

COUNTY GOVERNMENT OF KITUI



THE COUNTY ASSEMBLY

SECOND ASSEMBLY – (FIFTH SESSION)

THE BUDGET AND APPROPRIATIONS COMMITTEE

REPORT

ON

CONSIDERATION OF

THE KITUI COUNTY BUDGET ESTIMATES FOR

THE FINANCIAL YEAR

2021/2022

CLERK OF ASSEMBLY CHAMBERS

P. O BOX 694

KITUI

JUNE, 2021

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ABBREVIATIONS/ACRONYMS

ADP	Annual Development Plan
C.O.	Chief Officer
CARA	County Allocation of Revenue Act
CASB	County Assembly Service Board
CECM	County Executive Committee Member
CFSP	County Fiscal Strategy Paper
SRC	Salaries and Remunerations Commission
CLIDP	Community Level Infrastructure Development Program
COA	Clerk of Assembly
COB	Controller of Budget
CoK	Constitution of Kenya
EACC	Ethics and Anti-Corruption Commission
ECDE	Early Childhood Development
ICT	Information Communication Technology
KICOTEC	Kitui County Textile Centre
KIMWASCO	Kiambere Mwingi Water and Sanitation Company
KITWASCO	Kitui Water and Sanitation Company
PFM	Public Finance Management
OSR	Own Source Revenue
IFMIS	Integrated Financial Management Information System
BPS	Budget Policy Statement
FY	Financial Year
KDSP	Kenya Devolution Support Program
ASDSP	Agricultural Sector Development Support Program
DORB	Division of Revenue Bill

KES	Kenya Shillings
ELRP	Emergency Locust Response Project
ECDE	Early Childhood Development
RMFL	Road Maintenance Fuel Levy

ANNEXURES

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1.0 PREAMBLE

Mr. Speaker,

The County Budget Estimates 2021/2022 is the tenth estimates of revenue and expenditure for the County since devolution was ushered by the new Constitution and the fifth under the current administration. It is a budget that is being processed at a time when the world is grappling with public health crisis with unprecedented proportions. Globally and domestically, COVID-19 pandemic has put significant strain on public health infrastructure and is jeopardizing the performance of economy worldwide.

Mr. Speaker,

The trickling effect of this has directly been felt by our counties due to implementation of containment measures that have been directed by the Head of State since March, 2020 to date. The dusk to dawn curfew, cessation of movement, border closures among many orders issued has greatly affected our national and the county economy. There has been increased unemployment levels and low business operations with many of them closing down due to failure to break even. Therefore, the County budget which habitually is funded by the National government (equitable share) and own source revenue (OSR) (collections from local business operations) has to deploy very strategic means of survival and utmost prudence in financial management.

Mr. Speaker,

As contemplated under the Constitution of Kenya (CoK), 2010 and the Public Finance Management (PFM) Act, 2012, County Assemblies are bestowed with a significant responsibility as relates to financial

management in particular regarding to resource mobilization, allocation, monitoring and control. As the county elected leaders who hold the power of approvals for both financial and non-financial plans, it is our duty and responsibility to provide strategic direction for the distribution of resources. This can be done in a manner that effectively mitigates on the current Health predicament, economic crises elicited by the pandemic and the post effect recoveries.

Mr. Speaker,

The County budget is thus the best legislative tool at our disposal that can effectively map out responses with mitigation strategies that can address the socio-economic deficiencies and consequently improved service delivery to the citizenry. Notwithstanding, the Assembly must make a deliberate implementation follow up by enthusiastically undertaking her core functions as outlined by the Constitution. This is the only way that we can ensure achieving greatest public good in the most cost-effective way.

Mr. Speaker,

In every government institution a budget is a primary and a fundamental financial tool that is key in providing controls over revenues and expenditures. Budgets are important part of maintaining controls of government's finances and are means of achieving the financial reporting objectives of accountability. It is an instrument that determines the total expenditure of an organization and as well ensures such expenditures are consistent with the total revenues leading to a balanced budget as envisaged in Regulation 31 (c) of the PFM (County Government) Regulations, 2015.

Mr. Speaker,

The main purposes for budgeting are for resource allocation, planning, coordination, control and motivation. A budget is therefore is an important tool for decision making, monitoring business performance and forecasting income and expenditure. Mr. Speaker, County governments largely depend on the National government allocations (equitable share and grants). Our county government over the period has been setting targets for own source revenue (OSR) which have never been achieved. This is notwithstanding the swelling demand in development expenditures. Therefore, owing to the limited resources the County must exercise prudence in undertaking efficient budgeting for optimal output.

Mr. Speaker,

The Constitution of Kenya, 2010 (CoK) envisages decent principles in public resource mobilization, planning and management. Article 224 of the Constitution provides that every County Government shall prepare and adopt its own Annual Budget and an Appropriation Bill in the form and according to the procedure prescribed in an Act of Parliament. Consequently, the County Governments are guided by the Public Finance Management (PFM) Act, 2012, specifically in Part 4 (four) that touches on the County Governments' responsibilities with respect to Management and Control of Public Finance.

Mr. Speaker,

Section 130 and 131 of the PFM Act, 2012 bestows the fundamental responsibility of the County Budget approval and the relevant appropriation law to the County Assemblies. Predominantly, Section 131 (1&2) of PFM Act, 2012 inter alia provides that;

- (i) *“the County Assembly shall consider the County Government Budget Estimates with a view to approving them, with or without amendments in time for the relevant appropriation law and any other laws required to implement the budget to be passed by the 30th June, in each year.*
- (ii) *before the County Assembly considers the estimates of revenue and expenditure, the relevant Committee of the County Assembly shall discuss and review the estimates and make recommendations to the County Assembly”*

It is in adherence of the above provisions therefore that the Annual County Budget Estimates are usually submitted for approval by the Assembly.

Mr. Speaker,

Section 131 (2) of the PFM Act, 2012 and Standing Order 206 (5) further provides that, the Budget and Appropriation Committee shall discuss and review the Estimates and make recommendations to the County Assembly, taking into account the recommendations of the Sectoral Committees, the views of the County Executive Committee (CEC) Member for Finance and the public. Therefore, to consider these estimates, the Committee will be guided by the above in making the recommendations to the Assembly for adoption.

Mr. Speaker,

The county budget like any other legislative tool must be done public participation. This is in compliance with Article 196 and 201 of the CoK, 2010, Section 131 (2) of the PFM Act, 2012 and the Standing Orders. The Committee on Budget and Appropriations is required to seek the views of the public on the budget estimates and take their recommendation when

finalizing this report. Due to the ongoing COVID-19 pandemic and the ban on public gatherings, public consultations could not be undertaken in the usual conventional manner where members of the assembly congregate with public in selected designated areas to discuss the budget. Instead, members of the public were requested through local electronic and print media to submit written memoranda highlighting their areas of concern and expenditure priorities **(See annex ii)**. It is unfortunate that by the time the committee was compiling this report non had been received. The Committee had to proceed with consideration of the estimates with an intention to have the budget and the relevant appropriation law approved by before 15th June, 2020 notwithstanding the statutory deadline of 30th June, as provided in Section 131 (1) of the PFM Act, 2012.

Mr. Speaker,

The Sectoral Committees took time to interrogate the Sector budgets from 17th to 22nd May, 2021. During the period, the Committees were able to examine the budgets and make recommendations to the Committee on Budget and Appropriations. The exercise was done pursuant to the provisions of Standing order 206(5) which provides that;

“Each Sectoral Committee shall consider, discuss and review the Estimates according to its mandate and submit its report and recommendations to the Budgets and Appropriations Committee within twenty-one days, after being laid before the County Assembly”.

2.0 COMPOSITION AND MANDATE OF THE COMMITTEE

2.1 The Committee Composition

Mr. Speaker,

The Committee on Budget and Appropriations is established under the provisions of Standing Order 186 which also spells out her mandate and the functions. As currently constituted, the committee comprises of the following Members;

- | | |
|--------------------------------|------------------|
| 1. Hon. Boniface K. Kasina - | Chairperson |
| 2. Hon. James M. Munuve - | Vice Chairperson |
| 3. Hon. Mary P. Ndumbu - | Member |
| 4. Hon. Stephen I. Katana - | Member |
| 5. Hon. Sylvester K. Munyalo - | Member |
| 6. Hon. James M. W. Kula - | Member |
| 7. Hon. Deiys M. Mukala - | Member |
| 8. Hon. Anne M. Mumo - | Member |
| 9. Hon. Alex N. Musili - | Member |

2.2 The Committee's Mandate

Mr. Speaker,

Standing Order 186 (3) outlines the roles of the Committee on Budget and Appropriations as to inter alia: -

- i. Investigate, inquire into and report on all matters related to coordination, control and monitoring of the county budget.*
- ii. Discuss and review the estimates and make recommendations to the Assembly.*

Arising therefrom, the Committee will be considering the Kitui County Budget Estimates, 2021/2022 in pursuit of her mandate as articulated by the Standing Orders.

3.0 METHODOLOGY

Mr. Speaker,

In conducting this exercise, the Committee engaged representatives from both the County Executive and the County Assembly in a rigorous interactive session taking into account the relevant provisions of law. This involved the following activities: -

- i. Direct engagement into discussions with invitees from both the Executive and the Assembly
- ii. Reviewing the Sectoral Committees reports submitted to the Committee
- iii. Interrogation of documentary evidences submitted
- iv. Reviewing budget performance 2020/2021.

It is worth noting that the submitted budget had explanation notes as required of it by regulation 39 of the Public Finance Management (County Governments) Regulations 2015. Nonetheless, there were serious concerns that the same couldn't offer adequate explanations to the budget proposals as most of it was lifting the budget lines exactly as put in the itemized budget without any expounding. This made it difficult for the Committee to clearly understand the allocations proposed for making a rational decision for adoption by the Assembly.

Mr. Speaker,

It is important to appreciate the Sectoral Committee's input in this budget consideration process. However, their reports lacked very crucial information such as the details for the departmental projects to be funded during the period, 2021/2022 and the actual budget performance 2020/2021. This was of great value since most of the development budget lines had previous allocations in the 2020/2021 FY's budget with a few having been successively funded for more than three years. The Committees proposed increments to some budget lines without sourcing funds within the Sector budget despite having interacted with the budgets at the sectoral level discussions. Therefore, the resolution for invitation of the County Executive Committee Members (CECMs) and the Sectoral Committee Chairs were inevitable to get further clarifications on the submitted budget, 2021/2022. The above was necessary in order for the Committee to come up with a comprehensive budget report for adoption by the Assembly. The invitees included the followings: -

- i. CECM -County Treasury,
- ii. CECM -County Ministry of Health,
- iii. CECM -County Ministry of Infrastructure, Housing, Transport and Public Works,
- iv. CECM –County Ministry of Agriculture, Water and Irrigation,
- v. CECM – County Ministry of Trade, Cooperatives and Investments,
- vi. CECM – County Ministry of Gender, Sports and Culture,
- vii. CECM – County Ministry of Environment, Tourism and Natural Resources,
- viii. C.O – Office of the Governor,
- ix. C.O – Public Service Management and administration,

- x. The Manager, Kitui Municipality,
- xi. Representatives from the County Assembly Service Board,
- xii. The County Assembly Leadership,
- xiii. All Sectoral Committee Chairpersons.

4.0 BACKGROUND

Mr. Speaker,

The budget estimates for the financial year 2021/2022 is tenth 10th annual budget since the inception of the County Government in the year 2013 and the third (5th) under the leadership of the new administration. It is a budget prepared during very harsh economic time as explained above due to the global pandemic (Corona virus) which seems not to subside but instead camouflaging with more attacks as different waves. This is in disregard to the efforts made by the County Health Sector in collaboration with the National government and other key players. However, the confidence the electorates have bestowed with the Members of the Assembly must be protected and for this matter by enhancing the capacity of our hospitals to proficiently handle COVID-19 patients. The Committee therefore will be making recommendations to that effect which might include bringing health services closer to *Mwanainchi*.

Mr. Speaker,

Section 129 of the PFM Act, 2012 inter alia provides that;

'Following approval by the County Executive Committee, the County Executive Member for Finance shall-

Submit to the County Assembly the budget estimates, supporting documents, and any other Bills required to implement the budget except the Finance Bill, by the 30th April in that year ...'

The CEC Member, County Treasury and the Clerk of Assembly on 30th April, 2020 submitted to the County Assembly the Budget Estimates for the financial year 2021/2022 for consideration by the Assembly. The estimates were prepared in line with the Budget Statement Policy which provided the guidelines thereto. The submitted total estimated expenditure for the both arms of the government totaled to 12,631,775,275 which included KES. 11,719,169,360.00 and KES. 921,605,915 for both County Executive and the County Assembly respectively.

Mr. Speaker,

The County budget estimates for the financial year 2021/2022 submitted above was subsequently laid on the Table of the Assembly on 5th May, 2021 and subsequently committed to the Sectoral Committees pursuant to the provisions of Standing Order 206(3). Borrowing from the previous budget approval history, the county has always adhered to the statutory approval timelines not later than 30th June, every year as provided by Section 131(1) of the PFM Act, 2012. However, the appropriation law has most of the times been passed after the approval deadline. The Assembly this time round vowed to commit itself to hasten the process by commencing the process immediately after the budget was laid on the table of the Assembly. This was in an endeavor to ensure that the budget and the relevant appropriation law are approved by mid-June to avoid any possible delay in implementation of the same by the late approval.

Mr. Speaker,

To consider these estimates therefore, the Committee had a total of nineteen (19) days sittings from Thursday 27th May, 2021 to 14th June, 2021. During this exercise, the Committee had ample time to undertake an extensive scrutiny to the submitted budget/budget documents, evidences, Sectoral Committee reports and oral submissions made by both arms of the government. Additionally, the Committee had sufficient time to interrogate the budget performance, 2020/2021 and the actual Integrated Financial Management Information System (IFMIS) balances in order to make rational decisions and recommendations to the assembly.

5.0 ACKNOWLEDGEMENT

Mr. Speaker,

The Committee on Budget and Appropriations extends her gratitude to the Office of the Speaker of Assembly and that of the Clerk of Assembly for the unmeasured leadership and the necessary logistical support in this exercise. Budget making is a consultative process and as such, participation by members of County Executive Committee and the County Assembly Services Board (CASB) was inevitable. Their input in the exercise was of significant benefits in entire process.

Mr. Speaker,


The County Assembly Sectoral Committees have played a very key role in this budget approval process. Their consideration and recommendations on the Sector budgets were true guide in making the final recommendations to Assembly.

Of importance also to note is the utmost commitment by the members of the Committee. Their invaluable input in the entire budget process is not anything to undervalue. The Committee desire to deliver in her mandate has been the driving force.

Finally, I'm indebted to the service staff of the Assembly for offering the technical support during this crucial exercise and the continued service to the Committee in successively compiling this report.

Mr. Speaker,

It is therefore my pleasant duty and pleasure and on behalf of the Budget and Appropriations Committee to table this report and the recommendations for adoption by the Assembly.



Hon. Boniface Kilaa Kasina
Chairperson
Committee on Budget and Appropriations

June, 2021

6.0 THE COUNTY BUDGET ESTIMATES FOR FINANCIAL YEAR 2021/2022

Mr. Speaker,

The County Budget estimates has been incremental over the period. Most of this is ascribed to the gradual growth in equitable share. The Grants have constantly been varying either by decrease or increase while the own source revenue (OSR) targets have never been achieved. Thus, the budget growth can never be associated with the two aspects. The trend analysis of the County budget for the ten (10) successive budget years therefore is analyzed as here below: -

(Without re-vote)

2012/2013 -

2013/2014 – KES. 6,548,244,241

2014/2015 – KES. 7,635,960,523

2015/2016 – KES. 8,089,575,084

2016/2017 – KES. 8,889,828,722

2017/2018 – KES. 9, 873,405,731

2018/2019 – KES. 11,775,231,412

2019/2020 – KES. 11,378,500,249

2020/2021 – KES. 11,241,866,317

2021/2022 – KES. 12,631,775,275 (As submitted by the CEC County Treasury).

Mr. Speaker,

The proposed County Budget Estimates, 2021/2022 were separately submitted on 30th April, 2021 from both Arms of the Government by the

CEC Member, County Treasury and the Clerk of Assembly respectively. The County budget submitted by the CECM, County Treasury comprised of gross allocations of KES. 8,397,367,287 and KES. 4,234,407,987 for both recurrent and development expenditures respectively. It is important to note that the budget had a development expenditure for the County Assembly of KES. 35,580,443 which is conflicting to the Budget submitted by the Clerk of Assembly (COA) with a development allocation of KES. 85,580,443. Therefore, the consolidated budget had a discrepancy of KES. 50M.

Mr. Speaker,

As the Budget Committee proceeded to consider the estimates, the Chairperson of the Committee further received memoranda from the office of the Clerk of Assembly via letters referenced CAK/FIN/5/1/VOL. XXVI/4 & 25 dated 20th and 31st May, 2021 respectively. The communications submitted to the Committee contained following: -

- i. A request for additional allocation of KES. 162M comprising of Members of County Assembly Car Loan KES. 112M and 50M for Staff Car Loan/Mortgage respectively.
- ii. Submission of the County Assembly revote from the budget for the FY, 2020/2021 KES. 36,176,918.

The above allocations were not captured in the submitted County Assembly budget for the FY 2021/2022. Out of the explanations given on the same, the two allocations were key and ought to have been factored in the submitted budget. The Salaries and Remunerations Commission's (SRC) had converted the Members Car Loans into a Car grant, thus entirely draining the kitty with nothing left to cater for the the same in the third Assembly. The Staff Car loan /Mortgage Kitty had also depleted owing to

increased demand on the same and there are still pending applications awaiting consideration and disbursement of funds. The above adjustment to cater for these allocations may substantially affect the submitted budget, however, the Committee will exercise the necessary diligence in handling the issue pertinently.

Mr. Speaker,

The County budget for the financial year 2021/2022 was prepared based on the 2021 Budget Policy Paper (BPS) by the Principal Secretary National Treasury. The Medium-Term plan sets out the national broad strategic priorities and policy goals that guides the budget preparation for the next financial year 2021/2022.

Mr. Speaker,

Section 107 of the PFM Act, 2012 provides that the budget revenue and expenditure appropriations shall be balanced. The submitted budget by the CECM County Treasury had a total allocation of KES. 12,631,775,275. As explained above, the County Executive budget together with the County Assembly Budget submitted by the Clerk of Assembly totaled to KES. 12,681,775,275 resulting to a deficit of KES. 50M. The budget had complied with Regulation 31 (c) of the Public Finance Management (County Government) Regulations, 2015 with 34% recurrent and 66% development. This is a very lean development budget which may put the County service delivery at jeopardy.

Mr. Speaker,

The above budget estimate for the FY, 2021/2022 is been proposed to be financed with the following resource envelop: -

Equitable share	KES. 10,393,970,413.00
Grants	KES. 505,225,111.00
Own revenue	KES. 982,000,000.00
Revote	KES. 750,579,751.00
TOTAL	KES. 12,631,775,275.00

The BPS has indicated that the County's equitable share and grants allocation for this FY 2021/2022 to be KES. 10,393,970,413.00 and KES. 505,225,110.00 respectively. During the Sectoral Committee considerations of the budget, it was clearly observed that the grants indicated as a component of the resource envelop were illegitimate as they were not provided for in the Division of Revenue Act, 2021. However, it was discussed and a consensus was arrived between the two arms of the government that the grants be retained as part of revenue as the County waits for a further direction to be provided on the same. The proposed grants were as listed below:

Compensation of User Fees Foregone-	22,499,905.00
Road Maintenance Fuel Levy -	140,954,574.00
Grants from World Bank (KDSP) -	23,810,945.00
World Bank (Universal Health) -	14,548,168.00
World Bank Agricultural - Rural Growth –	164,606,038.00
Capital Grants-Sweden funded (ASDSP Programme) –	18,176,371.00
HSSP/HSPS – (DANIDA/IDA) -	19,564,875.00
Development of Youth Polytechnics –	37,568,380.00
Kenya Urban Support Program- World Bank–	63,495,854.00
	<u>505,225,110.00</u>

Mr. Speaker,

The Own source revenue (OSR) in the submitted budget was indicated as KES. 982M which was higher than the approved County Fiscal Strategy Paper (CFSP) by KES. 132M. This left the Committee to wonder how realistically this could happen owing to the post corona virus effects to the economy and failure by the executive to implement the five core programs/activities pegged to achieving the KES. 850M approved by the CFSP. It is important further noting that the submitted budget had revotes totaling to KES. 750,597,751 from the current financial year 2020/2021. This was explained to have been estimated final disbursements which are likely to be remitted late at the end or past the financial year 2021/2022. The ceiling of revenue and expenditure had exceeded the ceilings in the approved County Fiscal Strategy Paper (CFSP) for financial year 2021/2022 of KES. 11,749,195,524.00 with KES. 882,579,751. This could be attributed to the increase in OSR and the estimated revote from 2020/2021 FY's budget.

Mr. Speaker,

As explained above in this report, deviation from the CFSP, 2021/2022 was witnessed in the submitted budget. The deviation from the approved County Fiscal Strategy Paper by the County spending entities is as analyzed in the table below: -

Table 1. (Submitted budget deviation from the CFSP)

County Ministry	Total Budget Estimates FY 2021-22 (A)	Approved CFSP Ceilings (B)	Variance (D = A-B)	Percent (%) Variation
Office of the Governor	1,843,261,359	1,802,919,322	40,342,037	2%
Department of Public Service Management and Administration	533,905,844	370,421,766	163,484,078	44%
Ministry of Agriculture, Water & Irrigation	1,445,724,577	1,215,568,631	230,155,946	19%
Ministry of Basic Education, ICT & Youth Development	750,570,573	768,274,280	(17,703,707)	(2)%
Ministry of Infrastructure, Housing, Transport and Public Works	929,361,243	1,091,866,662	(162,505,419)	(15)%
Ministry of Health & Sanitation	3,736,572,593	3,345,350,576	391,222,017	12%
Ministry of Trade, Cooperatives & Investment	489,601,231	516,568,079	(26,966,848)	(5)%
Ministry of Environment, Tourism & Natural Resources	273,184,331	172,688,406	100,495,925	58%
Ministry of Gender, Sports & Culture	187,683,628	247,000,000	(59,316,372)	(24)%
The County Treasury	683,647,103	522,967,917	160,679,186	31%
County Public Service Board	30,989,707	30,989,707	0	0%
County Assembly Service Board	871,605,915	871,605,915	0	0%
Kitui Municipality	386,318,170	382,416,136	3,902,034	1%
Mwingi Town Administration	114,608,219	92,431,477	22,176,742	24%
Livestock, Apiculture and Fisheries Development	121,830,068	122,180,000	(349,932)	(0)%
Lands and Physical Planning	232,910,712	195,946,650	36,964,062	19%
TOTALS	12,631,775,275	11,749,195,524	882,579,751	8%

7.0 COMPLIANCE WITH THE LEGAL PROVISIONS

Mr. Speaker,

The County budget making process is a legal process as contemplated in the laws viz;

The Constitution of Kenya, 2010, the Public Finance Management Act, 2012, the County Government Act, 2012 and the County Assembly Standing Orders. Further, it is a lawful procedure that is guided by other statutory tools such as budget guidelines as issued through circulars from the National and County Treasury and the Budget Statement Policy issued by the principal Secretary, National Treasury.

Mr. Speaker,

In compliance with the statutory provisions as articulated in law above, the submitted County estimates of revenue and expenditure under consideration were subjected to and passed a legal test. This notwithstanding some few issues as also outlined by the Controller of Budget (COB) via her comments to the submitted budget referenced COB/KTU002/2/2(15) dated 10th June, 2021. This included an examination on compliance to principles guiding in all the aspects of public finances such as openness and accountability, public participation and prudence in application of public funds as envisaged in Articles 201.

Mr. Speaker,

As contemplated in Article 224, County Government majorly rely on the PFM Act, 2012 which provides for all the necessary statutory procedures and the requirements in the budget making process. This includes the

requirements in preparation and adoption of statutory documents such as the ADP, CFSP and lastly the County Budget Estimates.

Mr. Speaker,

Section 107 of the PFM Act, 2012 further sets out the fiscal responsibility principles/objectives to be observed when making a county budget as listed hereunder; -

- a) *the county government's recurrent expenditure shall not exceed the county government's total revenue;*
- b) *over the medium term a minimum of thirty percent of the county government's budget shall be allocated to the development expenditure;*
- c) *the county government's expenditure on wages and benefits for its public officers shall not exceed a percentage of the county government's total revenue as prescribed by the County Executive member for finance in regulations and approved by the County Assembly;*
- d) *over the medium term, the government's borrowings shall be used only for the purpose of financing development expenditure and not for recurrent expenditure;*
- e) *the county debt shall be maintained at a sustainable level as approved by county assembly;*
- f) *the fiscal risks shall be managed prudently; and*
- g) *A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.*

Mr. Speaker,

Though the budget complies to the most of the provisions as explained above in this report, it is however noticeable that the county government's expenditure on wages and benefits to employees is at 38%. This exceeds the statutory limit of 35% percent contrary to the provisions of regulation 25(1)(b) of the Public Finance Management (County Government) Regulations, 2015. In overall the budget tries to comply with the legal provisions as set, nevertheless, prudence in application of funds as emphasized by the law was not exercised; misplacement of priorities, huge allocations to activities which can be undertaken at lesser sum, replication of services across the ministries etc. The Committee owing to this fact has undertaken critical examination to these budget items and has made some recommendations to mitigate the inconsistencies highlighted.

8.0 AN OVERVIEW ON SUBMISSIONS BY THE PUBLIC AND SECTORAL COMMITTEES ON THE COUNTY BUDGET ESTIMATES 2021/2022.

Mr. Speaker,

As explained above in this report, it is unfortunate that there was no memorandum received on public participation. By the time the Committee had concluded the budget consideration, still no memorandum to the effect had been received either via the County Assembly official physical or email address. Due to the existing ban on public gathering, the Assembly had to comply to the statutory obligation of public participation by invitation for submission of public views. This was to be done via submission of memoranda (hard/soft) to the office of the Clerk of Assembly though in vain. However, the Committee had to proceed with the budget consideration process and due to the statutory time limits for its approval, it could not therefore allow for a re- advertisement for the same.

Sectoral Committee reports

Mr. Speaker,

The Sectoral Committee reports were compiled and submitted to the Committee on budget by 22nd May, 2021. As the law demands, this was paramount in giving a direction to take in consideration and compilation of this report. During considerations of the Sectoral Committees reports, there were some cross cutting key issues that emerged from the deliberations;

i. Own source revenue (OSR)

That most of the Committees were in agreement with the proposed own source revenue (OSR) with no adequate justifications. It would have been prudent for the Committees to demonstrate on how the departments will realize this revenue having it in mind that county OSR targets have never been met under review. Further, the mitigating factors to which the OSR target was anchored during the approval of the CFSP had not been implemented. These included a fully-fledged cashless system, procurement of a debt collector, operationalization of liquor licensing board and the valuation roll. Failure to implement the above may negatively impact on the expected OCR.

ii. Pending bills

The Sectoral Committees were not able to dully analyze and compile the departmental pending bills up to the end of the FY, 2020/2021. These were very key in making specific requisite provisions in the budget under considerations. Payments of pending bills ought to be the first charge in implementing the new budget as guided by the COB and the National

Treasury. It is imperative noting that continued failure to undertake payments of the bills may result to litigations through court of laws.

iii. Revote

The revotes placed in various ministerial budget were not true to the actual IFMIS balances. It was very critical for the committees to establish the actual revotes against the specific budget lines. This will ensure the same are appropriated correctly to serve the purpose primarily intended.

iv. County development projects across the ministries

The departmental development budgets had no details of the various projects to be undertaken with the funds allocated. As would be the case in the national budget, the projects to be done ought to have been enlisted indicating the name, location (geographical) and the estimated cost.

v. Allocations to county rolling projects

The budget under consideration has proposed further allocations to projects which have been funded in the previous budgets. It would be prudent if the line departments had provided adequate information to the Sectoral Committees as pertains the works undertaken and the completion status of the same. This information is significant in making the final recommendations to the Assembly.

vi. The budget performance 2020/2021

Budget performance information was not adequately provided to the Committees. Budgets are progressive in nature and thus information pertaining implementation for the current budget was a key aspect during consideration for the annual estimates for the FY 2021/2022. This is what

provides background information and an indicator of direction the County has taken towards development.

vii. Recommendations by the Sectoral Committees

The Committees having interrogated and considered their Sector budgets made decisive recommendations on some of the proposed budget activities with quite a number left for the Budget and Appropriations Committee to decide upon. This includes sourcing of funds for proposed increments in some budget lines.

viii. Re-introduction of budget activities not in the CFSP, 2021/2022

There was general understanding by the committees that there were some expenditures items sneaked into the budget which had been dropped during the approval of the CFSP, 2021/2022. The Committees considered this as a jeopardy to the Assembly resolutions and as such all were dropped during the Sectoral recommendations.

Mr. Speaker,

As the Committee interrogated these sectoral reports, it emerged clearly that there is a dire need for the overseeing County Assembly Committees to critically examine budget implementation across all the ministries. It is always very important to take stock on the county development programs/activities to ascertain whether the County is being propelled to the right direction and according to the Assembly resolutions. This will minimize deviations from the approved programs and hence reduction misapplication of funds to non-resourceful areas.

9.0 FINAL SUBMISSIONS BY THE CECM COUNTY TREASURY

Mr. Speaker,

The Committee had an opportunity to interact and have extensive consultations with the CECM County Treasury on the submitted budget for the FY, 2021/2022 as required of it by Section of 132(4) of the PFM Act, 2012. There were some significant issues which the Committee had identified that required some in depth clarifications before the Committee could arrive at decisive decision on them. Further, the CECM had to give clarifications on the following other pertinent issues: -

- i. The revote from the FY 2020/2021 FY budget,
- ii. The County government grants for the FY, 2021/2022,
- iii. Specific listing of the departmental projects to be implemented by the proposed budget 2021/2022 highlighting the projects name, location and approximated cost/budget, and
- iv. The pending bills.

Mr. Speaker,

During some deliberations on the same, the CECM explained to the Committee that there is already a Bill before the senate that contains the proposed grants to the County Governments, (The County Governments grants Bill, 2021). An analysis on the same revealed that the total grants proposed for Kitui County government totaled to KES. 505,225,111.00 which is equivalent to the total grants in the submitted budget, 2021/2022. However, dissimilarities in the type of grants and amount allocated was witnessed and as such changes to the submitted budget had to be done. There was misplacement of revoted amounts to wrong budget line and even some with over casted figures beyond available IFMSI balances.

To harmonize the discrepancies therefore, it was unanimously resolved and agreed that the CECM County Treasury realigns the County Executive budget based on the above issues. A memorandum to that effect was received by the Committee Chairperson referenced CGKTI/CT/FIN/23/III/61 dated 8th June, 2021.

As the Committee proceeded with the exercise, the budget consideration and recommendations forthwith were based on the re-aligned document to the extent of its contents thereof and the deliberations made between the Committee and the CECM, County Treasury.

10.0 SUBMISSIONS BY THE COUNTY ASSEMBLY SERVICE BOARD REPRESENTATIVES.

Mr. Speaker,

The CASB representatives had an ample opportunity to make clarifications to the Committee on the County Assembly budget and the memorandum submitted to the Committee for consideration. During the deliberations, the representatives made clarifications on the following key issues that had been highlighted for elaborations;

- i. Budget implementation progress, which the Committee had established that, it was being done at very slow pace. Some budget allocations had spent very little with some at zero expenditure e.g.
 - Purchase of uniforms,
 - Purchase of motor vehicle,
 - Employment of new staff,
 - Installation of lift at the Assembly Chambers,
 - Construction of Speakers residence,
 - Construction of office block etc.

- ii. Further highlights on the submitted budget allocations.
- iii. Allocations proposed for Members of County Assembly Car Loans Scheme and additional allocations for the Staff Car loans and Mortgage,
- iv. The County Assembly revote.

The Committee received CASB submissions on the issues illuminated above to satisfaction level. However, the members were perturbed by the pace at which CASB was implementation the budget being almost at the close of the FY with very little undertaken. Out of the deliberations made and the information shared, the Committee was thus furnished with the requisite information to make intelligent decision pertaining the Assembly budget.

Mr. Speaker,

The consideration of this budget has truly embraced extensive consultations as derived from its definition as a political tool. It has taken the Committee's patience to take views from the above institutions and in addition, the County Assembly Members who had an opportunity to interacted with the Committee from 7th to 11th June, 2021. During the period, thoughtful deliberations were done and a consensus was built on the following;

- i. That, the FY 2021/2022 budget be utilized in an attempt to address the inequalities in distribution of County resources across all the county departments.
- ii. That the above to be done by equitably rationalizing the development projects for the following County departments;
 - Agriculture, Water and Irrigation,

- Trade, Industry, Cooperatives and Investments,
 - Health and Sanitation,
 - Infrastructure, Housing, Transport and Public Works and,
 - Environment, Tourism and Natural Resources.
- iii. That, the ward development projects to be itemized (listed with projects' name, location and cost).

Mr. Speaker,

The Committee therefore reviewed the submitted estimates vis-à-vis the Sectoral Committee reports, the submissions by the CECMs, County Chief Officer (C. O.s), the Clerk of Assembly (Secretary, County Assembly Service Board (CASB) and the views by the Members of the County assembly as agreed during the consultative meeting. Further, the Committee had also interacted with Chairpersons to some Sectoral Committees, County executive and Assembly service staff who had also attended upon invitation to give more clarifications on the County estimates for financial year the 2021/2022. In concluding the considerations for the estimates, the Committee made observations on some key the budget items as contained here below.

11.0 THE COMMITTEE GENERAL OBSERVATIONS.

Mr. Speaker,

The Committee in undertaking an examination and analysis of the submitted budget made the following observations;

i. Total submitted budget

The total submitted budget by the CECM County Treasury was KES. 12,631,775,275.00. This was above the approved CFSP expenditure ceiling of KES. 11,749,195,524 by 882,579,751.

ii. The resource envelope

The proposed resource envelope totaled to KES. 12,631,775,275.00. It was commensurate to the total expenditure as required of it by Regulation 31 (c) of the Public Finance Management (County Government) Regulations, 2015. The resource envelope comprised of equitable share, grants, own source revenue (OSR) and revotes from the current financial year 2020/2021. However, the element of grants though maintained at the same total of KES. 505,225,111.00 were changed by the County governments grants Bill, 2021 as would be analyzed below in this report.

iii. Own source revenue (OSR)

The proposed Own source revenue (OSR) in the submitted budget totaled to KES. 982M. This was higher by KES. 132M from the approved CFSP (2021/2022) amount of KES. 850M. It is imperative noting that the Assembly had approved own source revenue (OSR) ceiling on a common understanding that the County Treasury will implement the following revenue enhancement measure;

- Hiring of a debt collector,
- Operationalization of the Valuation Roll which would increase collections from Land rates.
- Implementation of a cashless program in most of the county collection areas across the ministries.
- Operationalization of the County Liquor board.

iv. **equitable share**

The allocation for equitable as indicated above in the report had been increased to KES. 10,393,970,413.00 which was an increase of KES. 1,563,620,410.00 from KES. 8,830,350,000 for the FY, 2020/2021. This is as contained in the Budget Policy Statement (BPS) and Division of Revenue Bill, 2021 (DORB).

v. **Comparative analysis of proposed allocations.**

That the submitted budget has a development budget of KES. 4,234,407,987.00 and a recurrent of KES. 8,397,367,287.00 which translates to 34% and 66% respectively. Though a lean development budget, this is a compliance to Section 107 (2) (b) of the PFM Act, 2012.

vi. The Grants in the submitted Budget of KES. 505,225,111.00 were in observance of the allocations in the Budget Policy Statement (BPS), 2021. Notably, there are glaring differences in the specific allocations to the County as apportioned in the County Governments Grants Bill, 2021 at the Senate. The grants are tabulated in the table below;

Table 2. (Grants)

Grant Name	Grants in the Submitted Budget, 2021/22	Proposed allocations in the County Governments Grants Bill, 2021
Compensation for User Fees Forgone	22,499,905	-
Road Maintenance Fuel Levy	140,954,574	-
Grants from World Bank (KDSP)	23,810,945	112,815,048
World Bank (Universal Health)	14,548,168	14,548,168
World Bank (Agriculture - Rural Growth)	164,606,038	283,089,026
HSSP/HSPS - (DANIDA/IDA)	19,564,875	19,564,875
World Bank loan to Supplement financing of County Health Facilities	-	7,386,704
Development of Youth Polytechnics	37,568,380	-

Kenya Urban Support Project - World Bank	63,495,854	-
ASDSP	18,176,371	28,857,290
FAO LOCUST	-	38,964,000
Total	505,225,111	505,225,111

From the above information, it is only two grants (World Bank- Universal Health & DANIDA/IDA) which have maintained their respective allocations in both the submitted Budget and allocations in The County Governments Grants Bill, 2021.

- vii. The budget factored an estimated revote for the Executive of KES. 750,579,751.00 from the financial year 2020/2021. An explanation by the CECM Treasury attributed this to delayed June disbursements which the County receives around the Month of August in every year.

Further examination of the actual IFMIS balances as at 2nd June, 2021 vis a vis the submitted estimates revealed the following;

- The Ministries have placed block figures for the revote amounts in one budget line;
- Revote allocations are placed in the wrong budget lines; and
- Some allocations have been over casted against the actual IFMIS balances.

viii. **Compliance with the Approved County Fiscal Strategy Paper.**

That in preparing the budget estimates 2021/2022, the CECM for the County Treasury to some extent observed the recommendations made in the approved CFSP 2021/2022. However, it was notable that key components like own source revenue (OSR) and ceilings across some ministries were not observed. The highest deviating Ministry being Health and Sanitation which has a proposed additional allocation of

KES. 391,222,017.00 on top of the approved CFSP ceiling of KES. 3,345,350,576.00.

ix. **Allocations proposed for salaries for permanent employees.**

The submitted budget had a total allocation of 38% for personnel emoluments. The committee notes that this offends regulation 25(1)(b) of the Public Finance Management (County Government) Regulations, 2015 which sets the statutory requirement at 35%.

x. **The budget explanation notes.**

That the submitted budget estimates had explanation notes as required under regulation 39 of the Public Finance Management (County Governments) Regulations 2015. However, the notes needed to be enhanced as most of it was a copy paste of the budget line name from the itemized budget. Further, explanations for some key allocations were unfortunately missing, thus additional clarifications were inevitable.

xi. **Adherence to the provisions of regulation 31(c) of the Public Finance Management (County Government) Regulations, 2015.**

The submitted budget estimates by the County Executive summated with the County Assembly Budget submitted by the Clerk of Assembly exceeded the total resource envelop by KES. 50M as indicated above in this report. The Committee will seek to rationalize the expenditures during the recommendations to ensure a balanced budget pursuant to Regulation 31 (c) of the Public Finance Management (County Government) Regulations, 2015.

xii. The consolidated county insurances are domiciled under the office of the Governor, KES. 120M for staff medical insurance, KES.33M for Motor Vehicle Insurance, and KES.1M for Building Insurances.

- xiii. That allocation for legal fees has been increased from KES. 60M to KES. 150M in the budget 2021/2022 under the office of the governor. Additionally, some ministries (Infrastructure, Lands and Environment) have equally budgeted for same and arbitration fees. The members expressed some serious concern over the matter owing to the fact that the capacity of the County legal office has now been enhanced by recruiting a County Attorney.
- xiv. There is a tendency of introducing new items into the budget which were not in the approved CFSP across the Ministries. This is a cause of alarm as these programmes and projects have not undergone the due approval process. Some of these include;
- Purchase of two trucks for Kitui and Mwingi under the Ministry of Trade.
 - Construction of Phase II of Agro processing plant under the Ministry of Agriculture, Water and Irrigation.
- xv. There are unrealistic allocations to some budget items. The proposed budget has placed huge chunks of money to some projects/activities which can be undertaken at lesser sums. Some of these include and not limited to: -
- Construction of CESS points at Kunda Kindu Barrier (Entry & Exit) under Municipality at a cost of KES. 2.5M.
 - Construction of perimeter wall around Kitui Municipality Office Block at a cost of KES. 5M.
 - Landscaping and town greening along the main roads in Kitui Town at a cost of KES. 6.2M.

- Non-residential Buildings - Partitioning/ completion of the Governors Administration block under office of the Governor at a cost of KES. 7M.
 - Advertisement, awareness and publicity campaigns under office of the Governor at a cost of KES. 20M.
- xvi. There are allocations made for casuals in almost all the Ministries with no tangible justification. This is an alarming trend considering the fact that the county wage bill has been ballooning over the years contrary to the Controller of Budget (COB) advisory to address the same. The County ought to be embarking to measures to lower the personnel ratio toward the statutory threshold.
- xvii. There is an allocation of KES. 92.4M for Other Operating Expenses under Office of the Governor which the Committee could not comprehend even upon reviewing the Sectoral Committee report on the same.
- xviii. The submitted budget has notably allocated KES. 7M under Public Service Management and Administration for purchase of Motor cycles for the Ward administrators at a cost of KES. 160M each. This is a commendable move considering the distance the administrators cover in their line of duty.
- xix. There is a proposed allocation of KES. 90M towards purchase of certified Crop Seeds under the Ministry of Agriculture, Water and Irrigation. This is a huge allocation to one budget item owing to the prevailing budget constraint.
- xx. There is a proposed allocation of KES. 16,126,605.00 for Maintenance of Plant machinery & Equipment (40 tractors, 5 dozers, 1 excavator, 2 tippers). The Committee however was concerned that the usage and revenue realized from hire of these equipment is poorly reported and

managed. The line Committee must make a deliberate effort to put measures in place to regularize the mishaps.

- xxi. There is a proposed allocation of KES. 13M towards Agricultural Materials, Supplies and Small Equipment (food processing materials & processing accessories). The allocations were high considering other budget priorities.
- xxii. Other infrastructure and Civil Works (construction of phase II of Agro-processing plant) has been allocated KES. 9M. Of concern to the committee is that the ministry has purchased a lot of machinery whose operationalization is yet to be done. This was not a priority against other departmental needs.
- xxiii. There is a proposed allocation of KES. 360M towards other Infrastructure and Civil Works (Construction of Water Structures). The Committee noted with concern that the specific project listing had not been shared at the Sectoral consideration level.
- xxiv. That the ministry proposes an allocation of KES. 50M towards Installation of Solar Power Plant for Masinga Treatment Works. However, a feasibility study to implement the same had not been availed for discussion with the Sectoral Committee to assess the viability of the project.
- xxv. That the Ministry of Basic Education, ICT and Youth Development had two allocations for matching grants with no specific grants in reference under the ministry.
- xxvi. The ministry does not address ICT infrastructure in the County. It is expected that being the ministry mandated with matters information technology, there should be deliberate efforts to improve the technology sphere in the county rather than focusing on ICT within the County offices.

xxvii. The Committee appreciates the Sectoral Committee's input in the budget consideration process. However, crucial information was conspicuously missing in the submitted Committee reports. This included but not limited to the following;

- Details for the departmental projects to be funded during the financial year i.e. specific sector projects, geographical location and tentative cost. The information was unanimously agreed to be provided at commencement of the sectoral Committee consideration.
- A breakdown of the proposed revotes in the correct actual budget lines and amounts and the actual pending bills across the ministries.
- Budgets are progressive in nature and as such, history to most of the projects initiated with previous budgets and those which still require more funding from the submitted estimates was extremely necessary; KICOTEC, Mutomo reptile Park, Kalundu Eco park, construction of stadiums/playgrounds etc.
- Justifications for increments proposed for some budget lines were had no corresponding funding from the budget lines within the ministries.

The sectoral committees did not fully execute their mandate as regards to budget scrutiny and recommendations but rather left the same for finalization by the Committee on Budget and Appropriations.

xxviii. There is a proposed allocation for street lighting in upcoming market centres for KES. 80M under the Ministry of Environment, Tourism and Natural Resources with no or very little provisions for repairs of the existing lights.

- xxix. An allocation of KES. 45M has been made towards Other Infrastructure and Civil Works – Rehabilitation of Kitui, Mwingi (Musila) and Migwani Stadiums. Of concern, the budget item had previously been funded by several budgets and Committee could not comprehend why the same required more funding.
- xxx. An allocation of KES. 10M to budget item County tournaments in Football, Volleyball, Athletics and Basketball from village level culminating into Governors Road Race and Governor’s cup. This was noble idea; however, the Committee was concerned on how and when the Members of County Assembly will be involved in proposed activity.
- xxxi. The County Treasury has allocated KES. 120M towards payment of KRA Penalties. This is an endeavor to adhere to the agreement entered between the County executive and Kenya Revenue Authority (KRA) to clear the pending areas to taxes.
- xxxii. Employer Contribution to Staff Pensions Scheme- Implementation of superannuation scheme for the devolved county staff has been allocated KES. 35,211,985.00. A letter dated 19th April, 2021 referenced COG/2/5/2B Vol.2(7) by the Chairman, Council of Governors to CECM treasury highlighted that the devolved staff in the counties needed to contribute 7.5% and the County Government 15% of their basic pay as savings for their pension.
- xxxiii. The Emergency Fund has been allocated KES. 20M. The allocation was in disregard that the regulations to operationalize the County Emergency Act, 2019 are yet to be prepared and legislated.
- xxxiv. Purchase of software – Annual support to revenue automation programme has been allocated KES. 46M. This is an activity that has been receiving budget allocations for the last six successive budgets with an intention to automate all county revenues. It is unfortunate that its

implementation has been very slow despite availability of funds. Further, this is one of the significant foundations for optimizing county revenues as resolved during adoption of the CFSP. It will therefore be prudent for the line Sectoral Committee (Finance and Economic Planning) to make some deliberate efforts to oversee its execution and bring the matter to conclusion.

Mr. Speaker,

The Committee during her recommendation will seek to address some of the concerns as observed above while respecting the relevant provisions of the law and the expenditure priorities. However, the realignments will be done within the available resource envelop to avoid any budget deficit.

12.0 COMMITTEE SPECIFIC RECOMMENDATIONS

Mr. Speaker,

The Committee took ample time to ensure that every aspect and contribution to the exercises was taken into consideration. Careful consultations were done as the members adequately deliberated on emerging issues of concern while taking into account the available budget resource envelop. As guided by Section 131 (2) of the PFM Act, 2012 and the County Assembly Standing Order 206 (5), the Committee to this end makes the following recommendations: -

A. THE PROPOSED RESOURCE ENVELOP

Mr. Speaker,

As observed above in this report, the proposed resource envelope to finance the County Budget Estimates 2021/2022 has ultimately been recommended to KES. 12,499,775,275.00. This comprises of the following revenue components;

- i. Equitable share of KES. 10,393,970,413.00 as contained in DORA, 2021.
- ii. Grants of KES. 505,225,111.00 as contained in the County Governments Grants Bill, 2021. The grants which were included in the submitted budget estimates thus needs to be realigned to the County Governments Grants Bill, 2021.
- iii. Own source revenue (OSR) of KES. 850M as contained in the approved CSFP, 2021/2022. The Committee was not convinced on the proposed increment of KES. 132M owing to the fact that the measures agreed to be put in place during the approval of the CFSP as contained in this report were to date not fully implemented. The Committee on Budget and Appropriations has committed itself to deliberately monitor the implementation of the action plan to realization of the recommended own source as proposed in the approved CFSP.
- iv. A total re-vote of KES. 750,579,751.00 as estimated in the submitted budget. However, the same has been revised and recommended by the Committee as contained in table 3 below;

Table 3.

KITUI COUNTY BUDGET FY 2021/22			
REVISED REVOTE INCLUDING COUNTY ASSEMBLY			
Ministry	Estimated Revote	Revised Revote	Variance
OFFICE OF THE GOVERNOR	277,158,374	264,159,572	12,998,802
MINISTRY OF AGRICULTURE WATER AND IRRIGATION	66,443,601	63,327,378	3,116,223
MINISTRY OF BASIC EDUCATION, ICT AND YOUTH DEVELOPMENT	98,768,379	94,136,116	4,632,263
MINISTRY OF INFRASTRUCTURE, HOUSING, TRANSPORT & PUBLIC WORKS	88,512,063	84,360,824	4,151,239

MINISTRY OF HEALTH AND SANITATION	52,313,137	49,859,637	2,453,500
MINISTRY OF TRADE, COOPERATIVES AND INVESTMENTS	44,006,203	41,942,300	2,063,903
MINISTRY OF ENVIRONMENT, TOURISM AND NATURAL RESOURCES	16,511,415	15,737,025	774,390
MINISTRY OF GENDER, SPORTS & CULTURE	4,917,592	4,686,956	230,636
THE COUNTY TREASURY	24,885,115	23,717,996	1,167,119
COUNTY ASSEMBLY SERVICE BOARD	-	35,202,390	(35,202,390)
KITUI MUNICIPALITY	65,868,939	62,779,668	3,089,271
MWINGI TOWN ADMINISTRATION	4,042,242	3,852,660	189,582
MINISTRY OF LIVESTOCK, APICULTURE AND FISHERIES DEVELOPMENT	2,734,883	2,606,616	128,267
MINISTRY OF LANDS AND PHYSICAL PLANNING	4,417,808	4,210,612	207,196
TOTAL	750,579,751	750,579,751	0

Thus, the resource envelope will now appear as contained in **annex iii** attached to the report.

B. THE RECOMMENDED EXPENDITURE REALIGNMENTS

Mr. Speaker,

Owing to the reduction on revenues as recommended above, adjustments to the proposed expenditures is inevitable. This is paramount in attempt to observe the cardinal rule of a balanced budget as envisaged in Regulation 31 (c) of the Public Finance Management (County Government) Regulations, 2015. Thus, most of the proposed expenditures across the ministries have been affected in a rationalization exercise to confine the expenditures within the available resources to avoid a budget deficit. Some proposed expenditures have been dropped in their entirety or reduced with others being increased accordingly. To effect these changes therefore, the Committee has made the following recommendations: -

Office of the Governor

1. That reduce the budget item, Other Operating expenses with KES. 22M, under Program 1; General Administration, Planning and Support Services. This is to cater for the budget constraints arising from the downward revision of Own Source Revenue. Additional funding can be sourced through a subsequent supplementary budget.
2. That reduce by KES. 10M the budget item, Purchase of Motor Vehicles under Program 1; General Administration, Planning and Support Services. The remaining KES. 10M to be used to source a vehicle for the Deputy Governor. Proper utilization of the already available vehicles within the ministry can suffice.
3. That reduce by KES. 20M the budget item, Residential Buildings – Governor’s and Deputy Governor’s residences, under Program 1; General Administration, Planning and Support Services. The balance of KES. 20M to remain as seed money to kick-start the project.
4. That increase the allocation for budget item Scholarships and Other Educational Benefits (Pro-poor Programme) with KES. 11M to 56M, under Program 2; National Social Safety Net (Pro-Poor Program) and Monitoring and Research Services. This will enable each ward to benefit with KES. 1M. The line Committee should ensure a deliberate follow up on the implementation of the 25% - infrastructure.
5. That reduce the allocation for Legal Dues/Fees, Arbitration and Compensation Payments with KES. 70M, under program 3; Legal and Head of Public Service Administration (County Attorney and Office of the County Secretary). The County should strive to reduce litigations owing to fact that the capacity for the legal department was recently enhanced by hiring the County attorney and plans to recruit a Solicitor General. Therefore, the balance can suffice in paying the pending bills and any other relevant costs arising therefrom.

6. That reduce by KES. 10M the budget item, Advertising, Awareness and Publicity Campaigns (County Branding), under Program 4, Cabinet Affairs, Public Affairs and Human Resource Management. The amount proposed was too high vis a vis the budget constraints and as well taking into account that same function is also undertaken at the Ministry of Trade, Cooperatives and Investments.

Ministry of Public Service Management and Administration

1. That increase with KES. 2M the allocation made for Operationalization of Kitui County Alcoholic Drinks Control Act, 2014, under Program 3 Devolution Affairs. This is one of the underlined strategies for the enhanced revenue collection.
2. That provide an additional allocation of KES. 1.5M for budget item, General Office Supplies (papers, pencils, form, small equipment), under program 1; General Administration, Planning and Support Services.
3. That provide an additional allocation of KES. 1.5M for budget item, Supplies and Accessories for Computers and Printers under program 1; General Administration, Planning and Support Services.
4. That provide an additional allocation of KES. 1.5M for budget item, Sanitary and Cleaning Materials, Supplies and services under program 1; General Administration, Planning and Support Services.
5. That provide an additional allocation of KES. 1.5M for budget item, Routine Maintenance - Motor vehicles under program 1; General Administration, Planning and Support Services.
6. That provide an additional allocation of KES. 1M for budget item, Purchase of 1 Motor Vehicle under program 3; Devolution Services.

The above recommendations were made to enhance the funding of the budget lines to sufficiency.

Agriculture, Water and Irrigation

1. That reduce by KES. 65M the budget item, Certified Crop Seeds under Program 2; Crops Development and management. It was the feeling of the Committee that the amount proposed was high owing to the prevailing budget constraint. However, it was noted with concern that retaining the balance of KES. 25M was necessary as County was pushing “*Ndengu*” to be a cash crop through the Bill being legislated at the Senate.
2. That reduce by KES. 3M the budget item, Agricultural Materials, Supplies and Small Equipment (pesticides for *Ndengu*), under program 1; General Administration, Planning and Support Services to cater the budget deficit.
3. That reduce by KES. 6M the budget item, Maintenance of plant and machinery & equipment, under Program 3; Agribusiness and Information Management to cater the budget deficit.
4. That reduce by KES. 5M the budget item, Agricultural Materials, Supplies and Small Equipment (food processing materials & processing accessories), under Program 3; Agribusiness and Information Management. The reduction to cater for the the budget deficit.
5. That increase the budget item, Other Infrastructure and Civil Works (Repairs & Rehabilitations) with KES. 14M, under Program 4; Water Resources Management. The additional allocation is meant to boost the kitty for broken water supply repairs across the County.
6. That drop the entire allocation of KES. 9M for budget item, Other Infrastructure and Civil Works (construction of phase II of Agro-processing plant) under Program 3; Agribusiness and Information Management. There are a lot of machinery purchased under the ministry

which should be operationalized to success before any further investments.

7. That drop the entire allocation of KES. 50M for Installation of Solar Power Plant for Masinga Treatment Works, under Program 4; Water Resources Management. This is an investment whose feasibility study and implementation plan ought to have been shared and discussed by the Assembly before making a provision for the same.
8. That the allocation of KES. 360M towards Other Infrastructure and Civil Works (Construction of water structures) be utilized in observance to the attached analysis (**see annex iv**). An analysis by the Committee unearthed that there was a lot of inequalities in the distribution of water projects and the committee recommends to this Honourable House that the most disadvantaged wards gets the highest percentage and vice versa. The Committee on Agriculture, Water and Irrigation to follow up on the implementation of the same.
9. That provide additional allocation of KES. 3M for Feasibility and Appraisal Studies on the intended solar plant at Masinga.
10. That provide a new grant allocation of KES. 38,964,000.00 for budget item, World Bank-Emergency Locust Response Project (ELRP).
11. That provide for a revised grant allocation of KES. 283,089,026.00 for budget item, IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP).
12. That provide for a revised grant allocation of KES. 28,857,290.00 for budget item, Sweden - Agricultural Sector Development Support Programme (ASDSP) II.

Basic Education, ICT and Youth Development

1. That drop the entire allocation of KES. 4.5M for budget item, Other Operating Expenses – (Youth development /skills development)-enforcement. This is a replication considering that the ministry also has allocations to address youth matters.
2. That drop the entire grant allocation of KES. 37,568,380.00 for Development of Youth Polytechnics. This is one of the grants the County will not be receiving in line with the County grants bill.
3. That reduce by KES. 22M the budget item, Training Expenses- Youth Skills, under Youth Development Services and transfer the vote line with the balance from recurrent to development as guided in the COB's commends on the submitted budget estimates.
4. That reduce by KES. 15.65M the budget item, Casuals under program Youth Development Services to create reserves for other essential services within the ministry as recommended by the Sectoral committee.
5. That increase the budget item, Casual labour under program 2; Primary Education with KES. 11M to KES. 295.2M. The amount will be adequate for employment of six ECDE teachers from each ward, being three teachers for every financial year 2021/2022 and 2021/2022 respectively as recommended by the line Sectoral Committee.
6. That provide an allocation of KES. 19.05M for a new budget item, WASH program, under program 2; Primary Education. This will cater for the purchase of water tanks and improved health and sanitation cross the ECDE centres as an effort for containment of COVID-19.
7. That provide KES. 5M for COVID-19 interventions for all the ECDE centres in the County for purchase masks and sanitizers.

8. That provide an allocation of KES. 2M for a new budget item, Formulation and implementation of a policy on administration and management of ECDE, under program 2; Primary Education.
9. That reduce by KES. 5M the budget item, Transfers (Matching figure conditional grants). The reminder to be used for renovation of Vocational Training Centres across the County under construction of buildings in program 2; Primary Education.

Ministry of Infrastructure, Housing, Transport and Public Works

1. That drop the entire allocation of KES. 3M for Legal Dues/fees, Arbitration and Compensation Payments. The Committee notes that the monies for legal matters have been budgeted for in the office of the County Attorney for all ministries.
2. That provide an additional allocation of KES. 24.6M towards Purchase of Tyres and other equipment wearing parts under program 1; General Administration and Planning. The provided sum was inadequate to cater for the the same through the next financial year.
3. That provide an additional allocation of KES. 9.4M towards Maintenance Expenses – Motor Vehicles and Cycles under program 1; General Administration and Planning.
4. That provide an additional allocation of KES. 10M towards Feasibility study, Engineering and Designs (Road Surveys) under Road Transport.
5. That provide an additional allocation of KES. 60M towards Major Roads (In house grading of 70kms). This is for leasing of graders and dozers to cater for the an increase of roads grading from 70 to 100 Kilometers per ward. Road networking is a big contributor towards an improved economy through the road connectivity.

6. That provide an additional allocation of KES. 19M for budget item, Lease/ Hire of Tractors and other Equipment (Hire of Equipment). This is the allocation used to fund grading of roads across the County. This has been informed by the decision to increase in house grading from 70 to 100 Kms per ward.
7. That provide an additional allocation of KES. 3.5M for budget item, Purchase of Lab Equipment and tools to sufficiently finance the budget item.
8. That provide an additional allocation of KES. 133M for budget item, Major Roads (Roads Construction works and maintenance of box culverts, drifts, gravelling, concrete slabs, gabions) to sufficiently finance the budget item. This will support the activity since the grant for Road Maintenance Fuel Levy (RMFL) will not be accessed.
9. That provide an additional allocation of KES. 15M for budget item, Access Roads (Fuel, maintenance of plant and machinery and culverts) to sufficiently finance the budget item.
10. That drop the entire grant allocation of KES. 140,954,574.00 for Construction of Roads Others (Road Maintenance Fuel Levy - RMFL); the is not accessible in the financial year 2021/2022.
11. That reduce by KES. 65,306,600.00 the budget item, Major roads (EACC projects Pending bills) to cater for the the budget deficit. Additional funding can be done in subsequent supplementary budgets.

Ministry of Health and Sanitation

1. That provide a new grant allocation of KES. 7,386,704.00, for UNFPA – 9th Country Programme Implementation as provided for in the grants Bill.

2. That reduce by KES. 5M the budget item, Daily Subsistence Allowance under program 3; Curative Health Services. This is to cater for the budget shortfall.
3. That reduce by KES. 45M the budget item, Insurance Costs – Other (Cost Sharing for Insurance costs for 100,000 h/s through NHIF). The ministry to use the reminder to first pilot with 85,000 households as universal health coverage is a gradual process. The program can gradually be implemented and as such additional funding can be sourced through a subsequent supplementary budget.
4. The reduce by KES. 10M the budget item, Non-Residential Buildings under program 3; Curative Health Services. This is to cater for the the budget shortfall.
5. That reallocate the entire fund KES. 14M earmarked for purchase of Specialized Plant (Purchase of Oxygen Plant) under program 3; Curative Health Services. The amount to be utilized to complete, equip and operationalize the stalled health facilities in the County. There is another plant being constructed at Mwingi Level Four Hospital by World Health Organization (WHO) in conjunction with the Council of Governors.
6. That drop the entire grant allocation of KES. 22,499,905.00 for Free Primary Health (Compensation for User Fees) in compliance with the County Grants Bill, 2021.
7. That reduce by KES. 10M the budget item, Other Infrastructure and Civil Works – fencing, to cater for the budget shortfall.
8. That reduce by KES. 2M the budget item, Kitui Pharma Industries (raw materials, water purifier etc.) to cater for the budget shortfall. Further, the item be moved from development to recurrent expenditure in line with the COB comments on the submitted budget estimates.

Ministry of Trade, Cooperatives and Investments

1. That reduce by KES. 2M the budget item, Refined Fuels and Lubricants (5 Livestock Trucks), under program 2; Trade Development and Promotion to cater for the budget shortfall.
2. That reduce by KES. 3,588,373.00.00 the budget item, Maintenance Expenses (5 Livestock Trucks), under program 2; Trade Development and Promotion to cater for the budget shortfall.
3. That reduce by KES. 10M the budget item, Purchase of Specialized Plant (Furniture, leatherworks & Stone Crusher) to cater for the arising budget shortfall.
4. That reduce by KES. 20M the budget item, Advertising awareness and Publicity Campaigns and branding of county products (e.g. honey, KICOTEC products, Crusher products, leather products, Kitui Pharma etc.). The remainder of KES. 40M should suffice taking into account the prevailing budgetary constraints.
5. That drop the entire allocation of KES. 15M for Purchase of Vehicles & Other (Purchase of 2 trucks – Mwingi & Kitui). This is not a priority at the moment and also not included in the approved CFSP.
6. That the budget item, Hire of Equipment, Plant and Machinery (Excavators, rollers, tippers, drillers, blaster services) with an allocation of KES.40M be utilized to Purchase machinery (Excavators, rollers, tippers, drillers, blaster services). For such a long-term investment, purchase of Machinery outwits hiring.
7. That reduce by KES. 1.5M the budget item, Pre-feasibility, Feasibility and Appraisal Studies (consultancy on Investment Masterplan, data for MSMEs) to cater for the budget shortfall.

8. That reduce by KES. 20M the budget item, Other Infrastructure and Civil Works (Development of Mwingi and Mutomo KICOTECs). These two projects have had allocations in previous budgets and the balance should be sufficient to operationalize the two branches.
9. That provide an additional allocation of KES. 58M for budget item, Other Infrastructure and Civil Works (Market Development Infrastructure – sheds, toilets, floodlights) to bring the total to KES. 88M. This is to be utilized in adherence to the approved CFSP, 2021 as below;
 - i. Construction of market structures across all the 40 wards at a cost of Kshs. 52M, translating to KES. 1.3M per ward.
 - ii. Construction of two modern toilets in all the 40 wards at a cost of KES. 36M, translating to KES. 0.9M per ward.
10. That the allocation of KES. 30M for budget item, Fencing of markets of remaining markets, under program 2; Trade Development and Promotion be utilized under Other Infrastructure and Civil Works for Market Development Infrastructure for construction of sheds, toilets, floodlights.
11. That the budget item, Other Infrastructure and Civil Works (Rehabilitation of Kitui and Mwingi Slaughter Houses) be transferred to the Ministry of Livestock, Apiculture and Fisheries Development where the function is domiciled at the same allocation of KES. 15M.

Ministry of Environment, Tourism and Natural Resources

1. That drop the entire allocation of KES. 2,245,784.00 for budget item, Legal Dues/fees, Arbitration and Compensation Payments as the same is domiciled at the office of the Governor.
2. That provide a new allocation of KES. 20M for Climate Change Fund. This will enable the County attract donor funding towards climate change mitigation.

3. That provide a new allocation of KES. 3M for purchase of tree seeds, seedlings and tree nursery materials for reforestation under Forest Conservation and Management.
4. That the allocation of KES. 80M made for budget item, Other Infrastructure and Civil Works (street lighting in upcoming market centres –Installation, maintenance and other environmental infrastructural projects) be utilized as follows;
 - KES. 60M be utilized for installation of 5 street lights per ward at a cost of KES. 1.5M, for all the forty wards.
 - KES. 20M be utilized for repair of the faulty lights across the forty wards in observance of the attached list **(see annex iv)**.
5. That drop the entire allocation of KES. 8M for budget item, Kalundu Ecopark under Construction and Civil Works. The Committee noted with concern that this project has received allocations year in year out without generating any tangible revenue for the County. The reallocation is to defray budget deficit and other priorities.
6. That reduce by KES. 1M the budget item, Mutomo Reptile Park under Construction and Civil Works to cater for the budget shortfall.
7. That reduce by KES. 13M the budget item, South Kitui National Reserve Outline. The remainder of KES. 2M to be utilized as the County addresses the ongoing community conflicts on border reserve. An additional allocation can be appropriated through a supplementary budget.
8. That drop the entire allocation of KES. 2M for budget item, Training Expenses - Artisanal Miners, Community training and capacity building) under program 3; Tourism Development and Promotion. The Committee was not convinced on its value addition and thus not a priority at now.

9. That reduce by KES. 2M the budget item, Hire of Equipment, Plant and Machinery under Mineral Resources Development to cater for the budget shortfall.
10. That reduce by KES.2M the budget item, Refined Fuels and Lubricants for Transport – for mining, to cater for the budget shortfall.
11. That the allocation of KES. 7.5M for Purchase of laboratory equipment (Simple testing equipment for gemology laboratory) be transferred to a new vote line of Other Infrastructure and Civil Works - Construction of a laboratory in the land purchased at Mwingi. The Ministry should prioritize the infrastructural works before purchasing the laboratory equipment.
12. That provide an additional allocation of KES. 2M for budget item, General Office Supplies under program 1; General Administration, Planning and Support Services.
13. That provide an additional allocation of KES. 1M for budget item, Supplies and Accessories for computers and printers under program 1; General Administration, Planning and Support Services.
14. That provide an additional allocation of KES. 5M for Daily Subsistence Allowance under Alternative Energy Technologies.

Ministry of Gender, Sports and Culture

1. That reduce by KES. 1.5M the budget item, Maintenance of Buildings and Stations; CECMs Office under program 4; Gender and socio-economic empowerment. The reallocation is to defray the budget deficit.
2. That provide a new allocation of KES. 5M to support women's international day, development of rescue centres for GBV survivors, initiatives towards socioeconomic developments of marginalized groups, disabled persons and charitable children institutions in the County.

3. That provide a new allocation of KES. 20M for Developing/grading of playing fields - (Dias, Toilets, levelling of fields).
4. That increase by KES. 5M the allocation for budget item, Specialised Materials – Sport talent Development (Sports equipment) to support sporting activities for talent development to purchase uniforms and kits.
5. That increase the allocations for the following budget items with KES 19M;
 - i. Research Allowance (Support operationalization) and equipping of Tseikuru Heritage Centre) under program 6; Culture with KES. 9M and the same be moved from Development to Recurrent expenditure in observance of the COB's comments on the submitted budget estimates.
 - ii. Other Infrastructure and Civil Works (Development of Tseikuru Heritage Centre) with KES. 10M.

Previous allocations to this budget item have always been reallocated in supplementary budgets and this additional allocation will equip and operationalize the centre.

6. That reduce by KES. 10M the budget item, Other Infrastructure and Civil Works – Rehabilitation of Kitui, Mwingi (Musila) and Migwani Stadiums. The reminder of KES. 35M to be utilized; KES. 20M to Kitui, KES. 10M to Mwingi and KES. 5M for Migwani stadiums. The committee strongly notes that this is the last budgetary allocation to these stadiums and that the appropriated amounts should be utilized to finalize on the pending works.
7. That reduce by KES. 3M the budget item, County Tournaments-Governor's Cup to defray budget shortfall. The budget item to be moved from Development to Recurrent expenditure in adherence to the COB's comments on the submitted budget estimates.

8. That drop the entire allocation of KES. 15M for budget item, Other Infrastructure and Civil Works - pending bills. The ministry has provided a revote of KES. 13,683,850.00 which should be utilized to clear pending bills.

County Treasury

1. That reduce by KES. 15M the budget item, Emergency Fund under program 1; General Administration, Planning and Support services to cater for the budget shortfall. The fund still lacks the regulations to operationalize it. The budget item to be moved from Development to Recurrent expenditure as per the COB's comments on the submitted budget.
2. That reduce by KES. 2M the budget item, Prefeasibility, Feasibility and Appraisal Studies-updating County statistics and other consultancy to cater for the budget shortfall.
3. That reduce by KES. 16M, the budget item, purchase of Software – Annual support to revenue automation programme. Previous allocations to this budget item have been done with very minimal impact to the County revenue.
4. That reduce by KES. 1M, the budget item, Prefeasibility, Feasibility and Appraisal Studies - Review of plans to cater for the budget realignments.
5. That provide an allocation of KES. 15.5M for hire of a debt collector on the defaulted land rates. This is one of the strategies for enhanced OSR. An effort to procure these services in this financial year was in futility. An advertisement on the same was not responsive and therefore, the County plans to engage on the procurement immediately the next financial begins.

6. That provide for a revised grant allocation of KES. 112,815,048.00 for IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) Level 2 grant as provided for in the grants Bill.
7. That provide a new allocation of KES. 5M for Contracted Professional Services under program 2; economic policy and planning.

County Public Service Board

1. That provide the following allocations under program 1; General Administration, Planning and Support Service: -
 - An additional allocation of KES. 2M for budget item, Daily Subsistence Allowance.
 - An additional allocation of KES. 2M for budget item, Travel Allowance for trainings.
 - An additional allocation of KES. 2M for budget item, Boards, Committees, Conferences and Seminars.
 - An additional allocation of KES. 1M for budget item, Supplies and Accessories for Computers and Printers.

The recommendations were made to enhance the provisions in the specific budget line for the board.

Kitui Municipality

1. That reduce by KES. 1M, the budget item, Refurbishment of Non-Residential Buildings - Renovation of Kitui Municipality office Block B to cater for the budget shortfall.
2. That reduce by KES. 2M, the budget item, Formulation and facilitation of approval and adoption of municipal policies on: Offsite parking, Container shop placement, Standardization and regulation and outdoor

advertisements, Disaster preparedness and management, to defray budget deficit.

3. That reduce by KES. 2M, the budget item, Formulation and facilitation of approval and adoption of Municipal by Lawson; designated parking, Solid waste, public transport livestock movement, to cater for the budget shortfall.
4. That reduce by KES. 1M, the budget item, Marking of Parking Slots to cater for the budget shortfall.
5. That reduce by KES. 1M, the budget item, Mapping and recording of all businesses within Kitui municipality to develop data base for Revenue streams to defray budget deficit.
6. That reduce by KES. 1M, the budget item, Construction of Buildings – Construction of cess points at Kunda Kindu Barrier (Entry and Exit). The reminder is sufficient to undertake the proposed infrastructure.
7. That reduce by KES. 2M, the budget item, Completion and updating of Kitui Municipality Integrated Sustainable Development plan (ISDUP) & Review and completion of digital mapping, spatial plan and capital investment plan to cater for the budget shortfall.
8. That reduce by KES. 2M, the budget item, Parcel and property inventory organization for Kitui Municipality to cater for the other budget needs.
9. That reduce by KES. 1M, the budget item, Urban regeneration and renewal plan for Mjini estate to cater for the budget shortfall.
10. That reduce by KES. 1.5M, the budget item, Purchase of Workshop Tools, Spares and Small Equipment – Tools and equipment for general cleaning, slaughter house and Spare parts for Street/security lights maintenance kit to cater for the budget shortfall.
11. That reduce by KES. 2.5M, the budget item, Overhaul of other Infrastructure and Civil Works- Installation of gate and reinforcement of

fence at the county cemetery in Kitui Town and general maintenance of the county stadium. The committee strongly recommends that Kitui Stadium should be expunged from this budget line as it has received an allocation under the Ministry of Gender, Sports and Culture. The reminder to be specifically utilized to undertake the proposed works at the county cemetery.

12. That provide a new allocation of KES. 2M for Contracted Professional Services under Environment, Culture, Recreation and Community Development.
13. That drop the entire allocation of KES. 6.2M, for budget item, Overhaul of Other Infrastructure and Civil Works – Land Scaping and town greening along the main roads in Kitui Town. The Committee notes with concern that the town fully packed with buildings with no space for undertaking the proposed town greening. Thus, it is not a priority project at the moment.
14. That drop the entire allocation of KES. 7M for budget item; Installation of 8 No. Monolith outdoor pylons at strategic entrance and exit points in Kitui Town and other shopping centres within the municipality. This is replication of efforts as County branding has been budgeted for under office of the Governor.
15. That drop the entire grant allocation amounting KES. 63,495,854.00 which is a provision for KUSP conditional grant comprised of: -
 - Major roads - Gravelling of roads network in Kitui town and other centres within Kitui Municipality – 20KM - KES.40M.
 - Other Infrastructure and Civil Works - Road opening and improvement and other infrastructure and construction of Kithomboani modern market (multi year) - KES. 13,495,854.00.

- Other Infrastructure and Civil Works – Walk ways, culverts, storm water drains in other town within Kitui Municipality - 9KM,- KES.10M.

The above grants have not been provided in the County Governments Grants Bill, 2021. The ministry should to utilize the KES. 80M matching fund allocation for construction of Kithomboani modern market.

Ministry of Livestock, Apiculture and Fisheries Development

1. That provide KES. 15 for budget item, Other Infrastructure and Civil Works (Rehabilitation of Kitui and Mwingi Slaughter Houses) being a transfer from the Ministry of Trade, Cooperatives and Investments.

Ministry of Lands and Physical Planning

1. That reduce by KES. 14M, the budget item, develop geo-reference market layout (ten in each of the 40 wards) due to unavailability of adequate funds. The Committee recommends that the ministry should pioneer the program/activity with five (5) markets centres in each of the 40 wards.
2. That reduce by KES. 8M, the budget item, physical land use plans for Kyuso, Mutomo, Mbitini, Ikutha, Ngutani, Mutuni, Tulia, Kwa Vonza, Nguni, Endau, Tseikuru Urban Centres to cater for the budget shortfall.
3. That reduce by KES. 8.8M, the budget item, Land titling and adjudication to defray budget deficit. The same activity is function under the national government.
4. That reduce by KES. 1M, the budget item, Land clinics and policy for eight sub counties to defray budget deficit.
5. That reduce by KES. 2M, the budget item, Tribunal Costs to cater for the other budget needs.

6. That drop the entire allocation of KES. 30M for budget item, Legal Dues/Fees (Support for Land Titling). The ministry has another allocation for Land titling and adjudication.
7. That transfer the entire allocation of KES. 15.5M for Legal Dues/Fees (Support for land rates) to the County Treasury for hire of a debt collector as explained above in this report. There is adequate provision for legal fees under the office of the governor.

The County Assembly

The Committee made the following recommendations: -

1. That increase the Assembly Recurrent ceiling with KES. 50,590,757.00, from KES. 836,025,472.00 to KES. 886,616,229.00 in line with the approved County Allocation of Revenue Act (CARA), 2021.
2. That factor a revote of KES. 35,202,390.00 for the Assembly Development expenditure. This is in line with Section 11(3) of the CARA, 2021 which inter-alia provides
“that the CECM Finance shall include in the allocation to the County Assembly any unspent funds that had been appropriated to the County Assembly in the immediate preceding financial year.”
3. That utilize the additional KES. 50,590,757.00 realized from the revision of the recurrent ceiling for the following: -
 - That increase the budget item, Foreign Travel and Accommodation with KES. 26M, under program 2; Legislation, Representation and Oversight to cater for one foreign trip for every Member of County Assembly.
 - That increase the budget item, Domestic travel and Subsistence, and other Transport costs with KES. 5M, under program 2; Legislation, Representation and Oversight.

- That provide for a new allocation of KES. 5M, to equip and operationalize a fully pledged budget office (KES. 2M for office furniture, KES. 2M for Printers and computers, and KES. 1M for other office equipment). The Committee has been making this provision with an intention to have an office with adequate capacity to assist the sectoral committees in effective budget implementation by the line departments.
 - That increase the budget item, Committees, Conferences, and Seminars KES. 6,590,757.00, under program under program 2; Legislation, Representation and Oversight.
 - That provide for a new allocation of KES. 8M, for Purchase of Vehicle for the Office of the Minority Leader.
4. That provide for a new allocation of KES. 50M, for Staff Car Loan/mortgage. The account has been long exhausted despite having various pending applications for consideration.
 5. That reduce the proposed development allocation of KES. 85,580,443.00 by KES.50M in the submitted Assembly budget. The balance together with the revote of KES. 35,202,390.00 be utilized as under;
 - i. Construction of Speaker's residence – KES.35M.
 - ii. Construction of Office Block – KES. 35,782,833.00.

The Committee was of the view that the Assembly has not put into place the requisite plans for these developments and for this reason the budgetary allocations for the previous years' end up being re-voted year in year out.

Other specific recommendations

1. That the Committee on Budget and Appropriations urges County Assembly Sectoral Committees to enhance their oversight role specifically on budget

implementation. It is work in vain for the Assembly to make very good resolutions which are never implemented.

2. All other proposals in the submitted budget estimates that are not affected by the above reallocations be approved as submitted.

Mr. Speaker,

It is important to note that it was not possible for the Committee to rationalize, itemize and come up with a list of projects to be implemented during the FY, 2021/2022 as agreed. Though, this having been resolved in an endeavor to address the inequality experienced in unfair distribution of the county projects, the information shared by the executive on the same was frivolous, unreliable and misleading. Therefore, it would be prudent for the Sectoral Committees to handle the matter at a later stage to avoid delay in approval of the County Budget.

13.0 CONCLUSION

Mr. Speaker,

These adjustments made above maintains the budget balanced with neither a surplus nor a deficit at a total of KES. 12,499,775,275.00 being KES. 11,492,376,213.00 and KES. 1,007,399,062 for County Executive and the County Assembly budgets respectively.

The summary of recommended expenditure for the financial year 2021/2022 by program will therefore appear as contained in **annex vi** to this report.

Mr. Speaker,

The Committee therefore requests this House to resolve as follows;

That: -

- a) The House adopts this report;

- b) The proposed amendments to the budget estimates 2021/2022 as contained in this report be adopted; and
- c) The recommended budget summary in **annex vi** becomes the basis for the appropriations for the financial year 2021/2022.

*Report Compiled by **Charles N. Nyaga** (Senior Fiscal Analyst I), **Mulandi Kavali** (First Clerk Assistant) and **Chris Mwangangi** (Second Clerk Assistant).*

ANNEX I

SIGNED LIST OF MEMBERS OF THE BUDGET AND APPROPRIATIONS COMMITTEE IN AGREEMENT AND ADOPTION OF THE REPORT ON THE CONSIDERATION OF THE KITUI COUNTY BUDGET ESTIMATES 2021/2022

1. Hon. Boniface K. Kasina

-Chairperson

2. Hon. James M. Munuve

-Vice Chairperson

3. Hon. Mary P. Ndumbu

-Member

4. Hon. Stephen I. Katana

-Member

5. Hon. Sylvester K. Munyalo

-Member

6. Hon. James M. W. Kula

-Member

7. Hon. Deiys M. Mukala

-Member

8. Hon. Anne M. Mumo

-Member

9. Hon. Alex. N. Musili

-Member

MEMORANDUM

MEMORANDUM FOR THE BOARD OF SUPERVISORS
SUBJECT: BUDGET AND FINANCIAL MATTERS
DATE: [illegible]

- 1. [illegible signature]
- 2. [illegible signature]
- 3. [illegible signature]
- 4. [illegible signature]
- 5. [illegible signature]
- 6. [illegible signature]
- 7. [illegible signature]
- 8. [illegible signature]

Annex II

COUNTY GOVERNMENT OF KITUI



THE COUNTY ASSEMBLY

SECOND ASSEMBLY – FIFTH SESSION

PUBLIC HEARING / SUBMISSION OF MEMORANDA

Pursuant to the provisions of Article 196(1) (b) of the Constitution of Kenya 2010, the Kitui County Assembly Standing Orders No. 120(3) and 206, the Public Finance Management Act Section 131 and in adherence to the guidelines issued by the National Emergency Response Committee (NERC) on public gatherings due to the COVID-19 Pandemic, the County Assembly of Kitui hereby invites members of the public to partake in the public participation exercise of the following two documents through submission of written memoranda only: -

- I. THE KITUI COUNTY ANNUAL BUDGET ESTIMATES FOR FY 2021/2022.
- II. THE KITUI COUNTY HEALTH SERVICES BILL 2021 BILL.

Members of the general public, civil society, NGOs, professional groups, youths, women groups, persons living with disability, traders and faith based organizations are encouraged to give their recommendations/ views on the two documents.

A copy of the Annual Budget Estimates and the proposed Bill can be obtained from the Assembly website www.kituiassembly.go.ke. Views or memoranda on the documents may be hand delivered to the Office of the Clerk P.O. Box 694 – 90200 Kitui or emailed to kituiassembly@gmail.com on or before Thursday May 13th, 2021 by 5.00 p.m. (Soft copies are however preferable through the provided email address).

E.M.A. MUTAMBUKI
CLERK OF ASSEMBLY

Kindly note the County Assembly of Kitui has a new Website as indicated above.

11-2-2014

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ANNEX III

COUNTY GOVERNMENT OF KITUI
RECOMMENDED REVENUE ENVELOPE FY 2021-2022

S/No	Source	Revenue	Revenue	Revenue	Revenue	Projected Estimates	
		Estimates 2019/20	Estimates 2020/21	Estimates 2021/22	2022/23 (Kshs)	2023/24 (Kshs)	
		Kshs	Kshs	Kshs			
1	Equitable share	8,830,350,000	8,830,350,000	10,393,970,413	11,433,367,454	12,576,704,200	
2	Grants						
	Free Maternal Healthcare	-	-	-	-	-	
	Compensation for User Fees Forgone	22,499,906	22,499,906	-	-	-	
	Road Maintenance Fuel Levy	280,638,858	343,981,921	-	-	-	
	Grants from World Bank (KDSP)	30,140,998	70,841,398	112,815,048	121,840,252	131,587,472	
	World Bank (Universal Health)	146,059,341	43,906,649	14,548,168	15,712,021	16,968,983	
	World Bank (Agriculture - Rural Growth)	384,709,261	277,878,927	283,089,026	305,736,148	330,195,040	
	World Bank (Emergency Locust Response Project (ELRP))			38,964,000	42,081,120	45,447,610	
	HSSP/HSPS - (DANIDA/IDA)	26,062,500	25,542,200	19,564,875	21,130,065	22,820,470	
	World Bank loan to Supplement financing of County Health Facilities						
	UNFPA (9th Country Programme Implementation)			7,386,704			
	Development of Youth Polytechnics	72,882,525	167,820,430				
	Other GOK Grants (Doctors & Nurses Allowance)	-					
	Kenya Urban Support Project - World Bank	363,132,592	333,514,064				
	Kenya Urban Support Project (UIG)- World Bank	50,000,000					
	ASDSP	36,633,313	27,151,151	28,857,290	31,165,873	33,659,143	
	KCEP-KRLA	3,251,286					
	FAO	4,337,271					
	Pro Poor	1,592,166					
	Subtotal	1,421,940,017	1,313,136,646	505,225,111	537,665,480	580,678,718	
		10,252,290,017	10,143,486,646	10,899,195,524	11,971,032,934	13,157,382,918	
3	Own Revenue						
	County Ministries/Entity						
	Office of the Governor	-	-	-	-	-	
	Ministry of Public Service Management and Administration	15,200,000	20,740,724	41,670,000	43,753,500	45,941,175	
	The County Treasury	140,000,000	84,725,180	84,505,000	88,730,250	93,166,763	

S/No	Source	Revenue	Revenue	Revenue	Projected Estimates	
		Estimates 2019/20	Estimates 2020/21	Estimates 2021/22	2022/23 (Kshs)	2023/24 (Kshs)
		Kshs	Kshs	Kshs		
	Ministry of Health and Sanitation	230,000,000	152,505,324	368,353,582	386,771,261	406,109,824
	Ministry of Basic Education, ICT and Youth Development		44,057,093	30,788,000	32,327,400	33,943,770
	Ministry of Trade, Cooperatives and Investments	50,000,000	86,095,748	58,597,823	61,527,714	64,604,100
	Ministry of Infrastructure, Housing, Transport and Public Works	35,000,000	57,981,115	7,294,000	7,658,700	8,041,635
	Ministry of Gender, Sports and Culture	2,000,000	1,694,504	1,300,000	1,365,000	1,433,250
	Ministry of Agriculture, Water and Irrigation	24,000,000	68,390,165	41,556,029	43,633,830	45,815,522
	Ministry of Environment, Tourism and Natural Resources	1,800,000	17,283,937	19,300,000	20,265,000	21,278,250
	Kitui Municipality	67,000,000	43,480,962	39,639,566	41,621,545	43,702,622
	Mwingi Town Administration	35,000,000	23,045,249	24,210,000	25,420,500	26,691,525
	Ministry of Livestock, Apiculture and Fisheries Development			8,111,000	8,516,550	8,942,378
	Ministry of Lands and Physical Planning			124,675,000	130,908,750	137,454,188
	Subtotal	600,000,000	600,000,000	850,000,000	892,500,000	937,125,000
	TOTAL	10,852,290,017	10,743,486,646	11,749,195,524	12,863,532,934	14,094,507,918
	% of Equitable Share	81	82	88	89	89
	% of Own Resources	6	6	7	7	7
	% of Grants	13	12	4	4	4
		100	100	100	100	100
	Revote from previous budget	526,210,232	1,096,323,973	750,579,751	-	100
	Total Resource Envelope	11,378,500,249	11,839,810,619	12,499,775,275	12,863,532,934	14,094,507,918

ANNEX IV

ANALYSIS FOR WATER PROJECTS

S/NO	WARD	2017-2020 FYs (M)	2020/2021 FY (M)	TOTAL (M)	% TO DATE	PROPOSED 2021/22 FY	GRAND TOTAL (M)	PROPOSED 2021-22 %	AMOUNT (M)	PROPOSED AMOUNTS 2021-22 (KES)	TOTAL AMOUNT TO 2021-22 (M)
1	Kyangwithya West	89	50	139	11.02	8	147	0.11	0.39	387,933.38	139.67
2	Athi	84	19	103	8.17	45	148	0.11	0.41	413,762.41	103.62
3	Kisasi	50	43	92	7.32	5	97	0.45	1.62	1,619,112.36	94.10
4	Kwa Vonza/Yatta	60	5	65	5.16	8	73	0.51	1.84	1,837,484.64	67.07
5	Voo/Kyamatu	45	17	62	4.87	4	66	0.57	2.04	2,037,721.12	63.54
6	Nzambani	16	36	52	4.10	7	59	0.60	2.15	2,153,080.50	53.94
7	Township	17	30	47	3.75	10	57	0.65	2.34	2,341,946.24	49.74
8	Kyangwithya East	44	2	46	3.62	12	58	0.81	2.90	2,904,266.79	48.72
9	Mbitini	33	12	44	3.52	3	47	0.86	3.08	3,081,636.82	47.53
10	Kiomo/Kyethani	38		38	3.04	8	46	0.88	3.17	3,169,506.34	41.54
11	Mutha	34		34	2.67	5	39	1.01	3.63	3,632,561.84	37.36
12	Kauwi	32	1	33	2.61	10	43	1.13	4.06	4,056,192.49	37.04
13	Ikanga/Kyatune	28	5	32	2.57	7	39	1.58	5.69	5,692,529.08	38.19
14	Miambani	17	14	31	2.43	18	49	1.66	5.98	5,981,012.66	36.75
15	Mulango	8	22	29	2.33	8	37	1.70	6.11	6,113,693.86	35.57
16	Endau/ Malalani	29		29	2.26	8	37	1.80	6.48	6,478,491.04	35.07
17	Mutomo/Kibwea	16	12	28	2.25	22	50	1.86	6.71	6,712,494.15	35.10
18	Mui	26	2	28	2.19	7	35	1.88	6.78	6,776,813.70	34.47
20	Mumoni	20	6	26	2.06	8	34	1.89	6.80	6,795,744.21	32.85
21	Kyome/Thaana	26		26	2.04	12	38	2.00	7.21	7,214,062.83	33.04
22	Kanyangi	14	12	25	2.00	5	30	2.04	7.36	7,355,461.10	32.68
23	Zombe/ Mwitika	22	2	24	1.89	5	29	2.06	7.42	7,421,058.51	31.28
24	Kithumula/ Kwa Mutonga	22	2	24	1.88	5	29	2.19	7.89	7,886,038.80	31.68
25	Kanziko/Simisi	15	9	24	1.86	16	40	2.25	8.09	8,085,539.59	31.65
38	Tseikuru	23		23	1.80	6	29	2.26	8.14	8,142,019.04	30.89
26	Mwingi Central	21		21	1.70	8	29	2.33	8.39	8,388,970.95	29.85
27	Nguni	21		21	1.66	10	31	2.43	8.76	8,763,392.23	29.76
28	Matinyani	16	4	20	1.58	5	25	2.57	9.25	9,254,256.02	29.24
29	Migwani	11	3	14	1.13	9	23	2.61	9.39	9,394,530.40	23.64
30	Chuluni	8	4	13	1.01	5	18	2.67	9.61	9,606,819.28	22.36

S/NO	WARD	2017-2020 FYS (M)	2020/2021 FY (M)	TOTAL (M)	% TO DATE	PROPOSED 2021/22 FY	GRAND TOTAL (M)	PROPOSED 2021-22 %	AMOUNT (M)	PROPOSED AMOUNTS 2021-22 (KES)	TOTAL AMOUNT TO 2021-22 (M)
31	Ikutha/Kasaala	11		11	0.88	5	16	3.04	10.93	10,929,087.19	22.06
32	Ngutani	4	7	11	0.86	8	19	3.52	12.66	12,660,194.48	23.48
33	Nuu	10		10	0.81	13	23	3.62	13.05	13,048,088.98	23.25
34	Kivou	8		8	0.65	5	13	3.75	13.50	13,498,221.05	21.72
35	Mutonguni	6	1	8	0.60	5	13	4.10	14.75	14,749,847.18	22.31
36	Tharaka	7		7	0.57	5	12	4.87	17.52	17,517,160.66	24.67
37	Mutitu/Kaliku	6		6	0.51	11	17	5.16	18.58	18,578,961.19	25.03
19	Ngomeni	6		6	0.45	9	15	7.32	26.34	26,338,395.92	32.02
39	Kyuso	1		1	0.11	5	6	8.17	29.40	29,395,260.49	30.85
40	Waia	1		1	0.11	5	6	11.02	39.67	39,668,158.16	41.03
TOTALS		946	318	1,264	100.02	360		100.02	360.08	360,081,507.67	1,624.37

ANNEX V

LIST OF FAULTY FLOOD/STREET LIGHTS ACROSS THE WARDS

S/NO	Ward	Centre/Market	No	Recommendation
1	Ikanga /kyatune	Ikanga	3	Batteries are dead
			2	Vandalized,panels, batteries, charge controller removed during Kibwezi-Kitui road
			5	repair
			1 vandalized	repair
			2 vandalised	replacement
2	Mutomo/Kibwea	Syunguni	5 Vandalised	Batteries dead
			2	Battery dead
			1	Battery dead
			3	Vandalized,panels, batteries, charge controller
			4	Batteries dead
3	Kanziko/Simisi	Vutu	3	Batteries dead
			1	Batteries dead
			3	Batteries dead - 1no.solar stolen
				Not working
				Not working
4	Ikutha	Kyoani Market		
			Kianguu	
			Mutha Town	5
			Kaatene	3
			Mathima	5
			Mitaani	2
			Kyuasini	3
			mwangeni	5
			Kalivu	2
			Kamutei	3
5	Mutha	Matulani	2	Batteries are dead, 6 panels stolen
				Batteries are dead
				Batteries are dead
				Batteries are dead
				Batteries are dead
				replacement
				Batteries are dead
				Battery dead
				Batteries are dead
				Batteries are dead
6	Athi	Ilengi	3 batteries	
			3 Batteries	
			1	
			5	
			1 vandalized	
			2	
			5	
			5	
			2	
			3	
7	Mwingi Township	Mwanga	1 vandalized	
			2	
			5	
			2	
			2	
			2	
			2	
			2	
			2	
			5	
8	Kivou	kasovoni	3	

Ward	Centre/Market	No	Recommendation
16	mivukoni	5	Batteries are dead
	maseki	5	Batteries are dead
	ngaie	3	Batteries are dead
	kvuso market	3	Batteries are dead
17	katakani	2 vandalized	
	Kaningo market	3	
	Kwa kamuru market	2	
	Tseikuru market	4	
18	Masungwa market	3	
	Usueni market	2	
	Ngomeni town	5	Batteries are dead
	Masyungwa	3	Batteries are dead
19	Mitamisiwi town		Not working
	Ndaluni	1 no.Solar panel	Replacement
	Kvome	2 no. flood	Batteries are dead
	Thokoa	Solar lights	Replacement
20	Kanvaa	1no. solar flood	Replacement
	Kaanduani	3no. flood lights	Batteries are dead
	Nguutani	1 no. not	Repair
	Kakululo	1no. not	Replacement
21	Nzawa	2no vandalised	
	Kwa-siku	5 not working	repair
	Kea	3no. vandalised	Replacement
	Katoten	3	Batteries are dead
22	Migwani Town	3no. not	Batteries are dead
	Kanyangi town	5	Batteries are dead
	Masimba market	1	Dead batteries
	Kalulini market	4	Dead batteries
23	Ngomoni market	2	Vandalized
	Kanvongonvo market	2	Dead batteries
	Nzambia market	1	Dead batteries
	Kavisuni	5	Batteries are dead
24	Kwa vonza town	5	Batteries are dead
	Mbitini town	5	Batteries are dead
	Ungatu	3	Batteries are dead
	Mukameni	2	Batteries are dead
25	Miambani	5	Batteries are dead
	Malili/mikuyuni	2	Batteries are dead

	Ward	Centre/Market	No	Recommendation
		usiani	2	Batteries are dead
		Ngea shopping	2 panels stolen.	Replacement needed
		Mutula	2	Batteries are dead
26	Township	Manvenyoni	5	Batteries are dead
		Kiluilu	5	Batteries are dead
27	Mulango	Katulani		
		W/ii		
		Kyangunga		
28	Kauwi	Kabati town	5	Batteries are dead
		Katutu mkt	5	Batteries are dead
29	Mutonguni	Tulia town	5	Batteries are dead
		Kathivo	2	Batteries are dead
30	Kithumula/Kwa Mutonga	kivaani	1	Batteries are dead
		kwa mboya	3	Batteries are dead
		kithuvani	3	Batteries are dead
		mthikwani	3	Batteries are dead
		kwa mulungu	3	Batteries are dead
		Kithumulani	5	Batteries are dead
		kvaani	3	Batteries are dead
31	Matinyani	Maani Market		
		Maseki Market		
		Matuu Market		
		Kyeni Market		
		Musosya market		
		Matinyani market		
32	Endau /malalani	Endau town	5	Batteries are dead
		Kaunange market		
		Yiuku market		
		Ikisaya market	2	
		Malalani town	2	Batteries are dead
33	Zombe /Mwitika	Zombe town	5	Batteries are dead
		Ngaaka yakwa		
		Kikuu		
		Mwitika		
		Makongo	2	
		Kikuu	5	Batteries are dead
34	Mutitu/kaliku	Mutitu town	5	Batteries are dead
		Kawala shopping		
		kakame		
		Itiko		

Ward	Centre/Market	No	Recommendation
35	Musukini		
	Imuatine		
	Kaliku town	5	Batteries are dead
	Kasyala	1	
	Kwa Muthela	1	
	Kwa Ndungo	1	
	Kiala	2	
	Kabaa	1	
	Museve	3	
	Mutune market	3	
	St.Patrick's Mutune	1	
	Upper Kiluilu		panels and battery
	Lower Kiluilu		panels and battery
36	VA's office		One panel to be re-installed
	Majengo		panels and battery
	Kavalula		panels and battery
	Ngengi		panels and battery
	Kwa Tabitha		panels, battery and LED light to be re-installed
	Kyaume		panels and battery
	Mathulini		panels and battery
	Kilonzo		panels and battery
	DCC's Compound		Battery replacement and general service
	Kwa Kinyai-Muthoko		Battery replacement/Timing setting
	Kangweni Kamwele		Battery and general service
	Kangweni-Mailu		Battery replacement and general service
	37	kwa Kinvai	5
Nzangathi market			Three not working
1.ithumula center			Two not working
2.Kamale center			One not working
Kwa Wewa centre			Two not working

Channel	Flow	Velocity	Discharge
1	1.5	0.5	0.75
2	2.0	0.7	1.4
3	2.5	0.9	2.25
4	3.0	1.1	3.3
5	3.5	1.3	4.55
6	4.0	1.5	6.0
7	4.5	1.7	7.65
8	5.0	1.9	9.5
9	5.5	2.1	11.55
10	6.0	2.3	13.8
11	6.5	2.5	16.25
12	7.0	2.7	18.9
13	7.5	2.9	21.75
14	8.0	3.1	24.8
15	8.5	3.3	28.05
16	9.0	3.5	31.5
17	9.5	3.7	35.25
18	10.0	3.9	39.0
19	10.5	4.1	42.975
20	11.0	4.3	47.25
21	11.5	4.5	51.75
22	12.0	4.7	56.4
23	12.5	4.9	61.125
24	13.0	5.1	66.0
25	13.5	5.3	71.025
26	14.0	5.5	76.2
27	14.5	5.7	81.525
28	15.0	5.9	87.0
29	15.5	6.1	92.525
30	16.0	6.3	98.1
31	16.5	6.5	103.725
32	17.0	6.7	109.4
33	17.5	6.9	115.125
34	18.0	7.1	120.9
35	18.5	7.3	126.725
36	19.0	7.5	132.6
37	19.5	7.7	138.525
38	20.0	7.9	144.5
39	20.5	8.1	150.525
40	21.0	8.3	156.6
41	21.5	8.5	162.725
42	22.0	8.7	168.9
43	22.5	8.9	175.125
44	23.0	9.1	181.4
45	23.5	9.3	187.725
46	24.0	9.5	194.1
47	24.5	9.7	200.525
48	25.0	9.9	207.0
49	25.5	10.1	213.525
50	26.0	10.3	220.1
51	26.5	10.5	226.725
52	27.0	10.7	233.4
53	27.5	10.9	240.125
54	28.0	11.1	246.9
55	28.5	11.3	253.725
56	29.0	11.5	260.6
57	29.5	11.7	267.525
58	30.0	11.9	274.5
59	30.5	12.1	281.525
60	31.0	12.3	288.6
61	31.5	12.5	295.725
62	32.0	12.7	302.9
63	32.5	12.9	310.125
64	33.0	13.1	317.4
65	33.5	13.3	324.725
66	34.0	13.5	332.1
67	34.5	13.7	339.525
68	35.0	13.9	347.0
69	35.5	14.1	354.525
70	36.0	14.3	362.1
71	36.5	14.5	369.725
72	37.0	14.7	377.4
73	37.5	14.9	385.125
74	38.0	15.1	392.9
75	38.5	15.3	400.725
76	39.0	15.5	408.6
77	39.5	15.7	416.525
78	40.0	15.9	424.5
79	40.5	16.1	432.525
80	41.0	16.3	440.6
81	41.5	16.5	448.725
82	42.0	16.7	456.9
83	42.5	16.9	465.125
84	43.0	17.1	473.4
85	43.5	17.3	481.725
86	44.0	17.5	490.1
87	44.5	17.7	498.525
88	45.0	17.9	507.0
89	45.5	18.1	515.525
90	46.0	18.3	524.1
91	46.5	18.5	532.725
92	47.0	18.7	541.4
93	47.5	18.9	550.125
94	48.0	19.1	558.9
95	48.5	19.3	567.725
96	49.0	19.5	576.6
97	49.5	19.7	585.525
98	50.0	19.9	594.5
99	50.5	20.1	603.525
100	51.0	20.3	612.6

ANNEX VI

COUNTY GOVERNMENT OF KITUI
KITUI COUNTY BUDGET 2021/22

VOTE CODE TITLE	PROGRAMME CODE AND TITLE	RECURRENT ESTIMATES	DEVELOPMENT ESTIMATES	TOTAL
		Kshs	Kshs	Kshs
Office of The Governor	Total	667,222,395	1,129,659,572	1,796,881,967
	0701003710 P1: General Administration Planning and Support Services	383,078,395	1,115,659,572	1,498,737,967
	0702003710 P2: National Social Safety Net	56,400,000	14,000,000	70,400,000
	0703003710 P3 Manifesto Implementation Unit and Other Crosscutting Issues	95,544,000	-	95,544,000
	0704003710 P4: Cabinet Affairs, Public Affairs and Human Resource Management	132,200,000	-	132,200,000
	0706003710 P5: Publicity and Reception Services	-	-	-
Department of Public Service Management and Administration	Total	530,905,844	12,000,000	542,905,844
	0701003710 P1: General Administration Planning and Support Services	160,388,712	-	160,388,712
	0705003710 P2: County Government Administration and Field Services	138,068,009	12,000,000	150,068,009
	0706003710 P3: Devolution Services	218,449,123	-	218,449,123
	0707003710 P4: Monitoring and Evaluation	14,000,000	-	14,000,000
Agriculture, Water & Irrigation	Total	486,446,540	898,921,655	1,385,368,195
	0101003710 P1: General Administration Planning and Support Services	306,562,728	-	306,562,728
	0102003710 P2: Crop Development and Management	6,269,503	356,658,345	362,927,848
	0103003710 P3: Agribusiness and Information Management	28,033,270	13,927,055	41,960,325
	0101020000 P4: Agricultural Extension Services and Training	43,041,538	62,767,624	105,809,162
	0104003710 P5: Irrigation and Drainage Infrastructure	4,833,763	-	4,833,763
	0111003710 P8: Water Resources Management	97,705,738	465,568,631	563,274,368
Basic Education, ICT and Youth Development	Total	550,276,932	206,180,118	756,457,050
	0501003710 P1: General Administration, Planning and Support Services	144,585,934	-	144,585,934
	0502003710 P2: Primary Education	314,979,000	107,488,180	422,467,180
	021000 P3 ICT Infrastructure Development	9,400,000	-	9,400,000
	0504003710 P4: Youth Training and Development	81,311,998	94,073,660	175,385,657
	0503003710 P5: Quality Assurance and Standards	-	4,618,279	4,618,279
Infrastructure, Housing, Transport & Public Works	Total	280,478,422	672,860,824	953,339,246
	0101003710 P1: General Administration Planning and Support Services	124,816,908	-	124,816,908
	0107003710 P3: Housing Development and Human Settlement	12,757,160	21,000,000	33,757,160
	0109003710 P4: Government Buildings	26,744,509	11,841,535	38,586,044
	0110003710 P5: Road Transport	116,159,845	640,019,289	756,179,134
Health & Sanitation	Total	3,496,644,934	162,429,384	3,659,074,318
	0401003710 P1: General Administration, Planning & Support Services	215,480,968	-	215,480,968
	0404003710 P2: Maternal and Child Health	135,605,765	61,129,233	196,734,997
	0403003710 P3: Preventive & Promotive Health Services	24,652,987	-	24,652,987
	0402003710 P4: Curative Health Services	3,120,905,214	101,300,151	3,222,205,365
Trade, Cooperatives and Investments	Total	185,459,706	240,962,300	426,422,006
	0301003710 P1: General administration and support-H/Qs	97,571,378	-	97,571,378
	0303003710 P2: Trade development and Promotion	33,538,302	240,962,300	274,500,602
	0304003710 P3: Cooperative development and Management	54,350,026	-	54,350,026
Environment Tourism, and Natural Resources	Total	135,873,337	130,237,024	266,110,361
	1001003710 P1 General Administration, Planning and Support Services	47,315,510	-	47,315,510

VOTE CODE TITLE	PROGRAMME CODE AND TITLE	RECURRENT ESTIMATES	DEVELOPMENT ESTIMATES	TOTAL
		Kshs	Kshs	Kshs
	1002003710 P2 Environment Management and Protection	16,903,936	23,598,497	40,502,433
	0305003710 P2: Tourism Development and Promotion	32,738,386	4,000,000	36,738,386
	1005003710 P3 Power Transmission and Distribution	4,769,215	14,869,087	19,638,302
	1006003710 P4 Alternative Energy Technologies	10,390,027	80,000,000	90,390,027
	1008003710 P5 Mineral Resources Management	23,756,263	7,769,440	31,525,703
Gender, Sports and Culture	Total	104,499,778	94,686,956	199,186,734
	0301003710 P1: General Administration, Planning and Support Services	37,271,703	-	37,271,703
	0903003710 P3: Sports	20,060,728	74,086,758	94,147,486
	0904003710 P4: Culture	22,278,233	15,000,000	37,278,233
	0902003710 P2: Gender	13,446,062	5,600,197	19,046,259
	0905003710 P5: Social Development and Children Services	11,443,054	-	11,443,054
The County Treasury	Total	631,037,261	136,533,044	767,570,305
	0701003710 P1: General Administration, Planning and Support Services	261,225,334	136,533,044	397,758,378
	0710003710 P2: Economic Policy and National Planning	103,424,231	-	103,424,231
	0711003710 P3: Monitoring and Evaluation Services	14,241,471	-	14,241,471
	0712003710 P4: Public Financial Management	252,146,225	-	252,146,225
County Public Service Board	Total	37,989,707	-	37,989,707
	0701003710 P1: General Administration, Planning and Support Services	18,591,541	-	18,591,541
	0713003710 P2: Human Resource Management and Development	14,364,552	-	14,364,552
	0714003710 P3: Governance and County Values	5,033,615	-	5,033,615
County Assembly Service Board	Total	936,616,229	70,782,833	1,007,399,062
	0701013710 P1: General Administration, Planning and Support Services	314,079,482	70,782,833	384,862,315
	0715013710 P2: Legislation, Representation and Oversight	622,536,747	-	622,536,747
Kitui Municipality	Total	118,722,336	186,947,295	305,669,631
	0201003710 P1: General Administration Planning and Support Services	33,995,000	15,762,428	49,757,428
	0202003710 P2: Road Transport	18,835,000	151,882,398	170,717,398
	0307003710 P 3: Trade Development and Promotion	7,600,000	7,134,842	14,734,842
	0730003710 P.4 Control and Management of Public finances	29,815,000	4,250,000	34,065,000
	0900003710 P .5 Social Protection, Culture and Recreation	28,477,336	7,917,627	36,394,963
	26405033710 P .6 Kenya Urban Support Programme	-	-	-
Mwingi Town Administration	Total	69,681,477	43,602,660	113,284,137
	0201003710 P1: General Administration Planning and Support Services	52,650,500	10,000,000	62,650,500
	1001000000 P2: Environmental Policy Management	3,498,080	7,510,765	11,008,845
	0109003710 P3: Government Buildings	5,675,917	7,170,324	12,846,241
	0207003710 P4: Urban and Metropolitan Development	7,040,730	14,921,570	21,962,300
	0706003710 P5: Devolution Services	816,250	4,000,000	4,816,250
Livestock, Apiculture and Fisheries Development	Total	77,478,432	52,981,016	130,459,448
	0101003710 P1: General Administration Planning and Support Services	63,782,775	-	63,782,775
	0105003710 P2: Fisheries Development and Management	1,794,271	836,078	2,630,349
	0106003710 P3: Livestock Resources Management and Development	11,901,386	52,144,938	64,046,324
Land and Physical Planning	Total	89,246,650	62,410,612	151,657,262
	0101003710 P1: General Administration Planning and Support Services	53,096,842	-	53,096,842
	0108003710 P2: Land Policy and Planning	36,149,808	62,410,612	98,560,420

VOTE CODE TITLE	PROGRAMME CODE AND TITLE	RECURRENT ESTIMATES	DEVELOPMENT ESTIMATES	TOTAL
		Kshs	Kshs	Kshs
Total Voted Expenditure Kshs		8,398,579,980	4,101,195,295	12,499,775,275
		67%	33%	100%
	County Executive	7,461,963,751	4,030,412,462	11,492,376,213
	County Assembly	936,616,229	70,782,833	1,007,399,062
	Total County Budget	8,398,579,980	4,101,195,295	12,499,775,275

DATE	DESCRIPTION	AMOUNT	BALANCE
1/1/20	OPENING BALANCE		
1/5/20	PAYROLL		
1/10/20	SALES		
1/15/20	EXPENSES		
1/20/20	REVENUE		
1/25/20	PAYROLL		
1/30/20	SALES		
2/5/20	EXPENSES		
2/10/20	REVENUE		
2/15/20	PAYROLL		
2/20/20	SALES		
2/25/20	EXPENSES		
2/28/20	REVENUE		



ANNEX VII

COUNTY ASSEMBLY OF KITUI

MINUTES OF THE BUDGET AND APPROPRIATIONS COMMITTEE MEETING HELD AT PRIDE INN AZURE - NAIROBI ON 14TH JUNE, 2021 STARTING AT 9.00 AM.

MEMBERS PRESENT:

- | | |
|------------------------------|----------------|
| 1. Hon. Boniface K. Kasina | -Chairperson |
| 2. Hon. James M. Munuve | -V/Chairperson |
| 3. Hon. Mary P. Ndumbu | -Member |
| 4. Hon. Stephen I. Katana | -Member |
| 5. Hon. Sylvester K. Munyalo | -Member |
| 6. Hon. James M. W. Kula | -Member |
| 7. Hon. Deiys M. Mukala | -Member |
| 8. Hon. Anne M. Mumo | -Member |
| 9. Hon. Alex Musili | -Member |

IN ATTENDANCE:

- | | |
|-----------------------|---|
| 1. Chris Mwangangi- | Second Clerk Assistant (Taking Minutes) |
| 2. A. Mulandi Kavali- | First Clerk Assistant |
| 3. Charles Nyaga | Senior Fiscal Analyst |

AGENDA

- 1) Prayer
- 2) Communication from the chair
- 3) Adoption of committee report on consideration of The Kitui County Budget Estimates, for The Financial Year 2021/2022.

MIN (BAC) 026/2020: PRAYER

The proceedings commenced with a prayer at 9.00 A.M.

MIN (BAC) 027/2020: COMMUNICATION FROM THE CHAIR

The Chairperson thanked and welcomed the members for the special sitting convened to adopt the report for onward transmission for approval for tabling pursuant to Standing Order 179(4).

MIN (BAC) 028/2020: ADOPTION OF COMMITTEE REPORT ON CONSIDERATION OF THE KITUI COUNTY BUDGET ESTIMATES, FOR THE FINANCIAL YEAR 2021/2022.

The members were taken through the draft reports, deliberated and adopted the same as the final copy for onward transmission to the office of the Speaker for approval. This was in adherence to the provision of Standing Order 179(4). The Members then appended their signatures in a copy of the register attached to the report in assertion with the content thereto.

MIN (BAC) 029/2020: ADJOURNMENT

There being no other business, the meeting was adjourned at 5.00 PM.



**CHRIS MWANGANGI
For: CLERK OF ASSEMBLY
COUNTY ASSEMBLY OF KITUI**



**CONFIRMED BY:
(HON. BONIFACE KILAA KASINA)
CHAIRPERSON, COMMITTEE ON BUDGET AND APPROPRIATIONS.
COUNTY ASSEMBLY OF KITUI.**