



**COUNTY GOVERNMENT OF KITUI**  
**THE COUNTY ASSEMBLY**  
**THIRD ASSEMBLY - (THIRD SESSION)**  
**COMMUNICATION FROM THE CHAIR**

*NO. 45 OF 2024*

**COMMUNICATION AS RELATES TO THE KITUI COUNTY**  
**SUPPLEMENTARY BUDGET I ESTIMATES FOR THE FINANCIAL YEAR**  
**2024/2025.**

**Honourable Members,**

Section 135(1) of the Public Finance Management Act (PFMA) outlines instances in which supplementary estimates can be submitted to the Assembly for approval. These are: -

- i) Where the amount appropriated under the Appropriation Act is insufficient;
- ii) Where a need has arisen for which no amount had been appropriated by the Appropriation Act;

Subsection (2) of the same Act mandates the County Government to submit to the County Assembly, a supplementary budget in support of the additional expenditure for authority to spend.

Further Standing Order No. 214 outlines the procedure for consideration of Supplementary Budget Estimates.

## Honourable Members,

In light of the above legal provisions, on 18<sup>th</sup> October, 2024 the County Executive Committee Member for Finance, Economic Planning and Revenue Management submitted the Kitui County Supplementary Budget I Estimates for FY 2024/2025 to the Assembly for consideration.

The same was analyzed by our fiscal analyst together with the accompanying documents and below are some highlights of the findings;

- i. The main purpose of the supplementary budget is to factor in the unspent balances (Revote) from the previous FY 2023/2024 of Kshs. 1,495,093,369 as well as adjust upwards the Own Source Revenue by Kshs. 388,325,351 from Kshs. 600M to Kshs. 988,325,351.
- ii. The overall budget has increased by Kshs. 1,883,739,310 from the approved figure of Kshs. 12,956,277,438 to a proposed figure of Kshs. 14,840,016,748. This has been occasioned by factoring in the revote from the previous FY 2023/2024 as well as the revision of Own Source Revenue upwards as indicated in note I above.
- iii. In overall, development allocation is increasing by Kshs. 1,154,445,106 while recurrent allocation is increasing by Kshs. 729,294,204. This has seen development allocation, increasing from the approved percentage of 32% to 36%. This meets the requirements of Section 107 of the Public Finance Management Act, 2012.
- iv. The budget does not meet the requirements of Section 11 of the County Allocation of Revenue Act (CARA), 2021 in that it has not included all the unspent balances from the previous year to the County Assembly. The supplementary budget proposes to reduce the revote for the County Assembly by Kshs. 100M as well as reallocate the amount that was earmarked for construction of Ward Offices in the approved budget amounting to Kshs. 33,042,008.

- v. There are instances where there is introduction of new projects that were not in the approved budget. Regulation 39 (3) (c) of the PFM (County Government) Regulations stipulates that the purpose for which approval is sought for a supplementary budget shall be unforeseen and unavoidable, in circumstances where no budget provision was made. It is not clear whether these new projects with new allocations can be said to be unforeseen or unavoidable.

**Honourable Members,**

As outlined above, the proposed supplementary budget has areas that may not fully comply with legal requirements, and it projects a significantly high Own Source Revenue (OSR) target of Kshs. 988 million. Unrealized OSR could lead to increased pending bills; therefore, it is essential for the CECM to clarify the measures he has put in place to achieve this revenue target.

**Honourable Members,**

Pursuant to these considerations, I hereby commit the Kitui County Supplementary Budget 1 Estimates for the Financial Year 2024/2025 to the County Budget and Appropriations Committee to deliberate upon and submit its report and recommendations to the Assembly for consideration. I urge the Committee to conduct a thorough analysis of the budget, engage in candid discussions with the CECM for Finance, Economic Planning and Revenue Management on the OSR target, new project introduction and allocations not initially approved, and the revote for the County Assembly.

Thank you!



**HON. KEVIN KINENGO KATISYA**  
**SPEAKER, KITUI COUNTY ASSEMBLY**

**30<sup>TH</sup> OCTOBER, 2024**