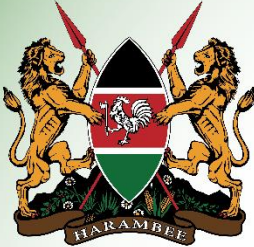


REPUBLIC OF KENYA



COUNTY GOVERNMENT OF KITUI

MINISTRY OF FINANCE, ECONOMIC PLANNING & REVENUE MANAGEMENT

BUDGET IMPLEMENTATION REVIEW REPORT SECOND QUARTER FY2023/2024

JANUARY 2024

COUNTY GOVERNMENT OF KITUI

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P.O. BOX 33 – 90200
KITUI

FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT

When replying please quote

Ref No. CGKT1/CT/FIN/1/III/(2023-2024)/97

29TH JANUARY, 2024

The Clerk
County Assembly of Kitui
P.O. Box 694 – 90200
Kitui



RE: BUDGET IMPLEMENTATION REPORT QUARTER TWO FY 2023/2024

The above matter refers.

Forwarded herewith please find the Budget Implementation Report (BIR) Quarter two FY 2023/2024 for your necessary action.

Peter Mwikya Kilonzo
County Executive Committee Member
Finance, Economic Planning and Revenue Management

County Mission and Vision

Vision

To be a prosperous County with vibrant rural and urban economies whose people enjoy high quality of life.

Mission

To provide effective County services and an enabling environment for inclusive and sustainable socio-economic development and improved livelihoods for all.

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FOREWORD

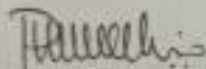
The Budget Implementation Reports are crafted in accordance with the guidelines outlined in the Public Finance Act of 2012. These reports are generated on a quarterly and annual basis, providing a comprehensive analysis of the County's revenues and expenditures during each respective period. The expenditure is meticulously broken down across various Ministries, allowing for the assessment of absorption rates for each ministry.

Moreover, the reports delve into the sources of revenue for the County, detailing the amounts accrued from each source throughout the review period. Internal revenue sources are scrutinized against predetermined targets to evaluate the County's performance in revenue collection. Additionally, external revenue streams, including grants, loans, and contributions from the National government, are examined to assess their role in supplementing local revenue and facilitating expenditure.

Each Ministry's expenditure is scrutinized against the quarterly budget estimates to ascertain the absorption rate for the respective quarters. The Budget Implementation Report categorizes expenditure into recurrent and development, further dissecting recurrent expenditure into personal emoluments and operations & maintenance.

At the culmination of the Financial Year, an annual Budget Implementation Report is compiled to analyze the cumulative expenditure of the County's annual budget and the revenue received by the County throughout the year.

Furthermore, the Budget Implementation Report sheds light on the challenges encountered during budget implementation and proposes potential solutions to address these issues.



Peter Mwikya Kilonzo
County Executive Committee Member
Ministry of Finance, Economic Planning and Revenue Management

ACKNOWLEDGEMENT

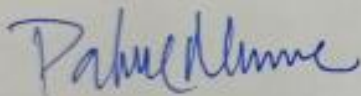
First, I would like to express my sincere appreciation for the invaluable leadership and support provided by His Excellency, Governor Julius Malombe, throughout the implementation period leading up to the preparation of the Quarter 2 Budget Implementation Review Report 2023/24. His unwavering commitment to fiscal responsibility and strategic planning has been instrumental in guiding our efforts.

I extend my gratitude to Mr. Peter Mwikya Kilonzo, County Executive Committee Member for the Ministry of Finance, Economic Planning, and Revenue Management, for his exceptional technical support. His expertise and dedication have significantly contributed to the depth and accuracy of this report.

Special appreciation is extended to the dedicated team within the Economic Planning department, with special recognition to Mr. Paul Musya Kimwele, Director of Economic Planning. His forward-thinking leadership and unwavering dedication to excellence have played a pivotal role in shaping the strategic direction of this document. Additionally, I wish to acknowledge the significant coordination efforts of Economists Gabriel Mitau and Faith Munah. Their invaluable support and tireless commitment have greatly facilitated the development of this document.

The collaborative spirit and hard work demonstrated by each individual involved in the preparation of this report have been fundamental to its success. It is with great appreciation that I acknowledge the collective efforts of the entire team.

Thank you all for your dedication, professionalism, and commitment to the fiscal prosperity of our country.



Patrick Munuve

Chief Officer –Economic Planning and Budget

EXECUTIVE SUMMARY

The quarterly progress reporting, mandated by the Constitution of Kenya (2010), underscores the imperative of adhering to principles of good governance and transparency in the conduct and management of public finance. Complementing this constitutional provision, the Budget Implementation Review Report is meticulously crafted in accordance with Section 166 of the Public Finance Management Act, 2012, and Regulation 54 of the PFM County Government Regulations, 2015. This report, designed explicitly for the comprehensive scrutiny of financial performance during the first quarter of FY 2023/2024, encompasses all County government departments/entities across the 16 Spending entities.

During the period under review, total receipts amounted to Ksh 3.54 billion, comprising Ksh 2.63 billion from equitable share and Ksh 91.578 million from Own Source Revenue (OSR), with no conditional grants received. In contrast, the County's total expenditure during the three months of FY 2023/24 reached Ksh 3.484 billion, reflecting a partial utilization against the quarterly target of Ksh 7.009 billion.

During the review period, emerging issues impeding budget execution were identified, notably the adoption of new policies affecting departmental budgeting. Additionally, challenges such as delayed exchequer releases, prolonged procurement processes hindering implementation, and unresponsiveness to public tenders were prevalent. As we transition into the second quarter of budget implementation, the following recommendations are proposed: prioritize the timely development of Bill of Quantities, strengthen inter-sectoral collaborations and partner coordination, enhance the capacity of existing staff, and expedite procurement processes and procedures.

LEGAL BASIS FOR THE PREPARATION OF QUARTERLY BUDGET IMPLEMENTATION REVIEW REPORT

The Budget Implementation Review Report is prepared in accordance with Section 166 and 54 of the Public Financial Management Act, 2012 and Regulations 2015 Respectively. The law states that:

166. (1) An accounting officer for a county government entity shall prepare a report for each quarter of the financial year in respect of the entity.

(2) In preparing a quarterly report for a county government entity, the accounting officer shall ensure that the report contains information on the financial and nonfinancial performance of the entity;

(3) Not later than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the County Treasury.

(4) Not later than one month after the end of each quarter, the County Treasury shall consolidate the quarterly reports and submit them to the county assembly; and publish and publicize them.

54 (1) An Accounting Officer of a county government entity shall not later than the 10th day of each month submit a monthly financial and non-financial budgetary report in the format to be issued by the Cabinet Secretary relating to the activities of his or her county government entity for the preceding month to the County Treasury with copies to the Controller of Budget and the Auditor-General.

(2) The contents of the report under paragraph

(1) shall include—

(a) Actual revenues, including appropriations in aid;

(b) Expenditures classified in economic classification as follows—

i. compensation to employees;

ii. use of goods and services;

iii. transfer to other levels of government; and

iv. capital expenditure;

(c) Pending payments with an age of over ninety days;

(d) A projection of expected expenditure and revenue collection for the remainder of the financial year;

(e) When necessary, an explanation of any material variances; and

(f) A summary of the steps that are to be taken to ensure that the projected expenditure and revenue remain within budget.

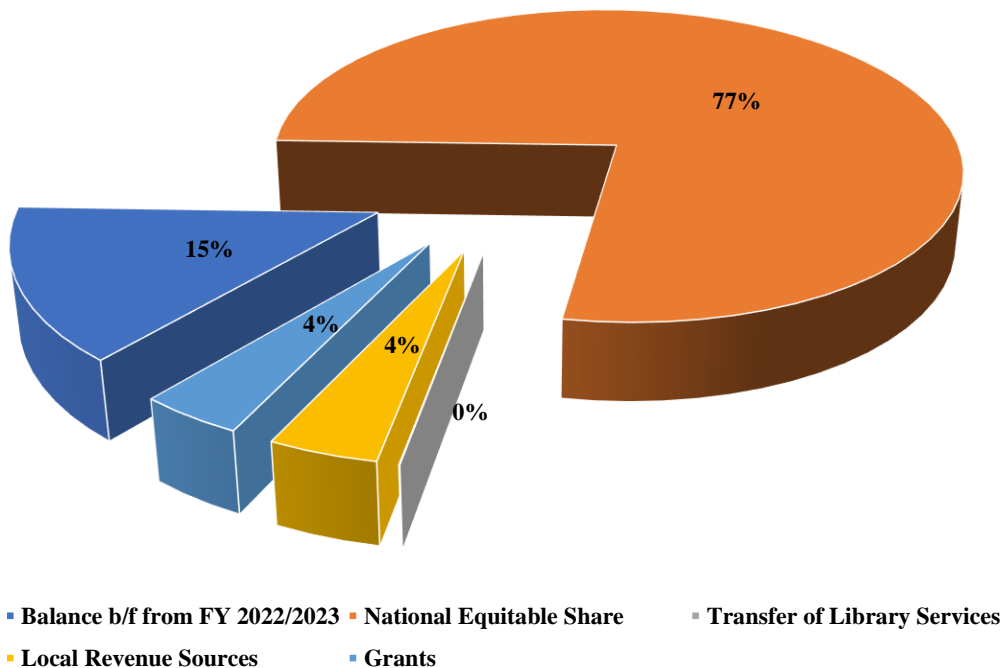
BUDGET HIGHLIGHTS

Following the supplementary budget in the second quarter of the financial year 2023/2024, significant adjustments were made to the approved budget components. The revised allocation included a balance brought forward from the previous fiscal year (2022/2023) at 14.38%, totalling 2,012,204,897. The National Equitable Share remained the predominant source, contributing 77.38% with an amount of 10,824,785,855. Transfer of Library Services remained at 0.03%, Local Revenue Sources increased by 85M to 585 M (4.18%), while Grants remained unchanged at 4.02%, collectively forming the revised total budget of 13,988,780,292.

Table 1: FY 2023/2024 Approved budget Components

SOURCE	AMOUNT	% OF TOTAL BUDGET
Balance b/f from FY 2022/2023	2,012,204,897	14.38
National Equitable Share	10,824,785,855	77.38
Transfer of Library Services	4,701,081	0.03
Local Revenue Sources	585,000,000	4.18
Grants	562,088,459	4.02
TOTAL	13,988,780,292	100.00

FY 2023/2024 APPROVED BUDGET



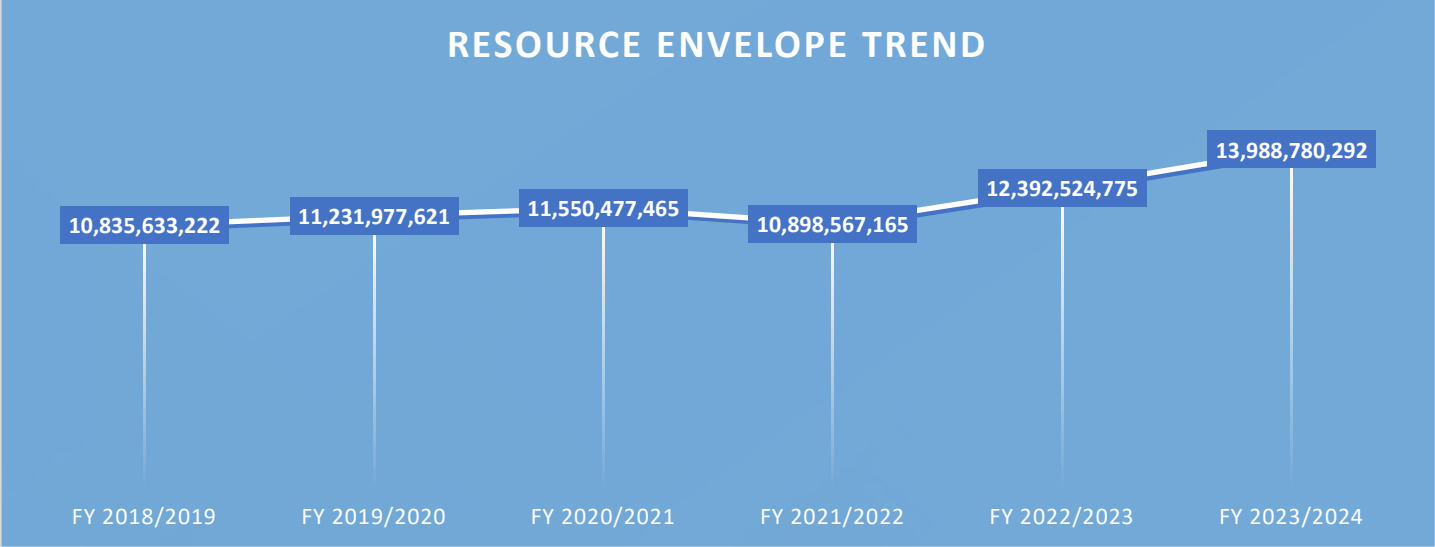
Budget Trend from FY 2018/2019 to 2023/2024

The Total Resource Envelope for each Financial Year from FY 2018/2019 to FY 2023/2024 exhibited a fluctuating trend. FY 2018/2019 began with 10,835,633,222 units, followed by a slight increase to 11,231,977,621 in FY 2019/2020. However, there was a marginal decrease in FY 2020/2021 to 11,550,477,465. Subsequently, FY 2021/2022 saw a decline to 10,898,567,165. However, the trend reversed in FY 2022/2023, experiencing a

significant uptick to 12,392,524,775. Finally, in FY 2023/2024, the total resource envelope peaked at 13,988,780,292 units, reflecting dynamic economic conditions and strategic fiscal adjustments over the years.

Table 2: Budget trend from F2018/2019 to FY 2023/2024

Financial Year	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024
Total Resource Envelope	10,835,633,222	11,231,977,621	11,550,477,465	10,898,567,165	12,392,524,775	13,988,780,292



I INTRODUCTION

In the second quarter of FY 2023/2024, the County Government of Kitui continues its commitment to transparent and accountable fiscal management, building on the foundation laid in the first quarter. Following the pioneering effort of the Budget Implementation Review Report (BIRR) in the previous quarter, the county administration remains aligned with the provisions of the Public Finance Management (PFM) Act, 2012, and PFM (County Government) Regulations 2015.

This quarter's BIRR serves as a crucial assessment of the county's fiscal performance, evaluating both revenue generation and expenditure patterns. By adhering to the guidelines outlined in the BIRR, the county aims to optimize resource allocation, ensuring effective execution of the budget estimates for FY 2023/2024. These quarterly evaluations not only enhance accountability but also inform the formulation of the County Budget Review and Outlook Paper (CBROP) at the fiscal year's conclusion, facilitating strategic planning and resource management.

II. REVIEW OF FISCAL PERFORMANCE QUARTER TWO FY2023/2024

FISCAL PERFORMANCE

In the second quarter of FY 2023/2024, the County Government of Kitui demonstrated a mixed fiscal performance across various aspects of budget execution, revenue collection, and expenditure management.

Starting with revenue collection, the county experienced a commendable total revenue realization rate of 62.62%. Despite falling short of the targeted revenue collection, notable successes were evident in certain sectors. The Ministry of Agriculture and Livestock notably exceeded its revenue target by an impressive margin, achieving a realization rate of 233.03%, showcasing effective revenue generation strategies within the agriculture sector. However, other sectors, such as the Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives, struggled to meet revenue targets, with a realization rate of only 15.43%.

Regarding revenue sources, the county received substantial disbursements from the central government, totalling 2,653,224,300 in the quarter.

In terms of expenditure management, while the county demonstrated effective utilization of funds in certain areas, others revealed room for improvement. The absorption rates varied across different expenditure categories and ministries. While some ministries achieved high absorption rates, indicating efficient utilization of allocated funds, others fell short, suggesting potential inefficiencies or challenges in expenditure planning and execution. For example, the Ministry of Health exhibited a commendable absorption rate of 77.28% in Personal Emoluments, but only 16.69% in Development expenditure, indicating disparities in resource allocation and utilization within the sector.

Furthermore, operational maintenance expenditure reflected a mixed performance, with an overall absorption rate of 41.48%. While some ministries demonstrated relatively higher absorption rates, others struggled to effectively utilize allocated funds for maintenance activities.

REVENUE PERFORMANCE QUARTER TWO FY2023/2024

Exchequer Releases

The actual exchequer releases from the National Government amounted to **Ksh. 2.65 billion** against the projected amount of **Ksh. 7.00 billion** and 0.5 billion as grand.

Table 3: Transfers from the National Government Q2-FY 2023/24

Month	Date of Release	Amount Received
oct	25-Sep-23	866,358,955
Nov	24-Sep-23	920,506,390
december	20-Dec-23	866,358,955
Total		2,653,224,300

Table 4: Breakdown of Grants

Source	Amount budgeted	Receipt in FY 2023/24
World Bank (Agriculture - Rural Growth)	150,000,000	-
World Bank (Emergency Locust Response Project (ELRP))	133,683,244	-
IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP))	250,000,000	-
HSSP/HSPS - (DANIDA/IDA)	16,112,250	-
World Bank loan to Supplement financing of County Health Facilities		-
World Bank Credit to Finance Locally - Led Climate Action Program (FLLoCA)	11,000,000	-
ASDSP	1,292,965	500,000
Subtotal	562,088,459	500,000

Grants performed poorly in the quarter, with only receipts from ASDSP.

Own Source Revenue Performance

In the second quarter of FY 2023/2024, the County Government of Kitui made significant strides in revenue collection across various ministries and offices.

The Ministry of Agriculture and Livestock surpassed its approved target by a remarkable margin, achieving a revenue realization of 233.03%. This exceptional performance highlights effective revenue generation strategies within the agriculture sector.

Similarly, the Ministry of Health and Sanitation achieved a substantial revenue realization rate of 65.74%, contributing significantly to the overall revenue collection for the quarter.

Notably, the Office of the Governor attained a high revenue realization rate of 96.07%, demonstrating strong fiscal management and efficient revenue collection practices.

However, some ministries and offices fell short of their revenue targets, such as the Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives, and Mwingi Town Administration, which achieved revenue realization rates of 15.43% and 45.24% respectively.

Overall, the total revenue collection for the quarter amounted to 91,577,889, representing a revenue realization rate of 62.62%. While there were notable successes in revenue generation, there is room for improvement in certain areas to optimize revenue collection and enhance financial sustainability for the County Government of Kitui.

Table 5 : Locally Generated Revenue Q2-FY 2023/24

Revenue Details	Q4 Approved Target	Oct-23	Nov-23	Dec-23	Q4 Realized Revenues	% Revenue Realization
Ministry of Agriculture and livestock	2,621,115	5,477,194	281,005	349,865	6,108,064	233.03
Ministry of Water and Irrigation	540,780	-	-	-	-	0.00
Ministry of Energy Environment, Forestry, Natural and Mineral Resources	1,545,582	22,400	132,000	8,800	163,200	10.56
Ministry of Health and Sanitation	87,625,207	13,170,237	14,728,711	29,703,862	57,602,810	65.74
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	53,587	8,285	10,000	25,000	43,285	80.78
Ministry of Lands, Housing and Urban Development	6,517,699	1,688,941	1,364,758	760,732	3,814,431	58.52
Ministry of Roads, Public Works and Transport	864,353	371,814	211,000	111,000	693,814	80.27
Office of the Governor	3,617,098	1,243,000	1,085,000	1,147,000	3,475,000	96.07
Ministry of Education, Training and Skills Development	26,793	-	-	-	-	0.00
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	817,196	32,665	83,146	10,316	126,127	15.43
Ministry of Finance, Economic Planning & Revenue Management	21,949,647	4,288,175	3,466,990	3,506,300	11,261,465	51.31
Mwingi Town Administration	6,754,019	927,720	712,910	1,415,170	3,055,800	45.24
Kitui Municipality	13,290,133	2,224,218	1,447,720	1,561,955	5,233,893	39.38
Office of the Deputy Governor	26,793	-	-	-	-	0.00
TOTAL COLLECTION	146,250,000	29,454,649	23,523,240	38,600,000	91,577,889	62.62

Table 6: FY 2023/24 Cumulative Revenue Performance by Ministries

Revenue Details	Annual Target	Q4 Realized Revenues	Q2 % Revenue Realization
Ministry of Agriculture and livestock	10,484,458	6,108,064	58.26
Ministry of Water and Irrigation	2,163,121	-	0.00
Ministry of Energy Environment, Forestry, Natural and Mineral Resources	6,182,327	163,200	2.64
Ministry of Health and Sanitation	350,500,826	57,602,810	16.43
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	214,347	43,285	20.19
Ministry of Lands, Housing and Urban Development	26,070,796	3,814,431	14.63
Ministry of Roads, Public Works and Transport	3,457,410	693,814	20.07
Office of the Governor	14,468,391	3,475,000	24.02
Ministry of Education, Training and Skills Development	107,173	-	0.00
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	3,268,785	126,127	3.86
Ministry of Finance, Economic Planning & Revenue Management	87,798,589	11,261,465	12.83
Mwingi Town Administration	27,016,074	3,055,800	11.31
Kitui Municipality	53,160,532	5,233,893	9.85
Office of the Deputy Governor	107,171	-	0.00
TOTAL	585,000,000	91,577,889	15.65

EXPENDITURE PERFORMANCE QUARTER TWO FY2023/2024

In the second quarter of FY 2023/2024, the County Government of Kitui effectively managed its expenditure, though with varying degrees of absorption across different categories.

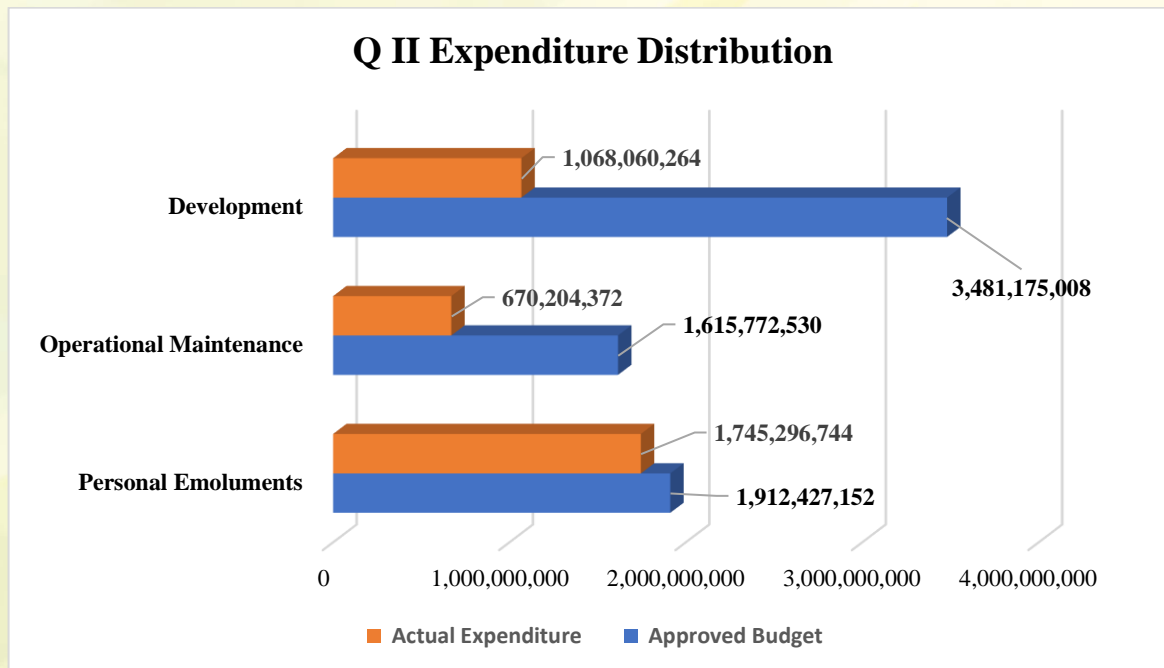
For Personal Emoluments, the actual expenditure amounted to 1,745,296,744.00, representing a commendable absorption rate of 91.261%, indicating efficient utilization of allocated funds for staff remuneration.

In Operational Maintenance, while the actual expenditure reached 670,204,372.00, the absorption rate was lower at 41.479%, suggesting potential areas for improvement in resource allocation and utilization to enhance operational efficiency.

Similarly, in the Development category, although the actual expenditure was 1,068,060,264.00, the absorption rate stood at 30.681%, indicating the need for increased focus on project implementation and expenditure management to achieve planned developmental objectives. Overall, the total expenditure for the quarter amounted to 3,483,561,380.00, with an absorption rate of 49.70%.

Table 7: Expenditure performance quarter two FY2022/2023

EXPENDITURE TYPE	Approved Budget	Actual Expenditure	Absorption (%)
Personal Emoluments	1,912,427,152.00	1,745,296,744.00	91.261
Operational Maintenance	1,615,772,530.00	670,204,372.00	41.479
Development	3,481,175,008.00	1,068,060,264.00	30.681
Total Expenditure	7,009,374,690.00	3,483,561,380.00	49.70



Departmental Expenditure Analysis Quarter Two FY2023/2024

In the second quarter of FY 2023/2024, the County Government of Kitui demonstrated varying levels of expenditure absorption across different ministries and offices. The Office of the Governor utilized 48.56% of its available budget, with actual expenditure amounting to 596,451,294, indicating room for increased spending efficiency. The Office of the Deputy Governor spent 37.58% of its available budget, reflecting a lower absorption rate compared to other offices.

The Ministry of Education, ICT and Youth Development exhibited a commendable absorption rate of 76.12%, indicating efficient utilization of resources to support educational and youth development initiatives.

Similarly, the Ministry of Health and the Ministry of Finance, Economic Planning & Revenue Management achieved absorption rates of 64.89% and 61.54% respectively, reflecting effective financial management in critical sectors.

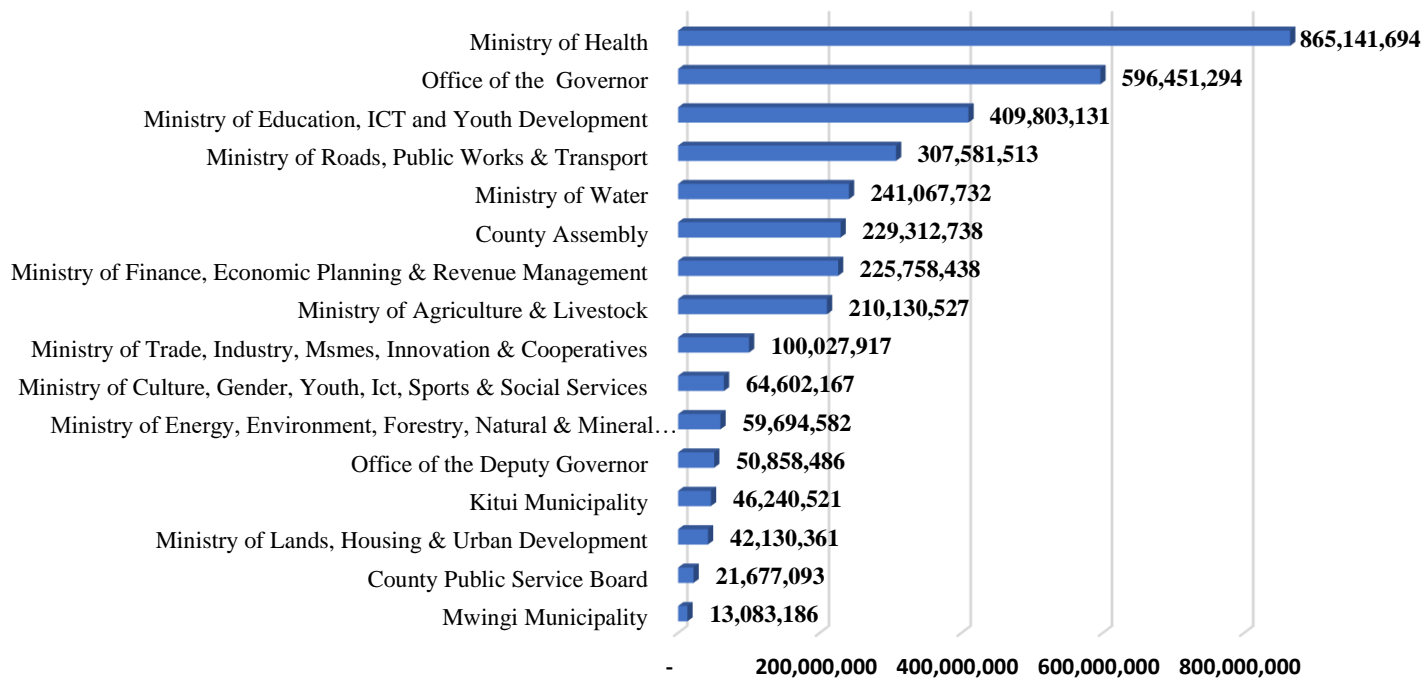
However, some ministries and offices experienced lower absorption rates, such as the Ministry of Agriculture & Livestock (30.47%) and the County Assembly (30.32%), suggesting potential areas for improvement in expenditure planning and execution.

Overall, the total expenditure for the quarter amounted to 3,483,561,380, with an absorption rate of 49.70%. While demonstrating prudent fiscal management in certain areas, there are opportunities for the county government to enhance absorption rates across all ministries and offices to ensure optimal utilization of allocated resources and effective service delivery to the residents of Kitui County.

Table 8 : Expenditure performance quarter Two FY2023/2024

MINISTRY	Q2 AVAILABLE BUDGET	Q2 ACTUAL EXPENDITURE	Absorption (%)
Office of the Governor	1,228,278,301	596,451,294	48.56
Office of the Deputy Governor	135,338,559	50,858,486	37.58
Ministry of Water	558,552,903	241,067,732	43.16
Ministry of Education, ICT and Youth Development	538,391,478	409,803,131	76.12
Ministry of Roads, Public Works & Transport	495,293,737	307,581,513	62.10
Ministry of Health	1,333,173,456	865,141,694	64.89
Ministry of Trade, Industry, MAMEs, Innovation & Cooperatives	279,470,201	100,027,917	35.79
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	137,085,227	59,694,582	43.55
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	153,936,372	64,602,167	41.97
Ministry of Finance, Economic Planning & Revenue Management	366,857,778	225,758,438	61.54
Ministry of Agriculture & Livestock	689,534,753	210,130,527	30.47
Ministry of Lands, Housing & Urban Development	124,207,718	42,130,361	33.92
County Public Service Board	37,465,185	21,677,093	57.86
County Assembly	756,354,569	229,312,738	30.32
Kitui Municipality	122,148,234	46,240,521	37.86
Mwingi Municipality	53,286,219	13,083,186	24.55
TOTAL	7,009,374,690	3,483,561,380	49.70

Q2 EXPENDITURE BY MINISTRY



Financial Overview: Analysis of Expenditure Types and Variance in Q2 FY 23/24

In the second quarter of FY 2023/2024, the County Government of Kitui managed its current expenditure and capital expenditure with varying levels of efficiency. For Compensation to Employees, the actual expenditure was 1,745,296,744, representing an absorption rate of 91.26%. However, there was a variance of 167,130,408 from the approved estimate. In the category of Use of Goods and Services, the actual expenditure was 495,681,590, with a notable variance of 510,697,594 from the approved estimate. The absorption rate for this category stood at 49.25%.

Under Current Grants and Other Transfers, the actual expenditure was 98,069,366, with a variance of 54,981,719 from the approved estimate, and an absorption rate of 64.08%. For Acquisition of Non-Financial Assets, the actual expenditure was 48,122,413, with a significant variance of 181,849,558 from the approved estimate, resulting in an absorption rate of 20.93%. Similarly, for Acquisition of Financial Assets, the actual expenditure was 20,000,000, with a substantial variance of 164,737,545 from the approved estimate, and an absorption rate of 10.83%.

Capital Expenditure saw notable variances as well. For Non-Financial Assets, the actual expenditure was 955,619,817, with a variance of 1,829,644,659 from the approved estimate, resulting in an absorption rate of 34.31%.

Table 9 : County Expenditure Performance Q1 FY2023/2024 by Economic Classification

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE (%)
2100000 Compensation to Employees	1,912,427,152	1,745,296,744	167,130,408	91.26
2200000 Use of goods and services	1,006,379,184	495,681,590	510,697,594	49.25
2400000 Interest Payments	-	-	-	0.00
2600000 Current grants and other Transfers	153,051,085	98,069,366	54,981,719	64.08
2700000 Social Benefits	41,632,745	8,331,003	33,301,742	20.01
3100000 Acquisition of Non-Financial Assets	229,971,971	48,122,413	181,849,558	20.93
4100000 Acquisition of Financial Assets	184,737,545	20,000,000	164,737,545	10.83
4500000 Disposal of Financial Assets	-	-	-	0.00

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE (%)
Transfers to other Government Entities (County Assembly)	-	-	-	0.00
Sub Total	3,528,199,682	2,415,501,116	1,112,698,566	68.46
Capital Expenditure				
Non-Financial Asset	2,785,264,476	955,619,817	1,829,644,659	34.31
Capital Transfers Govt. Agencies	452,949,212	5,644,672	447,304,540	1.25
Other development	242,961,320	106,795,775	136,165,545	43.96
Transfers to other Government Entities (C.A Development)	-	-	-	0.00
Sub Total	3,481,175,008	1,068,060,264	2,413,114,744	30.68
TOTAL	7,009,374,690	3,483,561,380	3,525,813,310	49.70

Personal Emolument Overview

In the second quarter of FY 2023/2024, the County Government of Kitui allocated funds for Personal Emoluments across various ministries and offices.

The Office of the Governor exceeded its approved Q2 estimate, with an absorption rate of 110.68%, indicating higher-than-planned expenditure on personal emoluments. Similarly, the Ministry of Education, ICT and Youth Development also surpassed its estimate, with an absorption rate of 100.38%.

However, some ministries and offices demonstrated slightly lower absorption rates. For instance, the Office of the Deputy Governor had an absorption rate of 87.37%, while Mwingi Municipality had the lowest absorption rate at 57.27%.

Overall, the total expenditure on Personal Emoluments for the quarter was 1,745,296,744, with a total absorption rate of 91.26%. This suggests efficient allocation and utilization of funds for personnel expenses across most ministries and offices, although some areas may require further scrutiny to optimize resource usage.

Table 10: Personal Emolument Expenditure

MINISTRY	PERSONAL EMOULUMENTS		
	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	Absorption (%)
Office of the Governor	141,309,107	156,399,203	110.68
Office of the Deputy Governor	45,565,968	39,811,612	87.37
Ministry of Water	29,091,353	28,638,472	98.44
Ministry of Education, ICT and Youth Development	385,357,780	386,820,921	100.38
Ministry of Roads, Public Works & Transport	49,870,259	49,601,000	99.46
Ministry of Health	729,224,099	563,550,499	77.28
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	38,283,474	38,155,633	99.67
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	24,006,101	23,699,282	98.72
Ministry of Culture, Gender, Youth, Ict, Sports & Social Services	11,061,856	11,061,856	100.00
Ministry of Finance, Economic Planning & Revenue Management	149,937,929	148,887,398	99.30
Ministry of Agriculture & Livestock	132,975,707	131,919,911	99.21
Ministry of Lands, Housing & Urban Development	21,351,276	20,386,115	95.48
County Public Service Board	15,923,748	15,395,732	96.68
County Assembly	106,808,642	105,146,008	98.44
Kitui Municipality	18,022,894	18,012,887	99.94
Mwingi Municipality	13,636,959	7,810,215	57.27
TOTAL	1,912,427,152	1,745,296,744	91.26

Operational and Maintenance Expenditure Overview

In the second quarter of FY 2023/2024, the County Government of Kitui allocated funds for Operational Maintenance across various ministries and offices. The Ministry of Health had the highest actual expenditure in Operational Maintenance, utilizing 274,920,743, with an absorption rate of 61.90%, indicating significant investment in the maintenance of health-related infrastructure and facilities. Other ministries and offices, such as the Ministry of Culture, Gender, Youth, ICT, Sports & Social Services, and the Ministry of Finance, Economic Planning & Revenue Management, also demonstrated relatively higher absorption rates, at 51.34% and 44.34%, respectively.

However, several ministries and offices had lower absorption rates, suggesting potential underutilization of allocated funds for operational maintenance. For instance, the Office of the Deputy Governor had an absorption rate of 18.23%, while Mwingi Municipality had the lowest absorption rate at 17.03%.

Overall, the total expenditure on Operational Maintenance for the quarter was 670,204,372, with a total absorption rate of 41.48%. This indicates the need for further examination of expenditure patterns and strategies to optimize resource usage for maintenance activities across all ministries and offices.

Table 11: Operational and Maintenance Expenditure

MINISTRY	OPERATIONAL MANTAINANCE		
	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	Absorption (%)
Office of the Governor	193,019,126	77,287,234	40.04
Office of the Deputy Governor	53,026,120	9,666,494	18.23
Ministry of Water	31,539,704	6,691,314	21.22
Ministry of Education, ICT and Youth Development	44,503,063	14,467,986	32.51
Ministry of Roads, Public Works & Transport	69,648,420	11,978,319	17.20
Ministry of Health	444,131,879	274,920,743	61.90
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	78,376,896	36,956,264	47.15
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	18,818,978	8,855,201	47.05
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	47,562,729	24,416,337	51.34
Ministry of Finance, Economic Planning & Revenue Management	76,963,133	34,125,974	44.34
Ministry of Agriculture & Livestock	41,388,703	16,550,862	39.99
Ministry of Lands, Housing & Urban Development	44,575,071	16,276,232	36.51
County Public Service Board	14,041,437	6,281,361	44.73
County Assembly	420,487,374	124,166,730	29.53
Kitui Municipality	14,035,753	3,534,880	25.18
Mwingi Municipality	23,654,144	4,028,441	17.03
TOTAL	1,615,772,530	670,204,372	41.48

Development Expenditure Overview

In the second quarter of FY 2023/2024, the County Government of Kitui allocated funds for Development across various ministries and offices. The Ministry of Roads, Public Works & Transport had the highest actual expenditure in Development, utilizing 246,002,194, with an absorption rate of 65.47%, indicating substantial investment in infrastructure and transportation projects. Other ministries and offices, such as the Ministry of Water and the Ministry of Culture, Gender, Youth, ICT, Sports & Social Services, also demonstrated relatively higher absorption rates, at 41.32% and 30.56%, respectively.

However, several ministries and offices had lower absorption rates, suggesting potential underutilization of allocated funds for development projects. For instance, the Ministry of Agriculture & Livestock had an absorption rate of 11.97%, while the Ministry of Education, ICT and Youth Development had an absorption rate of 7.84%.

Overall, the total expenditure on Development for the quarter was 1,068,060,264, with a total absorption rate of 30.68%.

Table 12: Development Expenditure

MINISTRY	DEVELOPMENT		
	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	Absorption (%)
Office of the Governor	893,950,068	362,764,857	40.58
Office of the Deputy Governor	36,746,471	1,380,380	3.76
Ministry of Water	497,921,846	205,737,946	41.32
Ministry of Education, ICT and Youth Development	108,530,635	8,514,224	7.84
Ministry of Roads, Public Works & Transport	375,775,058	246,002,194	65.47
Ministry of Health	159,817,478	26,670,452	16.69
Ministry of Trade, Industry, Msmes, Innovation & Cooperatives	162,809,831	24,916,020	15.30
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	94,260,148	27,140,099	28.79
Ministry of Culture, Gender, Youth, Ict, Sports & Social Services	95,311,787	29,123,974	30.56
Ministry of Finance, Economic Planning & Revenue Management	139,956,716	42,745,066	30.54
Ministry of Agriculture & Livestock	515,170,343	61,659,754	11.97
Ministry of Lands, Housing & Urban Development	58,281,371	5,468,014	9.38
County Public Service Board	7,500,000	-	-
County Assembly	229,058,553	-	-
Kitui Municipality	90,089,587	24,692,754	27.41
Mwingi Municipality	15,995,116	1,244,530	7.78
TOTAL	3,481,175,008	1,068,060,264	30.68

Status of County Pending bills by the end of FY 2023/2024 Q2

By the end of the second quarter, the status of pending bills reveals a mixed picture of progress and outstanding obligations. Among the lots, significant amounts have been disbursed, with Lot 1 leading at Ksh 226,806,528.54, followed by Lot 3 with Ksh 305,858,977.80, and Lot 2 with Ksh 129,844,234.91. Notably, payments related to court degrees and awards amount to Ksh 147,006,469.45, indicating a commitment to fulfilling legal obligations. However, a substantial sum remains unpaid, with Lot 1 accounting for Ksh 80,619,439.06, Lot 2 for Ksh 78,938,426.19, and Lot 3 for Ksh 46,483,265.80, totalling **Ksh 206,041,131.05**. While progress has been made in clearing bills, the outstanding balance underscores the need for continued efforts to address pending obligations effectively.

Table 13: Status of Pending bills by the end of 2 Quarter

SUMMARY & NOTES	LOT	AMOUNT
PAID		
	<i>LOT 1</i>	226,806,528.54
	<i>LOT 2</i>	129,844,234.91
	<i>LOT 3</i>	305,858,977.80
<i>COURT DEGREES AND AWARDS PAID</i>		147,006,469.45
<i>PENDING BILLS SUBJECT TO VALUATION PAID</i>		91,530,710.00
TOTAL PAID		901,046,920.70
UNPAID		
	<i>LOT 1</i>	80,619,439.06
	<i>LOT 2</i>	78,938,426.19
	<i>LOT 3</i>	46,483,265.80
TOTAL UNPDAID		206,041,131.05

III EMERGING ISSUES, CHALLENGES AND RECOMMENDATIONS

This section highlights the emerging issues, challenges that hampered full implementation of the budget. It further gives recommendations that will be useful in the implementation of the budget in the second quarter.

- i. **Adoption of New Policies Affecting Departmental Budgeting:** The adoption of new policies affecting departmental budgeting may lead to challenges in adjusting existing budget allocations and aligning them with new requirements, potentially causing delays or inefficiencies in budget execution.
- ii. **Delayed Exchequer Releases:** Delays in the release of funds from the exchequer could disrupt planned expenditure timelines, impacting the implementation of projects and programs outlined in the budget.
- iii. **Prolonged Procurement Processes:** Lengthy procurement processes may hinder the timely acquisition of goods and services necessary for project implementation, resulting in delays and potentially affecting the overall budget execution.
- iv. **Unresponsiveness to Public Tenders:** Lack of responsiveness to public tenders could lead to difficulties in awarding contracts and initiating project activities, further delaying the execution of budgeted projects and programs.

Addressing these emerging issues will be essential to ensure smooth and effective budget implementation, allowing the County Government of Kitui to achieve its financial objectives and deliver services efficiently to its constituents.

CHALLENGES

1. **Delay in Disbursement of Funds by the National Treasury:** The delay in the release of funds by the National Treasury poses a significant challenge to the timely implementation of programs and projects. This issue affects the overall financial fluidity and execution of the county's initiatives.
2. **Nonresponsive Tendering Process:** The no responsiveness to tenders floated by the public is attributed to the lack of inclusion of projects carried forward from FY 2022/22 in the FY 2023/24 budget. This underscores the need for synchronized budget planning that considers ongoing projects.
3. **Delayed Bills of Quantities (BQs) Development:** The delay or slow development of Bills of Quantities (BQs) hampers project implementation by causing delays in project initiation. Streamlining the BQ development process is vital for project timeline adherence.
4. **Lengthy Procurement Processes:** Lengthy procurement processes act as a bottleneck, causing delays in both project and program implementation. Simplifying and expediting the procurement process is critical for timely execution.
5. **Inadequate Means of Mobility and Office Space:** Inadequate mobility and office space across departments, entities, and sub-counties hinder operational efficiency. Addressing these infrastructure challenges is crucial for enhancing the overall working environment and service delivery.

RECOMMENDATIONS

1. **Timely Disbursement of Funds:** Advocate for the timely disbursement of funds by the National Treasury to ensure a steady and predictable financial flow for effective project implementation.
2. **Increase in Resource Allocation:** Recommend an increase in resource allocation to meet the rising demand for services and projects. This involves a thorough assessment of budgetary needs and adjustments to align with development priorities.
3. **Interdepartmental Synergy for BQ Development:** Encourage interdepartmental collaboration, particularly between the Department of Public Works and the Department of ICT, to facilitate the timely development of Bills of Quantities (BQs). This collaborative effort can expedite project commencement.
4. **Timely Fund Release for Planned Programmes:** Advocate for the timely release of funds to enable departments and entities to execute planned programs without unnecessary delays, ensuring smooth program implementation.
5. **Inter-Sectoral Collaborations and Capacity Building:** Emphasize the need for strengthening inter-sectoral collaborations and partner coordination, along with capacity building for existing staff and recruitment of additional personnel. This multifaceted approach can enhance operational efficiency.

IV ANNEXURE 1

Annex I: Quarter Two Departmental Expenditure Performance by Economic Classification and Departments

VOTE 3711- Office of the Governor

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION (%)
2100000 Compensation to Employees	141,309,107	156,399,203	- 15,090,096	110.68
2200000 Use of goods and services	112,372,311	67,520,212	44,852,099	60.09
2400000 Interest Payments	-	-	-	0.00
2600000 Current grants and other Transfers	43,200,000	-	43,200,000	0.00
2700000 Social Benefits	-	-	-	0.00
3100000 Acquisition of Non-Financial Assets	37,446,815	9,767,022	27,679,793	26.08
4100000 Acquisition of Financial Assets	-	-	-	0.00
4500000 Disposal of Financial Assets	-	-	-	0.00
Transfers to other Government Entities (County Assembly)	-	-	-	0.00
Sub Total	334,328,233	233,686,437	100,641,796	69.90
Capital Expenditure				
Non-Financial Asset	893,950,068	362,764,857	531,185,211	40.58
Capital Transfers Govt. Agencies	-	-	-	-
Other development	-	-	-	-
Transfers to other Government Entities (C.A Development)	-	-	-	-
Sub Total	893,950,068	362,764,857	531,185,211	40.58
TOTAL	1,228,278,301	596,451,294	631,827,007	48.56

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
General Administration and Planning Headquarters	235,540,371	173,943,105	783,940,013	340,196,445	1,019,480,384	514,139,550	50.43
Office of the County secretary	8,317,360	4,245,227	-	-	8,317,360	4,245,227	51.04
Governor's Service Delivery Unit & Public Communication	48,750,743	28,357,128	-	-	48,750,743	28,357,128	58.17
Office of Chief of Staff	4,331,622	265,378	-	-	4,331,622	265,378	6.13
Office of County Attorney	15,321,253	11,153,918	-	-	15,321,253	11,153,918	72.80
Decentralized Units Service Delivery Coordination	22,066,884	15,721,681	110,010,055	22,568,412	132,076,939	38,290,093	28.99
Total	334,328,233	233,686,437	893,950,068	362,764,857	1,228,278,301	596,451,294	48.56

VOTE 3728- Office of the Deputy Governor

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	45,565,968	39,811,612	5,754,356	87.37
2200000 Use of goods and services	35,309,620	9,612,094	25,697,526	27.22
2400000 Interest Payments	-	-	-	0.00
2600000 Current grants and other Transfers	-	-	-	0.00
2700000 Social Benefits	-	-	-	0.00
3100000 Acquisition of Non-Financial Assets	17,716,500	54,400	17,662,100	0.31
4100000 Acquisition of Financial Assets	-	-	-	0.00
4500000 Disposal of Financial Assets	-	-	-	0.00
Transfers to other Government Entities (County Assembly)	-	-	-	0.00
Sub Total	98,592,088	49,478,106	49,113,982	50.18
Capital Expenditure				
Non-Financial Asset	30,746,471	820,380	29,926,091	2.67
Capital Transfers Govt. Agencies	-	-	-	-
Other development	6,000,000	560,000	5,440,000	9.33
Transfers to other Government Entities (C.A Development)	-	-	-	-
Sub Total	36,746,471	1,380,380	35,366,091	3.76
TOTAL	135,338,559	50,858,486	84,480,073	37.58

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
Administration Planning & Support Services	27,822,600	7,404,912	-	-	27,822,600	7,404,912	26.61
Tourism Devt & Promotion	39,032,015	31,459,334	25,842,529	-	64,874,544	31,459,334	48.49
Performance Mgt & Disaster Mitigation	31,737,473	10,613,860	10,903,942	1,380,380	42,641,415	11,994,240	28.13
Total	98,592,088	49,478,106	36,746,471	1,380,380	135,338,559	50,858,486	37.58

VOTE 3729- Ministry of Water

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	29,091,353	28,638,472	452,881	98.44
2200000 Use of goods and services	25,629,751	6,167,594	19,462,157	24.06
2400000 Interest Payments	-	-	-	0.00
2600000 Current grants and other Transfers	-	-	-	0.00
2700000 Social Benefits	-	-	-	0.00
3100000 Acquisition of Non-Financial Assets	5,909,953	523,720	5,386,233	8.86
4100000 Acquisition of Financial Assets	-	-	-	0.00
4500000 Disposal of Financial Assets	-	-	-	0.00
Transfers to other Government Entities (County Assembly)	-	-	-	0.00
Sub Total	60,631,057	35,329,786	25,301,271	58.27
Capital Expenditure				
Non-Financial Asset	470,921,845	178,737,946	292,183,899	37.95
Capital Transfers Govt. Agencies	-	-	-	-
Other development	27,000,001	27,000,000	1	100.00

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
Transfers to other Government Entities (C.A Development)			-	-
Sub Total	497,921,846	205,737,946	292,183,900	41.32
TOTAL	558,552,903	241,067,732	317,485,171	43.16

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
General Administration & Planning	33,931,991	29,277,900	-	-	33,931,991	29,277,900	86.28
Water	20,541,308	3,104,636	274,609,283	98,960,141	295,150,591	102,064,777	34.58
Irrigation	6,157,758	2,947,250	223,312,563	106,777,805	229,470,321	109,725,055	47.82
Total	60,631,057	35,329,786	497,921,846	205,737,946	558,552,903	241,067,732	43.16

VOTE 3730- Ministry of Education, ICT And Youth Development

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	385,357,780	386,820,921	- 1,463,141	100.38
2200000 Use of goods and services	38,642,747	13,803,786	24,838,961	35.72
2400000 Interest Payments	-	-	-	0.00
2600000 Current grants and other Transfers	-	-	-	0.00
2700000 Social Benefits	-	-	-	0.00
3100000 Acquisition of Non-Financial Assets	5,860,316	664,200	5,196,116	11.33
4100000 Acquisition of Financial Assets	-	-	-	0.00
4500000 Disposal of Financial Assets	-	-	-	0.00
Transfers to other Government Entities (County Assembly)	-	-	-	0.00
Sub Total	429,860,843	401,288,907	28,571,936	93.35
Capital Expenditure				
Non-Financial Asset	108,530,635	8,514,224	100,016,411	7.84
Capital Transfers Govt. Agencies	-	-	-	0.0%
Other development	-	-	-	0.0%
Transfers to other Government Entities (C.A Development)	-	-	-	0.0%
Sub Total	108,530,635	8,514,224	100,016,411	7.84
TOTAL	538,391,478	409,803,131	128,588,347	76.12

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
General Administration & Planning	58,586,385	49,498,164	-	-	58,586,385.0	49,498,164	84.49
Basic Education, ECDE & Childcare Facilities	354,188,752	343,770,188	73,728,635	8,514,224	427,917,387	352,284,412	82.33
Polytechnics Vocational Centres & Home Craft Centres	17,085,706	8,020,555	34,802,000	-	51,887,706	8,020,555	15.46
Total	429,860,843	401,288,907	108,530,635	8,514,224	538,391,478	409,803,131	76.12

VOTE 3731- Ministry of Roads, Public Works & Transport

Ministry of Roads, Public Works & Transport

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	49,870,259	49,601,000	269,259	99.46
2200000 Use of goods and services	18,662,320	6,123,689	12,538,631	32.81
2400000 Interest Payments	-	-	-	0.00
2600000 Current grants and other Transfers	-	-	-	0.00
2700000 Social Benefits	-	-	-	0.00
3100000 Acquisition of Non-Financial Assets	50,986,100	5,854,630	45,131,470	11.48
4100000 Acquisition of Financial Assets	-	-	-	0.00
4500000 Disposal of Financial Assets	-	-	-	0.00
Transfers to other Government Entities (County Assembly)	-	-	-	0.00
Sub Total	119,518,679	61,579,319	57,939,360	51.52
Capital Expenditure				
Non-Financial Asset	381,275,058	246,002,194	135,272,864	64.52
Capital Transfers Govt. Agencies	-	-	-	0.0%
Other development	2,500,000	-	2,500,000	0.00
Transfers to other Government Entities (C.A Development)	-	-	-	0.0%
Sub Total	383,775,058	246,002,194	137,772,864	64.10
TOTAL	503,293,737	307,581,513	195,712,224	61.11

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
General Administration & Planning	64,795,374	55,089,589			64,795,374.0	55,089,589	85.02
Public Works	26,185,905	3,582,230	8,000,000	-	34,185,905.0	3,582,230	10.48
Roads, Transport & Mechanical Services	1,941,400	182,000	303,308,657	237,429,187	305,250,057	237,611,187	77.84
Public Works	26,596,000	2,725,500	72,466,401	8,573,007	99,062,401.0	11,298,507	11.41
Total	119,518,679	61,579,319	383,775,058	246,002,194	503,293,737	307,581,513	61.11

VOTE 3716- Ministry of Health

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	729,224,099	563,550,499	165,673,600	77.28%
2200000 Use of goods and services	333,845,794	176,650,200	157,195,594	52.91%
2400000 Interest Payments	-	-	-	0.00%
2600000 Current grants and other Transfers	109,271,085	98,069,366	11,201,719	89.75%
2700000 Social Benefits	-	-	-	0.00%
3100000 Acquisition of Non-Financial Assets	1,015,000	201,177	813,823	19.82%
4100000 Acquisition of Financial Assets	-	-	-	0.00%
4500000 Disposal of Financial Assets	-	-	-	0.00%
Transfers to other Government Entities (County Assembly)	-	-	-	0.00%
Sub Total	1,173,355,978	838,471,242	334,884,736	71%
Capital Expenditure				
Non-Financial Asset	148,377,894	25,965,869	122,412,025	17.50
Capital Transfers Govt. Agencies (Grants)	11,439,584	704,583	10,735,001	6.16
Other development	-	-	-	0.00
Transfers to other Government Entities (C.A Development)	-	-	-	0.0%

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
Sub Total	159,817,478	26,670,452	133,147,026	16.69
TOTAL	1,333,173,456	865,141,694	468,031,762	64.89

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
Medical Services Headquarters	761,421,634	587,461,551	118,047,077	14,366,716	879,468,711	601,828,267	68.43
Public Health	69,719,050	68,347,647	9,752,906	-	79,471,956	68,347,647	86.00
Curative and Rehabilitative Services	342,215,294	182,662,044	32,017,495	12,303,736	374,232,789	194,965,780	52.10
Total	1,173,355,978	838,471,242	159,817,478	26,670,452	1,333,173,456	865,141,694	64.89

VOTE 3732- Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	38,283,474	38,155,633	127,841	99.67%
2200000 Use of goods and services	42,932,750	13,478,359	29,454,391	31.39%
2400000 Interest Payments	-	-	-	0.00%
2600000 Current grants and other Transfers	-	-	-	0.00%
2700000 Social Benefits	-	-	-	0.00%
3100000 Acquisition of Non-Financial Assets	15,444,146	3,477,905	11,966,241	22.52%
4100000 Acquisition of Financial Assets	20,000,000	20,000,000	-	100.00%
4500000 Disposal of Financial Assets	-	-	-	0.00%
Transfers to other Government Entities (County Assembly)	-	-	-	0.00%
Sub Total	116,660,370	75,111,897	41,548,473	64%
Capital Expenditure				
Non-Financial Asset	162,809,831	24,916,020	137,893,811	15.30%
Capital Transfers Govt. Agencies (Grants)	-	-	-	0.00%
Other development	-	-	-	0.00%
Transfers to other Government Entities (C.A Development)	-	-	-	0.00%
Sub Total	162,809,831	24,916,020	137,893,811	15.30
TOTAL	279,470,201	100,027,917	179,442,284	35.79

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
General Administration & Planning	62,283,962	42,771,118	-	-	62,283,962	42,771,118	68.67
Trade & Markets	11,492,836	4,970,917	162,809,831	24,916,020	174,302,667	29,886,937	17.15
Cooperatives	42,883,572	27,369,862	-	-	42,883,572	27,369,862	63.82
Total	116,660,370	75,111,897	162,809,831	24,916,020	279,470,201	100,027,917	35.79

VOTE 3733- Ministry of Energy, Environment, Forestry, Natural & Mineral Resources

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	24,006,101	23,699,282	306,819	98.72%
2200000 Use of goods and services	10,970,554	6,992,401	3,978,153	63.74%

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2400000 Interest Payments	-	-	-	0.00%
2600000 Current grants and other Transfers	-	-	-	0.00%
2700000 Social Benefits	-	-	-	0.00%
3100000 Acquisition of Non-Financial Assets	7,848,424	1,862,800	5,985,624	23.73%
4100000 Acquisition of Financial Assets	-	-	-	0.00%
4500000 Disposal of Financial Assets	-	-	-	0.00%
Transfers to other Government Entities (County Assembly)	-	-	-	0.00%
Sub Total	42,825,079	32,554,483	10,270,596	76%
Capital Expenditure				
Non-Financial Asset	51,734,538	22,200,010	29,534,528	42.91
Capital Transfers Govt. Agencies (Grants)	42,525,610	4,940,089	37,585,521	11.62
Other development	-	-	-	0.00
Transfers to other Government Entities (C.A Development)	-	-	-	0.0%
Sub Total	94,260,148	27,140,099	67,120,049	28.79
TOTAL	137,085,227	59,694,582	77,390,645	43.55

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
General Administration & Planning	17,269,267	10,408,894	-	-	17,269,267	10,408,894	60.27
Environment & Forestry	13,230,081	10,131,155	47,325,610	8,756,639	60,555,691	18,887,794	31.19
Energy, Minerals & Natural Resources	12,325,731	12,014,434	46,934,538	18,383,460	59,260,269	30,397,894	51.30
Total	42,825,079	32,554,483	94,260,148	27,140,099	137,085,227	59,694,582	43.55

VOTE 3734- Ministry of Culture, Gender, Youth, ICT, Sports & Social Services

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	11,061,856	11,061,856	-	100.00%
2200000 Use of goods and services	37,702,390	21,524,298	16,178,092	57.09%
2400000 Interest Payments	-	-	-	0.00%
2600000 Current grants and other Transfers	580,000	-	580,000	0.00%
2700000 Social Benefits	-	-	-	0.00%
3100000 Acquisition of Non-Financial Assets	10,137,457	2,892,039	7,245,418	28.53%
4100000 Acquisition of Financial Assets	-	-	-	0.00%
	857,118	-	857,118	
4500000 Disposal of Financial Assets	-	-	-	0.00%
Transfers to other Government Entities (County Assembly)	-	-	-	0.00%
Sub Total	58,624,585	35,478,193	23,146,392	61%
Capital Expenditure				
Non-Financial Asset	95,311,787	29,123,974	66,187,813	30.56
Capital Transfers Govt. Agencies (Grants)	-	-	-	0.00
Other development	-	-	-	0.00
Transfers to other Government Entities (C.A Development)	-	-	-	0.00
Sub Total	95,311,787	29,123,974	66,187,813	30.56
TOTAL	153,936,372	64,602,167	89,334,205	41.97

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
General Administration & Planning	21,921,533	13,898,484	-	-	21,921,533	13,898,484	63.40
Sports	15,873,693	9,862,848	48,890,185	16,582,075	64,763,878	26,444,923	40.83
Culture Gender & Social Services	12,560,093	6,152,544	39,371,602	7,863,289	51,931,695	14,015,833	26.99
Youth Sports ICT & Innovation	8,269,266	5,564,317	7,050,000	4,678,610	15,319,266	10,242,927	66.86
Total	58,624,585	35,478,193	95,311,787	29,123,974	153,936,372	64,602,167	41.97

VOTE 3735- Ministry of Finance, Economic Planning & Revenue Management

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	149,937,929	148,887,398	1,050,531	99.30%
2200000 Use of goods and services	37,874,028	28,488,858	9,385,170	75.22%
2400000 Interest Payments	-	-	-	0.00%
2600000 Current grants and other Transfers	-	-	-	0.00%
2700000 Social Benefits	-	-	-	0.00%
3100000 Acquisition of Non-Financial Assets	14,089,105	5,637,116	8,451,989	40.01%
4100000 Acquisition of Financial Assets	25,000,000	-	25,000,000	0.00%
4500000 Disposal of Financial Assets	-	-	-	0.00%
Transfers to other Government Entities (County Assembly)	-	-	-	0.00%
Sub Total	226,901,062	183,013,372	43,887,690	81%
Capital Expenditure				
Non-Financial Asset	-	-	-	0.00
Capital Transfers Govt. Agencies (Grants)	-	-	-	0.00
Other development	139,956,716	42,745,066	97,211,650	30.54
Transfers to other Government Entities (C.A Development)	-	-	-	0.00
Sub Total	139,956,716	42,745,066	97,211,650	30.54
TOTAL	366,857,778	225,758,438	141,099,340	61.54

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
General Administration & Planning	181,993,366	150,113,660	139,956,716	42,745,066	321,950,082	192,858,726	59.90
Accounts	8,377,241	4,719,234	-	-	8,377,241	4,719,234	56.33
Budgetary Supplies	6,257,406	6,381,448	-	-	6,257,406	6,381,448	101.98
Internal Audit	2,841,920	1,753,300	-	-	2,841,920	1,753,300	61.69
Economic Planning	17,511,717	15,768,972	-	-	17,511,717	15,768,972	90.05
Revenue Management	9,919,412	4,276,758	-	-	9,919,412	4,276,758	43.12
Total	226,901,062	183,013,372	139,956,716	42,745,066	366,857,778	225,758,438	61.54

VOTE 3736- Ministry of Agriculture & Livestock

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	132,975,707	131,919,911	1,055,796	99.21%
2200000 Use of goods and services	40,096,003	16,041,112	24,054,891	40.01%
2400000 Interest Payments	-	-	-	0.00%
2600000 Current grants and other Transfers	-	-	-	0.00%
2700000 Social Benefits	-	-	-	0.00%
3100000 Acquisition of Non-Financial Assets	1,292,700	509,750	782,950	39.43%
4100000 Acquisition of Financial Assets	-	-	-	0.00%
4500000 Disposal of Financial Assets	-	-	-	0.00%
Transfers to other Government Entities (County Assembly)	-	-	-	0.00%
Sub Total	174,364,410	148,470,773	25,893,637	85%
Capital Expenditure				
Non-Financial Asset	48,181,722	25,169,045	23,012,677	52.24
Capital Transfers Govt. Agencies (Grants)	398,984,018	-	398,984,018	0.00
Other development	68,004,603	36,490,709	31,513,894	53.66
Transfers to other Government Entities (C.A Development)	-	-	-	0.00
Sub Total	515,170,343	61,659,754	453,510,589	11.97
TOTAL	689,534,753	210,130,527	479,404,226	30.47

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
General Administration	110,625,382	106,611,900	-	-	110,625,382	106,611,900	96.37
Aquaculture Devt	520,341	111,290	-	-	520,341	111,290	21.39
Livestock Devt	38,722,973	33,611,812	10,923,650	2,000,000	49,646,623	35,611,812	71.73
Agriculture	24,495,714	8,135,771	504,246,693	59,659,754	528,742,407	67,795,525	12.82
Total	174,364,410	148,470,773	515,170,343	61,659,754	689,534,753	210,130,527	30.47

VOTE 3737- Ministry of Lands, Housing & Urban Development

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	21,351,276	20,386,115	965,161	95.48%
2200000 Use of goods and services	17,968,534	8,201,128	9,767,406	45.64%
2400000 Interest Payments	-	-	-	0.00%
2600000 Current grants and other Transfers	-	-	-	0.00%
2700000 Social Benefits	-	-	-	0.00%
3100000 Acquisition of Non-Financial Assets	26,606,537	8,075,104	18,531,433	30.35%
4100000 Acquisition of Financial Assets	-	-	-	0.00%
4500000 Disposal of Financial Assets	-	-	-	0.00%
Transfers to other Government Entities (County Assembly)	-	-	-	0.00%
Sub Total	65,926,347	36,662,347	29,264,000	56%
Capital Expenditure				
Non-Financial Asset	58,781,371	5,468,014	53,313,357	9.30
Capital Transfers Govt. Agencies (Grants)	-	-	-	0.00
Other development	-	-	-	0.00
Transfers to other Government Entities (C.A Development)	500,000	-	500,000	0.00
Sub TotalL	58,281,371	5,468,014	52,813,357	9.38
TOTAL	124,207,718	42,130,361	82,077,357	33.92

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
Headquarters	43,166,250	27,273,557	-	-	43,166,250	27,273,557	63.18
Land information & Management	3,201,290	227,800	26,124,129	399,000	29,325,419	626,800	2.14
Land Survey	5,571,700	1,621,098	968,461	-	6,540,161	1,621,098	24.79
Lands & Housing	3,515,770	751,588	-	-	3,515,770	751,588	21.38
Urban Development	10,471,337	6,788,304	31,188,781	5,069,014	41,660,118	11,857,318	28.46
Total	65,926,347	36,662,347	58,281,371	5,468,014	124,207,718	42,130,361	33.92

VOTE 3722- County Public Service Board

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	15,923,748	15,395,732	528,016	96.68%
2200000 Use of goods and services	12,314,719	6,228,711	6,086,008	50.58%
2400000 Interest Payments	-	-	-	0.00%
2600000 Current grants and other Transfers	-	-	-	0.00%
2700000 Social Benefits	-	-	-	0.00%
3100000 Acquisition of Non-Financial Assets	1,726,718	52,650	1,674,068	3.05%
4100000 Acquisition of Financial Assets	-	-	-	0.00%
4500000 Disposal of Financial Assets	-	-	-	0.00%
Transfers to other Government Entities (County Assembly)	-	-	-	0.00%
Sub Total	29,965,185	21,677,093	8,288,092	72%
Capital Expenditure				
Non-Financial Asset	7,500,000	-	7,500,000	0.00
Capital Transfers Govt. Agencies (Grants)	-	-	-	0.00
Other development	-	-	-	0.00
Transfers to other Government Entities (C.A Development)	-	-	-	0.00
Sub Total	7,500,000	-	7,500,000	0.00
TOTAL	37,465,185	21,677,093	15,788,092	57.86

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
General Administration and Planning Headquarters	21,770,557	18,290,040	7,500,000	-	29,270,557	18,290,040	62.49
Human Resource management	8,194,628	3,387,053	-	-	8,194,628	3,387,053	41.33
Total	29,965,185	21,677,093	7,500,000	-	37,465,185	21,677,093	57.86

VOTE 3723- County Assembly

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	106,808,642	105,146,008	1,662,634	98.44%
2200000 Use of goods and services	216,819,766	107,806,027	109,013,739	49.72%
2400000 Interest Payments	-	-	-	0.00%
2600000 Current grants and other Transfers	-	-	-	0.00%
2700000 Social Benefits	41,632,745	8,331,003	33,301,742	20.01%
3100000 Acquisition of Non-Financial Assets	21,440,200	8,029,700	13,410,500	37.45%
4100000 Acquisition of Financial Assets	140,594,663	-	140,594,663	0.00%
4500000 Disposal of Financial Assets	-	-	-	0.00%
Transfers to other Government Entities (County Assembly)	-	-	-	0.00%
Sub TotalL	527,296,016	229,312,738	297,983,278	43%
Capital Expenditure				
Non-Financial Asset	229,058,553	-	229,058,553	0.00
Capital Transfers Govt. Agencies (Grants)	-	-	-	0.00
Other development	-	-	-	0.00
Transfers to other Government Entities (C.A Development)	-	-	-	0.00
Sub TotalL	229,058,553	-	229,058,553	0.00
TOTAL	756,354,569	229,312,738	527,041,831	30.32

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
General Administration And Planning Headquarters	107,002,149	67,960,827	229,058,553	-	336,060,702	67,960,827	20.22
Legislative Department Headquarters	420,293,867	161,351,911	-	-	420,293,867	161,351,911	38.39
Total	527,296,016	229,312,738	229,058,553	-	756,354,569	229,312,738	30.32

VOTE 3724- Kitui Municipality

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	18,022,894	18,012,887	10,007	99.94%
2200000 Use of goods and services	12,728,753	3,014,680	9,714,073	23.68%
2400000 Interest Payments	-	-	-	0.00%
2600000 Current grants and other Transfers	-	-	-	0.00%
2700000 Social Benefits	-	-	-	0.00%
3100000 Acquisition of Non-Financial Assets	1,307,000	520,200	786,800	39.80%
4100000 Acquisition of Financial Assets	-	-	-	0.00%
4500000 Disposal of Financial Assets	-	-	-	0.00%
Transfers to other Government Entities (County Assembly)	-	-	-	0.00%
Sub Total	32,058,647	21,547,767	10,510,880	67%
Capital Expenditure				
Non-Financial Asset	90,089,587	24,692,754	65,396,833	27.41
Capital Transfers Govt. Agencies (Grants)	-	-	-	0.00
Other development	-	-	-	0.00
Transfers to other Government Entities (C.A Development)	-	-	-	0.00
Sub Total	90,089,587	24,692,754	65,396,833	27.41
TOTAL	122,148,234	46,240,521	75,907,713	37.86

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
General Administration and Planning	18,227,374	16,400,975	1,500,000	-	19,727,374	16,400,975	83.14
Finance	1,917,723	223,897			1,917,723	223,897	11.68
Planning, Development Control, Transport and Infrastructure	3,884,100	785,550	70,458,731	24,692,754	74,342,831	25,478,304	34.27
Trade, Commerce and Industrialisation	6,040,669	1,259,270	6,250,000	-	12,290,669	1,259,270	10.25
Environment, Culture, Recreation and Community Development	6,512,881	3,663,625	11,880,856	-	18,393,737	3,663,625	19.92
Total	32,058,647	21,547,767	90,089,587	24,692,754	122,148,234	46,240,521	37.86

VOTE 3725- Mwingi Municipality

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
2100000 Compensation to Employees	13,636,959	7,810,215	5,826,744	57.27%
2200000 Use of goods and services	12,509,144	4,028,441	8,480,703	32.20%
2400000 Interest Payments	-	-	-	0.00%
2600000 Current grants and other Transfers	-	-	-	0.00%
2700000 Social Benefits	-	-	-	0.00%
3100000 Acquisition of Non-Financial Assets	11,145,000	-	11,145,000	0.00%
4100000 Acquisition of Financial Assets			-	0.00%
4500000 Disposal of Financial Assets			-	0.00%

CURRENT EXPENDITURE	APPROVED Q2 ESTIMATE	ACTUAL EXPENDITURE	VARIANCE	ABSORPTION RATE
Transfers to other Government Entities (County Assembly)			-	0.00%
Sub Total	37,291,103	11,838,656	25,452,447	32%
Capital Expenditure				
Non-Financial Asset	15,995,116	1,244,530	14,750,586	7.78
Capital Transfers Govt. Agencies (Grants)	-	-	-	0.00
Other development	-	-	-	0.00
Transfers to other Government Entities (C.A Development)	-	-	-	0.00
Sub Total	15,995,116	1,244,530	14,750,586	7.78
TOTAL	53,286,219	13,083,186	40,203,033	24.55

Departmental classification

Department	Rec Q2 budget	Rec actual expenditure	Dev Q2 budget	Dev expenditure	Total Q2 budget	Total Q2 expenditure	Absorption (%)
General Administration and Planning	21,886,913	10,370,405	5,992,522	1,244,530	27,879,435	11,614,935	41.66
Planning, Development Control, Transport and Infrastructure	14,982,240	1,309,843	8,252,594	-	23,234,834	1,309,843	5.64
Environment, Culture, Recreation and Community Development	421,950	158,408	1,750,000	-	2,171,950	158,408	7.29
Total	37,291,103	11,838,656	15,995,116	1,244,530	53,286,219	13,083,186	24.55

