



# **COUNTY GOVERNMENT OF NAKURU**

## **PUBLIC ADMINISTRATION, NATIONAL INTERNATIONAL RELATIONS SECTOR**

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### **FINANCE & ECONOMIC PLANNING SUB SECTOR REPORT**

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**MTEF 2022/2023 – 2024/2025**

**NOVEMBER 2021**

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## **ABBREVIATIONS**

ADP	Annual Development Plan
AGPO	Access to Government Procurement Opportunities
AIA	Appropriation in Aid
ASB	Accounting Standards Board
CBEF	County Budget Economic Forum
CBOs	Community based Organisations
CBROP	County Budget Review and Outlook Paper
CIDP	County Integrated Development Plan
COB	Controller of Budget
COMEC	County Monitoring and Evaluation Committee
COVID	Corona Virus Disease
CRA	Commission on Revenue Allocation
CSFP	County Fiscal Outlook Paper
FBOs	Faith based Organisations
FY	Financial Year
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
KDSP	Kenya Devolution Support Programme
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTR	Medium Term Review
NGO	Non – Governmental Organization
OCOB	Office of the Controller of Budget
PBB	Programme Based Budget
PFM	Public Financial Management
PGH	Provincial General Hospital

PPADA	Public Procurement and Disposal Act
PPP	Public Private Partnerships
PPRA	Public Procurement Regulatory Authority
PWD	Persons with Disabilities
SCOMECE	Sub-County County Monitoring and Evaluation Committee
SRC	Salaries and Remuneration Commission

## **EXECUTIVE SUMMARY**

The County Treasury is a subsector within the Public Administration and International Relations sector which comprises of eight other subsectors including; Office of the Governor and Deputy Governor, County Assembly, County Public Service Board and Public Service Training and Devolution, Nakuru Municipal Board, Naivasha Municipal Board and the proposed Nakuru County Revenue Authority and the Office of the County Attorney. It is comprised of five directorates namely; Internal audit, Supply Chain Management, Economic Planning, Finance and External Resource Mobilization. The sub sector is mandated to carry out as to monitor, evaluate and oversee the management of public finances and economic affairs of the County Government.

The subsector achieved most of its set targets during the period 2018/19 – 2020/21 among them: completed 11 percent of the County Treasury building to increase office space for the County Treasury staff; provided capacity building opportunities for its' staff including training in budget preparation, financial reporting, Planning, Promotional courses such as Senior Management Course, Strategic Leadership Management Programme, Supervisory among others; Acquired a new revenue system CIFOMS to improve efficiency in revenue collection; and had all County Departments using automated financial systems. The sub-sector also adhered to the legal framework and guidelines governing budget formulation by timely preparation of Budget Circular, CBROP, CFSP, Sector reports and Budget estimate; procurement with the annual procurement plan and quarterly procurement reports; public finance with the annual statement and quarterly financial reports. The subsector also strengthened the planning function through operationalization of County planning offices by deploying staff to all County departments; conducted M&E activities; tracked implementation of the Nakuru County CIDP producing an MTR document; prepared three ADPs. In the MTEF period FY2018/19 - 2020/21 the subsector's budgetary allocation was Ksh. 1.287 billion, Ksh. 1.7 billion and Ksh. 1.607 billion

respectively. The actual expenditure for the period was Ksh 1.08 billion, Ksh. 1.459 billion and Ksh. 1.348 billion, translating to 83.97 percent, 85.83 percent and 82.91 percent budget absorption levels respectively.

In the 2022/23-2024/25 MTEF period, the Subsector will implement 3 Programmes (Administration, Planning and Support Services; Public Finance Management; and County Economic planning and coordination of policy formulation). The priorities for the next MTEF period include completion of the County Treasury office block which is expected to accommodate all its Directorates; Strengthening management and usage of funds to ensure prudence in financial management and reporting; Empowering the subsectors' staff by according them opportunities to attend long and short-term programmes to enhance their skills and empower them in performance of their duties; Issue guidelines in budget implementation and do follow-ups to ensure projects and planned activities are realized within the set timelines; Ensure that all statutory documents are submitted to the County Assembly and other Entities as per the requisite directives/legislations; Advise other departments on funding opportunities that may arise due to PPPs external funding opportunities and guide the departments in the formulation of concept notes, papers and proposals for seeking funds with external partners; Further institutionalizing planning in the county entities; and regularizing monitoring and evaluation within the activities in the County entities.

The subsector's resource requirement is Ksh 5.762 billion, Ksh 6.34 billion and Ksh 6.975 billion in the FY2022/23, FY2023/24 and FY2024/25 respectively compared to an allocation of Ksh 3.226 billion, Ksh 3.458 billion and Ksh 3.9 billion over the same period. The requirements and allocations to the subsector from the baseline ceilings include an allocation for Debt resolution and Ward development funds. The subsector encountered various emerging issues and challenges that included: The COVID-19 pandemic and containment measures which affected the operations and performance of the subsector; Exchequer release delays and Budgetary constraints which negatively affect implementation of programmes in

the subsector and thus affecting service delivery; System challenges such as the challenge in generation of programme specific expenditure reports in IFMIS; Inadequate financing to undertake certain subsector activities including training and civic education; Late submission of Bill of Quantities to the supply chain directorate from the County Departments which slowed down the procurement process; Low employee morale and productivity due to stagnation of staff at one job group, lack of harmonized schemes of service/career progression guidelines and Performance Appraisal System; Human resource capacity gaps and succession management; Inadequate infrastructure; Lack of enough working equipment, furniture and vehicles has impacted service delivery. 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; Pending bills. Settling pending bills as first charge constrains the budget for planned projects in the subsequent years thus affecting service delivery in the sector; Delayed Asset disposal due to the slow adoption of the Public Procurement disposal manual which increases the holding costs in the yards; and high insurance premiums due to valuation of County assets at the principal prices not taking depreciation into account.

To enhance the performance of the subsector and address the emerging issues and challenges the Sub Sector recommends that the County Treasury Human Resource Committee takes up the issue of promotion especially where the list was forwarded and the feedback of the Public Service Board was not satisfactory; a Succession management strategy for all County Departments under the leadership of the Public Service Department should be enacted for proper succession plans to guarantee continuity of service provision; The Subsector should continue seeking partnerships with development partners, private sector and other stakeholders to complement County Government efforts in resource mobilization and Measures should be put in place to mitigate against the escalating pending bills to adhere to the PFM Act 2012.



## **CHAPTER ONE**

### **1.0 INTRODUCTION**

This is a report of the County Treasury, a subsector within the Public Administration and International Relations sector. In Nakuru County, the sector comprises of eight other subsectors including; Office of the Governor and Deputy Governor, County Assembly, County Public Service Board and Public Service Training and Devolution, Nakuru Municipal Board, Naivasha Municipal Board and the proposed Nakuru County Revenue Authority and the Office of the County Attorney.

The report highlights the County Treasury's performance for the MTEF period 2018/19 – 2020/21 and presents the sub-sector's priority plans for the MTEF period 2022/23 – 2024/25. Further, it presents the challenges faced during the review period, emerging issues and recommendations for the incoming MTEF period.

The Sub-sector Report, however, has various limitations, which include: presentation of provisional expenditure figures for the period FY 2020/2021 since they are not drawn from audited financial statements; inconsistency in outputs and data provided by the County Treasury directorates/ sections.

### **1.1 Background**

The establishment, composition, roles and responsibilities are espoused by the PFM Act 2012 which also lists the main function that the County Treasury is expected carry out as to monitor, evaluate and oversee the management of public finances and economic affairs of the County Government. The County Treasury is further mandated to coordinate the preparation of the annual budgets; guide and control 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.

## **1.2 Sector Vision and Mission**

### **Vision**

Excellence in public policy and human resource management, resource mobilization, governance and national relations

### **Mission**

To provide overall policy, leadership and oversight in economic and, public service delivery and resource mobilization.

### **Sector Goals**

1. Provide overall policy and leadership direction for County prosperity.
2. Promote prudent economic, financial and fiscal management for growth and economic stability.
3. Promote good governance and accountability in the management of public affairs at the County;
4. Provide quality, efficient, effective, results based and ethical public services.
5. Strengthen legislation and oversight over public agencies and promote good governance.

## **1.3 Strategic Goals/Objectives of the Sector**

- i. Provide overall policy and leadership direction for county prosperity;

- ii. Promote prudent economic, financial and fiscal management for growth and economic stability;
- iii. Promote good governance and accountability in the management of public affairs at the County;
- iv. Provide quality, efficient, effective, results based and ethical public services;
- v. Promote a competitive business environment and public private partnership
- vi. Promote public policy formulation, planning, coordination, implementation, monitoring and evaluation of public projects for economic development;
- vii. Attract, retain and develop competent human resource and deepen Public Service reforms for national competitiveness and transformation;
- viii. Strengthen legislation and oversight over public agencies and promote good governance;
- ix. Promote harmony, equity and fair remuneration for attraction and retention of skilled staff in the public service;
- x. To foster economic, socio and environmental well-being of the Municipality residents in a cost-effective manner, while promoting cultural diversity.
- xi. To provide framework to guide land-use planning and development

#### **1.4 County Treasury Mandates**

The County Treasury draws its mandate from Section 104 of the Public Finance 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. Coordinating the preparation of estimates of revenue and expenditure of the County Government;
- c. Preparation and coordination of 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 the PFM 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 the PFM 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 the PFM Act in relation to the County.

### **1.5 Role of Sector Stakeholders**

To achieve its mandate, the County Treasury works with various stakeholders who have an interest or are affected by the implementation of sub-sector programmes. 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 their role, relevant interests within the sub sector and the expected outcomes.

## Role of the Stakeholders

STAKEHOLDER	Role of the Stakeholder	Interest in the Sub-Sector	Expected Outcome
General Public	<ul style="list-style-type: none"> <li>▪ Public Participation</li> <li>▪ Fulfilment of obligation/ requirements to access services</li> <li>▪ Participate in budget preparation process.</li> <li>▪ Highlight the project to be undertaken at ward level.</li> <li>▪ Pinpoint areas where they believe there is wastage of public funds.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Policy and leadership direction</li> <li>▪ Improved service delivery</li> <li>▪ Equitable resource distribution</li> <li>▪ Transparency and accountability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Good governance</li> <li>▪ Inclusive and equitable socio-economic growth and development</li> </ul>
Line County Departments	<ul style="list-style-type: none"> <li>▪ Ensure prudent use of financial resources</li> <li>▪ Timely reporting</li> <li>▪ Create an enabling environment for improved service delivery</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prudent use of resources</li> <li>▪ Transparency and accountability</li> <li>▪ Provision of services efficiently, fairly and objectively</li> <li>▪ Sharing of information on policy and legal frameworks for review</li> </ul>	<ul style="list-style-type: none"> <li>▪ Efficient and effective Public service delivery</li> <li>▪ Socioeconomic growth</li> <li>▪ Good governance</li> </ul>
State Department and agencies (National treasury,	Disbursement of funds in time to ensure smooth	<ul style="list-style-type: none"> <li>▪ Policy, legal, and regulatory framework</li> <li>▪ Clear policy guidelines</li> </ul>	<ul style="list-style-type: none"> <li>▪ Efficient and effective Public service delivery</li> <li>▪ Socioeconomic growth</li> </ul>

STAKEHOLDER	Role of the Stakeholder	Interest in the Sub-Sector	Expected Outcome
CRA, Intergovernmental Committee, SRC, COB, Office of Auditor General, Central Bank, ASB, State Department for Planning)	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 Salary and Remuneration Commission should implement policies that helps to reduce wage bill at the County Office of the Auditor General audits County expenditure ASB provides guidelines on the preparation of final financial statements	<ul style="list-style-type: none"> <li>▪ Cordial relations</li> <li>▪ Sharing of information on policy and legal frameworks for review</li> </ul>	<ul style="list-style-type: none"> <li>▪ Good governance</li> </ul>

STAKEHOLDER	Role of the Stakeholder	Interest in the Sub-Sector	Expected Outcome
	The State Department for Planning provides policy guidelines in planning and M&E.		
County Assembly	Timely approval of legislative bills including the Appropriation Bill and Finance Bill Budget implementation oversight Consultation, cooperation and collaboration	<ul style="list-style-type: none"> <li>▪ Policy direction and guidance</li> <li>▪ Equitable allocation and timely disbursement of resources</li> <li>▪ Cordial relations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Equitable growth and development</li> <li>▪ Good governance</li> </ul>
Private sector	Public Private Partnership Provision of funds for financing the budgetary deficit Increase public awareness Participate/guidance in drafting policies Participate in budget making process	<ul style="list-style-type: none"> <li>▪ Collaboration with the County under Public Private Partnership (PPP)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increased investment opportunities</li> <li>▪ Sustainable economic growth and development</li> </ul>
Civil Society Organizations (NGOs/CBOs/FBOs)	Compliment and supplement the government in service delivery	<ul style="list-style-type: none"> <li>▪ Prudent use of resources</li> <li>▪ Improved service delivery</li> <li>▪ Public participation in policy formulation and execution.</li> </ul>	Inclusive socio-economic growth and development.



STAKEHOLDER	Role of the Stakeholder	Interest in the Sub-Sector	Expected Outcome
		<ul style="list-style-type: none"> <li>▪ Transparency and accountability</li> </ul>	
Development Partners	Provision of financial and technical assistance	<ul style="list-style-type: none"> <li>▪ Public service delivery</li> <li>▪ Prudent use of resources</li> <li>▪ Transparency and accountability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sustainable economic growth and development</li> <li>▪ Good governance</li> </ul>
CBEF	Coordination and collection of views from the public during the budgeting process.	<ul style="list-style-type: none"> <li>▪ Public participation in policy formulation and execution.</li> <li>▪ Transparency and accountability</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inclusive socio-economic growth and development.</li> </ul>
Professional Bodies	Promotion of code of ethics and professional standards	<ul style="list-style-type: none"> <li>▪ Ethical and professional public service delivery</li> </ul>	<ul style="list-style-type: none"> <li>▪ Effective and efficient public service delivery</li> </ul>
Suppliers	Supply goods and services	<ul style="list-style-type: none"> <li>▪ Sufficient funds for payment of goods and services</li> </ul>	<ul style="list-style-type: none"> <li>▪ Excellent working relations;</li> <li>▪ Timely payment for goods and services</li> <li>▪ Transparency and accountability</li> <li>▪ Prequalification of suppliers and contractors and tendering</li> <li>▪ No pending bills</li> </ul>

## **CHAPTER TWO**

### **2.0 PROGRAMME PERFORMANCE REVIEW FOR THE MTEF PERIOD 2018/19-2020/21**

Chapter Two reviews the performance of the Sub-Sector programmes during the review period of 2018/19, 2019/20 and 2020/21.

#### **Administration Planning and Support Programme**

The main objective of this programme is to provide efficient and effective support services. The programme involves formulation of policies, human resource, finance, the provision of information and ICT services related to IFMIS administration. During the MTEF 2018/19 – 2020/21 the County Treasury under this programme completed 11 percent of the County Treasury building to increase office space for the County Treasury staff; provided capacity building opportunities for its' staff including training in budget preparation, financial reporting, Planning, Promotional courses such as Senior Management Course, Strategic Leadership Management Programme, Supervisory among others; Acquired a new revenue system CIFOMS to improve efficiency in revenue collection; and had all County departments using automated financial systems. Further, under the programme the County Treasury employed 20 staff, promoted 30 staff and recommended staff due for promotion so as to improve its Human resource productivity. The sub-sector also published all the County Treasury documents on the County's website in compliance with the requisite laws requiring publication and publicizing of the documents.

#### **Public Finance Management Programme**

The County Treasury under this programme seeks to promote prudent financial management and internal controls to improve public finance management. This is done through providing 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 MTEF period of 2018/19 – 2020/21 the sub-sector under this programme adhered to the legal framework and guidelines governing budget formulation with Budget Circular, CBROP, CFSP, Sector reports and Budget estimate; procurement with the annual procurement plan and quarterly procurement reports; public finance with the annual statement and quarterly financial reports; Own source revenue collected by the subsector during the period under review including FIF was Ksh. 2.810 billion, Ksh.2.44 and Ksh 2.82 billion for FY 2018/19, FY 2019/20, FY 2020/21 respectively translating to an average of 84.3 percent of targeted collection. The revenue collection for the financial period 2019/20 and 2020/21 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. The Directorate of Internal Audit undertook and prepared risk based and value for money audit reports which are credited for strengthening internal control systems. The Internal Audit directorate further verified pending bills reclassifying some of the ineligible pending bills to eligible which were offset. The Directorate of Finance prepared annual financial statements in compliance with the PFM Act 2012, during the period. The County Treasury prepared annual budget estimates and submitted them County Assembly within the stipulated time. Other budget documents prepared and submitted included the CBROP & CFSP 2018, 2019 and 2020 respectively. The Directorate of Supply Chain Management prepared procurement plans. However, delays were experienced due to delay in budget approval.

The External resource directorate was able to reach out to development partners and facilitated the signing of five MoUs between the County Government and development partners as follows: -

- 1) DanchurchAid – Thematic areas are Climate Resilient Agricultural production, Youth and Gender empowerment, Peace Building and Conflict resolution and Innovations.
- 2) Generation Kenya Program - The Thematic areas are Capacity Building on Entrepreneurship for Youths and support to Vocational Training Centers of excellence.
- 3) Embassy of Israel (MASHAV) – (Simulation on Wheels) - Equipped fully one ambulance at PGH level 5. The value of the equipment was Kshs. 1,527,750/=
- 4) USAID PROSPER – The Thematic area is ICT and Youth program. The County will receive 1.5 billion through USAID. This money will be used to support Youth in ICT through Vocational Training centers.
- 5) The directorate forwarded a proposal to the Indian High Commission for consideration and financing towards the establishment of a dairy processing plant.

### **Economic and Financial Policy Formulation and Management programme**

The subsector under this programme 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, Annual Progress reports 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. During the FY 2020/21 the Mid Term Review of the CIDP 2018-2022 was conducted of as per the guidelines provided by the State department of Planning. Further, monitoring and evaluation were carried out with the annual project report and quarterly M&E reports were prepared and submitted within the stipulated timeline.

The subsector under this programme also institutionalized planning by deploying planning officers in all the county departments. This is expected to greatly improve planning, budgeting and monitoring and evaluation activities in the county.

## 2.1 Review of Sector Programmes/Sub-Programmes/projects-Delivery of Outputs/ KPI/ targets

**Table 1: Sector Programme Performance Reviews**

Programme	Key Output	Key Performance Indicators	Planned Target			Achieved Targets			Remarks
			2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	
<b>Programme: Administration Planning and Support services</b>									
<b>S.P 1.1 Administration, planning and support services</b>	Improved service delivery	No. of offices refurbished /renovated		4	2	-		2	
		Completion rate of county treasury office block		40	80	-	-	11	Project ongoing
		No. of new sub county treasury offices constructed			2			0	No funds allocated
	Improved Planning	Research and feasibility study reports	1	1	1	0	0	0	
		Upload of planning, budgeting and policy documents to the County website	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	The documents were uploaded continuously throughout the period.
<b>S.P 1.2 Personnel Services</b>	Improved human resource productivity	Compensation to employee		486	469				
		No of staff trained on short course programs.		300	300	-	-	122	
		No of staff trained on long term course programs		20	20	-	-	1	No enough funds allocated for long-term training

Programme	Key Output	Key Performance Indicators	Planned Target			Achieved Targets			Remarks
			2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	
S.P 1.3 financial services	Improved financial reporting	Percentage of departments using automated financial systems		50%	75%	100	100	100	All revenue modules are automated
		Revenue automated system acquired	-	1	1	-	-	1	New revenue system (CIFOMS) was acquired during FY 2020/21. Implementation ongoing
	Increased revenue mobilization	Percentage of sub counties using automated revenue system			85%				All sub counties are fully automated.
<b>PROGRAMME 2: PUBLIC FINANCE MANAGEMENT</b>									
<b>Outcome: A transparent and accountable system for the management of public financial resources</b>									
SP 2.1: Budget Formulation, Coordination and Management	Improved Programme Based Budgeting (PBB)	Number of officers trained in MTEF and PBB	160	190	190	111	56	50	Reduced Numbers due to COVID 19
	Improved Public Participation	Number of stakeholders involved in budget preparation	2100	2300	2300	2300	1200	750	Reduced Numbers due to COVID 19
		Number of public participation forums held	3	5	3	3	3	2	Public participation for CSFP and MTEF Budgets

Programme	Key Output	Key Performance Indicators	Planned Target			Achieved Targets			Remarks
			2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	
	Increased budgetary resources allocated towards development	Ratio of development expenditure to total budget	34%	37%	47%	43.30%	49.40%	43%	
	Legal and regulatory frameworks governing formulation, preparation and implementation of budget adhered to	Budget circular released	30 <sup>th</sup> Aug 2018	30 <sup>th</sup> Aug 2019	30 <sup>th</sup> Aug 2020	30 <sup>th</sup> Aug 2018	30 <sup>th</sup> Aug 2019	28 <sup>th</sup> Aug 2020	Budget circular released
		Budget Review and Outlook Paper submitted	30 <sup>th</sup> Sept 2018	30 <sup>th</sup> Sept 2019	30 <sup>th</sup> Sept 2020	30 <sup>th</sup> Sept 2018	30 <sup>th</sup> Sept 2019	30 <sup>th</sup> Sept 2020	Budget Review and Outlook Paper submitted
		County Fiscal Strategy Paper submitted	28 <sup>th</sup> Feb 2019	28 <sup>th</sup> Feb 2020	28 <sup>th</sup> Feb 2021	28 <sup>th</sup> Feb 2019	27 <sup>th</sup> Feb 2020	25 <sup>th</sup> Feb 2021	County Fiscal Strategy Paper submitted
		Draft budget estimates and Sector Reports prepared and submitted	-	31 <sup>st</sup> Jan 2020	31 <sup>st</sup> Jan 2021	31 <sup>st</sup> Jan 2020	31 <sup>st</sup> Jan 2020	31 <sup>st</sup> Jan 2021	Draft budget estimates and Sector Reports prepared and submitted
		Budget estimates submitted to the County Assembly	30 <sup>th</sup> April 2019	30 <sup>th</sup> April 2020	30 <sup>th</sup> April 2021	30 <sup>th</sup> April 2019	30 <sup>th</sup> April 2020	30 <sup>th</sup> April 2021	Budget estimates submitted to the County Assembly
		Appropriation Bill submitted	30 <sup>th</sup> June 2019	30 <sup>th</sup> June 2020	30 <sup>th</sup> June 2021	30 <sup>th</sup> June 2019	30 <sup>th</sup> June 2020	30 <sup>th</sup> June 2021	Appropriation Bill submitted
		Annual Cashflow submitted to Controller of Budget	-	15 <sup>th</sup> June 2020	15 <sup>th</sup> June 2021	15 <sup>th</sup> June 2019	15 <sup>th</sup> June 2020	15 <sup>th</sup> June 2021	Annual Cashflow submitted to Controller of Budget



Programme	Key Output	Key Performance Indicators	Planned Target			Achieved Targets			Remarks
			2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	
		Finance Bill submitted to County Assembly	30 <sup>th</sup> Sept	30 <sup>th</sup> Sept	30 <sup>th</sup> Sept	30 <sup>th</sup> Sept	30 <sup>th</sup> Sept	30 <sup>th</sup> Sept	Finance Bill submitted to County Assembly
<b>SP 2.2: Resource Mobilisation</b>	Improved County Own Source Revenue	Amount of Revenue collected (Billions Ksh)	2.3	2.8	3.2	1.8	2.4	2.8	Various challenges impeded achievement of the targets.
		Percentage of Revenue sources mapped	-	80	70	0	0	0	
		Percentage of revenue sources automated	20	80	40	20	65	65	Implementation of the system still in progress
		Number of Revenue Bills passed	-	6	2	0	0	3	Tea Cess act, Nakuru Revenue Authority Act 2021 and Trade Act were passed.
	Improved efficiency in revenue collection	No of offices furnished	-	10	10	0	0	0	
		No. of staff trained	-	50	50	100	0	0	
		No of desktop computers	-	10	10	0	0	10	
		System Server backup	-	1	1	0	0	1	
		No. of Standby Generators	-	2	5	0	0	0	
		No. of vehicles acquired	-	2	4	0	0	0	

Programme	Key Output	Key Performance Indicators	Planned Target			Achieved Targets			Remarks
			2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	
		No. of motorbikes acquired	-	6	6	0	0	0	
SP 2.3 Internal Audit	Improved internal audit controls	Audit automation system acquired	-	1	1	0	0	0	Slow paced procurement process
		No. of licenses acquired (for Audit Management software)	18	31	31	-	2	2	Renewal of the licenses in 2021 (Analytical tool)
		No. of audit reports developed and submitted to County Audit Committee and Chief Officer	4	4	4	4	4	4	All Quarterly reports submitted
		No of audit staff trained	-	30	30			26	Some Staff were transferred to accounts
		Quarterly Audit committee meetings	-	4	4	-	4	4	
	Improved Staff working environment	Number of laptops/desktops acquired	-	17	17	-	31	-	
		Number of furniture acquired	-	10	10	0	0	1	
		Number of vehicles acquired	-	2	1	0	1	0	No budgetary allocation
	SP 2.4 Procurement	Improved service delivery	No. of supply chain staff trained	-	30	30		30	45
No. of public sensitization fora on procurement held			-	4	4		2	2	Hindered by COVID 19 restrictions.

Programme	Key Output	Key Performance Indicators	Planned Target			Achieved Targets			Remarks
			2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	
		No of vehicles acquired	-		1			0	No budgetary allocation
	AGPO implemented	No. of sensitization fora for special groups held	-	3	3			1	Hindered by COVID 19 restrictions.
		Rate of compliance to AGPO (30%)	-	100	100	100	100	100	
	Enhanced compliance with PPADA (2015)	Annual procurement plans prepared	30 <sup>th</sup> Sept 2018	30 <sup>th</sup> Sept 2019	30 <sup>th</sup> Sept 2020	30 <sup>th</sup> Sept 2018	30 <sup>th</sup> Sept 2019	30 <sup>th</sup> Sept 2020	Prepared
		Number of procurements professional opinions prepared	-	100	100	100	100	100	
		Quarterly reports to PPRA	-	4	4	4	4	4	All Quarterly reports submitted to PPRA
	Improved record management	Supply chain management system acquired	-						
		Fire-proof filing cabinet acquired	-	2	2				
		Stock control register in place	-	1	1				
		Annual asset disposal undertaken	-	1	1				

Programme	Key Output	Key Performance Indicators	Planned Target			Achieved Targets			Remarks
			2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	
SP 2.5: Public Finance & Accounting	Improved expenditure control and financial reporting	Quarterly financial reports prepared and submitted	4	4	4	4	4	4	All Quarterly reports submitted
		Annual financial statements prepared	30 <sup>th</sup> Sept	30 <sup>th</sup> Sept	30 <sup>th</sup> Sept	30 <sup>th</sup> Sept	30 <sup>th</sup> Sept	30 <sup>th</sup> Sept	Annual financial statements Prepared and submitted to OAG, COB, National Treasury and CRM
		No. of accounting staff trained	-	30	50		30	30	
		No. of financial advisories on expenditure control issued to line departments	-	4	4		4	4	
	Improved asset management	Preparation and updating of County Asset register		Continuous	Continuous		Continuous	Continuous	The County Asset Register is updated continuously
		No of asset policies formulated	-	1	1	-	-	1	Draft Asset policy at the County Attorney Office
		Valuation and insurance of assets reports		Annually	Annually		Annually	Annually	Valuation and insurance of assets reports
		No of computers purchased		2		-	2	-	

Programme	Key Output	Key Performance Indicators	Planned Target			Achieved Targets			Remarks
			2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	
<b>SP 2.6 Debt Management</b>	Improved debt management	County Medium Term Debt Strategy Paper prepared and presented to County Assembly	28th Feb 2019	28th Feb 2020	28th Feb 2021	28th Feb 2019	28th Feb 2020	28th Feb 2021	County Medium Term Debt Strategy Paper prepared and presented to County Assembly
		Debt resolution amount (Millions Ksh)	-	150	360			122.96	Only 140 million allocated in the FY 2020/21.
<b>SP 2.7 External Resource Mobilisation</b>	Enhanced Partnerships and donor financing	Operationalization of the directorate	-	-	-	-	-	Jan-20	
		Amount mobilized from donors(Ksh)	-	-	-	-	-	1,527,750	Amount was mobilized from the Israeli Embassy who fully equipped an ambulance at PGH
		No of officers trained on external resource mobilization	-	-	-	-	-		Officers were trained on proposal writing and mapping of external donors
<b>PROGRAMME 3: COUNTY ECONOMIC PLANNING AND COORDINATION OF POLICY FORMULATION</b>									
<b>Outcome: Improved coordination in Economic Policy, Planning and implementation</b>									
<b>SP 3.1 Fiscal Planning</b>	Improved coordination of policy planning and implementation	Annual Development Plans prepared	-	30th Aug 2019	30th Aug 2020	30th Aug 2018	30th Aug 2019	30th Aug 2020	Annual Development Plans prepared
		Annual progress review reports	-	30th Sept 2019	30th Sept 2020	30th Sept 2018	30th Sept 2019	30th Sept 2020	Annual progress review reports prepared and submitted

Programme	Key Output	Key Performance Indicators	Planned Target			Achieved Targets			Remarks
			2018/19	2019/20	2020/21	2018/19	2019/20	2020/21	
		CIDP mid-term review report	-	-	1	-	-	1	CIDP mid-term review report prepared and submitted
<b>SP 3.2 Monitoring and Evaluation/ Statistical Data Management</b>	Improved reporting	M&E Committee established		SCOMECS	SCOMECS				
		M&E Unit work plan		1	1		1	1	M&E Unit work plan prepared
		Quarterly M&E reports	4	4	4	4	4	4	Quarterly M&E reports prepared
		Number of vehicles acquired	-	1	1	-	0	0	No budgetary allocation for the vehicles,
		No. of staffs trained on M&E		50	50		45	45	COMEC members trained on M&E
		County Indicator handbook developed	1	1	1	1	1	1	Developed in FY 2017/18
		County Statistical Abstract prepared		Updated	Updated		-	-	Draft questionnaire ready
<b>SP 3.3 KDSP Programme</b>	KDSP Capacity Building Plan	No. of Capacity Building Plan prepared		30 <sup>th</sup> June 2019			30 <sup>th</sup> June 2019		
		Implementation rate		70%					

## 2.2 Expenditure Analysis

This section analyses the Sub-sector's expenditure by programme and economic classification. The analysis provides trends of both the allocations and actual expenditures for the MTEF period 2018/19 to 2020/21

The analysis of the sub-sector's expenditure indicates marginal increase in the allocations to the subsector from Ksh. 1.287 billion in FY 2018/19 to Ksh. 1.7 billion in FY 2019/20 and Ksh. 1.607 billion in FY 2020/21. The actual expenditure for the period was Ksh 1.08 billion, Ksh. 1.459 billion and Ksh. 1.348 billion, translating to 83.97 percent, 85.83 percent and 82.91 percent absorption levels in financial years 2018/19, 2019/20 and 2020/21, respectively. Table 2 below outlines the subsector's analysis of programme expenditure by programme and sub programme.

### 2.2.1 Analysis of Programme Expenditures

During the period under review the sub-sector was implementing three (3) main programmes and thirteen (13) sub-programmes. The Budget execution by programme and sub-programme is represented in the table 2a below while table 2b demonstrates the allocations and actual expenditure by programme and sub-programme:

**Table 2a: Budget execution rate by programme and sub-programme**

Economic Classification	2018/19	2019/20	2020/21
<b>PROGRAMME 1: Administration, Planning and Support Services</b>			
S.P 1.1 Administration Services	84.61%	93.04%	98.52%
S.P 1.2 Personnel Services	100.00%	89.64%	99.06%
S.P 1.3 Financial Services	87.62%	-	-
<b>TOTAL PROGRAMME 1</b>	<b>94.46%</b>	<b>91.48%</b>	<b>98.76%</b>
<b>PROGRAMME 2: Public Finance Management</b>			
SP 2.1: Budget Formulation, Coordination and Management	89.06%	99.29%	97.71%
SP 2.2: Resource Mobilization	88.52%	99.64%	98.48%
SP 2.3 Internal Audit	85.34%	82.93%	98.09%
SP 2.4 Procurement	97.25%	96.79%	98.00%
SP 2.5: Public Finance & Accounting	66.69%	97.61%	97.02%

<b>Economic Classification</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
SP 2.6 Debt Management	73.77%	99.96%	40.08%
<b>TOTAL PROGRAMME 2</b>	<b>79.56%</b>	<b>97.06%</b>	<b>62.22%</b>
<b>PROGRAMME 3: County Economic Planning and Coordination of Policy Formulation</b>			
SP 3.1 Fiscal Planning	41.94%	97.74%	99.00%
SP 3.2 Monitoring and Evaluation / Statistical Data Management	79.52%	91.39%	95.78%
SP 3.3 KDSP Programme	-	1.22%	74.72%
<b>TOTAL PROGRAMME 3</b>	<b>44.66%</b>	<b>30.46%</b>	<b>78.58%</b>
<b>TOTAL VOTE</b>	<b>83.97%</b>	<b>85.83%</b>	<b>83.91%</b>



**Table 2b: Programme/Sub-Programme Expenditure Analysis**

ANALYSIS OF PROGRAMME EXPENDITURE BY PROGRAMME AND SUB PROGRAMME						
Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
<b>PROGRAMME 1: Administration, Planning and Support Services</b>						
S.P 1.1 Administration Services	249,141,801	624,843,289	379,145,177	210,801,727	581,340,741	373,525,805
S.P 1.2 Personnel Services	457,176,143	477,970,679	479,160,505	457,176,143	428,441,159	474,659,424
S.P 1.3 Financial Services	11,900,000	1,000,000	500,000	10,426,517	-	-
<b>TOTAL PROGRAMME 1</b>	<b>718,217,944</b>	<b>1,103,813,968</b>	<b>858,805,682</b>	<b>678,404,387</b>	<b>1,009,781,900</b>	<b>848,185,229</b>
<b>PROGRAMME 2: Public Finance Management</b>						
SP 2.1: Budget Formulation, Coordination and Management	57,537,655	51,775,016	58,337,350	51,240,525	51,407,929	57,002,225
SP 2.2: Resource Mobilization	70,148,359	77,349,267	78,479,717	62,092,184	77,072,013	77,288,191
SP 2.3 Internal Audit	22,098,800	60,456,334	36,189,521	18,858,115	50,134,781	35,496,520
SP 2.4 Procurement	17,650,120	13,125,475	14,110,498	17,165,141	12,704,160	13,828,309
SP 2.5: Public Finance & Accounting	17,408,860	15,432,554	17,669,301	11,610,773	15,063,790	17,143,413
SP 2.6 Debt Management	240,109,414	183,961,083	331,302,823	177,117,308	183,889,828	132,800,424
SP 2.7: External Resource Mobilization	-	-	-	-	-	-
<b>TOTAL PROGRAMME 2</b>	<b>424,953,208</b>	<b>402,099,729</b>	<b>536,089,211</b>	<b>338,084,046</b>	<b>390,272,501</b>	<b>333,559,082</b>
<b>PROGRAMME 3: County Economic Planning and Coordination of Policy Formulation</b>						
SP 3.1 Fiscal Planning	133,624,797	52,235,254	27,372,955	56,047,825	51,056,862	27,099,313
SP 3.2 Monitoring and Evaluation / Statistical Data Management	10,419,300	7,024,963	7,455,356	8,285,419	6,419,826	7,140,689
SP 3.3 KDSP Programme	-	134,827,523	177,983,523	-	1,644,000	51,505,067
<b>TOTAL PROGRAMME 3</b>	<b>144,044,097</b>	<b>194,087,740</b>	<b>212,811,834</b>	<b>64,333,244</b>	<b>59,120,688</b>	<b>85,745,069</b>
<b>TOTAL VOTE</b>	<b>1,287,215,249</b>	<b>1,700,001,437</b>	<b>1,607,706,727</b>	<b>1,080,821,677</b>	<b>1,459,175,089</b>	<b>1,267,489,380</b>

## 2.2.2 Analysis of Programme expenditures by economic classification

The budget execution rate for the sub-sector's recurrent budget ranks higher than the sub-sector's development budget at 90 percent in FY 2018/19, 93 percent in FY 2019/20 and 94 percent in FY 2020/21 against 74 percent in FY 2018/19, 65 percent in FY 2019/20 and 69 percent in FY 2020/21 for recurrent and developments budget respectively. Table 3 below show the Programme Expenditure Analysis by Economic Classification.

**Table 3: Programme Expenditure Analysis by Economic Classification**

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
<b>PROGRAMME 1: Administration, Planning and support services</b>						
<b>Current Expenditure:</b>	<b>615,217,944</b>	<b>956,148,102</b>	<b>639,412,292</b>	<b>607,237,734</b>	<b>905,156,250</b>	<b>632,969,744</b>
Compensation Of Employees	457,176,143	477,970,679	479,160,505	457,176,143	428,441,159	474,659,424
Use Of Goods and Services	153,224,551	187,177,423	160,251,785	145,463,667	185,715,091	158,310,320
Grants And Other Transfers		291,000,000			291,000,000	
Other Recurrent	4,817,250			4,597,924		
<b>Capital Expenditure</b>	<b>78,000,000</b>	<b>148,665,864</b>	<b>219,393,392</b>	<b>71,166,653</b>	<b>104,625,650</b>	<b>215,215,485</b>
Acquisition Of Non-Financial Assets	78,000,000	148,665,864	219,393,392	71,166,653	104,625,650	215,215,485
Capital Grants to Governmental Agencies						
Other Development						
<b>TOTAL PROGRAMME 1</b>	<b>693,217,944</b>	<b>1,104,813,966</b>	<b>858,805,682</b>	<b>678,404,387</b>	<b>1,009,781,900</b>	<b>848,185,229</b>
<b>SP 1.1: Administration Services</b>						
<b>Current Expenditure:</b>	<b>146,141,801</b>	<b>477,177,423</b>	<b>159,751,785</b>	<b>139,635,074</b>	<b>476,715,091</b>	<b>158,310,320</b>
Compensation Of Employees						
Use Of Goods and Services	141,324,551	186,177,423	159,751,785	135,037,150	185,715,091	158,310,320
Grants And Other Transfers		291,000,000			291,000,000	
Other Recurrent	4,817,250			4,597,924		
<b>Capital Expenditure</b>	<b>78,000,000</b>	<b>148,665,864</b>	<b>219,393,392</b>	<b>71,166,653</b>	<b>104,625,650</b>	<b>215,215,485</b>
Acquisition Of Non-Financial Assets	78,000,000	148,665,864	219,393,392	71,166,653	104,625,650	215,215,485
Capital Grants to Governmental Agencies						

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Other Development						
<b>TOTAL SP 1.1</b>	<b>224,141,801</b>	<b>625,843,287</b>	<b>379,645,177</b>	<b>210,801,727</b>	<b>581,340,741</b>	<b>373,525,805</b>
<b>SP 1.2: Personal services</b>						
<b>Current Expenditure:</b>	<b>457,176,143</b>	<b>477,970,679</b>	<b>479,160,505</b>	<b>457,176,143</b>	<b>428,441,159</b>	<b>474,659,424</b>
Compensation Of Employees	457,176,143	477,970,679	479,160,505	457,176,143	428,441,159	474,659,424
Use Of Goods and Services						
Grants And Other Transfers						
Other Recurrent						
<b>Capital Expenditure</b>						
Acquisition Of Non-Financial Assets						
Capital Grants to Governmental Agencies						
Other Development						
<b>TOTAL SP 1.2</b>	<b>457,176,143</b>	<b>477,970,679</b>	<b>479,160,505</b>	<b>457,176,143</b>	<b>428,441,159</b>	<b>474,659,424</b>
<b>SP 1.3: Financial services</b>						
<b>Current Expenditure</b>	<b>11,900,000</b>	<b>1,000,000</b>	<b>500,000</b>	<b>10,426,517</b>		<b>-</b>
Compensation Of Employees						
Use of goods and services	11,900,000	1,000,000	500,000	10,426,517		-
Current Transfers Govt Agencies						
Other Recurrent						
<b>Capital Expenditure</b>						
Acquisition of Non-financial assets						
Capital transfers to Govt Agencies						
Other Development						
<b>TOTAL SP 1.3</b>	<b>11,900,000</b>	<b>1,000,000</b>	<b>500,000</b>	<b>10,426,517</b>	<b>0</b>	<b>-</b>
<b>TOTAL PROGRAMME 1</b>	<b>693,217,944</b>	<b>1,104,813,966</b>	<b>858,805,682</b>	<b>678,404,387</b>	<b>1,009,781,900</b>	<b>848,185,229</b>
<b>PROGRAMME 2: Public Finance Management</b>						
<b>Current Expenditure:</b>	<b>235,223,208</b>	<b>212,307,812</b>	<b>209,406,513</b>	<b>211,242,347</b>	<b>209,723,688</b>	<b>205,065,191</b>
Compensation Of Employees	-	-		-	-	
Use Of Goods and Services	227,861,758	211,930,932	201,947,262	205,652,217	209,723,688	198,131,935
Grants And Other Transfers	-	-	-	-	-	
Other Recurrent	7,361,450	376,880	7,459,251	5,590,130	-	6,933,256
<b>Capital Expenditure</b>	<b>188,453,842</b>	<b>190,168,797</b>	<b>326,682,697</b>	<b>127,332,213</b>	<b>180,548,813</b>	<b>128,493,891</b>
Acquisition Of Non-Financial Assets	-	10,274,287		-	-	

<b>ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION</b>						
	<b>APPROVED BUDGET</b>			<b>ACTUAL EXPENDITURE</b>		
<b>Economic Classification</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>
Capital Grants to Governmental Agencies	188,453,842	179,894,510	326,682,697	127,332,213	180,548,813	128,493,891
Other Development	-	-	-	-	-	-
<b>TOTAL PROGRAMME 2</b>	<b>423,677,050</b>	<b>402,476,609</b>	<b>536,089,210</b>	<b>338,574,560</b>	<b>390,272,501</b>	<b>333,559,082</b>
<b>SP 2.1: Budget Formulation, Coordination and Management</b>						
<b>Current Expenditure:</b>	<b>57,537,655</b>	<b>51,775,016</b>	<b>58,337,350</b>	<b>51,240,525</b>	<b>51,407,929</b>	<b>57,002,225</b>
Compensation Of Employees						
Use Of Goods and Services	57,537,655	51,775,016	58,337,350	51,240,525	51,407,929	57,002,225
Grants And Other Transfers						
Other Recurrent	-					
<b>Capital Expenditure</b>						
Acquisition Of Non-Financial Assets						
Capital Grants to Governmental Agencies						
Other Development						
<b>TOTAL SP 2.1</b>	<b>57,537,655</b>	<b>51,775,016</b>	<b>58,337,350</b>	<b>51,240,525</b>	<b>51,407,929</b>	<b>57,002,225</b>
<b>SP 2.2: Resource Mobilization</b>						
<b>Current Expenditure:</b>	<b>70,148,359</b>	<b>77,349,267</b>	<b>78,479,717</b>	<b>62,582,698</b>	<b>77,072,013</b>	<b>77,288,191</b>
Compensation Of Employees						
Use Of Goods and Services	65,148,359	77,349,267	73,771,717	57,874,698	77,072,013	73,050,341
Grants And Other Transfers						
Other Recurrent	5,000,000		4,708,000	4,708,000		4,237,850
<b>Capital Expenditure</b>						
Acquisition Of Non-Financial Assets						
Capital Grants to Governmental Agencies						
Other Development						
<b>TOTAL SP 2.2</b>	<b>70,148,359</b>	<b>77,349,267</b>	<b>78,479,717</b>	<b>62,582,698</b>	<b>77,072,013</b>	<b>77,288,191</b>
<b>SP 2.3 Internal Audit</b>						
<b>Current Expenditure:</b>	<b>22,098,800</b>	<b>50,182,047</b>	<b>36,189,521</b>	<b>18,858,115</b>	<b>50,134,781</b>	<b>35,496,520</b>
Compensation Of Employees						
Use Of Goods and Services	20,880,800	50,182,047	35,286,252	18,189,835	50,134,781	34,611,870
Grants And Other Transfers						
Other Recurrent	1,218,000		903,269	668,280		884,650
<b>Capital Expenditure</b>	<b>-</b>	<b>10,274,287</b>		<b>-</b>	<b>-</b>	
Acquisition Of Non-Financial Assets		10,274,287				

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Capital Grants to Governmental Agencies						
Other Development						
<b>TOTAL SP 2.3</b>	<b>22,098,800</b>	<b>60,456,334</b>	<b>36,189,521</b>	<b>18,858,115</b>	<b>50,134,781</b>	<b>35,496,520</b>
<b>SP 2.4 Procurement</b>						
<b>Current Expenditure:</b>	<b>17,650,120</b>	<b>13,125,475</b>	<b>14,110,498</b>	<b>17,165,141</b>	<b>12,704,160</b>	<b>13,828,309</b>
Compensation Of Employees						
Use Of Goods and Services	17,014,870	13,125,475	13,639,396	16,986,441	12,704,160	13,364,493
Grants And Other Transfers						
Other Recurrent	635,250		471,102	178,700		463,816
<b>Capital Expenditure</b>						
Acquisition Of Non-Financial Assets						
Capital Grants to Governmental Agencies						
Other Development						
<b>TOTAL SP 2.4</b>	<b>17,650,120</b>	<b>13,125,475</b>	<b>14,110,498</b>	<b>17,165,141</b>	<b>12,704,160</b>	<b>13,828,309</b>
<b>SP 2.5: Public Finance &amp; Accounting</b>						
<b>Current Expenditure:</b>	<b>17,408,860</b>	<b>15,809,434</b>	<b>17,669,301</b>	<b>11,610,773</b>	<b>15,063,790</b>	<b>17,143,413</b>
Compensation Of Employees						
Use Of Goods and Services	16,900,660	15,432,554	16,292,421	11,575,623	15,063,790	15,796,473
Grants And Other Transfers						
Other Recurrent	508,200	376,880	1,376,880	35,150		1,346,940
<b>Capital Expenditure</b>						
Acquisition Of Non-Financial Assets						
Capital Grants to Governmental Agencies						
Other Development						
<b>TOTAL SP 2.5</b>	<b>17,408,860</b>	<b>15,809,434</b>	<b>17,669,301</b>	<b>11,610,773</b>	<b>15,063,790</b>	<b>17,143,413</b>
<b>SP 2.6: Debt Management</b>						
<b>Current Expenditure:</b>	<b>50,379,414</b>	<b>4,066,573</b>	<b>4,620,126</b>	<b>49,785,095</b>	<b>3,341,015</b>	<b>4,306,533</b>
Compensation Of Employees						
Use Of Goods and Services	50,379,414	4,066,573	4,620,126	49,785,095	3,341,015	4,306,533
Grants And Other Transfers						
Other Recurrent						
<b>Capital Expenditure</b>	<b>188,453,842</b>	<b>179,894,510</b>	<b>326,682,697</b>	<b>127,332,213</b>	<b>180,548,813</b>	<b>128,493,891</b>
Acquisition Of Non-Financial Assets						

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Capital Grants to Governmental Agencies	188,453,842	179,894,510		127,332,213	180,548,813	128,493,891
Other Development						
<b>TOTAL SP 2.6</b>	<b>238,833,256</b>	<b>183,961,083</b>	<b>331,302,823</b>	<b>177,117,308</b>	<b>183,889,828</b>	<b>132,800,424</b>
<b>SP 2.7: External Resource Mobilization</b>						
<b>Current Expenditure:</b>						
Compensation Of Employees						
Use Of Goods and Services						
Grants And Other Transfers						
Other Recurrent						
<b>Capital Expenditure</b>						
Acquisition Of Non-Financial Assets						
Capital Grants to Governmental Agencies						
Other Development						
<b>TOTAL SP 2.7</b>						
<b>TOTAL PROGRAMME 2</b>	<b>423,677,050</b>	<b>402,476,609</b>	<b>536,089,211</b>	<b>338,574,560</b>	<b>390,272,501</b>	<b>333,559,082</b>
<b>PROGRAMME 3: Economic and Financial Policy Formulation and Management</b>						
<b>Current Expenditure:</b>	<b>134,044,097</b>	<b>93,113,346</b>	<b>111,837,438</b>	<b>64,333,244</b>	<b>59,120,688</b>	<b>66,247,129</b>
Compensation Of Employees	-	-		-	-	
Use Of Goods and Services	132,831,347	93,113,346	110,938,063	63,829,224	59,120,688	65,425,184
Grants And Other Transfers	-	-		-	-	
Other Recurrent	1,212,750	-	899,375	504,020	-	821,945
<b>Capital Expenditure</b>	<b>-</b>	<b>100,974,396</b>	<b>100,974,396</b>	<b>-</b>	<b>-</b>	<b>100,974,396</b>
Acquisition Of Non-Financial Assets	-	-		-	-	
Capital Grants to Governmental Agencies	-	100,974,396		-	-	100,974,396
Other Development	-	-		-	-	
<b>TOTAL PROGRAMME 3</b>	<b>134,044,097</b>	<b>194,087,742</b>		<b>64,333,244</b>	<b>59,120,688</b>	<b>167,221,525</b>
<b>SP 3.1: Fiscal Planning</b>						
<b>Current Expenditure:</b>	<b>123,624,797</b>	<b>52,235,256</b>	<b>27,372,955</b>	<b>56,047,825</b>	<b>51,056,862</b>	<b>27,099,313</b>
Compensation Of Employees						
Use Of Goods and Services	123,047,297	52,235,256	26,944,681	55,623,075	51,056,862	26,693,231
Grants And Other Transfers						
Other Recurrent	577,500		428,274	424,750		406,082
<b>Capital Expenditure</b>						

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	APPROVED BUDGET			ACTUAL EXPENDITURE		
	2018/19	2019/20	2020/21	2018/19	2019/20	2020/21
Acquisition Of Non-Financial Assets						
Capital Grants to Governmental Agencies						
Other Development						
<b>TOTAL SP 3.1</b>	<b>123,624,797</b>	<b>52,235,256</b>	<b>27,372,955</b>	<b>56,047,825</b>	<b>51,056,862</b>	<b>27,099,313</b>
<b>SP 3.2: Monitoring &amp; Evaluation / Statistical Data Management</b>						
<b>Current Expenditure:</b>	<b>10,419,300</b>	<b>7,024,963</b>	<b>7,455,356</b>	<b>8,285,419</b>	<b>6,419,826</b>	<b>7,140,689</b>
Compensation Of Employees						
Use Of Goods and Services	9,784,050	7,024,963	6,984,255	8,206,149	6,419,826	6,724,826
Grants And Other Transfers						
Other Recurrent	635,250		471,101	79,270		415,863
<b>Capital Expenditure</b>						
Acquisition Of Non-Financial Assets						
Capital Grants to Governmental Agencies						
Other Development						
<b>TOTAL SP 3.2</b>	<b>10,419,300</b>	<b>7,024,963</b>	<b>7,455,356</b>	<b>8,285,419</b>	<b>6,419,826</b>	<b>7,140,689</b>
<b>SP 3.3: KDSP Programme</b>						
<b>Current Expenditure:</b>	<b>-</b>	<b>33,853,127</b>	<b>77,009,127</b>	<b>-</b>	<b>1,644,000</b>	<b>17,869,689</b>
Compensation Of Employees						
Use Of Goods and Services		33,853,127	77,009,127		1,644,000	17,869,689
Grants And Other Transfers						
Other Recurrent						
<b>Capital Expenditure</b>	<b>-</b>	<b>100,974,396</b>	<b>100,974,396</b>	<b>-</b>	<b>-</b>	<b>33,635,378</b>
Acquisition Of Non-Financial Assets						
Capital Grants to Governmental Agencies		100,974,396	100,974,396			33,635,378
Other Development						
<b>TOTAL SP 3.3</b>	<b>-</b>	<b>134,827,523</b>	<b>177,983,523</b>	<b>-</b>	<b>1,644,000</b>	<b>51,505,067</b>
<b>TOTAL PROGRAMME 3</b>	<b>134,044,097</b>	<b>194,087,742</b>	<b>212,811,834</b>	<b>64,333,244</b>	<b>59,120,688</b>	<b>85,745,069</b>
<b>TOTAL VOTE 4562</b>	<b>1,250,939,091</b>	<b>1,701,378,317</b>	<b>1,607,706,727</b>	<b>1,081,312,191</b>	<b>1,459,175,089</b>	<b>1,267,489,380</b>

### **2.2.3 Analysis of Capital Projects**

During the review period, the subsector implemented various capital projects some of which were completed while others were rolled over.

Appendix 1 analyses the performance of capital projects implemented in the 2018/19-2020/21. The analysis captures among other things, contract details of the respective projects, contract cost, expected final cost, budget provisions and the completion status.

Appendix 2 provides an analysis of performance of capital projects (FY 2013/14 – 2020/2021) currently in the FY 2021/22 budget

### **2.3 Review of Pending Bills**

The County Treasury subsector has accrued a total pending bill of Ksh 57 million During FY 2020/21.

The sub-sector continues to put in place administrative measures to contain pending bills. These includes; putting in place verification committees to interrogate pending bills before payments, prioritizing of pending bills as a first charge in the subsequent years, re-prioritizing expenditure where unforeseen changes occur and ensuring early procurement of goods, works and services to avoid last minute rush. The pending bills are further classified as below.

#### **2.3.1 Recurrent Pending Bills**

During the FY 2020/21, the County Treasury Subsector had a recurrent pending bill of Ksh 39,791,657. This is further divided as follows Ksh 17,717,456 for supply of goods and Ksh 22,072,201 for supply of services.

#### **2.3.2 Development Pending Bills**

Development pending bill for the Sub sector FY 2020/21 stood for at Ksh. 17,506,226. Of this amount 12,212,429 was due to construction of buildings and 5,293,797 for Construction of civil works.



## **CHAPTER THREE**

### **3.0 MEDIUM TERM PRIORITIES AND FINANCIAL PLAN FOR THE MTEF PERIOD 2022/23 – 2024/25**

This Chapter provides the Medium-Term priorities to be implemented by the Sector in the period covering the Financial Years 2022/23-2024/25.

#### **3.1 Prioritization of Programmes and Sub-Programmes**

The County Treasury continues prioritising the completion of the County Treasury office block which is expected to accommodate all its Directorates. The Department also aims at strengthening management and usage of funds to ensure prudence in financial management and reporting. Further the department seeks to empower its' staff by according them opportunities to attend long and short-term programmes to enhance their skills and empower them in performance of their duties. 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 plans to operationalize the Nakuru Revenue Authority Board which is expected to lead to higher revenues, undertake a revenue mapping exercise that seeks to enable the capturing of new tax payers within its database for trade licenses and property tax and complete the automation of revenue collection. The department also will operationalize the already passed acts and policies, and formulate relevant policies and acts to enable optimal performance of its mandate. The County Treasury will advise other departments on funding opportunities that may arise due to PPPs external funding opportunities. The department shall also guide the departments in the formulation of concept notes, papers and proposals for seeking funds with external partners. The subsector is also prioritizing furthering the institutionalising of planning in the county entities

and also regularizing monitoring and evaluation within the activities in the County entities.

### 3.1.1 Programmes and their Objectives

During the 2022/23 – 2024/25 MTEF Budget period, the Sub-sector will implement three (3) programmes and ten (12) sub-programmes, the reduction in the number of sub-programmes is due to the formulation of the Nakuru Revenue Authority under the Nakuru County Revenue Act 2021.

The programmes and the corresponding sub-programmes and objectives are as shown in the table below:

<b>Programme Name</b>	<b>Sub programmes</b>	<b>Objectives</b>
Administration, Planning and Support Services	S.P 1.1 Administration and planning	To provide efficient and effective support services
	S.P 1.2 Personnel Services	
	S.P 1.3 Financial Services	
Public Finance Management	S.P 2.1 Budget Formulation Coordination and Management	To promote prudent financial management and internal controls
	S.P 2.2. Internal Audit	
	S.P 2.3. Procurement	
	S.P 2.4. Public Finance and Accounting	
	S.P 2.5. Debt Management	
	S.P 2.6. External Resource Mobilization	
Economic and Financial Policy Formulation and Management	S.P 3.1. Fiscal Planning	Improved coordination in Economic Policy, Planning and implementation
	S.P 3.2. Monitoring & Evaluation / Statistical Data Management	
	S.P 3.2. KDSP Programme	

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

The key expected programme outcomes, outputs, key performance indicators and targets for the Financial Year 2022/23 and the medium term are shown in table 4.

The Programme outputs, indicators and targets are drawn from the CIDP 2018-2022 and as contained in the ADP 2022/2023. The programmes have been prioritised in accordance to the budget ceiling from CBROP 2021

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

Programme	Delivery Unit	Key Output	Key Performance Indicators	Target 2020/21	Actual Achievement 2020/21	Baseline 2021/22	Target 2022/23	Target 2023/24	Target 2024/25
<b>Programme: Administration Planning and Support services</b>									
<b>S.P 1.1 Administration, planning and support services</b>	Chief Officers	Improved service delivery	No. of offices refurbished /renovated	2	2	2	2	-	-
			Completion rate of county treasury office block	80	11	60	80	100	-
			No. of new sub county treasury offices constructed	2	0	2	-	1	-
			Research and feasibility study reports	1	-	1	1	1	1
	Improved Planning	Upload of planning, budgeting and policy documents to the County website	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	
	Nakuru Revenue Authority Operationalization	No of Nakuru Revenue Authority members in place.	-	-	3	5	5	5	
		Operationalisation rate				100	100	100	
<b>S.P 1.2 Personnel Services</b>	Administrator	Improved human resource productivity	Compensation to employee (millions)	469			708,922,312	779,814,543	857,795,997
			No of staff trained on short course programs.	300	122	300	250	300	350
			No of staff trained on long term course programs	20	1	20	10	10	20
<b>S.P 1.3 financial services</b>	Chief Officers	Improved financial reporting	Percentage of departments using automated financial systems	75	100	75	100	100	100
		Increased revenue mobilization	Percentage of sub counties using automated revenue system	85		85	100	100	100

Programme	Delivery Unit	Key Output	Key Performance Indicators	Target 2020/21	Actual Achievement 2020/21	Baseline 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	
<b>PROGRAMME 2: PUBLIC FINANCE MANAGEMENT</b>										
<b>Outcome: A transparent and accountable system for the management of public financial resources</b>										
<b>SP 2.1: Budget Formulation, Coordination and Management</b>	Budget Office	Improved Programme Based Budgeting (PBB)	Number of officers trained in MTEF and PBB	190	50	100	100	110	115	
			Number of Departmental Sector review forums held	1	1	1	1	1	1	
		Improved Public Participation	Number of stakeholders involved in budget preparation	2300	750	2000	2900	2900	2900	2900
			Number of public participation forums held	3	2	2	2	2	2	
			Mwananchi Budget prepared				February 2022 & August 2022	May 2023 & August 2023	May 2024 & August 2024	
		Increased budgetary resources allocated towards development	Ratio of development expenditure to total budget	47	43	33.3	30.5%	30%	30%	
		Legal and regulatory frameworks governing formulation, preparation and implementation of budget adhered to	Budget circular released	31 <sup>st</sup> Aug 2020		31 <sup>st</sup> Aug 2021	31 <sup>st</sup> Aug 2022	31 <sup>st</sup> Aug 2023	31 <sup>st</sup> Aug 2024	
			Budget Review and Outlook Paper submitted	30 <sup>th</sup> Sept 2020		30 <sup>th</sup> Sept 2021	30 <sup>th</sup> Sept 2022	30 <sup>th</sup> Sept 2023	30 <sup>th</sup> Sept 2024	
			County Fiscal Strategy Paper submitted	28 <sup>th</sup> Feb 2021		3 <sup>rd</sup> Dec 2021	28 <sup>th</sup> Feb 2023	28 <sup>th</sup> Feb 2024	28 <sup>th</sup> Feb 2025	
			Draft budget estimates and Sector Reports prepared and submitted			19 <sup>th</sup> Nov 2021	31 <sup>st</sup> Jan 2023	31 <sup>st</sup> Jan 2024	31 <sup>st</sup> Jan 2025	
			Budget estimates submitted to the County Assembly			31 <sup>st</sup> Jan 2022	30 <sup>th</sup> Apr 2023	30 <sup>th</sup> Apr 2024	30 <sup>th</sup> Apr 2025	
			Appropriation Bill submitted to county Assembly	30 <sup>th</sup> June 2021		16 <sup>th</sup> March 2022	30 <sup>th</sup> June 2023	30 <sup>th</sup> June 2024	30 <sup>th</sup> June 2025	

Programme	Delivery Unit	Key Output	Key Performance Indicators	Target 2020/21	Actual Achievement 2020/21	Baseline 2021/22	Target 2022/23	Target 2023/24	Target 2024/25
			Annual Cashflow submitted to Controller of Budget	15 <sup>th</sup> June 2021		8 <sup>th</sup> March 2022	15 <sup>th</sup> June 2023	15 <sup>th</sup> June 2024	15 <sup>th</sup> June 2025
<b>SP 2.2 Internal Audit</b>	Internal Audit Directorate	Improved internal audit controls	Audit automation system operationalized (percent)	-	-	100	100	100	100
			No. of licenses renewed (for audit management software)	2	2	2	27	27	27
			No. of vehicles acquired	1	-		1	1	-
			No. of audit reports developed and submitted to County Audit Committee and Chief Officer	4	4	4	4	4	4
			No. of audit staff trained	27	26	27	27	27	27
			Quarterly Audit committee meetings	4	4	4	4	4	4
			No. of furniture acquired	10	1		15	10	
<b>SP 2.3 Procurement</b>	Supply Chain Directorate	Improved service delivery	No. of supply chain staff trained	30	45	30	55	55	55
			No. of public sensitization fora on procurement held	4	4	4	4	4	4
			No of vehicles acquired	1	0	1	1	-	-
		AGPO implemented	No. of sensitization fora for special groups held	3	4	3	3	3	3
			Rate of compliance to AGPO (30%)	100	100	100	100	100	100
		Enhanced compliance with PPADA (2015)	Annual procurement plans Prepared	30 <sup>th</sup> Sept 2020	25 <sup>th</sup> Sep 2020	30 <sup>th</sup> Sept 2021	30 <sup>th</sup> Sept 2022	30 <sup>th</sup> Sept 2023	30 <sup>th</sup> Sept 2024
			Number of procurements professional opinions prepared	100	100	100	100	100	100
			Quarterly reports to PPRA	4	4	4	4	4	4

Programme	Delivery Unit	Key Output	Key Performance Indicators	Target 2020/21	Actual Achievement 2020/21	Baseline 2021/22	Target 2022/23	Target 2023/24	Target 2024/25
			Fire-proof filing cabinet acquired (40 feet container)	2	0	2	2	1	-
			Purchase of stock cards S11, S12, S13	1	1	Stock cards S11, S12, S13 acquired	-	-	-
			Annual asset disposal undertaken	1	0	1	1	1	1
<b>SP 2.4: Public Finance &amp; Accounting</b>	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 <sup>th</sup> Sept 2021	30 <sup>th</sup> Sept 2021	30 <sup>th</sup> Sept 2022	30 <sup>th</sup> Sept 2022	30 <sup>th</sup> Sept 2023	30 <sup>th</sup> Sept 2024
			No. of accounting staff trained	30		30	50	50	50
			No. of financial advisories on expenditure control issued to line departments	4	4	4	4	4	4
	Improved asset management	Preparation and updating of County Asset register	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous	Continuous
		Rate of valuation of assets	-		30	20	20	20	
		No of asset policies formulated	-	-	0	1			
		No. of departments accessing the County Asset System			-	4	4	4	
		Rate of County assets tagged				80	90	100	
		Valuation and insurance of assets reports	Annually		Annually				
		No of Printers purchased				2	-	-	
		Training for County Asset section staff				4	4	4	

Programme	Delivery Unit	Key Output	Key Performance Indicators	Target 2020/21	Actual Achievement 2020/21	Baseline 2021/22	Target 2022/23	Target 2023/24	Target 2024/25
			Training for Asset Management system users				40		
			No of laptops purchased				2	2	
<b>SP 2.5 Debt Management</b>	Debt Management Office	Improved debt management	County Medium Term Debt Strategy Paper prepared and presented to County Assembly	28 <sup>th</sup> Feb 2021	28 <sup>th</sup> Feb 2021	28 <sup>th</sup> Feb 2022	28 <sup>th</sup> Feb 2023	28 <sup>th</sup> Feb 2024	28 <sup>th</sup> Feb 2025
			Debt resolution amount (Millions Ksh)	360	137	55	400	400	400
<b>SP 2.6 external resource mobilization</b>	Chief officer	External partners identified and resources mobilised	County departments with concept papers drafted			10	10	10	10
			No. of staff trained	4	15		15	15	15
			Resource Mobilization plan in place.	0	1	1	1	1	1
			No. of Public Private Partnership's projects.	-	1	1	1	1	1
			Number concepts and proposals developed and shared with potential donors and partners.	-	5	5	5	5	5
			Amount of support mobilized from development partners (Kshs)	-	1,527,750	3,000,000	5,000,000	20,000,000	100,000,000
<b>PROGRAMME 3: COUNTY ECONOMIC PLANNING AND COORDINATION OF POLICY FORMULATION</b>									
<b>Outcome: Improved coordination in Economic Policy, Planning and implementation</b>									
<b>SP 3.1 Fiscal Planning</b>	Economic Planning Directorate	Improved coordination of policy planning and implementation	Annual Development Plans prepared and submitted	30 <sup>th</sup> Aug 2020	30 <sup>th</sup> Aug 2020	31 <sup>st</sup> Aug 2021	31 <sup>st</sup> Aug 2022	31 <sup>st</sup> Aug 2023	31 <sup>st</sup> Aug 2024
			Annual progress review report	30 <sup>th</sup> Sept 2020	30 <sup>th</sup> Sept 2020	30 <sup>th</sup> Sept 2021	30 <sup>th</sup> Sept 2022	30 <sup>th</sup> Sept 2023	30 <sup>th</sup> Sept 2024
			CIDP End term evaluation report	-	-	-	1	-	-



Programme	Delivery Unit	Key Output	Key Performance Indicators	Target 2020/21	Actual Achievement 2020/21	Baseline 2021/22	Target 2022/23	Target 2023/24	Target 2024/25
SP 3.2 Monitoring and Evaluation/ Statistical Data Management			Number of staff trained	21		25	25	25	25
			Departmental work plan	1	1	1	1	1	1
			CIDP Finalized, published and disseminated	-	-	-	-	1	-
		Improved reporting	SCOMECS established	-	-	-	11	-	-
			Quarterly M&E reports	4	4		4	4	4
			Number of vehicles acquired	1	-	-	1	-	-
			County Statistical Abstract Updated	1	-	1	1	1	1
			County Sectoral Investment Survey	-	-	-	2	2	2
			M&E Unit work plan	1	1	1	1	1	1
			Quarterly M&E reports	4	4	4	4	4	4
Number of vehicles acquired	1	-	1	1					
No. of staffs trained on M&E	40		50	50	50	50			

### **3.1.3 Programmes by Order of Ranking**

The programmes in the subsector were ranked based on their conformity to the factors listed below;

- Degree to which a programme addresses the core mandate of the Sub-Sector;
- Expected outputs and outcomes from a programme;
- Cost effectiveness and sustainability of the programme;
- Extent to which the programme seeks to address the viable stalled projects and verified pending bills; and
- Requirements for furtherance and the implementation of the Constitution.

The sub sector's programmes are thus ordered as follows;

**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/Sub Sector**

The Subsector resource requirement is Ksh 5.762 billion, Ksh 6.34 billion and Ksh 6.975 billion in the FY2022/23, FY2023/24 and FY2024/25 respectively compared to an allocation of Ksh 3.226 billion, Ksh 3.458 billion and Ksh 3.9 billion over the same period. The allocations to the subsector from the baseline ceilings include an allocation for Debt resolution and Ward development funds Allocation.

### 3.2.1 Analysis of Resource Requirement by Sector/Sub Sector - Recurrent

The Subsector recurrent resource requirement during the FY 2022/23 is Ksh 1.162 billion compared to the allocation of Ksh 935 million. This translates into a resource shortfall of Ksh 0.227 billion. Recurrent resource requirements are projected to rise to Ksh 1.28 billion in FY 2023/24 and Ksh 1.41 billion in the FY 2024/25 compared to a projected allocation of Ksh 1.02 billion and Ksh 1.13 billion in FY 2023/24 and FY 2024/25 respectively. Table 5a indicates the analysis of the recurrent resource requirement versus allocation.

**Table 5a: Analysis of Resource Requirement versus Allocation – Recurrent**

ANALYSIS OF RECURRENT RESOURCE REQUIREMENT VS ALLOCATION								
		Approved	REQUIREMENT			ALLOCATION		
Sector Name		2021/22	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
<b>Vote &amp; Vote Details</b>	<b>Economic Classification</b>							
<b>4562</b>	<b>Current Expenditure</b>							
	2100000 Compensation to Employees	544,493,512	708,922,312	779,814,543	857,795,997	545,324,855	599,857,341	659,843,075
	2200000 Use of Goods and Services	318,204,633	453,941,059	500,935,165	551,428,682	390,469,597	429,516,557	472,468,212
	2400000 Interest Payments							
	2600000 Current Grants and Other Transfers	46,615,512						
	2700000 Social Benefits	19,831,342						
	3100000 Acquisition of Non-Financial Assets	67,660,511						
	4100000 Acquisition of Financial Assets	40,000,000						
	4500000 Disposal of Financial Assets							
<b>TOTAL</b>		<b>1,036,805,510</b>	<b>1,162,863,371</b>	<b>1,280,749,708</b>	<b>1,409,224,679</b>	<b>935,794,452</b>	<b>1,029,373,898</b>	<b>1,132,311,287</b>

### 3.2.2 Analysis of Resource Requirement by Sector/Sub Sector Development

The Subsector development resource requirements during the FY 2022/23 is Ksh. 4.6 billion compared to the allocation of Ksh 2.29 billion. This translates into a resource shortfall of Ksh 2.3 billion. Development resource requirements are projected to increase to Ksh 5.06 billion in FY 2023/24 and thereafter increase to Ksh 5.57 billion in FY 2024/25 compared to a projected allocation of Ksh 2.52 billion and Ksh 2.77 billion in FY 2023/24 and FY 2024/25 respectively. Table 5b below shows the analysis of the development resource requirements versus the allocation.

**Table 5b: Analysis of Resource Requirement versus Allocation – Development**

ANALYSIS OF DEVELOPMENT RESOURCE REQUIREMENT VS ALLOCATION									
		Approved	REQUIREMENT				ALLOCATION		
Sector Name		2021/22	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25	
Vote & Vote Details	Description								
4562	Non-Financial Assets	372,252,235	700,000,000	770,000,000	847,000,000	390,252,234	429,277,457	472,205,203	
	Capital Transfers Govt. Agencies	445,714,470	2,400,000,000	2,640,000,000	2,904,000,000	400,000,000	440,000,000	484,000,000	
	Other development		1,500,000,000	1,650,000,000	1,815,000,000	1,500,000,000	1,650,000,000	1,815,000,000	
<b>TOTAL</b>		<b>817,966,705</b>	<b>4,600,000,000</b>	<b>5,060,000,000</b>	<b>5,566,000,000</b>	<b>2,290,252,234</b>	<b>2,519,277,457</b>	<b>2,771,205,203</b>	

### 3.2.3 Programmes and sub-programmes Resource Requirement (2022/23 – 2024/25)

Table 6a below shows an analysis of resource requirements for the subsector by Programmes and Sub-Programmes for FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

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

ANALYSIS OF PROGRAMME EXPENDITURE RESOURCE REQUIREMENT (AMOUNT KSH MILLIONS)									
	2022/23			2023/24			2024/25		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
<b>PROGRAMME 1: Administration, Planning and Support Services</b>									
S.P 1.1 Administration Services	191,731,390	2,200,000,000	<b>2,391,731,390</b>	210,904,529	2,420,000,000	<b>2,630,904,529</b>	231,994,982	2,662,000,000	<b>2,893,994,982</b>
S.P 1.2 Personal Services	708,922,312		<b>708,922,312</b>	779,814,543	-	<b>779,814,543</b>	857,795,998	-	<b>857,795,998</b>
S.P 1.3 Financial Services	500,000		<b>500,000</b>	550,000	-	<b>550,000</b>	605,000	-	<b>605,000</b>
<b>TOTAL PROGRAMME 1</b>	<b>901,153,702</b>	<b>2,200,000,000</b>	<b>3,101,153,702</b>	<b>991,269,072</b>	<b>2,420,000,000</b>	<b>3,411,269,072</b>	<b>1,090,395,979</b>	<b>2,662,000,000</b>	<b>3,752,395,979</b>
<b>Programme 2: Public Finance Management</b>									
SP 2.1: Budget Formulation, Coordination and Management	74,281,864		<b>74,281,864</b>	81,710,050	-	<b>81,710,050</b>	89,881,055	-	<b>89,881,055</b>
SP 2.2 Internal Audit	47,300,102		<b>47,300,102</b>	52,030,112	-	<b>52,030,112</b>	57,233,123	-	<b>57,233,123</b>
SP 2.3 Procurement	24,739,603		<b>24,739,603</b>	27,213,563	-	<b>27,213,563</b>	29,934,920	-	<b>29,934,920</b>
SP 2.4: Public Finance & Accounting	36,230,074		<b>36,230,074</b>	39,853,081	-	<b>39,853,081</b>	43,838,390	-	<b>43,838,390</b>
SP 2.5 Debt Management	7,560,698	2,400,000,000	<b>2,407,560,698</b>	8,316,768	2,640,000,000	<b>2,648,316,768</b>	9,148,445	2,904,000,000	<b>2,913,148,445</b>

ANALYSIS OF PROGRAMME EXPENDITURE RESOURCE REQUIREMENT (AMOUNT KSH MILLIONS)									
	2022/23			2023/24			2024/25		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
SP 2.6: External Resource Mobilization	16,279,799		16,279,799	17,907,779	-	17,907,779	19,698,557	-	19,698,557
<b>TOTAL PROGRAMME 2</b>	<b>206,392,140</b>	<b>2,400,000,000</b>	<b>2,606,392,140</b>	<b>227,031,354</b>	<b>2,640,000,000</b>	<b>2,867,031,354</b>	<b>249,734,489</b>	<b>2,904,000,000</b>	<b>3,153,734,489</b>
<b>PROGRAMME 3: County Economic Planning and Coordination of Policy Formulation</b>									
SP 3.1 Fiscal Planning	38,174,149		38,174,149	41,991,564	-	41,991,564	46,190,720	-	46,190,720
SP 3.2 Monitoring and Evaluation / Statistical Data Management	17,143,380		17,143,380	18,857,718	-	18,857,718	20,743,490	-	20,743,490
SP 3.3: KDSP Programme			-	-	-	-	-	-	-
<b>TOTAL PROGRAMME 3</b>	<b>55,317,529</b>	<b>-</b>	<b>55,317,529</b>	<b>60,849,282</b>	<b>-</b>	<b>60,849,282</b>	<b>66,934,210</b>	<b>-</b>	<b>66,934,210</b>
<b>TOTAL</b>	<b>1,162,863,371</b>	<b>4,600,000,000</b>	<b>5,762,863,371</b>	<b>1,279,149,708</b>	<b>5,060,000,000</b>	<b>6,339,149,708</b>	<b>1,407,064,679</b>	<b>5,566,000,000</b>	<b>6,973,064,679</b>

### 3.2.4 Programmes and sub-programmes Resource Allocation (2022/23 – 2024/25)

Table 6b below shows an analysis of resource allocations for the subsector by Programmes and Sub-Programmes for FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

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

ANALYSIS OF PROGRAMME EXPENDITURE RESOURCE ALLOCATION (AMOUNT KSH MILLIONS)									
	2022/23			2023/24			2024/25		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
<b>PROGRAMME 1: Administration, Planning and Support Services</b>									
S.P 1.1 Administration Services	191,731,390	1,890,252,234	<b>2,081,983,624</b>	210,904,529	2,079,277,457	<b>2,290,181,986</b>	231,994,982	2,287,205,203	<b>2,519,200,185</b>
S.P 1.2 Personal Services	545,324,855		<b>545,324,855</b>	599,857,341	-	<b>599,857,341</b>	659,843,075	-	<b>659,843,075</b>
S.P 1.3 Financial Services	500,000		<b>500,000</b>	550,000	-	<b>550,000</b>	605,000	-	<b>605,000</b>
<b>TOTAL PROGRAMME 1</b>	<b>737,556,245</b>	<b>1,890,252,234</b>	<b>2,627,808,479</b>	<b>811,311,870</b>	<b>2,079,277,457</b>	<b>2,890,589,327</b>	<b>892,443,056</b>	<b>2,287,205,203</b>	<b>3,179,648,260</b>
<b>Programme 2: Public Finance Management</b>									
SP 2.1: Budget Formulation, Coordination and Management	57,139,895		<b>57,139,895</b>	62,853,885	-	<b>62,853,885</b>	69,139,273	-	<b>69,139,273</b>
SP 2.2 Internal Audit	36,384,694		<b>36,384,694</b>	40,023,163	-	<b>40,023,163</b>	44,025,480	-	<b>44,025,480</b>
SP 2.3 Procurement	19,030,464		<b>19,030,464</b>	20,933,510	-	<b>20,933,510</b>	23,026,861	-	<b>23,026,861</b>
SP 2.4: Public Finance & Accounting	27,869,287		<b>27,869,287</b>	30,656,216	-	<b>30,656,216</b>	33,721,837	-	<b>33,721,837</b>
SP 2.5 Debt Management	5,815,921	400,000,000	<b>405,815,921</b>	6,397,513	440,000,000	<b>446,397,513</b>	7,037,264	484,000,000	<b>491,037,264</b>

ANALYSIS OF PROGRAMME EXPENDITURE RESOURCE ALLOCATION (AMOUNT KSH MILLIONS)									
	2022/23			2023/24			2024/25		
	Current	Capital	Total	Current	Capital	Total	Current	Capital	Total
SP 2.6: External Resource Mobilization	12,522,923		12,522,923	13,775,215	-	13,775,215	15,152,737	-	15,152,737
<b>TOTAL PROGRAMME 2</b>	<b>158,763,184</b>	<b>400,000,000</b>	<b>558,763,184</b>	<b>174,639,502</b>	<b>440,000,000</b>	<b>614,639,502</b>	<b>192,103,453</b>	<b>484,000,000</b>	<b>676,103,453</b>
<b>PROGRAMME 3: County Economic Planning and Coordination of Policy Formulation</b>									
SP 3.1 Fiscal Planning	29,364,730		29,364,730	32,301,203	-	32,301,203	35,531,323	-	35,531,323
SP 3.2 Monitoring and Evaluation / Statistical Data Management	10,110,293		10,110,293	11,121,322	-	11,121,322	12,233,455	-	12,233,455
SP 3.3: KDSP Programme			-	-	-	-	-	-	-
<b>TOTAL PROGRAMME 3</b>	<b>39,475,023</b>	<b>-</b>	<b>39,475,023</b>	<b>43,422,525</b>	<b>-</b>	<b>43,422,525</b>	<b>47,764,778</b>	<b>-</b>	<b>47,764,778</b>
<b>TOTAL</b>	<b>935,794,452</b>	<b>2,290,252,234</b>	<b>3,226,046,686</b>	<b>1,029,373,897</b>	<b>2,519,277,457</b>	<b>3,548,651,355</b>	<b>1,132,311,287</b>	<b>2,771,205,203</b>	<b>3,903,516,490</b>



### 3.2.5 Programmes and sub-programmes Economic classification.

Table 7 below presents requirements and allocations for programmes and sub programmes by economic classification for the FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

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

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
<b>PROGRAMME 1: Administration, Planning and Support Services</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees	708,922,312	779,814,543	857,795,998	545,324,855	599,857,341	659,843,075
2200000 Use of Goods and Services	192,231,390	211,454,529	232,599,982	192,231,390	211,454,529	232,599,982
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets	700,000,000	770,000,000	847,000,000	390,252,234	429,277,457	472,205,203
Capital Transfers to Govt. Agencies		-	-			
Other Development	1,500,000,000	1,650,000,000	1,815,000,000	1,500,000,000	1,650,000,000	1,815,000,000
<b>TOTAL PROGRAMME 1</b>	<b>3,101,153,702</b>	<b>3,411,269,072</b>	<b>3,752,395,979</b>	<b>2,627,808,479</b>	<b>2,890,589,327</b>	<b>3,179,648,260</b>
<b>SP 1.1: Administration Services</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees						
2200000 Use of Goods and Services	191,731,390	210,904,529	231,994,982	191,731,390	210,904,529	231,994,982
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
<b>Capital Expenditure</b>						
Non-Financial Assets	700,000,000	770,000,000	847,000,000	390,252,234	429,277,457	472,205,203
Capital Transfers to Govt. Agencies						
Other Development	1,500,000,000	1,650,000,000	1,815,000,000	1,500,000,000	1,650,000,000	1,815,000,000
<b>SUB TOTAL SP 1.1</b>	<b>2,391,731,390</b>	<b>2,630,904,529</b>	<b>2,893,994,982</b>	<b>2,081,983,624</b>	<b>2,290,181,986</b>	<b>2,519,200,185</b>
<b>SP 1.2: Personnel Services</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees	708,922,312	779,814,543	857,795,998	545,324,855	599,857,341	659,843,075
2200000 Use of Goods and Services						
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
<b>SUB TOTAL SP 1.2</b>	<b>708,922,312</b>	<b>779,814,543</b>	<b>857,795,998</b>	<b>545,324,855</b>	<b>599,857,341</b>	<b>659,843,075</b>
<b>SP 1.3: Financial Services</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees						
2200000 Use of Goods and Services	500,000	550,000	605,000	500,000	550,000	605,000
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets						
Capital Transfers to Govt. Agencies						

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
Other Development						
<b>SUB TOTAL SP 1.3</b>	<b>500,000</b>	<b>550,000</b>	<b>605,000</b>	<b>500,000</b>	<b>550,000</b>	<b>605,000</b>
<b>PROGRAMME 2: Public Finance Management</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees						
2200000 Use of Goods and Services	206,392,140	227,031,354	249,734,489	158,763,185	174,639,504	192,103,454
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets					-	-
Capital Transfers to Govt. Agencies	2,400,000,000	2,640,000,000	2,904,000,000	400,000,000	440,000,000	484,000,000
Other Development					-	-
<b>TOTAL PROGRAMME 2</b>	<b>2,606,392,140</b>	<b>2,867,031,354</b>	<b>3,153,734,489</b>	<b>558,763,185</b>	<b>614,639,504</b>	<b>676,103,454</b>
<b>SP 2.1: Budget Formulation, Coordination and Management</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees						
2200000 Use of Goods and Services	74,281,864	81,710,050	89,881,055	57,139,895	62,853,885	69,139,273
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
<b>SUB TOTAL SP 2.1</b>	<b>74,281,864</b>	<b>81,710,050</b>	<b>89,881,055</b>	<b>57,139,895</b>	<b>62,853,885</b>	<b>69,139,273</b>

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
<b>SP 2.3 Internal Audit</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees						
2200000 Use of Goods and Services	47,300,102	52,030,112	57,233,123	36,384,694	40,023,163	44,025,480
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
<b>SUB TOTAL SP 2.3</b>	<b>47,300,102</b>	<b>52,030,112</b>	<b>57,233,123</b>	<b>36,384,694</b>	<b>40,023,163</b>	<b>44,025,480</b>
<b>SP 2.4 Procurement</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees						
2200000 Use of Goods and Services	24,739,603	27,213,563	29,934,920	19,030,464	20,933,510	23,026,861
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
<b>SUB TOTAL SP 2.4</b>	<b>24,739,603</b>	<b>27,213,563</b>	<b>29,934,920</b>	<b>19,030,464</b>	<b>20,933,510</b>	<b>23,026,861</b>
<b>SP 2.5: Public Finance &amp; Accounting</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees						

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
2200000 Use of Goods and Services	36,230,073	39,853,080	43,838,388	27,869,287	30,656,216	33,721,837
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
<b>SUB TOTAL SP 2.5</b>	<b>36,230,073</b>	<b>39,853,080</b>	<b>43,838,388</b>	<b>27,869,287</b>	<b>30,656,216</b>	<b>33,721,837</b>
<b>SP 2.6 Debt Management</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees						
2200000 Use of Goods and Services	7,560,699	8,316,769	9,148,446	5,815,921	6,397,513	7,037,264
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets						
Capital Transfers to Govt. Agencies	2,400,000,000	2,640,000,000	2,904,000,000	400,000,000	440,000,000	484,000,000
Other Development					-	-
<b>SUB TOTAL SP 2.6</b>	<b>2,407,560,699</b>	<b>2,648,316,769</b>	<b>2,913,148,446</b>	<b>405,815,921</b>	<b>446,397,513</b>	<b>491,037,264</b>
<b>SP 2.7: External Resource Mobilization</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees						
2200000 Use of Goods and Services	16,279,799	17,907,779	19,698,557	12,522,923	13,775,215	15,152,737
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
<b>SUB TOTAL SP 2.7</b>	<b>16,279,799</b>	<b>17,907,779</b>	<b>19,698,557</b>	<b>12,522,923</b>	<b>13,775,215</b>	<b>15,152,737</b>
<b>Programme 3: Economic and Financial Policy Formulation and Management</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees						
2200000 Use of Goods and Services	55,317,529	60,849,282	66,934,210	39,475,022	43,422,524	47,764,777
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
<b>TOTAL PROGRAMME 3</b>	<b>55,317,529</b>	<b>60,849,282</b>	<b>66,934,210</b>	<b>39,475,022</b>	<b>43,422,524</b>	<b>47,764,777</b>
<b>SP 3.1: Fiscal Planning</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees						
2200000 Use of Goods and Services	38,174,149	41,991,564	46,190,720	29,364,730	32,301,203	35,531,323
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						

ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION						
Economic Classification	REQUIREMENT			ALLOCATION		
	2022/23	2023/24	2024/25	2022/23	2023/24	2024/25
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
<b>SUB TOTAL SP 3.1</b>	<b>38,174,149</b>	<b>41,991,564</b>	<b>46,190,720</b>	<b>29,364,730</b>	<b>32,301,203</b>	<b>35,531,323</b>
<b>SP 3.2: Monitoring &amp; Evaluation / Statistical Data Management</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees						
2200000 Use of Goods and Services	17,143,380	18,857,718	20,743,490	10,110,293	11,121,322	12,233,455
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets						
Capital Transfers to Govt. Agencies						
Other Development						
<b>SUB TOTAL SP 3.2</b>	<b>17,143,380</b>	<b>18,857,718</b>	<b>20,743,490</b>	<b>10,110,293</b>	<b>11,121,322</b>	<b>12,233,455</b>
<b>SP 3.3: KDSP Programme</b>						
<b>Current Expenditure:</b>						
2100000 Compensation to Employees						
2200000 Use of Goods and Services						
2400000 Interest Payments						
2600000 Current Grants and Other Transfers						
2700000 Social Benefits						
3100000 Acquisition of Non-Financial Assets						
4100000 Acquisition of Financial Assets						
4500000 Disposal of Financial Assets						
<b>Capital Expenditure</b>						
Non-Financial Assets						

<b>ANALYSIS OF PROGRAMME EXPENDITURE BY ECONOMIC CLASSIFICATION</b>						
<b>Economic Classification</b>	<b>REQUIREMENT</b>			<b>ALLOCATION</b>		
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Capital Transfers to Govt. Agencies						
Other Development						
<b>SUB TOTAL SP 3.3</b>	-	-	-	-	-	-
<b>TOTAL VOTE</b>	<b>5,762,863,371</b>	<b>6,339,149,708</b>	<b>6,973,064,679</b>	<b>3,226,046,686</b>	<b>3,548,651,355</b>	<b>3,903,516,490</b>



### **3.3 Resource Allocation Criteria**

The programmes in the subsector were ranked based on their conformity to the factors listed below;

- Degree to which a programme addresses the core mandate of the Sub-Sector;
- Expected outputs and outcomes from a programme;
- Cost effectiveness and sustainability of the programme;
- Extent to which the programme seeks to address the viable stalled projects and verified pending bills; and
- Requirements for furtherance and the implementation of the Constitution.

## CHAPTER FOUR

### 4.0 CROSS-SECTOR LINKAGES

This Section provides the cross functional linkages necessary for effective and efficient delivery of services in the county. The County Treasury Sub-sector linkage to other sectors starts with the carrying out of its mandate to provide overall leadership in the areas of policy direction and management of the County's finances. Further linkage emanates from its role in facilitating other sectors/subsectors through resource mobilization and provisions against the backdrop of County plans and budgets.

With the role of leading the county in planning other cross-sector linkages are found through County Treasury leading other sectors and subsectors in the adherence to the County budget and planning frameworks in the implementation of their various programmes/ projects. Additional linkages are highlighted by the subsector's role as a custodian of the County's assets. As enablers all the subsectors within the PAIR sector have a pivotal role in complementing the roles of the County Treasury subsector to make the sector attain its laid goals. Generally, the cross-sectoral linkages are maintained through:

1. Coordination of preparation and implementation of the County Budget;
2. Mobilization and allocation of resources;
3. Provision of oversight to ensure compliance, accountability and transparency in the management of resources;
4. Leading in and Promotion of prudent financial management;
5. Monitoring and Evaluation of policies and systems for tracking and reporting of results;
6. Management of financial, project systems and technical support in the implementation of Public Private Partnerships (PPP);
7. Coordination of planning and provision of official statistics to support public policy research for informed decision making;

8. Coordination of County, Urban (Municipalities) and sectoral planning so as to link policies, plans and budgets;

The summary for the cross sectoral linkages are highlighted in the table below.

SECTOR	LINKAGE TO COUNTY TREASURY SUB SECTOR
Agriculture Rural and Urban Development	<p>County lands Policy and Management, Physical Planning for land use, Land Transactions, Survey and Mapping, Land Registration, County Spatial data Infrastructure, and Land and Property Valuation Services.</p> <p>Provide agriculture and cooperatives related research data for planning purposes.</p> <p>Participating in budget making process.</p> <p>Adherence to Treasury circulars</p> <p>Timely reporting</p>
Energy Infrastructure and ICT	<p>Evaluation, approval and follow up on implementation of construction projects being undertaken by the County Treasury.</p> <p>Provision of ICT standards.</p> <p>Participating in budget making process.</p> <p>Adherence to Treasury circulars</p> <p>Timely reporting</p>
General Economics and Commercial Affairs	<p>Provision of research data relating to industrial development, tourism and other General economics for planning purposes.</p> <p>Participating in budget making process.</p> <p>Adherence to Treasury circulars</p> <p>Timely reporting</p>
Health	<p>Provide health services to improve the well-being of the citizens.</p> <p>Participating in budget making process.</p> <p>Adherence to Treasury circulars</p> <p>Timely reporting</p>

SECTOR	LINKAGE TO COUNTY TREASURY SUB SECTOR
Education	Facilitation of well-educated populace in the economy Participating in budget making process. Adherence to Treasury circulars Timely reporting
Social Protection, Culture and Recreation	Development of County gender mainstreaming policy. Provision of County Youth Policy and liaison implementing youth empowerment and social protection programmes. Participating in budget making process. Adherence to Treasury circulars Timely reporting
Environment Protection Water and Natural Resources	Carry out Environmental impact assessment the subsector's projects. Participating in budget making process. Adherence to Treasury circulars Timely reporting Providing policy direction on management of environment and natural resources.
Pair Sector	Assist in prosecution and enforcement of laws Timely reporting Participating in budget making process. Adherence to Treasury circulars Provide leadership and oversight to the County Treasury Indulge the County Treasury in planning activities for the Municipalities

## CHAPTER FIVE

### 5.0 EMERGING ISSUES AND CHALLENGES

#### 5.1 Emerging Issues

During the implementation of the MTEF programmes for the period 2018/19-2020/21, the Sub-sector identified emerging issues that need to be addressed in order to facilitate effective implementation of Subsector programmes. The emerging issues include:

- ✓ Establishment of Nakuru County Revenue Authority is expected to increase efficiency in own source revenue collections.
- ✓ The implementation of the phased SRC salary increments, contributory pension scheme, staff promotions and staff recruitment as a result of the ageing workforce that will require replacements to smoothen service delivery.
- ✓ Upsurge of mental health and lifestyle diseases amongst the populace and officers leading to increased cases of depression, suicide and homicides, affecting realization of their own potential and aspiration.
- ✓ Dwindling donor support and declining fiscal space due to the county being required to support grants and funds previously received from partners and the end of the KUSP and KDSP support by World bank.

#### 5.2 Challenges

During the MTEF period 2018/19 – 2020/21 the sub sector experienced the following challenges;

- Exchequer release delays and Budgetary constraints; Delays in exchequer releases continue to negatively affect implementation of programmes 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 it to use the same in preparation of its budgets. Insufficient resources occasioned by budget cuts and austerity measures affected implementation and delivery of the

planned activity within the subsector. This has led to a scale down of the targeted programmes and projects in the implementation of the priority programmes.

- System challenges; Challenges in the use of the IFMIS system such as the generation of programme specific expenditure reports.
- Outbreak of COVID 19 pandemic: Covid-19 Pandemic disrupted the operations, service delivery, mobilization of OSR, broken supply-chains and delays at borders that affect contractors and suppliers' ability to implement contracts.
- Inadequate data for planning and forecasting.
- Inadequate financing to undertake certain subsector activities including training and civic education as provided in the legislation.
- Late submission of Bill of Quantities to the supply chain directorate from the other county departments has slowed down the procurement process.
- Low employee morale and productivity due to stagnation of staff at one job group, lack of harmonized schemes of service/career progression guidelines and Performance Appraisal System.
- Human resource capacity gaps and succession management.
- Inadequate infrastructure; Lack of enough working equipment, furniture and vehicles has impacted service delivery. 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. Various Sub-Counties lack adequate vehicles to carry out inspections, monitoring and evaluation.
- Pending bills. Settling pending bills as first charge constrains the budget for planned projects in the subsequent years thus affecting service delivery in the subsector.
- Inadequate training of staff hinders optimal performance of duties and implementation of Plans.

- Failure by County Departments in updating their departmental asset registers as advised by the PFM Act hinders the efficient accounting of the county assets.
- Delayed Asset disposal due to the slow adoption of the Public Procurement disposal manual which increases the holding costs in the yards.
- No requisite instructions on how to hand over county assets after exit from the service
- High insurance premiums due to valuation of County assets at the principal prices not taking depreciation into account.

## CHAPTER SIX

### 6.0 CONCLUSION

The County Treasury sub-sector is plays a big role in the County as it promotes prudent public finance management and accountability of public funds; coordinates county and sectoral development planning; management of county statistics, development of a sound legislative and regulatory framework as well as access to information on county funds.

During the MTEF 2018/19 – 2020/21, the Subsector recorded notable achievements in its key areas. The County Treasury under the administration programme completed 11 percent of the County Treasury building to increase office space for the County Treasury staff; provided capacity building opportunities for its' staff including training in budget preparation, financial reporting, Planning and Promotional courses at the KSG. Under the Public Finance management programme the sub-sector adhered to the legal framework and guidelines governing budget formulation by preparing the Budget Circular, CBROP, CFSP, Sector reports and Budget estimate; procurement with the annual procurement plan and quarterly procurement reports; public finance with the annual statement and quarterly financial reports on time; Further the County Treasury acquired a new revenue system CIFOMS to enhance efficiency in revenue collection. The County Treasury was thus able to collect 84.3 percent of targeted revenue against a backdrop of economy slowdown attributed to the COVID-19 Pandemic. The subsector was able to reach out to development partners and facilitated the signing of five MoUs between the County Government and development partners.

The analysis of the sub-sector's expenditure indicates marginal increase in the allocations to the subsector from Ksh. 1.287 billion in FY 2018/19 to Ksh. 1.7 billion in FY 2019/20 and Ksh. 1.607 billion in FY 2020/21. The actual expenditure for the period was Ksh 1.08 billion, Ksh. 1.459 billion and Ksh. 1.267 billion, translating to



83.97 percent, 85.83 percent and 78.84 percent absorption levels in financial years 2018/19, 2019/20 and 2020/21 respectively.

However, while implementing subsector programmes, there were various emerging issues and challenges that impacted negatively on the Sub-sector's overall performance.

The Sub-sector will however, continue to address these challenges and adapt appropriately to emerging issues to effectively deliver the mandates.

During the 2022/23 – 2024/25 MTEF Budget period, the Sub-sector will implement three (3) programmes and ten (12) sub-programmes and among the priorities is the completion of the County Treasury office block which is expected to accommodate all its Directorates. The Department also aims at strengthening management and usage of funds to ensure prudence in financial management and reporting. Further the department seeks to empower its' staff by according them opportunities to attend long and short-term programmes to enhance their skills and empower them in performance of their duties. 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 subsector will also ensure that all statutory documents are submitted to the County Assembly and other Entities as per the requisite directives/legislations. The subsector is also prioritizing institutionalizing planning in the county entities and also regularizing and strengthening monitoring and evaluation within the activities in the County entities.

To effectively execute the Sub-sector priorities, the Sub-sector will require Ksh 1.863 billion, Ksh 2.05 billion and Ksh 2.256 billion under the Recurrent vote in 2022/23, 2023/24 and 2024/25 Financial Years respectively. On the hand the Subsector will require Ksh 3.9 billion, Ksh 4.29 billion and Ksh 4.719 billion in FY 2022/23, FY 2023/24 and FY 2024/25 respectively under Development vote.

This translates to a gross budgetary requirement of Ksh 5.76 billion, Ksh 6.34 billion and Ksh 6.975 billion in FY 2022/23, FY 2023/24 and FY 2024/25 respectively.

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 2022/23-2024/2025 MTEF period and in accordance to the emerging issues and challenges faced during the MTEF 2018/19 – 2020/21, the following recommendations have been proposed;

- The County Treasury to take up the issue of promotion especially where the list was forwarded and the feedback of the Public Service Board was not satisfactory including pending and lack of vacancies and financial provision which is not the case.
- Timely planning is necessary for maximum utilization of resources. County departments which have comprehensive annual development plans with realistic cash flow projection and project/program priorities will ensure timely project implementation.
- Addressing budgetary constraints: There is a need for the Subsector to continue seeking partnerships with development partners, private sector and other stakeholders to complement county government efforts in resource mobilization. Further County departments are encouraged to consult with the County Treasury External Resource Mobilisation directorate to identify funding opportunities and access help in the formulation of concept papers and proposals for seeking funds with development partners
- Reduction of Pending bills: There is need for county departments to put in place measures that mitigate against the escalating pending bills to adhere to the PFM Act 2012.
- Resource mobilization strategies should be put in place to enable the County Treasury mitigate against resource gaps.
- County Departments are recommended to have regular field monitoring and evaluation activities to collect of data necessary for decision making,

track implementation in development planning and advising future projects planning and design.

- Effective inter-sectoral collaboration is encouraged to ensure effectiveness in achievement of the set targets.
- County departments should submit Bill of Quantities in time for effective and timely initiation of the procurement process.
- There should be a Succession management strategy for all County Departments under the leadership of the Public Service Department for proper succession plans to guarantee continuity of service provision. Also to improve employees' performance and effectiveness in their areas of work the county staff should continuously undertake trainings.
- Fast tracking of public procurement disposal manual to enable faster of asset disposal by the county.
- Provision of funds to equip county treasury offices should be done to enable effective service delivery by the sub-sector.
- Accounting Officers should regularly update their asset registers to enable development of an asset portfolio that would enable valuation of assets to advise accurate insurance premiums; Proper management of assets to help in future plans.
- A provision for depletion on County assets should be made in the budget to enable easier replacing of important county assets.
- A mechanism should be put in place for handing over of county assets by the county staff as they exit the service.

## REFERENCES

- ADP 2022/23
- Constitution of Kenya, 2010
- County Budget Review and Outlook Paper 2018, 2019, 2020 & 2021
- County Fiscal Strategy Paper 2018, 2019, 2020 & 2021
- County Government Act, 2010
- Medium Term Review (MTR 2020) of the CIDP (2018-2022)
- MTEF Approved Budget FY2018/2019 – FY2021/2022
- Nakuru County Integrated Development Plan 2018 – 2022
- Nakuru County Revenue Authority Act, 2021
- PFM Regulations, 2015
- Public Finance Management Act, 2012

## APPENDICES

### Appendix 1: Analysis Of Performance Of Capital Projects (2020/2021)

PROJECT DESCRIPTION	LOCATION	CONTRACT DATE	COMPLETION DATE	ESTIMATED COST TO COMPLETION	CUMULATIVE BUDGET ALLOCATION	COMPLETION STAGE (%)	SPECIFIC NEEDS TO BE ADDRESSED BY THE PROJECT
<b>Programme: KDSP Programme</b>							
Kenya Devolution Support Programme Level II	HQ	09-02-2021		100,974,396	100,974,396	10%	Improved Healthcare
<b>Programme: Administration, Planning and Support Services</b>							
Construction of County Treasury	HQ			96,995,900	96,995,900	100%	Improved Service Delivery
Rehabilitation of old Town Hall	HQ	08-07-2020		7,000,000	7,000,000	100%	Increased Office Space
Development of Revenue Software	HQ	25-01-2021		85,014,529	85,014,529	100%	Efficiency In Revenue Collection
Renovation of County Chambers	HQ	24-02-2021		7,994,500	8,123,205	49%	Conference Facility
Development of Project Implementation Management System	HQ	08-03-2021		11,985,468	12,000,000	100%	Easier Monitoring Of Projects
<b>Programme: Public Finance Management</b>							
Development of Audit Software	HQ	22-09-2020		14,274,287	14,274,287	100%	
County Debt Management (as per the County Medium Term Debt Management Strategy Paper)	HQ			140,000,000	140,000,000	88%	Clearance Of County Debts
County Spatial Plan	HQ			20,000,000	20,000,000	0%	Clearance Of County Debts
<b>TOTAL</b>				<b>484,239,080</b>	<b>484,382,317</b>		

**Appendix 2: Analysis of Performance of Capital Projects (FY2013/14 – 2020/2021) currently In the FY2021/22 Budget**

PROJECT DESCRIPTION	LOCATION	CONTRACT DATE	CUMULATIVE BUDGET ALLOCATION	ACTUAL PAYMENT TO DATE	COMPLETION STAGE (%)	SPECIFIC NEEDS TO BE ADDRESSED BY THE PROJECT	PROJECT STATUS (ONGOING/ ABANDONED)
<b>Programme: Administration, Planning and Support Services</b>							
<b>Sub Programme: Administration and Planning</b>							
Construction of County Treasury	HQ		301,185,864	201,884,007	67%	Improved Service Delivery	ON-GOING
Development and Implementation of Revenue System (Phase II)	HQ	25-01-2021	59,510,000	34,510,000.00	58%	Efficiency In Revenue Collection	ON-GOING
4.3 % Administrative cost of revenue management system	HQ		85,490,000	56,468,323.80	66%	Efficiency In Revenue Collection	ON-GOING
Renovation of Revenue Office at County Headquarters	HQ	25-01-2021	10,800,750	7,000,0000	65%	Increased Office Space	ON-GOING
Renovation of County Chamber	HQ	24-02-2021	8,123,205	3,945,300	49%	Conference Facility	ON-GOING
<b>Programme: Public Finance Management</b>							
<b>Sub Programme: Debt Management</b>							
County Debt Management (as per the County Medium Term Debt Management Strategy Paper)	HQ		140,000,000	126,414,041	90%	Clearance Of County Debts	ON-GOING
County Spatial Plan	HQ		20,000,000	-		Clearance Of County Debts	ON-GOING
<b>TOTAL</b>			<b>625,109,819</b>	<b>493,221,672</b>			