

COUNTY GOVERNMENT OF KITUI



COUNTY TREASURY

BUDGET IMPLEMENTATION REPORT (BIR)

JANUARY-MARCH 2022 (QUARTER III)

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 III 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.

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

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

Paul Kimwele

Ag. Chief Officer – Budgets and Economic Planning

1.0 INTRODUCTION

This Budget Implementation Report is prepared in conformity with Section 166 of the Public Finance Management Act, 2012's requirement that counties report on the implementation progress of their budgets. It covers the period from January to March 2022.

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 **12,468,742,562** which consisted of Kshs. **8,325,309,352** (67%) for recurrent expenditure and Kshs **4,143,433,209** (33%) for development expenditure.

2.1 Budget Components

Table 1 shows the various components of the budget

Table 1: Budget Components FY 2021/22

SOURCE	AMOUNT	% OF TOTAL BUDGET
Balance b/f from FY 2020/2021	307,704,982	2.47
National Equitable Share	10,393,970,413	83.36
Local Revenue Sources	800,000,000	6.42
Grants	967,067,167	7.76
TOTAL	12,468,742,562	100

2.2 Breakdown of Grants

SOURCE	AMOUNT BUDGETED	RECEIPT IN QUARTER III
Road Maintenance Fuel Levy	59,987,264	0
Grants from World Bank (KDSP)	154,728,163	0
World Bank (Universal Health)	23,968,638	0
World Bank (Agriculture - Rural Growth)	386,418,118	0
World Bank (Emergency Locust Response Project (ELRP))	67,726,570	0
HSSP/HSPS - (DANIDA/IDA)	20,861,871	0
UNFPA (9th Country Programme Implementation)	7,386,704	0
Development of Youth Polytechnics	362,908	0
Kenya Urban Support Project - World Bank	92,075,267	0
Kenya Urban Support Project (UIG)- World Bank	6,195,861	0
ASDSP	58,098,817	0
GoK Conditional Grant - Covid Fund	89,256,986	0
TOTAL	967,067,167	0

The County did not receive any donor funds in the quarter. This has hindered implementation of projects and programmes relying on the funds.

2.3 Transfers from the National Government

For the period under review, the County received Kshs. 1,766,974,970.00 as the national equitable share which is 17% of the budgeted equitable share and 14% of the total budgeted amount for the year. The disbursements are shown in table 2.

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

Month	Date of Release	Amount Received
January	26-Jan-22	883,487,485.00
February	28-Feb-22	883,487,485.00
March	-	0.00
Total		1,766,974,970.00

There has been delayed remittance of exchequer funds, with funds for the month of March not being remitted in the quarter.

2.4 Locally Generated Revenue

The County Government targeted to collect Kshs 229,359,728.00 from local sources during the quarter. However, the actual collection during quarter III was Kshs 113,152,800 which translates to 49.33% of the targeted collection for the quarter.

Revenue collection performance is shown in tables 3 and 4.

Table 3: Quarter 3 Revenue performance by ministries FY 2021/22

MINISTRY	Target for the Quarter	Actual Collected in the Quarter	% Realization
Public Service Management and Administration	10,417,500	2,649,500	25.43
Agriculture water and Irrigation	10,389,006	888,110	8.55
Basic Education, ICT and Youth Development	7,697,000	1,925,669	25.02
Infrastructure, Housing, Transport and Public works	1,823,500	566,240	31.05
Health and Sanitation	92,088,394	44,862,389	48.72
Trade, Cooperatives and Investments	14,649,456	1,731,643	11.82
Environment Tourism & Natural Resources	4,824,999	155,770	3.23
Gender, Sports and Culture	325,000	17,000	5.23
County Treasury	30,001,250	21,018,957	70.06
Kitui Municipality	15,044,623	21,682,732	144.12
Mwingi Town	8,902,500	10,001,400	112.34
Lands and physical Planning	31,168,750	7,227,765	23.19
Livestock, Apiculture and Fisheries Development	2,027,750	425,625	20.99
TOTAL	229,359,728	113,152,800	49.33

The county only attained 49.33% revenue collection in the quarter. Failure to attain revenue target leaves a deficit in the budget which deters the payment of suppliers and contractors, leading to a buildup of pending bills.

Table 4: FY 2021/22 Locally Generated Revenue Performance up to date

Ministry	Annual Target	Cumulative Collection in QI, QII & QIII	Revenue Deficit
Public Service Management and Administration	31,670,000.00	6,508,600	25,161,400
Agriculture water and Irrigation	31,556,029.00	3,708,098	27,847,931
Basic Education, ICT and Youth Development	30,788,000.00	5,526,242	25,261,758
Infrastructure, Housing, Transport and Public works	7,294,000.00	3,052,925	4,241,075
Health and Sanitation	358,353,582.00	160,750,119	197,603,463
Trade, Cooperatives and Investments	48,597,823.00	2,831,123	45,766,700
Environment Tourism & Natural Resources	19,300,000.00	1,789,310	17,510,690
Gender, Sports and Culture	1,300,000.00	48,000	1,252,000
County Treasury	84,505,000.00	40,356,910	44,148,090
Kitui Municipality	39,639,566.00	25,296,304	14,343,262
Mwingi Town	24,210,000.00	14,376,262	9,833,738
Lands and physical Planning	114,675,000.00	14,913,643	99,761,357
Livestock, Apiculture and Fisheries Development	8,111,000.00	1,217,131	6,893,869
TOTAL	800,000,000.00	280,374,667.00	519,625,333.00

Cumulatively, the County collection in the three quarters was Kshs. 280,374,667 which is barely half of the targeted Kshs. 800,000,000.

Table 5: Absorption rates per ministry FY 2021/22

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

County Ministry	Total Budget Estimates	Actual Expenditure in the Quarter	Absorption Rate
Office of the Governor	1,637,223,828	376,471,133	22.99
Public Service Management and Administration	531,405,844	231,796,680	43.62
Agriculture water and Irrigation	1,497,361,553	271,199,448	18.11
Basic Education, ICT, & Youth Development	747,129,694	175,866,600	23.54
Infrastructure, Housing, Transport and Public works	1,025,068,809	193,346,828	18.86
Health and Sanitation	3,523,135,357	1,357,031,664	38.52
Trade, Cooperatives and Investments	502,695,776	163,424,008	32.51
Environment Tourism & Natural Resources	249,423,655	33,106,371	13.27
Gender, Sports and Culture	183,889,819	30,316,739	16.49
The County Treasury	763,573,825	106,931,642	14.00
County Public Service Board	55,314,766	8,303,071	15.01
County Assembly	1,061,357,431	290,902,321	27.41
Kitui Municipality	302,828,596	81,366,097	26.87
Mwingi Town Administration	116,034,126	20,562,346	17.72
Livestock, Apiculture and Fisheries Development	127,852,832	10,668,844	8.34
Lands and physical Planning	144,446,650	25,638,525	17.75
TOTAL	12,468,742,562	3,376,932,317	27.08

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

Table 6(a): Recurrent Expenditure in the quarter

County Ministry	Total Recurrent Estimates	Actual Expenditure in the Quarter	Absorption Rate
Office of the Governor	572,559,381	82,716,280	14.45
Public Service Management and Administration	529,938,504	231,796,680	43.74
Agriculture water and Irrigation	477,500,277	34,929,867	7.32
Basic Education, ICT, & Youth Development	554,518,765	118,765,797	21.42
Infrastructure, Housing, Transport and Public works	283,698,575	44,136,846	15.56
Health and Sanitation	3,376,363,745	1,304,886,651	38.65
Trade, Cooperatives and Investments	269,780,131	52,619,870	19.50
Environment Tourism & Natural Resources	153,045,279	24,359,848	15.92
Gender, Sports and Culture	101,806,570	16,460,239	16.17
The County Treasury	608,845,661	102,406,590	16.82
County Public Service Board	55,314,766	8,303,071	15.01
County Assembly	989,600,070	290,902,321	29.40
Kitui Municipality	117,722,336	19,306,575	16.40
Mwingi Town Administration	73,341,477	10,283,496	14.02
Livestock, Apiculture and Fisheries Development	78,436,712	6,435,832	8.21
Lands and physical Planning	84,761,650	23,837,025	28.12
TOTAL	8,327,233,900	2,372,146,988	28.49

Table 6(b): Development Expenditure in the Quarter

County Ministry	Development Estimates	Actual Expenditure in the Quarter	Absorption Rate
Office of the Governor	1,064,664,447	293,754,853	27.59
Public Service Management and Administration	1,467,340	0	-
Agriculture water and Irrigation	1,019,861,277	236,269,581	23.17
Basic Education, ICT, & Youth Development	192,610,929	57,100,803	29.65
Infrastructure, Housing, Transport and Public works	741,370,234	149,209,982	20.13
Health and Sanitation	146,771,612	52,145,013	35.53
Trade, Cooperatives and Investments	232,915,645	110,804,138	47.57
Environment Tourism & Natural Resources	96,378,376	8,746,523	9.08
Gender, Sports and Culture	82,083,248	13,856,500	16.88
The County Treasury	154,728,164	4,525,052	2.92
County Public Service Board	-	0	-
County Assembly	71,757,361	0	-
Kitui Municipality	185,106,260	62,059,522	33.53
Mwingi Town Administration	42,692,649	10,278,850	24.08
Livestock, Apiculture and Fisheries Development	49,416,120	4,233,012	8.57
Lands and physical Planning	59,685,000	1801500	3.02
TOTAL	4,141,508,662	1,004,785,329	24.26

2.5 Third Quarter Expenditure Summary by Entity

During the period under review, the County spent a total of Kshs. 3,376,932,317.00. Out of this amount, Kshs. 2,372,146,988.00 (70%) went to finance recurrent activities while Kshs. 1,004,785,329 (30%) financed development.

Under recurrent expenditure, Kshs. 1,485,674,073 was spent on Personnel Emoluments while Kshs. 886,472,915 was spent on operations and maintenance.

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

Spending Entity	Personnel Emoluments	%(PE /Total)	Operations and Maintenance	% OM/T otal	Development	% Dev/T otal	Grand Total
Office of the Governor	69,720,766	18.52	12,995,514	3.45	293,754,853	78.03	376,471,133
Public Service Management and Administration	161,275,888	69.58	70,520,792	30.42	-	-	231,796,680
Agriculture water and Irrigation	1,683,949	0.62	33,245,918	12.26	236,269,581	87.12	271,199,448
Basic Education, ICT, & Youth Development	9,826,431	5.59	108,939,366	61.94	57,100,803	32.47	175,866,600
Infrastructure, Housing, Transport and Public works	1,967,720	1.02	42,169,126	21.81	149,209,982	77.17	193,346,828
Health and Sanitation	1,089,794,823	80.31	215,091,828	15.85	52,145,013	3.84	1,357,031,664
Trade, Cooperatives and Investments	3,722,375	2.28	48,897,495	29.92	110,804,138	67.80	163,424,008
Environment Tourism & Natural Resources	339,787	1.03	24,020,061	72.55	8,746,523	26.42	33,106,371
Gender, Sports and Culture	405,000	1.34	16,055,239	52.96	13,856,500	45.71	30,316,739
The County Treasury	38,501,324	36.01	63,905,266	59.76	4,525,052	4.23	106,931,642
County Public Service Board	558,000	6.72	7,745,071	93.28	-	-	8,303,071
County Assembly	99,060,681	34.05	191,841,640	65.95	-	-	290,902,321
Kitui Municipality	4,980,581	6.12	14,325,994	17.61	62,059,522	76.27	81,366,097
Mwingi Town Administration	3,470,896	16.88	6,812,600	33.13	10,278,850	49.99	20,562,346
Livestock, Apiculture and Fisheries Development	-	-	6,435,832	60.32	4,233,012	39.68	10,668,844
Lands and physical Planning	365,852	1.43	23,471,173	91.55	1,801,500	7.03	25,638,525
Total	1,485,674,073	43.99	886,472,915	26.25	1,004,785,329	29.75	3,376,932,317

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	1,485,674,073	43.995
Operations and Maintenance	886,472,915	26.251
Development	1,004,785,329	29.754
Total	3,376,932,317	100

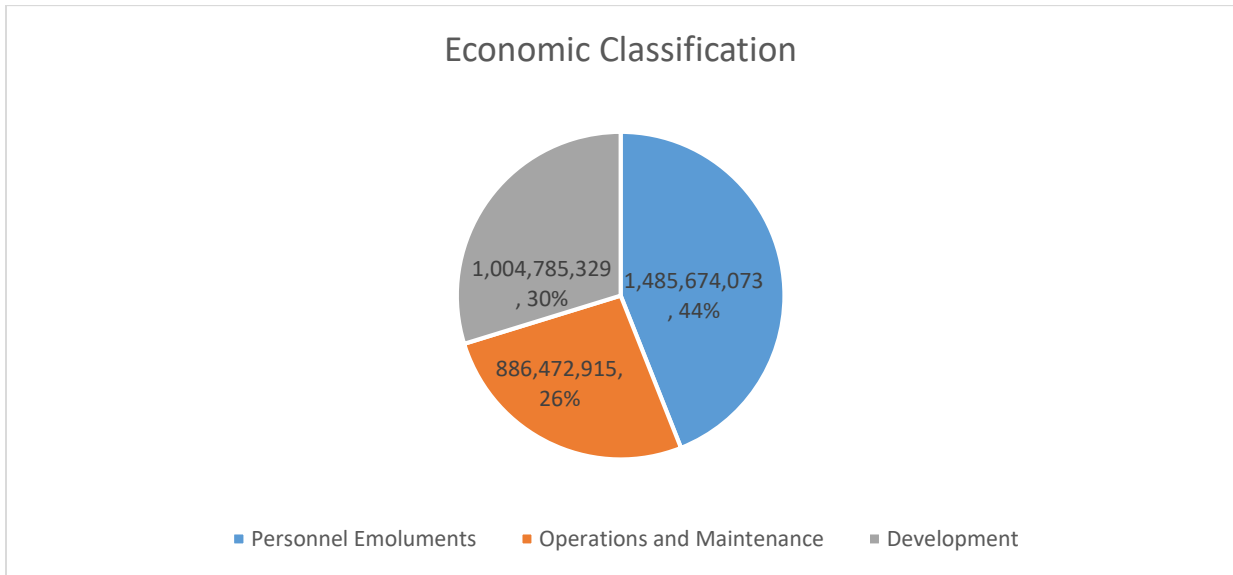


Figure 1: County Expenditure

2.7 Analysis of Individual Spending Entity FY 2021/22

2.7.1 Office of the Governor

Office of the Governor had a budget allocation of Kshs. 1,637,223,828.00. During the period under review, the Ministry spent Kshs. 376,471,133.00, (22.99%). Out of this, Kshs. 293,754,853.00, (78.03 %) financed development projects, Kshs. 69,720,766.00, (18.52%) was spend on Personnel Emoluments while Kshs. 12,995,514.00, (3.45 %) was spent on Operations and Maintenance.

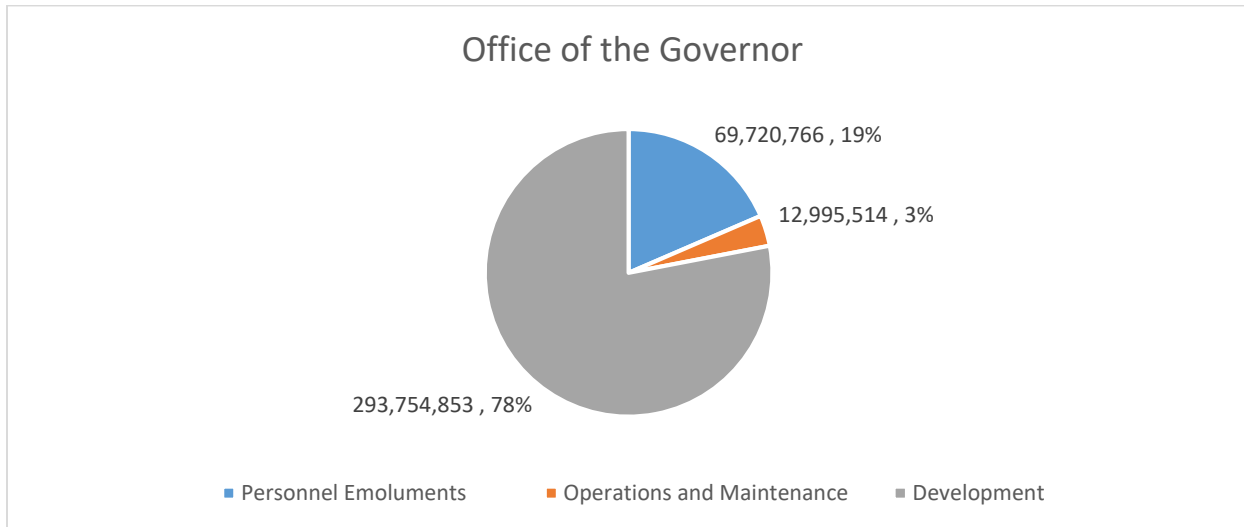


Figure 2: Office of the Governor

2.7.2 Public Service Management and Administration

The County Ministry of Public Service Management and Administration's expenditure reveals an expenditure of Kshs. 231,796,680.00 during the FY. This was (43.62%) of the budget allocation of Ksh. 531,405,844.00. Out of this, Kshs. 161,275,888.00, (69.58 %) financed personnel emoluments while Kshs. 70,520,792.00, (30.42 %) was spent on operations and maintenance. There was no development expenditure in the quarter.

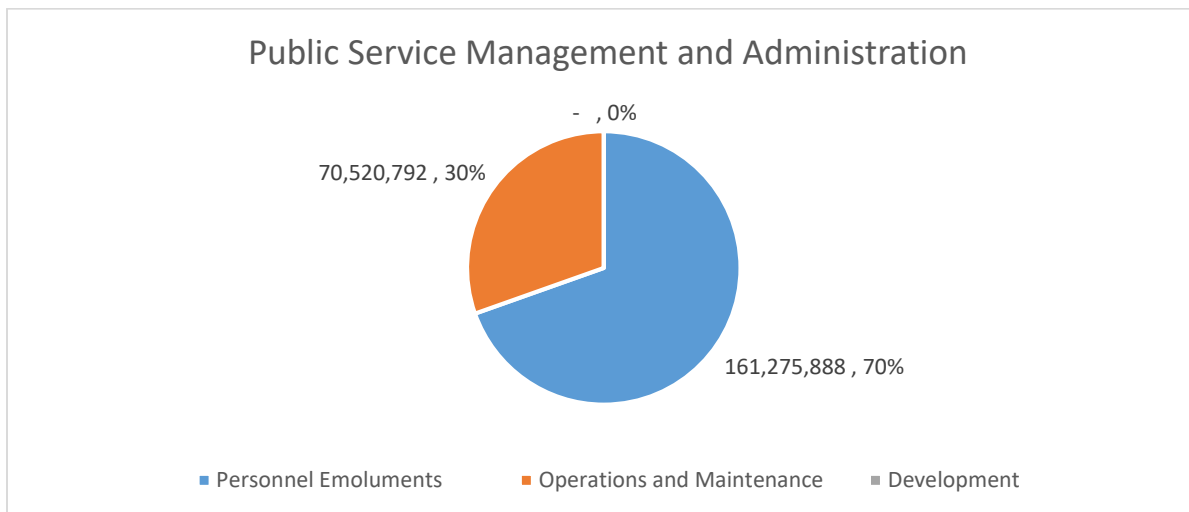


Figure 3: Public Service Management and Administration

2.7.3 Agriculture, Water and Livestock Development

The County Ministry of Agriculture, Water and Livestock Development had a budget of Ksh. 1,497,361,553.00. During the period under review, the Ministry spent a total of Kshs. 271,199,448.00, (18.11%). Out of this, Kshs. 236,269,581.00 (87.12%) was spent on development, Kshs. 1,683,949.00, (0.62%) on personnel emoluments and Kshs. 33,245,918.00, (12.26 %) on operations and maintenance.

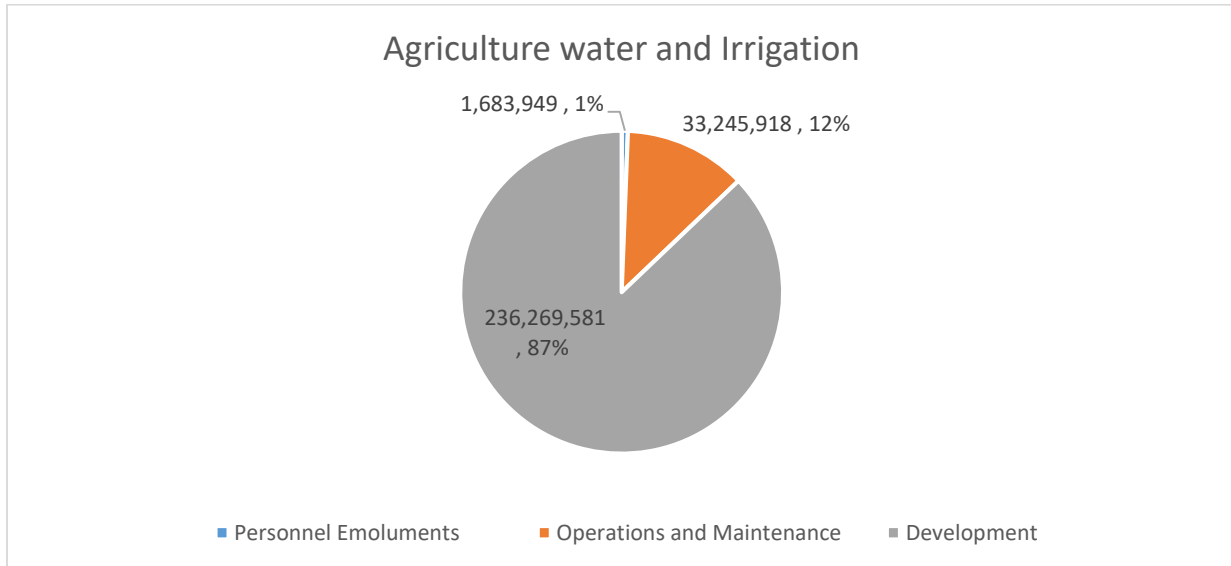


Figure 4: Agriculture, Water and Irrigation

2.7.4 Basic Education, ICT and Youth Development

The budgetary allocation for the Ministry of Education was Kshs. 747,129,694.00. A total of Kshs. 175,866,600.00, (23.54%) was spent during the FY. This expenditure composed of; Personnel Emoluments Kshs. 9,826,431.00, (5.59%), Operations and Maintenance was Kshs. 108,939,366.00, 61.94% and development expenditure of 57,100,803.00, (32.47%).

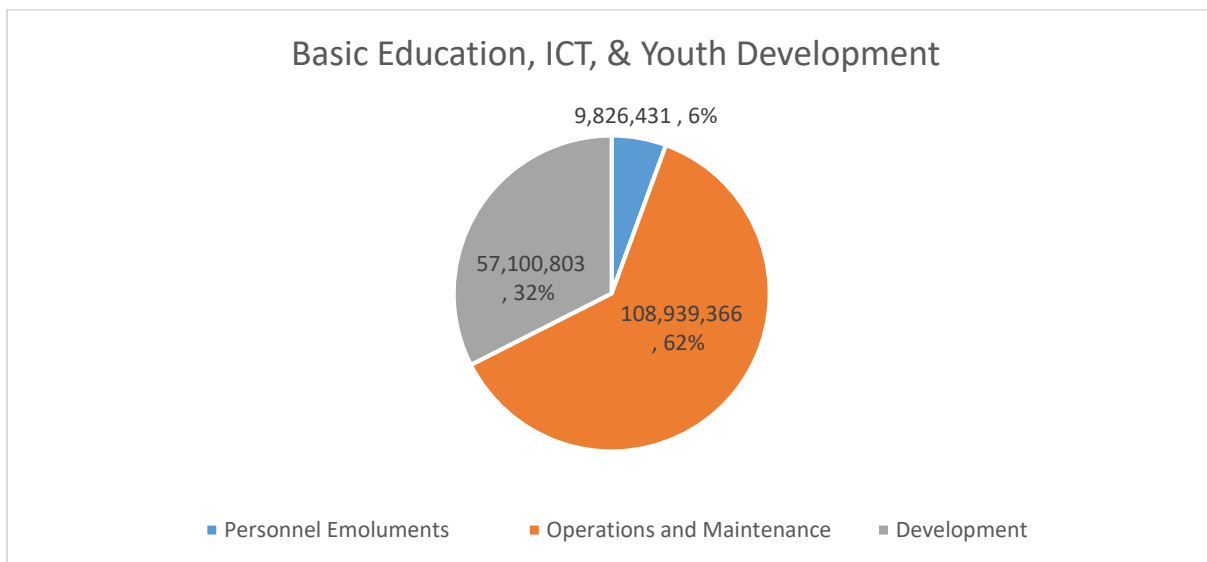


Figure 5: Basic Education, ICT & Youth Development

2.7.5 Infrastructure, Housing, Transport and Public Works

The budget for the County Ministry of Infrastructure, Housing, Transport and Public Works was Kshs. 1,025,068,809.00 out of which the ministry incurred a total expenditure of Kshs 193,346,828.00, (18.86%) during the period under review. A breakdown of the expenditure indicates that Kshs 149,209,982.00, (77.17%) was spent on development, Kshs. 1,967,720.00 (1.02%) on personnel emoluments and Kshs. 42,169,126.00 (21.81%) on Operations and Maintenance.

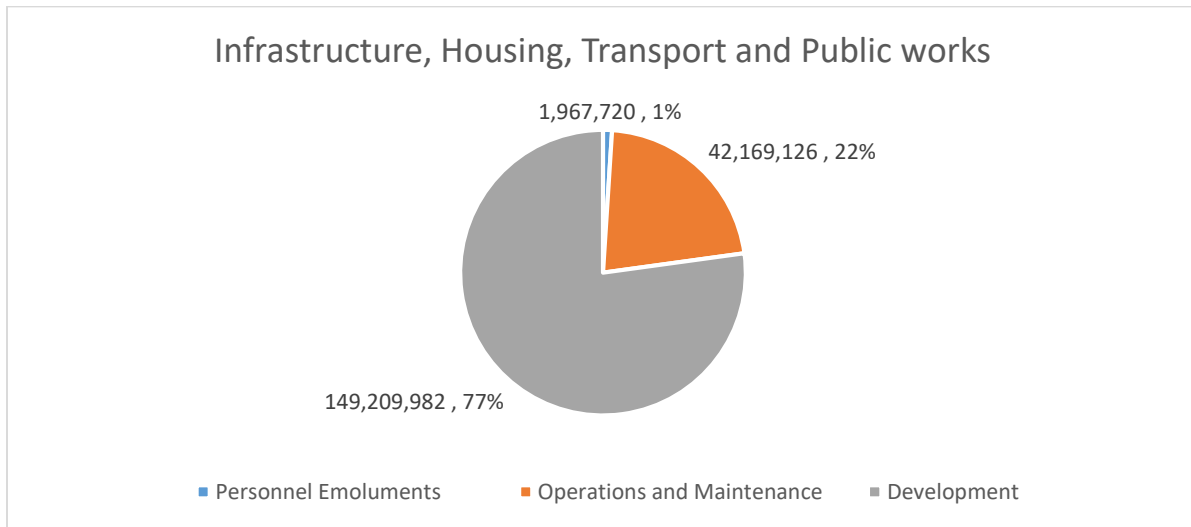


Figure 6: Infrastructure, Housing, Transport and Public Works

2.7.6 Health and Sanitation

The County Ministry of Health and Sanitation had, in FY 2021/2022, incurred a total expenditure of Kshs. 1,357,031,664.00 which is (38.52%) of the total budgeted amount, of Kshs. 3,523,135,357.00. Out of this Kshs. 52,145,013.00, (3.84%), was spent on development activities, Kshs. 1,089,794,823.00, which translates to (80.31 %) went to Personnel emoluments while Kshs 215,091,828.00 (15.85%) went to Operations and Maintenance.

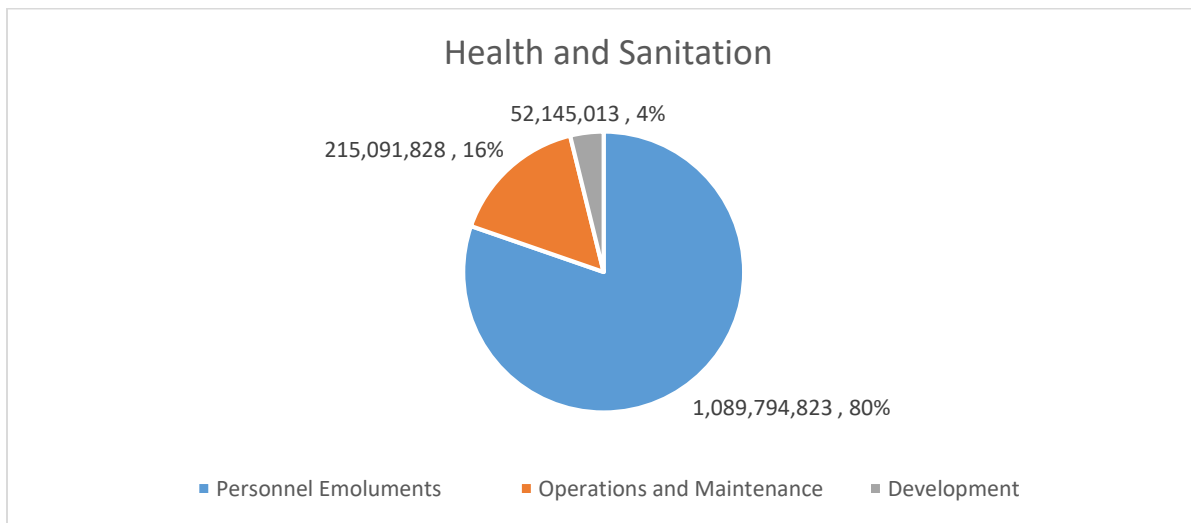


Figure 6: Health and Sanitation

2.7.7 Trade, Cooperatives and Investments

The Ministry of Trade had a budget of Kshs. 502,695,776.00. During the period under review, the total expenditure was Kshs. 163,424,008.00, (32.51%). Out of this amount, Kshs. 3,722,375.00, (2.28%) to Personnel Emoluments, Kshs. 48,897,495 (29.92%) went to Operations and Maintenance while Development expenditure amounted to Kshs. 110,804,138.00, (67.8%).

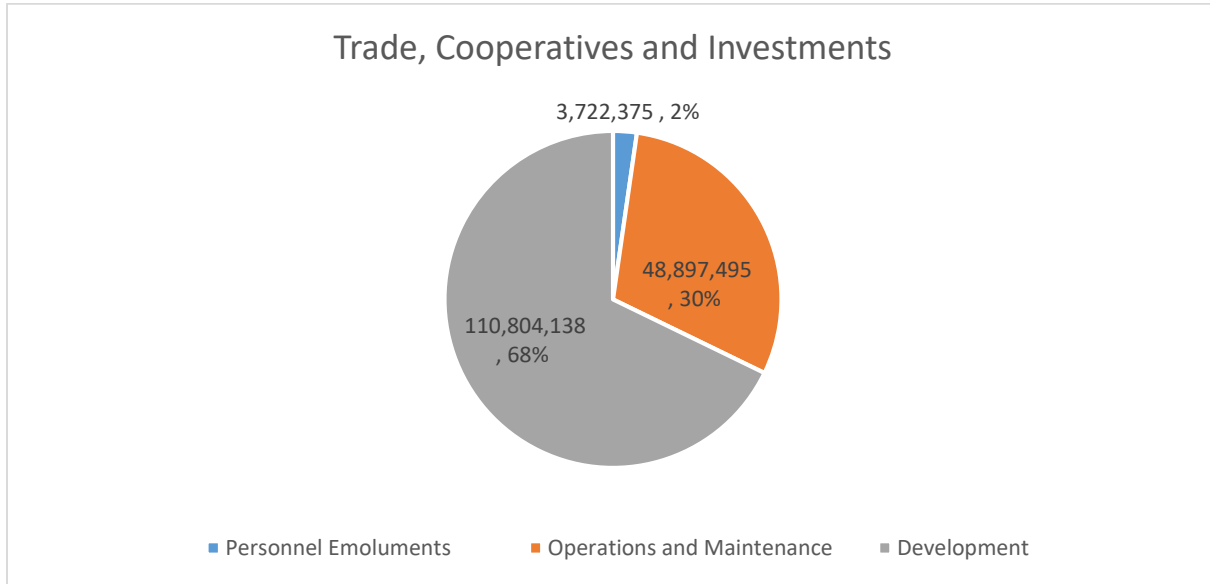


Figure 7: Trade, Cooperatives & Investments

2.7.8 Environment, Tourism and Natural Resources

Expenditure analysis at the ministry of Environment, Tourism and Natural Resources reveals that a total of Kshs. 33,106,371.00, (13.27%) was spent in the FY, out of the Kshs 249,423,655.00 budgeted for the Ministry. The expenditure was broken into Kshs. 339,787, (1.03%) Personnel Emoluments, Kshs. 24,020,061, (72.55%) on Operations and Maintenance and Kshs. 8,746,523, (26.42%) on development.

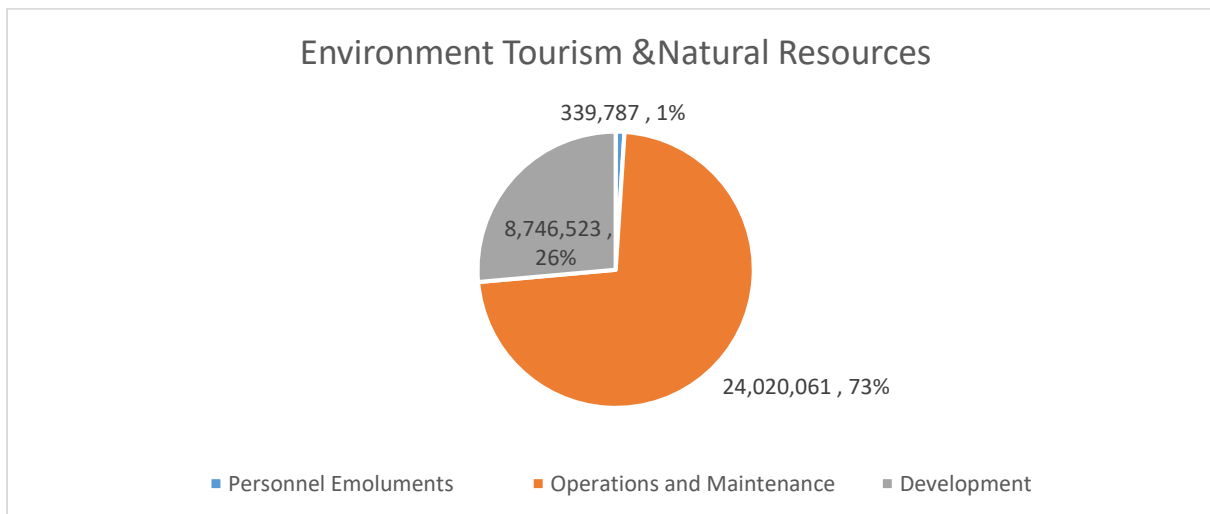


Figure 8: Environment, Tourism & Natural Resources

2.7.9 Gender, Sports and Culture

The Ministry of Gender, Sports & Culture had a total expenditure of Kshs, 30,316,739.00, 16.49% was incurred out of the budgeted Kshs 183,889,819.00. The expenditure was broken into Kshs. 405,000, (1.34%) Personnel Emoluments, Kshs. 16,055,239, (52.96%) on Operations and Maintenance and Kshs. 13,856,500, (45.71%) on development.

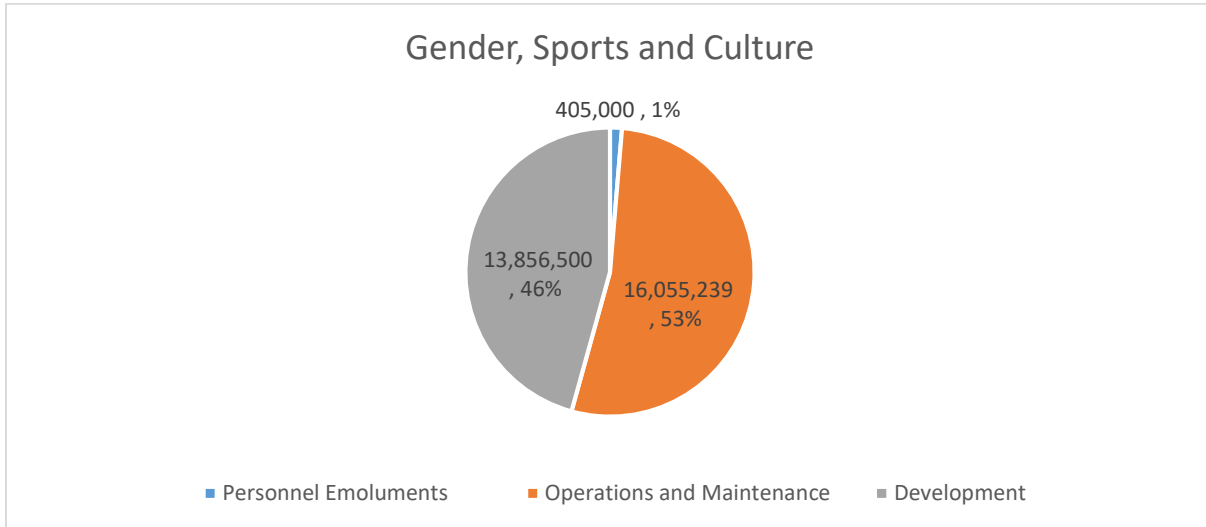


Figure 9: Gender, Sports& Culture

2.7.10 The County Treasury

The County Treasury had a budgetary allocation of Ksh. 763,573,825.00 of which Kshs. 106,931,642.00, (14.00%) was spent during the period. This expenditure was broken down into; personnel emoluments Kshs. 38,501,324.00, (36.01%), operations and maintenance Kshs 63,905,266.00, (59.76%). Development expenditure in the FY was Kshs. 4,525,052.00 (4.23 %).

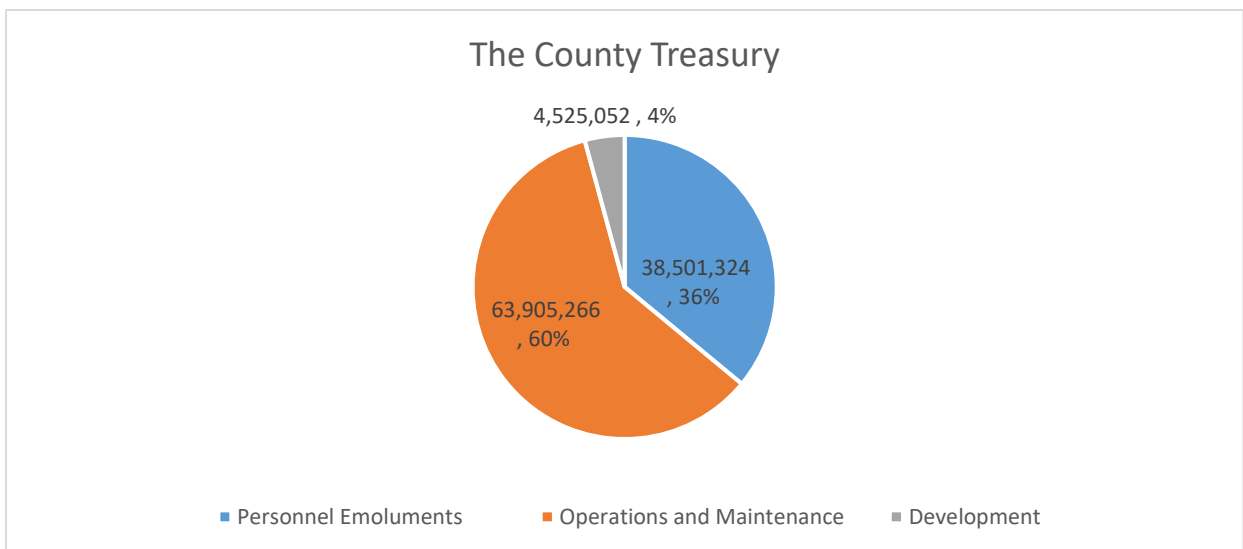


Figure 10: The County Treasury

2.7.11 County Public Service Board

County Public Service Board had a budget allocation of Ksh. 55,314,766.00. The total expenditure incurred by the County Public Service Board was Kshs. 8,303,071, (15.01%). This expenditure was broken down into; personnel emoluments Kshs. 558,000.00, (6.72%), operations and maintenance Kshs 7,745,071.00, (93.28 %). There was no development expenditure.

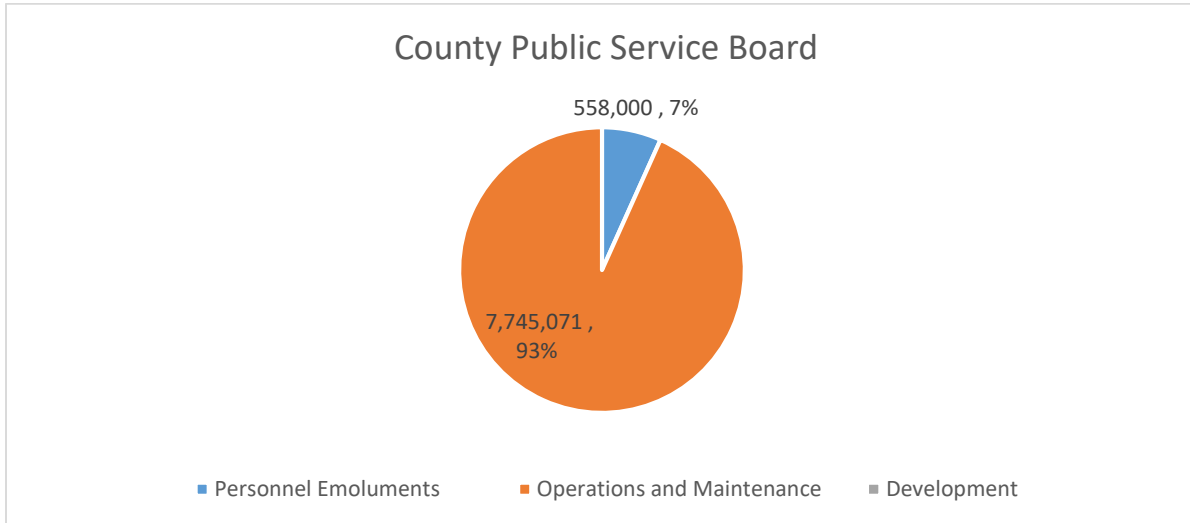


Figure 11: County Public Service Board

2.7.12 County Assembly

The County Assembly spent a total of Kshs. 290,902,321.00 which is (27.4%) of the total budgeted amount for the Ministry, Kshs. 1,061,357,431.00. This expenditure included Kshs. 99,060,681, (34.05%) spent on personnel emoluments, Kshs. 191,841,640.00, (65.95%) Spent on operations & maintenance. There was no development expenditure.

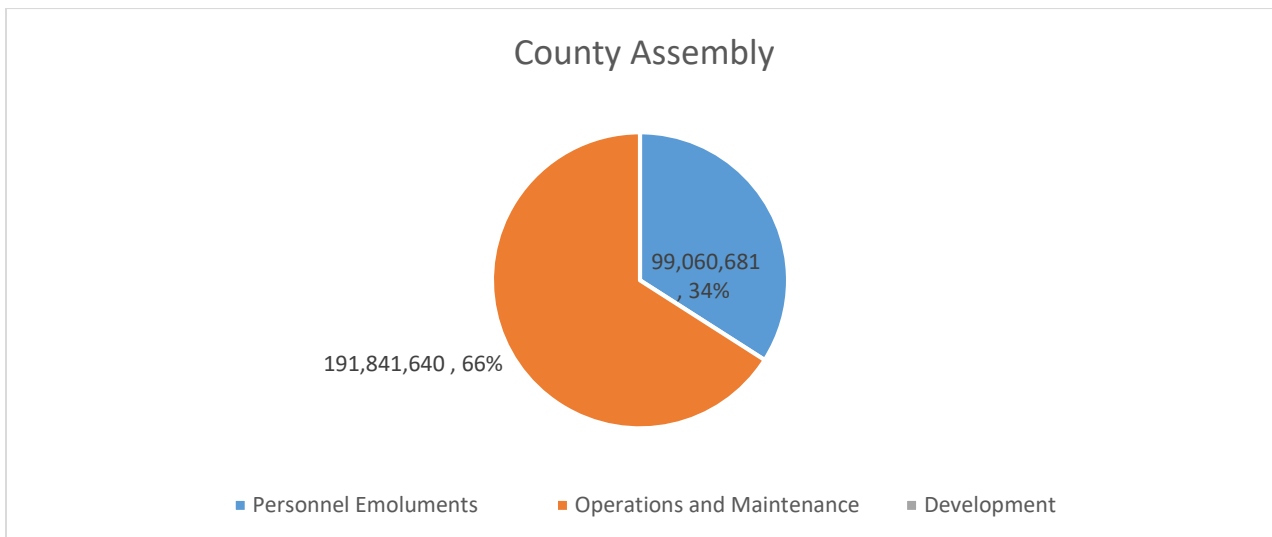


Figure 12: The County Assembly

2.7.13 Kitui Municipality

Kitui Municipality had a budget allocation of Kshs. 302,828,596.00 whereby a total of Kshs 81,366,097.00 (26.87%) was spent. This expenditure included the Kshs. 4,980,581.00 (6.12%) spent on personnel emoluments, the Kshs. 14,325,994.00 (17.61%) spent on operations and maintenance and the Kshs. 62,059,522.00 (76.27%) spent on development.

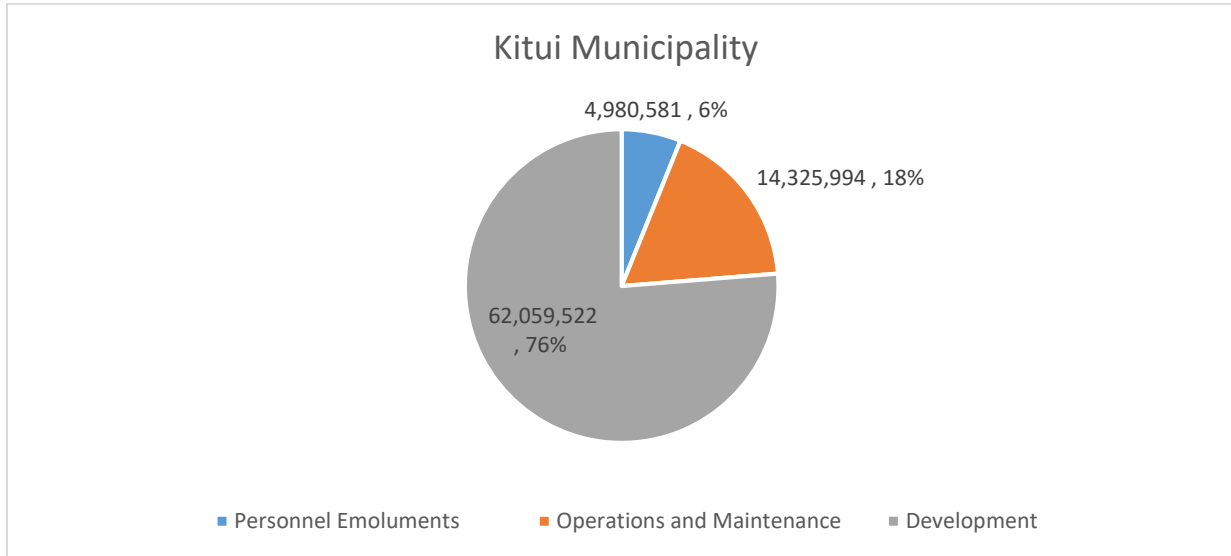


Figure 13: Kitui Municipality

2.7.14 Mwingi Town Administration

The Mwingi Town Administration spent a total of Kshs. 20,562,346.00 which was (17.72%) of the total budget allocation of Kshs. 116,034,126.00 for the Ministry. This expenditure included the Kshs. 3,470,896.00, (16.88%) spent on personnel emoluments, the Kshs. 6,812,600.00, (33.13%) spent on operations and maintenance and the Kshs. 10,278,850.00 (49.99%) spent on development.

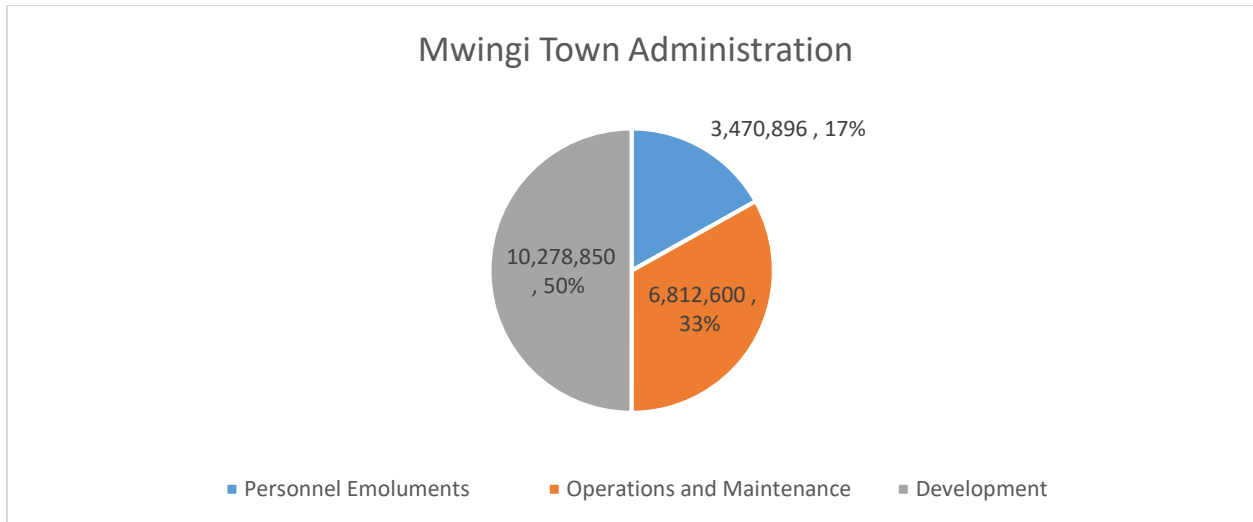


Figure 14: Mwingi Town Administration

2.7.15 Livestock, Apiculture and Fisheries Development

The Ministry of Livestock, Apiculture and Fisheries Development spent a total of Kshs. 10,668,844.00 which was (8.34%) of the total budget allocation of Kshs. 127,852,832.00 for the Ministry. This expenditure was Kshs 6,435,832 (60.32%) on operations and maintenance and Kshs 4,233,012 (39.68%) on development.

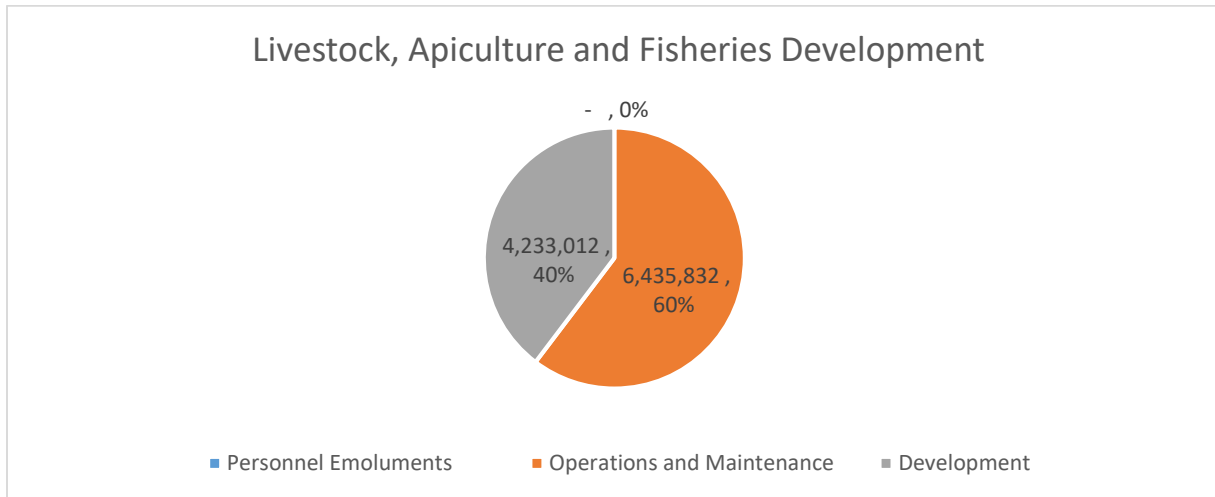


Figure 15: Livestock, Apiculture and Fisheries Development

2.7.16 Lands and physical Planning

The Ministry of Lands and physical Planning spent a total of Kshs. 144,446,650.00 which was (17.75%) of the total budget allocation of Kshs. 151,657,262.00 for the Ministry. This expenditure included the Kshs. 365,852.00, (1.43%) spent on personnel emoluments, the Kshs. 23,471,173.00, (91.55%) spent on operations and maintenance and the Kshs. 1,801,500.00, (7.03%) spent on development.

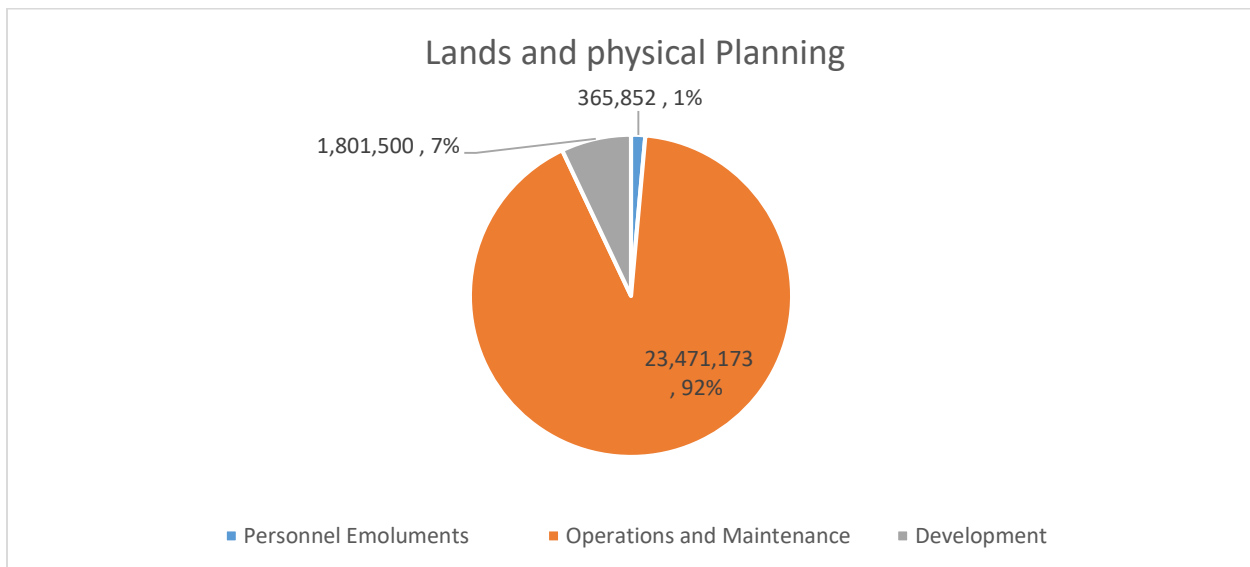


Figure 16: Lands and physical Planning

3.0 Performance on Grant Funded Development Budget

There has been no expenditure of grant funded projects due to non-remittance.

4.0 IMPLEMENTATION CHALLENGES

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

These are:

- **Inability to collect all the budgeted own source revenue:** The County collected only 49% of the targeted revenue. This is an underperformance that negatively creates a budget deficit.
- **Untimely monthly exchequer releases:** Accrued recurrent payments has been a major challenge during the period under review. This is as a result of late and limited exchequer releases, causing these accruals to be carried forward to the next period. .
- **Delayed Grant releases:** The County did not receive any grant funds in the quarter. Non remittance by the donors has stalled the implementation of grant funded programmes, especially development.

4.0 RECOMMENDATIONS

The following recommendations will enhance budget implementation

- **Realistic Revenue Targets:** 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.
- **Timely Exchequer releases and Donor funding remittances:** 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