



COUNTY GOVERNMENT OF NAKURU

PUBLIC ADMINISTRATION, NATIONAL INTERNATIONAL RELATIONS SECTOR

COUNTY TREASURY

SUB SECTOR REPORT

MTEF 2021/2022 – 2023/24

JANUARY 2021

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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, the mandates, programmes and the objectives.

Chapter two of this document gives a highlight of the subsector's achievements and financial expenditure for the MTEF period 2017/18 to FY 2019/20. 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, established County Budget and Economic Forum (CBEF) and prepared the 2nd CIDP 2018-2022 among other achievements as further detailed in the chapter. Cumulatively the County mobilised Ksh 7.53billion as Own Source Revenues in the period between 2017/18 to 2019/20. 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 and the effects of COVID19 pandemic to the economy.

Chapter three details the subsector's planned programme outputs and financial plans for the MTEF period 2021/2022-2023/24 with the aim of sustaining gains from its previous performance. This includes the construction of the County Treasury, acquisition of a new revenue system, acquisition of Audit system, acquisition of monitoring and Evaluation system. During the next 2021/22 FY the sub sector will require a total of Ksh 4.212 billion in order to effectively carry out its mandate. This is against an allocation of Ksh 3.462 billion reflecting a Ksh 750 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, ageing workforce effects of COVID 19 pandemic. 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 Public Private Partnerships 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

ADP	Annual Development Plan
AGPO	Access to Government Procurement Opportunities
AIA	Appropriation in Aid
CBROP	County Budget Review and Outlook Paper
COB	Controller of Budget
COMEC	County Monitoring and Evaluation Committee
COVID	Corona Virus Disease
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 five directorates namely; Internal audit, Supply Chain Management, Economic Planning, Finance and External 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	<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.

STAKEHOLDER	ROLE
Committee, SRC, COB, Office of Auditor General, Central Bank, ASB, Ministry of Devolution and Planning)	<ul style="list-style-type: none"> - 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 - 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 2017/18-2019/20

This chapter reviews the performance of the Sub-Sector programmes during the review period of 2017/18, 2018/19 and 2019/20.

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 carried out capacity building of a number of officers in PFM including budget preparation, financial reporting, Planning, Promotional courses i.e Senior Management Course, Strategic Leadership Management Programme, Supervisory among others, recommended staff for promotion 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.

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 2017/18, 2018/19 and 2019/20 collection of own source revenue including FIF was Kshs 2.28 billion, Ksh. 2.810 billion and Ksh.2.44 billion respectively translating to an average of 80.67 percent of targeted collection. The revenue collection for the financial period 2019/20 was greatly affected by the containment measures put in place to reduce the spread of COVID 19. This included; restriction of movement,

imposing dawn to dusk curfew, relocation of matatu stages and relocation of markets, closure of restaurants and bars. These measures affected revenue collection. 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 through hyperion module and submitted them county assembly within the stipulated time in the past three years. Other budget documents prepared and submitted included the CBROP & CFSP, 2018, 2019 and 2020. The Directorate of Supply Chain Managements prepared procurement plans in the IFMIS system however delay were experienced due to delay in budget approval. 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.

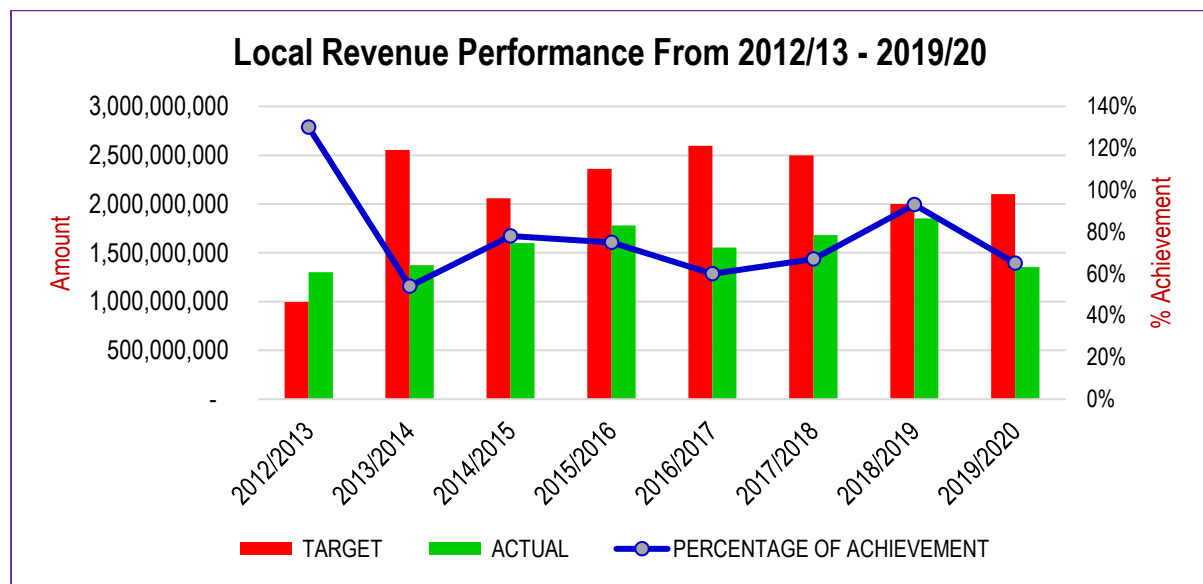
Economic and Financial Policy Formulation and Management programme

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. Three Annual Development Plans, 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 and is in the process of MID Term Review of the CIDP 2018-2022 as per the guidelines provided by the State department of Planning. During this same period monitoring and evaluation practices in the County were strengthened with the establishment of the County Monitoring and Evaluation Committee. The

Committee spearheaded M&E processes that included pilot M&E field visits and preparation of annual progress reports.

Analysis of Local Revenue Performance From 2017/18-2019/20

FY	TARGET	ACTUAL	VARIANCE	PERCENTAGE OF ACHIEVEMENT
2017/2018	2,500,000,000	1,682,970,850	(817,029,150)	67%
2018/2019	2,000,000,000	1,853,568,733	(146,431,267)	93%
2019/2020	2,100,000,000	1,354,763,813	(745,236,187)	65%
TOTAL	17,170,481,043	12,500,692,651	(4,669,788,392)	73%



The above illustrate the County Government revenue performance excluding FIF. As shown FY 2012/13 and 2018/19 had the highest achievements against the target set. However, the performances have been going up and downs owing to various factors. Going forward the County Government will put in place measures for sustainable revenues performance.

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
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
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.	100%	75%	85%	-	-	-	
	Improved service delivery.	Complains received and addressed	80%	75%	80%	-	-	-	
	Procurement policy implementation	Percentage of implementation of Women, youth and PWD policies on procurement.	70%	80%	100%	100%	100%	100%	
	Improved dissemination of information.	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%	70%	75%	-	-	-	
	Staffs trained	Number of staff trained.	500	70	100	50	111		
		Number of staff sponsored in educational institution	30	15	20		10		

PROGRAMME	Key Outputs (KO)	Key Performance Indicators (KPIs)	Planned Target			Achieved Targets			Remarks	
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20		
SP 1.3 Financial Services	Improved financial management	Ministries using the IFMIS and ZIZI system	70%	100%	100%	100%	100%	100%		
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 budgeting	150	160	170	77	111	56	During the launch of the SWGs	
	Improved Public participation	Number of stakeholders involved in budget preparation	1700	2100	2300	1770	2300	1200	Greatly affected by the COVID 19 containment measures	
	Increased budgetary resources allocated towards development budget.	Ratio of development expenditure to total budget	38%	38%	40%	18%	43.3%	49.4%		
	Legal and regulatory frameworks governing formulation, Preparation and implementation of budget	Budget circular released		30 th Aug 2017	30 th Aug, 2018	30 th Aug 2019	30 th Aug 2017	30 th Aug 2018	30 th Aug 2019	
		Budget review and outlook paper submitted		30 th Sept 2017	30 th Sept, 2018	30 th Sept 2019	30 th Sept 2017	30 th Sept 2018	30 th Sept 2019	
		County Fiscal Strategy Paper submitted,		28 th Feb 2017	28 th Feb, 2018	28 th Feb 2019	28 th Feb 2017	28 th Feb 2018	28 th Feb 2019	

PROGRAMME	Key Outputs (KO)	Key Performance Indicators (KPIs)	Planned Target			Achieved Targets			Remarks
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
	adhered to	Budget Estimates submitted	30 th April 2016	30 th April 2018	30 th April 2019	30 th April 2016	30 th April 2018	30 th April 2019	
		Appropriations Bill submitted	June 30 th , 2016	June 30 th , 2018	June 30 th , 2019	June 30 th , 2016	June 30 th , 2018	June 30 th , 2019	
		Formulated and submitted Finance Bill	30 th Sept 2017	30 th Sept 2018	30 th Sept 2019	6 th Dec 2017	30 th Sept 2018	-	
SP 2.2: Resource Mobilization	Local resources mobilized.	Local resources mobilized as a percentage of total budget.	25%	22%	24%	20%	15.55%	18%	
		Revenue collection vs target	100%	80%	70%	73%	105%	79%	Affected by COVID 19 containment measures
		Revenue sources Automated	40%	50%	70%	15%	20%	50%	
	Local Revenue collected	2.6 billion	2.3billion	2billion	1.960	2.81	1.345billion		
	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	4	4	4	
	Value for money audits undertaken;	Number of VFM audits	4	4	4	4	4	4	

PROGRAMME	Key Outputs (KO)	Key Performance Indicators (KPIs)	Planned Target			Achieved Targets			Remarks
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
	Internal Audit Management Software rolled out	Number of Licences acquired	-	29	-	-	-	-	
SP 2.4 Procurement	AGPO implemented	Value of tenders to youth In Kshs	584,526,761	30%	30%				
		Value of tenders to women in Kshs	374,058,860	30%	30%				
		Value of tenders to PWD in Kshs	20,114,563	30%	30%				
		AGPO certificates issued: Youth	345	330	430				
		AGPO certificates issued: Women	224	400	500				
		AGPO certificates issued: PWDs	36	35	50				
SP 2.5: Public Finance & Accounting	Asset management system developed	Percentage of Assets tagged	90%	80					
	Financial information and reports produced	Financial statement submitted	Sep 2017	30 th Sep 2018	30 th Sep 2019	Sep 2017	Sep 2018	30 th Sep 2019	
		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 2017	28 th Feb 2018	28 th Feb 2019	28 th Feb 2017	28 th Feb 2018	28 th Feb 2019	

PROGRAMME	Key Outputs (KO)	Key Performance Indicators (KPIs)	Planned Target			Achieved Targets			Remarks
			2017/18	2018/19	2019/20	2017/18	2018/19	2019/20	
	Strengthened Public Debt Management;	Creditors register	Updated 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	1	
PROGRAMME 3: ECONOMIC AND FINANCIAL POLICY FORMULATION AND MANAGEMENT									
Outcome: Improved coordination in Economic Policy, Planning and implementation									
SP 3.1: Fiscal Planning	Financial and economic policy formulated	Number of policies formulated	2	2	2	1	1	2	
SP 3.2: Monitoring & Evaluation / Statistical Data Management	Improved reporting	Number of M & E Reports	4	4	4	1	4	4	
		Handbook on key performance indicator	1	1	-	1	1	-	
		Number of staffs trained on M&E	30	30	30	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 2019/20.

Table 2: Programme/Sub-Programme Expenditure Analysis

PROGRAMME	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Programme 1: Administration, Planning and Support Services						
SP 1.1: Administration Services	197,083,064	224,141,801	624,843,289	160,142,346	210,801,727	581,340,741
SP 1.2: Personnel Services	474,426,401	457,176,143	477,970,679	478,272,443	457,176,143	428,441,159
SP 1.3: Financial Services	11,900,000	11,900,000	1,000,000	8,547,494	10,426,517	-
Sub-Total	683,409,465	693,217,944	1,103,813,968	646,962,283	678,404,387	1,009,781,900
Programme 2: Public Finance Management						
SP 2.1: Budget Formulation Coordination and Management	47,988,818	57,537,655	51,775,016	31,690,987	51,240,525	51,407,929
SP 2.2: Resource Mobilization	97,253,438	70,148,359	77,349,267	62,592,170	62,092,184	77,072,013
SP 2.3: Internal Audit	30,811,000	22,098,800	60,456,334	16,145,928	18,858,115	50,134,781
SP 2.4: Procurement	20,971,781	17,650,120	13,125,475	5,050,807	17,165,141	12,704,160
SP 2.5: Public Finance and Accounting	19,713,200	17,408,860	15,432,554	9,388,936	11,610,773	15,063,790
SP 2.6: Debt Management	198,611,000	238,833,256	183,961,083	175,436,001	177,117,308	183,889,828
Sub-Total	415,349,236	423,677,050	402,099,729	300,304,829	338,084,046	390,272,502
Programme 3: Economic and Financial Policy Formulation and Management						
SP 3.1: Fiscal Planning	24,220,000	123,624,797	52,235,254	12,857,980	56,047,825	51,056,862
SP 3.2: Monitoring & Evaluation / Statistical Data Management	12,066,000	10,419,300	7,024,963	2,769,440	8,285,419	6,419,826
SP 3.3 KDSP Programme	-	-	134,827,523	-	-	1,644,000
Sub-Total	36,286,000	134,044,097	194,087,740	15,627,420	64,333,244	59,120,688
Grand Total	1,135,044,701	1,250,939,091	1,700,001,437	962,894,532	1,080,821,677	1,459,175,090

2.3.2 Analysis of Programme Expenditures by Economic Classification

Table 3: Programme Expenditure Analysis by Economic Classification

Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Programme 1: (Administration, Planning and Support Services)						
1.1. Sub-Programme 1: (Administration Services)						
Current Expenditure	169,461,543	146,141,801	477,177,424	137,521,638	139,635,074	476,715,091
Compensation to Employees						
Use of goods and services	163,916,543	141,324,551	471,385,616	136,194,070	135,037,150.	470,966,739
Current Transfers Govt. Agencies						
Other Recurrent	5,545,000	4,817,250	5,791,808	1,327,568	4,597,924	5,748,352
Capital Expenditure	27,621,521	78,000,000		22,620,708	71,166,653	
Acquisition of Non-Financial Assets	27,621,521	78,000,000	148,665,864	22,620,708	71,166,653	104,625,650
Capital Transfers to Govt. Agencies						
Other Development						
Total Expenditure (SP1.1)	197,083,064	224,141,801	625,843,288	160,142,346	210,801,727	581,340,741
1.2. Sub-Programme 2: (Personnel Services)						
Current Expenditure	474,426,401	457,176,143	477,970,679	478,272,443	457,176,143	428,441,159
Compensation to Employees	474,426,401	457,176,143	477,970,679	478,272,443	457,176,143	428,441,159
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)	474,426,401	457,176,143	477,970,679	478,272,443	457,176,143	428,441,159
1.3. Sub-Programme 3: (Financial Services)						
Current Expenditure	11,900,000	11,900,000	1,000,000	8,547,494	10,426,517	-

Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Compensation to Employees						
Use of goods and services	10,890,000	11,900,000	1,000,000	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)	11,900,000	11,900,000	1,000,000	8,547,494	10,426,517	-
Programme 2: Public Finance Management						
2.1. Sub-Programme: Budget Formulation Coordination and Management						
Current Expenditure	47,988,818	57,537,655	51,775,016	31,690,987	51,240,525	51,407,929
Compensation to Employees						
Use of goods and services	47,375,818	57,537,655	51,775,016	31,659,599	51,240,525	51,407,929
Current Transfers Govt. Agencies						
Other Recurrent	613,000	-		31,388		
Capital Expenditure						
Acquisition of Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
Total Expenditure (SP 2.1)	47,988,818	57,537,655	51,775,016	31,690,987	51,240,525	51,407,929
2.2. Sub-Programme: Resource Mobilization						
Current Expenditure	97,253,438	70,148,359	77,349,267	62,592,170	62,092,184	77,072,013
Compensation to Employees						
Use of goods and services	91,568,438	65,148,359	72,741,267	59,920,364	57,874,698	72,545,994
Current Transfers Govt. Agencies						
Other Recurrent	5,685,000	5,000,000	4,608,000	2,671,806	4,217,486	4,526,019
Capital Expenditure						

Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Acquisition of Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
Total Expenditure (SP 2.2)	97,253,438	70,148,359	77,349,267	62,592,170	62,092,184	77,072,013
2.3. Sub-Programme: Internal Audit						
Current Expenditure	30,811,000	22,098,800	50,182,047	16,145,928	18,858,115	50,134,781
Compensation to Employees						
Use of goods and services	29,651,000	20,880,800	49,478,778	15,958,643	18,189,835	49,432,582
Current Transfers Govt. Agencies						
Other Recurrent	1,160,000	1,218,000	703,269	187,285	668,280	702,199
Capital Expenditure						
Acquisition of Non-Financial Assets			10,274,287			-
Capital Transfers to Govt. Agencies						
Other Development						
Total Expenditure (SP 2.3)	30,811,000	22,098,800	60,456,334	16,145,928	18,858,115	50,134,781
2.4. Sub-Programme: Procurement						
Current Expenditure	20,971,781	17,650,120	13,125,475	5,050,806	17,165,141	12,704,160
Compensation to Employees						
Use of goods and services	20,366,781	17,014,870	12,654,373	4,901,453	16,986,441	12,242,360
Current Transfers Govt. Agencies						
Other Recurrent	605,000	635,250	471,102	149,343	178,700	461,800
Capital Expenditure						
Acquisition of Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
Total Expenditure (SP 2.4)	20,971,781	17,650,120	13,125,475	5,050,806	17,165,141	12,704,160
2.5. Sub-Programme: Public Finance and Accounting						
Current Expenditure	19,713,200	17,408,860	15,432,554	9,388,936	11,610,773	15,063,790
Compensation to Employees						

Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Use of goods and services	19,229,200	16,900,660	15,055,673	9,388,936	11,575,623	14,693,790
Current Transfers Govt. Agencies						
Other Recurrent	484,000	508,200	376,881	-	35,150	370,000
Capital Expenditure						
Acquisition of Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
Total Expenditure (SP 2.5)	19,713,200	17,408,860	15,432,554	9,388,936	11,610,773	15,063,790
2.6. Sub-Programme: Debt Management						
Current Expenditure	50,711,000	50,379,414	4,066,573	44,547,561	49,785,095	3,341,015
Compensation to Employees						
Use of goods and services	50,461,000	50,379,414	4,066,573	44,547,561	49,785,095	3,341,015
Current Transfers Govt. Agencies						
Other Recurrent	250,000			-		
Capital Expenditure	147,900,000	188,453,842		130,888,440	115,184,313	
Acquisition of Non-Financial Assets						
Capital Transfers to Govt. Agencies	147,900,000	188,453,842	179,894,510	130,888,440	127,332,213	180,548,813
Other Development						
Total Expenditure (SP 2.6)	198,611,000	238,833,256	183,961,083	175,436,001	177,117,308	183,889,828
Programme 3: Economic and Financial Policy Formulation and Management						
3.1. Sub-Programme: Fiscal Planning						
Current Expenditure	24,220,000	123,624,797	52,235,257	12,857,980	56,047,825	51,056,862
Compensation to Employees						
Use of goods and services	23,670,000	123,047,297	51,906,983	12,663,480	55,623,075	50,877,046
Current Transfers Govt. Agencies						
Other Recurrent	550,000	577,500	328,274	194,500	424,750	179,816
Capital Expenditure						
Acquisition of Non-Financial Assets						

Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2017/18	2018/19	2019/20	2017/18	2018/19	2019/20
Capital Transfers to Govt. Agencies						
Other Development						
Total Expenditure (SP 3.1	24,220,000	123,624,797	52,235,257	12,857,980	56,047,825	51,056,862
3.2. Sub-Programme: Monitoring & Evaluation /Statistical Data Management						
Current Expenditure	12,066,000	10,419,300	7,024,963	2,769,440	8,285,419	6,419,826
Compensation to Employees						
Use of goods and services	11,461,000	9,784,050	6,553,863	2,769,440	8,206,149	6,015,626
Current Transfers Govt. Agencies						
Other Recurrent	605,000	635,250	471,100	-	79,270	404,200
Capital Expenditure						
Acquisition of Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
Total Expenditure (SP 3.2	12,066,000	10,419,300	7,024,963	2,769,440	8,285,419	6,419,826
3.3 Sub-Programme: Kenya Devolution Support Programme						
Current Expenditure			33,853,127			1,644,000
Compensation to Employees						
Use of goods and services						
Current Transfers Govt. Agencies			33,853,127			1,644,000
Other Recurrent						
Capital Expenditure						
Acquisition of Non-Financial Assets						
Capital Transfers to Govt. Agencies			100,974,396			-
Other Development						
Total Expenditure (SP 3.2			134,827,523			1,644,000
Total Budget	1,135,044,701	1,250,939,091	1,700,001,439	962,894,532	1,080,821,677	1,459,175,090

2.3. Review of Pending Bills

2.3.1. Recurrent Pending Bills

During the year under review, the Department had a recurrent pending bill of Ksh 10,374,892.00 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. 18,394,340.84 by the close of the financial year.

CHAPTER THREE

3.0 MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD

2021/2022-2023/2024

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. 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. Further the department will carry out public participation during the all the stages of budget making as required by constitution of Kenya, 2010. The County Treasury will put in place measures to enhance revenue mobilization through acquisition of a revenue system, carry out comprehensive revenue mapping and replacement of staff exiting through natural attrition and retirement.

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. Resource Mobilization
	S.P 2.3. Internal Audit
	S.P 2.4. Procurement

Programme Name	Sub programmes
	S.P 2.5. Public Finance and Accounting
	S.P 2.6. Debt Management
	S.P 2.7. External Resource Mobilization
Economic and Financial Policy Formulation and Management	S.P 3.1. Fiscal Planning
	SP 3.2. 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 2020/2021. The programmes have prioritised in accordance to the budget ceiling from CBROP 2020.

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

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2019/20	Actual Achievement 2019/20	Baseline 2020/21	Target 2021/22	Target 2022//23	Target 2023/24
PROGRAMME 1: 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	-	1	2	2	2
			Completion rate of County Treasury Office Block	40	10	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	No 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	100	100	60	75	85	100
		Increased	Revenue automation		-	50%	100%	-	-

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2019/20	Actual Achievement 2019/20	Baseline 2020/21	Target 2021/22	Target 2022//23	Target 2023/24
		revenue mobilization	system acquired						
			Percentage of sub-counties using automated revenue systems	60	-	75	85	95	100
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	Budget Office	Improved PBB budgeting	Number of officers trained in MTEF and programme-based budgeting	150	111	160	100	210	240
		Improved Public Participation	Number of stakeholders involved in budget preparation	1200	2300	2100	2000	2750	3000
		Increased budgetary resources allocated towards development	Ratio of development expenditure to total budget	38%	18%	44%	32%	39%	40%
		Legal and regulatory frameworks governing formulation preparation and implementation of budget adhered to	Budget circular released	30 th Aug 2019	30 th Aug 2019	30 th Aug 2020	30 th Aug 2021	30 th Aug 2022	30 th Aug 2023
			Budget Review and Outlook Paper submitted	30 th Sept 2019	30 th Sept 2019	30 th Sept 2020	30 th Sept 2021	30 th Sept 2022	30 th Sept 2023
			County Fiscal Strategy Paper submitted	28 th Feb 2019	28 th Feb 2019	28 th Feb 2020	28 th Feb 2021	28 th Feb 2022	28 th Feb 2023
			Draft budget estimates and Sector Reports prepared, reviewed and submitted	31 st Jan 2019	31 st Jan 2019	31 st Jan 2020	31 st Jan 2021	31 st Jan 2022	31 st Jan 2023
Budget estimates	30 th April	30 th April 2019	30 th April	30 th April	30 th April	30 th April			

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2019/20	Actual Achievement 2019/20	Baseline 2020/21	Target 2021/22	Target 2022//23	Target 2023/24
			submitted to the County Assembly	2019		2020	2021	2022	2023
			Appropriation Bill submitted	15 th June 2019	15 th June 2019	15 th June 2020	15 th June 2021	15 th June 2022	15 th June 2023
			Annual Cash flow submitted to Controller of Budget	15 th June 2019		15 th June 2020	15 th June 2021	15 th June 2022	15 th June 2023
			Finance Bill submitted to County Assembly	30 th Sept 2019	6 th Dec 2018	30 th Sept 2020	30 th Sept 2021	30 th Sept 2022	30 th Sept 2023
SP 2.2: Resource Mobilization	Revenue Office	Improved County Own Source of Revenue.	Amount of Revenue collected (Billions Ksh)	2.65b	2.8b	3.1b	3.4b	3.5b	3.7b
			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	Audit automation system acquired	-	-	-	1	-	-

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2019/20	Actual Achievement 2019/20	Baseline 2020/21	Target 2021/22	Target 2022//23	Target 2023/24		
		controls	No. of Audit Management Software licences acquired	-	-	-	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 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		

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2019/20	Actual Achievement 2019/20	Baseline 2020/21	Target 2021/22	Target 2022//23	Target 2023/24
		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	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	500	500

Programme	Delivery Unit	Key Outputs	Key Performance Indicators	Target 2019/20	Actual Achievement 2019/20	Baseline 2020/21	Target 2021/22	Target 2022//23	Target 2023/24
SP 2.7: External Resource Mobilization	Chief Officer	External partners identified and resources mobilized	External partners identified and engaged.	-	-	-	28 th Feb 2021	28 th Feb 2022	28 th Feb 2023
			County departmental Concept papers.	-	-	-	10	10	10
			External Resource Mobilization plan in place	-	-	-	2	5	5
			No of Staff deployed	-	-	-	1	1	1
			No of Staff trained	-	-	-	4	7	10
PROGRAMME 3: 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 4.2 Billion for the FY 2021/22 to effectively execute its mandate. However, the sector has been allocated Ksh 3.4 Billion from the baseline ceilings which includes an allocation of Ksh. 500m for Debt resolution, Ksh. 1.7 Billion for Ward Allocation and Ksh 45m 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		
		2020/21	2021/22	2022/23	2023/24	2021/2022	2022/23	2023/24	
	Compensation to Employees	496,164,176	593,363,577	652,699,935	717,969,928	517,523,577	569,275,935	626,203,528	
	Use of Goods and Services	289,330,577	605,890,851	666,479,936	733,127,930	480,469,597	528,516,557	581,368,212	
	Grants and Other Transfers	77,009,127	45,000,000	49,500,000	54,450,000	45,000,000	49,500,000	54,450,000	
	Other Recurrent	13,650,435	-	-	-	-	-	-	
	Total	876,154,315	1,244,254,428	1,368,679,871	1,505,547,858	1,042,993,174	1,147,292,492	1,262,021,740	

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									
Vote and Vote Details	Description	Approved	REQUIREMENT				ALLOCATION		
		2020/21	2021/22	2022/23	2023/24	2021/22	2022/23	2023/24	
	Acquisition of Non-Financial Assets	205,393,393	268,500,250	295,350,275	324,885,303	219,056,500	240,962,150	265,058,365	
	Capital Grants to Governmental Agencies	461,657,093	1,000,000,000	1,100,000,000	1,210,000,000	500,000,000	550,000,000	605,000,000	
	Other Development		1,700,000,000	1,870,000,000	2,057,000,000	1,700,000,000	1,870,000,000	2,057,000,000	
	TOTAL	667,050,486	2,968,500,250	3,265,350,275	3,591,885,303	2,419,056,500	2,660,962,150	2,927,058,365	

3.2.4 Programmes and Sub-Programmes Resource Requirement (2021/22 – 2023/24)

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

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

ANALYSIS OF PROGRAMME EXPENDITURE RESOURCE REQUIREMENT (AMOUNT KSH MILLIONS)									
	2021/22			2022/23			2023/24		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Programme 1: Administration, Planning and Support Services									
S.P 1.1 Administration and planning	131,679,169	1,968,500,250	2,100,179,419	144,847,086	2,165,350,275	2,310,197,361	159,331,794	2,381,885,303	2,541,217,097
S.P 1.2 Personnel Services	593,363,577		593,363,577	652,699,935	-	652,699,935	717,969,928	-	717,969,928
S.P 1.3 Financial Services	1,500,000		1,500,000	1,650,000	-	1,650,000	1,815,000	-	1,815,000
TOTAL PROGRAMME	726,542,746	1,968,500,250	2,695,042,996	799,197,021	2,165,350,275	2,964,547,296	879,116,723	2,381,885,303	3,261,002,025
Programme 2: Public Finance Management									
SP 2.1: Budget Formulation and Coordination	78,324,849		78,324,849	86,157,334	-	86,157,334	94,773,067	-	94,773,067
SP 2.2: Resource Mobilization	147,218,362		147,218,362	161,940,198	-	161,940,198	178,134,218	-	178,134,218
SP 2.3: Internal Audit	90,889,473		90,889,473	99,978,420	-	99,978,420	109,976,262	-	109,976,262
SP 2.4: Procurement	33,226,123		33,226,123	36,548,735	-	36,548,735	40,203,609	-	40,203,609
SP 2.5: Public finance and Accounting	33,653,474		33,653,474	37,018,821	-	37,018,821	40,720,704	-	40,720,704
SP2.6: Debt Management	9,899,240	1,000,000,000	1,009,899,240	10,889,164	1,100,000,000	1,110,889,164	11,978,080	1,210,000,000	1,221,978,080
SP 2.7: External Resource Mobilization	30,000,000		30,000,000	33,000,000	-	33,000,000	36,300,000	-	36,300,000
TOTAL PROGRAMME	423,211,521	1,000,000,000	1,423,211,521	465,532,673	1,100,000,000	1,565,532,673	512,085,940	1,210,000,000	1,722,085,940
Programme 3: County Economic planning and coordination of policy formulation									
SP 3.1: Fiscal Planning	37,159,449		37,159,449	40,875,394	-	40,875,394	44,962,933	-	44,962,933
SP 3.2: Monitoring and Evaluation/Statistical Data Management	12,340,712		12,340,712	13,574,783	-	13,574,783	14,932,262	-	14,932,262
SP 3.3: KDSP Programme	45,000,000		45,000,000	49,500,000	-	49,500,000	54,450,000	-	54,450,000
TOTAL PROGRAMME	94,500,161	-	94,500,161	103,950,177	-	103,950,177	114,345,195	-	114,345,195
TOTAL VOTE	1,244,254,428	2,968,500,250	4,212,754,678	1,368,679,871	3,265,350,275	4,634,030,146	1,505,547,858	3,591,885,303	5,097,433,160

Table 6b: Analysis of Resource Allocation by Programmes and Sub-Programmes

ANALYSIS OF PROGRAMME EXPENDITURE RESOURCE ALLOCATION (AMOUNT KSH MILLIONS)									
	2021/22			2022/23			2023/24		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
Programme 1: Administration, Planning And Support Services									
S.P 1.1 Administration and planning	115,822,376	1,919,056,500	2,034,878,876	127,404,614	2,110,962,150	2,238,366,764	140,145,075	2,322,058,365	2,462,203,440
S.P 1.2 Personnel Services	517,523,577		517,523,577	569,275,935	-	569,275,935	626,203,528	-	626,203,528
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	634,345,953	1,919,056,500	2,553,402,453	697,780,548	2,110,962,150	2,808,742,698	767,558,603	2,322,058,365	3,089,616,968
Programme 2: Public Finance Management									
SP 2.1: Budget Formulation and Coordination	67,795,181		67,795,181	74,574,699	-	74,574,699	82,032,169	-	82,032,169
SP 2.2: Resource Mobilization	90,805,349		90,805,349	99,885,884	-	99,885,884	109,874,472	-	109,874,472
SP 2.3: Internal Audit	79,964,521		79,964,521	87,960,973	-	87,960,973	96,757,070	-	96,757,070
SP 2.4: Procurement	27,541,930		27,541,930	30,296,123	-	30,296,123	33,325,735	-	33,325,735
SP 2.5: Public finance and Accounting	30,230,340		30,230,340	33,253,374	-	33,253,374	36,578,711	-	36,578,711
SP 2.6: Debt Management	6,309,900	500,000,000	506,309,900	6,940,890	550,000,000	556,940,890	7,634,979	605,000,000	612,634,979
SP 2.7: External Resource Mobilization	15,000,000		15,000,000	16,500,000	-	16,500,000	18,150,000	-	18,150,000
TOTAL PROGRAMME	317,647,221	500,000,000	817,647,221	349,411,943	550,000,000	899,411,943	384,353,137	605,000,000	989,353,137
Programme 3: County Economic Planning and Coordination Of Policy Formulation									
SP 3.1: Fiscal Planning	35,390,262		35,390,262	38,929,288	-	38,929,288	42,822,217	-	42,822,217
SP 3.2: Monitoring and Evaluation/Statistical Data Management	10,609,738		10,609,738	11,670,712	-	11,670,712	12,837,783	-	12,837,783
SP 3.3: KDSP Programme	45,000,000		45,000,000	49,500,000	-	49,500,000	54,450,000	-	54,450,000
TOTAL PROGRAMME	91,000,000	-	91,000,000	100,100,000	-	100,100,000	110,110,000	-	110,110,000
TOTAL VOTE	1,042,993,174	2,419,056,500	3,462,049,674	1,147,292,491	2,660,962,150	3,808,254,641	1,262,021,741	2,927,058,365	4,189,080,106

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		
	FY2021/22	FY2022/23	FY2023/24	FY2021/22	FY2022/23	FY2023/24
PROGRAMME 1: ADMINISTRATION, PLANNING AND SUPPORT SERVICES						
Current Expenditure:						
Compensation of Employees	593,363,577	652,699,935	717,969,928	517,523,577	569,275,935	626,203,528
Use of Goods and Services	133,179,169	146,497,086	161,146,794	116,822,376	128,504,614	141,355,075
Grants and Other Transfers						
Other Recurrent						
Capital Expenditure						
Acquisition of Non-Financial Assets	268,500,250	295,350,275	324,885,303	219,056,500	240,962,150	265,058,365
Capital Grants to Governmental Agencies						
Other Development	1,700,000,000	1,870,000,000	2,057,000,000	1,700,000,000	1,870,000,000	2,057,000,000
TOTAL PROGRAMME 1	2,695,042,996	2,964,547,296	3,261,002,025	2,553,402,453	2,808,742,698	3,089,616,968
SP 1.1: ADMINISTRATION SERVICES						
Current Expenditure:						
Compensation of Employees						
Use of Goods and Services	131,679,169	144,847,086	159,331,794	115,822,376	127,404,614	140,145,075
Grants and Other Transfers						
Other Recurrent						
Capital Expenditure						
Acquisition of Non-Financial Assets	268,500,250	295,350,275	324,885,303	219,056,500	240,962,150	265,058,365
Capital Grants to Governmental Agencies						
Other Development	1,700,000,000	1,870,000,000	2,057,000,000	1,700,000,000	1,870,000,000	2,057,000,000
SUB TOTAL SP 1.1	2,100,179,419	2,310,197,361	2,541,217,097	2,034,878,876	2,238,366,764	2,462,203,440
SP 1.2: PERSONNEL SERVICES						
Current Expenditure:						
Compensation of Employees	593,363,577	652,699,935	717,969,928	517,523,577	569,275,935	626,203,528
Use of Goods and Services						
Grants and Other Transfers						
Other Recurrent						

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION

Economic Classification	REQUIREMENT			ALLOCATION		
	FY2021/22	FY2022/23	FY2023/24	FY2021/22	FY2022/23	FY2023/24
Capital Expenditure						
Acquisition of Non-Financial Assets						
Capital Grants to Governmental Agencies						
Other Development						
SUB TOTAL SP 1.2	593,363,577	652,699,935	717,969,928	517,523,577	569,275,935	626,203,528
SP 1.3: FINANCIAL SERVICES						
Current Expenditure:						
Compensation of Employees						
Use of Goods and Services	1,500,000	1,650,000	1,815,000	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	1,500,000	1,650,000	1,815,000	1,000,000	1,100,000	1,210,000
PROGRAMME 2: PUBLIC FINANCE MANAGEMENT						
Current Expenditure:						
Compensation Of Employees						
Use Of Goods And Services	423,211,521	465,532,673	512,085,940	317,647,221	349,411,943	384,353,137
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	500,000,000	550,000,000	605,000,000
Other Development						
TOTAL PROGRAMME 2	1,423,211,521	1,565,532,673	1,722,085,940	817,647,221	899,411,943	989,353,137
SP 2.1: BUDGET FORMULATION COORDINATION AND MANAGEMENT						
Current Expenditure:						
Compensation Of Employees						
Use Of Goods And Services	78,324,849	86,157,334	94,773,067	67,795,181	74,574,699	82,032,169

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION

Economic Classification	REQUIREMENT			ALLOCATION		
	FY2021/22	FY2022/23	FY2023/24	FY2021/22	FY2022/23	FY2023/24
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	78,324,849	86,157,334	94,773,067	67,795,181	74,574,699	82,032,169
SP 2.2: RESOURCE MOBILIZATION						
Current Expenditure:						
Compensation Of Employees						
Use Of Goods And Services	147,218,362	161,940,198	178,134,218	90,805,349	99,885,884	109,874,472
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	147,218,362	161,940,198	178,134,218	90,805,349	99,885,884	109,874,472
SP 2.3: INTERNAL AUDIT						
Current Expenditure:						
Compensation Of Employees						
Use Of Goods And Services	90,889,473	99,978,420	109,976,262	79,964,521	87,960,973	96,757,070
Grants And Other Transfers						
Other Recurrent						
Capital Expenditure						
Acquisition Of Non-Financial Assets						
Capital Grants To Governmental Agencies						
Other Development						
SUB TOTAL SP 2.3	90,889,473	99,978,420	109,976,262	79,964,521	87,960,973	96,757,070
SP 2.4: PROCUREMENT						
Current Expenditure:						

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION

Economic Classification	REQUIREMENT			ALLOCATION		
	FY2021/22	FY2022/23	FY2023/24	FY2021/22	FY2022/23	FY2023/24
Compensation Of Employees						
Use Of Goods And Services	33,226,123	36,548,735	40,203,609	27,541,930	30,296,123	33,325,735
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	33,226,123	36,548,735	40,203,609	27,541,930	30,296,123	33,325,735
SP 2.5: PUBLIC FINANCE AND ACCOUNTING						
Current Expenditure:						
Compensation Of Employees						
Use Of Goods And Services	33,653,474	37,018,821	40,720,704	30,230,340	33,253,374	36,578,711
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	33,653,474	37,018,821	40,720,704	30,230,340	33,253,374	36,578,711
SP 2.6: DEBT MANAGEMENT						
Current Expenditure:						
Compensation Of Employees						
Use Of Goods And Services	9,899,240	10,889,164	11,978,080	6,309,900	6,940,890	7,634,979
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	500,000,000	550,000,000	605,000,000
Other Development						
SUB TOTAL SP 2.6	1,009,899,240	1,110,889,164	1,221,978,080	506,309,900	556,940,890	612,634,979

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION

Economic Classification	REQUIREMENT			ALLOCATION		
	FY2021/22	FY2022/23	FY2023/24	FY2021/22	FY2022/23	FY2023/24
SP 2.7: EXTERNAL RESOURCE MOBILIZATION						
Current Expenditure:						
Compensation Of Employees						
Use Of Goods And Services	30,000,000	33,000,000	36,300,000	15,000,000	16,500,000	18,150,000
Grants And Other Transfers						
Other Recurrent						
Capital Expenditure						
Acquisition Of Non-Financial Assets						
Capital Grants To Governmental Agencies						
Other Development						
SUB TOTAL SP 2.7	30,000,000	33,000,000	36,300,000	15,000,000	16,500,000	18,150,000
PROGRAMME 3: ECONOMIC AND FINANCIAL POLICY FORMULATION AND MANAGEMENT						
Current Expenditure:						
Compensation Of Employees						
Use Of Goods And Services	49,500,161	54,450,177	59,895,195	46,000,000	50,600,000	55,660,000
Grants And Other Transfers	45,000,000	49,500,000	54,450,000	45,000,000	49,500,000	54,450,000
Other Recurrent						
Capital Expenditure						
Acquisition Of Non-Financial Assets						
Capital Grants To Governmental Agencies						
Other Development						
TOTAL PROGRAMME 3	94,500,161	103,950,177	114,345,195	91,000,000	100,100,000	110,110,000
SP 3.1: FISCAL PLANNING						
Current Expenditure:						
Compensation Of Employees						
Use Of Goods And Services	37,159,449	40,875,394	44,962,933	35,390,262	38,929,288	42,822,217
Grants And Other Transfers						
Other Recurrent						
Capital Expenditure						
Acquisition Of Non-Financial Assets						
Capital Grants To Governmental Agencies						

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION

Economic Classification	REQUIREMENT			ALLOCATION		
	FY2021/22	FY2022/23	FY2023/24	FY2021/22	FY2022/23	FY2023/24
Other Development						
SUB TOTAL SP 3.1	37,159,449	40,875,394	44,962,933	35,390,262	38,929,288	42,822,217
SP 3.2: Monitoring & Evaluation / Statistical Data Management						
Current Expenditure:						
Compensation Of Employees						
Use Of Goods And Services	12,340,712	13,574,783	14,932,262	10,609,738	11,670,712	12,837,783
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	12,340,712	13,574,783	14,932,262	10,609,738	11,670,712	12,837,783
SP 3.3: KDSP Programme						
Current Expenditure:						
Compensation Of Employees						
Use Of Goods And Services						
Grants And Other Transfers	45,000,000	49,500,000	54,450,000	45,000,000	49,500,000	54,450,000
Other Recurrent						
Capital Expenditure						
Acquisition Of Non-Financial Assets						
Capital Grants To Governmental Agencies						
Other Development						
SUB TOTAL SP 3.3	45,000,000	49,500,000	54,450,000	45,000,000	49,500,000	54,450,000
TOTAL VOTE	4,212,754,678	4,634,030,146	5,097,433,160	3,462,049,674	3,808,254,641	4,189,080,106

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 Board and Naivasha Municipal Board 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:

- a) *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.
- b) *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.
- c) *System challenges*; Challenges in the use of the IFMIS system such as the generation of programme specific expenditure reports.

- d) *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 38% of the County's total revenue hindering release of more resources for development expenditure.
- e) *Revenue Mapping* Inadequate data for Own Source Revenue forecasting
- f) *Outbreak of COVID 19 pandemic*: This necessitated containment measures that have affected revenue collection and normal operations.
- g) *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. Further the department seeks to acquire a revenue management system that will enhance revenue collection

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. Continuous capacity building of for all public finance management officers on Key result areas identified under
- v. Roll out of the County Monitoring and Evaluation System
- vi. The need for the establishment of a multi-sectoral project implementation committee.
- vii. Succession management strategy for all County Departments under the leadership of the Public Service Department.

REFERENCES

- ADP 2021/22
- Constitution of Kenya, 2010
- County Budget Review and Outlook Paper 2017, 2018, 2019 & 2020
- County Fiscal Strategy Paper 2017, 2018, 2019 & 2020
- County Government Act, 2010
- Executive Order, 2017
- MTEF Approved Budget FY2017/2018 – FY2020/2021
- PFM Regulations, 2015
- Public Finance Management Act, 2012

APPENDIX 1

ANALYSIS OF PERFORMANCE OF CAPITAL PROJECTS (2019/2020)

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
Programme: KDSP Programme							
Kenya Devolution Support Programme Level II	HQ		100,974,396				
Programme: Administration, Planning and Support Services							
Construction of County Treasury	HQ		91,185,864		54,189,963		
Rehabilitation of old Town Hall	HQ		7,000,000				
Development of Revenue Software	HQ		40,000,000		39,955,687		
Counterpart Funding (Leasing of Land for KDSP Level II)	HQ		9,000,000		9,000,000		
Programme: Public Finance Management							
Development of Audit Software	HQ		10,274,287				
County Debt Management (as per the County Medium Term Debt Management Strategy Paper)	HQ		144,894,510		144,894,510		
County Spatial Plan	HQ		35,000,000		15,000,000		
Programme: Administration, Planning and Support Services							
Valuation of Assets	HQ		1,480,000		1,480,000		
TOTAL			439,809,057	-	264,520,160		

APPENDIX 2

ANALYSIS OF PERFORMANCE OF CAPITAL PROJECTS (FY2013/14 – 2019/20) CURRENTLY IN THE FY2020/21 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: KDSP Programme								
Kenya Devolution Support Programme Level II	HQ		100,974,396					ONGOING
Programme: Public Finance Management								
County Spatial Plan	HQ		20,000,000		15,000,000			ONGOING
Programme: Administration, Planning and Support Services								
Construction of County Treasury	HQ		36,995,901		54,189,963			ONGOING
Rehabilitation of old Town Hall	HQ		7,000,000					ONGOING
Development of Audit Software	HQ		10,274,287					ONGOING
TOTAL			175,244,584	-	69,189,963			