

# **BARINGO COUNTY GOVERNMENT**



## **COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP)**

**30<sup>TH</sup> SEPTEMBER 2014**

## **Foreword**

This County Budget Review and Outlook Paper (CBROP), prepared in accordance with the Public Finance Management Act, 2012 is the first to be prepared by the County Government

It presents the recent economic developments and actual fiscal performance of the FY 2013/2014 and makes comparisons to the budget appropriations for the same year. It further provides updated economic and financial forecasts with sufficient information to show changes from the projections outlined in the latest county Fiscal Strategy Paper (CFSP), released in 28<sup>TH</sup> Feb. 2014.

This Paper will also provide an overview of how the actual performance of the FY 2013/2014 affected our compliance with the fiscal responsibility principles and the financial objectives and the way forward. The County has implemented a sound financial management and economic reforms which have delivered huge pay-offs. We are committed to maintain the trend of stable socio-economic performance and ensure transparency by relaying our performance indicators to the public through this, and other publications, as required by the Constitution and the PFM Act 2012.

It provides the link between policy, planning and budgeting, as such, CBROP will continue to play a critical role in the preparation of budgets and management of public resources in the county. To strengthen the budget preparation process, the County government will continue to embrace programme based budgeting and deepen public financial reforms to increase efficiency and effectiveness in service delivery and value for money for citizens.

**Hon. Geoffrey K. Bartenge**  
**County Executive Committee Member**  
**Treasury, Finance and Economic Planning**

## **Acronyms and Abbreviations**

AIA	Appropriation in Aid
BEC	Broad Economic Category
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
CG	County Government
CHMT	County Health Management Team
CIDP	County Integrated Development Plan
FY	Financial Year
ICT	Information Communication Technology
JKIA	Jomo Kenyatta International Airport
Kshs	Kenya Shillings
KWh	Kilowatt Hour
MT	Metric Tones
SRC	Salaries and Remuneration Commission

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

The County Budget Review and Outlook Paper is prepared in accordance with Section 118 of the Public Financial Management Act, 2012, 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 the 30th September of that year.
- (2) in preparing its county Budget Review and Outlook Paper, the County Treasury shall specify—
  - (a) the details of the actual fiscal performance in the previous year compared to the budget appropriation for that year;
  - (b) the updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper;
- (3) The County Executive Committee shall consider the County Budget Review and Outlook Paper with a view to approving it, with or without amendments, within fourteen days 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 publicize the Paper.

*Responsibility Principles in the Public Financial Management Law*

In line with the Constitution, the new Public Financial Management (PFM) Act, 2012, sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. The PFM law (Section 107(b)) states that:

- 1) The county government's recurrent expenditure shall not exceed the county government's total revenue
- 2) Over the medium term, a minimum of 30% of the County budget shall be allocated to development expenditure
- 3) The County government's expenditure on wages and benefits for public Officers shall not exceed a percentage of the County government revenue as prescribed by the regulations.
- 4) Over the medium term, the 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 County Government (CG)
- 6) Fiscal risks shall be managed prudently
- 7) A reasonable degree of predictability with respect to the level of tax rates and taxbases shall be maintained, taking into account any tax reforms that may be made in the future

## I. INTRODUCTION

### Background

1. This County Budget Review and Outlook Paper (CBROP) is the first to be prepared under the Public Financial Management Act, 2012 by the County Government. In line with the law, the CBROP is a review of the fiscal performance of the financial year 2013/14, and deviations from the approved Budget .

### Objective of CBROP

2. The objective of this CBROP is to provide a review of the previous fiscal performance and how it impacts the financial objectives and fiscal responsibility principles set out in the last County Fiscal Strategy Paper. This together with updated national and county economic outlook provides a basis for revision of the current budget in the context of Supplementary Estimates and the broad fiscal parameters underpinning the next budget and the medium term. Details of the fiscal framework and the medium term policy priorities will be firmed up in the next CFSP.
3. The CBROP will be a key document in linking policy, planning and budgeting. The County Government completed the preparation of First County intergrated development plan and Medium Term Expenditure Framework (MTEF) that will guide budgetary preparation and programming from 2014 onwards. In the interim, this year's CBROP is embedded on the first (MTEF) priorities, in addition to taking into account emerging challenges in the devolved system of government. The launch of, the Sector Working Groups will see the formulation of the programmes for the Medium Term Expenditure Framework (MTEF) focusing on developing of new programmes for the next MTEF 2015/16 – 2017/18.
4. The PFM Act 2012 has set high standards for compliance with the MTEF budgeting process. Therefore, it is expected that the sector ceilings on the onset will form the indicative baseline sector ceilings for the next budget of 2015/16.
5. The updated National economic outlook will be firmed up in the next CFSP to reflect any changes in economic and financial conditions. The county government will immediately embark on preparation of CFSP to be submitted to county assembly by 28<sup>th</sup> February of 2015.
6. The CBROP 2014 will be tabled in the County Assembly and made available to the public to facilitate understanding of the fiscal situation and the county governments proposed budget strategies in line with the objective of improving public transparency and accountability.
7. The rest of the paper is organised as follow; the next section provides a brief highlights of the recent national economic developments followed by a review of the fiscal performance in FY 2013/14. This is followed by an updated economic outlook in Section III. Section IV provides the resources allocation framework, while Section V gives the conclusion.

## II. Recent National Economic Highlights Overview

8. The Leading National Economic Indicators for July 2014 highlights trends in Consumer Price Indices (CPI) and inflation, interest rates, exchange rates, international trade, agriculture, energy, manufacturing, building and construction, tourism and transport.

### Macroeconomic Indicators

9. **Consumer Price Index (CPI)** increased from 149.91 points in June 2014 to 150.60 points in July 2014. The overall rate of inflation rose from 7.39 per cent to 7.67 per cent during the same period. In the month of July, the Kenyan Shilling depreciated against major currencies except the Euro and the Tanzanian Shilling.
10. The average yield rate for the **91-day Treasury bills**, which is a benchmark for the general trend of interest rates, dropped to 9.78 per cent in July 2014 from 9.81 per cent in June 2014. The inter-bank rates increased to 7.98 per cent during the period. The Nairobi Securities Exchange 20 share index rose from 4,885 points in June 2014 to 4,906 points in July 2014, while the total number of shares traded decreased from 731 million to 625 million shares during the same period. The total value of NSE shares traded decreased substantially from Kshs 18.2 billion to Kshs 15.0 billion over the same period. Broad money supply (M3), a key indicator for monetary policy formulation expanded from Kshs 2,129.9 billion in May 2014 to Kshs 2,329.0 billion in June 2014. Gross Foreign Exchange Reserves expanded from Kshs 731.6 billion in May 2014 to Kshs 922.1 billion in June 2014 while Net Foreign Exchange Reserves increased from Kshs 365.3 to Kshs 531.4 billion over the same period.



## **A). Agriculture**

11. The quantity of coffee auctioned at the Nairobi Coffee Exchange declined from 3,747 MT in May 2014 to 2,860MT in June 2014 while its average auction price increased from Kshs 349.47 per kilogram to Kshs 357.96 per kilogram in the same period. The quantity of processed tea decreased from 41,186 MT in May 2014 to 31,945 MT in June 2014 but its average auction price dropped from Kshs 179.49 to Kshs 177.49 per kilogram over the same period. Average price for dry maize dropped from Kshs 41.33 per kilogram in June 2014 to Kshs 40.46 per kilogram in July 2014 while the average price for dry beans was Kshs 75.16 per Kilogram in July 2014. Milk deliveries to formal processors rose from 43.5 million liters in May 2014 to 46.0 million liters in June 2014.

## **B). International Trade**

12. Quantity of coffee exported expanded from 4,587.4 MT in June 2014 to 5,424.5 MT in July 2014 while its value increased from Kshs 2,006.8 million to Kshs 2,383.4 million over the same period. The quantity of tea exported rose from 39,010.7 MT in June 2014 to 42,393.4 MT in July 2014, while its value increased from Kshs 7,692.3 million to Kshs 8,468.0 million during the same period. Volume of trade increased from Kshs 157.9 billion in June 2014 to Kshs 191.7 billion in July 2014. The total value of exports declined from Kshs 44,160.3 million to 43,001.1 million during the same period. Value of imports expanded to Kshs 148,739.6 million in July 2014 from Kshs 113,690.2 in June 2014. Domestic exports by Broad Economic Category (BEC) indicated that food and beverages was the main export category in July 2014 and accounted for 47.7 per cent of exports, while the value of non-food industrial supplies and consumer goods not elsewhere specified registered 21.5 and 27.3 per cent shares, respectively. BEC imports indicate that industrial supplies (non-food) was one of the main import category in July 2014 with a share of 26.3 per cent, while the values of fuel and lubricants, machinery & other capital equipment and transport equipment registered shares of 19.5, 14.9 and 25.4 per cent respectively. Food and beverage recorded a share of 5.4 per cent while consumer goods not elsewhere specified recorded a share of 7.3 per cent.

## **C). Energy**

13. Total electricity generation increased from 744.97 million KWh in June 2014 to 775.93 million KWh in July 2014. Domestic consumption of electricity declined from 648.30 million KWh in June 2014 to 549.33 million KWh in July 2014. The total consumption of petroleum products expanded to 334.52 thousand MT in June 2014 from 313.09 thousand MT in May 2014. Average national domestic retail oil prices of motor gasoline premium went up from a Kshs 115.43 per litre in June 2014 to Kshs 116.67 per litre retailed in July 2014. The price of light diesel dropped to retail at Kshs 105.59 in July 2014 from Kshs 105.73 in June 2014. The average price for Kerosene increased to retail at Kshs 85.03 from Kshs 84.04 during the same period. The price of a 13-Kg cylinder of gas averaged Kshs 3,042.80. In the international market, the price of Murran crude oil in July 2014 averaged at US Dollars 113.95 per barrel, compared to US Dollars 112.15 in June 2014.

## **D). Manufacturing, Building and Construction**

14. The quantity of cement produced went up from 460,205 MT in June 2014 to 474,254 MT in July 2014. Consumption of cement increased from 399,525 MT in June 2014 to 433,709 MT in July 2014. The quantity of sugar produced declined from 44,094 MT in May 2014 to 42,866 MT in June 2014. Production

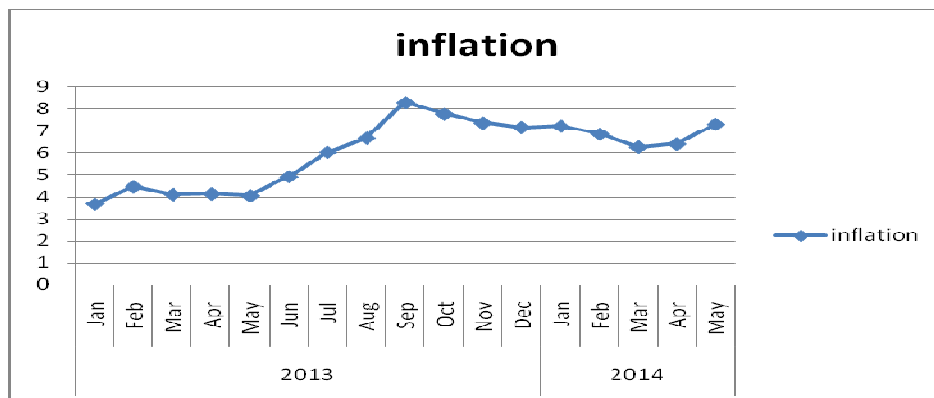
of assembled vehicles increased from 773 units in May 2014 to 779 units in June 2014. The manufacture of soft drinks declined from 41,352 thousand litres in May 2014 to 39,041 thousand litres in June 2014.

**E). Tourism and Transport**

15. The total number of visitors arriving through Jomo Kenyatta (JKIA) and Moi International Airports declined from 58,301 in May 2014 to 47,307 in June 2014. The number of passengers who embarked at Jomo Kenyatta International Airport (JKIA) expanded from 174,682 in April 2014 to 174,920 in May 2014, while passengers who landed decreased from 172,756 persons to 171,018 persons in the same period. The total number of vehicles registered declines from 14,109 in May 2014 to 14,011 in June 2014. Station wagon and motor cycles accounted for 29.0 per cent and 43.2 per cent respectively, of the total motor vehicles registered in June 2014.

**F) Inflation rates**

16. The national inflation continued upward trajectory in the months of May 2013 to September 2013. This had net effect on overall performance of the national economy.



**Figure1: Inflation rate indicators**

17. The above macro parameters affect the fiscal performance of the county in terms of revenue collected locally and equal share from the national government. The county depends largely on revenue collected from the tourist visits which has been on the slump while equitable share is based on the national economic growth.

**III. Review Of Fiscal Performance In 2013/14**

**A. Overview**

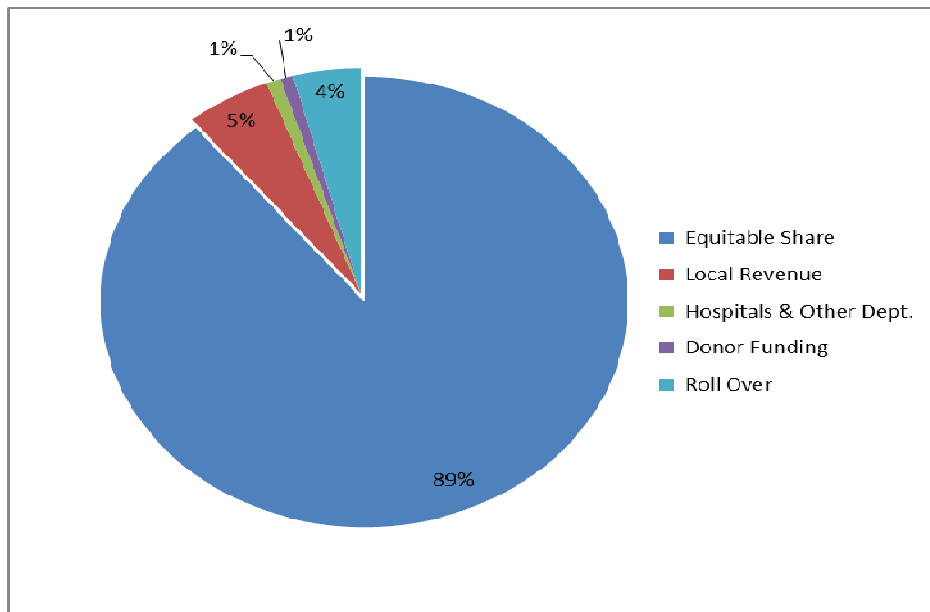
18. The fiscal performance in 2013/14 was generally satisfactory despite the challenges in setting up of the administrative structures after the March 4<sup>th</sup> 2013 general elections. The former period was undertaken in the context of the four defunct local authorities, County Council of Baringo, Town Council of Eldama Ravine, County Council of Koibatek and Municipal Council of Kabarnet

19. Transitional and organizational challenges experienced in first half of the financial Year 2013/14 as well as delayed disbursement of funds by the national government were some of the factors that hindered effective budget implementation.

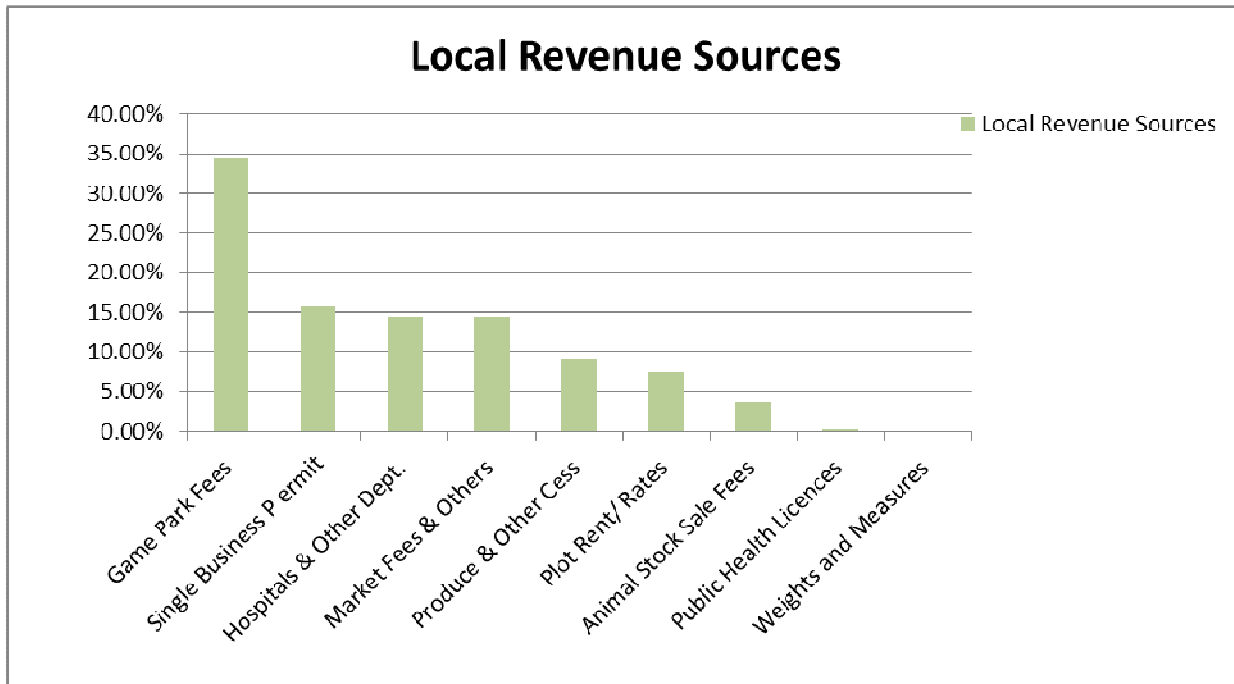
**B. 2013/14 Fiscal Performance**

**REVENUE**

- 20. During the 2013/14 financial year a total of Kshs. 3,316,474,216.70 was received as revenue to finance the county government's budget. National government equitable share was the largest proportion of this revenue at Kshs. 2,950,935,465 representing 89% of total receipts. This revenue component was budgeted at Kshs. 3,247,937,841 thus Kshs. 297,002,376 was not received within the financial year but received in the first month of 2014/15 financial year.
- 21. The County Government received grants amounting to Kshs. 26,660,115.70 from Denmark Government against the budgeted 382,555,501.00 which included National government grants and other development partners. The funds were to support health services sector. The Kshs. 13,199,791 was allocated to improve health centres, Kshs.11, 457,689.70 for Dispensaries and Kshs.2, 002,635 for management services.
- 22. A total of Kshs. 201,519,605 was received from local sources such as game park fees, single business permit, produce cess, etc. Locally generated revenue accounted for 5% of the total revenue. Locally generated revenue was less than the budget of Kshs. 260Million by Kshs 59M. or 77% achievement. The budget was also financed by Kshs. 137,359,031 (4%) cash balance brought forward from 2012/13 financial year. Although Kshs. 382,555,501 was budgeted as donor funds/grants only Kshs. 26,660,115.70 (1%) was received during the year.



**Figure 2: Sources of revenue**



*Figure 3: Chart showing sources of local revenue:*

**Local Revenue**

23. Game parks were the leading local revenue source contributing Kshs 69 million representing 34% of the local revenue. However revenue from Game Parks was short of the target by Kshs 31.4 (31%) due to national and international factors i.e. insecurity and travel advisories declaration by the USA and other European countries. However, this source contributed the largest proportion of the County's revenue. Other large sources of revenue were single business permits, market fees and hospital's user charges. Revenue from animal stock sales, plot rent and rates as well as produce cess ranked low as revenue sources. Revenue from Public Health Licenses and Weights and Measures amounting to Kshs. 570,900 and Kshs. 266,320 respectively was an addition to the local revenue that was not budgeted for during the review period. These sources are factored in the preceding budgets.
24. Administrative challenges in revenue collections are the key factors behind the revenue shortfall. Meanwhile, the underperformance in A-I-A largely reflects the need to enhance its collection from the relevant departments/sections. The County Treasury will enforce various Circulars issued, as provided for in the Public Finance Management Act for County government and departments to report on their quarterly revenue returns which will enable taking appropriate action to reverse this trend.

## **EXPENDITURE**

### ***Overall Expenditure***

25. Total payments for both recurrent and development expenditure amounted to Kshs 2.837Billion against a budget of Kshs 4.027 Billion, representing an overall absorption rate of 70.5%.

### ***Recurrent Expenditure***

26. Total payments for recurrent expenditure amounted to Kshs 2.444 billion against a budget of Kshs 2.451 billion, representing an absorption rate of 99.7%. The recurrent expenditure may be categorized into two important components:

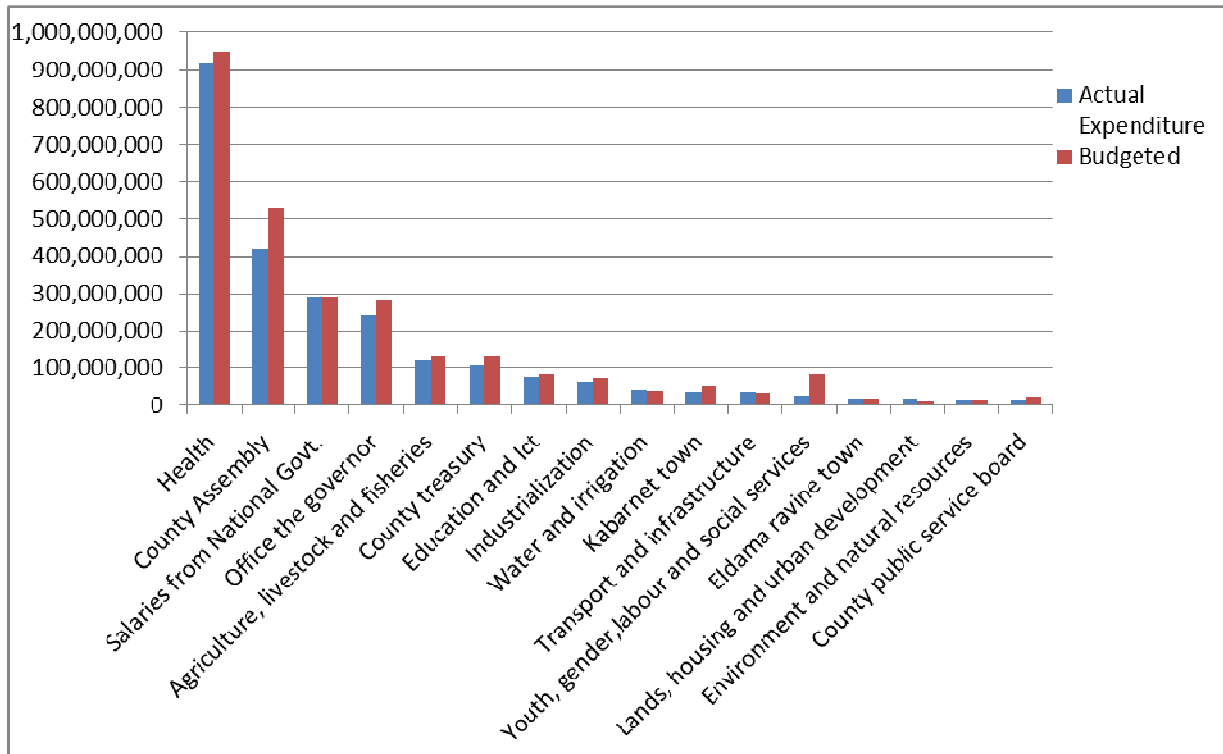
27. **Employee compensation and benefits** total of Kshs. 1.536Billion was paid out in respect of employee emoluments and benefits compared to a budget of Kshs. 1.125Billion. Included in the payments is an amount of 0.289Billion which was recovered by National Treasury in May 2014 as salaries paid by national government to staff performing devolved functions. This represents an over-expenditure of Kshs. 0.41Billion. From this analysis, it may be concluded that the budget for personnel emoluments was understated due to lack of information concerning the number of staff working for devolved departments at the time of budgeting.

### **Use of Goods and Services (Operation and Maintenance expenditure)**

28. Payments for operations and maintenance expenditure amounted to Kshs. 0.909Billion against a budget of Kshs. 1.326Billion. This represents under-expenditure of 0.41billion.for this class of expenditure, however, this was cancelled out by the over-expenditure in personnel emoluments resulting in an overall absorption rate of 99.7%.

### **Departments Recurrent expenditure without Pending Bills.**

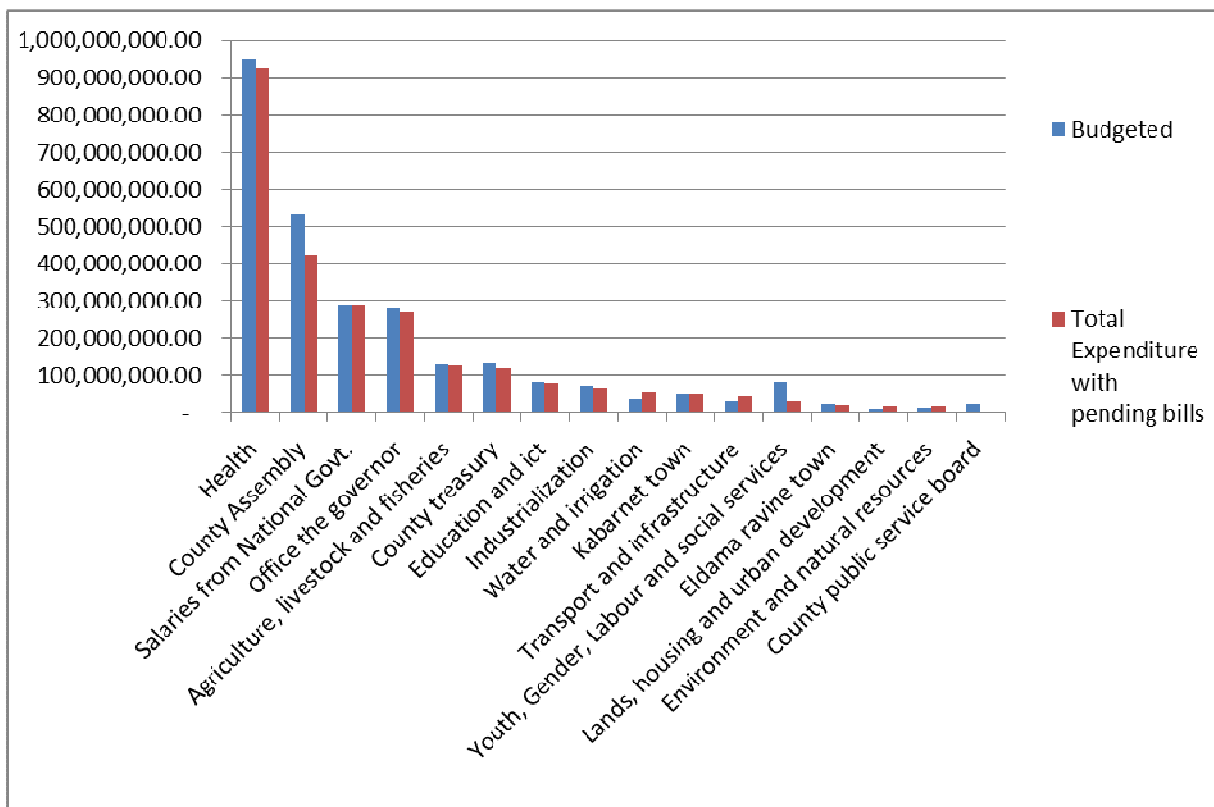
29. The bar chart below shows that the highest recurrent budget spending units are: Health Department, County Assembly and Office of the Governor at Kshs.0.919billion, Kshs.0.422billion and Kshs.0.240 billion respectively. Expenditure was lowest in the departments of Lands and Housing, Environment, and, County Public Service Board, with an expenditure of less than Kshs. 0.02 billion each.



**Figure4: Departments Recurrent expenditure without Pending Bills**

**Departments Recurrent Expenditure with Pending Bills**

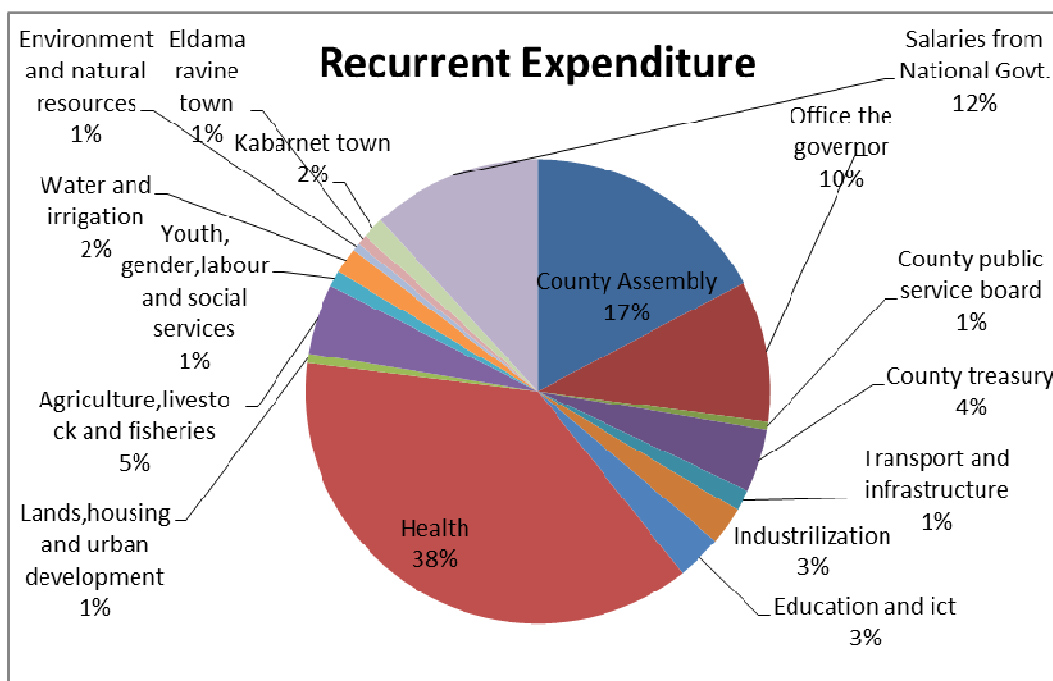
- 30. Besides the payments of Kshs. 2,444,463,302 on recurrent expenditure, Kshs. 119,428,913.75 remained outstanding as pending bills at the end of the financial year. This implies that the total recurrent expenditure on accrual basis is Kshs. 2,563,892,215.75; representing an over-expenditure of Kshs. 112,663,105.75.
- 31. The departments that had the highest pending bills at closing of the financial were the department of health Kshs.34 million, Office of the Governor, Kshs 28.6m, Treasury Kshs 11.9m, Kabarnet Town 13.8m, Transport and Infrastructure 7.6m,Water and Irrigation 9.4m, and Agriculture 5.8.



**Figure 5: Departments Recurrent expenditure with Pending Bills**

***Departmental Analysis on recurrent expenses***

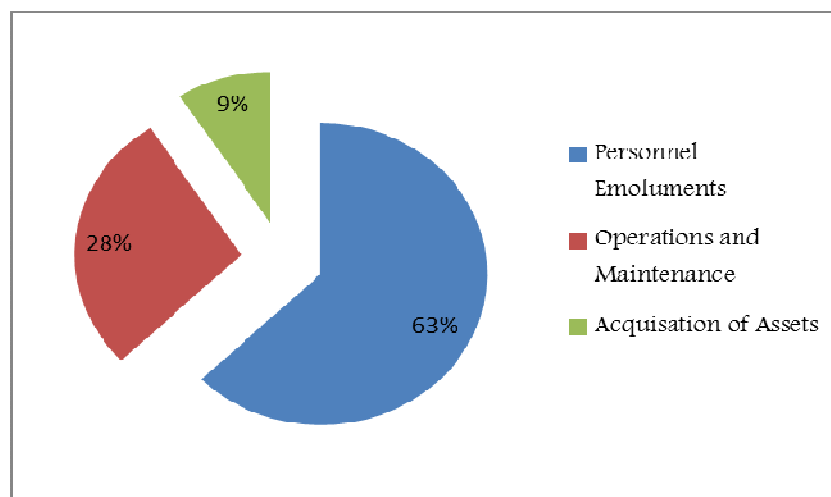
The departments of Health, county assembly and office of the governor utilized the highest amount of total recurrent expenditure each 38%, 17% and 10% respectively. The other departments spent less than 5% as shown in the pie chart below.



**Figure 6: Pie chart shows comparison of recurrent expenditure per department**

**Comparison of major Recurrent Expenditure Line Items**

32. Personnel emoluments incurred in the financial year 2013/14 amounted to 1.5 billion representing 63% of the total recurrent budget. Operations and maintenance, Acquisition of assets amounted to 688million and 224million representing 28% and 9% of the total recurrent expenditure respectively. As shown below.



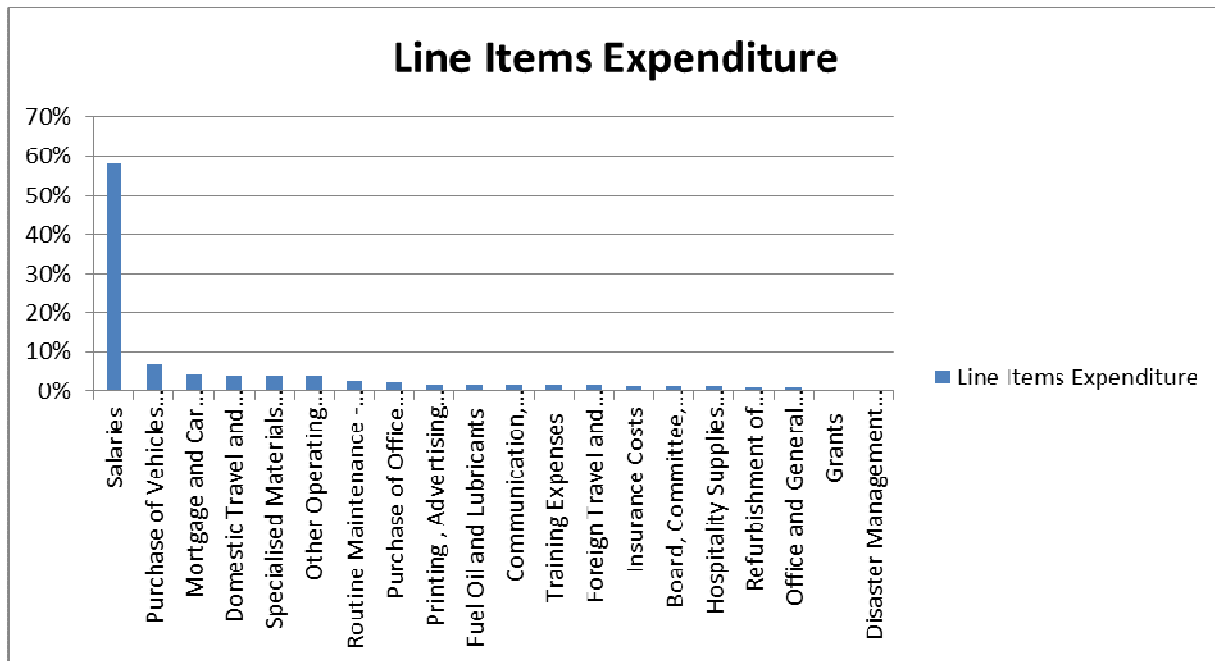
**Figure 7: Pie Chart indicating major recurrent expenditure**



## Expenditure line item

### General Line item Recurrent Expenditure for all departments.

The bar chart below compares general recurrent line items expenditure, the highest being salaries with 58% and motor vehicle purchase 7%. Insignificant spending line items that consumed less than 4% are print and advertising, purchase of office stationery, foreign travel, Disaster funds, Hospitality and board meetings

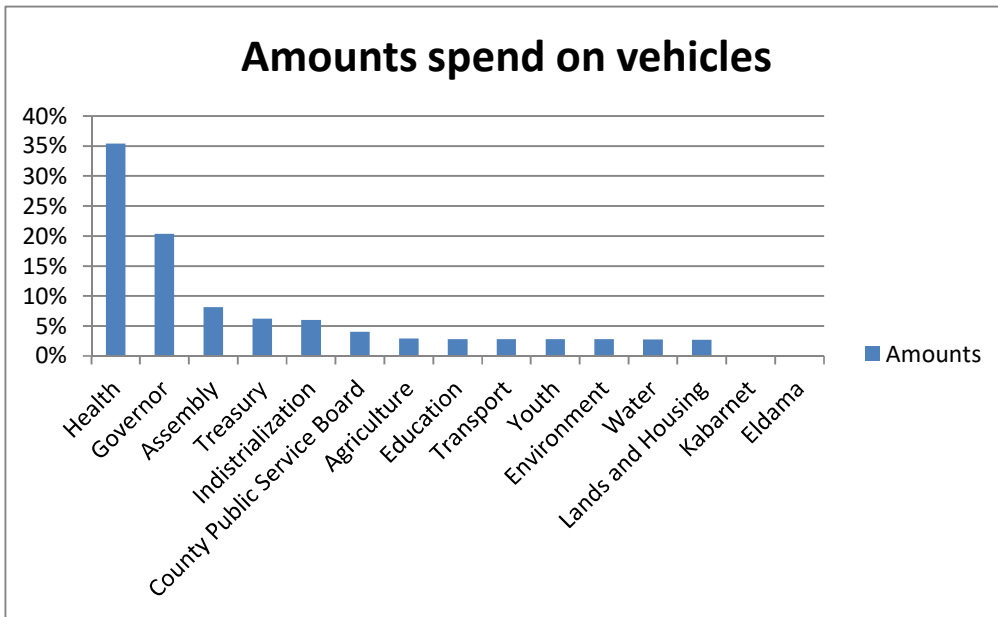


**Figure 8: Specific line item expenditure analysis per department**

#### a. Purchase of motor vehicles by Departments:

33. During the 2013/2014 financial year, health department purchase vehicles and ambulances worth 53 million representing 35% of the total value of motor vehicles purchased. Office of the Governor utilized Kshs. 30 million representing 20%, County Assembly utilized Kshs. 12 million representing 8% and other spend less than 6% as shown on the bar chart below.
34. The above item line on recurrent expenditure gives an overview of the departments that spend high on vehicles though it is a one off expenditure, and it also has a relationship with fuel consumption as it also points upwards. Office of the Governor, Agriculture and Health department consumed highest fuel due to domestic travels, monitoring of development projects and ambulance movements respectively. The highest non-discretionary recurrent expenditure is the compensation to the employees that consumes 58% of the recurrent expenditure and 31% on total revenue.

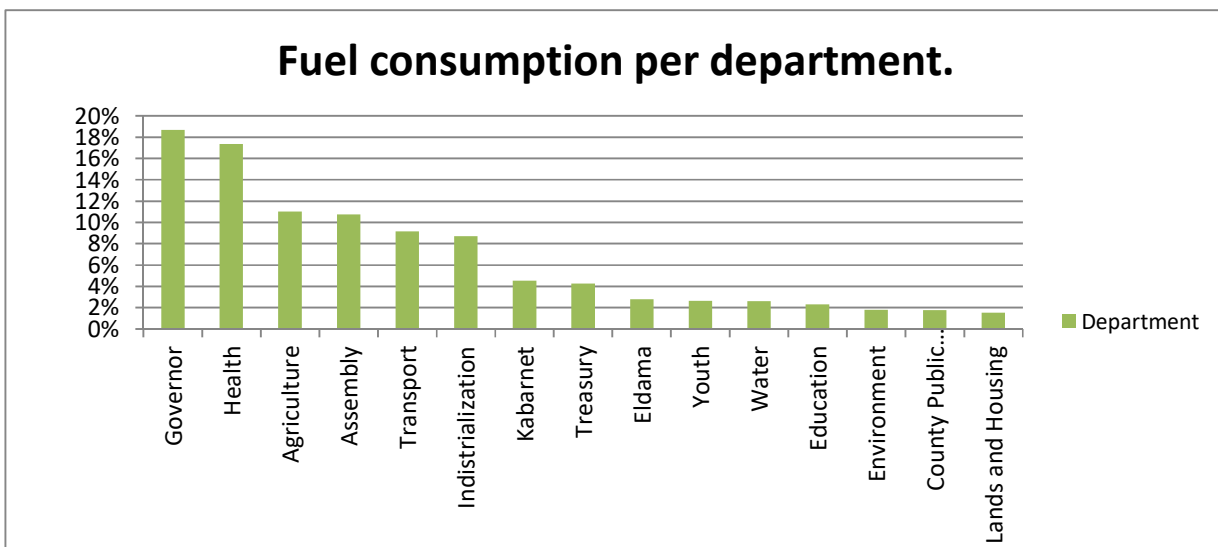
Below are bar charts for vehicle purchase and Fuel consumption.



**Figure 9: Motor vehicle expenditure per department**

**b. Fuel Expenditures Analysis Per Department**

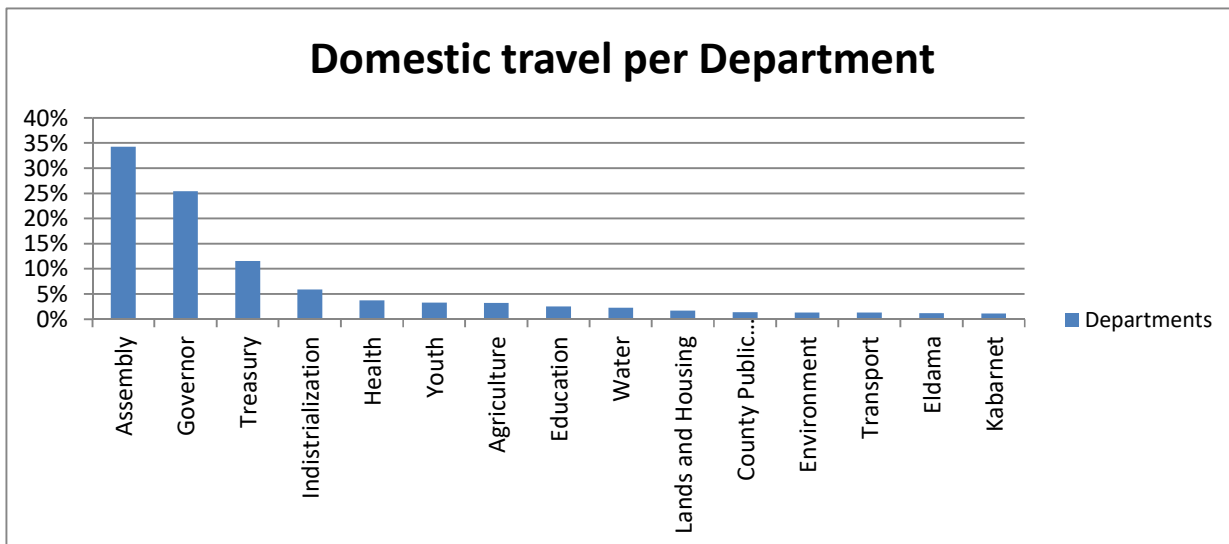
Office of the Governor utilised 6.1 million ( 19%), followed by health department with 5.7 million( 17%) while others were below 10% of the total fuel expenditure incurred.



**Figure 10: Fuel consumption per department**

**c. Domestic Travel Expenditure per department**

35. The County Assembly utilized Kshs 30Million in domestic travel representing 34%, office of the Governor incurred Kshs 22Million representing 25% , Treasury spend Kshs 10 million representing 12% while others were below 10%.



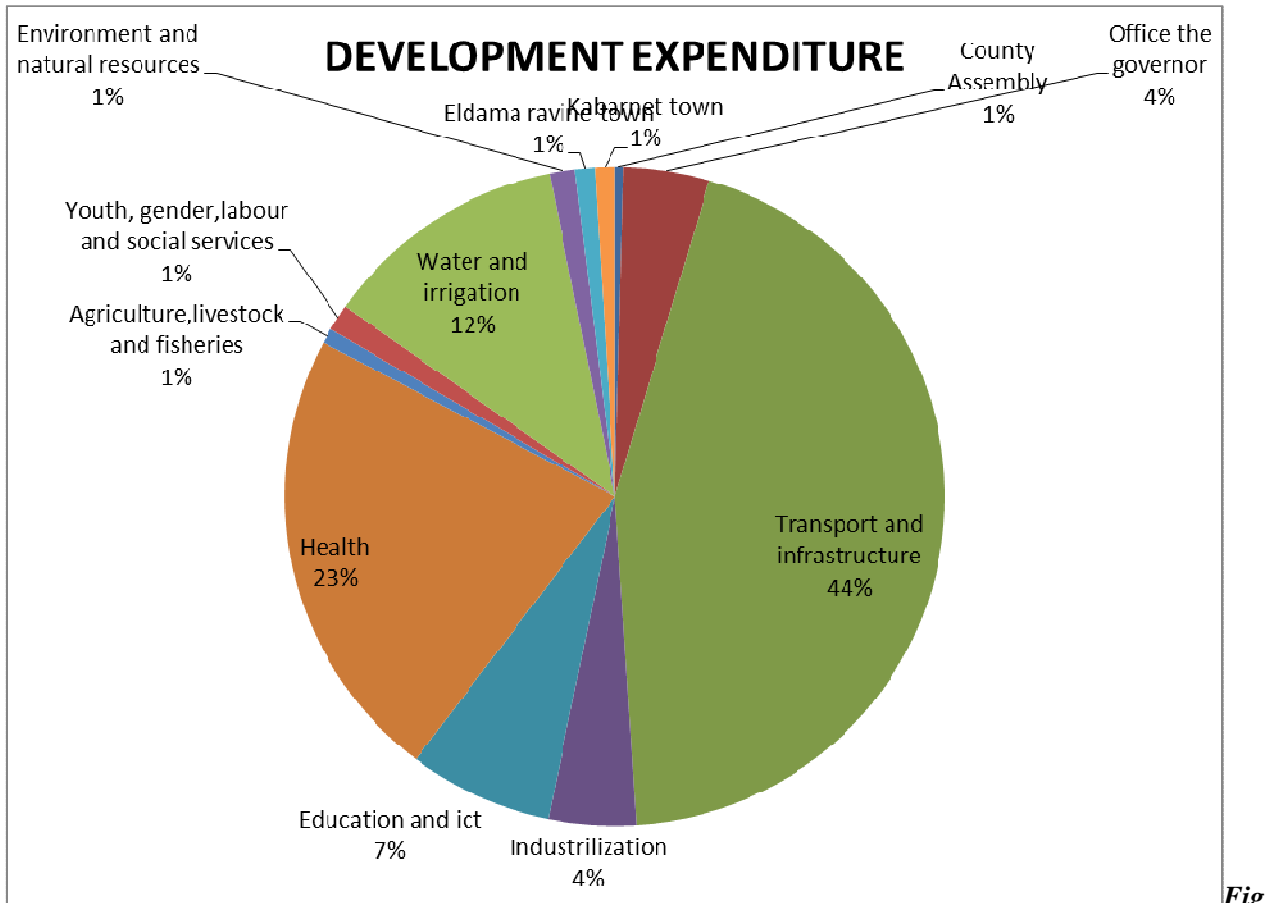
**Figure 11: Domestic Travel per department.**

**Development Expenditure**

- 36. A total of Kshs. 366,484,041 was paid out as capital/development expenditure compared to a budget of Kshs 1,193,708,731.00. This represent an absorption rate of 31% in comparison with budgeted amounts. However, during the financial year the total value of development contracts signed amounted to Kshs.1, 255,084,222. Thus, total payments represent 29% of the value of signed contracts. The balance of Kshs. 888,600,181 represents balance carried forward for payment in the 2014/15 financial year upon completion of projects.
- 37. As may be noted above, total value of signed contracts exceeded the budget for development expenditure by Kshs. 61,375,491. This was occasioned by under-budgeting of some projects, adoption of project designs with large scope and cost from projects implemented by other government entities among other reasons. The over-commitment in development expenditure will be addressed through additional budgetary provisions in 2014/15 budget.
- 38. The under absorption in development expenditure was as a result of initial transitional challenges and impediments in procurement processes. Some of the contractors also lacked adequate capacity to execute the contracts within the set time periods.
- 39. Although Kshs. 382,555,501 was budgeted as donor funds/grants, only Kshs. 26,660,115 was received from Denmark Government as support to health sector, specifically for rural health facilities. It will be noted that whereas the funds were budgeted under development vote, the expenditure incurred was recurrent in nature.

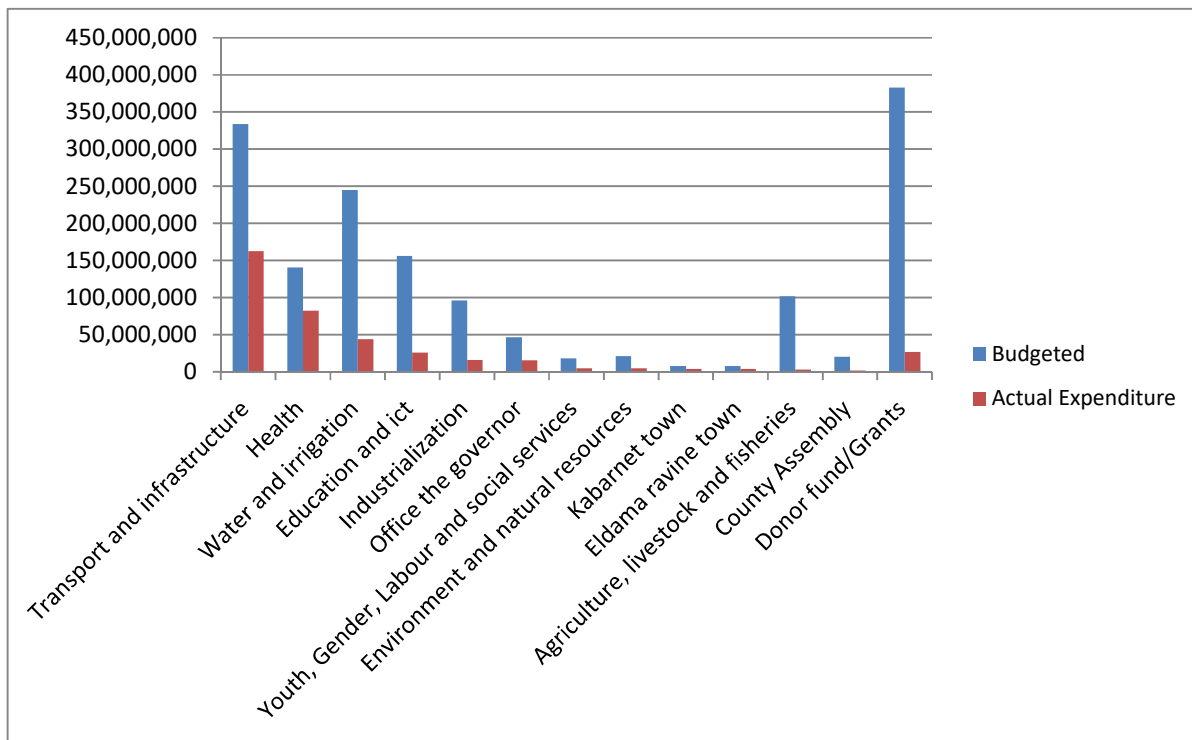
**Absorption of development budget per department**

40. The pie chart below show the rate of development budget uptake by departments. It shows that the department of roads and infrastructure led with 44%, followed by health, water and irrigation at 28% and 12% respectively.



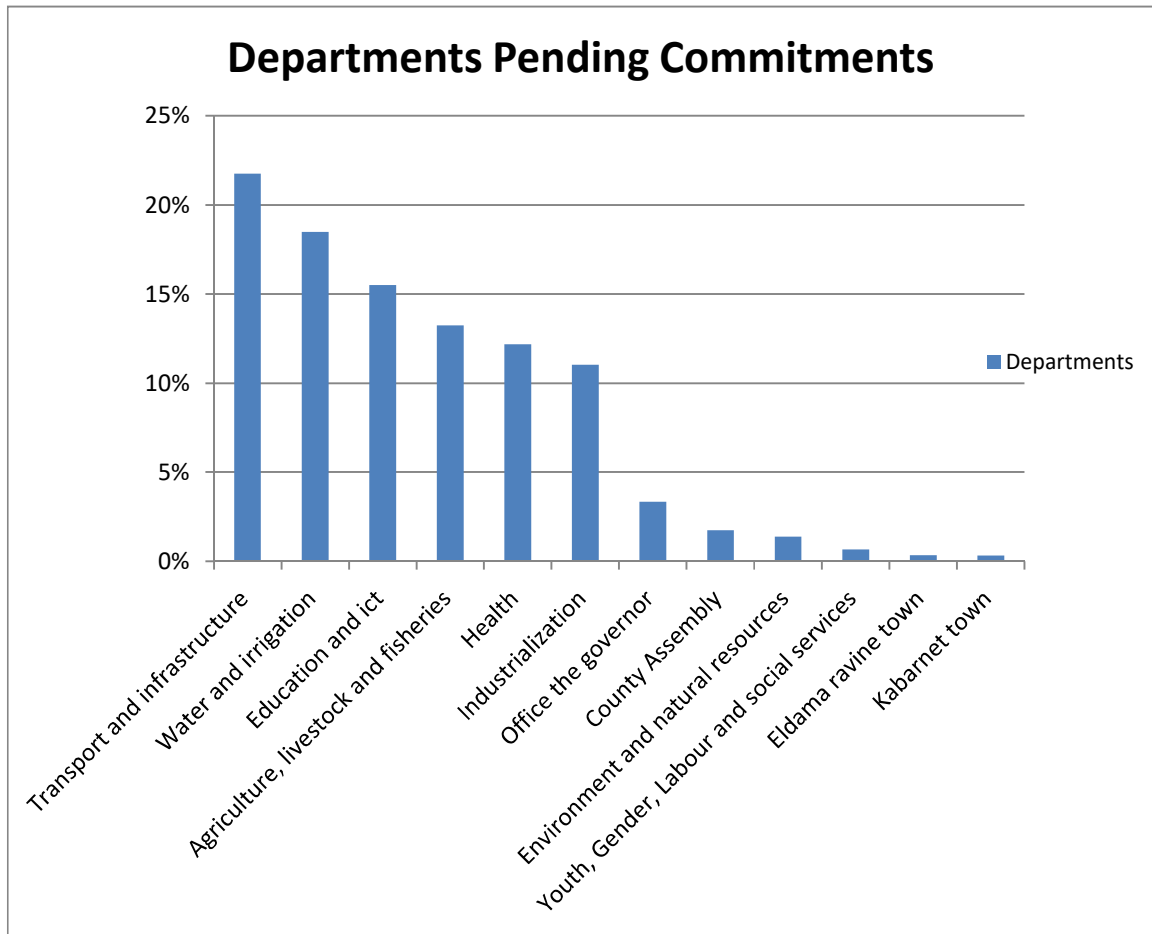
**Figure 12: Pie Chart-Development Expenditure per Department**

41. As per the chart transport and infrastructure paid the highest commitments amounting to Kshs. 162 million, health, water and education paid Kshs. 82 million, Kshs.44 million and Kshs. 25 million respectively. Other departments paid less than Kshs. 15 million each.



**Figure 12: Analysis of Departments who absorbed the highest of their commitments**

42. In Development Expenditure, departments with the highest pending commitments are transport and infrastructure with Kshs. 193 million representing 22% of the total unpaid commitments. Water, Education and ICT, Agriculture, Health and Industrialization departments had Kshs. 164 million, Kshs. 137 Million, Kshs 117 million, Kshs. 108 million and Kshs. 98 million respectively. As shown in the bar chart.



*Figure 13: Pending commitments per department.*

#### **Departments With higher Signed contracts against the budget allocation**

43. Departments Health, Transport and Infrastructure, Agriculture, Industrialization and Education and ICT signed contracts above their budget allocations to the tune of the following amounts, Kshs. 49 Million, Kshs. 22 million., Kshs. 19 million, Kshs. 17 million ,and Kshs. 7 million respectively. Other departments were within their budget limits.

#### **IV. PROJECTIONS FOR THE MEDIUM TERM**

##### 44. Assumptions/Basis of projection

- a) That the Auditor General will be timely in the audit of financial statements and issuing of audit reports.
- b) The National Assembly will approve the audited accounts for each year timeously resulting in increased equitable share to the county.
- c) The National economy will grow at a steady growth rate of more than five percent.
- d) The weather conditions will be favorable to mitigate against food security.

- e) Discretionary expenditures will reduce in the preceding years.
- f) Revenue mobilization will steadily increase upwards
- g) Yearly departmental budgets will be balanced or zero based budgets.
- h) Approval of budgets within the legal framework.

#### **Lessons learned from the 2013/14 budget**

45. Revenue projections will remain on upward trajectory in line with the initial projections taking into account the revised revenue and expenditure base. The approval of the audited accounts of 2011 by the National Assembly will increase the equitable share to the county to mitigate against ever increasing demand on development expenditure.
46. The overall revenue underperformance in 2013/14 had implications in the base used to project the revenue for the FY 2015/16. Therefore, in updating the fiscal outlook the new base has been taken into account. In addition; effects, arising from the recently enacted finance bill is expected to boost revenue through improving efficiency in administration as well as ease in compliance by revenue payers.
47. The low absorption in development budget for the FY 2013/14 additionally has implications on the base used to project expenditures in the FY 2015/16-2017/18 and the medium term. Appropriate revisions have been undertaken in the context of this CBROP, taking into account the budget outturn for 2013/14. The slow uptake of equitable share resources remains a challenge. The County Government will work closely with the national treasury and the implementing units or departments to improve resource absorption.
48. Given the performance in 2013/14 the expenditure pressures, especially recurrent expenditures, pose a fiscal risk. Wage pressures and implementation of the new structures under the devolved government may limit continued funding for development expenditure. In addition, implementation pace in the spending units continues to be a source of concern especially with regard to the development expenditures and uptake of external resources. These risks will be monitored closely and the County Government would take appropriate measures in the context of the next Supplementary Budget.
49. In budget formulation of the 2015/16 budget, the county will take into account actual performance of expenditure so far and absorption capacity in the remainder of the financial year. In the face of expenditure pressures, the County Government will rationalize expenditures by cutting those that are non-priority. However, the resources earmarked for development purposes will be utilized in the said projects and none, whatsoever, can be expended as recurrent.
50. The compensation to employees has since reached optimum levels and little will change unless more functions are devolved to the county that will be preceded by an increase in compensation to employees. The county will also make insignificant percentage increment in employee recruitment.
51. The Salary and Remuneration Commission (SRC) will continue to set remuneration structure of State

Officers. The work towards adopting a new wage policy aimed at limiting the public wage bill as well as job evaluation and harmonization of wage structure for public servants is underway. This will improve on planning of salaries and wages reviews because it will be predictable and based on some policy measures unlike the current practice. This might affect the projected Compensation of Employees in the preceding budgets.

52. On the revenues side, the Revenue Section within the Treasury Department is expected to properly rollout the implementation of Finance Act 2014/15, Property Rates Bill, Trade Licences Bill and Revenue Administration Bill. This will need careful interpretation to the players to avoid eroding the expected gains through a few individuals who would want to take advantage of the new Act for their own benefit at the expense of citizens as well as government revenues. Enhanced compliance audit of large revenue payers, expansion of income revenue base and rationalization of existing revenue incentives are some measures required to boost revenue collection.
53. Similarly, revenue collection from rentals and land rates should be pursued and collection of property revenue should be enhanced to strengthen the revenue base of County.

#### **B. Medium-Term Expenditure Framework**

54. Going forward, and in view of the county economic outlook, MTEF budgeting will entail adjusting non-priority expenditures to cater for the priority sectors. In the medium term period (2015-2018), priorities will guide resource allocation, going forward, the county government shall be;
- a) Investing in county governance structures to enhance service delivery through building a competent, responsive and accountable county public service.
  - b) Investing in agricultural transformation and food security, including opening up at least 60,000 acres of land under irrigation and livestock upgrading in order to enhance food security, raise incomes and employment.
  - c) Investing in quality, affordable and accessible (curative, preventive and rehabilitative) healthcare services through upgrading of Kabarnet County hospital to a level five and five Sub-county hospitals to level 4 and improvement of existing Health centres and dispensaries.
  - d) Infrastructure development is also a key priority for the county. In the medium term, the County government will invest in key infrastructural facilities such as roads, education facilities, markets, water and sanitation systems, rural electrification among others.
  - e) Creating conducive business environment through investments in enterprise development, tourism, value addition and collaboration with national government to reduce insecurity.
  - f) Working towards effective management of land and natural resources resource/spatial planning and land banks.



- g) Promoting social welfare and improved standard of living by investing in social programs for women, youth, vulnerable groups and talent development.

55. Resources earmarked for these interventions are ring fenced over the medium term. In the FY 2015/16 Kshs 4,790,478,761.47 has been earmarked for these interventions and is projected to rise to Kshs 5,943,843,665.72. While the total revenues is expected to rise from Kshs. 4,790,478,761.47 to Kshs. 6,085,934,099.56 over the medium term.

**Table 1: Fiscal projection over MTEF period 2014/15-2017/18**

Item	2013/14	2014/15	2015/16	2016/17	2017/18
<b>TOTAL REVENUES</b>	3,152,455,069.25	4,132,757,553.00	4,790,478,761.47	5,532,667,363.24	6,085,934,099.56
<b>TOTAL EXPENDITURE</b>	3,697,350,460.25	4,132,757,553.00	4,754,553,664.99	5,523,110,508.42	5,943,843,665.72
<b>PROJECT NET DEFICIT/SURPLUS</b>	(544,895,391.00)	(0.00)	35,925,096.48	9,556,854.82	142,090,433.84

#### **D. 2015/16 Budget framework**

56. The 2015/16 budget framework is set against the background of the updated medium-term fiscal framework set out above. The projected growth assumes normal weather pattern during the year, improved security in the county and increase in investors in the economy. Prudent monetary policy, availability of stable food and national macroeconomic parameters

#### **Revenue projections**

57. The 2015/16 budget targets revenue collection including Appropriation-in- Aid (AIA) of 7.8% of the total budget. As noted above, this performance will be underpinned by governance and revenue administration policy. As such, total revenues including AIA are expected to be Kshs 0.4 billion.

#### **Expenditure Forecasts**

58. Recurrent expenditures are expected to increase marginally by 13 percent from FY 2014/15 on account of ongoing staff rationalization and possibility of salary increments. Expenditure ceilings on goods and services for departments are based on funding allocation in the FY 2013/14 budget as the starting point. The ceilings are then still increased to take into account the office space, furniture and fittings, ICT equipment, staffing are still a challenge to the county, taking into account the general increase in prices, the ceiling for development expenditures including donor funded projects will increase in nominal terms to Kshs 2.7 billion the FY 2015/16 from Kshs 2.4 billion in 2014/15. The expenditure is expected to increase from Kshs 5.3 billion, 6.0B, 6.8B and 7.7 Billion for 2014/15, 2015/16, 6.8 and 2017/18 financial years respectively. Most of the outlays are expected to support critical infrastructure.

### **V. CONCLUSION AND NEXT STEPS**

59. Going forward, the set of policies outlined in this CBROP reflect the circumstances and are broadly in line with the fiscal responsibility principles outlined in the PFM Act 2012. They are also consistent with the county strategic objectives pursued by the County Government as a basis of allocation of public resources. These strategic objectives are provided in the plans developed to implement the County's blue print-CIDP. The next County Fiscal Strategy Paper (CFSP) will be finalized by the February 2015 deadline.

60. In order to improve budget execution in the FY 2014/15 and subsequent years, the county shall

- a) Improve staff capacity of the procuring unit in order to fast-track procurement especially in development projects.
- b) Develop a monitoring and evaluation framework as required by the PFM Act 2012.
- c) Develop an efficient local revenue collection and enforcement mechanism to enhance revenue collection in line with the county's Finance Bill.
- d) Appropriately link budget to the planning framework to minimize the chances of frequent budget revisions.

## Annexes

### Annex 1: Total Revenue

	Actual	Percentage	Budgeted	Deviation	% deviation
<b>TOTAL RREVENUE AND GRANTS</b>					
Equitable Share	2,950,935,465.00	89%	3,247,937,841.00	-297,002,376	-9%
Local Revenue	172,215,614.00	5%	210,000,000.00	-37,784,386	-18%
Hospitals & Other Dept.	29,303,991.00	1%	50,000,000.00	-20,696,009	-41%
Donor Funding	26,660,115.70	1%	382,555,501.00	-355,895,385	-93%
Roll Over	137,359,031.00	4%	137,000,000.00	359,031	0%
Total Revenue	3,316,474,216.70	100%	4,027,493,342.00	-711,019,125	-18%

### Annex2: Table: Local Revenue

Local Revenue Source	Actual	Percentage	Budget	Deviation	Percentage Deviation
Game Park Fees	69,456,838.00	34.47%	101,000,000.00	31,543,162.00	31%
Single Business Permit	31,737,095.00	15.75%	25,000,000.00	-6,737,095.00	-27%
Hospitals & Other Dept.	29,303,991.00	14.54%	50,000,000.00	20,696,009.00	41%
Market Fees & Others	29,184,504.00	14.48%	27,000,000.00	-2,184,504.00	-8%
Produce & Other Cess	18,374,372.00	9.12%	20,000,000.00	1,625,628.00	8%

Local Revenue Source	Actual	Percentage	Budget	Deviation	Percentage Deviation
Plot Rent/ Rates	15,127,880.00	7.51%	23,000,000.00	7,872,120.00	34%
Animal Stock Sale Fees	7,497,705.00	3.72%	14,000,000.00	6,502,295.00	46%
Public Health Licences	570,900.00	0.28%	-	0.00	0%
Weights and Measures	266,320.00	0.13%	-	0.00	0%
	201,519,605.00	100.00%	260,000,000.00		

**Table 3 Recurrent Expenditure per Department without Pending Bills**

DEPARTMENTS	Actual KSHS	Budgeted KSHSS
Health	919,986,873	949,795,637
County Assembly	422,394,772	532,462,772
Salaries from National Govt.	288,881,627	288,881,627
Office the governor	240,409,869	283,095,267
Agriculture, livestock and fisheries	119,702,493	128,620,375
County treasury	107,498,200	131,102,193
Education and ICT	77,064,689	81,984,527
Industrialization ,Trade, Commerce and Tourism	63,766,441	71,315,734
Water and irrigation	44,230,306	39,249,076
Kabarnet town	36,737,939	52,968,365
Transport and infrastructure	36,384,526	33,138,898

DEPARTMENTS	Actual KSHS	Budgeted KSHSS
Youth, gender, labour and social services	27,063,940	82,212,446
Eldama ravine town	17,184,415	20,137,284
Lands, housing and urban development	16,102,205	9,649,779
Environment and natural resources	13,731,631	12,856,507
County public service board	13,323,375	22,640,249
<b>TOTAL</b>	<b>2,444,463,301</b>	<b>2,740,110,737</b>

*Table 4: Recurrent Departmental Expenditure with Pending Bills*

DEPARTMENTS	RECURRENT EXPENDITURE				Deviation
	Budgeted	Actual	Pending bills	Total Expenditure	
Health	949,795,637.00	919,986,873.00	34,591,650.00	926,161,021.00	(23,634,616.00)
County Assembly	532,462,772.00	422,394,772.00	-	422,394,772.00	(110,068,000.00)
Salaries from National Govt.	288,881,627.00	288,881,627.00	-	288,881,627.00	-
Office of the governor	283,095,267.00	240,409,869.00	28,629,670.00	269,039,539.00	(14,055,728.00)
Agriculture, livestock and fisheries	128,620,375.00	119,702,493.00	5,800,698.00	125,503,191.00	(3,117,184.00)
County treasury	131,102,193.00	107,498,200.00	11,949,274.00	119,447,474.00	(11,654,719.00)
Education and ict	81,984,527.00	77,064,689.00	92,800.00	77,157,489.00	(4,827,038.00)
Industrialization	71,315,734.00	63,766,441.00	352,060.00	64,118,501.00	(7,197,233.00)
Water and irrigation	39,249,076.00	44,230,306.00	9,438,031.00	53,668,337.00	14,419,261.00

DEPARTMENTS	RECURRENT EXPENDITURE				Deviation
	Budgeted	Actual	Pending bills	Total Expenditure	
Kabamet town	52,968,365.00	36,737,939.00	13,867,810.00	50,605,749.00	(2,362,616.00)
Transport and infrastructure	33,138,898.00	36,384,526.00	7,620,545.00	44,005,071.00	10,866,173.00
Youth, Gender, Labour and social services	82,212,446.00	27,063,940.00	5,004,565.00	31,999,215.00	(50,213,231.00)
Eldama ravine town	20,137,284.00	17,184,415.00	41,500.00	17,225,915.00	(2,911,369.00)
Lands, housing and urban development	9,649,779.00	16,102,205.00	77,100.00	16,179,305.00	6,529,526.00
Environment and natural resources	12,856,507.00	13,731,631.00	1,031,000.00	14,762,631.00	1,906,124.00
County public service board	22,640,249.00	13,323,375.00	1,001,500.00	14,324,875.00	(8,315,374.00)
<b>TOTAL</b>	<b>2,451,229,110.00</b>	<b>2,444,463,302.00</b>	<b>119,498,203.00</b>	<b>2,535,474,712.00</b>	<b>84,245,602.00</b>

**Table5: Analysis of recurrent expenditure**

	Recurrent expenditure		Variance
	Actual	Budgeted	
National Salaries	288,881,627.00	288,881,627.00	-
Employee Compensation	1,246,745,130.00	1,125,203,808.28	121,541,321.72
Use of Good	908,620,187.00	1,326,025,301.69	(417,405,114.69)
<b>TOTALS</b>	<b>2,155,365,317.00</b>	<b>2,451,229,109.97</b>	<b>(295,863,792.97)</b>

**Table 6: Line item expenditures analysis**

DESCRIPTION	Actual on Comparable Basis	Percentage
Salaries	1,251,395,130.25	58%

Purchase of Vehicles and Other Transport Equipment	149,829,286.00	7%
Mortgage and Car Allowance	96,029,000.00	4%
Domestic Travel and Subsistence, and Other Transportation Costs	89,935,779.95	4%
Specialized Materials and Supplies	87,339,334.30	4%
Other Operating Expenses	85,339,699.30	4%
Routine Maintenance - Vehicles and Other Equipment	59,122,026.95	3%
Purchase of Office Furniture and General Equipment	56,025,728.30	3%
Printing , Advertising and Information Supplies and Services	34,160,416.50	2%
Fuel Oil and Lubricants	33,093,421.40	2%
Communication, Supplies and Services	31,525,046.65	1%
Training Expenses	30,524,784.50	1%
Foreign Travel and Subsistence, and other transportation costs	30,026,969.20	1%
Insurance Costs	28,424,965.00	1%
Board, Committee, Conference and Seminars	27,241,934.00	1%
Hospitality Supplies and Services	22,966,996.00	1%
Refurbishment of Buildings	21,707,574.25	1%
Office and General Supplies and Services	16,230,342.65	1%
Grants	3,290,682.20	0%
Disaster Management Fund	1,156,200.00	0%
	<b>2,155,365,317.40</b>	<b>100%</b>

**Table 7: Purchase of Motor vehicles**

Department	Actual on Comparable Basis	Percentage Compared
Assembly	12,200,651	8%
Office of the Governor	30,519,417	20%

Treasury	9,380,373	6%
County Public Service Board	6,021,380	4%
Transport	4,236,974	3%
Industrialization	8,982,598	6%
Education	4,273,948	3%
Health	53,017,587	35%
Lands and Housing	4,117,536	0%
Youth	4,236,974	3%
Water	4,200,000	3%
Environment	4,236,974	3%
Agriculture	4,404,874	3%
<b>Totals</b>	<b>149,829,286</b>	<b>100%</b>

**Table 8: Fuel Expenditures per Department**

<b>Department</b>	<b>Expenditure</b>	<b>Department</b>
Office of the Governor	6,191,966	19%
Health	5,742,274	17%
Agriculture	3,652,567	11%
Assembly	3,562,213	11%
Transport	3,024,422	9%
Industrialization ,Trade and Tourism	2,878,413	9%
Kabarnet	1,500,450	5%
Treasury	1,411,082	4%
Eldama Ravine	928,199	3%
Youth ,Gender , Culture and Sports	878,413	3%
Water and Irrigation	865,735	3%
Education and ICT	759,481	2%
Environment and Natural Resources	596,429	2%



Department	Expenditure	Department
County Public Service Board	590,687	2%
Lands and Housing	511,092	2%
	33,093,421	100%

**Table 9: Domestic Expenditure per department**

Department	Amounts	Percentage
County Assembly	30,819,159.05	34%
Office of the Governor	22,839,315.60	25%
County Treasury	10,434,231.30	12%
Industrialization	5,269,144.50	6%
Health Services	3,307,157.00	4%
Youth, gender, culture and sports	2,922,302.00	3%
Agriculture	2,886,373.50	3%
Education and ICT	2,247,180.00	2%
Water and Irrigation	2,075,750.00	2%
Lands and Housing	1,549,780.00	2%
County Public Service Board	1,239,141.00	1%
Environment and Natural resources	1,162,145.00	1%
Transport and infrastructure	1,134,500.00	1%
Eldama Ravine Town	1,051,458.00	1%
Kabarnet Town	998,143.00	1%
	89,935,779.95	100%

**Table 10: Overall Expenditure Table**

<b>EXPENDITURE (PAYMENTS)</b>
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<b>Recurrent</b>				
Compensation of Employees	1,535,626,757.00	1,125,203,808.28	<b>-410,422,949</b>	-36%
Use of Goods & Services	908,620,187.00	1,326,025,301.69	<b>417,405,115</b>	31%
Donor funds and grants	26,660,115.70	382,555,501.03	<b>355,895,385</b>	93%
<b>Development</b>	366,484,041.00	1,193,708,731.00	<b>827,224,690</b>	69%
<b>TOTAL EXPENDITURE</b>	<b>2,837,391,100.70</b>	<b>4,027,493,342.00</b>	<b>1,190,102,241</b>	30%

*Table 11: Actual Budget, Commitments, Actual Payments, Recurrent Pending Bills and Development Pending Commitments*

	RECURRENT EXPENDITURE					DEVELOPMENT EXPENDITURE				
	Budget	Actual	Pending bills	Total Expenditure	Deviation	Budgeted	Commitments	Actual	Pending Comm.	Deviation
DEPARTMENTS										
County Assembly	532,462,772	422,394,772	-	422,394,772	110,068,000	20,000,000	17,081,232	1,500,650	15,580,582	2,918,768
Office the governor	283,095,267	240,409,869	28,629,670	269,039,539	14,055,727	46,500,000	45,082,108	15,415,931	29,666,177	1,417,892
County public service board	22,640,249	13,323,375	1,001,500	14,324,875	8,315,374	-	-	-	-	-
County treasury	131,102,193	107,498,200	11,949,274	119,447,474	11,654,720	-	-	-	-	-
Transport and infrastructure	33,138,898	36,384,526	7,620,545	44,005,071	(10,866,173)	333,441,886	355,905,998	162,545,498	193,360,499	(22,464,112)
Industrialization	71,315,734	63,766,441	352,060	64,118,501	7,197,233	96,000,000	113,855,239	15,691,046	98,164,193	(17,855,239)
Education and ict	81,984,527	77,064,689	92,800	77,157,489	4,827,037 (4,782,886)	156,200,000	163,693,290	25,902,716	137,790,574	(7,493,290)
Health	949,795,637	919,986,873	34,591,650	954,578,523		140,500,000	190,279,875	82,139,490	108,140,385	(49,779,875)
Lands, housing and urban development	9,649,779	16,102,205	77,100	16,179,305	(6,529,525)	-	-	-	-	-
Agriculture, livestock and fisheries	128,620,375	119,702,493	5,800,698	125,503,191	3,117,184	101,400,000	120,281,905	2,724,246	117,557,659	(18,881,905)
Youth, Gender, Labour and social services	82,212,446	27,063,940	4,935,275	31,999,215	50,213,232	18,000,000	10,775,356	4,755,790	6,019,566	7,224,644
Water and irrigation	39,249,076	44,230,306	9,438,031	53,668,337	(14,419,261)	244,666,845	208,370,314	44,118,783	164,251,531	36,296,531
Environment and natural resources	12,856,507	13,731,631	1,031,000	14,762,631	(1,906,124)	21,000,000	16,781,905	4,562,366	12,219,539	4,218,095
Eldama ravine town	20,137,284	17,184,415	41,500	17,225,915	2,911,369	8,000,000	6,550,600	3,537,324	3,013,276	1,449,400

	RECURRENT EXPENDITURE					DEVELOPMENT EXPENDITURE				
	Budget	Actual	Pending bills	Total Expenditure	Deviation	Budgeted	Commitments	Actual	Pending Comm.	Deviation
Kabarnet town	52,968,365	36,737,939	13,867,810	50,605,749	2,362,617	8,000,000	6,426,400	3,590,200	2,836,200	1,573,600
Salaries from National Govt.	-	288,881,627	-	288,881,627	(288,881,627)	-	-	-	-	-
Donor fund/Grants	-	-	-	-	-	382,555,501	-	-	-	382,555,501
<b>TOTAL</b>	<b>2,451,229,109</b>	<b>2,444,463,301</b>	<b>119,428,913</b>	<b>2,563,892,214</b>	<b>(112,663,105)</b>	<b>1,576,264,232</b>	<b>1,255,084,222</b>	<b>366,484,041</b>	<b>888,600,181</b>	<b>321,180,010</b>

**Table 12; Development Expenditures.**

DEPARTMENTS	DEVELOPMENT EXPENDITURE				
	Budgeted	Commitments	Actual	Pending Comm.	Over/Under Commitment
Transport and infrastructure	333,441,886	355,905,998	162,545,498	193,360,499	22,464,112
Health	140,500,000	190,279,875	82,139,490	108,140,385	49,779,875
Water and irrigation	244,666,845	208,370,314	44,118,783	164,251,531	-36,296,531
Education and ict	156,200,000	163,693,290	25,902,716	137,790,574	7,493,290
Industrialization	96,000,000	113,855,239	15,691,046	98,164,193	17,855,239
Office the governor	46,500,000	45,082,108	15,415,931	29,666,177	-1,417,892

Youth, Gender, Labour and social services	18,000,000	10,775,356	4,755,790	6,019,566	-7,224,644
Environment and natural resources	21,000,000	16,781,905	4,562,366	12,219,539	-4,218,095
Kabarnet town	8,000,000	6,426,400	3,590,200	2,836,200	-1,573,600
Eldama ravine town	8,000,000	6,550,600	3,537,324	3,013,276	-1,449,400
Agriculture, livestock and fisheries	101,400,000	120,281,905	2,724,246	117,557,659	18,881,905
County Assembly	20,000,000	17,081,232	1,500,650	15,580,582	-2,918,768
Donor fund/Grants	382,555,501	26,660,116	26,660,116	0	
<b>TOTAL</b>	<b>1,576,264,232</b>	<b>1,281,744,338</b>	<b>393,144,156</b>	<b>888,600,181</b>	<b>61,375,491</b>

***Annex14: Fiscal projection for MTEF period 2015/6- 2017/18***

	County Fiscal projection 2014-2017				
Revenue	2013/2014	2014/15	2015/16	2016/17	2017/18
<b>Total Revenue</b>	<b>3,152,455,069.25</b>	<b>4,132,757,553.00</b>	<b>4,790,478,761.47</b>	<b>5,532,667,363.24</b>	6,391,177,341.28
Equitable Share	2,950,935,465.00	3,780,757,552.00	4,385,678,760.32	5,087,387,361.97	5,901,369,339.89
<b>Total Local Revenue</b>	<b>201,519,604.25</b>	<b>352,000,001.00</b>	<b>404,800,001.15</b>	<b>445,280,001.27</b>	<b>489,808,001.39</b>
Game Park Fees	69,456,837.50	106,342,134.00	122,293,454.10	134,522,799.51	<b>147,975,079.46</b>
Animal Stock Sale Fees	7,497,705.00	9,746,274.00	11,208,215.10	12,329,036.61	<b>13,561,940.27</b>
Produce & Other Cess	18,374,371.75	20,179,919.00	23,206,906.85	25,527,597.54	<b>28,080,357.29</b>
Single Business Permit	31,737,095.00	38,361,784.00	44,116,051.60	48,527,656.76	<b>53,380,422.44</b>
Plot Rent/ Rates	15,127,880.00	20,303,758.00	23,349,321.70	25,684,253.87	<b>28,252,679.26</b>
Market Fees & Others	29,184,504.00	40,566,132.00	46,651,051.80	51,316,156.98	<b>56,447,772.68</b>
Public Health Licenses	570,900.00	1,000,000.00	1,150,000.00	1,265,000.00	<b>1,391,500.00</b>
Weights And Measures	266,320.00	500,000.00	575,000.00	632,500.00	<b>695,750.00</b>

County Fiscal projection 2014-2017					
Hospitals & Other Dept.	29,303,991.00	99,000,000.00	113,850,000.00	125,235,000.00	137,758,500.00
Koibatek ATC	-	6,000,000.00	6,900,000.00	7,590,000.00	8,349,000.00
Marigat AMS	-	10,000,000.00	11,500,000.00	12,650,000.00	13,915,000.00
<b>Total Revenues</b>	<b>3,152,455,069.25</b>	<b>4,132,757,553.00</b>	<b>4,790,478,761.47</b>	<b>5,532,667,363.24</b>	<b>6,085,934,099.56</b>
<b>Recurrent Expenditure Projection</b>					
<b>Department</b>	<b>Actual Expenses 2013/2014</b>	<b>Projection 2014/2015</b>	<b>Projection 2015/2016</b>	<b>Projection 2016/2017</b>	<b>Projection 2017/2018</b>
County Assembly	422,794,772.55	424,612,410.35	398,358,023.77	415,797,410.68	436,587,281.22
Office of the Governor	240,409,869.25	262,981,331.41	282,513,912.77	308,385,513.58	323,804,789.26
Treasury Department	107,498,199.60	136,470,058.82	116,473,589.64	123,802,699.22	129,992,834.19
County Public Service Board	13,323,374.90	24,088,937.17	25,170,775.15	26,435,501.82	27,757,276.91
Transport And Infrastructure	36,384,526.40	57,441,204.45	61,450,893.83	65,752,078.01	69,039,681.91
Industrialization, Commerce	63,766,441.15	67,893,056.71	72,301,066.52	77,010,545.39	80,861,072.66
Education Department & ICT	77,064,689.30	261,130,774.79	244,366,861.60	263,633,506.19	276,815,181.50
Health	919,986,873.40	933,713,727.79	956,890,268.29	1,007,732,503.58	1,058,119,128.76
Lands, Housing And Urban Development	16,102,204.70	17,026,945.30	22,507,493.36	19,047,404.88	19,999,775.13
Agriculture, Livestock And Fisheries Department	27,063,939.50	123,912,460.45	134,639,296.62	137,240,217.03	144,102,227.88
Youth, Sports, Gender, Labour And Social Services Department	44,450,306.05	63,008,998.60	72,101,319.96	72,461,927.11	76,085,023.46
Water And Irrigation Department	32,538,538.20	64,535,642.46	69,698,493.86	75,274,373.37	79,038,092.04
Environment And Natural Resources Department	119,702,493.25	29,629,267.41	36,422,021.76	38,984,189.98	40,933,399.48
<b>Total Recurrent Expenditure</b>	<b>2,121,086,228.25</b>	<b>2,466,444,815.73</b>	<b>2,492,894,017.13</b>	<b>2,631,557,870.84</b>	<b>2,763,135,764.38</b>
<b>Development Expenditure Projection</b>					
<b>Development For County Assembly</b>	<b>Budget 2013/14</b>	<b>Budget 2014/15</b>	<b>projection 2015/16</b>	<b>projection 2016/17</b>	<b>projection 2017/18</b>
Development For County Assembly	20,000,000.00	65,000,000.00	74,750,000.00	82,225,000.00	90,447,500.00
Governor/ County Executive Services	46,500,000.00	60,000,000.00	69,000,000.00	75,900,000.00	83,490,000.00
Deputy Governor Office	-	-	-	-	-

	County Fiscal projection 2014-2017				
County Secretary Office	-	-	-	-	-
County Treasury Services	382,555,501.00	192,876,218.00	271,807,650.70	311,807,650.70	342,988,415.77
County Public Service Board	-	-	-	-	-
Transport And Infrastructure	333,441,886.00	363,225,255.00	467,709,043.25	547,479,947.58	602,227,942.33
Industrialization, Commerce And Tourism	96,000,000.00	81,574,357.00	93,810,510.55	156,191,561.61	171,810,717.77
Education And ICT	156,200,000.00	123,200,000.00	161,680,000.00	208,848,000.00	229,732,800.00
Health	140,500,000.00	199,300,000.00	249,195,000.00	305,114,500.00	335,625,950.00
Lands,Housing & Urban Development	-	35,000,000.00	60,250,000.00	97,275,000.00	107,002,500.00
Agriculture, Livestock, Fisheries & Marketing	101,400,000.00	161,016,907.27	205,169,443.36	256,686,387.70	282,355,026.47
Youth, Gender & Social Security Services	18,000,000.00	68,400,000.00	98,660,000.00	139,526,000.00	153,478,600.00
Water & Irrigation	244,666,845.00	221,400,000.00	274,610,000.00	333,071,000.00	366,378,100.00
Environment & Natural Resources	21,000,000.00	34,600,000.00	59,790,000.00	96,769,000.00	106,445,900.00
Eldama Ravine Town	8,000,000.00	13,200,000.00	35,180,000.00	69,698,000.00	76,667,800.00
Kabarnet Town	8,000,000.00	23,520,000.00	47,048,000.00	84,752,800.00	93,228,080.00
Tiaty Sub County	-	4,000,000.00	15,500,000.00	21,018,890.00	23,120,779.00
Baringo North Sub County	-	4,000,000.00	15,500,000.00	21,037,780.00	23,141,558.00
Baringo Central Sub County	-	4,000,000.00	15,500,000.00	21,037,780.00	23,141,558.00
Baringo South Sub County	-	4,000,000.00	15,500,000.00	21,037,780.00	23,141,558.00
Mogotio Sub County	-	4,000,000.00	15,500,000.00	21,037,780.00	23,141,558.00
Eldama Ravine Sub County	-	4,000,000.00	15,500,000.00	21,037,780.00	23,141,558.00
<b>Total Development</b>	<b>1,576,264,232.00</b>	<b>1,666,312,737.27</b>	<b>2,261,659,647.86</b>	<b>2,891,552,637.58</b>	<b>3,180,707,901.33</b>

	County Fiscal projection 2014-2017				
<b>Total Expenditure</b>	3,697,350,460.25	4,132,757,553.00	4,754,553,664.99	5,523,110,508.42	5,943,843,665.72
<b>Project Net Deficit/Surplus</b>	(544,895,391.00)	(0.00)	35,925,096.48	9,556,854.82	142,090,433.84