THE REPUBLIC OF KENYA

COUNTY GOVERNMENT OF MURANGA

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

SEPTEMBER 2019

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Foreword

The County Budget Review and Outlook Paper (CBROP) 2018 has been prepared in line with section 118 of the Public Finance Management (PFM) Act 2012 which requires the county government to prepare the County budget review and outlook paper in respect for each financial year; and submit it to the County Executive Committee by 30th September.

This CBROP reviews fiscal performance of the county for the 2018/19 financial year while comparing it with the budget appropriation. In addition, it provides information on changes in forecasts as indicated in the County Fiscal Strategy Paper (CFSP) 2018; and how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the county financial objectives for that year. It further gives reasons for any deviation from the county financial objectives in the fiscal strategy paper together with proposals to address the deviations. Most importantly, this CBROP is the first one reviewing the performance of the County Government in implementing the second generation CIDP and also provides a future outlook for the remaining implementation period 2019/20 and beyond.

The updated economic and financial outlook presented in this paper will set out the broad fiscal parameters for preparation of the next budget. In particular, the provisional ceilings presented are intended to act as a guide to sector working groups in preparing their budgets.

It is therefore my expectation that the policy paper will be useful in enhancing financial discipline and fiscal responsibilities outlined in section 107 of the PFM Act 2012 that will contribute towards the realization of aspiration of the residents of the county.

David W. Waweru
Executive Committee Member
Murang'a County Treasury

Acknowledgement

Briefly acknowledge the teams that supported the preparation process for the CBROP.

The County Budget Review and Outlook paper 2019 reviewing the performance of the year 2018/19 has been prepared in line with section 118 (1) (a) of the Public Finance Management Act 2012. It has made an attempt to review performance of the year and provide the Budget outlook in the medium term. It is my belief that it shall serve as a guide in the preparation of the County Fiscal Strategy Paper and the next fiscal year's budget.

The information contained was obtained from the County Treasury and I want to appreciate the efforts made by the entire County Treasury team in preparing the Document.

Peter G. Kahora
Chief Officer-Economic planning

ABBREVIATIONS AND ACRONYMS

CBK	Central Bank of Kenya
CRA	Commission of Revenue Allocation
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
GDP	Gross Domestic Product
IBEC	Inter-Governmental Budget and Economic Council
ICT	Information and Communication Technology
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
PE	Personnel Emoluments
PFM	Public Finance Management
PWD	People with Disabilities
SRC	Salaries and Remuneration Commission
SWG	Sector Working Group

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Preamble

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

The Budget Review and Outlook Paper (CBROP) is prepared in accordance with Section 118 of the Public Finance Management (PFM) Act 2012. The law stipulates that:

1) A county Treasury shall;

a. Prepare a CBROP in respect of the County for each year; and

b. Submit the paper to the County Executive Committee (CEC) by 30th September of that year.

2) In preparing its CBROP, the County Treasury shall specify;

a. The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year

b. The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP)

c. Information on:

(i) Any changes in the forecasts compared with the CFSP; or

(ii) How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or financial objectives in the CFSP for that financial year; and

d. Reasons for any deviation from the financial objectives in the CFSP together with proposals to address the deviation and the time estimated for doing so.

3) The CEC shall consider the CBROP with a view to approving it, with or without amendments, within fourteen days after its submission.

4) Not later than seven days after the CBROP is approved by the CEC, 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 in the Public Financial Management Law

In line with the Constitution of Kenya 2010, the PFM Act, 2012 sets out the fiscal responsibility principles to ensure prudency and transparency in the management of public resources. Section 107 of the PFM Act, 2012 states that: The County Government's recurrent expenditure shall not exceed the County Government's total revenue;

1) Over the medium term, a minimum of thirty (30) per cent of the County Government's budget shall be allocated to the development expenditure;
2) The county Government's expenditure on wages 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;
3) Over the medium term, the Government's borrowing shall be used only for purpose of financing development expenditure and not for recurrent expenditure;
4) The County debt shall be maintained at a sustainable level as approved by County Assembly;
5) The fiscal risks shall be managed prudently; and
6) 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.

1. INTRODUCTION

The County Budget Review and Outlook Paper (CBROP) is prepared in line section 118 of the Public Finance Management (PFM) Act, 2012. The paper reviews the fiscal performance of the county for the financial year 2018/2019; the updated macro-economic and financial forecasts; and deviations from the approved County Fiscal Strategy Paper (CFSP) 2018 and the reasons for such deviations.

1.1 Objective of CBROP

The objective of CBROP is to provide a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles to be set out in the CFSP. This together with macroeconomic outlook provides a basis for revision of the current year's budget in the context of the broad fiscal parameters underpinning the next budget and the medium term. The fiscal framework and the medium term policy priorities will be firmed in the CFSP.

Specifically, the CBROP provides:

i. Updated economic and financial forecasts in relation to the changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP);
ii. Details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
iii. Any changes in the forecasts compared with the CFSP;
iv. Indication on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP for that financial year; and
v. Reasons for any deviation from the financial objectives in the CFSP together with proposed measures to address the deviation and the time estimated for doing so.

1.2 Significance of CBROP

The paper is a policy document and links planning with budgeting. It is significant in the budget making process within the Medium Term Expenditure Framework (MTEF) as it reviews previous fiscal performance for the year and identifies any deviations from the budget with the aim of providing realistic forecasts for the coming year. It also assesses how fiscal responsibility principles were adhered as provided in section 107 of the PFM Act 2012. In addition, the updated macroeconomic and financial outlook provides a basis for any budget revision and sets out broad fiscal parameters for the next budget. Further, the paper is expected to provide indicative sector ceilings for the FY 2020/2021 budget and in the medium term to guide Sector Workings groups (SWGs) before being affirmed in the CFSP 2020.

1.3 Structure

This paper has four other sections. Section Two reviews the county's fiscal performance for the previous year. It is divided into three sub-sections, namely, The Overview, Fiscal Performance and Implications of Fiscal Performance. Section three reviews recent economic developments and has four subsections of Recent Economic Developments, Economic Outlook & Policies, Medium Term Fiscal Framework and Risks to the Outlook. Section four sets out how the county government intends to operate within its resource envelope. It establishes the resources envelop (total revenues) it expects, then allocates these across departments by setting expenditure ceilings for each department. In addition, it has four sub-sections: adjustment to the proposed budget; the medium term expenditure framework; proposed budget framework; and projected fiscal balance and likely financing. And lastly, section five gives a conclusion of the entire paper.

2. REVIEW OF COUNTY FISCAL PERFORMANCE IN 2018/19 FY

2.1 Overview

Provide an over view of the performance for FY 2018/19.

In the year 2018/19 the County Government had a total budget of KShs. 8,850,779,834. The Development allocation was KShs. 3,588,583,176 and the recurrent allocation was KShs. 5,262,196,658. Its expenditure outturn was KShs. 7,377,385,771 comprising of an absorption rate of 83%.

2.2 Fiscal Performance

Overall the County's own source revenues increased by 54% as per table 2.1 below on summary of County Fiscal Performance.

Table 2.1: Summary of County Fiscal Performance

	2017/18 FY	2018/19 FY			
	Actual	Approved	Actual	% Deviation	Growth %
TOTAL REVENUE & GRANTS	**6,233,631,964**	**8,850,779,834**	8,100,774,834	18%	7.13%
Unspent Bal from Previous FY	328,460,000	750,000,000	1,037,723,393	38.3%	215.94%
Revenue (Total)	**6,233,631,964**	**8,850,779,834**	**9,138,498,227**	**13%**	**17.59%**
Equitable Share Allocation	5,442,118,512	6,248,600,000	6,248,600,000	-	14.82%
Local Revenue	454,597,965	1,000,000,000	699,007,969	30%	54%
Grants (Total)	336,915,487	852,179,834	429,777,502	50%	27.56%
Total Expenditure	**6,233,631,964**	**8,850,779,834**	**7,856,180,169**	**11%**	**4.04%**
Recurrent	4,788,535,052	5,262,196,658	5,179,959,214	1.56%	8.17%
Development	2,762,867,417	3,588,583,176	2,676,220,955	25.42%	3.14%
Unspent Bal Current FY	**750,000,000**	525,000,000	1,800,000		

2.2.1 Revenue Performance

Provide detailed explanations on the revenue performance for FY 2018/19.

The County Government in the fiscal year 2018/19 enacted the Finance bill 2018 which reviewed the applicable fees and charges. This together with increased revenue enforcement efforts generated the 54% increase in revenue.

Table: 3.1: Analysis of County Revenue Streams

ANNUAL COMPARATIVE LOCAL REVENUE COLLECTIONS (FIGURES IN KSHS,)				
SOURCE	2015/2016	2016/2017	2017/2018	2018/2019
LICENCES	101,037,870	101,119,123	100,095,924	126,378,883
PLOT RENT/LAND RATES	48,341,146	45,816,216	37,600,098	60,126,961
MARKET FEES	50,231,815	35,292,095	27,204,081	53,712,820
PENALTIES	2,701,982	2,806,646		1,625,805
BUILDING MATERIAL CESS (sand, stones)	70,653,549	58,177,928	45,758,290	62,713,630
BUS PARK FEES	34,140,150	26,907,130	16,185,040	28,719,937
PARKING FEE	21,439,740	19,233,498	10,202,620	18,592,165
MOTOR BIKES	10,998,690	4,740,250	2,365,460	6,833,610
LIQOUR LICENCE	39,136,100	31,093,760	25,642,410	28,003,100
PLAN APPROVAL	21,248,784	16,962,594	12,434,670	36,907,306
CONSERVANCY	13,484,790	12,155,100	8,563,200	13,515,289
OTHER CESS REVENUE	1,077,920	2,321,190	719,900	20,174,817
SALE OF FORMS	11,425,650	5,727,400	5,192,420	8,565,260
TENDER FORMS	146,500	35,000	20,340	10,000
ADVERVISEMENTS	9,438,404	10,082,140	10,371,043	17,027,999
SELF HELP GROUP	1,899,470	1,764,900	1,705,070	3,825,810
LAND SUBDIVISION/TRANSFER	11,282,340	9,492,012	7,015,130	7,114,440
HOUSE/STALLS RENT/S.HALL	5,881,123	5,813,211	5,976,080	8,151,673
OTHER LAND BASED REVENUE	3,429,400	2,056,700	1,669,776	3,242,610
MORGUE FEES	1,715,000	3,016,490	2,020,870	2,341,690
SLAUGHTER FEES	779,660	594,850	466,850	3,010,010
IMPOUNDING	5,736,400	2,063,160	830,490	5,277,070
COFFEE CESS	11,686,680	10,500		
EDUCATION & POLYTECHNICS	660,650	154,300	144,000	2,380,606
FIRE	156,650	401,000		
OTHERS	27,994,702	32,978,275	982,060	3,183,230
SUB-TOTAL	506,725,165	430,815,468		521,434,721
B) DEVOLVED FUNCTIONS				
HOSPITALS	85,933,391	62,167,855	68,928,546	139,482,031
NHIF		3,437,000		
PUBLIC HEALTH	26,148,580	22,342,165	21,484,306	24,008,915

LIVESTOCK (A.I)	5,302,745	1,888,460	1,102,360	3,331,125
MEAT INSPECTION	9,867,840	9,011,605	6,284,060	8,210,880
VET.CLINICAL SERVICES	2,230,630	915,315	220,370	47,220
FISHERIES	103,790	99,850	126,000	
COOPERATIVES	579,970	452,690	481,890	840,110
HOUSING & PHYSICAL PLANNING	736,956	160,000	646,990	1,302,650
WEIGHT & MEASURES	1,353,880	1,122,850	601,950	1,067,250
MARIIRA FARM	2,301,710	2,918,385	472,067	2,483,171
WATER	521,373	244,135	482,621	123,930
NEMA	6,000	8,200		
SUB-TOTAL	135,086,865	104,768,510		180,897,282
TOTAL	**641,812,030**	**535,583,978**	**423,996,982**	**702,332,003**

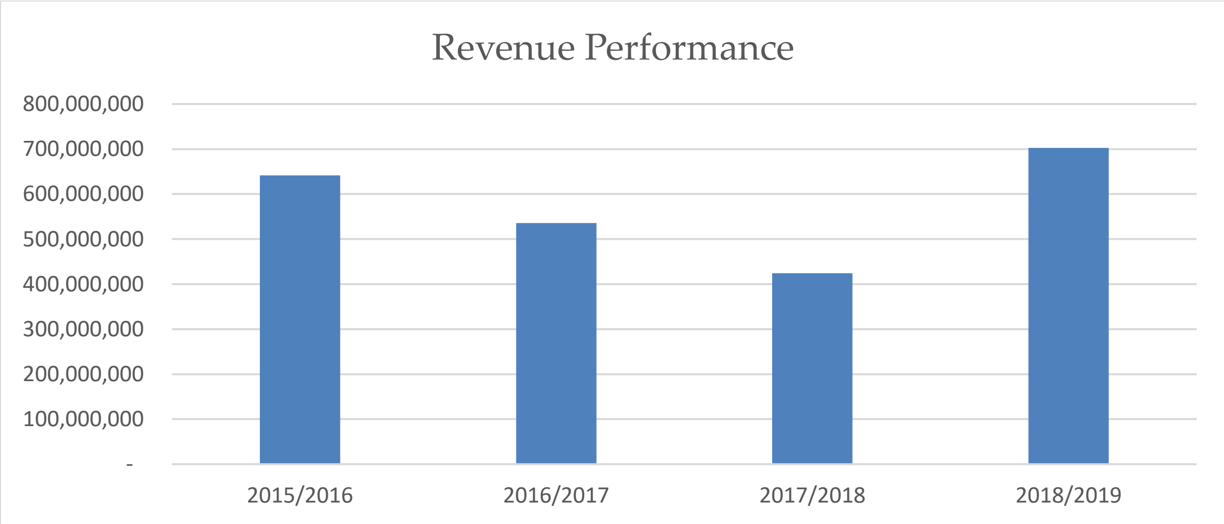

Table 2.2 Revenue Performance per stream

During the financial year 2018/2019 the County did not achieve the set targets this can be attributed to the following challenges.

- Inadequate resources for instance revenue mobilization vehicles.
- Legal challenges such as disagreements with large manufacturing entities which insist that they should not pay any property rent to the County Government citing ongoing court cases such as the Kajiado county government versus Tata chemicals.

2.2.2 Expenditure Performance

Out of a total budget of KShs. 8,850,779,834, the County managed to accumulate expenditure totaling approximately KShs. 6,891,417,000 which comes to an absorption rate of 78%. The less than 100% absorption rate has been occasioned by the County Government's desire to control expenditure in line with the erratic exchequer releases which pose a significant risk of increasing pending bills at the end of the financial year. Further, it is meant to ensure that any unrealized local revenue targets do not lead to unwarranted deficits.

As can be seen in table 2.3 most Departments had more than 50% budget absorption rate. The department with the highest budget allocation was the Department of Health with a total Budget of KShs. 3.1Bn. Out of the KShs.3.1Bn it had an expenditure of approximately KShs.2.9Bn comprising of an absorption rate of 91%.

It is critical to note that while the absorption rate shows expenditure that has been fully settled during the year, it does not show any commitments made in the course of the fiscal year. As such, some Departments especially those undertaking long term on-going projects like the Department of Roads and Public works, Lands, Housing and Urban Development, Department of Trade and Co-operatives could register equally high absorption rates save for the fact that a number of their projects will be completed in the Fiscal year 2019/2020.

Table 2.3 Showing Absorption rates by sectors and Comparison with CFSP 2018 (Illustrative) [1]

SECTOR	MINISTE RIAL DEPARTMENTS	C-FSP 2018			BUDGET ALLOCATION 2018/19		Cumulative Expenditure 2018/19			Absorption (%)	Deviation (%) CFSP - BUDGET
		REC	DEV	TOTAL	REC	DEV TOTAL	REC	DEV	TOTAL		
PUBLIC ADMIN.	Governor's Office										
	Finance										
	County Public Service Board										
	Public Administration										
	Public Service Management										
	Economic Planning										
	County Assembly										
	SUB-TOTALS										
INFRASTRUCTURE	ICT and E-Government										
	Roads, Transport and Infrastructure										
	Water, Environment, Energy and Natural Resources										
	SUB-TOTALS										
HEALTH	Health Services										
	TOTAL										

[1] See annex 1 on this Document.

2.2.2.1 Recurrent and development expenditure

The County Government had a budget of KShs. 8,850,779,834 comprising of an expected recurrent budget of KShs. 5.3B and development expenditure of KShs. 3.5B. However, the expenditure outturn comprised a ratio of 66% recurrent to 34% development of the entire budget. This was within the requirements of fiscal responsibility principles that in the medium term, a minimum of 30% of the County Government's expenditure should be allocated to Development.

S/No.	DETAILS	RECURRENT	DEVELOPMENT	TOTAL	RATIO DEVELOPMENT TO TOTAL
1.	2016/17	4,035,118,000	3,376,290,000	7,411,408,000	45%
2.	2017/18	5,378,287,259	3,534,533,827	8,613,154,676	41%
3.	2018/19	5,262,196,658	3,588,583,176	8,850,779,834	40%

2.2.2.2 Expenditure per economic classification

Provide detailed explanations of the expenditures in line with the Chart of Accounts on IFMIS i.e. per economic classification. Here you need to also provide detailed explanations.

ECONOMIC CLASS	**AMOUNT**
Compensation of Employees	3,251,578,339
Use of goods and services	1,726,574,677
Subsidies	4,923,500
Transfers to Other Government Units	689,437,600
Other grants and transfers	140,507,653
Social Security Benefits	6,407,252
Acquisition of Assets	821,709,226
Finance Costs, including Loan Interest	49,696,576
Repayment of principal on borrowings	-
Other Payments	1,165,345,246
TOTAL	**7,856,180,069**

Compensation of employees remains the highest class of expenditure at 41% of the total county expenditure, followed by use of goods and services and other payments. The County Government expects that in the medium term it will achieve the recommended 35% by fiscal responsibility principles as a significant number of its work force is set to leave due to natural attrition. Equally there are concerted efforts to improve the productivity of its workforce through training and implementation of performance management mechanisms among them annual appraisals.

2.2.2.3 Implications for the FY 2019/20 performance

The County Government intends to build on the realized efforts of increasing its local revenue. To this end the county Government shall enforce the Finance bill and also widen its revenue base all in an effort to generate more revenue.

In the year 2019/20 the County Government shall continue exercising prudence on utilization of funds. Efforts shall be made to rationalize expenditure to ensure that maximum value for the budget is achieved. The ceilings set in the Medium Term shall be reviewed to ensure they are aligned to the expenditure outturns. However, the County Treasury shall ensure that the fiscal responsibility principles are upheld and adhered to.

3. RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

3.1 Recent Economic Developments

The global economic growth rate stood at 3.6% in 2018 compared to 3.8% in 2017. This was caused by increased trade tensions and tariff hikes between China and the U.S; weakening consumer and business confidence in the Euro area and tightening of financial conditions for emerging markets. Kenya's growth rate is projected to grow at 6% in 2019, with the first quarter's growth standing at 5.6% in 2019 compared to 6.5% in the same quarter 2018[2].

The Kenyan economy continues to experience macroeconomic stability with low and stable interest rates and competitive exchange rates to support exports. The inflation rate remains within the target range standing at 5% in August 2019 despite a 1% increase from the prevailing inflation rate in August 2018.

The current account deficit has narrowed to 3.8% of GDP in June 2019 from 5.4% in June 2018.

While these are noteworthy developments, recent data from top agricultural foreign exchange earners namely tea and coffee paint a gloomy picture of earnings payable to farmers as well as the earnings themselves.

3.1.1 County Economic Outlook and Policies

The County Government is seeking to address low income and poverty through undertaking initiatives aimed at enhancing earnings from small scale farming activities. These initiatives include enhancing the value chain network of the County's agricultural output of avocadoes, nuts, tea and coffee.

These initiatives are expected to spur the County's local economy. Further, the County hosts learning institutions among them the Murang'a University of Technology, the Kenya Medical Training College (KMTC) and the Michuki Technical Training institute. These are expected to continue providing support to the small holder business owners. Further, the high student population has created demand for accommodation thus further spurring the Construction industry.

3.2 Medium Term Expenditure Framework

In the year 2019/20 the County Government projects to raise KShs. 960M. This is expected to be achieved through increased enforcement efforts. The revenue department has enacted a revenue enhancement plan which includes follow ups on property rents and rates to major companies which have outstanding arrears.

[2] *BROP 2019*

Further, the revenue department has increased its areas of coverage to rural areas which have not been subjected to enforcement in previous years.

The County Government shall continue rationalizing its expenditure. Emphasis shall be put into development focused on improving the livelihood of its citizens. To this end, the County Government shall seek to ensure that more of its resources are allocated to development as opposed to recurrent. The allocation to development shall further be allocated to completing initiated projects; clearing any outstanding bill and implementing projects aligned to the Big Four national agenda.

The County Treasury shall monitor closely expenditure from the rest entities and ensure that it has utmost value within the available opportunities. The National Treasury has signaled its intentions to cut down on avoidable expenses, aggressive implementation of cost cutting measures all aimed at fiscal consolidation.

3.3 Risks to the Outlook

The County's main activity is agriculture, and the various factors affecting the agricultural sector such as drought, poor quality of farm inputs or a shock to the sector will have a negative effect to the County's economy due to low income leading to decline in purchasing power.

The erratic exchequer releases shall remain a challenge to the realization of the mandate of the County to its citizens. The County Government shall continue to aggressively monitor the pace of the release and advise entities accordingly. This will be aimed at ensuring that outstanding bills at the end of the fiscal year are within manageable levels within the medium term expenditure framework.

4. RESOURCE ALLOCATION FRAMEWORK

This section establishes the resource envelope the county expects and how it will be allocated across all the sectors for 2019/20 FY and MTEF

4.1 Adjustment to the FY 2019/20 Budget

The County Government had prepared its budget for the year 2019/2020 using the Proposed County Allocation of Revenue Bill which had allocated County Governments a total of approximately KShs. 335Bn as proposed by the Senate. However, since the bill was amended and the allocation reduced to KShs. 316.5Bn, the County Government shall adjust the year 2019/2020 budget in line with the County Allocation Revenue Act 2019.

In adjusting the budget, the County Treasury shall consider broadly the following issues:

- Flagship projects shall rank the highest and shall be adequately funded since they have transformative outcomes.
- Priority shall be given to on-going projects; new projects allocations will be scaled down to initiation stage or done away with completely.
- Recurrent allocation shall also be rationalized in order to ensure that Fiscal responsibility principles are implemented.

4.2 Medium Term Expenditure Framework

Allocation and utilization of resources in the medium term will be guided by the priorities outlined in county integrated development plan and other county plans; and in accordance with section 107 of the PFM Act 2012. For effective utilization of public finances for enhanced expenditure productivity, the county government will prioritize expenditures within the overall sector ceilings and strategic sector priorities.

Table 5 below therefore provides indicative sector ceilings for the 2020/2021 – 2022/23 MTEF period. The projections are inclusive of conditional allocations and grants/loans.

Table 5 Summary of Indicative Sector Ceilings for FY 2020/21 MTEF[3]

		Total Expenditure Kshs.					% Share of Total Expenditure				
Sector	MDAs	Revised Estimates	Estimates	Projections			Estimates	Ceilings	Projections		
		2018/19	2019/20	2020/21	2021/22	2022/23	2018/19	2019/20	2020/21	2021/22	2022/2023
PUBLIC ADMIN.	Governor's Office										
	Finance										
	Economic Planning										
	Public Service Management										
	Devolution & Public										
	County Public Service Board										
	County Assembly										
	Livestock Development &										
	Trade, Investment &										
	Co-op & Enterprise Dev										
	Physical Planning & Urban										
	Land s and Housing										
	Water, Environment, Natural Resource										
	ICT & e-govt.										
Health	Health Services										

See annex 3 of the Document.

The County Government does not intend to change its' sectors' allocation indicative ceilings and shall maintain them through the medium term to 2022/23

[3] **See Annex 3**

4.3 The Proposed 2020/21 Budget Framework

In the fiscal year 2020/21 the County Government expects a minimal change in its expenditures with most of its increase coming from increase in local revenues as well as grants. Notable grants that are likely to increase is the National Agricultural Rural Inclusive Growth Project (NARIGP) and the Kenya Devolution Support Program (KDSP) which the County Government expects to access in the year 2020/21.

4.3.1 Revenue Projections

PROJECTED REVENUE BUDGETS PER SOURCE FOR F/Y 2019/20/21/22			
FINANCIAL YEAR	**2020/21**	**2021/22**	**2022/23**
TOTAL REVENUE(KSHS)	8,768,803,595	8,920,666,237	8,932,289,504

In the financial year 2020/2021/2022/2023 the County expects the local revenue to increase at a compounded annual growth rate of 1%. This is due to the stance taken by the National Treasury of minimum increase in allocation to County Governments Equitable share together with the prevailing macro-economic conditions which have led to the Kenya Revenue Authority missing the revenue targets.

4.3.2 Projected Fiscal Balance

The proposed county budget 2019/20 and the medium term is balanced, however, any shortfall in revenue that may occur within the year will be addressed through supplementary as approved by the Public Finance Management Act 2012.

5. CONCLUSION

The County Government increased its revenue performance in the year 2018/2019 an endeavor that shall be expected to be repeated in the current fiscal year 2019/2020. This is because the efforts and the lessons of the previous year will be built on and improved to ensure that the target for the year is achieved.

The prevailing macro-economic environment is still expected to have an effect on the County's performance as indicated by the National Treasury's decision to slash allocation to County Government's Equitable allocation. The effects of such a decision cannot be reliably established however, the County Treasury shall exercise utmost caution in authorization of expenditure to ensure the County does not accumulate any debts.

Overall, the County Government is well positioned to implement the programs planned for the current year and in the five-year period.