

COUNTY GOVERNMENT OF KILIFI



THE COUNTY TREASURY

FOURTH QUARTYER BUDGET IMPLEMENTATION REPORT FINANCIAL YEAR 2019/20

SEPTEMBER 2020

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1. INTRODUCTION

The Quarterly Budget Implementation Report is published in accordance to Section 104(1) (r) of the Public Finance Management (PFM) Act, 2012 which requires a County Treasury to monitor, evaluate and oversee the management of public finances and economic affairs of the county government including reporting regularly to the County Assembly on the implementation of the Annual County Budget; and Section 166 of the same Act which states;

1. An accounting officer for a county government entity shall prepare a report for each quarter of the financial year in respect of the entity.
2. In preparing a quarterly report for a county government entity, the accounting officer shall ensure that the report—
 - a) contains information on the financial and non-financial performance of the entity; and
 - b) is in a form determined by the Accounting Standards Board.
3. Not later than fifteen days after the end of each quarter, the accounting officer shall submit the quarterly report to the County Treasury.
4. Not later than one month after the end of each quarter, the County Treasury shall—
 - a) Consolidate the quarterly reports and submit them to the County Assembly;
 - b) Deliver copies to the Controller of Budget, National Treasury and the Commission on Revenue Allocation; and
 - c) Publish and publicize them.

5. In the case of an entity that is a County Corporation, the accounting officer for the corporation shall also submit a copy of the quarterly report to the County Executive Committee member responsible for the corporation, who, upon approving it, shall submit a copy to the County Treasury.

2. FISCAL PERFORMANCE

REVENUE

In the FY 2019/20, the County estimated to collect own source revenue amounting to KSHS. 1,100,000,000. However, the County fell short of meeting its target by 28%. The total collection for the financial year was KSHS. 788,782,226 which was spread out between the four quarters with the fourth quarter of the year experiencing a lower collection compared to the rest of the year this being attributed to the challenge of the COVID-19 pandemic impacting the County's revenue collection.

Local Revenue collection

The total collection from local sources for the period under review was KSHS. 788,782,226. During the period under review, the highest revenue stream was Cess on Natural Resources where a total of KSHS. 280,212,344 was realized. HSIF and Land rates also recorded high collections in the year under review of KSHS. 178,247,301 and KSHS. 127,419,214 respectively. On the sale of tender documents no amount was collected with that being attributed the process being taken online. The collection from Business permits was at its peak in the third quarter with most people taking their business permits at the start of the calendar year. Parking fees and Market fees were heavily affected by the COVID-19 pandemic where a significant drop in the amount collected was experienced in the fourth quarter of the financial year.

Own Revenue Collection Summary for Quarter 4

REVENUE CLASS	Q4
HSIF	49,135,189
Land Rates and other Land Revenue	8,241,431
Cess on natural resources	54,421,697
Business Permit	3,439,215
Parking fees	1,060,032
Market fees	356,020
Billboards & Signage	9,282,654
Building Plan approval and Inspection	1,243,074
Rent/Stall rents	732,000
Survey fees and plot rents	37,000
Sale of Tender Documents	-
Plot ground rent	2,533,508
House rent	7,518,022
Refuse Collection	165,500
Food Hygiene Fees	230,700
Slaughter House and Livestock sale Yards	109,250
Others	7,493,726
TOTAL	145,999,018

WITHDRAWALS FROM THE COUNTY REVENUE FUND

In the FY 2019/20, a total of KSHS. 11,106,800,158 was withdrawn from the County Revenue Fund. Recurrent being KSHS. 7,317,048,831 and development being KSHS. 3,789,751,327.

EXPENDITURE

Analysis of Expenditure for Q4

DEPARTMENT	RECURRENT EXPENDITURE	DEVELOPMENT EXPENDITURE
COUNTY ASSEMBLY	801,167,793	315,784,286
OFFICE OF THE GOVERNOR	132,474,902	-
COUNTY ATTORNEY	28,380,752	-
FINANCE	392,528,949	5,960,854
ECON. PLANNING	27,428,174	-
AGRICULTURE	190,062,173	148,862,896
LIVESTOCK	6,375,144	82,620,102
FISHERIES	8,760,628	85,449,790
WATER AND SANITATION	91,618,327	437,668,953
ENVIRONMENT	16,144,573	1,990,000
EDUCATION AND ICT	230,285,656	229,706,389
ICT	21,185,780	-
MEDICAL SERVICES	34,018,809	273,318,312
PUBLIC HEALTH	145,148,053	-
ROADS	114,817,656	1,045,735,918
Lands, energy	55,788,500	99,242,846
Physical planning	53,831,564	49,821,831

GENDER	75,922,396	120,838,683
Trade	79,673,691	65,228,317
COOPERATIVES	19,516,627	-
CPSB	50,137,644	-
Public Service Management	144,145,005	2,500,000
Devolution & Disaster Management	95,148,980	11,547,342
3134 Kilifi Municipality	11,972,397	-
3135 Malindi Municipality	7,565,078	-
TOTAL	2,834,099,251	2,976,276,519

Recurrent Expenditure

The education department recorded the highest amount of recurrent expenditure. Its spending was at KSHS. 230,285,656. Other departments that recorded high amount of spending on recurrent expenses were the finance and County Assembly departments having spent KSHS. 392,528,949 and KSHS. 801,167,793 respectively. Total recurrent expenditure amounted to KSHS. 2,834,099,251.

Development Expenditure

Trade is the only department that spent any amount in development in the fourth quarter of the FY 2019/20, spending KSHS. 35,000,000 which was spent on the Mbegu fund. The insignificant development spending in the first quarter can be attributed to failure by the exchequer to disburse funds for development. The Roads department had the highest development expenditure amounting to KSHS. 1,045,735,918. This trend was experienced in almost all departments where higher development spending

was done in this quarter. Total development expenditure for the FY 2019/20 was KSHS. 2,976,276,519.

3. CHALLENGES AND WAYFORWARD

Challenges

In the fourth quarter of FY 2019/20, the operations of the county encountered the following challenges:

- i. Collection of revenue was lower than its target.
- ii. The COVID-19 pandemic had a detrimental effect on the revenue collection in the final quarter of the period.

Way forward

- i. Comply with fiscal requirement to ensure timely disbursement of funds from the exchequer.
- ii. Coming up with new ways to collect revenue and new revenue streams.
- iii. Mitigate the long-run effects COVID-19 pandemic.