

COUNTY GOVERNMENT OF KITUI



THE COUNTY TREASURY

Department of Economic Planning

County Budget Review and Outlook Paper

SEPTEMBER, 2019

FOREWORD

The County Budget Review and Outlook Paper (CBROP), is prepared in accordance with Public Finance Management Act, 2012. It is the sixth to be prepared by the County Government of Kitui under the devolved governance structure. The outlook presents the actual fiscal performance of the FY 2018/2019 and projection of the 2019/20 FY hence making comparative analysis to the budget appropriations. The paper highlight the recent key economic development and for the period under review for both the National and County Government. The report further provides an updated Medium Term Expenditure Framework (MTEF) financial forecasts and states how these projections deviated from estimates contained in the last County Fiscal Strategy Paper (CFSP) and actual budget for 2019/20 financial year (FY).

The paper also shows how the actual performance at the local and national level in 2018/19 FY affected the County's compliance with the fiscal responsibility principles and financial objectives as detailed in CFSP 2019. Both the County Government in collaboration with the National Government is implementing strategies and reforms geared towards accelerated economic growth and realization of the five pillars and the big four agenda. The County has adopted program based budget as opposed to itemized budget which is executed through the Integrated Financial Management Information System (IFMIS), the system prescribed in law for public institutions to ensure prudent and accountable use of public resources.

Under the leadership of Governor Honourable Charity Kaluki Ngilu, the county administration making significant impact on addressing challenges faced by the Kitui County residence through the implementation of the five pillars (Food and Water; Health Care, Education and Youth Development, Women Empowerment and Wealth Creation). Implementation of the five pillars in 2018/19 FY proved to bear fruits through successful Myanda project, artificial insemination of livestock, operationalization of textile industry, commencement of stone crusher, reforms instituted in the health sector to lay ground for the Universal Health Coverage and skills development among others.

The outlook gives a clear comparison of own revenue generation, grants and loans; and equitable share from the national government and other development partners hence gives appropriate recommendations on the changes in revenue. The County Government is committed and will continue to improve the welfare of the residents through implementation of the five-pillar development manifesto.

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ABBREVIATIONS

CBROP	County Budget Review and Outlook Paper
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
CIDP	County Integrated Development Plan
CLIDP	Community Level Infrastructure Development Projects
COFOG	Classification of Functions of Government
ECDE	Early Childhood Development Education
GDP	Gross Domestic Product
ICT	Information Communication Technology
IDA	International Development Association
IDCs	Industrial Development Centres
IFMIS	Integrated Financial Management Information System
KCHIC	Kitui County Health Insurance Cover
KDSP	Kenya Devolution Support Programme
KEBS	Kenya Bureau of Standards
KEWI	Kenya Water Institute
KSHS	Kenya Shilling
LAPSSET	Lamu Port South Sudan Ethiopia Transport
MT	Metric Tonne
MTEF	Medium Term Expenditure Framework
MTP	Medium Term Plan
NITA	National Industrial Training Authority
O&M	Operation and Maintenance
PPP	Public Private Partnerships
REA	Rural Electrification Authority
RMFL	Road Maintenance Fuel Levy
SEKU	South Eastern Kenya University
SGR	Standard Gauge Railway
THSUC	Transforming Health Systems for Universal Health Care
UHC	Universal Health Care
UNDP	United Nation development Programme
VAT	Value Added Tax

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

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

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

Fiscal Responsibility Principles for the National and County Governments

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

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

EXECUTIVE SUMMARY

This is the sixth County Budget Review and Outlook Paper (CBROP) since the inception of devolution and it presents the fiscal performance for FY 2018/19 and how this affects the financial objectives set out in the FY 2019/20 budget. The updated macroeconomic outlook therein also provides a basis to revise the 2019/20 FY budget in the context of the supplementary estimates as well as setting out the broad fiscal parameters for the next budget and in the medium term expenditure framework. The core purpose of the 2019 CBROP is to provide a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles. These are set out in the last County Fiscal Strategy Paper (CFSP) which provides the basis for the revision of the current budget in the context of supplementary estimates and informs the choice of broad fiscal parameters underpinning the next budget and medium term expenditure framework.

Analysis of the fiscal performance shows that the fiscal performance in 2018/19 FY improved significantly both on the expenditure side, where overall absorption rose from 83% to 86%. There was reported improvement in the performance in revenue collection though the key performing streams are those traditionally falling under the defunct local authorities. The ban on sand and charcoal cess and delay in the operationalization of liquor licence Act contributed to significant loss of revenue though the benefits to the environment far outweighed the revenue loss.

A review of the recent economic developments and outlook both at the National and County levels reveals that the Kenyan economy has continued to improve from the previous year's leading to an increase in revenue collection and equitable share received by counties. Further, the inadequate rains received over the period affected the performance of agriculture sector which further affected the county economy. The county being agriculture based, exhibits a high degree of exposure to the risks of weather variability.

The analysis of budget implementation framework reveals improved absorption rates of development funds from 83% in 2017/18 FY to 86% in 2018/2019 FY. The improved rates are expected to continue in the next financial years and will thus solidify the gains envisaged in program implementation. The departments need to rationalise their budget to align resources availability to needs, allocating funds to quick-win-projects. The County Treasury is in the process of automating its revenue to improve revenue collection. The County Government managed to collect Kshs. 443 million from its internal sources reflecting a 32.2% improvement from 2017/18 FY performance.

On the expenditure side, the County Government continued to rationalize expenditures to improve efficiency and reduce wastage. In the medium term, expenditure management is expected to improve given the various budget rationalisation reforms undertaken and as a result tightening of the fiscal framework to create room for more productive expenditures.

I. INTRODUCTION

Objective of the County Budget Review and Outlook Paper (CBROP) 2019

1. The main objective of the 2019 CBROP is to provide a review the previous fiscal performance (2018/19 FY) and how this impacts the financial objectives and fiscal responsibility principles set out in the last County Fiscal Strategy Paper 2018/19 released in February 2018. The paper outlines the expenditure and revenue in 2018/19 FY providing budgeting bases in the current financial year of 2019/20 and medium term expenditure.

2. The CBROP, like the CFSP links policy, planning and the budgeting through reviewing the performance of the government in line with the budget and the laid down policies as tied to the broad priorities. These policies include the County Integrated Development Plan (CIDP(2018-2022), The Kenya Vision 2030 and its Medium Term Plans I & II (MTP I&II), and all other national and county policies relevant to planning.

3. 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 2019/20 Medium Term Expenditure Framework (MTEF).

4. This CBROP rolls out the implementation of the development projects initiated in 2018/19 financial year, and continues to address the five pillar manifesto areas of CFSP 2018 framed around the five key pillars ensuring development enjoyed by every sector of the economy. These pillars are

Pillar I: Food and Water.

Pillar II: Health Care.

Pillar III: Education and Youth Empowerment.

Pillar IV: Women Empowerment.

Pillar V: Wealth Creation.

5. The rest of the paper is organised as follows: Section II provides a review of the fiscal performance in FY 2018/19 and its implications on the financial objectives set out in the last budget submitted to the County Assembly in April 2018. 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 which gives the development projects implemented in 2018/2019 FY.

II. REVIEW OF FISCAL PERFORMANCE IN FY 2018/19

A. Overview

6. The fiscal performance in 2018/19 improved significantly both on the expenditure side, where overall absorption rose from 83% to 86%, and revenue side where revenue collection increased by 32 % from Kshs. 335 million in 2017/18 FY to Kshs. 443 million in 2018/19FY.

7. The revenue target for the 2018/2019 FY was attained due to implementation of a gazette order that banned sand and charcoal transportation further reduced the revenue receipts. Additionally, delays in operationalization of the liquor licensing Act led to lower than expected revenues. The revenue of the year deviated by 93.6% of the target amount.

B. 2018/19 Fiscal Performance

8. The table below presents the fiscal performance for the FY 2017/18 and FY 2018/19 together with the deviations from the original budget estimates of FY 2018/19.

Table 1: Revenue and Expenditure Summary for 2017/18 -2018/19FY

	2017/18		2018/19		Deviation (%)
	Actual	Targets	Actual	Targets	
A. TOTAL REVENUE AND GRANT					
1. Revenue	10,307,087,791	10,498,798,451	10,053,012,211	10,468,402,589	-4.1
Equitable Share	8,652,300,000	8,652,300,000	8,729,200,000	8,729,200,000	0.0
Other Revenues	1,654,787,791	1,846,498,451	1,323,812,211	1,739,202,589	-31.4
Locally Generated Revenue	335,122,477	528,413,076	443,644,680	859,035,058	-93.6
Unspent Balances b/fwd.	1,319,665,314	1,318,085,375	880,167,531.00	880,167,531	0.0
2. Grants					
Kenya urban support program (kusp)	-	-	232,374,200	232,374,200	0.0
Compensation for user Fees Forgone	23,144,997	22,499,906	22,499,906	22,499,906	0.0
Road Maintenance Fuel Levy	309,636,150	309,636,150	287,290,294	326,050,314	-13.5
Grants from World Bank Kenya devolution support program(KDSP)	53,665,066	53,665,066	-	65,054,392	0.0
HSSF/HSPS - (DANIDA/IDA)	32,522,346	32,522,346	29,008,126	33,824,572	-16.6
Urban institutional grand	-	-	41,200,000	41,200,000	0.0
World Bank loan for Transforming Health Systems for Universal Care Project	47,013,831	150,444,260	67,082,450	147,468,520	-119.8
FAO Support Vaccination Program	-	-	-	9,925,960	0.0
Agriculture Sector Development Support Programme (ASDSP)	-	-	8,946,484	24,573,008	-174.7
World Bank loan for National			50,078,476	191,257,349	-281.9

	2017/18		2018/19		Devia tion (%)
	Actual	Targets	Actual	Targets	
Agricultural and Rural Inclusive Growth Project	50,609,855	50,000,000			
Conditional Allocation for Development of Youth Polytechnics	67,576,636	67,576,636	44,141,075	126,041,636	-185.5
Total Grants	584,168,881	686,344,364	782,621,011	1,220,269,857	-55.9
Total	10,891,256,672	11,185,142,815	10,835,633,222	11,688,672,446	-7.9
B. EXPENDITURE					
1. Recurrent	5,978,136,596	6,688,208,351	6,611,386,144	7,059,912,887	-6.8
Salaries and Wages	3,645,573,627	3,696,478,743	4,127,719,715	4,209,457,124	-2.0
O&M/Others	2,332,562,969	2,991,729,608	2,483,666,429	2,850,455,763	-14.8
2. Development	3,341,764,127	4,555,144,465	3,481,323,843	4,628,759,559	-33.0
Total	9,319,900,723	11,243,352,816	10,092,709,987	11,688,672,446	-15.8
C. SURPLUS/(DEFICIT)	1,571,355,949		742,923,235		

Notes

- i. **Equitable share:** This is the amount of funds the county government expected to receive from the national government, as shared out using the Commission on Revenue Allocation formula, which was disbursed in full for the period.

Revenue

a. Equitable Share and Grants

The total disbursement to the county revenue fund account during the financial year 2018/2019 was Kshs 8,729,200,000, representing 100% of the total equitable share the county expected to receive from National Treasury. This represents an improvement of 0.8% from previous financial year of 2017/18 FY.

Over the same period, the county expected to receive grants totalling to Kshs 1,220,269,857 from both the National Treasury and International donors (World Bank, United Nations Development Fund and DANIDA) as outlined in Table 2.

A total of Kshs 782,621,011 was received from grants, representing 64 % of the total grants while Grants from World Bank Kenya Devolution Support Program (KDSP) Kshs 65,054,392; FAO Support Vaccination Program Kshs 9,925,960 were not received.

Table 2 shows grants received in the period under review

Table 2: Schedule of Disbursement of Equitable Share 2018/2019

Month	Date Received	Amount
July	13/09/2018	436,460,000
August	28/09/2018	611,044,000
September	18/10/2018	785,628,000
October	15/11/2018	872,920,000
November	01/07/2019	872,920,000
December	29/1/2019	698,336,000
January	28/02/2019	829,274,000
February	04/02/2019	785,628,000
March	05/03/2019	698,336,000
April	29/05/2019	741,982,000
May	21/05/2019	698,336,000
June	07/06/2019	698,336,000
Total		8,729,200,000
GRANTS		
Transforming Health Systems for Universal Care Projects account-THUCS	24/10/2018	16,194,790
Danida	27/11/2018	14,504,063
Kenya urban support program (kusp)	12/10/2018	232,374,200
Transforming Health Systems for Universal Care Projects account-THUCS	28/02/2019	33,347,952
Danida	03/06/2019	14,504,063
THUSC	28/06/2019	17,539,708
Urban institutional grand	07/03/2019	41,200,000
NARIGP	30/05/2019	50,000,000
NARIGP(exchange rates)	28/06/2019	78,476
Village polytechnic	24/5/2019	44,141,075
Agricultural Sector Development Project	13/1/2019	8,946,484
Compensation for user Fees Forgone	19/06/2019	16,874,930
Compensation for user Fees Forgone	19/06/2019	5,624,977
Fuel Levy Fund	03/05/2019	114,916,117
Fuel Levy Fund	05/02/2019	57,458,059
Fuel Levy Fund	05/10/2019	57,458,059
Fuel Levy Fund	06/03/2019	57,458,059
TOTAL		782,621,011
Grand Total		9,511,821,011

The table 3 shows revenue target and actual amount collected during the period under review (2018/2019 FY).

Table 3: Own Revenue Generated 2018/19 FY

Month	Target	Amount Collected	Variance
July	49,665,964	35,332,193	14,333,771
August	49,665,964	23,555,534	26,110,430
September	49,665,964	40,558,549	9,107,415
October	48,187,982	66,504,675	-18,316,693
November	48,187,982	23,800,284	24,387,698
December	48,187,982	16,882,980	31,305,002
January	52,236,268	28,133,218	24,103,050
February	52,236,268	46,634,623	5,601,645
March	52,236,268	46,555,993	5,680,275
April	136,254,805	37,885,767	98,369,038
May	136,254,805	36,258,033	99,996,772
June	136,254,805	41,542,831	94,711,974
Total	859,035,058	443,644,680	415,390,378

Own Generated Revenue

9. The total revenue generated by the county over the period was Kshs 443,644,680, up from Kshs 335,122,477 collected in the previous year 2017/2018 amounting to a 32.4% improvement. The table 4 shows performance of revenue collection per ministry in the period under review.

Table 4: Own Generated Revenue by Ministry for the Period ending 30th June 2019

County Ministries/Entity	Targeted Amount	Actual Collection	Percentage (%)
The County Treasury	87,656,852	126,941,699	144.82
Kitui Municipality	143,238,049	57,387,816	40.06
Mwingi Town Administration	42,579,152	27,966,066	65.68
Office of the Governor	86,947,453	9,876,970	11.36
Ministry of Land Infrastructure, Housing & Urban Dev.	76,016,600	26,925,512	35.42
Ministry of Agriculture, Water & Livestock Development	30,098,250	16,418,764	4.55
Ministry of Environment, Energy and Minerals Investment Development	1,157,625	850,900	73.50
Ministry of Health and Sanitation	179,761,903	129,279,439	71.92
Ministry of Tourism, Sports and Culture	1,389,150	132,500	9.54
Ministry of Trade, Cooperatives and Investments	111,157,625	1,046,812	0.94
Direct Deposits	0	46,818,202	
Kitui Pro-Poor	39,032,399.00	0	
Car and Mortgage revenue account	60,000,000.00	0	-
Total	859,035,058	443,644,680	51.64

Figure 1: Pie Chart of Budgeted Revenue by Source

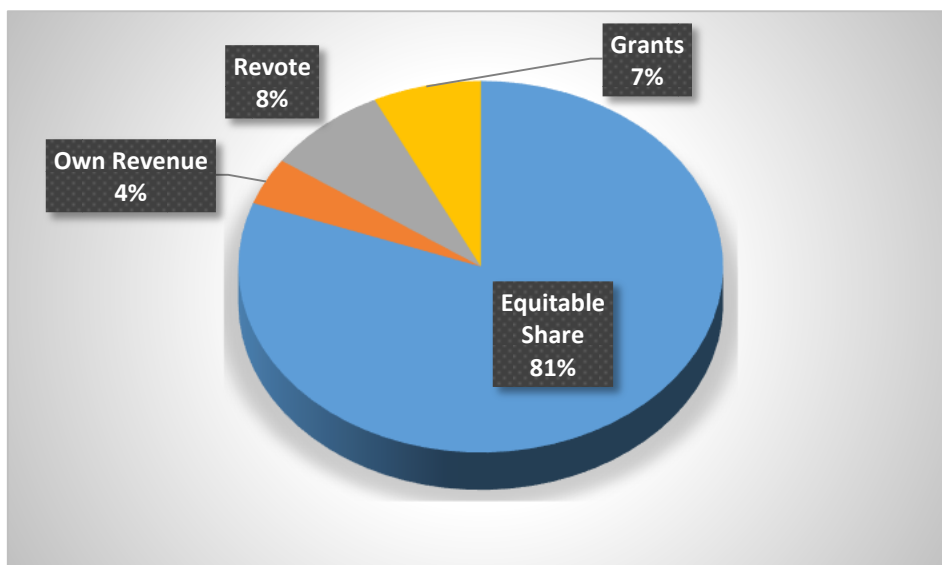
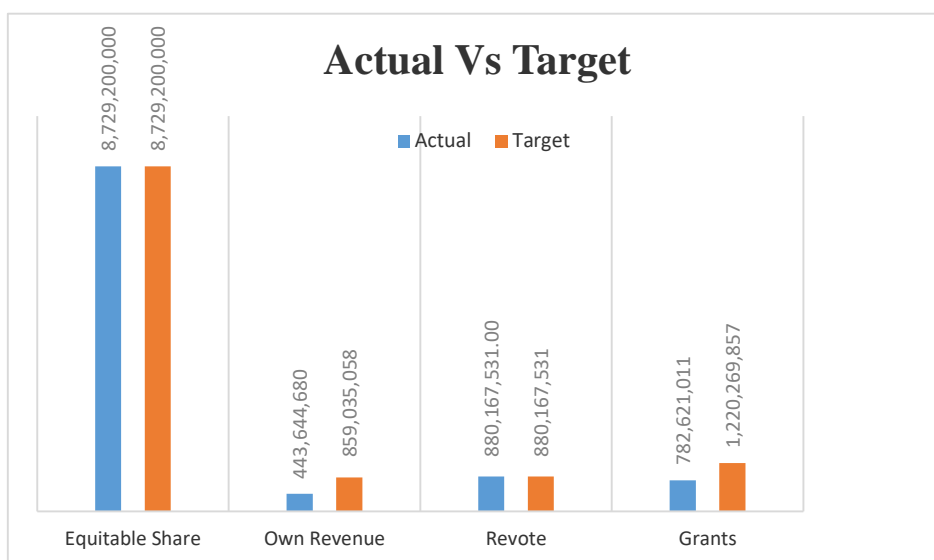


Figure 2: Bar graph of budgeted vs Actual Revenue by Source



Expenditure

10. The approved budget for the county was Kshs. 11,688,672,446 comprising of 60 % recurrent (7,059,912,887) and 40 % development (or Kshs 4,628,759,559). This represents 10 % above the minimum PFM Act 2012 recommended ceiling for funds allocation to development expenditure.

11. Further, analysis of recurrent expenditure shows that Personnel Emoluments (PE) and Operations and Maintenance (O&M) accounted for 40.9% and 24.6 % respectively of the total expenditure, compared to 39% and 25% in the previous financial year. This reveals a

slightly upward trend for PE and O&M expenses, explained by recruitment of health workers to fill in existing gaps in the sector.

12. Total expenditure for the year ending 30th June 2019 amounted to Kshs 10,092,709,987; representing gross absorption of 86%, up from 83% in 2017/18 FY. Of this expenditure, recurrent expenditure was Kshs 6,611,386,144 (65.5%) while development expenditure amounted to Kshs 3,481,323,843 (34.5%).

13. In relation to the total budget of 2018/19 FY, the recurrent expenditure was Kshs 6,611,386,144 (57%) while development expenditure amounted to Kshs 3,481,323,843 (30%) and 13% of the total budget was un spend.

14. The overall expenditure significantly increased from Kshs 9,319,900,723 in the financial year 2017/18 to Kshs 10,092,709,987 in 2018/19 FY. The proportion of actual development expenditure to the total expenditure reduced from 36 % in 2017/18 to 34.5 % in 2018/2019 FY. However, recurrent expenditure increased from 64% to 65.5 % in 2018/2019 financial year.

15. Within the financial year 2018/2019, the actual expenditure on the recurrent budget realised the highest level of utilisation at 93% up from 83 % in the previous year. Development budget expenditure was 75 % in 2018/19 up from 73% in 2017/18. The higher utilisation rate in both development and recurrent expenditures resulted to the overall absorption rate rising to 86%.

16. Table 5 presents analysis of the total expenditure by county spending entities giving the overall absorption rate. Amounts in brackets indicate the deviation from the planned target expenditures.

17. Table 5 shows the recurrent and development expenditures by each spending entity, the variances both actual values (in brackets) and the percentages. Recurrent expenditure for the financial 2018/19 FY was Kshs **6,611,386,144**, while recurrent expenditure for the 2017/18 FY was Kshs 5,978,136,596. This resulted from an increase in PE and OM expenses by 11% from 2017/2018 FY to 2018/2019 FY.

18. The amount of Kshs 1,595,962,461 indicated in table 5 as not having been absorbed includes funds budgeted as local revenue but never realised of Kshs. 316,357,978 and an amount of World Bank Kenya devolution support program (KDSP) Kshs 65,054,392; FAO Support Vaccination Program Kshs 9,925,960 were not received.

19. The development expenditure for the period 2018/2019 FY was Kshs 3,481,323,843 (35.5) compared to Kshs 3,341,764,127 (36%) spent in the 2017/18 financial year. This represents a 0.5% decrease spend in the financial year 2018/19 below the amount absorbed on development budget in the previous year.

20. The increased absorption rate in the Ministries was due to planned development projects in driving the Government five pillars in health care, agriculture and trade.

Table 5: Ministry/ Spending Entity Expenditure for the Period Ending 30th June 2019 (Kshs)

Spending Entity	Jun-19		Variance	%	Jun-19		Variance	%	Jun-19		Variance	% of total exp to budget
	Recurent				Development				Total			
	Actual	Target			Actual	Target			Actual	Target		
Office of the Governor	599,171,420	577,942,104	21,229,316	4	815,472,709	795,872,542	19,600,167	2.5	1,414,644,129	1,373,814,646	40,829,483	103
Administration & Coordination of County Affairs	368,339,048	373,000,131	-4,661,083	-1	0	-	-	0	368,339,048	373,000,131	-4,661,083	98.8
Agriculture, Water & Livestock Development	452,473,441	476,128,314	-23,654,873	-5	820,485,432	1,251,107,354	-430,621,922	-34.4	1,272,958,873	1,727,235,668	-454,276,795	73.7
Basic Education, ICT, & Youth Development	520,487,634	537,469,038	-16,981,404	-3	65,370,480	204,841,636	-139,471,156	-68.1	585,858,114	742,310,674	-156,452,560	78.9
Lands, Infrastructure, Housing, & Urban Development	348,191,140	353,850,857	-5,659,717	-2	721,636,412	757,155,161	-35,518,749	-4.7	1,069,827,552	1,111,006,018	-41,178,466	96.3
Health and Sanitation	2,675,294,273	2,791,038,840	-115,744,567	-4	561,860,260	640,353,463	-78,493,203	-12.3	3,237,154,533	3,431,392,303	-194,237,770	94.3
Trade, Cooperatives and Investments	95,059,008	101,611,255	-6,552,247	-6	192,825,784	263,889,217	-71,063,433	-26.9	287,884,792	365,500,472	-77,615,680	78.8
Environment & Natural Resources	115,482,095	122,892,512	-7,410,417	-6	58,967,534	100,337,031	-41,369,497	-41.2	174,449,629	223,229,543	-48,779,914	78.1
Tourism, Sports and Culture	117,282,904	135,082,144	-17,799,240	-13	66,828,139	101,072,450	-34,244,311	-33.9	184,111,043	236,154,594	-52,043,551	78
The County Treasury	355,669,893	383,314,712	-27,644,819	-7	9,977,200	68,054,392	-58,077,192	-85.3	365,647,093	451,369,104	-85,722,011	81
County Public Service Board	44,489,133	61,138,130	-16,648,997	-27	0	-	-	0	44,489,133	61,138,130	-16,648,997	72.8
County Assembly	727,633,685	904,797,246	-177,163,561	-20	16,002,318	130,000,000	-113,997,682	-87.7	743,636,003	1,034,797,246	-291,161,243	71.9
Kitui Municipality	139,493,300	159,659,755	-20,166,455	-13	117,679,169	272,076,315	-154,397,146	-56.7	257,172,469	431,736,070	-174,563,601	59.6
Mwingi Town Administration	52,319,170	81,987,849	-29,668,679	-36	34,218,406	44,000,000	-9,781,594	-22.2	86,537,576	125,987,849	-39,450,273	68.7
TOTAL	6,611,386,144	7,059,912,887	-448,526,743		3,481,323,843	4,628,759,561	-1,147,435,718		10,092,709,987	11,688,672,448	-1,595,962,461	86.3

C. Implications of FY 2018/19 fiscal performance on fiscal responsibility principles and financial objectives contained in the 2019 CFSP.

21. The performance of FY 2018/2019 did not affect the financial objectives set out in the 2019 CFSP and the budget for FY 2018/19 in any fundamental way. However:

- i. Due to underperformance in revenue and realisation that some grants expected from the National Treasury will not be received, actual re-vote did not include this amount;
- ii. The accelerated absorption rate recorded in 2018/19 FY is likely to inform the reallocation of funds during supplementary budget. However, this will have to be done within the broader priorities set out in the CFSP 2019 and all other medium-term policies; and
- iii. Funds not spend in the previous year (ie 2018/19 FY) whether recurrent or development are reallocated to development in current year (2019/20 FY).

22. During the third and fourth quarters of 2018/2019 FY, the county received inadequate rainfall hence resulting to poor crop harvest and development of livestock across the county. Due to this effect, the County ministry of Agriculture, Water and Livestock Development had introduced the Myanda irrigation projects in-order to boost the food security and livestock improvement through the Artificial Insemination (AI).

23. County's local revenue projections will remain as set out in CFSP 2019, since the assumptions have not changed. Revenue collection from devolved functions is still performing below forecasts, mainly due to operational and other setup challenges. There is need to review all the revenue streams for each county ministry/ entity and assess its potential to ensure realised revenue does not vary much to forecasts.

24. The County economy is based on the Agriculture sector, several measures to boost the food security were put in place during the period under review. This measures included the drilling of boreholes, construction and desilting of earth dams to increase the availability of water, pest and vector control, bee keeping and honey production, artificial insemination and the *Myanda* irrigation project and fruit value chain promotion.

III. RECENT COUNTY ECONOMIC DEVELOPMENTS AND OUTLOOK

Recent Economic Developments

a) National

25. In 2018, the global economic growth slowed down to 3.6% compared to 3.8% in 2017 due to economic challenges experienced in the developed countries, tariff and trade tension which has significantly affected the developing countries. These has resulted to weakening of consumer business confidence and tightening of financial conditions for emerging markets across the globe. As a result of G20 summit in June 2019, the economic condition is expected to ease as markets became more optimistic. However, the economic growth in Sub-Saharan Africa region remained strong at 3.1 percent in 2018 up from 2.9 percent in 2017.
26. Despite the global economic challenges, Kenya's economy continues to register strong economic performance. The economy expanded by 6.3 percent in 2018 up from a growth of 4.9 percent in 2017. This growth was supported by strong agricultural and manufacturing activities, vibrant service sector, stable macroeconomic environment, ongoing public infrastructural investments and sustained business confidence.
27. The Kenyan economy projected at 6.0 percent in 2019. In the first quarter of 2019, the economy expanded by 5.6 percent compared to a growth of 6.5 percent in the same quarter of 2018 supported by strong growth in the service sector industries despite contraction in agricultural activities due to delayed rains and climatic changes across the country.
28. The economy continues to register macroeconomic stability with low and stable interest rates and competitive exchange rate to support exports. The overall year inflation remained within target at 5.0 percent in June 2019 compared to 4.0 percent in May 2018.
29. The foreign exchange market remains stable supported by a narrower current account deficit. The current account deficit narrowed to 3.8 percent of GDP in June 2019, from 5.4 percent in May 2018. These reflecting strong growth of agricultural exports particularly horticulture and coffee, resilient diaspora remittances, and improved tourism receipts.
30. Climatic changes which has resulted to drought in 2018/19 hence affecting agricultural productivity. These affected the food prices hence high cost of living. The Government introduced measure to ease the cost of living by pension's coverage for those who are 70 years and above - cash transfer in the form of a monthly stipend and NHIF cover. Expansion of lower tax bracket - expand the tax bands by 10% and increase the relief by another 10%. Cash transfers to orphans and vulnerable children; the elderly; and to persons with disability. Support to education like waiver of exam fees; Free Primary Education; Free Day Secondary Education; budget support to Technical Training Institutes; Universities; and to the Higher Education Loans Board. Free Maternal Health Care (Free NHIF Cover for all mothers for one year); Free Primary Healthcare; purchase of medical equipment under the MES

31. Within the period under review, the government debt stood at Ksh 5.4 trillion by March 2019 during the 2018/2019 FY. These includes Kshs 2.7trillion of domestic debt and 2.7 trillion of external debt. The significant increase in public debt over the period, has seen Kenya come under increasing pressure to slow down its uptake of loans so as to avoid it approaching unsustainable levels. Some of the measure would include to reduce the levels of corruption in the government ministries.

b) County level

32. In the period 2018/2019 FY, the National government had several planned projects/programmes at County level which have great impacts in the Kitui County economy. The two main projects are road construction and Mega dam construction.

33. The government rolled out the Kibwezi-Mutomo-Kitui Road which is a project under the Lamu Port Southern Sudan Ethiopia Transport (LAPSSET) will have great impact on the economic growth of Kitui County. The interconnectivity of the road is expected to improve trade between Kitui County and other counties in the coastal region and Mount Kenya region. The project in end 2018/19 FY, 120 km of tarmac road had been completely constructed from Kibwezi-Mutomo-Mosa shopping Center.

34. To improve the food production and availability of clean water, the government started construction of Mega dam (Thwake Dam) along the Athi-river. The project will enable the residence of Kitui County specifically in Kitui rural and Kitui south to access the water for domestic and agricultural use. In addition, the projects have created job opportunities for the youth in areas along the dam.

Macroeconomic stability (Inflation, Interest rates, Exchange rates)

35. In the 2018/2019 FY, the overall inflation remained within the government target range at 5.0 percent in June 2019 up from 4.0 percent in June 2018. This increase reflected higher prices of key food items such as carrots, potatoes, sifted maize flour, cabbages, and fresh packed milk, due to delayed long rain. High cost energy like the electricity cost, kerosene price and house rent also increased during the same period. However, food inflation declined from 7.9% in June 2018 to 6.7 percent in June 2019 reflecting declining prices of key food items such as Sukuma wiki, Irish potatoes, Cabbages, Carrots and Tomatoes

36. The recorded inflation of the Non-Food and Non-Fuel has remained below 5% in the period under review reflecting muted demand pressures in the economy arising from prudent monetary policies. Fuel inflation rose gradually beginning August 2018 on account on the ban of charcoal and imposition of Value Added tax on petroleum products. The effect of these measures on fuel inflation coupled with declining oil prices has led to a decline in fuel inflation.

37. In the exchange rates markets, the Kenya Shilling has been relatively stable supported by continued narrowing of the current account deficit and adequate reserve buffer. The Shilling appreciated against the Euro and the Sterling pound exchanging at Ksh 114.9 and

Ksh 125.5 in June 2019 from Ksh 116.2 and Ksh 129.7 in June 2018, respectively. However, against the US Dollar, the Shilling weakened in June 2019 exchanging at 103.3 compared to the same period in 2018 at Ksh 100.6. The depreciation of shilling is attributed to increased demand for import and excess liquidity in the money market.

38. Interest rates have remained fairly low and stable within the 2018/2019 FY. The Monetary Policy Committee in July 2019 retained the Central Bank Rate at 9.0 percent hence reducing the commercial banks interest rates by 1% from 14% to 13%. The interbank rate remained low at 3.6 percent in August 2019 from 6.52 percent in August 2018 due to ample liquidity in the money market. The 91-day Treasury bill rate declined to 6.4 percent in June 2019 compared to 7.6 percent over the same period in June 2018.

Medium Term Fiscal Framework

39. In the medium term, the county government will ensure effective fiscal policy with an aim of improving the revenue collection and controlling the county expenditure. The county ministries will be required to set-up realistic targets with clear explanation of the revenue sources, challenges and measures to mitigate the challenges in the medium term.

40. The county government will adhere to the debt management policies under the PFM Act 2012 which gives borrowing guidelines of the counties hence the no plans to finance the budget deficit through a loan. However, the county government will raise more funds through donors and grants for the development purposes. Very high level of planning will be adopted to reduce the chances of contingent liabilities.

41. The revenue collection targets is mostly affected by the delays in passing of Finance Bills in the county assembly. Within the medium term plan, it is recommended that all laws that allow the county to collect levies be prepared and approved on time to ensure adherence to legal provisions and maximise on the revenue collection period. Any delay in passing bills into laws shortens implementation period, thus affecting resource mobilisation timeframe.

42. The county government in the fiscal years, the Socio-economic growth of the Kitui residence is expected to improve over the medium term due to investments in strategic areas under the “Five Pillars” Plan that aim to increase the level of food security and water, health care, Education and Youth Empowerment, Women Empowerment and Wealth Creation. These pillars will support the business environment, create jobs and ultimately promote broad based inclusive growth within the County.

43. The county will partner with private organizations, Non-Governmental organizations to form Public-Private partnership in implementing major projects in infrastructure such as electricity connection, solar power generation, water supply, sewer system management, ICT projects , affordable housing scheme and other infrastructure projects.

44. In procurement, the county will follow the procurement Act which give guidelines on the procurement process. The county government embrace e-procurement since every ministry has prepared the Annual Procurement Plans to guide the procurement in the current

fiscal year 2019/2020. The county has also trained more personnel to address procurement capacity gaps and fast-track the process.

45. Since 2013, the county has never achieved 100% revenue collection across all the ministries. To address the low achievement in revenue collection, the County Treasury will put in place Revenue Enhancement Plan which will ensure high revenue turnover in the 2019/2020 FY. Other strategies in the plan may include the automation of revenue collection across the county.

County Economic Outlook

46. Kitui County's economy has significantly improved in the 2018/2019 FY as compared to 2017/2018 FY. This has been achieved through the driving power of the five pillars (food security and water, health care, Education and Youth Empowerment, Women Empowerment and Wealth Creation). The local revenue under the period increased by 32.4% in relation to the previous 2017/2018 FY.

47. In the 2018/2019 FY, the county purchased a stone crusher with an aim of creating more wealth and maximising the available resources in Kitui Rural Sub-County. The crusher will act as economic boost with its supply of ballast to Thwake dam and other infrastructure within the county. In addition the crusher will create job opportunities to the youth and revenue to the County.

48. With an aim of wealth creation and Youth empowerment, the county established a Textile center (garment factory) at Syongila in Kitui Township ward. The Kitui County Textile Centre (KICOTEC) which was awarded a tender by the National Government to produce uniforms to all chiefs across the country. The factory has continuously produced school uniforms to secondary and primary schools, special group's uniforms. Due to its operationality, the factory has created job opportunities to 350 youths and additional revenue to the county.

49. In 2018/2019 FY, the county empowered the farmers in bee keeping and honey production which involved training, purchase and distribution of the bee hives. This ensured the modern methods of bee keeping with increase in honey production and quality hence value chain addition on the honey.

50. Within the same period 2018/2019 FY, the county promoted the high value horticultural crops programmes in the *Myanda* irrigation project which aimed to increase the food security. The projects involved supply of assorted seeds, fungicides and the insecticides to the selected areas. This promoted the crop value chain, creates wealth and job opportunities.

51. Within the same period, operationalization of farm tractor ploughing services was conducted across the county with an aim of improving the food productivity. The long and short rains of year were below normal hence affected the productivity of green grams and other crops.

52. In order to create wealth, the county introduced dairy improvement projects across the county through artificial insemination in 2018/2019 FY. The project aimed in improving the

livestock local breeds to increase meat and milk production with a breed which is high resistant to diseases and climatic changes.

53. The continuity of enrolling residence in the Kitui County Health Insurance Cover (KCHIC) has ensured that residents get comprehensive health services. Disease burden has reduce hence reducing morbidity. This has ensured that out-of-pocket expenditures on health services has been eliminated drastically. The savings out of all this has been reinvested to other gainful ventures, thus improving the county economy.

54. In the 2018/2019 FY, to provide the county residence with clean water for domestic use and agriculture, the county constructed/desilting of earth dams/pan and rock catchments, water pipelines extensions and drilling and equipping of boreholes. These promoted the production of food and development of the livestock across the county. The boreholes were installed with solar powered pumps which reduces the cost of operation.

55. In the 2018/19 FY, the county government provided subsidies to WSPs to KITWASCO & KIMWASCO who supply water to Kitui town and Mwingi town respectively. These promoted the provision of clean water to residence of the two towns.

56. For any economy to grow, road infrastructure is a key enabler hence the county graded, constructed and repaired roads across the county. The road project included bush clearing and construction of drifts. As a result, there smooth movement of persons and goods across the county.

Risks to Economic Outlook

57. Although the county made significant milestones in the economic growth, several risk were witnessed which affected the implementation of the five pillars to Kitui residence. The county experienced late release of equitable share from the national government which affected the service delivery and the funding of county operation. The county government depends much on the equitable share on its operation since Local revenue contributed 4.3% of the overall expenditure of 2018/2019 FY.

58. The revenue collection target for the 2018/2019 FY, only 58% was achieved hence resulted to low service delivery due to the amounts which were not received. To address the challenge, the county government shall set up realistic revenue targets which clear explanation of the revenue sources across the ministries.

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

60. The county economic growth was much affected by the political goodwill from the political class which involved the delay in enacting of bills into laws and liquor licensing

structure, approving annual supplementary budgets hence affecting project implementations and service delivery.

61. In revenue collection, resistance of revenue payments in some areas and more gaps in the revenue collection resulted to low revenue turnout across the ministries. To address the issues, most of the revenue avenues are fully automated, staff training and public awareness on the benefits of the optimum revenue collection within the county.

IV. RESOURCE ALLOCATION FRAMEWORK

Adjustments to 2019/20 Budget

62. The National economic outlook for the 2018/19 FY on macroeconomic suggest that 2019/20 FY budget may be significantly affected by the increasing public debt, instability in foreign exchange on major currencies, inflation and instability in interest rates. The national government has made milestones in exportation of crude oil and ensuring tax compliance which will act as additional revenue to the National budget.

63. In the county level, the county has increased the level of absorption to 86% in 2018/2019 hence the performance should be rolled over to 2019/20 financial year and aim on 90%+ budget absorption.

64. The project implementation status by the ministries clearly indicates the need for the departments to maximise the available resources on need based planning which will ensure the key projects are implemented. These project will have great impact on socio-economic lifestyle of Kitui residence. These will ensure non-priority projects are allocated the least resources and the resources allocated to development may not, by any way be allocated to recurrent expense in the upcoming supplementary budget.

65. In order to achieve the revenue target set out in the 2019/20 budget, the revenue department of the County Treasury will continue to implement the automation of revenue to improve revenue collection. The supervision of revenue collection is essential to seal off all possible revenue leakages and loss through non-collection.

66. The County Government continued to rationalize expenditures to improve efficiency and reduce wastage of the resources'. Within the medium term, the ministries will have measures on expenditure control in order to regulate any increase in pending bills. Finally, the PFM Act, 2012 is expected to guide and accelerate reforms in expenditure management system necessary for the efficient utilisation of resources hence debt management.

Medium Term Expenditure Framework

67. In the 2019/2020 FY, the MTEF budgeting will consider allocation of the resources to key priority sectors in order to offer service delivery according to public participation conducted for CFSP 2019/20 FY. The prioritized projects are lifted from the broad priorities in ADP for 209/20 FY and the CIDP 2018-2022 and other national planning documents.

68. According to the organization of the County ministries with guidelines from the Classification of Functions of Governments (COFOG) and the national level, the following key ministries have been allocated much funds to drive the key pillars.

- i. The ministry of Agriculture, Water and Livestock Development drives the key economic pillar of water and food security. The ministry has been allocated Kshs. 1.581B presenting 15.% of the total budget.
- ii. The ministry of health and Sanitation which drives the pillar number two of health care has been allocated Kshs.3.1B presenting 29% of the total budget. The ministry has the highest budget allocation for the 2019/20 FY.

- iii. The ministry of Basic Education, ICT and Youth Development give the third pillar of education and youth empowerment has been allocated Kshs. 0.58B presenting 5.5% of the total budget.
 - iv. The county treasury which host the emergency fund drives the pillar number four has been allocated Kshs. 0.5B presenting 4.8% of the total budget. The ministry has also a responsibility of ensuring sound financial systems and revenue collection among the ministries.
 - v. The ministry of Trade, Cooperatives and Investment drives the fifth pillar of wealth creation has been allocated Ksh 0.67B presenting 6.4% of the total budget.
69. In order to achieve the five pillar, the county government has ensured key enablers are hosted in other key ministries.
- i. The County ministry of Lands, Infrastructure, Housing & Urban Development has been allocated Kshs. 0.84B presenting 8% of the total budget. The ministry ensure smooth and passable road network to ease movement of person and goods.
 - ii. To achieve any production, energy and good climatic condition is very key. Ministry of Environment & Natural Resources has been allocated Kshs. 0.203B presenting 1.9% of the total budget. Positive climatic changes boost the food security and conservation available vegetation cover and distribution of electricity.
 - iii. Other priority sectors include Tourism, Sports and Culture which promotes the interest of special groups. In the 2019/20 FY, the ministry has been allocated Kshs. 0.203B presenting 1.9% of the total budget.
 - iv. The county assembly which ensures legislation and oversight of the county government operation has been allocated Kshs.0.83B presenting 7.9% of the overall budget. Finally the Office of the Governor which drives the Pro-poor programmes and the CLIDP project has been allocated Kshs. Kshs.1.1B presenting 10.5% of the overall budget.

Budget Framework 2019/2020

70. The 2019/20 FY budget framework is based on the MTEF and fiscal policies as outlined in this 2018/19 FY outlook paper. Instability of the key macroeconomic variable such as interest rates, inflation and exchange rates will affect the Countries GDP hence decreased recovery of the economy. However, the variables are expected to remain stable throughout the financial year.

71. At the county level, the county is expecting productive rain season in the upcoming short and long rains which will ensure sufficient food production across the county. The county government will distribute certified seeds to the farmers.

72. The counties own revenue is projected to be Kshs. 500M over the medium term plan from a target of Kshs. 859M in 2018/19 FY.

Table 6: Revenue Projections 2015/16 – 2019/20 & Estimate for 2020/21 FY

Source	Revenue 2015/16 (Kshs)	Revenue 2016/17 (Kshs)	Revenue 2017/18 (Kshs)	Revenue 2018/19 (Kshs)	Projected Revenue 2019/20 (Kshs)	Projected Estimates
						2020/21 (Kshs)
Equitable share	7,267,273,063	7,841,480,359	8,652,300,000	8,729,200,000	8,830,350,000.00	9,713,385,000
Grants		-	-		-	-
Free Maternal Healthcare	63,610,400	70,080,000	-		-	-
Compensation for User Fees Forgone	23,606,211	23,144,996	22,499,906	22,499,906	22,499,906.00	24,299,898
Road Maintenance Fuel Levy	92,318,534	120,484,292	309,636,150	287,290,294	250,655,344.00	270,707,772
Grants from UNDP	20,000,000		-			32,400,000
Grants from World Bank (KDSP)	-		53,665,066	-	30,000,000.00	-
World Bank (Universal Health)	-	88,992,000	103,430,429	67,082,450	129,886,088.00	140,276,975
World Bank (Agriculture - Rural Growth)	-		50,000,000	50,078,476	350,000,000.00	378,000,000
HSSP/HSPS - (DANIDA/IDA)	83,985,266	18,495,000	20,982,159	29,008,126	26,062,500.00	28,147,500
Leasing of Medical Equipment				-	-	142,468,086
World Bank loan to Supplement financing of County Health Facilities	-	131,525,244	58,210,000			-
Conditional Grant (Others)			58,554,018			-
Development of Youth Polytechnics	-		67,576,636	44,141,075	72,882,525.00	78,395,362

Source	Revenue 2015/16 (Kshs)	Revenue 2016/17 (Kshs)	Revenue 2017/18 (Kshs)	Revenue 2018/19 (Kshs)	Projected Revenue 2019/20 (Kshs)	Projected Estimates
						2020/21 (Kshs)
Other GOK Grants (Doctors & Nurses Allowance)	-					-
Kenya Urban Support Project - World Bank				232,374,200	8,800,000.00	9,504,000
Kenya Urban Support Project - urban institutional grant				41,200,000	232,374,200.00	250,964,136
FAO Support Vaccination Program						-
Agriculture Sector Development Support Programme (ASDSP)				8,946,484	20,392,968.00	22,024,405
						-
Subtotal	283,520,411	452,721,532	744,554,364	782,621,011	1,143,553,531.00	1,377,188,134
	7,550,793,474	8,294,201,891	9,396,854,364	9,511,821,011	9,973,903,531.00	11,090,573,134
Own Revenue		-	-		-	
County Ministries/Entity		-	-		-	
Office of the Governor	19,431,215.00	16,392,240	17,002,350		-	
Ministry of Administration and Coordination	-			-	25,000,000.00	52,500,000
Ministry of Agriculture water and Livestock Development	34,374,270.00	17,167,612	12,989,871	16,418,764	41,603,163.00	157,500,000

Source	Revenue 2015/16 (Kshs)	Revenue 2016/17 (Kshs)	Revenue 2017/18 (Kshs)	Revenue 2018/19 (Kshs)	Projected Revenue 2019/20 (Kshs)	Projected Estimates
						2020/21 (Kshs)
Ministry of Basic Education, ICT and Youth Development	-			-	-	519,033,903
Ministry of Land Infrastructure and Urban Development	127,195,566.00	24,958,150	26,196,850	26,925,512	10,250,000.00	10,762,500
Ministry of Health and Sanitation	100,979,247.00	60,402,835	106,553,352	129,279,439	154,362,258.00	525,000,000
Ministry of Trade, Cooperatives and Investments	1,133,475.00	425,671	428,707	1,046,812	71,215,506.00	281,400,000
Ministry of Environment, Energy and Minerals Investment Development	1,987,800.00	6,785,460	5,060,700	850,900	1,215,506.00	14,088,785
Ministry of Tourism, Sports and Culture	-		1,095,150	132,500	2,458,604.00	99,330,000
The County Treasury	179,572,482.00	131,313,041	91,863,116	126,941,699	80,786,903.00	9,476,250
Kitui Municipality	30,834,654.00	45,252,270	48,923,181	57,387,816	68,399,950.00	73,500,000
Mwingi Town Administration	15,994,926.00	25,602,970	25,009,194	27,966,066	44,708,110.00	35,700,000
Direct Dipoits	19,022,261.00	-12,952,887		46,818,202	-	1,671,774
Subtotal	530,525,896	315,347,362	335,122,471	433,767,710	500,000,000.00	1,779,963,212
TOTAL	8,081,319,370	8,609,549,253	9,731,976,835	9,945,588,721	10,473,903,531.00	12,870,536,346
Revote from previous budget	1,955,355,894	1,843,914,081	1,318,085,375	880,167,531	880,167,531	
% of Equitable Share	72.41	75.01	78.30	80.63	77.77	75.47

Source	Revenue 2015/16 (Kshs)	Revenue 2016/17 (Kshs)	Revenue 2017/18 (Kshs)	Revenue 2018/19 (Kshs)	Projected Revenue 2019/20 (Kshs)	Projected Estimates
						2020/21 (Kshs)
% of Own Resurces	5.29	3.02	3.03	4.01	4.40	13.83
% of Grants	2.82	4.33	6.74	7.23	10.07	10.70
% of Revote	19.48	17.64	11.93	8.13	7.75	-
Total Resource Envelope	10,036,675,264	10,453,463,334	11,050,062,210	10,825,756,252	11,354,071,062.00	12,870,536,346

V. CONCLUSION AND WAY FORWARD

73. In the table 7 below, the CBROP presents the MTEF for 2017/18 FY to 2019/20 FY factoring in the challenges faced by county government in receiving the equitable share for the 2019/20 FY. The MTEF for the financial years presents the actual values and projection of 2020/21 FY obtained by moderating the revenue projections and control of expenditure based on the laid policies. The financial policies therefore are consistent with fiscal responsibilities outlined in the PFM law.

74. County government should consider allocating funds to sector projects on need based prioritization hence much impact to the society. The projects and programmes which takes shortest time possible (One quarter) to implement at a very cost effective way. Therefore, the allocation is not based on any policy shift, but program rationalisation to ensure maximum benefit with least resource allocation.

75. In this regards, the financial policies outlined in this CBROP 2019 will ensure smooth resource allocation on the ward prioritized projects which will promote the five pillars of food and water, healthcare, women and youth empowerment; and wealth creation.

76. The policies will be highlighted in the next County Fiscal Strategy Paper for 2020/21 FY which will be released by February 2020.

Table 7: MTEF Actuals 2017/2018-2019/2020 FY & Projection 2020/2021 FY

No.	Sector/County Ministry		2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	Projections 8% 2020/21
1	Office of the Governor	SUB-TOTAL	1,420,716,143	1,373,815,645	1,105,300,000	1,193,724,000
		Rec. Gross	791,785,855	577,942,104	851,800,000	919,944,000
		Dev. Gross	628,930,288	795,873,541	253,500,000	273,780,000
2	Ministry of Administration and Coordination Affairs	SUB-TOTAL	394,958,461	373,000,131	485,913,479	524,786,557
		Rec. Gross	360,101,991	373,000,131	475,913,479	513,986,557
		Dev. Gross	34,856,470	0	10,000,000	10,800,000
3	The County Treasury	SUB-TOTAL	591,048,554	451,369,104	572,814,144	610,129,354
		Rec. Gross	449,137,341	383,314,712	466,440,126	503,755,336
		Dev. Gross	141,911,213	68,054,392	106,374,018	106,374,018
4	Ministry of Health & Sanitation	SUB-TOTAL	3,076,208,935	3,431,392,303	3,423,211,160	3,697,068,053
		Rec. Gross	2,288,545,166	2,791,038,840	3,097,350,172	3,345,138,186
		Dev. Gross	787,663,769	640,353,463	325,860,988	351,929,867
5	Ministry of Basic Education, ICT & Youth Development	SUB-TOTAL	739,478,850	742,310,674	554,500,000	598,860,000
		Rec. Gross	450,594,603	537,469,038	400,178,195	432,192,451
		Dev. Gross	288,884,247	204,841,636	154,321,805	166,667,549
6	Ministry of Trade, Co-operatives & Investment	SUB-TOTAL	461,342,459	365,500,472	790,000,000	853,200,000
		Rec. Gross	79,276,373	101,611,255	465,213,959	502,431,076
		Dev. Gross	382,066,086	263,889,217	324,786,041	350,768,924

No.	Sector/County Ministry		2017/18 Actuals	2018/19 Actuals	2019/20 Actuals	Projections 8% 2020/21
7	Ministry of Lands, Infrastructure, Housing & Urban Development	SUB-TOTAL	834,576,584	1,111,005,218	1,007,416,493	1,088,009,812
		Rec. Gross	245,516,867	353,850,057	281,915,952	304,469,228
		Dev. Gross	589,059,717	757,155,161	725,500,541	783,540,584
8	Ministry of Tourism, Sports & Culture	SUB-TOTAL	287,972,479	236,154,594	224,703,420	242,679,694
		Rec. Gross	122,982,218	135,082,144	121,111,235	130,800,134
		Dev. Gross	164,990,261	101,072,450	103,592,185	111,879,560
9	Ministry of Agriculture, Water & Livestock Development	SUB-TOTAL	1,651,509,779	1,727,235,668	1,702,877,409	1,839,107,602
		Rec. Gross	393,445,639	476,128,314	529,601,984	571,970,143
		Dev. Gross	1,258,064,140	1,251,107,354	1,173,275,425	1,267,137,459
10	Ministry of Environment & Natural Resources	SUB-TOTAL	303,213,741	223,229,542	224,981,989	242,980,548
		Rec. Gross	73,400,499	122,892,511	122,199,499	131,975,459
		Dev. Gross	229,813,242	100,337,031	102,782,490	111,005,089
11	County Public Service Board	SUB-TOTAL	88,171,505	61,138,130	53,434,116	57,708,845
		Rec. Gross	70,306,664	61,138,130	53,434,116	57,708,845
		Dev. Gross	17864841	0	0	0
12	County Assembly	SUB-TOTAL	989,769,598	1,034,797,246	833,248,915	899,908,828
		Rec. Gross	812,981,841	904,797,246	833,248,915	899,908,828
		Dev. Gross	176,787,757	130,000,000		0
13	Kitui Municipality	SUB-TOTAL	301,702,408	431,736,070	449,923,246	485,917,106
		Rec. Gross	91,783,794	159,659,755	173,275,206	187,137,222
		Dev. Gross	209,918,614	272,076,315	276,648,040	298,779,883
14	Mwingi Town Administration	SUB-TOTAL	153,428,317	125,987,849	98,745,825	106,645,491
		Rec. Gross	59,282,196	81,987,849	76,245,825	82,345,491
		Dev. Gross	94,146,121	44,000,000	22,500,000	24,300,000
	TOTALS	TOTAL	11,294,097,813	11,688,672,646	11,527,070,196	12,440,725,890
		Rec. Gross	6,289,141,047	7,059,912,086	7,947,928,663	8,583,762,956
		Dev. Gross	5,004,956,766	4,628,760,560	3,579,141,533	3,856,962,934

ANNEXTURES

I. EXPENDITURE ANALYSIS BY PROJECT/PROGRAMME

3711: Office of the Governor ((Development))

No.	Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	County Administration Block (Completion of Governors Office)	71,840,142	56,413,311	78.53%	The remaining funds of KES15,426,831 had been committed to pay bills related to the construction of the building but the payments were not actualized by the end of the financial year.	Project awards and payments will be made earlier to ensure payments are not locked out at the end of the financial year.
2.	Community Level Infrastructure Development Programme (CLIDP)	685,000,000	402,244,738	58.72%	During FY 2018-2019 there were no new project awards. Payments were for pending bills. There was KES142,645,258 committed for payment but the payments were never actualized since they had not been invoiced.	Sensitization of contractors on e-procurement for future procurements. Clearing all pending bills during FY 2019/2020.
3.	Pro-Poor Support Programme	180,000,000	157,119,211	87.29%	The utilization of the funds was commendable with KES20,000,000 commitments which were closed down at the end of the financial year	Commitments will be made earlier to ensure payments are not lock down at the end of the financial year.

3712: Public Service Management and Administration

S/No.	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	General Administration	134,461,012	131,843,410	98%	Late release of Funds from treasury	Timely release of funds
2.	Coordination and Administrative services	238,539,119	213,154,768	89%	Late release of Funds from treasury	Timely release of funds

3713: Ministry of Agriculture, Water & Livestock Development (Development)

S/N	Project/Programme	Budget (2018-2019)	Expenditure (Kshs)	Absorption Rate (Kshs)	Explanation for the level of Absorption	Measures to safeguard against such Risks to the future
1	Promotion of High Value Horticultural Crops Programme-Myanda irrigation (Supply of assorted Horticultural Seeds, fungicides and insecticides)	70,566,088	63,904,611	90.56%	Timely procurement plan and follow up	N/A
2	Sunflower oil and Poultry feed production (Supply of sunflower seeds)	1,300,000	1,268,750	97.60%	Timely initiation of procurement process	N/A
3	Mango value chain promotion-Procure Mango Fruit fly kits procured and Procure Carbendazim fungicides	3,500,000	2,936,654	83.90%	Timely procurement plan and follow up	N/A
4	Tractor ploughing program-Procure farm tractors, Procure disc plough and Procure trailers	81,791,086	69,349,600	84.79%	Timely initiation of procurement process	N/A

S/N	Project/Programme	Budget (2018-2019)	Expenditure (Kshs)	Absorption Rate (Kshs)	Explanation for the level of Absorption	Measures to safeguard against such Risks to the future
5	Operationalization of farm tractor ploughing services	30,088,146	26,828,583	89.16%	Tractors distributed to wards for ease of access by farmers	N/A
6	Purchase of Crawlers (Procurement of medium tracked dozer with ripper)	24,227,800	24,227,500	100%	Supply order was awarded to the dealer	N/A
7	Disbursement of grants for community- driven investments	32,499,175	13,013,390	40%	Low capacity by both officers and farmer groups in proposal development	Enhancing capacity of players as well as simplifying the proposal formats
8	Formation of producer organizations and value chain development	12,000,000	0	0%	Low of POs which required strengthening first	Enhance capacity building.
9	Rehabilitation of kwa Isiki water pan	40,584,572	1,711,350	4.2%	Delayed authorization of environmental social impact assessment (ESIA) by the donor (world bank).	ESIA timely development and presentation to donor for approval
10	Purchase of 26 motorbikes for extension services	4,000,000	3,989,590	99.74%	Timely initiation of procurement process	N/A
11	Small scale cluster irrigation development (Procurement of solar pumps)	12,030,262	12,000,000	99.75%	Timely initiation of procurement process	
12	Development of irrigation infrastructure for demon plot at SEKU	1,510,000	1,507,452	99.83%	Correctness of BQ that guided on the correct estimate	N/A

S/N	Project/Programme	Budget (2018-2019)	Expenditure (Kshs)	Absorption Rate (Kshs)	Explanation for the level of Absorption	Measures to safeguard against such Risks to the future
13	Development of irrigation infrastructure at Ithookwe (KARLO farm)	3,600,000	3,597,823	99.94%	Correctness of BQ that guided on the correct estimate	N/A
14	Dairy improvement through artificial insemination	25,000,000	23,954,000	95.82%	Vigorous campaigns made farmers present cows for insemination	N/A
15	Commercialization of local chicken enterprise (construction of chicken slaughter slab)	1,800,000	1,800,000	100%	Correctness of BQ that guided on the correct estimate	N/A
16	Bee keeping and honey production (cab hives)	10,000,000	8,074,448	80.74%	Timely initiation of procurement process	N/A
17	Range and Pasture Development and feed conservations	18,900,000	18,841,900	99.69%	Timely initiation of procurement process	
18	Pests and vector control: Procure of vaccines and sera; Acaricides for cattle dips	2,994,000	3,201,500	106.93%	Timely initiation of procurement process.	N/A

Water Department

S/No	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Drilling & equipping of 8No. new boreholes	35,000,000	8,321,838.86	24%	Delayed procurement of drilling materials	Ensure timely procurement of borehole drilling materials
2.	Equipping of 10No. boreholes	45,000,000	32,195,570.55	72%	Equipping incorporated with hybridization to solar power systems	Some boreholes hybridized from diesel-powered engines to solar power (green energy) to reduce the operational costs

S/No	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
3.	Construction of 24No. Pipeline extensions	132,000,000	127,834,191.62	97%	More extensions to needy areas done	Proposed pipeline costs differ slightly from the engineer's estimate costs. Some more damaged pipelines rehabilitated
4.	Construction/desilting of 16No. earth dams/pans & rock catchments	120,000,000	61,697,240.93	51%	An extra earth dam fenced	Plan according to engineer's estimates
5.	Construction of 80No. Sand/Sub surface dams	68,000,000	0	0%	Not done	Construction of sand/sub surface dams to be upgraded to 'sump well water supplies with all components- sand dam, offtake well, storage tanks and distribution lines' in the future FYs
6.	Repairs & maintenance of 120No. water supplies	40,000,000	49,328,053	123%	Schemes break un-evenly and all the time	To increase the allocation for this unit
7.	Subsidies to WSPs (KITWASCO & KIMWASCO)	120,000,000	93,210,389.57	78%	Electricity/chemical bills for the companies paid	To create a separate vote line for the subsidies
8.	River Athi-Kanyangi-Mutomo water project	50,000,000	0	0%	Repairs for R. Athi intake ongoing, original intake abandoned & re-designed	New intake constructed at R. Athi. Testing of the main gravity line ongoing
9.	Kiomo-Kyethani water supply project	50,000,000	15,371,666.00	0%	Consultancy services completed within the stipulated period	-
10	Feasibility studies	30,000,000	28,432,685.00	95%	All surveys & designs for	-

S/No	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
					the FY done	
11	Procurement of double cabin vehicles for SCWOs (3No.)	10,000,000	0	0%	Not procured, funds re-allocated to other emergency plans due to drought situation	Work within work plans

3714: Ministry of Basic Education, ICT & Youth Development (Development)

S/No	Project /Programme Name	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measures to safeguard against such risk in the future
1.	ECDE teaching and learning materials	10,000,000.00	9,828,092	98%	Absorption was okay	Maintain
2.	Construction of ECDE classrooms	40,000,000.00	0	0%	Revote for the FY 2017/2018 was not expendable thus the fund paid the pending bills for that financial year	Exogenous factors affected performance. These are to be addressed promptly to avoid future delays
3.	Construction of ECDE toilets	10,000,000.00	0	0%	Revote for the FY 2017/2018 was not expendable thus the fund paid the pending bills for that financial year	Exogenous factors such as the delays in remittance of funds by the exchequer to be addressed
4.	Youth Training Skills (Boda Boda Training)	10,000,000.00	9,873,900	99%	There was conformity and absorption capacity on the utilization of funds allocated	Maintain

S/No	Project /Programme Name	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measures to safeguard against such risk in the future
					on the programme	
5.	Purchase of interlocking machines	10,000,000.00	9,673,038	97%	Absorption was okay	Performance achieved as per expectations

3715: Ministry of Lands, Infrastructure Housing & Urban Development (Development)

S/No.	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Maintenance of Non Residential Buildings	4,890,465.00	4,890,465.00	100.0%	Timely release of funds and execution of the project	Timely procurement of projects
2.	Refurbishment of Residential Buildings	2,020,840.65	2,020,840.65	100.0%	Timely release of funds and execution of the project	Timely procurement of project
3.	Preparation of County Valuation Roll	-	(11,600,000.00)	0.0%	The budget for the project that was available during the 2017-2018 was not reallocated at the beginning of the financial year. Subsequent supplementary budgets within 2018-2019 did not provide requisite budget for the project.	The project has been included in the budget for 2019-2020 financial year

S/No.	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
4.	Consultancy on Affordable Housing	12,336,920.00	12,336,920.00	100.0%	This was an ongoing multi-year project which started in 2017-2018 financial year which is not completed and will spill to 2019 – 2020 financial year	Timely procurement of other project components.
5.	Kiusyani Local Physical Development Plan	700,000.00	622,356.60	88.9%	Timely release of funds and the project was nearing completion in FY 2018/19	-
6.	Zombe Local Physical Development Plan	12,000,000.00	6,991,320.00	58.3%	Untimely release of funds	Timely release of funds
7.	Preparation of 30 geo referenced market layout plans across the County	3,315,000.00	779,750.00	23.5%	Untimely release of funds and only 4 market layouts were prepared	Timely release of funds
8.	Purchase of Software (ArcGIS, AutoCAD, Licensed Google Earth, Global Mapper)	2,500,000.00	-	0.0%	The contract was awarded but no money was paid as the contractor cited the money allocated was less and therefore could not deliver the softwares	Timely release of funds
9.	Preparation of Kitui County Spatial Plan	16,000,000.00	15,000,000.00	93.8%	Ongoing and usually paid depending on the level of work done as agreed in the memorandum of agreement.	Timely release of funds
10.	A3 Muslim cementary -katumba primary school -KMTTC-Mortuary -Pivot Hotel C94	14,848,626.50	10,846,194.37	73%	Contractors delay in completing works.	Enhance contractors sensitization on their contractual obligations and consequences for not performing them.
11.	Ngomeni-kalwa-Garissa road	5,151,591.90	5,148,718.00	100%	Coordinated execution of the project	Timely procurement of project

S/No.	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
12.	Kyanika primary School Single Box culvert at Cottage -Kyanika road	6,490,143.45	6,489,533.00	100%	Coordinated execution of the project	Timely procurement of project
13.	Nguku -Katambauku-Ngungani	16,408,396.85	16,371,026.67	100%	Coordinated execution of the project	Timely procurement of project
14.	Maitanance of road Tsekuru junct. Mwangea-kamayangi-ciampiu junct. Katse irira	17,915,703.16	17,912,991.69	100%	Coordinated execution of the project	Timely procurement of project
15.	Rutuni-Kasyathu -Kii (Kasyathu) drift Mbondoni river and road improvement	4,513,026.64	4,510,267.92	100%	Coordinated execution of the project	Timely procurement of project
16.	Road Kiwani -njoni -Miambani (Juction mutito/mwingi road road)	7,447,765.50	7,447,765.50	100%	Coordinated execution of the project	Timely procurement of project
17.	Musuani catholic -Misai pri -Kiia - Kwa Mutua Kitemange Road	11,250,178.00	11,250,065.12	100%	Coordinated execution of the project	Timely procurement of project
18.	Proposed Katheka secondary shopping centre -Kwa Mbui-Mangelu shopping centre - Mutanda Shopping centre Road	14,265,289.08	12,262,923.76	86%	Contractors delay in completing works. Default Notice Issued	Enhance contractors sensitization on their contractual obligations and consequences for not performing them.
19.	Proposed kangale shopping centre via Ngethwa river kwa wambua junctions(Kivani kwa mumo) road	8,885,639.00	8,880,178.74	100%	Coordinated execution of the project	Timely procurement of project
20.	Kanteen -Kathande Road	10,774,893.40	10,765,171.90	100%	Coordinated execution of the project	Timely procurement of project

S/No.	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
21.	Drift construction along kaliku yulambu kawala (Malawani river)	8,555,999.34	8,547,141.00	100%	Coordinated execution of the project	Timely procurement of project
22.	Mwitika -Voo -kakengele road	10,938,070.41	10,936,445.20	100%	Coordinated execution of the project	Timely procurement of project
23.	E791 Ikanga ithumula -Kavisuni	12,770,904.00	12,708,534.67	100%	Coordinated execution of the project	Timely procurement of project
24.	Tiva drift repair along Mutomo Kamutei road	3,807,955.20	3,806,714.00	100%	Coordinated execution of the project	Timely procurement of project
25.	Siamatatani -Mumba-Kaindu Road	6,503,308.00	4,522,260.00	70%	Contractors delay in completing works.	Enhance contractors sensitization on their contractual obligations and consequences for not performing them.
26.	Road D505 Mbitini -Kilamba -Mosa	9,386,803.00	7,901,224.00	84%	Contractors delay in completing works.	Enhance contractors sensitization on their contractual obligations and consequences for not performing them.
27.	Muselele -Kyainya -ilika -Kambi Road	17,941,404.24	17,839,988.67	100%	Coordinated execution of the project	Timely procurement of project
28.	Grading various roads in Mwingi North 100KM-Tharaka, Mumoni	4,582,803.80	4,581,770.53	100%	Coordinated execution of the project	Timely procurement of project
29.	Grading various roads in Kitui West -Kauwi, Mutonguni	4,402,200.00	3,772,552.00	86%	Contractors delay in completing works.	Enhance contractors sensitization on their contractual obligations and consequences for not performing them.
30.	Grading various roads in Kitui West -Kwa Mutonga/Kithumula, Matinyani	3,769,710.00	3,766,636.00	100%	Coordinated execution of the project	Timely procurement of project

S/No.	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
31.	Grading various roads in Kitui Rural-Kisasi, Mbitini	4,832,205.00	4,555,900.00	94%	Contractors delay in completing works.	Enhance contractors sensitization on their contractual obligations and consequences for not performing them.
32.	Grading various roads in Kitui Central 100KM-Kyangwithya East, Miambani	4,464,868.28	4,459,388.00	100%	Coordinated execution of the project	Timely procurement of project
33.	Grading various roads in Kitui Central -Township, Mulango,Kyangwithya West	5,465,775.00	-	0%	Contractors delay in completing works. Default Notice Issued	Enhance contractors sensitization on their contractual obligations and consequences for not performing them.
34.	Grading various roads in Kitui East 150KM - Zombe/Mwitika,Voo/Kyamatu, Endau/Malalani	6,915,291.50	6,586,712.00	95%	Coordinated execution of the project	Timely procurement of project
35.	Grading various roads in Kitui East-Nzambani, Chuluni,Mutito/Kaliku	6,491,802.00	6,486,058.80	100%	Coordinated execution of the project	Timely procurement of project
36.	Grading various roads in Kitui South-Ikanga/Kyatune, Mutomo/Kibwea, Kanziko/Simisi	6,969,541.00	5,817,481.20	83%	Contractors delay in completing works.	Enhance contractors sensitization on their contractual obligations and consequences for not performing them.
37.	Grading various roads in Kitui South 150KM-Mutha, Ikutha,Athi	6,776,760.60	6,774,632.00	100%	Coordinated execution of the project	Timely procurement of project
38.	Construction of Kalulini-Syomunyu-Athi Road	9,000,359.80	7,454,566.00	83%	Procurement done late from grant savings	

S/No.	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
39.	Maintenance of road vinda - Nzaaya-Kiviu -Kiluilu-Kombuyu-St Marys with drainage and spot improvement structures	27,253,407.35	27,252,280.41	100%	Coordinated execution of the project	Timely procurement of project
40.	Ikutha -Kasala Junction Road (Katokolo stream)	6,688,768.80	5,388,304.40	81%	Contractors delay in completing works.	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
41.	Upgrading to Bitumen Standard of Kwa-Vonza Market Town Roads	48,882,229.15	-	0%	The funds were reallocated in the supplementary budget	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
42.	Upgrading to Bitumen Standard of Katulani Market Town Roads	48,993,767.50	-	0%	The funds were reallocated in the supplementary budget	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
43.	Construction of Kitui School-Showground road From End of Tarmac to Box Culvert Kalundu Lot 1	30,525,638.00	17,594,601.00	58%	Procurement done late	Enhance contractor's sensitization on their contractual obligations and consequences for not performing them.
44.	Construction of Kitui School-Showground road From Box Culvert Kalundu to Show ground to Airstrip Lot 2	11,980,503.78	11,978,677.94	100%	Coordinated execution of the project	Timely procurement of project
45.	Junction at Kitui Town-Museve Road-Governor's Office-Savani Estate	12,800,565.00	6,374,193.04	50%	Contractors delay in completing works.	Enhance contractors sensitization on their contractual obligations and consequences for not performing them.

S/No.	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
46.	Improvement to Bituminous Standard of National Oil-Naivas Road	39,296,611.70	19,090,915.24	49%	Procurement done late due to delayed funds	
47.	Proposed grading of various roads in Mwingi North 150KM-Ngomani, Tseikuru, Kyuso	6,995,240.00	6,995,022.14	100%	Coordinated execution of the project	Timely procurement of project
48.	Proposed grading of various roads in Mwingi West 100KM-Kiomo/Thaana, Kiomo/Kyethani	4,749,591.00	-	0%	Contractors delay in completing works.	Enhance contractors sensitization on their contractual obligations and consequences for not performing them.
49.	Proposed grading of various roads in Mwingi West 100KM-Migwani, Nguutani	3,760,575.00	-	0%	Contractors delay in completing works.	Enhance contractors sensitization on their contractual obligations and consequences for not performing them.
50.	Grading various roads in Mwingi Central-Kivou, Waita	6,712,543.00	6,659,473.00	100%	Coordinated execution of the project	Timely procurement of project
51.	Grading various roads in Mwingi Central 150KM-Nuu, Mui, Nguni	6,824,999.80	6,824,331.04	100%	Coordinated execution of the project	Timely procurement of project
52.	Grading various roads in Kitui Rural 100KM-Kwa vonza/Yatta, Kanyangi	4,741,065.00	-	0%	Contractors delay in completing works.	Enhance contractors sensitization on their contractual obligations and consequences for not performing them.
53.	Bush Clearing Road Works in Kitui Central	3,002,080.00	3,002,080.00	100%	Coordinated execution of the project	Timely procurement of project
54.	Bush Clearing Road Works in Kitui East	3,602,496.00	3,602,496.00	100%	Coordinated execution of the project	Timely procurement of project
55.	Bush Clearing Road Works in Kitui Rural	2,401,664.00	2,401,664.00	100%	Coordinated execution of the project	Timely procurement of project

S/No.	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
56.	Bush Clearing Road Works in Kitui South	3,605,000.00	3,507,840.00	97%	Measured works after completion below budget	Improve on site surveys and measurement during documentation process
57.	Bush Clearing Road Works in Mwingi Central	2,402,592.00	2,402,592.00	100%	Coordinated execution of the project	Timely procurement of project
58.	Bush Clearing Road Works in Kitui West	3,601,104.00	3,126,958.64	87%	Measured works after completion below budget	Improve on site surveys and measurement during documentation process
59.	Bush Clearing Road Works in Mwingi North	3,003,240.00	3,003,240.00	100%	Coordinated execution of the project	Timely procurement of project
60.	Bush Clearing Road Works in Mwingi West	2,398,880.00	2,398,880.00	100%	Coordinated execution of the project	Timely procurement of project

3716: Ministry of Health and Sanitation

	Item	Amount Budgeted for in 2018/19 FY (Kshs)	Amount Spent (Kshs.)	% Absorption Rate	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1	Proposed Erection of External Fuel Tank for 100 KVA generation at Ikutha Health Centre	561,006	561,006	100	Project is Complete	-
2	Proposed Completion of Workshop at Ikutha Health Centre	826,545	826,545	100	Project is Complete	-
3	Walkway for laundry to old public health offices at Kitui	984,492	984,492	100	Project is Complete	-
4	Proposed OPD floor finishes and External works at Kitui County Referral Hospital	1,100,200	1,100,200	100	Project is Complete	-

	Item	Amount Budgeted for in 2018/19 FY(Kshs)	Amount Spent (Kshs.)	% Absorption Rate	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
5	Proposed Construction of a Temporary Store at Kitui County Referral Hospital	1,203,400	1,203,400	100	Project is Complete	-
6	Proposed conversion of old public health offices to store at Kitui Referral County Hospital	1,213,503	1,213,503	100	Project is Complete	-
7	supply of medical equipment for Kitui County Referral Hospital OPD	1,397,398	1,397,398	100	Project is Complete	-
8	Construction of staff boda boda shed at Kitui	1,458,270	1,458,270	100	Project is Complete	-
9	Proposed construction of tank bases at Kitui County Referral Hospital eye unit Kitchen and laundry theatre	1,671,108	1,671,108	100	Project is Complete	-
10	Proposed Pediatric Completion Works at Ikutha	1,723,395	1,723,395	100	Project is Complete	-
11	Proposed Completion of Laundry at Ikutha Health Centre	1,743,880	1,743,880	100	Project is Complete	-
12	Proposed Construction of Tank Bases Steel Tank Stands and Mechanical Works for Various Buildings in Mwingi Level IV Hospital-Lot 3	1,812,396	1,812,396	100	Project is Complete	-
13	Procurement and installation of tents and supply of other equipment for Kitui County Referral Hospital OPD	1,820,300	1,820,300	100	Project is Complete	-
14	Modifications to physiotherapy and procurement offices at Kitui	1,848,095	1,848,095	100	Project is Complete	-
15	Proposed Trunking and Networking of New OPD Building at Mwingi Level IV Hospital	1,865,000	1,865,000	100	Project is Complete	-
16	Proposed construction of tank bases at Kitui County Referral Hospital OPD, Admin, Lab and physiotherapy	1,917,144	1,917,144	100	Project is Complete	-

	Item	Amount Budgeted for in 2018/19 FY(Kshs)	Amount Spent (Kshs.)	% Absorption Rate	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
17	Proposed Construction of Tank Bases Steel Tank Stands and Mechanical Works For Various Buildings In Mwingi Level Iv Hospital-Lot 2	1,917,286	1,917,286	100	Project is Complete	-
18	Proposed Storage Facility Completion Works at Ikutha Level 4 Hospital	1,945,912	1,945,912	100	Project is Complete	-
19	Proposed Trunking and Networking of New OPD Building at Kitui Referral Hospital	1,965,000	1,965,000	100	Project is Complete	-
20	Proposed OPD walls, windows and ceilings renovations at Kitui County Referral Hospital	1,967,150	1,967,150	100	Project is Complete	-
21	Proposed Construction of Tank Bases Steel Tank Stands and Mechanical Works for Various Buildings in Mwingi Level IV Hospital-Lot 1	1,987,399	1,987,399	100	Project is Complete	-
22	Proposed Construction of Tank bases at Kitui County Referral Hospital Mortuary, Ward 1, 2, 3 and Maternity	1,989,705	1,989,705	100	Project is Complete	-
23	Proposed solar water heating system at Kitui County Referral Hospital A	1,989,980	1,989,980	100	Project is Complete	-
24	Proposed solar water heating system at Kitui County Referral Hospital B	1,989,981	1,989,981	100	Project is Complete	-
25	Proposed plumbing works at Kitui County Referral Hospital	1,989,981	1,989,981	100	Project is Complete	-
26	Procurement of cleaning and sanitation equipment for Kitui and Mwingi Towns	2,000,000	-	-	The funds were used to pay for the pending bills because the Ministry did not get a revote for the previous year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year
27	Proposed renovation of Malili Dispensary	2,275,565	2,275,565	100	Project is Complete	-

	Item	Amount Budgeted for in 2018/19 FY(Kshs)	Amount Spent (Kshs.)	% Absorption Rate	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
28	Renovation of Miambani health center	2,426,450	2,426,450	100	Project is Complete	-
29	Proposed extension of pharmacy at KCRH	2,988,238	2,988,238	100	Project is Complete	-
30	Renovation of Mwingi hospital rock water collection and storage (Rock catchment facilities are broken down and needs replacement to install water collection gutters and installation of water tanks)	3,000,000	-	-	The funds were used to pay for the pending bills because the Ministry did not get a revote for the previous year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year
31	Kitui hospital rain water collection and storage (including underground water storage tank)	3,000,000	-	-	The funds were used to pay for the pending bills because the Ministry did not get a revote for the previous year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year
32	Proposed Completion of Maternity at Ikutha Health Centre	3,590,559	3,590,559	100	Project is Complete	-
33	Proposed Renovation Works and Construction of Patient/Staff Pit Latrines at Kamaembe	3,639,490	3,639,490	100	Project is Complete	-
34	Proposed Completion of Outpatient Department at Ikutha Health Centre	4,881,293	4,881,293	100	Project is Complete	-
35	Plumbing Works at Ikutha Hospital	5,000,000	5,000,000	100	Project is Complete	-
36	Equipping and furnishing of new surgical/ Amenity ward for Mwingi hospital	10,000,000	-	-	The funds were used to pay for the pending bills because the Ministry did not get a revote for the previous year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year

	Item	Amount Budgeted for in 2018/19 FY(Kshs)	Amount Spent (Kshs.)	% Absorption Rate	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
37	Construction of a medical store at Kitui County Referral Hospital and Mwingi Level IV Hospital (for buffer stock for the county to avoid drug stock outs in the implementation of UHC)	10,000,000	-	-	The funds were used to pay for the pending bills because the Ministry did not get a revote for the previous year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year
38	Renovations of health centres and dispensaries (connection with water and electricity supplies)	10,000,000	-	-	The funds were used to pay for the pending bills because the Ministry did not get a revote for the previous year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year
39	Procurement of theatre equipment for Kitui County referral and Mwingi Hospitals	10,000,000	-	-	The funds were used to pay for the pending bills because the Ministry did not get a revote for the previous year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year
40	Construction of 7 classrooms and Ablution block at Mwingi MTC	16,000,000	-	-	Payment of Kshs. 851,382 was invoiced before the closure of last FY, but due to liquidity problems, the payments didn't go through. The rest of the funds were used to pay pending bills for the previous year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year
41	Equipping and furnishing of new Outpatient Department (OPD)/ casualty Department for Kitui and Mwingi hospitals	20,000,000	-	-	The funds were used to pay for the pending bills because the Ministry did not get a revote for the previous year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year

	Item	Amount Budgeted for in 2018/19 FY(Kshs)	Amount Spent (Kshs.)	% Absorption Rate	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
42	Other Infrastructure and Civil Works (Construction of toilets, installation of handwashing facilities, Chain-link Fencing and construction of small gates in health centres and dispensaries)	25,000,000	-	-	The funds were used to pay for the pending bills because the Ministry did not get a revote for the previous year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year
43	Construction of Women Medical ward at Mwingi Level IV Hospital	30,000,000	-	-	The funds were used to pay for the pending bills because the Ministry did not get a revote for the previous year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year
44	Other Infrastructure and Civil Works (Construction of stone Fence at Kitui and Mwingi)	30,000,000	-	-	Payment of Kshs. 1,500,000 was invoiced before the closure of last FY, but due to requidity problems, the payments didn't go through. The rest of the funds were used to pay pending bills for the previous year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year
45	Equipment for 14 Maternity, theatre and newborn Units (Tseikuru, Kyuso, Nuu, Migwani, Kauwi, Kanyangi, kiusyani, Zombe, Mutitu, Mutomo, Mbitini, Ikanga, Mathuki and Katse health facilities)	50,000,000	-	-	The funds were used to pay for the pending bills because the Ministry did not get a revote for the previous year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year
46	Construction of 6 X-ray rooms (Kauwi, , Zombe, Kyuso, Mutitu, Ikanga, and Nuu)	10,000,000	-	-	Payment of Kshs. 5,324,651 was invoiced before the closure of last FY for , but due to requidity problems, the payments didn't go through. The rest of the funds were used to pay pending bills for the previous year	

	Item	Amount Budgeted for in 2018/19 FY(Kshs)	Amount Spent (Kshs.)	% Absorption Rate	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
47	Purchase of Software (strengthening M \$ E (HMIS system))	60,000,000	13,275,169	22	The rest of the funds were used to pay pending bills for the previous financial year	Ensure that committed expenditures as at closure of the financial year are revoted in the following year
48	World Bank loan for Transforming health Systems for universal Care Project	129,991,831	81,221,028	62	The Kshs.129 Million under this project includes Kshs.29M for the 2017/18FY FY. Out of this, only Kshs. 97,074,280 was disbursed to the County. Out of these funds Kshs. 17.5 M was disbursed at the end of June 2019, making it impossible to absorb the funds.	Early disbursement of the funds to the County by the Worldbank
49	Universal Healthcare in Devolved System Program from DANIDA	29,005,125	29,005,125	100	-	-
50	Purchase of Motor Vehicles	118,452,253	91,000,000	77	The Ministry only procured 10 ambulances and the rest of the funds were used to pay pending bills	Ensure that committed expenditures as at closure of the financial year are revoted in the following year
51	Purchase of Medical and Dental Equipment (anthropometric equipment.)	1,000,000	1,000,000	100	Project is Complete	-
	TOTAL	633,139,330	281,191,443	44		

3717: Ministry of Trade, Investment & Cooperatives (Development)

S/N	Project Description	Budget 92018-2019)	Expenditure	Absorption Rate (%)	Explanation for the level of absorption	Measure to safeguard against such risk in the future
1	Construction of an Abattoir	76,300,000	0	0%	The project has not started, (funds were utilized for other priority projects in the	Allocation of funds to be based on county priorities.

S/N	Project Description	Budget 92018-2019)	Expenditure	Absorption Rate (%)	Explanation for the level of absorption	Measure to safeguard against such risk in the future
					county)	
2	Construction of Cottage industries along Leather & non-leather	5,000,000	0	0%	The project has not started, (funds were utilized for other priority projects in the county)	Allocation of funds to be based on county priorities.
3	Upgrading equipment for skills development at Kyuso polytechnic	31,224,164	0	0%	The project has not started, (funds were utilized to pay pending bills)	To fasttrack implementation of projects to avoid pending bills
4	Construction of Modern Kiosks at Kitui town, Mwingi, Mutomo & Kwa Vonza	16,500,000	0	0%	The project has not started, (funds were utilized to pay pending bills)	To fasttrack implementation of projects to avoid pending bills
5	Purchase of Motor Vehicles (3 trucks)	36,000,000	0	0%	The project has not started, (funds were reallocated for other priority projects in the county)	Allocation of funds to be based on county priorities.
6	County Empowerment Fund	180,000,000	0	0%	Management committee in place but no funds were disbursed (funds were reallocated for other priority projects in the county)	Allocation of funds to be based on county priorities.
7	Branding of Kitui county services and products & marketing	20,854,058	5,000,000	23.98%	The project is ongoing, Brand booklet developed, awaiting dissemination.	Fast track implementation
8	Procurement of Cereals and pulses Processing machines, Ballast Crushers, Interlocking brick making machines & other machines	108,000,000	59,000,000	54.6%	Ballast crusher installed and commissioned, a going concern	Fast track implementation

S/N	Project Description	Budget 92018-2019)	Expenditure	Absorption Rate (%)	Explanation for the level of absorption	Measure to safeguard against such risk in the future
9	Completion of Kitui Town Jua Kali	10,000,000	0	0%	The project has not started, (funds were utilized to pay pending bills)	To fasttrack implementation of projects to avoid pending bills
10	Acquisition of land for Mwingi Jua Kali	30,000,000	0	0%	The project has not started, (funds were reallocated for other priority projects in the county)	Allocation of funds to be based on county priorities.
11	Purchase of car washing machines	3,200,000	3,032,000	94.75%	The programme has been Completed	N/A
12	Research on County Investment Corporation	20,000,000	0	0%	Funds were reallocated for other priority projects in the county	Allocation of funds to be based on county priorities.
13	Purchase of Motor vehicle - (Meat & Milk vans)	5,000,000	0	0%	The project has not started, (funds were utilized to pay pending bills)	To fasttrack implementation of projects to avoid pending bills
14	Verification and stamping of weighing machines	20,000	20,000	100%	The programme has been Completed	N/A
15	Mobilization and Formation of Cooperatives	10,000,000	10,000,000	100%	The programme has been Completed	N/A

3719: Ministry of Environment and Natural Resources

SN	Name of the Project	Budget 2018-2019 (Kshs.)	Expenditure (Kshs.)	Absorption Rate (%)	Explanation for the level of absorption	Measures to safeguard against such risk in the future
1	County tree growing programme(to increase tree cover towards the national target of 10%)	7,137,835.00	6,805,285.00	95.34%	completed	NA

SN	Name of the Project	Budget 2018-2019 (Kshs.)	Expenditure (Kshs.)	Absorption Rate (%)	Explanation for the level of absorption	Measures to safeguard against such risk in the future
2	Research of High Value Multi Purpose tree species	1,545,000.00	1,545,000.00	100.00%	completed	NA
3	Supply of materials for woodlots establishment (Planting of fast maturity drought tolerant tree species)	1,222,000.00	1,222,000.00	100.00%	completed	NA
4	Promotion of modern technology productions kilns and briquetting technology in Charcoal hot spots	1,846,320.00	1,433,224.00	77.63%	completed	NA
5	Community sensitization on mining issues	1,451,445.00	1,438,200.00	99.09%	completed	NA
6	Training of artisanal miners	5,800,000.00	3,900,000.00	67.24%	Delays in procurement process caused by delayed release of funds	Fasttrack the procurement process to prevent delays in procurement of services
7	Development of the county mining policy	2,921,000.00	1,460,500.00	50.00%	Ongoing as per the terms of reference	Project management and evaluation tools to fast track implimentation
8	Purchase of land for Setting up of mineral testing laboratory to spur wealth creation from county minerals	10,000,000.00	7,000,000.00	70.00%	completed	
9	Minerals mapping in Kitui South	1,999,995.00	1,999,995.00	100.00%	completed	
10	Installation of solar water pumping system	20,269,805.00	10,020,508.45	49.44%	Contactora delays in project implimentation	Project management and evaluation tools to fast track implimentation
11	Solar lightning projects and maintennce	13,020,098.00	7,463,685.20	57.32%	Delays in procurement process caused by delayed release of funds	Fasttrack the procurement process to prevent delays in procurement of services
12	Installation of solar powered water pump at Kwa Katanu BH	1,723,074.07	1,723,074.07	100.00%	completed	NA

SN	Name of the Project	Budget 2018-2019 (Kshs.)	Expenditure (Kshs.)	Absorption Rate (%)	Explanation for the level of absorption	Measures to safeguard against such risk in the future
13	Installation of solar powered water pump at Masyungwa	2,493,622.00	2,493,622.00	100.00%	completed	NA
14	Installation of solar security light at Kwa Mutheka, Kitimui, Kasyala	3,408,903.60	3,408,903.60	100.00%	completed	NA
15	Installation of solar security light at Kyamatu, Muthungue, Yiuku, and Ikisaaya Markets	1,222,797.30	1,222,797.30	100.00%	completed	NA
16	Installation of solar security light at Muthale girls secondary, Kavaloni shopping centre, Kisasi, market & Maliku south BH	1,489,880.07	1,489,880.07	100.00%	`	NA
17	Installation of solar security light at Nguuku and Tseikuru markets	2,795,600.00	2,795,600.00	100.00%	completed	NA
18	Installation of solar security lighting at Kavalula, Kilonzo, nzangathi, inyuu and kinakoni markets	426,116.00	426,116.00	100.00%	completed	NA
19	Installation of solar security lighting at Musosya, Mithikwani, Kyaani, Kwa Mboya, Mbusyani and Mosa markets	495,461.40	495,461.40	100.00%	completed	NA
20	Powerline construction at Kyatune BH	293,660.00	293,660.00	100.00%	completed	NA
21	Repairs and maintenance of solar security lights	394,944.00	394,944.00	100.00%	completed	NA
22	SUPPLY OF MATERIALS DURING COMMEMORATION OF World Day to Combat Desertification	833,500.00	833,500.00	100.00%	completed	NA
23	Supply of materials during commemoration of world environment day	1,138,375.00	1,138,375.00	100.00%	completed	NA

3720: Ministry of Tourism, Sports and Culture

S/No.	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Renovation works at Kalundu Ecopark	10,000,000	11,109,276	100%	Target Achieved	Enhanced Supervision
2.	Landscaping works at Kalundu			100%	Target Achieved	Enhanced Supervision
3.	Construction of retaining walls at Kalundu Eco -park			100%	Target Achieved	Enhanced Supervision
4.	Construction of gate house at Mutomo reptile park	10,000,000	3,532,550	100.00%	Works completed in time	Enhanced Supervision
5.	Construction of parking ground at Mutomo reptile park		660,000	17%	The contractor abandoned the site leading to termination of the contracted works.	Re-procuring the works in the subsequent financial year
6.	Construction of perimeter wall at Mutomo reptile park		3,976,430	100%	Apt planning and execution of planned projects	Enhanced Supervision
7.	Grading of Access roads	2,000,000	1,998,000	99.9%	Access road to ministry offices was fast planned and executed	Proper planning and implementation
8.	Refurbishment of Ngengi, Mosa, Kavalyani, Kalitini Primary school playgrounds, Ithookwe Stadium	32,000,000 – 10,000=42,000,000	28,453,804.45	67.70%	The total budget committed, but Some contractors had not completed works by close of the FY	Kick-starting processes early to give contractors enough time to work

S/No.	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
9.	Supply and Installation of Football goal posts at Kitui Stadium, Levelling, fencing and installation of goal posts at Mumbuni Primary School, Kilinyaa Primary School, Waita community playground, Mathunzini, Makolongo, Ikanga, Musuani, Usiani , Tseikuru Primary Schools playgrounds					
10.	Hosting of Kenya Volleyball Federation National League and tournament	1,400,000	1,392,420	99.46%	Proper planning	Early planning and implementation for projects
11.	Procurement of various utensils for Katothya, tents and chairs for Mosa and Syongoni Women Groups	2,000,000	825,180	41.23%	1. Delays in procurement of services, 2. Funds removed in the supplementary budget.	Fast-tracking of procurement processes Negotiating for the subsequent budget
12.	Procurement of assorted items for assistance to PLWD project	900,000	116,120	12.9%		
13.	Construction of Ultra-modern resource centre at Manyenyoni	10,000,000	9,544,522	95.44%		

S/No.	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
14.	Completion of Lower Eastern Heritage Centre	30,000,000	0	0%		
15.	Completion of Mwitika Social Hall, Equiping of Mwingi Resource Centre and Kyoani Resource Centre	4,000,000	0	0%		

3721 Ministry of County Treasury

S/No.	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Emergency Fund	50,000,000	0	0%	Lack of policy and inadequate funds	Ensure policy is in place and provision of funds
2.	Kenya Development Support Program (KDSP)- Training		0	0%	Lack of funds	Ensure compliance with the KDSP requirements and guidelines

3723: County Assembly

S/No	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Construction of Speaker's Residence	60,000,000	0	0	Assembly is in the process of acquiring land.	NA
2.	Construction of ward offices	20,000,000	0	0	NA	NA
3.	Construction of Recreational facility	20,000,000	0	0	In the process of acquiring land	NA
4.	Parking slots for Members of Assembly and staff	10,000,000	0	0	NA	NA
5.	Pigeon holes for Members of Assembly	10,000,000	145,000	1.45%	NA	NA
6.	Installation of lift in Assembly's debating chamber	10,000,000	0	0	NA	NA

3724: Kitui Municipality (Development)

S/No	Project /Programme Name	Budget(2018-2019) KES	Expenditure (kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to safeguard against such risks in future
1	Proposed mechanical works for main stage gate toilets	2,618,152.00	2,141,110.44	82	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation

S/No	Project /Programme Name	Budget(2018-2019) KES	Expenditure (kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to safeguard against such risks in future
2	Proposed mechanical works for Kunda Kindu stage gate	3,167,636.80	3,165,756.00	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
3	Proposed Landscaping works at Kitui town behind the main stage	1,600,000.00	1,599,466.00	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
4	Proposed rehabilitation of kitui Main Bus park	1,683,950.00	1,683,862.44	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
5	Proposed rehabilitation of vandalized manhole covers	643,713.00	643,339.85	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
6	Improvement of walkways from Huduma Centre-Kitui General Hospital Gate B	2,100,383.10	2,100,029.66	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
7	Proposed Construction of Kitui Town dust bins plinths	1,518,034.00	1,517,686.00	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
8	Proposed construction of a bus ticketing Office at Kitui Main Bus Park.	883,988.44	767,988.44	87	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
9	Proposed rehabilitation of Kitui CBD Entrance Drainage	509,000.00	509,000.00	100	Fully absorbed as budgeted	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
10	Upgrading of Kitui Town water supply reticulation, Lot I (KUSP)	49,868,100.00	47,383,164.94	95	Project completion certificate issued, but delayed in payment due to end of year closure	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
11	Improvement to bituminous standard of National oil-Naivas Road (KUSP)	39,296,611.70	19,090,915.23	49	project still ongoing	Proper planning, timely procurement, effective project supervision, monitoring and evaluation

S/No	Project /Programme Name	Budget(2018-2019) KES	Expenditure (kshs)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to safeguard against such risks in future
12	Proposed Supply of ballast to improve parkin at municipal manager's office block	475,263.60	-	0	Project completion certificate issued, but delayed in payment due to end of year closure	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
13	Upgrading of Kitui Town water supply reticulation, Lot II (KUSP)	49,979,575.17	27,038,228.00	54	Project awarded towards the end of the financial year-Still ongoing	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
14	Proposed Construction of Kithomboani Modern Market in Kitui Town(KUSP)	351,585,554.50	0	0	Project awarded towards the end of the financial year-Still ongoing	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
15	Consultancy service for the design review and construction supervision of Kithomboani Modern Market(KUSP)	24,739,600.00	4,036,800.00	16	Project awarded towards the end of the financial year -Still ongoing	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
16	Upgrading Redeemed Gospel - St.Philip-Kiembeni,Kiembeni-Igloos-Slaughter Road to bituminous standard of National oil-Naivas Road (KUSP)	44,997,061.20	0	0	Re-Procured	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
17	Acquisition of Backhole loader	11,948,000.00	-	0	Awarded,awaiting delivery-Payment in process	Proper planning, timely procurement, effective project supervision, monitoring and evaluation
18	Acquisition of 1No.single Cab pick up	4,512,000.00	0	0	Awarded,awaiting delivery-Payment in process	Proper planning, timely procurement, effective project supervision, monitoring and evaluation

3725: Mwingi Town Administration

No	Project/Programme	Budget (2018-2019) KES	Expenditure (KES)	Absorption Rate (%)	Explanation for the level of Absorption	Measure to Safeguard against such risk in the future
1.	Abolition Block at Probox Stage in Mwingi Town	3,000,000.00	2,839,285.60	94.64%	The actual expenditure was within the allowable preserved budget range	Prior market price surveys, early procurement and effective project supervision
2	Chainlink Fencing and Gate at Mboru Dumpsite	4,500,000.00	3,878,193.20	86.18%	Variation of the estimated materials prices	Prior market price surveys, early procurement and effective project supervision
3	Construction of Sheds at Probox (Kanini Kaseo) Stage	1,250,000.00	1,232,708.80	98.62%	The actual expenditure was within the allowable preserved budget range	Prior market price surveys, early procurement and effective project supervision
4	Improvement of Walkways from Equity Bank towards Total Petrol Station	2,500,000.00	2,470,800.00	98.83%	The actual expenditure was within the allowable preserved budget range	Prior market price surveys, early procurement and effective project supervision
5	Modification of Modern Market	2,000,000.00	2,090,625.00	104.53%	The actual expenditure was within the allowable preserved budget range	Prior market price surveys, early procurement and effective project supervision
6	Installation of Rainwater Goods and Paved Walkway at Open Air Market	1,000,000.00	409,350.00	40.94%	The contractor delayed in the works and the project work was not complete as at the close of the financial year hence the partial payment	Enforce strict adherence to procurement regulations on timely completion of projects
7	Proposed improvement for C94 OXFORD-CEMETRY-KMTC Road	7,500,000.00	7,227,750.00	96.37%	The actual expenditure was within the allowable preserved budget range	Prior market price surveys, early procurement and effective project supervision
	Total	21,750,000	20,148,712	92.64 %		

