure early procurement and effective project supervision.
9.	Paving of the road	3,984,000.00	0.00	0%	Project completion	Ensure early

S/No.	Project /Programme Name	Budget(2016-17) (Ksh) (B)	Expenditure(Ksh) (E)	Absorption Rate (Amount Paid) (%) (E/B)	Explanation for the level of Absorption.	Measure to safeguard against such risks in future.
	from law courts gate B to main road phase II.				certificate issued, but delayed in payment due to end of year closure.	procurement and effective project supervision.
10.	Proposed emergency works ,cleaning and repair of damaged road connection to Kitui slaughter.	1,209,851.58	0.00	0%	Project completion certificate issued, but delayed in payment due to end of year closure.	Ensure early procurement and effective project supervision.
11.	Proposed emergency road and drainage works at Kalundu – Kwa-malonza and access road to kyaloways.	3,726,497.10	0.00	0%	Project completion certificate issued, but delayed in payment due to end of year closure.	Ensure early procurement and effective project supervision.
12.	Construction of six skipper loader bases for waste management.	549,140.00	0.00	0%	Project completion certificate issued, but delayed in payment due to end of year closure.	Ensure early procurement and effective project supervision.
13.	Acquisition of street/security light maintenance spares- for Kwa-vonza town.	1,979,000.00	1,979,000.00	100%	Fully absorbed as budgeted.	Keep it up in timely procurement and effective project supervision.
14.	Acquisition of street/security light maintenance spares for Kitui town.	1,953,875.00	1,953,875.00	100%	Fully absorbed as budgeted.	Keep it up in timely procurement and effective project supervision.
15.	Acquisition of office furniture for Kitui town Admin.	1,269,939.00	1,269,939.00	100%	Fully absorbed as budgeted.	Keep it up in timely procurement and effective project

S/No.	Project /Programme Name	Budget(2016-17) (Ksh) (B)	Expenditure(Ksh) (E)	Absorption Rate (Amount Paid) (%) (E/B)	Explanation for the level of Absorption.	Measure to safeguard against such risks in future.
						supervision.
16.	Acquisition of office stationary for Kitui town Admin.	716,350.00	716,350.00	100%	Fully absorbed as budgeted.	Keep it up in timely procurement and effective project supervision.
GRAND TOTALS		41,799,309.08	28,035,827.17	67.07%	If complete projects are paid, then the absorption rate will be 100%.	

3725: Mwingi Town Administration

S/NO	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Street Lighting Extension from Mwingi-Nguni to Kwa Ben with a branch ECDE Centre Gate.	3,904,952.47	3,904,952.47	100%	Project completed	No safeguard is required
2	Street Lighting Extension from the Current Street Lighting Cottage to New Hotels Gate (kwa Kinyili)	5,738,837.80	5,738,837.80	100%	Project completed	No safeguard is required
3	Purchase of Yana Tyres for County Government Vehicles Mwingi Town	781,000.00	781,000.00	100%	Project completed	No safeguard is required
4	Street Lighting from Extension Mang'aras Junction to Southern End of Kalisasi.	7,039,854.86	7,039,854.86	100%	Project completed	No safeguard is required

S/NO	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
5	Strategic meeting for Mwingi Town	405,749.00	405,749.00	100%	Project completed	No safeguard is required
6	Street Lighting Extension from end of Current Street lighting to Br. David's Junction	4,528,500.00	4,528,500.00	100%	Project completed	No safeguard is required
7	Exhausting Toilets for Mwingi Town Administration	256,034.00	256,034.00	100%	Project completed	No safeguard is required
13	Street lighting from Happy zone to stock yard with a branch at UON gate to Ithoka driving school gate in Mwingi town.	5,022,207.52	5,022,207.52	100%	Project completed	No safeguard is required
14	Street Lighting Extension from the Current Street lighting to Kanginga Oasis Gate	2,583,055.00	2,583,055.00	100%	Project completed	No safeguard is required
15	Street Lighting Extension From Br David's Junction To Mang'aras Junction -1470m	6,918,434.00	6,918,434.00	100%	Project completed	No safeguard is required
17	Construction of 2No. Blocks of Market Sheds at Old Market.	2,483,766.00	2,483,766.00	100%	Project completed	No safeguard is required
20	Supply and delivery of Diesel & Petrol	500,000.00	500,000.00	100%	Project completed	No safeguard is required
22	Supply of Vehicle Tyres	794,000.00	794,000.00	100%	Project completed	No safeguard is required

S/NO	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
23	Repair and renovation of 40No Mkt stalls – Mwingi Town	1,006,318.00	1,006,318.00	100%	Project completed	No safeguard is required
24	Construction of Kathonzweni Vented Drift.	710,529.00	710,529.00	100%	Project completed	No safeguard is required
25	Purchase and operationalization of a fully equipped 6M ³ Firefighting engine.	14,790,000.00	0	0%	Longer than expected time to import some parts.	Situation unavoidable due to need for quality product.
26	Branding of Wheelbarrows	160,000.00	160,000.00	100%	Project completed	No safeguard is required
28	Chain-link Fencing at Ngwatano Dumpsite	595,466.60	595,466.60	100%	Project completed	No safeguard is required
29	Renovation of Mwingi Town Administration Offices	221,753.20	221,753.20	100%	Project completed	No safeguard is required
30	Construction of Public Toilet at Garissa Stage	2,574,664.00	2,574,664.00	100%	Project completed	No safeguard is required
31	Construction of 5No. temporally Transfer stations at Mwingi Town	702,598.80	702,598.80	100%	Project completed	No safeguard is required
32	Repair and Renovation of Mwingi Town slaughter house	438,592.00	438,592.00	100%	Project completed	No safeguard is required
33	Grading and gravelling of GVC- Kathonzweni Drift Road	355,871.01	355,871.01	100%	Project completed	No safeguard is required

S/NO	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
34	Construction of walkways at Mwingi Town old market.	2,959,975.71	2,959,975.71	100%	Project completed	No safeguard is required
36	Purchase of Exhauster	9,320,000.00	9,320,000.00	100%	Project completed	No safeguard is required
38	Installation of solar energy security lights for markets in Mwingi town-five (5) No. Posts & Lamp-searches per set	2,310,455.80	2,310,455.80	100%	Project completed	No safeguard is required
40	Rerouting of Electrical Street lighting at Old Kitui Stage (Kanini Kaseo)	381,443.00	381,443.00	100%	Project completed	No safeguard is required
41	Renovation of Old Market Stalls (40 No.) at MTA	1,006,318.14	1,006,318.14	100%	Project completed	No safeguard is required
42	Improvement of storm water drainage system RHS of equity to Sunkar hardware road	2,799,906.71	2,799,906.71	100%	Project completed	No safeguard is required
43	Fabricate, supply and Install 32 Refuse Bins at Mwingi Town.	675,479.00	675,479.00	100%	Project completed	No safeguard is required
44	Purchase Aerial man hoist for repair of streetlights	6,878,800.00	0	0%	Delay in registration.	Take delivery and pay immediately.
45	Unblocking and Desilting of storm water drains	192,000.00	192,000.00	100%	Project completed	No safeguard is required
47	Town beautification Between Club 2000 and KCB Boulevard	674,482.00	674,482.00	100%	Project completed	No safeguard is required

S/NO	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
48	Construction of Gate House to Mwingi Town Offices	2,397,302.40	1,927,818.00	80%	Ongoing by the end of FY 2016-17	Reduce the procurement turnaround time.
49	Street lighting from Garissa Tarmac via Ideal Palace Hotel to Bethany Academy	4,216,630.74	2,525,552.00	60%	Ongoing by the closure of FY 2016-17	Reduce the procurement turnaround time.
50	Street lighting from Tarmac via ACK towards Slaughter House	4,217,002.23	3,958,500.00	94%	Ongoing by the end of FY 2016-17	Reduce the procurement turnaround time.
51	Mwingi Town Street Lighting from Tarmac to AIC Kasina	2,092,426.00	1,992,787.20	95%	Ongoing by end of FY 2016-17	Reduce the procurement turnaround time.
52	Construction of a Store at Mwingi Office for MTA	2,373,480.00	809,819.20	34%	Ongoing by end of FY 2016-17	Reduce the procurement turnaround time.
55	Boardroom Renovation - chairs and Office Supplies	782,900.00	0	0%	Not Supplied	Reduce the procurement turnaround time.
57	Extension to the Registry, Office Lobby and W.C	2,232,002.42	0	0%	Project yet to be implemented	Reduce the procurement turnaround time.
58	Chain link Fencing to Cemetery	2,133,000.00	1,178,026.40	55%	Ongoing by the end of FY 2016-17	Reduce the procurement turnaround time.

S/NO	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
59	Upgrading of Old market-Slaughter House Road	3,311,500.00	1,839,510.17	56%	Not completed by the end of FY	Reduce the procurement turnaround time.
60	Construction of Road Bumps Legacy Hotel to Mwingi General Hospital gate	1,163,730.00	801,348.80	69%	Project not completed by the end of FY 2016-17	Reduce the procurement turnaround time.
61	Street Lighting; Mwingi Boys Sec. Sch to Kathonzweni Sec. Sch Gate	5,251,200.56	4,596,198.40	88%	Project not completed by the end of FY 2016-17	Reduce the procurement turnaround time.
62	Road Works for Osa Vinya Lane Cabro Works	3,983,269.39	2,116,430.71	53%	ongoing by the end of FY 2016-17	Reduce the procurement turnaround time.
63	Upgrading of Senator-Musila Garden Road	1,451,072.00	882,300.09	61%	Ongoing by the end of FY 2016-17	Reduce the procurement turnaround time.
64	Road Works for Muthainga Decentralized Facility	3,999,000.00	3,045,983.70	76%	Ongoing by the end of FY 2016-17	Reduce the procurement turnaround time.
65	Mwingi Town Repair for Musila Gardens and Mwingi Town Admin. Offices and Stock Yard	720,573.44	0	0%	Project not completed by the end of FY 2016-17	Reduce the procurement turnaround time.

S/NO	Project/Programme Name	Budget (2016-17) (Ksh) (B)	Expenditure (Ksh) (E)	Absorption Rate (%) (E/B)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
66	Upgrading of Police Station- Mamro Road Works	3,442,854.70	0	0%	Ongoing by the end of FY 2016-17	Reduce the procurement turnaround time.
67	Land Reclamation of Mwingi Old Dumpsite	3,991,212.00	0	0%	Ongoing by the end of FY 2016-17	Reduce the procurement turnaround time.
68	Upgrading of Kasina-Tyaa Road	3,944,273.76	2,497,480.00	63%	Ongoing by the end of FY 2016-17	Reduce the procurement turnaround time.
69	Install Piped Water at Flower bed & Eco toilet in Town	501,319.74	0	0%	Project yet to be implemented	Reduce the procurement turnaround time.
70	Provision of Consultancy Services EIA for Ngwatano Dumpsite	275,000.00	0	0%	Completed	Pay immediately commitments are allowed on IFMIS.
	Total	142,190,793.00	96,213,998.29	68%		