

COUNTY GOVERNMENT OF KITUI



MINISRTY OF FINANCE, ECONOMIC PLANNING
& REVENUE MANAGEMENT

FY2024/25 QUARTER THREE BUDGET IMPLEMENTATION REVIEW REPORT

COUNTY ASSEMBLY OF KITUI
OFFICE OF THE CLERK
02 APRIL 2025
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P.O. Box 694 - 90200, KITUI



Department of Economic Planning & Budgeting

COUNTY GOVERNMENT OF KITUI

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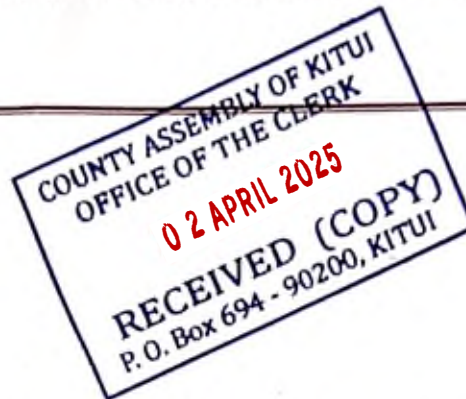
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FINANCE, ECONOMIC PLANNING AND REVENUE MANAGEMENT

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2nd APRIL, 2025

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



RE: BUDGET IMPLEMENTATION REPORT QUARTER 3 FY 2024/2025

The above matter refers.

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

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

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FOREWORD

The Budget Implementation Report for the third quarter of FY2024/25 has been compiled in scrupulous conformity with the provisions of the Public Finance Management Act, 2012. It stands as an indispensable instrument of fiscal surveillance, engineered to enhance transparency, accountability, and evidence-based financial governance within the County Government.

This report provides a rigorous and exhaustive exposition of the County's fiscal operations over the third quarter, encapsulating both revenue inflows and expenditure outlays. It methodically disaggregates expenditures by administrative units, Ministries and Spending Entities, contrasting actual disbursements with the proportionate quarterly budgetary ceilings. This analytical juxtaposition enables a precise computation of absorption rates, thereby revealing the extent of budget execution and resource utilisation.


On the revenue front, the report delineates the quantum of funds mobilised from each revenue stream during the reporting period. Internally generated revenue is meticulously evaluated against predetermined targets, providing a diagnostic insight into the efficacy of the County's revenue-raising mechanisms. Simultaneously, external financing, including conditional grants, programme-based transfers, and fiscal support from the national exchequer, is rigorously examined to determine its contributory impact on the overall fiscal envelope and developmental agenda.

Expenditures are bifurcated into recurrent and development classifications. Recurrent expenditure is further compartmentalised into Personnel Emoluments (PE) and Operations and Maintenance (O&M), ensuring a robust framework for granular accountability. Development expenditure, conversely, is scrutinised in the context of its alignment with policy priorities and transformative aspirations under the County's medium-term strategic blueprint.

Each Ministry's fiscal performance is quantified and critically assessed vis-à-vis the allocated resources for the quarter under review. Variance analyses are employed to unveil underperformance or over-expenditure anomalies, thereby furnishing a cogent basis for remedial fiscal interventions.

Moreover, this report offers an unvarnished exposition of the impediments encountered during budget implementation, ranging from cash flow volatilities and procurement bottlenecks to institutional capacity constraints. In so doing, it articulates actionable policy recommendations and managerial prescriptions aimed at enhancing absorptive capacity and ensuring optimal fiscal discipline.

This third-quarter iteration thus contributes substantively to the County's overarching objective of institutionalising prudent financial stewardship, fostering developmental efficacy, and reinforcing public confidence in devolved financial management systems.



Peter Mwikya Kilonzo

County Executive Committee Member

Ministry of Finance, Economic Planning and Revenue Management

ACKNOWLEDGEMENT

The elaboration of the Budget Implementation Report for the Third Quarter of the Financial Year 2024/25 has been a deeply collaborative and intellectually rigorous undertaking. This document encapsulates a meticulous synthesis of data, empirical insights, and operational feedback amassed from the broad spectrum of departments, sectors, and spending entities that comprise the institutional framework of the County Government of Kitui. It stands as a testament to the collective endeavour, tenacity, and unwavering commitment of a constellation of dedicated professionals, each of whom merits profound gratitude.

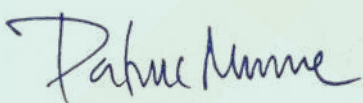
Foremost, I wish to convey my deepest appreciation to His Excellency the Governor, **Dr Julius M. Malombe, EGH.**, whose sagacious stewardship and enduring support have provided the lodestar for this complex exercise. His unrelenting dedication to fiscal rectitude and institutional transparency has been the cornerstone upon which this report has been scrupulously developed. I am particularly beholden to Mr Peter Mwikya Kilonzo, the distinguished County Executive Committee Member for the Ministry of Finance, Economic Planning, and Revenue Management. His incisive acumen, strategic orientation, and unfailing technical insights have significantly enriched the analytical architecture and intellectual integrity of this publication.

The Chief Officers across the County Government must be lauded for their unwavering leadership and commitment. Their instrumental role in galvanising their departmental teams to generate, authenticate, and submit critical datasets has been indispensable to the fidelity of this report.

Moreover, my sincerest commendation is reserved for the dedicated team of economic planners under my purview. Their steadfast exertions, often conducted under exacting time constraints and with exceptional discretion, have exemplified consummate professionalism and devotion to public service excellence.

Lastly, it would be remiss not to recognise the oft-unseen but indispensable contributions of the silent actors, administrative personnel, technical aides, and support staff, whose understated efforts have seamlessly undergirded the development of this report. Their silent industry is woven into every page of this document.

To all contributors, direct and indirect, I extend heartfelt gratitude. This document is not merely a reflection of governmental performance, but a collective manifestation of institutional synergy, diligence, and integrity.



Patrick Masila Munuve
Chief Officer

Economic Planning and Budgeting



EXECUTIVE SUMMARY

This Executive Summary presents a consolidated analysis of Kitui County's third-quarter fiscal operations for the Financial Year 2024/2025, spanning revenue performance, budget absorption, exchequer releases, wage expenditure, pending bills status, and development implementation progress.

1. Revenue Performance

The County recorded an aggregate own-source revenue of **Kshs. 535.31 million** against an annual target of **Kshs. 988.65 million**, translating to an average realisation rate of **54.15%** by the end of March 2025. The **Ministry of Health and Sanitation** led in absolute collections (Kshs. 369.08 million, 61%), while the **Ministry of Water and Irrigation** exceeded its annual target (152% realisation). Key underperformers included the **Ministry of Energy and Natural Resources** (11%) and the **Ministry of Roads** (28%). The uncollected variance of **Kshs. 453.34 million** poses a high fiscal risk and must be pursued aggressively in Quarter Four, notwithstanding systemic collection limitations.

2. Exchequer Releases

By the end of Quarter Three, a total of **Kshs. 2.72 billion** had been received from the National Treasury in three tranches. This is in stark contrast to the **Quarter Three available budget of Kshs. 10.18 billion**, reflecting a dismal realisation rate of **26.7%**. No grants or donor funds were received during this review period. The resulting **funding deficit of Kshs. 7.46 billion** now burdens Quarter Four, with slim prospects of full disbursement due to prevailing disbursement delays and national fiscal strain.

3. Wage Bill and Compensation Performance

The County spent **Kshs. 1.4 billion** on **permanent staff wages**, against a budgeted **Kshs. 2.6 billion**, recording a **53.8% absorption rate**. Most ministries, including the **Office of the Deputy Governor, Public Works, Lands, and Culture**, registered zero or negligible expenditure. Notably, the **Department of Health and Sanitation** slightly overshot its allocation (100.62%), indicating possible budgetary pressure. A balance of **Kshs. 1.2 billion** remains to be absorbed in Q4.

In contrast, **casual wages** recorded total expenditure of **Kshs. 60.85 million** out of an available **Kshs. 100.8 million** (60.37% absorption). Underutilisation was widespread, with only the **Health and Kitui Municipality** departments making substantial disbursements.

4. Development Expenditure

Only **Kshs. 979.7 million** was spent out of available development budget of **Kshs. 4.84 billion**, reflecting a **20% absorption rate**. Major infrastructure-oriented departments, such as **Roads, Water, Lands, and Agriculture**, recorded below 25% absorption. The **County Assembly** reported zero development expenditure. This underperformance is principally attributed to liquidity constraints and low exchequer flow.

Key Observations and Recommendations

- **Liquidity Gaps Impair Execution:** Exchequer delays and insufficient releases are systematically impairing both recurrent and development expenditure performance.
- **Grants Absence a Strategic Risk:** Overreliance on equitable share is unsustainable; renewed efforts must target donor re-engagement.
- **Revenue Enhancement Imperative:** Departments falling short of their targets should institute actionable strategies and policy reforms to optimise revenue yield in Q4.
- **Pending Bills Vigilance:** Payment of validated bills should continue in line with the PFM Act and Controller of Budget advisories to forestall service provider disengagement and legal challenges.
- **Q4 Pressure Mounts:** Given the backlog in absorption and financing gaps, Quarter Four will be financially overstretched, and reprioritisation of funds must take precedence to salvage service delivery and safeguard fiscal credibility.



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 (5) 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 day

(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.

1.0 BUDGET TREND FROM FY 2018/2019 TO 2024/2025

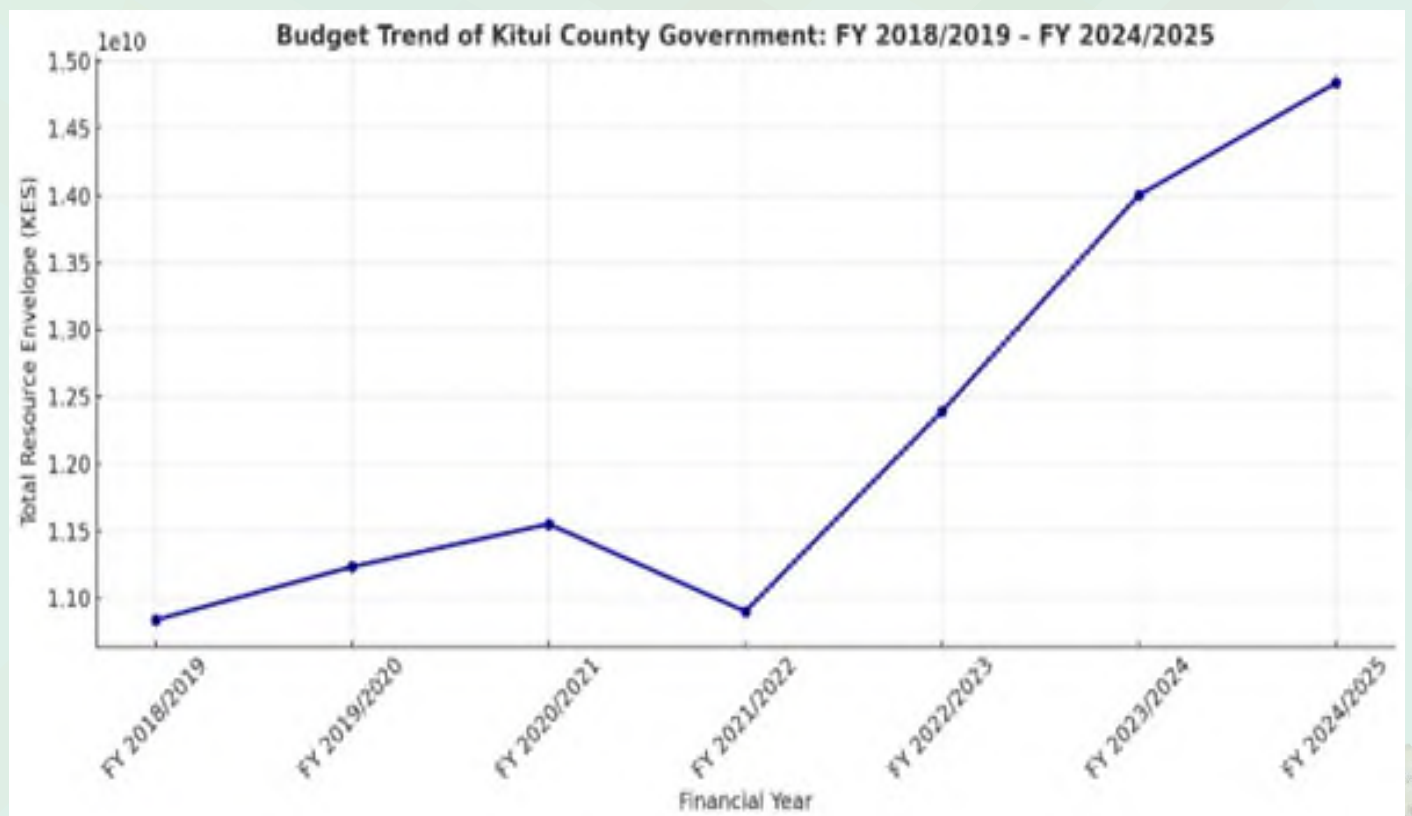
The fiscal trajectory of the County Government of Kitui, as illustrated in Table 1, reveals a discernible upward trend in the total resource envelope over the seven-year period from FY 2018/2019 to FY 2024/2025. Beginning at Kshs. 10.84 billion in FY 2018/2019, the budgetary envelope exhibited moderate annual increments, reaching Kshs. 11.23 billion in FY 2019/2020 and Kshs. 11.55 billion in FY 2020/2021. A temporary contraction is observed in FY 2021/2022, where the total resources dipped to Kshs. 10.90 billion—an aberration likely attributable to exogenous fiscal constraints and transitional budgetary adjustments.

Subsequent years, however, have witnessed a robust resurgence in fiscal allocations. FY 2022/2023 recorded a notable expansion to Kshs. 12.39 billion, which further surged to Kshs. 14.00 billion in FY 2023/2024, representing a substantial leap reflective of intensified revenue mobilisation efforts, enhanced intergovernmental transfers, and prudent financial planning. The apex of this progressive ascent is marked in FY 2024/2025, where the budget envelope peaks at Kshs. 14.84 billion, the highest allocation in the documented period, signifying an era of heightened fiscal capacity, strategic resource acquisition, and strengthened developmental ambition.

This budgetary amplification underscores the County's commitment to realising transformative development objectives and expanding the scope of public service delivery across all sectors.

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	14,840,016,748



2.0 FY2024/25 BUDGET OVERVIEW

2.1 OVERVIEW

The Total Approved Budget for FY2024/25 is KSh. 14.84 billion, financed through a blend of national transfers, internal revenues, grants, and balances carried forward. The structure of the funding sources reveals a high dependence on the national equitable share, while own-source revenue and donor grants remain modest contributors.

2.1.1 Key Observations and Policy Insights

- **Heavy Dependence on Equitable Share:** The equitable share accounts for three-quarters (76%) of the county's financing, reinforcing fiscal reliance on the national government. This undermines local financial autonomy and may threaten sustainability if national transfers' delay.
- **Revotes Indicate Implementation Gaps:** The KSh. 1.5 billion revote—10% of the budget—is substantial. While helpful for continuity, it signals unutilised funds from FY2023/24, likely due to delays in procurement, project execution, or weak absorption capacity.
- **Grants Contribution Remains Modest (7%):** The county has yet to significantly upscale external partnerships. There is a need to deepen engagements with development partners, especially in areas like climate resilience, health systems, and urban infrastructure.
- **Low Own Source Revenue (OSR):** At just 7% of the total, internal revenue mobilisation is underwhelming. This calls for enhanced enforcement, digitisation of revenue streams, and review of potential untapped sources such as:
 - a. Land rates and property taxes,
 - b. Trade licenses,
 - c. Public utilities and user fees,
 - d. Markets and cess.

2.1.2 Strategic Recommendations

- **Strengthen Local Revenue Systems:** Implement automation, incentive systems for collectors, and targeted compliance enforcement to grow OSR sustainably.
- **Develop a Grants Strategy:** Establish a donor coordination unit to track and attract more programme-based funding.
- **Address Budget Absorption Bottlenecks:** Institutionalise cash flow planning, fast-track procurement processes, and adopt results-based management to reduce revote levels.
- **Scenario Plan for Equitable Share Delays:** Build fiscal buffers or prioritise high-impact, low-cost projects in Q1–Q2 to cushion against disbursement lags.

Table 2: FY2024/25 Approved Budget Components

Source	Proposed Revenue Supplementary Estimates 2024/25	%
Equitable share	11,244,322,462	76%
Revote from previous budget	1,495,093,369	10%
Grants	1,111,954,976	7%
Own Revenue	988,645,941	7%
TOTAL	14,840,016,748	100%

2.2 FY2024/25 Grant Allocation

2.2.1 Key Observations

1. Sectoral Weighting:

- Infrastructure and Economic Development Dominate:
 - The Road Maintenance Fuel Levy (KSh. 445M) and Industrial Parks Programme (KSh. 250M) together account for 62% of total grants, underlining a strong push toward infrastructure rehabilitation and local industrialisation.
- Agriculture Transformation Backed by World Bank:
 - Combined agricultural support (NAVCDP and ELRP) totals KSh. 272.5M, affirming the strategic thrust toward resilient food systems and market-driven agricultural value chains.
- Health Investment is Modest but Targeted:
 - The Community Health Promoters (KSh. 58M) and HSSP (KSh. 13.6M) reinforce community-level preventive healthcare, aligned with Universal Health Coverage (UHC).

2. Devolution and Institutional Strengthening:

- The KDSP grant (KSh. 37.5M) remains pivotal in supporting fiscal discipline, planning, and PFM systems, a prerequisite for robust service delivery.

3. Underexploited Revenue Potentials:

- Royalties and court fines allocations (combined < KSh. 0.2M) remain symbolic, indicating untapped local revenue streams and underreporting of extractive activity proceeds.

2.2.2 Recommendations

- **Timely Absorption Planning:** A significant portion of grant funds (e.g., NAVCDP and Industrial Parks) are tied to performance and timelines. Robust implementation frameworks and inter-departmental coordination are vital.
- **Expand Mineral Royalties:** Collaborate with national agencies (e.g., Ministry of Mining) to audit and optimise mineral resource mapping for enhanced local benefits.
- **Build on KDSP & UIG Foundations:** Utilise these grants not just for compliance but to institutionalise data-driven governance and smart urban planning models.
- **Integrate Grants in MTEF Frameworks:** To enhance transparency and reduce fragmentation, ensure that grant inflows are fully embedded in departmental ceilings and budgeting cycles.

Table 3: FY2024/25 Approved Budget Components

Grants	FY2024/25 Grant Allocation
Road Maintenance Fuel Levy	445,098,850
Grants from World Bank (KDSP)	37,500,000
World Bank (Emergency Locust Response Project (ELRP))	121,025,000
IDA (World Bank) credit (National Agricultural Value Chain Development Project (NAVCDP))	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

Grants	FY2024/25 Grant Allocation
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	1,111,954,976

2.3 FY2024/25 Own Source Revenue Projections

2.3.1 Observations & Commentary

1. Concentration Risk:

- The Health and Sanitation Ministry alone contributes ~44% of all own revenue, indicating high dependency on health facilities to finance OSR.
- Finance and Urban Administrations (Kitui & Mwingi) jointly contribute ~29%, forming the second core.

2. Non-Tax Revenues (One-Offs):

- The NHIF arrears (KSh. 121.7M) and UHC refund (KSh. 41.6M) are accounting recoverable, not true revenue sources. Their inclusion inflates projected sustainability and may not recur.

3. Underperformance Concerns:

- Sectors like Trade, Water, and Agriculture show low projections despite latent potential. Regulatory fee frameworks, commercialisation, and automation of collections could unlock more revenue.
- Education, Gender, Energy, and Deputy Governor's office all have nil or negligible own-source revenue, possibly due to policy limitations or lack of revenue functions.

2.3.2 Recommendations

1. Policy Review for Revenue-Latent Sectors:

- Establish revenue boards under ministries such as Agriculture, Trade, and Water to develop tariffs and cost-recovery models.
- Digitise collection systems to improve transparency and tracking in municipalities and health facilities.

2. Strategic Urban Monetisation:

- Expand revenue mandates for Kitui and Mwingi Towns, such as licensing, market development levies, and environmental charges.

3. Health Sector Dependency Risk:

- While the health sector remains key, a diversified revenue mix is necessary to ensure sustainability and resilience to health service shocks.

Table 4: FY2024/25 Own Source Revenue Projections

County Ministry/ Entity	FY2024/25 Own Source Revenue Projection	%
Office of the Governor	35,875,855	3.63%
Office of the Deputy Governor	-	0.00%
Ministry of Water and Irrigation	1,623,262	0.16%
Ministry of Education, Training & Skills Development	-	0.00%
Ministry of Roads, Public Works & Transport	5,250,571	0.53%

County Ministry/ Entity	FY2024/25 Own Source Revenue Projection	%
Ministry of Health and Sanitation	434,639,525	43.96%
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	1,374,464	0.14%
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	915,379	0.09%
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	401,394	0.04%
Ministry of Finance, Economic Planning & Revenue Management	150,277,849	15.20%
Ministry of Agriculture & Livestock	23,039,053	2.33%
Ministry of Lands, Housing & Urban Development	41,165,814	4.16%
Kitui Municipality	84,958,394	8.59%
Mwingi Town Administration	45,756,069	4.63%
The NHIF arrears amounting to Kshs. 121,742,201 which was not remitted to the Ministry of Health and Sanitation by close of FY 2023/24	121,742,201	12.31%
REFUND OF UN-UTILISED PREMIUM PAID FOR UHC MEDICAL PROGRAM (Over payment during FY 2020/21 - Elders Universal Coverage - Part of the KCHIC)	41,626,110	4.21%
Subtotal	988,645,941	100%

2.4 FY 2024/25 Budget Allocation Per Ministry/ Spending Entity

The total proposed budget for the Financial Year 2024/2025 stands at KSh. 14.84 billion, comprising KSh. 9.52 billion (64.18%) for recurrent expenditure and KSh. 5.32 billion (35.82%) allocated to development programmes. This allocation underscores a continued commitment to funding operational needs while sustaining investments in critical development priorities.

2.4.1 Recurrent Expenditure Composition

The recurrent budget is primarily driven by:

- Personnel Emoluments (PE): KSh. 5.61 billion (37.79%)
- Operations & Maintenance (O&M): KSh. 3.92 billion (26.39%)

This reflects a standard distribution, though the high wage bill remains a structural constraint, absorbing over one-third of the total budget envelope.

2.4.2 Development Budget Prioritisation

Approximately KSh. 5.32 billion, or 35.82% of the total budget, is earmarked for development expenditure. The most notable development allocations are directed towards:

- Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives: KSh. 639.2 million
- Ministry of Roads, Public Works & Transport: KSh. 747.9 million
- Ministry of Agriculture & Livestock: KSh. 573.5 million
- Ministry of Water & Irrigation: KSh. 634.3 million

These figures signal the county's strategic investment in economic infrastructure, value chain development, and rural water systems to boost livelihoods and unlock inclusive growth.

Table 5: Key Ministry Allocations and Observations

Spending Entity	Total Budget (KSh.)	% of Total Budget	Observations
Health & Sanitation	4.25B	29%	Commands the largest share of the budget, reflecting sustained investment in healthcare infrastructure, staffing, and essential services.
Office of the Governor	2.47B	17%	Key programmes budgeted under the Office of the Governor include; CLIDP, Insurance (Motor Vehicle & Staff Medical), Legal fees & dues, etc
County Assembly	1.39B	9%	Reflects legislative and oversight responsibilities. However, high recurrent needs merit scrutiny.
Education, Training & Skills Development	1.08B	7%	Suggests priority given to capacity building and skills enhancement, though development share is modest.
Roads, Agriculture, Trade, Water	700M–900M each	6% range	These are core devolved functions and collectively indicate focus on productive sectors.
Finance, Energy, Lands	<600M each	2–4%	Allocations point to support functions and technical departments.
Deputy Governor, Culture, Towns	<2% each		Smallest shares, generally administrative or support roles.

2.4.3 Budget Risks and Strategic Considerations

- The wage bill remains dominant, threatening the fiscal space for capital investments and programme expansion.
- The low allocations to urban infrastructure in Kitui and Mwingi Town Administrations (1% each) may inhibit urbanisation goals and service delivery improvements.
- While the development budget is reasonably sizeable, past absorption rates—often below 50%—necessitate enhanced fiscal discipline, planning, and execution frameworks.

2.4.4 Conclusion and Recommendations

The FY2024/25 budget is generally aligned with Kitui County's socio-economic priorities, with emphasis on health, water, agriculture, and enterprise development. However, implementation efficiency will determine the realisation of the county's development agenda.

2.4.5 Key Recommendations:

- 1. Reduce Recurrent Rigidities:** Reassess the wage structure and contain O&M costs to preserve development space.
- 2. Accelerate Procurement Readiness:** Ministries must pre-package projects and align procurement plans early from Q1 in future.
- 3. Strengthen Urban Investments:** More deliberate investments in Kitui and Mwingi towns are needed to drive urban productivity and service delivery.
- 4. Introduce Results-Based Budgeting (RBB):** Tie allocations to clearly defined outcomes and KPIs to enhance accountability and delivery.

Table 6: FY2024/25 Budget Overview

County Ministry	Recurrent Estimates		Recurrent Estimates	Development Estimates	Total Budget Estimates	%
	PE	O&M				
Office of the Governor	508,750,023	875,657,258	1,384,407,281	1,088,425,698	2,472,832,979	17%
Office of the Deputy Governor	67,995,241	90,208,315	158,203,556	34,298,479	192,502,035	1%
Ministry of Water & Irrigation	92,191,299	47,255,495	139,446,794	634,298,726	773,745,520	5%
Ministry of Education, Training & Skills Development	792,641,583	148,826,190	941,467,773	134,743,229	1,076,211,002	7%
Ministry of Roads, Public Works & Transport	155,338,312	58,952,011	214,290,323	747,909,421	962,199,744	6%
Ministry of Health & Sanitation	2,683,235,689	1,139,427,207	3,822,662,895	425,802,009	4,248,464,905	29%
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	85,147,508	113,759,458	198,906,966	639,194,086	838,101,052	6%
Ministry of Energy, Environment, Forestry, Natural & Mineral Resources	51,627,213	74,414,131	126,041,344	371,330,080	497,371,424	3%
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	69,159,768	98,003,135	167,162,903	43,500,045	210,662,948	1%
Ministry of Finance, Economic Planning & Revenue Management	221,304,941	222,348,432	443,653,372	102,791,974	546,445,346	4%
County Public Service Board	29,665,152	37,201,506	66,866,658	24,734,068	91,600,726	1%
County Assembly Service Board	468,287,168	778,353,821	1,246,640,989	140,900,561	1,387,541,550	9%
Kitui Municipality	33,636,755	46,559,814	80,196,569	85,896,953	166,093,522	1%
Mwingi Town Administration	31,360,891	37,842,909	69,203,800	33,352,967	102,556,767	1%
Ministry of Agriculture & Livestock	260,189,069	102,480,188	362,669,257	573,508,752	936,178,009	6%
Ministry of Lands, Housing and Urban Development	56,983,440	45,250,624	102,234,064	235,275,154	337,509,217	2%
TOTALS	5,607,514,051	3,916,540,493	9,524,054,545	5,315,962,203	14,840,016,748	100%
PERCENTAGE (%)	37.79	26.39	64.18	35.82	100.00	



3.0 REVIEW OF QUARTER THREE FISCAL PERFORMANCE

3.1 Expenditure Performance by Economic classification

The total available budget for the third quarter stood at Kshs. 10,177,590,505. Out of this, an actual expenditure of Kshs. 3,774,684,416 was incurred, leaving an unspent balance of Kshs. 6,402,906,089. This reflects an overall budget absorption rate of 37.09%, indicating a slow pace of financial execution. It is imperative to note that the remaining balance must be fully absorbed in the forthcoming fourth quarter across all items to achieve the annual budgetary targets and avoid fiscal imbalances.

3.1.1 Recurrent Expenditure Performance

The total recurrent allocation for Q3 amounted to Kshs. 5,333,039,110. The actual spending during the period was Kshs. 2,794,983,079, translating to a recurrent absorption rate of 52.41%. While this is relatively moderate, substantial funds remain unspent and require urgent utilisation.

- **Casual Wages:** Of the Kshs. 100,798,760 allocated, only Kshs. 60,852,474 was utilised, leaving a variance of Kshs. 39,946,286. The absorption rate of 60.37% suggests notable underperformance which must be corrected in Quarter 4 through the timely payment of all outstanding wages.
- **Compensation to Employees:** Expenditure under this item stood at Kshs. 1,400,832,761 against a budget of Kshs. 2,604,664,289, marking an absorption rate of 53.78%. This substantial variance of Kshs. 1,203,831,528 must be urgently addressed by fast-tracking salary payments and benefits processing to avoid accumulation of liabilities.
- **Use of Goods and Services:** A total of Kshs. 1,123,719,921 was expended from an allocation of Kshs. 2,050,524,078, realising a 54.80% absorption rate. Procurement processes must be accelerated to ensure full absorption by the close of Quarter 4.
- **Current Grants and Other Transfers (From Equitable Share):** Kshs. 131,451,031 was spent out of Kshs. 206,009,613, reflecting a satisfactory absorption rate of 63.81%. However, a balance of Kshs. 74,558,582 still needs to be expended swiftly to meet transfer obligations.
- **Pro-Poor Bursaries:** Alarming, no expenditure was recorded against the Kshs. 840,000 allocations, resulting in a 0.00% absorption rate. Immediate disbursement strategies must be initiated to ensure that intended beneficiaries receive support within the final quarter.
- **Social Benefits:** With only Kshs. 11,757,706 expended from a Kshs. 33,582,625 budgets, the absorption rate stood at 35.01%. To align with the fiscal objectives, targeted payments should be prioritised to enhance social protection interventions.
- **Acquisition of Non-Financial Assets:** Out of the Kshs. 156,025,082 budgeted, only Kshs. 66,369,186 was spent, translating to an absorption rate of 42.54%. Procurement bottlenecks must be eliminated to ensure the acquisition of planned assets before the end of the financial year.
- **Loan Facilities to Employees:** No disbursement was made against the Kshs. 180,594,663 allocations, a serious underperformance that must be urgently rectified by finalising loan processing and disbursement activities.

In summary, while recurrent spending shows moderate progress, the unutilised balance must be absorbed fully in Quarter 4 through proactive financial and administrative actions.

3.1.2 Development Expenditure Performance

Development allocations for the period totalled Kshs. 4,844,551,395. Actual expenditures were Kshs. 979,701,337, yielding a markedly low absorption rate of 20.22%. Development projects, being critical to long-term growth and service delivery, require immediate acceleration.

- **Capital Grants:** Only Kshs. 20,165,400 was spent out of a Kshs. 414,558,243 allocations, reflecting an extremely low absorption rate of 4.86%. Urgent action must be taken to expedite project agreements and disbursements to beneficiary entities.
- **Capital Grants to Other Levels of Government:** No expenditure was recorded against Kshs. 278,259,818, raising critical concerns. Transfers to devolved units must be fast-tracked in Quarter 4 to avoid year-end fiscal distortions.
- **Non-Financial Assets:** Only Kshs. 869,901,448 was expended from a Kshs. 3,949,804,185 allocation, posting an absorption rate of 22.02%. This calls for robust efforts in project implementation and contractor engagement to fast-track infrastructure development.
- **Non-Financial Assets - Pro-Poor Programme:** With an expenditure of Kshs. 5,076,670 out of Kshs. 15,897,888, the absorption rate stood at 31.93%. Project activities must be scaled up in Quarter 4 to realise the programme's intended socio-economic benefits.
- **Other Development Budget:** Kshs. 57,493,936 was spent from a Kshs. 140,941,278 allocation, achieving a 40.79% absorption rate. Although comparatively better, efforts must still be made to fully utilise the remaining budget.
- **Subsidy to KITWASCO & KIMWASCO:** A positive outlier, this item achieved full absorption (100%), with all allocated funds (Kshs. 25,089,983) disbursed. This best practice should be mirrored across other development projects.
- **Emergency Fund:** Only Kshs. 1,973,900 was spent from Kshs. 20,000,000, posting a dismal absorption rate of 9.87%. Given the unpredictable nature of emergencies, measures must be in place to utilise the fund more efficiently if warranted.

The overall low absorption in development expenditure reflects implementation bottlenecks that must be urgently addressed through enhanced project management, procurement acceleration, and strict deadline enforcement.

3.1.3 Summary

The third quarter's performance reveals significant budget under-absorption, particularly in development expenditures. Recurrent expenditures fared relatively better but still fell short of optimal performance levels. As the financial year approaches closure, it is critical that the entire unspent balance of Kshs. 6,402,906,089 be strategically and judiciously expended in Quarter 4 across all budget items.

The following measures are imperative:

- Fast-tracking procurement and disbursement processes.
- Enhancing financial reporting and monitoring frameworks.
- Strengthening coordination among implementing departments.
- Ensuring strict adherence to fiscal discipline and project deadlines.

Timely absorption of funds will not only enhance service delivery but will also mitigate the risks of budget rollovers, underperformance penalties, and reputational damage. A proactive and coordinated effort is therefore required to ensure that all planned activities are fully executed by the end of the financial year.

Table 7: Quarter Three Expenditure classification by Economic Item

MINISTRY/ SPENDING ENTITY	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
RECCURENT				
2100000 Casual Wages	100,798,760	60,852,474	39,946,286	60.37%
2100000 Compensation to Employees	2,604,664,289	1,400,832,761	1,203,831,528	53.78%
2200000 Use of goods and services	2,050,524,078	1,123,719,921	926,804,157	54.80%
2600000 Current grants and other Transfers- (From Equitable Share)	206,009,613	131,451,031	74,558,582	63.81%
2600000 Current grants and other Transfers- (From Equitable Share- Pro-poor Bursaries)	840,000	-	840,000	0.00%
2700000 Social Benefits	33,582,625	11,757,706	21,824,919	35.01%
3100000 Acquisition of Non-Financial Assets	156,025,082	66,369,186	89,655,896	42.54%
4100000-Loan Facilities to Employees	180,594,663	-	180,594,663	0.00%
Total	5,333,039,110	2,794,983,079	2,538,056,031	52.41%
DEVELOPMENT				
Capital Grant	414,558,243	20,165,400	394,392,843	4.86%
Capital Grants to Other levels of government	278,259,818	-	278,259,818	0.00%
Non-Financial Asset	3,949,804,185	869,901,448	3,079,902,737	22.02%
Non-Financial Asset- Pro- poor Programme	15,897,888	5,076,670	10,821,218	31.93%
Other Development Budget	140,941,278	57,493,936	83,447,342	40.79%
Other Development Budget (Subsidy TO KITWASCO & KIMWASCO)	25,089,983	25,089,983	-	100.00%
Other Development Budget- Emergency Fund	20,000,000	1,973,900	18,026,100	9.87%
Total	4,844,551,395	979,701,337	3,864,850,058	20.22%
GRAND TOTAL	10,177,590,505	3,774,684,416	6,402,906,089	37.09%

3.2 Expenditure Performance by Ministry /Spending Entity

A comprehensive examination of Quarter 3 fiscal performance across ministries and spending entities demonstrates significant variations in budget absorption rates. This analysis identifies both the highest-performing and lowest-performing entities, offering a critical lens on operational efficiency, financial prudence, and implementation challenges within the County Government.

3.2.1 Entities Exhibiting the Highest Budget Absorption

At the apex of budgetary performance is the Ministry of Education, Training and Skills Development, which recorded an exceptional absorption rate of 67%. Out of an available budget totalling KSh. 600,197,175, the ministry expended KSh. 401,045,060, indicating commendable efficiency in programme delivery and operational management within the education sector.

The Department of Health and Sanitation closely follows, achieving an absorption rate of 66%. With a total expenditure of KSh. 1,286,805,307 against available budget of KSh. 1,960,524,243, the department demonstrated strong capacity to utilise resources, particularly within the recurrent expenditure frameworks for health services.

Meanwhile, the Office of the Governor posted a respectable absorption rate of 47%, having utilised KSh. 933,516,100 from an available budget of KSh. 1,974,134,497. This performance reflects a steady, if moderate, commitment to executing governance and administrative functions within the planned fiscal period.

The Office of the Deputy Governor and the County Assembly reported absorption rates of 31% and 33%, respectively. While these figures highlight considerable unspent balances, they still position these entities above several other departments with comparatively weaker performance profiles.

3.2.2 Entities Exhibiting the Lowest Budget Absorption

In stark contrast, the Ministry of Roads, Public Works and Transport reported the lowest absorption rate at a concerning 9%. Despite a substantial available budget of KSh. 856,804,522, only KShs. 80,753,701 was expended by the close of Quarter 3. Such an underperformance severely jeopardises infrastructural development targets and requires immediate strategic corrective actions.

The Ministry of Agriculture and Livestock also performed dismally, recording an absorption rate of 12%. With only KShs. 96,155,442 utilised out of KShs. 793,139,018, the slow pace of expenditure threatens the timely execution of agricultural productivity, food security initiatives, and rural development programmes.

Similarly, the Ministry of Lands, Housing and Urban Development posted a modest absorption rate of 18%, signalling project initiation bottlenecks and possible delays in key land management and housing projects. Likewise, the Ministry of Trade, Industry, MSMEs, Innovation and Cooperatives absorbed a mere 17% of its allocated budget, further compounding risks to enterprise development and economic empowerment initiatives.

Urban entities, notably Kitui Municipality and Mwingi Town Administration, registered absorption rates of 20% and 23%, respectively. These figures denote substantial underutilisation of funds earmarked for urban services enhancement and municipal infrastructure growth. The Ministry of Energy, Environment, Forestry and Natural Resources and the Ministry of Culture, Gender, Youth, ICT, Sports and Social Services absorbed only 25% and 26%, respectively, reflecting a broader systemic inertia across development-focused sectors.

3.2.3 Fiscal Implications

The substantial divergence between the high and low absorbers underscores critical challenges in budget execution, particularly regarding procurement processes, project initiation, and fund disbursement efficiency.

It is imperative that all spending entities intensify implementation efforts in Quarter 4 to ensure full absorption of the remaining budget across both recurrent and development lines. Non-absorption risks not only fiscal indiscipline but may also trigger lapses in service delivery obligations, erode public trust, and impair economic stimulus strategies envisaged under the current financial framework.

Targeted performance management interventions, including expeditious procurement processing, enhanced contract management, and strengthened monitoring and evaluation mechanisms, should be urgently deployed. Entities that continue to lag should submit detailed action plans outlining how they intend to accelerate spending and achieve full budget execution by the financial year's end.

Table 8: Expenditure Performance by Ministry /Spending Entity

MINISTRY/SPENDING ENTITY	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Office of The Governor	955,419,157	1,018,715,340	1,974,134,497	559,282,079	374,234,021	933,516,100	1,040,618,397	47%
Office of the Deputy Governor	114,096,269	34,298,479	148,394,748	39,952,145	6,558,629	46,510,774	101,883,974	31%
Ministry of Water and Irrigation	96,081,401	559,428,946	655,510,347	14,449,087	138,014,230	152,463,317	503,047,030	23%
Education Training and Skills Development	479,359,633	120,837,542	600,197,175	353,288,519	47,756,541	401,045,060	199,152,115	67%
Ministry Of Roads, Public Works and Transport	129,970,707	726,833,815	856,804,522	18,741,082	62,012,619	80,753,701	776,050,821	9%
Health and Sanitation	1,553,821,908	406,702,335	1,960,524,243	1,210,473,233	76,332,074	1,286,805,307	673,718,936	66%
Trade Industry MSMs Innovation & Cooperatives	135,610,380	475,062,371	610,672,751	36,098,908	65,954,847	102,053,755	508,618,996	17%
Ministry Of Energy Environment Forestry & Natural Resources	103,373,224	302,032,042	405,405,266	18,681,107	81,528,210	100,209,317	305,195,949	25%
Ministry Of Culture Gender Youth ICT Sports and Social Services	143,612,390	38,009,095	181,621,485	37,127,735	10,388,898	47,516,633	134,104,852	26%
Ministry of Finance Economic Planning and Revenue Management	316,893,292	97,618,191	414,511,483	78,781,874	10,417,203	89,199,077	325,312,406	22%
Ministry of Agriculture and Livestock	236,590,085	556,548,933	793,139,018	43,651,059	52,504,383	96,155,442	696,983,576	12%
Ministry of Lands Housing and Urban Development	91,156,210	228,529,753	319,685,963	20,116,576	36,245,946	56,362,522	263,323,441	18%
Kitui Municipality	63,225,709	85,896,953	149,122,662	21,056,391	9,074,215	30,130,606	118,992,056	20%
Mwingi Town Administration	58,717,563	33,352,967	92,070,530	16,710,175	4,321,917	21,032,092	71,038,438	23%
County Public Service Board	42,451,370	19,784,072	62,235,442	11,391,462	4,357,604	15,749,066	46,486,376	25%
County Assembly	812,659,812	140,900,561	953,560,373	315,181,647	-	315,181,647	638,378,726	33%
Grand Total	5,333,039,110	4,844,551,395	10,177,590,505	2,794,983,079	979,701,337	3,774,684,416	6,402,906,089	37%

3.3 Recurrent Expenditure Performance by Ministry /Spending Entity(P.E and O&M)

This analysis presents an overview of recurrent expenditures for various ministries and spending entities in Quarter 3, highlighting budget utilisation and absorption efficiency. The data points to substantial disparities in how different sectors have utilised their recurrent budgets, reflecting varying levels of fiscal discipline and operational efficiency across the county government.

3.3.1 Entities with the Highest Recurrent Expenditure Absorption

1. **Health and Sanitation**

With a **Total Available Budget** of KSh. 1,553,821,908, the Health and Sanitation Ministry spent KSh. 1,210,473,233, reflecting an absorption rate of **78%** and leaving a variance of KSh. 343,348,675. This robust utilisation underscores strong operational capability in essential health service delivery.

2. **Education, Training and Skills Development**

The Ministry of Education utilised KSh. 353,288,519 from a **Total Available Budget** of KSh. 479,359,633, marking an absorption rate of **74%** and a variance of KSh. 126,071,114. This level of performance indicates effective channeling of resources into educational programmes.

3. **Office of the Governor**

The Office of the Governor expended KSh. 559,282,079 against a **Total Available Budget** of KSh. 955,419,157, achieving an absorption rate of **59%** and a variance of KSh. 396,137,078. This reflects moderate budget utilisation with significant balances still to be deployed.

3.3.2 Entities with the Lowest Recurrent Expenditure Absorption

1. **Ministry of Roads, Public Works and Transport**

From a **Total Available Budget** of KSh. 129,970,707, only KSh. 18,741,082 was spent, equating to a **14%** absorption rate and a variance of KSh. 111,229,625. This underperformance endangers infrastructure project timelines.

2. **Ministry of Water and Irrigation**

The Ministry of Water expended just KSh. 14,449,087 out of a **Total Available Budget** of KSh. 96,081,401, resulting in a **15%** absorption rate and a variance of KSh. 81,632,314. Significant funds remain unused, risking delays in critical water-supply initiatives.

3. **Ministry of Agriculture and Livestock**

With a **Total Available Budget** of KSh. 236,590,085, only KSh. 43,651,059 was expended, yielding an absorption rate of **18%** and a variance of KSh. 192,939,026. This slow uptake threatens agricultural productivity and food security targets.

3.3.3 Other Notable Performances

- **County Assembly:** Absorption **39%**, with KSh. 315,181,647 spent from a **Total Available Budget** of KSh. 812,659,812 (variance KSh. 497,478,165).
- **Office of the Deputy Governor:** Absorption **35%**, with KSh. 39,952,145 spent from a **Total Available Budget** of KSh. 114,096,269 (variance KSh. 74,144,124).
- **County Public Service Board and Mwingi Town Administration:** Absorptions of **27%** and **28%**, respectively, each showing substantial unspent balances.

3.2.4 Summary

The **Grand Total** recurrent expenditure for Q3 stands at KSh. 2,794,983,079, absorbing **52%** of the **Total Available Budget** of KSh. 5,333,039,110. To enhance fiscal discipline and ensure full execution by year-end, it is recommended that:

- **Delayed Projects Be Prioritised** in the Ministries of Roads, Water, and Agriculture to expedite procurement and deployment.
- **Rigorous Performance Monitoring** be enforced through weekly expenditure reviews and variance explanations.
- **Reallocation Mechanisms** be activated for any critical under-utilised funds to high-impact interventions.

Table 9: Q3 Recurrent Expenditure

MINISTRY/SPENDING ENTITY	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
Office of The Governor	955,419,157	559,282,079	396,137,078	59%
Office of the Deputy Governor	114,096,269	39,952,145	74,144,124	35%
Ministry of Water and Irrigation	96,081,401	14,449,087	81,632,314	15%
Education Training and Skills Development	479,359,633	353,288,519	126,071,114	74%
Ministry Of Roads, Public Works and Transport	129,970,707	18,741,082	111,229,625	14%
Health and Sanitation	1,553,821,908	1,210,473,233	343,348,675	78%
Trade Industry MSMs Innovation & Cooperatives	135,610,380	36,098,908	99,511,472	27%
Ministry Of Energy Environment Forestry & Natural Resources	103,373,224	18,681,107	84,692,117	18%
Ministry of Culture Gender Youth ICT Sports and Social Services	143,612,390	37,127,735	106,484,655	26%
Ministry of Finance Economic Planning and Revenue Management	316,893,292	78,781,874	238,111,418	25%
Ministry of Agriculture and Livestock	236,590,085	43,651,059	192,939,026	18%
Ministry of Lands Housing and Urban Development	91,156,210	20,116,576	71,039,634	22%
Kitui Municipality	63,225,709	21,056,391	42,169,318	33%
Mwingi Town Administration	58,717,563	16,710,175	42,007,388	28%
County Public Service Board	42,451,370	11,391,462	31,059,908	27%
County Assembly	812,659,812	315,181,647	497,478,165	39%
Grand Total	5,333,039,110	2,794,983,079	2,538,056,031	52%

3.4 Personnel Emoluments Expenditure Performance (P.E)

3.4.0 Allocation Performance for Permanent Salaried Staff

The execution status of the County Government of Kitui's Quarter Three budgetary allocations pertaining to the remuneration of permanent salaried personnel presents a complex tapestry of departmental expenditure behaviour, interspersed with profound disparities in absorption capacities across the respective spending entities. The cumulative appropriation for this wage category amounted to Kshs. 2,604,664,289, of which only Kshs. 1,400,832,761 had been disbursed by the conclusion of the third quarter. This represents an aggregate absorption rate of 53.76%, consequently leaving an unutilised balance of Kshs. 1,203,831,528 slated for deployment in the fourth quarter.

A granular dissection of the data reveals that certain departments exhibited commendable levels of budgetary fidelity, whilst others registered suboptimal disbursement levels, with some recording nil absorption. Of notable interest is the Ministry of Health and Sanitation, which surpassed its allocated quantum by Kshs. 5,717,509, suggesting either intensified staffing demands, legacy obligations, or possible budget estimation anomalies.

Conversely, numerous departments, including the Office of the Deputy Governor, Ministry of Culture, Gender, Youth, ICT, Sports & Social Services, Ministry of Lands, Housing and Urban Development, and the County Public Service Board, registered zero expenditure against their respective allocations, thereby raising critical flags regarding implementation inertia or strategic lag in personnel management.

The Department of Education, Training and Skills Development manifested a relatively high absorption rate at 80.40%, while the County Assembly also performed above average, expending 45.32% of its budgeted provision for permanent personnel. These pockets of progress are overshadowed by broader systemic underperformance across the board, particularly in departments mandated with service delivery at scale.

3.4.1 Observations

Disparate Absorption Trends: The heterogeneity in wage bill absorption accentuates underlying administrative and structural constraints within certain departments, with some demonstrating capacity constraints or possible overbudgeting of non-existent personnel expenditure lines.

Exceedance in Health Budget: The over-expenditure reported under the Ministry of Health and Sanitation warrants immediate forensic audit to discern whether the excess is attributable to late remittances, revised staffing schedules, or systemic inefficiencies.

3.4.2 Recommendations

- **Institutional Payroll Audit:** A county-wide audit of payroll allocations versus actual deployments should be instituted to ascertain validity of the budgeted wage ceilings and expose any latent discrepancies.
- **Real-Time Wage Monitoring System:** Establish an automated wage tracking framework to ensure timely expenditure monitoring, variance reporting, and error correction, thereby forestalling similar patterns in subsequent quarters.

- **Intervention in Health Overruns:** Conduct a swift but comprehensive investigation into the Ministry of Health’s wage expenditure, with an emphasis on payroll reconciliation, pending arrears, and wage creep assessments.

Table 10: Quarter Three Allocation Performance for Permanent Salaried Staff

MINISTRY/SPENDING ENTITY	Available Budget	Expenditure	VARIANCE	% ABS
Office of The Governor	255,059,030	15,500,826	239,558,204	6.08%
Office of the Deputy Governor	41,449,147	-	41,449,147	0.00%
Ministry of Water and Irrigation	63,140,207	409,690	62,730,517	0.65%
Education Training and Skills Development	418,305,559	336,305,472	82,000,087	80.40%
Ministry Of Roads, Public Works and Transport	88,414,041	13,720	88,400,321	0.02%
Health and Sanitation	924,820,502	930,538,011	(5,717,509)	100.62%
Trade Industry MSMs Innovation & Cooperatives	43,260,121	19,101	43,241,020	0.04%
Ministry Of Energy Environment Forestry & Natural Resources	51,539,317	1,365,356	50,173,961	2.65%
Ministry Of Culture Gender Youth ICT Sports and Social Services	60,260,956	-	60,260,956	0.00%
Ministry of Finance Economic Planning and Revenue Management	150,619,630	20,794,314	129,825,316	13.81%
Ministry of Agriculture and Livestock	163,303,553	58,270	163,245,283	0.04%
Ministry of Lands Housing and Urban Development	52,951,409	-	52,951,409	0.00%
Kitui Municipality	31,843,975	45,864	31,798,111	0.14%
Mwingi Town Administration	31,194,830	-	31,194,830	0.00%
County Public Service Board	17,153,337	-	17,153,337	0.00%
County Assembly	211,348,675	95,782,137	115,566,538	45.32%
Grand Total	2,604,664,289	1,400,832,761	1,203,831,528	85.94%

3.5 Allocation Performance for Casual Wages

The fiscal outturn on casual wages for the third quarter of the Financial Year 2024/25 reveals a varied execution trajectory across the County Government of Kitui’s spending entities. Of the total available budgeted amounting to Kshs. 100,798,760, an aggregate of Kshs. 60,852,474 was expended as at the end of Q3. This reflects a cumulative absorption rate of 60.37%, leaving an unspent residual balance of Kshs. 39,946,286 to be potentially absorbed in the final quarter.

Notably, only a fraction of the departments received budgetary allocation for this expenditure item, with the bulk of absorption concentrated in Health and Sanitation, Kitui Municipality, and the Office of the Governor, which collectively account for the lion’s share of the expended amount. The Ministry of Health and Sanitation posted the highest absolute expenditure at Kshs. 41,000,234, translating to a commendable 64.80% absorption rate. This reflects the ongoing demand for auxiliary support services in health facilities across the county, particularly in the wake of intensified community health initiatives and sanitation enforcement.

Meanwhile, several departments, such as the Office of the Deputy Governor, Ministry of Education, Trade and Industry, Culture and Youth, and Lands and Urban Development, recorded nil allocations and consequently registered zero absorption. This raises critical questions on whether these functions lack operational need for casual engagement or if there

exists a structural exclusion in budget planning for these departments.

The Ministry of Roads, Public Works and Transport and the Ministry of Energy, Environment, Forestry and Natural Resources absorbed 30.01% and 28.14% of their respective allocations, indicative of either delayed recruitment, seasonal work patterns, or administrative bottlenecks inhibiting full execution.

3.5.1 Observations

1. **Skewed Budgetary Distribution:** The casual wage budget appears heavily concentrated in a limited number of departments, potentially overlooking the latent labour needs of other entities such as the cultural and land sectors.
2. **Underutilisation Risk:** Despite some departments demonstrating moderate performance, the 39.6% unspent allocation underscores a significant risk of underutilisation unless strategic interventions are enacted in Quarter Four.
3. **Labour Intensity Variation:** Entities such as the **Ministry of Health** and **Urban Municipalities** naturally exhibit higher casual labour demands owing to service intensity. However, this must be corroborated with data to determine sustainability and cost efficiency.
4. **Absence of Allocation in Several Sectors:** The complete omission of budgetary provision for casual wages in several ministries point to centralised labour planning and deliberate containment measures on temporary staff engagement.

3.5.2 Recommendations

- **Strategic Review of Labour Deployment Plans:** Conduct a mid-year assessment of casual labour needs across all departments to inform the reallocation or supplementary budgeting processes in the subsequent fiscal period.
- **Enhancement of Work Planning Mechanisms:** Departments with low absorption should be required to develop realistic labour work plans aligned to service delivery benchmarks, enabling better use of allocated funds.
- **Equitable Distribution of Casual Labour Budgets:** The County Treasury should ensure a more equitable distribution of casual wage resources, particularly to departments that deliver labour-intensive community services but were not allocated funding.
- **Fourth Quarter Operational Surge:** A deliberate ramp-up of operations in Q4 should be encouraged, particularly in service-heavy sectors, to ensure optimal utilisation of the outstanding **Kshs. 39.9 million** and avert fiscal rollover.
- **Review of Budgetary Absorption Protocols:** The budget execution framework for casual wages should be reviewed and standardised to promote timely requisition, approval, and deployment of temporary personnel.

Table 11: Quarter three Casual Wages Expenditure Performance

MINISTRY/SPENDING ENTITY	Q3 Available Budget	Q3 Expenditure	VARIANCE	% ABS
Office of The Governor	12,808,577	7,109,547	5,699,030	55.51%
Office of the Deputy Governor	-	-	-	0.00%
Ministry of Water and Irrigation	-	-	-	0.00%
Education Training and Skills Development	-	-	-	0.00%

MINISTRY/SPENDING ENTITY	Q3 Available Budget	Q3 Expenditure	VARIANCE	% ABS
Ministry Of Roads, Public Works and Transport	768,200	230,500	537,700	30.01%
Health and Sanitation	63,276,042	41,000,234	22,275,808	64.80%
Trade Industry MSMs Innovation & Cooperatives	-	-	-	0.00%
Ministry Of Energy Environment Forestry & Natural Resources	183,100	51,525	131,575	28.14%
Ministry Of Culture Gender Youth ICT Sports and Social Services	-	-	-	0.00%
Ministry of Finance Economic Planning and Revenue Management	-	-	-	0.00%
Ministry of Agriculture and Livestock	4,429,945	2,159,564	2,270,381	48.75%
Ministry of Lands Housing and Urban Development	-	-	-	0.00%
Kitui Municipality	10,966,055	6,396,010	4,570,045	58.33%
Mwingi Town Administration	6,894,901	3,233,873	3,661,028	46.90%
County Public Service Board	-	-	-	0.00%
County Assembly	1,471,940	671,221	800,719	45.60%
Grand Total	100,798,760	60,852,474	39,946,286	60.37%

3.6 Development Expenditure Performance

The execution of development expenditure during the third quarter of FY2024/25 presents a concerningly modest performance across the County Government of Kitui's Ministries and Spending Entities. Out of the total available development budget amounting to Kshs. 4,844,551,395, only Kshs. 979,701,337 was absorbed, reflecting a subdued execution rate of 20.22%, and leaving an unexpended balance of Kshs. 3,864,850,058. This expenditure trajectory, if not urgently addressed, threatens to undermine annual development targets envisaged in the approved fiscal framework.

The **Office of the Governor** exhibited the highest proportional absorption at **Kshs. 374,234,021**, equating to **37%** of its allocated development ceiling. This relatively superior performance can be attributed to flagship initiatives under the Office's purview, which are often prioritised for expedited implementation. Similarly, the **Ministry of Education, Training, and Skills Development** posted a respectable 40% absorption, denoting robust execution of school infrastructure, vocational skilling, and bursary-related development interventions.

In stark contrast, several critical service-oriented departments posted alarmingly low utilisation rates. The **Ministry of Roads, Public Works and Transport**, with a substantial allocation of **Kshs. 726,833,815**, absorbed a mere **9%**, flagging considerable delays in road works implementation or procurement bottlenecks in civil infrastructure projects. The **Ministry of Agriculture and Livestock**, despite receiving **Kshs. 556,548,933**, also managed only a 9% absorption, which may indicate prolonged contract award processes or limited groundwork readiness in agri-value chain projects.

Of notable concern is the **County Assembly**, which reported zero development expenditure by the end of the third quarter. While legislative arms may have a leaner development scope, a complete inactivity within three quarters is fiscally inefficient and warrants deeper interrogation.

Additionally, entities such as the **Ministry of Finance, Kitui Municipality, and Mwingi Town**

Administration absorbed less than 15% of their respective budgets, further reinforcing the pattern of widespread underperformance.

3.6.1 Observations

1. **Systemic Underperformance:** A uniform pattern of suboptimal development budget absorption across nearly all departments raises serious concerns on the County's project delivery capacity, procurement efficiency, and internal disbursement protocols.
2. **Potential Roll-Overs and Fiscal Slippage:** The massive outstanding balance of **Kshs. 3.86 billion** presents a high risk of fiscal roll-overs or rushed fourth-quarter spending, which often compromises value for money and quality of project execution.
3. **Institutional Inertia:** Recurrent underperformance in capital projects suggests systemic bottlenecks—ranging from delayed procurement processes, capacity gaps among implementing agencies, and possibly low contractor mobilisation.
4. **Strategic Misalignment:** The disparity in absorption between policy-priority sectors such as Health, Agriculture, and Roads and their low budget execution points to a disconnect between planning and implementation.

3.6.2 Recommendations

- **Expedited Procurement Finalisation:** All Ministries and spending entities must fast-track stalled procurement processes and ensure prompt contract execution to salvage implementation in Quarter Four.
- **Enhanced Project Supervision and Monitoring:** The County Treasury and Internal Audit Directorate should immediately undertake a joint quarterly field verification of development projects to ensure physical progress aligns with reported financial absorption.
- **Devolution of Budget Implementation Units:** Where delays are due to centralised decision-making, development management units should be decentralised to fast-track project approvals and local execution.
- **Quarter Four Implementation Surge:** Ministries should design and submit realistic Quarter Four workplans for accelerated delivery of development projects without compromising transparency, quality, or fiscal accountability.
- **Legislative Oversight:** The County Assembly should invoke its oversight mandate to demand accountability for low absorption, particularly from Ministries with critical service delivery mandates.
- **Expenditure Reprioritisation:** For persistently underperforming entities, a mid-term review may warrant reprioritisation of funds to high-impact, shovel-ready projects with demonstrable community benefit.

Table 12: Quarter Three Development Expenditure

MINISTRY/SPENDING ENTITY	AVAILABLE BUDGET	EXPENDITURE	VARIANCE	% ABS
Office of The Governor	1,018,715,340	374,234,021	644,481,319	37%
Office of the Deputy Governor	34,298,479	6,558,629	27,739,850	19%
Ministry of Water and Irrigation	559,428,946	138,014,230	421,414,716	25%

MINISTRY/SPENDING ENTITY	AVAILABLE BUDGET	EXPENDITURE	VARIANCE	% ABS
Education Training and Skills Development	120,837,542	47,756,541	73,081,001	40%
Ministry Of Roads, Public Works and Transport	726,833,815	62,012,619	664,821,196	9%
Health and Sanitation	406,702,335	76,332,074	330,370,261	19%
Trade Industry MSMs Innovation & Cooperatives	475,062,371	65,954,847	409,107,524	14%
Ministry Of Energy Environment Forestry & Natural Resources	302,032,042	81,528,210	220,503,832	27%
Ministry Of Culture Gender Youth ICT Sports and Social Services	38,009,095	10,388,898	27,620,197	27%
Ministry of Finance Economic Planning and Revenue Management	97,618,191	10,417,203	87,200,988	11%
Ministry of Agriculture and Livestock	556,548,933	52,504,383	504,044,550	9%
Ministry of Lands Housing and Urban Development	228,529,753	36,245,946	192,283,807	16%
Kitui Municipality	85,896,953	9,074,215	76,822,738	11%
Mwingi Town Administration	33,352,967	4,321,917	29,031,050	13%
County Public Service Board	19,784,072	4,357,604	15,426,468	22%
County Assembly	140,900,561	-	140,900,561	0%
Grand Total	4,844,551,395	979,701,337	3,864,850,058	20%



3.7 Quarter Three Own Source Revenue Performance

3.7.1 Overview and Contextual Background

As at the end of the third quarter of the Financial Year 2024/2025 (i.e. 31st March 2025), the County Government of Kitui had mobilised a total of **Kshs. 535,309,746** in Own Source Revenue (OSR) against an annual budgetary target of **Kshs. 988,645,941**. This reflects a cumulative revenue realisation of **54.15%**, leaving a shortfall of **Kshs. 453,336,195** to be collected within the final quarter.

The performance trajectory signifies moderate progress in local revenue collection but remains below the expected third-quarter benchmark of 75%, thus warranting urgent remedial action in Quarter Four to improve fiscal sustainability.

3.7.2 Departmental Performance Analysis

A detailed breakdown of performance by departments is presented in the table below, with key observations as follows:

- **Overperformance:**
 - The **Ministry of Water and Irrigation** surpassed its full-year revenue target by **152.37%**, collecting **Kshs. 2.47 million** against a target of **Kshs. 1.62 million**.
 - The category labelled “**Others**”, which had no predefined target, generated **Kshs. 10.58 million**, indicating potential unstructured or emerging revenue streams that require regularisation and integration into the formal budgeting framework.
- **Moderate Performance (50–84% Realisation):**
 - Departments such as **Trade and MSMEs (84.33%)**, **Culture and Social Services (62.67%)**, **Health and Sanitation (61.72%)**, and **Lands and Urban Development (51.92%)** demonstrated commendable efforts but still reported significant nominal shortfalls, particularly in the Health sector (Kshs. 228.9 million deficit).
- **Low Performance (<50% Realisation):**
 - Critical departments such as **Finance and Economic Planning (38.63%)**, **Kitui Municipality (40.66%)**, **Roads and Public Works (27.99%)**, and **Energy and Natural Resources (11.35%)** recorded poor revenue outcomes relative to their respective targets.
 - The **Ministry of Agriculture and Livestock** posted **zero revenue collection** against a target of **Kshs. 23 million**, which is particularly concerning and necessitates a full audit of collection frameworks and operational capacity in the sector.

3.7.3 Fiscal Implications

The collection shortfall of **Kshs. 453,336,195** presents a considerable risk to the county’s cash flow projection for the final quarter of the financial year. This gap threatens the ability to:

- Finance the final quarter payroll and operational expenses,
- Pay for development project certificates and contractual obligations,
- Offset pending bills carried from previous fiscal periods,

- Maintain investor confidence in the county’s procurement system.

Should the target not be met, supplementary measures or expenditure rationalisation may become necessary—potentially disrupting service delivery and eroding the gains of fiscal discipline achieved in earlier quarters.

3.7.4 Observations and Strategic Recommendations

Observations:

1. **High Dependence on Select Ministries:** Nearly 70% of OSR comes from just two departments—Health and Finance—indicating overdependence and exposing the county to sector-specific volatility.
2. **Inadequate Enforcement Mechanisms:** Underperforming departments exhibit patterns of weak enforcement, poor data systems, and limited human resource capacity to support revenue collection.
3. **Target Setting Discrepancies:** Some departments were allocated ambitious targets not matched by historical performance trends or current capacity, signalling a need for evidence-based target formulation.

Recommendations:

1. **Deploy a Q4 Revenue Acceleration Framework:**
 - Every department with a variance must develop and submit a **Quarter Four OSR Recovery Plan**, specifying weekly collections, enforcement activities, and follow-ups.
 - The Department of Finance should coordinate, monitor and publish fortnightly performance updates to ensure accountability.
2. **Strengthen Revenue Enforcement and Legal Compliance:**
 - Expedite issuance of demand notices for unpaid rates, rents, licences, and fees across urban areas and regulated sectors.
 - Activate legal instruments to prosecute non-compliant businesses and ratepayers under the relevant finance laws and by-laws.
3. **Digitise and Integrate Revenue Systems:**
 - Implement real-time receipting and integration of payment platforms (mobile money, POS, and online portals) to reduce leakages and improve convenience.
4. **Audit and Mainstream Unstructured Revenues:**
 - A dedicated audit should be carried out to classify and integrate “Others” revenue into the structured revenue streams, ensuring full accountability and forecast alignment.
5. **Capacity Enhancement and Interdepartmental Synergy:**
 - Departments such as Lands, Urban Development, and Energy should be supported with revenue field officers and tools for valuation, inspection, and

permit verification.

6. Policy Recalibration and Incentive Structuring:

- Introduce performance-based incentives for departments exceeding revenue targets and penalties for unjustified underperformance.
- Review targets ahead of the 2025/26 budget cycle to reflect realism and sector-specific growth potential.

3.7.5 Conclusion

In conclusion, the county must mobilise the remaining **Kshs. 453,336,195** in OSR within Quarter Four to safeguard the financial viability of its programmes and preserve the credibility of its budget execution. A results-driven, enforcement-led approach combined with digital solutions and robust political support will be critical to bridging the gap and positioning the county on a path to revenue sustainability.

Table 13: Own Source Revenue (OSR) Performance as at End of Quarter Three FY 2024/25

Ministry	Target FY 2024/25	Year to date as At MARCH 2025	Variance	Collection Estimate As At 30th June 2025
Other Unstructured Revenue Streams	-	10,578,115	10,578,115	11,635,926.50
Ministry of Water and Irrigation	1,623,262	2,473,300	850,038	3,000,000.00
Ministry of Energy Environment, Forestry, Natural and Mineral Resources	915,379	103,900	(811,479)	(892,626.90)
Ministry of Health and Sanitation	598,007,839	369,077,624	(228,930,215)	469,077,624.00
Ministry of Culture, Gender, Youth, ICT, Sports & Social Services	401,394	251,550	(149,844)	300,000.00
Ministry of Lands, Housing and Urban Development	41,165,812	21,372,826	(19,792,986)	27,784,673.80
Ministry of Roads, Public Works and Transport	5,250,571	1,469,689	(3,780,882)	2,000,000.00
Office of the Governor	35,875,855	15,642,000	(20,233,855)	(22,257,240.50)
Ministry of Trade, Industry, MSMEs, Innovation & Cooperatives	1,374,464	1,159,131	(215,333)	1,400,000.00
Ministry of Finance, Economic Planning & Revenue Management	150,277,849	58,047,425	(92,230,424)	92,000,000.00
Mwingi Town Administration	45,756,069	20,591,590	(25,164,479)	(27,680,926.90)
Ministry of Agriculture & Livestock	23,039,053	-	(23,039,053)	-
Kitui Municipality	84,958,394	34,542,596	(50,415,798)	(55,457,377.80)
Total	988,645,941	535,309,746	(453,336,195)	500,910,052

4.8 Quarter Three Grants & Exchequer Releases

During the third quarter of FY 2024/2025, the County Government of Kitui received a cumulative exchequer release of Kshs. 2,721,491,932. These disbursements were effected in three tranches: Kshs. 870,877,418 on 18th February 2025, followed by Kshs. 925,307,257 on 24th March 2025, and another Kshs. 925,307,257 on 14th April 2025. Notably, no conditional grants or donor receipts were recorded during this period, leaving the County wholly reliant on equitable share transfers from the National Treasury.

When juxtaposed with the total available budget for Quarter Three, which stood at Kshs. 10,177,590,505, the exchequer releases accounted for a mere 26.7% of the planned resource envelope. This reveals a staggering funding deficit of Kshs. 7,456,098,573, which remains outstanding at the close of the third quarter.

3.8.1 Observations

1. **Unsustainable Fiscal Deficit:** The large resource gap represents an alarming shortfall that has severely impeded service delivery, capital project implementation, and the county's operational efficiency.
2. **Chronic Cashflow Delays:** The fact that a significant portion of Q3 funds was released at the tail-end of March and even in April (technically Quarter Four), underscores the growing trend of delayed disbursements, further eroding fiscal predictability.
3. **Expenditure Misalignment:** With only a fraction of expected funding received, many departments were compelled to slow down or halt development projects, thereby distorting programme timelines and undermining Annual Development Plan targets.
4. **No Alternative Financing:** The complete absence of grants in the quarter not only narrowed funding options but also amplified the county's vulnerability to exchequer fluctuations.

3.8.2 Recommendations

- **Urgent Treasury Engagement:** The County Treasury must proactively engage the National Treasury with a view to securing the outstanding Q3 disbursements early in Quarter Four, though current trends suggest this may be impractical.
- **Expenditure Rationalisation:** In light of the prevailing financial strain, the County Executive Committee should convene to review and prioritise only mission-critical and legally binding obligations for funding in Quarter Four.
- **Liquidity Contingency Framework:** A county-specific cashflow forecasting and contingency mechanism should be established to navigate such unpredictable funding cycles.
- **Advocacy for Timely Disbursements:** Through the Council of Governors, advocacy for prompt and full disbursement of equitable share should be intensified, as systemic delays compromise constitutional service delivery obligations.

3.8.3 Conclusion

The prevailing financial state, characterised by a low exchequer realisation of 26.7% against the Quarter Three budget, and the complete absence of grants, places Kitui County in a precarious fiscal position. While the assumption remains that the Kshs. 7.46 billion deficit could be disbursed in Quarter Four, prevailing trends and the historical timing of releases suggest

that such a prospect is both uncertain and improbable. The County must therefore embrace a pragmatic, priority-based execution strategy to mitigate service delivery disruptions in the final quarter of the fiscal year.

Table 14: Q3 Exchequer Releases

DATE	AMOUNT
14/04/2025	925,307,257
24/03/2025	925,307,257
18/02/2025	870,877,418
TOTAL	2,721,491,932



4.0 PENDING BILLS STATUS BY THE END OF Q3

4.1 Overview of County Debts

The County Government of Kitui has over the FY 2013/2014 to FY 2023/2024 accumulated pending bills. These bills originated from unpaid obligations that the Government owes to various entities, such as contractors, suppliers, and service providers as well as unremitted payroll deductions. These unpaid obligations are as result of delays in budget allocations, delayed exchequer disbursements, unrealized own source revenue targets, undisbursed grants, or disputes.

The County Government of Kitui has also inherited pending bills from the defunct local authorities that were dissolved in 2013 to pave way for the creation of County Governments. These entities had accumulated debts such as unremitted payroll deductions, unpaid salaries, commercial loans, and bills from suppliers of goods and services.

Accumulating pending bills can have several negative consequences, including hampering the operations of businesses that rely on timely government payments, eroding public trust, and potentially leading to legal disputes. Moreover, the inability to clear these bills can strain a government's fiscal health and impede its ability to deliver essential public services. Addressing this issue requires transparent financial management, efficient budgetary processes, and a commitment to honour financial obligations.

4.2 Pending Bills from County Departments

The largest portfolio of the County liabilities is pending bills. These liabilities were incurred mainly from individuals and businesses who supplied goods and services to the County Government and have been consolidated to form the county debt obligation.

The County Government of Kitui in October 2022 after the election into office of a new Governor formed a committee named Kitui County Pending Bills Review Committee, 2022 (PBRC), to receive and verify all pending bills from creditors. The Committee received claims totalling Kshs 2,560,718,639. Out of these,

Kshs 1,431,226,010 worth of bills were cleared for payment while bills valued at Kshs 1,129,492,629 were recommended for further verification, valuation and validation. After receiving PBRC report, H. E. the Governor formed an internal committee, the Pending Bills Review and Advisory Team (PBRAT) to further review the Kshs 1,129,492,629 worth of bills. This information is summarised in table 1 below.

Table 15: Analysis of Pending Bills Received and Reviewed by PBRC, 2022

Category	Claim Amount
Total Lot 1 (2012-2016)	307,425,968
Total Lot 2 (2017-2021)	233,808,008
Total Lot 3 (2022)	356,360,552
Total Bills for Works, Goods, and Services Cleared by PBRC	897,594,528
Total Bills for Court Decrees and Arbitral Awards	533,631,481
Sub Total	1,431,226,009
Bills Recommended for further verification, valuation and validation	1,129,462,638
Sub Total	1,129,462,638
Grand Total	2,560,688,648

Source: Ministry of Finance, Economic Planning and Revenue Management, 2024.

The bills cleared for payment by the PBRC as shown in the above table amounted to Kshs



1,431,226,010, which comprised of Kshs 897,594,528 worth of bills for provision of goods, works and services and Kshs 533,631,481 being bills for court decrees and arbitral awards (including interests). Of the Kshs 897,594,528 owed to merchants for goods, works and services, a total of Kshs 728,685,647 has been paid. An amount of Kshs 92,364,521 being not payable, some for lack of necessary support documentations and others having been paid before the PBRC. This therefore leaves unpaid balance of Kshs 76,544,360 out the Kshs 897,594,528 cleared by the PBRC.

On the Court and Arbitral awards, a total of Kshs 188,009,858 has been paid, while Kshs 233,957,531 has been waived by the decree holders and arbitral awardees through negotiations with PBRAT. This brings the total amount settled on the court decrees and arbitral awards to Kshs 421,967,389, leaving an outstanding balance of Kshs 111,664,092. In summary, for the Kshs 1,431,226,010 approved by the PBRC, a total of Kshs 1,243,017,557 has been settled so far, with Kshs 188,208,453 still outstanding.

Further, bills amounting to Kshs 1,129,492,629 which were recommended for verification and valuation by PBRC, an amount Kshs 334,894,092 has since been reviewed by PBRAT with bills valued at Kshs 233,880,975 being cleared for payment while bills worth Kshs 101,013,117 being declared ineligible for payment. A total of Kshs 135,956,170 has been paid, being part of the pending bills approved by the PBRAT, leaving a balance of Kshs 97,924,805 unpaid. The total amount paid (including bills settled through negotiations) is Kshs 1,479,986,844 (Kshs 1,243,017,557 out of the total Kshs 1,431,226,010 cleared by the PBRC and Kshs 135,956,170 out of the Kshs 233,880,975

Table 16: Payment Status of Pending Bills as at December, 2024

Category	Claim Amount	Actual Paid	Claims Waived	Claims Not Payable	Claims Outstanding	Claims still under verification
	A	B	C	D	E	F
Total Lot 1 (2012-2016)	307,425,968	228,626,632		76,052,988	2,746,348	-
Total Lot 2 (2017-2021)	233,808,008	171,449,483		11,559,353	50,799,172	-
Total Lot 3 (2022)	356,360,552	328,609,531		4,752,181	22,998,840	-
Total Bills for Works, Goods, and Services Cleared by PBRC	897,594,528	728,685,647		92,364,521	76,544,360	-
Total Bills for Court Decrees and Arbitral Awards	533,631,481	188,009,858	233,957,531	-	111,664,092	-
Sub Total	1,431,226,010	916,695,505	233,957,531	-	111,664,092	-
Bills verified and approved by PBRAT	334,894,092	135,956,170		101,013,117	97,924,805	-
Bills under verification, valuation and validation by PBRAT	794,568,546	-		-	-	794,568,546
Sub Total	1,129,462,638	135,956,170		101,013,117	97,924,805	794,568,546
Grand Total	2,560,688,648	1,052,651,675	233,957,531	193,377,638	209,588,897	794,568,546

Source: Ministry of Finance, Economic Planning and Revenue Management, 2024.

** Total amount of bills settled =Grand Total (B+C+D) which amounts to Kshs 1,479,986,844cleared by the PBRAT as well as Kshs 101,013,117 declared ineligible by the PBRAT).

This information is presented in table 2 below.

The total value of pending bills as at the closure of the Financial Year 2023/2024 was **Kshs 829,918,625**. These bills comprise of:

- i. **Kshs 188,208,452**- being outstanding balance for the bills approved for payment by the Pending Bill Review Committee, 2022.
- ii. Unpaid pending bills approved by the PBRAT (**Kshs 97,924,805**)
- iii. Those bills which were incurred by departments in the year ending 30th June 2024 (**Kshs 543,785,368**).

It is important to note that as further bills are verified, valued and validated by the Pending Bills Review and Advisory Team, the amount payable and the amount paid will continue to change. These changes will be updated to the pending payment plan which has been submitted to the Office of the Controller of Budget.

4.3 Inherited Debts from the Defunct Local Authorities

The County Government inherited Kshs. 215,829,480.20 from defunct local authorities i.e. Kitui Municipal Council, Kitui County Council, Mwingi County Council and Mwingi Town Council. Some of these inherited bills were presented to the Pending Bills Review Committee and constitute the Lot 1 bills tabulated above while some were not. In dealing with inherited debts, the County Treasury relied on the verification by the Transition Authority of assets and liabilities inherited from the defunct local authorities. At some point the process seemed to stall but the Pending Bills Review Committee examined and cleared some of this debt for onward processing and payment.

Table 17: Current Status of Debt Inherited from the Defunct Local Authorities

S/No.	Source of Debt	Amount (Kshs.)	Amount Paid	Amount Outstanding
1	Commercial Loans	30,000,000		30,000,000
2	National Housing Corporation Loans	21,400,947		52,882,500
3	Unpaid Trade & Other Creditors	77,307,483		77,307,483
4	Unremitted Statutory Deductions	1,798,001		1,798,000
5	Unremitted Staff Pension Deductions	3,739,623		3,739,623
6	Unpaid Staff Emoluments	56,697,601	56,697,601	-
7	Unpaid Legal Fees	18,273,812		18,273,812
8	Unremitted Staff Loan Deductions	616,768		616,768
9	Other Sources	5,995,245		5,995,245
		215,829,480	56,697,601	190,613,431

Source: Intergovernmental Relations Technical Committee, 2013

The debt owed to National Housing Corporation has since increased from Kshs 21,400,947 to Kshs 52,882,499.79. This debt is currently under negotiation for settlement whereby the County Government of Kitui has offered land of equivalent value to offset the debt. The land parcels being valued to offset the debt are LR No. 1175 Kyangwithya/Tungutu. The unpaid staff emoluments amounting to Kshs 56,697,601 were settled in the FY 2020/2021.

4.4 Strategic Recommendations

It is observed that the County Government's efforts to address its financial encumbrances have substantially improved its credibility with contractors, suppliers, and statutory institutions. The phased liquidation of verified bills has reactivated dormant supplier relations and unlocked stalled projects. However, the presence of lingering unpaid bills, albeit reduced, poses a latent risk to the fiscal space, especially if left to accumulate interest or litigation exposure. The existence of bills awaiting valuation and classification further indicates a need for streamlined internal controls and rigorous contract lifecycle oversight.

1. **Ring-fencing Funds for Arrears Settlement:** Incorporate a dedicated budget line in future fiscal plans to ensure predictable funding for the systematic clearance of arrears, thereby safeguarding against cash flow disruptions.
2. **Digitisation of the Procurement-to-Payment Workflow:** Fast-track the adoption of an integrated e-procurement and financial management system to ensure real-time tracking of commitments, approvals, and payments.
3. **Strengthened Audit Surveillance:** Mandate quarterly internal audits of pending bills to detect duplications, invalid claims, and procedural infractions before payment approvals are granted.
4. **Stakeholder Engagement and Disclosure:** Regularly engage suppliers, contractors, and the public through official bulletins and forums to provide clarity on the County's payment prioritisation strategy and timelines, thereby managing expectations and enhancing transparency.
5. **Capacity Building for Budget Execution:** Enhance technical capacity within user departments to accurately plan and commit within approved ceilings to prevent future recurrence of unbudgeted or misaligned obligations.



5.0 EMERGING ISSUES, CHALLENGES, AND RECOMMENDATIONS

5.1 Emerging Issues

1. **Delayed Exchequer Releases**
The County received only Kshs. 2.72 billion during Quarter Three against a budgeted requirement of Kshs. 10.18 billion, culminating in a shortfall of Kshs. 7.46 billion. This has significantly disrupted the implementation of both recurrent and development programmes.
2. **Absence of Grants and Donor Funding**
No conditional grants or donor receipts were recorded in the quarter, placing sole reliance on equitable share transfers. This underscores a critical funding vulnerability.
3. **Stagnation in Development Expenditure**
Despite the pressing need for capital investments, development budget absorption was only 20%. Notable departments like Roads, Agriculture, Lands, and Water reported disproportionately low utilisation rates.
4. **Outstanding Pending Bills**
While Kshs. 1.29 billion was paid, unpaid bills totalling Kshs. 168.9 million remain on the ledger, exerting pressure on Quarter Four cash flows and threatening supplier relations.
5. **Over-Absorption in Health Wage Bill**
The Department of Health and Sanitation marginally overspent its wage allocation (100.62%), signalling potential overstaffing, non-alignment in budgeting, or delayed IPPD updates.
6. **Underperformance in Revenue Collection**
Overall own-source revenue realisation stands at 55%, with several departments performing below 50%. A collection variance of Kshs. 430.3 million remains to be bridged in Quarter Four under already strained fiscal conditions.

5.2 Key Challenges

1. **Inadequate and Unpredictable Cash Flow**
Late and partial disbursement of funds from the National Treasury severely impairs financial planning and continuity in service delivery.
2. **Low Budget Absorption Across Sectors**
The inability of most departments to implement their planned activities is primarily due to constrained liquidity, weak procurement planning, and internal inefficiencies.
3. **Limited Operational Capacity for Development Projects**
Numerous departments lack dedicated project management frameworks, resulting in delayed execution and poor supervision of capital projects.
4. **Weak Own-Source Revenue Enforcement Mechanisms**
Revenue enforcement remains fragmented and under-resourced, especially in remote areas and high-yield sectors like lands and licensing.

5. **Non-Alignment of Payroll Systems**

The discrepancy between budgeted staff costs and actual disbursements indicates possible data misalignment between HRM systems and the IFMIS/IPPD platforms.

6. **Escalating Risk of Unspent Balances**

With underutilisation evident in key spending lines, there is a looming risk of returning unspent funds, undermining the County's absorption profile.

5.3 Recommendations

1. **Advocate for Timely and Predictable Transfers**

The County leadership should escalate engagement with the National Treasury and CoB to prioritise timely disbursement and secure full quarterly releases.

2. **Strengthen Own-Source Revenue Systems**

Intensify automation, enforcement, and monitoring of local revenue streams. Introduce performance targets for collectors and expand civic awareness on payment obligations.

3. **Fast-Track Procurement and Project Execution**

Departments should activate early procurement planning and fast-track project execution to improve development absorption before the fiscal year ends.

4. **Implement Pending Bills Clearance Plan**

The County should formulate and adhere to a structured pending bills settlement framework to preserve financial credibility and foster business confidence.

5. **Enforce Budget Execution Discipline**

Strengthen the role of Budget Implementation Committees (BICs) and ensure departmental heads are held accountable for sub-optimal absorption.

6. **Recalibrate Staff Cost Allocations**

Review and align HR records with IPPD and IFMIS to address over- or under-provisioning in the wage bill and prevent future budgeting errors.

7. **Institute a Q4 Budget Prioritisation Matrix**

Given the tight fiscal envelope, prioritise critical service delivery sectors—such as health, water, and infrastructure—based on impact and feasibility within the short remaining timeline.



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.

6.1.1 OFFICE OF THE GOVERNOR

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Casual Wages	12,808,577	7,109,547	5,699,030	55.51%
2100000 Compensation to Employees	255,059,030	15,500,826	239,558,204	6.08%
2200000 Use of goods and services	646,707,824	522,785,626	123,922,198	80.84%
3100000 Acquisition of Non-Financial Assets	40,843,726	13,886,080	26,957,646	34.00%
Sub-Total	955,419,157	559,282,079	396,137,078	58.54%
B- DEVELOPMENT				
Non-Financial Asset	1,018,715,340	374,234,021	644,481,319	36.74%
Sub-Total	1,018,715,340	374,234,021	644,481,319	36.74%
Total Vote	1,974,134,497	933,516,100	1,040,618,397	47.29%

6.1.2 Office of The Governor

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Decentralized Units Service Delivery Coordination	57,206,263	130,186,540	187,392,803	35,089,452	47,072,414	82,161,866	105,230,937	44%
General Administration and Planning	626,245,752	888,528,800	1,514,774,552	333,609,886	327,161,607	660,771,493	854,003,059	44%
Governor's Service Delivery Unit & Public Communication	47,768,280	-	47,768,280	15,411,229	-	15,411,229	32,357,051	32%
Human Resources	20,712,574	-	20,712,574	8,572,832	-	8,572,832	12,139,742	41%
Office of Chief of Staff	32,448,250	-	32,448,250	9,760,755	-	9,760,755	22,687,495	30%
Office of County Attorney	140,606,088	-	140,606,088	137,960,174	-	137,960,174	2,645,914	98%
Office of the County secretary	20,930,539	-	20,930,539	14,084,432	-	14,084,432	6,846,107	67%
Procurement	3,599,149	-	3,599,149	2,281,058	-	2,281,058	1,318,091	63%
Special Programme Unit	5,902,262	-	5,902,262	2,512,261	-	2,512,261	3,390,001	43%
Total Vote	955,419,157	1,018,715,340	1,974,134,497	559,282,079	374,234,021	933,516,100	1,040,618,397	47%

6.2.1 OFFICE OF THE DEPUTY GOVERNOR

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Compensation to Employees	41,449,147	-	41,449,147	0.00%
2200000 Use of goods and services	67,281,018	38,541,045	28,739,973	57.28%
3100000 Acquisition of Non-Financial Assets	5,366,104	1,411,100	3,955,004	26.30%
Sub-Total	114,096,269	39,952,145	74,144,124	35.02%
B- DEVELOPMENT				
Non-Financial Asset	34,298,479	6,558,629	27,739,850	19.12%
Sub-Total	34,298,479	6,558,629	27,739,850	19.12%
Total Vote	148,394,748	46,510,774	101,883,974	31.34%

6.2.2 Office of the Deputy Governor

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Administration Planning & Support Services	21,859,726	-	21,859,726	8,420,369	-	8,420,369	13,439,357	39%
Performance Mgt & Disaster Mitigation	48,556,068	12,145,671	60,701,739	24,416,917	2,360,060	26,776,977	33,924,762	44%
Tourism Devt & Promotion	43,680,475	22,152,808	65,833,283	7,114,859	4,198,569	11,313,428	54,519,855	17%
Total Vote	114,096,269	34,298,479	148,394,748	39,952,145	6,558,629	46,510,774	101,883,974	31%

6.3.1 MINISTRY OF WATER AND IRRIGATION

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Compensation to Employees	63,140,207	409,690	62,730,517	0.65%
2200000 Use of goods and services	30,035,086	12,543,074	17,492,012	41.76%
3100000 Acquisition of Non-Financial Assets	2,906,108	1,496,323	1,409,785	51.49%
Sub-Total	96,081,401	14,449,087	81,632,314	15.04%
B- DEVELOPMENT				
Capital Grant	5,000,000	3,390,100	1,609,900	67.80%
Non-Financial Asset	529,338,963	109,534,147	419,804,816	20.69%

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
Other Development Budget (Subsidy TO KITWASCO & KIMWASCO)	25,089,983	25,089,983	-	100.00%
Sub-Total	559,428,946	138,014,230	421,414,716	24.67%
Total Vote	655,510,347	152,463,317	503,047,030	23.26%

6.3.2 Ministry of Water and Irrigation

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
General Administration & Planning	67,228,639	-	67,228,639	1,320,293	-	1,320,293	65,908,346	2%
Irrigation	7,549,556	182,408,366	189,957,922	3,519,578	47,902,774	51,422,352	138,535,570	27%
Water	21,303,206	377,020,580	398,323,786	9,609,216	90,111,456	99,720,672	298,603,114	25%
Total Vote	96,081,401	559,428,946	655,510,347	14,449,087	138,014,230	152,463,317	503,047,030	23%

6.4.1 EDUCATION TRAINING AND SKILLS DEVELOPMENT

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Casual Wages	-	-	-	0.00%
2100000 Compensation to Employees	418,305,559	336,305,472	82,000,087	80.40%
2200000 Use of goods and services	54,357,215	15,526,652	38,830,563	28.56%
2600000 Current grants and other Transfers-(From Equitable Share-Pro-poor Bursaries)	840,000	-	840,000	0.00%
3100000 Acquisition of Non-Financial Assets	5,856,859	1,456,395	4,400,464	24.87%
Sub-Total	479,359,633	353,288,519	126,071,114	73.70%
B- DEVELOPMENT				
Capital Grant	362,908	-	362,908	0.00%
Non-Financial Asset	104,576,746	42,679,871	61,896,875	40.81%
Non-Financial Asset- Pro- poor Programme	15,897,888	5,076,670	10,821,218	31.93%
Sub-Total	120,837,542	47,756,541	73,081,001	39.52%
Total Vote	600,197,175	401,045,060	199,152,115	66.82%

6.4.2 Education Training and Skills Development

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Basic Education, ECDE & Childcare Facilities	16,412,552	62,506,948	78,919,500	5,018,179	36,629,249	41,647,428	37,272,072	53%
General Administration & Planning	428,408,365	-	428,408,365	339,594,547	-	339,594,547	88,813,818	79%
Polytechnics Vocational Centers & Home Craft Centers	34,538,716	58,330,594	92,869,310	8,675,793	11,127,292	19,803,085	73,066,225	21%
Total Vote	479,359,633	120,837,542	600,197,175	353,288,519	47,756,541	401,045,060	199,152,115	67%

6.5.1 MINISTRY OF ROADS, PUBLIC WORKS AND TRANSPORT

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Casual Wages	768,200	230,500	537,700	30.01%
2100000 Compensation to Employees	88,414,041	13,720	88,400,321	0.02%
2200000 Use of goods and services	35,436,666	16,616,706	18,819,960	46.89%
3100000 Acquisition of Non-Financial Assets	5,351,800	1,880,156	3,471,644	35.13%
Sub-Total	129,970,707	18,741,082	111,229,625	14.42%
B- DEVELOPMENT				
Non-Financial Asset	726,833,815	62,012,619	664,821,196	8.53%
Sub-Total	726,833,815	62,012,619	664,821,196	8.53%
Total Vote	856,804,522	80,753,701	776,050,821	9.42%

6.5.2 Ministry of Roads, Public Works and Transport

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
General Administration & Planning	94,668,796	-	94,668,796	1,468,431	-	1,468,431	93,200,365	2%
Public Works	29,483,491	71,756,382	101,239,873	14,211,845	42,562,176	56,774,021	44,465,852	56%
Roads, Transport & Mechanical Services	5,818,420	655,077,433	660,895,853	3,060,806	19,450,443	22,511,249	638,384,604	3%

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Total Vote	129,970,707	726,833,815	856,804,522	18,741,082	62,012,619	80,753,701	776,050,821	9%

6.6.1 HEALTH AND SANITATION

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Casual Wages	63,276,042	41,000,234	22,275,808	64.80%
2100000 Compensation to Employees	924,820,502	930,538,011	(5,717,509)	100.62%
2200000 Use of goods and services	355,628,679	106,377,564	249,251,115	29.91%
2600000 Current grants and other Transfers-(From Equitable Share)	201,144,333	128,314,731	72,829,602	63.79%
3100000 Acquisition of Non-Financial Assets	8,952,352	4,242,693	4,709,659	47.39%
Sub-Total	1,553,821,908	1,210,473,233	343,348,675	77.90%
B- DEVELOPMENT				
Capital Grant	10,359,558	-	10,359,558	0.00%
Capital Grants to Other levels of government	3,557,250	-	3,557,250	0.00%
Non-Financial Asset	392,785,527	76,332,074	316,453,453	19.43%
Sub-Total	406,702,335	76,332,074	330,370,261	18.77%
Total Vote	1,960,524,243	1,286,805,307	673,718,936	65.64%

6.6.2 Health and Sanitation

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Curative and Rehabilitative Services	695,754,795	90,545,092	786,299,887	452,834,541	17,882,209	470,716,750	315,583,137	60%
Medical Services	278,971,953	273,373,645	552,345,598	282,527,559	51,671,194	334,198,753	218,146,845	61%
Public Health	579,095,160	42,783,598	621,878,758	475,111,133	6,778,671	481,889,804	139,988,954	77%
Total Vote	1,553,821,908	406,702,335	1,960,524,243	1,210,473,233	76,332,074	1,286,805,307	673,718,936	66%

6.7.1 TRADE INDUSTRY MSMS INNOVATION & COOPERATIVES

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Compensation to Employees	43,260,121	19,101	43,241,020	0.04%

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
2200000 Use of goods and services	72,769,477	26,199,495	46,569,982	36.00%
3100000 Acquisition of Non-Financial Assets	19,580,782	9,880,312	9,700,470	50.46%
Sub-Total	135,610,380	36,098,908	99,511,472	26.62%
B- DEVELOPMENT				
Non-Financial Asset	475,062,371	65,954,847	409,107,524	13.88%
Sub-Total	475,062,371	65,954,847	409,107,524	13.88%
Total Vote	610,672,751	102,053,755	508,618,996	16.71%

6.7.2 Trade Industry MSMs Innovation & Cooperatives

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Cooperatives	35,803,751	2,500,000	38,303,751	10,298,176	-	10,298,176	28,005,575	27%
General Administration & Planning	68,315,452	-	68,315,452	13,010,388	-	13,010,388	55,305,064	19%
Trade & Markets	31,491,177	472,562,371	504,053,548	12,790,344	65,954,847	78,745,191	425,308,357	16%
Total Vote	135,610,380	475,062,371	610,672,751	36,098,908	65,954,847	102,053,755	508,618,996	17%

6.8.1 MINISTRY OF ENERGY ENVIRONMENT FORESTRY & NATURAL RESOURCES

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Casual Wages	183,100	51,525	131,575	28.14%
2100000 Compensation to Employees	51,539,317	1,365,356	50,173,961	2.65%
2200000 Use of goods and services	31,475,095	8,673,394	22,801,701	27.56%
3100000 Acquisition of Non-Financial Assets	20,175,712	8,590,832	11,584,880	42.58%
Sub-Total	103,373,224	18,681,107	84,692,117	18.07%
B- DEVELOPMENT				
Capital Grant	202,582,059	16,775,300	185,806,759	8.28%
Non-Financial Asset	99,449,983	64,752,910	34,697,073	65.11%
Sub-Total	302,032,042	81,528,210	220,503,832	26.99%
Total Vote	405,405,266	100,209,317	305,195,949	24.72%

6.8.2 Ministry of Energy Environment Forestry & Natural Resources

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Energy, Minerals & Natural Resources	49,402,198	98,157,851	147,560,049	13,877,788	63,862,910	77,740,698	69,819,351	53%
Environment & Forestry	18,594,130	203,874,191	222,468,321	1,453,548	17,665,300	19,118,848	203,349,473	9%
General Administration & Planning	35,376,896	-	35,376,896	3,349,771	-	3,349,771	32,027,125	9%
Total Vote	103,373,224	302,032,042	405,405,266	18,681,107	81,528,210	100,209,317	305,195,949	25%

6.9.1 MINISTRY OF CULTURE GENDER YOUTH ICT SPORTS AND SOCIAL SERVICES

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Compensation to Employees	60,260,956	-	60,260,956	0.00%
2200000 Use of goods and services	76,930,354	36,040,035	40,890,319	46.85%
2600000 Current grants and other Transfers-(From Equitable Share)	2,297,480	568,500	1,728,980	24.74%
3100000 Acquisition of Non-Financial Assets	4,123,600	519,200	3,604,400	12.59%
Sub-Total	143,612,390	37,127,735	106,484,655	25.85%
B- DEVELOPMENT				
Non-Financial Asset	38,009,095	10,388,898	27,620,197	27.33%
Sub-Total	38,009,095	10,388,898	27,620,197	27.33%
Total Vote	181,621,485	47,516,633	134,104,852	26.16%

6.9.2 Ministry of Culture Gender Youth ICT Sports and Social Services

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Culture Gender & Social Services	34,513,002	10,716,503	45,229,505	10,937,773	1,299,800	12,237,573	32,991,932	27%
General Administration & Planning	64,158,389	-	64,158,389	2,556,775	-	2,556,775	61,601,614	4%
Sports	18,297,300	22,450,091	40,747,391	9,193,252	7,689,908	16,883,160	23,864,231	41%
Youth Sports ICT & Innovation	26,643,699	4,842,501	31,486,200	14,439,935	1,399,190	15,839,125	15,647,075	50%
Total Vote	143,612,390	38,009,095	181,621,485	37,127,735	10,388,898	47,516,633	134,104,852	26%

6.10.1 MINISTRY OF FINANCE ECONOMIC PLANNING AND REVENUE MANAGEMENT

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Compensation to Employees	150,619,630	20,794,314	129,825,316	13.81%
2200000 Use of goods and services	119,628,915	56,300,258	63,328,657	47.06%
3100000 Acquisition of Non-Financial Assets	6,644,747	1,687,302	4,957,445	25.39%
4100000-Loan Facilities to Employees	40,000,000	-	40,000,000	0.00%
Sub-Total	316,893,292	78,781,874	238,111,418	24.86%
B- DEVELOPMENT				
Non-Financial Asset	-	-	-	0.00%
Other Development Budget	77,618,191	8,443,303	69,174,888	10.88%
Other Development Budget-Emergency Fund	20,000,000	1,973,900	18,026,100	9.87%
Sub-Total	97,618,191	10,417,203	87,200,988	10.67%
Total Vote	414,511,483	89,199,077	325,312,406	21.52%

6.10.2 Ministry of Finance Economic Planning and Revenue Management

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Accounts	8,009,262	-	8,009,262	5,542,492	-	5,542,492	2,466,770	69%
Budgetary Supplies	68,927,470	-	68,927,470	23,922,563	-	23,922,563	45,004,907	35%
Economic Planning	25,657,707	-	25,657,707	12,535,726	-	12,535,726	13,121,981	49%
General Administration & Planning	206,160,810	97,618,191	303,779,001	32,007,246	10,417,203	42,424,449	261,354,552	14%
Internal Audit	3,728,415	-	3,728,415	1,899,836	-	1,899,836	1,828,579	51%
Procurement	4,409,628	-	4,409,628	2,874,011	-	2,874,011	1,535,617	65%
Total Vote	316,893,292	97,618,191	414,511,483	78,781,874	10,417,203	89,199,077	325,312,406	22%

6.11.1 MINISTRY OF AGRICULTURE AND LIVESTOCK

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Casual Wages	4,429,945	2,159,564	2,270,381	48.75%
2100000 Compensation to Employees	163,303,553	58,270	163,245,283	0.04%
2200000 Use of goods and services	61,276,320	36,339,617	24,936,703	59.30%
2600000 Current grants and other Transfers-(From Equitable Share)	2,567,800	2,567,800	-	100.00%

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
3100000 Acquisition of Non-Financial Assets	5,012,467	2,525,808	2,486,659	50.39%
Sub-Total	236,590,085	43,651,059	192,939,026	18.45%
B- DEVELOPMENT				
Capital Grant	196,251,072	-	196,251,072	0.00%
Capital Grants to Other levels of government	274,702,568	-	274,702,568	0.00%
Non-Financial Asset	23,472,206	4,052,750	19,419,456	17.27%
Other Development Budget	62,123,087	48,451,633	13,671,454	77.99%
Sub-Total	556,548,933	52,504,383	504,044,550	9.43%
Total Vote	793,139,018	96,155,442	696,983,576	12.12%

6.11.2 Ministry of Agriculture and Livestock

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Agriculture	52,518,706	542,243,437	594,762,143	30,559,255	50,095,983	80,655,238	514,106,905	14%
Aquaculture Devt.	2,294,889	-	2,294,889	1,113,266	-	1,113,266	1,181,623	49%
General Administration	129,966,042	-	129,966,042	4,249,399	-	4,249,399	125,716,643	3%
Livestock Devt.	51,810,448	14,305,496	66,115,944	7,729,139	2,408,400	10,137,539	55,978,405	15%
Total Vote	236,590,085	556,548,933	793,139,018	43,651,059	52,504,383	96,155,442	696,983,576	12%

6.12.1 MINISTRY OF LANDS HOUSING AND URBAN DEVELOPMENT

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Compensation to Employees	52,951,409	-	52,951,409	0.00%
2200000 Use of goods and services	26,757,622	8,669,397	18,088,225	32.40%
3100000 Acquisition of Non-Financial Assets	11,447,179	11,447,179	-	100.00%
Sub-Total	91,156,210	20,116,576	71,039,634	22.07%
B- DEVELOPMENT				
Non-Financial Asset	228,529,753	36,245,946	192,283,807	15.86%
Sub-Total	228,529,753	36,245,946	192,283,807	15.86%
Total Vote	319,685,963	56,362,522	263,323,441	17.63%

6.12.2 Ministry of Lands Housing and Urban Development

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
General Administration	71,640,967	-	71,640,967	15,430,779	-	15,430,779	56,210,188	22%
Land information & Management	4,090,576	22,256,760	26,347,336	865,647	14,365,915	15,231,562	11,115,774	58%
Land Survey	4,034,441	39,098,600	43,133,041	961,560	574,800	1,536,360	41,596,681	4%
Lands & Housing	1,234,325	-	1,234,325	197,950	-	197,950	1,036,375	16%
Urban Development	10,155,901	167,174,393	177,330,294	2,660,640	21,305,231	23,965,871	153,364,423	14%
Total Vote	91,156,210	228,529,753	319,685,963	20,116,576	36,245,946	56,362,522	263,323,441	18%

6.13.1 KITUI MUNICIPALITY

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Casual Wages	10,966,055	6,396,010	4,570,045	58.33%
2100000 Compensation to Employees	31,843,975	45,864	31,798,111	0.14%
2200000 Use of goods and services	19,024,064	13,821,952	5,202,112	72.66%
3100000 Acquisition of Non-Financial Assets	1,391,615	792,565	599,050	56.95%
Sub-Total	63,225,709	21,056,391	42,169,318	33.30%
B- DEVELOPMENT				
Capital Grant	2,646	-	2,646	0.00%
Non-Financial Asset	84,694,307	8,475,215	76,219,092	10.01%
Other Development Budget	1,200,000	599,000	601,000	49.92%
Sub-Total	85,896,953	9,074,215	76,822,738	10.56%
Total Vote	149,122,662	30,130,606	118,992,056	20.21%

6.13.2 Kitui Municipality

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Environment, Culture, Recreation and Community Development	8,706,281	7,064,357	15,770,638	6,316,737	599,000	6,915,737	8,854,901	44%
Finance	4,656,150	4,300,000	8,956,150	3,764,536	-	3,764,536	5,191,614	42%
General Administration and Planning	43,891,781	22,600,000	66,491,781	7,467,539	3,277,123	10,744,662	55,747,119	16%
Planning, Development Control, Transport and Infrastructure	3,554,197	43,500,000	47,054,197	2,011,221	-	2,011,221	45,042,976	4%

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Trade, Commerce and Industrialisation	2,417,300	8,432,596	10,849,896	1,496,358	5,198,092	6,694,450	4,155,446	62%
Total Vote	63,225,709	85,896,953	149,122,662	21,056,391	9,074,215	30,130,606	118,992,056	20%

6.14.1 MWINGI TOWN ADMINISTRATION

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Casual Wages	6,894,901	3,233,873	3,661,028	46.90%
2100000 Compensation to Employees	31,194,830	-	31,194,830	0.00%
2200000 Use of goods and services	15,262,491	8,111,061	7,151,430	53.14%
3100000 Acquisition of Non-Financial Assets	5,365,341	5,365,241	100	100.00%
Sub-Total	58,717,563	16,710,175	42,007,388	28.46%
B- DEVELOPMENT				
Non-Financial Asset	33,352,967	4,321,917	29,031,050	12.96%
Sub-Total	33,352,967	4,321,917	29,031,050	12.96%
Total Vote	92,070,530	21,032,092	71,038,438	22.84%

6.14.2 Mwingi Town Administration

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
Environment, Culture, Recreation and Community Development	1,281,650	7,743,967	9,025,617	271,510	743,900	1,015,410	8,010,207	11%
General Administration and Planning	45,022,959	11,459,000	56,481,959	8,822,524	1,552,395	10,374,919	46,107,040	18%
Planning, Development Control, Transport and Infrastructure	12,412,954	14,150,000	26,562,954	7,616,141	2,025,622	9,641,763	16,921,191	36%
Total Vote	58,717,563	33,352,967	92,070,530	16,710,175	4,321,917	21,032,092	71,038,438	23%

6.15.1 COUNTY PUBLIC SERVICE BOARD

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Compensation to Employees	17,153,337	-	17,153,337	0.00%
2200000 Use of goods and services	25,248,033	11,391,462	13,856,571	45.12%
3100000 Acquisition of Non-Financial Assets	50,000	-	50,000	0.00%

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
<i>Sub-Total</i>	<i>42,451,370</i>	<i>11,391,462</i>	<i>31,059,908</i>	<i>26.83%</i>
B- DEVELOPMENT				
Non-Financial Asset	19,784,072	4,357,604	15,426,468	22.03%
<i>Sub-Total</i>	<i>19,784,072</i>	<i>4,357,604</i>	<i>15,426,468</i>	<i>22.03%</i>
Total Vote	62,235,442	15,749,066	46,486,376	25.31%

6.15.2 County Public Service Board

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
General Administration and Planning	27,350,848	19,784,072	47,134,920	3,243,887	4,357,604	7,601,491	39,533,429	16%
Human Resources Management	15,100,522	-	15,100,522	8,147,575	-	8,147,575	6,952,947	54%
Total Vote	42,451,370	19,784,072	62,235,442	11,391,462	4,357,604	15,749,066	46,486,376	25%

6.16.1 COUNTY ASSEMBLY

ECONOMIC CLASSIFICATION	Q3 AVAILABLE BUDGET	Q3 EXPENDITURE	VARIANCE	% ABS
A-RECCURENT				
2100000 Casual Wages	1,471,940	671,221	800,719	45.60%
2100000 Compensation to Employees	211,348,675	95,782,137	115,566,538	45.32%
2200000 Use of goods and services	412,705,219	205,782,583	206,922,636	49.86%
2700000 Social Benefits	33,582,625	11,757,706	21,824,919	35.01%
3100000 Acquisition of Non-Financial Assets	12,956,690	1,188,000	11,768,690	9.17%
4100000-Loan Facilities to Employees	140,594,663	-	140,594,663	0.00%
<i>Sub-Total</i>	<i>812,659,812</i>	<i>315,181,647</i>	<i>497,478,165</i>	<i>38.78%</i>
B- DEVELOPMENT				
Non-Financial Asset	140,900,561	-	140,900,561	0.00%
<i>Sub-Total</i>	<i>140,900,561</i>	<i>-</i>	<i>140,900,561</i>	<i>0.00%</i>
Total Vote	953,560,373	315,181,647	638,378,726	33.05%

6.16.2 County Assembly

SPENDING ENTITY DEPARTMENT	Q3 AVAILABLE BUDGET			Q3 EXPENDITURE			TOTAL	
	RECCURENT	DEVELOPMENT	TOTAL	RECCURENT	DEVELOPMENT	TOTAL	VARIANCE	% ABS
General Administration and Planning	218,171,927	-	218,171,927	100,081,902	-	100,081,902	118,090,025	46%
Legislative Department	594,487,885	140,900,561	735,388,446	215,099,745	-	215,099,745	520,288,701	29%
Total Vote	812,659,812	140,900,561	953,560,373	315,181,647	-	315,181,647	638,378,726	33%



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QUARTER THREE

