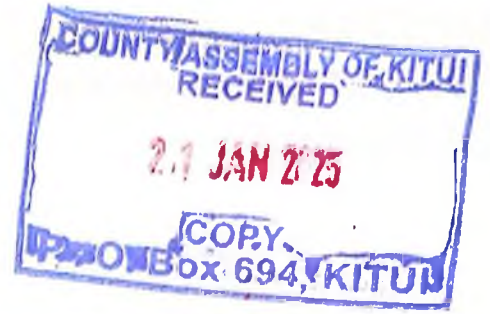


COUNTY GOVERNMENT OF KITUI



MINISTRY OF FINANCE, ECONOMIC PLANNING
& REVENUE MANAGEMENT

FY2024/25 QUARTER TWO BUDGET IMPLEMENTATION REVIEW REPORT



Department of Economic Planning & Budgeting

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COUNTY GOVERNMENT OF KITUI

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FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT

When replying please quote

Ref No. CGKTI/CT/FIN/1/III/(2024-2025)/1

15TH JANUARY, 2025

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



RE: BUDGET IMPLEMENTATION REPORT QUARTER TWO FY 2024/2025

The above matter refers.

Forwarded herewith please find the Budget Implementation Report (BIR) Quarter two FY 2024/2025 for your necessary attention.

A handwritten signature in blue ink, appearing to read "Peter Mwikya Kilonzo".

Peter Mwikya Kilonzo

**County Executive Committee Member
Finance, Economic Planning and Revenue Management**



FOREWORD

The Budget Implementation Reports, crafted in strict adherence to the Public Finance Act of 2012, serve as a critical tool for fiscal oversight within the County. These reports are meticulously compiled on a quarterly and annual basis, providing a comprehensive analysis of the County's financial activities, including both revenues and expenditures, for the respective periods under scrutiny.

In a detailed manner, the reports dissect the expenditures by allocating them to the relevant Ministries, juxtaposed against their allocated budgets. This granular approach facilitates the calculation of the absorption rates for each Ministry, offering a clear view of budget utilization.

The reports delve into the revenue streams flowing into the County's coffers, meticulously itemizing the amounts accrued from each source during the review period. Internal revenue sources undergo a rigorous comparison against predefined targets, thereby evaluating the County's efficacy in revenue collection. Concurrently, the reports scrutinize external revenue channels, such as grants, loans, and funds from the National government, to ascertain the extent of their contribution in augmenting local revenues and supporting the County's expenditures.

Each Ministry's financial outlay is juxtaposed with the quarterly budgetary estimates to ascertain the absorption rates for the quarters. The Budget Implementation Report categorizes expenditures into two main types: recurrent and development. Recurrent expenditures are further segmented into personal emoluments and operations & maintenance costs, ensuring a transparent and accountable budgetary process.

At the culmination of the Financial Year, an annual Budget Implementation Report is prepared. This report is pivotal in analyzing the cumulative fiscal performance of the County, encompassing the totality of expenditures against the annual budget and the revenues amassed during the year.

Moreover, the Budget Implementation Report does not shy away from addressing the challenges encountered during budget execution. It provides a candid assessment of the hurdles faced and proposes potential remedies, thereby fostering a culture of continuous improvement in fiscal management. This proactive stance ensures that the County remains on a path of prudent financial stewardship, aligned with the overarching goals of economic development and sustainability.



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



ACKNOWLEDGEMENT

The development of the Budget Implementation Report for FY2024/25 Quarter two was a collaborative endeavor, drawing upon a wealth of data and insights from across the various sectors, departments, and spending entities within the County Government of Kitui. This comprehensive document is the result of the collective efforts and unwavering dedication of numerous individuals, to whom I owe a debt of gratitude.

At the forefront, I must extend my deepest appreciation to His Excellency the Governor, Dr. Julius Makau Malombe, whose visionary leadership and steadfast support have been instrumental in guiding this process. His commitment to fiscal responsibility and transparency has set the tone for the meticulous preparation of this report.

I am particularly indebted to Mr. Peter Mwikya Kilonzo, the esteemed County Executive Committee Member for the Ministry of Finance, Economic Planning, and Revenue Management. His technical expertise and insightful contributions have been invaluable in shaping the analytical framework of this paper.

The backbone of this undertaking has been the Chief Officers of the County. Their leadership in marshaling their respective teams to furnish the necessary data has been pivotal. Their role cannot be overstated, and I am profoundly thankful for their cooperation and diligence.

I must also commend my dedicated team of economic planners. Their tireless work behind the scenes, often extending beyond the call of duty, has been a testament to their professionalism and commitment to excellence.

Lastly, but certainly not least, I wish to acknowledge the silent contributors—those individuals whose indirect support may go unnoticed but is nonetheless essential. Their contributions have been the threads that weave together the fabric of this report's success.



Patrick Masila Munuve
Chief Officer
Economic Planning and Budgeting



EXECUTIVE SUMMARY

The Quarter Two performance review for FY2024/25 presents an intricate snapshot of Kitui County's fiscal health, highlighting notable achievements, persistent challenges, and areas requiring strategic intervention.

Revenue Performance

The county exhibited an exceptional overall revenue realization rate of **141.53%**, collecting **Ksh. 212.30 million** against a target of **Ksh. 150 million**. Key contributors included the Ministry of Health and Sanitation (**202.85%**) and the Ministry of Water and Irrigation (**215.47%**). However, significant underperformance in other sectors, such as the Ministry of Energy and Environment (**2.42%**) and Trade (**36.33%**), indicates disparities in revenue generation capacity. This uneven performance calls for sector-specific interventions to optimize collection efficiency.

Expenditure Analysis

Recurrent Expenditure

The county's recurrent expenditure had an absorption rate of **72%**, with notable efficiency in personnel emoluments at **110%**. The Health and Sanitation sector stood out, exceeding its allocation with an **183%** absorption rate. However, operational and maintenance expenses recorded an average absorption of only **44%**, reflecting delayed or constrained execution of activities.

Development Expenditure

Development expenditure was significantly underutilized, achieving an absorption rate of only **30%**. Several key ministries, including Agriculture, Education, and Health, lagged in project implementation. This underperformance reflects challenges in procurement processes, project management, and financial disbursements.

Exchequer Releases

Exchequer disbursements for the quarter totaled **Ksh. 3.58 billion**, against an anticipated budget of **Ksh. 6.341 billion**, leaving a funding gap of **Ksh. 2.761 billion**. The lack of grants during the period further exacerbated financial constraints, negatively impacting the county's ability to implement both recurrent and development programs.

Pending Bills

The county made substantial progress in settling pending bills, clearing **Ksh. 1.29 billion** by the end of Q2, including **Ksh. 421.97 million** for court decrees and awards. However, **Ksh. 168.91 million** in outstanding bills remain unresolved. Persistent pending liabilities risk undermining service delivery and supplier confidence.

To address these issues, key recommendations include enhancing revenue mobilization through optimized collection mechanisms, strengthening fiscal discipline to align recurrent expenditures with budgetary allocations, accelerating development project implementation, and advocating for timely exchequer releases. Additionally, the county must develop a comprehensive strategy for clearing pending bills and improving operational efficiency to ensure equitable resource utilization across all ministries.

This review underscores the critical importance of addressing emerging fiscal imbalances and optimizing resource utilization to achieve sustainable socio-economic development in Kitui County. With strategic interventions and enhanced governance frameworks, the county can build a resilient fiscal trajectory to meet its long-term objectives.



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 TREND FROM FY 2018/2019 TO 2024/2025

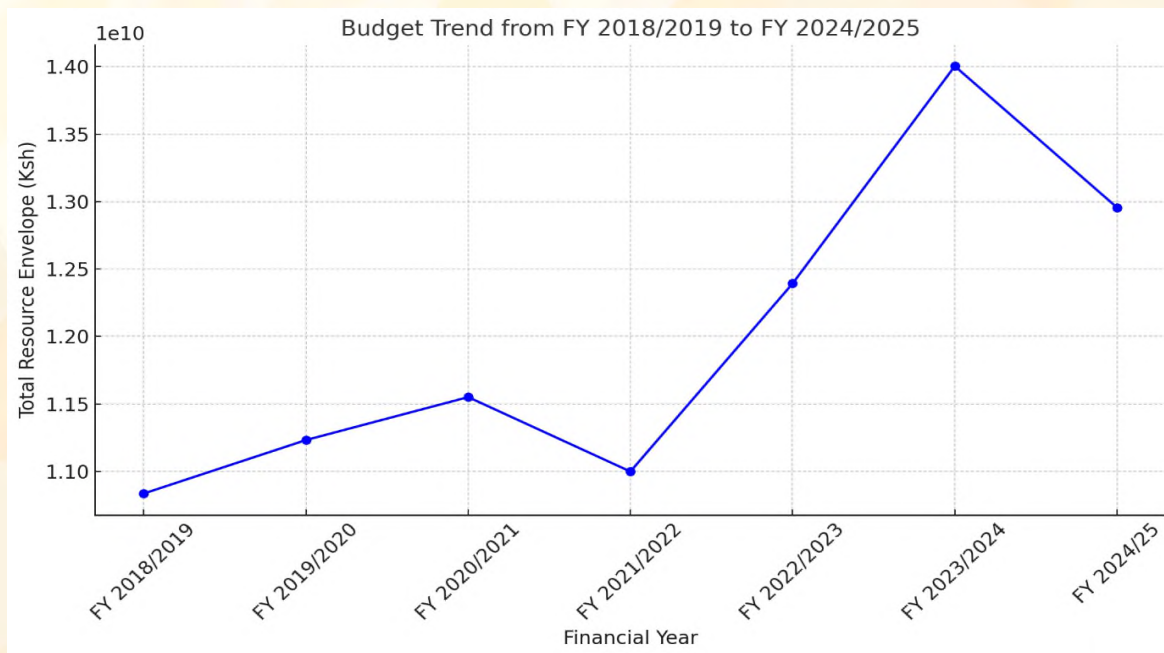
The budget trend presented from FY 2018/2019 to FY 2024/2025 highlights a steady growth in the total resource envelope, reflecting the county's progressive fiscal strategy. In FY 2018/2019, the total resource envelope was Ksh 10,835,633,222. Over the next year, FY 2019/2020, this amount increased marginally to Ksh 11,231,977,621, marking a rise of approximately 3.7%. This upward trajectory continued in FY 2020/2021, with a further increase to Ksh 11,550,477,465, showing an expansion of about 2.8% from the previous year.

However, in FY 2021/2022, the total resource envelope slightly decreased to Ksh 10,898,567,165, a reduction of 5.6%. This drop could be attributed to various fiscal constraints, including revenue shortfalls or reallocation to other priority areas. But the following year, FY 2022/2023, saw a rebound, with the total resource envelope growing to Ksh 12,392,524,775, reflecting a 13.7% increase. This surge signals the county's efforts to bolster its financial capacity and implement development projects.

In FY 2023/2024, the resource envelope further expanded to Ksh 14,004,288,437, a significant increase of 13.1%. The budget for FY 2024/2025, though slightly reduced to Ksh 12,956,277,438, still maintains a steady level of financial resources, ensuring the continued execution of ongoing and new projects. This budgetary growth signifies the county's commitment to enhancing its fiscal base, addressing developmental needs, and achieving financial sustainability.

Table 1: Budget trend from F2018/2019 to FY 2024/2025

Financial Year	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY2024/25
Total Resource Envelope	10,835,633,222	11,231,977,621	11,550,477,465	10,898,567,165	12,392,524,775	14,004,288,437	12,956,277,438



Budget Highlights for FY 2024/2025

This table outlines the projected resource envelope for the fiscal year 2024/2025, divided into three main sources of funding: **Equitable Share**, **Grants**, and **Own Revenue**. The total estimated resources for the county government amount to **KES 12,956,277,438**, with a breakdown of funding sources as follows:

1. Equitable Share:

The equitable share represents the largest portion of the resource envelope, amounting to **KES 11,244,322,462**. This funding is provided by the national government as part of the revenue-sharing formula.



Source	Projected Estimates (KES)
Equitable Share	11,244,322,462
Transfer of Library Services	-
Subtotal Equitable Share	11,244,322,462

2. Grants:

Grants are funds received from various development partners and programs. These include specific projects such as road maintenance, agricultural development, and health programs.

Source	Projected Estimates (KES)
Road Maintenance Fuel Levy	445,098,850
Grants from World Bank (KDSP)	37,500,000
World Bank (Emergency Locust Response Project)	121,025,000
IDA (World Bank) Credit (National Agricultural Value Chain Development Project)	151,515,152
HSSP/HSPS (DANIDA/IDA)	13,601,250
County Aggregation and Industrial Parks Programme	250,000,000
Community Health Promoters	58,050,445
Kenya Urban Support Project (UIG) - World Bank	35,000,000
Allocation for Court Fines	50,000
Allocation for 20% Share of Mineral Royalties	114,279
Subtotal Grants	1,111,954,976

3. Own Revenue:

This includes locally generated revenue from various ministries and entities. The total own revenue projected for FY2024/25 is **KES 600,000,000**.

County Ministry/Entity	Projected Estimates (KES)
Office of the Governor	14,839,376
Office of the Deputy Governor	109,921
Ministry of Water and Irrigation	2,218,585
Ministry of Education, Training & Skills Development	109,921
Ministry of Roads, Public Works & Transport	3,546,061
Ministry of Health and Sanitation	359,488,027
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	3,352,600
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	6,340,848
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	219,843
Ministry of Finance, Economic Planning & Revenue Management	90,049,834
Ministry of Agriculture & Livestock	10,753,290
Ministry of Lands, Housing & Urban Development	26,739,278
Kitui Municipality	54,523,622
Mwingi Town Administration	27,708,793
Subtotal Own Revenue	600,000,000



Total Resource Envelope:

The combined total of the three sources of funding gives the county a resource envelope of **KES 12,956,277,438**, with the following breakdown by percentage:

Source	% of Total Resource Envelope
Equitable Share	87%
Grants	9%
Own Resources	5%
Total	100%

Key Observations:

- **Equitable Share** dominates the budget, making up 87% of the total resources. This aligns with the county's dependence on national government transfers.
- **Grants** provide an important supplementary role, contributing 9% of the total budget. These funds are mostly directed towards specific development programs, such as infrastructure and health.
- **Own Revenue** accounts for 5%, reflecting the county's efforts to generate local resources, but still reliant on national support for the majority of funding. This resource envelope provides a comprehensive view of the expected financial resources for the county and outlines the major funding streams supporting the planned activities for FY2024/25.

Budget Summary by Spending Entity/Ministry for FY2024/25

This summary presents the budget estimates for various ministries within the County for the fiscal year 2024/25. The figures are categorized by Recurrent Expenditure, Development Expenditure, and the Total Budget for each entity. The total budget for the county government for FY2024/25 is **KES 12,956,277,438**.

Key Observations:

- **Ministry of Health & Sanitation:**
With a budget of **KES 3,852,172,162** (30% of the total budget), this ministry receives the highest share of the county budget. The ministry's allocation is largely directed towards both recurrent and development activities aimed at improving health services.
- **Office of the Governor:**
The Governor's office receives a significant share of the budget, totaling **KES 2,032,933,603** (16%), with a focus on both personnel emoluments and operational maintenance to support governance functions.
- **Ministry of Education, Training & Skills Development:**
This ministry is allocated **KES 1,043,425,266** (8%), supporting education, training, and skills development initiatives across the county.
- **Ministry of Roads, Public Works & Transport:**
A substantial budget of **KES 944,374,905** (7%) is allocated to roads and transport infrastructure, which is vital for improving transportation networks and public works in the county.
- **Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives:**
Receiving **KES 723,241,575** (6%), this ministry's budget aims to foster trade, industry growth, and support for MSMEs and cooperative ventures within the county.
- **Kitui Municipality & Mwingi Town Administration:**
These entities receive relatively smaller portions, totaling **KES 165,658,280** (1%) for Kitui Municipality and **KES 92,890,759** (1%) for Mwingi Town Administration. This budget is aimed at improving local governance and infrastructure.



- **County Assembly Service Board:**

The County Assembly is allocated **KES 1,100,630,000** (8%), funding both recurrent costs and operational needs for the county's legislative arm.

Analysis:

- **Health & Sanitation** remains the top priority sector, consuming 30% of the total county budget, which aligns with the ongoing efforts to expand health services and infrastructure.
- **Infrastructure and Roads:** Significant investments in **Ministry of Roads, Public Works & Transport** (7%) and **Ministry of Water & Irrigation** (6%) underline the county's commitment to improving infrastructure.
- **Education** and **Trade** receive substantial allocations, signaling the importance placed on human capital development and economic diversification.
- **Lower Allocations for Municipalities:** With only 1% of the budget allocated to each of Kitui Municipality and Mwingi Town Administration, there is limited funding for local administrative development.



Budget Summary by Spending Entity for FY2024/25

County Ministry	Recurrent Estimates		Total Recurrent Estimates	Development Estimates	Total Budget Estimates	%
	PE	O&M				
Office of the Governor	508,750,023	636,428,416	1,145,178,439	887,755,163	2,032,933,603	16%
Office of the Deputy Governor	67,995,241	84,910,065	152,905,306	41,502,808	194,408,114	2%
Ministry of Water & Irrigation	92,191,299	53,231,948	145,423,247	569,780,836	715,204,083	6%
Ministry of Education, Training & Skills Development	792,641,583	163,826,190	956,467,773	86,957,493	1,043,425,266	8%
Ministry of Roads, Public Works & Transport	155,338,312	58,952,011	214,290,323	730,084,582	944,374,905	7%
Ministry of Health & Sanitation	2,634,866,339	1,018,631,094	3,653,497,433	198,674,729	3,852,172,162	30%
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	85,147,508	106,744,436	191,891,944	531,349,631	723,241,575	6%
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	51,627,213	74,414,131	126,041,344	173,509,734	299,551,078	2%
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	69,159,768	68,571,156	137,730,924	68,560,406	206,291,330	2%
Ministry of Finance, Economic Planning & Revenue Management	221,304,941	152,381,199	373,686,139	63,125,000	436,811,139	3%
County Public Service Board	29,665,152	37,201,506	66,866,658	10,000,000	76,866,658	1%
County Assembly Service Board	468,287,168	594,300,824	1,062,587,992	38,042,008	1,100,630,000	8%
Kitui Municipality	33,636,755	46,559,814	80,196,569	85,461,711	165,658,280	1%
Mwingi Town Administration	31,360,891	31,710,868	63,071,759	29,819,000	92,890,759	1%
Ministry of Agriculture & Livestock	260,189,069	107,480,188	367,669,257	342,629,871	710,299,128	5%
Ministry of Lands, Housing and Urban Development	56,983,440	30,592,194	87,575,634	273,943,725	361,519,359	3%
TOTALS	5,559,144,702	3,265,936,039	8,825,080,741	4,131,196,697	12,956,277,438	100%



Budget Allocation by Programme for FY 2024/2025

VOTE CODE TITLE	PROGRAMME CODE AND TITLE	RECURRENT ESTIMATES	DEVELOPMENT ESTIMATES	TOTAL
		Kshs	Kshs	Kshs
Office of The Governor	Total	1,145,178,439	887,755,163	2,032,933,603
	0701003710 P1: General Administration Planning and Support Services	835,578,023	798,774,535	1,634,352,558
	0703003710 P3: Enforcement Unit	14,770,000	-	14,770,000
	0704003710 SP 4.0 Human Resource Management Unit	17,720,000	-	17,720,000
	0705003710 SP 5.0 Special Programmes	8,870,000	-	8,870,000
	0706003710 SP 4.0 Records Management	12,120,000	-	12,120,000
	0707003710 SP 7.0 Policy Development and Coordination	5,600,000	-	5,600,000
	0703003710 P3 Legal and Head of Public Service Administration (Office of the County Secretary)	19,439,000	-	19,439,000
	0704003710 SP 4.1 Public Communication	7,020,350	-	7,020,350
	Public Relations and Customer Care	1,208,700	-	1,208,700
	SEKEB and Intergovernmental Relations	46,255,194	-	46,255,194
	0707003710 P8: Monitoring and Evaluation	6,879,683	-	6,879,683
	Protocol Unit	4979053.6	0	4,979,054
	Office of the County Attorney	33,006,000	-	33,006,000
	Office of the Chief of Staff	41,053,000	-	41,053,000
	0705003710 P6: County Government Administration and Field Services	58,056,988	88,980,628	147,037,616
	0706003710 P7: Devolution Services	17,599,050	-	17,599,050
0709003710 P9: Cabinet Affairs	15,023,399	-	15,023,399	
Office of The Deputy Governor	Total	152,905,306	41,502,808	194,408,114
	0701003710 P1: General Administration Planning and Support Services	25,440,142	-	25,440,142
	100303 SP. 2.2 Wildlife Conservation and Security	24,204,735	2,527,261	26,731,996
	0305003710 P2: Tourism Development and Promotion	34,889,216	2,000,000	36,889,216
	SP 3.2 0305033710 Tourism Infrastructure Development	10,955,125	17,625,547	28,580,672
	Performance Contracting, Disaster and Emergency Services	45,261,946	-	45,261,946
	SP2. 0717023710. Disaster and Emergency Services	12,154,142	19,350,000	31,504,142
Agriculture, Water & Irrigation	Total	145,423,247	569,780,836	715,204,083
	0101003710 P1: General Administration Planning and Support Services	97,342,305	-	97,342,305
	0111003710 P8: Water Resources Management Administration Services	19,099,366	-	19,099,366
	0111003710 P4 Water Resources Management	8,853,796	308,227,045	317,080,841
	0111023710 SP. 8.2 Water Supply Infrastructure	7,587,195	86,401,951	93,989,146
	0104003710 P2: Irrigation Development and Management(12,540,586	175,151,840	187,692,426



VOTE CODE TITLE	PROGRAMME CODE AND TITLE	RECURRENT ESTIMATES	DEVELOPMENT ESTIMATES	TOTAL
		Kshs	Kshs	Kshs
Education, Training & Skills Development	Total	956,467,773	86,957,493	1,043,425,266
	0501003710 P1: General Administration, Planning and Support Services	799,987,769	-	799,987,769
	0502003710 P2: Primary Education	110,872,002	47,160,698	158,032,700
	0507003710 P4: Youth Training and Development	24,611,660	37,796,795	62,408,455
	0503003710 P5: Quality Assurance and Standards	20,996,342	2,000,000	22,996,342
Roads, Public Works & Transport	Total	214,290,323	730,084,582	944,374,905
	0101003710 P1: General Administration Planning and Support Services	162,915,312	-	162,915,312
	0109003710 P4: Government Buildings	5,609,300	9,080,000	14,689,300
	0110003710 P5: Road Transport	6,281,300	586,060,120	592,341,420
	0110003710 P5. Transport and Boda Boda Secto	39,484,411	134,944,462	174,428,873
Health & Sanitation	Total	3,653,497,433	198,674,729	3,852,172,162
	0401003710 P1: General Administration, Planning & Support Services	927,358,559	2,157,207	929,515,766
	SP. 1.20401033710 SP. 1.3 HEALTH STANDARDS, QUALITY ASSURANCE & STANDARD	3,000,000	-	3,000,000
	SP. 1.3 0401023710 SP. 1.2 HEALTH POLICY, PLANNING & FINANCING	101,507,362	112,217,939	213,725,301
	SUB PROGRAMME: SP. 4.2 (040201) County Referral Services	1,370,000	-	1,370,000
	4.5 HOSPITAL FIF /COST SHARING REFUNDS FOR THE 11 COUNTY HOSPITALS	399,656,250	10,044,000	409,700,250
	PROGRAMME: P.3 (040100) PREVENTIVE & PROMOTIVE HEALTH SERVICES	1,065,101,854	19,411,165	1,084,513,019
	SUB PROGRAMME: '0404043710 PRIMARY CARE NETWORKS	2,000,000	3,557,250	5,557,250
	SUB PROGRAMME: 0404033710 SP. 2.2 IMMUNIZATION AND DISEASE SURVEILLANCE	3,244,170	-	3,244,170
	SP. 4.3 0403033710 SUB PROGRAMME: 2.6:(040401) HEALTH PROMOTION	2,659,869	-	2,659,869
	2.5 SUB PROGRAMME: 2.4 (040301) COMMUNICABLE DISEASE CONTROL	4,042,443	-	4,042,443
	2.5 2.6SUB PROGRAMME: 2.5 (040302) NON-COMMUNICABLE DISEASE PREVENTION & CONTROL	1,681,200	-	1,681,200
	2.5 2.6:SUB PROGRAMME: 2.6:(040401) HEALTH PROMOTION	2,302,574	-	2,302,574
	2.5 2.6:SP. 3.3 (040402) Specilaised Services	3,627,337	-	3,627,337
	PROGRAMME: P.4 (040200) CURATIVE HEALTH SERVICES	1,135,945,814	51,287,168	1,187,232,982
Trade, Industry, MSMEs, Innovations & Cooperatives	Total	191,891,944	531,349,631	723,241,575
	0301003710 P1: General administration and support-H/Qs	110,140,058	-	110,140,058
	0303003710 P2: Trade development and Promotion	22,188,443	85,849,631	108,038,074
	030702 S.P 2.2 Fair Trade Practice and Consumer Protection	14,716,475	443,000,000	457,716,475
	030400 P 3 Cooperative Development and Management	28,331,629	-	28,331,629
	Sub-programme: 030403 SP. 3.2 Marketing, Value Addition and Research	16,515,339	2,500,000	19,015,339



VOTE CODE TITLE	PROGRAMME CODE AND TITLE	RECURRENT ESTIMATES	DEVELOPMENT ESTIMATES	TOTAL
		Kshs	Kshs	Kshs
Energy, Environment, Forestry, Natural & Mineral Resources	Total	126,041,344	173,509,734	299,551,078
	1001003710 P1 General Administration, Planning and Support Services	39,584,360	-	39,584,360
	1002003710 P2 Environment Management and Protection	17,238,434	500,000	17,738,434
	100400 P1 Waste Management	992,178	-	992,178
	1006003710 P4 Climate Change Adaptation and Mitigation	1,294,218	57,636,701	58,930,919
	100300 P1 Natural Resources Conservation and Management	1,748,179	15,445,014	17,193,193
	100200 P1 Environmental Management and Protection	1,300,642	-	1,300,642
	021300 P 5: Power Transmission and Distribution	9,822,841	40,000,000	49,822,841
	021400 P 6: Alternative Energy Technologies	3,926,462	49,447,732	53,374,194
	Sub programme: 021203 Community sensitization and awareness creation in minerals rich areas	5,760,877	2,000,000	7,760,877
	Sub programme: 100701 Training and Capacity building	1,644,445	800,000	2,444,445
	100900 P.8. Mineral Resources Management	39,500,000	-	39,500,000
	100900 P.8. Mineral Resources Management	3,228,708	7,680,287	10,908,995
Culture, Gender, Youth, ICT, Sports and Social Services	Total	137,730,924	68,560,406	206,291,330
	0301003710 P1: General Administration, Planning and Support Services	74,134,585	-	74,134,585
	071103 S.P.4.2 Youth Development Services	8,335,246	2,626,501	10,961,747
	021000 P3 ICT Infrastructure Development	6,122,800	2,216,000	8,338,800
	090100 P.3 Sports	17,464,600	-	17,464,600
	090102 SP. 3.2 Development and Management of Sports Facilities	937,400	53,000,000	53,937,400
	071106 S.P.2.2 Gender	6,623,813	532,905	7,156,718
	090200 P.4 Culture Conservation of Heritage	9,881,100	10,185,000	20,066,100
	090800 P 5: Social Development and Children Services	12,090,600	-	12,090,600
090803 S.P 5.2: Child Community Support Serv	2,140,780	-	2,140,780	
Finance, Economic Planning & Revenue Management	Total	373,686,139	63,125,000	436,811,139
	0701003710 P1: General Administration, Planning and Support Services	273,097,524	63,125,000	336,222,524
	0710003710 P2: Economic Policy and County Planning	21,304,968	-	21,304,968
	071802 SP 4.2 Budget Formulation Coordination and Management	13,329,321	-	13,329,321
	0711003710 P3: Monitoring and Evaluation Services	4,473,424	-	4,473,424
	071800 P 4: Public Financial Management	33,728,219	-	33,728,219
	071803 SP 2.3 Audit Services	6,958,400	-	6,958,400
	071804 SP 2.5 Financial Services	13,985,355	-	13,985,355
0704003710 P4: Department of Supply Chain Management Services	6,808,928	-	6,808,928	



VOTE CODE TITLE	PROGRAMME CODE AND TITLE	RECURRENT ESTIMATES	DEVELOPMENT ESTIMATES	TOTAL
		Kshs	Kshs	Kshs
County Public Service Board	Total	66,866,658	10,000,000	76,866,658
	0701003710 P1: General Administration, Planning and Support Services	43,423,152	-	43,423,152
	0713003710 P2: Human Resource Management and Development	9,427,000	-	9,427,000
	072600 P.2 Human Resource Management and Developmen	8,024,200	-	8,024,200
	0714003710 P3: Governance and County Values	5,992,306	10,000,000	15,992,306
County Assembly Service Board	Total	1,062,587,992	38,042,008	1,100,630,000
	0701013710 P1: General Administration, Planning and Support Services	383,550,294	-	383,550,294
	0715013710 P2: Legislation, Representation and Oversight	679,037,698	38,042,008	717,079,706
Kitui Municipality	Total	80,196,569	85,461,711	165,658,280
	0201003710 P1: General Administration Planning and Support Services	51,454,569	27,600,000	79,054,569
	073000 P.1 Control and Management of Public finances	5,796,000	4,300,000	10,096,000
	0202003710 P.2 Planning, Development Control, Transport and Infrastructure	4,439,000	43,500,000	47,939,000
	030700 P 3: Trade Development and Promotion	3,649,000	3,000,000	6,649,000
	Environment, Culture, Recreation and Community Development	14,858,000	7,061,711	21,919,711
Mwingi Town Administration	Total	63,071,759	29,819,000	92,890,759
	0201003710 P1: General Administration Planning and Support Services	46,928,010	5,000,000	51,928,010
	P2 Government Buildings	7,101,543	3,819,000	10,920,543
	P3 Urban and Metropolitan Development	6,571,220	10,500,000	17,071,220
	SP.3.2 Safety and Emergency	580,000	-	580,000
	SP.3.3 Urban Markets Development	152,323	2,500,000	2,652,323
	1001000000 Environmental Policy Management	1,321,200	8,000,000	9,321,200
	0706003710 P5: Devolution Services	417,463	-	417,463
Agriculture & Livestock	Total	367,669,257	342,629,871	710,299,128
	0101003710 P1: General Administration Planning and Support Services	216,124,641	-	216,124,641
	0102003710 P2: Land and Crops Development(Crop Development and Management)	9,908,038	122,744,809	132,652,847
	0103003710 P3: Agribusiness and Information Management (Farm development and Agribusiness development)	42,954,588	167,724,258	210,678,846
	P 4: Agricultural Extension Services and Training	21,390,034	29,744,121	51,134,155
	0105003710 P2: Fisheries Development and Management	2,810,676	-	2,810,676
	0101003710 P1: General Administration Planning and Support Services	59,690,830	-	59,690,830
	0106003710 P 3: Livestock Resources Management and Development	7,359,372	11,200,000	18,559,372
0106023710 SP 3.2 Livestock Diseases Management and Control	7,431,078	11,216,683	18,647,761	



VOTE CODE TITLE	PROGRAMME CODE AND TITLE	RECURRENT ESTIMATES	DEVELOPMENT ESTIMATES	TOTAL
		Kshs	Kshs	Kshs
Lands, Housing & Urban Development	Total	87,575,634	273,943,725	361,519,359
	0101003710 P1: General Administration Planning and Support Services	64,698,840	-	64,698,840
	010700371 P3. Housing Development and Human Settlement	2,062,400	-	2,062,400
	P2. Land Policy and Planning	3,965,000	4,831,598	8,796,598
	SP 2.2. Land Survey	6,094,484	-	6,094,484
	SP 2.3. Land Adjudication	5,138,800	15,800,000	20,938,800
	0107003710: Urban Development and Human Settlement	5,616,110	253,312,127	258,928,237
Total Voted Expenditure Kshs		8,825,080,741	4,131,196,697	12,956,277,438
County Executive		7,762,492,749	4,093,154,689	11,855,647,438
County Assembly		1,062,587,992	38,042,008	1,100,630,000
Total County Budget		8,825,080,741	4,131,196,697	12,956,277,438
PERCENTAGE		68%	32%	100%



2.0 REVIEW OF QUARTER TWO FISCAL PERFORMANCE

FY2024/25 Quarter Two Budget Expenditure Analysis

The fiscal year 2024/25's second-quarter budget performance reveals significant variances across economic expenditure categories, showcasing the government's fiscal priorities and execution challenges. Below is a detailed analysis:

Development Expenditure

The development budget for Q2 was allocated at Ksh. 3,324,273,060, yet the actual expenditure amounted to Ksh. 992,638,414, representing a utilization rate of 30%. This resulted in a variance of Ksh. 2,331,634,646, indicating sluggish absorption in development projects. Delays in project implementation, procurement bottlenecks, or challenges in resource mobilization could be contributing factors.

Operations and Maintenance (O&M)

An allocated budget of Ksh. 1,851,907,151 for operations and maintenance saw an expenditure of Ksh. 816,850,405, translating to an absorption rate of 44%. The variance of Ksh. 1,035,056,746 highlights moderate performance, though significant room for improvement exists. This could be attributed to cost-saving measures, delayed disbursements, or streamlined processes.

Personal Emoluments

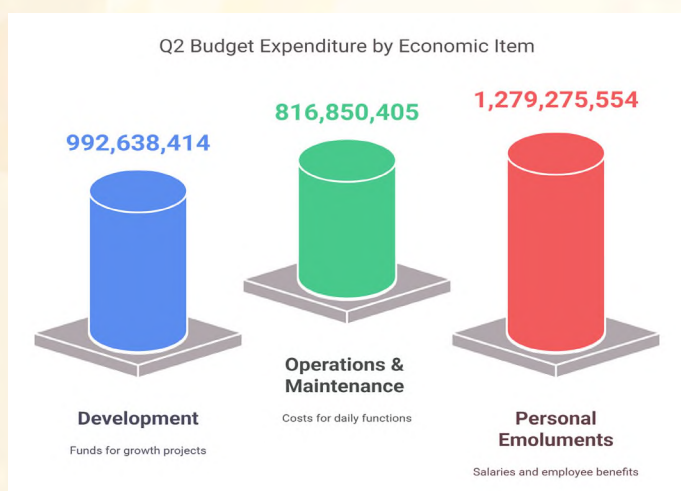
Personal emoluments overshot their allocated budget of Ksh. 1,165,306,788, with actual expenditures totaling Ksh. 1,279,275,554, resulting in an overrun of Ksh. 113,968,766. The absorption rate here was 110%, reflecting unavoidable expenditure commitments such as salary adjustments, overtime payments, or unplanned recruitments.

Aggregate Performance

The total budgetary allocation for the quarter was Ksh. 6,341,486,999, against which Ksh. 3,088,764,373 was spent, reflecting an overall absorption rate of 49%. The cumulative variance stands at Ksh. 3,252,722,626, underscoring the need for enhanced efficiency in budget implementation, especially in development-related expenditures.

FY2024/25 Quarter Two Budget Expenditure by type

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Development	3,324,273,060	992,638,414	2,331,634,646	30
Operations & Maintenance	1,851,907,151	816,850,405	1,035,056,746	44
Personal Emoluments	1,165,306,788	1,279,275,554	(113,968,766)	110
Grand Total	6,341,486,999	3,088,764,373	3,252,722,626	49



2.1 Expenditure Analysis by Spending Entity

Overall Budget Overview

For the second quarter of FY2024/25, the county's total budget stood at **Ksh. 6,341,486,999**, with a cumulative expenditure of **Ksh. 3,088,764,373**, translating to an overall absorption rate of **49%**. This left a significant variance of **Ksh. 3,252,722,626**, indicating moderate fiscal performance. The disparity in budget execution across spending entities highlights critical gaps in resource utilization, necessitating strategic realignments.

High-Performing Entities

Entities achieving superior budget utilization exhibited remarkable absorption rates, demonstrating efficient fiscal management:

- **Ministry of Roads, Public Works and Transport:** Achieved an **81% absorption rate**, utilizing **Ksh. 303,339,505** out of an allocation of **Ksh. 373,420,773**.
- **Health and Sanitation:** Similarly high at **81%**, spending **Ksh. 616,266,218** of the allocated **Ksh. 761,961,056**.
- **Education, Training and Skills Development:** Recorded **74%**, with **Ksh. 396,355,785** spent from **Ksh. 532,067,758**.

Moderate-Performing Entities

Entities with moderate fiscal execution highlighted a balance between expenditure and prudence:

- **Ministry of Finance, Economic Planning and Revenue Management:** **62% absorption rate**, spending **Ksh. 239,877,845** of **Ksh. 384,961,560**.
- **County Public Service Board:** Managed a **57% absorption rate**, spending **Ksh. 20,781,778** of **Ksh. 36,569,870**.
- **Office of the Governor:** **46% absorption**, with **Ksh. 629,059,875** utilized out of **Ksh. 1,368,854,702**.

Low-Performing Entities

These entities struggled to achieve budgetary objectives, reflecting significant variances:

- **Ministry of Agriculture and Livestock:** The lowest performer with a mere **20% absorption**, utilizing **Ksh. 117,246,522** of **Ksh. 596,278,753**.
- **County Assembly:** Spent only **27%** of its allocation (**Ksh. 204,500,898** from **Ksh. 745,649,264**).
- **Trade, Industry, MSMEs Innovation & Cooperatives:** Recorded **26%**, spending **Ksh. 63,673,005** of **Ksh. 242,537,989**.
- **Mwingi Town Administration:** Notable for underperformance with **24%**, spending **Ksh. 12,302,316** of **Ksh. 52,257,549**.

Conclusion

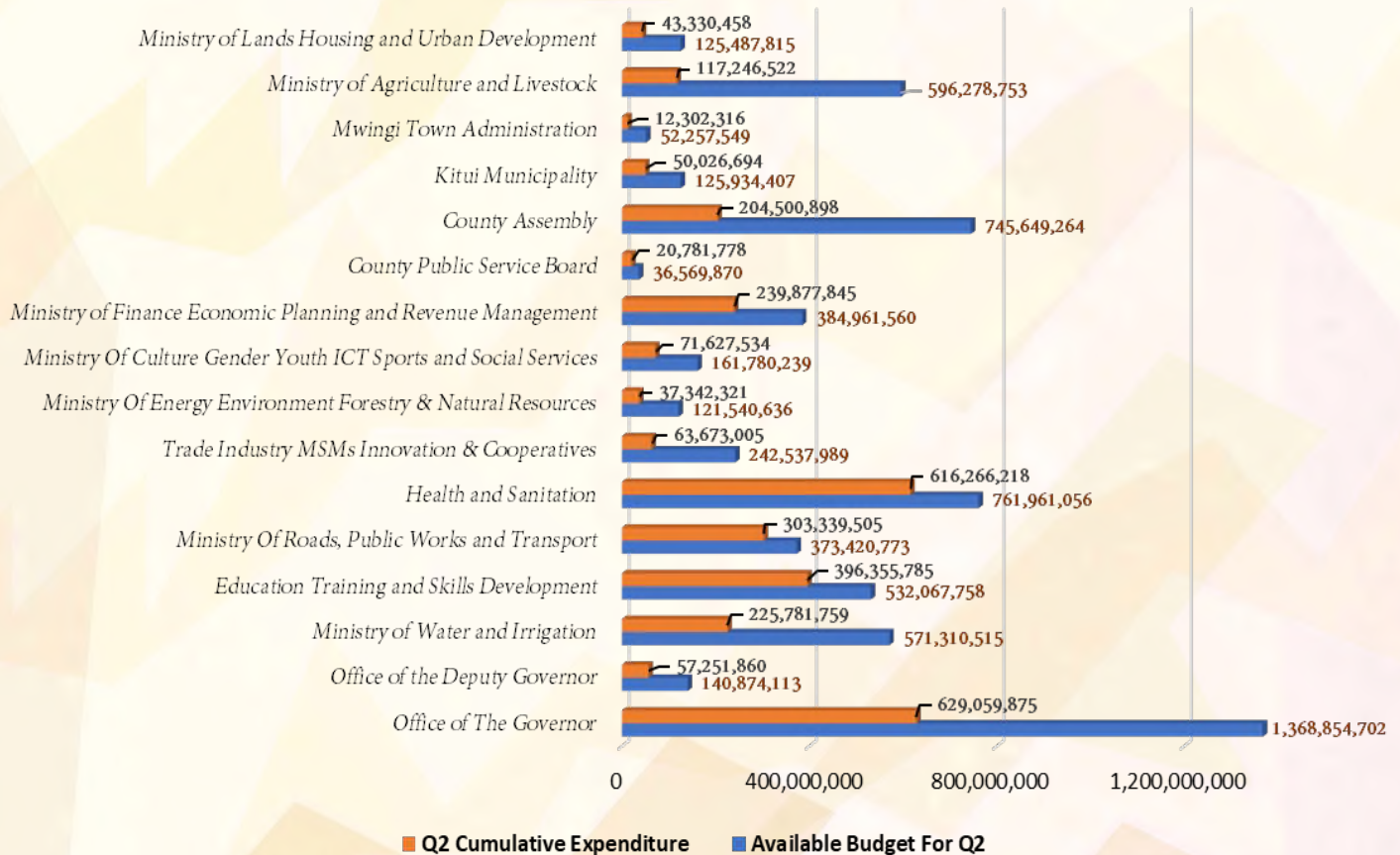
While high-performing entities underscore operational efficiency, the substantial disparities in low-performing sectors necessitate strategic interventions, including enhanced planning, expedited disbursement, and capacity-building measures, to foster equitable resource absorption and implementation fidelity.



Expenditure Classification by Spending Entity

Spending	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Office of The Governor	1,368,854,702	629,059,875	739,794,827	46
Office of the Deputy Governor	140,874,113	57,251,860	83,622,253	41
Ministry of Water and Irrigation	571,310,515	225,781,759	345,528,756	40
Education Training and Skills Development	532,067,758	396,355,785	135,711,973	74
Ministry Of Roads, Public Works and Transport	373,420,773	303,339,505	70,081,268	81
Health and Sanitation	761,961,056	616,266,218	145,694,838	81
Trade Industry MSMs Innovation & Cooperatives	242,537,989	63,673,005	178,864,984	26
Ministry Of Energy Environment Forestry & Natural Resources	121,540,636	37,342,321	84,198,315	31
Ministry Of Culture Gender Youth ICT Sports and Social Services	161,780,239	71,627,534	90,152,705	44
Ministry of Finance Economic Planning and Revenue Management	384,961,560	239,877,845	145,083,715	62
County Public Service Board	36,569,870	20,781,778	15,788,092	57
County Assembly	745,649,264	204,500,898	541,148,366	27
Kitui Municipality	125,934,407	50,026,694	75,907,713	40
Mwingi Town Administration	52,257,549	12,302,316	39,955,233	24
Ministry of Agriculture and Livestock	596,278,753	117,246,522	479,032,231	20
Ministry of Lands Housing and Urban Development	125,487,815	43,330,458	82,157,357	35
Grand Total	6,341,486,999	3,088,764,373	3,252,722,626	49

Q2 Expenditure by Spending Entity



2.2 Expenditure Analysis by Economic classification

Overview

The FY2024/25 Q2 budget, categorized into **Recurrent Expenditure** and **Capital Expenditure**, reveals an overall absorption rate of **49%**, with a cumulative expenditure of **Ksh. 3,088,764,373** against an available budget of **Ksh. 6,341,486,999**. The performance by economic items underscores varied levels of fiscal efficiency and challenges in implementation.

Recurrent Expenditure

The recurrent expenditure, comprising six key economic items, reported a total expenditure of **Ksh. 2,096,125,959**, achieving a **69%** absorption rate. Key highlights include:

- **Compensation to Employees (2100000):** This category recorded an over-expenditure of **Ksh. 113,968,766**, with an absorption rate of **110%**. This suggests higher-than-anticipated personnel costs, possibly due to adjustments in salaries or unplanned recruitments.
- **Use of Goods and Services (2200000):** Spending stood at **Ksh. 654,181,616** (53%), leaving a variance of **Ksh. 589,622,997**, reflecting underutilization of funds allocated for operational needs.
- **Current Grants and Transfers (2600000):** Achieved a **61%** absorption rate, with **Ksh. 85,997,014** expended from a budget of **Ksh. 140,398,733**.
- **Social Benefits (2700000):** Registered a poor performance at **13%**, with only **Ksh. 5,122,538** expended, leaving a substantial variance of **Ksh. 33,301,742**.
- **Acquisition of Non-Financial Assets (3100000):** Utilized **21%**, reflecting expenditure of **Ksh. 51,549,237** against **Ksh. 244,541,980**, with a variance of **Ksh. 192,992,743**.
- **Acquisition of Financial Assets (4100000):** Absorbed just **11%**, spending **Ksh. 20,000,000** out of **Ksh. 184,737,545**, signalling underperformance in financial asset investments.

Recurrent expenditure contributed **69%** of its allocated budget, with some items showing efficient absorption while others exhibited critical underperformance.

Capital Expenditure

Capital expenditure, consisting of five economic items, had a markedly lower absorption rate of **30%**, with only **Ksh. 992,638,414** expended against **Ksh. 3,324,273,060**. Key highlights include:

- **Capital Grant:** Severely underperformed at **6%**, utilizing only **Ksh. 33,412,820** of **Ksh. 577,129,210**, leaving a massive variance of **Ksh. 543,716,390**.
- **Acquisition of Non-Financial Assets:** Spent **Ksh. 910,865,555**, achieving **34%** of its allocated budget of **Ksh. 2,660,016,140**, with a variance of **Ksh. 1,749,150,585**.
- **Other Development Budget:** Showcased strong performance at **83%**, with expenditure of **Ksh. 40,523,833** against **Ksh. 49,037,727**.
- **Subsidy to KITWASCO & KIMWASCO:** Absorbed **23%**, spending **Ksh. 7,276,206** of **Ksh. 32,089,983**.
- **Emergency Fund:** Registered an absorption rate of just **9%**, with only **Ksh. 560,000** spent from the **Ksh. 6,000,000** allocations.

The **30%** absorption rate highlights significant challenges in implementing capital-intensive projects and grants.



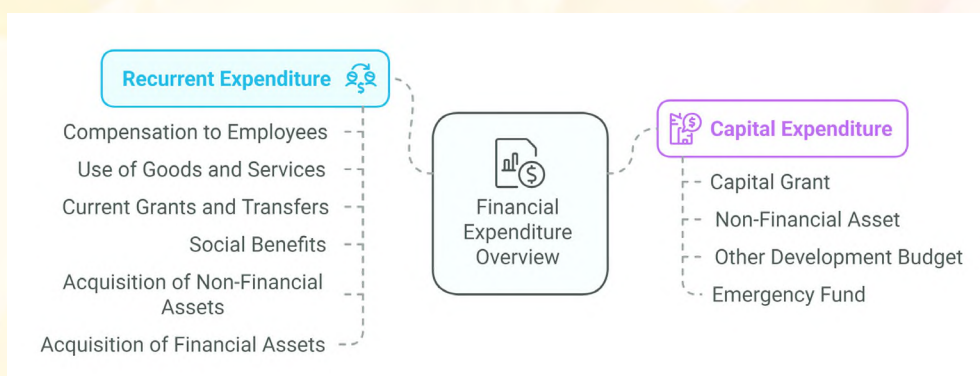
Overall Performance

Across both recurrent and capital expenditures, the budget's overall absorption rate was **49%**, with a total variance of **Ksh. 3,252,722,626**. Recurrent expenditure performed moderately better (**69%**) compared to capital expenditure (**30%**), underscoring the need for targeted interventions to address inefficiencies in development spending, particularly in grants and asset acquisition.

This analysis underscores critical areas requiring attention, including fiscal discipline, streamlined procurement processes, and enhanced capacity to execute capital-intensive projects.

Expenditure Classification by Economic Items

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp. Rate (%)
RECURRENT EXPENDITURE				
2100000 Compensation to Employees	1,165,306,788	1,279,275,554	(113,968,766)	110
2200000 Use of goods and services	1,243,804,613	654,181,616	589,622,997	53
2600000 Current grants and other Transfers-(From Equitable Share)	140,398,733	85,997,014	54,401,719	61
2700000 Social Benefits	38,424,280	5,122,538	33,301,742	13
3100000 Acquisition of Non-Financial Assets	244,541,980	51,549,237	192,992,743	21
4100000 Acquisition of Financial Assets	184,737,545	20,000,000	164,737,545	11
Sub-Total	3,017,213,939	2,096,125,959	921,087,980	69
CAPITAL EXPENDITURE				
Capital Grant	577,129,210	33,412,820	543,716,390	6
Non-Financial Asset	2,660,016,140	910,865,555	1,749,150,585	34
Other Development Budget	49,037,727	40,523,833	8,513,894	83
Other Development Budget (Subsidy TO KITWASCO & KIMWASCO)	32,089,983	7,276,206	24,813,777	23
Emergency Fund	6,000,000	560,000	5,440,000	9
Sub-Total	3,324,273,060	992,638,414	2,331,634,646	30
Grand Total	6,341,486,999	3,088,764,373	3,252,722,626	49



2.3 Recurrent Expenditure Analysis

Overview

The analysis of recurrent expenditure for Quarter Two of FY2024/25 reflects an aggregate spending of **Ksh. 2,324,491,692** against an available budget of **Ksh. 3,245,579,672**, achieving an overall absorption rate of **72%**. This signifies moderate to efficient fund utilization, with notable variances across various spending entities. The expenditure patterns across departments suggest a blend of well-executed initiatives and areas requiring more focused financial deployment.

High-Performing Entities

Certain departments demonstrated exemplary budget utilization, surpassing standard thresholds of fiscal absorption:

- **Health and Sanitation:** Achieved a near-complete expenditure rate of **98%**, spending **Ksh. 588,795,966** from **Ksh. 602,143,578**, leaving a minor variance of **Ksh. 13,347,612**. This signifies highly efficient execution of health-related initiatives.
- **Education, Training, and Skills Development:** With an absorption rate of **92%**, **Ksh. 387,841,561** was expended from **Ksh. 423,537,123**, reflecting strong performance in educational services.
- **Ministry of Finance, Economic Planning, and Revenue Management:** Recorded an **81%** absorption rate, utilizing **Ksh. 198,505,779** of its budgeted **Ksh. 246,377,844**, showcasing effective financial planning and revenue management.

Moderate-Performing Entities

Several ministries and offices performed adequately, striking a balance between expenditure and prudence:

- **Ministry of Energy, Environment, Forestry & Natural Resources:** Utilized **77%** of its allocated budget, spending **Ksh. 33,179,390** out of **Ksh. 43,057,206**, with a variance of **Ksh. 9,877,816**.
- **Trade, Industry, MSMEs Innovation & Cooperatives:** Achieved a **65%** absorption rate, spending **Ksh. 74,489,470** from **Ksh. 115,460,643**, with a variance of **Ksh. 40,971,173**.
- **County Public Service Board:** Recorded a **71%** absorption rate, spending **Ksh. 20,781,778** from **Ksh. 29,069,870**, reflecting moderate but commendable performance.
- **Kitui Municipality:** Managed a **71%** absorption rate, expending **Ksh. 25,333,940** from **Ksh. 35,844,820**, leaving **Ksh. 10,510,880** unspent.

Low-Performing Entities

Some offices and ministries exhibited slower expenditure rates, indicating potential inefficiencies or delayed execution of planned activities:

- **Mwingi Town Administration:** Recorded a concerning **30%** absorption rate, spending only **Ksh. 11,057,786** out of **Ksh. 36,262,433**, resulting in a variance of **Ksh. 25,204,647**.
- **Office of the Deputy Governor:** With an absorption rate of **52%**, **Ksh. 53,071,730** was spent out of **Ksh. 102,185,712**, leaving **Ksh. 49,113,982** unutilized.
- **Office of the Governor:** Achieved **56%** absorption, expending **Ksh. 263,369,758** from **Ksh. 472,907,186**, leaving **Ksh. 209,537,428** unspent.
- **Ministry of Roads, Public Works and Transport:** Registered **53%** absorption, spending **Ksh. 64,388,310** from **Ksh. 122,003,474**, leaving a significant variance of **Ksh. 57,615,164**.
- **Ministry of Lands, Housing, and Urban Development:** Achieved **56%** absorption, spending **Ksh. 37,862,444** out of **Ksh. 67,206,444**, with a variance of **Ksh. 29,344,000**.

Conclusion

The overall recurrent expenditure performance of **72%** underscores a moderate level of resource absorption, with several key departments showing excellent utilization of funds. High performers, particularly in the health and education sectors, demonstrate effective use of allocated resources. However, a few entities, especially the Mwingi Town Administration and the Office of the Governor, have room for improvement in executing their budgeted activities. Focused interventions, such as strategic financial planning, improved procurement processes, and targeted capacity-building efforts, would be essential in optimizing budget absorption across the board.

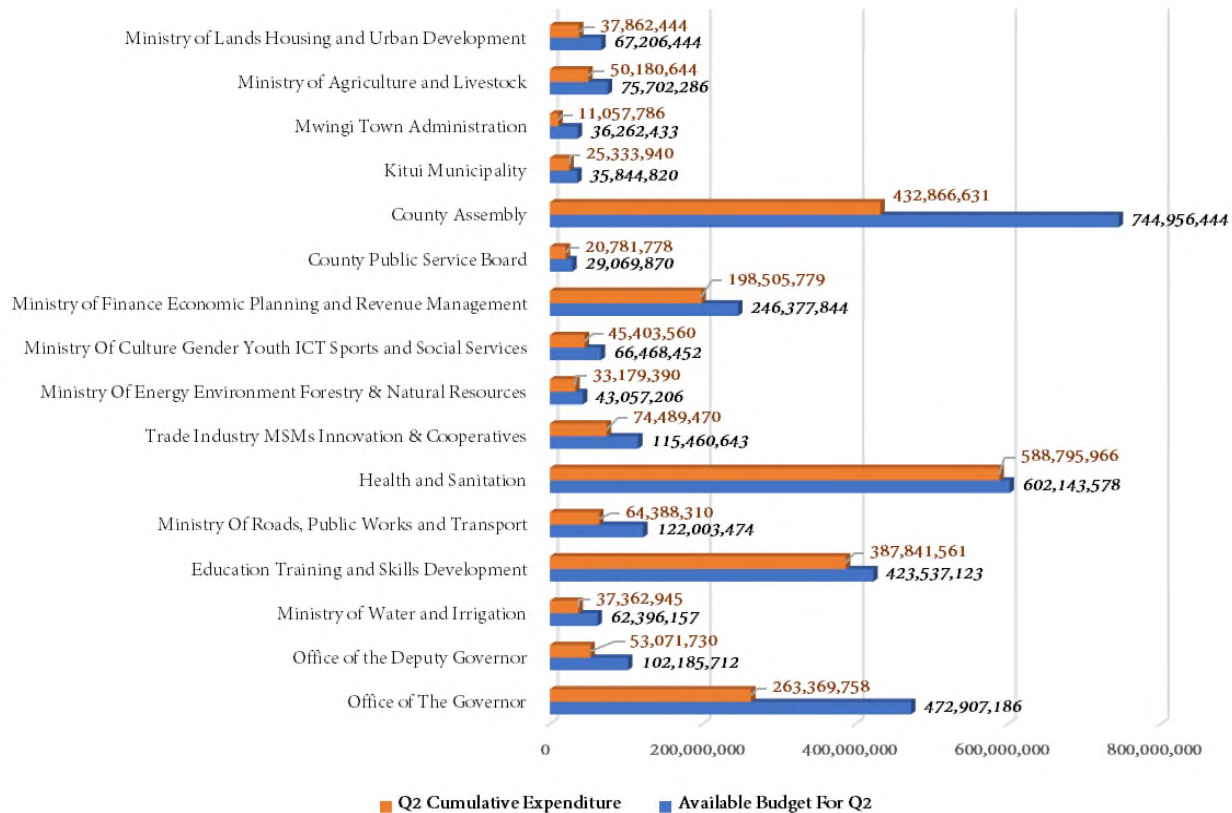
In summary, while fiscal discipline is evident in many departments, there remains a pressing need for enhanced implementation strategies, particularly in areas where performance lags behind expectations.



Recurrent Expenditure Analysis

Spending	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Office of The Governor	472,907,186	263,369,758	209,537,428	56
Office of the Deputy Governor	102,185,712	53,071,730	49,113,982	52
Ministry of Water and Irrigation	62,396,157	37,362,945	25,033,212	60
Education Training and Skills Development	423,537,123	387,841,561	35,695,562	92
Ministry Of Roads, Public Works and Transport	122,003,474	64,388,310	57,615,164	53
Health and Sanitation	602,143,578	588,795,966	13,347,612	98
Trade Industry MSMs Innovation & Cooperatives	115,460,643	74,489,470	40,971,173	65
Ministry Of Energy Environment Forestry & Natural Resources	43,057,206	33,179,390	9,877,816	77
Ministry Of Culture Gender Youth ICT Sports and Social Services	66,468,452	45,403,560	21,064,892	68
Ministry of Finance Economic Planning and Revenue Management	246,377,844	198,505,779	47,872,065	81
County Public Service Board	29,069,870	20,781,778	8,288,092	71
County Assembly	744,956,444	432,866,631	312,089,813	58
Kitui Municipality	35,844,820	25,333,940	10,510,880	71
Mwingi Town Administration	36,262,433	11,057,786	25,204,647	30
Ministry of Agriculture and Livestock	75,702,286	50,180,644	25,521,642	66
Ministry of Lands Housing and Urban Development	67,206,444	37,862,444	29,344,000	56
Grand Total	3,245,579,672	2,324,491,692	921,087,980	72

Recurrent Expenditure Breakdown by Spending Entity



2.3.1 Operational & Maintenance Expenditure Analysis for FY2024/25 Quarter Two

Overview

The operational and maintenance (O&M) expenditure for Quarter Two of FY2024/25 reveals an overall expenditure of **Ksh. 816,850,405**, which represents **44%** of the available budget of **Ksh. 1,851,907,151**. This indicates moderate fund utilization, though several entities are performing below their expected expenditure thresholds, signaling potential delays or inefficiencies in the execution of their O&M activities.

High-Performing Entities

A few entities have demonstrated strong financial discipline and efficient utilization of operational resources, exhibiting noteworthy absorption rates:

- **Health and Sanitation:** With an absorption rate of **59%**, the ministry spent **Ksh. 243,375,494** out of **Ksh. 413,382,630**, leaving a variance of **Ksh. 170,007,136**, suggesting solid ongoing operations and maintenance efforts in health-related services.
- **Ministry of Culture, Gender, Youth, ICT, Sports, and Social Services:** Absorbed **62%** of its budget, spending **Ksh. 34,341,704** from **Ksh. 55,406,596**, leaving **Ksh. 21,064,892** unspent. This reflects strong performance in the delivery of cultural, youth, and social services.

Moderate-Performing Entities

Several ministries and offices demonstrated moderate levels of expenditure, reflecting a balanced but still incomplete use of operational funds:

- **Office of the Governor:** Expenditure was **Ksh. 254,294,717** (57%) from the allocated budget of **Ksh. 447,041,109**, leaving a variance of **Ksh. 192,746,392**.
- **Ministry of Energy, Environment, Forestry & Natural Resources:** Absorbed **50%**, spending **Ksh. 9,526,586** from **Ksh. 19,097,583**, with a variance of **Ksh. 9,570,997**.
- **Trade, Industry, MSMEs, Innovation & Cooperatives:** Expenditures reached **47%**, with **Ksh. 35,873,197** spent out of **Ksh. 76,716,529**, leaving **Ksh. 40,843,332** unutilized.
- **Ministry of Finance, Economic Planning, and Revenue Management:** Absorbed **47%**, expending **Ksh. 41,817,835** from **Ksh. 88,564,969**, leaving **Ksh. 46,747,134**.

Low-Performing Entities

The low-performing entities exhibit significant underutilization of their operational and maintenance budgets, signaling potential delays or inefficiencies in executing planned activities:

- **Mwingi Town Administration:** Registered a concerning **16%** absorption rate, spending only **Ksh. 3,344,284** out of **Ksh. 21,505,982**, leaving **Ksh. 18,161,698** unspent.
- **County Assembly:** Absorbed only **25%**, with **Ksh. 102,664,779** expended from **Ksh. 412,436,140**, leaving a substantial variance of **Ksh. 309,771,361**.
- **Office of the Deputy Governor:** Utilized just **23%** of its budget, spending **Ksh. 13,252,958** out of **Ksh. 56,612,584**, leaving **Ksh. 43,359,626** unspent.
- **Ministry of Roads, Public Works, and Transport:** Only **20%** of its budget was spent, with **Ksh. 14,240,470** expended from **Ksh. 71,586,375**, leaving a significant variance of **Ksh. 57,345,905**.
- **Ministry of Water and Irrigation:** Absorbed just **26%**, spending **Ksh. 8,718,593** from **Ksh. 33,298,924**, leaving **Ksh. 24,580,331** unutilized.



Conclusion

The overall absorption rate of **44%** indicates a mixed performance across the board for operational and maintenance expenditures. High-performing entities, particularly in health and cultural services, reflect efficient allocation and use of funds. However, a number of ministries and departments, including the Mwingi Town Administration and the County Assembly, are significantly underperforming.

The marked underutilization of operational funds in certain areas may be attributed to delays in the execution of planned activities, inefficiencies in procurement processes, or challenges in program implementation. To address these gaps, targeted interventions, such as streamlining procurement procedures, enhancing the capacity for implementation, and strengthening oversight mechanisms, will be essential for improving the absorption rate and ensuring that resources are effectively deployed to meet the goals of the FY2024/25 fiscal year.

Operational & Maintenance

Spending	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Office of The Governor	447,041,109	254,294,717	192,746,392	57
Office of the Deputy Governor	56,612,584	13,252,958	43,359,626	23
Ministry of Water and Irrigation	33,298,924	8,718,593	24,580,331	26
Education Training and Skills Development	38,269,343	8,517,035	29,752,308	22
Ministry Of Roads, Public Works and Transport	71,586,375	14,240,470	57,345,905	20
Health and Sanitation	413,382,630	243,375,494	170,007,136	59
Trade Industry MSMs Innovation & Cooperatives	76,716,529	35,873,197	40,843,332	47
Ministry Of Energy Environment Forestry & Natural Resources	19,097,583	9,526,586	9,570,997	50
Ministry Of Culture Gender Youth ICT Sports and Social Services	55,406,596	34,341,704	21,064,892	62
Ministry of Finance Economic Planning and Revenue Management	88,564,969	41,817,835	46,747,134	47
County Public Service Board	14,200,346	6,440,270	7,760,076	45
County Assembly	412,436,140	102,664,779	309,771,361	25
Kitui Municipality	17,946,844	7,445,971	10,500,873	41
Mwingi Town Administration	21,505,982	3,344,284	18,161,698	16
Ministry of Agriculture and Livestock	40,036,029	15,570,183	24,465,846	39
Ministry of Lands Housing and Urban Development	45,805,168	17,426,329	28,378,839	38
Grand Total	1,851,907,151	816,850,405	1,035,056,746	44

2.3.2 Personnel Emoluments Expenditure Analysis for Quarter Two

Overview

The total expenditure on Personnel Emoluments for Quarter Two of FY2024/25 amounts to **Ksh. 1,279,275,554**, surpassing the available budget of **Ksh. 1,165,306,788**, resulting in an over-expenditure of **Ksh. (113,968,766)**. The absorption rate of **110%** indicates that personnel-related costs have exceeded projections, which may point to unforeseen factors like adjustments in employee benefits, wage increments, or staffing changes across various departments.

High-Performing Entities

Entities with strong personnel emolument management demonstrate high absorption rates and efficient use of allocated funds:

- **Trade Industry, MSMEs, Innovation & Cooperatives:** This department has utilized **100%** of its allocated budget, spending **Ksh. 38,616,273** out of **Ksh. 38,744,114**, reflecting precise alignment of personnel expenditure with its budget.
- **Ministry of Culture, Gender, Youth, ICT, Sports and Social Services:** Similarly, **100%** of its personnel budget has been absorbed, amounting to **Ksh. 11,061,856**.



- **Kitui Municipality:** This entity also achieved **100%** absorption, spending **Ksh. 17,887,969** from **Ksh. 17,897,976**, with a negligible variance.
- **Ministry of Finance, Economic Planning and Revenue Management:** With an absorption rate of **99%**, **Ksh. 156,687,944** was expended out of **Ksh. 157,812,875**, leaving just a minor variance.

Moderate-Performing Entities

Several entities performed within acceptable limits, with most absorbing a significant portion of their personnel budgets:

- **Office of the Deputy Governor:** Spent **Ksh. 39,818,772** out of **Ksh. 45,573,128**, which represents **87%** absorption. While not fully spent, this level of expenditure is considered efficient.
- **Ministry of Water and Irrigation:** Absorbed **98%** of its budget, spending **Ksh. 28,644,352** out of **Ksh. 29,097,233**, with a very small variance of **Ksh. 452,881**.
- **Education, Training, and Skills Development:** With **98%** absorption, the ministry expended **Ksh. 379,324,526** from **Ksh. 385,267,780**, indicating careful budgeting and control.
- **Ministry of Roads, Public Works, and Transport:** Spent **99%** of its personnel budget, expending **Ksh. 50,147,840** out of **Ksh. 50,417,099**, reflecting minimal variance.
- **Ministry of Energy, Environment, Forestry & Natural Resources:** Utilized **99%** of the budget, spending **Ksh. 23,652,804** from **Ksh. 23,959,623**, leaving a small variance of **Ksh. 306,819**.

Low-Performing Entities

Entities that have underperformed with respect to their personnel emoluments budget, either due to inefficiencies or delays in staffing, include:

- **Office of the Governor:** Only **35%** of the allocated budget was absorbed, with **Ksh. 9,075,041** spent out of **Ksh. 25,866,077**, resulting in a variance of **Ksh. 16,791,036**. This is a significant underspend, likely indicating delays in personnel-related activities.
- **Mwingi Town Administration:** Absorption stands at **52%**, with **Ksh. 7,713,502** expended out of **Ksh. 14,756,451**, leaving a variance of **Ksh. 7,042,949**, suggesting delays in personnel appointments or compensation adjustments.
- **Ministry of Lands, Housing, and Urban Development:** Utilized only **95%** of its personnel budget, spending **Ksh. 20,436,115** out of **Ksh. 21,401,276**, with a variance of **Ksh. 965,161**, indicating underutilization of allocated funds.

Anomalies

A significant anomaly is observed within the **Health and Sanitation** sector, where the expenditure of **Ksh. 345,420,472** far exceeds its allocated budget of **Ksh. 188,760,948**, resulting in an over-expenditure of **Ksh. (156,659,524)**. This overrun, translating to an absorption rate of **183%**, could be due to unforeseen costs related to staffing, emergency medical services, or adjustments in employee benefits. This warrants a review to ensure financial sustainability and realignment of resources.

General Conclusion

The personnel emoluments budget analysis for FY2024/25 Quarter Two shows that while most departments have managed their staffing costs within the expected parameters, some have either over- or under-spent significantly. High-performing entities have absorbed their budgets efficiently, while several ministries, especially the Office of the Governor and Mwingi Town Administration, need to expedite personnel spending. Of particular concern is the over-expenditure in **Health and Sanitation**, which requires an immediate review to mitigate potential fiscal risks.

Strategic measures, such as optimizing staffing and compensation policies and revisiting the budget projections, will be essential to maintaining fiscal health and ensuring alignment with the overall budgetary goals for the fiscal year.



Personnel Emoluments

Spending	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Office of The Governor	25,866,077	9,075,041	16,791,036	35
Office of the Deputy Governor	45,573,128	39,818,772	5,754,356	87
Ministry of Water and Irrigation	29,097,233	28,644,352	452,881	98
Education Training and Skills Development	385,267,780	379,324,526	5,943,254	98
Ministry Of Roads, Public Works and Transport	50,417,099	50,147,840	269,259	99
Health and Sanitation	188,760,948	345,420,472	(156,659,524)	183
Trade Industry MSMs Innovation & Cooperatives	38,744,114	38,616,273	127,841	100
Ministry Of Energy Environment Forestry & Natural Resources	23,959,623	23,652,804	306,819	99
Ministry Of Culture Gender Youth ICT Sports and Social Services	11,061,856	11,061,856	0	100
Ministry of Finance Economic Planning and Revenue Management	157,812,875	156,687,944	1,124,931	99
County Public Service Board	14,869,524	14,341,508	528,016	96
County Assembly	104,154,571	101,836,119	2,318,452	98
Kitui Municipality	17,897,976	17,887,969	10,007	100
Mwingi Town Administration	14,756,451	7,713,502	7,042,949	52
Ministry of Agriculture and Livestock	35,666,257	34,610,461	1,055,796	97
Ministry of Lands Housing and Urban Development	21,401,276	20,436,115	965,161	95
Grand Total	1,165,306,788	1,279,275,554	(113,968,766)	110

2.4 Quarter Two Development Expenditure Analysis

Overview

The total available budget for **Development Expenditure** in Quarter Two amounts to **Ksh. 3,324,273,060**, with **Ksh. 992,638,414** spent, resulting in an underspend of **Ksh. 2,331,634,646**, which translates to an absorption rate of **30%**. This indicates a notable delay or inefficiency in the execution of development projects across multiple entities, with substantial budgetary resources remaining unutilized. The variance across different spending entities reflects varying degrees of underperformance, pointing to possible project delays, funding misallocations, or administrative inefficiencies.

High-Performing Entities

Departments or entities that have demonstrated high efficiency in utilizing their development budgets are as follows:

- **Ministry of Roads, Public Works, and Transport:** Absorbed **95%** of its allocated budget, spending **Ksh. 238,951,195** out of **Ksh. 251,417,299**, leaving a small variance of **Ksh. 12,466,104**. This represents effective use of funds and efficient project management.
- **Trade Industry, MSMEs, Innovation & Cooperatives:** Despite a negative cumulative expenditure (**Ksh. -10,816,465**), the overall development budget for this department is high, indicating a need for future corrective measures. This could also signal carryover budgetary issues from previous periods.
- **Ministry of Finance, Economic Planning, and Revenue Management:** Expended **Ksh. 41,372,066** out of **Ksh. 138,583,716**, resulting in an absorption rate of **30%**. Though relatively low, it still reflects some progress in budget utilization compared to other departments.
- **County Assembly:** Despite no expenditure reported in Q2, **Ksh. 229,058,553** has been allocated, and should be observed for future budget execution.

Moderate-Performing Entities

These departments are absorbing some portion of their allocated budget, but at rates lower than expected:

- **Ministry of Water and Irrigation:** With an absorption rate of **37%**, the ministry expended **Ksh. 188,418,814** out of **Ksh. 508,914,358**, leaving a variance of **Ksh. 320,495,544**, suggesting delays in water-related development projects or issues with contractor performance.
- **Kitui Municipality:** Spent **Ksh. 24,692,754** from **Ksh. 90,089,587**, reflecting an absorption rate of **27%**. The relatively low spending rate indicates delays in municipal development programs.
- **Ministry of Agriculture and Livestock:** Absorbed **13%** of its budget, spending **Ksh. 67,065,878** out of **Ksh. 520,576,467**, leaving a variance of **Ksh. 453,510,589**, signaling potential inefficiencies in agricultural development activities.
- **Ministry of Lands, Housing, and Urban Development:** With **9%** absorption, this department expended **Ksh. 5,468,014** out of **Ksh. 58,281,371**, reflecting significant underspending and a possible delay in land and housing projects.

Low-Performing Entities

Several entities show very poor performance in terms of development budget absorption, indicating systemic delays or significant administrative challenges:

- **Office of the Deputy Governor:** Only **11%** of the budget was spent, with **Ksh. 4,180,130** expended from **Ksh. 38,688,401**, leaving **Ksh. 34,508,271** unutilized. This low absorption points to administrative bottlenecks or lack of capacity to execute projects.
- **Education, Training, and Skills Development:** Absorbed only **8%**, spending **Ksh. 8,514,224** from **Ksh. 108,530,635**, leaving a large portion of the budget unspent. This is likely due to delays in project rollouts or misalignment in budget projections.
- **Health and Sanitation:** With an absorption rate of only **17%**, the ministry expended **Ksh. 27,470,252** from **Ksh. 159,817,478**, indicating sluggish progress in health-related infrastructure projects or delayed disbursement for critical services.
- **Ministry of Energy, Environment, Forestry, and Natural Resources:** This department expended only **5%**, with **Ksh. 4,162,931** out of **Ksh. 78,483,430** spent. This indicates major delays or challenges in executing energy and environmental projects.
- **Mwingi Town Administration:** Absorbed only **8%**, spending **Ksh. 1,244,530** from **Ksh. 15,995,116**, leaving a large variance of **Ksh. 14,750,586**, pointing to inadequate project planning or execution delays.

Key Observations

1. **Low Overall Absorption Rate** The total absorption rate for development expenditure in Q2 stands at **30%**, indicating significant inefficiencies across various departments. The remaining **Ksh. 2,331,634,646** in unspent budget reflects either delayed project execution or a mismatch in fund allocation and expenditure planning.
2. **High Variance in Spending Entities** A few departments, such as the **Ministry of Roads, Public Works and Transport**, have shown commendable performance with an absorption rate of **95%**, while others, such as **Office of the Deputy Governor**, **Ministry of Water and Irrigation**, and **Health and Sanitation**, report much lower absorption rates, indicating disparities in the effective utilization of allocated funds.
3. **Critical Delays in Key Sectors** Essential services, including **Health and Sanitation** (**17%**) and **Education, Training, and Skills Development** (**8%**), have significantly underperformed in terms of development expenditure, which could lead to severe service delivery bottlenecks. These delays may also impact the realization of long-term goals in sectors vital for public welfare.



4. **Underperformance in Smaller Entities** Entities like **County Assembly** and **Mwingi Town Administration** report no expenditure in Q2, pointing to significant governance or operational challenges, or an inability to implement projects within the planned timelines.
5. **Issues in Capital Expenditure** Many ministries, such as the **Ministry of Energy, Environment, Forestry and Natural Resources** (5%) and **Ministry of Lands, Housing, and Urban Development** (9%), have shown extremely low absorption rates in their capital expenditure, suggesting delays in infrastructural projects, which may hinder developmental progress in key sectors like housing, energy, and land.
6. **Uneven Distribution of Spending** Certain ministries, such as the **Ministry of Roads, Public Works and Transport** and **Ministry of Finance**, have managed to allocate and spend their budgets efficiently, while others have large variances, signaling inefficiencies or potential issues in project management and financial planning.

Recommendations

1. **Enhanced Monitoring and Accountability-** Strengthening the monitoring and evaluation mechanisms for development projects is critical. This will ensure that funds are utilized effectively and that projects adhere to timelines. Regular progress reports should be mandated from all departments, with clear timelines for completion and expenditure tracking.
2. **Improved Coordination Between Departments-** There is a need for better coordination between the **Office of the Governor**, the **County Assembly**, and implementing ministries to ensure alignment in project objectives, timely approvals, and efficient fund disbursements. This can be achieved by setting up inter-departmental committees that oversee key development projects.
3. **Reassess Budget Allocation and Realignment-** Some departments, such as **Ministry of Agriculture and Livestock** and **Ministry of Lands**, have substantial variances in their budgets. A reassessment of these allocations, including realignment of funds, could help address discrepancies and ensure more equitable distribution of resources.
4. **Capacity Building for Low-Performing Entities-** Entities like **Mwingi Town Administration** and **Office of the Deputy Governor**, which have shown poor budget absorption, should undergo capacity building, project management training, and administrative strengthening. This will equip them with the necessary skills and resources to effectively manage development projects and expenditure.
5. **Timely Release of Funds for Critical Sectors-** For key sectors, such as **Health, Education**, and **Infrastructure**, ensuring timely and full release of development funds will be critical. For instance, the **Health and Sanitation** sector, with an absorption rate of **17%**, requires immediate attention to prevent a lack of medical facilities and service disruptions.
6. **Strategic Review of High-Cost Projects-** Projects with large budgets but low absorption rates, particularly in capital-intensive areas like **Energy, Infrastructure**, and **Agriculture**, should undergo strategic reviews. This includes an assessment of project scope, realistic budget forecasts, and delivery timelines to ensure feasibility and success in meeting targets.
7. **Increase Flexibility in Budget Execution-** A more flexible and adaptive approach to development budgeting is recommended, especially in cases where external factors (e.g., inflation, political instability, or environmental concerns) may affect the pace of project execution. Ministries should be given the autonomy to reallocate funds within departments for urgent or emerging needs.
8. **Strengthen Public-Private Partnerships (PPPs)-** To enhance execution capacity, engaging in strategic public-private partnerships can accelerate infrastructure and service delivery projects, particularly in sectors where government capacity alone is insufficient.
9. **Institutionalize Periodic Budget Reassessments-** Implement a quarterly review of development budgets to reassess priorities, reallocating funds as necessary to address the most pressing projects. This allows the county to react in real time to emerging challenges and opportunities, ensuring funds are used optimally.



10. **Promote Transparency and Public Awareness-** Increasing transparency by publishing detailed quarterly expenditure reports, along with tangible outcomes, will not only promote public accountability but also enhance citizen trust in the county's development initiatives.

Conclusion

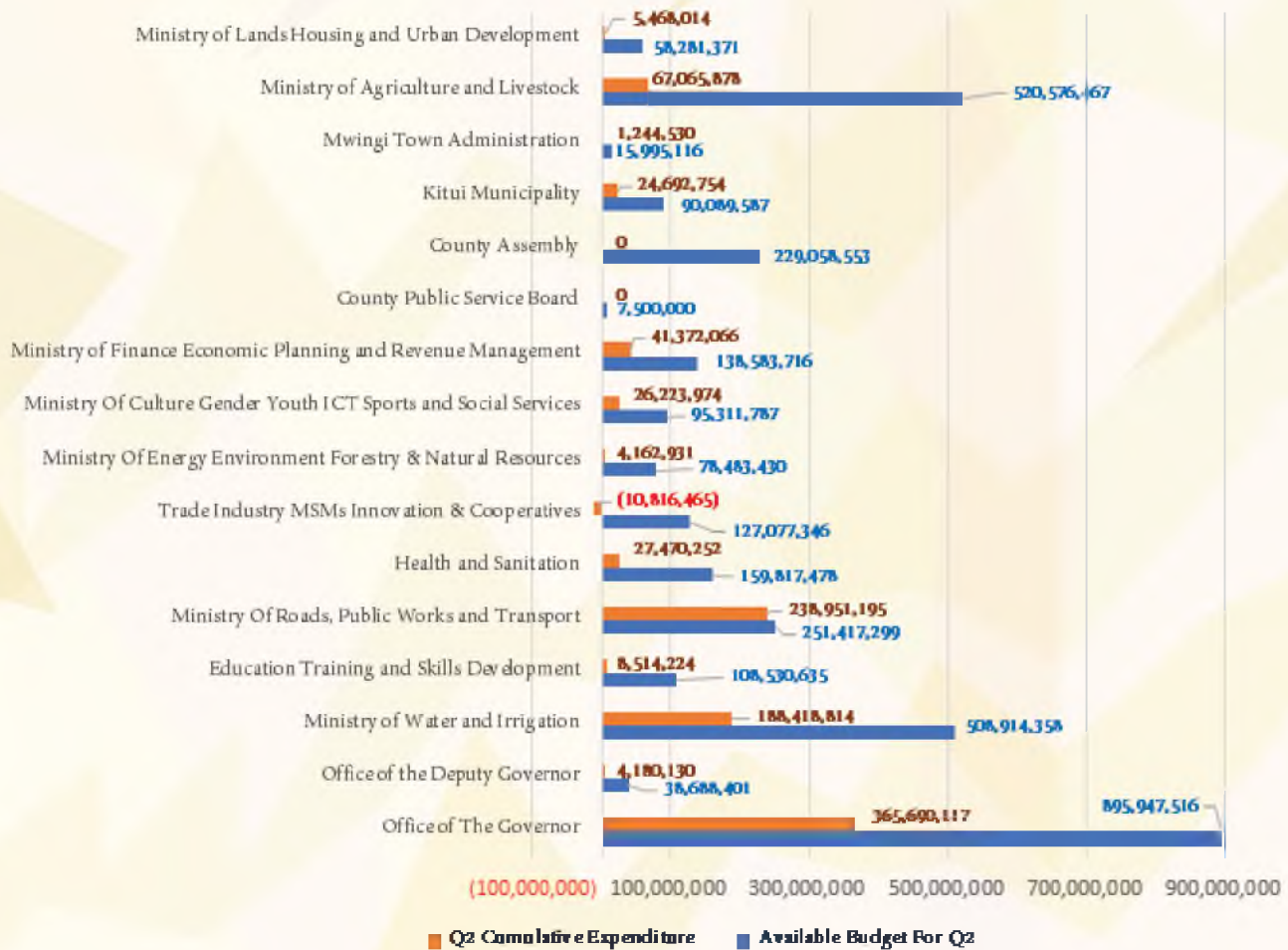
The **Development Expenditure Analysis** for Q2 FY2024/25 reveals significant challenges in budget absorption, with wide variances in performance across departments. This underscores the need for more effective financial management, project oversight, and capacity building across various levels of government. With targeted interventions aimed at enhancing efficiency, coordination, and capacity, it is possible to improve expenditure absorption and meet the county's developmental goals.

Development Expenditure Analysis

Spending	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Office of The Governor	895,947,516	365,690,117	530,257,399	41
Office of the Deputy Governor	38,688,401	4,180,130	34,508,271	11
Ministry of Water and Irrigation	508,914,358	188,418,814	320,495,544	37
Education Training and Skills Development	108,530,635	8,514,224	100,016,411	8
Ministry Of Roads, Public Works and Transport	251,417,299	238,951,195	12,466,104	95
Health and Sanitation	159,817,478	27,470,252	132,347,226	17
Trade Industry MSMS Innovation & Cooperatives	127,077,346	(10,816,465)	137,893,811	(9)
Ministry Of Energy Environment Forestry & Natural Resources	78,483,430	4,162,931	74,320,499	5
Ministry Of Culture Gender Youth ICT Sports and Social Services	95,311,787	26,223,974	69,087,813	28
Ministry of Finance Economic Planning and Revenue Management	138,583,716	41,372,066	97,211,650	30
County Public Service Board	7,500,000	0	7,500,000	0
County Assembly	229,058,553	0	229,058,553	0
Kitui Municipality	90,089,587	24,692,754	65,396,833	27
Mwingi Town Administration	15,995,116	1,244,530	14,750,586	8
Ministry of Agriculture and Livestock	520,576,467	67,065,878	453,510,589	13
Ministry of Lands Housing and Urban Development	58,281,371	5,468,014	52,813,357	9
Grand Total	3,324,273,060	992,638,414	2,331,634,646	30



Q2 Development Expenditure Analysis



3.0 FY2024/25 QUARTER TWO REVENUE PERFORMANCE

3.1 Exchequer Releases and Grants Analysis for FY2024/25 Quarter Two

In the second quarter of the FY2024/25, the National Government released a total of **Ksh. 3.58 billion**, representing only **56%** of the county's Q2 Available funds of **Ksh. 6.341 billion**. These funds were disbursed in four tranches, with allocations received on **October 17th, November 14th, November 18th, and December 16th**, amounting to **Ksh. 866 million, Ksh. 920 million, Ksh. 866 million, and Ksh. 925 million**, respectively. The phased disbursements, while regular, may have caused delays in the execution of certain programs.

Compounding the financial challenges, no grants were received during the period, thereby limiting external funding options that are often critical for the implementation of development projects. This reliance on exchequer releases underscored the county's vulnerability to shortfalls in national transfers and highlighted the need for diversified revenue streams.

Exchequer Releases

Date		Refrence	Amount
17-Oct-24	17-Oct-24	FT2429126TBY	866,358,955
14-Nov-24	14-Nov-24	FT24319Q43Q6	920,506,390
18-Nov-24	18-Nov-24	FT24323NZZLJP	866,358,955
16-Dec-24	16-Dec-24	FT24351S0DR5	925,307,257
Total			3,578,531,557

3.2 FY2024/25 Quarter Two Revenue Performance

The revenue performance for Quarter Two of FY2024/25 reflects a mixed outcome, with an overall revenue collection of **Ksh. 212.3 million**, surpassing the quarterly target of **Ksh. 150 million** by **141.53%**. Despite this achievement in aggregate terms, individual ministries and spending entities exhibited varying performance trends, with both significant surpluses and shortfalls.

Key Revenue Performance Highlights:

1. Exceptional Overperformance:

- The **Ministry of Health and Sanitation** demonstrated remarkable efficiency, collecting **Ksh. 177.6 million** against a target of **Ksh. 87.55 million**, achieving a realization rate of **202.85%**. This surplus of **Ksh. 90 million** underscores the ministry's pivotal role in generating revenue.
- The **Ministry of Water and Irrigation** also performed impressively, collecting **Ksh. 808,000** against a target of **Ksh. 375,000**, achieving a revenue realization rate of **215.47%**.

2. Moderate Surpluses:

- The **Ministry of Culture, Gender, Youth, ICT, Sports & Social Services** collected **Ksh. 74,710**, exceeding its target of **Ksh. 50,000**, achieving **149.42%** of its target.
- The **Office of the Governor** achieved **92.87%** of its target, collecting **Ksh. 5.34 million** against a target of **Ksh. 5.75 million**.

3. Notable Underperformance:

- The **Ministry of Energy, Environment, Forestry, Natural and Mineral Resources** recorded a significantly low realization rate of **2.42%**, collecting a mere **Ksh. 24,200** against its target of **Ksh. 1 million**, indicating a gap of **Ksh. 975,800**.
- The **Ministry of Education, Training and Skills Development** and the **Office of the Deputy Governor** reported no collections during the quarter, resulting in a 100% shortfall of their respective targets.



4. **Key Urban Administrations:**

- **Mwingi Town Administration** collected **Ksh. 3.12 million**, achieving **43.07%** of its target, while **Kitui Municipality** realized only **33.68%** of its target with collections amounting to **Ksh. 4.46 million**.

5. **Revenue Administration:**

- The **Ministry of Finance, Economic Planning & Revenue Management**, tasked with coordinating revenue mobilization, achieved only **48.29%** of its target, collecting **Ksh. 11.23 million** against a target of **Ksh. 23.25 million**.

FY2024/25 QUARTER TWO REVENUE PERFORMANCE

MINISTRY/ SPENDING ENTITY	Quarterly Target	Quarterly Collection	Variance	% Revenue Realization (Q2)
Ministry of Agriculture and livestock	3,500,000	2,863,104.00	(636,896.00)	81.80
Ministry of Water and Irrigation	375,000	808,000.00	433,000.00	215.47
Ministry of Energy Environment, Forestry ,Natural and Mineral Resources	1,000,000	24,200.00	(975,800.00)	2.42
Ministry of Health and Sanitation	87,550,000	177,599,338.05	90,049,338.05	202.85
Ministry of Culture, Gender ,Youth, ICT, Sports & Social Services	50,000	74,710.00	24,710.00	149.42
Ministry of Lands, Housing and Urban Development	6,750,000	6,135,340.00	(614,660.00)	90.89
Ministry of Roads, Public Works and Transport	875,000	508,161.00	(366,839.00)	58.08
Office of the Governor	5,750,000	5,340,000.00	(410,000.00)	92.87
Ministry of Education, Training and Skills Development	12,500	-	(12,500.00)	-
Ministry of Trade, Industry ,MSMEs, Innovation & Cooperatives	375,000	136,250.00	(238,750.00)	36.33
Ministry of Finance, Economic Planning & Revenue Management	23,250,000	11,228,137.00	(12,021,863.00)	48.29
Mwingi Town Administration	7,250,000	3,122,500.00	(4,127,500.00)	43.07
Kitui Municipality	13,250,000	4,462,295.00	(8,787,705.00)	33.68
Office of the Deputy Governor	12,500	-	(12,500.00)	-
TOTAL	150,000,000.00	212,302,035.05	62,302,035.05	141.53

FY2024/25 Annual Revenue Performance & Variance

MINISTRY/ SPENDING ENTITY	ANNUAL TARGET	Q1 & Q2 COLLECTIONS	VARIANCE	% ANNUAL REVENUE REALIZATION
Ministry of Agriculture and livestock	14,000,000	9,417,269.00	(4,582,731.00)	67.27
Ministry of Water and Irrigation	1,500,000	1,313,000.00	(187,000.00)	87.53
Ministry of Energy Environment, Forestry ,Natural and Mineral Resources	4,000,000	70,400.00	(3,929,600.00)	1.76
Ministry of Health and Sanitation	350,200,000	255,379,371.05	(94,820,628.95)	72.92
Ministry of Culture, Gender ,Youth, ICT, Sports & Social Services	200,000	154,330.00	(45,670.00)	77.17
Ministry of Lands, Housing and Urban Development	27,000,000	10,322,281.00	(16,677,719.00)	38.23
Ministry of Roads, Public Works and Transport	3,500,000	1,104,099.00	(2,395,901.00)	31.55
Office of the Governor	23,000,000	9,764,500.00	(13,235,500.00)	42.45
Ministry of Education, Training and Skills Development	50,000	-	(50,000.00)	-
Ministry of Trade, Industry ,MSMEs,Innovation & Cooperatives	1,500,000	191,886.00	(1,308,114.00)	12.79
Ministry of Finance, Economic Planning & Revenue Management	93,000,000	20,090,750.00	(72,909,250.00)	21.60
Mwingi Town Administration	29,000,000	6,336,800.00	(22,663,200.00)	21.85
Kitui Municipality	53,000,000	10,314,676.00	(42,685,324.00)	19.46
Office of the Deputy Governor	50,000	-	(50,000.00)	-
TOTAL	600,000,000	324,459,362.05	(275,540,637.95)	54.08



3.3 Challenges and Remedies in Revenue Collection for Kitui County - FY 2024/25 Quarter Two

3.3.1 Challenges

1. Institutional Weaknesses

- **Inadequate Capacity:** Some departments, such as the **Ministry of Education** and the **Office of the Deputy Governor**, reported no revenue collections, indicating potential gaps in staffing, expertise, or operational frameworks for revenue generation.
- **Weak Revenue Structures:** Ministries like the **Ministry of Energy, Environment, Forestry, Natural and Mineral Resources**, which collected only 2.42% of their target, may lack well-structured mechanisms to identify, assess, and collect potential revenue streams effectively.

2. Administrative Inefficiencies

- **Manual Processes:** Reliance on manual systems in revenue collection, especially in urban administrations like **Kitui Municipality** and **Mwingi Town Administration**, may have caused delays, inaccuracies, or revenue leakages.
- **Inadequate Monitoring:** Lack of rigorous monitoring and evaluation systems can result in missed opportunities, revenue underreporting, and inefficiencies.

3. External and Contextual Factors

- **Economic Environment:** A sluggish local economy may have impacted residents' ability to pay levies, fees, or charges, especially in urban centers like Kitui and Mwingi, contributing to shortfalls in their respective revenue targets.
- **Global or National Challenges:** Broader challenges, such as inflation or reduced economic activity, could have reduced transactional volumes or discouraged investments, affecting revenue streams.

4. Political and Social Issues

- **Stakeholder Resistance:** Resistance to new revenue measures or fee increments from residents or local businesses can hinder collection efforts, particularly in politically sensitive areas.
- **Social Awareness Gaps:** Limited awareness among the public regarding their obligations to pay fees or charges may lead to non-compliance and lower collections.

5. Urban Administration Challenges

- **Enforcement Issues:** Urban areas such as Kitui Municipality and Mwingi Town Administration may face difficulties enforcing payment compliance, such as collecting market fees, parking fees, and property rates.
- **High Operational Costs:** The cost of revenue collection in urban areas might outweigh actual collections, further deterring efforts.

6. Sector-Specific Constraints

- **Low Revenue Base:** Departments like the **Ministry of Energy and Natural Resources** may lack significant revenue sources, reflecting an over-reliance on grants or transfers instead of self-generated revenue.
- **Seasonal Variations:** Sectors such as agriculture and water may have collections influenced by seasonal factors, such as droughts or irregular rainfall patterns.

7. Weak Coordination Across Ministries

- **Overlapping Roles:** Lack of clear delineation of responsibilities between ministries can lead to inefficiencies or duplication of efforts in revenue generation activities.
- **Insufficient Collaboration:** Limited collaboration between the **Ministry of Finance** (responsible for revenue mobilization) and spending entities may lead to missed opportunities for enhancing revenue streams.



3.3.2 Remedies and Recommendations

Remedies

- 1) **Public Awareness Campaign and Stakeholder Engagement**
Launch campaigns to educate businesses and the public about the importance of taxes and the benefits of compliance, reducing resistance.
- 2) **Implementing Revenue Automation**
Adopt digital payment solutions and automated systems to streamline tax collection, enhance transparency, and reduce errors.
- 3) **Capacity Building and Training of Revenue Collectors and Enforcement Officers**
Provide regular training to improve the skills of revenue collectors and enforcement officers in engaging taxpayers and utilizing digital tools.
- 4) **Establishing a Comprehensive Business Database**
Create a detailed business database for more accurate tax assessments and to identify tax evasion or unregistered businesses.
- 5) **Updating the Property Valuation Roll**
Update property valuations regularly to ensure accurate property tax assessments, ensuring fairness and transparency.
- 6) **Strengthening Taxpayer Incentives and Enforcement Mechanisms**
Offer incentives for early payments and enforce penalties for late payments, encouraging timely tax compliance.
- 7) **Promoting Interdepartmental Collaboration**
Enhance coordination across county departments for efficient data sharing, reducing duplication, and ensuring accurate tax assessments.
- 8) **Leveraging Technology for Revenue Reporting and Monitoring**
Utilize data analytics and financial software for real-time monitoring, performance tracking, and to address revenue shortfalls effectively.

Recommendations:

1. **Enhance Revenue Collection Mechanisms:**
 - Strengthen administrative capacity and oversight in underperforming departments, especially the **Ministry of Energy** and urban administrations like **Kitui Municipality** and **Mwingi Town Administration**.
 - Leverage technology and automation to reduce inefficiencies and leakages in revenue collection processes.
2. **Targeted Interventions:**
 - Investigate factors contributing to the poor performance of specific departments, such as the **Ministry of Education** and **Ministry of Energy**, and develop targeted strategies to address structural or operational gaps.
3. **Incentivize High Performers:**
 - Provide recognition and additional resources to ministries such as **Health and Sanitation** and **Water and Irrigation**, which consistently exceed their targets.
4. **Capacity Building:**
 - Train revenue officers in underperforming departments to enhance their capacity in mobilizing and managing resources effectively.

4.0 PENDING BILLS STATUS BY THE END OF THE SECOND QUARTER

By the conclusion of the second quarter, the County Government demonstrated a commendable commitment to addressing its pending bills, having settled substantial obligations while grappling with the challenge of remaining unpaid liabilities.

During the period, **Ksh. 1,286,609,205** was paid across several categories. Notably, payments included **Ksh. 228.63 million** under Lot 1, **Ksh. 171.45 million** for Lot 2, and **Ksh. 328.61 million** for Lot 3. Additionally, a significant **Ksh. 421.97 million** was disbursed to address court decrees and awards, underscoring the county's prioritization of legal liabilities. Further, **Ksh. 135.96 million** was directed toward bills subject to valuation, reflecting an emphasis on verifying claims before settlement.

Despite these efforts, a total of **Ksh. 168.91 million** in bills remains unpaid, with **Ksh. 78.80 million** under Lot 1, **Ksh. 62.36 million** for Lot 2, and **Ksh. 27.75 million** for Lot 3. These figures highlight the persistent financial pressure on the county's budget.

Key Observations

- High Priority on Court Decrees:** A significant portion of payments (Ksh. 421,967,389) was directed toward court decrees and awards, highlighting the county's focus on mitigating legal risks.
- Pending Bills Subject to Valuation:** Payments worth Ksh. 135,956,170 were directed toward bills undergoing valuation, indicating efforts to reconcile and validate liabilities before settlement.
- Residual Burden:** Although a large volume of bills was settled, the unpaid bills underscore the need for enhanced fiscal management to eliminate backlogs.

Recommendations

- Strengthen Cash Flow Management:** Develop a clear plan to ensure timely and consistent cash flow for the settlement of pending bills.
- Prioritize Critical Obligations:** Allocate available resources strategically to address high-priority and time-sensitive bills, particularly those under **Lot 1**.
- Enhance Valuation Processes:** Streamline the evaluation of bills to avoid delays in identifying legitimate claims and ensure faster payments.
- Negotiate Payment Plans:** Engage creditors to establish structured repayment plans for unpaid bills to maintain trust and reduce pressure on the budget.
- Monitor Pending Liabilities:** Establish a robust monitoring framework for tracking and addressing pending bills to prevent accumulation.

By addressing these areas, the county can improve its financial health and maintain positive relationships with creditors.

PENDING BILLS STATUS BY THE END OF Q2

STATUS/TYPE	CATEGORY	AMOUNT
PAID	LOT 1	228,626,632
	LOT 2	171,449,483
	LOT 3	328,609,531
COURT DEGREES AND AWARDS PAID		421,967,389
PENDING BILLS SUBJECT TO VALUATION PAID		135,956,170
TOTAL PAID		1,286,609,205
UNPAID	LOT 1	78,799,335
	LOT 2	62,358,525
	LOT 3	27,751,021
TOTAL UNPDAID		168,908,881



5.0 EMERGING ISSUES, CHALLENGES, AND RECOMMENDATIONS FOR QUARTER TWO

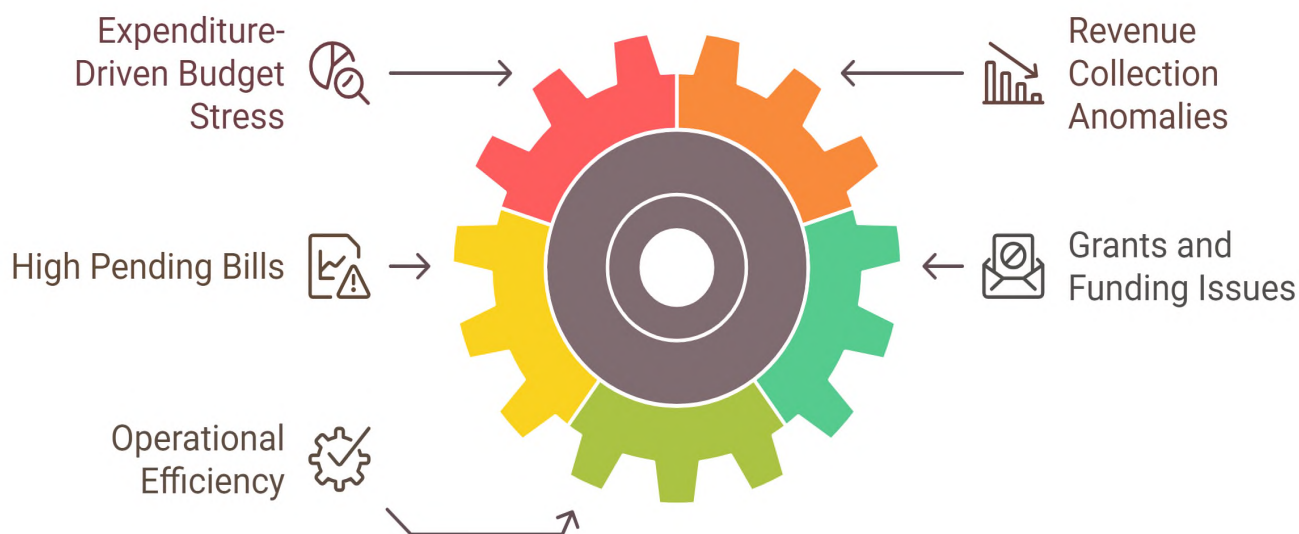
5.1 Emerging Issues

Several issues have emerged during FY2024/25 Quarter Two, which reflect both the progress and challenges facing Kitui County in its financial and operational activities:

Emerging Issues

- Expenditure-Driven Budget Stress**
 - The County's absorption rate for certain economic items, particularly personnel emoluments, exceeds 100%, creating significant budgetary variances (e.g., Health and Sanitation at 183% for personnel costs).
 - Development expenditure absorption is low at 30%, indicating a misalignment between recurrent and capital spending priorities.
- Revenue Collection Anomalies**
 - Overperformance in specific ministries, such as Health and Sanitation (202.85%), contrasts with underperformance in others, like the Ministry of Energy and Environment (2.42%), signaling uneven efficiency in revenue generation efforts.
 - Total revenue performance exceeded targets, yet significant variances exist in key revenue streams, suggesting gaps in revenue predictability.
- High Pending Bills**
 - Despite settling **Ksh. 1.29 billion** in pending bills, unpaid liabilities of **Ksh. 168.91 million** remain, affecting service delivery and supplier confidence.
- Grants and Funding Issues**
 - No grants were received in Q2, limiting funds available for critical development projects and compounding reliance on equitable share disbursements.
- Operational Efficiency**
 - Operational and maintenance absorption rates remain low across most ministries (average 44%), indicating inefficiencies in the utilization of allocated resources.

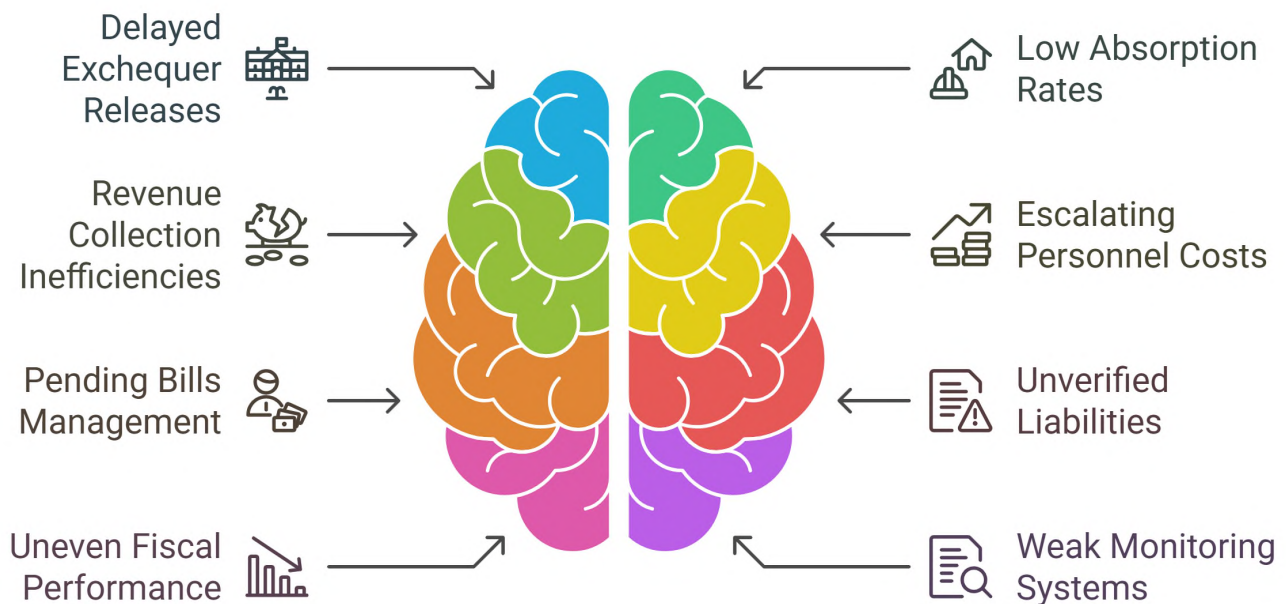
Kitui County Financial and Operational Challenges



5.2 Challenges

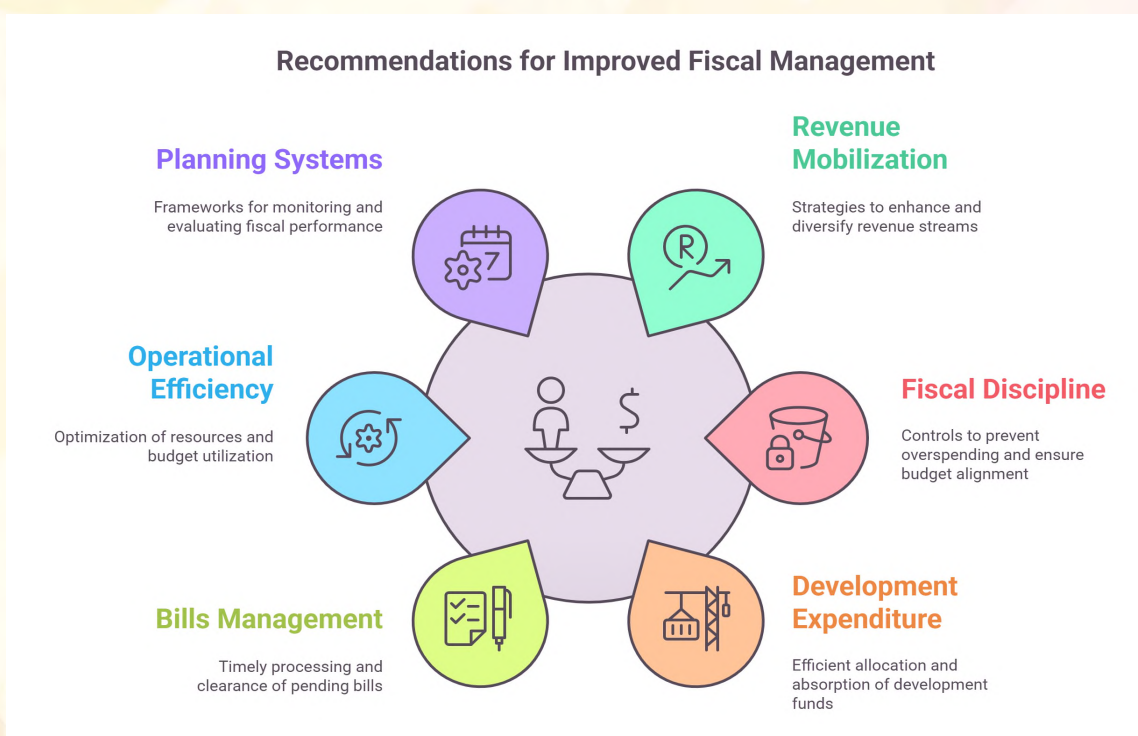
- 1. Delayed Exchequer Releases**
 - Quarter Two exchequer releases from the National Government amounted to **Ksh. 3.58 billion**, far below the budgeted amount of **Ksh. 6.341 billion**, leading to funding constraints.
- 2. Low Absorption Rates for Development Projects**
 - Absorption rates for development expenditures are significantly lower than expected (e.g., Ministry of Energy at 5%), hindering infrastructure growth and socio-economic development.
- 3. Revenue Collection Inefficiencies**
 - Underperforming revenue streams in key departments indicate inadequate revenue mobilization strategies, logistical challenges, or unoptimized collection mechanisms.
- 4. Escalating Personnel Costs**
 - Overruns in personnel emoluments (110% absorption rate) exert undue pressure on the county's recurrent expenditure, reducing funds available for development initiatives.
- 5. Pending Bills Management**
 - Outstanding bills continue to affect service delivery, especially when some are tied to critical legal obligations or essential services.
- 6. Unverified Liabilities**
 - Bills subject to valuation, though partially paid, suggest gaps in the validation process that could lead to disputes and inefficiencies.
- 7. Uneven Fiscal Performance Across Ministries**
 - Ministries such as Roads and Health demonstrate significant expenditure efficiency, while others lag, revealing unequal resource allocation or management challenges.
- 8. Weak Monitoring and Evaluation Systems**
 - Inadequate tracking of project performance and revenue targets hampers timely adjustments to spending and revenue strategies.

Financial Management Challenges Overview



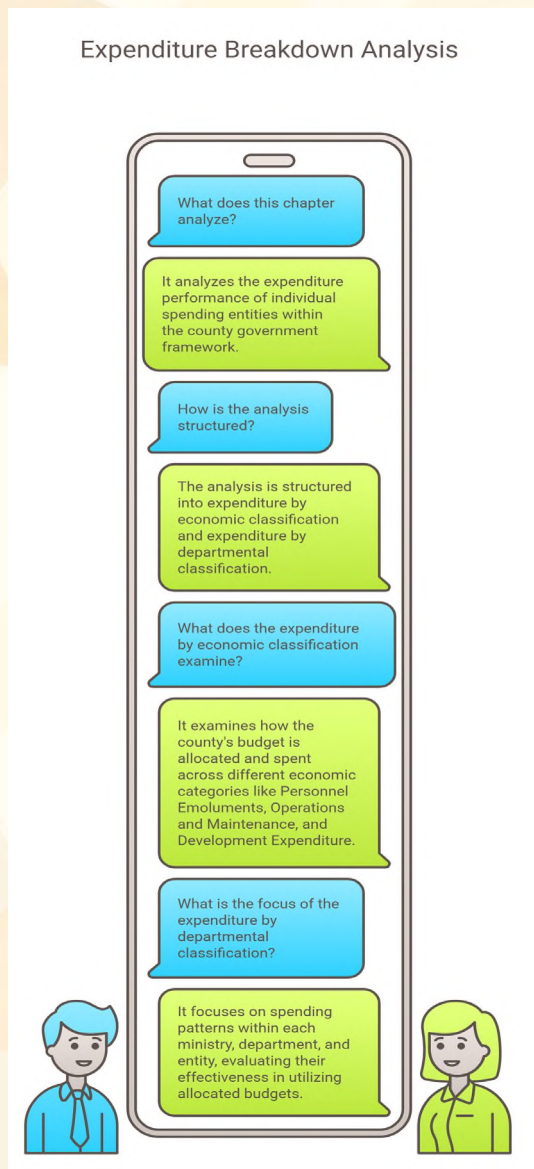
5.3 Recommendations

- 1. Strengthen Revenue Mobilization**
 - Conduct regular reviews of underperforming revenue streams and develop targeted strategies to enhance collections, including leveraging technology for efficiency.
 - Expand the revenue base by identifying untapped sources, such as public-private partnerships and innovative financing models.
- 2. Enhance Fiscal Discipline**
 - Implement stricter controls on personnel emoluments to prevent overruns, including a review of recruitment processes and payroll auditing.
 - Establish a robust expenditure monitoring framework to align spending with priorities and minimize variances.
- 3. Accelerate Development Expenditure Absorption**
 - Prioritize high-impact development projects and streamline procurement processes to enhance efficiency.
 - Adopt a phased project implementation approach to balance expenditures within available resources.
- 4. Improve Pending Bills Management**
 - Develop a comprehensive pending bills clearance plan with a clear timeline, prioritizing critical and legally binding obligations.
 - Enhance verification processes to address disputes and minimize delays in payments.
- 3. Optimize Operational and Maintenance Expenditures**
 - Increase budget utilization efficiency through capacity building and resource optimization across ministries.
- 4. Enhance Planning and Monitoring Systems**
 - Strengthen monitoring and evaluation frameworks to ensure real-time tracking of revenue and expenditure performance.
 - Institutionalize quarterly reviews to address emerging fiscal gaps promptly.
- 5. Advocate for Timely Exchequer Releases**
 - Engage the National Government for predictable and timely disbursement of equitable share funds and conditional grants.
- 6. Public Awareness and Stakeholder Engagement**
 - Foster public participation in budget-making processes to align expenditure priorities with community needs.
 - Engage stakeholders, including suppliers and contractors, in discussions to build trust and transparency in financial management.

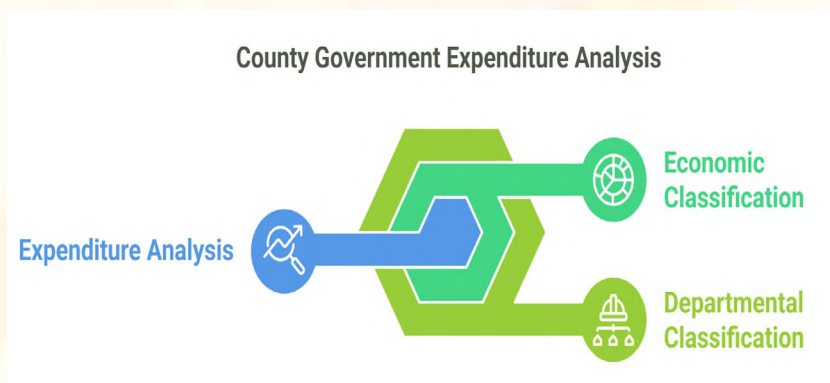


6.0 EXPENDITURE BREAKDOWN BY INDIVIDUAL SPENDING ENTITY

This chapter provides a comprehensive analysis of the expenditure performance of individual spending entities within the county government framework. It dissects the allocation and utilization of funds across various departments and ministries, offering insights into the efficiency and effectiveness of resource management. The analysis is structured into two primary dimensions: **expenditure by economic classification** and **expenditure by departmental classification**.



- Expenditure by Economic Classification:** This section examines how the county's budget is allocated and spent across different economic categories, such as Personnel Emoluments (PE), Operations and Maintenance (O&M), and Development Expenditure. By delving into these economic classifications, the chapter highlights whether resources are being utilized in alignment with the priorities set forth in the budget. The focus is on understanding the balance between recurring operational costs and long-term investments in development projects.
- Expenditure by Departmental Classification:** This analysis focuses on the spending patterns within each ministry, department, and entity under the county government. By breaking down the expenditure at the departmental level, the chapter evaluates the effectiveness of each entity in utilizing its allocated budget, identifying departments that are either over-spending or under-utilizing their funds. This section also considers whether departments have adhered to their budgetary limits and highlights any discrepancies between planned and actual expenditure.



6.1 OFFICE OF THE GOVERNOR

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	25,866,077	9,075,041	16,791,036	35
2200000 Use of goods and services	350,063,744	242,177,445	107,886,299	69
2600000 Current grants and other Transfers-(From Equitable Share)	43,200,000	0	43,200,000	0
3100000 Acquisition of Non-Financial Assets	53,777,365	12,117,272	41,660,093	23
Sub-Total	472,907,186	263,369,758	209,537,428	56
CAPITAL EXPENDITURE				
Non-Financial Asset	895,947,516	365,690,117	530,257,399	41
Grand Total	1,368,854,702	629,059,875	739,794,827	46

6.1.1 Expenditure by Department

DEPARTMENT	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Decentralized Units Service Delivery Coordination	137,474,514	37,686,309	99,788,205	27
General Administration and Planning	1,115,708,524	546,756,965	568,951,559	49
Governor's Service Delivery Unit & Public Communication	69,947,020	33,328,325	36,618,695	48
Office of Chief of Staff	27,196,000	1,379,756	25,816,244	5
Office of County Attorney	15,377,154	10,896,953	4,480,201	71
Office of the County secretary	3,151,490	(988,433)	4,139,923	(31)
Grand Total	1,368,854,702	629,059,875	739,794,827	46

6.2 OFFICE OF THE DEPUTY GOVERNOR

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	45,573,128	39,818,772	5,754,356	87
2200000 Use of goods and services	39,649,699	13,058,158	26,591,541	33
3100000 Acquisition of Non-Financial Assets	16,962,885	194,800	16,768,085	1
Sub-Total	102,185,712	53,071,730	49,113,982	52
CAPITAL EXPENDITURE				
Emergency Fund	6,000,000	560,000	5,440,000	9
Non-Financial Asset	32,688,401	3,620,130	29,068,271	11
Sub-Total	38,688,401	4,180,130	34,508,271	11
Grand Total	140,874,113	57,251,860	83,622,253	41



6.2.1 Expenditure by Department

DEPARTMENT	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Administration Planning & Support Services	27,493,182	7,075,494	20,417,688	26
Performance Mgt & Disaster Mitigation	45,080,695	14,433,520	30,647,175	32
Tourism Devt & Promotion	68,300,236	35,742,846	32,557,390	52
Grand Total	140,874,113	57,251,860	83,622,253	41

6.3 MINISTRY OF WATER & IRRIGATION

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	29,097,233	28,644,352	452,881	98
2200000 Use of goods and services	27,943,571	8,553,873	19,389,698	31
3100000 Acquisition of Non-Financial Assets	5,355,353	164,720	5,190,633	3
Sub-Total	62,396,157	37,362,945	25,033,212	60
CAPITAL EXPENDITURE				
Non-Financial Asset	476,824,375	181,142,608	295,681,767	38
Other Development Budget (Subsidy TO KITWASCO & KIMWASCO)	32,089,983	7,276,206	24,813,777	23
Sub-Total	508,914,358	188,418,814	320,495,544	37
Grand Total	571,310,515	225,781,759	345,528,756	40

6.3.1 Expenditure by Department

DEPARTMENT	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
General Administration & Planning	33,871,712	29,215,580	4,656,132	86
Irrigation	230,856,021	110,260,477	120,595,544	48
Water	306,582,782	86,305,702	220,277,080	28
Grand Total	571,310,515	225,781,759	345,528,756	40

6.4 MINISTRY OF EDUCATION, TRAINING AND SKILLS DEVELOPMENT

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	385,267,780	379,324,526	5,943,254	98
2200000 Use of goods and services	33,786,427	9,230,235	24,556,192	27
2600000 Current grants and other Transfers-(From Equitable Share)	0	0	0	0
3100000 Acquisition of Non-Financial Assets	4,482,916	(713,200)	5,196,116	(16)
Sub-Total	423,537,123	387,841,561	35,695,562	92
CAPITAL EXPENDITURE				
Capital Transfers Govt. Agencies	0	0	0	0
Non-Financial Asset	108,530,635	8,514,224	100,016,411	8
Sub-Total	108,530,635	8,514,224	100,016,411	8
Grand Total	532,067,758	396,355,785	135,711,973	74

6.4.1 Expenditure by Department

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Basic Education, ECDE & Childcare Facilities	424,551,887	341,747,017	82,804,870	80
General Administration & Planning	58,395,965	49,356,013	9,039,952	85
Polytechnics Vocational Centers & Home Craft Centers	49,119,906	5,252,755	43,867,151	11
Grand Total	532,067,758	396,355,785	135,711,973	74

6.5 MINISTRY OF ROADS, PUBLIC WORKS AND TRANSPORT

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	50,417,099	50,147,840	269,259	99
2200000 Use of goods and services	20,344,775	8,130,340	12,214,435	40
3100000 Acquisition of Non-Financial Assets	51,241,600	6,110,130	45,131,470	12
Sub-Total	122,003,474	64,388,310	57,615,164	53
CAPITAL EXPENDITURE				
Non-Financial Asset	273,917,299	238,951,195	34,966,104	87
Other Development Budget	(22,500,000)	0	(22,500,000)	0
Sub-Total	251,417,299	238,951,195	12,466,104	95
Grand Total	373,420,773	303,339,505	70,081,268	81



6.5.1 Expenditure by Department

DEPARTMENT	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
General Administration & Planning	65,894,901	56,513,312	9,381,589	86
Public Works	142,013,425	23,645,856	118,367,569	17
Roads, Transport & Mechanical Services	165,512,447	223,180,337	(57,667,890)	135
Grand Total	373,420,773	303,339,505	70,081,268	81

6.6 MINISTRY OF HEALTH & SANITATION

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	188,760,948	345,420,472	(156,659,524)	183
2200000 Use of goods and services	314,882,797	156,891,203	157,991,594	50
2600000 Current grants and other Transfers-(From Equitable Share)	97,484,833	86,283,114	11,201,719	89
3100000 Acquisition of Non-Financial Assets	1,015,000	201,177	813,823	20
Sub-Total	602,143,578	588,795,966	13,347,612	98
CAPITAL EXPENDITURE				
Capital Grant	11,439,584	1,504,383	9,935,201	13
Non-Financial Assets	148,377,894	25,965,869	122,412,025	17
Sub-Total	159,817,478	27,470,252	132,347,226	17
Grand Total	761,961,056	616,266,218	145,694,838	81

6.6.1 Expenditure by Department

Department	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Curative and Rehabilitative Services	405,179,899	226,196,345	178,983,554	56
Medical Services	189,111,206	225,795,461	(36,684,255)	119
Public Health	167,669,951	164,274,412	3,395,539	98
Grand Total	761,961,056	616,266,218	145,694,838	81

6.7 MINISTRY OF TRADE INDUSTRY, MSMs INNOVATION & COOPERATIVES

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	38,744,114	38,616,273	127,841	100
2200000 Use of goods and services	38,008,089	10,630,998	27,377,091	28
3100000 Acquisition of Non-Financial Assets	18,708,440	5,242,199	13,466,241	28
4100000 Acquisition of Financial Assets	20,000,000	20,000,000	0	100
Sub-Total	115,460,643	74,489,470	40,971,173	65
CAPITAL EXPENDITURE				
Non-Financial Asset	127,077,346	(10,816,465)	137,893,811	(9)
Grand Total	242,537,989	63,673,005	178,864,984	26

6.7.1 Expenditure by Department

Department	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Cooperatives	43,665,451	28,459,041	15,206,410	65
General Administration & Planning	63,464,064	44,121,220	19,342,844	70
Trade & Markets	135,408,474	(8,907,256)	144,315,730	(7)
Grand Total	242,537,989	63,673,005	178,864,984	26

6.8 MINISTRY OF ENERGY ENVIRONMENT FORESTRY & NATURAL RESOURCES

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	23,959,623	23,652,804	306,819	99
2200000 Use of goods and services	9,997,659	6,212,086	3,785,573	62
3100000 Acquisition of Non-Financial Assets	9,099,924	3,314,500	5,785,424	36
Sub-Total	43,057,206	33,179,390	9,877,816	77
CAPITAL EXPENDITURE				
Capital Grant	26,748,892	(10,836,629)	37,585,521	(41)
Non-Financial Asset	51,734,538	14,999,560	36,734,978	29
Sub-Total	78,483,430	4,162,931	74,320,499	5
Grand Total	121,540,636	37,342,321	84,198,315	31

5.8.1 Expenditure by Department

Department	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Energy, Minerals & Natural Resources	59,313,186	23,450,561	35,862,625	40
Environment & Forestry	45,677,583	4,009,686	41,667,897	9
General Administration & Planning	16,549,867	9,882,074	6,667,793	60
Grand Total	121,540,636	37,342,321	84,198,315	31

6.9 MINISTRY OF CULTURE GENDER YOUTH ICT SPORTS AND SOCIAL SERVICES

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	11,061,856	11,061,856	0	100
2200000 Use of goods and services	47,445,257	30,057,665	17,387,592	63
2600000 Current grants and other Transfers-(From Equitable Share)	580,000	580,000	0	100
3100000 Acquisition of Non-Financial Assets	8,238,457	3,704,039	4,534,418	45
4100000 Acquisition of Financial Assets	(857,118)	0	(857,118)	0
Sub-Total	66,468,452	45,403,560	21,064,892	68
CAPITAL EXPENDITURE				
Non-Financial Asset	95,311,787	26,223,974	69,087,813	28
Grand Total	161,780,239	71,627,534	90,152,705	44

6.9.1 Expenditure by Department

Department	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Culture Gender & Social Services	53,445,795	16,569,516	36,876,279	31
General Administration & Planning	22,695,944	14,663,012	8,032,932	65
Sports	68,756,034	31,488,879	37,267,155	46
Youth Sports ICT & Innovation	16,882,466	8,906,127	7,976,339	53
Grand Total	161,780,239	71,627,534	90,152,705	44

6.10 MINISTRY OF FINANCE ECONOMIC PLANNING AND REVENUE MANAGEMENT

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	157,812,875	156,687,944	1,124,931	99
2200000 Use of goods and services	49,844,449	36,541,304	13,303,145	73
3100000 Acquisition of Non-Financial Assets	13,720,520	5,276,531	8,443,989	38
4100000 Acquisition of Financial Assets	25,000,000	0	25,000,000	0
Sub-Total	246,377,844	198,505,779	47,872,065	81
CAPITAL EXPENDITURE				
Capital Grant	139,956,716	42,745,066	97,211,650	31
Other development	(1,373,000)	(1,373,000)	0	100
Sub-Total	138,583,716	41,372,066	97,211,650	30
Grand Total	384,961,560	239,877,845	145,083,715	62

6.10.1 Expenditure by Department

Department	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Accounts	12,737,344	9,360,817	3,376,527	73
Budgetary Supplies	943,454	1,273,196	(329,742)	135
Economic Planning	12,904,091	11,211,716	1,692,375	87
General Administration & Planning	328,537,052	199,429,296	129,107,756	61
Internal Audit	4,170,210	3,224,590	945,620	77
Revenue Management	25,669,409	15,378,230	10,291,179	60
Grand Total	384,961,560	239,877,845	145,083,715	62

6.11 COUNTY PUBLIC SERVICE BOARD

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	14,869,524	14,341,508	528,016	96
2200000 Use of goods and services	12,428,328	6,342,320	6,086,008	51
3100000 Acquisition of Non-Financial Assets	1,772,018	97,950	1,674,068	6
Sub-Total	29,069,870	20,781,778	8,288,092	71
CAPITAL EXPENDITURE				
Non-Financial Asset	7,500,000	-	7,500,000	0
Grand Total	36,569,870	20,781,778	15,788,092	57

6.11.1 Expenditure by Department

Department	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
General Administration and Planning	27,808,749	16,828,232	10,980,517	61
Human Resources Management	8,761,121	3,953,546	4,807,575	45
Grand Total	36,569,870	20,781,778	15,788,092	57

6.12 COUNTY ASSEMBLY

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
2100000 Compensation to Employees	104,154,571	101,836,119	2,318,452	98
2200000 Use of goods and services	211,956,997	89,492,541	122,464,456	42
2700000 Social Benefits	38,424,280	5,122,538	33,301,742	13
3100000 Acquisition of Non-Financial Assets	21,460,200	8,049,700	13,410,500	38
4100000 Acquisition of Financial Assets	140,594,663	0	140,594,663	0
Sub-Total	516,590,711	204,500,898	312,089,813	40
CAPITAL EXPENDITURE				
Non-Financial Asset	229,058,553	-	229,058,553	0
Grand Total	745,649,264	204,500,898	541,148,366	27

6.12.1 Expenditure by Department

Department	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
General Administration and Planning	323,160,966	52,953,120	270,207,846	16
Legislative Department	422,488,298	151,547,778	270,940,520	36
Grand Total	745,649,264	204,500,898	541,148,366	27

6.13 KITUI MUNICIPALITY

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	17,897,976	17,887,969	10,007	100
2200000 Use of goods and services	16,668,229	6,954,156	9,714,073	42
3100000 Acquisition of Non-Financial Assets	1,278,615	491,815	786,800	38
Sub-Total	35,844,820	25,333,940	10,510,880	71
CAPITAL EXPENDITURE				
Non-Financial Asset	90,089,587	24,692,754	65,396,833	27
Other development	0	0	0	0
Sub-Total	90,089,587	24,692,754	65,396,833	27
Grand Total	125,934,407	50,026,694	75,907,713	40

6.13.1 Expenditure by Department

Department	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Enviroment,Culture, Recreation and Community Development	17,337,355	2,607,243	14,730,112	15
Finance	2,999,507	1,305,681	1,693,826	44
General Administration and Planning	22,458,309	19,131,910	3,326,399	85
Planning, Development Control, Transport and Infrastructure	75,267,336	26,402,809	48,864,527	35
Trade,Commerce and Industrialisation	7,871,900	579,051	7,292,849	7
Grand Total	125,934,407	50,026,694	75,907,713	40

6.14 MWINGI TOWN ADMINISTRATION

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	14,756,451	7,713,502	7,042,949	52
2200000 Use of goods and services	10,360,982	3,335,984	7,024,998	32
3100000 Acquisition of Non-Financial Assets	11,145,000	8,300	11,136,700	0
Sub-Total	36,262,433	11,057,786	25,204,647	30
CAPITAL EXPENDITURE				
Non-Financial Asset	15,995,116	1,244,530	14,750,586	8
Grand Total	52,257,549	12,302,316	39,955,233	24

6.14.1 Expenditure by Department

Department	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Environment, Culture, Recreation and Community Development	2,163,400	155,358	2,008,042	7
General Administration and Planning	26,824,860	10,786,360	16,038,500	40
Planning, Development Control, Transport and Infrastructure	23,269,289	1,360,598	21,908,691	6
Grand Total	52,257,549	12,302,316	39,955,233	24

5.15 MINISTRY OF AGRICULTURE AND LIVESTOCK

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	35,666,257	34,610,461	1,055,796	97
2200000 Use of goods and services	41,524,979	17,842,083	23,682,896	43
2600000 Current grants and other Transfers-(From Equitable Share)	(866,100)	(866,100)	0	100
3100000 Acquisition of Non-Financial Assets	(622,850)	(1,405,800)	782,950	226
Sub-Total	75,702,286	50,180,644	25,521,642	66
CAPITAL EXPENDITURE				
Capital Grant	398,984,018	0	398,984,018	0
Non-Financial Asset	48,181,722	25,169,045	23,012,677	52
Other Development Budget	73,410,727	41,896,833	31,513,894	57
Sub-Total	520,576,467	67,065,878	453,510,589	13
Grand Total	596,278,753	117,246,522	479,032,231	20



6.15.1 Expenditure by Department

Department	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
Agriculture	535,061,058	74,247,176	460,813,882	14
Aquaculture Devt	513,341	104,290	409,051	20
General Administration	27,143,813	23,429,931	3,713,882	86
Livestock Devt	33,560,541	19,465,125	14,095,416	58
Grand Total	596,278,753	117,246,522	479,032,231	20

6.16 MINISTRY OF LANDS HOUSING AND URBAN DEVELOPMENT

Economic Item	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
CURRENT EXPENDITURE				
2100000 Compensation to Employees	21,401,276	20,436,115	965,161	95
2200000 Use of goods and services	18,898,631	8,731,225	10,167,406	46
3100000 Acquisition of Non-Financial Assets	26,906,537	8,695,104	18,211,433	32
Sub-Total	67,206,444	37,862,444	29,344,000	56
CAPITAL EXPENDITURE				
Non-Financial Asset	58,281,371	5,468,014	52,813,357	9
Grand Total	125,487,815	43,330,458	82,157,357	35

6.16.1 Expenditure by Department

Department	Available Budget for Q2	Q2 Cumulative Expenditure	Variance	Absp Rate (%)
General Administration	43,557,037	27,664,344	15,892,693	64
Land information & Management	29,076,129	377,510	28,698,619	1
Land Survey	6,678,961	1,759,898	4,919,063	26
Lands & Housing	3,785,770	941,588	2,844,182	25
Urban Development	42,389,918	12,587,118	29,802,800	30
Grand Total	125,487,815	43,330,458	82,157,357	35

FY 2024/25

BUDGET IMPLEMENTATION REVIEW REPORT

QUARTER TWO

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