



COUNTY GOVERNMENT OF NAKURU

PUBLIC ADMINISTRATION, NATIONAL INTERNATIONAL RELATIONS SECTOR

COUNTY TREASURY SUB SECTOR REPORT

MTEF 2020/2021 - 2022/23

JANUARY 2020

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EXECUTIVE SUMMARY

This is a report of the County Treasury, a subsector within the Public Administration and Internal Relations sector whose mandates are prescribed in the Public Finance Management Act 2012. Chapter One highlights the subsector's background information, its mandates, programmes and their objectives.

Chapter two of this document discusses the subsector's achievements and financial expenditure for the MTEF period 2016/17 to FY 2018/19. The subsector was able to promote capacity development for its staff, submit all the statutory documents as envisaged in the PFM Act, 2012, collect local revenue; carry out 4 value for money of internal audits reports, established and operationalized the audit committee and prepare the 2nd CIDP 2018-2022 among other achievements as further detailed in the chapter. Cumulatively the County mobilised Ksh 7.05billion as Own Source Revenues in the period between 2016/17 to 2018/19. The mixed results in underperformance across the functional areas was significantly affected by the prolonged electioneering period as well transition into the new County Administration.

Chapter three details the subsector's planned programme outputs and financial plans for the MTEF period 2019/20-2021/2022 with the aim of sustaining gains from its previous performance. This include the construction of the County Treasury, and continued automation of the revenue system. During the next MTEF period the sub sector will require a total of Ksh 1.189 billion in order to effectively carry out its mandate. This is against an allocation of Ksh 979million reflecting a Ksh 210 million shortfall.

The subsector faces a number of challenges that include but are not limited to; delays in exchequer release, inadequate infrastructure, system challenges, ballooning wage bill. These challenges hamper effective implementation towards the subsector's execution of its mandates. To address these challenges, the subsector intends to leverage on the National Treasury released guidelines on PPPs to ensure that capital intensive projects are financed in collaboration with the private investors so as the county can achieve the desired growth.

The subsector will aim to foster partnerships with development partners to boost the County's resource shortfall which included but are not limited to capital and human resource requirements. Overall, the County Treasury will continue to adhere to fiscal responsibility principles as set out in section 107 of the PFM Act 2012. Focus will also be made to leverage on increasing the Own Source Revenues.

ABBREVIATIONS AND ACRONYMS

AGPO	Access to Government Procurement Opportunities
COB	Controller of Budget
COMEC	County Monitoring and Evaluation Committee
CRA	Commission of Revenue Allocation
IFMIS	Integrated Financial Information System
MODP	Ministry of Devolution and Planning
MTEF	Medium Term Expenditure Framework
NGO	Non – Governmental Organization
PFM	Public Financial Management
PPP	Public Private Partnerships
PWD	Persons with Disabilities
SCOMECE	Sub-County County Monitoring and Evaluation Committee
SRC	Salaries and Remuneration Commission

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background

This is a report of the County Treasury, a subsector within the Public Administration and International Relations sector. At the County level, the sector is comprised of six other subsectors including; Office of the Governor, County Assembly, Public Service Board and Public Service Training and Devolution, Nakuru Municipal Board and Naivasha Municipal Board.

The PFM Act 2012 provides for the establishment and composition of a County Treasury and further defines the roles and responsibilities of the County Treasury. In compliance with the Act, the County Treasury is expected to monitor, evaluate and oversee the management of public finances and economic affairs of the County Government. The County Treasury coordinates the preparation of the annual budgets; guides and controls implementation of the same. Other obligations include; management of County public debt; mobilisation of County financial resources for budget needs both locally and externally; preparation of financial statements as well as being the custodian of government assets; developing and implementing financial & economic policies in the County; providing leadership in County in the acquisition and disposal of public assets.

The Nakuru County Treasury is comprised of four directorates namely; Internal audit, Supply Chain Management, Economic Planning, Finance and one other proposed directorate which is Resource Mobilization.

The County Treasury continues to respond to the changing environment in the management of the public finances (both receipts and expenditures) through adoption of integrated ICT systems platforms such as; LAIFOMS, IFMIS and ZIZI.

The County Treasury has categorized its functions into three programs that include;

- Administration and support services,
- Public Finance Management
- Economic and Financial Policy Formulation and Management.

1.2 Sub Sector Vision and Mission

Vision

A leading sector in legislation, public policy formulation, coordination, supervision and prudent resource management.

Mission

To provide overall leadership and policy direction in resource mobilization, management and accountability for quality public service delivery

1.3 Strategic Goals/Objectives of the Sub Sector

Strategic Goal

To promote prudent economic, financial and fiscal management for growth and economic stability.

Strategic Objectives;

- a. To provide efficient services to County Treasury division/units, organizations and the public.
- b. To ensure prudent financial management and internal controls for effective and efficient service delivery by all County government entities
- c. To promote public policy formulation, planning, coordination, implementation, monitoring and evaluation of public projects for county development.

1.4 Subsector Mandates

The mandate of the subsector is essentially drawn from Section 104 of the Public Financial Management Act 2012. In accordance to the Act, the County Treasury shall monitor, evaluate and oversee the management of public finances and economic affairs of the county government including;

- a. Developing and implementing financial and economic policies in the County;

- b. Preparing the annual budget for the County and coordinating the preparation of estimates of revenue and expenditure of the County Government;
- c. Coordinating the implementation of the County budget;
- d. Mobilizing resources for funding the budgetary requirements of the County Government and putting in place mechanisms to raise revenue and resources;
- e. Managing the County Government's public debt and other obligations and developing a framework of debt control for the County;
- f. Consolidating the annual appropriation accounts and other financial statements of the County Government in a format determined by the Accounting Standards Board;
- g. Custodian of the inventory of the County Government's assets except where provided otherwise by other legislation or the Constitution;
- h. Ensuring compliance with accounting standards prescribed and published by the Accounting Standards Board from time to time;
- i. Ensuring proper management and control of, and accounting for the finances of the county government and its entities in order to promote efficient and effective use of the county's budgetary resources;
- j. Maintaining proper accounts and other records in respect of the County Revenue Fund, the County Emergencies Fund and other public funds administered by the County Government;
- k. Monitoring the County Government's entities to ensure compliance with this Act and effective management of their funds, efficiency and transparency and, in particular, proper accountability for the expenditure of those funds;
- l. Assisting County Government entities in developing their capacity for efficient, effective and transparent financial management, upon request
- m. Providing the National Treasury with information which it may require to carry out its responsibilities under the Constitution and this Act;

- n. Issuing circulars with respect to financial matters relating to county government entities;
- o. Advising the county government entities, the County Executive Committee and the County Assembly on financial matters;
- p. Strengthening financial and fiscal relations between the National Government and County Governments in performing their functions;
- q. Reporting regularly to the County Assembly on the implementation of the annual County budget; and
- r. Taking any other action to further the implementation of this Act in relation to the County.

1.5 Role of Sector Stakeholders

To achieve its mandate, the County Treasury works with various stakeholders. These stakeholders are from the national government and County levels of government, the private sector, members of the public and development partners.

The following matrix maps out the sub-sector's stakeholders and their role

STAKEHOLDER	ROLE
State Department and agencies (National treasury, CRA, Intergovernmental Committee, SRC, COB, Office of Auditor General, Central Bank, ASB, Ministry of	<ul style="list-style-type: none"> - Disbursement of funds in time to ensure smooth running of County programmes - Drafting of financial policies and guarantee county borrowing. - Roll out of the County budget in the IFMIS system. - The OCOB approves the budget in time and guides the budget implementation process - CRA develops effective revenue sharing formulas that guarantee equitable sharing of revenue

STAKEHOLDER	ROLE
Devolution and Planning)	<ul style="list-style-type: none"> - Salary and Remuneration Commission should implement policies that helps to reduce wage bill at the County - Office of the AG audits County expenditure - ASB provides guidelines on the preparation of final statements - The MODP provides policy guidelines in planning and M&E
County Assembly	<ul style="list-style-type: none"> - Approval of legislative bills including the Appropriation Bill and Finance Bill - Budget implementation oversight
General Public	<ul style="list-style-type: none"> - Participate in budget preparation process - Highlight the project to be undertaken at ward level - Pinpoint areas where they believe there is wastage of public money
Private sector/development partner/media/civil society/NGO	<ul style="list-style-type: none"> - Public Private Partnership - Provision of funds for financing the budgetary deficit - Increase public awareness - Participate/guidance in drafting policies - Participate in budget making process
Line County Departments	<ul style="list-style-type: none"> - Ensure prudent use of financial resources - Timely reporting

CHAPTER TWO

2.0 PROGRAMME PERFORMANCE REVIEW FOR THE MTEF PERIOD 2016/17-2018/19

This chapter reviews the performance of the Sub-Sector programmes during the review period of 2016/17, 2017/18 and 2018/19.

Administration Planning and Support Programme

This programme aims towards providing support services to County treasury directorates, organisations and the general public. It involves formulation of policies, human resource, finance, the provision of information and ICT services related to IFMIS administration. The programme operates against the backdrop of promoting transparency and accountability in public finance management. During the period under review the subsector built the capacity of a number of officers in PFM including budget preparation, recommended staff for promotion and recruited procurement, audit and accounting staff to enhance service delivery. The subsector also provided information through issuing nine treasury circulars and public notices on public participation in compliance with the Constitution. The sector formulated policy documents including finance bill 2015 and 2016 towards enhancing own source revenue and creating a conducive business environment. In addition ZIZI, an automated revenue system was introduced to most of the subcounties to providing support to departments for access to IFMIS platforms in collaboration with the national treasury.

Public Finance Management Programme

The programme seeks to ensure prudent financial management through internal controls, value for money in procurement, accounting for public finance spending, mobilization of own source revenue and transparent allocation of funds through budgeting for effective and efficient service delivery by all County government entities. During the period under review of 2016/17, 2017/18 and 2018/19 collection of own source revenue including FIF was kshs 1.96 billion, 2.28 billion and 2.810 billion respectively translating to an average of 80.67 percent of targeted collection.

Through enhancement of local revenue the County treasury targets to qualify for a share of 2% on fiscal effort a component of equitable allocation to county governments. The Directorate of Internal Audit undertook and prepared risk based and value for money audit reports which are credited for strengthening internal control systems. In addition to verification of pending bills, the directorate operationalized the Audit Committee that will strengthen the internal audit functions. The Directorate of Finance prepared annual financial statements in compliance with the PFM Act 2010, during the period. The County Treasury prepared annual budget estimates and submitted them to county assembly within the stipulated time in the past three years. Other budget documents prepared and submitted included the CBROP & CFSP 2015, 2016, & 2017. The Directorate of Supply Chain Management prepared procurement plans in the IFMIS system however delays were experienced due to delay entering the approved budget in the IFMIS system. In addition the directorate also recorded increases in the issuance of tender certificates to special groups that include women, youth and people living with disabilities.

Economic and Financial Policy Formulation and Management programme

The subsector also provides a framework for the formulation, analysis and management of fiscal and monetary policies for the maintenance of macroeconomic stability and accelerated growth. ADPs, procurement plans and County debt management papers were prepared and submitted to the County Assembly and published with the aim of increasing access to information. The Economic Planning Directorate uploaded various statutory documents on the County's official website. It was also during this period under review that the 2nd generation CIDP that will guide the County's development process for the next 5 years was prepared and published. During this same period monitoring and evaluation practices in the County were strengthened with the establishment of the COMEC. The Committee spearheaded M&E processes that included pilot M&E field visits and preparation of annual progress reports.

2.1. Review of Subsector Programmes/Projects-Delivery of Outputs/KPI/Targets

The Subsector's performance is summarized in form of objectives, outcome, indicators and targets under various sub programmes in the table below.

Table 1.Subsector Programme Performance Reviews

PROGRAMME	Key Outputs (KO)	Key Performance Indicators (KPIs)	Planned Target			Achieved Targets			Remarks
			2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	
Prog 1: Administration, Planning and Support Services									
Outcome: An efficient, effective and service-oriented staff and empowered and informed customers									
SP 1.1: Administration, Planning and Support Services	Strategic Plan implemented	Progress reports.	75%	100%	75%	50%	-	-	
	Improved service delivery.	Complain received and addressed	70%	80%	75%	50%	-	-	
	Procurement policy implementation	Percentage of implementation of Women, youth and PWD policies on procurement.	60%	70%	80%	50%			
	Improved dissemination of information.	Treasury Newsletters		1	1	1	-	1	1
Upload plans, budgets and policies on the County website			Up to date uploads	Up to date uploads	Up to date uploads	Up to date uploads	Up to date uploads	Up to date uploads	
SP 1.2 Personnel Services	Scheme of service developed.	Re-designation of officers as per new scheme of service	100%	100%	70%	70%			
	Staffs trained	Number of staff trained.	500	500	70	50		111	
		Number of staff sponsored in educational institution		30	30	15	10		10
SP 1.3 Financial Services	Improved financial management	Ministries using the IFMIS and ZIZI system	60%	70%	100%			100%	

PROGRAMME	Key Outputs (KO)	Key Performance Indicators (KPIs)	Planned Target			Achieved Targets			Remarks	
			2016/17	2017/18	2018/19	2016/17	2017/18	2018/19		
PROGRAMME 2: PUBLIC FINANCE MANAGEMENT										
OUTCOME: A transparent and accountable system for the management of public financial resources										
SP 2.1: Budget Formulation, Coordination and Management	Improved Programme Based Budgeting	Number of officers trained in MTEF and programme-based budgeting1111	130	150	160	50	77	111		
	Improved Public participation	Number of stakeholders involved in budget preparation	1500	1700	2100	1200	1770	2300		
	Increased budgetary resources allocated towards development budget.	Percentage change in ratio of development expenditure to total budget	36%	38%	38%	31%	18%	43.3%		
	Legal and regulatory frameworks governing formulation, Preparation and implementation of budget adhered to	Budget circular released		30 th Aug 2016	30 th Aug 2017	30 th Aug, 2018	30 th Aug 2016	30 th Aug 2017	30 th Aug 2018	
		Budget review and outlook paper submitted		30 th Sept 2016	30 th Sept 2017	30 th Sept, 2018	30 th Sept 2016	30 th Sept 2017	30 th Sept 2018	
		County Fiscal Strategy Paper submitted,		28 th Feb 2016	28 th Feb 2017	28 th Feb, 2018	26 th Feb 2016	28 th Feb 2017	28 th Feb 2018	
		Budget Estimates submitted		30 th April 2015	30 th April 2016	30 th April 2018	30 th April 2015	30 th April 2016	30 th April 2018	
		Appropriations Bill submitted		June 30 th , 2015	June 30 th , 2016	June 30 th , 2018	June 30 th , 2015	June 30 th , 2016	June 30 th , 2018	
		Formulated and submitted Finance Bill		30 th Sept 2016	30 th Sept 2017	30 th Sept 2018	30 th Sept 2016	6 th Dec 2017		

PROGRAMME	Key Outputs (KO)	Key Performance Indicators (KPIs)	Planned Target			Achieved Targets			Remarks
			2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	
SP 2.2: Resource Mobilization	Local resources mobilized.	Local resources mobilized as a percentage of total budget.	20%	25%	22%	18%		15.55%	
		Revenue collection vs target	100%	100%	80%	67%		105%	
		Revenue sources Automated	20%	40%	50%	20%		20%	
		Local Revenue collected	2.5 billion	2.6 billion	2.3billion	2.295 billion	1.960	2.81	
	Monitoring and evaluation of local resources collected.	Monitoring and Evaluation reports.	4	4	4	4	4	4	
SP 2.3 Internal Audit	Risk based audits done	Number of audit reports	4	4	4	3		4	
	Value for money audits undertaken;	Number of VFM audits	4	4	4	4	4	4	
	Internal Audit Management Software rolled out	Number of Licences acquired	18	-	29	0	-	-	
	Risk based Audits	Number of Audit reports	4	4	4	4	4	2	
SP 2.4 Procurement	AGPO implemented	Value of tenders to youth In Kshs	531,387,965	584,526,761	30%	282,252,262.7			
		Value of tenders to women in Kshs	340,053,509	374,058,860	30%	296,996,730.1			
		Value of tenders to PWD in Kshs	18,285,967	20,114,563	30%				
		AGPO certificates issued: Youth	314	345	330	285			

PROGRAMME	Key Outputs (KO)	Key Performance Indicators (KPIs)	Planned Target			Achieved Targets			Remarks
			2016/17	2017/18	2018/19	2016/17	2017/18	2018/19	
		AGPO certificates issued: Women	204	224	400	320			
		AGPO certificates issued: PWDs	33	36	35	27			
SP 2.5: Public Finance & Accounting	Asset management system developed	Percentage of Assets tagged	80%	90%	80	80%			
	Financial information and reports produced	Financial statement submitted	Sep 2016	Sep 2017	30 th Sep 2018	Sep 2016	Sep 2017	Sep 2018	
		Quarterly Financial report	4	4	4	4	4	4	
SP 2.6: Debt Management	Medium term debt strategy developed	Medium term debt strategy prepared and presented to County Assembly	28 th Feb 2016	28 th Feb 2017	28 th Feb 2018	28 th Feb 2016	28 th Feb 2017	28 th Feb 2018	
	Strengthened Public Debt Management;	Creditors register	Updated creditors register	Updated creditors register		Updated creditors register	Updated creditors register	Updated creditors register	
	Debt report prepared;	Annual debt report	1	1		1	1	1	
PROGRAMME 3: ECONOMIC AND FINANCIAL POLICY FORMULATION AND MANAGEMENT									
Outcome: A stable macroeconomic environment for the stimulation of rapid economic growth									
SP 3.1: Fiscal Planning	Financial and economic policy formulated	Number of policies formulated	2	2	2	1	1	1	1
SP 3.2: Monitoring & Evaluation / Statistical Data Management	Improved reporting	Number of M & E Reports	4	4	4	0	1	4	
		Handbook on key performance indicator	1	1	1	1	1	1	1
		Number of staffs trained on M&E	1	30	30	1	0	-	-

2.2. Expenditure Analysis

2.2.1. Analysis of Programme Expenditures

The table presents the expenditure performance of various programmes. The budgetary spending is provided by the financial statements for the FY 2017/18.

Table 2: Programme/Sub-Programme Expenditure Analysis

PROGRAMME	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2016/17	2017/18	2018/19	2016/17	2017/18	2018/19
Programme 1: Administration, Planning and Support Services						
SP 1.1: Administration Services	146,102,000	197,083,064	224,141,801	127,228,234	160,142,346	210,801,727
SP 1.2: Personnel Services	513,097,109.80	474,426,401	457,176,143	450,468,528	478,272,443	457,176,143
SP 1.3: Financial Services	10,890,000	11,900,000	11,900,000	10,890,000	8,547,494	10,426,517
Sub-Total	670,089,109.80	683,409,465	693,217,944	588,586,762	646,962,283	678,404,387
Programme 2: Public Finance Management						
SP 2.1: Budget Formulation Coordination and Management	34,463,000	47,988,818	57,537,655	45,448,900	31,690,987	51,240,525
SP 2.2: Resource Mobilization	263,945,000	97,253,438	70,148,359	69,932,234	62,592,170	62,092,184
SP 2.3: Internal Audit	45,100,000	30,811,000	22,098,800	25,070,057	16,145,928	18,858,115
SP 2.4: Procurement	34,705,000	20,971,781	17,650,120	19,904,664	5,050,807	17,165,141
SP 2.5: Public Finance and Accounting	33,484,000	19,713,200	17,408,860	11,692,957	9,388,936	11,610,773
SP 2.6: Debt Management	671,000,000	198,611,000	238,833,256	136,214,916	175,436,001	177,117,308
Sub-Total	1,082,697,000	415,349,236	423,677,050	308,263,728	300,304,829	338,084,046
Programme 3: Economic and Financial Policy Formulation and Management						
SP 3.1: Fiscal Planning	24,639,500.60	24,220,000	123,624,797	25,384,390	12,857,980	56,047,825
SP 3.2: Monitoring & Evaluation / Statistical Data Management	17,105,000	12,066,000	10,419,300	10,446,596	2,769,440	8,285,419
Sub-Total	41,744,500.60	36,286,000	134,044,097	35,830,986	15,627,420	64,333,244
Grand Total	1,794,530,610	1,135,044,701	1,250,939,091	932,681,476	962,894,532	1,080,821,677

2.3.2 Analysis of Programme Expenditures by Economic Classification

Table 3: Programme Expenditure Analysis by Economic Classification

Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2016/17	2017/18	2018/19	2016/2017	2017/18	2018/19
Programme 1: (Administration, Planning and Support Services)						
1.1. Sub-Programme 1: (Administration Services)						
Current Expenditure	65,898,500	169,461,543	146,141,801	99,876,509	137,521,638	139,635,074
Compensation to Employees						
Use of goods and services	60,948,500	163,916,543	141,324,551	93,328,176	136,194,070	135,037,150.
Current Transfers Govt. Agencies						

Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2016/17	2017/18	2018/19	2016/2017	2017/18	2018/19
Other Recurrent	4,950,000	5,545,000	4,817,250	6,548,333	1,327,568	4,597,924
Capital Expenditure	112,729,863	27,621,521	78,000,000	99,876,509	22,620,708	71,166,653
Acquisition of Non-Financial Assets	80,000,000	27,621,521	78,000,000	-	22,620,708	71,166,653
Capital Transfers to Govt. Agencies	-					
Other Development	32,729,863			40,438,334		
Total Expenditure (SP1.1)	178,628,363	197,083,064	224,141,801	140,314,843	160,142,346	210,801,727
1.2. Sub-Programme 2: (Personnel Services)						
Current Expenditure	448,868,228	474,426,401	457,176,143	450,468,528	478,272,443	457,176,143
Compensation to Employees	448,868,228	474,426,401	457,176,143	450,468,528	478,272,443	457,176,143
Use of Goods and Services						
Current Transfers Govt. Agencies						
Other Recurrent						
Capital Expenditure	-					
Acquisition of Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
Total Expenditure (SP 1.2)	448,868,228	474,426,401	457,176,143	450,468,528	478,272,443	457,176,143
1.3. Sub-Programme 3: (Financial Services)						
Current Expenditure	10,890,000	11,900,000	11,900,000	10,890,000	8,547,494	10,426,517
Compensation to Employees						
Use of goods and services	10,890,000	10,890,000	11,900,000	10,890,000	8,547,494	10,426,517
Current Transfers Govt. Agencies						
Other Recurrent		900,000			-	
Capital Expenditure	-					
Acquisition of Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
Total Expenditure (SP 1.3)	10,890,000	11,900,000	11,900,000	10,890,000	8,547,494	10,426,517
Programme 2: Public Finance Management						
2.1. Sub-Programme: Budget Formulation Coordination and Management						
Current Expenditure	28,383,872	47,988,818	57,537,655	45,885,455	31,690,987	51,240,525
Compensation to Employees						
Use of goods and services	28,053,872	47,375,818	57,537,655	45,448,900	31,659,599	51,240,525
Current Transfers Govt. Agencies						

Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2016/17	2017/18	2018/19	2016/2017	2017/18	2018/19
Other Recurrent	330,000	613,000	-	436,555	31,388	
Capital Expenditure	-					
Acquisition of Non-Financial Assets	-					
Capital Transfers to Govt. Agencies	-					
Other Development	-					
Total Expenditure (SP 2.1)	28,383,872	47,988,818	57,537,655	45,885,455	31,690,987	51,240,525
2.2. Sub-Programme: Resource Mobilization						
Current Expenditure	55,912,216	97,253,438	70,148,359	55,586,499	62,592,170	62,092,184
Compensation to Employees						
Use of goods and services	52,562,216	91,568,438	65,148,359	51,154,799	59,920,364	57,874,698
Current Transfers Govt. Agencies						
Other Recurrent	3,350,000	5,685,000	5,000,000	4,431,700	2,671,806	4,217,486
Capital Expenditure	40,000,000					
Acquisition of Non-Financial Assets	40,000,000					
Capital Transfers to Govt. Agencies	-					
Other Development	-					
Total Expenditure (SP 2.2)	95,912,216	97,253,438	70,148,359	55,586,499	62,592,170	62,092,184
2.3. Sub-Programme: Internal Audit						
Current Expenditure	19,705,000	30,811,000	22,098,800	25,863,794	16,145,928	18,858,115
Compensation to Employees						
Use of goods and services	19,105,000	29,651,000	20,880,800	25,070,057	15,958,643	18,189,835
Current Transfers Govt. Agencies						
Other Recurrent	600,000	1,160,000	1,218,000	793,737	187,285	668,280
Capital Expenditure	-					
Acquisition of Non-Financial Assets	-					
Capital Transfers to Govt. Agencies	-					
Other Development	-					
Total Expenditure (SP 2.3)	19,705,000	30,811,000	22,098,800	25,863,794	16,145,928	18,858,115
2.4. Sub-Programme: Procurement						
Current Expenditure	17,547,528	20,971,781	17,650,120	20,632,256	5,050,806	17,165,141
Compensation to Employees						
Use of goods and services	16,997,528	20,366,781	17,014,870	19,904,664	4,901,453	16,986,441
Current Transfers Govt. Agencies						

Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2016/17	2017/18	2018/19	2016/2017	2017/18	2018/19
Other Recurrent	550,000	605,000	635,250	727,592	149,343	178,700
Capital Expenditure						
Acquisition of Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
Total Expenditure (SP 2.4)	17,547,528	20,971,781	17,650,120	20,632,256	5,050,806	17,165,141
2.5. Sub-Programme: Public Finance and Accounting						
Current Expenditure	16,202,000	19,713,200	17,408,860	12,275,031	9,388,936	11,610,773
Compensation to Employees						
Use of goods and services	15,762,000	19,229,200	16,900,660	11,692,957	9,388,936	11,575,623
Current Transfers Govt. Agencies						
Other Recurrent	440,000	484,000	508,200	582,074	-	35,150
Capital Expenditure	-					
Acquisition of Non-Financial Assets	-					
Capital Transfers to Govt. Agencies	-					
Other Development	-					
Total Expenditure (SP 2.5)	16,202,000	19,713,200	17,408,860	12,275,031	9,388,936	11,610,773
2.6. Sub-Programme: Debt Management						
Current Expenditure	45,530,000	50,711,000	50,379,414	48,928,894	44,547,561	49,785,095
Compensation to Employees						
Use of goods and services	45,530,000	50,461,000	50,379,414	48,928,894	44,547,561	49,785,095
Current Transfers Govt. Agencies						
Other Recurrent	-	250,000			-	
Capital Expenditure	350,000,000	147,900,000	188,453,842	87,286,022	130,888,440	115,184,313
Acquisition of Non-Financial Assets	-					
Capital Transfers to Govt. Agencies	350,000,000	147,900,000	188,453,842	87,286,022	130,888,440	127,332,213
Other Development	-					
Total Expenditure (SP 2.6)	395,530,000	198,611,000	238,833,256	136,214,916	175,436,001	177,117,308
Programme 3: Economic and Financial Policy Formulation and Management						
3.1. Sub-Programme: Fiscal Planning						
Current Expenditure	18,650,000	24,220,000	123,624,797	19,229,899	12,857,980	56,047,825
Compensation to Employees						
Use of goods and services	18,150,000	23,670,000	123,047,297	18,568,452	12,663,480	55,623,075

Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2016/17	2017/18	2018/19	2016/2017	2017/18	2018/19
Current Transfers Govt. Agencies						
Other Recurrent	500,000	550,000	577,500	661,447	194,500	424,750
Capital Expenditure	-					
Acquisition of Non-Financial Assets	-					
Capital Transfers to Govt. Agencies	-					
Other Development	-					
Total Expenditure (SP 3.1)	18,650,000	24,220,000	123,624,797	19,229,899	12,857,980	56,047,825
3.2. Sub-Programme: Monitoring & Evaluation /Statistical Data Management						
Current Expenditure	10,690,000	12,066,000	10,419,300	11,174,188	2,769,440	8,285,419
Compensation to Employees						
Use of goods and services	10,140,000	11,461,000	9,784,050	10,446,596	2,769,440	8,206,149
Current Transfers Govt. Agencies						
Other Recurrent	550,000	605,000	635,250	727,592	-	79,270
Capital Expenditure	-					
Acquisition of Non-Financial Assets	-					
Capital Transfers to Govt. Agencies	-					
Other Development	-					
Total Expenditure (SP 3.2)	10,690,000	12,066,000	10,419,300	11,174,188	2,769,440	8,285,419
Total Budget	1,230,117,207	1,135,044,701	1,250,939,091	897,580,000	962,894,532	1,080,821,677

2.3. Review of Pending Bills

During the year under review, the Department had a recurrent pending bill of Ksh 89,269,123. This was occasioned by delayed disbursement of funds from the exchequer.

2.3.2. Development Pending Bills

The Development pending bill for the Sub sector stood at Ksh. 17,699,899 by the close of the financial year

CHAPTER THREE

3.0 MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD

2020/2021 -2022/2023

In the MTEF period, the County Treasury will undertake 3 projects as stipulated in the CIDP. Over the MTEF Period, the County Treasury plans to establish a County Treasury office block which will accommodate all its Directorates within the building. The Department will also strengthen management and usage of funds to ensure prudence in financial management and reporting. In budget implementation, the County Treasury will issue guidelines and do follow-ups to ensure projects and planned activities are realized within the set timelines. The Department will also ensure that all statutory documents are submitted to the County Assembly and other Entities as per the requisite directives/legislations. The County Treasury will put in place measures to enhance revenue mobilization. The programmes and their respective sub programmes are given below,

3.1 Prioritization of Programmes and Sub Programmes

Programme Name	Sub programmes
Administration, Planning and Support Services	S.P 1.1 Administration and planning
	S.P 1.2 Personnel Services
	S.P 1.3 Financial Services
Public Finance Management	S.P 2.1 Budget Formulation Coordination and Management
	S.P 2.2. Sub-Programme: Resource Mobilization
	S.P 2.3. Internal Audit
	S.P 2.4. Sub-Programme: Procurement
	S.P 2.5. Sub-Programme: Public Finance and Accounting
	S.P 2.6. Sub-Programme: Debt Management

Programme Name	Sub programmes
Economic and Financial	S.P 3.1. Sub-Programme: Fiscal Planning
Policy Formulation and Management	SP 3.2. Sub-Programme: Monitoring & Evaluation / Statistical Data Management

3.1.1. Programmes and their Objectives

Programme	Objective
Administration, Planning and Support Services	To provide efficient and effective support services
Public Finance Management	To promote prudent financial management and internal controls
County Economic planning and coordination of policy formulation	Improved coordination in Economic Policy, Planning and implementation

3.1.2 Programmes, Sub-Programmes, Expected Outcomes, Outputs, and Key Performance Indicators for the Sector

Table 5 below summarise the Programme outputs, indicators and targets are drawn from the CIDP 2018-2022 and as contained in the ADP 2019/2020. The programmes have prioritised in accordance to the budget ceiling from CBROP 2018.

Table 4: Programmes, Sub-Programmes, Expected Outcomes, Outputs and Key Performance Indicators for the Sector.

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2018/19	Actual Achievement 2018/19	Baseline 2019/20	Target 2020/21	Target 2021/22	Target 2022/23
Programme Name: Administration, Planning and Support Services									
Outcome: An efficient, effective and service oriented staff, empowered and informed customers									
SP 1.1 Administration, Planning and Support Services	Chief Officers	Improved service delivery	No. of offices refurbished/renovated	1	-	-	2	2	2
			Completion rate of County Treasury Office Block	-	-	40	80	100	-
			No. of new sub county Treasury offices constructed		-	2	2	2	2
		Improved planning	Research and feasibility study reports	-	-	1	1	1	1
			Upload of planning, budgeting and policy documents to the County website	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous
SP 1.2 Personnel Services	Administrator-	Improved human resource productivity	Compensation to employees (Millions Ksh)	474	478	457	502	553	608
			Number of staff trained on short course programs			250	300	350	400
			Number of staff trained on long term course programs			20	20	20	20
SP 1.3 Financial services	Chief Officers	Improved financial reporting	Percentage of departments using automated financial systems			60	75	85	100

		Increased revenue mobilization	Revenue automation system acquired		-	50%	100%	-	-
			Percentage of sub-counties using automated revenue systems	60		75	85	95	100
PROGRAMME NAME: PUBLIC FINANCE MANAGEMENT									
Outcome: A transparent and accountable system for the management of public financial resources									
SP 2.1: Budget Formulation, Coordination and Management	Budget Office	Improved PBB budgeting	Number of officers trained in MTEF and programme-based budgeting	150	111	160	190	210	240
		Improved Public Participation	Number of stakeholders involved in budget preparation	1200	2300	2100	2300	2750	3000
		Increased budgetary resources allocated towards development	Ratio of development expenditure to total budget	38%	18%	44%	37%	39%	40%
		Legal and regulatory frameworks governing formulation preparation and implementation of budget adhered to	Budget circular released	30 th Aug 2018	30 th Aug 2018	30 th Aug 2019	30 th Aug 2020	30 th Aug 2021	30 th Aug 2022
			Budget Review and Outlook Paper submitted	30 th Sept 2018	30 th Sept 2018	30 th Sept 2019	30 th Sept 2020	30 th Sept 2021	30 th Sept 2022
			County Fiscal Strategy Paper submitted	28 th Feb 2018	28 th Feb 2018	28 th Feb 2019	28 th Feb 2020	28 th Feb 2021	28 th Feb 2022
			Draft budget estimates and Sector Reports prepared, reviewed and submitted	31 st Jan 2019	6 th Feb 2019	31 st Jan 2020	31 st Jan 2021	31 st Jan 2022	31 st Jan 2023
			Budget estimates submitted to the County Assembly	30 th April 2018	30 th April 2018	30 th April 2019	30 th April 2020	30 th April 2021	30 th April 2022
			Appropriation Bill submitted	30 th June 2018	30 th June 2018	30 th June 2019	30 th June 2020	30 th June 2021	30 th June 2022
				Annual Cash flow submitted to Controller of Budget	15 th June 2018		15 th June 2019	15 th June 2020	15 th June 2021

			Finance Bill submitted to County Assembly	30 th Sept 2018	6 th Dec 2018	30 th Sept 2019	30 th Sept 2020	30 th Sept 2021	30 th Sept 2022
SP 2.2: Resource Mobilization	Revenue Office	Improved County Own Source of Revenue.	Amount of Revenue collected (Billions Ksh)	2.65	2.8	3.1	3.4	3.5	3.7
			Percentage of Revenue sources mapped	-	-	50%	70	80	90
			Percentage rate of automated revenue sources	-		20%	40	60	80
			No. of staff trained			20	50	70	80
			Number of Revenue Bills passed			5	6	2	2
			No of desktop computers				10	10	10
			No of offices furnished				10	10	10
			No. of Standby Generators	-	-	-	5	6	
			No. of ZIZI system power backup			4	4	4	4
			No. of vehicles acquired	4	4	4	4	5	5
			No. of motorbikes acquired		-	4	6	6	6
SP 2.3 Internal Audit	Internal Audit Directorate	Improved internal audit controls	Audit automation system acquired	-	-	-	1	-	-
			No. of licences acquired (for Audit Management Software)	-	-	-	31	-	-
			No. of audit reports developed	4	4	4	4	4	4
			No of audit staff trained	30	17	30	30	30	30
		Improved Staff working environment	Number of laptops/desktops acquired	10	0	12	17	8	0
			Number of furniture acquired	5	0	5	10	10	5
			Numbered of vehicles acquired	1	0	1	1	1	1

		Audit committee operationalized	No. of audit committee members recruited	6	0	6	-	-	-	
			No. of audit committee members trained	6	0	6	6	6	6	
			Quarterly Audit committee meetings	4	0	4	4	4	4	
SP 2.4 Procurement	Supply Chain Directorate	Improved service delivery	No. of supply chain staff trained			45	30	30	20	
			No. of public sensitization fora on procurement held	4		4	4	4	4	
			No of vehicles acquired			1				
		AGPO implemented	No. of sensitization for a for special groups held			3	3	3	3	
			Rate of compliance to AGPO (30%)	100		100	100	100	100	
			No of AGPO certificates issued	Women			500	550	600	650
				Youth			430	500	550	700
		PWDS				50	60	70	80	
		Enhanced compliance with PPADA (2015)	Annual procurement plans prepared	30 th Sept	30 th Sept	30 th Sept	30 th Sept	30 th Sept	30 th Sept	
	Number of procurement professional opinions prepared		100		100	100	100	100		
	Quarterly reports to PPRA		4		4	4	4	4		
		Improved record management	Supply chain management system acquired			1				
			Fire-proof filing cabinet acquired			10	2	2	2	
Stock control register in place					1	1	1	1		
Annual asset disposal undertaken			1		1	1	1	1		

SP 2.5: Public Finance & Accounting	Finance Directorate	Improved expenditure control and financial reporting	Quarterly financial reports prepared and submitted	4	4	4	4	4	4
			Annual financial statements prepared	30 th Sept	30 th Sept	30 th Sept	30 th Sept	30 th Sept	30 th Sept
			No. of accounting staff trained		10	30	30	30	30
			No. of financial advisories on expenditure control issued to line departments	4	3	4	4	4	4
			Percentage of implementation of the asset management system			20	40	60	80
SP 2.6 Debt Management	Debt Management Office	Improved debt management	County Medium Term Debt Strategy	28 th Feb 2018	28 th Feb 2018	28 th Feb 2019	28 th Feb 2020	28 th Feb 2021	28 th Feb 2022
			Debt resolution amount (Millions Ksh)	142	189	400	400	400	400
PROGRAMME NAME: COUNTY ECONOMIC PLANNING AND COORDINATION OF POLICY FORMULATION									
Outcome: Improved coordination in Economic Policy, Planning and implementation									
SP 3.1 Fiscal Planning	Economic Planning	Improved coordination of policy planning and implementation	Annual Development Plans prepared	30 th Aug 2018	30 th Aug 2018	30 th Aug 2019	30 th Aug 2020	30 th Aug 2021	30 th Aug 2022
			Annual progress review reports	30 th Sept 2018	30 th Sept 2018	30 th Sept 2019	30 th Sept 2020	30 th Sept 2021	30 th Sept 2022
			CIDP Finalised, published, disseminated and reviews	Draft Prepared	Draft Prepared	Finalised and disseminated	-	Midterm review	-
SP 3.2 Monitoring and Evaluation/Statistical data management	Economic Planning	Improved reporting	M&E Committee established	1	-	County Committee, M&E Policy developed	SCOMECS	-	-
			M&E Unit work plan	1	-	1	1	1	1
			Quarterly M&E reports	4	-	4	4	4	4
			Number of vehicles acquired				1		

			County Indicator handbook developed	1	Draft Handbook	1	1	-	-
			County Statistical Abstract prepared	-	-	1	Updated	Updated	Updated

3.1.3 Programmes by Order of Ranking

Programme 1: Administration, Planning and Support Services

Programme 2: Public Finance Management

Programme 3: County Economic planning and coordination of policy formulation

3.2 Analysis of Resource Requirement versus allocation by Sector:

The sector requires Ksh 1.189 Billion for the FY 2020/21 to effectively execute its mandate. However, the sector has been allocated Ksh1,310,202,355 Billion from the baseline ceilings which includes an allocation of Ksh. 250m for debt resolution and Ksh 30m KDSP Level I grant.

3.2.1 Sector Recurrent

Table 5c: Analysis of Resource Requirement by sub sector – Recurrent

ANALYSIS OF RECURRENT RESOURCE REQUIREMENT VS ALLOCATION								
Vote and Vote Details	Economic Classification	Approved	REQUIREMENT			ALLOCATION		
		2019/20	2020/21	2021/22	2022/23	2020/2021	2021/22	2022/23
2100000	Compensation to Employees	491,569,087	557,778,502	613,556,352	674,911,987	503,378,502	553,716,352	609,087,987
2200000	Use of Goods and Services	328,703,148	602,056,830	662,262,513	728,488,764	356,823,854	392,506,239	431,756,863
2600000	Grants and Other Transfers	64,136,985	30,000,000	33,000,000	36,300,000	30,000,000	33,000,000	36,300,000
2800000	Other Recurrent	13,650,435						
	Total	898,059,655	1,189,835,332	1,308,818,865	1,439,700,752	979,222,592	1,077,144,851	979,222,592

3.2.2 Analysis of Resource Requirement by sub sector – Development

Table 5d: Analysis of Resource Requirement versus Allocation – Development

ANALYSIS OF DEVELOPMENT RESOURCE REQUIREMENT VS ALLOCATION								
		Approved	REQUIREMENT			ALLOCATION		
		2019/20	2020/21	2021/22	2022/23	2020/21	2021/22	2022/23
Vote and Vote Details	Description							
3100000	Acquisition of Non-Financial Assets	166,665,864	265,000,000	291,500,000	320,650,000	170,000,000	187,000,000	205,700,000
2600000	Capital Grants to Governmental Agencies	245,868,906	1,000,000,000	1,100,000,000	1,210,000,000	250,000,000	275,000,000	302,500,000
	Other Development							
TOTAL			1,265,000,000	1,391,500,000	1,530,650,000	420,000,000	462,000,000	508,200,000

3.2.4 Programmes and sub-programmes Resource Requirement (2020/21 – 2022/23)

Priority allocation have been given non-discretionary expenditures and expenditure commitments in the Administration programme and expenditure requirements that leads to the achievement of the County Treasury in complying with the PFM Act 2012

Table 6: Analysis of Resource Requirement by Programmes and Sub-Programmes

ANALYSIS OF PROGRAMME EXPENDITURE RESOURCE REQUIREMENT (AMOUNT KSH MILLIONS)									
	2020/21			2021/22			2022/23		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Programme 1: Administration, Planning and Support Services									
S.P 1.1 Administration and planning	165,643,734	265,000,000	430,643,734	182,208,107	291,500,000	473,708,107	200,428,918	320,650,000	521,078,918
S.P 1.2 Personnel Services	557,778,502		557,778,502	613,556,352		613,556,352	674,911,987		674,911,987
S.P 1.3 Financial Services	1,000,000		1,000,000	1,100,000		1,100,000	1,210,000		1,210,000
TOTAL PROGRAMME	724,422,236	265,000,000	989,422,236	796,864,460	291,500,000	1,088,364,460	876,550,906	320,650,000	1,197,200,906
Programme 2: Public Finance Management									
SP 2.1: Budget Formulation and Coordination	76,874,699		76,874,699	84,562,169		84,562,169	93,018,386		93,018,386
SP 2.2: Resource Mobilization	176,368,362		176,368,362	194,005,198		194,005,198	213,405,718		213,405,718
SP 2.3: Internal Audit	95,689,473		95,689,473	105,258,420		105,258,420	115,784,262		115,784,262
SP 2.4: Procurement	18,996,123		18,996,123	20,895,735		20,895,735	22,985,309		22,985,309
SP 2.5: Public finance and Accounting	20,403,374		20,403,374	22,443,711		22,443,711	24,688,083		24,688,083
SP2.6: Debt Management	5,000,000	1,000,000,000	1,005,000,000	5,500,000	1,100,000,000	1,105,500,000	6,050,000	1,210,000,000	1,216,050,000
TOTAL PROGRAMME	393,332,031	1,000,000,000	1,393,332,031	432,665,234	1,100,000,000	1,532,665,234	475,931,758	1,210,000,000	1,685,931,758
Programme 3: County Economic planning and coordination of policy formulation									
SP 3.1: Fiscal Planning	32,040,353		32,040,353	35,244,388	-	35,244,388	38,768,827	-	38,768,827
SP 3.2: Monitoring and Evaluation/Statistical Data Management	10,040,712		10,040,712	11,044,783	-	11,044,783	12,149,262	-	12,149,262
SP 3.3: KDSP Programme	30,000,000		30,000,000	33,000,000	-	33,000,000	36,300,000	-	36,300,000
TOTAL PROGRAMME	72,081,065	-	72,081,065	79,289,172	-	79,289,172	87,218,089	-	87,218,089
TOTAL VOTE	1,189,835,332	1,265,000,000	2,454,835,332	1,308,818,865	1,391,500,000	2,700,318,865	1,439,700,752	1,530,650,000	2,970,350,752

3.2.5 Programmes and sub-programmes Economic classification.

Table 7: Programme and Sub-Programmes Allocation by Economic Classification

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	FY2020/21	FY2021/22	FY2022/23	FY2020/21	FY2021/22	FY2022/23
PROGRAMME 1: ADMINISTRATION, PLANNING AND SUPPORT SERVICES						
Current Expenditure:						
Compensation of Employees	557,778,502	613,556,352	674,911,987	503,378,502	553,716,352	609,087,987
Use of Goods and Services	166,643,734	183,308,107	201,638,918	106,447,242	117,091,966	128,801,163
Grants and Other Transfers		-	-		-	-
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition of Non-Financial Assets	265,000,000	291,500,000	320,650,000	170,000,000	187,000,000	205,700,000
Capital Grants to Governmental Agencies		-	-		-	-
Other Development		-	-		-	-
TOTAL PROGRAMME.....	989,422,236	1,088,364,460	1,197,200,906	779,825,744	857,808,318	943,589,150
SP 1.1: ADMINISTRATION SERVICES						
Current Expenditure:						
Compensation of Employees		-	-		-	-
Use of Goods and Services	165,643,734	182,208,107	200,428,918	105,447,242	115,991,966	127,591,163
Grants and Other Transfers		-	-		-	-
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition of Non-Financial Assets	265,000,000	291,500,000	320,650,000	170,000,000	187,000,000	205,700,000
Capital Grants to Governmental Agencies		-	-		-	-
Other Development		-	-		-	-
SUB TOTAL SP 1.1	430,643,734	473,708,107	521,078,918	275,447,242	302,991,966	333,291,163
SP 1.2: PERSONNEL SERVICES						
Current Expenditure:						
Compensation of Employees	557,778,502	613,556,352	674,911,987	503,378,502	553,716,352	609,087,987
Use of Goods and Services		-	-		-	-
Grants and Other Transfers		-	-		-	-

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	FY2020/21	FY2021/22	FY2022/23	FY2020/21	FY2021/22	FY2022/23
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition of Non-Financial Assets		-	-		-	-
Capital Grants to Governmental Agencies		-	-		-	-
Other Development		-	-		-	-
SUB TOTAL SP 1.2	557,778,502	613,556,352	674,911,987	503,378,502	553,716,352	609,087,987
SP 1.3: FINANCIAL SERVICES						
Current Expenditure:						
Compensation of Employees		-	-		-	-
Use of Goods and Services	1,000,000	1,100,000	1,210,000	1,000,000	1,100,000	1,210,000
Grants and Other Transfers		-	-		-	-
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition of Non-Financial Assets		-	-		-	-
Capital Grants To Governmental Agencies		-	-		-	-
Other Development		-	-		-	-
SUB TOTAL SP 1.3	1,000,000	1,100,000	1,210,000	1,000,000	1,100,000	1,210,000
PROGRAMME 2: PUBLIC FINANCE MANAGEMENT						
Current Expenditure:						
Compensation Of Employees		-	-		-	-
Use Of Goods And Services	393,332,031	432,665,234	475,931,758	218,484,734	240,333,207	264,366,528
Grants And Other Transfers		-	-		-	-
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition Of Non-Financial Assets		-	-		-	-
Capital Grants To Governmental Agencies	1,000,000,000	1,100,000,000	1,210,000,000	250,000,000	275,000,000	302,500,000
Other Development		-	-		-	-
TOTAL PROGRAMME.....	1,393,332,031	1,532,665,234	1,685,931,758	468,484,734	515,333,207	566,866,528

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	FY2020/21	FY2021/22	FY2022/23	FY2020/21	FY2021/22	FY2022/23
SP 2.1: BUDGET FORMULATION COORDINATION AND MANAGEMENT						
Current Expenditure:						
Compensation Of Employees		-	-		-	-
Use Of Goods And Services	76,874,699	84,562,169	93,018,386	60,795,181	66,874,699	73,562,169
Grants And Other Transfers		-	-		-	-
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition Of Non-Financial Assets		-	-		-	-
Capital Grants To Governmental Agencies		-	-		-	-
Other Development		-	-		-	-
SUB TOTAL SP 2.1	76,874,699	84,562,169	93,018,386	60,795,181	66,874,699	73,562,169
SP 2.2: RESOURCE MOBILIZATION						
Current Expenditure:						
Compensation Of Employees		-	-		-	-
Use Of Goods And Services	176,368,362	194,005,198	213,405,718	60,795,181	66,874,699	73,562,169
Grants And Other Transfers		-	-		-	-
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition Of Non-Financial Assets		-	-		-	-
Capital Grants To Governmental Agencies		-	-		-	-
Other Development		-	-		-	-
SUB TOTAL SP 2.2	176,368,362	194,005,198	213,405,718	60,795,181	66,874,699	73,562,169
SP 2.3: INTERNAL AUDIT						
Current Expenditure:						
Compensation Of Employees		-	-		-	-
Use Of Goods And Services	95,689,473	105,258,420	115,784,262	50,839,521	55,923,473	61,515,820
Grants And Other Transfers		-	-		-	-
Other Recurrent		-	-		-	-

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	FY2020/21	FY2021/22	FY2022/23	FY2020/21	FY2021/22	FY2022/23
Capital Expenditure		-	-		-	-
Acquisition Of Non-Financial Assets		-	-		-	-
Capital Grants To Governmental Agencies		-	-		-	-
Other Development		-	-		-	-
SUB TOTAL SP 2.3	95,689,473	105,258,420	115,784,262	50,839,521	55,923,473	61,515,820
SP 2.4: PROCUREMENT						
Current Expenditure:						
Compensation Of Employees		-	-		-	-
Use Of Goods And Services	18,996,123	20,895,735	22,985,309	14,541,930	15,996,123	17,595,735
Grants And Other Transfers		-	-		-	-
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition Of Non-Financial Assets		-	-		-	-
Capital Grants To Governmental Agencies		-	-		-	-
Other Development		-	-		-	-
SUB TOTAL SP 2.4	18,996,123	20,895,735	22,985,309	14,541,930	15,996,123	17,595,735
SP 2.5: PUBLIC FINANCE AND ACCOUNTING						
Current Expenditure:						
Compensation Of Employees		-	-		-	-
Use Of Goods And Services	20,403,374	22,443,711	24,688,083	16,730,340	18,403,374	20,243,711
Grants And Other Transfers		-	-		-	-
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition Of Non-Financial Assets		-	-		-	-
Capital Grants To Governmental Agencies		-	-		-	-
Other Development		-	-		-	-
SUB TOTAL SP 2.5	20,403,374	22,443,711	24,688,083	16,730,340	18,403,374	20,243,711

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	FY2020/21	FY2021/22	FY2022/23	FY2020/21	FY2021/22	FY2022/23
SP 2.6: DEBT MANAGEMENT						
Current Expenditure:						
Compensation Of Employees		-	-		-	-
Use Of Goods And Services	5,000,000	5,500,000	6,050,000	4,209,400	4,630,340	5,093,374
Grants And Other Transfers		-	-		-	-
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition Of Non-Financial Assets		-	-		-	-
Capital Grants To Governmental Agencies	1,000,000,000	1,100,000,000	1,210,000,000	250,000,000	275,000,000	302,500,000
Other Development		-	-		-	-
SUB TOTAL SP 2.6	1,005,000,000	1,105,500,000	1,216,050,000	254,209,400	279,630,340	307,593,374
PROGRAMME 3: ECONOMIC AND FINANCIAL POLICY FORMULATION AND MANAGEMENT						
Current Expenditure:						
Compensation Of Employees		-	-		-	-
Use Of Goods And Services	72,081,065	79,289,171	87,218,088	61,891,877	68,081,065	74,889,171
Grants And Other Transfers		-	-		-	-
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition Of Non-Financial Assets		-	-		-	-
Capital Grants To Governmental Agencies		-	-		-	-
Other Development		-	-		-	-
TOTAL PROGRAMME.....	72,081,065	79,289,171	87,218,088	61,891,877	68,081,065	74,889,171
SP 3.1: FISCAL PLANNING						
Current Expenditure:						
Compensation Of Employees		-	-		-	-
Use Of Goods And Services	32,040,353	35,244,388	38,768,827	24,582,139	27,040,353	29,744,388
Grants And Other Transfers		-	-		-	-
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition Of Non-Financial Assets		-	-		-	-

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	FY2020/21	FY2021/22	FY2022/23	FY2020/21	FY2021/22	FY2022/23
Capital Grants To Governmental Agencies		-	-		-	-
Other Development		-	-		-	-
SUB TOTAL SP 3.1	32,040,353	35,244,388	38,768,827	24,582,139	27,040,353	29,744,388
SP 3.2: Monitoring & Evaluation / Statistical Data Management						
Current Expenditure:						
Compensation Of Employees		-	-		-	-
Use Of Goods And Services	10,040,712	11,044,783	12,149,261	7,309,738	8,040,712	8,844,783
Grants And Other Transfers		-	-		-	-
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition Of Non-Financial Assets		-	-		-	-
Capital Grants To Governmental Agencies		-	-		-	-
Other Development		-	-		-	-
SUB TOTAL SP 3.2	10,040,712	11,044,783	12,149,261	7,309,738	8,040,712	8,844,783
SP 3.3: KDSP Programme						
Current Expenditure:						
Compensation Of Employees		-	-		-	-
Use Of Goods And Services		-	-		-	-
Grants And Other Transfers	30,000,000	33,000,000	36,300,000	30,000,000	33,000,000	36,300,000
Other Recurrent		-	-		-	-
Capital Expenditure		-	-		-	-
Acquisition Of Non-Financial Assets		-	-		-	-
Capital Grants To Governmental Agencies		-	-		-	-
Other Development		-	-		-	-
SUB TOTAL SP 3.2	30,000,000	33,000,000	36,300,000	30,000,000	33,000,000	36,300,000
TOTAL VOTE.....	2,454,835,332	2,700,318,865	2,970,350,752	1,299,629,174	1,429,592,091	1,572,551,301

3.3 Resource Allocation Criteria.

The following criteria has been used to prioritize allocation of resources to programs;

1. Payment of Ineligible pending bills after reclassification by Pending Bills Committee
2. Construction of the County Treasury building
3. Revenue enhancement and management fee for revenue management system
4. Compliance with the requirements of the Debt Management Strategy paper

CHAPTER FOUR

4.0 CROSS-SECTOR LINKAGES

The subsector provides overall leadership in the areas of policy direction and management of the County's public finances. It also facilitates other sectors/subsectors through resource mobilization and provisions against the backdrop of County plans and budgets. The main linkage between other sectors and the County Treasury is the adherence to the County budget and planning frameworks in the implementation of their various programmes/projects. In addition to the management of County financial resources, the subsector is linked to other sectors as a custodian of the County's assets. All the subsectors within PAIR play a pivotal role in complementing the roles of the County Treasury. The summary for the cross sectoral linkages are highlighted in the table below.

SECTOR	LINKAGE
Social Protection, Culture and Recreation	Adherence to Treasury circulars Timely reporting
Education	Participating in budget making process. Timely reporting
Health	Participating in budget making process Adherence to Treasury circulars Timely reporting Assist in revenue collection
Agriculture Rural and Urban Development	Assist in revenue collection Timely reporting
Environment Protection Water and Natural Resources	Mobilizing resources and achieving targets Adhere to Treasury circulars Timely reporting Assist in revenue collection
General Economics and Commercial Affairs	Mobilizing resources and achieving targets Adhere to Treasury circulars Timely reporting Assist in revenue collection
Energy Infrastructure and ICT	Infrastructure development Ensure accountability of resources Assist in dissemination of information Timely reporting
Governance Justice and Laws	Assist in prosecution and enforcement of laws Timely reporting

CHAPTER FIVE

5.0 EMERGING ISSUES AND CHALLENGES

5.1 Emerging Issues

Establishment of Nakuru City Boards and Naivasha Municipal Boards as required is likely to affect revenue targets since the boards will manage the revenues collected.

The implementation of the phased SRC salary increments, proposed contributory pension scheme, and the ageing workforce that will require replacements to smoothen service delivery.

Implementation of the devolved staff pension scheme that is likely to increase the wage bill

The released Census figures that will necessitate updating of the current fact sheet.

5.2 Challenges

Some of the challenges the County Treasury faced in carrying out its mandate include:

Exchequer release delays; Delays in exchequer releases continue to negatively affect implementation of projects/ programmes resulting in low absorption of funds in the subsector and thus affecting service delivery. In addition, delays by the National Treasury in releasing budget ceilings has adversely affected the budgeting process since the County Treasury requires to use the same in preparation of its budgets.

Inadequate infrastructure; The lack of adequate infrastructure to support ICT in the County prevents the sub-sector from fully automating its services within the County to enhance service delivery and efficiency.

System challenges; Challenges in the use of the IFMIS system such as the generation of programme specific expenditure reports.

Ballooning County wage bill; As per the PFM Act 2012, the County's wage bill is supposed to be 35% of the total County revenue. However, currently stands at

42% of the County's total revenue hindering release of more resources for development expenditure.

Revenue Mapping Inadequate data for Own Source Revenue forecasting

Enabling revenue laws: The required laws that are meant to support revenue collection have not been enacted. This hinders revenue enforcement officers in executing their mandate.

CHAPTER SIX

6.0 CONCLUSION AND RECOMMENDATIONS

The subsector is under pressure to reduce the deficit in revenue collection as it hampers implementation of some programmes thus the subsector will work round the clock to ensure that the shortfall is reduced by engaging various stakeholders during preparation of the Finance Bill to ease collection and enforcement to ensure compliance

The County Treasury will leverage on the PPP guidelines by the National Treasury to ensure that capital intensive projects are financed in collaboration with private investors so that the County can achieve the desired growth. Other emerging models of financing will be exploited such as Land Value Capture.

The County Government of Nakuru is expected to utilize funding from the Kenya Devolution Support Programme to support programmes in capacity development and infrastructural development in case the County progresses on to level two of the programme.

Going forward the subsector will apply austerity measures to cope with the resource shortfalls. To bridge the resource gap the subsector will partner with private sector to undertake various project through public private partnership. The county treasury will continue to adhere to fiscal responsibility principles as set out in section 107 of the PFM Act 2012.

CHAPTER SEVEN

7.0 RECOMMENDATIONS

Going forward into the 2019/2020-2021/2022 MTEF period and in accordance to the key findings of the report, the following recommendations have been proposed;

- i. Project feasibility studies and early project planning.
- ii. Operationalization of the new valuation roll by the Department of Lands Housing Physical Planning.
- iii. Mapping of new Revenue sources to determine the local revenue potentials.
- iv. Political goodwill from County MCAs and other political leaders.
- v. Continuous capacity building of for all public finance management officers on Key result areas identified under
- vi. Operationalization of the County Audit committee.
- vii. Roll out of the County Monitoring and Evaluation System
- viii. The need for the establishment of a multi-sectoral project implementation committee.
- ix. Succession management strategy for all County Departments under the leadership of the Public Service Department.

REFERENCES

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County Budget Review and Outlook Paper, 2016

County Budget Review and Outlook Paper, 2017

County Budget Review and Outlook Paper, 2018

County Fiscal Strategy Paper, 2016

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County Fiscal Strategy Paper, 2018

County Government Act, 2010

Executive Order, 2017

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MTEF Approved Budget, 2017

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PFM Regulations, 2015

Public Finance Management Act, 2012

APPENDIX

ANALYSIS OF PERFORMANCE OF CAPITAL PROJECTS (FY2013/14 – 2018/2019) CURRENTLY IN THE FY2019/20 BUDGET

PROJECT DESCRIPTION	LOCATION	CONTRACT DATE	ESTIMATED COST TO COMPLETION	CUMULATIVE BUDGET ALLOCATION	ACTUAL PAYMENT TO DATE	COMPLETION STAGE (%)	SPECIFIC NEEDS TO BE ADDRESSED BY THE PROJECT	PROJECT STATUS (ONGOING/ ABANDONED)
Programme:								
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL								