

COUNTY GOVERNMENT OF KITUI



COUNTY TREASURY

BUDGET IMPLEMENTATION REPORT (BIR)

JULY-SEPTEMBER 2021 (QUARTER 1)

FY 2021/ 2022



**Prepared:-**

**Department of Economic Planning**

**County Treasury**

**County Mission and Vision**

***County Vision***

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

***County Mission***

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

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## **FOREWORD**

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

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

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

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

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



**Ben Katungi**  
CECM, County Treasury  
County Government of Kitui.

### **ACKNOWLEDGEMENT**

The preparation of the Quarter 1 Budget Implementation Report 2021/22 was informed by reports and data, from all County sectors, departments and agencies of the County Government of Kitui.

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



**Enoch Nguthu**

**Chief Officer – Economic Planning**

## 1.0 INTRODUCTION

This Budget Implementation Report is prepared in conformity with Section 166 of the Public Finance Management Act, 2012's requirement that counties report on the implementation progress of their budgets. It covers the period from July to September 2021.

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

## 2.0 FINANCIAL ANALYSIS OF COUNTY BUDGET IMPLEMENTATION

The County had a budget of Kshs **12,499,775,275** which consisted of Kshs **8,398,579,980** (67%) for recurrent expenditure and Kshs **4,101,195,295** (33%) for development expenditure.

### 2.1 Budget Components

Table 1 shows the various components of the budget

*Table 1: Budget Components FY 2021/22*

<b>SOURCE</b>	<b>AMOUNT</b>	<b>% OF TOTAL BUDGET</b>
Balance b/f from FY 2020/2021	750,579,751	6.00
National Equitable Share	10,393,970,413	83.15
Local Revenue Sources	850,000,000	6.80
Grants	505,225,111	4.04
<b>TOTAL</b>	<b>12,499,775,275</b>	<b>100.00</b>

### 2.2 Breakdown of Grants

There were no grant releases during the quarter

<b>SOURCE</b>	<b>AMOUNT</b>	<b>RECEIPT</b>
Grants from World Bank (KDSP)	112,815,048	0
World Bank (Universal Health)	14,548,168	0
World Bank (Agriculture - Rural Growth)	283,089,026	0
World Bank (Emergency Locust Response Project (ELRP))	38,964,000	0
HSSP/HSPS - (DANIDA/IDA)	19,564,875	0
UNFPA (9th Country Programme Implementation)	7,386,704	0
ASDSP	28,857,290	0
<b>TOTAL</b>	<b>505,225,111</b>	<b>0</b>

## 2.3 Transfers from the National Government

For the period under review, the County received Kshs. 1,715,005,118.00 as the national equitable share which is 16.50% of the budgeted equitable share and 13.72% of the total budgeted amount for the year. The disbursements are shown in table 2.

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

Month	Date received	Amount
August	25/08/2021	831,517,633.00
September	23/09/2021	883,487,485.00
<b>TOTAL</b>		<b>1,715,005,118</b>

The County only received exchequer for only two months during the quarter

## 2.4 Locally Generated Revenue

The County Government targeted to collect Kshs 198,526,228.00 from local sources during the quarter. The actual achievement in quarter one was Kshs 91,431,332.25.00 which translates to 46.06% of the targeted collection for the quarter.

Revenue collection performance is shown in tables 3 and 4.

**Table 3: Locally Generated Revenue FY 2021/22**

Ministry	Target for the Quarter	Actual Collected in the Quarter	Revenue Deficit
Public Service Management and Administration	41,670,000	1,702,100	39,967,900
Agriculture water and Irrigation	41,556,029	905,886	40,650,143
Basic Education, ICT and Youth Development	30,788,000	2,378,400	28,409,600
Infrastructure, Housing, Transport and Public works	7,294,000	1,434,030	5,859,970
Health and Sanitation	368,353,582	62,935,716	305,417,866
Trade, Cooperatives and Investments	58,597,823	533,490	58,064,333
Environment Tourism & Natural Resources	19,300,000	1,088,340	18,211,660
Gender, Sports and Culture	1,300,000	25,000	1,275,000
County Treasury	84,505,000	11,000,533	73,504,467
Kitui Municipality	39,639,566	2,011,579	37,627,987
Mwingi Town	24,210,000	1,928,050	22,281,950
Lands and physical Planning	124,675,000	5,055,277	119,619,723
Livestock, Apiculture and Fisheries Development	8,111,000	432,931	7,678,069
<b>TOTAL</b>	<b>850,000,000</b>	<b>91,431,332</b>	<b>758,568,668</b>

**Table 4: FY 2021/22 Quarter 1 Revenue performance by ministries**

Ministry	Target for the Quarter	Actual Collected in the Quarter	% Realization
Public Service Management and Administration	10,417,500	1,702,100	16.34
Agriculture water and Irrigation	10,389,006	905,886	8.72
Basic Education, ICT and Youth Development	7,697,000	2,378,400	30.90



Ministry	Target for the Quarter	Actual Collected in the Quarter	% Realization
Infrastructure, Housing, Transport and Public works	1,823,500	1,434,030	78.64
Health and Sanitation	92,088,394	62,935,716	68.34
Trade, Cooperatives and Investments	14,649,456	533,490	3.64
Environment Tourism & Natural Resources	4,824,999	1,088,340	22.56
Gender, Sports and Culture	325,000	25,000	7.69
County Treasury	14,001,250	11,000,533	78.57
Kitui Municipality	5,711,123	2,011,579	35.22
Mwingi Town	3,402,500	1,928,050	56.67
Lands and physical Planning	31,168,750	5,055,277	16.22
Livestock, Apiculture and Fisheries Development	2,027,750	432,931	21.35
<b>TOTAL</b>	<b>198,526,228</b>	<b>91,431,332</b>	<b>46.06</b>

The county only attained 46% revenue collection in the quarter. Failure to attain revenue target deters the payment of suppliers and contractors, leading to a buildup of pending bills.

**Table 5: Absorption rates per ministry FY 2021/22**

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

Spending Entity	Total Budget Estimates	Actual Expenditure in the Quarter	Absorption Rate
Office of the Governor	1,796,881,967	133,266,515	7.42
Public Service Management and Administration	542,905,844	19,552,003	3.60
Agriculture water and Irrigation	1,385,368,195	157,945,826	11.40
Basic Education, ICT, & Youth Development	756,457,050	124,231,913	16.42
Infrastructure, Housing, Transport and Public works	953,339,246	150,390,072	15.78
Health and Sanitation	3,659,074,318	1,295,364,072	35.40
Trade, Cooperatives and Investments	426,422,006	34,267,780	8.04
Environment Tourism & Natural Resources	266,110,361	27,203,434	10.22
Gender, Sports and Culture	199,186,734	5,384,833	2.70
The County Treasury	767,570,305	79,214,692	10.32
County Public Service Board	37,989,707	2,593,361	6.83
County Assembly	1,007,399,062	181,117,696	17.98
Kitui Municipality	305,669,631	85,376,336	27.93
Mwingi Town Administration	113,284,137	6,491,057	5.73
Livestock, Apiculture and Fisheries Development	130,459,448	1,930,552	1.48
Lands and physical Planning	151,657,262	6,153,278	4.06
<b>Total</b>	<b>12,499,775,275</b>	<b>2,310,483,420</b>	<b>18.48</b>

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

**Table 6(a): Recurrent Expenditure in the quarter**

Spending Entity	Recurrent Budget Estimates	Actual Expenditure in the Quarter	Absorption Rate
Office of the Governor	667,222,396	38,132,866	5.72
Public Service Management and Administration	530,905,844	18,473,983	3.48
Agriculture water and Irrigation	486,446,540	18,101,259	3.72
Basic Education, ICT, & Youth Development	550,276,932	94,728,047	17.21
Infrastructure, Housing, Transport and Public works	280,478,420	17,707,223	6.31
Health and Sanitation	3,496,644,936	1,274,664,799	36.45
Trade, Cooperatives and Investments	185,459,708	18,780,625	10.13
Environment Tourism & Natural Resources	135,873,336	12,325,416	9.07
Gender, Sports and Culture	104,499,780	5,384,833	5.15
The County Treasury	631,037,260	77,037,692	12.21
County Public Service Board	37,989,708	2,593,361	6.83
County Assembly	936,616,228	181,117,696	19.34
Kitui Municipality	118,722,336	17,173,450	14.47
Mwingi Town Administration	69,681,476	6,179,799	8.87
Livestock, Apiculture and Fisheries Development	77,478,432	6,153,278	7.94
Lands and physical Planning	89,246,652	1,930,552	2.16
<b>Total</b>	<b>8,398,579,980</b>	<b>1,790,484,879</b>	<b>21.32</b>

The Ministry of Health registered the highest recurrent expenditure, of 1.2B. This is due to the charging of Personal Emoluments for other ministries to the Ministry which inflated their expenditure.

**Table 6(b): Development Expenditure in the Quarter**

Spending Entity	Development Budget Estimates	Actual Expenditure in the Quarter	Absorption Rate
Office of the Governor	1,129,659,572	95,133,649	8.42
Public Service Management and Administration	12,000,000	1,078,020	8.98
Agriculture water and Irrigation	898,921,656	139,844,567	15.56
Basic Education, ICT, & Youth Development	206,180,120	29,503,866	14.31
Infrastructure, Housing, Transport and Public works	672,860,824	132,682,849	19.72
Health and Sanitation	162,429,384	20,699,273	12.74
Trade, Cooperatives and Investments	240,962,300	15,487,155	6.43
Environment Tourism & Natural Resources	130,237,024	14,878,018	11.42
Gender, Sports and Culture	94,686,956	0	0.00
The County Treasury	136,533,044	2,177,000	1.59
County Assembly	70,782,832	0	0.00
Kitui Municipality	186,947,296	68,202,886	36.48
Mwingi Town Administration	43,602,660	311,258	0.71
Livestock, Apiculture and Fisheries Development	52,981,016	0	0.00
Lands and physical Planning	62,410,612	0	0.00
<b>Total</b>	<b>4,101,195,296</b>	<b>519,998,541</b>	<b>12.68</b>

The quarter saw Kitui Municipality pay off a good percentage of their pending bills in the period.

## 2.5 First Quarter Expenditure Summary by Entity

During the period under review, the County spent a total of Kshs. 2,310,483,420.00. Out of this amount, Kshs. 1,790,484,879.00 (77.49%) went to finance recurrent activities while Kshs. 519,998,541 (22.51%) financed development.

Under recurrent expenditure, Kshs. 1,200,085,080 was spent on Personnel Emoluments while Kshs. 590,399,799 was spent on operations and maintenance.

**Table 7: First Quarter Expenditure by Entity FY 2021/221**

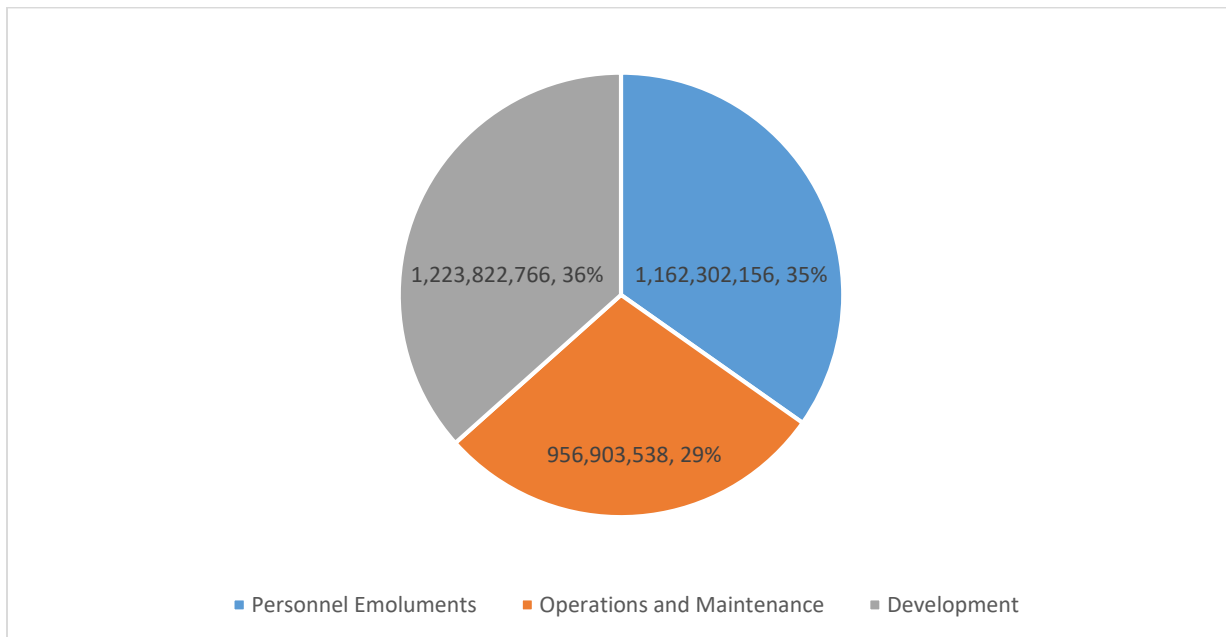
Spending Entity	Personnel Emoluments	%	Operations and Maintenance	%	Development	%	Grand Total
Office of the Governor	1,720,742	1.29	36,412,124	27.32	95,133,649	71.39	133,266,515
Public Service Management and Administration	5,315,100	27.18	13,158,883	67.30	1,078,020	5.51	19,552,003
Agriculture water and Irrigation	1,020,761	0.65	17,080,498	10.81	139,844,567	88.54	157,945,826
Basic Education, ICT, & Youth Development	76,201,555	61.34	18,526,492	14.91	29,503,866	23.75	124,231,913
Infrastructure, Housing, Transport and Public works	1,090,962	0.73	16,616,261	11.05	132,682,849	88.23	150,390,072
Health and Sanitation	970,066,964	74.89	304,597,835	23.51	20,699,273	1.60	1,295,364,072
Trade, Cooperatives and Investments	1,236,141	3.61	17,544,484	51.20	15,487,155	45.19	34,267,780
Environment Tourism & Natural Resources	358,135	1.32	11,967,281	43.99	14,878,018	54.69	27,203,434
Gender, Sports and Culture	-	-	5,384,833	100.00	-	-	5,384,833
The County Treasury	43,755,526	55.24	33,282,166	42.02	2,177,000	2.75	79,214,692
County Public Service Board	84,000	3.24	2,509,361	96.76	-	-	2,593,361
County Assembly	91,749,953	50.66	89,367,743	49.34	-	-	181,117,696
Kitui Municipality	4,905,031	5.75	12,268,419	14.37	68,202,886	79.88	85,376,336
Mwingi Town Administration	2,325,095	35.82	3,854,704	59.38	311,258	4.80	6,491,057
Lands and physical Planning	255,115	4.15	5,898,163	95.85	-	-	6,153,278
Livestock, Apiculture and Fisheries Development	-	-	1,930,552	100.00	-	-	1,930,552
<b>Total</b>	<b>1,200,085,080</b>	<b>51.94</b>	<b>590,399,799</b>	<b>25.55</b>	<b>519,998,541</b>	<b>22.51</b>	<b>2,310,483,420</b>

## 2.6 County Expenditure as per Economic Classification

The table below analyses expenditure by the various spending entities.

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

Economic Classification	Amount Spent	Percentage (%)
Personnel Emoluments	1,200,085,080	51.94
Operations and Maintenance	590,399,799	25.55
Development	519,998,541	22.51
<b>Total</b>	<b>2,310,483,420</b>	<b>100</b>

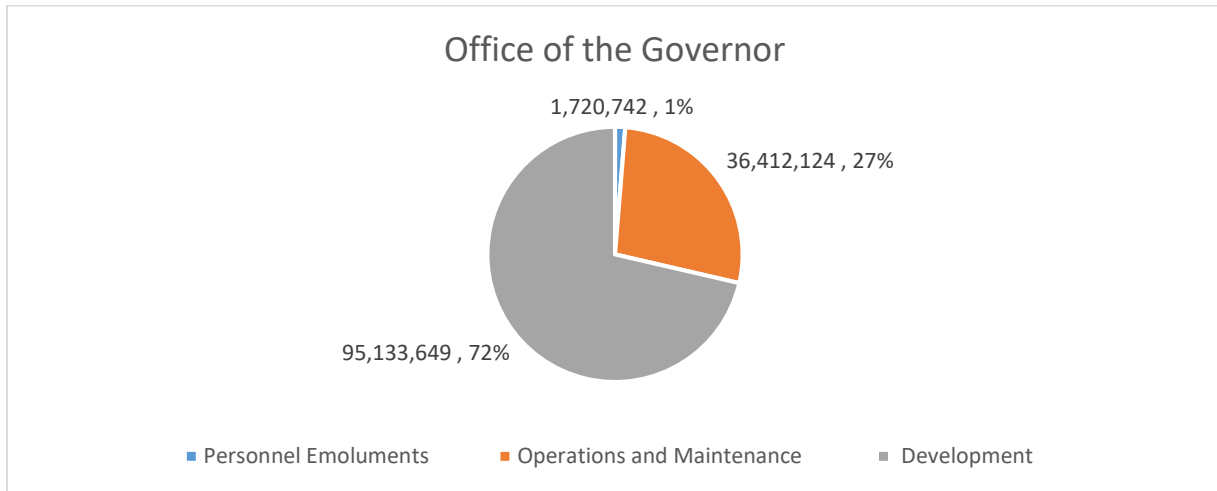


**Figure 1: County Expenditure**

## 2.7 Analysis of Individual Spending Entity FY 2021/22

### 2.7.1 Office of the Governor

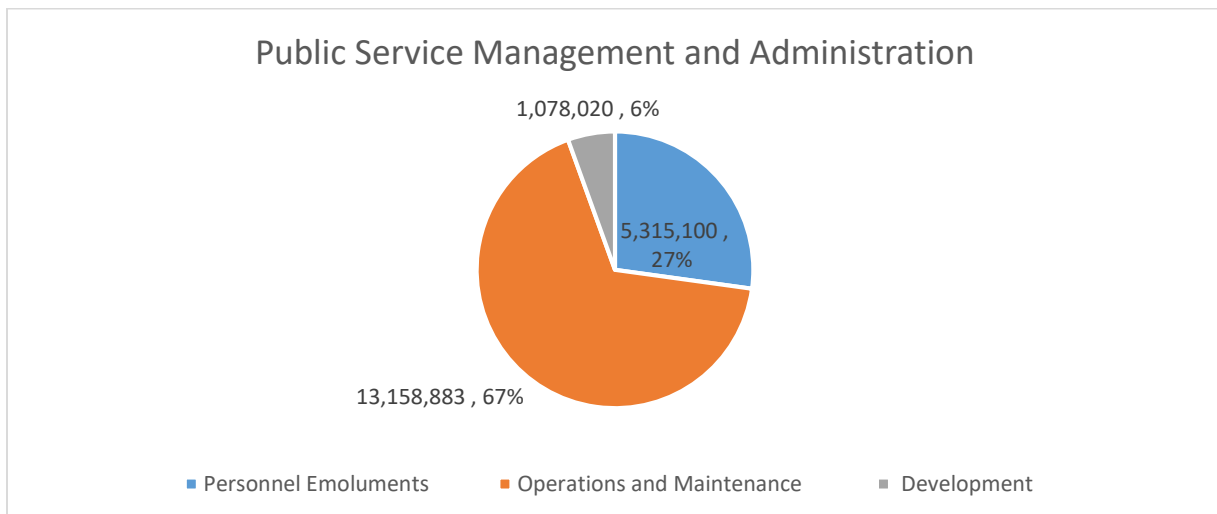
Office of the Governor had a budget allocation of Kshs. 449,220,492.00. During the period under review, the Ministry spent Kshs. 133,266,515.00, 29.67%. Out of this, Kshs. 95,133,649.00, (71.39 %) financed development projects, Kshs. 1,720,742.00, (1.29%) was spend on Personnel Emoluments while Kshs. 36,412,124.00, (27.32 %) was spent on Operations and Maintenance.



**Figure 2: Office of the Governor**

### 2.7.2 Public Service Management and Administration

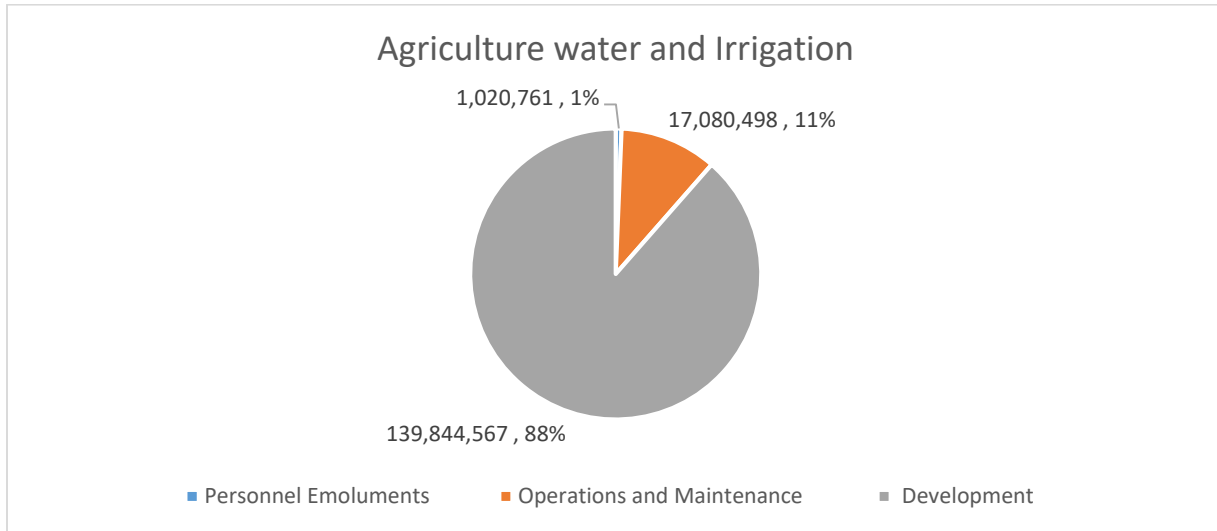
The County Ministry of Public Service Management and Administration's expenditure reveals an expenditure of Kshs. 19,552,003.00 during the FY. This was 14.41% of the budget allocation of Ksh. 135,726,461.00. Out of this, Kshs. 5,315,100.00, (27.18 %) financed personnel emoluments while Kshs. 13,158,883.00, (67.30 %) was spent on operations and maintenance. Development expenditure was Kshs 1,078,020 (5.51 %).



**Figure 3: Public Service Management and Administration**

### 2.7.3 Agriculture, Water and Livestock Development

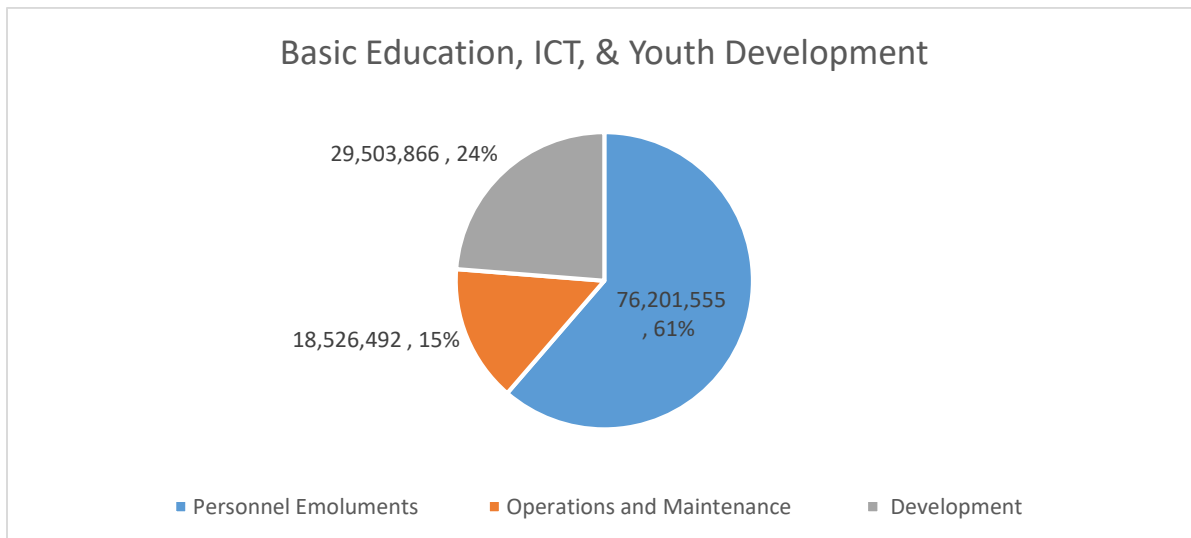
The County Ministry of Agriculture, Water and Livestock Development had a budget of Ksh. 346,342,049.00. During the period under review, the Ministry spent a total of Kshs. 157,945,826.00, 45.60%. Out of this, Kshs. 139,844,567.00, 88.54% was spent on development, Kshs. 1020761.00, 0.65 % on personnel emoluments and Kshs. 17,080,498.00, 10.81 % on operations and maintenance.



**Figure 4: Agriculture, Water and Irrigation**

### 2.7.4 Basic Education, ICT and Youth Development

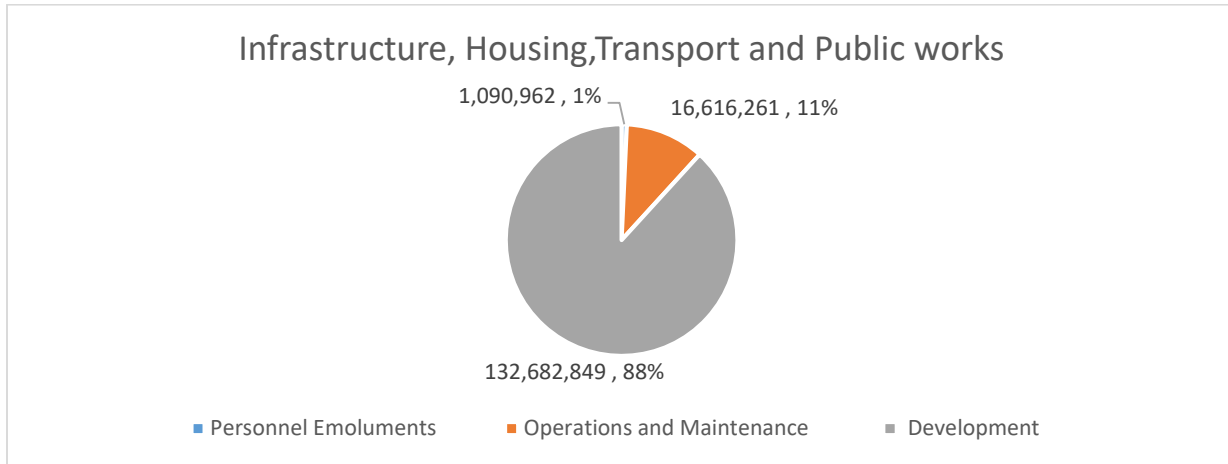
The budgetary allocation for the Ministry of Education was Kshs. 189,114,263.00. A total of Kshs. 124,231,913.00, 65.69% was spent during the FY. This expenditure composed of; Personnel Emoluments Kshs. 76,201,555.00, 61.34%, Operations and Maintenance was Kshs. 18,526,492.00, 14.91% and development expenditure of 29,503,866.00, 23.75%.



**Figure 5: Basic Education, ICT & Youth Development**

### 2.7.5 Infrastructure, Housing, Transport and Public Works

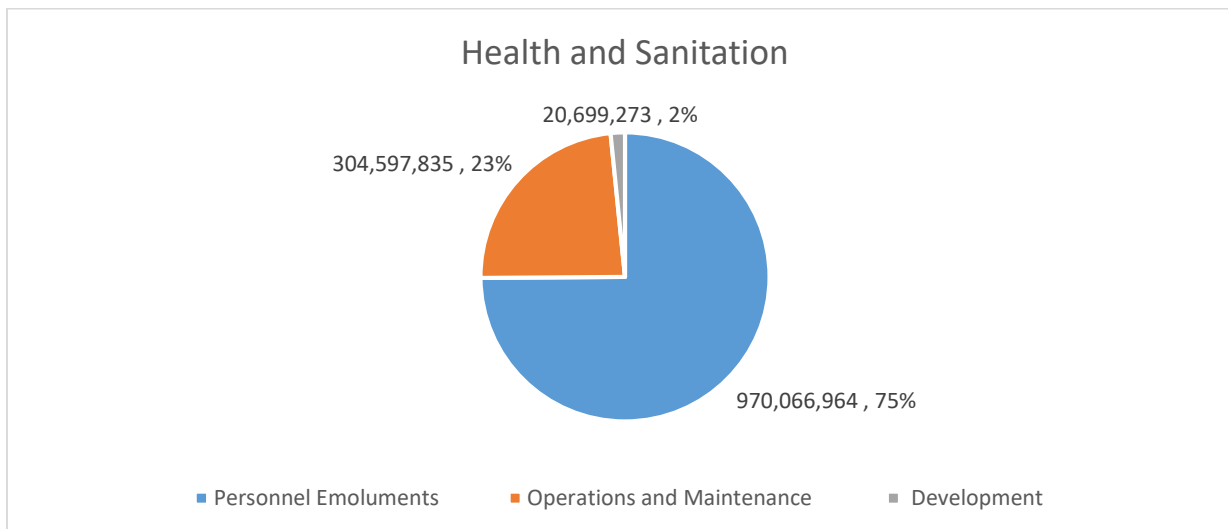
The budget for the County Ministry of Infrastructure, Housing, Transport and Public Works was Kshs. 238,334,812.00 out of which the ministry incurred a total expenditure of Kshs 150,390,072.00, 63.10% during the period under review. A breakdown of the expenditure indicates that Kshs 132,682,849.00, (88.23%) was spent on development, Kshs. 1,090,962.00, (0.73%) on personnel emoluments and Kshs. 16,616,261.00 (11.05 %) on Operations and Maintenance.



**Figure 6: Infrastructure, Housing, Transport and Public Works**

### 2.7.6 Health and Sanitation

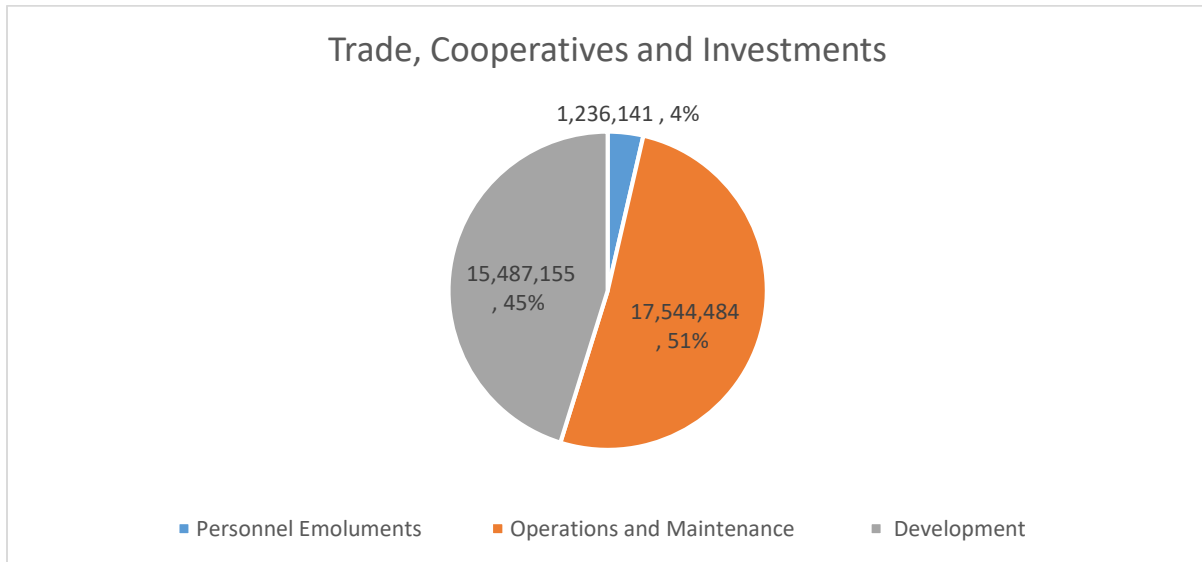
The County Ministry of Health and Sanitation had, in FY 2021/2022, incurred a total expenditure of Kshs. 1,295,364,072.00 which is 141.61% of the total budgeted amount, Kshs. 914,768,579.00. Out of this Kshs. 20,699,273.00, (1.60 %), was spent on development activities, Kshs. 970,066,964.00, which translates to (74.89 %) went to Personnel emoluments while Kshs 304,597,835.00 (23.51 %) went to Operations and Maintenance.



**Figure 6: Health and Sanitation**

### 2.7.7 Trade, Cooperatives and Investments

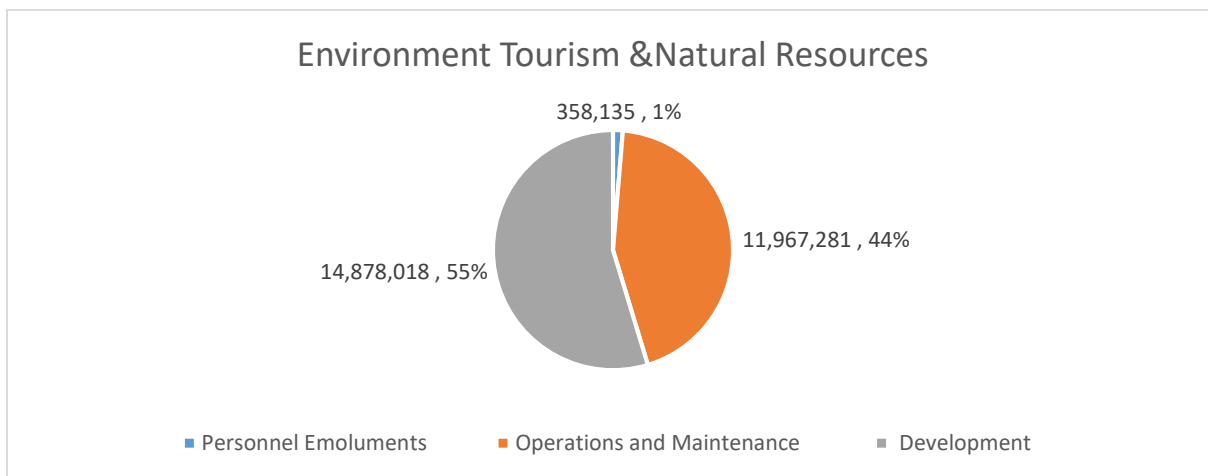
The Ministry of Trade had a budget of Kshs. 106,605,502.00. During the period under review, the total expenditure was Kshs. 34,267,780.00, 32.14%. Out of this amount, Kshs. 1,236,141.00, (3.61 %) to Personnel Emoluments, Kshs. 17,544,484 (51.20%) went to Operations and Maintenance while Development expenditure amounted to Kshs. 15,487,155.00, (45.19%).



**Figure 7: Trade, Cooperatives & Investments**

### 2.7.8 Environment, Tourism and Natural Resources

Expenditure analysis at the ministry of Environment, Tourism and Natural Resources reveals that a total of Kshs. 27,203,434.00, 40.89% was spent in the FY, out of the Kshs 66,527,590.00 budgeted for the Ministry. The expenditure was broken into Kshs. 358,135, 1.32 % Personnel Emoluments, Kshs. 11,967,281, 43.99% on Operations and Maintenance and Kshs. 14,878,018, 56.49% on development.

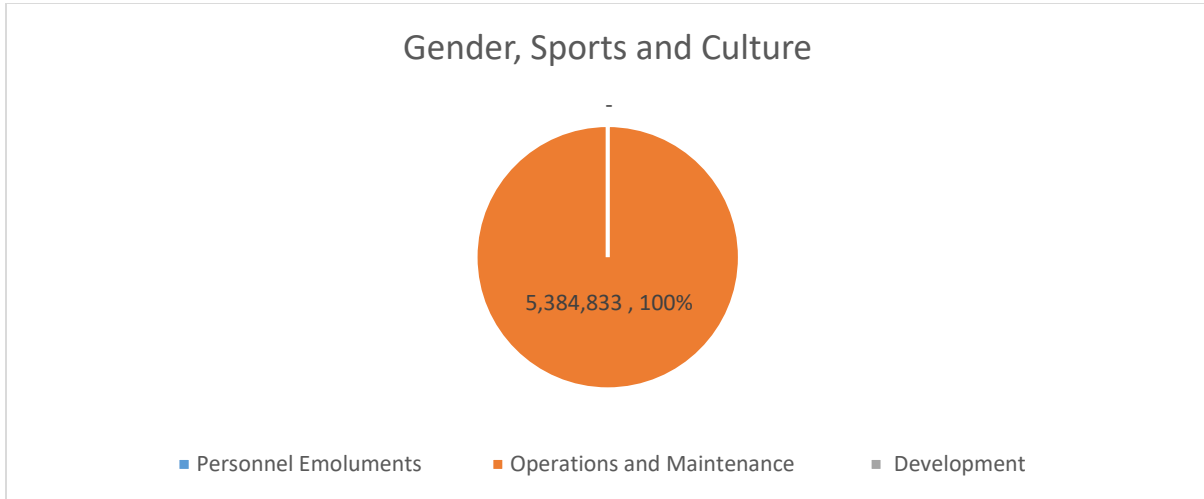


**Figure 8: Environment, Tourism & Natural Resources**



### 2.7.9 Gender, Sports and Culture

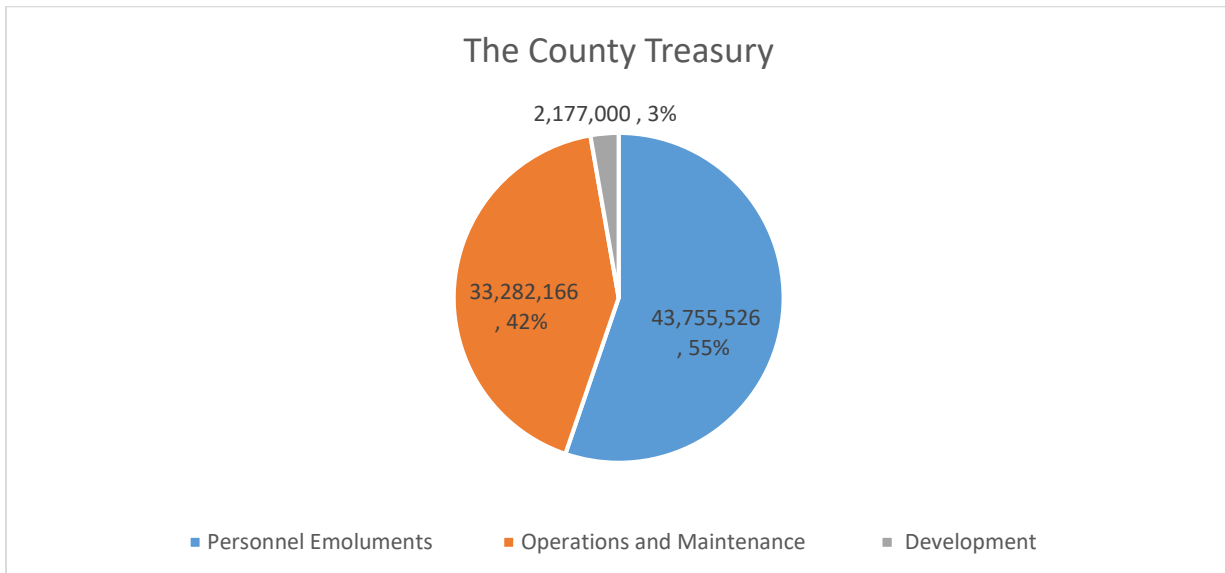
The Ministry of Gender, Sports & Culture had a total expenditure of Kshs, 5,384,833.00, 10.81% was incurred out of the budgeted Kshs. 49,796,684.00 which was channeled to operations and maintenance.



**Figure 9: Gender, Sports& Culture**

### 2.7.10 The County Treasury

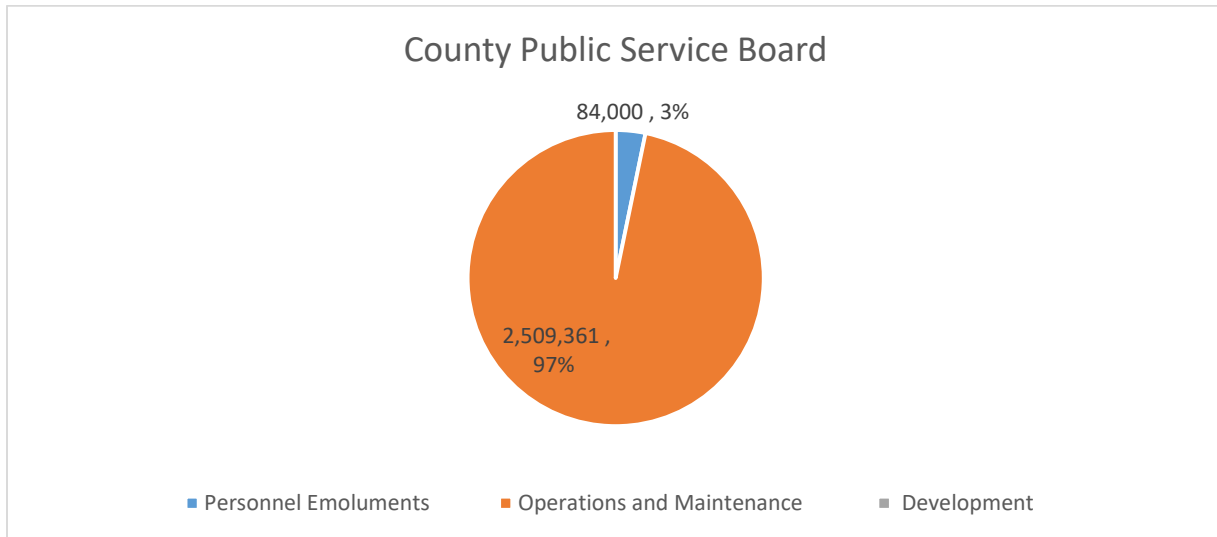
The County Treasury had a budgetary allocation of Ksh. 191,892,576.00 of which Kshs. 79,214,692.00, 41.28% was spent during the period. This expenditure was broken down into; personnel emoluments Kshs. 43,755,526.00, (55.24%), operations and maintenance Kshs 33,282,166.00, (42.02%). Development expenditure in the FY was Kshs. 2,177,000.00 (2.75 %).



**Figure 10: The County Treasury**

### 2.7.11 County Public Service Board

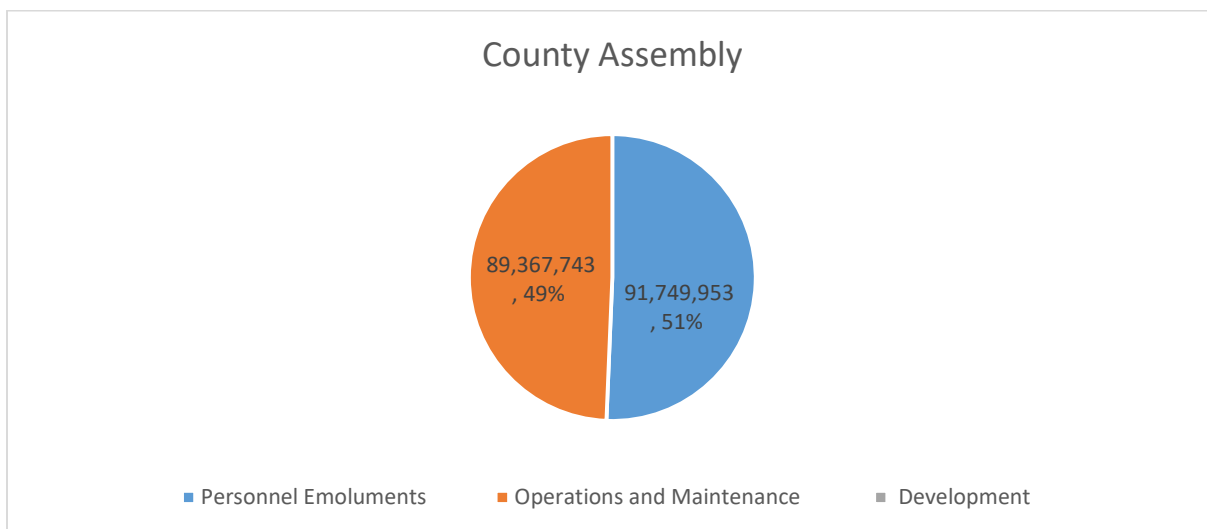
County Public Service Board had a budget allocation of Ksh. 9,497,427.00. The total expenditure incurred by the County Public Service Board was Kshs. 2,593,361, 27.31%. This expenditure was broken down into; personnel emoluments Kshs. 84,000.00, (3.24%), operations and maintenance Kshs 2,509,361.00, (96.76 %). There was no development expenditure.



**Figure 11: County Public Service Board**

### 2.7.12 County Assembly

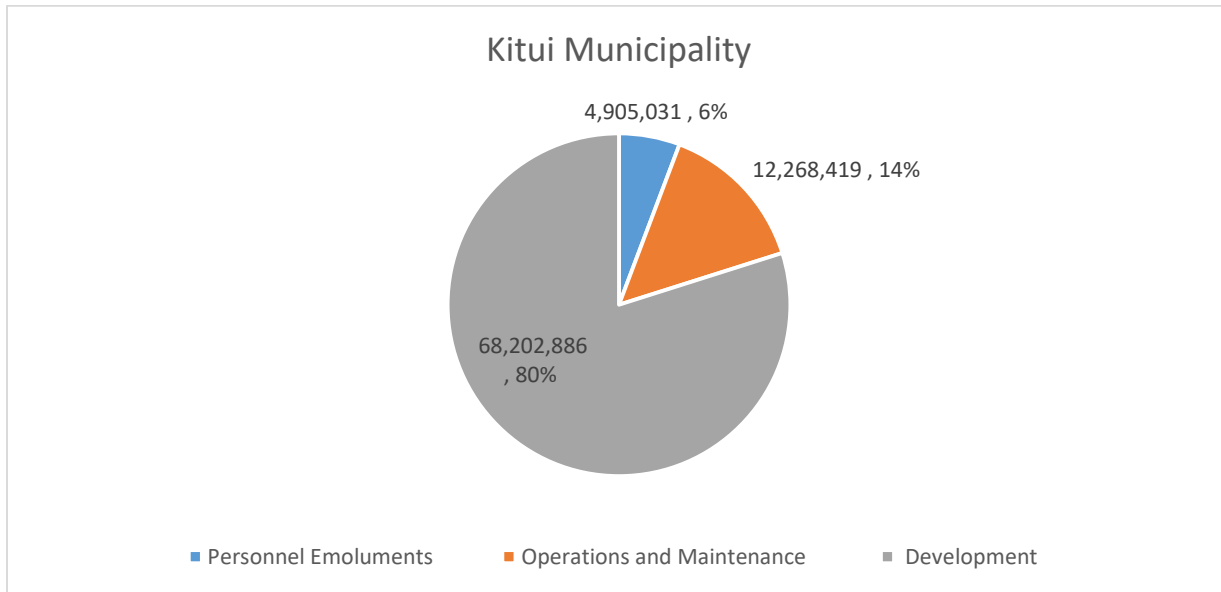
The County Assembly spent a total of Kshs. 181,117,696.00 which is 71.91% of the total budgeted amount for the Ministry, Kshs. 251,849,766.00. This expenditure included Kshs. 91,749,953, 50.66% spent on personnel emoluments, Kshs. 89,367,743.00, 49.34 % Spent on operations & maintenance. There was no development expenditure.



**Figure 12: The County Assembly**

### 2.7.13 Kitui Municipality

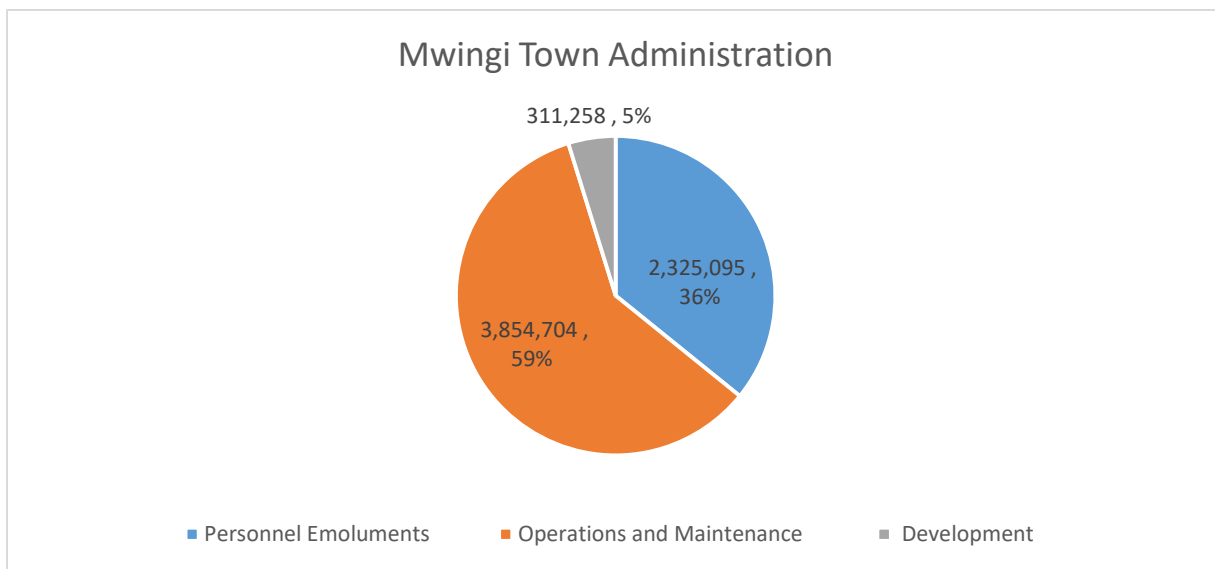
Kitui Municipality had a budget allocation of Kshs. 76,417,408.00 whereby a total of Kshs 85,376,336.00, 111.72%, was spent. This expenditure included the Kshs. 4,905,031.00, 5.75 % spent on personnel emoluments, the Kshs. 12,268,419.00, 14.37 % spent on operations and maintenance and the Kshs. 68,202,886.00, 79.88 % spent on development.



**Figure 13: Kitui Municipality**

### 2.7.14 Mwingi Town Administration

The Mwingi Town Administration spent a total of Kshs. 6,491,057.00 which was 22.92% of the total budget allocation of Kshs. 28,321,034.00 for the Ministry. This expenditure included the Kshs. 2,325,095.00, 35.82% spent on personnel emoluments, the Kshs. 3,854,704.00, 59.38% spent on operations and maintenance and the Kshs. 311,258.00, 4.80 % spent on development.



**Figure 14: Mwingi Town Administration**

### 2.7.15 Lands and physical Planning

The Ministry of Lands and physical Planning spent a total of Kshs. 6,153,278.00 which was 16.23% of the total budget allocation of Kshs. 37,914,316.00 for the Ministry. This expenditure included the Kshs. 255,115.00, 4.15% spent on personnel emoluments, the Kshs. 5,898,163.00, 95.85 % spent on operations and maintenance and the Kshs. 10,289,821.00, 27.19% spent on development.

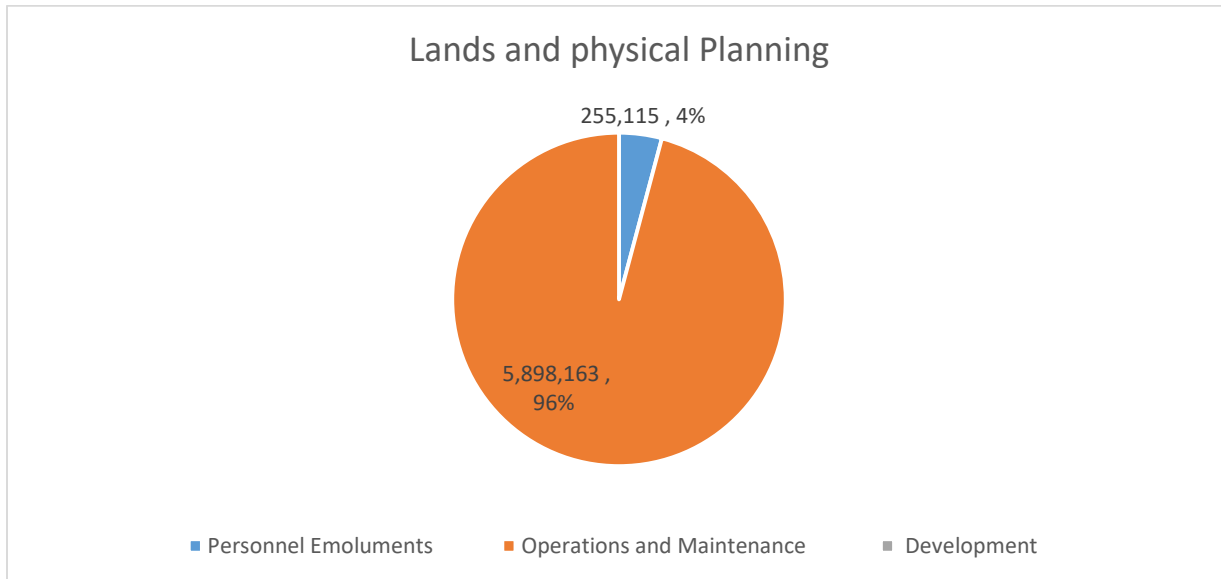


Figure 15: Lands and physical Planning

### 2.7.16 Livestock, Apiculture and Fisheries Development

The Ministry of Livestock, Apiculture and Fisheries Development spent a total of Kshs. 1,930,552.00 which was 5.92% of the total budget allocation of Kshs. 32,614,862.00 for the Ministry. This expenditure was solely on operations and maintenance.

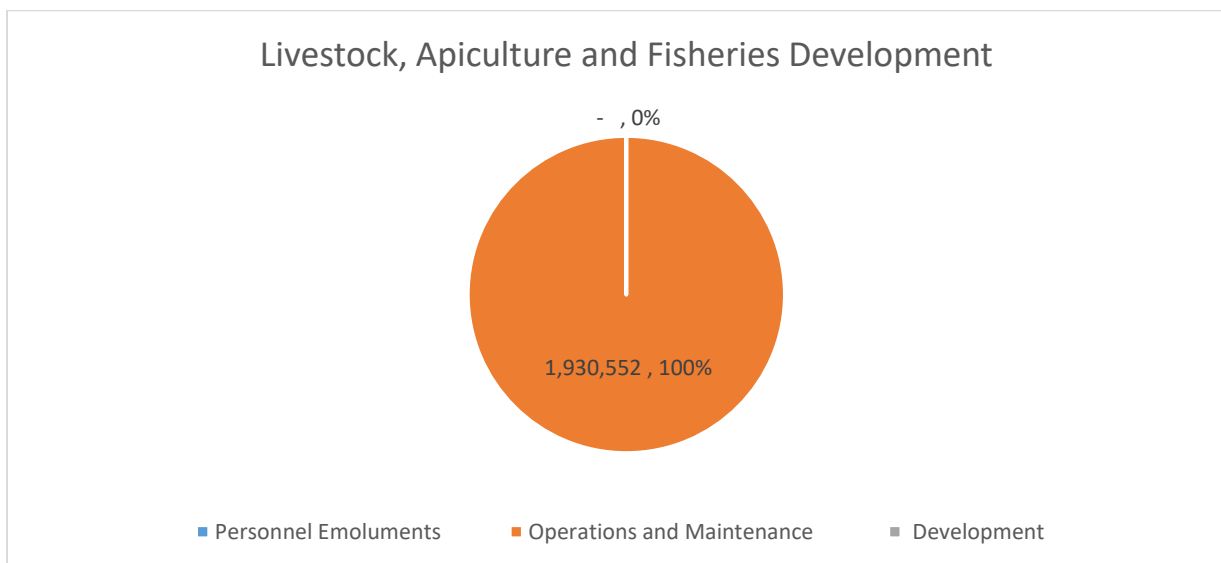


Figure 16: Livestock, Apiculture and Fisheries Development

### 3.0 Performance on Development Budget

There has been no expenditure on grant funded releases, due to the non-remittance of the funds by the respective partners/donors during the period

**Table 9: County Funded Development Expenditure**

Spending Entity	Development Budget Estimates	Actual Expenditure in the Quarter	Absorption Rate
Office of the Governor	282,414,893	95,133,649	33.69
Public Service Management and Administration	3,000,000	1,078,020	35.93
Agriculture water and Irrigation	224,730,414	139,844,567	62.23
Basic Education, ICT, & Youth Development	51,545,030	29,503,866	57.24
Infrastructure, Housing, Transport and Public works	168,215,206	132,682,849	78.88
Health and Sanitation	40,607,346	20,699,273	50.97
Trade, Cooperatives and Investments	60,240,575	15,487,155	25.71
Environment Tourism & Natural Resources	32,559,256	14,878,018	45.70
Gender, Sports and Culture	23,671,739	0	0.00
The County Treasury	34,133,261	2,177,000	6.38
County Assembly	17,695,708	0	0.00
Kitui Municipality	46,736,824	68,202,886	145.93
Mwingi Town Administration	10,900,665	311,258	2.86
Livestock, Apiculture and Fisheries Development	13,245,254	0	0.00
Lands and physical Planning	15,602,653	0	0.00
<b>Total</b>	<b>1,025,298,824</b>	<b>519,998,541</b>	<b>50.72</b>

County funded development expenditure was 50% of the budget for the quarter. Kitui Municipality had an over expenditure of 45%, owing to the revote from the previous financial year

#### **4.0 IMPLEMENTATION CHALLENGES**

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

These are:

- **Untimely monthly exchequer releases:** Accrued recurrent payments has been a major challenge during the period under review. This is as a result of late and limited exchequer releases, causing these accruals to be carried forward to the next period. .
- **Delayed Grant releases:** The County did not receive any grants during the quarter. This has stalled the implementation of grant funded programmes, especially development.
- **Inability to collect all the budgeted own source revenue:** The County collected only 46% of the targeted revenue. This is an underperformance that negatively affects the ability to pay bills on time.

#### **4.0 RECOMMENDATIONS**

The following recommendations will smoothen implementations in the next phase;

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