

COUNTY GOVERNMENT OF KITUI



THE COUNTY TREASURY

Department of Economic Planning

County Budget Review and Outlook Paper

SEPTEMBER, 2018

FOREWORD

The County Budget Review and Outlook Paper (CBROP), is prepared in accordance with Public Finance Management Act, 2012. It is the fifth to be prepared by the County Government of Kitui under the devolved governance structure. It presents the actual fiscal performance of the FY 2017/2018, makes comparisons to the budget appropriations and highlight of the recent economic development and for the period under review. 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 2018/19 financial year (FY). The paper also shows how the actual performance at the local and national level in 2017/18 FY affected the County's compliance with the fiscal responsibility principles and financial objectives as detailed in CFSP 2018.

The County Government in collaboration with the National Government is implementing a raft of strategies and reforms geared towards accelerated economic growth. 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.

The necessity to address the challenges facing Kitui citizens like food insecurity, healthcare and unemployment has led the county Government under the Leadership of Her Excellency the Governor honourable Charity Kaluki Ngilu to put in place a five pillar manifesto of Food and Water; Health Care, Education and Youth Development, Women Empowerment and Wealth Creation. Implementation of the manifesto has already started bearing fruits like bumper harvest of Ndengu (green grams), reforms instituted in the health sector to lay ground for the Universal Health Coverage and skills development among others.

This policy document also compares the performance of locally generated revenue and the receipts from the equitable share, grants and loans from the national government and the development partners between two financial years and it makes appropriate recommendations. The County Government is committed and will continue to improve the welfare of the residents through implementation of the five-pillar development manifesto.

Mary Nguli
CECM, County Treasury
County Government of Kitui.

ACKNOWLEDGEMENT

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First and foremost, I acknowledge the valuable leadership and support of Her Excellency the Governor Charity Ngilu. I wish to extend my gratitude to Mary Nguli, County Executive Committee Member for County Treasury for her technical support extended in the preparation of this paper. I appreciate the role played by all Chief Officers for leading their staff in providing information and real time data towards preparation of this document.

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Justus Kalii
Chief Officer – Economic planning
County Government of Kitui

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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 fifth County Budget Review and Outlook Paper (CBROP) since the inception of devolution and it presents the fiscal performance for FY 2017/18 and how this affects the financial objectives set out in the FY 2018/19 budget. The updated macroeconomic outlook therein also provides a basis to revise the 2018/19 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 2018 CBROP is to provide a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles set out in the last County Fiscal Strategy Paper (CFSP) 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 2017/18 FY improved significantly both on the expenditure side, where overall absorption rose from 78.45% to 83%. 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 years 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 73.5% in 2016/17 FY to 83% in 2017/18 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. 335million from its internal sources reflecting a 6.3% improvement from 2016/16 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) 2018

1. The core purpose of the 2018 CBROP is to provide a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles set out in the last County Fiscal Strategy Paper (CFSP) released in February 2018. This together with updated revenue and expenditure performance provides the basis for the revision of the current budget in the context of Supplementary Estimates and informs the choice of broad fiscal parameters underpinning the next budget and medium term.

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) (2013-2017) and (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. This CBROP is based on the current administrative structure and incorporates the priorities of the CIDP as well as other emerging challenges that transition to the devolved system entails. Its themes are framed around the county ministries that form the sectors of the county to develop projects and programs for each sector covering 2014/15 to 2017/18 Medium Term Expenditure Framework (MTEF).

3. This CBROP rolls out the implementation of the policies initiated in 2017/18 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.

4. The rest of the paper is organised as follows: Section II provides a review of the fiscal performance in FY 2017/18 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.

II. REVIEW OF FISCAL PERFORMANCE IN FY 2017/18

A. Overview

5. The fiscal performance in 2017/18 improved significantly both on the expenditure side, where overall absorption rose from 78.45% to 83%, and revenue side where revenue collection increased by 6.3% from Kshs. 315 million in 2016/17 FY to Kshs. 335 million in 2017/18FY.

6. Though revenue collection realised improved performance, the 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.

B. 2017/18 Fiscal Performance

7. The table below presents the fiscal performance for the FY 2016/17 and 2017/18, together with the deviations from the original budget estimates of FY 2017/18.

Table 1: Revenue and Expenditure Summary for 2016/17 - 2017/18 FY

| | 2016/17 | | 2017/18 | | Deviation |
|---|----------------|----------------|----------------|----------------|-----------|
| | Actual | Targets | Actual | Targets | (%) |
| A. TOTAL REVENUE AND GRANT | | | | | |
| 1. Revenue | 10,000,741,803 | 10,463,875,633 | 10,307,087,791 | 10,498,798,451 | -1.83 |
| Equitable Share | 7,841,480,359 | 7,841,480,359 | 8,652,300,000 | 8,652,300,000 | |
| Other Revenues | 2,159,261,444 | 2,622,395,274 | 1,654,787,791 | 1,846,498,451 | -10.38 |
| Locally Generated Revenue | 315,347,363 | 668,610,000 | 335,122,477 | 528,413,076 | -36.58 |
| Unspent Balances b/fwd. | 1,843,914,081 | 1,953,785,274 | 1,319,665,314 | 1,318,085,375 | 0.12 |
| | | | | | |
| 2. Grants | 452,721,532 | 506,530,381 | 584,168,881 | 744,554,364 | -21.54 |
| Free Maternal Healthcare | 70,080,000.00 | 54,367,434.00 | | | |
| Allowances for Nurses | 28,608,000.00 | 28,608,000.00 | | | |
| Allowances for Doctors | 36,630,000.00 | 36,630,000.00 | | | |
| Allowances for Clinical Officers | 3,180,000.00 | 0.00 | | | |
| Allowances for Other Health Staff | 20,574,000.00 | 0.00 | | | |
| Transforming Health Systems for Universal Care Project (THSUC) - World Bank | 0.00 | 47,013,831.00 | | | |
| Compensation for user Fees Forgone | 23,144,996.00 | 23,144,997.00 | 23,144,997.00 | 22,499,906.00 | |
| Road Maintenance Fuel Levy | 120,484,292.00 | 120,484,293.00 | 309,636,150.00 | 309,636,150.00 | |
| Grants from World Bank Kenya devolution support program(KDSP) | 0.00 | 34,721,395.00 | 53,665,066.00 | 53,665,066.00 | |
| HSSF/HSPS - (DANIDA/IDA) | 18,495,000.00 | 30,035,187.00 | 32,522,346.00 | 32,522,346.00 | |
| World Bank Loan to Supplement Financing of County Health Facilities | 131,525,244.00 | 131,525,244.00 | 0.00 | 58,210,000.00 | |
| World Bank loan for Transforming Health Systems for Universal Care Project | | | 47,013,831.00 | 150,444,260.00 | |

| | 2016/17 | | 2017/18 | | Deviation (%) |
|--|-----------------------|-----------------------|-----------------------|-----------------------|------------------|
| | Actual | Targets | Actual | Targets | |
| World Bank loan for National Agricultural and Rural Inclusive Growth Project | | | 50,609,855.40 | 50,000,000.00 | |
| Conditional Allocation for Development of Youth Polytechnics | | | 67,576,636.00 | 67,576,636.00 | |
| Total | 10,453,463,335 | 10,970,406,014 | 10,891,256,672 | 11,243,352,815 | -3.13 |
| B. EXPENDITURE | | | | | |
| 1. Recurrent | 4,625,953,758 | 5,750,303,234 | 5,978,136,596 | 6,688,208,351 | -10.62 |
| Salaries and Wages | 2,864,831,189 | 3,116,953,487 | 3,645,573,627 | 3,696,478,743 | -1.38 |
| O&M/Others | 1,761,122,569 | 2,633,349,747 | 2,332,562,969 | 2,991,729,608 | -22.03 |
| 2. Development | 3,688,648,678 | 5,220,102,781 | 3,341,764,127 | 4,555,144,465 | -26.64 |
| Total | 8,314,602,436 | 10,970,406,015 | 9,319,900,723 | 11,243,352,816 | -17.11 |
| C. SURPLUS/(DEFICIT) | 2,138,860,899 | | 1,571,355,949 | | |

Notes

- 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.
- Unspent balance carried forward to 2017/18 amounted to Kshs 1,319,665,314, compared to Kshs 1,843,914,081 for the previous period hence improved absorption.
- The unspent balances brought forward amounted to Kshs 1,319,665,314, instead of 2016/17FY surplus of kshs 2,138,860,899 due to unaccounted expenditure amounting to kshs 819,195,585, arising from expenditure in County dispensaries, County Assembly and unreconciled commitments that were not captured in the IFMIS at the end of financial year.

Revenue

a. Equitable Share and Grants

The total disbursement to the county revenue fund account during the financial year 2017/2018 was Kshs 8,652,300,000, representing 100% of the total equitable the county expected to receive from National Treasury. This represents an improvement of 19.05% from previous financial year.

Over the same period, the county expected to receive grants totalling to Kshs 744,554,364.00 from both the National Treasury and International donors (World Bank, United Nations Development Fund and DANIDA). The grants included the World Bank (KDSP) Kshs 53,665,066.00, HSSF/HSPS - (DANIDA/IDA) Kshs 32,522,346.00, Conditional Allocation for Development of Youth Polytechnics Kshs 67,576,636.00, for compensation of user fees forgone Kshs 22,499,906.00, Roads Maintenance Fuel Levy (RMFL) Kshs 309,636,150.00, World Bank loan for Transforming Health Systems for Universal Care Project Kshs 150,444,260.00, World Bank loan for National Agricultural and Rural Inclusive Growth

Project Kshs 50,000,000.00. A total of Kshs 584,168,881 was received, representing 78.4% of the total grants while World Bank Loan to supplement financing of County Health Facilities was not received Kshs. 58,210,000.00

Table 2: Schedule of Disbursement of Equitable Share 2017/2018

| Month | Amount Due | Date Received | Amount |
|--|----------------------|---------------|----------------------|
| July | 605,661,000 | | 0 |
| August | 605,661,000 | | 0 |
| September | 778,707,000 | | 0 |
| October | 821,968,500 | | 0 |
| November | 865,230,000 | 30/11/2017 | 1,211,322,000 |
| December | 692,184,000 | | 0 |
| January | 692,184,000 | 5/1/2018 | 778,707,000 |
| February | 778,707,000 | 26/2/2018 | 821,968,500 |
| March | 692,184,000 | 27/3/2018 | 1,557,414,000 |
| April | 735,445,500 | | 0 |
| May | 692,184,000 | 25/5/2018 | 1,470,891,000 |
| June | 692,184,000 | 5/7/2018 | 2,811,997,500 |
| TOTAL | 8,652,300,000 | | 8,652,300,000 |
| Grants | | | |
| Compensation for user Fees Forgone | 22,499,906 | | 23,144,997 |
| Road Maintenance Fuel Levy | 309,636,150 | | 309,636,150 |
| Grants from World Bank (KDSP) | 53,665,066 | | 53,665,066 |
| HSSF/HSPS - (DANIDA/IDA) | 32,522,346 | | 32,522,346 |
| World Bank Loan to Supplement Financing of County Health Facilities | 58,210,000 | | 0 |
| World Bank loan for Transforming Health Systems for Universal Care Project | 150,444,260 | | 47,013,831 |
| World Bank loan for National Agricultural and Rural Inclusive Growth Project | 50,000,000 | | 50,609,855 |
| Conditional Allocation for Development of Youth Polytechnics | 67,576,636 | | 67,576,636 |
| | 744,554,364 | | 584,168,881 |
| | 9,396,854,364 | | 9,236,468,881 |

Table 3: Own Revenue Generated 2017/2018

| Month | Target | Amount Collected | Variance |
|--------------|--------------------|--------------------|----------------------|
| July | 44,034,423 | 24,210,454 | (19,823,969) |
| August | 44,034,423 | 16,329,323 | (27,705,100) |
| September | 44,034,423 | 17,146,369 | (26,888,054) |
| October | 44,034,423 | 11,662,133 | (32,372,290) |
| November | 44,034,423 | 13,154,185 | (30,880,238) |
| December | 44,034,423 | 19,994,901 | (24,039,522) |
| January | 44,034,423 | 33,291,059 | (10,743,364) |
| February | 44,034,423 | 34,133,686 | (9,900,737) |
| March | 44,034,423 | 46,396,780 | 2,362,357 |
| April | 44,034,423 | 34,989,161 | (9,045,262) |
| May | 44,034,423 | 34,865,380 | (9,169,043) |
| June | 44,034,423 | 48,949,046 | 4,914,623 |
| Total | 528,413,076 | 335,122,477 | (193,290,599) |

Own Generated Revenue

8. The total revenue generated by the county over the period was Kshs 335,122,477, up from Kshs 315,347,363 collected in the previous year 2016/17 amounting to a 6.3% improvement. The table below 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 2018

| Vote/County Ministries/Entity | 2016/17 | | 2017-18 | | Variance% |
|---|-------------|-------------|-------------|-------------|-----------|
| | Actual | Target | Actual | Target | |
| Office of the Governor | 16,392,240 | 135,099,730 | 17,002,350 | 81,109,721 | 79.04 |
| Ministry of Finance & Economic Planning | 106,022,233 | 129,845,073 | 91,863,116 | 96,337,326 | 5 |
| Ministry of Health and Sanitation | 72,740,757 | 167,550,000 | 106,553,358 | 121,788,455 | 13 |
| Ministry of Trade, Industry, IT and Cooperative Development | 425,671 | 1,050,000 | 428,707 | 1,102,500 | 61 |
| Ministry of Land Infrastructure and Urban Development | 24,958,150 | 60,105,761 | 26,196,850 | 58,111,048 | 55 |
| Ministry of Tourism and Natural Resources | - | 1,260,000 | 1,095,150 | 1,323,000 | 17 |
| Ministry of Agriculture Water and Irrigation | 17,167,612 | 27,300,000 | 12,989,871 | 28,665,000 | 55 |

| Vote/County Ministries/Entity | 2016/17 | | 2017-18 | | Variance% |
|---|--------------------|--------------------|--------------------|--------------------|-----------|
| | Actual | Target | Actual | Target | |
| Ministry of Environment, Energy and Minerals Investment Development | 6,785,460 | 1,050,000 | 5,060,700 | 1,102,500 | (359) |
| Kitui Town Administration | 45,252,270 | 101,966,986 | 48,923,181 | 98,321,952 | 50 |
| Mwingi Town Administration | 25,602,970 | 43,382,451 | 25,009,194 | 40,551,574 | 38 |
| Sub total | 315,347,363 | 668,610,000 | 335,122,477 | 528,413,076 | 37 |

Figure 1: Pie Chart of Budgeted Revenue by Source

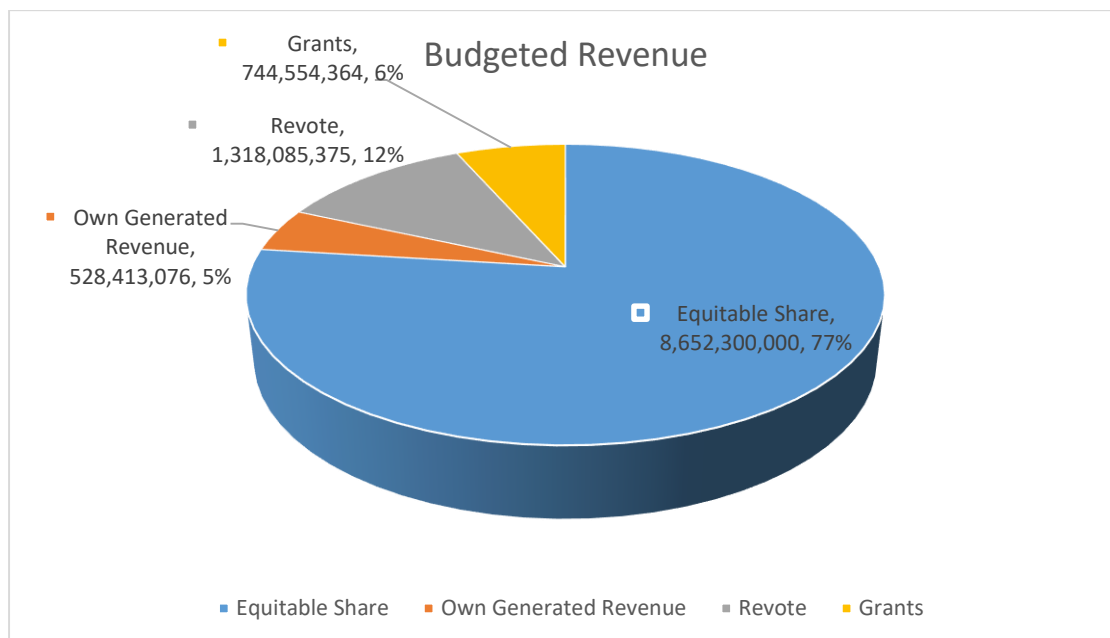
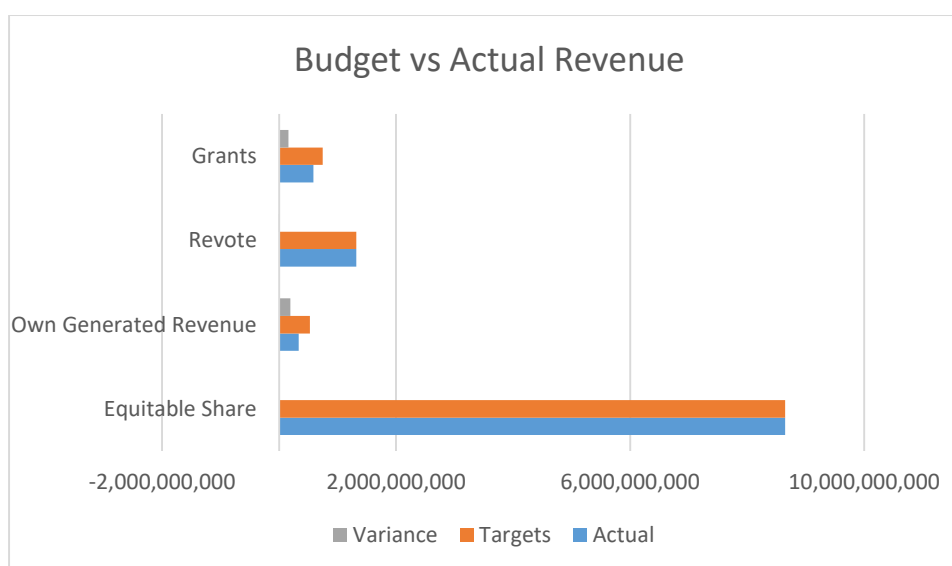


Figure 2: Bar graph of budgeted vs Actual Revenue by Source



Expenditure

9. The approved budget for the county was Kshs. 11,243,352,816, comprising of 59.48% recurrent (or Kshs 6,688,208,351.25) and 40.52% development (or Kshs 4,555,144,465). This represents 10.52% above the minimum PFM Act 2012 recommended ceiling for funds allocation to development expenditure.
10. Further, analysis of recurrent expenditure shows that Personnel Emoluments (PE) and Operations and Maintenance (O&M) accounted for 39% and 25% respectively of the total expenditure, compared to 34.5% and 21.2 % in the previous financial year. This reveals an upward trend for PE and O&M expenses, explained by the ongoing recruitment to fill existing personnel capacity gaps within the county.
11. Total expenditure for the year ending 30th June 2018 amounted to Kshs 9,319,900,723, representing gross absorption of 83%, up from 75.8% in 2016/17. Of this expenditure, recurrent expenditure was Kshs 5,978,136,596 (64%) while development expenditure amounted to Kshs 3,341,764,127 (36%).
12. In absolute terms, overall absorption went up from Kshs 8,314,602,436 in the financial year 2016/17 to Kshs 9,319,900,723 in 2017/18FY. The proportion of actual development expenditure went down from 44.4% in 2016/17 financial year to 36 % in 2017/18. Recurrent expenditure however went up from 55.6% to 89.4% in 2017/18 financial year.
13. In comparing the budgeted expenditure vis-à-vis the actual expenditure, recurrent budget realised the highest level of utilisation at 89.4% down from 80.45% in the previous year. Development budget expenditure was 73.4% in 2017/18 up from 70.7% in 2016/17. The higher utilisation rate in recurrent expenditures resulted to the overall absorption rate rising to 83%, underlining the need to disaggregate expenditure reporting into recurrent and development.
14. The table below analyses the total expenditure by county spending entities giving the overall absorption rate. Amounts in brackets indicate the deviation from the planned target expenditures. Major contributors to the variation are Ministry of Health and sanitation; Ministry of Agriculture, Ministry of Trade, Investment & Cooperatives, Water and Irrigation; Office of the Governor, The County Treasury, and County Assembly.

Table 5: Ministry/ Spending Entity Expenditure for the Period Ending 30th June 2018 (Kshs)

| Vot e | Ministry/Spending Entity | Jun-18 | | Variance | % | Jun-18 | | Variance | % | Jun-18 | | Variance | % of total exp to budg et |
|----------|---|---------------|---------------|-------------|---------|-------------|---------------|-------------|---------|---------------|---------------|-------------|--|
| | | Recurrent | | | | Development | | | | Total | | | |
| | | Actual | Target | | | Actual | Target | | | Actual | Target | | |
| 1 | Office of the Governor | 746,305,635 | 790,283,953 | 43,978,318 | (5.56) | 419,990,697 | 574,630,288 | 154,639,591 | (26.91) | 1,166,296,332 | 1,364,914,241 | 198,617,909 | 85.45 |
| 2 | Ministry of Administration & Coordination of Affairs | 417,525,288 | 440,101,992 | 22,576,704 | (5.13) | 8,694,443 | 13,778,933 | -5,084,490 | (36.90) | 426,219,731 | 453,880,925 | -27,661,194 | 93.91 |
| 3 | The County Treasury | 386,947,227 | 442,423,480 | 55,476,253 | (12.54) | 71,120,806 | 128,665,066 | -57,544,260 | (44.72) | 458,068,033 | 571,088,546 | 113,020,513 | 80.21 |
| 4 | Ministry of Health & Sanitation | 2,059,221,494 | 2,283,313,166 | 224,091,672 | (9.81) | 432,529,742 | 737,670,784 | 305,141,042 | (41.37) | 2,491,751,236 | 3,020,983,950 | 529,232,714 | 82.48 |
| 5 | Ministry of Basic Education, ICT & Youth Development | 464,163,967 | 485,580,141 | 21,416,174 | (4.41) | 161,872,745 | 275,536,965 | 113,664,220 | (41.25) | 626,036,712 | 761,117,106 | 135,080,394 | 82.25 |
| 6 | Ministry of Trade, Investment & Cooperatives | 132,290,297 | 143,505,763 | 11,215,466 | (7.82) | 140,155,157 | 372,837,209 | 232,682,052 | (62.41) | 272,445,454 | 516,342,972 | 243,897,518 | 52.76 |
| 7 | Ministry of Lands, Infrastructure Housing & Urban Development | 285,330,541 | 308,006,115 | 22,675,574 | (7.36) | 492,598,282 | 591,826,285 | -99,228,003 | (16.77) | 777,928,823 | 899,832,400 | 121,903,577 | 86.45 |
| 8 | Ministry of Tourism, Sports & Culture | 156,852,439 | 156,460,236 | 392,203 | 0.25 | 146,964,340 | 144,512,243 | 2,452,097 | 1.70 | 303,816,779 | 300,972,479 | 2,844,300 | 100.95 |
| 9 | Ministry of Agriculture, Water & Livestock Development | 473,877,383 | 500,637,949 | 26,760,566 | (5.35) | 883,127,376 | 1,080,088,405 | 196,961,029 | (18.24) | 1,357,004,759 | 1,580,726,354 | 223,721,595 | 85.85 |
| 10 | Ministry of Environment and Natural Resources | 96,361,212 | 106,019,054 | -9,657,842 | (9.11) | 180,124,072 | 197,129,687 | -17,005,615 | (8.63) | 276,485,284 | 303,148,741 | -26,663,457 | 91.20 |

| Vote | Ministry/Spending Entity | Jun-18 | | Variance | % | Jun-18 | | Variance | % | Jun-18 | | Variance | % of total exp to budget |
|------|-------------------------------|---------------|---------------|--------------|---------|---------------|---------------|---------------|---------|---------------|----------------|---------------|--------------------------|
| | | Recurrent | | | | Development | | | | Total | | | |
| | | Actual | Target | | | Actual | Target | | | Actual | Target | | |
| | | | | | | | | | | | | | |
| 11 | County Public Service Board | 63,241,548 | 70,306,664 | -7,065,116 | (10.05) | 0 | 0 | 0 | 0.00 | 63,241,548 | 70,306,664 | -7,065,116 | 89.95 |
| 12 | County Assembly Service Board | 555,538,980 | 812,981,841 | -257,442,861 | (31.67) | 167,073,457 | 176,787,757 | -9,714,300 | (5.49) | 722,612,437 | 989,769,598 | -267,157,161 | 73.01 |
| 13 | Kitui Municipality | 91,887,306 | 93,668,249 | -1,780,943 | (1.90) | 161,124,302 | 169,913,665 | -8,789,363 | (5.17) | 253,011,608 | 263,581,914 | -10,570,306 | 95.99 |
| 14 | Mwingi Town Administration | 48,593,279 | 54,919,748 | -6,326,469 | (11.52) | 76,388,708 | 91,767,178 | -15,378,470 | (16.76) | 124,981,987 | 146,686,926 | -21,704,939 | 85.20 |
| | TOTALS | 5,978,136,596 | 6,688,208,351 | -710,071,755 | (10.62) | 3,341,764,127 | 4,555,144,465 | 1,213,380,338 | (26.64) | 9,319,900,723 | 11,243,352,816 | 1,923,452,093 | 82.89 |

15. 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 2017/18FY was Kshs 5,978,136,596, while recurrent expenditure for the 2016/17FY was Kshs 4,625,953,758. This resulted from an increase in PE and OM expenses by 6.58% and 6.51%, above 2016/17FY resulting to an overall absorption of 89%.

The amount of Kshs 1,923,452,093 indicated in table 5 as not having been absorbed includes funds budgeted as local revenue but never realised (Kshs. 193,290,598) and an amount of Kshs 58,210,000 expected from World Bank Loan to Supplement Financing of County Health Facilities by June 30, 2018.

The development expenditure for the period was Kshs 3,341,764,127 (36%) compared to Kshs 3,688,648,678.00 (44%) spent in the 2016/17 financial year. This represents a 4% decrease or Kshs. 346,884,551 spend in the financial year 2017/18 below the amount absorbed on development budget in the previous year. The low absorption rate in the Ministry of Trade and ICT was due to planned purchase of specialized machinery which was not delivered on time. Actual development expenditure for the county went up from 67.1% in 2016/17 FY to 73% in 2017/18 FY, resulting in an improvement of 5.9%.

C. Implications of FY 2017/18 fiscal performance on fiscal responsibility principles and financial objectives contained in the 2018 CFSP

16. The performance of FY 2017/2018 did not affect the financial objectives set out in the 2018 CFSP and the budget for FY 2017/18 in any fundamental way. However:

- i. Based on the performance of revenue and expenditure projections for the last three financial years, the revenue forecasts were adjusted to reflect actual performance in order to mitigate against budget deficit in the event of actual expenditure conforming to budget;
- ii. Due to underperformance in revenue and realisation that some grants expected from the National Treasury will not be received, actual re-vote did not include this amount;
- iii. The accelerated absorption rate recorded in 2017/18 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 2018 and all other medium-term policies; and
- iv. Funds not spend in the previous year whether recurrent or development are reallocated to development in FY 2018/19. However, the amount re-voted over the last two financial years has been declining due to increased absorption.

17. Adequate rainfall received in the second and third quarter of 2017 improved the performance of the economy leading to bumper harvest that has since enhanced food security in the economy. The setback envisaged during the electioneering period led to reduced revenue. The election period negatively affected major sectors such as tourism, manufacturing construction that contribute immensely to economic growth. Nevertheless, it is expected that growth projections outlined in CFSP 2018 will be achieved albeit with challenges.

18. County's local revenue projections will remain as set out in CFSP 2018, 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.

19. Given that agriculture is going to be the main driver of the local economy in the medium term, measures have been put in place to improve productivity particularly to address food security and support favourable growth prospects. This is signalled by the amount allocated to agriculture and production sectors to boost output in 2017/18 FY and over the medium term. Targets here include support to farmers through provision of farm inputs, provision of post-harvest advice/services and investment in non-rain fed agriculture. Other interventions include increased funding for acquisition of necessary machineries to revamp the agricultural mechanisation services and value addition of local production to enhance wealth creation.

III. RECENT COUNTY ECONOMIC DEVELOPMENTS AND OUTLOOK

Recent Economic Developments

a) National

20. The Kenyan economy is emerging as one of East Africa's growth centres, experiencing solid growth supported by a largely stable macroeconomic environment and ongoing public infrastructure investments. However, expansionary fiscal policies underlying the investments in the physical infrastructure growth agenda may present downside risks associated with variability in some macroeconomic variables such as exchange rates, inflation and interest rates.
21. The growth prospects for the country looks favorable, with 2017 actual growth reported at 4.9% and the medium term growth forecast being 5.6% and 5.9 % for 2018 and 2019 respectively. This is anchored on strong macroeconomic base, infrastructural development and improved performance in key economic sectors like agriculture, and tourism, in the domestic market.
22. Some of the significant contributors to economic prosperity of the country like tourism were largely affected by international incidents like terrorism and acts of violence. Such sectors are very volatile on those incidents likely to disrupt social order.
23. The economy remains resilient due to its diversity; services contributed the highest proportion to GDP growth. This is expected to continue as the country remains the leading regional hub for information and communication technology, financial, and transportation services. Recent investment in rail and road and planned investment in a second runway at Jomo Kenyatta International Airport are potential growth drivers. Macroeconomic stability continues, with most fundamentals projected to remain healthy. The business-enabling environment has improved as well; Kenya moved up 12 places to a ranking of 80 in the World Bank's 2018 Doing Business report.
24. The big four agenda was pronounced by President Uhuru Kenyatta on 12th December 2017. Accordingly, energy, time and resources will be dedicated for the 4 national development agenda; food security, universal healthcare, affordable housing, and manufacturing.
25. The unity deal between President Uhuru Kenyatta and Opposition leader Raila Odinga is also expected to bear fruits. The political truce sealed on 9th March 2018 after two disputed polls in 2017 was touted as the panacea not only for peace in the country, but also for economic take off. This positive political environment led to a stable macro-economic environment that came as a huge boost to the shilling while businesses enjoyed boom. At the time the two leaders were signing the deal, the shilling was standing at 101.05 to the dollar. The Kenyan shilling clocked 100.40 some two weeks after. Further, the stability, according the analysts, has helped boost foreign investors' confidence in the economy leading to a rise in inflows, for instance at the debt market.
26. Continued drought in 2016/17 hindered agricultural productivity and resulted in high inflation for food prices. Prolonged political activities and the presidential election impasse hurt private-sector activity. Although not conclusively assessed, interest rate caps have reportedly constrained credit expansion, leading to reduced private sector investment.

Continued high public consumption expenditure keeps the budget deficit at close to 10% of GDP, while the expected maturity of public debt could lead to debt distress.

27. Total public debt for Kenya stood at Sh4.57 trillion at the end of December 2017. The gross public debt increased by Sh746.7 billion, from Sh3.82 trillion as at end of December 2016 to Sh4.57 trillion by December 31, 2017. The mountain of debt comprises of 51.9 per cent of foreign loans and 48.1 per cent of domestic loans and does not include recent borrowings, such the Sh210 billion Eurobond. The ballooning 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; austerity measures, value for money considerations and ensuring that government lives within its' means.

b) County level

28. The County Government has invested a sizeable portion of its development expenditure on funding the five pillars set to transform and improve the lives of Kitui residents. The pillars are: food and water, health care, education and youth development, women empowerment, and wealth creation. Budgeted expenditure and prioritisation of the county needs is expected to enhance socio – economic advancement in Kitui County.

29. The County has carefully identified various value chains as a means of improving the wellbeing and livelihoods of the citizens. Value Chains are about Products, processes and People. These value chains include but not limited to; the Ndengu Revolution value chain (green grams); the livestock and poultry value chain (Viz. Meat, hides and skins); the textile value chain; the Mango and other fruits value chain; the Honey Value Chain; ballast Crushing; pottery; soap and Detergent Making; milk Processing; furniture Making; sand and Charcoal Harvesting.

30. To improve household income and food security the county procured 198 MT of green grams seeds and 22,400 litres of pesticides. This intervention benefited 158,000 people in the county. Around 29 acres of land was utilized for 9 Small scale river basin cluster irrigation development where over 600 people benefited in improved production and food security. Interventions to improve availability and accessibility of safe water for human and agricultural use included; ,construction of Sub Service Dams, drilling of boreholes, equipping of drilled boreholes, construction/desilting of Earth dams and Rock catchment, construction/extension of various water pipelines, Purchase and installation of water tanks (10,000L) in public institutions, Subsidies for Water Services Providers. All these interventions benefited around 800,000 people and 200,000 heads of livestock.

31. To enhance provision of quality health care, access to health care leading to reduced morbidity and maternal and child mortality rates, the county did a lot of construction and improvement of infrastructure in the health sector, these included, Expansion of Maternity, construction of general theatres, paediatric blocks, amenity and surgical wards, modern OPDs in various health facilities in preparation for the rolling out of Kitui County Health Insurance Cover. This costed an estimated 800m benefiting all residents of the county. The county ensured sufficient drug stock levels were maintained in the health facilities.

32. Investment on youth training and development of skills is key for the development of the county. The County Government of Kitui has by done this partly by development of youth vocational training centres of excellence. This was done by modernizing and equipping various polytechnics with learning materials and tutors to impart the critical skills required for job creation. Over the period under review, the county has conducted training of boda boda riders, licensing and provision of safe riding gear, trained 120 youth with grade III in garment making, carried out advisory assessment of the 44 Vocational training. The county has also invested over Ksh 50m in the improvement of ECDE infrastructural facilities by constructing 35 ECDE classrooms across the county and purchasing assorted teaching and learning materials. To enhance access, retention, transition and completion of quality education through fees support to needy learners, the county disbursed Ksh.110m as bursaries where around 20,000 students benefited.
33. In the efforts to lower poverty index in the county, the County government identified a myriad of projects geared towards wealth creation. These included, Registration of Cooperative Societies, Fencing of livestock yards, provision of car wash machines and 1,000 litre tanks to the organized youth groups, construction/completion of honey processing plants, improvement of garment and soap making machines and stores and purchase of milk cooling machines and ballast crushers. When all these equipment will be operating optimally, Job will be created, livelihoods improved and incomes increased.
34. There are several planned projects/programmes at the National or County Governments likely to have great impacts in the Kitui County economy. Some of these projects have already been initiated while others are still in the inception/planning stage.
35. The Kitui – Mutomo – Kibwezi Road is set to improve transportation between Kitui and Makueni Counties as well as enjoin Kitui County with the National Trunk road connecting Kenya's industrial hubs with the Port. The interconnectivity is expected to improve trade and agricultural production in the county. In 2017/18 financial year 45km of tarmac road had been constructed.
36. The Lamu Port Southern Sudan Ethiopia Transport (LAPSSET) corridor was officially launched by the immediate former president, Mwai Kibaki on 2nd March 2012. It is also another mega project being implemented by the National Government that is expected to have great impact on the economic growth of Kitui County. The project is planned to have a highway, a railway and a pipeline. It will pass to the North of the Kitui County and will provide a major economic opportunity for the county such as the export of livestock to the Middle East. It is envisaged that preparatory activities were being implemented for the take-off of the project over the period under review.
37. Another major development initiative likely to have impact on the lives of the Kitui residents is the Kanyangi – Mutomo – Ikutha – Kanziko water project inaugurated in 2015. This project was co-funded by the County Government of Kitui and World Vision Kenya at a cost of KES 650m. This project will increase water coverage by 50% in the entire southern region of the county expected serve 100,000 people in Kanyangi, Mutomo/Kibwea, Ikutha, Kanziko and Athi wards as well as Mathima and Ndakani areas of Mutha Ward. It is designed to produce water at the rate of 1700 m³/day. During the period under review, 89km of pipeline

have been laid. Additionally, storage facilities of 500M³ reinforced concrete storage tank and 225M³ masonry storage tank are completed and one is on-going. The acute problem of water which has characterised southern region of Kitui County will be sustainably solved once the project is completed.

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

Macroeconomic stability (Inflation, Interest rates, Exchange rates)

39. Though the management of these variables is the sole responsibility of the Central Bank of Kenya, their impact on the national economy is an aggregation of the effects to individual counties, which is of great concern to the counties. The annual inflation rates for the period under review averaged 5.25% which is within government target range of 5% as outlined in MTP II. Kenya's rate of inflation compares favourably with the rest of sub-Saharan African countries and especially its peers such as Nigeria and South Africa whose inflation rates were 15.4% and 4.7%, respectively. The inflation outlook over the medium term is expected to be stable at around 5%, attributable to expected good rains and stable Kenyan currency. Sustaining inflation rates at lower level is critical for the nation and the county to achieve their fiscal objectives, given that inflationary pressures have had adverse budgetary effects in the past.

40. It will be important to see how the National and County Government address the food inflation which is the main driver of overall inflation, which has remained relatively high. Energy and oil related inflationary pressures are mounting up due to proposed VAT on Petroleum and petroleum products.

41. Access to credit is necessary for the acceleration of development through capital borrowing, which has been a major source of slow projects implementation. This is also understood in the premise that trade in livestock, construction of real estate and retail and wholesale in agricultural produce (cereals), need to be financed by commercial banks. More efforts are being put to encourage access to credit through microfinance institutions in Kitui County.

Medium Term Fiscal Framework

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

43. Debt management policies under the PFM Act 2012 require that counties avoid borrowing within the first few financial years. It is therefore not in the county's plan to finance any short fall in budget through loan, whether recurrent or development. Further, when necessary and applicable the County Government of Kitui shall raise revenue through donor funding by way of grants. The funding shall be utilised purely for development purposes. High degree of predictability will be maintained to avoid instances of contingent liabilities.

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

45. It is evident that revenue collection suffers as a result of delay in passing of Finance Bills. When necessary pieces of legislation in form of county bills and policies are not approved and/or passed on time, there are unnecessary disruptions. It 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. Delay in passing bills into laws shortens implementation period, thus affecting resource mobilisation timeframe.

46. On the expenditure side, the county will continue to rationalise expenditures to bring efficiency and stem wastage. Accelerating implementation of expenditure management reforms as contained in the PFM Act 2012 is expected to improve financial management capacities of the County. This will eventually improve fiscal responsibility.

47. The county will also explore ways of partnering with the private sector to undertake major infrastructure projects such as solar power generation, water supply, sewer system management, affordable housing scheme and other infrastructure projects.

48. H.E. the President directive on procurement to all government entities necessitated public entities to embrace e-procurement. In line with this directive, the county has prepared Annual Procurement Plans to guide the procurement in the current fiscal year. The county has also recruited and trained more personnel to address capacity gaps and fast-track the process. This is expected to address low absorption rate in development expenditure.

49. To address the challenge of underperformance in revenue collection, a Revenue Enhancement Plan has been prepared to address collection challenges experienced in the past years. This plan includes unbundling of the Finance bill 2018 to bring in more categorisation in rates and charges as well as creating zones within towns to complement the unbundling. Automation of revenue collection and reforms on revenue will also enhance efficiency in revenue collection.

County Economic Outlook

50. As earlier highlighted, the county's economy continued to show improvement from the previous years over the period under review. An improvement in the national economy reflects overall performance of all the counties. It is also important to note that improved economic

performance at the national government signals increase in revenue collection and hence equitable share received by counties.

51. Full roll-out of the Kitui County Health Insurance Cover (KCHIC) will ensure that residents get comprehensive health services. Disease burden will reduce hence reducing morbidity. This will ensure that out-of-pocket expenditures on health services will be eliminated drastically. The savings out of all this will be reinvested to other gainful ventures, thus improving the county economy.

52. The County Government, in a bid to create wealth and retain it in Kitui is in the preparatory stages of setting up a garment factory at Syongila in Kitui Township ward, to produce school uniforms and sell to the schools at a cheaper and affordable price. The machine is tailored to have a maximum production capacity of 8,000 units of clothing a day. This will promote fair trade in the county. This program has been analysed and found to have both financial and economic benefits to the County. The garment factory will produce shirts, dresses, shorts, sweaters and trousers. In terms of county human resource capacity. 145 youths have also been given adequate training to meet the demand for high quality products.

53. The County Government of Kitui in partnership with the South Eastern Kenya University (SEKU) has developed a livestock improvement and skills development programme. This joint partnership is aimed at scaling up incomes and productivity of livestock farmers through innovative and sustainable breeding technologies suitable for semi-arid lands in Kitui County and building skills of our people. The livestock programme was borne out of realization of lack of suitable livestock breeds by the farming communities. the programme thematic areas of intervention include; development of animal breeds for livestock farmers, establish sustainable resources of pasture and fodder crops production, capacity building of farmers on livestock production techniques and increase farmers income through utilization of rangeland resources.

54. Kitui County leverages on its huge mineral deposits that will create job opportunities if extraction begins. The mining sector will prosper well if well anchored by the service sectors such as financial and hospitality. In partnership with SEKU, the county government will identify and train artisanal miners to enhance their skills.

Risks to Economic Outlook

55. One of the major risks facing this outlook, just as many other counties is the weak revenue base that cannot cushion the county from cash flow delays from the National Treasury. Most of the counties experienced problem in payment of salaries for the months of July and August this year following a delay by the National Treasury to release funds. This problem could have been averted if all the counties were able to collect own revenue adequate to shoulder monthly payroll burden.

56. Due to the weak revenue base of the county, delay in the release of the equitable share by the National Treasury will definitely paralyse the operations and dampen the outlook. In essence, the achievement of the outlook forecasts is anchored on timely release and utilisation

of the equitable share, mainly because the contribution of the local revenue is less than 8% of the annual budget.

57. Other risks to the economic outlook for 2017/2018 and the medium term include slow recovery in the advanced economies that will impact negatively on our tourism and export; the weak shilling against the dollar and other major currencies; huge debt burden from China that are likely to hit our economy due to financial integration, resulting in capital flight and losses.

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

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

61. Political interference and resistance by few segments of society to pay county levies may impact on the revenue projections and the overall revenue performance. Some of efforts being put towards addressing the envisaged challenges include; automation of revenue collections and dissemination of civic education on revenue collection to the traders to create awareness on the benefits of revenue at county level.

62. Presence of contingent liabilities inform of debts inherited by the county from the defunct councils are also a risk to the fiscal framework.

63. The county also has numerous court cases whose outcome is not clear how it will impact on the fiscal framework

IV. RESOURCE ALLOCATION FRAMEWORK

Adjustments to 2018/19 Budget

64. Given the performance in 2017/18 and the macroeconomic outlook of the national economy, the risk to the FY 2018/19 include instability in the stock markets both locally and internationally, the effects of huge debt, slow recovery of the advanced economies that absorb our exports; volatility and slow recovery in tourism sectors which in a major foreign exchange earner and geographical turbulence in the international oil market.

65. At the local level, the county reported improved rates of development funds absorption as earlier stated. This impressive performance should be rolled over to the next financial years to solidify the gains envisaged in program implementation.

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

67. In order to achieve the revenue target set out in the 2018/19 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.

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

Medium Term Expenditure Framework

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

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

- i. The Ministry of Lands, Infrastructure, Housing and Urban Development and Towns (Kitui and Mwingi), which address the infrastructural development and urban development were allocated Kshs 1,708m or 14% of the total budget. This sector is the enabler of other sectors in the economy and reflects Government's commitment in improving infrastructure such as roads and ensure sustainable development through planning of urban areas.

ii. The social sectors, comprising ministries of education and health received a considerable amount of the budget share. The allocation for 2018/19 financial year is Kshs 3,636m (or 31%). This is in line with the county government's policy to address health access inequalities across the county and empower people through education.

iii. Agriculture, water and Irrigation sector received huge allocation consistent with the county policies to improve food security and water availability in the county. Kitui is ranked as food insecure and a water deficit county, a situation that county government is fighting to change. The Agriculture, Rural & Urban Development sector has been allocated 1,714 million which is equivalent to 15% of the entire budget, an increase of 1% from the previous allocation of Kshs 1,580m in 2017/18.

iv. In regard to, Public, Administration & Internal Relations, the sector incorporates the office of the governor, administration and coordination of county affairs, Finance and economic planning, County assembly and County public service board, plays the crucial role of ensuring the smooth running of the County government. The sector was allocated a total allocation of over Kshs 3.443 billion in the FY 2018/2019 or (29%) of the total budget. This allocation is 1% lower than the previous allocation of Kshs 3.449 billion (30%) allocated in 2017/18 financial year. Unlike the traditional view that this group of sectors do not undertake development projects, Office of the Governor houses the CLIDP and Pro-poor programmes which had great impact in community development and education.

v. Environment and Natural Resources, which is an important sector of the county economy given the mineral wealth potential. The ministry is also responsible for electricity distribution through Rural Electricity Authority (REA). This sector received Kshs 256m mainly to power urban centres through connection to the national grid and the solar powered street lights.

vi. Other priority sectors include Tourism, Sports and Culture. The County government will continue allocating adequate funding to this sector in order to ensure the special interest groups are taken care of. In the 2018/2019 financial year, the sector has been allocated 272 million translating to 2% of the total budget.

vii. Trade, cooperatives and Investment is a key pillar in development of the county. This sector received a total of Kshs 747m to address wealth creation, improve the business environment and expand.

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

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

i. The expenditure side of the County budget, the County Government will continue with expenditure management reforms to improve efficiency and reduce wastage in line with the PFM Act, 2012. Major operational reforms introduced by the

IFMIS such e-procurement are expected to streamline wastage and free resources for development.

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

Budget Framework 2018/19

73. The 2018/19 budget framework is built around the fiscal and medium term framework set out above. Stability in macroeconomic variable such as interest rates, inflation and unemployment in the global and the local economy is set to accelerate recovery and simulate growth at the county economy. The projected growth assumes normal weather pattern during the year. At national level, inflation is expected to remain low and stable, reflecting continued implementation of a prudent monetary policy and stable food as well as stable exchange rates. All these macroeconomic parameters have adverse ripple effects to the county economy.

74. Locally generated revenue is projected to be 500M over the medium term from Kshs 528m in 2017/18. This is in line with the county plan to ensure real-time revenue collection to tame the risks associated with delay in funds disbursement, as experienced by most of the county during the months July and August before funds are released from National Treasury. However, this own revenue will still not be able to cushion the county from cash flow problems associated with delay in funds release and other measures such as automation of revenue have been identified to strengthen revenue base of the county (own revenue still too low at less than 7% of the total budget).

Table 6: Revenue projections 2017/18 – 2020/21

| S/No | Source | Revenue Estimates 2017/18 (Kshs) | Revenue Estimates 2018/19 (Kshs) | Projected Estimates | |
|------|---|-------------------------------------|-------------------------------------|---------------------|----------------|
| | | | | 2019/20 (Kshs) | 2020/21 (Kshs) |
| 1 | Equitable share | 8,652,300,000 | 8,729,200,000 | 9,427,536,000 | 10,181,738,880 |
| 2 | Grants | - | - | - | - |
| | Free Maternal Healthcare | - | - | - | - |
| | Compensation for User Fees Forgone | 22,499,906 | 22,499,906 | 24,299,898 | 26,243,890 |
| | Road Maintenance Fuel Levy | 309,636,150 | 229,832,234 | 248,218,813 | 268,076,318 |
| | Grants from UNDP | - | - | - | - |
| | Grants from World Bank (KDSP) | 53,665,066 | 57,462,594 | 62,059,602 | 67,024,370 |
| | World Bank (Universal Health) | 103,430,429 | 100,000,000 | 108,000,000 | 116,640,000 |
| | World Bank (Agriculture - Rural Growth) | 50,000,000 | 140,435,163 | 151,669,976 | 163,803,574 |
| | HSSP/HSPS - (DANIDA/IDA) | 20,982,159 | 29,008,125 | 31,328,775 | 33,835,077 |
| | World Bank loan to Supplement financing of County Health Facilities | 58,210,000 | - | - | - |
| | Conditional Grant (Others) | 58,554,018 | - | - | - |

| S/No | Source | Revenue Estimates 2017/18 (Kshs) | Revenue Estimates 2018/19 (Kshs) | Projected Estimates | |
|------|---|-------------------------------------|-------------------------------------|-----------------------|-----------------------|
| | | | | 2019/20 (Kshs) | 2020/21 (Kshs) |
| | Development of Youth Polytechnics | 67,576,636 | 58,465,000 | 63,142,200 | 68,193,576 |
| | Kenya Urban Support Project - World Bank | | 272,374,200 | 294,164,136 | 317,697,267 |
| | Subtotal | 744,554,364 | 910,077,222 | 982,883,400 | 1,061,514,072 |
| | | 9,396,854,364 | 9,639,277,222 | 10,410,419,400 | 11,243,252,952 |
| 3 | Own Revenue | - | | - | |
| | County Ministries/Entity | - | | - | |
| | Office of the Governor | 101,854,717 | 86,947,453 | 91,294,826 | 95,859,567 |
| | Ministry of Administration and Coordination | - | - | - | - |
| | The County Treasury | 126,337,326 | 82,654,193 | 86,786,902 | 91,126,247 |
| | Ministry of Health and Sanitation | 121,788,455 | 89,761,903 | 94,249,998 | 98,962,498 |
| | Ministry of Basic Education, ICT and Youth Development | - | - | - | - |
| | Ministry of Trade, Cooperatives and Investments | 1,102,500 | 1,157,625 | 1,215,506 | 1,276,282 |
| | Ministry of Land Infrastructure and Urban Development | 58,111,048 | 61,016,600 | 64,067,430 | 67,270,802 |
| | Ministry of Tourism, Sports and Culture | 1,323,000 | 1,389,150 | 1,458,608 | 1,531,538 |
| | Ministry of Agriculture water and Livestock Development | 28,665,000 | 30,098,250 | 31,603,163 | 33,183,321 |
| | Ministry of Environment, Energy and Minerals Investment Development | 1,102,500 | 1,157,625 | 1,215,506 | 1,276,282 |
| | Kitui Municipality | 98,321,952 | 103,238,049 | 108,399,952 | 113,819,949 |
| | Mwingi Town Administration | 40,551,574 | 42,579,152 | 44,708,110 | 46,943,515 |
| | Subtotal | 579,158,072 | 500,000,000 | 525,000,000 | 551,250,000 |
| | TOTAL | 9,976,012,436 | 10,139,277,222 | 10,935,419,400 | 11,794,502,952 |

Table 7: MTEF Projections for 2017/18 – 2020/21

| No. | Sector/County Ministry | | Revised 2017/18 | 2018/19 Estimates | Projections 8% | |
|-----|---|------------|-----------------|-------------------|----------------|---------------|
| | | | | | 2019/20 | 2020/21 |
| 1 | Office of the Governor | SUB-TOTAL | 1,364,914,243 | 1,408,434,458 | 1,530,670,719 | 1,663,702,037 |
| | | Rec. Gross | 790,283,955 | 583,434,458 | 639,670,719 | 701,422,037 |
| | | Dev. Gross | 574,630,288 | 825,000,000 | 891,000,000 | 962,280,000 |
| 2 | Ministry of Administration and Coordination Affairs | SUB-TOTAL | 453,880,924 | 373,000,131 | 408,952,983 | 448,431,710 |
| | | Rec. Gross | 440,101,991 | 373,000,131 | 408,952,983 | 448,431,710 |
| | | Dev. Gross | 13,778,933 | 0 | 0 | 0 |

| No. | Sector/County Ministry | | Revised 2017/18 | 2018/19 Estimates | Projections 8% | |
|-----|--|------------|-----------------|-------------------|----------------|---------------|
| | | | | | 2019/20 | |
| 3 | The County Treasury | SUB-TOTAL | 571,088,546 | 565,634,571 | 618,394,001 | 676,172,174 |
| | | Rec. Gross | 442,423,480 | 458,171,977 | 502,334,399 | 550,827,804 |
| | | Dev. Gross | 128,665,066 | 107,462,594 | 116,059,602 | 125,344,370 |
| 4 | Ministry of Health & Sanitation | SUB-TOTAL | 3,020,983,950 | 2,927,255,172 | 3,201,099,781 | 3,501,067,304 |
| | | Rec. Gross | 2,283,313,166 | 2,420,273,930 | 2,653,560,040 | 2,909,724,383 |
| | | Dev. Gross | 737,670,784 | 506,981,242 | 547,539,741 | 591,342,921 |
| 5 | Ministry of Basic Education, ICT & Youth Development | SUB-TOTAL | 761,117,107 | 708,834,038 | 774,527,602 | 846,431,735 |
| | | Rec. Gross | 485,580,141 | 548,369,038 | 601,225,402 | 659,265,359 |
| | | Dev. Gross | 275,536,965 | 160,465,000 | 173,302,200 | 187,166,376 |
| 6 | Ministry of Trade, Co-operatives & Investment | SUB-TOTAL | 516,342,972 | 747,039,411 | 808,487,928 | 875,031,440 |
| | | Rec. Gross | 143,505,763 | 102,839,411 | 112,751,928 | 123,636,560 |
| | | Dev. Gross | 372,837,209 | 644,200,000 | 695,736,000 | 751,394,880 |
| 7 | Ministry of Lands, Infrastructure, Housing & Urban Development | SUB-TOTAL | 899,832,400 | 1,114,518,905 | 1,209,014,006 | 1,311,635,547 |
| | | Rec. Gross | 308,006,115 | 325,450,857 | 356,820,514 | 391,266,576 |
| | | Dev. Gross | 591,826,285 | 789,068,048 | 852,193,492 | 920,368,971 |
| 8 | Ministry of Tourism, Sports & Culture | SUB-TOTAL | 300,972,479 | 272,128,094 | 296,324,600 | 322,714,678 |
| | | Rec. Gross | 156,460,236 | 148,048,094 | 162,318,200 | 177,987,766 |
| | | Dev. Gross | 144,512,243 | 124,080,000 | 134,006,400 | 144,726,912 |
| 9 | Ministry of Agriculture, Water & Livestock Development | SUB-TOTAL | 1,580,726,354 | 1,714,677,755 | 1,859,961,609 | 2,017,730,028 |
| | | Rec. Gross | 500,637,949 | 494,842,592 | 542,539,632 | 594,914,294 |
| | | Dev. Gross | 1,080,088,405 | 1,219,835,163 | 1,317,421,976 | 1,422,815,734 |
| 10 | Ministry of Environment & Natural Resources | SUB-TOTAL | 303,148,740 | 256,599,581 | 279,445,913 | 304,366,339 |
| | | Rec. Gross | 106,019,054 | 141,464,635 | 155,100,172 | 170,072,938 |
| | | Dev. Gross | 197,129,687 | 115,134,946 | 124,345,741 | 134,293,401 |
| 11 | County Public Service Board | SUB-TOTAL | 70,306,664 | 61,138,130 | 67,031,130 | 73,502,055 |
| | | Rec. Gross | 70,306,664 | 61,138,130 | 67,031,130 | 73,502,055 |
| | | Dev. Gross | 0 | 0 | 0 | 0 |
| 12 | County Assembly | SUB-TOTAL | 989,769,598 | 1,034,797,246 | 1,132,409,122 | 1,239,405,816 |
| | | Rec. Gross | 812,981,841 | 904,797,246 | 992,009,122 | 1,087,773,816 |
| | | Dev. Gross | 176,787,757 | 130,000,000 | 140,400,000 | 151,632,000 |
| 13 | Kitui Municipality | SUB-TOTAL | 263,581,914 | 454,686,070 | 493,712,744 | 536,143,373 |
| | | Rec. Gross | 93,668,249 | 161,809,755 | 177,406,324 | 194,532,439 |
| | | Dev. Gross | 169,913,665 | 292,876,315 | 316,306,420 | 341,610,934 |

| No. | Sector/County Ministry | | Revised 2017/18 | 2018/19 Estimates | Projections 8% | 2020/21 |
|-----|----------------------------|------------|-----------------|-------------------|----------------|----------------|
| | | | | | 2019/20 | |
| 14 | Mwingi Town Administration | SUB-TOTAL | 146,686,926 | 136,487,849 | 148,750,520 | 162,137,000 |
| | | Rec. Gross | 54,919,748 | 81,987,849 | 89,890,520 | 98,568,200 |
| | | Dev. Gross | 91,767,178 | 54,500,000 | 58,860,000 | 63,568,800 |
| | TOTALS | TOTAL | 11,243,352,815 | 11,775,231,412 | 12,828,782,659 | 13,978,471,234 |
| | | Rec. Gross | 6,688,208,350 | 6,805,628,105 | 7,461,611,087 | 8,181,925,936 |
| | | Dev. Gross | 4,555,144,465 | 4,969,603,308 | 5,367,171,572 | 5,796,545,298 |

V. CONCLUSION AND WAY FORWARD

75. The FY 2018/19-2020/21 MTEF presented in this CBROP is prepared considering the challenges facing the county and the national economy as a whole. It is therefore marked by moderate growth in revenue projections and the need to contain expenditure to maintain fiscal discipline adhered to in the last three financial years. The policies therefore are consistent with fiscal responsibilities outlined in the PFM law.

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

77. Going forward, the policies outlined in this CBROP are expected to ensure continuity in resource allocation based on prioritised programs that have earmarked by the county government to enhance food security, ensure universal health care, empower women& youth and facilitate wealth creation.

78. The policies will be highlighted in the next County Fiscal Strategy Paper, which will be released by February 2019.

ANNEXTURES

I. EXPENDITURE ANALYSIS BY PROJECT/PROGRAMME

3711: Office of the Governor ((Development))

| SR/NO | Project/Programme | Budget (2017-2018) KES | Expenditure (KES) | Absorption Rate (%) | Explanation for the level of Absorption | Measure to Safeguard against such risk in the future |
|--------------|--|------------------------|-----------------------|---------------------|---|--|
| 1 | County administration block – Governor’s office | 50,000,000.00 | 44,871,279.00 | 89.74% | The remaining funds of (Kshs. 15, 297,355) 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. | Procurement will start early to ensure payments are not locked out at the end of the financial year. |
| 2 | Community Level Infrastructure Development Program (CLIDP) | 437,278,527.00 | 289,781,885.00 | 66.26% | The awards for CLIDP 2017-2018 were awarded late in the financial due to delayed procurement. This was attributed to the delayed release of funds from the National Treasury. There were Kes. 278, 344,815 committed for payment but the payments were never actualized since they had not been invoiced. | Most of the projects awarded in the FY2017-2018 were paid in the FY2018-2019 together with the projects awarded in FY2018/2019 |
| 3 | Purchase of communication equipment | 10,775,784.00 | 4,562,800.00 | 43.44% | Procurement for the purchase of the communication equipment was initiated but not finalized. | These items will be procured in FY2018/2019. |
| 4 | Pro-poor support programme | 56,538,268.00 | 31,469,938.00 | 55.60% | The utilization of the funds was commendable with Kes 20,000,000.00 commitments which were closed down at the end of the financial year | Commitments will be made earlier to ensure payments are not locked out at the end of the financial year. |
| 5 | Emergency relief (food, medicine, blankets. (Cash grant, tents and other temporary shelter etc.) | 20,037,709.00 | 14,637,700.00 | 75.52% | The utilization of the funds was satisfactory | |
| 6 | Scholarships and other Educational Benefits - Secondary Education | 180,000,000.00 | 34,667,095.00 | 19.25% | Beneficiaries need to be identified in good time | Dispersal to beneficiaries to be done early enough |
| Total | | 754,630,288.00 | 419,990,697.00 | | | |

3712: Ministry of Administration & Coordination of Affairs (Development)

| S/No. | Project/Programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption Rate (%) | Explanation for the level of Absorption | Measure to Safeguard against such risk in the future |
|--------------|---|--------------------------|---------------------|---------------------|--|--|
| 1 | Non-Residential Buildings (offices, schools, hospitals, | 44,662,102.00 | 8,544,876.00 | 19.13% | Funds were reallocated for other prioritized needs | Align construction of offices to the government priorities |
| 2 | Purchase of ICT Networking and Communication equipment | 20,000,000.00 | 0.00 | 0.00% | Delay by contractor | Issue tender to competent contractors |
| 3 | Other Infrastructure and Civil Works | 2,000,000.00 | 149,567.00 | 7.00% | Delay by contractor | Issue tender to competent contractors |
| Total | | 66,662,102.00 | 8,694,443.00 | | | |

3713: The County Treasury (Development)

| S/No. | Project/Programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption Rate (%) | Explanation for the level of Absorption | Measure to Safeguard against such risk in the future |
|--------------|--|--------------------------|----------------------|---------------------|--|--|
| 1 | Training Expenses (Kenya Devolution Support Program) | 53,665,066.00 | 45,675,668.00 | 85.11% | Late disbursement of funds | Ensure that the funds are released on time |
| 2 | Purchase of Software | 50,000,000.00 | 5,866,200.00 | 11.72% | Challenge on identifying the best software | Implementation to be kicked off on time |
| 5 | Preparation of (County Integrated Development Plan) CIDP 2018-2022 | 20,000,000.00 | 19,578,938.00 | 98.99% | CIDP completed and approved | Successfully completed |
| Total | | 123,665,066.00 | 71,120,806.00 | | | |

3714: Ministry of Health & Sanitation (Development)

| S/no | Project/programme | budget (2017-18) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measures to safeguard against such risks in future |
|------|---|------------------------|-------------------|---------------------|---|---|
| 1 | Completion of works – power house and generator connection at Ikutha hospital | 2,264,320.00 | 2,264,320.00 | 100 | Complete | - |
| 2 | Construction of maternity theatre ward at Mutomo | 4,109,014.00 | 3,000,000.00 | 73 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 3 | Construction of Matulani dispensary | 4,913,933.00 | 2,543,700.00 | 52 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 4 | Construction of power house and generator at Ikutha health centre | 2,079,350.00 | 2,079,300.00 | 100 | Complete | - |

| S/no | Project/programme | budget (2017-18) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measures to safeguard against such risks in future |
|------|--|------------------------|-------------------|---------------------|---|---|
| 5 | Construction of solar security lights at Ikutha health centre | 2,021,014.00 | 2,021,000.00 | 100 | Complete | - |
| 6 | Construction of Thua dispensary | 851,350.00 | - | 0 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 7 | Chain link fencing ,renovation of main building and completion of 2door VIP latrine at Nthangathi dispensary | 800,075.00 | 800,075.00 | 100 | Complete | |
| 8 | Completion of chief's camp at Kyangunga | 1,691,770.00 | 1,691,700.00 | 100 | Complete | |
| 9 | Completion of construction and equipping of 36 body capacity mortuary with a chapel at Mwingi county referral hospital | 25,000,000.00 | - | 0 | The project is a phased project hence the project is still ongoing. | - |
| 10 | Completion of construction of Katumbi dispensary (chain-link fencing renovation of main building and rain harvesting) | 1,111,510.48 | 1,000,000.00 | 98 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 11 | Completion of construction of Makuka dispensary | 980,000.00 | 900,000.00 | 92 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 12 | Completion of construction of maternity and pediatric wards at Kitui county referral hospital | 20,000,000.00 | - | 0 | The scope of works were to be revised hence no expenditure could take place | A more robust and consultative budget making process to establish the exact needs to be addressed and the projects specifications to be undertaken every financial year |
| 13 | Completion of construction of Nyaanyaa dispensary | 200,000.00 | 200,000.00 | 100 | Complete | - |
| 14 | Completion of construction of outpatient department (OPD) at Nzombe and Mutomo. | 8,000,000.00 | 3,921,218.00 | 49 | The project is still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 15 | Completion of construction of pediatric ward at Ikutha health centre | 637,680.00 | 637,680.00 | 100 | Complete | - |
| 16 | Completion of expansion of maternity and construction of general theatre at Migwani sub-county hospital | 316,000.00 | - | 0 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 17 | Completion of maternity at Mutomo health centre | 6,192,660.00 | 5,848,664.00 | 94 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 18 | Completion of maternity units at Kiusyani and Kyuso; completion of extension of a maternity ward at Mwingi level IV hospital | 13,000,000.00 | - | 0 | The remaining works were to be concluded in the next financial year. | A more elaborate support supervision process put in place to fast track project implementation. |

| S/no | Project/programme | budget (2017-18) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measures to safeguard against such risks in future |
|------|---|------------------------|-------------------|---------------------|---|---|
| | and completion of maternity/pediatrician ward at Kitui county referral hospital) | | | | | |
| 19 | Completion of modern outpatient department at Kitui referral hospital | 2,313,367.20 | 2,100,000.00 | 91 | Complete | |
| 20 | Completion of mortuary at Mutomo health centre | 1,699,850.00 | 1,600,000.00 | 94 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 21 | Completion works inclusion of extra works at theatre at Ikutha hospital | 6,879,150.00 | 5,600,000.00 | 81 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 22 | Construction of a dispensary at Mwambui | 3,267,820.00 | 3,267,820.00 | 100 | Complete | - |
| 23 | Construction of a gate, sentry and chain-link fencing at Ikutha | 2,783,500.00 | - | 0 | Works ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 24 | Construction of 4- door pit latrine at Nzangathi dispensary Chuluni ward | 480,000.00 | 400,000.00 | 83 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 25 | Construction of 4-door latrine with urinal at Kaumu dispensary | 498,540.00 | 383,394.00 | 77 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 26 | Construction of a blood satellite centre at Kitui county referral hospital | 11,871,541.00 | 11,871,541.00 | 100 | Complete | |
| 27 | Construction of a kitchen at Zombe health centre | 2,000,000.00 | 2,000,000.00 | 100 | completed | - |
| 28 | Construction of a maternity block at Kyangunga dispensary | 4,115,175.00 | 4,000,000.00 | 97 | | |
| 29 | Completion of a maternity unit at Zombe | 197,863.50 | 197,863.00 | 100 | completed | - |
| 30 | Construction of additional works at the gate (builders and electrical) at Ikutha hospital | 717,973.00 | 717,973.00 | 100 | completed | - |
| 31 | Construction of dispensary at Kanduti market | 1,699,688.00 | 1,699,600.00 | 100 | Complete | |
| 32 | Construction of dispensary at Katuluni | 2,996,365.00 | 2,996,365.00 | 100 | Complete | |
| 33 | Construction of dispensary at Kawala market-Mutitu/Kaliku ward | 3,147,270.00 | 1,271,590.30 | 40 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 34 | Construction of dispensary at Kyandui in Mulango ward -Kitui | 2,561,028.00 | 2,561,028.00 | 100 | Complete | |

| S/no | Project/programme | budget (2017-18) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measures to safeguard against such risks in future |
|------|---|------------------------|-------------------|---------------------|---|---|
| 35 | Construction of gate and sentry at Ikutha hospital | 488,080.00 | - | 0 | The works are ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 36 | Construction of Kasiluni dispensary Ngomeni ward | 496,552.12 | - | 0 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 37 | Construction of Kawala dispensary (Voo/ Kyamatu ward) | 3,236,732.30 | 3,100,000.00 | 96 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 38 | Construction of kitchen at Ikutha health center | 2,999,081.60 | 2,999,000.00 | 100 | Complete | - |
| 39 | Construction of laundry at Ikutha health centre | 3,003,920.15 | 3,000,000.00 | 100 | completed | - |
| 40 | Construction of main theatre at Ikutha health centre | 396,220.14 | 396,220.00 | 100 | Complete | - |
| 41 | Completion of maintenance unit at Kitui referral hospital | 77,000.00 | 77,000.00 | 100 | Complete | |
| 42 | Minor repairs of male and female wards block at Nuu sub-county hospital | 40,000.00 | 40,000.00 | 100 | Complete | - |
| 43 | Construction of maternity block at Kathungi dispensary | 627,537.00 | 627,537.00 | 100 | Complete | |
| 44 | Construction of maternity block at Mukua Nima dispensary | 695,004.00 | 695,000.00 | 100 | Complete | - |
| 45 | Construction of maternity ward at Ikanga sub county hospital | 144,043.20 | 144,043.00 | 100 | Complete | - |
| 46 | Construction of maternity ward at Katse dispensary | 5,116,825.00 | 1,000,400.00 | 20 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 47 | Construction of maternity ward at Mathuki health centre | 5,062,970.00 | 3,500,000.00 | 69 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 48 | Construction of maternity ward at Nuu hospital | 5,095,090.00 | 4,000,000.00 | 79 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 49 | Construction of new dispensary at Kimela, Ngomeni ward in Mwingi north sub county | 2,995,326.00 | - | 0 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 50 | Construction of new dispensary at Mandongoi in Ngomeni ward | 1,273,040.00 | 789,000.00 | 62 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |

| S/no | Project/programme | budget (2017-18) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measures to safeguard against such risks in future |
|------|---|------------------------|-------------------|---------------------|---|---|
| 51 | Construction of new dispensary at Waita in Waita ward | 2,996,365.50 | 2,900,000.00 | 97 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 52 | Construction of office for CEC ministry of health and sanitation | 850,000.00 | 850,000.00 | 100 | Complete | |
| 53 | Construction of out patient department at Ikutha health centre | 116,566.44 | 116,566.00 | 100 | Complete | - |
| 54 | Construction of pediatric ward at Ikutha health centre (extra works) | 1,041,050.00 | 1,041,050.00 | 100 | Complete | - |
| 55 | Construction of radiology room at Ikutha health centre | 2,919,970.00 | 1,856,592.65 | 64 | Works ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 56 | Construction of renal unit at Kitui county referral hospital | 14,241,292.00 | 14,240,000.00 | 100 | Complete | |
| 57 | Construction of small kitchen at Mutomo health centre | 511,239.00 | 511,239.00 | 100 | Complete | - |
| 58 | Construction of staff house at Katalwa dispensary Migwani ward | 847,215.00 | - | 0 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 59 | Construction of Yiuku dispensary | 3,646,310.00 | 890,000.00 | 24 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 60 | Construction works of chiefs office at Kyangunga | 1,401,250.00 | 1,401,250.00 | 100 | Complete | |
| 61 | Demolition and relocation of hall at Ikutha health centre | 1,280,293.00 | 1,280,293.00 | 100 | Complete | - |
| 62 | Equipping of the newly constructed maternity units: Nuui, Migwani, Katse, Kyuso, Mathuki, Kiusyani, Mbitini and Kauwi health centres. | 32,000,000.00 | 29,000,000.00 | 91 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 63 | Expansion of Ikutha health centre (completion of wards) | 3,449,995.00 | 3,200,000.00 | 93 | Complete | - |
| 64 | Expansion of maternity and construction of general theatre at Kauwi sub-county hospital | 5,724,609.95 | 5,724,600.00 | 100 | Complete | |
| 65 | Fencing, completion of maternity block and rain water harvesting at Kamayagi dispensary | 1,027,124.00 | 1,027,000.00 | 100 | Complete | |
| 66 | Improvements to Mutitu sub-district hospital (renovations of wards and theatre) | 2,042,795.00 | - | 0 | The project is still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |

| S/no | Project/programme | budget (2017-18) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measures to safeguard against such risks in future |
|------|--|------------------------|-------------------|---------------------|---|---|
| 67 | Non-Residential Buildings | 192,000,000.00 | 160,161,566.05 | 83 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 68 | Painting of existing old buildings at Ikutha Level IV hospital | 680,790.00 | 680,790.00 | 100 | Complete | - |
| 69 | Propose renovations and fencing of Katumbi dispensary in Kitui east sub-county | 649,100.00 | 649,100.00 | 100 | Complete | - |
| 70 | Proposed construction of machine at Nuu hospital | 5,504,435.00 | 1,400,000.00 | 25 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 71 | Proposed construction of maternity at Kyaango dispensary | 2,204,570.00 | 508,000.00 | 23 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 72 | Proposed installation of 10 Solar security lights at Kyangunga | 2,531,186.70 | 2,531,186.00 | 100 | Complete | - |
| 73 | Purchase of laboratory equipment (4 X - ray machines) | 110,069,744.00 | 17,641,000.00 | 16.02 | Supply and delivery to be done on 2018/2019 financial year due to delays in procurement process | Fast track the procurement process to prevent delays in procurement of goods and services |
| 74 | Purchase of medical and dental equipment (CT scans) | 71,040,000.00 | 9,263,355.00 | 13 | Supply and delivery to be done on 2018/2019 financial year due to delays in procurement process | Fast track the procurement process to prevent delays in procurement of goods and services |
| 75 | Refurbishment of Non-Residential Buildings | 73,812,677.00 | 62,344,606.00 | 84 | Works were still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 76 | Refurbishment of offices at Kyusyani health centre | 625,600.00 | 625,000.00 | 100 | Complete | |
| 77 | Renovation and fencing of Makongoni dispensary in Kitui south sub-county. | 349,650.00 | 349,650.00 | 100 | Complete | - |
| 78 | Renovation and fencing of Twambui dispensary in Kitui east sub-county. | 522,135.00 | 498,535.00 | 95 | Complete | - |
| 79 | Renovation of various buildings at Kyangunga dispensary | 12,195,200.00 | 10,500,000.00 | 86 | The project is still ongoing | A more elaborate support supervision process to be put in place to fast track project implementation. |
| 80 | Renovations of Kaatene dispensary | 2,069,710.00 | - | 0 | The works were still ongoing and payment | A more elaborate support supervision process put in place to fast track project implementation. |

| S/no | Project/programme | budget (2017-18) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measures to safeguard against such risks in future |
|--------------|--|------------------------|-----------------------|---------------------|--|---|
| | | | | | was rolled over to the next financial year | |
| 81 | Renovations of various buildings at Katulani hospital (fencing, renovations of OPD, maternity wards and general wards) | 11,779,350.00 | 9,000,000.00 | 76 | The project is still ongoing | A more elaborate support supervision process put in place to fast track project implementation. |
| 82 | Renovations to 10 various buildings at KDH | 1,969,552.72 | 1,969,552.00 | 100 | Complete | - |
| 83 | Re-roofing and minor renovations of Kiseveni dispensary | 116,000.00 | 116,000.00 | 100 | Complete | |
| 84 | Re-roofing and repainting of nine various buildings at KDH | 2,309,780.00 | 2,309,780.00 | 100 | Complete | - |
| Total | | 737,670,784.00 | 432,529,742.00 | | | |

3715: Ministry of Basic Education, ICT & Youth Development (Development)

| S/no. | Project/programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|--|--------------------------|-------------------|---------------------|---|--|
| 1. | Construction of ECDE classrooms | 98,727,169.00 | 79,955,740.00 | 80.98% | Most of ECDE classes are complete | Plan to procure to be initiated in good time |
| 2. | Construction of ECDE toilets and water tank bases under WASH programme | 14,998,442.00 | 12,656,347.00 | 84.38% | good progress towards completion | Timely release of funds |
| 3. | Training of boda ridders | 11,500,000.00 | 6,212,718.00 | 54% | half way on implementation of the project | Plan to procure to be initiated in good time |
| 4. | Supply of ECDE teaching and learning materials | 20,500,000.00 | 12,881,004.00 | 62% | Delay in payments due IFMIS procedures | Prompt release of funds |
| 5. | Supply of reflector jackets and helmets to trained boda ridders | 17,500,000.00 | 6,326,800.00 | 36% | Delays in procurement process partly caused by delayed release of funds | Plan to procure to be initiated in good time |
| 6. | Training of 120 youths on garment making | 18,060,000.00 | 11,174,750.00 | 61% | Delay in payments due contract procedures and terms | Plan to procure to be initiated in good time |

| S/no. | Project/programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|---------------|---|--------------------------|-----------------------|---------------------|---|---|
| 7. | Establishment of firewall and internet security | 6,142,820.00 | 5,374,605.00 | 87% | On progress towards completion | Prompt release of funds |
| 8. | Development of youth policy | 5,570,000.00 | 1,787,711.00 | 32.10% | Delays in procurement process | Plan to procure to be initiated in good time |
| 9. | Payment for examination fees to NITA and KNEC for vocational training centres | 14,000,000.00 | 10,808,998.00 | 77% | Delay in payments due definition procedures | Prompt release of funds |
| 10. | Purchase of maintenance tool kit machine | 997,950.00 | 856,400.00 | 85% | Delays in procurement process and delay in release of funds | Early procurement process and prompt release of funds |
| 11. | Purchase of computers to vocational training centres | 8,280,000.00 | 5,405,500.00 | 65% | Delays in procurement process | Early procurement process |
| 12. | Establishment of new county website to the county government offices | 9,752,000.00 | 8,432,172.00 | 86% | On progress towards completion | Early procurement process and prompt release of funds |
| Totals | | 226,028,381.00 | 161,872,745.00 | | | |

3716: Ministry of Trade, Investment & Cooperatives (Development)

| Sr/no | Project name | budget (2017-2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|--|--------------------------|-------------------|---------------------|--|---|
| 1 | proposed construction of go-down sub walling and built ups | 2,228,221.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 2 | 100litres tank with 1.5kw geared motor | 595,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 3 | 200 Litres pasteurizer | 295,550.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|---|-----------------------------|----------------------|------------------------|--|--|
| | | | | | | tools to fast-track implementation |
| 4 | 200 Litres pasteurizer | 295,550.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 5 | 250 Litres elevated tanks | 500,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 6 | Boundary walling at Kitui central | 3,729,900.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast track implementation |
| 7 | Branded 150 Gms cream jars | 465,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 8 | Branded 150gms cream jars | 465,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 9 | Branded 80gms cream jars | 380,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 10 | Branded 80gms cream jars | 380,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 11 | Branded cartons for packaging | 1,180,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 12 | Branded cartons for packaging | 1,180,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 13 | Completion of Kabati slaughter house chain-link fencing | 2,595,010.00 | | - | Contractor delay in project implementation | Project management monitoring & evaluation |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|--|-----------------------------|----------------------|------------------------|--|--|
| | | | | | | tools to fast-track implementation |
| 14 | Completion of slaughter house at Kabati | 2,966,750.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 15 | Compressors, ironing table & boxes, boilers | 3,196,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 16 | Construction of cattle loading ramp at Ikutha | 803,420.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 17 | Construction of cattle loading ramp at Kabati livestock market | 810,712.00 | 810,712.00 | 100 | 100% absorption rate achieved | - |
| 18 | Construction of cattle loading ramp at Kalundu market | 809,450.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 19 | Construction of cattle loading ramp at Kaningo | 810,050.00 | 497,000.00 | 61.35 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 20 | Construction of cattle loading ramp at Kavisuni | 809,875.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 21 | Construction of cattle loading ramp at Kisasi | 808,030.00 | 522,310.00 | 64.64 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 22 | Construction of cattle loading ramp at Mutha | 809,900.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 23 | Construction of cattle loading ramp at Mutomo | 809,085.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|---|-----------------------------|----------------------|------------------------|--|---|
| 24 | Construction of cattle loading ramp at Mwingi | 809,500.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 25 | Construction of cattle loading ramp at Mwingi Central at Nuu market | 808,100.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 26 | Construction of cattle loading ramp at Ngomeni | 808,290.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 27 | Construction of cattle loading ramp at Nguni | 804,982.00 | 804,982.00 | 100 | - | - |
| 28 | Construction of cattle loading ramp at Tseikuru | 809,980.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 29 | Construction of office gate plus pit latrines | 3,972,110.00 | 2,362,051.00 | 59.47 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 30 | Construction of parking land scalping works at the ministry of trade cooperatives and investment Kitui office | 1,684,810.00 | 1,684,810.00 | 100 | 100% absorption rate achieved | - |
| 31 | Construction of perimeter wall at Kitui town abattoir lot 1. | 2,602,501.00 | 2,302,501.00 | 88.47 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 32 | Construction of perimeter wall at Kitui town abattoir lot 2 | 2,603,590.00 | 2,603,590.00 | 100 | - | - |
| 33 | County rebranding services | 28,039,179.00 | 5,611,836.00 | 20.01 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 34 | Cutting machines, lock stitch machines, bottom hole machine | 9,200,000.00 | 7,813,773.72 | 84.91 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|--|-----------------------------|----------------------|------------------------|--|--|
| | | | | | | payment document processing |
| 35 | Demolition of old Kabati abattoir and electrical work for the new abattoir | 1,303,370.00 | 581,588.00 | 44.62 | Final certificate processing delay by contractor | Liaise with respective departments to fast track payment document processing |
| 36 | Electrical works renovation at Kitui town slaughter house | 2,894,339.00 | 2,894,339.00 | 100 | - | - |
| 37 | Fencing and gate at Kanyonyoo | 3,984,168.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 38 | Go- down phase 3 | 3,735,013.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 39 | Ice accumulator , milk can | 2,232,491.00 | - | - | Contractor delay in project implementation | Project management monitoring & evolution tools to fast track implementation |
| 40 | Improvement of Jua-Kali yard lot 1 | 3,965,600.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 41 | Knitting machines | 8,100,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 42 | Loading ramp at Ciampiu | 810,550.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 43 | Loading ramp at Kamuongo | 810,300.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 44 | Loading ramp at Katse | 807,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|--|-----------------------------|----------------------|------------------------|--|--|
| 45 | Milk cooling tank, pasteurizer, | 2,691,400.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 46 | Milk machines | 1,532,570.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast track implementation |
| 47 | Milk van | 3,150,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 48 | Milking testing equipment | 377,940.00 | - | - | Contractor delay in project implementation | Project management monitoring & evolution tools to fast track implementation |
| 49 | Needle lock machines | 2,045,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 50 | Needles, stitching machines, embroidery machines, heat press machines | 8,100,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 51 | Over-lock machines and cover stich machines | 4,100,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 52 | Part fabrication and installation of structural sleet frame of go down | 3,875,775.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 53 | Printing machines | 5,000,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 54 | Proposed boundary walling at Kitui rural | 3,344,300.00 | 3,344,300.00 | 100 | 100% absorption rate achieved | - |
| 55 | Proposed 4 door pit latrine at Kisasi | 550,750.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|---|-----------------------------|----------------------|------------------------|--|--|
| | | | | | | tools to fast-track implementation |
| 56 | Proposed boundary walling at Jua-Kali premise in Kitui subcounty department | 1,670,620.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 57 | Proposed chain link fencing | 3,770,300.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 58 | Proposed chain link fencing and gate for livestock at Endau | 2,357,035.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 59 | Proposed chain link fencing and gate for livestock at Nzombe | 2,348,240.00 | 2,020,198.00 | 86.03 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 60 | Proposed chain link fencing and gate for livestock yard at Konyu | 2,326,268.00 | 1,430,600.00 | 61.5 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 61 | Proposed chain link fencing and gate for livestock yard at Mui | 2,352,930.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 62 | Proposed chain link fencing livestock yard at Mutito | 2,300,198.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 63 | Proposed chain-link fencing and gate for live stockyard at Kyamatu | 2,354,210.00 | 2,354,210.00 | 100 | 100% absorption rate achieved | - |
| 64 | Proposed chain-link fencing and gate for livestock at Kamuwongo | 2,323,986.00 | 1,260,000.00 | 54.22 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 65 | Proposed chain-link fencing and gate for livestock at Kaningo | 2,358,270.00 | 2,358,270.00 | 100 | 100% absorption rate achieved | - |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|--|-----------------------------|----------------------|------------------------|--|---|
| 66 | Proposed chain-link fencing and gate for livestock at Kisasi | 2,356,410.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast track implementation |
| 67 | Proposed chain-link fencing and gate for livestock at Tseikuru | 2,357,700.00 | 2,357,700.00 | 100 | Final certificate processing delay by contractor | - |
| 68 | Proposed chain-link fencing and gate for livestock yard at Ciampiu | 2,347,150.00 | 1,882,364.00 | 80.2 | Final certificate processing delay by contractor | Liaise with respective departments to fast track payment document processing |
| 69 | Proposed chain-link fencing and gate for livestock yard at Kabati | 2,291,070.00 | 1,281,645.00 | 55.94 | Final certificate processing delay by contractor | Liaise with respective departments to fast track payment document processing |
| 70 | Proposed chain-link fencing and gate for livestock yard at Kamutei | 2,358,400.00 | 1,800,000.00 | 76.32 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 71 | Proposed chain-link fencing and gate for livestock yard at Katse | 2,354,000.00 | | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 72 | Proposed chain-link fencing and gate for livestock yard at Masyungwa | 2,358,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 73 | Proposed chain-link fencing and gate for livestock yard at Migwani | 2,352,090.00 | - | - | Contractor delay in project implementation | Project management monitoring & evolution tools to fast-track implementation |
| 74 | Proposed chain-link fencing and gate for livestock yard at Mutwangombe | 2,354,000.00 | 2,215,320.00 | 94.11 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 75 | Proposed chain-link fencing and gate for livestock yard at Nuu | 2,357,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|--|-----------------------------|----------------------|------------------------|--|---|
| 76 | Proposed chain-link fencing and gate for livestock yard at Ukasi | 2,346,090.00 | - | - | Contractor delay in project implementation | Project management, monitoring & evaluation tools to fast-track implementation |
| 77 | Proposed chain-link fencing and gate for yard at Mbitini | 2,357,500.00 | - | - | Contractor delay in project implementation | Project management, monitoring & evaluation tools to fast-track implementation |
| 78 | Proposed chain-link fencing at Ikanga | 2,356,240.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 79 | Proposed chain-link fencing at Ikutha | 2,355,250.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 80 | Proposed chain-link fencing at Inyuu | 2,358,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 81 | Proposed chain-link fencing at Kyuso livestock market | 2,350,360.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 82 | Proposed chain-link fencing at Kyuso open air market. | 2,285,575.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 83 | Proposed chain-link fencing at Miambani | 2,356,420.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast track implementation |
| 84 | Proposed chain-link fencing at Mutomo | 2,356,500.00 | - | - | Contractor delay in project implementation | Project management, monitoring & evaluation tools to fast-track implementation |
| 85 | Proposed chain-link fencing at Mwingi livestock market | 2,358,000.00 | 817,260.00 | 34.66 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|---|-----------------------------|----------------------|------------------------|--|---|
| 86 | Proposed civil works at Kabati livestock yard | 3,850,500.00 | 2,233,200.00 | 58 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 87 | Proposed civil works at Kitui slaughter house compound | 1,663,915.00 | 1,663,266.00 | 99.96 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 88 | Proposed civil works go down parking | 2,294,598.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 89 | Proposed completion works at Miambiani honey processing | 2,753,086.00 | 2,753,086.00 | 100 | 100% absorption rate achieved | - |
| 90 | Proposed construction of chain link refurbishment of Kakeani market | 1,540,400.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 91 | Proposed construction of 4 door latrine without urinal boys block | 839,000.00 | 839,000.00 | 100 | 100% absorption rate achieved | - |
| 92 | Proposed construction of 4 door latrine without urinal girls block | 840,000.00 | 840,000.00 | 100 | 100% absorption rate achieved | - |
| 93 | Proposed construction of 4 no. Pit latrine with urinal at Kamandio market | 844,132.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 94 | Proposed construction of 4 simple sheds, gate and fence repair at Kavisuni livestock market | 2,350,950.00 | 2,350,950.00 | 100 | 100% absorption rate achieved | - |
| 95 | Proposed construction of carwash at Syongila | 348,700.00 | 348,700.00 | 100 | 100% absorption rate achieved | - |
| 96 | Proposed construction of generator house and supply of 100kva standby generator for the go down | 3,224,993.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|---|-----------------------------|----------------------|------------------------|--|---|
| 97 | Proposed construction of go-down phase 3 super structure walling. | 3,997,050.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 98 | Proposed construction of go-downs sub concrete floor bed ramps and steps | 3,666,724.00 | 3,666,724.00 | 100 | 100% absorption rate achieved | - |
| 99 | Proposed construction part fabrication and installation of structure steel frame (2) of go down | 3,875,775.00 | 3,670,775.00 | 94.71 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 100 | Proposed erection to completion gents toilet block | 3,071,950.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 101 | Proposed erection to completion ladies toilet block | 3,075,950.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 102 | Proposed erection to completion of gents toilet block | 3,231,871.00 | 2,431,870.00 | 75.25 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 103 | Proposed erection to completion of ladies toilet block | 3,235,500.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 104 | Proposed erection to completion of toilet block at Kinda Kindu | 3,064,500.00 | 2,702,215.00 | 88.18 | | Liaise with respective departments to fast-track payment document processing |
| 105 | Proposed guard house for the go down | 3,757,326.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 106 | Proposed installation and connection of stand by generator to the go down | 2,535,957.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|---|-----------------------------|----------------------|------------------------|--|--|
| 107 | Proposed Jua-Kali improvement lot 2 | 3,974,450.00 | 3,974,450.00 | 100 | 100% absorption rate achieved | |
| 108 | Proposed Jua-Kali improvement lot 3 | 3,746,750.00 | 3,426,750.00 | 91.46 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 109 | Proposed Jua-Kali improvement lot 3 | 3,974,850.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 110 | Proposed Jua-Kali improvement lot 5 | 3,975,150.00 | 3,327,500.00 | 83.71 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 111 | Proposed Jua-Kali improvement lot 6 | 3,964,100.00 | 3,963,601.00 | 99.99 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 112 | Proposed Jua-Kali improvement lot 7 | 3,974,498.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 113 | Proposed Jua-Kali improvement lot 8 | 3,930,200.00 | 2,058,000.00 | 52.36 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 114 | Proposed Jua-Kali improvement lot 9 | 3,974,900.00 | 2,026,384.00 | 50.98 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 115 | Proposed Jua-Kali yard improvement lot 4 | 3,855,600.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 116 | Proposed Jua-Kali yard improvement lot 5 | 3,975,500.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 117 | Proposed landscaping works at Ithookwe show ground | 3,970,920.00 | 3,970,920.00 | 100 | 100% absorption rate achieved | - |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|--|-----------------------------|----------------------|------------------------|--|---|
| 118 | Proposed part fabrication of installation of structural steel frame of go down | 3,917,192.00 | 2,776,890.00 | 70.89 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 119 | Proposed rain water harvesting | 3,488,990.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 120 | Proposed refurbishment Mwingi livestock market | 2,358,000.00 | 870,000.00 | 36.9 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 121 | Proposed refurbishment of Kitui town offices | 1,197,600.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 122 | Proposed refurbishment of Nguni livestock yard at Nguni | 2,299,900.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 123 | Proposed repair works outside Kabati | 1,226,271.00 | 1,151,077.00 | 93.87 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 124 | Proposed roofing and general works at ministry of trade offices | 1,102,475.00 | 1,102,475.00 | 100 | 100% absorption rate achieved | - |
| 125 | Proposed sentry and watchman, offices at Kambati | 1,185,079.00 | 895,079.00 | 75.53 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |
| 126 | Proposed sentry, gate, perimeter wall | 2,430,000.00 | 2,430,000.00 | 100 | 100% absorption rate achieved | - |
| 127 | Proposed timber portioning, installation and furniture at CECM office | 518,450.00 | 518,450.00 | 100 | - | - |
| 128 | Proposed walling and gate at Jua-Kali | 2,568,150.00 | 1,718,147.00 | 66.9 | Final certificate processing delay by contractor | Liaise with respective departments to fast-track payment document processing |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|--|-----------------------------|----------------------|------------------------|--|---|
| 129 | Purchase and supply of 5 trucks | 60,000,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast track implementation |
| 130 | Renovation and rehabilitation of Mwingi trade offices | 2,280,580.00 | 2,280,580.00 | 100 | 100% absorption rate achieved | - |
| 131 | Renovation of Kitui town abattoir Kitui | 3,990,000.00 | 3,990,000.00 | 100 | - | - |
| 132 | Renovation of offices, change room, toilets waiting area sentry gate and mechanical works at Kitui town abattoir | 3,259,620.00 | 3,259,620.00 | 100 | - | - |
| 133 | Roof of electrical works go down | 3,875,775.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 134 | Supply and delivery of car wash 1000 Ltrs tanks | 867,000.00 | 867,000.00 | 100 | 100% absorption rate achieved | - |
| 135 | Supply and delivery of car wash machines | 1,326,000.00 | 1,326,000.00 | 100 | 100% absorption rate achieved | - |
| 136 | Supply and delivery of car wash machines and tank | 486,500.00 | 486,500.00 | 100 | 100% absorption rate achieved | - |
| 137 | Supply and delivery of car wash machines and water tanks | 910,000.00 | 910,000.00 | 100 | 100% absorption rate achieved | - |
| 138 | Supply and delivery of washing machines | 225,000.00 | 225,000.00 | 100 | 100% absorption rate achieved | - |
| 139 | Supply of 100 Litres tank with motor | 595,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 140 | Supply of 250 Litres tank | 500,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 141 | Supply of pattern hooks | 100,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |

| Sr/no | Project name | budget (2017 2018) Kshs. | expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|--------------|--|-----------------------------|-----------------------|------------------------|--|---|
| 142 | Supply, delivery , installation and commissioning of stone crusher | 85,305,490.00 | 17,061,098.00 | 20 | Final certificate processing delay by contractor | Liaise with respective departments to fast track payment document processing |
| 143 | Tables and chairs | 1,700,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 144 | Thread and needles and machines | 2,300,000.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 145 | Toilet block at Kithomboani | 3,059,210.00 | - | - | Contractor delay in project implementation | Project management monitoring & evaluation tools to fast-track implementation |
| 146 | Walls, doors and fitting at trade office | 428,492.00 | 428,492.00 | 100 | 100% absorption rate achieved | - |
| Total | | 504,487,231.30 | 140,155,158.72 | | | |

3717: Ministry of Lands, Infrastructure Housing & Urban Development (Development)

| S/No. | Project/Programme | Budget (2017- 2018) Kshs. | Expenditure Kshs. | Absorption Rate (%) | Explanation for the level of Absorption | Measure to Safeguard against such risk in the future |
|-------|--|------------------------------|----------------------|------------------------|--|---|
| 1 | Maintenance of Non Residential Buildings | 3,612,104.92 | 802,555.00 | 100% | Timely release of funds and execution of the project | Timely procurement of project |
| 2 | Refurbishment of Residential Buildings | 3,630,388.70 | 1,723,542.00 | 100% | Timely release of funds and execution of the project | Timely procurement of project |
| 3 | Preparation of Valuation Roll | 10,000,000.00 | 0.00 | 0% | The funds were availed towards the end of the year and the procurement process of the project took longer than anticipated | Procurement process to be initiated at the beginning of the financial year to ensure funds allocated for the project are all absorbed |
| 4 | Consultancy on Affordable Housing | 20,000,000.00 | 9,371,361.00 | 46.85% | The project was to spill over 2 financial years in view of its complexity | Procurement process to start at the beginning of |

| S/No. | Project/Programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption Rate (%) | Explanation for the level of Absorption | Measure to Safeguard against such risk in the future |
|-------|--|--------------------------|-------------------|---------------------|---|---|
| | | | | | | the financial year to ensure funds allocated for the project are all absorbed |
| 5 | Construction of sub county offices at Kitui Rural | 5,000,000.00 | 0.00 | 0% | Not yet started | Early planning |
| 6 | Construction of sub county offices at Kitui West | 5,000,000.00 | 0.00 | 0% | Not yet started | Early planning |
| 7 | Electrical power connection at Kitui South offices | 2,500,000.00 | 0.00 | 0% | Not yet started | Early planning |
| 8 | Refurbishment of several offices across the county | 10,000,000.00 | 0.00 | 0% | Not yet started | Early planning |
| 9 | Construction of sub county offices at Kitui Rural | 5,000,000.00 | 0.00 | 0% | Not yet started | Early planning |
| 10 | Construction of sub county offices at Kitui West | 5,000,000.00 | 0.00 | 0% | Not yet started | Early planning |
| 11 | Kiusyani Local Physical Development Plan | 1,700,000.00 | 504,000.00 | 29.53% | The project is ongoing though normally coupled by untimely release of funds | To ensure timely release of funds |
| 12 | Preparation of 50 geo referenced market layout plans across the County | 1,300,000.00 | 440,000.00 | 33.85% | Only managed to prepare 18 market layout plans due to untimely release of funds | Timely release of funds to ensure that projects are completed in time |
| 13 | Kabati Local Physical Development Plan | 17,010,000.00 | 17,010,000.00 | 100% | The project is complete, though the process took several Phases from 2016 and 2017/2018 FY due to untimely release of funds. The expected completion of a plan should be within 6-12 months due to the procedures and legal requirements involved | Timely release of funds to ensure that projects are completed in time |
| 14 | Kamuwongo Local Physical Development Plan | 1,700,000.00 | 1,700,000.00 | 100% | The project is complete, though the process took several Phases from 2016 and 2017/2018 FY due to untimely release of funds. The expected completion of a plan should be within 6-12 months due to the procedures and legal requirements involved | Timely release of funds to ensure that projects are completed in time |
| 15 | 1200KM Grading of county roads (INHOUSE) | 4,513,150.00 | 4,513,150.00 | 100% | complete | Ensure timely completion of projects |
| 16 | Road Opening (INHOUSE) | 10,016,427.61 | 10,016,427.61 | 100% | complete | Ensure timely completion of projects |
| 17 | Equipment repairs & service | 10,000,000.00 | 9,868,169.00 | 98% | Almost complete | Ensure timely completion of projects |

| S/No. | Project/Programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption Rate (%) | Explanation for the level of Absorption | Measure to Safeguard against such risk in the future |
|-------|---|--------------------------|-------------------|---------------------|---|--|
| 18 | Supply of machinery wearing parts | 5,585,500.00 | 5,585,500.00 | 100% | complete | Ensure timely completion of projects |
| 19 | Bush Clearing along county roads | 60,000,000.00 | 11,070,256.00 | 100% | complete | Ensure timely completion of projects |
| 20 | Gravelling (8km) | | 5,000,000.00 | 100% | complete | Ensure timely completion of projects |
| 21 | Emergency Road Works | 101,258,713.15 | 5,842,888.00 | 100% | complete | Ensure timely completion of projects |
| 22 | Upgrading to Bitumen standard off the Junction to Parkside Villa-Jordan Hospital-Kitui Stadium Road | | 11,070,256.00 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 23 | KRB Projects | 309,000,000.00 | 225,132,754.41 | 72% | Project is still Ongoing | Ensure timely completion of projects |
| 24 | Ngomeni-Kasiluni Road | | 3,343,908.80 | 70% | Project is still Ongoing | Ensure timely completion of projects |
| 25 | Mataka-Ilamba-Mwarangeni Road | | 6,034,462.10 | 69% | Project is still Ongoing | Ensure timely completion of projects |
| 26 | Itivanzou-Ngaie Road | | 3,413,996.00 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 27 | Tseikuru-Kwa Muluuni-Kathiani-Mlangoni Road | | 8,417,145.60 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 28 | Mutomo- Mwamba Road | | 6,037,452.00 | 70% | Project is still Ongoing | Ensure timely completion of projects |
| 29 | Mutomo-Kamutei Road | | 6,228,050.67 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 30 | Mwanianga -Mwangala-Kyadulu -Ekani- Pendalani shopping centre | | 4,913,369.86 | 70% | Project is still Ongoing | Ensure timely completion of projects |
| 31 | Mumba -Kaindu Road | | 8,520,645.98 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 32 | Muroto - Kwa Ndonga Dam Road | | 2,952,171.00 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 33 | Mulutu -Syongila Kwa Maingi Primary Road | | 3,324,235.20 | 69% | Project is still Ongoing | Ensure timely completion of projects |
| 34 | Kyambiti-Maximum Miracle centre Road | | 3,883,524.56 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 35 | Drift Construction along Ilooi Kaveta Road | | 1,984,980.40 | 71% | Project is still Ongoing | Ensure timely completion of projects |

| S/No. | Project/Programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption Rate (%) | Explanation for the level of Absorption | Measure to Safeguard against such risk in the future |
|-------|---|--------------------------|-------------------|---------------------|---|--|
| 36 | Elim Guest House-Maliluni-Kitui Town Ithookwe Road | | 3,410,330.40 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 37 | Tarmaking of road from Junction at General Hospital-Resort Hotel Road | | 8,355,613.40 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 38 | Kya Mbusya (Ikanga/Kavisuni jct)-Kalala-Mutia Makoli Road | | 5,065,128.40 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 39 | Kithumula-Kaluni Primary Road with Drift works | | 6,345,785.80 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 40 | Maseki-Kathuma Primary Road NR 15300 | | 6,261,981.60 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 41 | Kiwanzani Market-Kavonge-Tulia Market Road | | 5,096,692.00 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 42 | Kyeni-Ngegekani Primary G-47367 | | 6,984,042.16 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 43 | Endau-Mitaani-Kinanie-Kamwuu Road | | 2,458,620.00 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 44 | Kaliku-Yulambu-Kawalu road | | 4,378,946.87 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 45 | Kinakoni-Imale Road | | 5,253,413.86 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 46 | P83 Muluma Access Road | | 6,688,447.36 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 47 | Kisio River Drift replacement -Inyuu- Kyaango road | | 6,750,346.07 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 48 | Kwa Nzyulwa-Itoloni-Nzatani-Mwanzilu-Kaluu-Kiluma Road | | 6,433,824.00 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 49 | Kiomo-Nzilani-Nzaaiku-Wimondo-Wakithuki-Kiomboko Road | | 5,698,268.00 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 50 | Kathumulani-Ndaluni-Musukini-Kyome-Nzeluni Road junction Road | | 5,875,260.80 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 51 | Kyaangu-Kamulewa-Kaundua Road | | 4,575,498.71 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 52 | Engamba-Makuka Road URP 286 | | 3,764,285.20 | 70% | Project is still Ongoing | Ensure timely completion of projects |

| S/No. | Project/Programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption Rate (%) | Explanation for the level of Absorption | Measure to Safeguard against such risk in the future |
|--------------|--|--------------------------|-----------------------|---------------------|---|--|
| 53 | Enziu-Kamulewa-Kalitini Road | | 6,000,079.12 | 68% | Project is still Ongoing | Ensure timely completion of projects |
| 54 | Tarmacking of Garissa Stage - Mesilla Gardens Road | | 6,507,106.53 | 68% | Project is still Ongoing | Ensure timely completion of projects |
| 55 | Tarmacking of Mwingi Law Courts -Skyway Hotel Road | | 5,399,820.53 | 71% | Project is still Ongoing | Ensure timely completion of projects |
| 56 | Kalulini-Itulani Road | | 2,589,990.00 | 70% | Project is still Ongoing | Ensure timely completion of projects |
| Total | | 591,826,284.38 | 492,598,282.00 | | | |

3718: Ministry of Tourism, Sports & Culture (Development)

| S/no. | Project/programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|--|--------------------------|-------------------|---------------------|---|--|
| 1. | Miss Kitui county (Tourism & marketing program) | 6,686,550.00 | 7,795,400.00 | 116.58% | There were unanticipated costs and inflation costs in running the Miss Kitui pageantry competition. | Prior market survey and due diligence has been adopted as a strategy within the ministry to ensure that such cost overruns will not happen in future |
| 2. | Other infrastructure and civil works | 77,174,841.00 | 64,299,386.00 | 83.65% | This vote line was used to Kalundu Eco park preliminary work and construction of play grounds. The money was adeptly spent in the predetermined areas of development. | This is highly encouraged as it marries with the budget estimates. |
| 3. | Non-residential building | 20,027,241.00 | 17,191,810.00 | 98.91% | This money was used in completion of resource centers which are spread out in the county. There was 98.91% | Continued acquisition of bills of quantities before budget estimates are generated |

| S/no. | Project/programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|-------|---|--------------------------|-------------------|---------------------|--|---|
| | | | | | absorption which is highly welcome and based on accurate planning and acquisition of bills of quantities before budgeting. | |
| 4. | Development of Ikoo valley | 2,000,000.00 | 2,000,000.00 | 100.00% | There was a budget cut from the original estimates making it hard to accomplish the work designed for bazaar view point hence the 2 million was used in completion of kaluu view point | It is hard to mitigate against budget cuts, however, the ministry has liaised with the leadership and assembly committee to ensure adequate funding for al projects |
| 5. | Research allowance (Ecological and security monitoring in national reserves) | 7,795,400.00 | 7,795,400.00 | 100.00% | fully implemented | |
| 6. | Grading of access roads | 261,384.00 | 0.00 | 0.00% | Prioritization of projects | Shifting of budgets to reflect the 5 pillars of H.E Ngilu necessitated this shift |
| 7. | Prefeasibility, feasibility, and appraisal studies | 14,813,999.00 | 12,752,617.00 | 62.00% | Adoption of planning and execution of planned projects | The ministry embarked on kick-starting procurement process early in advance to avoid any complications that might hinder implementation of projects |
| 8. | Kibuka foot bridge and nature trails | 1,000,000.00 | 843,000.00 | 84.30% | This money designed to do nature trails for Kibuka island was reallocated to other development needs as the national government has announced plans to do a mega dam at grand falls | National government and county government development projects need to be harmonized to avoid such conflicts |
| 9. | Acquisition of other intangible -support development of sports in the county -support tournaments, clinics, athletics | 30,943,786.00 | 30,580,070.00 | 98.00% | More support needed and money allocated was limited. | Adequate needs assessment will be completed and prior to any allocation to avoid such inconveniences in future |

| S/no. | Project/programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|--------------|--|--------------------------|-----------------------|---------------------|---|--|
| | camps, races and sports equipment's | | | | | |
| 10. | Agricultural materials, supplies and small equipment (support to marginalized groups, women youth and PLWD with equipment, supplies and materials) | 3,407,700.00 | 3,208,258.00 | 94.00% | Project almost complete | Careful supplementary budget estimates will be carried out in future |
| Total | | 164,110,901.00 | 146,465,941.00 | | | |

3719: Ministry of Agriculture, Water & Livestock Development (Development)

| S/no. | Project/programme name | Budget 2017/18 FY Kshs. | Expenditure Kshs. | Absorption (%) | Explanation for the level of absorption | Measure to safeguard against such risks in future |
|-------|---|-------------------------|-------------------|----------------|--|---|
| 1 | Aquaculture pond rehabilitation | 382,500.00 | 317,116.00 | 83 | Timely procurement plan and follow up | Timely requisition and close monitor of the procurement process |
| 2 | Construction of 36 pipeline extensions | 80,000,000.00 | 100,859,008.00 | 126.1 | Pipeline repairs increased due to damage during road construction and by April rains | Set pipeline markers along the pipelines |
| 3 | Construction of 83 Sand/sub surface dams | 71,000,000.00 | 61,763,442.00 | 87 | Exercise delayed by long April rains | Hasten the procurement process so that tenders are awarded long before onset of rains |
| 4 | Construction of modern sanitation block | 1,500,000.00 | 750,000.00 | 50 | Late tender award | Timely requisition for funding of activities and close monitor of procurement process |
| 5 | Construction/desilting of 28 Earth dams/pans & rock catchments | 230,652,784.87 | 103,949,824.00 | 45.5 | Exercise delayed by long April rains | Hasten the procurement process so that tenders are awarded long before onset of rains |

| S/no. | Project/programme name | Budget 2017/18 FY Kshs. | Expenditure Kshs. | Absorption (%) | Explanation for the level of absorption | Measure to safeguard against such risks in future |
|-------|---|----------------------------|----------------------|-------------------|---|---|
| 6 | Drilling of 12 new boreholes | 9,350,000.00 | 9,819,594.00 | 105 | No. Boreholes increased from the planned. | Work within the work plans |
| 7 | Farm business planning, soil fertility & market improvement | 3,500,000.00 | 3,500,000.00 | 100 | Timely procurement plan and follow up | Timely requisition and close monitor of the procurement process |
| 8 | Feasibility studies | 22,000,000.00 | 20,312,560.00 | 92.3 | All surveys & designs for the FY done | - |
| 9 | Fencing of AMS compound (phase 3) | 5,000,000.00 | 5,000,000.00 | 100 | Timely procurement plan and follow up | Timely requisition and close monitor of the procurement process |
| 10 | Kalalani irrigation project | 1,549,645.83 | 1,563,348.20 | 87.04 | Project not complete due to floods from march rains. Farmers irrigating using pumps given | Timely requisition and close monitor of the procurement process |
| 11 | Kalulini irrigation project | 1,549,645.83 | 1,365,674.85 | 88.13 | Project not complete due to floods from march rains. Farmers irrigating using pumps given | Timely requisition and close monitor of the procurement process |
| 12 | Kanzinwa irrigation project | 1,549,645.83 | 0.00 | 0 | Works started late due to rains | Timely requisition and close monitor of the procurement process |
| 13 | Kauwi -irrigation project | 1,549,645.83 | 1,930,479.50 | 124.56 | Farmers irrigating using pumps given | Timely requisition and close monitor of the procurement process |
| 14 | Kiomo-Kyethani water supply project | 20,000,000.00 | 0.00 | 0 | Delayed procurement process | Hasten the procurement process |
| 15 | Kyandani irrigation project | 1,549,645.83 | 1,375,502.80 | 88.76 | Project not complete due to floods from march rains. Farmers irrigating using pumps given | Timely requisition and close monitor of the procurement process |
| 16 | Maluma irrigation cluster | 1,549,645.83 | 618,461.80 | 39.91 | Project not complete due to floods from march rains | Timely requisition and close monitor of the procurement process |

| S/no. | Project/programme name | Budget 2017/18 FY Kshs. | Expenditure Kshs. | Absorption (%) | Explanation for the level of absorption | Measure to safeguard against such risks in future |
|-------|---|----------------------------|----------------------|-------------------|---|---|
| 17 | Mithini irrigation project | 1,549,645.83 | 1,150,929.00 | 74.27 | Project not complete due to floods from march rains. Farmers irrigating using pumps given | Timely requisition and close monitor of the procurement process |
| 18 | Ndengu revolution | 133,617,840.00 | 132,305,070.00 | 98 | Timely procurement plan and follow up | Timely requisition for funding of activities |
| 19 | Ngunini irrigation project | 1,549,645.83 | 728,038.00 | 46.98 | Works started late due to rains | Timely requisition and close monitor of the procurement process |
| 20 | Procure and avail egg incubators to 11 farmer clusters | 3,138,500.00 | 2,982,000.00 | 95.1 | Timely procurement plan and follow up | Release funds on time and initiate procurement early |
| 21 | Procurement of an excavator | 34,734,796.00 | 34,734,200.00 | 99.9 | Timely procurement plan and follow up | Timely requisition and close monitor of the procurement process |
| 22 | Procurement of double axel tipper (1no.) | 10,000,000.00 | 9,860,000.00 | 98.6 | Supplier quoted amount | - |
| 23 | Procurement of farm tractors, disc ploughs and drawn trailers | 43,000,000.00 | 42,938,000.00 | 99 | Timely procurement plan and follow up | Timely requisition for funding of activities and close monitor of procurement process |
| 24 | Procurement of fishing gears | 800,000.00 | 799,780.00 | 99.97 | Timely procurement plan and follow up | Timely requisition and close monitor of the procurement process |
| 25 | Promote modern beekeeping technologies through provision of cab hives and hives accessories to selected farmer groups | 10,000,000.00 | 2,210,000.00 | 22.1 | Late award of contract for 2 nd batch of hives. Thus contractor could not meet 30/6/2018 deadline. | To fast track supply of balance in 2018/19 FY |
| 26 | Purchase and installation of plastic water tanks | 850,000.00 | 850,000.00 | 99.3 | Correctness of bq that guided on the correct estimate | Timely requisition and close monitor of the procurement process |
| 27 | Purchase of assorted vaccines for livestock disease control | 2,450,000.00 | 2,450,000.00 | 100 | Timely procurement plan and follow up | Release funds on time and initiate procurement early |

| S/no. | Project/programme name | Budget 2017/18 FY Kshs. | Expenditure Kshs. | Absorption (%) | Explanation for the level of absorption | Measure to safeguard against such risks in future |
|-------|---|----------------------------|----------------------|-------------------|---|--|
| 28 | Purchase of fans | 50,000.00 | 49,350.00 | 97.4 | Correctness of bq that guided on the correct estimate | Timely requisition and close monitor of the procurement process |
| 29 | Purchase of semen for assorted dairy breeds, liquid nitrogen and accessories | 2,550,000.00 | 2,550,000.00 | 100 | Timely procurement plan and follow up | Timely requisition and close monitor of the procurement process |
| 30 | Rehabilitation of ndaluni | 1,549,645.83 | 0.00 | 0 | Works could not start due to floods | Timely requisition and close monitor of the procurement process |
| 31 | Repairs & maintenance of 120 Water supplies | 58,351,858.00 | 40,982,407.00 | 70.2 | Schemes break un evenly and all the time | Water resource persons trained to assist in fast diagnosis and reporting |
| 32 | River Athi-Kanyangi-Mutomo water project | 120,000,000.00 | 59,741,029.00 | 49.8 | Contractors delayed works and budget re-allocated for other works | |
| 33 | Subsidies to WSPS (KITWASCO & KIMWASCO) | 76,634,022.00 | 108,583,308.00 | 141.7 | Electricity bills too high | To increase the allocation for subsidies |
| 34 | Supply & installation of 1,062 Water tanks (10,000l) | 107,000,000.00 | 103,322,438.00 | 97.1 | Exercise executed well | - |
| 35 | Support to extension services – procurement of e-extension tablets | 2,000,000.00 | 1,971,884.00 | 99.8 | Timely procurement plan and follow up | Timely requisition and close monitor of the procurement process |
| 36 | Tiva environmental | 1,549,645.83 | 563,449.10 | 36.36 | Project not complete due to floods from march rains | Timely requisition and close monitor of the procurement process |
| 37 | To enhance pasture / fodder production and conservation for improved livestock productivity | 3,000,000.00 | 2,998,500.00 | 99.95 | Late procurement due to late disbursement of funds. | Fast track procurement process. |
| 38 | To purchase 74 livestock spray pumps for groups | 1,480,000.00 | 1,480,000.00 | 100 | Timely procurement plan and follow up | Release funds on time and initiate procurement early |
| 39 | Training of 558 Water resource persons | 10,000,000.00 | 15,000,000.00 | 150 | No. Trainees increased from the initial | Work within the work plans |

| S/no. | Project/programme name | Budget 2017/18 FY Kshs. | Expenditure Kshs. | Absorption (%) | Explanation for the level of absorption | Measure to safeguard against such risks in future |
|-------|---------------------------|----------------------------|-----------------------|-------------------|---|---|
| 40 | Twikwo irrigation project | 1,549,645.83 | 1,751,982.50 | 113.06 | Project not completed due to interference of the long rains | Timely requisition and close monitor of the procurement process |
| | Total | 1,080,088,405.00 | 883,127,375.75 | | | |

3720: Ministry of Environment and Natural Resources (Development)

| S/no | Project/programme | Budget (2017- 2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|------|--|---------------------------------|----------------------|------------------------|---|---|
| 1 | Commemoration of international environmental events (IDFS, WED,WDCD) | 9,453,640.00 | 8,453,640.00 | 89% | There were savings of 1m but all the three events were successfully done | Successfully done |
| 2 | Establishment of environmental clubs in public institutions | 2,094,420.00 | 2,094,420.00 | 100% | All the planned clubs and institutions established | Successfully implemented |
| 3 | Procurement of poultry for alternative livelihoods of the charcoal burn | 3,999,000.00 | 3,999,000.00 | 100% | All the poultry budgeted procured | Successfully implemented |
| 4 | Asbestos removal | 5,434,600.00 | 5,434,600.00 | 100% | All asbestos removed | Successfully completed |
| 5 | Supply for the material and equipment to establish tree nursery | 20,411,310.00 | 19,457,222.00 | 95% | Delay in supplying the last bucnh | |
| 6 | Supply of tree seedlings for planting at Kitui west | 338,590.00 | 338,590.00 | 100% | Fully supplied | Successfully done |
| 7 | Supply of tree seedlings for tree planting during ongoing rains at Kwa-Vonza | 454,173.00 | 454,173.00 | 100% | Fully supplied | Successfully done |
| 8 | Supply of seedlings to various schools in Kiomo- Kyethani ward | 215,000.00 | 215,000.00 | 100% | Fully supplied | Successfully done |

| S/no | Project/programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|------|--|-----------------------------|----------------------|------------------------|--|---|
| 9 | Supply for the material and equipment to establish tree nursery | 256,875.78 | 256,875.78 | 100% | Fully supplied | Successfully done |
| 10 | Supply for the material and equipment to establish tree nursery | 278,027.40 | 278,027.40 | 100% | Fully supplied | Successfully done |
| 11 | Supply of tree seedlings for tree planting of Mikengeka, Mikau, Minina in Tseikuru | 325,700.00 | 325,700.00 | 100% | Fully supplied | Successfully done |
| 12 | Supply of tree seedlings for tree planting of Mikengeka, Mikau, Minina In Nguutani ward | 257,350.00 | 257,350.00 | 100% | Fully supplied | Successfully done |
| 13 | Supply for the material and equipment to establish tree nursery | 262,550.00 | 262,550.00 | 100% | Fully supplied | Successfully done |
| 14 | Supply of seedlings for planting during in Kitui east | 278,000.00 | 278,000.00 | 100% | Fully supplied | Successfully done |
| 15 | Supply of seedlings for planting during in Kitui central | 74,720.00 | 74,720.00 | 100% | Fully supplied | Successfully done |
| 16 | Procurement of tree seedlings for planting during ongoing rains at Ikanga/Kyatune ward | 220,500.00 | 220,500.00 | 100% | Fully procured | Successfully done |
| 17 | Supply of tree seedlings for tree planting of Mikengeka, Mikau, Minina in Kithumula ward | 312,900.00 | 312,900.00 | 100% | Fully supplied | Successfully done |
| 18 | Development of Kitui county climate change strategies and public participation | 1,065,000.00 | 1,065,000.00 | 100% | Pull developed and publicized | Successfully done |
| 19 | Supply of materials for clean-up activities | 1,384,500.00 | 1,384,500.00 | 100% | Fully supplied | Successfully done |

| S/no | Project/programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|------|---|-----------------------------|----------------------|------------------------|--|---|
| 20 | Rehabilitation of Kitui county forest (Mutitu and Muumoni hills) | 2,351,349.68 | 2,351,349.68 | 100% | Fully rehabilitated | Successfully done |
| 21 | Catchment rehabilitation and conservation of the Tyaa catchment area | 1,345,634.00 | 1,345,634.00 | 100% | Fully rehabilitated | Successfully done |
| 22 | Electrification from Ikuuni market, Kyume secondary, Musukini dispensary and upgrading from single phase to 3 phase | 1,245,189.28 | 506,644.00 | 41% | Contractor delays | Enforce adherence to procurement regulations on timely completion of projects |
| 23 | Installation of solar powered water pump at Kyume borehole water supply | 2,689,923.60 | 2,689,923.60 | 100% | Fully installed | Successfully completed |
| 24 | Installation of solar powered water pump at Kalisasi borehole water supply | 2,689,923.60 | 2,689,923.60 | 100% | Fully installed | Successfully completed |
| 25 | Installation of solar powered water pump at Masyungwa borehole water supply | 2,783,100.60 | - | 0% | Contractor delays | Enforce adherence to procurement regulations on timely completion of projects |
| 26 | Installation of solar powered water pump at Kwa Mwangi borehole water supply | 2,493,622.00 | 2,493,622.00 | 100% | Fully installed | Successfully completed |
| 27 | Installation of solar powered water pump at Kakulululo borehole Nguutani ward | 3,634,674.12 | 3,634,674.12 | 100% | Fully installed | Successfully completed |
| 28 | Installation of solar powered water pump at Muutini borehole water project | 2,885,755.95 | 2,885,755.95 | 100% | Fully installed | Successfully completed |
| 29 | Installation of solar powered water pump at Katothya | 1,576,554.84 | 1,576,554.84 | 100% | Fully installed | Successfully completed |

| S/no | Project/programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|------|---|-----------------------------|----------------------|------------------------|--|---|
| | borehole water supply in Kitui rural | | | | | |
| 30 | Installation of solar powered water pump at Utawala borehole water supply | 2,194,800.00 | 2,194,800.00 | 100% | Fully installed | Successfully completed |
| 31 | Installation of solar powered water pump at koi borehole water supply | 2,114,100.00 | 2,114,100.00 | 100% | Fully installed | Successfully completed |
| 32 | Installation of solar powered water pump at Kwa Ngomango borehole in Kitui East sub-county. | 2,128,176.02 | 2,128,176.02 | 100% | Fully installed | Successfully completed |
| 33 | Installation of solar powered water pump at Mangetheni borehole water supply | 2,589,000.00 | 2,589,000.00 | 100% | Fully installed | Successfully completed |
| 34 | Installation of solar powered water pump at Kwa Kasuma borehole water supply | 2,223,653.00 | - | 0% | Contractor delays | Enforce adherence to procurement regulations on timely completion of projects |
| 35 | Installation of solar powered water pump at Kwa Katitika borehole water supply in Kitui south | 1,726,285.07 | 1,726,285.07 | 100% | Fully installed | Successfully completed |
| 36 | Installation of solar powered water pump at Kwa Katanu borehole water supply | 1,742,900.00 | - | 0% | Contractor delays | Enforce adherence to procurement regulations on timely completion of projects |
| 37 | Installation of solar powered water pump at Kaundu borehole water supply | 1,723,074.07 | 1,723,074.07 | 100% | Fully installed | Successfully completed |

| S/no | Project/programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|------|--|-----------------------------|----------------------|------------------------|--|---|
| 38 | Installation of powered water pump at Mulindiko bore hole water supply | 5,054,040.00 | 5,054,040.00 | 100% | Fully installed | Successfully completed |
| 39 | Installation of powered water pump at Kanyangi bore hole water supply | 5,155,896.24 | 5,155,896.24 | 100% | Fully installed | Successfully completed |
| 40 | Training the public on construction of clean cook stoves in Kitui south | 492,000.00 | 492,000.00 | 100% | Fully installed | Successfully completed |
| 41 | Supply of materials for construction of clean cook stoves project | 1,027,900.00 | 1,027,900.00 | 100% | Fully supplied | Successfully done |
| 42 | Supply of materials for construction of clean cook stoves project at Mwingi north sub counties | 498,120.00 | 498,120.00 | 100% | Fully supplied | Successfully done |
| 43 | Construction of clean cook stoves project at Nguni and Ngomeni ward Mwingi north sub county | 748,800.00 | 748,800.00 | 100% | Fully constructed | Successfully done |
| 44 | Supply of clean cook stove materials project in Ikutha , in Kitui south | 225,510.00 | 225,510.00 | 100% | Fully supplied | Successfully done |
| 45 | Construction of Eco-jiko for clean cooking at Kyangwithya east | 968,000.00 | 968,000.00 | 100% | Fully constructed | Successfully done |
| 46 | Construction of eco jiko for clean cooking at Kitui central | 250,060.00 | 250,060.00 | 100% | Fully constructed | Successfully done |
| 47 | Establishment of woodlots for wood fuel at Kakeani , Mutonguni and Nguutani ward | 420,150.00 | 420,150.00 | 100% | Fully established | Successfully done |
| 48 | Installation of solar street lights at Kyuso markets | 3,105,900.00 | - | 0% | Contractor delays | Enforce adherence to procurement regulations on |

| S/no | Project/programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|------|---|-----------------------------|----------------------|------------------------|--|---|
| | | | | | | timely completion of projects |
| 49 | Installation of solar lighting works at jua-kali-Kyanganga shopping centre in Mulango wards | 2,837,360.00 | 2,837,360.00 | 100% | Fully installed | Successfully completed |
| 50 | Installation of solar security lighting at Kwa Mbugua A, kwa Mbugua B, Kavisi, Ndiamuni, Kasovuni and Syomukuku markets Kivou Nguni ward | 1,623,594.00 | 1,623,594.00 | 100% | Fully installed | Successfully completed |
| 51 | Installation of solar security lighting at Katene , Kiusyani, Kimwele, Ikutha, and Kimwelu markets | 3,408,451.20 | 3,408,451.20 | 100% | Fully installed | Successfully completed |
| 52 | Installation of solar security lighting at Vutu, Kituvwi, Kalivu and Maluma markets in Kanziko and Athi wards | 3,408,312.03 | 3,408,312.03 | 100% | Fully installed | Successfully completed |
| 53 | Installation of solar security lighting at Kathuiani , Kwa Mulungu ,Ungatu & Mukameni markets , Kithumula, Kwa Mutonga & Kisasi wards | 3,145,340.00 | 3,145,340.00 | 100% | Fully installed | Successfully completed |
| 54 | Installation of solar security lighting at Tuvaani, Mwambu and Kumelewa markets , Nuu and Mui wards | 3,069,708.00 | 3,069,708.00 | 100% | Fully installed | Successfully completed |
| 55 | Installation of solar security lighting at Kawala , Kaunange, Makuka and Itiko markets | 3,652,604.00 | 3,652,604.00 | 100% | Fully installed | Successfully completed |
| 56 | Installation of solar lighting at Kikuuni , Majengo and | 3,167,032.00 | 3,167,032.00 | 100% | Fully installed | Successfully completed |

| S/no | Project/programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|------|--|-----------------------------|----------------------|------------------------|--|--|
| | Maluma markets Nzombe/Mwitika and Nzambani wards | | | | | |
| 57 | Installation of solar security lights at Mutomo markets in Kitui south | 4,541,516.00 | 4,541,516.00 | 100% | Fully installed | Successfully completed |
| 58 | Installation of solar street lights at Kwa Mbugua a, Kwa Mbugua b, Kavisu, Ndiamumo, Kisovuni, and Syumikuku markets | 3,015,246.00 | - | 0% | Contractor delays | Enforce adherence to procurement regulations on timely completion of projects |
| 59 | Installation of solar street lights at Muumoni and Tseikuru markets | 2,795,900.00 | - | 0% | Contractor delays | Enforce adherence to procurement regulations on timely completion of projects |
| 60 | Installation of solar street lights at Tharaka and Nguutani markets | 3,532,200.00 | 3,532,200.00 | 100% | Fully installed | Successfully completed |
| 61 | Installation of solar security street lighting at Kwa Mukala, Wikithuki, Kathita, Mwingi KMTC & Yanyonge markets | 4,230,357.60 | 4,230,357.60 | 100% | Fully installed | Successfully completed |
| 62 | Installation of solar street lights at Waita and Mutonguni markets | 3,406,340.00 | - | 0% | Contractor delays | Enforce adherence to procurement regulations on timely completion of projects |
| 63 | Installation of solar street lights at sca office Kauwi , Katheka , Matuu and Maini markets | 3,406,896.00 | 3,406,896.00 | 100% | Fully installed | Successfully completed |

| S/no | Project/programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|------|---|-----------------------------|----------------------|------------------------|--|---|
| 64 | Installation of solar street lights at Kanzau in Mbitini ward Mwakini, Kwa Vonza and Yatta ward | 3,400,192.00 | 3,400,192.00 | 100% | Fully installed | Successfully completed |
| 65 | Installation of solar lighting at Kanyangi markets in Kanyangi Miambani wards | 3,405,852.80 | 3,405,852.80 | 100% | Fully installed | Successfully completed |
| 66 | Installation of solar street lights at Kyangwithya markets | 3,408,903.00 | 3,408,903.00 | 100% | Fully installed | Successfully completed |
| 67 | Installation of solar street lights at Chuluni markets | 3,387,200.00 | - | 0% | Contractor delays | Enforce adherence to procurement regulations on timely completion of projects |
| 68 | Sensitization and awareness creation on compensation and resettlement on mining issues | 3,644,240.00 | 3,644,240.00 | 100% | Fully done | Successfully completed |
| 69 | Field exposure for Ikutha/Athi community liaison committee | 2,351,350.00 | 2,351,350.00 | 100% | Fully done | Successfully completed |
| 70 | Capacity building of artisanal miners to support mining investment | 1,461,950.00 | 1,461,950.00 | 100% | Fully done | Successfully completed |
| 71 | Supply and delivery of materials for artisanal miners capacity building | 1,805,500.00 | 1,805,500.00 | 100% | Fully supplied | Successfully completed |
| 72 | Capacity building and procurement for materials for artisanal miners | 3,215,274.00 | 3,215,274.00 | 100% | Fully done | Successfully completed |
| 73 | Pre-feasibility, Feasibility and Appraisal Studies | 12,519,279.00 | 10,293,409.00 | | There was delay in starting the project | Ensure timely implementation of project |
| 74 | Procurement of materials for mining tour and conference | 11,000,000.00 | 10,390,000.00 | 94% | Contractor delays | Enforce adherence to procurement |

| S/no | Project/programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption rate (%) | Explanation for the level of absorption | Measure to safeguard against such risk in the future |
|------|--|-----------------------------|-----------------------|------------------------|--|--|
| | | | | | | regulations on timely completion of projects |
| 75 | Consultative workshops and meetings on minerals utilization and procurement of materials for the workshops | 5,071,269.00 | 4,071,269.00 | 80% | Contractor delays | Enforce adherence to procurement regulations on timely completion of projects |
| | Totals | 209,112,814.88 | 180,124,072.00 | 86% | | |

3721: County Public Service Board (Development)

| S/No | Project/Programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption Rate (%) | Explanation for the level of Absorption | Measure to Safeguard against such risk in the future |
|------|---------------------------------|--------------------------|----------------------|------------------------|--|--|
| 1 | Acquisition of Land | 4,000,000 | 0.00 | 0 | Long process in identifying suitable land to acquire | Fast Tracking the process |
| 2. | Construction of office block | 13,864,841 | 0.00 | 0 | Long process in identifying suitable land to construct the block | Fast Tracking the process |
| | Total | 17,864,841 | | | | |

3722: County Assembly (Development)

| S/No. | Project/Programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption Rate (%) | Explanation for the level of Absorption | Measure to Safeguard against such risk in the future |
|-------|-------------------------------------|--------------------------|----------------------|------------------------|---|--|
| 1. | Construction of debating Chamber | 176,787,757 | 167,073,457 | 99.90% | The absorption was high because it was the last phase towards completion of the project | completed successfully |

| | | | | | | |
|--|--------------|--------------------|--------------------|--|--|--|
| | Total | 176,787,757 | 167,073,457 | | | |
|--|--------------|--------------------|--------------------|--|--|--|

3723: Kitui Municipality (Development)

| S/No | Project /Programme Name | Budget(2017/18) Kshs. (B) | Expenditure Kshs. (E) | Absorption Rate (%) (E/B) | Explanation for the level of Absorption | Measure to safeguard against such risks in future |
|-------------|---|--|----------------------------------|--|--|--|
| 1 | Proposed improvement of major car wash in Kitui town | 3,978,093.00 | 3,398,403.74 | 85.43 | Project completion certificate issued, but delayed in payment due to end of year closure | Ensure early procurement and effective project supervision |
| 2 | Proposed road repair at Kasiki and Savani Estate | 1,669,462.00 | 1,451,256.28 | 86.93 | Project completion certificate issued, but delayed in payment due to end of year closure | Ensure early procurement and effective project supervision |
| 3 | Proposed road and drainage works from end of Kitui stadium tarmac -Kalundu river | 2,964,763.21 | 2,963,763.23 | 99.97 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 4 | Proposed road and drainage works from junction to Kalundu market through riverside motel to Kalundu river road phase I | 3,197,194.51 | 3,043,555.08 | 95.19 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 5 | Proposed road and drainage works from junction to Kalundu market through riverside motel to Kalundu river road phase II | 2,019,900.75 | 1,704,335.22 | 84.38 | Fully absorbed as budgeted | Keep it up in timely procurement and effective |

| S/No | Project /Programme Name | Budget(2017/18) Kshs. (B) | Expenditure Kshs. (E) | Absorption Rate (%) (E/B) | Explanation for the level of Absorption | Measure to safeguard against such risks in future |
|------|---|---------------------------------|--------------------------|---------------------------------|---|--|
| | | | | | | project supervision |
| 6 | Proposed improvement of Kalundu market walkways | 2,015,040.93 | 2,014,686.84 | 99.98 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 7 | Proposed pothole patching along hospital road-posta road repair works | 2,419,265.34 | 2,371,169.09 | 98.01 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 8 | Proposed paving of the road from coast bus offices to junction at club Envy | 3,841,456.00 | 3,824,668.22 | 99.56 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 9 | Proposed ballast posts installation along road at Kitui town entrance | 1,145,090.12 | 1,145,059.20 | 100 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 10 | Proposed establishment of LAN and connection to Data Centre | 3,888,820.00 | 3,888,820.00 | 100 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 11 | Renovation of Kitui town administration block | 3,874,965.00 | 3,871,913.00 | 99.92 | Fully absorbed as budgeted | Keep it up in timely procurement and effective |

| S/No | Project /Programme Name | Budget(2017/18) Kshs. (B) | Expenditure Kshs. (E) | Absorption Rate (%) (E/B) | Explanation for the level of Absorption | Measure to safeguard against such risks in future |
|------|--|---------------------------------|--------------------------|---------------------------------|---|--|
| | | | | | | project supervision |
| 12 | Opening up of Majengo road to intellect college | 3,029,409.60 | 3,028,939.80 | 99.98 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 13 | Chain link fencing at Kitui town administration block | 1,515,000.00 | 1,514,200.00 | 99.95 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 14 | Proposed improvement of walk ways from signal hotel through entrance to Kitui town Ginneries | 11,284,883.51 | 11,284,025.28 | 99.99 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 15 | Proposed construction of box culvert across Kaveta River along Kalundu- Kathyethoka Road. | 16,975,020.00 | 6,493,960.30 | 38.26 | Project started towards end of year | Ensure early procurement and effective project supervision |
| 16 | Improvement of road from main entrance to Kalundu through Muimi Garage to Kalundu exit | 17,558,200.80 | 16,480,409.30 | 93.86 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 17 | Beautification of Kitui Town | 997,980.00 | 598,788.00 | 60 | Project started towards end of year | Ensure early procurement and effective project supervision |

| S/No | Project /Programme Name | Budget(2017/18) Kshs. (B) | Expenditure Kshs. (E) | Absorption Rate (%) (E/B) | Explanation for the level of Absorption | Measure to safeguard against such risks in future |
|------|---|---------------------------------|--------------------------|---------------------------------|--|--|
| 18 | Proposed Installation of 1no.30 high masks in Kitui township | 3,985,952.00 | 0.00 | 0 | Project completion certificate issued, but delayed in payment due to end of year closure | Ensure early procurement and effective project supervision |
| 19 | Re-carpeting of all Kitui town roads | 37,462,500.80 | 32,416,780.00 | 94.72 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 20 | Construction of Box culvert along Oilibya petrol station -Jubilee college | 9,574,941.60 | 3,975,320.00 | 41.52 | Project completion certificate issued, but delayed in payment due to end of year closure | Ensure early procurement and effective project supervision |
| 21 | Proposed grading and gravelling of redeemed gospel church St. Philips Academy Road | 1,411,025.24 | 1,410,432.75 | 99.96 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 22 | Construction of 4 Pit latrine with urinal at a Kitui town administration block | 851,189.15 | 851,183.20 | 100 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 23 | Proposal for transport policy, comprehensive urban transport master plan and institutional enhancement for Kitui town | 1,999,652.00 | 1,999,652.00 | 100 | Fully absorbed as budgeted | Keep it up in timely procurement and effective |

| S/No | Project /Programme Name | Budget(2017/18) Kshs. (B) | Expenditure Kshs. (E) | Absorption Rate (%) (E/B) | Explanation for the level of Absorption | Measure to safeguard against such risks in future |
|------|--|---------------------------------|--------------------------|---------------------------------|---|--|
| | | | | | | project supervision |
| 24 | Routine maintenance of Kunda kindu bus park | 999,154.00 | 999,056.96 | 99.99 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 25 | Construction of container bases | 449,500.00 | 448,500.00 | 99.78 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 26 | Improvement of Kamili hardware to stadium and park side road(spot) | 625,860.00 | 625,765.82 | 99.98 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 27 | Proposed burgely and blusterer at Kitui town Admin. | 228,000.00 | 227,175.00 | 99.64 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 28 | Proposed Aluminum partitioning works and plumbing in KTA Block | 585,800.00 | 583,500.00 | 99.61 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 29 | Proposed improvement of Unyaa-Ithookwe Road | 3,600,000.00 | - | 0 | Project completion certificate issued, but delayed in | Ensure early procurement and effective |

| S/No | Project /Programme Name | Budget(2017/18) Kshs. (B) | Expenditure Kshs. (E) | Absorption Rate (%) (E/B) | Explanation for the level of Absorption | Measure to safeguard against such risks in future |
|------|--|---------------------------------|--------------------------|---------------------------------|---|--|
| | | | | | payment due to end of year closure | project supervision |
| 30 | Proposed improvement of Kitui slaughter house to Igloos Hotel, Kitui School-KEWI and Intercounty Hotel, Picnic To Showground | 2,500,000.00 | 2,498,728.16 | 99.95 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 31 | Proposed spot improvement of Kitui school-Ithookwe Road. | 3,474,900.00 | 3,470,000.00 | 99.86 | Fully absorbed as budgeted | Keep it up in timely procurement and effective project supervision |
| 32 | Other Infrastructure and Civil Works | 54,882,774.53 | 42,540,255.53 | 77.00% | Works near completion | Keep it up in timely procurement and effective project supervision |
| | Total | 150,123,019.56 | 161,124,302.00 | | | |

3724: Mwingi Town Administration (Development)

| S/No. | Project/Programme | Budget (2017-2018) Kshs. | Expenditure Kshs. | Absorption Rate (%) | Explanation for the level of Absorption | Measure to Safeguard against such risk in the future |
|-------|---|--------------------------|----------------------|------------------------|--|---|
| 1 | Proposed construction of paved walkways at Mwingi town market | 8,500,000.00 | 7,485,005.70 | 88.06% | Variation of the materials prices | Prior market price surveys, early procurement and effective project supervision |

| S/No. | Project/Programme | Budget (2017-2018) Kshs. | Expenditure | Absorption Rate (%) | Explanation for the level of Absorption | Measure to Safeguard against such risk in the future |
|-------|--|--------------------------|--------------|---------------------|--|---|
| 2 | Proposed repairs and maintenance of 16 market stalls- Mwingi town | 500,000.00 | 506,124.24 | 101.22% | The actual expenditure was within the allowable preserved budget range | Prior market price surveys, early procurement and effective project supervision |
| 3 | Proposed installation of piped water in the flower garden and eco toilet | 500,000.00 | 496,441.50 | 99.29% | The actual expenditure was within the allowable preserved budget range | Prior market price surveys, early procurement and effective project supervision |
| 4 | Proposed construction of elevated water tank and rainwater goods at Mwingi town administration offices | 1,600,000.00 | 1,446,286.00 | 90.39% | The actual expenditure was within the allowable preserved budget range | Prior market price surveys, early procurement and effective project supervision |
| 5 | Proposed extension to the registry, office lobby and W.C to Mwingi town office | 2,500,000.00 | 2,138,634.00 | 85.55% | Variation of the materials prices | Prior market price surveys, early procurement and effective project supervision |
| 6 | Proposed chain-link fence and gate at old dumpsite Mwingi town | 1,750,000.00 | 1,751,530.40 | 100.09% | The actual expenditure was within the allowable preserved budget range | Prior market price surveys, early procurement and effective project supervision |
| 7 | Proposed improvement of walkways along target- Equity bank road-section a | 1,959,894.26 | 1,959,835.37 | 99.99% | The actual expenditure was within the allowable preserved budget range | Prior market price surveys, early procurement and effective project supervision |
| 8 | Improvement of walkway from target supermarket - equity bank section B | 1,897,524.64 | 1,897,508.14 | 99.99% | The actual expenditure was within the allowable preserved budget range | Prior market price surveys, early procurement and effective project supervision |
| 9 | Installation of drainage structures along bus park-human rights office | 2,929,273.00 | 3,000,055.80 | 102.42% | The actual expenditure was within the allowable preserved budget range | Prior market price surveys, early procurement and effective project supervision |
| 10 | Proposed cabro- paving off Garissa to gateway restaurant | 4,500,000.00 | 3,869,700.39 | 85.99% | Variation of the materials prices | Prior market price surveys, early procurement and effective project supervision |

| S/No. | Project/Programme | Budget (2017-2018) Kshs. | Expenditure | Absorption Rate (%) | Explanation for the level of Absorption | Measure to Safeguard against such risk in the future |
|-------|---|--------------------------|----------------------|---------------------|--|---|
| 11 | Proposed beautification of Mwingi town | 13,371,633.90 | 2,758,010.20 | 20.32% | Variation of the of service and materials prices | Prior market price surveys, early procurement and effective project supervision |
| 12 | Refurbishment of modern market toilets in Mwingi town | 500,000.00 | 468,988.00 | 93.80% | The actual expenditure was within the allowable preserved budget range | Prior market price surveys, early procurement and effective project supervision |
| 13 | Proposed repairs and beautification at Mwingi slaughter house | 2,528,550.20 | 2,618,612.86 | 100.29% | The actual expenditure was within the allowable preserved budget range | Prior market price surveys, early procurement and effective project supervision |
| 14 | Proposed construction of 2no market sheds at Mwingi town market | 2,500,000.00 | 2,362,444.40 | 94.50% | The actual expenditure was within the allowable preserved budget range | Prior market price surveys, early procurement and effective project supervision |
| 15 | Grading and gabion construction in Mwingi town | 46,230,302.00 | 43,629,531.00 | 94.35% | The amount was used to pay previous year's expenditure commitments. | Timely payment of commitment. |
| | Total | 91,767,178.00 | 76,388,708.00 | | | |

