

COUNTY GOVERNMENT OF KITUI



COUNTY TREASURY

BUDGET IMPLEMENTATION REPORT (BIR)

QUARTER I

FY 2022/ 2023

Prepared:-

Department of Economic Planning

County Treasury

County Mission and Vision

County Vision

To be an empowered and prosperous County with a high quality of life

County Mission

To provide transformative county services through effective utilization of our land, capital, labour, technology and leadership for sustainable socio-economic development

Table of Contents

FOREWORD.....	v
ACKNOWLEDGEMENT.....	vi
1.0 INTRODUCTION.....	1
2.0 FINANCIAL ANALYSIS OF COUNTY BUDGET IMPLEMENTATION.....	1
2.1 Budget Components.....	1
2.2 Breakdown of Grants.....	1
2.3 Transfers from the National Government.....	2
2.4 Locally Generated Revenue.....	Error! Bookmark not defined.
2.5 FY 2021/2022 Expenditure Summary by Entity.....	Error! Bookmark not defined.
<i>Table 6(a): Recurrent Expenditure in the period</i>	Error! Bookmark not defined.
<i>Table 6(b): Development Expenditure in the period</i>	Error! Bookmark not defined.
2.6 County Expenditure as per Economic Classification.....	Error! Bookmark not defined.
2.7 Analysis of Individual Spending Entity FY 2021/22.....	Error! Bookmark not defined.
4.0 IMPLEMENTATION CHALLENGES.....	Error! Bookmark not defined.

List of Tables

Table 1: Budget Components FY 2021/22.....	1
Table 2: Transfers from the National Government FY 2021/22.....	2
Table 3: Revenue performance by ministries FY 2021/22.....	Error! Bookmark not defined.
Table 5: Absorption rates per ministry FY 2021/22.....	Error! Bookmark not defined.
<i>Table 6(a): Recurrent Expenditure in the period</i>	Error! Bookmark not defined.
Table 7: Annual Expenditure by Entity FY 2021/221.....	Error! Bookmark not defined.
Table 8: FY 2021/21 County Expenditure as per Economic Classification.....	Error! Bookmark not defined.

List of Figures

Figure 1: County Expenditure.....	Error! Bookmark not defined.
Figure 2: Office of the Governor.....	Error! Bookmark not defined.
Figure 3: Public Service Management and Administration.....	Error! Bookmark not defined.
Figure 4: Agriculture, Water and Irrigation.....	Error! Bookmark not defined.
Figure 5: Basic Education, ICT & Youth Development.....	Error! Bookmark not defined.
Figure 6: Health and Sanitation.....	Error! Bookmark not defined.
Figure 7: Trade, Cooperatives & Investments.....	Error! Bookmark not defined.
Figure 8: Environment, Tourism & Natural Resources.....	Error! Bookmark not defined.
Figure 9: Gender, Sports& Culture.....	Error! Bookmark not defined.
Figure 10: The County Treasury.....	Error! Bookmark not defined.
Figure 11: County Public Service Board.....	Error! Bookmark not defined.
Figure 12: The County Assembly.....	Error! Bookmark not defined.
Figure 13: Kitui Municipality.....	Error! Bookmark not defined.
Figure 14: Mwingi Town Administration.....	Error! Bookmark not defined.
Figure 15: Livestock, Apiculture and Fisheries Development.....	Error! Bookmark not defined.
Figure 16: Lands and physical Planning.....	Error! Bookmark not defined.

FOREWORD

The Budget Implementation Reports are prepared in conformity with the Public Finance Act, 2012. They are prepared quarterly & annually and analyze the County revenues and expenditure for each period under review. The expenditure is further dissected into the respective Ministries, viz a viz their budget, hence the absorption rates for each ministry is determined.

The report further analyzes the sources of revenue to the County, and the amount realized from each source during the period under review. The internal sources are analyzed against the targets to gauge the County's performance in revenue collection. On the other hand, external revenues channels are looked into to determine how much was received by the County to supplement their local revenue and facilitate expenditure. These include grants, loans and the National government

Each Ministry's expenditure is reviewed against the annual budget estimates to determine the absorption rate for the quarters. The Budget Implementation Report classifies the expenditure to recurrent and development and further classifies recurrent expenditure to personal emoluments and operations & maintenance.

An annual Budget implementation report is prepared at the end of the Financial Year to analyze the cumulative expenditure of the annual budget by the County and the revenue received by the County during the year.

Further, the Budget Implementation Report highlights the challenges faced in the implementation of the budget and the possible remedies.



Ben Katungi
CECM, County Treasury
County Government of Kitui.

ACKNOWLEDGEMENT

The preparation of the Quarter I Budget Implementation Report 2022/23 was informed by reports and data, from all County sectors, departments and agencies of the County Government of Kitui.

First and foremost, I acknowledge the valuable leadership and support of His Excellency the Governor Julius Malombe. I wish to extend my gratitude to Mr. Ben Katungi, County Executive Committee Member for County Treasury for his technical support extended in the preparation of this paper. I appreciate the role played by all Chief Officers for leading their staff in providing the necessary information towards preparation of this document.

I would like to pay special thanks to the officers working under Economic Planning department under the leadership of Assistant Directors, Alex Muthyoi & Victor Mwangu and the entire team of county economists including Daniel Mbathi, Boniface Muli, Faith Munah, Charles Mulatia, Nicholas Koome Geoffrey Gisaina and Doris Kanini who helped put this document together. The team put tireless quality time in production of this document.

I may not mention everybody, but do acknowledge all those individuals who directly or indirectly contributed to the success of development and production of this paper



Paul Kimwele

Ag. Chief Officer – Budgets and Economic Planning

1.0 INTRODUCTION

This Budget Implementation Report is prepared in conformity with Section 166 of the Public Finance Management Act, 2012's requirement that counties report on the implementation progress of their budgets. It covers the first quarter of the year 2022/2023.

The report presents revenue and expenditure performance by the County. Revenue is disaggregated by source while expenditure is analyzed by economic classification. It also highlights the County government's activities for the period under review and seeks to objectively review budget implementation in the county by highlighting performance of revenues, transfers received from the National Government and actual expenditure. Key issues that affect budget implementation during the financial year are identified and appropriate recommendations made on how the issues can be addressed to enhance efficiency and effectiveness in budget execution.

2.0 FINANCIAL ANALYSIS OF COUNTY BUDGET IMPLEMENTATION

The County had a budget of Kshs **11,499,195,524** which consisted of Kshs. **8,100,475,139** (70%) for recurrent expenditure and Kshs **3,398,720,384** (30%) for development expenditure.

2.1 Budget Components

Table 1 shows the various components of the budget

Table 1: Budget Components FY 2021/22

SOURCE	AMOUNT	% OF TOTAL BUDGET
Balance b/f from FY 2020/2021		0.00
National Equitable Share	10,393,970,413	90.39
Local Revenue Sources	600,000,000	5.22
Grants	505,225,111	4.39
TOTAL	11,499,195,524	100

2.2 Breakdown of Grants

Source	Amount budgeted	Receipt in FY 2021/22	Percentage Receipt	Deficit
Grants from World Bank (KDSP)	112,815,048			(112,815,048)
World Bank (Universal Health)	14,548,168			(14,548,168)
World Bank (Agriculture - Rural Growth)	283,089,026	57,625,486	20	(225,463,541)
World Bank (Emergency Locust Response Project (ELRP))	38,964,000			(38,964,000)
HSSP/HSPPS - (DANIDA/IDA)	19,564,875			(19,564,875)
UNFPA (9th Country Programme Implementation)	7,386,704			(7,386,704)
ASDSP	28,857,290			(28,857,290)
Total	505,225,111	57,625,486	11	(447,599,626)

The County received only 11% of the budgeted grants. This rendered expenditure on them barely possible and had to be carried forward to the forthcoming Financial Year.

2.3 Transfers from the National Government

For the period under review, the County received Kshs. **2,546,522,752.00** as the national equitable share which is 24.5% of the budgeted equitable share and 22.15% of the total budgeted amount for the year. The disbursements are shown in table 2.

Table 2: Transfers from the National Government FY 2021/22

Month	Date of Release	Amount Received
July	27-Jul-22	831,517,634.00
August	16-Sep-22	883,487,485.00
September	14-Oct-2022	831,517,633.00
Total		2,546,522,752.00

The period has been characterized by delayed remittance of exchequer funds. The funds for the month of June were not disbursed.

2.4 Locally Generated Revenue

The County Government targeted to collect Kshs **132,944,048.63** from local sources during the quarter. The actual achievement in quarter two was Kshs **61,599,536.50** which translates to 46.33% of the targeted collection for the quarter.

Revenue collection performance is shown in tables 3 and 4.

Table 3: Locally Generated Revenue FY 2022/23

MINISTRY	Target for the Quarter	Actual Collected in the Quarter	% Realization
Ministry of Agriculture water and Irrigation	7,944,535.00	484,374.00	6.10
Ministry of Livestock, Apiculture and Fisheries Development	2,050,632.25	209,010.00	10.19
Ministry of Environment & Natural Resources	3,939,705.75	15,200.00	0.39
Ministry of Health and Sanitation	50,170,537.50	46,378,848.00	92.44
Ministry of Tourism, Sports and Culture	248,529.50	21,000.00	8.45
Ministry of Basic Education, ICT and Youth Development	5,885,941.00	21,014.00	0.36
Minsitry of Lands and physical Planning	23,834,926.50	3,198,853.00	13.42
Ministry of Infrastructure, Housing, Transport and Public works	1,394,441.00	279,860.00	20.07
Ministry of Public Service Management and Administration	9,216,323.75	624,000.00	6.77
Ministry of Trade, Cooperatives and Investments	11,202,525.00	237,950.00	2.12
County Treasury	9,452,683.88	7,158,457.00	75.73
Mwingi Town	3,189,191.25	1,168,250.00	36.63

MINISTRY	Target for the Quarter	Actual Collected in the Quarter	% Realization
Municipality	4,414,076.25	1,802,720.00	40.84
TOTAL	132,944,048.63	61,599,536.00	46.33

Table 4: FY 2022/23 Quarter 1 Revenue performance by ministries

Ministry	Annual Target	Collection in QI	Revenue Deficit
Ministry of Agriculture water and Irrigation	31,778,140	484,374	(31,293,766.00)
Ministry of Livestock, Apiculture and Fisheries Development	8,202,529	209,010	(7,993,519.00)
Ministry of Environment & Natural Resources	15,758,823	15,200	(15,743,623.00)
Ministry of Health and Sanitation	200,682,150	46,378,848	(154,303,302.00)
Ministry of Tourism, Sports and Culture	994,118	21,000	(973,118.00)
Ministry of Basic Education, ICT and Youth Development	23,543,764	21,014	(23,522,750.00)
Ministry of Lands and physical Planning	95,339,706	3,198,853	(92,140,853.00)
Ministry of Infrastructure, Housing, Transport and Public works	5,577,764	279,860	(5,297,904.00)
Ministry of Public Service Management and Administration	36,865,295	624,000	(36,241,295.00)
Ministry of Trade, Cooperatives and Investments	44,810,100	237,950	(44,572,150.00)
County Treasury	75,621,471	7,158,457	(68,463,014.00)
Mwingi Town	25,513,530	1,168,250	(24,345,280.00)
Municipality	35,312,610	1,802,720	(33,509,890.00)
TOTAL	600,000,000	61,599,536	(538,400,464.00)

The county only attained 46.33% revenue collection in the quarter. Failure to attain revenue target leaves a deficit in the budget which deters the payment of suppliers and contractors, leading to a buildup of pending bills.

Table 5: Absorption rates per ministry FY 2022/23

During this quarter, the County Ministries spent as follows vis a vis their budget estimates.

MINISTRY	Target for the Quarter	Actual Collected in the Quarter	% Realization
Ministry of Agriculture water and Irrigation	7,944,535.00	484,374.00	6.10
Ministry of Livestock, Apiculture and Fisheries Development	2,050,632.25	209,010.00	10.19
Ministry of Environment & Natural Resources	3,939,705.75	15,200.00	0.39
Ministry of Health and Sanitation	50,170,537.50	46,378,848.00	92.44
Ministry of Tourism, Sports and Culture	248,529.50	21,000.00	8.45
Ministry of Basic Education, ICT and Youth Development	5,885,941.00	21,014.00	0.36

MINISTRY	Target for the Quarter	Actual Collected in the Quarter	% Realization
Ministry of Lands and physical Planning	23,834,926.50	3,198,853.00	13.42
Ministry of Infrastructure, Housing, Transport and Public works	1,394,441.00	279,860.00	20.07
Ministry of Public Service Management and Administration	9,216,323.75	624,000.00	6.77
Ministry of Trade, Cooperatives and Investments	11,202,525.00	237,950.00	2.12
County Treasury	9,452,683.88	7,158,457.00	75.73
Mwingi Town Municipality	3,189,191.25	1,168,250.00	36.63
Municipality	4,414,076.25	1,802,720.00	40.84
TOTAL	132,944,048.63	61,599,536.00	46.33

Expenditure during the quarter is analyzed in tables 6(a) and 6(b).

Table 6(a): Recurrent Expenditure in the quarter

Spending Entity	Recurrent Budget Estimates	Actual Expenditure in the Quarter	Absorption Rate
Office of the Governor	667,222,396	225,664,543	33.8
Public Service Management and Administration	530,905,844	200,796,198	37.8
Agriculture water and Irrigation	486,446,540	252,840,734	52.0
Basic Education, ICT, & Youth Development	550,276,932	260,982,234	47.4
Infrastructure, Housing, Transport and Public works	280,478,420	96,022,057	34.2
Health and Sanitation	3,496,644,936	1,846,646,763	52.8
Trade, Cooperatives and Investments	185,459,708	49,437,930	26.7
Environment Tourism & Natural Resources	135,873,336	26,299,573	19.4
Gender, Sports and Culture	104,499,780	12,303,105	11.8
The County Treasury	631,037,260	237,361,472	37.6
County Public Service Board	37,989,708	8,082,916	21.3
County Assembly	936,616,228	377,036,261	40.3
Kitui Municipality	118,722,336	32,073,700	27.0
Mwingi Town Administration	69,681,476	15,334,217	22.0
Livestock, Apiculture and Fisheries Development	77,478,432	6,455,929	8.3
Lands and physical Planning	89,246,652	17,837,522	20.0
Total	8,398,579,984	3,647,337,632	43.4

Table 6(b): Development Expenditure in the Quarter

Spending Entity	Development Budget Estimates	Actual Expenditure in the Quarter	Absorption Rate
Office of the Governor	1,129,659,572	255,106,431	22.58
Public Service Management and Administration	12,000,000	1,078,020	8.98
Agriculture water and Irrigation	898,921,656	218,895,658	24.35
Basic Education, ICT, & Youth Development	206,180,120	61,733,959	29.94
Infrastructure, Housing, Transport and Public works	672,860,824	521,010,690	77.43
Health and Sanitation	162,429,384	37,843,770	23.30

Trade, Cooperatives and Investments	240,962,300	80,064,606	33.23
Environment Tourism & Natural Resources	130,237,024	16,352,798	12.56
Gender, Sports and Culture	94,686,956	15,877,797	16.77
The County Treasury	136,533,044	4,504,000	3.30
County Assembly	70,782,832	0	-
Kitui Municipality	186,947,296	71,571,536	38.28
Mwingi Town Administration	43,602,660	5,098,542	11.69
Lands and physical Planning	62,410,612	8,811,737	14.12
Livestock, Apiculture and Fisheries Development	52,981,016	3,775,154.0	7.13
Total	4,101,195,296	1,301,724,698	31.74

2.5 First Quarter Expenditure Summary by Entity

During the period under review, the County spent a total of Kshs. 4,966,899,852.00. Out of this amount, Kshs. 3,665,175,154.00 (63%) went to finance recurrent activities while Kshs. **1,301,724,698** (37%) financed development.

Under recurrent expenditure, Kshs. **2,312,553,531** was spent on Personnel Emoluments while Kshs. **1,352,621,623** was spent on operations and maintenance.

Table 7: Second Quarter Expenditure by Entity FY 2021/221

Spending Entity	Personnel Emoluments	%	Operations and Maintenance	%	Development	%	Grand Total
Office of the Governor	84,352,961	17.5	141,311,582	29.4	255,106,431	53.1	480,770,974
Public Service Management and Administration	137,681,803	68.2	63,114,395	31.3	1,078,020	0.5	201,874,218
Agriculture water and Irrigation	215,570,982	45.7	37,269,752	7.9	218,895,658	46.4	471,736,392
Basic Education, ICT, & Youth Development	228,421,151	70.8	32,561,083	10.1	61,733,959	19.1	322,716,193
Infrastructure, Housing, Transport and Public works	44,827,162	7.3	51,194,895	8.3	521,010,690	84.4	617,032,747
Health and Sanitation	1,183,058,665	62.8	663,588,098	35.2	37,843,770	2.0	1,884,490,533
Trade, Cooperatives and Investments	8,160,841	6.3	41,277,089	31.9	80,064,606	61.8	129,502,536
Environment Tourism & Natural Resources	11,447,820	26.8	14,851,753	34.8	16,352,798	38.3	42,652,371
Gender, Sports and Culture	4,500	0.0	12,298,605	43.6	15,877,797	56.3	28,180,902
The County Treasury	186,224,749	77.0	51,136,723	21.1	4,504,000	1.9	241,865,472
County Public Service Board	420,000	5.2	7,662,916	94.8	-	-	8,082,916
County Assembly	196,586,049	52.1	180,450,212	47.9	-	-	377,036,261
Kitui Municipality	9,870,304	9.5	22,203,396	21.4	71,571,536	69.1	103,645,236
Mwingi Town Administration	5,159,119	25.2	10,175,098	49.8	5,098,542	25.0	20,432,759
Lands and physical Planning	767,425	2.9	17,070,097	64.1	8,811,737	33.1	26,649,259
Livestock, Apiculture and Fisheries Development	-	0.0	6,455,929	63.1	3,775,154	36.9	10,231,083
Total	2,312,553,531	46.6	1,352,621,623	27.2	1,301,724,698	26.2	4,966,899,852

2.6 County Expenditure as per Economic Classification

The table below analyses expenditure by the various spending entities.

Table 8: FY 2021/21 County Expenditure as per Economic Classification

Economic Classification	Amount Spent	Percentage (%)
Personnel Emoluments	2,312,553,531	46.56
Operations and Maintenance	1,352,621,623	27.23
Development	1,301,724,698	26.21
Total	4,966,899,852	100

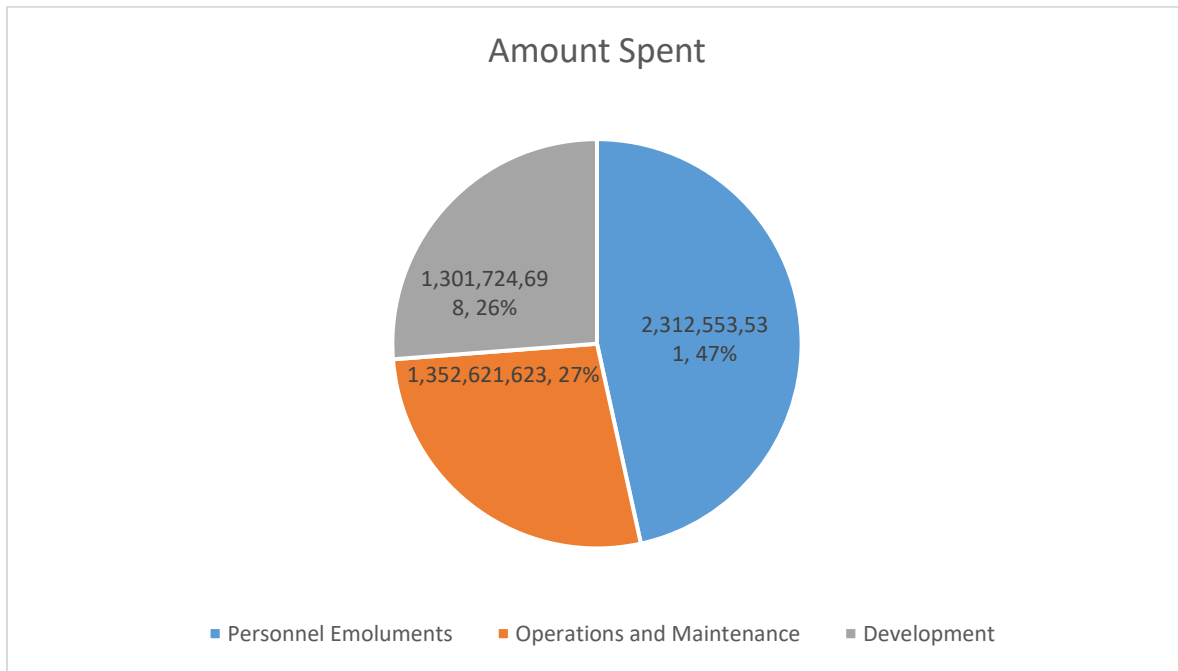


Figure 1: County Expenditure

2.7 Analysis of Individual Spending Entity FY 2021/22

2.7.1 Office of the Governor

Office of the Governor had a budget allocation of Kshs. 449,220,492.00. During the period under review, the Ministry spent Kshs. 480,770,974.00, 107%. Out of this, Kshs. 255,106,431.00, (29.4 %) financed development projects, Kshs. 84,352,961.00, (17.5%) was spend on Personnel Emoluments while Kshs. 141,311,582.00, (29.4 %) was spent on Operations and Maintenance.

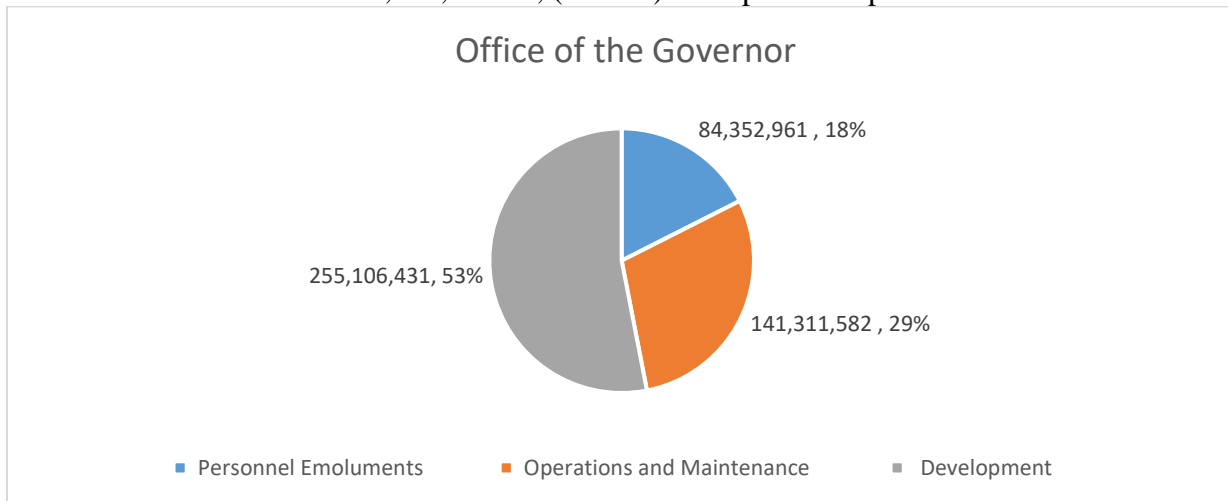


Figure 2: Office of the Governor

2.7.2 Public Service Management and Administration

The County Ministry of Public Service Management and Administration’s expenditure reveals an expenditure of Kshs. 201,874,218.00 during the FY. This was 148.7% of the budget allocation of Ksh. 135,726,461.00. Out of this, Kshs. 137,681,803.00, (68.2 %) financed personnel emoluments while Kshs. 63,114,395.00, (31.30 %) was spent on operations and maintenance. Development expenditure was Kshs 1,078,020 (0.5%).

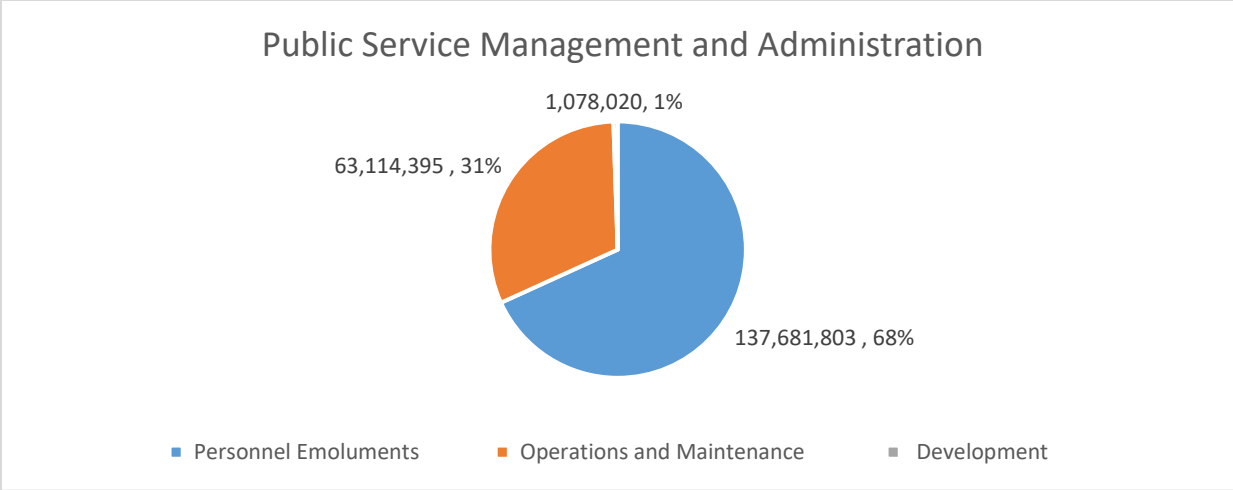


Figure 3: Public Service Management and Administration

2.7.3 Agriculture, Water and Livestock Development

The County Ministry of Agriculture, Water and Livestock Development had a budget of Ksh. 346,342,049.00. During the period under review, the Ministry spent a total of Kshs. 471,736,392.00, 136.2%. Out of this, Kshs. 218,895,658.00, 46.4% was spent on development, Kshs. 215,570,982.00, 45.7 % on personnel emoluments and Kshs. 37,269,752.00, 7.9 % on operations and maintenance.

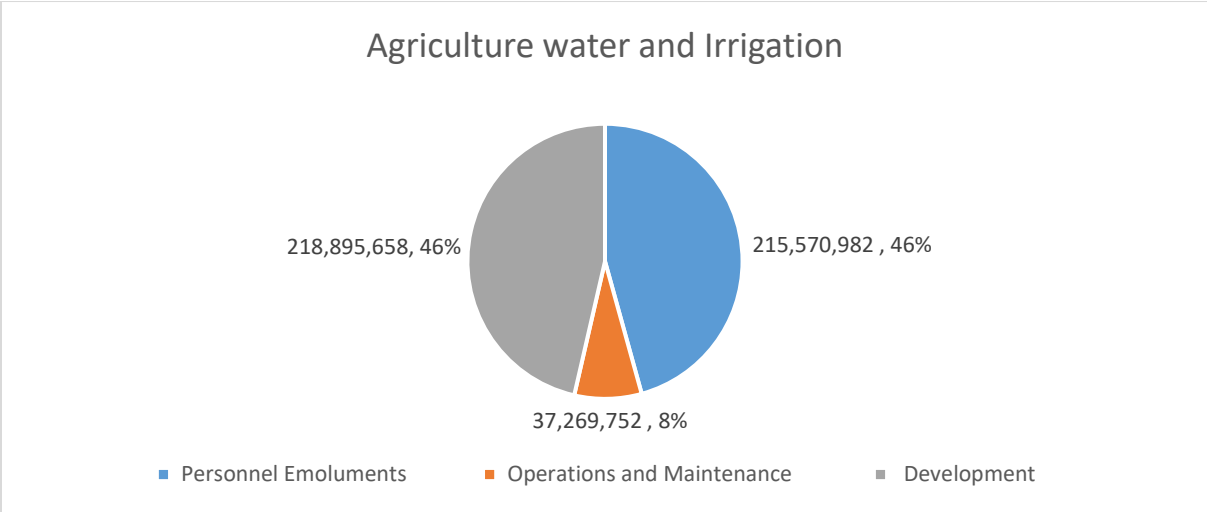


Figure 4: Agriculture, Water and Irrigation

2.7.4 Basic Education, ICT and Youth Development

The budgetary allocation for the Ministry of Education was Kshs. 189,114,263.00. A total of Kshs. 322,716,193.00, 170.6% was spent during the FY. This expenditure composed of; Personnel Emoluments Kshs. 228,421,151.00, 70.8%, Operations and Maintenance was Kshs. 32,561,083.00, 10.1% and development expenditure of 61,733,959.00, 19.1%.

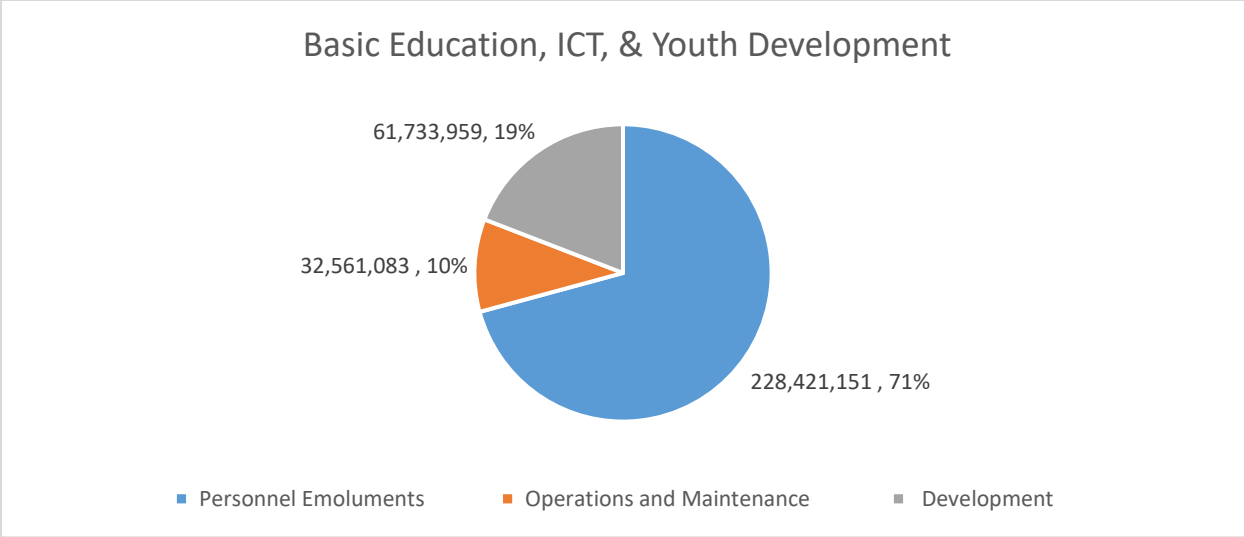


Figure 5: Basic Education, ICT & Youth Development

2.7.5 Infrastructure, Housing, Transport and Public Works

The budget for the County Ministry of Infrastructure, Housing, Transport and Public Works was Kshs. 238,334,812.00 out of which the ministry incurred a total expenditure of Kshs 617,032,747.00, 258.9% during the period under review. A breakdown of the expenditure indicates that Kshs 521,010,690.00, (84.4%) was spent on development, Kshs. 44,827,162.00 (7.3 %) on personnel emoluments and Kshs. 51,194,895.00 (8.3 %) on Operations and Maintenance.

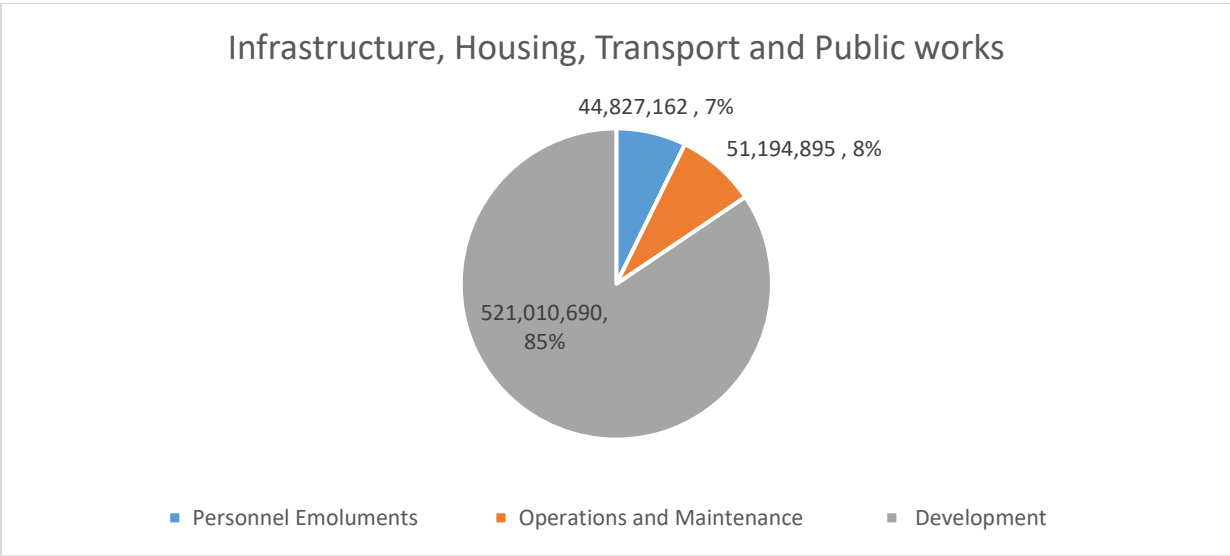


Figure 6: Infrastructure, Housing, Transport and Public Works

2.7.6 Health and Sanitation

The County Ministry of Health and Sanitation had, in FY 2021/2022, incurred a total expenditure of Kshs. 1,884,490,533.00 which is 206% of the total budgeted amount, Kshs. 914,768,579.00. Out of this Kshs. 37,843,770.00, (2.0 %), was spent on development activities, Kshs. 1,183,058,665.00, which translates to (62.8 %) went to Personnel emoluments while Kshs 663,588,098.00 (35.2 %) went to Operations and Maintenance.

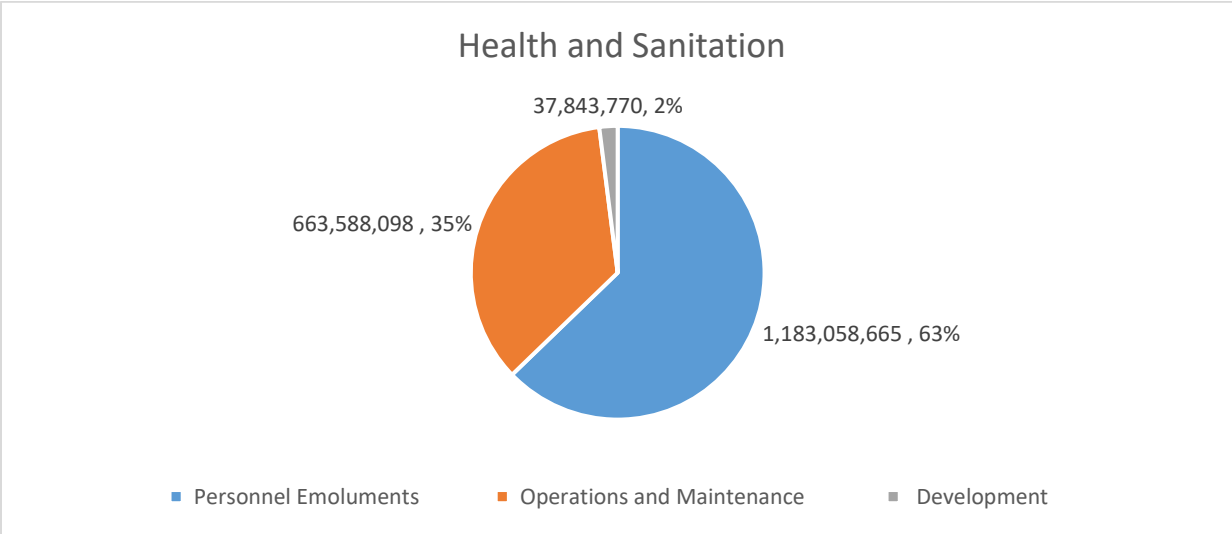


Figure 6: Health and Sanitation

2.7.7 Trade, Cooperatives and Investments

The Ministry of Trade had a budget of Kshs. 106,605,502.00. During the period under review, the total expenditure was Kshs. 129,502,536.00, 121.5%. Out of this amount, Kshs. 8,160,841.00, (6.3 %) to Personnel Emoluments, Kshs. 41,277,089 (31.9%) went to Operations and Maintenance while Development expenditure amounted to Kshs. 80,064,606.00, (61.8%).

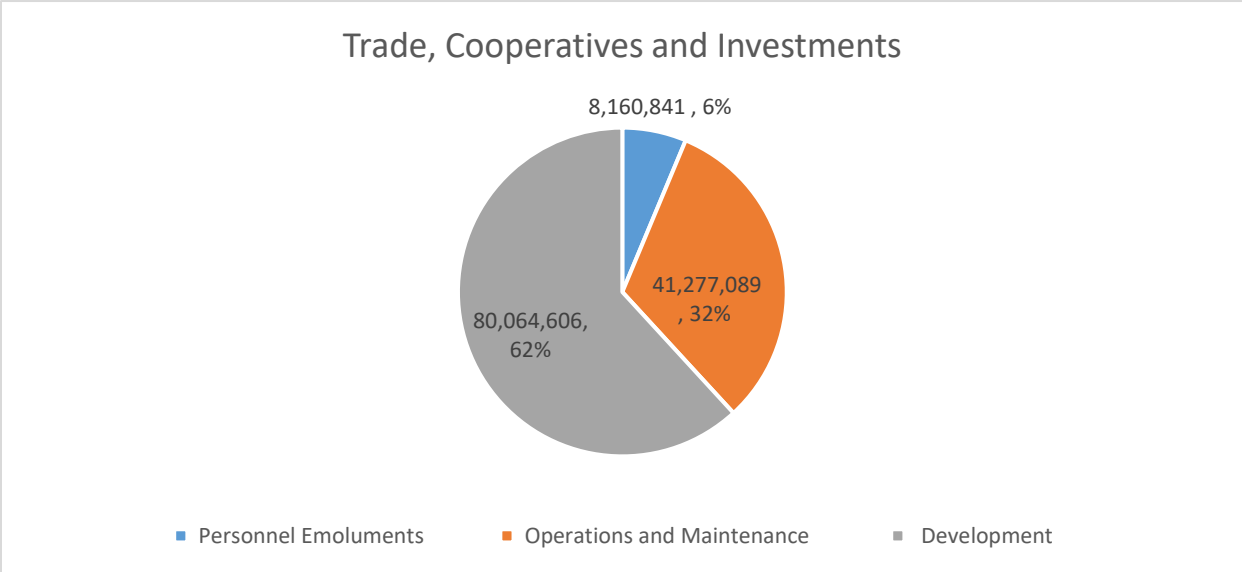


Figure 7: Trade, Cooperatives & Investments

2.7.8 Environment, Tourism and Natural Resources

Expenditure analysis at the ministry of Environment, Tourism and Natural Resources reveals that a total of Kshs. 42,652,371.00, 64.1% was spent in the FY, out of the Kshs 66,527,590.00 budgeted for the Ministry. The expenditure was broken into Kshs. 11,447,820, 26.8% Personnel Emoluments, Kshs. 14,851,753, 34.8% on Operations and Maintenance and Kshs. 16,352,798, 38.3% on development.

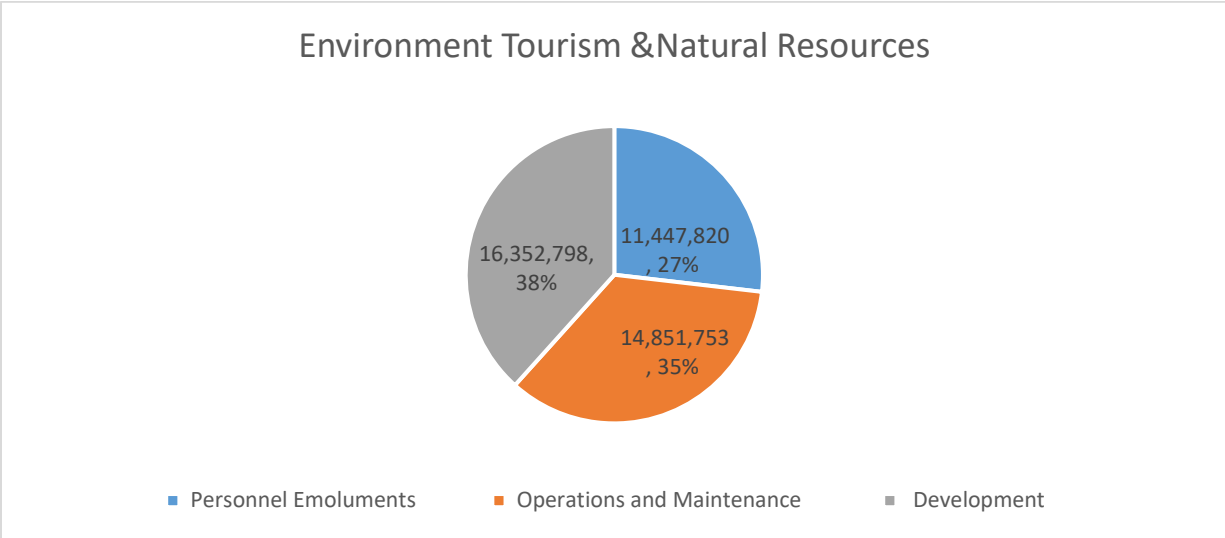


Figure 8: Environment, Tourism & Natural Resources

2.7.9 Gender, Sports and Culture

The Ministry of Gender, Sports & Culture had a total expenditure of Kshs, 28,180,902.00, 56.6% was incurred out of the budgeted Kshs. 49,796,684.00. The expenditure was broken into Kshs. 4,500, 0.001% Personnel Emoluments, Kshs. 12,298,605, 43.6% on Operations and Maintenance and Kshs. 15,877,797, 56.3% on development.

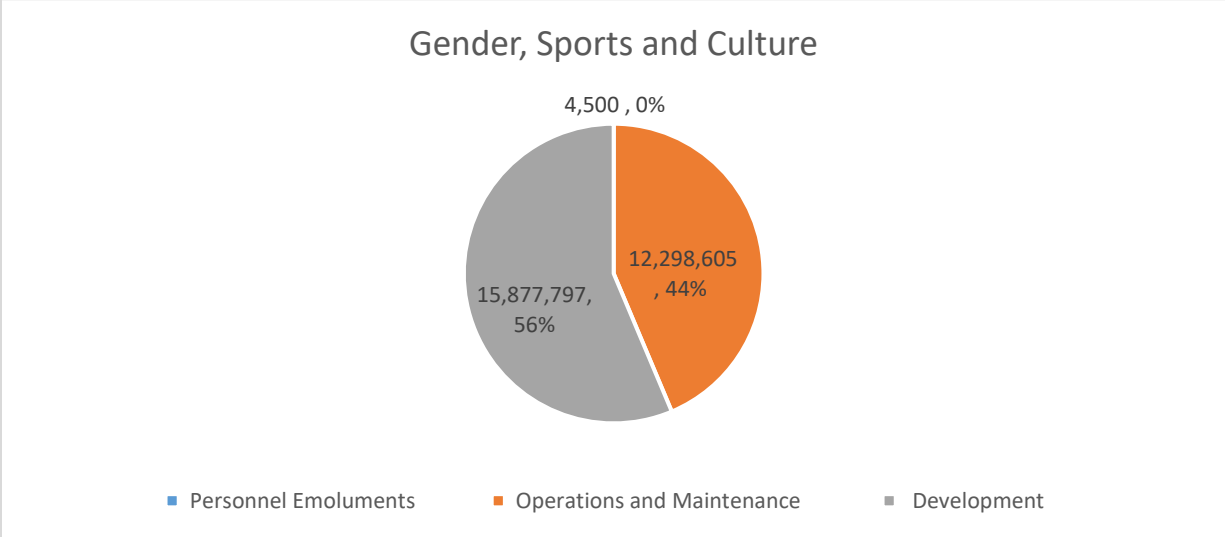


Figure 9: Gender, Sports & Culture

2.7.10 The County Treasury

The County Treasury had a budgetary allocation of Ksh. 191,892,576.00 of which Kshs. 241,865,472.00, 126% was spent during the period. This expenditure was broken down into; personnel emoluments Kshs. 186,224,749.00, (77.0%), operations and maintenance Kshs 51,136,723.00, (21.1%). Development expenditure in the FY was Kshs. 4,504,000.00 (1.9 %).

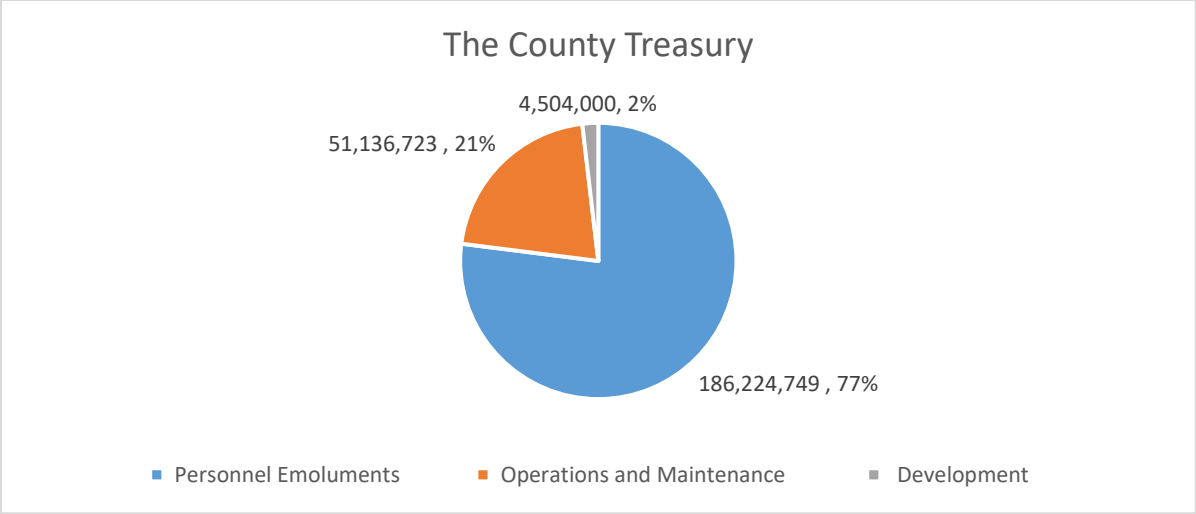


Figure 10: The County Treasury

2.7.11 County Public Service Board

County Public Service Board had a budget allocation of Ksh. 9,497,427.00. The total expenditure incurred by the County Public Service Board was Kshs. 8,082,916, 85.1%. This expenditure was broken down into; personnel emoluments Kshs. 420,000.00, (5.2%), operations and maintenance Kshs 7,662,916.00, (94.8 %). There was no development expenditure.

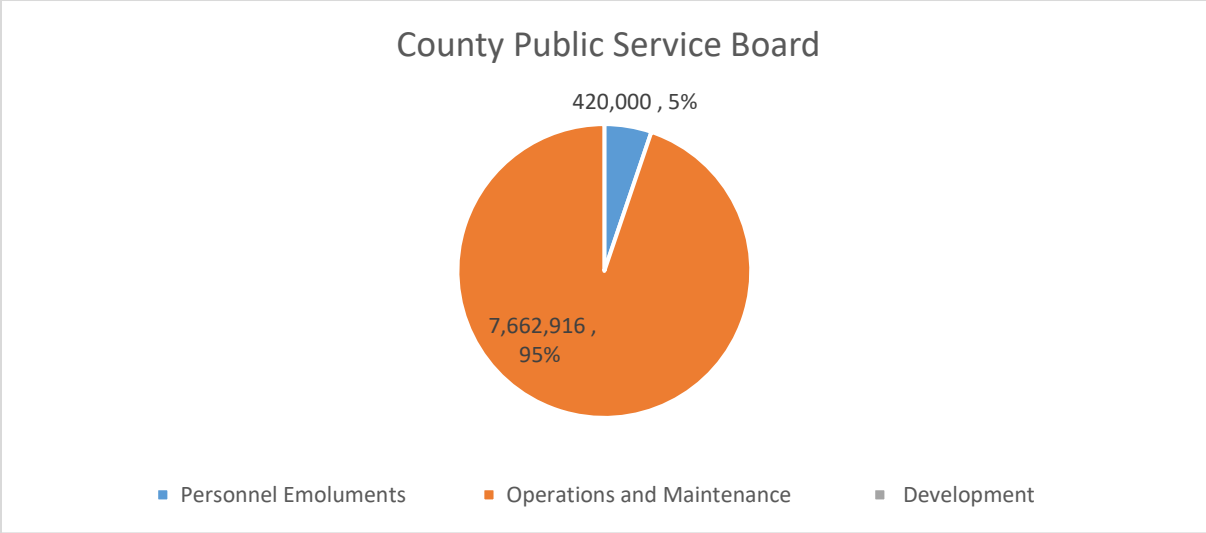


Figure 11: County Public Service Board

2.7.12 County Assembly

The County Assembly spent a total of Kshs. 181,117,696.00 which is 149.7% of the total budgeted amount for the Ministry, Kshs. 377,036,261.00. This expenditure included Kshs. 196,586,049, 52.1% spent on personnel emoluments, Kshs. 180,450,212.00, 47.9 % Spent on operations & maintenance. There was no development expenditure.

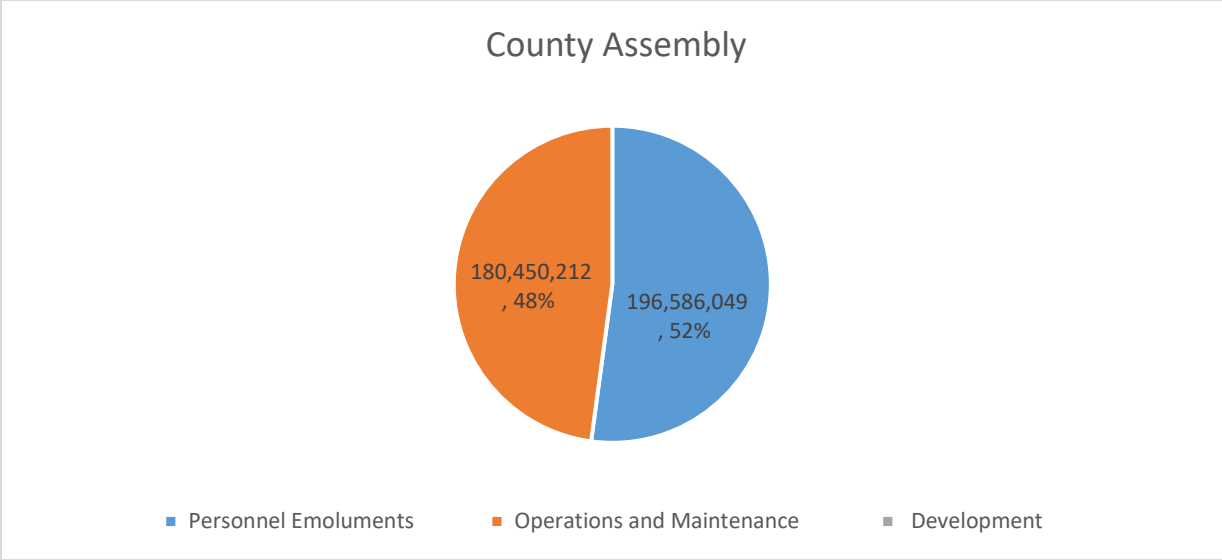


Figure 12: The County Assembly

2.7.13 Kitui Municipality

Kitui Municipality had a budget allocation of Kshs. 76,417,408.00 whereby a total of Kshs 103,645,236.00, 135.6%, was spent. This expenditure included the Kshs. 9,870,304.00, 9.5 % spent on personnel emoluments, the Kshs. 22,203,396.00, 21.4 % spent on operations and maintenance and the Kshs. 71,571,536.00, 69.1 % spent on development.

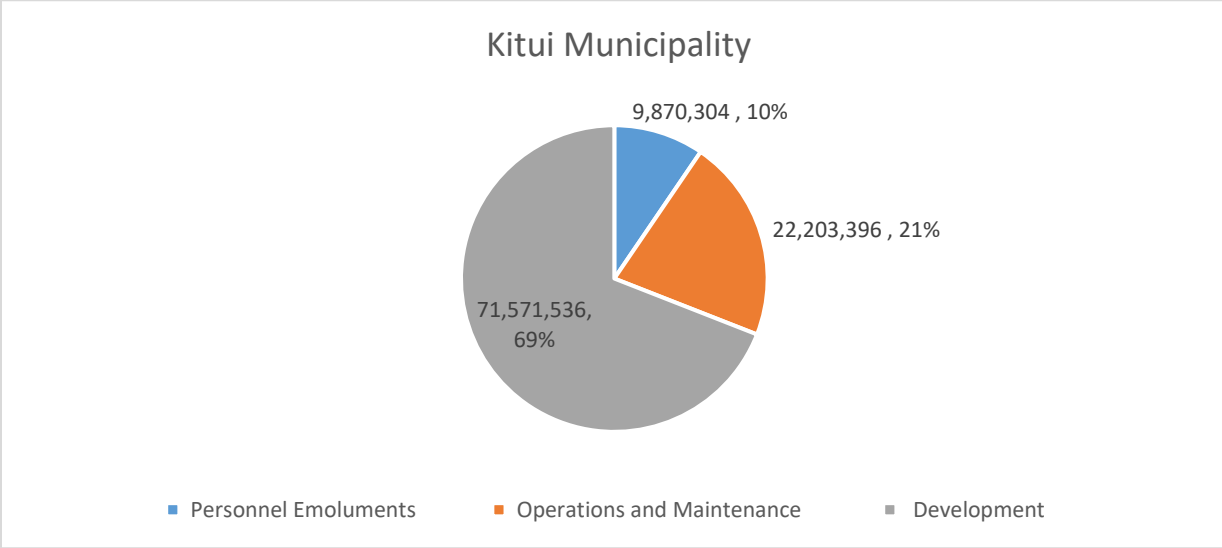


Figure 13: Kitui Municipality

2.7.14 Mwingi Town Administration

The Mwingi Town Administration spent a total of Kshs. 20,432,759.00 which was 72.1% of the total budget allocation of Kshs. 28,321,034.00 for the Ministry. This expenditure included the Kshs. 5,159,119.00, 25.2% spent on personnel emoluments, the Kshs. 10,175,098.00, 49.8% spent on operations and maintenance and the Kshs. 5,098,542.00, 25.0 % spent on development.

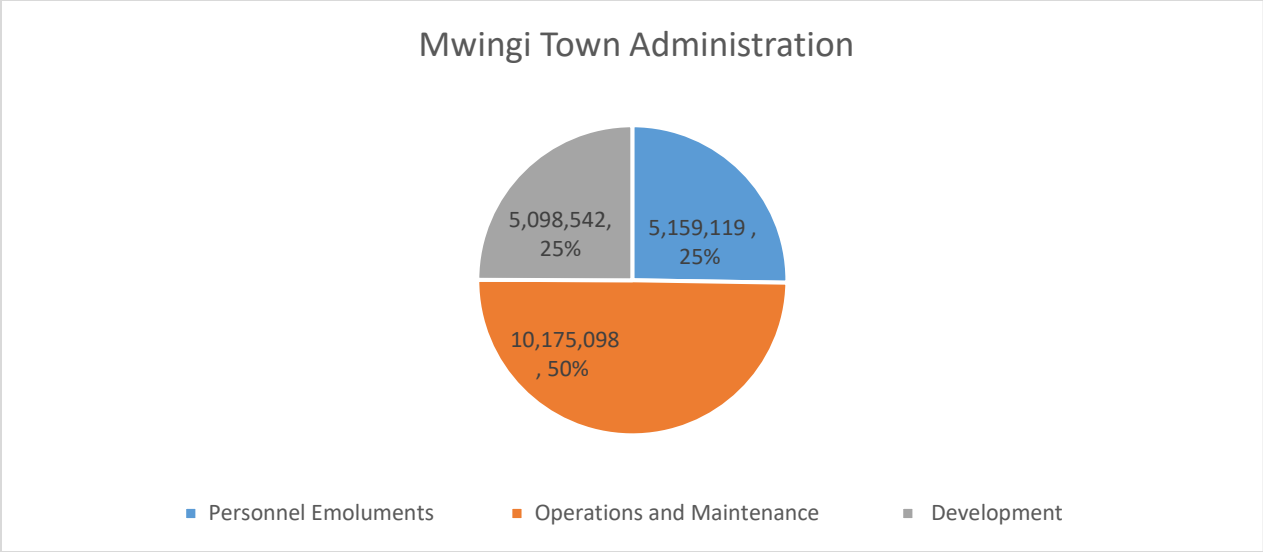


Figure 14: Mwingi Town Administration

2.7.15 Lands and physical Planning

The Ministry of Lands and physical Planning spent a total of Kshs. 26,649,259.00 which was 70.3% of the total budget allocation of Kshs. 37,914,316.00 for the Ministry. This expenditure included the Kshs. 767,425.00, 2.9% spent on personnel emoluments, the Kshs. 17,070,097.00, 64.1 % spent on operations and maintenance and the Kshs. 8,811,737.00, 33.1% spent on development.

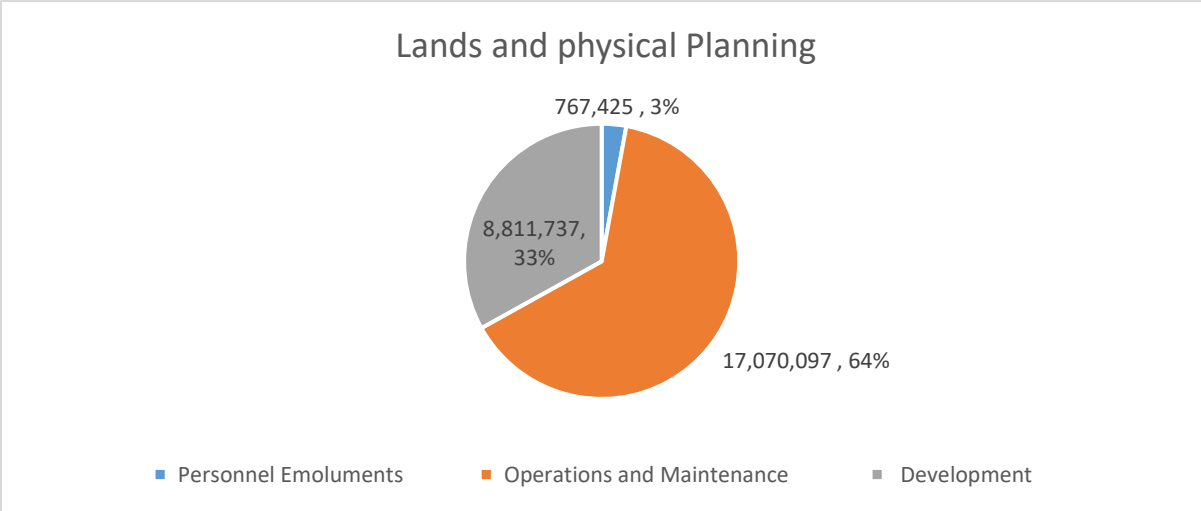


Figure 15: Lands and physical Planning

2.7.16 Livestock, Apiculture and Fisheries Development

The Ministry of Livestock, Apiculture and Fisheries Development spent a total of Kshs. 10,231,083.00 which was 31.4% of the total budget allocation of Kshs. 32,614,862.00 for the Ministry. This expenditure was Kshs 6,455,929 (63.1) on operations and maintenance and Kshs 3,775,154 (36.9) on development.

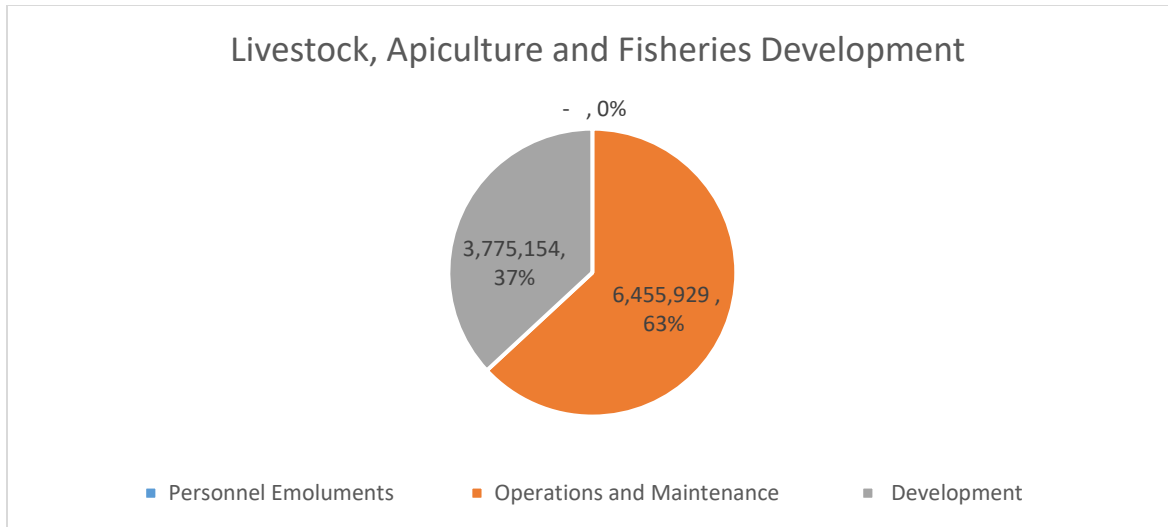


Figure 16: Livestock, Apiculture and Fisheries Development

3.0 Performance on Grant Funded Development Budget

There has been no expenditure of grant funded projects due to non-remittance, save for ASDSP programme that has only funded 2.5M of the budgeted 28M.

4.0 IMPLEMENTATION CHALLENGES

The county experienced several challenges/issues that affected budget implementation during quarter II of the financial year 2021/2022.

These are:

- **Inability to collect all the budgeted own source revenue:** The County collected only 38% of the targeted revenue. This is an underperformance that negatively creates a budget deficit.
- **Untimely monthly exchequer releases:** Accrued recurrent payments has been a major challenge during the period under review. This is as a result of late and limited exchequer releases, causing these accruals to be carried forward to the next period. .
- **Delayed Grant releases:** The County only received 2.5m in grants from ASDSP against the budget of 28m for the same. Non remittance by the donors has stalled the implementation of grant funded programmes, especially development.

4.0 RECOMMENDATIONS

The following recommendations will smoothen implementations in the next phase;

- Revenue targets should be informed by the previous years' revenue realization rate. This is crucial in setting realistic attainable revenue targets and alleviation of pending bills due to an inflated budget.
- The County Government should take up measures including through the Council of Governors Forum to ensure that both donor and exchequer funds are remitted within timelines