



COUNTY GOVERNMENT OF KITUI

COUNTY MINISTRY OF FINANCE AND ECONOMIC PLANNING

County Budget Review and Outlook Paper

SEPTEMBER, 2015

FOREWORD

This County Budget Review and Outlook Paper (CBROP), prepared in accordance with Public Financial Management Act, 2012 is the second to be prepared by the County Government of Kitui under the devolved governance structure. It presents the recent economic developments and actual fiscal performance of the FY 2014/2015 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 2014, actual budget 2014/15.

In this paper also, we show how the actual performance of the local and national economy in 2014/15 FY affected our compliance with the fiscal responsibility principles and financial objectives as detailed in CFSP 2014.

Though the County is moving along with the National Government in implementing a raft strategies and reforms geared towards accelerated economic growth, serious challenges have been inadequate human capacity to harness the full potential of some 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 to put in place policies and programs necessary to tackle the problem. However, such policies that include local contracting have also resulted into 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 grant 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. However, the amount received from national government in 2014/15 was lower than was in 2013/14 (in percentage terms).

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ACKNOWLEDGEMENT

This CBROP has been prepared in conformity to the requirements laid down by the PFMA 2012, as set out in Section 26 of the Act. The document provides an overview of the performance of the previous year 2014/15 and paints an outlook of the economy's performance in the medium term, emphasising on the performance forecast for 2015/16. It compares the actual performance of the period under review to the budget, and gives highlights of how the performance in 2014/15 affected our compliance to the fiscal responsibility principles and the financial objectives as outlined PFM Act 2012 and the CFSP 2015.

The preparation of CBROP 2015 was collaborative, with all departments providing necessary information to explain the achieved level of performance and the safeguards they've put in place to mitigate against undesirably low absorption rates. The departments also did provide reports on revenue performance and the challenges they encountered while generating local revenues as well as giving suggestion on how they intent to improve this. All these reports were compiled to generate annex II and III 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 effort of all economist led by Deputy Director Mwaniki and Assistant Director Muyanga, the work of revenue team led by Receiver of Revenue and Deputy Chief Finance Officer (D/CFO) Nguthu and Assistant Director Makau, and the support of the Finance team led by the CFO June Munyao, in summarising financial information necessary to make the report easy to understand.

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 and all the other departments for making it possible to consolidate and produce this document.

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

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ABBREVIATIONS

AIA	Appropriation-In-Aid
BOQ	Bill of Quantities
BPS	Budget Policy Statement
CBROP	County Budget Review and Outlook Paper.
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CLIPD	Community Level Infrastructure Projects Development
NT	National Treasury
ECDE	Early Childhood Development Education
EZs	Economic Zones
GDP	Gross Domestic Product
IDCs	Industrial Development Centres
IFMIS	Integrated Financial Management Information System
KBRR	Kenya Bank Reference Rate
KES	Kenya Shilling
KEWI	Kenya Water Institute
KMP	Kenya Municipal Program
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
MPC	Monetary Policy Committee
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NCD	Non Communicable Diseases
PFMA	Public Financial Management Act
PPP	Public Private Partnerships
REA	Rural Electrification Authority
SEKU	South Eastern Kenya University
SGR	Standard Gauge Railway
SRC	Salaries and Remuneration Commission
SBP	Single Business Permit
FY	Financial Year

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 is 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.

I. INTRODUCTION

Objective of the CBROP

1. The objective of the 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 CFSP. This together with updated revenue and expenditure provides the basis for the revision of the current budgeting the context of Supplementary Estimates and 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 in February next year.

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. 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. The PFM Act 2012 sets a high standard for compliance with the MTEF budgeting process. It is expected that the sector ceiling for the second year of the MTEF (2014/15) provided in the previous CFSP would form the indicative baseline sector ceiling for the next budget of 2016/17. However, given the underperformance of some sectors of the economy during 2014/15, some changes are inevitable to accommodate the anticipated resource requirement.

4. The rest of the paper is organised as follows: Section II provides a review of the fiscal performance in FY 2014/15 and its implications on the financial objectives set out in the last budget submitted to the County Assembly in April 2014. 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 2014/15

A. Overview

5. The fiscal performance in 2014/15 improved significantly especially on the expenditure side, where overall absorption rose from 53 per cent to 72.2 per cent. However, there was a marginal improvement in the budgetary supply side, with an overall performance of 82.97 per cent financing up from 81 per cent in 2013/14. This was explained mainly by non-release of the last two tranches of the equitable share within the financial year. Generally, there was improved performance in all revenues components both in relative and absolute terms.

6. Though there was improved performance in revenue collection, the county ministries handling devolved functions are still grappling with the challenge of organising themselves to collect Appropriation-in-Aid (AIA) that falls within their function. Performing streams are mainly those traditionally falling under the defunct local authorities, as evidenced by analysis of major revenue streams like liquor licensing - actual revenue collected vis-à-vis target.

7. The county allocation for equitable was up 19.2% from 5.315 billion to 6.34 billion during the period under review. Provision for grants went down from 527 million to 299 million (75% drop). However, total resources from national government (equitable and grants) went up from KES 5.842 billion to KES 6.639 billion. This represents 13.6% increase in resource allocation from the national government.

B. 2014/15 Fiscal Performance

8. The table below presents the fiscal performance for the FY 2013/14 and 2014/5, together with the deviations from the original budget estimates of FY 2014/15.

Table 1: Revenue and Expenditure Summary for 2013/14 - 2014/15 FY

	2013/14		2014/2015		Deviation (%)
	Actual	Targets	Actual	Targets	
A. TOTAL REVENUE AND GRANT					
1. Revenue	5,281,296,235	5,961,400,000	7,901,673,830	9,270,003,001	(14.76)
Equitable Share	4,825,624,355	5,315,000,000	5,199,208,810	6,340,498,549	(18.00)
Other Revenues	455,671,880	646,400,000	2,702,465,020	2,929,504,452	(7.75)
Locally Generated Revenue	257,271,880	448,000,000	434,268,205	650,000,000	(33.19)
Equitable Share 2013/14			478,375,884	489,685,478	(2.31)
Unspent Balances b/f	198,400,000	198,400,000	1,789,818,974	1,789,818,974	(0.50)
2. Grants	-	527,625,500	34,610,000	299,716,518	(88.45)
Kenya Municipal Program	-	519,000,000	-	265,106,518	(100.00)
HSSF (DANIDA)	-	8,625,500	34,610,000	34,610,000	0.00
Total	5,281,296,235	6,489,025,500	7,936,283,830	9,569,719,519	(17.07)
B. EXPENDITURE					
1. Recurrent	3,021,765,215	3,618,264,706	3,946,763,200	4,480,576,740	(11.91)
Salaries and Wages	1,847,402,868	1,783,122,271	2,242,053,687	2,421,290,925	(7.40)
O&M/Others	1,174,362,347	1,835,142,435	1,704,709,513	2,059,285,815	(17.22)
2. Development	506,281,457	2,870,760,794	2,963,798,503	5,089,142,779	(41.76)
Total	3,528,046,672	6,489,025,500	6,910,561,703	9,569,719,519	(27.79)
C. SURPLUS/DEFICIT	1,753,249,563	-	1,025,722,127	-	

Notes

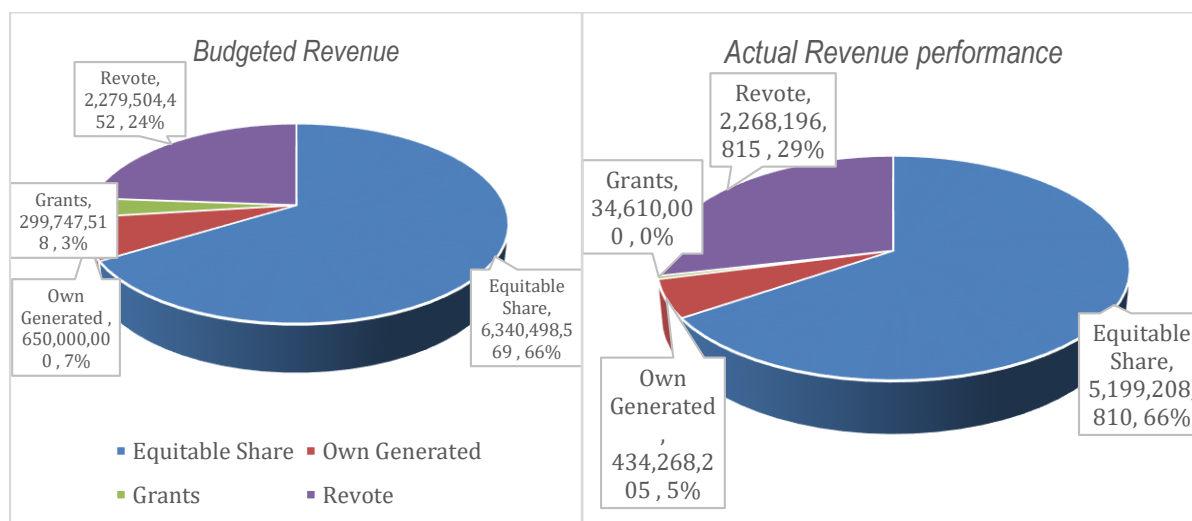
- i. *Equitable share: this is the amount of funds the county government expected to receive from the national government, as shared out using the Commission on Revenue Allocation formula.*
- ii. *Equitable Share 2013/14: this is the amount of equitable share meant for 2013/14 but was received in 2014/15 financial year.*
- iii. *KES 11,307,637 that National Treasury was supposed to refund the county was never received. This amount was erroneously recovered from equitable share disbursements of 2013/14 FY.*

A. Revenue (Supply Side)

9. The total budget for the financial year 2014/15 comprised mainly of four revenue components, namely: equitable share from National Government, own generated revenue, grants from development partners through the National government and revote - amount rolled over from the previous financial year 2013/14, consisting of amount that remained unspent as at June 30, 2014 and the amount outstanding as unreleased fund from National Government.

10. The performance of these revenue components against the targets is presented in the figure below alongside the budgeted revenue.

Figure 1: Pie Chart of Budget versus Actual Revenue Performance



11. Generally, the proportion of the equitable in the budgeted and actual receipts remained unchanged at 66%, while the other components declined (grants and own revenue). The proportion of the re-voted amount in the budget compared to the actual receipts went up from 24% to 29%, replacing the portions of grants and own revenue not received. However, in comparing 2013/14 to 2014/15, the proportion of revote carried forward went down in absolute terms.

i. *Equitable Share*

12. The total disbursement to the county revenue fund account during the financial year 2014/2015 was KES5,199,208,810, representing 82% (or 18% deviation) of the total equitable the county expected to receive from National Treasury. This represents an underperformance from previous financial year which recorded a 9% deviation. The county

therefore did not receive KES1,141m from the national government as at 30th June 2015 from equitable share.

ii. Grants

13. Out the total KES 299m included in the budget, an amount of KES 265m meant for Kenya Municipal Program (KMP) initiated by the national government in collaboration with international partners before the counties came into operations was never received. This only leaves KES 34m from the Denmark government (DANIDA), which was received as at 30th June 2015.

iii. Own Generated Revenue

14. The total revenue generated by the county over the period was KES 434,268,205. This amount includes KES 113, 746,911 from the Ministry of Health and Sanitation. Excluding the Ministry of Health which was not reported in 2013/14 FY, there is a marked improvement of 25% on actual revenue collection (KES320,521,294 up from KES 257,271,880). Refer to the annex II & III

15. 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 33%. Nonetheless, the improvement in revenue side was commendable (25%), and if maintained or improved in the future may address some risks likely to undermine our economic outlook.

16. A major challenge that emerged during the year was the petition in court to halt the implementation of the Finance Act 2014, as a result of contest in the Single Business Permit (SBP) rates. The result of this together with the ensuing confusion was colossal in terms of lost revenue, as some traders refused to pay others charges not in contention.

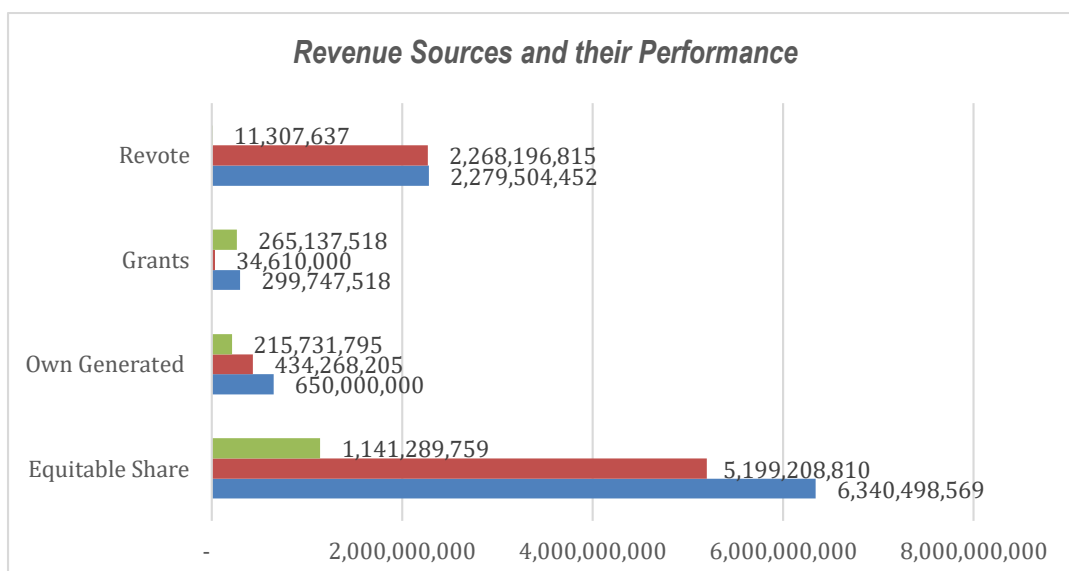
iv. Revote

17. The amount rolled over from 2013/14 was KES 2,279,504,452, which comprised of the amount outstanding in our Revenue Fund Account and all other accounts operated by the county plus the amount that remained undisbursed as at 30th June 2014. Of this amount, KES 11m was never disbursed by the National Treasury (NT) for reasons that it was part of recovered amount for salaries to devolved staff paid between July and September 2014 on behalf of the county.

18. In total, the county government did not receive 17.07% of the budgeted resources (or about KES 1,633m) by the end of the financial year at 30th June 2015. This comprised of KES 265m grant meant for KMP (or 88% of grants), KES 11m reimbursement from National Treasury for devolved staff salaries (amount NT recovered from disbursements), KES 215m not collected as targeted and KES 1,141m that National Treasury had not disbursed by 30th June 2015 (or 14.76% of revenue).

19. The performance of all the revenue sources is summarised in the figure below, indicating what was expected, what was received as well as what was not received in all the sources.

Figure 2: Revenue performance in bar chart



Note: In each category of revenue component, the first bar represents target revenue, the second bar represent what was realised and the third bar represent the amount not received. This amount is indicated on the right side of the bar.

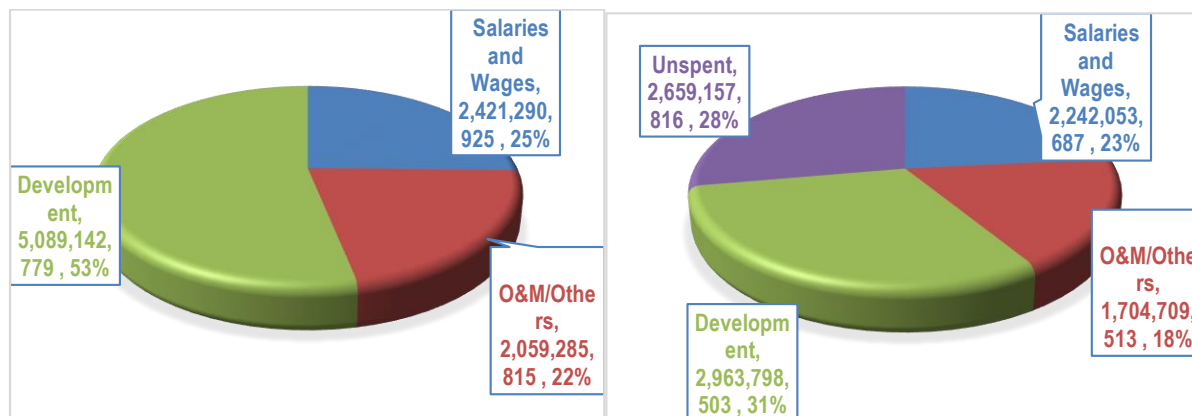
B. Expenditure (Demand Side)

20. The approved budget for the county was KES 9,569,719,519, comprising 46.8% recurrent (or KES 4,480,576,740) and 53.2% development (or KES 5,089,142,779). This represents 23.2% above the PFM Act 2012 recommended ceiling for funds allocation between recurrent and development. Even though the county's policy is to allocate a minimum of 40% in the medium term, re-voted development funds may raise the proportion of development above 50% as was the case last financial year.

21. The analysis of budget proportion before including re-voted amount brought forward was as follows: Personnel Emoluments (PE) 36%, Operations and Maintenance(O&M) 24%, and Development 40%, maintaining the medium term policy of allocating at least 40% to development but surpassing the target on PE.

22. However, after budget was revised to include amount rolled over from 2013/14, the proportions in the revised budget were as follows: PE 25%, O&M 21.8 while development went up to 53.2%. The salient effect of re-vote may is understating the real proportion of PE and O&M on the overall budget. With a cap on the percentage of PE to the overall budget at 35%, it is be necessary to contain the expenditures through wage management policies. The pie charts below presents the information as contained in revised budget.

Figure 3: Pie chart for budget versus actual expenditure performance 2014/15

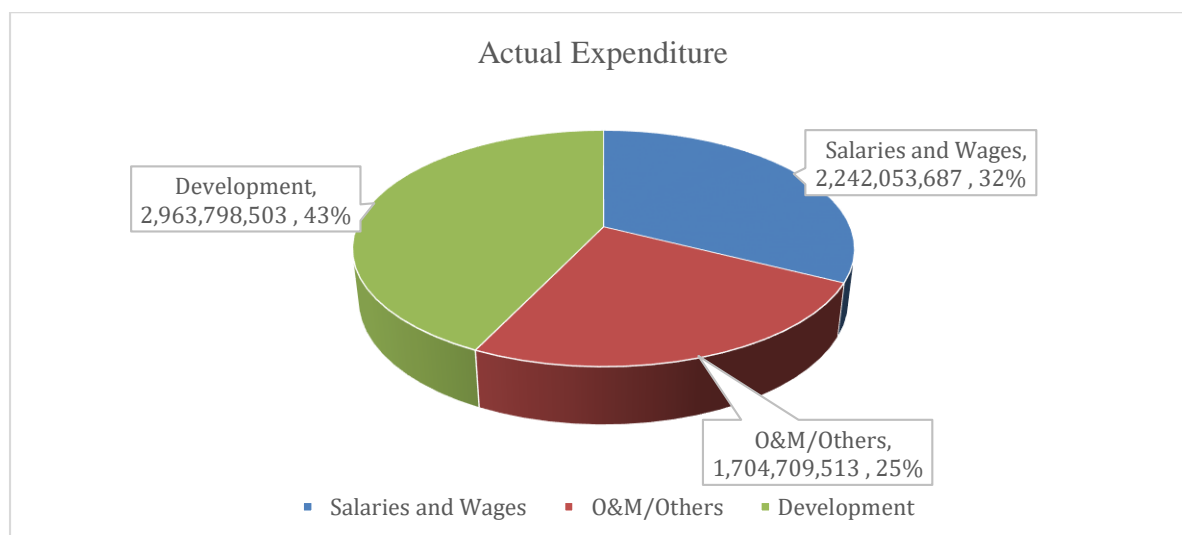


Notes: this unspent balance includes funds that were never realised; KES 11m from NT recovered as salary reimbursement, KES 108m tax remittance default fine by KRA, KES 215m not collected and KES 265m from NT meant for KMP grant.

23. The actual expenditure for the period 2014/15 was KES 6,910,561,703, representing 72% of the budgeted expenditure. Out of the total budgeted expenditure, 23% was spent towards salaries and wages, 18% towards operations and maintenance expenses and 31% on development while an amount equivalent to 28% remained unspent.

24. In terms of economic classification in relation to the actual expenditure, out of the total reported expenditure of KES 6,910,561,703 for the year ending 30th June 2015, 43% of the expenditure was incurred towards development, 32% towards salaries and wages while the rest, 25% went to support operations and maintenance expenses. Overall, even though the approved budget estimates for 2014/15 had higher proportion for development than recurrent, more funds were absorbed in recurrent than absorbed in development i.e. 57% against 43%. This is also presented in the figure below

Figure 4: Actual expenditure performance



25. The total expenditure for both recurrent and development vote amounted to KES 6,910,561,703, representing an absorption of 72.2% (or 27.8% deviation from approved budget). This was a large improvement from the previous period of 46%, which had been attributed on delayed recruitment of key staff in the county.

26. Recurrent expenditure for period amounted to KES3,946,763,200, representing about 88.1% of the recurrent total budget. The higher utilisation rate in recurrent expenditures resulted to the overall absorption rate rising to 72.2%, underlining the need to disaggregate expenditure reporting into recurrent and development.

27. The table below analyses the total expenditure by county spending entities giving the overall absorption rate.

Table 2: Ministry/ Spending Entity Expenditure for the Period Ending 30th June 2015 (KES)

Vote	Ministry/Spending Entity	Jun-15		Variance	Jun-15		Variance	Jun-15		Variance	% of total expenditure to total
		Recurrent			Development			Total			
		Actual	Target		Actual	Target		Actual	Target		
1	Office of the Governor	402,278,215	425,742,280	(23,464,065)	467,344,766	902,474,030	(435,129,264)	869,622,981	1,328,216,310	(458,593,329)	65.5
2	Ministry of Administration & Coordination of Affairs	237,631,521	291,226,408	(53,594,887)	31,280,061	120,836,050	(89,555,989)	268,911,582	412,062,458	(143,150,876)	65.3
3	Ministry of Agriculture, Water & Irrigation	302,239,908	372,467,335	(70,227,427)	674,610,348	925,497,312	(250,886,964)	976,850,256	1,297,964,647	(321,114,391)	75.3
4	Ministry of Basic Education, Training & Skills Development	310,249,993	317,983,751	(7,733,758)	149,242,990	195,683,589	(46,440,599)	459,492,983	513,667,340	(54,174,357)	89.5
5	Ministry of Lands, Infrastructure & Urban Development	282,047,352	300,204,470	(18,157,118)	880,286,862	1,419,135,919	(538,849,057)	1,162,334,214	1,719,340,389	(557,006,175)	67.6
6	Ministry of Health & Sanitation	1,363,638,677	1,514,666,309	(151,027,632)	211,856,195	552,862,643	(341,006,448)	1,575,494,872	2,067,528,952	(492,034,080)	76.2
7	Ministry of Trade, Industry, IT & Cooperatives	59,025,083	66,658,142	(7,633,059)	179,513,887	301,755,346	(122,241,459)	238,538,970	368,413,488	(129,874,518)	64.7
8	Ministry of Culture, Youth, Sports & Social Services	60,862,049	64,160,175	(3,298,126)	87,683,735	140,396,171	(52,712,436)	148,545,784	204,556,346	(56,010,562)	72.6
9	Ministry of Environment, Energy and Mineral Investment Development	40,960,589	42,174,614	(1,214,025)	198,088,211	275,469,491	(77,381,280)	239,048,800	317,644,105	(78,595,305)	75.3
10	Ministry of Tourism and Natural Resources	35,930,558	40,499,536	(4,568,978)	9,728,987	31,500,000	(21,771,013)	45,659,545	71,999,536	(26,339,991)	63.4
11	Ministry of Finance & Economic Planning	225,558,394	293,623,100	(68,064,706)	50,769,628	59,362,375	(8,592,747)	276,328,022	352,985,475	(76,657,453)	78.3
12	County Public Service Board	57,681,645	62,041,108	(4,359,463)	-	-	-	57,681,645	62,041,108	(4,359,463)	93.0
13	County Assembly Service Board	568,659,546	689,129,512	(120,469,966)	23,392,503	164,169,853	(140,777,350)	592,052,049	853,299,365	(261,247,316)	69.4
	TOTALS	3,946,763,530	4,480,576,740	(533,813,210)	2,963,798,173	5,089,142,779	(2,125,344,606)	6,910,561,703	9,569,719,519	(2,659,157,816)	72.2

Note: The overall variance does not net out all the monies which were not received by the county as at 30th June 2015. This includes, KES 108m that KRA deducted from our account for penalties, KES 265m grant meant for KMP, KES 11m reimbursement from National Treasury for devolved staff salaries, KES 215m not collected as targeted and KES 1,141m that National Treasury had not disbursed by 30th June 2015

28. The table below analyses the recurrent expenditure by county spending entities. Generally, the absorption went up marginally from 83.5% in 2013/14 to 88.1 in 2014/15. However, some funds not spent by Ministry of Finance and Economic Planning provisions for gratuity for employees on contract and will need to be provided for in the current budget. Also, to be provided for is some funds that Ministry of Health had budgeted under recurrent but made for renovations of facilities.

Table 3: Recurrent Expenditure by County Spending Units

Vote	Ministry/Spending Entity	Jun-15		Variance	
		Recurrent		Amount	%
		Actual	Target		
1	Office of the Governor	402,278,215	425,742,280	(23,464,065)	(5.5)
2	Ministry of Administration & Coordination of Affairs	237,631,521	291,226,408	(53,594,887)	(18.4)
3	Ministry of Agriculture, Water & Irrigation	302,239,908	372,467,335	(70,227,427)	(18.9)
4	Ministry of Basic Education, Training & Skills Development	310,249,993	317,983,751	(7,733,758)	(2.4)
5	Ministry of Lands, Infrastructure & Urban Development	282,047,352	300,204,470	(18,157,118)	(6.0)
6	Ministry of Health & Sanitation	1,363,638,677	1,514,666,309	(151,027,632)	(10.0)
7	Ministry of Trade, Industry, IT & Cooperatives	59,025,083	66,658,142	(7,633,059)	(11.5)
8	Ministry of Culture, Youth, Sports & Social Services	60,862,049	64,160,175	(3,298,126)	(5.1)
9	Ministry of Environment, Energy and Mineral Investment Development	40,960,589	42,174,614	(1,214,025)	(2.9)
10	Ministry of Tourism and Natural Resources	35,930,558	40,499,536	(4,568,978)	(11.3)
11	Ministry of Finance & Economic Planning	225,558,394	293,623,100	(68,064,706)	(23.2)
12	County Public Service Board	57,681,645	62,041,108	(4,359,463)	(7.0)
13	County Assembly Service Board	568,659,546	689,129,512	(120,469,966)	(17.5)
	TOTALS	3,946,763,530	4,480,576,740	(533,813,210)	(11.9)

29. The total expenditure on development by the county was KES 2,963,798,503, up from KES 506,281,457 absorbed in 2013/14 budget year, representing an absorption rate of about 58% (or an under spending of 42%) of the total development vote. Again, this is a large improvement from 18% absorption rate of 2013/14 FY. This confirms the forecast of the last CBROP that projected a faster implementation of programs, attributing low absorption to delayed recruitment.

30. The table below shows the allocations to each spending entity and the actual expenditure as reported at the end of the financial year. Some entities reported huge variances which may be explained by the delay in approving supplementary budget that allocated them more funds (Health; LIUD). However, some spending entities which did not receive more funding during supplementary budget still had large amounts unspent (Office of the Governor; Agriculture, Water and Irrigation; Trade, Industry, IT and Coop)

Table 4: *Development Expenditure by County Spending Units*

Vote	Ministry/Spending Entity	Jun-15		Variance	
		Development		Amount	%
		Actual	Target		
1	Office of the Governor	467,344,766	902,474,030	(435,129,264)	(48)
2	Ministry of Administration & Coordination of Affairs	31,280,061	120,836,050	(89,555,989)	(74)
3	Ministry of Agriculture, Water & Irrigation	674,610,348	925,497,312	(250,886,964)	(27)
4	Ministry of Basic Education, Training & Skills Development	149,242,990	195,683,589	(46,440,599)	(24)
5	Ministry of Lands, Infrastructure & Urban Development	880,286,862	1,419,135,919	(538,849,057)	(38)
6	Ministry of Health & Sanitation	211,856,195	552,862,643	(341,006,448)	(62)
7	Ministry of Trade, Industry, IT & Cooperatives	179,513,887	301,755,346	(122,241,459)	(41)
8	Ministry of Culture, Youth, Sports & Social Services	87,683,735	140,396,171	(52,712,436)	(38)
9	Ministry of Environment, Energy and Mineral Investment Development	198,088,211	275,469,491	(77,381,280)	(28)
10	Ministry of Tourism and Natural Resources	9,728,987	31,500,000	(21,771,013)	(69)
11	Ministry of Finance & Economic Planning	50,769,628	59,362,375	(8,592,747)	(14)
12	County Public Service Board	-	-	-	-
13	County Assembly Service Board	23,392,503	164,169,853	(140,777,350)	(86)
	TOTALS	2,963,798,173	5,089,142,779	(2,125,344,606)	(42)

Note:

- i. Actual expenditure for the county went up from 18% in 2013/14 to 58% of the total budget in 2014/15 FY, resulting in an improvement of 40%.
- ii. Although the unabsorbed balance is KES 2,125,344,606, the re-voted amount excludes KES 165m meant for KMP projects.

31. It is also notable that the development component in the Office of the Governor is mainly Community Level Infrastructure Development Program (CLIDP) and the Pro-poor program. Most of the unspent funds under the office of the Governor is for the CLIDP, which cuts across various sectors. This program requires a well-structured implementation plan to avoid perpetual rollover of funds.

32. Though the amount that the county absorbed in development was KES 2,963,798,173, this amount includes expenditure incurred towards acquisition of machinery and other specialised equipment for roads construction, water development and agricultural production. This amount totalled to KES 247,753,789. The remaining amount was used in expansion of water infrastructure, roads, health facilities, markets and other development works. *Refer to the annex III*

C. Implications of 2014/15 fiscal performance on fiscal responsibility principles and financial objectives contained in the 2015 CFSP

33. The analysis of 2014/15 budget as proposed by the CFSP and the movement during the financial years as a result of re-voting the amount not absorbed in 2013/14 as well as the changes introduced by the supplementary budget are presented in the table below. This in essence explains why the original budget as proposed by the CFSP differs from the final budget approved by the County Assembly.

Table 5: Analysis of Movement in budget allocation 2014/15

Ministry	CFSP	REVOTE	BUDGET 2014/2015	REVISED BUDGET	DEVIATIONS		
					Recurrent	Devt	Total (Net)
Office of the Governor	1,075,110,000	386,977,494	1,462,087,494	1,328,216,310	(10,871,184)	(123,000,000)	(133,871,184)
Ministry of Administration & Co-ordination of Affairs	573,135,296	(30,388,898)	542,746,398	412,062,458	(127,393,660)	(3,290,280)	(130,683,940)
Ministry of Agriculture, Water & Irrigation	820,586,428	486,440,604	1,307,027,032	1,297,964,647	(40,292,385)	31,230,000	(9,062,385)
Ministry of Basic Education, Training & Skills Development	375,616,021	95,974,921	471,590,942	513,667,340	(848,559)	42,924,957	42,076,398
Ministry of Lands, Infrastructure & Urban Development	1,322,760,544	441,029,355	1,763,789,899	1,719,340,389	(202,635,334)	158,185,824	(44,449,510)
Ministry of Health & Sanitation	1,341,929,432	275,131,419	1,617,060,851	2,067,528,952	203,094,323	247,373,778	450,468,101
Ministry of Trade, Industry, It & Cooperatives	335,334,070	71,448,382	406,782,452	368,413,488	(8,368,964)	(30,000,000)	(38,368,964)
Ministry of Culture, Youth, Sports & Social Services	149,500,000	46,573,730	196,073,730	204,556,346	3,854,397	4,628,219	8,482,616
Ministry of Environment, Energy & Tourism	272,667,211	154,305,778	426,972,989	317,644,105	(4,619,164)	(104,709,720)	(109,328,884)
Ministry of Natural Resources & Tourism	62,630,000	(3,194,222)	59,435,778	71,999,536	8,563,758	4,000,000	12,563,758
Ministry of Finance & Economic Planning	189,022,463	5,884,529	194,906,992	352,985,475	155,294,859	2,783,624	158,078,483
County Public Service board	55,000,000	253,860	55,253,860	62,041,108	6,787,248	-	6,787,248
County Assembly	768,474,448	84,824,917	853,299,365	853,299,365	(86,679,066)	86,679,066	-
TOTAL	7,341,765,913	2,015,261,869	9,357,027,782	9,569,719,519	(104,113,731)	316,805,468	212,691,737

Notes on the changes

The overall variance of KES 212,691,737 in the revised budget was due to adjustments in the re-vote amount for each spending entities from KES 2,015,261,869 to KES 2,227,953,606. The changes also include both recurrent and development movements within the ministries/spending entities as highlighted below.

It was also noted that the movements from recurrent to either other recurrent vote or development was not easily traceable. There is need to trace the movements of the funds from both recurrent and development from initial allocation to the beneficiary in order to assess the deviations from set objective in the CFSP.

- i. Office of the Governor, a total of KES 133m was reallocated, being KES 10m recurrent adjustments mainly in payroll and KES 123m in development allocated to Health for construction and equipping of health facilities, funding of Anti – Snake Venom project (KES 73m) and Ministry of Lands, Infrastructure and Urban Development for construction of drifts (KES 50m).
 - ii. Ministry Administration and Coordination, a total of KES 130m was reallocated, being KES 127m from recurrent (payroll adjustments) and 3m development. This was after transfer of KES 35m to MEEMID for Ward HQs flood lights.
 - iii. Agriculture, a total of KES 9m was moved from the ministry being the net effect after revising recurrent by KES40m downwards and increasing development by KES 31m through revote adjustments.
 - iv. Basic education, the net effect was an increase in development by KES 42m as result of revote for projects carried forward from 2013/14. The overall increase include transfer of KES 5m to LIUD.
 - v. Ministry of Lands, Infrastructure and Urban Development, the net effect was a decrease in of KES 44m as a result of decrease of KES 202m from recurrent and an increase of KES 158m for the construction of drifts from various ministries during supplementary.
 - vi. Ministry of Health and Sanitation, an increase of KES 450m in its total budget resulting from additional KES 203m in its recurrent budget and 247m for development vote from office of the Governor (73m) and MEEMID(86m) for construction and equipping of health facilities and re-vote adjustments.
 - vii. Trade, a net reduction of KES 38m as a result of downward revision of its recurrent budget by KES 8m and a further transfer of KES 30m to LIUD for construction of drifts
 - viii. Ministry of Youth, Sports and Social Services had minimal changes in its both recurrent and development, mainly resulting from revote adjustments.
 - ix. Environment, the overall effect in the budget was a reduction of KES 109m, being KES 4m recurrent and KES 105m resulting from revote adjustments and transfer to Ministry of Health.
 - x. Ministry of Tourism, the net effect was an increase of KES 12.5m being recurrent reallocation of KES 8.5m for recruitment of rangers and an increase of KES 4m during re-voting.
 - xi. Finance, a total increase in budget allocation of KES 158m resulting from payroll realignment (KES 155m) and revote adjustment of KES 3m.
34. The performance of 2014/15 did not affect the financial objectives set out in the 2015 CFSP and the budget for FY 2015/16 in any fundamental way, except for a few adjustments:

- i. County entities reported different absorption rates for the financial year ending 30th June 2015. This has had the effect of distorting budget allocations as set out in our CFSP2015 as amount rolled over to this financial year by each entity has increased total budgets and altered the set proportions in the budget ceilings adopted in CFSP;
- ii. Based on the performance of revenue and expenditure projections for the last two financial years, the revenue forecasts have been adjusted to reflect actual performance i.e. from KES 650m down to KES 608m;
- iii. Due to underperformance in own generated revenue and realisation that KMP grant expected from the National Treasury will not be received, the re-voted amount has been adjusted to exclude these amounts. This means that some project will be shelved to accommodate this adjustment; and
- iv. The accelerated absorption rate recorded in 2014/15 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 2015 and all other medium term policies.

35. The outcome of the national economic performance indicates our national economy is still resilient, as evidenced by the response of the Kenya's first sovereign bond. 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 2014 and first and second quarter of 2015 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 2015 will be achieved albeit with challenges.

36. Our local revenue projections will remain as set out in our CFSP 2015, 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 slowly taking off, though with institutional and setup challenges. There is need to review all the revenue streams for each county ministry/ entity and assess its potential.

37. The contention raised over the implementation of the Finance Bill has had impact on the revenue targets set out in our 2014 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.

38. 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 2014/15 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.

39. The county has also partnered with SEKU to carry out a feasibility study across the county and identify the streams where Sub surface dams can be constructed for both domestic and agricultural water harvesting. These sub surface dams will be done in each ward across the county where small scale irrigation projections can be initiated.

III. RECENT COUNTY ECONOMIC DEVELOPMENTS AND OUTLOOK

A. Recent Economic Developments

a) National

40. The Kenyan economy is emerging as one of East Africa's growth centres, experiencing solid growth founded on investment in infrastructure, buoyant manufacturing and struggling agriculture sector. This is confirmed by rebasing of its GDP last year 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 inflation and interest rates.

41. The 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 per cent in 2014. This is anchored on strong macroeconomic base, declining risks, infrastructural development and recovery in major economic driver sectors like agriculture, 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 outlook.

42. The UN General Assembly has reviewed the progress of the Millennium Development Goals whose implementation was to end by 2015. New goals (17 in number) have been agreed upon under the banner Sustainable Development Goals (SDGs), to be implemented in the next fifteen years till 2030. The 17 goals have a total of 126 targets that countries will use as basis in assessment of achievement towards the goals. This agreement on a new set of goals is likely to trigger flow of resources made for the implementation into the country and the counties eventually. The SDGs are listed below:-

- i. End poverty in all its forms everywhere
- ii. End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- iii. Ensure healthy lives and promote well-being for all at all ages

- iv. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- v. Achieve gender equality and empower all women and girls
- vi. Ensure availability and sustainable management of water and sanitation for all
- vii. Ensure access to affordable, reliable, sustainable and modern energy for all
- viii. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- ix. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- x. Reduce inequality within and among countries
- xi. Make cities and human settlements inclusive, safe, resilient and sustainable
- xii. Ensure sustainable consumption and production patterns
- xiii. Take urgent action to combat climate change and its impacts*
- xiv. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- xv. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- xvi. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- xvii. Strengthen the means of implementation and revitalize the global partnership for sustainable development

b) County

43. The performance of the county economy was greatly undermined by the inadequate rains received over the period. The dismal performance of 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.

44. 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.

45. Several projects and programmes have been planned at the National or County Governments which are likely to have great impacts in the Kitui County economy. Some of the projects have already been initiated while others are still in the planning stage. Such projects include:

46. The Water and Sewer System funded by 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 impact of the project is to increase access to save water, reduce water borne diseases to 150,000 people within Kitui town and increase the value of real estate within the town.

47. The Mui Coal Basin Projects, concessioned to Flenxi Mining Co., Ltd of China, for blocks Cand D will involve mining of the coal. A coal powered plant to generate over 900MW has also been earmarked for the same region.

48. The Standard Gauge Railway (SGR) which runs from Mombasa to Uganda and Rwanda was commissioned within this period. This major transport system, expected to transform transport business has a T junction at Mtito Andei to Mui coal basin. 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.

49. The Lamu Port Southern Sudan Ethiopia Transport corridor (LAPSSET), was officially launched by the immediate former President, Mwai Kibaki on 2nd March 2012 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. This project which is planned to have a highway, a railway and a pipeline passes to the north of the county, and could provide a major economic opportunity for the county such as the export of livestock to the Middle East. It is envisaged that preparatory activities were being implemented for the take-off of the project over the period under review.

50. Another major project that will have impact on the live of the Kitui residents is the recently inaugurated Athi - Kanyangi – Mutomo – Ikutha – Kanziko water project. This project is funded jointly by the World Vision Kenya and the County Government of Kitui to the tune of KES 650m. This project is expected to reduce domestic water problem that residents of Kitui Rural and Kitui South Sub Counties have been grappling with for decades, and improve health by reducing water borne diseases.

51. 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.

52. 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 improved road transport network. This has had the effect of cutting down the time traders are taking to move from one trading centre to another as well as reducing the travel costs.

53. Urban Street lighting, which has been implemented over 2013/14 and 2014/15 has brought in light to the business premises area and allowed traders more time to operate their enterprises. Markets are now able to operate beyond dusk and traders are more confident to

extend their operations to late hours of the night. The county has also put up modern markets in various centres to improve business environment for retail traders.

54. Kitui Vision for Economic and Social Transformation (KIVEST 2025), a blueprint for Kitui County for the next ten years has been finalised. This plan has put in detail the bold steps that the county government in collaboration with other stakeholders will undertake to develop the county. A process to actualise this has been initiated through organising an investors' conference that was held on 25th and 26th September, 2015 to showcase the county potentials.

55. Construction of Mega dams in the county for both domestic, irrigation and power generation. These are Thwake Dam, in the boundary of Kitui and Makueni which will be a multipurpose dam and Umaa dam which is expected to be completed to supply water for domestic consumption in the county headquarters and its surrounding.

56. Kiambere Phase II projects which is the expansion of water supply to Mwingi town and its environs and construction of sewerage system for the town. This project, funded by the Kenyan and Italian governments is expected to improve sanitation of the town, increase the value of real estate, reduce water borne diseases and provide water for industrial processes.

57. CEFA European Committee for Training and Agriculture (Comitato Europeo per la Formazione e l'Agricoltura), an Italian NGO which has been working in Kenya since 1992 transiting through Livelihood support, Food Security, Agriculture and Rural Development, Child Protection has launched a four year project to improve socio-economic conditions of 5,000 farmers/agro-pastoralists HHs in Kitui East Sub-County (60% women) through improved access to water and the sustainable development of agri-business activities along the sorghum, green gram, honey and horticulture value chains.

58. Kibwezi – Kitui – Mwingi road construction, which the national government has planned to start phase I by the end of the year. This phase will cover 50kms from Kibwezi side towards Mutomo. This road will substantially reduce the distance for traffic heading to central Kenya from Mombasa, increasing traffic through Kitui resulting in enhanced business opportunities. This road once completed is expected to intra-county transport for agricultural produce and reduce post-harvest loses.

59. The telecommunication companies, particularly Safaricom is to install 23 new Base Transmission Stations (BTS) within the identified sites to boost mobile telephony reach within the county. Other mobile service providers, Airtel and Orange have also pledged to expand their coverage. This expansion in mobile telephony access is expected to bolster security, especially in the border areas as well as increase MPesa penetration and hence financial inclusion. It will also enhance the ease of communication within and outside the county.

60. In collaboration with Rural Electrification Authority (REA), the county has entered into an agreement to roll out electricity connectivity. This project has been accelerated, with

encouraging results being realised. The project targets to light all trading centres, public institutions and all water facilities.

61. There has been marked investment in health sector under the promotive and preventive health program over the last two financial years especially in nutrition, immunization, and public health services. The sector has also invested more in curative services support through facility improvement, equipping, purchase of ambulances and mobile clinics as well as establishment of another Kenya Medical Training College in Mwingi. Promotive health programs such as beyond zero initiate spearheaded by H. E. The First Lady Margaret Kenyatta and Tulinde Afya Yetu, all geared towards reducing disease burden. The county has also mooted an idea to partner with SEKU to use Kitui level IV hospital to train doctors.

62. Kitui County recognizes both the significance of Towns and other urban areas in revenue generation and the potential they have to attract investments into the County. The County also recognizes the central role urban areas will play in the rural-urban migration where research has shown that about 70% of global population will be living in urban areas by the year 2050. This presents the challenge of renewing the current urban areas to have a futuristic outlook and an opportunity to ensure upcoming urban areas are well planned and prepared for urbanization

B. Macroeconomic stability (Inflation, Interest rates, Exchange rates)

63. 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 per cent, reflecting a significant improvement from 7 per cent. 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.

64. 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.

65. The introduction of Kenya Banks Reference Rate (KBRR) by the Monetary Policy Committee (MPC) of the Central Bank has resulted to a decline in lending rate from 17% in December 2013 to 16% in December 2014. This minimal decline has been attributed to weak transmission power of the monetary policies. Overall private lending went up by 2% from 20.2% to 22.2%, reflecting increased appetite for credit. Lower interest rates has 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.

66. 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.

C. Medium Term Fiscal Framework

67. Over the medium term, the county government will pursue prudent fiscal policy aimed at maintain stability in the revenue segments while still improving the business environment. Expenditure 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.

68. 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.

69. The revenue target for the county is still below 10% of the budget. This is a major risk to the county's operations as delay in disbursement could paralyse everything. The total revenue target cannot cover five payroll expenses. Monthly collections from all the sources also cannot meet the monthly salary expenditure. 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.

70. It is clear from the delay in passing of Finance Bills that revenue collection suffers when necessary bills and policies are not prepared approved and/or passed on time. All laws that allow the county to collect levies should be prepared and appropriately approved on time to maximise on the revenue collection period. Delay in passing bills into laws shortens implementation period, thus affecting resource mobilisation time.

71. 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 it regulations alongside full adoption of the Integrated Financial Management Information System (IFMIS) platform is expected to improve financial management capacities of the Treasury department.

72. There are claims from contractors and suppliers of services left by the former local authorities, which Transition Authority (TA) has been tasked to compile this list and verify for authentication and gazettelement. This list which includes the assets and liabilities of the defunct local authorities has been compiled by the TA, but has not been approved and gazetted.

73. The national government enacted a law to allow Public – Private – Partnership (PPP). 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.

74. In line with the directive of H.E. the President that all government entities embrace e-Procurement, the county has prepared Annual Procurement Plan to guide the procurement of the county. 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.

75. In order to address the low proportion that locally generated revenue contributes to the overall budget, a Revenue Enhancement Plan (REP) has been prepared to remedy collection problems experienced in the past years. This plan includes unbundling of the Finance Bill 2015 to bring in more categorisation in rates and charges as well as creating zones within town to complement the unbundling. A draft Revenue Administration Bill has been prepared and submitted to cabinet for approval.

D. County Economic Outlook

76. At the national level, the economy continued to show 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.

77. The county government is positioning itself to join the 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, and are incorporated in the medium term plans. The Tourism department has partnered with Kenya Wildlife Services to market tourism within the parks and reserves. It is anticipated that aggressive marketing and rebranding of our tourists destination can increase the number of tourists visiting our county.

78. Kitui County leverages on its huge mineral deposits that will create job opportunities if exploration begins. The mining sector will prosper well if well anchored by the service sectors such financial and hospitality. It is hoped that the exploration of coal in Mui, cement in Kanziko and Ngaie will attract the services of financial and hospitality business. Mui coal basin has four blocks (A, B, C and D). One block has deposits which can be mined for up to 50 years at an estimated value of KES 3.4 trillion. Investor confidence and predictable political climate is pertinent in order to achieve sustainable economic development.

79. The county boasts of a broad natural resource base that comprise water, soil, livestock, crops, forests, wildlife, solar energy and vast tracks of land among others. Maximum sustainable exploitation and use of these resources will eventually increase county output. This will spur economic growth.

80. The county has vast tracks of dry land bestowed with several non-wood forests and tree products that can be harnessed, improved and commercialized. These can offer unlimited raw materials to potential manufacturers of pharmaceuticals and other essential finished goods.

81. There are various infrastructure projects geared towards wealth and employment creation. These include roads, water, electricity and schools. These social amenities provide conducive environment for investment and commerce.

82. The county has also elaborate network of financial and non-financial incentives to national, regional and international investors. These are intended to cushion and retain first time investments in the county. The national government too, has specified incentives it will offer to investors.

83. Other economic drivers of economic growth in the county include ICT, wholesale and retail trade, manufacturing, real estate, transport and health.

84. El Nino rains are expected in October this year. One of the expected results of El Nino rains is bumper harvest as was the case in 1997 when the rains were last experienced. This is expected to boost food security situation of the county. However, the rains may result in serious damages to our road and other infrastructure, which may bring down several years of development if adequate preparedness is not put in place.

E. Risks to Economic Outlook

85. Given the performance in 2014/15 and the updated macroeconomic outlook of the national economy, the risk to the FY 2015/16 include stock markets rout in the second largest economy in the world – China, which may rapidly spread to other countries if not well contained, slow recovery of the advanced economies that absorb our exports; volatility in tourism sectors which is a major foreign exchange earner and geographical turbulence in the international oil market.

86. The weakening of the shilling is another source of risk to the outlook, given that the macroeconomic effects of the weak shilling on imports and exports trickle down from national to county governments. The costs of loans and by extension debts denominated in foreign currencies are likely to shoot up, increase debt service costs and result in cash flow problems. This is likely to lead to increased domestic borrowing, hiking interest rates and crowding out private borrowing especially construction sector.

87. One of the major risks facing this outlook, just as many other counties is the county's 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.

88. 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 county

outlook. In essence, the achievement of the outlook forecasts is mainly anchored on timely release and utilisation of the equitable share, since the contribution of the local revenue is less than 8% of the annual budget.

89. Another risks to the economic outlook for 2015/16 and the medium term include slow recovery in the advanced economies especially Europe that will impact negatively on our tourism and export sectors; the weak shilling against the dollar and other major currencies; emerging financial risks in China that are likely affect our stock markets too due to financial integration, resulting in capital flight and losses.

90. Delay in implementation of major infrastructural projects like Kibwezi-Kitui-Mwingi road tarmacking, Mui coal basin projects, exploration of cement in Mutha - Kanziko, and other big impact projects will dampen the outlook. The implementation of major infrastructural projects such as LAPSSET, SGR (with its T-junction to Mui coal belt), Mui Coal power plant, etc will spur the growth of the county economy.

91. 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.

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

93. 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.

94. Court cases and or political interference/resistance by residents to pay local revenue – court cases instituted during last financial year greatly affected revenue collection as some rates and charges (single business permit) were put on hold till the case is heard and determined. It has taken some time to hear and conclude, as the matter is still in court. Such cases which may have political dimension have negative impact on the revenue projections and the overall performance.

95. The impending El Nino rains pose a serious threat to our roads and other infrastructural development, if the 1997 case is anything to go by. Most of our roads are earth and marram roads, which cannot withstand the magnitude of the expected rains. The destruction resulting from the El Nino rains will disrupt transport, communication and even utility supply resulting in economy slowdown.

IV. RESOURCE ALLOCATION FRAMEWORK

A. Adjustments to 2015/16 Budget

96. The underperformance effect of the 2014/15 budget by 28% in overall has resulted into 2015/16 budget adjustment to include the unspent amount in the current budget. Thus, the 2015/16 budget went up from KES 8.158billion to KES 10.225billion (or 25% budget increase).

97. The increase in budgetary allocation mainly towards development has led to a shift in resource allocation proportion. In the original budget without amount brought forward, PE, ORM and development shared the resource envelope as 35%; 24%;41% respectively. However, revised budget that includes re-voted amount increases the proportion of development while reducing the components of PE and O&M, resulting in 28% PE, 19% O&M and 53% development.

98. Nonetheless, these changes did not affect the objectives of the budget as set out in the CFSP 2015, as funds were only rolled into projects earmarked for in the previous budget. Any saving in the recurrent budget were allocated in priority areas as identified by CFSP 2015

99. 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 present an opportunity to rationalise expenditures and where possible cut spending in non-priority areas keeping in line with our development policy goals: resources allocated to development will not be re-allocated to recurrent expenses.

100. In order to achieve the revenue targets set out in the 2015/16 budget, the revenue department of the County Treasury and all departments will have to implement revenue enhancement plan strategies geared towards improved 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 bills required to collect revenues after passing the Finance Bill 2015.

101. In light of the 2013/14 revenue performance and 2014/15 forecasts, the County Treasury scaled down revenue projection for 2015/16 from KES 650m to KES 608m. This was informed by failure to achieve 2013/14 target and the prospects of missing 2014/15 target too.

102. In order to contain maintain the wage and wage related benefits within sustainable levels, the county government scaled down the proposed or delayed the intended recruitments. This is in line with the national policy to cap wage bill at 35% of the overall budget expenditure.

B. Medium Term Expenditure Framework

103. In order to adhere to fiscal responsibilities as set out in the PFM Act 2012, the County Government will continue to allocate a minimum of 40% of its budget to finance development expenditure and ensure that total expenditure towards wage bill and benefits to public officers does not exceed 35% of the total expenditure budget as prescribed by the regulation to the PFM Act 2012.

104. In the medium term, the county government will approach borrowing with caution and, where appropriate, engage in PPP to avoid unnecessary public debt trap that may stagnate service delivery and stifle development agenda of the county. In this regards, in addition to following the procedure laid down by the PFM Act, 2012, the county will assess any need to borrow carefully.

105. 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. The allocations for 2015/16 in line with National MTEF sector grouping is as follows:-. *Refer to the annex (iv) for more details.*

- i. Agriculture, Rural & Urban Development 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 KES 955m which is equivalent to 11.7% of the entire budget.
- ii. Environment, Water & Natural Resources sector will receive over KES 713 million in the 2015/16 financial year. This amount represent 8.7% of the total budget. This significant allocations will go along in enabling the County government achieve the goal of ensuring both food and water security.
- iii. The Energy, Infrastructure and ICT sector received a large share of resources amounting to over KES 593 million translating to 7.3% of the total budget. This sector is the driver of the economy and reflects Government's commitment in improving infrastructure, such as roads, energy and ICT infrastructure. The allocation to the sector will continue to rise
- iv. Education, Health, and Culture, Youth, Sports and Social Services collectively referred as social sectors will received KES 2,700 million which is 33.1% of the total budget. However, these sectors expenditure are mainly recurrent in nature, where the major components of their budget is usually salaries and operational costs. Going forward, the sectors will be required to utilize the allocated resources more efficiently to generate fiscal space to accommodate other strategic interventions in their sectors.
- v. Public, Administration & Internal Relations. The sector, which comprises of 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 will receive a total allocation of over KES 2.9 billion in the FY 2015/2016 translating to 36% of the total budget. This allocation takes into account that the Community Level Infrastructure Development Programme and Pro-Poor programmes which are the main development component of this sector.

106. 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.

107. 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 the roll out of the IFMIS by the NT covering procurement. The County Treasury has adopted IFMIS in all the active modules and it's applied in all the county spending units.
- ii. The County Government will continue to pursue measures necessary to contain the public wage bill PFM act 2012 regulations recommended levels 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 determination of optimal staffing levels, staff rationalization and streamlining expenditures to county priorities.

C. Budget Framework 2015/16

108. The 2015/16 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.

109. Locally generated revenue is projected to grow at the rate of 5% over the medium term from KES 608m in 2015/16 to 670m in 2017/18. 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 July and August this financial year. 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.

110. The tables (6&7) below presents the MTEF expenditure projection for the period 2015/16 to 2017/18 and own generated revenue projection respectively.

Table 6: MTEF Projections for 2014/15 – 2017/18

No.	Sector/County Ministry		2014/15 Revised Estimates	2015/16 Estimates	Projections 8%	
					2016/17	2017/18
1	Office of the Governor	SUB-TOTAL	1,328,216,310	1,194,606,139	1,290,174,630	1,393,388,601
		Rec. Gross	425,742,280	434,331,776	469,078,318	506,604,584
		Dev. Gross	902,474,030	760,274,363	821,096,312	886,784,017
2	Ministry of Administration and Coordination Affairs	SUB-TOTAL	412,062,458	647,572,462	793,780,357	857,282,785
		Rec. Gross	291,226,408	496,086,877	535,773,827	578,635,733
		Dev. Gross	120,836,050	151,485,585	163,604,432	176,692,786
3	Ministry of Agriculture, Water & Irrigation	SUB-TOTAL	1,297,964,647	941,474,458	1,380,354,589	1,490,782,956
		Rec. Gross	372,467,335	390,815,256	422,080,476	455,846,915
		Dev. Gross	925,497,312	550,659,202	594,711,938	642,288,893
4	Ministry of Basic Education, Skills & Development	SUB-TOTAL	513,667,340	538,950,502	674,900,584	728,892,631
		Rec. Gross	317,983,751	362,653,228	391,665,486	422,998,725
		Dev. Gross	195,683,589	176,297,274	190,401,056	205,633,140
5	Ministry of Lands, Infrastructure & Urban Development	SUB-TOTAL	1,719,340,389	640,277,037	691,499,200	746,819,136
		Rec. Gross	300,204,470	253,431,659	273,706,192	295,602,687
		Dev. Gross	1,419,135,919	386,845,378	417,793,008	451,216,449
6	Ministry of Health & Sanitation	SUB-TOTAL	2,067,528,952	1,946,063,134	2,101,748,185	2,269,888,039
		Rec. Gross	1,514,666,309	1,565,115,555	1,690,324,799	1,825,550,783
		Dev. Gross	552,862,643	380,947,579	411,423,385	444,337,256
7	Ministry of Trade, Industry, IT & Co-operatives	SUB-TOTAL	368,413,488	234,474,590	253,232,557	273,491,161
		Rec. Gross	66,658,142	61,490,426	66,409,660	71,722,433
		Dev. Gross	301,755,346	172,984,164	186,822,897	201,768,728
8	Ministry of Culture, Youth, Sports & Social Services	SUB-TOTAL	204,556,346	215,647,978	232,899,816	251,531,802
		Rec. Gross	64,160,175	61,843,936	66,791,451	72,134,767
		Dev. Gross	140,396,171	153,804,042	166,108,365	179,397,035
9	Ministry of Environment, Energy & Mineral Resources	SUB-TOTAL	317,644,105	244,688,174	264,263,228	285,404,286
		Rec. Gross	42,174,614	40,629,282	43,879,625	47,389,995
		Dev. Gross	275,469,491	204,058,892	220,383,603	238,014,291
10	Ministry of Natural Resources & Tourism	SUB-TOTAL	71,999,536	118,432,772	127,907,394	138,139,985
		Rec. Gross	40,499,536	44,529,980	48,092,378	51,939,769
		Dev. Gross	31,500,000	73,902,792	79,815,015	86,200,217
11	Ministry of Finance & Economic Planning	SUB-TOTAL	352,985,475	311,554,899	336,479,291	363,397,634
		Rec. Gross	293,623,100	256,121,252	276,610,952	298,739,828
		Dev. Gross	59,362,375	55,433,647	59,868,339	64,657,806
12	County Public Service Board	SUB-TOTAL	62,041,108	60,648,075	65,499,921	70,739,915
		Rec. Gross	62,041,108	60,648,075	65,499,921	70,739,915
		Dev. Gross	-	-	-	-
13	County Assembly	SUB-TOTAL	853,299,365	729,238,011	787,577,052	850,583,216
		Rec. Gross	689,129,512	678,238,011	732,497,052	791,096,816
		Dev. Gross	164,169,853	51,000,000	55,080,000	59,486,400
14	Kitui Town Administration	SUB-TOTAL	-	217,002,546	234,362,750	253,111,770
		Rec. Gross	-	50,629,691	54,680,066	59,054,472
		Dev. Gross	-	166,372,855	179,682,683	194,057,298
15	Mwingi Town Administration	SUB-TOTAL	-	118,362,697	127,831,713	138,058,250
		Rec. Gross	-	34,382,251	37,132,831	40,103,458
		Dev. Gross	-	83,980,446	90,698,881	97,954,792
	TOTALS	Rec. Gross	4,480,576,740	4,790,947,255	5,174,223,036	5,588,160,879

No.	Sector/County Ministry		2014/15 Revised Estimates	2015/16 Estimates	Projections 8%	
					2016/17	2017/18
		Dev. Gross	5,089,142,779	3,368,046,218	3,637,489,915	3,928,489,109
		TOTAL	9,569,719,519	8,158,993,473	9,362,511,265	10,111,512,166

Table 7: Revenue projections

County Ministry/ Entity	Annual Target 2014/ 2015	Annual Projections Target 2015/ 16	Annual Projections (5 Per Cent Growth)	
			2016/ 2017	2017/ 2018
Ministry of Agriculture, Water and Irrigation	15,000,000.00	26,000,000.00	27,300,000.00	28,665,000.00
Ministry of Environment, Energy and Mineral Investment Development	2,000,000.00	1,000,000.00	1,050,000.00	1,102,500.00
Ministry of Health and Sanitation	144,000,000.00	131,000,000.00	137,550,000.00	144,427,500.00
Ministry of Youth, Sports, Culture and Social Services	1,000,000.00	1,000,000.00	1,050,000.00	1,102,500.00
Ministry of Lands, Infrastructure and Urban Development	55,000,000.00	57,243,581.72	60,105,760.81	63,111,048.85
Ministry of Administration & Coordination of County Affairs	100,000.00			
Office of The Governor	80,000,000.00	128,666,409.46	135,099,729.93	141,854,716.43
Ministry of Basic Education, Training and Skills Development	800,000.00			
Ministry of Tourism and Natural Resources	100,000.00	200,000.00	210,000.00	220,500.00
Trade, Industry, IT and Cooperatives	2,000,000.00	1,000,000.00	1,050,000.00	1,102,500.00
Ministry of Finance and Economic Planning	350,000,000.00			
1. Finance		123,661,976.82	136,337,326.51	158,387,326.14
2. Kitui Town		97,111,415.00	101,966,985.75	107,065,335.04
3. Mwingi Town		41,316,620.00	43,382,451.00	45,551,573.55
		262,090,008.82	275,194,509.26	288,954,234.72
TOTAL	650,000,000.00	608,200,000.00	638,610,000.00	670,540,500.00

V. CONCLUSION AND WAY FORWARD

111. The implications of 2014/15 budget implementation is that comparing previous period and the 2013/14, there was notable improvement absorption rates especially in development vote. This confirms the view held by the first CBROP report that delay in recruitment of key staff and setting up of institutions explained the poor performance. The marked improvement is likely to continue into 2015/15 as institutional structures settle down and workflow smoothens.

112. 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.

113. The higher rate of absorption reported in the budget is partly due to rationalisation proposed in the CBROP 2014, and implemented in 2014/15 FY. There is need to undertake impact evaluation in order to assess if higher rate of project implementation translates into realisation of the goals.

ANNEXTURE

I: Schedule of Equitable Share Disbursement

Month	Amount Due	Date Received	Amount
July			
August	792,562,319	29/08/2014	792,562,319
September	570,644,869	23/10/2014	570,644,869
October	475,537,391	25/11/2014	475,537,391
November	538,942,377	14/01/2015	538,942,377
December	538,942,377	02/02/2015	538,942,377
January	570,644,869	12/03/2015	570,644,869
February	602,347,362	16/04/2015	602,347,362
March	538,942,377	28/04/2015	538,942,377
April	570,644,869	10/06/2015	570,644,869
May	570,644,869	-	-
June	570,644,869	-	-
TOTAL	6,340,498,548		5,199,208,810
DANIDA Grant	34,610,000		34,610,000
	6,375,108,548		5,233,818,810

II: Own Generated Revenue by Ministry for 2014/15

Vote	Ministry/Spending Entity	2013-14	2014-15		
		Actual	Target	Actual	Variance
1	Office of the Governor	-	80,000,000	16,370,430	(80)
2	Ministry of Administration & Coordination of Affairs	-	100,000	0	(100)
3	Ministry of Agriculture, Water & Irrigation	2,623,980	15,000,000	21,174,701	41
4	Ministry of Basic Education, Training & Skills Development	-	800,000	0	(100)
5	Ministry of Lands, Infrastructure & Urban Development	355,890	55,000,000	4,000,000	(93)
6	Ministry of Health & Sanitation	-	144,000,000	117,648,711.	(18)
7	Ministry of Trade, Industry, IT & Cooperatives	-	2,000,000	178,231	(91)
8	Ministry of Culture, Youth, Sports & Social Services	-	1,000,000	12,000	(99)
9	Ministry of Environment, Energy and Mineral Investment Development	16,100	2,000,000	185600	(91)
10	Ministry of Tourism and Natural Resources	-	100,000	140,900	41
11	Ministry of Finance & Economic Planning	254,275,910	350,000,000	274,557,632	(22)
	TOTALS	257,271,880	650,000,000	434,268,205	(33)

III: Revenue Analysis by Stream for 2014/15

Office of the Governor

S/No.	Revenue Stream	Revenue Target 2014/2015	Actual Revenue 2014/2015	Deviations	Explanations for the Deviations	Measures for Addressing Deviations in the future
1.	Selling of Tender Documents	0	6,216,300.00	6,216,300.00	Only relied on newspaper advertisement as an avenue for creating demand for tenders	Advertise tenders in at least two newspapers with wide circulation Newspaper adverts to be photocopied and posted on notice boards in markets, Sub-County Administrator offices and other key areas.
2.	Liquor licensing	80,000,000	10,154,130.00	-69,845,870.00	Liquor licensing committees were not constituted so liquor license revenue was only collected from renewal of licenses	Constitute liquor licensing committees immediately.
TOTALS		80,000,000	16,370,430	-63,629,570		

Ministry of Agriculture, Water and Irrigation

S/No	Revenue	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reasons for deviations	Revenue enhancement strategy for 2015/2016 FY
1.	Training and Accommodation at ATC	4,800,000	9,319,920	4,519,920	<ol style="list-style-type: none"> 215,300 were pending payments from 2012/2013 FY. There was high demand for ATC facilities which was not envisaged 	Furnishing of the conference and accommodation facilities Refurbishment of hostel and training halls Ensuring adequate water supply through electrification of ATC borehole Review of the meal rates Opening of operations and Revenue collection bank account for the ATC

S/No	Revenue	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reasons for deviations	Revenue enhancement strategy for 2015/2016 FY
2.	Sale of Farm Produce at ATC	200,000	238,177	38,177	Crop yields were more than what was targeted	Diversification of commercial enterprises Establishment of a commercial tree nursery Installation of irrigation system to boost production Rehabilitation of ATC dam to increase water for irrigation Enhancing water storage by use of available tanks to boost supplementary irrigation
3.	Plant Hire Service by AMS	4,940,000	6,618,156	1,678,156	1. Increased number of Crawlers 2. Increased number of dams constructed	Timely service and maintenance Adequate supervision and backstopping Continuous capacity building of operators Publicity
4	Low-loader Hire Services by AMS	1,000,000	1,055,000	55,000	1. Increased number of Crawlers 2. Increased number of dams constructed	Timely service and maintenance Adequate supervision and backstopping Continuous capacity building of operators Publicity
5	Tractor Hire Services by AMS	60,000	99,500	39,500	1. High demand for the service	Hire of qualified plant operators Regular service and maintenance Adequate supervision and backstopping Continuous capacity building of operators Publicity
6	Meat inspections	1,000,000	2,838,217	1,838,217	1. Under-targeting of the revenue collections	Improve all slaughter slabs/ points Increase number of meat inspectors Have slaughter slabs/ points inventory and the targets of revenue Improve on transport and fuel Have every ward meat inspector achieve a set target of revenues Motivate meat inspectors for the work

S/No	Revenue	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reasons for deviations	Revenue enhancement strategy for 2015/2016 FY
						they undertake during holidays and Sundays(overtime allowance) Ensure meat inspectors issue receipts and are audited
7	Disease control (vaccinations)	2,930,000	831,806	(2,098.194)	1. Over-targeting of revenue 2. Late vaccines procurements 3. Imprests to undertake the activities were delayed 4. Inadequate means of transport 5. Inadequate staff	Procure enough and timely vaccines and Sera Improve on transport/ fuel for disease control activities Set Sub-County revenue targets Encourage public private partnerships Ensure receipts are issued Audit vaccine used
8	Slaughter house licenses	20,000	17,600	(2,400)	1. All slabs targeted regardless of the class 2. Inadequate licensing books	Improve all the slaughter points so that they are licensable Encourage public-private partnership to help to construct good slaughter slabs Have enough slaughter houses/slabs licensing books
9	Movement permits	50,000	156,325	106,325	1. No quarantines in place 2. Availability of Vibrant markets	Every livestock market to be manned by an officer Have enough livestock permit books at all times Partner with County market Revenue collectors to enhance revenue collections
	TOTALS	15,000,000	21,174,701	6,174,701		

NB: The ministry achieved more than the target in revenue generation. The revenue collection however was slowed by payment process by County Ministries/Departments as most payment vouchers were not cleared by 30th June, 2015.

Ministry of Lands, Infrastructure & Urban development

No	Revenue Stream	Revenue Target FY 2014/15	Actual Revenue FY 2014/15	Deviations	Reasons for deviations	Revenue Enhancement Strategy for 2015/2016 FY
1	Other Land Revenue	11,000,000	-	-11,000,000	Inadequate capacity within departments and unclear mandate with respect to Land management and administration functions	
2	Other receipt from Administrative Fees & Charges	7,000,000	-	-7,000,000		
3	Other Revenues	9,000,000	2,500,000	-6,500,000		
4	Rent of Land & Buildings	5,000,000	-	-5,000,000		
5	Conveyancing Fees	5,000,000	-	-5,000,000		
6	Land Valuation Fees	4,000,000	-	-4,000,000		
7	Land Registration Fees	2,000,000	-	-2,000,000		
8	Land Search Fees	2,000,000	500,000	-1,500,000		
9	Land Adjudication & Case Fees	5,000,000	600,000	-4,400,000		
10	Land Boundary Dispute Fees	5,000,000	400,000	-4,600,000		
	Total	55,000,000	4,000,000	51,000,000		

Ministry of Health and Sanitation

S/No	Revenue Stream	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reason For Deviations	Revenue Enhancement Strategy for 2015/2016 FY
1	KITUI D. HOSPITAL	67,745,836.81	55,268,727.00	12,397,153.64		

S/No	Revenue Stream	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reason For Deviations	Revenue Enhancement Strategy for 2015/2016 FY
REVENUE STREAMS						
2	INPATIENT SERVICES		9,838,087.17		Unrealistic target; Weak supervision coupled with inadequate resources (Financial/ human/ vehicles) to ensure targets are met; Manual systems in health facilities and low rates/ fees charged for various services	
	CLINIC/ THEATRE SERVICES		846,300.00			
	MCH/ FP/ PAEDRIATIC		95,375.00			
	PHYSIOTHERAPY/ ORTHOPAEDIC/ OCCUPATIONAL THERAPY		488,070.00			
	LAB SERVICES		2,502,798.00			
	X-RAY/ RADIOLOGY/ DENTAL		6,193,362.00			
	MEDICAL EXAM/ P3 FEES		376,600.00			
	OBA		11,676,883.00			
	MORTUARY SERVICES		598,250.00			
	PHAMACY		3,272,913.00			
	OUTPATIENT AND OTHER RELATED SERVICES		366,086.00			
	RECORDS		334,059.00			
	FREE MATERNITY		9,199,800			
	PROCUREMENT		420,000			
NHIF		9,140,100				
	MWINGI D.HOSPITAL	45,225,661.81	36,949,589.00			
REVENUE STREAMS						
	INPATIENT SERVICES		0		Unrealistic target; Weak supervision coupled with inadequate resources (Financial/ human/ vehicles) to ensure targets are met; Manual systems in	
	CLINIC/ THEATRE SERVICES		3,304,358.23			
	MCH/ FP/ PAEDRIATIC		8,253,894.63			
	PHYSIOTHERAPY/ ORTHOPAEDIC/ OCCUPATIONAL		538,337.31			

S/No	Revenue Stream	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reason For Deviations	Revenue Enhancement Strategy for 2015/2016 FY
3	THERAPHY				health facilities and low rates/ fees charged for various services	
	LAB SERVICES		2,025,428.34			
	X-RAY/ RADIOLOGY/ DENTAL		1,987,100.45			
	MEDICAL EXAM/ P3 FEES		365,899.64			
	OBA		10,598,216.77			
	MORTUARY SERVICES		1,562,527.46			
	PHAMACY		2,911,005.05			
	OUTPATIENT AND OTHER RELATED SERVICES		2,369,395.62			
	RECORDS		459,702.31			
	FREE MATERNITY		0			
	PROCUREMENT		0			
	NHIF		2,573,723.173			
	MIGWANI S.D. HOSPITAL	8,099,706.25	6,617,500.00	1,482,206.25		
REVENUE STREAMS						
	INPATIENT SERVICES		1,218,860.00		Unrealistic target; Weak supervision coupled with inadequate resources (Financial/ human/ vehicles) to ensure targets are met; Manual systems in health facilities and low rates/ fees charged for various services	
	CLINIC/ THEATRE SERVICES		168,120.00			
	MCH/ FP/ PAEDRIATIC		76,990.00			
	PHYSIOTHERAPHY/ ORTHOPAEDIC/ OCCUPATIONAL THERAPHY		38,860.00			
	LAB SERVICES		986,110.00			
	X-RAY/ RADIOLOGY/ DENTAL		151,250.00			
	MEDICAL EXAM/ P3 FEES		55,400.00			

S/No	Revenue Stream	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reason For Deviations	Revenue Enhancement Strategy for 2015/2016 FY
	OBA		623,600.00			
	MORTUARY SERVICES		912,300.00			
	PHAMACY		1,192,080.00			
	OUTPATIENT AND OTHER RELATED SERVICES		100,680.00			
	RECORDS		249,890.00			
	FREE MATERNITY		460,000.00			
	PROCUREMENT					
	NHIF		383,360.00			
4	KAUWI S.D.HOSPITAL	3,374,548.76	2,757,023.00	617,525.76		
REVENUE STREAMS						
	INPATIENT SERVICES		185,790.00		Unrealistic target; Weak supervision coupled with inadequate resources (Financial/ human/ vehicles) to ensure targets are met; Manual systems in health facilities and low rates/ fees charged for various services	
	CLINIC/ THEATRE SERVICES		71,191.00			
	MCH/ FP/ PAEDRIATIC					
	PHYSIOTHERAPHY/ ORTHOPAEDIC/ OCCUPATIONAL THERAPHY					
	LAB SERVICES		283,750.00			
	X-RAY/ RADIOLOGY/ DENTAL					
	MEDICAL EXAM/ P3 FEES					
	OBA					
	MORTUARY SERVICES					
	PHAMACY		707,368.00			
	OUTPATIENT AND OTHER RELATED SERVICES					
	RECORDS		241,160.00			

S/No	Revenue Stream	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reason For Deviations	Revenue Enhancement Strategy for 2015/2016 FY
	FREE MATERNITY		28,770.00			
	PROCUREMENT					
	NHIF		1,238,994			
5	KATULANI S.D.HOSPITAL	2,731,513.48	2,231,660.00	499,853.48		
REVENUE						
	INPATIENT SERVICES		79,540.00		Unrealistic target; Weak supervision coupled with inadequate resources (Financial/ human/ vehicles) to ensure targets are met; Manual systems in health facilities and low rates/ fees charged for various services	
	CLINIC/ THEATRE SERVICES					
	MCH/ FP/ PAEDRIATIC					
	PHYSIOTHERAPHY/ ORTHOPAEDIC/ OCCUPATIONAL THERAPHY					
	LAB SERVICES		275,720.00			
	X-RAY/ RADIOLOGY/ DENTAL					
	MEDICAL EXAM/ P3 FEES					
	OBA		415,400.00			
	MORTUARY SERVICES					
	PHAMACY		485,410.00			
	OUTPATIENT AND OTHER RELATED SERVICES		74,330.00			
	RECORDS		226,460.00			
	FREE MATERNITY		674,800.00			
	PROCUREMENT					
	NHIF					
6	IKANGA S.D.HOSPITAL	1,518,634.43	1,240,731.83	277,902.60		
REVENUE STREAMS						

S/No	Revenue Stream	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reason For Deviations	Revenue Enhancement Strategy for 2015/2016 FY
	INPATIENT SERVICES		1,000.00		Unrealistic target; Weak supervision coupled with inadequate resources (Financial/ human/ vehicles) to ensure targets are met; Manual systems in health facilities and low rates/ fees charged for various services	
	CLINIC/ THEATRE SERVICES					
	MCH/ FP/ PAEDRIATIC					
	PHYSIOTHERAPY/ ORTHOPAEDIC/ OCCUPATIONAL THERAPY					
	LAB SERVICES		63,690.00			
	X-RAY/ RADIOLOGY/ DENTAL					
	MEDICAL EXAM/ P3 FEES		10,126.83			
	OBA		652,280.00			
	MORTUARY SERVICES					
	PHAMACY		286,055.00			
	OUTPATIENT AND OTHER RELATED SERVICES		84,090.00			
	RECORDS		132,460.00			
	FREE MATERNITY					
	PROCUREMENT					
	NHIF		11,030			
7	TSEIKURU S.D.HOSPITAL	4,190,219.47	3,423,430.00	766,789.47		
REVENUE						
	INPATIENT SERVICES		156,050.00		Unrealistic target; Weak supervision coupled with inadequate resources (Financial/ human/ vehicles) to ensure targets	
	CLINIC/ THEATRE SERVICES		13,350.00			
	MCH/ FP/ PAEDRIATIC					
	PHYSIOTHERAPY/ ORTHOPAEDIC/		26,650.00			

S/No	Revenue Stream	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reason For Deviations	Revenue Enhancement Strategy for 2015/2016 FY
	OCCUPATIONAL THERAPY				are met; Manual systems in health facilities and low rates/ fees charged for various services	
	LAB SERVICES		105,300.00			
	X-RAY/ RADIOLOGY/ DENTAL		11,900.00			
	MEDICAL EXAM/ P3 FEES		167,000.00			
	OBA		1,340,500.00			
	MORTUARY SERVICES					
	PHAMACY		369,180.00			
	OUTPATIENT AND OTHER RELATED SERVICES		255,900.00			
	RECORDS					
	FREE MATERNITY					
	PROCUREMENT					
	NHIF		977,600			
8	KYUSO S.D.HOSPITAL	2,033,183.55	1,661,121.00	372,062.55		
REVENUE STREAMS						
	INPATIENT SERVICES				Unrealistic target; Weak supervision coupled with inadequate resources (Financial/ human/ vehicles) to ensure targets are met; Manual systems in health facilities and low rates/ fees charged for various services	
	CLINIC/ THEATRE SERVICES		3,170.00			
	MCH/ FP/ PAEDRIATIC		10,280.00			
	PHYSIOTHERAPY/ ORTHOPAEDIC/ OCCUPATIONAL THERAPY					
	LAB SERVICES		309,700.00			
	X-RAY/ RADIOLOGY/ DENTAL					
	MEDICAL EXAM/ P3 FEES		17,600.00			
	OBA		194,050.00			

S/No	Revenue Stream	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reason For Deviations	Revenue Enhancement Strategy for 2015/2016 FY
	MORTUARY SERVICES					
	PHAMACY		335,640.00			
	OUTPATIENT AND OTHER RELATED SERVICES		60,846.00			
	RECORDS					
	FREE MATERNITY		550,000.00			
	PROCUREMENT					
	NHIF		179,835			
9	KANYANGI S.D.HOSPITAL	1,312,085.09	1,071,980.00	240,105.09		
REVENUE STREAMS						
	INPATIENT SERVICES				Unrealistic target; Weak supervision coupled with inadequate resources (Financial/ human/ vehicles) to ensure targets are met; Manual systems in health facilities and low rates/ fees charged for various services	
	CLINIC/ THEATRE SERVICES					
	MCH/ FP/ PAEDRIATIC					
	PHYSIOTHERAPY/ ORTHOPAEDIC/ OCCUPATIONAL THERAPHY		64,390.00			
	LAB SERVICES		123,240.00			
	X-RAY/ RADIOLOGY/ DENTAL					
	MEDICAL EXAM/ P3 FEES					
	OBA					
	MORTUARY SERVICES					
	PHAMACY		591,350.00			
	OUTPATIENT AND OTHER RELATED SERVICES		135,740.00			
	RECORDS					
	FREE MATERNITY		157,260.00			

S/No	Revenue Stream	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reason For Deviations	Revenue Enhancement Strategy for 2015/2016 FY
10	PROCUREMENT					
	NHIF					
	MUTITU S.D.HOSPITAL	2,318,312.79	1,894,073.00	424,239.79		
REVENUE STREAMS						
	INPATIENT SERVICES		16,450.00		Unrealistic target; Weak supervision coupled with inadequate resources (Financial/ human/ vehicles) to ensure targets are met; Manual systems in health facilities and low rates/ fees charged for various services	
	CLINIC/ THEATRE SERVICES		750.00			
	MCH/ FP/ PAEDRIATIC					
	PHYSIOTHERAPY/ ORTHOPAEDIC/ OCCUPATIONAL THERAPHY					
	LAB SERVICES		40,370.00			
	X-RAY/ RADIOLOGY/ DENTAL		6,220.00			
	MEDICAL EXAM/ P3 FEES		1,900.00			
	OBA					
	MORTUARY SERVICES					
	PHAMACY		598,345.00			
	OUTPATIENT AND OTHER RELATED SERVICES		54,060.00			
	RECORDS		111,310.00			
	FREE MATERNITY		1,064,668.00			
	PROCUREMENT					
	NHIF					
11	NUU S.D.HOSPITAL	884,596.86	722,720.00	161,876.86	N/A	
	INPATIENT SERVICES				Unrealistic target; Weak supervision coupled with	
	CLINIC/ THEATRE SERVICES					

S/No	Revenue Stream	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reason For Deviations	Revenue Enhancement Strategy for 2015/2016 FY
	MCH/ FP/ PAEDRIATIC		19,700.00		inadequate resources (Financial/ human/ vehicles) to ensure targets are met; Manual systems in health facilities and low rates/ fees charged for various services	
	PHYSIOTHERAPY/ ORTHOPAEDIC/ OCCUPATIONAL THERAPY					
	LAB SERVICES		63,120.00			
	X-RAY/ RADIOLOGY/ DENTAL					
	MEDICAL EXAM/ P3 FEES					
	OBA		65,140.00			
	MORTUARY SERVICES					
	PHAMACY		136,800.00			
	OUTPATIENT AND OTHER RELATED SERVICES		57,960.00			
	RECORDS					
	FREE MATERNITY		380,000.00			
	PROCUREMENT					
	NHIF					
12	REVENUE THROUGH PUBLIC HEALTH	4,565,700.68	3,901,800	835,500.68		
REVENUE STREAMS						
	FOOD HYGIENE LICENCES		1,842,600		Unrealistic target; Weak supervision coupled with inadequate resources (Financial/ human/ vehicles) to ensure targets are met; Manual systems in health facilities and low rates/ fees charged for	
	SCHOOL INSPECTION		1,088,900			
	FOOD HANDLERS INSPECTION		330,000			
	BUILDING PLANS APPROVAL		468,700			

S/No	Revenue Stream	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reason For Deviations	Revenue Enhancement Strategy for 2015/2016 FY
					various services	
	TOTALS	144,000,000.00	117,648,711.00	-26,351,289.00		

Ministry of trade, Industry, IT & Cooperatives

S/No	Revenue Stream	Revenue Target 2014/15	Actual Revenue	Deviations	Reasons For Deviations
1.	Verification of weighing and measuring equipment	1,400,000	17,346*	-1,382,654	Target not met because of multiple breakdown of the office vehicle However, figure has not captured all the revenue collected. Deposit slips amounting to Kshs 165,080 has been submitted to treasury for further reconciliation.
2.	Audit fees from cooperatives	600,000	160,885	-439,115.00	The target allocated was too high
	Total	2,000,000	178,231		

Ministry of Culture, Youth, Sports & Social Services

#	Revenue Stream	Revenue Target 2014/2015 FY	Actual Revenue 2014/2015 FY	Deviations	Reasons for deviations (Highlighting the key factors contributing to the deviation)
1	Ithookwe Stadium	1,000,000.00	12,000.00	-988,000.00	The targeted revenue was to be collected from Ithookwe grounds. The grounds were under construction for better part of the year. Other county departments who used the grounds did not remit revenue to the ministry

Ministry of Environment, Energy and Mineral Investment development

S/no	Revenue stream	Revenue Target 2014/15	Actual Revenue 2014/15	Deviations	Reasons for deviations (highlighting the key factors contributing to the deviation)	Revenue enhancement strategy
1	Charcoal Cess	720,000.00	*	-720,000	There was an existing ban on charcoal from KFS and County Assembly	The County ministry has moved to operationalize the Charcoal management Act 2014 by engaging National KFS office to lift the ban on charcoal for Kitui County. Lifting the ban will pave way for cess collection
2	Charcoal Permits	57,600.00	*	-56,600		
3	Sand Cess	480,000.00	*	-480,000	Collection was only on sand for local used since commercial harvesting of sand was banned	Once a County sand Management Act is in place, sand harvesting will also be lifted to enable operationalize the Act in consultation with NEMA
4	Noise Pollution	57,600.00	105,600.00	48,000.00	Achieved target but will do better still in the next FY	The Ministry is well prepared after recruiting 18 enforcement officers and equipping them with noise level meters to enforce noise control regulations from NEMA as we strive to enact County Act
5	Minerals Exploration Permits	100,000.00	80,000.00	-20,000.00	The target was based on the County Finance Act, 2014 but the collection were based on earlier guidelines after the Act was contested in court	With the County investment forum having been very successful, we expect more investors to approach the County for prospecting and mining SBPs
	0TOTAL	2,000,000	185,600	-1,814,400		

Ministry of Tourism & Natural resources

S/no	Revenue Stream	Revenue Target	Actual Revenue	Deviations	Reasons for deviation (highlighting key factors)	Revenue enhancement strategy for 2015/2016 FY
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		2014/2015 FY	2014/2015 FY		contributing to the deviation)	
1	Collection from organisation of tourism promotion events like miss tourism	100,000	140,900	40,900	Good turn up for miss tourism event	The event has potential to collect more by ensuring close monitoring at the entrance gates Increased security at the entrance during the event to maximize gate collections
2	Leasing of tourism sites (Nzambani rock)	0	0	0	No confirmation of payment from the county treasury offices on the Nzambani rock lease	The ministry seeks to identify more sites for leasing through the game reserves management plans implementation
3	Revenue gates at Mwingi Game Reserve	0	0	0	Gates not complete	The ministry intends to station revenue officers and game rangers to start collection at revenue gates once the game reserves are operationalized
TOTALS		100,000	140,900	40,900		

Ministry of Finance & Economic planning

	Revenue Source	TARGET FY14/15	Actual	Variance	Reasons for deviations	Revenue enhancement strategies
1	Land Rates	23,783,396.5	21,086,499	(2,696,897.51)	Most plot are not valued leading to undercharge. Ban on plots transfers also affected transactions on land rates. Delaying transfer of assets to county by TA,NHIC	Linking SBP to plots land rates Forming inter-ministerial committee to administer plot transfers. Repossession of vacant plots and enforcement CECM Finance to issue waivers to encourage old outstanding rates paid

2	Single Business Permits	53,047,539.37	66,882,880	13,835,340.63	Improved controls. Inspection and revenue drives, Employment of qualified personnel	Tax education to all the tax payers, (day for tax sensitization and agree on date of paying). Use of alternative means of transport, surprise checks. Continuous business assessment, Revenue drives- both internal and external Enforcement of Finance Act, Sensitization of Revenue collectors on new Finance Act
3	House And Stalls Rents	5,146,071.59	3,406,256	(1,739,815.59)	The status of house and stalls are not in good condition to be able to attract fair market rates.. Low rent rates in the Finance Act Third party subletting has been a problem identifying the owner	Have data bank on all the tenants through collaboration with parent ministry Monthly update of who has paid and not paid. Enforcement of the finance Act To consider fresh allocation to abolish the third part subletting Repair the stall to attract fair current market rent.

4	Market Fees	66,481,902.8 4	46,279,485	(20,202,417)	<p>Political interference led to some markets go without paying for more than 8 months; ,Mwingi old market,Mwingi Bus park</p> <p>Lack of proper perimeter walls (Market structure to control movement) around the stock yards and markets some traders evaded paying charges and preferred to trade at night.</p> <p>Weak revenue enforcement</p> <p>Lack of logistics i.e, Vehicles, motorbikes most of the vehicles have been grounded and some unserviceable.</p> <p>Night deliveries and trading for Lorries</p>	<p>Rotation of staff - weekly, staff Sensitization on finance Act</p> <p>Need a political solution</p> <p>Liaise with the relevant ministry for construction/ repair of markets</p> <p>Put in place enforcement for the revenue unit, Assign staff at night for the task.</p> <p>In the next financial Budget we have budgeted for pool vehicles at least 2 for market operation</p>
5	Cess	119,061,536. 01	61,068,402	(57,993.134)	<p>Ban on sand export and charcoal permits. There are many escape routes which traders use to escape barriers due illegal charcoal and sand harvesting.</p> <p>Lack of enforcement officers responsible and reporting to revenue function.</p> <p>Lack and delaying issuing of cess Permits and lifting the ban.</p> <p>Night transportation</p>	<p>Implementation of sand and charcoal Management Act</p> <p>Additional and mobile barriers, increasing night raids, Enforcement of the Finance Act</p> <p>Budgeting for Night patrol and inspection vehicle</p> <p>Implementation of sand and charcoal Management Act-it prohibit night transportation of cess</p>
6	Penalty Charges	2,774,337.70	2,212,243	(562,094.70)	<p>Waiver issued on land rates affected the penalty charges.</p> <p>The time for collecting penalty was interfered by the court order.</p> <p>Penalties linked to SBP and land rates this was affected by court order</p>	<p>Encourage customers to pay on time</p> <p>Ensure SBP and land rates are collected before the time penalties is attached</p>
7	Parking Fees	24,210,777.5 6	15,636,231	(8,574,546.56)	<p>The projection were made based on the assumption that major sub counties by now would have bus parks which never</p>	<p>LIUD to facilitate repair and demarcate the slots in the bus parks</p>

					materialised eg kabati, Nguni, Nuu, Kwavonza. The New bus park-Kunda Kindu was under repair and most PSV parked along various street/Petrol stations hence difficult to control their movement and leading to minimal collection.	The County Government has already finished repairing kunda kindu bus park and collections will be enhanced
8	Street Parking	9,862,815.46	7,159,364	(2,703,451.46)	Lack of marked street parking slots along the town streets hence double parking which cannot be enforced. Taxi within Kitui town and mwingi town has no designated parking area/slots and challenge to enforce to pay. County officials and County vehicle taking many slot of parking space in the two towns and most of them don't pay. Taxis have not complied with traffic regulations requiring them to be marked with a yellow line and labelled "PSV" and most operate as personal cars. Hence most of them don't pay required fee.	Town planning to demarcate parking slots Enforcement of traffic Act (Yellow line for PSV) Increasing parking slots and enforcing the Finance Act on non-Government Vehicles. Issue Top government officials with Stickers for one official car.
9	Sign Board & Advertising	9,938,654.57	11,854,656	1,916,001.43	More sign boards were set and advertisements made There was maximum collection on Single Business Permits which linked with advertisement Collection of data in major towns on sign board and advertisements enhanced collection. Updated of data bank-sign boards	Establish a data bank for the sign boards Increase night raids enforcement Establish a data bank for the sign boards
10	Transportation Fees	6,639,066.48	4,942,185	(1,696,881.48)	Due to Ban on charcoal and sand, most of the vehicles did not pay for registration as required. There are many escape routes which traders use to escape barriers because of	Additional and mobile barriers, increasing night raids, Enforcement of the Finance Act Introduce deterrent penalty

					lack permits and ban. Court order on the use of 2014/15 Finance Act to 2013/14 Act which had lower charges.	for non-disclosure and evasion of check points
11	Slaughter Fees	8,309,296.11	5,386,130	(2,923,166.11)	In the target the amount included the veterinary 3m meat inspection charge which is accounted in the Ministry of Agriculture collection. Lack of infrastructure(running water, Additional slabs, slaughter guns)	Setting target and differentiating charges for two ministries. Increase slaughter houses , slabs for the county in major towns and market
12	Burial Fee	61,679.83	32,300	(29,379.83)	It is a social services function.	
13	Registration Fees	1,219,470.42	433,265	(786,205.42)	In the target amount includes the registration of institutions like school charges which is accounted by LIUD ministry and Education ministry	Linked to SBP solutions Separate in the systems codes for schools registration
14	Impounding Charges	505,624.17	367,680	(137,944.17)	Some activities that attract impounding are done past working hours and weekends lack of Enforcement staff. It was affected by court order. Lack of enforcement officers responsible and reporting to revenue function to enforce Act, and prosecution. Lack of prosecution	Creating enforcement unit for revenue department Need for county attorney
15	Application/Renewal Fees	1,704,018.14	6,036,990	4,332,971.86	Improved controls, inspection and revenue drive. The stream is attached to single business permit which is enhanced.	Linked to SBP solutions
16	Plot Transfer/Subdivision	361,052.66	218,200	(142,852.66)	None valued plots and ban on plot transfers. This revenue stream was moved to the Ministry of LIUD.	LIUD to expedite
17	Sale Of Minutes/ Bylaws	-	1,100	1,100.00	No target set for the same.	Not applicable currently
18	Consent To Charge/	224,153.53	84,500	(139,653.53)	Most of the plots don't have title deeds	LIUD to lead certification

	Certificate				This revenue stream was moved to the Ministry of LIUD.	
19	Building Plan Approval	2,564,352.48	965,393	(1,598,959.48)	Escape by most the people to pay for the plans. Minimal public awareness on the need to have building plans approved. The target belongs to LIUD only few who paid through FEP.	Tax education on the importance of paying for building plans.
20	Toilet Fees	426,463.37	244,490	(181,973.37)	The facilities are very few and rented out to private individuals. The rates reduced from 15k to 7k. That lowered the collection by 100%	Privatise the public toilets its less costly to manage
21	Water Charges	20,372.40	34,590	14,217.60	controls set for collection especially in Kitui South	Revert the boreholes to community through agriculture ministry ist less costly
22	Search Of Record Charges	55,963.16	23,300	(32,663.16)	Few searches for records as Single Business Permits and other documents printed were collected on time.	Not often
23	Sale Of Tender Documents	10,810,518.53	0	(10,810,518)	Revenue stream moved to the office of the Governor	The stream already differentiated in the system to Governor's Office
24	Mining Prospecting Fees	-	4,500	4,500.00	No target set the stream moved to ministry of MEEMID	
25	Change Of User	13,539.47	10,000	(3,539.47)	Few applications were made for change of user The revenue stream was moved to Ministry of LIUD.	LIUD to expedite
26	Extension Of User	3,008.77	11,800	8,791.23	Improved controls.	LIUD to expedite
27	Survey Fees	47,538.60	43,700	(3,838.60)	Few surveys done. The revenue stream was moved to LIUD Ministry	LIUD to expedite
28	Photocopy	-	17,000	17,000	No target was set The facility is no longer there	Not applicable currently Procure a mega photocopy

						machine in future for the stream
29	Sale Of Seedlings	-	0	0	Revenue stream moved to the ministry of agriculture	
30	Hiring Charges	3,008.77	0	0	Low public awareness on the hiring services offered	
31	Alteration Of Building Plans	6,017.54	32,000	25,982.46	More building alterations were done during the year. Improved controls. The revenue stream was moved to LIUD	
32	Lease Charges	-	1,800	1,800.00	No target was set for the same The revenue stream was to ministry of LIUD.	
33	Inspection Fee During Construction	-	14,000	14,000.00	No target was set for the same The revenue stream moved to ministry of LIUD.	
34	Show Entry Fee	2,717,823.93	903,300	(1,814,523.93)	Low turn up in show event 2014/15 Minimum public awareness since it was new first time event.	Agriculture Carry Public awareness in time
35	Donation(Co-Operative Bank)		0	0	No donation was received from co-operative bank	Not applicable currently
36	Unbudgeted	-	10,000	10,000	Unbudgeted revenue	Not applicable
37	Mask Lease	-	0	0	Paid yearly and once.	Enforce and debt collection to HQ.
	Other revenues (direct deposits)		19,153,393	19,153,393		
	Total	350,000,000	274,557,632	(75,442,368)		

IV: MTEF Sector Budget 2015/16

S/n o.	National MTEF Sector Cluster	Name of the County Ministry/Department	Amount Allocated FY 2015/2016			
			Recurrent	Development	Total	% of the budget
1.	Agriculture, Rural & Urban Development	1. Agriculture, Water & Irrigation (Agriculture) 2. Kitui Town and 3. Mwingi Towns 4. Lands 5. Housing	549,468,304	406,436,143	955,904,448	11.7%
2.	Energy, Infrastructure & ICT	1. Environment, Energy & Mineral Resources Investment Development (Energy) 2. Lands, Infrastructure & Urban Development (Infrastructure) 3. Trade, Industry, IT & Cooperatives (IT)	107,909,003	485,910,288	593,819,291	7.3%
3.	General Economic & Commercial Affairs	1. Trade, Industry, IT & Cooperatives 2. Tourism	56,054,800	195,278,943	251,333,743	3.1%
4.	Health	1. Health & sanitation	1,565,115,555	380,947,578	1,946,063,134	23.9%
5.	Education	1. Basic Education, Training & Skills Development	362,653,228	176,297,274	538,950,502	6.6%
6.	Governance, Justice, Law & Order		0	0	0	0.0%
7.	Public, Administration & Internal Relations	1. Office of the Governor 2. Administration and Coordination of County Affairs 3. Finance & Economic Planning 4. County Public Service Board 5. County Assembly of Kitui 6. County Assembly Service Board	1,926,425,993	1,017,193,595	2,943,619,588	36.1%
8.	National Security	NA	0	0	0	0.0%
9.	Social protection, Culture & Recreation	1. Culture, Youth, Sports & Social Services	61,843,936	153,804,042	215,647,979	2.6%
10.	Environment, Water & Natural Resources	1. Environment, Energy & Mineral Resources Investment Development (Environment) 2. Agriculture, Water & Irrigation (Water) 3. Tourism & Natural Resources (Natural Resources)	162,476,436	551,178,352	713,654,790	8.7%
TOTALS			4,791,947,255	3,367,046,215	8,158,993,475	100%

V:Expenditure Analysis by Project/Programme 2014/15

Office of the Governor

S/no	Project	Budget (2014-2015)	Expenditure	Absorption	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
	Scholarships and other Educational benefits	159,619,589	116,287,943	73%	Delayed identification of beneficiaries Late start of procurement process for the construction of ECDE classes and purchase of learning materials	Early identification of programme beneficiaries Start procurement process early
	Emergency Relief	8,000,000	7,457,976	93%	Emergencies/calamities are not predictable	Improve on disaster preparedness for the County Collaborate with key institutions such as National Disaster Management Authority (NDMA)
	Community Level Infrastructure Programme	640,287,500	301,311,875	47%	Delayed tendering process:-LSOs were issued 15 th March 2015 thereby giving contractors insufficient time to implement and complete projects and be paid by 30 th June, 2015.	Early identification and prioritization of projects and advertise by 10 th Oct 2015. The projects to be awarded and LSOs issued by 15 th Nov 2015. The CLIDP contractors to complete project implementation and be paid by 30 th March 2016.
	County Administration Block	32,315,983	21,822,673	68%	Project spans across 18 months from July 2014-December 2015 Delay of the project caused by late approval by building consultants Instances of delay in holding site meetings to give approval to the contractor to continue to the next phase	Timely convening of site meetings for both consultant and contractor Monitoring closely the construction process Civil works for landscaping, car parking and fencing the building to be tendered by 30 th November.
	Governor's residence	15,000,000	10,291,446	80%	It took time to identify suitable land for the project location	To obtain building designs and cost estimates for the project by 30 th

S/no	Project	Budget (2014-2015)	Expenditure	Absorption	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
						November, 2015. The project to be tendered by 31 st January, 2016
	County Headquarters	32,250,958	6,002,496	19%	Delay in getting building designs from Consultants	Identify the contractor to start project implementation/construction
	System surveillance equipment	7,500,000	2,458,000	33%	Delay in procuring County surveillance systems	Start procurement process early
	Purchase of ICT Networking and Communication Equipment	7,500,000	1,712,357	23%	The role of acquiring the equipment was collaborative	The role of procuring ICT equipment should be centralized
	Total	902,474,030	467,344,766	52%		

Ministry of Coordination and administration of County affairs

SR/NO	Project/Programme Name	Budget 2014/15 Fy	Expenditure (Ksh.)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such a risk
1.	Construction of Ward Administrators Offices and Land acquisition	120,836,050	31,280,061	26%	Procurement delays that affected some wards. a) Default by some contractors b) Delay in processing payments c) For the land acquisition most pieces of land had issues on transfer and title deed acquisition. d) Exorbitant prices quoted for sale of land by those interested. e) Political interference by some politicians	Acquisition of land in advance Adequate community, local leaders and sensitization before the adverts on land acquisition is done. Promote community participation and ownership of the projects before and after initiation.

Ministry of Agriculture, Water and Irrigation

1. Department of Agriculture

S/NO	Project/Program Name	Budget 2014/15 FY (Kshs.)	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
Agriculture Projects						
1.	Input support program (purchase of seeds)	48,200,000	46,623,241	96.7	Seed supply was awarded to companies with technical knowhow and financial capacity	
2.	Kitui Agricultural show and trade fair	25,000,000	13,484,308	53.9	Show preparation start during 3 rd & 4 th Quarter of the financial year and is completed during the 1 st of	

S/NO	Project/Program Name	Budget 2014/15 FY (Kshs.)	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
					the next financial year. The available balance is used to finance expenses during the 1 st Quarter of 2014/2015 FY when the Show is held	
3.	Completion of stalled sub county agricultural offices & AMS office complex	13,000,000	9,789,496	75.3	Low financial capacity of the contractor for the Office block at AMS, M. West and M. North	Tender evaluation committee should carefully assess technical & financial ability of the contractors
4.	Procurement of Farm tractors	22,734,419	20,055,000	88.2	The cost was less due to tax relief on agricultural machinery hence the low absorption percentage.	
5.	Procurement of 7 disc ploughs	4,200,000	3,395,000	80.8	We paid less than anticipated due to tax relief on agricultural machinery.	
6.	Procurement of 3 row planters	0	4,432,200	100	Procured done from tractors budget savings which were tax excepted	
7.	Purchase of 2 Crawlers	41,000,000	40,533,000	98.9	Procurement process was effective and payment was done on time	
8.	Establishment of seedling nursery at ATC	3,000,000	864,600	28.8	Supplementary budget was approved in June 2015 and thus late to allow fund utilization.	Initiated procurement process early in anticipation of delay in supplementary budget.
9.	Purchase of Kitui ATC Bus	6,000,000	4,831,400	80.5	Discount awarded	
10.	Completion of Administration block and conference hall at Kitui	10,003,200	11,055,000	110.5	The actual expenditure, based on the BQ, was higher than project budget	-Ensure the project is adequately budgeted for -Request for re-allocation

S/NO	Project/Program Name	Budget 2014/15 FY (Kshs.)	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
	ATC					where there is over expenditure
11.	Purchase of 2 back hoe loaders	10,000,000	21,084,000	210.8	Additional one backhoe loader bought from savings thus the higher absorption percentage	
12.	Purchase of Double Cabin Pickup Track for CO & Saloon car for Minister	7,000,000	3,968,500	56.7	Only Double Cabin was procured	
13.	Procurement of low-loader	18,000,000	18,300,000	101	Procurement process was effective and payment was done on time	
14.	Drip irrigation kitchen gardening for malnutrition and poverty reduction- 2013/2014	21,154,727	18,990,155	89.8	Some Contractors had not completed the works at the close of FY	
15.	Equipping office Complex at ATC	2,500,000	0	0	1. The Bidders quoted above reserve price & is to be retendered 2. Delays in raising quotations	Ensure procurement is done in good time
16	Supply/delivery/installation of drip kit- Kitchen Gardening to all wards	10,927,592	0	0	Supplementary budget was passed late in the month of June to allow fund utilization.	
17	Renovation of Ministry of Agriculture Offices (1 block) CO's Office	2,203,297.36	698,233	31.7	Payment was initiated in mid June 2015 but there was a problem with IFMIS thus the payment process did not go	

S/NO	Project/Program Name	Budget 2014/15 FY (Kshs.)	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
					through	
18	Construction of masonry tank at ATC	1,300,000	1,300,000	100	Procurement and payment was done in good time	
19	Electricity Connection at ATC; dairy unit, farm office & farm manager's office	298,330.00	0	0	Payment was initiated in mid June 2015 but there was a problem with IFMIS thus the payment process did no go through	
20	Renovation of office block(Agricultural Extension Block)	881,275.86	0	0	Payment was initiated in mid June 2015 but there was a problem with IFMIS thus the payment process did no go through	
21	Construction and electricity connection of ATC Pump House	416,928.20	0	0	Kenya power delayed in connecting the power supply thus contractor could not complete the work on time	
	Sub total	247,819,769	219,404,133	88.53		
	Irrigation Projects					
1.	Kyanika irrigation project 7 acres under open drip	7,151,155.70	7,005,575.00	98.00	The contractors quoted below engineers estimate leading to savings hence absorption rate lower than 100%	
2.	Kamulambani model farm 0.5 acres	765,080.60	710,117.50	92.80		
3.	Wingoo irrigation project 4.25 acres under open drip	3,787,359.60	3,679,690.00	97.15		
4.	Kalikuvu model farm 0.5 acres open drip	685,113.50	679,441.25	99.17		
5.	Kilimu irrigation project 5 acres under open drip	3,867,890.90	3,622,928.00	93.67		
6.	Mbusyani irrigation project 6.25 acres under	6,329,117.10	5,932,540.00	93.73		

S/NO	Project/Program Name	Budget 2014/15 FY (Kshs.)	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
	open drip					
7.	Ikanga irrigation project 7 acres under open drip	7,030,532.00	6,930,135.00	98.57		
8.	Migaani women group open drip 1 acre	1,716,710.40	1,691,087.00	98.50		
9.	Nzamakuu irrigation project 30acres	2,982,707.70	2,690,425.00	90.20		
10.	Anna villa model farm 0.5 acres open drip	782,330.60	752,687.00	96.21	The contractors quoted below engineers estimate leading to savings hence absorption rate lower than 100%	
11.	Katoteni secondary school open drip 0.5 acres	564,599.40	534,235.00	94.62		
12.	Masavi girls secondary school open drip 0.5 acres	552,476.50	517,962.00	93.75		
13.	Kiomo secondary school open drip 0.5 acres	586,209.80	546,610.75	93.24		
14.	Kavalyani youthful ventures open drip 2 acres	2,978,090.80	2,773,531.00	93.13		
15.	St ursla secondary school	724,183.80	683,962.00	94.44		
16.	Mbusyani phase II irrigation project 4 acres	5,628,629	5,070,816	90.08		
17.	Athi/kilawa irrigation project 8 acres	7,518,355	7,506,765	99.84		
18.	Ikanga/kyatune(kongo) 2.5 acres	3,232,041	3,193,658	98.81		
19.	Thunguthu phase II 4 acres	4,687,616	4,345,162	92.69		
20.	Kaangweni irrigation project 3 acres	3,023,402	2,906,234	96.12		
21.	Kalambani irrigation	5,628,169	5,067,210	90.03		

S/NO	Project/Program Name	Budget 2014/15 FY (Kshs.)	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
	project 5 acres					
22.	Kilimu phase II irrigation project	5,348,719	1,481,394	27.7	1. Advertisement was done late and March/April rains delayed implementation 2. The contractor was only paid part payment at the close of financial year.	Construction of irrigation infrastructure to begin at the start of august dry spell to avoid being delayed by rainfall.
23.	Nzambia irrigation project 4 acres	2,308,873	2,077,892	90.00	The contractors quoted below engineers estimate leading to savings	
24.	Thana Nzau	2,035,173.00	0	0	Payment was initiated in mid June 2015 but there was a problem with IFMIS thus the payment process did no go through	
25.	Ititu Vijana	2,565,516.00	0	0		
26.	Ithumula Irrigation Project	3,575,938.00	0	0		
27.	Chuluni Irrigation Project	4,104,350.50	0	0		
28.	Thitani Girls	416,610.70	0	0		
29.	Thunguthu Phase I	2,028,976.00	0	0		
30.	Waita Irrigation Project	2,897,347.00	0	0	Contractor don't seem to have enough resources thus delaying the works	Bid bond should be introduced for projects with big budgets
31.	kilimu Pase II	2,897,347.00	0	0	Delayed by April rains which washed two wells	Projects should be done during dry period
32.	Itoloni Youth	892,432.50	0	0	Contractor sub-contracted the works thus delaying completion	For any sub-contracting, the contractor should seek authority from the office
	Irrigation total	99,293,053	70,400,057.5	70.9		

2. Department of Livestock Development & Fisheries

S/No	Project/	Budget 2014/2015	Expenditure	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against
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	Programme Name	FY				such risks in future
1	Local Goats Improvement Project	6,600,000	3,583,600	54	1. Delays caused by Supplementary budget which was passed late in the month of June to allow fund utilization 2. Inability of some breeding farms to supply all the breeding animals at once	1. Form departmental committee and responsible officer to liaise with procurement department to fast track the procurement process 2. Tender evaluation committee should carefully assess technical capability of the prospective supplier
2	Indigenous Poultry Improvement Project	6,028,000	3,961,012	65.7	1. Delays caused by Supplementary budget which was passed late in the month of June to allow fund utilization 2. Inability of some breeding farms to supply all the breeding animals at once	1. Form departmental committee and responsible officer to liaise with procurement department to fast track the procurement process 2. Tender evaluation committee should carefully assess technical capability of the prospective supplier
3	Rehabilitation of 30 Communal Cattle Dips	14,500,000	10,731,689	74	1. Lack of contractors coming from within the targeted wards as required. 2. Inadequate financial capacity of some contractors leading to delays of projects completion 3. Advertised project cost was lower than the actual cost leading some projects not attracting bidders	1. Tender evaluation committee should carefully assess technical & financial ability of the contractors 2. Technical department to work closely with public works while preparing BQS
4	Dairy Development through artificial inseminations	3,000,000	1,525,800	50.9	Delays caused by Supplementary budget which was passed late in the month of June to allow fund utilization	Form departmental committee and responsible officer to liaise with procurement department to fast track the procurement process
5	Supply of Acaricides	1,250,000	1,250,000	100	Supply done by reliable company with adequate capacity.	

6	Beekeeping Infrastructure development	4,00,000	3,770,000	94.3	5.7% of the project budget was set aside for training which is to be carried out	
7	Pasture Improvement	1,200,000	1,200,000	100	Supply done by reliable company with adequate capacity.	
8	Promotion of fish farming	13,614,500	6,383,970	46.9	1. Delays in procurement process caused by delayed release of funds at the beginning of the FY. 2. Fish farmers' inability to have their ponds ready at the same time for stocking.	1. Form departmental committee to fast track the procurement process 2. Advise field officers to synchronize preparation of fish ponds 3. Responsible officers to liaise with procurement department
9	Restocking of dams	350,000	350,000	100	Supply done by reliable company with adequate capacity.	
Total		50,542,500	32,756,071	64.8		

3. Department of Water Resources Development and Supplies

S/No	Project Name	Budget FY 2014/15)	Expenditure	Absorption (%)	Explanation for level of absorption	Measure to safeguard against such risks in future
1.	Earth dams Desilting/construction	40,000,000	60,905,306	152	Funds obtained from SSDs budget due to change of priority by community.	Engage the community in project identification to identify their priorities
2.	Borehole drilling and equipping	62,369,200	15,567,798	25	1. Contractors submitted their invoices late 2. Delays in hydrogeological surveys hence delayed procurement process. 3. New contractors delaying the start of works and sometimes pulling out of contract due to financial limitations	1. Ensure contractors to submit invoices as soon as they finish their works 2. Ensure hydrogeological surveys, drilling, pump testing, and invitation for tender are done in good time. 3. Tender evaluation committee should carefully assess technical & financial ability of the contractors

S/No	Project Name	Budget FY 2014/15)	Expenditure	Absorption (%)	Explanation for level of absorption	Measure to safeguard against such risks in future
3.	Pipeline extensions	94,043,440	66,505,502	71	1. Inadequate financial capacity of some contractors leading to delays of projects completion	Tender evaluation committee should carefully assess technical & financial ability of the contractors
4.	Sand dams construction	60,000,000	5,847,935.51	9.7	1. Funds used for borehole equipping following a decision by cabinet to use funds allocated for SSDs construction until SSDs identification process by County Government and SEKU is complete. 2. Advertised project cost was lower than the actual cost leading to some projects not attracting bidders	1. Stick to the planned budget 2. Technical department to work closely with public works while preparing BQS 3. Carry out adequate community sensitization before project implementation
5.	Rock catchments construction	6,000,000	3,075,593.08	51.25	One of the contractors did not undertake the works as awarded	Tender evaluation committee should carefully assess technical & financial ability of the contractors
6.	River Athi – Kanyangi – Maluma – Mutomo – Ikutha - Kanziko water project	50,000,000	1,000,000	2	The contract was not awarded as the project cost was high and due diligence was to be conducted to ascertain the actual cost of the project	Verification of actual project cost is done
7.	Drilling ring sets	96,000,000	96,000,000	100	Supply done by reliable company with adequate capacity	
8.	Rehabilitation of Boreholes	31,200,000	21,365,000	68.48	Delays in diagnosis and acquisition of supplies for repairs.	Ensure all boreholes were repaired and maintained
9.	Subsidies to WSP	71,967,100	71,967,100	100	All bills were paid as planned	
10.	Purchase of computer aided engineering equipment	7,782,400	7,336,000	94.3	Discount awarded	

S/No	Project Name	Budget FY 2014/15)	Expenditure	Absorption (%)	Explanation for level of absorption	Measure to safeguard against such risks in future
11.	Purchase of Vehicle for Borehole Servicing	6,000,000	0	0	There was delay in IFMIS transmission as e-procurement was used	
12.	Equipping and design plans	2,479,850	2,479,850	100	All the planned surveys and designs were done as planned	
	Total	527,841,990	352,050,085	66.70		

Ministry of Basic Education, Training & Skills development

S/No	Project/Programme Name	Budget 2014/2015	Expenditure Kshs.	Absorption %	Explanation For Level Of Absorption	Measure To Safeguard Against Such Risk In Future
1	Construction of a workshop at Sombe Polytechnic	2,484,647	2,262,647	91%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
2	Construction of a workshop at Gai Polytechnic	2,390,792	2,183,792	91%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
3	Construction of a workshop at Kanyengya Polytechnic	2,840,269	1,661,000	58%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid

S/N o	Project/Programme Name	Budget 2014/2015	Expenditure Kshs.	Absorption %	Explanation For Level Of Absorption	Measure To Safeguard Against Such Risk In Future
4	Construction of a workshop at Mutomo Polytechnic	2,284,292	2,034,292	89%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
Total		10,000,000	8,141,731			
1	construction of 8 youth polytechnic workshops one in every Sub-county	26,322,098	21,650,879		Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
3	Supply of tools and equipment to 39 registered youth polytechnics across the county	30,000,000	28,492,940	95%	Suppliers delays in completing their supply within the stipulated timeline (3 months)	Early Preparation procurement plan Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
PROJECT -Two						
1	Construction of an ECDE classroom at Nguuni Primary	820,135	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
2	Construction of an ECDE classroom at Mutiuni Primary	820,800	0	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid

S/N o	Project/Programme Name	Budget 2014/2015	Expenditure Kshs.	Absorption %	Explanation For Level Of Absorption	Measure To Safeguard Against Such Risk In Future
3	Construction of an ECDE classroom at Kimela Primary	904,722	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	· Early Preparation procurement plan Request for BQs from LIUD in June 2015 · Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
4	Construction of an ECDE classroom at Kwa Kamakya Primary	777,850	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
5	Construction of an ECDE classroom at Gankanka Primary	847,947.00	343,400	40%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
6	Construction of an ECDE classroom at Kimongo Primary	762,410.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
7	Construction of an ECDE classroom at Mboru Primary	837,317.00	837317	100%		
8	Construction of an ECDE classroom at Thitha Primary	823,050.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd

S/N o	Project/Programme Name	Budget 2014/2015	Expenditure Kshs.	Absorption %	Explanation For Level Of Absorption	Measure To Safeguard Against Such Risk In Future
						quarter to give contractors time to complete and get paid
9	Construction of an ECDE classroom at Kwa Mutuva Primary	787,850.00	431,680	55%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
10	Construction of an ECDE classroom at Kwa Mutili Primary	765,000.00	416,928	55%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
11	Construction of an ECDE classroom at Ngooni Primary	823,050.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
12	Construction of an ECDE classroom at Kathita Primary	765,499.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
13	Construction of an ECDE classroom at Nzeluni Primary	799,000.00	799,000	100%		

S/N o	Project/Programme Name	Budget 2014/2015	Expenditure Kshs.	Absorption %	Explanation For Level Of Absorption	Measure To Safeguard Against Such Risk In Future
14	Construction of an ECDE classroom at Kikiini Primary	780,835.00	780,835	100%		
15	Construction of an ECDE classroom at Kavuvwani Primary	940,828.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
16	Construction of an ECDE classroom at Kiumoni Primary	794,554.00	794,554	100%		
17	Construction of an ECDE classroom at Kwa Ndonga Primary	801,624.00	801,624	100%		
18	Construction of an ECDE classroom at Syomuitu Primary	824,270.00	-		Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
19	Construction of an ECDE classroom at Misyini Primary	762,430.00	335,284.06	44%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
20	Construction of an ECDE classroom at Kisasi Primary	765,634.38	765,634.38	100%		
21	Construction of an ECDE classroom at	857,677.00	-	0%	Contractors delays in completing their work	Early Preparation procurement plan Request for BQs from LIUD in June

S/N o	Project/Programme Name	Budget 2014/2015	Expenditure Kshs.	Absorption %	Explanation For Level Of Absorption	Measure To Safeguard Against Such Risk In Future
	Mwizengi Primary				within the stipulated timeline (3 months)	2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
22	Construction of an ECDE classroom at Ngomoni Primary	785,560.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 . Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
23	Construction of an ECDE classroom at Construction of an ECDE classroom at Konza Primary	854,260.00	605,470.00	71%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
24	Construction of an ECDE classroom at Construction of an ECDE classroom at Manyenyoni Primary	765,300.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
25	Construction of an ECDE classroom at Ngumbwa Primary	765,000.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
26	Construction of an ECDE classroom at Construction of an	820,045.00	-	0%	Contractors delays in completing their work within the stipulated	Early Preparation procurement plan Request for BQs from LIUD in June 2015

S/N o	Project/Programme Name	Budget 2014/2015	Expenditure Kshs.	Absorption %	Explanation For Level Of Absorption	Measure To Safeguard Against Such Risk In Future
	ECDE classroom at Mangina Primary				timeline (3 months)	.Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
27	Construction of an ECDE classroom at Kakulunga Primary	782,826.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
28	Construction of an ECDE classroom at Nzukini Primary	765,000.00	765,000	100%		
29	Construction of an ECDE classroom at Mathayoni Primary	847,940.00	847,940	100%		
30	Construction of an ECDE classroom at Ndovoni Primary	839,770.00	759,770	90%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
31	Construction of an ECDE classroom at Construction of an ECDE classroom at Nzunguni Primary	927,840.25	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
32	Construction of an ECDE classroom at	767,710.00	767,550	100%		

S/N o	Project/Programme Name	Budget 2014/2015	Expenditure Kshs.	Absorption %	Explanation For Level Of Absorption	Measure To Safeguard Against Such Risk In Future
	Construction of an ECDE classroom at Kisayani Primary					
33	Construction of an ECDE classroom at Imwaatine Primary	926,528.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
34	Construction of an ECDE classroom at Kaaka Primary	785,250.00	549,675.49	70%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
35	Construction of an ECDE classroom at Kituti Primary	840,725.50	840,725.50	100%		
36	Construction of an ECDE classroom at Mwaamba Primary	839,500.00	839,500	100%		
37	Construction of an ECDE classroom at Mukuku Primary	839,290.00	839,290	100%		
38	Construction of an ECDE classroom at Muutha Primary	819,115.00	819,115	100%		
39	Construction of an ECDE classroom at Mwaani Primary	901,021.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to

S/N o	Project/Programme Name	Budget 2014/2015	Expenditure Kshs.	Absorption %	Explanation For Level Of Absorption	Measure To Safeguard Against Such Risk In Future
						complete and get paid
40	Construction of an ECDE classroom at kitungati Primary	998,574.40	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
41	Construction of an ECDE classroom at Mutune girls Primary	899,837.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
42	Construction of an ECDE classroom at Usiani Primary	913,496.40	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
43	Construction of an ECDE classroom at Kituluni Primary	803,784.50	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BoQ from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
44	Construction of an ECDE classroom at Kathitu Primary	765,000.00	485,570	63%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
45	Construction of an	827560	-	0%	Contractors delays in	Early Preparation procurement plan

S/N o	Project/Programme Name	Budget 2014/2015	Expenditure Kshs.	Absorption %	Explanation For Level Of Absorption	Measure To Safeguard Against Such Risk In Future
	ECDE classroom at Mutulu Primary				completing their work within the stipulated timeline (3 months)	Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
46	Construction of an ECDE classroom at Ndandini Primary	839,500.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
47	Construction of an ECDE classroom at Matinyani Primary	1,050,000.00		0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
48	Construction of an ECDE classroom at Malatani Primary	930,659.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
49	Construction of an ECDE classroom at Muaani Primary	905,895.00	-	0%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan · Request for BQs from LIUD in June 2015 .Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
50	Construction of an ECDE Classroom at Kavindu Primary	1,092,401.00	1,092,401.00	100%		

S/N o	Project/Programme Name	Budget 2014/2015	Expenditure Kshs.	Absorption %	Explanation For Level Of Absorption	Measure To Safeguard Against Such Risk In Future
	Construction of an ECDE Classroom at Ngengi Feeder School	1,001,255.00	1,001,255.00	100%		
	Construction of an ECDE Classroom at Kanthoroko Primary	633,659.95	633,659.95	100%		
	Construction of an ECDE Classroom at Kamboya Primary	998,850.25	998,850.25	100%		
	Construction of an ECDE Classroom at Nengyani Primary	996,376.30	996,376.30	100%		
	Construction of an ECDE Classroom at Itiko Primary	297,779.50	297,779.50	100%		
	Construction of an ECDE Classroom at Kyuasini Primary	1,001,255.00	1,001,255.00	100%		
	Construction of an ECDE Classroom at Kanziku Township Primary	607,645.12	607,645.12	100%		
	Construction of an ECDE Classroom at Miambani Primary	515,120.89	515,120.89	100%		
	Construction of an ECDE Classroom at Ndiuni Primary	315,665.76	315,665.76	100%		
	Construction of an ECDE Classroom at Mukelenzuni Primary	1,015,672.80	1,015,672.80	100%		
	Total	49,345,151	22,901,544			

S/N o	Project/Programme Name	Budget 2014/2015	Expenditure Kshs.	Absorption %	Explanation For Level Of Absorption	Measure To Safeguard Against Such Risk In Future
Mattresses						
1	Mwingi North, Mwingi Central & Mwingi West	2,728,000.00	2,728,000.00	100%		
2	Kitui Central, Kitui West & Kitui Rural	2,489,760.00	2,489,760.00	100%		
3	Kitui South & Kitui East	2,261,760.00	2,261,760.00	100%		
	Total	7,479,520.00	7,479,520.00			
Beds						
1	Mwingi North, Mwingi Central & Mwingi West	4,869,480.00	0.00	0%	The supplementary budget was approved late in May 2015	Advertise the projects by October, 2015 Approve payments within 2 days
2	Kitui Central, Kitui West & Kitui Rural	6,823,440.00	6,823,440.00	100%		
	Total	11,692,920	6,823,440.00			
1	Collaborative strategies for improvement of academic standards (programmes) i. Stake holders forums ii. Bech marking visits ii. Mentorship - Alliance, Primary, Secondary	40,800,000	34,545,224	85%	3 Secondary Schools presented their request for payment late County exams were printed in July	· Implore upon secondary school principal to present their requests for payment on time Plan to have county exams printed by June, 2015
	ECDE DESKS					
1	ECDE desks supplied across the county	20,043,900	19,207,712	96%	Contractors delays in completing their work within the stipulated timeline (3 months)	Early Preparation procurement plan Request for BQs from LIUD in June 2015 Advertise the projects in the 2 nd quarter to give contractors time to complete and get paid
GRAND TOTAL		195,683,589	149,242,990	76%		•

Ministry of Lands, Infrastructure & Urban development

No	Project/ Program Name	Budget FY 2014/2015	Expenditure	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
1	Department of Public works	8,000,000	1,725,810	21%	Department operating with inadequate staff and equipment	Establish a full department with sufficient staff and equipment
	Fuel	8,000,000	1,000,000			
	Renovation of the CEC's Office		725,810			
2	Department of Roads & Allied Infrastructure <i>(See attached for the Major, Access roads & Streetlights)</i>	949,842,265	702,626,546	73%	Contract management challenges e.g. lack of capacity among contractors and inadequate staff	Building capacity among contractors
	Mutha-Waldena (0-88 km Road formation)	17,090,366.81	12,953,652.74	Procurement processes delayed the commencement of most of the projects	Starting procurement processes early	
	Mutha-Waldena (0-35km Structures)	16,538,175.00	12,227,386.65			
	Ukasi-Engamba	23,169,405.00	14,462,664.00			
	Sosoma-Engamba	22,996,449.00	15,446,196.00			
	Makuka-Engamba	10,782,915.24	8,696,480.40			
	Engamba-Kandolongwe	14,834,874.60	8,248,012.00			
	Oilibya-Kiembeni-M&M Road	1,948,916.00	1,948,916.00			
	M&M - Stadium back gate	1,540,331.00	1,537,740.25			
	Prisons-Bishop's Residence	1,700,225.90	1,697,905.92			
	Target-Old Posta	11,133,863.17	9,132,718.26			
	KCB-Sunker-Makuti	24,308,064.48	15,226,042.60			

No	Project/ Program Name	Budget FY 2014/2015	Expenditure	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
	KwaVonza-Seku	25,979,940.00	16,156,927.03			
	Kwasiku-Kasyala (0-9 km)	27,754,066.76	20,883,247.48			
	Kwasiku-Kasyala (9-17 km)	24,295,202.00	18,019,388.00			
	Kyeni-Kavalo-Kasyala	14,014,036.27	11,125,145.96			
	Kitui Town-Miambani (0-15 km)	40,136,201.72	30,783,339.77			
	Kitui Town-Miambani (15-22 km)	29,584,264.16	20,995,194.57			
	Miambani-Mikuyuni A	25,494,810.00	15,479,985.84			
	Miambani-Mikuyuni-Ikoo (8-15.5 km)	18,025,201.00	12,008,685.79			
	Ikoo-Nuu (0-17 km)	22,663,020.30	19,758,518.31			
	Ikoo-Nuu (17-32 km)	20,545,755.90	18,432,218.68			
	Miambani-Kamandio-Mwanzilu (0-15 km)	46,583,793.27	35,974,906.72			
	Miambani-Kamandio-Mwanzilu (15-23 km)	26,476,386.40	23,436,967.20			
	Zombe-Mutito-Ikoo bridge	19,717,319.80	16,804,771.80			
	Zombe-Mutito-Ikoo bridge	32,132,058.00	30,123,879.40			
	Kiongwe-Miambani	6,295,017.70	4,245,514.42			
	Tseikuru-Kavango-Ngongoni	20,250,006.00	18,249,659.94			
	Mutendea-Kyaani-KwaNduilu (drift)	7,791,311.00	5,668,412.00			
	Migwani-Kanyaa (drift)	13,003,940.00	10,418,558.45			

No	Project/ Program Name	Budget FY 2014/2015	Expenditure	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
	Ilengi-Katilini-Athi (drifts)	16,323,656.00	14,316,672.03			
	Miramba-Ciampiu	10,399,978.84	8,253,599.60			
	Makutano-Katalwa-Munyange (drift)	11,885,656.38	9,883,620.00			
	MwendwaMuthyangya-Nzanzeni	19,700,297.00	16,952,196.00			
	Manzuva -Iiani	11,699,700.80	8,100,378.68			
	Ciampiu-Gakombe-Tana River	1,844,709.70	1,756,866.40			
	Kitui-KwaMasesi-Emale	5,849,262.30	3,848,448.56			
	Kavalula-Nzeeu&Kyamathyaka-Ngoleni (slabs and drift)	5,849,262.30	3,918,172.60			
	Ithimani-Ithiani	6,362,568.78	6,124,212.69			
	Makutano-Katalwa-Munyange	5,893,630.70	3,886,373.29			
	Ithookwe Airstrip-Unyaa Pry School	5,965,769.00	3,575,199.56			
	Kitungate-Kimulu Road	5,851,881.00	3,851,879.84			
	D505 Kangweni-Katwala	5,909,091.00	3,439,699.68			
	Drift extension works on Miambani-Mui road	5,428,685.30	3,428,685.30			
	Construction of Mutendea drift and maintance of mutune road	3,334,164.00	0.00			
	Tseikuru Training College Access Road	6,043,043.00	4,043,043.00			

No	Project/ Program Name	Budget FY 2014/2015	Expenditure	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
	Mutha-Waldena (0-35km Structures)	21,071,755.54	16,200,400.00			
	Mjini Street	35,950,637.98	0			
	Tungutu Girls School- Showground	1,995,291.20	1,630,172.36			
	Kitui-Ithookwe-Ithiani	14,578,729.20	6,708,839.19			
	Kea-Kamandio A	36,980,126.13	26,833,190.14			
	Kea-Kamandio B	32,745,135.00	20,436,707.00			
	Kea-Kamandio C	25,596,265.37	19,926,364.00			
	Purchase of 5 double cab pickups	20,350,000	20,350,000			
	Purchase of 1 No. graders	24,300,000	24,300,000			
	Purchase of 2 No. Backhoe Loaders	21,084,000	21,084,000			
	Purchase of Roller	9,194,000	9,194,000			
	Purchase of Water Bowser	6,293,045	6,293,045			
	KwaVonza towards Nduumoni(510m)	2,189,341.36	1,761,079.26			
	KwaVonza towards Nthangathini (600m)	2,386,665.64	2,386,665.64			
3	Department of Housing	21,144,989	22,829,208	107%	Department has few staff	Establish a full department with sufficient staff
	Installation of 12.5kva 3-Phase Automatic Generator Set at C.O - LIUD OFFICES	2,189,160.00	2,079,702.00			

No	Project/ Program Name	Budget FY 2014/2015	Expenditure	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
	INSTALLATION OF 12.5KVA 3-PHASE AUTOMATIC GENERATOR SET AT THE PUBLIC SERVICE BOARD	2,103,546.02	2,174,306.61			
	Installation of 12.5KVA 3-phase Automatic Generator set at - PUBLIC WORKS DEPT	2,387,645.40	2,268,263.13			
	Installation of 12.5KVA 3-phase Automatic Generator set at - KITUI TOURIST HOTEL	3,903,792.42	3,708,602.80			
	Installation of 12.5KVA 3-phase Automatic Generator set at - TOWN ADMINISTRATION BLOCK OFFICES	3,251,160.00	3,088,602.00			
	Installation of 12.5KVA 3-phase Automatic Generator set at - THE TREASURY	2,639,527.80	2,507,551.41			
	Installation of 12.5KVA 3-phase Automatic Generator set at - CEC - LIUD OFFICE	2,370,157.36	1,422,094.42			
	Training Expenses	2,300,000.00	1,830,200			
	Monies transferred from another vote		3,749,885.63			

No	Project/ Program Name	Budget FY 2014/2015	Expenditure	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
4	Department of Physical Planning	14,477,147	12,369,007	85%	Department has few staff	Establish a full department with sufficient staff
	Training Expenses	500,000	659,600			
	Purchase of IT equipment	4,300,000	3,295,405			
	Being correction of expenses charged wrongly to default account	2,000,000	1,103,592.40			
	Transfer of funds from D3715-0007-3111401 to D-0009-3130101	7,677,147	1,368,940			
	Accommodation allowance		235,200			
	Imprest Surrender		5,706,270			
5	Department of Survey and Mapping	9,000,000	9,000,000	100%		
	Cadastral Land Survey	6,000,000	3,000,000			
	Transfer of funds from D3715-0008-3111114 to 0002-2640503		3,000,000			
	Transfer of funds from D3715-0008-3111401 to 0009-3130101	3,000,000	3,000,000			

No	Project/ Program Name	Budget FY 2014/2015	Expenditure	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
6	Department of Land Adjudication & Settlement (Utilized by the Land Task Force)	67,115,000	56,519,141	84%	Mandate not clear from NLC and National Government	Establishment of clear mandate following set up of County Land Management Board
7	Kitui Town	50,798,000	38,561,631	75%	The standing 15% was for the ongoing projects whose payments spilled over to FY 2015-2016	Procurement plan should start early in the year -Major projects to be awarded in the first quarter.
	Purchase of 1 double cab pickups	4,070,000	4,070,000			
	National Bank-BAT (Kilungya Street)-900m - Street lighting	3,700,000.00	2,985,990.32			
	Agricultural-Mechanisation road - Street lighting	3,000,000.00	2,742,302.32			
	Kalundu loop-Ngiini Primary -1642m - Street lighting	6,700,000.00	4,657,489.00			
	Kaveta bridge- Syongila Junction 3700m - Street lighting	14,600,000.00	7,431,521.13			
	Kalundu River - Ithookwe Showground 2.1km - Street lighting	8,300,000.00	4,674,327.75			
	Mjini/Stadium road sections (1510m)	14,498,000	12,000,000			
8	Mwingi Town	42,650,000	36,655,519	85%	The standing 15% was for the ongoing projects whose payments spilled over	Procurement plan should start early in the year -Major projects to be awarded in the first quarter.
	Total petrol station-Baptist polytechnic (1125m) – Street lighting	4,677,163.99	4,209,447.59			

No	Project/ Program Name	Budget FY 2014/2015	Expenditure	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
	KCB - Old Bus Station (1350m) – Street lighting	5,676,659.48	5,108,993.53		to FY 2015-2016	
	Old market - Slaughter House (680) - Street lighting	3,063,401.43	2,757,061.29			
	Garissa/Kyuso junction - Tyaa Bridge (1725m) - Street lighting	7,110,061.50	5,688,492			
	Garissa/Kyuso junction - ECDE school (1125m) - Street lighting	4,698,415.17	4,228,573.65			
	Garissa/Kyuso junction - ottage Hotel - Street lighting	6,162,565.36	5,030,061.89			
	Construction of Mwingi Town car park	6,321,733.07	4,700,164.05			
	Purchase of Pickup Double-Cab	4,070,000	4,070,000			
	Repair on the public toilet, Town Administration Office, gate & wall at the stock yard.	870,000	862,725			
9	Capital Grant	256,108,518	-	0%		
	TOTAL	1,419,135,919	880,286,862	62%		

Ministry of Health and Sanitation

S/ No.	Project/Program Name	Budget 2014/15	Expenditure	Absorption (%)	Explanation For The Level of Absorption	Measures To Safeguard Against Such Risks In Future
1	Construction Of Chmt Car Park	4,478,899.00	2,223,256.00	49.6	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BQs) Weak project supervision/ M&E	Procurement plan Early project documentation Continuous project supervision/ M&E
2	Construction Of 24 Body Mortuary At Kyuso	24,602,457.01	24,602,457.00	100.0		
3	Construction Of 24 Body Mortuary At Mutomo	30,745,046.00	21,293,895.00	69.3	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	Procurement plan Early project documentation Continuous project supervision/ M&E
4	Refurbishment Of Records Department Building In Mwingi Level 4 Hospital	1,045,461.00	903,793.00	86.4	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
5	Alteration Of Mg6 To Office Block At Kmtc Mwingi	3,032,100.00	2,529,450.00	83.4	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
6	Construction Of A New Classroom At Kmtc Mwingi	1,482,596.00	1,482,596.00	100.0		
7	Construction Of Walkway At Kmtc Mwingi	2,833,254.00	2,813,254.00	99.3		
8	External Water Reticulation At Mwingi	927,812.00	869,812.00	93.7	aa	

S/ No.	Project/Program Name	Budget 2014/15	Expenditure	Absorption (%)	Explanation For The Level of Absorption	Measures To Safeguard Against Such Risks In Future
	Kmtc					
9	Construction Of A New Classroom At Kmtc Mwingi	1,482,596.00	1,482,596.00	100.0		
10	Chainlink Fencing, Sentry Entrance Gate At Kmtc Mwingi	1,900,172.80	1,900,172.80	100.0		
11	Kitui District Hospital Palliative Care	1,515,517.00	1,515,517.00	100.0		
12	Amenity Ward Kitui District Hospital	19,379,700.00	2,821,757.64	14.6	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
13	Construction Of Modern Gate At Kitui District Hospital	1,448,865.00	1,288,860.00	89.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
14	Re-Roofing And Repainting Of Various Buildings At Kitui District Hospital	7,293,250.00	5,989,110.00	82.1	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
15	Construction Of Kanyangi Maternity	9,006,390.00	0	0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E

S/ No.	Project/Program Name	Budget 2014/15	Expenditure	Absorption (%)	Explanation For The Level of Absorption	Measures To Safeguard Against Such Risks In Future
16	Construction Of Opd Mwingi	59,418,910.00	11,868,033.00	20.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
17	Construction Of Amenity And Surgical Ward At Mwingi	39,852,416.00	10,297,196.00	25.8	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
18	Extension Of Laboratory At Mwingi District Hospital	6,464,717.00	2,289,514.00	35.4	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
19	Mutitu Hospital Renovations	7,201,820.00	1,151,030.00	16.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
20	Renovation Of Lundi Dispensary	808,059.00	799,978.90	99.0		
21	Renovation Of Mathyakani Dispensary	1,341,020.00	0	0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
22	Construction Of Staff House Katalwa Dispensary	847,215.00	0	0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ)	- Procurement plan -Early project documentation -Continuous project

S/ No.	Project/Program Name	Budget 2014/15	Expenditure	Absorption (%)	Explanation For The Level of Absorption	Measures To Safeguard Against Such Risks In Future
					Weak project supervision/ M&E	supervision/ M&E
23	Renovation To Thaana Nzau	1,133,965.00	0	0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
24	Kyuso Mortuary Coldrooms	7,271,800.00	7,271,800.00	100.0		
25	Mutomo Mortuary Coldrooms	7,208,588.00	0.00	0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
26	Construction Of Chmt Gate	1,435,070.00		0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
27	Construction Of Chmt Office Block Renovations	940,630.00	940,630.00	100.0		
28	Refurbishment Of Office Toilet At Chmt	151,180.00	0	0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
29	Construction Of Main Theatre Ikutha	4,908,339.00	0	0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E

S/ No.	Project/Program Name	Budget 2014/15	Expenditure	Absorption (%)	Explanation For The Level of Absorption	Measures To Safeguard Against Such Risks In Future
30	Construction Of Opd Ikutha	19,293,307.00	0	0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
31	Construction Of Maternity Ikutha	15,042,355.00	0	0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
32	Chainlink Fence At Ikutha	2,783,500.00	0	0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
33	Construction Of 24 Body Mortuary At Mutitu	24,424,247.00	7,745,021.06	31.7	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
34	Roof And Painting At Kmtc	1,285,643.00	1,285,643.00	100.0		
35	Extra Works- Twin Theatre Kitui District Hospital	1,974,494.00	1,974,494.00	100.0		
36	Renovation Of Kyuso Ward	4,311,212.00	0.00	0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
37	Migwani Hospital	5,529,600.00	4596800	83.1	Lack of Procurement Plan	- Procurement plan

S/ No.	Project/Program Name	Budget 2014/15	Expenditure	Absorption (%)	Explanation For The Level of Absorption	Measures To Safeguard Against Such Risks In Future
	Reanovations				Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	-Early project documentation -Continuous project supervision/ M&E
38	Expansion Of Kauma Dispensary	1,449,391.00	1,414,173.40	97.6		
39	Mutitu Mortuary Coldrooms	7,385,673.00	0.00	0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
40	Mechanical Works At Kmtc	521,512.00	0	0.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
41	Construction Of Mordern Gate At Mwingi District Hospital	1,907,794.00	1,533,940.00	80.4	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
42	Refurbishment Of Various Building At Mwingi District Hospital.	9,153,910.00	9,153,910.00	100.0		
43	Renovation & General Ward,Electrical Wires & Machine Room At Mwingi Hospital	4,589,679.00	4,589,679.00	100.0		
44	Renovation At Mwingi District Mortuary	3,437,080.00	3,437,080.00	100.0		

S/ No.	Project/Program Name	Budget 2014/15	Expenditure	Absorption (%)	Explanation For The Level of Absorption	Measures To Safeguard Against Such Risks In Future
45	Construction Of Ten Door Pit Latrine At Kmtc Mwingi	1,590,621.00	1,590,621.00	100.0		
46	Construction Of Two Door Pit Latrine At Kmtc Mwingi	468,000.00	431,200.00	92.1	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
47	Installation Of 3no.10,000 Litres Plastic Water Tanks At Kmtc	984,602.00	886,142.00	90.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
48	Alteration To House Hg2 To Skills Laboratory And Library At Kmtc	1,704,192.00	1,533,773.00	90.0	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
49	Alterations To House Hg5 To 3no.Classrooms At Kmtc	2,129,400.00	1,258,991.00	59.1	Lack of Procurement Plan Delayed project documentation (It takes more than a month to come up with BoQ) Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
50	Construction Of Road And Parking At Mortuary Yard Kitui District Hospital	4,039,218.00	4,039,218.00	100.0		
51	Rehabilitation Work For Installation,Testing & Commissioning Of Specialised Equipment	3,000,239.00	3,000,239.00	100.0		

S/ No.	Project/Program Name	Budget 2014/15	Expenditure	Absorption (%)	Explanation For The Level of Absorption	Measures To Safeguard Against Such Risks In Future
	For Twin Theater At Kitui Level 4 Hospital					
52	Curtains And Partitions Of Amenity Ward Kitui District Hospital	3,515,995.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
53	Extra Works- Re-Roofing And Repainting Of Various Buildings At Kitui District Hospital	4,554,080.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
54	Construction Of Opd At Kitui District Hospital	30,000,000.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
55	Renovation And Equipping Of Kitui District Hospital High Dependency Unit	7,145,658.00	1,026,722.00	14.4	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
56	Construction Of Zombe Maternity	13,101,825.00	0.00	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
57	Earth Works At Zombe Marternity	3,208,650.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It	- Procurement plan -Early project

S/ No.	Project/Program Name	Budget 2014/15	Expenditure	Absorption (%)	Explanation For The Level of Absorption	Measures To Safeguard Against Such Risks In Future
					takes more than a month to come up with BoQ) -Weak project supervision/ M&E	documentation -Continuous project supervision/ M&E
58	Construction Of Mutomo Maternity	10,000,000.00	2,477,632.00	24.8	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
59	Renovations Of Tseikuru Wards, Maternity And Theatre	10,381,611.00	0.00	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
60	Construction Of Kisasi Health Centre Maternity	1,801,990.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
61	Expansion Of Kwamutonga Dispensary	1,795,587.00	1,524,147.20	84.9	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
62	Expansion Of Ikutha Health Centre	4,000,000.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
63	Computerization Kitui And Mwingi Hospitals	15,000,000.00	10,000,000	66.7	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come	- Procurement plan -Early project documentation

S/ No.	Project/Program Name	Budget 2014/15	Expenditure	Absorption (%)	Explanation For The Level of Absorption	Measures To Safeguard Against Such Risks In Future
					up with BoQ) -Weak project supervision/ M&E	-Continuous project supervision/ M&E
64	Renovation Of Kalisasi Dispensary	1,082,659.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
65	Renovation Of Kilawa Dispensary	1,099,334.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
66	Renovation Of Nuū Dispensary	1,342,456.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
67	Renovation Of Kakeani Dispensary	1,089,685.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
68	Electrical Installation At Kathome Dispensary	616,329.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
69	Renovations At Kauwi Sub District Hospital	3,163,993.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ)	- Procurement plan -Early project documentation -Continuous project

S/ No.	Project/Program Name	Budget 2014/15	Expenditure	Absorption (%)	Explanation For The Level of Absorption	Measures To Safeguard Against Such Risks In Future
					-Weak project supervision/ M&E	supervision/ M&E
70	Renovation Of Mui Dispensary	1,000,000.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
71	Refurbishment Of Office Block At Health Administration	81,200.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
72	Installation Of Intercom Facilities At Chmt	200,225.00	200,225.00	100.0		
73	Refurbishment Of Office Block At Chmt	233,090.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
74	Renovation Of Cec Office	549,625.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
75	Construction Of Storage Block At Ikutha	2,559,164.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
76	Construction Of Pediatric Ward Ikutha	10,272,760.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come	- Procurement plan -Early project documentation

S/ No.	Project/Program Name	Budget 2014/15	Expenditure	Absorption (%)	Explanation For The Level of Absorption	Measures To Safeguard Against Such Risks In Future
					up with BoQ) -Weak project supervision/ M&E	-Continuous project supervision/ M&E
77	Installation Of 4no. 10,000 Litres Plastic Water Tanks Ikutha	690,200.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
78	Construction Of Radiology Room Ikutha	8,472,203.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
79	Drainage Works At Ikutha	2,092,487.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
80	Construction Of Insinerator At Ikutha	367,300.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
81	Contruction Of Cec Member-Health Office	4,459,187.00	0	0.0	-Lack of Procurement Plan -Delayed project documentation (It takes more than a month to come up with BoQ) -Weak project supervision/ M&E	- Procurement plan -Early project documentation -Continuous project supervision/ M&E
82	Proposed Cabro Paving At Kitui District Hospital	7,211,836.00	7,211,836.00	100.0		
83	Danida Funds	34,610,000.00	34,610,000.00	100.0		

S/ No.	Project/Program Name	Budget 2014/15	Expenditure	Absorption (%)	Explanation For The Level of Absorption	Measures To Safeguard Against Such Risks In Future
	TOTAL	552,862,642	211,856,195	38.3		

Ministry of trade, Industry, IT & Cooperatives

S/N O	Project/program name	Budget 2014/15	Expenditure (Kshs)	Absorption %	Explanation for the level of absorption	Measure to safeguard against such risks in future
1.	E-revenue	25,145,000	0	0%	The contract was awarded late due re-advertisement after advanced stages in evaluation due to bids that exceeded budget limits. The contract was further scaled down to accommodate the budget	Use pre-qualified contractors
2.	ICT centres: Equipping	8,852,000	8,148,270	90.4%	Almost all the equipment had been supplied and payment documents presented	-
3.	Supply, installation and commissioning of Local Area Network	21,577,958	14,415,378	67%	Contract was awarded late because it was re-advertised to fit the existing budget then	Market surveys before and after budget approvals could give indicative figures of what can be done within the available resources
	Supply installation and commissioning of data centre	56,123,202	47,126,659	84%	Contract was re-advertised and this delayed the award	Use prequalified contractors to carry out the works
4.	Establishment of County Radio station	5,000,000	0	0	Supplementary budget came late and the legal framework was not in Place	The legal framework is being worked on
ICT CENTRES CONSTRUCTION						
5.	Katse polytechnic	2,344,545.00	1,937,760.00			Contractors to be reminded of their

S/N O	Project/program name	Budget 2014/15	Expenditure (Kshs)	Absorption %	Explanation for the level of absorption	Measure to safeguard against such risks in future
						obligation under the contract and deterrent measures could be used in future
6.	Ikuuni polytechnic	2,399,808.00	2,108,360.00	88	Awaiting final certs	Urging them to finalise works in good time
7.	Ngomeni Polytechnic	2,400,000.00	1,329,360.00	55	Capacity issues both financial and human could have contributed to the slow progress.	Training the contractors could address some capacity issues a step which the Ministry took in February 2015 and trained 200 contractors across the County
8.	Kaai Polytechnic	2,369,709.00	1,007,866.00	43	Capacity issues both financial and human could have contributed to the slow progress.	Training the contractors could address some capacity issues a step which the Ministry took in February 2015 and trained 200 contractors across the County
9.	Mui Polytechnic	2,397,751.00	882,582.95	37	Capacity issues both financial and human could have contributed to the slow progress.	Training the contractors could address some capacity issues a step which the Ministry took in February 2015 and trained 200 contractors across the County
10.	Nzeluni Polytechnic	2,403,757.00	2,038,628.60	85	Awaiting final certs	Urging them to finalise works in good time
11.	Kathivo Polytechnic	2,428,030.00	1,579,883.96	65	Late submission of certs	Reminded to submit in time
12.	Kyatune Polytechnic	2,336,060.00	1,573,154.00	67	Late submission of certs	Briefing the contractors to submit works certified to facilitate payment
13.	Kamanyi Polytechnic	2,357,589.00	1,906,741.80	81	Awaiting final cert	Urging them to finalise works in good time
14.	Kanduti Polytechnic	2,358,604.00	1,238,199.10	52	Late submission of certs	Training the contractors could address some capacity issues a step which the Ministry took in February 2015 and trained 200 contractors across the

S/N O	Project/program name	Budget 2014/15	Expenditure (Kshs)	Absorption %	Explanation for the level of absorption	Measure to safeguard against such risks in future
						County
15.	Waita Polytechnic	2,368,179.00	2,368,179.00	100	-	
16.	Kalivu Polytechnic	2,342,548.00	1,769,087.00	76	Late submission of certs	Urging them to finalise works in good time
17.	Kisasi Polytechnic	2,349,500.00	1,349,022.00	57	Capacity issues both financial and human could have contributed to the slow progress.	Training the contractors could address some capacity issues a step which the Ministry took in February 2015 and trained 200 contractors across the County
18.	Katulani polytechnic	2,299,999.00	1,007,000	44	Capacity issues both financial and human could have contributed to the slow progress.	Training the contractors could address some capacity issues a step which the Ministry took in February 2015 and trained 200 contractors across the County
19.	Ithiani Polytechnic	2,344,546.00	1,749,844.83	75	Late submission of certificates	Urging them to finalise works and be issued with certificates in good time
	Total	35,556,280	23,845,669	67 %		
Construction of 7 Modern markets						
20.	Kavisuni modern market	10,118,523	5,615,169.96	55.49	Some certificates were not presented in time	Contractors to be briefed on how their contracts can be sub-divided so that certificates can be issued upon milestones attained on the contract
21.	Kyangi modern market	10,619,791.00	3,280,876.00	30.89	Some certificates were not presented in time	Contractors to be briefed on how their contracts can be sub-divided so that certificates can be issued upon milestones attained on the contract
22.	Nuu modern Market	10,887,604.00	7,377,852.91	67.76	Some certificates were not presented in time	Contractors to be briefed on how their contracts can be sub-divided so that certificates can be issued upon milestones attained on the contract
23.	Ikutha Modern	10,118,523.00	6,111,106.95	60.40	Some certificates were not	Contractors to be briefed on how their

S/N O	Project/program name	Budget 2014/15	Expenditure (Kshs)	Absorption %	Explanation for the level of absorption	Measure to safeguard against such risks in future
	market	0			presented in time	contracts can be sub-divided so that certificates can be issued upon milestones attained on the contract
24.	Tseikuru Modern Market	10,888,000.0 0	3,035,700.00	27.88	Some certificates were not presented in time	Contractors to be briefed on how their contracts can be sub-divided so that certificates can be issued upon milestones attained on the contract
25.	Kamuwongo modern Market	10,347,000.0 0	5,227,599.97	50.52	Some certificates were not presented in time	Contractors to be briefed on how their contracts can be sub-divided so that certificates can be issued upon milestones attained on the contract
26.	Matinyani Modern Market	12,002,500.0 0	4,478,602.93	37.31	Some certificates were not presented in time	Contractors to be briefed on how their contracts can be sub-divided so that certificates can be issued upon milestones attained on the contract
	Total	75,754,078.0 0	35,126,908.62	46%		
27.	Construction of public toilets in Kanziko, Nguni, Kyusyani, Ikutha, Zombe, Nuu, Muthue, Ekani, Mulutu, Itoleka and Wikiliye	5,854,439.80	1,174,970.10	20%	Contracts were awarded late	Requisition for drawings and to be made early
28.	Construction & completion of 12 markets sheds in Mwingi, Tulia , Motomo Ikanga, Athi, Endau, Ngaiye, Nguutani,	22,975,723.0 0	20,410,630	88%	Awaiting for certificate of completion	-

S/N O	Project/program name	Budget 2014/15	Expenditure (Kshs)	Absorption %	Explanation for the level of absorption	Measure to safeguard against such risks in future
	Kanyaa, Mutwangombe, Voo, Kakeani, Muthue and fencing of livestock yards and honey processing factories					
29.	Construction of masonry wall around the office block	2,229,520.00	1,000,000	45%	Contract awarded late because it's the savings from other projects that was used for construction	-
30.	Construction of boda-boda sheds in all the 40 ward H/Qs	6,636,000.00	1,307,505.35	20%	These were new structures never done before in the County and contracts were awarded late because affordable models had to be approved first	Already existing models can be used replicated or improved.
Total		37,695,682.8 0	23,893,105.45	67%		
31.	Construction and equipping of honey processing factories	34,051,145.4 2	26,065,896.20	72%	Some contracts were awarded late but over-ally some of the payments were not fully processed by the end of the financial year	Contractors to be briefed on the need to present their certificates before the end of the financial year
32.	Provision of mango agro processing machine and milk cooler machines to Kyangwithya East Dairy Cooperative and Mwingi Horticultural	2,777,600	892,000	32%	Invoices submitted late	Suppliers be asked to submit invoices immediately after supply

S/N O	Project/program name	Budget 2014/15	Expenditure (Kshs)	Absorption %	Explanation for the level of absorption	Measure to safeguard against such risks in future
	Farmers' Cooperative society					
	TOTAL	301,755,546.00	179,513,887.00	59 %		

Ministry of Culture, Youth, Sports & Social Services

	Project/Program name	Budget 2014/15 FY (Ksh)	Expenditure (Ksh)	Absorption (%)	Explanation for the level of absorption	Measures to safeguard against such risks in future
1	Resource Centres Kyoani, mwingi, manyenyoni	25,000,000.00	12,156,320.95	48.62%	Preparation of the necessary documentation and tendering took long. This was especially so in the preparation of BQs and putting out the project for tendering	The department is Working towards enhanced harmony between the department and LIUD to ensure more efficiency and timeliness.
2	Lower Eastern Cultural and Heritage Centre	3,000,000.00	0	0	Procurement and certification by LIUD for payment processes took inordinately long. There was lack of clarity on procedures on the part of the Contractor.	Work more closely with LIUD and procurement departments to make sure Contractors are fully appraised on procedures to ensure there is no delay on their preparation of the necessary documentation.
3	Recreational Park	2,000,000.00	0	0	Procurement and certification by LIUD for payment processes took inordinately long.	Work more closely with LIUD and procurement departments to make sure there is no delay.
4	Certified crop seed, animals and breeding stock for ex-offenders	2,700,000.00	0	0	These were to be procured at the onset of the rains due to their storage conditionality. The rains came a bit late in the year and by	Timing for initiating the procurement processes to be improved.

	Project/Program name	Budget 2014/15 FY (Ksh)	Expenditure (Ksh)	Absorption (%)	Explanation for the level of absorption	Measures to safeguard against such risks in future
					the time the process was through, Government payments had been closed.	
5	Development of playgrounds- Ithookwe, Kitui Township, 7 Sub-counties and 40 wards	52,696,171.00	20,527,414.10	38.8%	Preparation of the necessary documentation and tendering took long. This was especially so in the preparation of BQs and putting out the project for tendering	Work more closely with LIUD and procurement departments to make sure there is no delay, especially requesting for the BQs early enough
6	Youth Infrastructure and Investment Programme	55,000,000.00	55,000,000	100%	Initially There were delays in some groups opening bank accounts, but later was addressed towards end of year	This has already been already addressed.
TOTAL		140,396,171	87,683,735.05	62.3%		

Ministry of Environment, Energy and Mineral Investment development

S/N o.	Project / Program Name	Budget 2014/15 FY	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
1.	Tree growing	6,000,000.00	5,929,136.00	99	Tree seedlings were procured at once and distributed to the beneficiaries	Procurement process to start earlier; Ministry will support community empowerment through support for establishment of tree nurseries, community tree champions & demonstration plots
2.	Environmental education	4,000,000.00	3,886,024.00	97	County, National & International events were held as planned	Activities shall continue to be implemented as planned

S/N o.	Project / Program Name	Budget 2014/15 FY	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
3.	Policies and laws formulation	1,500,000.00	1,498,728.00	100	Implementation guidelines were developed for the implementation of the Kitui County Charcoal Management Act, 2014	County Forestry Devolved Functions shall be implemented through the Transitional Implementation Plans (TIPs) after it is co-signed between the CGoKTI and the KFS
4.	Renewable energy promotion	2,267,768.00	2,249,796.00	99	Meetings and trainings were held as planned	There shall be establishment of model charcoal production kilns and strengthening of Charcoal Producers Associations (CPA) as well as more trainings to cover the entire County
5.	Research and development	1,800,000.00	1,629,690.00	100	Activities were carried as planned	Shall continue to be implemented as planned until we maintain a detailed data bank of county minerals
6.	Solar street project	40,290,280.00	4,158,792.00	10	The project was transferred from Ministry of Admin and Cord. Of County Affairs in June and time was required to go through procurement process hence had to revote the amount	Projects to be budgeted and procurement processes to be initiated in good time
7.	Rural Electrification project	209,611,443.00	179,186,105.00	85	Initially Rural Electrification Authority was not cooperative in offering technical backstopping as agreed in the MOU. This led to delay in survey and design and eventually final implementation of the projects	There has been a fresh understanding and the partner is currently responsive and supportive to the programme. The next batch of projects is already surveyed and designed pending tendering for labour and transport as per the MOU between REA and CGoKTI

S/N o.	Project / Program Name	Budget 2014/15 FY	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measure to safeguard against such risks in future
8.	Mapping & documentation of mineral resources	10,000,000.00	3,968,500.00	40	There were delays in the procurement department to procure equipment because the items were of specialised nature and not available in local market	Procurement and activities shall start on time especially for import items
9.		275,469,491	202,506,771	72%		

Ministry of Tourism & Natural resources

S/no	Project / Programme	Budget FY 2014/2015 (Kshs)	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measures to safeguard against such risks infuture
1	Construction of revenue gate at George Adamson Bridge(MGR)	2,500,000	1,113,135	44.5	Delayed completion time by the contractor by 3 months Request for final payment was presented two weeks before closure of financial year hence too short time was available for processing of the payment before end of the year	Closer monitoring of projects in liaison with LIUD to ensure timely completion by the contractor Ensure contract terms are followed by both parties to avoid delays
2	Construction of Revenue gate at Masyungwa (MGR)	2,500,000	1,371,600	54.8	Contractor lacked capacity to complete work within the stipulated time and started 3 months late The works is still pending	Closer monitoring of projects in liaison with LIUD to ensure timely delivery by the contractor Vetting of contractors at the procurement stage to ensure that they have capacity to deliver on projects within stipulated time
3	Management	4,000,000	3,047,600	76.2	The timeframe required to undertake the	Plan keenly to avoid

S/no	Project / Programme	Budget FY 2014/2015 (Kshs)	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measures to safeguard against such risks infuture
	plans for Mwingi and South Kitui game reserves				project was underestimated at the planning stage hence the processes required could not be completed within 3 months	underestimation of resources required to complete projects
4	Acquisition of Land for Nzambani Ecotourism Centre	2,000,000	1,240,000	62	Had identified two plots of land where only one was purchased at government valuer's price The second land owner rejected the government valuer's price claiming market rates are higher	Involve valuer's early for budgeting purposes and be privy to the land market dynamics Community sensitization on the multiplier effect of tourism activities to an area
5	Grading and opening up of access roads in Mwingi Game Reserve	2,000,000	0	0	Commercial rates through a commercially procured contractor were too high Joint opening up of the access roads with KWS was not possible because the MOU between KWS and the county government of Kitui is yet to be signed	Fast track signing of the MOU with KWS Use own county machinery to open up and grade roads Increase budget allocation to allow procurement of commercial road contractors
6	Development of Nzambani Ecotourism Centre(NEC)	11,500,000	340,000	3	Legal challenges on lease and ownership of the attraction site impeded the start of the project	Pursued the gazzatement of the rock as a national monument by the national museums of Kenya which was effected on 23 rd January 2015 Provided information to the county assembly committee on tourism and a motion was passed seeking revocation of the lease Presented a report to the county land task force on the need to reclaim the land for the development of the Ecotourism centre

S/no	Project / Programme	Budget FY 2014/2015 (Kshs)	Expenditure (Kshs)	Absorption (%)	Explanation for the level of absorption	Measures to safeguard against such risks infuture
						Petitioned the National Land Commission to revoke the lease. Matter awaiting NLC decision.
7	Purchase of indigenous tree seedlings for conservation groups	1,000,000	500,000	50	Unforeseen delay in procurement procedures delayed the purchase of seedlings in good time. Changes in weather pattern precipitating into poor seedling production by nurseries hence when the project was being implemented, there were no enough suppliers of the required number of tree seedlings	Do early planning to avoid unnecessary delays Sensitize conservation groups on ecotourism benefits
8	Feasibility, tourism product development and promotion	6,000,000	2,116,652	35	Land ownership challenge that still exist in Kanyonyoo have delayed initiation of a wildlife conservancy	Adopt a different approach by partnering with the community in establishing a community wildlife conservancy in the area
		31,500,000	9,728,987			

Ministry of Finance & Economic planning

S/no	Project	Budget (2014-2015)	Expenditure	Absorption (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Kitui Vision for Economic and Social Transformation	37,000,000	29,427,448	80	The consultant had not finalised the document by end of financial year.	The ministry is constantly reminding the consultants to finalise the document
2.	CIDP	5,362,375	5,362,375	100	The project was carried forward	Better contract management

S/no	Project	Budget (2014-2015)	Expenditure	Absorption (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
					from previous financial year, and completed in 2014/15	to avoid project delays
3.	Budget Preparation and Investor Conference	15,400,000	15,185,133	99	.	
4.	Purchase of software and associated accessories	1,600,000	794,672	50	There was some savings	
	Total	59,362,375	50,769,628	86%		

MVI: National Sector Working Groups (SWGs)

MTEF SECTOR CLUSTER	MINISTRY, DEPARTMENT/AGENCY
GOVERNANCE, JUSTICE, LAW AND ORDER	102. Ministry of Interior and Coordination of National Government
	120. Office of the Attorney General and Department of Justice
	121. The Judiciary
	122. Ethics and Anti- Corruption Commission
	124. Directorate of Public Prosecutions
	125. Commission for the Implementation of the Constitution
	126. Registrar of Political Parties
	127. Witness Protection Agency
	201. Kenya National Commission for Human Rights
	203. Independent Electoral and Boundaries Commission
	205. Judicial Service Commission
	210. National Police Service Commission
	214. National Gender and Equality Commission
	215. Independent Police Oversight Authority
	MTEF SECTOR CLUSTER
AGRICULTURE, RURAL & URBAN DEVELOPMENT	116. Ministry of Agriculture , Livestock and Fisheries
	202. Land Commission
	111. Ministry of Land, Housing and Urban Development
ENERGY, INFRASTRUCTURE AND ICT	109. Ministry of Transport and Infrastructure
	112. Ministry of Information, Communication and Technology
	115. Ministry of Energy and Petroleum
GENERAL ECONOMIC AND COMMERCIAL AFFAIRS	117. Ministry of Industrialization and Enterprise
	118. Ministry of East African Affairs, Commerce and Tourism
HEALTH	108. Ministry of Health
EDUCATION	106. Ministry of Education, Science and Technology
	209. Teachers Service Commission

PUBLIC ADMINISTRATION AND INTERNATIONAL RELATIONS	101. The Presidency
	103. Ministry of Devolution and Planning
	105. Ministry of Foreign Affairs
	107. The National Treasury
	204. Parliamentary Service Commission
	206. Commission on Revenue Allocation
	207. Public Service Commission
	208. Salaries and Remuneration Commission
	211. Auditor General
	212. Controller of Budget
	213. Commission on Administrative Justice
NATIONAL SECURITY	104. Ministry of Defence
	123. National Intelligence Service
SOCIAL PROTECTION, CULTURE AND RECREATION	113. Ministry of Sports, Culture and Arts
	114. Ministry of Labour, Social Security and Services
ENVIRONMENT PROTECTION, WATER AND NATURAL RESOURCES	110. Ministry of Environment, Water and Natural Resources
	119. Ministry of Mining