

## COUNTY GOVERNMENT OF TANA RIVER



### DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

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**REF: TRCG/FIN/7(2)**

**4<sup>th</sup> November, 2019**

**To: The Clerk,  
County Assembly of Tana River,  
HOLA**

**RE: 2019 TANA RIVER COUNTY BUDGET REVIEW AND OUTLOOK PAPER**

The above matter refers.

Kindly find attached herewith the following documents for your further action.

1. 2019 Tana River County Budget Review and Outlook Paper (CBROP)
2. Minutes of the Tana River CBEF Meeting on 1<sup>st</sup> November, 2019
3. Excerpt of the Tana River CEC Meeting on 2<sup>nd</sup> November, 2019.

**Mathew Babwoya.**

**CECM, Finance & Economic Planning.**



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# **COUNTY GOVERNMENT OF TANA RIVER**



**THE COUNTY TREASURY**

## **COUNTY BUDGET REVIEW AND OUTLOOK PAPER (CBROP)**

**September 2019**

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©2019 Tana River County Budget Review and Outlook Paper (CBROP) To obtain copies of the document, please contact:

Tana River County Treasury

Trade House, County Council Rd.

P. O. Box 29 -70101

**HOLA, KENYA**

The document is also available on the County website: [www.tanariver.go.ke](http://www.tanariver.go.ke)

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## **FOREWORD**

The 2019 County Budget Review and Outlook Paper (CBROP) was prepared by the County Treasury, it provides a review of the fiscal performance implemented by the County Government of Tana River during the Financial Year 2018/2019. We have carried out comparisons of the budget appropriations in the same year and provide insight on recent economic developments and the updated economic and financial forecast along with information to show changes from the forecast in the County Fiscal Strategy Paper (CFSP) of 2018.

The County Treasury continues to enforce the fiscal responsibility principles in accordance with the Constitution, and the Public Finance Management (PFM) Act, 2012, (Section 107).

The County Government's recurrent and development expenditures remained within the legal thresholds as per the PFMA, 2012. However, recurrent related expenses like the rising wage bill without commensurate service delivery poses a major challenge to the County's development agenda. In addition, the county's growth and development agenda will largely depend on how well the programme-based budget is implemented as well as how fast people and business get to full capacity and produce and sell at optimum levels.



**MATHEW BABWOYA**

**County Executive Committee Member, Finance and Economic Planning**

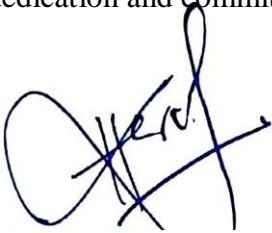
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## **ACKNOWLEDGEMENT**

The 2019 edition of County Budget Review Outlook Paper (CBROP) was prepared in accordance with section 118 of the Public Finance Management Act, 2012 and is the seventh version since the inception of the County Government of Tana River.

I would like to acknowledge all the various departments for their tremendous contribution without which this document would not be a success. All the county departments were invited to submit their performance on expenditures for the period under review. This information was analyzed by the team lead by our CEC Finance and Economic Planning - Mathew Babwoya, County Chief Officer - Finance and Economic Planning - Hero Said, Director of Finance - Francis Ngigi, County Director for Economic Planning and Budgeting - Lennox Mbwana, Deputy Director Finance - Mariam Bunu, Assistant Director M&E - Amani Bawata, and the Economic Planning Officer - Arnold Odipo. These officers spent significant amount of time putting together this CBROP.

Finally, I am indebted to express my sincere gratitude to the entire staff of the County Treasury for their dedication and commitment during the entire exercise.



**HERO B. SAID**

**County Chief Officer – Finance and Economic Planning**

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## **ABBREVIATIONS AND ACRONYMS**

CARA	County Allocation of Revenue Act
CBK	Central Bank of Kenya
CRA	Commission of Revenue Allocation
CBROP	County Budget Review and Outlook Paper
CFSP	County Fiscal Strategy Paper
GDP	Gross Domestic Product
IBEC	Inter-Governmental Budget and Economic Council
ICT	Information and Communication Technology
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics
MTEF	Medium Term Expenditure Framework
MTP	Medium-Term Plan
PE	Personnel Emoluments
PFM	Public Finance Management
PWD	People with Disabilities
SRC	Salaries and Remuneration Commission
SWG	Sector Working Group

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## **Preamble**

### **Legal Basis for Preparation of the County Budget Review and Outlook Paper**

The Budget Review and Outlook Paper (CBROP) is prepared in accordance with Section 118 of the Public Finance Management (PFM) Act 2012. The law stipulates that:

- 1) A county Treasury shall;
  - a. Prepare a CBROP in respect of the County for each year; and
  - b. Submit the paper to the County Executive Committee (CEC) by 30th September of that year.
  
- 2) In preparing its CBROP, the County Treasury shall specify;
  - a. The details of the actual fiscal performance in the previous year compared to the budget appropriation for that year
  - b. The updated economic and financial forecasts with sufficient information to show changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP)
  - c. Information on:
    - (i) Any changes in the forecasts compared with the CFSP; or
    - (ii) How actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or financial objectives in the CFSP for that financial year; and
  - d. Reasons for any deviation from the financial objectives in the CFSP together with proposals to address the deviation and the time estimated for doing so.
  
- 3) The CEC shall consider the CBROP with a view to approving it, with or without amendments, within fourteen days after its submission.
  
- 4) Not later than seven days after the CBROP is approved by the CEC, the County Treasury shall:
  - a. Arrange for the paper to be laid before the County Assembly; and
  - b. As soon as practicable after having done so, publish and publicize the paper.

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## **Fiscal Responsibility Principles in the Public Financial Management Law**

In line with the Constitution of Kenya 2010, the PFM Act, 2012 sets out the fiscal responsibility principles to ensure prudence and transparency in the management of public resources. Section 107 of the PFM Act, 2012 states that: The County Government's recurrent expenditure shall not exceed the County Government's total revenue;

- 1) Over the medium term, a minimum of thirty (30) per cent of the County Government's budget shall be allocated to the development expenditure;
- 2) The county Government's expenditure on wages shall not exceed a percentage of the County Government's total revenue as prescribed by the County Executive Member for Finance in regulations and approved by the County Assembly;
- 3) Over the medium term, the Government's borrowing shall be used only for purpose of financing development expenditure and not for recurrent expenditure;
- 4) The County debt shall be maintained at a sustainable level as approved by County Assembly;
- 5) The fiscal risks shall be managed prudently; and
- 6) A reasonable degree of predictability with respect to the level of tax rates and tax bases shall be maintained, taking into account any tax reforms that may be made in the future.

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## **1.0 INTRODUCTION**

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1. The Public Finance Management (PFM) Act, 2012 section 118 requires that among other responsibilities, the “County Treasury to prepare a County Budget Review Outlook Paper”. As such, this paper is prepared in accordance with this section of the PFM Act 2012. The Act requires that every county prepare a CBROP and submit it to the County Executive Committee (CEC) by 30<sup>th</sup> September of that financial year.
2. The County Executive Committee shall in turn:
  - i) within fourteen days after submission, consider the CBROP with a view to approving it, with or without amendments.
  - ii) Within seven days after the CEC approval of the paper, the county treasury shall arrange for the paper to be laid before the County Assembly and after doing so, publish and publicize the paper.

### **1.1 Objective of CBROP**

3. The objective of CBROP is to provide a review of the previous fiscal performance and how this impacts the financial objectives and fiscal responsibility principles to be set out in the CFSP. This together with macroeconomic outlook provides a basis for revision of the current budget in the context of the broad fiscal parameters underpinning the next budget and the medium term. Details of the fiscal framework and the medium term policy priorities will be firmed in the CFSP.

Specifically, the CBROP provides:

- Updated economic and financial forecasts in relation to the changes from the forecasts in the most recent County Fiscal Strategy Paper (CFSP);
- Details of the actual fiscal performance in the previous year compared to the budget appropriation for that particular year;
- Any changes in the forecasts compared with the CFSP;
- Indication on how actual financial performance for the previous financial year may have affected compliance with the fiscal responsibility principles, or the financial objectives in the CFSP for that financial year; and
- Reasons for any deviation from the financial objectives in the CFSP together with proposed measures to address the deviation and the time estimated for doing so.

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## **1.2 Significance of CBROP**

4. The paper is a policy document and links planning with budgeting. It is significant in the budget making process within the Medium Term Expenditure Framework (MTEF) as it reviews previous fiscal performance for the year and identifies any deviations from the budget with the aim of providing realistic forecasts for the coming year. It also assesses how fiscal responsibility principles were adhered as provided in section 107 of the PFM Act 2012. In addition the updated macroeconomic and financial outlook provides a basis for any budget revision and sets out broad fiscal parameters for the next budget. Further, the paper is expected to provide indicative sector ceilings for the FY 2020/2021 budget and in the medium term to guide Sector Workings groups (SWGs) before being affirmed in the CFSP 2020.

## **1.3 Structure**

5. This paper has four other sections. Section Two reviews the county's fiscal performance for the previous year. It is divided into three sub-sections, namely, The Overview, Fiscal Performance and Implications of Fiscal Performance. Section three reviews recent economic developments and has four subsections of Recent Economic Developments, Economic Outlook & Policies, Medium Term Fiscal Framework and Risks to the Outlook. Section four sets out how the county government intends to operate within its means. It establishes the resources envelop (total revenues) it expects then allocates these across departments by setting expenditure ceilings for each department. In addition, it has four sub-sections: adjustment to the proposed budget; the medium term expenditure framework; proposed budget framework; and projected fiscal balance and likely financing. And lastly, section five gives a conclusion of the entire paper.

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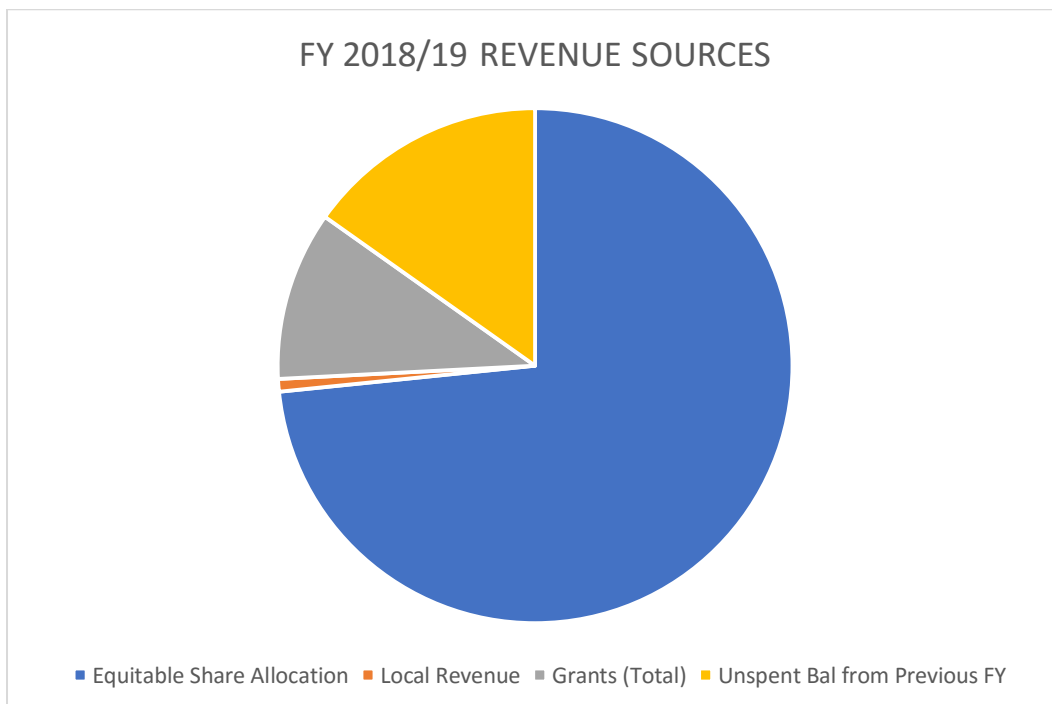
## 2.0 REVIEW OF COUNTY FISCAL PERFORMANCE IN 2017/18 FY

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### 2.1 Overview

6. This section provides an overview of the performance and implementation of the budget for the financial year 2018/2019 and how it affected compliance with the fiscal responsibility during implementation of the CFSP. This makes it useful in providing a basis for setting out broad fiscal parameters for subsequent budgets as well as mapping out a way forward for Tana River County.
7. The County's FY 2018/19 Approved Supplementary Budget was KShs. 7.573 Billion, comprising of KShs. 4.637 Billion (61.0 per cent) and KShs.2.936 billion (39.0 per cent) allocation for recurrent and development expenditure respectively.
8. In order to finance the budget, the county received Kshs. **5.557 Billion** (73.0 per cent) as equitable share, Kshs. **805 Million** (11.0 per cent) as conditional allocations, targeted to raise Kshs. **60 Million** as own local revenues which translates to 1.0 per cent of the total budget and had a balance from the other financial year (2017/2018) of Kshs. **1,150,408.032** which translated to 15.0 per cent of the total budget. The expected sources of budget financing are shown in Figure 1.

**Figure 1: Expected Sources to budget Financing in FY 2018/19**



## 2.2 Fiscal Performance

9. During the financial year under review the county had three sources of funding namely: conditional allocations; revenue raised nationally and county own source revenue. There was also a balance from last financial year. The overall revenues increased by 4% as per table 1 below.

**Table 1: Summary of County Fiscal Performance**

	2017/18 FY	2018/19 FY			Growth %
	Actual	Approved	Actual	% Deviation	
<b>TOTAL REVENUE &amp; GRANTS</b>	<b>5,653,092,625</b>	<b>6,422,955,840</b>	<b>5,898,578,613</b>	<b>8%</b>	<b>4%</b>
Unspent Bal from Previous FY	0	1,150,408,032	1,150,408,032	0%	0%
<b>REVENUE (Total)</b>	<b>5,653,092,625</b>	<b>7,573,363,872</b>	<b>7,048,986,645</b>	<b>7%</b>	<b>25%</b>
<b>Equitable Share Allocation</b>	5,345,400,000	5,557,800,000	5,557,800,000	0%	4%
<b>Local Revenue</b>	31,313,488	60,000,000	63,454,693	-6%	103%
<b>Grants (Total)</b>	276,379,137	805,155,840	277,323,920	66%	0%
<b>TOTAL EXPENDITURE</b>	<b>4,531,356,121</b>	<b>7,573,363,872</b>	<b>6,079,982,800</b>	<b>20%</b>	<b>34%</b>
<b>Recurrent</b>	3,253,563,506	4,637,300,003	3,955,494,631	15%	22%
<b>Development</b>	1,277,792,615	2,936,063,869	2,124,488,169	28%	66%
<b>Unspent Bal Current FY</b>	<b>1,121,736,504</b>		<b>969,003,845</b>		

*Source: Tana River County Treasury*

10. The fiscal performance of the FY 2018/19 was below expectation mainly due to a number of challenges which included;
- Delay in the approval of the Budget Estimates
  - Delays in disbursement of funds from the national treasury;

### **Equitable Share of Revenue Raised Nationally**

11. During the FY 2018/2019 the exchequer release of the equitable share revenue to the county government of Tana River amounted to **Kshs. 5,557 Billion**. This translated to 100 per cent of the allocation. However, the last two months disbursements were received in the month of July, 2019 (after the closure of the financial year). Additional **Kshs.1.15 Billion** (inclusive of unspent conditional grant) was appropriated in the FY 2018/19 budget estimates as balance carried forward.

## Conditional Grants

12. Analysis of the conditional grants released during the period under review indicates that, the County received full allocation for grants from DANIDA , Compensation for user fees foregone, IDEAS, Kenya Urban Support Project (KUSP)-Urban Development Grant (UDG) and Urban Institutional Grant (UIG). In total, the County received 34% of the conditional grant allocation. The Table below shows an analysis of conditional grants received in the FY 2018/19.

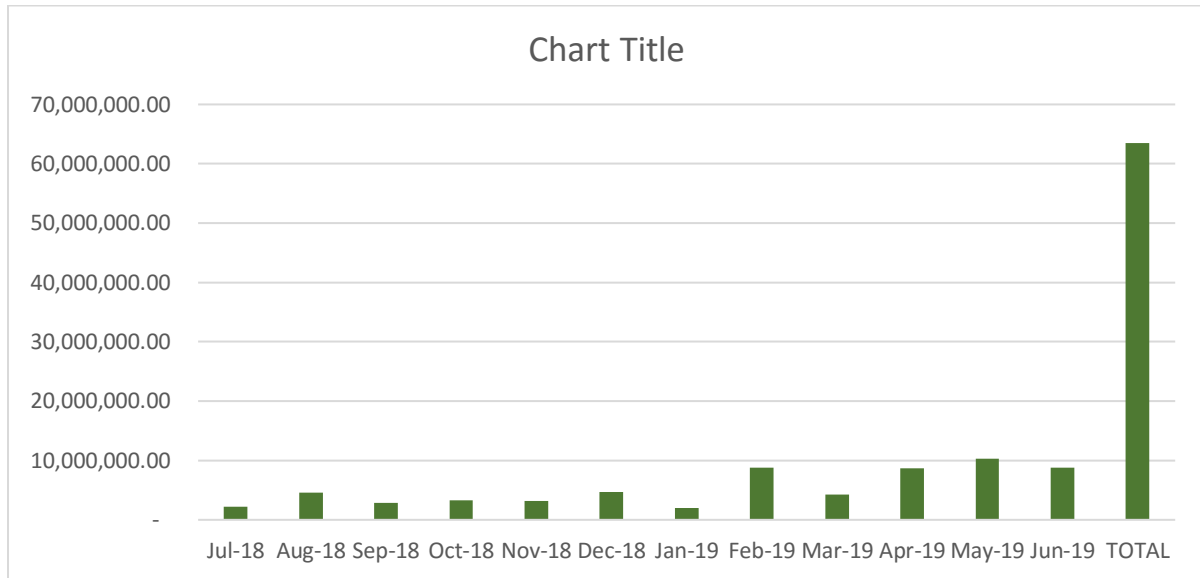
**Table 2: Analysis of conditional grants received in the FY 2018/19**

No.	Grants	Annual CARA 2018 Allocation (in KShs)	Annual Budget Allocation (in KShs)	Actual Receipts in the FY 2018/19 (in KShs)	Actual Receipts as Percentage of Annual Allocation (%)	CARA Annual Allocation (%)	Annual Budget Allocation (%)
<b>A</b>	<b>Conditional Allocations from National Government Revenue</b>						
1	Construction of County HQ	121,000,000	121,000,000		0%	15.03%	15.03%
2	Foregone user fee	5,682,537	5,682,537	5,682,537	100%	0.71%	0.71%
3	VTCSP	24,490,000	24,490,000		0%	3.04%	3.04%
4	RMFLF	146,332,034	146,332,034		0%	18.17%	18.17%
<b>B</b>	<b>Conditional Allocations from loans &amp; grants from Development partners</b>						
5	THSUCP	100,000,000	100,000,000	51,096,293	51%	12.42%	12.42%
6	KCSAP	150,000,000	150,000,000	31,585,475	21%	18.63%	18.63%
7	KDSP Level 1	44,003,842	44,003,842		0%	5.47%	5.47%
8	DANIDA	17,921,250	17,921,250	17,921,250	100%	2.23%	2.23%
9	IDEAS	80,000,000	80,000,000	79,838,365	100%	9.94%	9.94%
10	ASDSP	24,526,177	24,526,177		0%	3.05%	3.05%
11	KUSP-UDG	50000000	50,000,000	50,000,000	100%	6.21%	6.21%
12	KUSP-UIG Bal b/f (2017/18)	41200000	41,200,000	41,200,000	100%	5.12%	5.12%
<b>Grand Total</b>		<b>805,155,840</b>	<b>805,155,840</b>	<b>277,323,920</b>	<b>34%</b>	<b>100%</b>	<b>100%</b>

### 2.2.1 Revenue Performance

13. The graph below shows an analysis of revenue collection for the period under review:

**Fig 2: 2018/2019 revenue analysis**



*Source: County Directorate of Revenue*

14. As indicated in the above diagram, in the FY 2018/2019, the highest monthly revenue collection occurred in second half which occurred in February to June probably due to high sand harvest, high of livestock products outside the county and issuing of single business permit that prompted high revenue collection. The department is working on automating own revenue sources.

15. As shown in Table 4, the total own source revenue collected in the FY 2018/19 amounted to approximately KShs. 63 million. This represented 6 per cent increase on the annual own source revenue target of KShs 60 million. As compared to the FY 2017/18, the collected amount represents an overall increase in revenue collection of about 103 per cent. There were also some significant variations in collection among the various revenue streams. The main conspicuous figure being the Council's Natural Resources Exploitation fees



**Table 3: Revenue Performance per Stream**

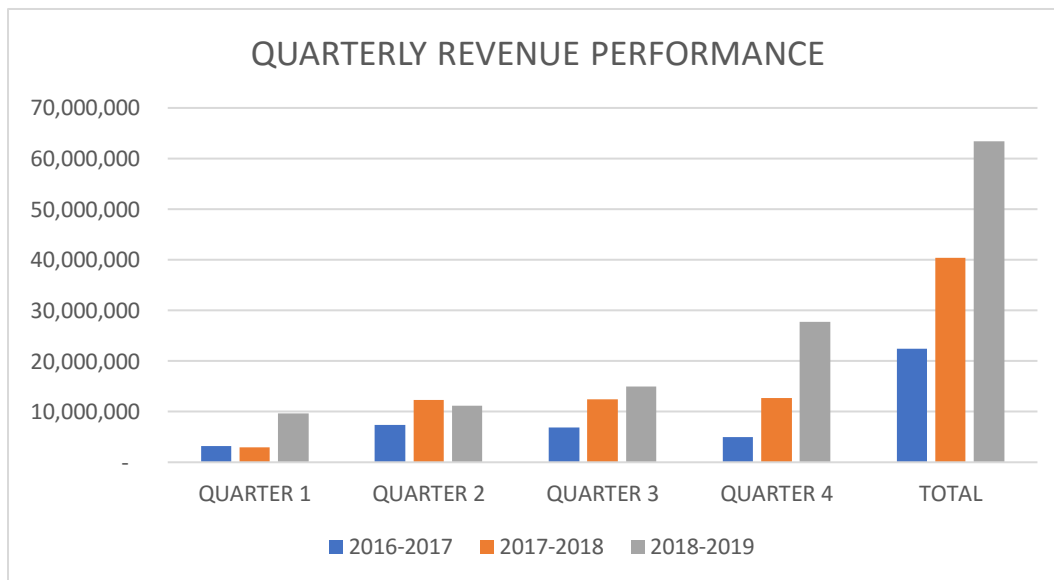
Revenue Performance	2017-2018	2018-2019	Variance (%)
<b>Receipts from sale of incidental goods</b>	<b>776,000.00</b>	<b>238,500</b>	<b>-69%</b>
Sale of tender documents	776,000.00	238,500	
<b>Receipts not classified elsewhere</b>	<b>664,780.00</b>	<b>6,524,456</b>	<b>881%</b>
A.I.A (Health facilities) transferred to exchequer	664,780.00	6,524,456	
<b>Land rates</b>	<b>129,000.00</b>	<b>1,220,404</b>	<b>846%</b>
Land rates / leases	129,000.00	1,220,404	
<b>Business permits</b>	<b>10,746,100.00</b>	<b>15,535,281</b>	<b>45%</b>
permit fees	10,746,100.00	15,535,281	
<b>Cesses</b>	<b>14,281,818.00</b>	<b>10,326,738</b>	<b>-28%</b>
fruits & vegetables/Produce cess	3,186,240.00	7,206,888	
Charcoal	4,976,250.00	-	
Livestock & fish	5,599,717.00	910,170	
Others	519,611.00	2,209,680	
<b>Plot rents</b>	<b>904,550.00</b>	<b>869,800</b>	<b>-4%</b>
Plot rent	904,550.00	869,800	
<b>Administrative services fees</b>	<b>898,100.00</b>	<b>1,371,800</b>	<b>53%</b>
plot application fees	373,000.00	1,077,800	
plot transfer fees	520,100.00	30,000	
Plot Sub-letting/Plot Sub-division	5,000.00	264,000	
<b>County's natural resources exploitation</b>	<b>8,180,500.00</b>	<b>22,267,575</b>	<b>172%</b>
Sand,gravel& ballast extraction fees	1,915,750.00	2,732,700	
Quarry extraction fees (Consent to mining)	6,264,750.00	7,016,290	
Gypsum extraction fees	0.00	12,518,585	
<b>Market / Trade centre fees</b>	<b>28,100.00</b>	<b>7,830</b>	<b>-72%</b>
Market entrance Fees	28,100.00	7,830	
<b>Vehicle parking fees</b>	<b>2,663,200.00</b>	<b>3,134,353</b>	<b>18%</b>
Bus park fees	1,014,700.00	193,850	
Toll fees	1,648,500.00	2,940,503	
<b>Housing</b>	<b>43,200.00</b>	<b>-</b>	<b>-100%</b>
water charges/House Rent	43,200.00	-	
<b>Environment &amp; conservancy administration</b>	<b>0.00</b>	<b>1,657,026</b>	
Conservancy fees	0.00	1,657,026	
<b>Slaughter houses administration</b>	<b>237,950.00</b>	<b>83,000</b>	<b>-65%</b>
Slaughter Fees	236,100.00	83,000	
Hides &skins	1,850.00	-	
<b>Technical services</b>	<b>886,300.00</b>	<b>217,930</b>	<b>-75%</b>
beacon search pointing fees	0.00	4,300	
Survey Fees	0.00	44,630	
Building Plan appv. Fees	0.00	46,000	
building plan approval fee	81,500.00	68,000	
wayleave fees	766,300.00	-	
sign boards & advertisements fee	38,500.00	55,000	
<b>GRAND TOTAL</b>	<b>40,439,598.00</b>	<b>63,454,692.90</b>	<b>57%</b>

16. The total revenue for the years 2016/2017, 2017/2018 and 2018/2019 was approximately KShs 126million. The respective revenue for each year is provided in Table 3. While the total revenue has been steadily increasing, the data shows that more revenue was collected during the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> quarters. The 1<sup>st</sup> had comparatively lower collections.

**Table 4: Quarterly Revenue Performance Over a period of Three Fiscal Years**

YEAR	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	TOTAL
<b>2016-2017</b>	3,199,717	7,415,789	6,831,391	4,953,364	22,400,260
<b>2017-2018</b>	2,934,825	12,340,687	12,431,085	12,733,001	40,439,598
<b>2018-2019</b>	9,632,013	11,138,513	14,928,545	27,755,622	63,454,693
<b>TOTAL COLLECTION</b>	<b>15,766,555</b>	<b>30,894,989</b>	<b>34,191,021</b>	<b>45,441,987</b>	<b>126,294,551</b>

**Figure 3: Revenue Performance Over a period of three Fiscal Years**



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### 2.2.2 Expenditure Performance

17. The total approved expenditure for the financial year was Kshs. **7.573 Billion**, comprising of Kshs. **4.637 Billion** (61%) recurrent expenditure and Kshs. **2.936 Billion** (39%) development expenditure. During the FY 2018/19, the County received Kshs. 5.557 billion as equitable share of revenue raised nationally, Ksh 277 million as total conditional grants, raised Kshs. 63 million from own source revenue, and had a cash balance of Kshs.1.15 billion from FY 2017/18. The total available funds amounted to KShs. 5.985 billion.

**Table 5: Budget Absorption and Comparison between CFSP 2017 Ceilings and FY 2018/19 Budget**

Department	CFSP 2018			Budget Allocation (Kshs. Million)			Exchequer Issues in the FY 2018/19 (Kshs. Million)		Expenditure in The FY 2018/19 (Kshs. Million)		FY 2018/19 Expenditure to Exchequer Issues (%)		FY 2018/19 Absorption rate (%)			Deviation (%)
	Rec	Dev	Total	Rec	Dev	Total	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Total	
Office of The Governor and Deputy Governor	507.71	20.00	527.71	507.36	-	507.36	502.37	-	439.03	-	87%		87%	-	87%	-4%
Special program	82.32	10.00	92.32	260.63	10.00	270.63	255.67	5.74	259.82	10.00	102%	174%	100%	100%	100%	193%
Education and Vocational Training	410.99	215.30	626.29	368.71	226.83	595.54	406.67	78.94	322.06	103.01	79%	130%	87%	45%	71%	-5%
Culture, gender, Youth, Sports and Social Services	70.65	221.00	291.65	83.80	92.50	176.30	81.56	29.06	53.08	47.36	65%	163%	63%	51%	57%	-40%
Medical Services, public Health and sanitation	976.38	300.00	1,276.38	1,185.31	161.00	1,346.31	1,160.86	107.93	1,029.21	167.04	89%	155%	87%	104%	89%	5%
Agriculture, Livestock, Fisheries and Veterinary	316.61	148.50	465.11	418.59	266.74	685.33	387.91	232.05	212.47	154.53	55%	67%	51%	58%	54%	47%
Water, Irrigation, Environment and Natural Resources	172.10	250.00	422.10	103.26	316.40	419.66	104.89	142.41	118.98	208.60	113%	146%	115%	66%	78%	-1%
Roads, Transport, Public works, Housing and Urbanisation	81.76	359.85	441.61	160.52	1,191.29	1,351.81	108.91	808.47	95.96	1,014.30	88%	125%	60%	85%	82%	206%

<b>Public Service, Administration and Citizen participation</b>	170.98	50.00	220.98	379.64	66.50	446.14	333.58	19.41	360.13	20.71	108%	107%	95%	31%	85%	102%
<b>Finance and Planning</b>	365.65	30.00	395.65	508.68	230.00	738.68	384.71	169.01	439.03	219.13	114%	130%	86%	95%	89%	87%
<b>Trade, Tourism, Wildlife and Cooperative Development</b>	139.47	74.60	214.07	120.84	85.00	205.84	227.82	28.44	96.29	27.81	42%	98%	80%	33%	60%	-4%
<b>Lands and Physical Planning</b>	15.49	19.30	34.79	30.15	89.80	119.95	17.56	11.32	19.63	86.05	112%	760%	65%	96%	88%	245%
<b>County Assembly</b>	456.00	100.00	556.00	509.82	200.00	709.82	509.82	69.00	509.82	65.95	100%	96%	100%	33%	81%	28%
<b>TOTAL</b>	<b>3,766</b>	<b>1,799</b>	<b>5,565</b>	<b>4,637</b>	<b>2,936</b>	<b>7,573</b>	<b>4,482</b>	<b>1,702</b>	<b>3,955</b>	<b>2,124</b>	<b>88%</b>	<b>125%</b>	<b>85%</b>	<b>72%</b>	<b>80%</b>	<b>36%</b>

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### **2.2.2.1 Budget absorption and comparison between CFSP 2018 Ceilings and FY 2018/19**

#### **Budget**

##### **Budget Allocation:**

18. From the above tabulation, it is observed that the highest allocation of development funds during the financial year under review were the departments of Roads & Public Works amounting to Kshs. 1.191 Billion while Health & Sanitation department had the highest allocation of recurrent funds amounting to Kshs. 1.185

##### **Budget Absorption:**

19. For the financial year 2018/2019, The County achieved an overall absorption of 80 percent with an average of 85 percent for recurrent and 72% for development. The Special Program and Cohesion Department had been the most efficient in the absorption of their budget. This was at the rate of 100percent. Agriculture, Livestock and Fisheries departments has been the least absorption rate with 54 percent.

20. The overall under absorption was as a result of delay in approval of the Budget estimates 2018/2019. However, for the department of Agriculture, Livestock and Fisheries the absorption was largely hampered by the fact that a huge chunk of its conditional grants from development partners was never or partially released to the county.

##### **Expenditure to Exchequer Issues:**

21. The ratio of expenditure to exchequer issues was 88percent being for recurrent and 125percent for development.

##### **Deviation from CFSP:**

22. The budget deviated from the CFSP by an average factor of 36 percent. This deviation was caused by the balance brought forward (1.15 billion) from the previous financial year and conditional grant allocations(805 Million) which was not appropriated to specific departments in the ceiling; reason being ceilings were prepared based on Total Revenue (Equitable Share and Own Source Revenue).

### **2.2.2.2 Recurrent and development Expenditure**

23. The bulk of the expenditure for the financial year 2018/19 was recurrent in nature. This resulted in recurrent to development expenditure ratio of 65:35

24. In the FY 2018/2019 the allocation for development amounted to Ksh 2.936 billion. The allocation was distributed amongst various departments to implement program aimed at sprouting economic activities within the county.

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25. The largest amount of the development budget in the FY 2018/2019 was spent on Roads and public Works department. The department played a key role in provision of necessary infrastructure and related services for economic advancement. Significant funds were committed in construction of roads.
  26. The county has witnessed tremendous growth in the sectors like health, water, infrastructure, agriculture and energy during the financial year under review which has transformed the lives of residents of Tana River County. However, there were various challenges key among them being lack of audit committee, IFMIS connectivity problems as well as Internet Banking, delayed disbursement of funds from National Treasury, shortage of trained personnel among others.
  27. One of the main development challenges in the county is accessibility to clean water and to address this, the Water department embarked on a mission to drill boreholes as well as maintaining the existing supply and reservation systems. Over 70 Million was used to acquire a borehole rig to resolve the seasonal water shortage in the County.
  28. The department of Health and Sanitation committed significant funds into construction of a Maternity Wing and Neonatal unit which was recently commissioned. The department also continued to embark on comprehensive strategy to improve the health care systems. Other key achievements include continuous provision of medicine in public hospitals and dressing & other pharmaceutical medical items.
  29. Agriculture being the highest contributor to the county economy, significant efforts was made to boost the sector through purchase and distribution of high valued satisfied seeds, pesticides, fertilizers and tractors. In addition, the department also engaged in empowering farming communities through capacity building to improve their farming skills to enhance productivity. However, strategies to ensure value addition of both agriculture and livestock products need to be put in place. As such strategies can result to agriculture sector creating new sources of revenue and job creation.
  30. To improve the retention rate in EYE the department of Education and Vocational Training continued with the established school feeding and bursary programs. In addition, the department continued to put in place measures to address the rate of unemployment among the youths through provision of best employable skill training and equipping of vocational training centers with modern tools and equipment. The department also released a total of Kes. 160 million to Ward Bursary Fund to benefit needy students
  31. The department of trade, tourism and industry advanced more than Kes. 25 million to complete the stalled Garsen market to boost the economy.

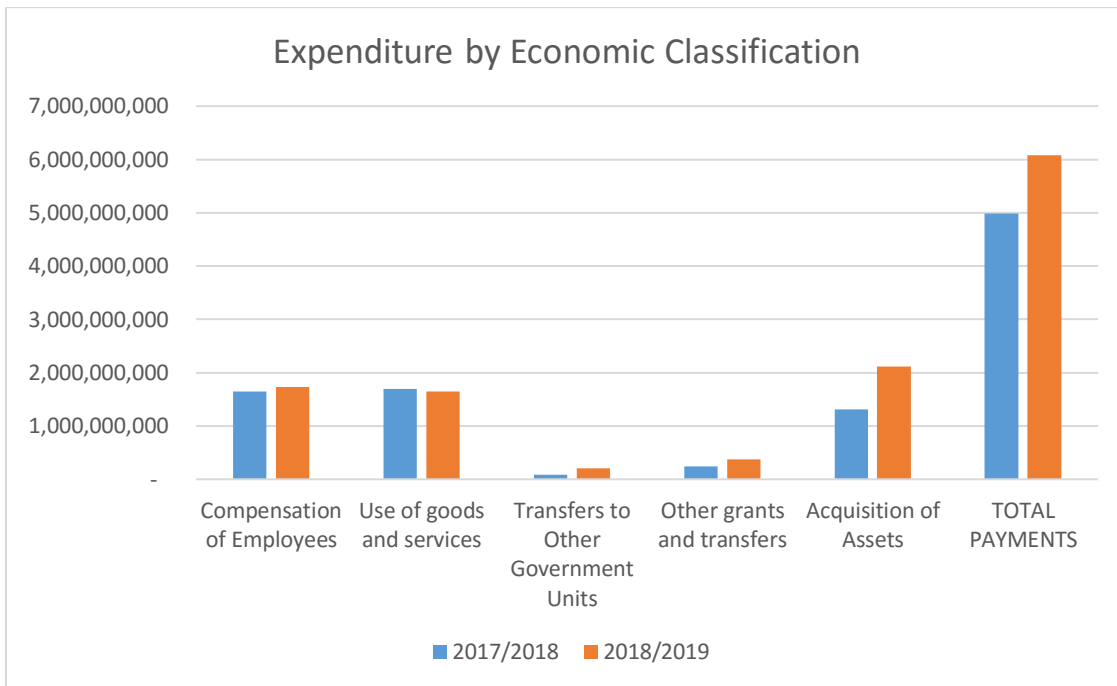
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32. During the FY 2018/19 there were several non-core expenditures which were necessary to ensure effective and efficient execution of administrative services. They included construction and refurbishment of offices, purchase of furniture, computers and other office equipment. In addition, the county acquired fire engines to respond to any unforeseen disasters.
  33. Over performance on collection of county own revenue for the financial year 2018/19 had a positive effect on the resource envelope. The current revenue trend has been taken into consideration and strategies are being taken to make more improvement on the own revenue sources.

### **2.2.2.3 Expenditure per Economic Classification**

34. During the FY 2018/19, the County spent KShs6.08 billion, which was 98 per cent of the total funds released for operations. This was an increase from KShs4.99 billion spent in FY 2017/18. Of the KShs6.08 billion, a total of KShs3.955 billion was spent on recurrent expenditures while KShs2.11 billion was spent on development activities. The recurrent expenditure comprised of 1.68 billion for Personnel Emoluments and 2.29 billion for operation and Maintenance. The total expenditure included pending bills, which amounted to KShs39 million for recurrent activities and KShs.180 million for development expenditure as at 30<sup>th</sup> June, 2019. Figure 3 presents a comparison between the total expenditure in the FY 2017/18 and the FY 2018/19.



**Figure 4: Expenditure by Economic Classification in the FY 2017/18 and the FY 2018/19**



### 2.2.3 Implications for the FY 2018/19 performance

35. The performance of the county is dependent on the country's economic performance as well as formulation and implementation of prudent policies by the county government. The over performance in Own Source Revenue (OSR) have an upward effect adjustment in ordinary revenues for FY 2019/20 and the medium term

**Table 6 County Government Fiscal Projections in the Medium Term**

	2017/18 FY	2018/19 FY		2019/20 FY		2020/21 FY		2021/22 FY		2022/23 FY	
	Actual	Budget	Actual	Budget	CBROP 2019	CBROP 2019	CFSP 2019	CBROP 2019	CFSP 2019	CBROP 2019	CFSP 2019
TOTAL REVENUE & GRANTS	5,653,092,625	6,422,955,840	5,898,578,613	6,508,395,526	6,508,395,526	6,833,815,302	6,833,815,302	7,175,506,067	7,175,506,067	7,534,281,371	7,534,281,371
Unspent Bal b/f \Previous FY	0	1,150,408,032	1,150,408,032	1,716,145,804	1,716,145,804	0	0	0	0	0	0
Revenue (Total)	5,653,092,625	7,573,363,872	7,048,986,645	8,224,541,330	8,224,541,330	6,833,815,302	6,833,815,302	7,175,506,067	7,175,506,067	7,534,281,371	7,534,281,371
Equitable Share Allocation	5,345,400,000	5,557,800,000	5,557,800,000	5,735,000,000	5,735,000,000	6,021,750,000	6,021,750,000	6,322,837,500	6,322,837,500	6,638,979,375	6,638,979,375
Local Revenue	31,313,488	60,000,000	63,454,693	66,000,000	66,000,000	69,300,000	69,300,000	72,765,000	72,765,000	76,403,250	76,403,250
Grant (Total)	276,379,137	805,155,840	277,323,920	707,395,526	707,395,526	742,765,302	742,765,302	779,903,567	779,903,567	818,898,746	818,898,746
Total Expenditure	4,531,356,121	7,573,363,872	6,079,982,800	8,224,541,330	8,224,541,330	6,833,815,302	6,833,815,302	7,175,506,067	7,175,506,067	7,534,281,371	7,534,281,371
Recurrent	3,253,563,506	4,637,300,003	3,955,494,631	5,001,750,094	5,001,750,094	4,783,670,712	4,783,670,712	5,022,854,247	5,022,854,247	5,273,996,960	5,273,996,960
<i>Recurrent as % of CG Total Budget</i>	58%	72%	67%	77%	77%	70%	70%	74%	74%	77%	77%
Personnel Emolument	1643259010	1,729,103,943.40	1,729,103,943.40	2003633156	2003633156	2,103,814,813	2,103,814,813	2,209,005,554	2,209,005,554	2,319,455,832	2,319,455,832
Operations & Maintenance	1,610,304,496	2,908,196,060	2,226,390,687	2,998,116,939	2,998,116,939	2,679,855,898	2,679,855,898	2,813,848,693	2,813,848,693	2,954,541,128	2,954,541,128
<i>Personnel Emoluments as % of CG Budget</i>	29%	27%	29%	31%	31%	31%	31%	32%	32%	34%	34%
Development	1,277,792,615	2,936,063,869	2,124,488,169	3,222,791,236	3,222,791,236	2,050,144,591	2,050,144,591	2,152,651,820	2,152,651,820	2,260,284,411	2,260,284,411
<i>Development as % of CG Total Budget</i>	23%	46%	36%	50%	50%	30%	30%	32%	32%	33%	33%
Unspent Bal Current FY	1,121,736,504	0	969,003,845	0	0	0	0	0	0	0	0

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## **3.0 RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK**

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### **3.1 Overview**

36. The global economic growth slowed down to 3.6 percent in 2018 compared to 3.8 percent in 2017 owing to increased trade tensions and tariff hikes between China and United States, weakening of consumer and business confidence in the Euro area and tightening of financial conditions for emerging markets. These conditions are expected to ease as markets became more optimistic about trade tensions following G20 Summit in June.
37. Despite the global economic challenges, Kenya's economy continues to register strong economic performance. The economy expanded by 6.3 percent in 2018 up from a growth of 4.9 percent in 2017. This growth was supported by strong agricultural and manufacturing activities, vibrant service sector, stable macroeconomic environment, ongoing public infrastructural investments and sustained business confidence. The outlook for Kenya's economy is strong, projected at 6.0 percent in 2019.
38. The economy continues to register macroeconomic stability with low and stable interest rates and competitive exchange rate to support exports. The overall year on year inflation remained within target at 5.0 percent in August 2019 compared to 4.0 percent in August 2018
39. The foreign exchange market remains stable. The current account narrowed to 3.8 percent of GDP in June 2019, from 5.4 percent in June 2018, reflecting strong growth of agricultural exports, resilient diaspora remittances, and improved tourism receipts

### **3.2 Recent Economic Developments**

40. The economy remains resilient and recorded a fairly stable growth of 5.6 percent in the first quarter of 2019 compared to a growth of 6.5 percent in the corresponding sector in 2018, supported by the strong performance in the non-agricultural sector relative to the decline in the agricultural sector. This growth was mainly attributed to improved weather conditions and regain in business and consumer confidence following political stability in the country and is reflected in the increased activities in both the agricultural and non-agricultural sectors of the economy.
41. The overall inflation remained within the medium-term target set by the Government at 5.0 percent in August 2019 compared to 4.0 percent in August 2018. This reflected high prices of key food items such as carrots, loose maize grain, loose maize flour, tomatoes, cabbages,

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and beans. However, energy prices continued to exert upward pressure on overall inflation due to higher fuel and electricity prices.

42. The Kenya Shilling exchange rate has been relatively stable and competitive against major international currencies. Against the Euro and the Sterling pound, the Shilling also strengthened to Ksh 114.9 and Ksh 125.5 in August 2019 from Ksh 116.2 and Ksh 129.7 in August 2018, respectively. However, against the dollar, the exchange rate weakened to in August 2019 exchanging at Ksh 103.63 compared to the same period in 2018 where Ksh 100.6 was required to buy one dollar. The depreciation of shilling is attributed to increased demand for import and excess liquidity in the money market.
43. Short term interest rates have remained fairly low and stable. The Monetary Policy Committee in July 2019 retained the Central Bank Rate at 9.0 percent. The interbank rate remained low at 3.6 percent in August 2019 from 6.52 percent in August 2018 due to ample liquidity in the money market. The 91-day Treasury bill rate declined to 6.4 percent in August 2019 compared to 7.6 percent in August 2018.
44. The lending rates declined from 13.2 percent in August 2018 to 12.5 percent in August 2019 while the average commercial banks' deposit rate declined from 8.0 percent in August 2019 to 7.2 percent in August 2018. As a result, the interest rate spread increased from 5.2 percent to 5.3 percent over the same period.

### **3.3 County Economic Outlook and Policies**

45. For the financial year 2019-2020, the county has emphasized programs aligned to the agenda of the Big 4. On healthcare, these include an initiative to improve healthcare in the county and an expansion of the county medical workforce. In the area of food production, the county is implementing the Kenya climate smart agriculture program at a cost of 200 million. This is expected to improve food production and resilience against drought. In order to ensure efficient utilization of resources, the county will adopt the CIMES (County Integrated Monitoring and Evaluation System) as the preferred monitoring tool. This will be aided by the development of the county Indicator handbook. In addition, a monitoring and evaluation committee will be set up as an Assistant Director M&E has been employed and each department has formed a Budget Implementation Committee (BIC) to improve in that section.

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46. The county will continue engaging the national government MDAs with the aim of improving the ongoing capacity building initiatives. Also, in line for improvement is the engagement with development partners in capacity building initiative.
  47. Finally, on revenue maximization the county intends to automate its own source revenue collection and enact key legislations. In addition to this, there will be civic education workshops targeting rate payers across the county.

### **3.4 Risks to the Outlook**

48. Despite slow economic growth in Tana River County, the economy of Tana River is prone to both macro-economic and micro-economic risks.

#### **a Macro-economic risks include;**

- i. Sluggish growth in advanced economies that weigh on Kenya's export activities and the tourism sector. Such an impact will have a ripple effect on the County's economy seeing as 99% of the County's revenue comes from the National Government.
- ii. Depreciation of the Kenya shilling against the US dollar had a negative effect on the Consumer price index inflation leading to increased inflation.
- iii. The effects of the public debt are likely to contribute to the sluggish growth of the economy and have a negative trend on revenue collections to fund government expenditures.

#### **b. Micro-economic risks include;**

49. Agriculture and livestock production in the county has been affected by extreme and unreliable weather. These factors have worsened the food insecurity situation in the county. Our county suffered major loses since pastoralist is a major economic activity and was adversely affected by the prolonged draught.
50. Accessibility to key areas of the county has been a challenge due dilapidated road network. The poor roads cause delays in deliveries and increase in transport costs that are in turn transferred to the consumer, with prices varying upward on some products as compared to recommended retail prices in other areas.
51. The county administration is undertaking appropriate measures to put the county economy on the growth path.

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#### **4.0 RESOURCE ALLOCATION FRAMEWORK**

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37. This section sets out how the county government of Tana River intends to live within its means. It establishes the resource envelope or total revenue it expects, it also allocates this budget resources across government departments and agencies by setting expenditure limits of ceilings for each county department/agency.
38. In order to ensure effective utilization of public finances, resource allocation will be guided by the following;
- i. PFMA, 2012
  - ii. Ongoing projects
  - iii. Pending Bills
  - iv. Emerging priorities
  - v. Sectoral Plans
  - vi. County Integrated Development Plan (CIDP II)
  - vii. Medium term plan III (2019 - 2023)

#### **Adjustment to the 2019/2020 FY budget**

39. Adjustments expected in the 2019/2020 budget estimates will be based on the actual performance of the expenditure thus far and the absorption capacity in the remainder of the financial year. Due to the resource constraint, the county will rationalize expenditures by considering emerging needs such as:
- i) Recruitment based on the departmental staff establishment reports
  - ii) The occurrence of natural disasters such as severe drought and floods
  - iii) The downward revision of revenue allocated to counties as equitable share by the National Assembly
40. The Tana River county treasury have prepared the 2019/2020 FY Budget taking into consideration all the recommendations announced by his Excellency the Governor and the will of the people of Tana River county as expressed during the public participations held. The County treasury has also realigned the Development Budget into cost centers. It has also considered the restructuring of County Government departments that include: having Cooperative under Agriculture instead of Trade and Tourism department, Hola Municipality has been given its own vote
41. There was a significant increase in own source revenue in the FY 2018/2019. The county treasury managed to collect 63 Million representing 103% compared to 73% which was

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realized in the FY 2017/2018. The county treasury has overperformed in collection of own source revenue (OSR) against a target of 60 million in the previous financial year. The county treasury intends to roll out reforms in the revenue collections and administration that may aim at expanding more its revenue base and complemented with improvement in revenue collections through automation prompting the county treasury to increase OSR target to 66million.

42. The county treasury appropriated monies to offset the balance of approved historical pending bills amounting to Kshs 417 Million. This had been audited and found to be eligible to be paid. The county managed to offset some of the approved historical pending bills in the F/Y 2018/19. A Pending Bills Committee has been appointed to look into the remaining pending bills for their eligibility to be paid and will endeavor to clear the remainder during next financial year if found eligible. These historical pending bills will eat into the County Resource envelope. This will mostly affect the current development projects and Operation and Maintenance expenses as well as future allocations. The county treasury has noted with concern the increasing wage bill and has warned departments to employ only with the approval of the County Executive Committee and confirmation by the County Treasury on the availability of Funds.

### **The Medium-Term Expenditure Framework**

43. This subsection explains adjustment that will be made to the budget over the immediate and the following two years. The county will continue to implement the medium-term expenditure framework (MTEF) through policies, projects, and programs set out in the annual development plans, county fiscal strategy papers anchored in the respective county integrated development plans.
44. During FY 2019/20 the County will focus on building foundations for increasing the Own Source Revenue collections through resource mapping, civic education of the general public on the importance of OSR, and automation of revenue collection. With increased sources and capacity, the County will look to increase OSR targets in subsequent financial years. Focus will also be geared toward departments with high revenue potential such as Trade, Tourism & Wildlife as well as the Agriculture and Livestock departments through industrialization by setting up processing plants and value addition for commodities such as milk, honey and mangoes.

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45. The County will continue to invest in infrastructure, quality and affordable universal care, education, urban planning and development, good governance among others so as to consolidate the gains made for the last five years. However, the County do not expect an increase in the resource envelope. The table below provides projected baseline ceilings and the 2018/19 to 2021/2022 MTEF by sector



**Table 7: Summary of Indicative Ceiling for FY 2020/2021 MTEF**

Departments	Total Expenditure in KShs					% Share of Total Expenditure				
	Revised Estimates	Estimates	Projections			Estimates	Ceilings	Projections		
	2018/19	2019/20	2020/21	2021/22	2022/23	18/19	19/20	20/21	21/22	22/23
<b>Office of The Governor and Deputy Governor</b>	507,355,659	557,215,993	585,076,792	614,330,632	645,047,164	7%	7%	9%	9%	9%
<b>Special program</b>	270,633,114	164,319,766	172,535,754	181,162,542	190,220,669	4%	2%	3%	3%	3%
<b>Education and Vocational Training</b>	595,544,205	598,377,684	602,656,213	632,789,024	664,428,475	8%	7%	9%	9%	9%
<b>Culture, gender, Youth, Sports and Social Services</b>	176,302,700	157,649,500	165,531,975	173,808,574	182,499,002	2%	2%	2%	2%	2%
<b>Medical Services, public Health and sanitation</b>	1,346,307,060	1,379,137,967	1,389,788,740	1,459,278,177	1,532,242,086	18%	17%	20%	20%	20%
<b>Agriculture, Livestock, Fisheries and Veterinary</b>	685,328,679	905,578,110	799,461,293	839,434,358	881,406,076	9%	11%	12%	12%	12%
<b>Water, Irrigation, Environment and Natural Resources</b>	419,662,036	392,303,746	411,918,933	432,514,880	454,140,624	6%	5%	6%	6%	6%

<b>Roads, Transport, Public works, Housing and Urbanisation</b>	1,351,808,513	1,182,367,407	808,642,140	849,074,247	891,527,960	18%	14%	12%	12%	12%
<b>Public Service, Administration and Citizen participation</b>	446,138,468	426,116,988	447,422,837	469,793,979	493,283,678	6%	5%	7%	7%	7%
<b>Finance and Planning</b>	738,677,846	1,431,119,858	536,908,596	563,754,026	591,941,727	10%	17%	8%	8%	8%
<b>Trade, Tourism, Wildlife and Cooperative Development</b>	205,839,319	195,019,954	204,770,951	215,009,499	225,759,974	3%	2%	3%	3%	3%
<b>Lands and Physical Planning</b>	119,947,115	188,837,116	198,278,972	208,192,920	218,602,566	2%	2%	3%	3%	3%
<b>County Assembly</b>	709,819,158	646,497,243	510,822,105	536,363,210	563,181,371	9%	8%	7%	7%	7%
<b>Total</b>	<b>7,573,363,872</b>	<b>8,224,541,330</b>	<b>6,833,815,303</b>	<b>7,175,506,068</b>	<b>7,534,281,371</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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## Proposed 2019/2020 Budget Framework

46. The 2019/2020 budget framework is guided by the updated medium term macro-fiscal framework outlined in the table above.

### Revenue Outlook

47. The resource envelope comprised of a total of Ksh8,224,541,330 which comprises of Equitable share of revenue raised nationally of Ksh 5,735,000,000 (projected to grow 5% from the current 5.57 billion) and conditional grants projected to amount to Ksh 805 Million. The County Treasury estimated and carried down a balance of Kes. 1.716 Billion (inclusive of conditional grants) from previous financial year, 2018/19. Meanwhile the county treasury is projecting to collect Ksh 66 Million as OSR. However, these estimates shall be firmed up by the Budget Policy Statement (BPS), County Allocation of Revenue Act 2020 and approved policies by the County Executive Committee.

### Expenditure Outlook

48. The total expenditure is estimated at Ksh8.224 Billion comprising of recurrent expenditure which is estimated at 61 percent and development estimated at 39 percent. The county wage bill shall be managed prudently so as not to exceed 35 percent as stipulated in the fiscal responsibility principles of the Public Finance Management Act, 2012.

49. Over the medium term the county intends to live within its means and therefore shall endeavor to operate a balanced budget.

50. Table below indicates projections for expenditure in the Medium-Term 2020/21 – 2022/23

**Table 8: Summary of Expenditure Projections 2020/21 FY and MTEF**

Revenue Type	Actual	Approved Budget Estimates	Projected Estimates		
	2018/19	2019/20	2020/21	2021/22	2022/23
Personnel Emoluments	1,729,103,943	2,003,633,156	2,103,814,813	2,209,005,554	2,319,455,832
Operations & Maintenance	2,237,834,487	2,998,116,939	2,679,855,898	2,813,848,693	2,954,541,128
Development	2,113,044,369	3,222,791,236	2,050,144,591	2,152,651,820	2,260,284,411

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Un spent Bal FY	969,003,845	-			
<b>Total</b>		<b>8,224,541,330</b>	<b>6,833,815,302</b>	<b>7,175,506,067</b>	<b>7,534,281,371</b>

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## 5.0 CONCLUSION

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50. The County is making progress in addressing some of the challenges previously identified as affecting budget implementation. The county has not also appointed members of the Audit committee as provided in the PFM Act.

51. Despite the progress made, the following challenges continue to hamper effective budget implementation;

- i Delay in submission of budget implementation/performance and expenditure reports by departments to the County Treasury.
- ii In most cases, submitted reports are not in the desired prescribed formats.
- iii Low collection of Own Source Revenue for the last 3 years has led to budget deficits.
- iv The County is yet to operationalize the Internal Audit Committee.
- v The County has an approved M&E policy that is yet to be rolled out.
- vi Off-budget, off-plan expenditures.

52. The County should implement the following recommendations in order to improve budget execution;

- i. The county Government (departments) should adhere to Section 166 of the PFMA, 2012 in submission of quarterly reports in the desired format.
- ii. The County Government should devise strategies to enhance local revenue collection, mainly through automation of revenue collection and civic education on the importance of OSR to the public through the proposed 2019 Finance Bill.
- iii. The county should spend within its means and avoid any leakages.
- iv. Having constituted the CBEF as required by Section 137 of the PFMA, 2012, the County should continue to actively engage the forum on budgetary issues to fully capture the aspirations of the people of Tana River as well as the administration's development agenda

## ANNEX

**Table 9: Budget Calender for the 2020/21 Budget**

S/No.	Activity	Responsibility	Deadline
1.	Develop and issue MTEF Guidelines	County Treasury	30-Aug-19
2.	Launch of sector working group	County Treasury	30-Aug-19
3.	Programme Performance Reviews (PPRs)	CDAs	15-Sept-19
	3.1 Review and update of strategic plans	“	
	3.2 Review of programmes outputs and outcomes	“	
	3.3 Expenditure review	“	
	3.4 Progress report on CIDP/ADP implementation	“	
	3.5 Preparation of annual plans	“	
4.	<b>Development of Medium-Term Budget Framework</b>	Macro working group	30-Sept-19
	4.1 Develop the Medium-Term Fiscal Framework and Resource Envelope	“	
	4.2 Review and Determination of policy priorities	“	
	4.3 Develop Preliminaries resource allocation to sector	“	
	4.4 Draft budget Review and outlook paper (BROP)	“	
	4.5 Submission and approval of BROP by Executive Committee	“	15-Oct-19
	4.6 Submit Approved BROP to County Assembly	“	30-Oct-19
5.	<b>Preparation Of MTEF budget proposals</b>	Line Departments	01-Oct-19
	5.1 Retreats to Draft sector report	Sector working group	
	5.2 Briefing Sector Chairpersons and Accounting Officers on Sector Draft Reports.		
	5.3 Convene public sector hearing	County Treasury	15-Nov-19
	5.4 Review and Incorporation of Stakeholder Inputs in the Sector Proposals		
	5.5 Submission of sector Report to treasury	Sector working group	30-Nov-19
	5.6 consultative meeting with CECMs/CCOs	County Treasury	02-Nov-19
6.	<b>Draft County Fiscal Strategy Paper (CFSP)</b>		

	6.1 Draft CFSP	Macro Working Group	10-Dec-19
	6.2 Public/Stakeholders Participation	County Treasury	15-Jan-20
	6.3 Review and Incorporation of Stakeholder Inputs in the Sector Proposals		15-Feb-20
	6.4 Submission of CFSP to County Executive for approval		20-Feb-20
	6.5 Submission of CFSP to County Assembly for approval.		20-Feb-20
7.	<b>Preparation And Approval Of Final CDAs Programme Budgets</b>		
	7.1 Develop and issue final guidelines on preparation of 2019/20 MTEF budget	County Treasury	28-Feb-20
	7.2 Submission of the budget proposals to the County Treasury	CDAs	15-Mar-20
	7.3 Consolidation of the Draft Budget estimates	County Treasury	01-Apr-20
	7.4 Submission of Draft Budget Estimates and Accompanying Documents to County Assembly	“	30-Apr-20
	7.5 Review of Draft budget Estimates By County Assembly	County Assembly Committees	15-May-20
	7.6 Report on Draft Budget Estimates from County Assembly	“	30-May-20
	7.7 Consolidation of the Final Budget Estimates	County Treasury	15-Jun-20
	7.8 Submission of Appropriation Bill to County Assembly	“	15-Jun-20
	7.9 Submission of Vote on Account to County Assembly <b>(If Applicable)</b>		30-Jun-20
8.	Budget statement		15-Jun-20
	Appropriation Bill Passed		30-Jun-20