REPUBLIC OF KENYA

COUNTY GOVERNMENT OF THARAKA-NITHI

COUNTY TREASURY AND ECONOMIC PLANNING DEPARTMENT

COUNTY BUDGET REVIEW AND OUTLOOK PAPER

FY 2015-2016

November 2016

KENYA VISION 2030

A Globally Competitive and Prosperous Kenya

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Forward

The Public Finance Management Act, 2012 (PFM) requires that the County Treasury release a County Budget Review and Outlook Paper each financial year (section 118) be tabled in the County Executive Committee for approval and thereafter tabled in the County Assembly within seven days. The required content of this paper is detailed in sections 118(2) of the Act.

The CBROP is presented as follows:

- The review of FY 2016/17 expenditure and associated budget targets are detailed in section II: Review of County Fiscal Performance;

- Section I to IV and conclusion in Section V in this Budget Review and Outlook Paper, meets all the disclosure requirements outlined in PFM Act, 2012 section 118(2(a-d)). In particular: Section II details actual expenditure of 2015-16 compared to budget appropriations of the same period as required by section 118(2(a)) of PFM Act, 2012; − Section III and IV detail the economic and other assumptions underlying the Budget projections as required by section 118(2(b)) and − the Statement of Risks in Section III details the sensitivity of the projections to various economic and financial assumptions and other risks section 118(2(c and d)).

The County Budget Review and Outlook Paper presents County Government decisions that were made by County Treasury, together with other relevant information known to Treasury which have material effects on the county’s financial projections in 2016/4.

The C-BROP has been prepared in accordance with applicable Accounting Standards and Government Finance principles, and is based on the economic forecasts and assumptions outlined in Section I: review of fiscal performance, Section II: Review of county fiscal performance, Section III: recent economic developments and outlook and Section IV: resource allocation framework.

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Mutegi, A. M.
CEC Member for County Treasury

September 2016

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Acronyms

CA	County Assembly
CBROP	County Budget Review and Outlook Paper
CEC	Chief Executive Committee
CFSP	County Fiscal Strategy Paper
CG	County Government
CIDP	County Integrated Development Plan
CT	County Treasury
CORe	County Own Revenue
COG	Council of Governors
ECD	Early Childhood Development
ECDE	Early Childhood Development and Education
FY	Financial Year
GDP	Gross Domestic Product
HSSP	Health Sector Support Programme
ICT	Information Communication Technology
IFMIS	Integrated Financial Management Information System
KNUT	Kenya National Union of Teachers
Kshs	Kenyan Shillings
MTEF	Medium Term Expenditure Framework
NT	National Treasury
PFM	Public Financial Management
PFMR	Public Finance Management Regulations
PFMA	Public Finance Management Act
PPP	Public Private Partnership
SRC	Salaries and Remuneration Commission
TSC	Teachers Service Commission
TNCG	Tharaka Nithi County Government
USAid	United States Aid
UNDP	United Nations Development Program
AHADI	Agile and Harmonized Assistance to Devolved Institutions

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SECTION I: INTRODUCTION

Background

The County Government Tharaka of Nithi hereby presents the County Budget Review and Outlook Paper (CBROP 2016) that guides budget preparation and programming for the FY 2016/17, in line with section 118 of the PFM 2012 Act, PFM Regulations 2015 and Article 201(a) of the Constitution of Kenya. The comparison provided in this document shall provide reasonable observations on significant changes in the forecasted performance of the county, in comparison to the actual performance during FY 2015/16.

The CBROP will also provide forward information for MTEF 2016-17 to 2018-2019. This year's CBROP is pegged on the County Assembly approved Budget for FY 2015/16 and the year's theme aims was to achieve the highest level of economic prosperity through optimized use of resources through seven (7) priorities highlighted in the 2014 County Fiscal Strategy Paper (CFSP).

The County Government of Tharaka Nithi through the County Integrated Development Plan (CIDP) established programmes for the current Medium Term Expenditure Framework (MTEF) with a particular focus on sustainable growth through business, food security, and integrated planning of all resources at the disposal of the County. Highlights on macroeconomic outlook for Tharaka Nithi will show the effect of national policy on the growth of various sectors and recommendations that will allow for inclusivity and better future performance of the county.

Objectives of the 2016 CBROP

In summary, the 2016 County Budget Review and Outlook Paper will:

i. Review the county fiscal performance in the financial year 2015/16 in relation to the appropriations approved by the County Assembly.
ii. Establish how the deviations from approved budget estimates continue to affect the economic performance of the county.
iii. Provide an updated economic outlook with sufficient data illustrating decreases or increases observed from the forecasts in the most recent County Fiscal Strategy Paper (CFSP).
iv. Provide information on actual versus forecasted performance for FY 2015/16.
v. List reasons for any changes from the priorities set and proposals to address these changes with timelines on correction of the changes, when appropriate.

Overview

The fiscal performance in 2015/16 was overall above impressive. Development expenditure was recorded as approximately 34.6% of the county expenditure, which showcased the commitment of the county government to visible development through improved transport networks and education projects.

Regarding recurrent expenditure, the County Government optimized operational and administrative costs. The measures adopted in the FY 2015/16 fiscal framework were increased restriction of administrative-related costs, effective expense management control through Authority to Incur Expenditure (AIE) procedures and human resource policies.

SECTION II: REVIEW OF COUNTY FISCAL PERFORMANCE 2014-15FY

The Section Overview

This section details the county's fiscal performance and has three sub-sections; overview, details of fiscal performance and the final sections elaborates the implications of fiscal performance.

The Fiscal Performance of the County 2015-16FY

During the period under review, the County realized a total of Kshs 3.382 billion as total revenue which represents 89.6 per cent of targeted total revenue of Kshs 3.82 billion. Comparatively, the 2015-2016 FY revenue performance indicated a significant improvement from Kshs 2.53 billion reported in 2014-2015 FY representing a 33.68 per cent growth. This growth is mainly driven by increased allocation of shareable domestic revenue from national government.

The transfer from national government was the highest source of revenue contributing Kshs 3,137.57 million while conditional grants and County Own Revenue (CORe) contributed Kshs 102.37 million and Kshs 142.46 million respectively. Specifically, the County Government (CG) did not realize 7.1 percent (Kshs 288.44 million) allocated as part of equitable share from national government despite. In addition, the County reported a revenue shortfall of Kshs 105.59 million from CORe representing 42.6 per cent of Kshs 248.05 million. The CORe of Kshs 142.4m realized in 2015-2016 FY was 23.4 per cent increase of Kshs 115.73 million realized in 2014-15 FY. On other hand, the performance of conditional grants significantly improved from Kshs 10m in 2014-2015 FY to Kshs 102.37m in 2015-2016 FY. However, the conditional grants indicated an underperformance of Kshs 89.32m representing 46.6 per cent shortfall compared to the projected Kshs 191.69m.

The major conditional grants included Danida funds of Kshs 12.33m, Ministry of Roads-Roads Maintenance Levy Fund of Kshs 39.86m, Ministry of Health – Free Maternal Healthcare of Kshs 27.77m, Ministry of Health-User Fees Forgone of Kshs 8.52m and World Bank Health funds of Kshs 13.90m.

Table 1 summarizes the revenue performance for the 201-16 FY and the deviations from the original budget estimates for the same period.

Summary of Revenue Sources in Kshs (Millions)				
Category	**Budget 2015-16**	**Actual 2015-16**	**Variance (Millions)**	**Variance %**

Exchequer	3,376	3,137.57	(238)	7.1%
Grants	192	102.37	(89)	46.6%
CORe (Local Revenue)	248	142.46	(106)	42.6%
Total	**3,816**	**3,382**	**(433)**	**11.4%**

Table 1: Summary of revenue and receipts for FY 2014-2015

County Own Revenue Performance

The total cumulative revenue collection from local sources (CORe) for the period between July 2015 and June 2016 was Kshs 142.46 million against a target of Kshs 248.05 million. Comparatively, this performance was twenty three percent (23.09%) increase over Kshs 115.73 million collected in 2014/15 financial year. Despite this remarkable improvement, the performance represented an under-collection of Ksh 106 million compared to Kshs 134.77 million reported in 2014-15 financial year. However, Kshs 46 million spent by the County Department of Health was included in 2014-15 FY as Appropriations-In-Aid (AIA) to the level four hospitals namely Chuka, Marimanti and Magutuni and henceforth treated as normal CORe sources as a result it was not reported in 2015-16 FY. A list of

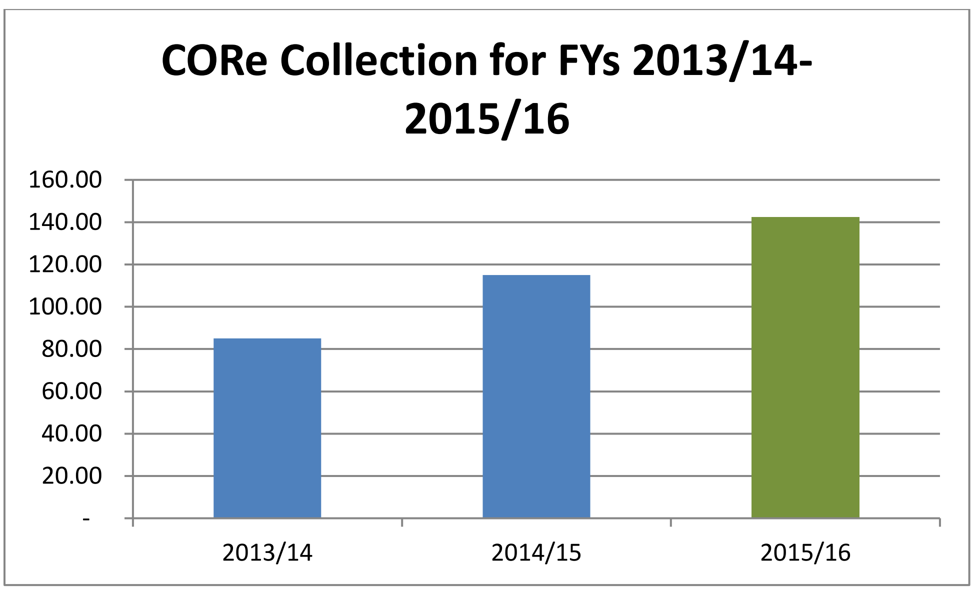


Table 2: Summary of revenue against targets

On quarterly basis, the County collected Ksh 33.26 million in the fourth quarter compared to a total of Ksh 52.51 million collected in the third quarter which was the highest. The first quarter recorded Ksh 35.5 while the second quarter had the lowest collection at Ksh 21.19 million. These figures included Kshs 41.04 million collected by level four health facilities, Kshs 8.17 million from physical planning services and Kshs

244,550 collected by weight and measures unit in the department of Trade, Industry and Cooperative Management.

The average collection per quarter was Ksh 35.61 million with the highest monthly collections being made in the months of March 2016, June 2016 and July 2015when farmers harvest after long and short rains. The weather patterns experienced during 2015/16 had been characterized by sufficient rainfall which contributed to buffer harvest in the months of March and July hence vibrant economic activities resulting to higher collections.

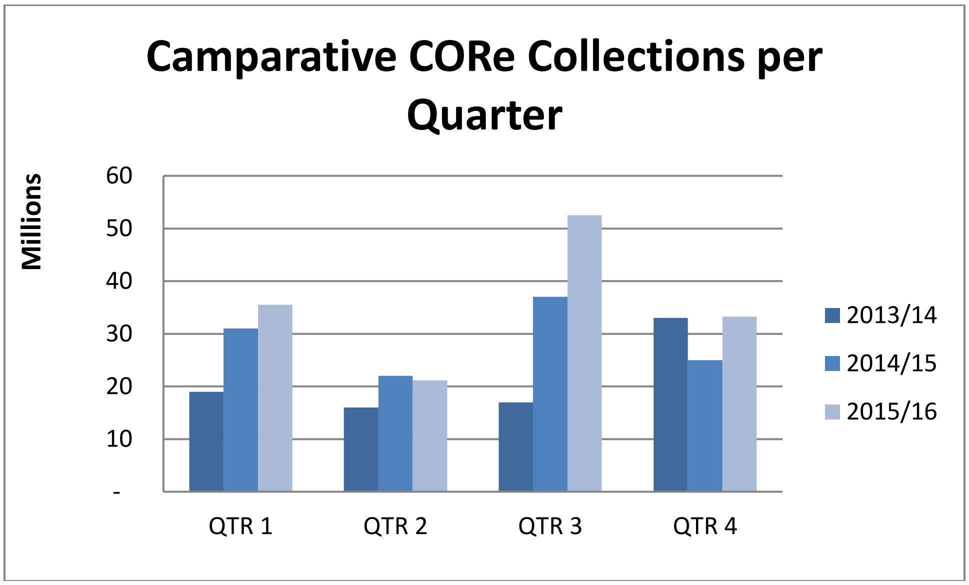


Figure 1-: Revenue collection per quarter FY 2014-15

Generally, this impressive performance can be attributed to enactment of new revenue policies as stated in the Finance Bill 2015 which embroiled reformist agenda in resource mobilization mechanisms. These reforms included, inter alia, stringent water-proof revenue collection measures, enhanced supervision, sealing revenue linkages and enhanced overall revenue administration. The revenue department also had a director employed among other key revenue officers who have seen spirited actions on revenue reforms and restructuring of the department. In the list is to remap CORe into respective departments to enhance competitiveness amongst departments raising revenue that is matched to their budgetary allocation. As at July 2016, the process of automating revenue collection had been expedited and is expected to roll out by December 2016. In addition, the revenue department focused on improving revenue reporting procedures and overall reporting framework which improved tracking the progress in revenue collection in comparison to the same period during 2014/15.

Revenue collection per region was generally impressive with an average of Kshs 28.49 million equivalent of Kshs 338.08 per capita per year. Chuka Igambangombe Sub-County had the highest collections of Kshs 75.15 million followed by Tharaka South with Kshs 36.30 million. The Sub-County with least revenue collection was Tharaka North and Maara with Kshs 9.30 million and Kshs 26.13 million respectively. In 2015/16 FY Tharaka Nithi county derived 67.34 percent of local resources from expansive rural community and only 32.66 percent from the three recognized urban areas. Namely, Chuka Town had the highest collection of Kshs 35.80 million while Chogoria town and Marimanti town had Kshs 9.02 million and Kshs 11.70 million respectively. The figure below shows a summary of performance by region.

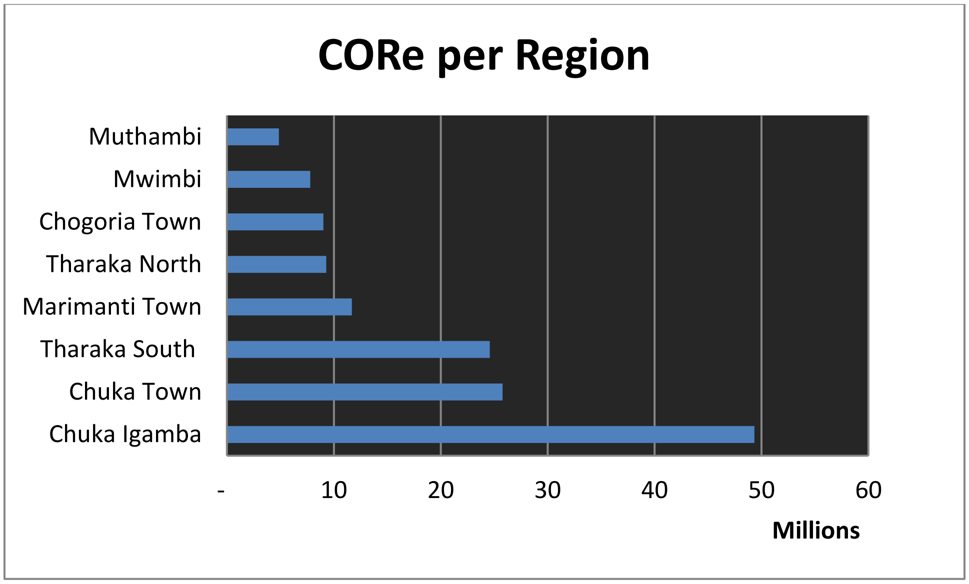


Figure 2: Revenue collection per sub-regions

The top five major sources of local revenue contributed to 83.52 percent of total CORe collected. The table below shows a summary of top five revenue items.

Revenue Item	Code	Budget	Actual	Variance	Cumulative	% Cum
Hospital related fees and charges	R025	62,130,000	40,734,594	-34.44%	40,734,594	28.59%
Single business permit	R003	41,500,000	24,632,698	-40.64%	65,367,292	45.89%
Cess fee	R004	40,000,000	23,244,361	-41.89%	88,611,653	62.20%
Market and slaughter	R005	32,000,000	18,384,750	-42.55%	106,996,403	75.11%
Vehicle parking	R006	32,000,000	11,981,960	-62.56%	118,978,363	83.52%

However, the review of performance per revenue item indicates underperformance with some items having not registered any collection. Such items included hire of hall and lorry, motor cycle license fees, permits to private clinics, permits to food premises and veterinary service fees and charges. Despite this general under performance, the department of Trade, Industry and Cooperative Development recorded good performance on two of its revenue items exceeding the set target. Liqour Inspection fees and Weight and Measures charges recorded 592.98 percent and 103.79 per cent performance posting a record of Kshs 8.32 million and Kshs 309,200 against a target of Kshs 1.20 million and Kshs 120,000 respectively.

In urban areas the top five sources of revenue contributed to 86.53 per cent of total revenue collected in urban areas. Namely, single business permit, motor vehicle parking charges, market and slaughter charges and liquor license fees contributed Kshs 12.20 million, Kshs 10.62 million and Kshs 8.74 million respectively. It is important to note that land rates and plot rent despite their huge potential in boosting the local revenue collection from urban and semi urban areas remains under exploited with Kshs 2.0 million and Kshs 416,467 collected as land rates and plot rent respectively for 2015/16 FY. Marimanti Town had the highest revenue collection for market and slaughter fees and cess fees at Ksh 4.28 million and Kshs 4.17 million respectively. This can be attributed to its semi-urban setup and vibrant market days. On the other hand Chuka Town had the highest collection of parking fees at Kshs 7.68 million compared to Kshs 7.88 million recorded in 2014/15 FY. The drop in parking fees collection was partially caused by perennial public service vehicle owners' strikes and related disputes on some designated parking lots.

Other major sources of CORe include was single business permits and liquor license fees which had an aggregate collection of Kshs 10.62 million and Kshs 4.74 million with highest urban area being Chuka with a total collection of Kshs 7.67 million and Kshs 3.07 million respectively. **Annex I shows a matrix of revenue collected per revenue lines per region**.

County Expenditure Performance

The total expenditure for the county was Kshs 3.0 billion during FY 2015/16 which translated to 97.83 per cent of the total funds available in County Revenue Fund (CRF) Kshs 3.382 billion (as indicated in the section above). This was an improvement from Kshs 2.79 billion spent in FY 2014/15 which represented 94.5 percent of total funds available for spending. A total of Kshs 2.16 billion (61.17 per cent) was spent on recurrent expenditure related activities including Kshs 320.0 million spent on financing county assembly functions of oversight and legislation. Ksh 1,145.35 million (38.83 per cent) was spent on development activities.

Analysis of Expenditures by Economic Classification – FY 2015/16

Economic Classification	Estimates 2015/16	Actual 2015/16	Variance %
Use of goods and services	876.41	800.08	-8.71%
Compensation of employees	1,400.47	1,363.30	-2.65%
Total Recurrent Expenditure	**2,276.88**	**2,163.38**	**-4.98%**
Capital Expenditure	**1,538.87**	**1,145.35**	**-25.57%**
Other Development	1,538.87	1,145.35	-25.57%

Total Expenditures	**3,815.75**	**3,308.73**	**-13.29%**

Table 3: Analysis of Expenditures by Economic Classification

In relation to the budget absorption, the total expenditure of Kshs 3.31 billion represented 86.76 per cent budget absorption rate. The recurrent expenditure of Kshs 2.16 billion represented 94.90 per cent absorption rate, decrease from 95.04 per cent realized in FY 2014/15, while development expenditure of Kshs 1.15 billion represented 74.72 per cent absorption rate, an improvement from 68.5 per cent realized in FY 2014/15.

Further analysis of the recurrent expenditure of Kshs 2.16 billion shows that the County spent Kshs 1.36 billion (63.01 per cent of the recurrent expenditure) on personnel emoluments and only Kshs 800.08 million (36.99 per cent) on operations and maintenance expenditure. The expenditure on personnel emoluments of Kshs 1.36 billion accounted for 41.2 per cent of total expenditure which was a significant increase from Kshs 1.0 billion (36.9 per cent) spent in FY 2014/15.

The lower-than-expected absorption rate was attributed to late release of funds by the National Treasury especially in the first quarter with most funding coming in the fourth quarter, stringent procurement procedures including e-procurement which at some point during stalled the process of procuring goods and services and lack of requisite laws and regulations to implement newly budgeted funds.

Therefore, it is in this perspective the budget estimates for FY 2016-2017 should be adjusted to reflect the changing fiscal and economic outlook as outlined in this paper.

Summary of expenditure by department

THARAKA NITHI COUNTY GOVERNMENT						
SPENDING BY DEPARTMENT	**RECURRENT**			**DEVELOPMENT**		
	BUDGET	**ACTUAL**	**VARIANCE**	**BUDGET**	**ACTUAL**	**VARIANCE**
OFFICE OF THE GOVERNOR	142,418,121	133,375,802	6.3%			
COUNTY PUBLIC SERVICE BOARD	27,880,000	26,327,920	5.6%			
FINANCE AND ECONOMIC PLANNING	246,451,572	239,551,233	2.8%	69,500,000	56,459,773	18.8%
AGRICULTURE	187,953,829	162,825,478	13.4%	123,800,000	99,820,807	19.4%
HEALTH SERVICES	836,491,891	833,793,308	0.3%	152,450,000	104,698,575	31.3%
ROADS, INFRASTRUCTURE, HOUSING AND LEGAL AFFAIRS	53,248,581	52,843,577	0.8%	538,900,000	502,890,714	6.7%
EDUCATION, CULTURE, SOCIAL SERVICES, GENDER AND YOUTH SERVICES	147,615,939	133,998,053	9.2%	189,900,000	134,914,970	29.0%
PHYSICAL PLANNING	56,669,807	55,177,227	2.6%	65,600,000	51,233,955	21.9%
PUBLIC SERVICE	117,286,964	114,504,526	2.4%	72,900,000	42,120,747	42.2%
TRADE, INDUSTRY AND CO-OPERATIVE DEVELOPMENT	45,281,531	35,665,209	21.2%	69,727,794	57,618,582	17.4%
TOURISM, ENVIRONMENT, WATER SERVICES AND NATURAL RESOURCES	47,646,430	43,117,949	9.5%	145,650,000	95,591,877	34.4%
WATER SERVICES AND IRRIGATION	7,788,000	-	100.0%	46,467,449	18,643,865	59.9%
COUNTY ASSEMBLY	359,409,916	332,199,718	7.6%			
TOTAL	**2,276,142,581**	**2,163,380,000**	**5.0%**	**1,428,427,794**	**1,145,350,000**	**19.8%**
	Implementation	**95.0%**		**Implementation**	**80.2%**	

Table 4: Actual Expenditure and Estimates for FY 2015/16 per Department

Fiscal Balance Review

The overall fiscal position of the county was a surplus attributable to slowed spending on both recurrent and development priorities as the county treasury tried to streamline cash flow by matching expenditure with realized incomes. Consequently, the County Treasury had taken pre-emptive measures targeting project implementation and payment of due account payables that were likely to be adversely affected. Accordingly, through this paper the County Treasury proposes the inclusion of some critical projects not implemented in FY 2015/16 into forthcoming supplementary budget for FY 2016/17 while the rest of the projects not implemented shall be included in FY 2017/18 budget. However, all pending bills should be factored in full for payment in the current FY 2016/17 through the proposed Supplementary Budget to ensure good credit standing for the County Government and associated effects.

Implication of 2015-2016 FY Fiscal Performance

The underperformance in collection of CORe in the FY 2015/16 had a negative impact on resource envelop as well as the base used to project CORe for in FY 2016/17 – 2018/19 MTEF budget. Therefore, the CORe projected for FY 2017/18 and the forward years FY 2018/19 and FY 2019/20 will rebased to reflect the current level of CORe performance as reported in this paper.

The underperformance reported in both the recurrent and development spending for the FY 2015/16 has implications on the base used to project expenditures in the FY 2017/18 and the subsequent forward years in the MTEF. Therefore, corrective measures shall be undertaken in the preparation of the supplementary budget for FY 2016/17 as well as in drafting budget for FY 2017/18. In his regard, the base to project expenditure shall be modified to reflect the emerging trends in both resource mobilization and spending.

In summary, the baseline ceilings for spending agencies will be adjusted and then reaffirmed in the County Fiscal Strategy Paper 2017. The revised revenues and expenditures will be based on the revised macroeconomic assumptions which will be derived from the context of the County Fiscal Strategy Paper 2017 and the Budget Policy Statement 2017 (to be released by National Treasury). The County Government will not deviate from the fiscal responsibility principles, but will make appropriate modification to the financial objectives as will be elaborated in the 2017 CFSP that will reflect changed fiscal and microeconomic environment.

SECTION III: RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK

The County Government of Tharaka Nithi has a focus on quality and growth strategies to ensure that the way of life of its residents is improved. The administration has ensured that it consistently maintains a more than 30% development budget threshold recommended by the PFM Act, 2012 to supported direct growth to towns, market centers and rural areas in all 15 wards. This strategy has been effective in realizing greater and balanced benefits for our revamped, almost rural, macroeconomic environment for our County.

Kenya has invested in numerous corridors to promote trade and development. Tharaka Nithi has mirrored the efforts of the national government by continuous improvement of transport corridors that connect major towns and incentivized new development to build up along these roads. Although the county government has a key target on access roads, feeder roads and opening of new rural in-roads it is important to note that big picture is have universal development which is inclusive and non-discriminative. This robust countywide strategy includes improvement of elements such as social amenities and accessibility across sub-counties, towns and wards for purposes of ensuring benefits are shared and that urban sprawl is controlled, especially in sections such as Ndagani, where towns are growing at an impressive rate.

In addition to applying this strategy to all departments in the county, the administration addresses challenges that arise. For instance, the labor challenges within the department of health will continue to be addressed through the consortium of designated officials from departments of County Treasury, Health and Public Service.

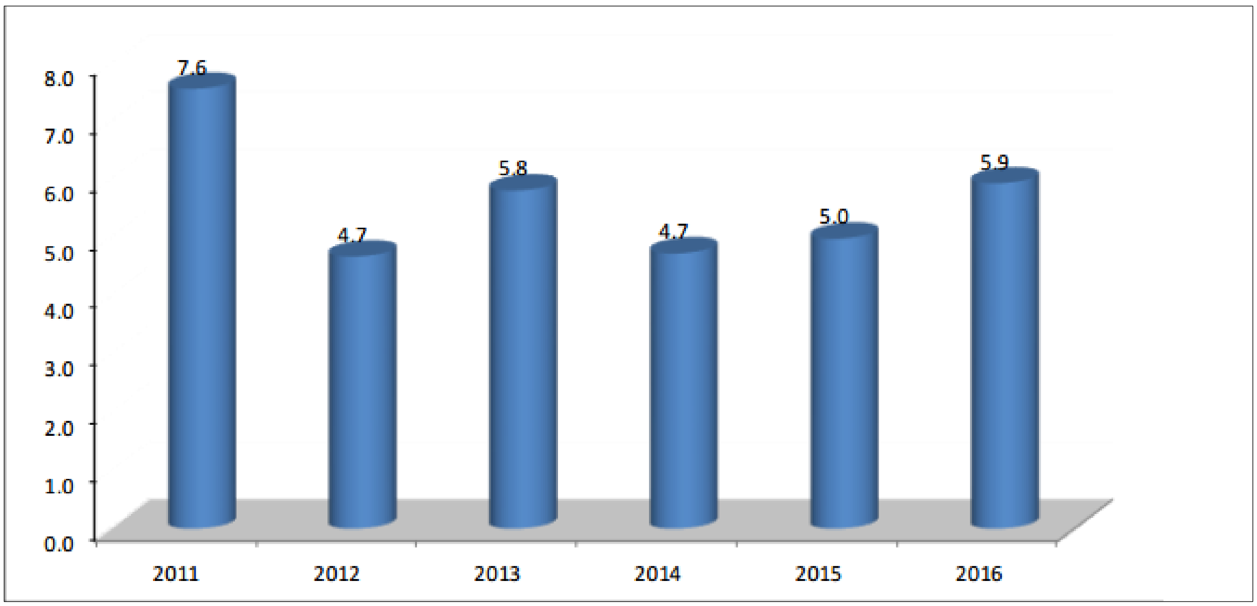
Recent Economic Developments

Tharaka Nithi County continues to benefit from various policies that have been presented during the 2015/16-2018/19 MTEF period. Earlier this year, stable inflation was attributed as a cause of improved economic prospects. The county has utilized this steady economic environment despite currency depreciation challenges expected to carry to on the third quarter of 2017.

Fortunately, priorities that were set in the 2015/16 CFSP anticipated the unsteady effects that are now being witnessed. Development of agendas is therefore faster in the county, in comparison to neighboring counties. Education programmes supporting the recruitment of teachers across all counties stands to improve the enrollment of pupils in many schools. Distributed learning materials and text books for the new curriculum are expected to lead to improved performance by the learning institutions.

Statistical releases from the Kenya National Bureau of Statistics show that investments in the infrastructure, agriculture and education sectors have contributed to improved socio-economic wellbeing of counties such as our own. The heavy infrastructural spending fuels Kenya's production space and future growth is considered to lender short-term to medium-term macroeconomic framework vulnerable. The county government understands the important roles played by our National leaders elected from Tharaka Nithi and through their concerted efforts, lobbying and spirited determination this county can be able to allure some of these infrastructural developments.

The table below summarizes the first quarter GDP rates since 2011. GDP is an important indicator of expected economic growth which is a driving factor in revenue determination for the government. Consequently county governments have an obligation to follow this indicator in determining their revenue projections.



The TNCG has increased its investment in flagship projects with long term impact as a way of ensuring sustained development. In this regard, CG has stayed on course in the construction of County Headquarters at Kathwana which is expected to be completed within two years with the funding being spread across the same period. Counter-part funding which includes conditional grants, conditional loans, donor funding, community partnership, PPP and other forms of concessionary agreements was considered in the development of the 2016/17 budget, especially for health programmes supported by the national government.

Overview of Recent Developments

Several reports have recognized the considerable progress made by the county governments in implementing constitutional and legal provisions for transparency, accountability and public participation since 2013. H.E Samuel Ragwa prioritized the setting up of structures and systems that facilitated public participation in governance and has advocated for forums in each constituency. The CG harnesses its advantage over already established communication frameworks, registration of interested parties such as USAID, Plan International, UNDP and organized groups such as the Inter Religious Council, women and youth groups in all wards as per the legislative requirements.

The county takes pride in going beyond the threshold requirements to adopt innovative initiatives to engage citizen which include use of social and printed media to ensure that information necessary for decisions and opinions is available to all. Despite the high cost of participation, the County, led by the Department of Finance and Economic Planning has made progress in improving county awareness of ongoing matters of concern. The ongoing partnership with Plan International and USAID – AHADI and World Bank, the CG is developing administrative capacity and training staff implementing participatory governance and progress has yielded impressive results during the past financial year. The United Nations Development Program has also offered its support through provision of volunteers for monitoring and evaluation and public finance management through its devolution initiative program that will run to 2018.

The county embarked on extensive opening, grading and gravelling of roads making the roads and infrastructure department the largest spender in two years running, the FY 2014/15-2015/16. The County Government through the docket in charge of infrastructure development improved accessibility by grading 780 kilometers, gravelling 50 kilometers and constructed several footbridges and drifts**. The county government has gone further to carry out a monitoring and evaluation exercise of these and more county projects to ensure that the quality and status of these roads is completed.** This has greatly improved accessibility to health facilities, ECD centers and schools, market places and work places and conclusively improved the business running environment in Tharaka Nithi.

The Department of Physical Planning, Lands, Energy and ICT in collaboration with Rural Electrification Authority increased electricity connectivity within the county by supporting the national urban electrification project, which seeks to bring light to urban areas throughout the country. The towns of Chuka and Chogoria have benefited from the program, which is also set to roll out in Kathwana, Tharaka Nithi County administrative capital. Kenya targets a nationwide target of 70% connectivity; 37% of the country is connected to the electricity grid. The partnership with the national government to provide street lights throughout urban centers in the county has been underway during 2016. Completion is anticipated during 2017.

Embracing a comprehensive health strategy targeting to improving patients' experiences in every health facilities has been a daunting but satisfying undertaking for Tharaka Nithi. Continuous consultations with workers union to minimize occurrences of perpetual strikes by health workers, purchasing and maintaining hospital equipment, vaccine store establishment, construction and refurbishment of dispensaries, improving access to facilities is nonetheless a surmounting undertaking and the county government is ready for it. Generally, the health department had a funding slightly exceeding a billion shillings and with direct funding to facilities in the year under review being approximately Kshs 120 million. All the health listed institutions from the 15 wards share resources allocated equitably ensuring that all communities are fairly represented in the distribution of development expenditure. This was proposed in the Fiscal Strategy 2015/16 and has been upheld thus far. Provision of utilities such as non-pharmaceuticals, chemicals and gases, drugs, food and rations have been factored and continue to be a leading priority.

Tharaka Nithi has been addressing the major challenge of accessibility of safe water for domestic purposes, irrigation and bulk water for commercial services. Embarking on a no-return mission to expand connection to water points by households resumes in FY2016/17. Purchase and supply of water pipes to communities, construction of water storage tanks, intakes and boreholes that can serve two or three communities simultaneously was started in 2015/16. For public schools, community base organizations such as HopeCore have been major supporters of water storage tanks and by extension supported the health department's sanitation and hygiene initiatives. CG has committed to spending almost Kshs. 120 million during 2016/17.

Agriculture is the highest contributor to the county economy; the sector will benefit from over Kshs 90 million dedicated for countywide efforts in the lower and upper zones to support fish farming, disease surveillance, vaccination, milk cooling and cereal production. Quality and affordable equipment that will support over 60% of the farming population shall continue to be purchased by the county during 2016.

During 2015/16, the county successfully distributed free certified seeds worth in excess of Kshs. 5 million, delivered subsidized fertilizers that are sold at various cooperative societies, trained farmers on strategic agri-business practices and facilitation of logistical training for hard-to-reach farming areas through collaboration.

Fish farming has also been encouraged in learning institutions to supplement meals to pupils, due to the unwavering efforts of the non-governmental organizations that visit and directly support the county. The county has identified fish as an affordable means of improving the nutritional levels of residents and has popularized the consumption of fish. During 2016/17, Kshs 19 million has been dedicated to the construction of more fish ponds, restocking and purchase of feeds for farming and supporting the Kinondoni trout hatchery located at Chogoria for trout fish. Alternative revenue sources in agriculture continue to be sought.

The county has established ECDE centres in over 90% of the primary schools that are registered in the County. This is evident through the monitoring and evaluation efforts completed in August 2016. Through the Department of Education, Culture, Social Services and Youth Development, established programmes also include hiring of 450 ECDE teachers and plans are underway to identify and support schools that have not benefitted from the ECDE class construction initiative. The department will continue to manage the bursary which will support many needy and intelligent students in secondary schools and colleges. The 18 polytechnics that are in the three constituencies – Maara, Igambang'ombe and Tharaka will receive funding in 2016/17 to facilitate training equipment purchase, renovation of structures, teaching material and dormitory construction.

Talent search/cultural education, tree planting and tourism branding are leading development projects that shall be undertaken by the Department of Tourism, Environment, Natural Resources and Water Services during 2016/17. The county will resume developing tourism sites and markets and construction of cultural centre at Chiakariga. 7In addition, CG has embarked in aggressive strategy that focuses on construction and branding of tourism sites and tourism niche markets.

During the FY 2014/15 the CG established a tree nursery at Mutonga River and embarked on tree planting/greening programme targeting schools, hillsides, highways and even private farmlands. This site was supported during 2015/16 and will receive additional support during the FY 2016/17. Tharaka Nithi will continue to be a regional leader in agro-forestry, afforestation and environmental conservation. Tourist sites along waterfalls and rivers have also been considered and are likely to be taken up in the years to come as development projects supporting local employment and the county's popularity in the Lower Eastern region of Kenya.

In Public Service, the implementation of Capacity and Rationalization of Public Service Report, Report on Job Evaluation and Tharaka Nithi Staff Audit Report the CG will review contracts, salaries and benefits for the County workers in accordance with Article 230 of the Constitution, recommendations by County Public Service Board, recommendations by SRC and any other relevant law.

The Department of Trade, Cooperatives and Industry has achieved the following since the establishment of the devolved units: it led the establishment of the Tharaka Nithi County Staff SACCO, re-organized the Tharaka Nithi County Cereals Marketing Cooperative Union, developed Tharaka Nithi Trade Loans Act, drafted a bill establishing Tharaka Nithi County Investment and Development Corporation which will be county's investment vehicle and will provide the CG with legal framework for Public Private Partnership (PPP). The Department also rehabilitated seventeen markets across the County with Kathwana and Kaanwa markets nearly completion and constructed stage sheds throughout the county, supporting boda-boda operators and the public transport system.

Progress on 2016/17 Budget Implementation

The County Government continues to address challenges that affect resources for planned programmes. Fostering the establishment of new channels that shall support

County Own Revenue (CORe) through improved aggressive revenue collection systems is one of the leading projects that will assist in the reduced dependence on allocations provided by the National Government. Improved compliance to donor and/or grant funding is ongoing and is expected to increase, as is projected in the FY 2016/17 budget.

Review of taxes, rates and fees as proposed in the Finance Bill 2016 has initiated widening the revenue base as part of considerations factored in the process of improving CORe, due to the increasing demand for infrastructure development, limited borrowing and other fiscal responsibilities that the county is currently facing.

In order to minimize the likelihood of delayed payment of salaries and related deductions, slowed implementation of budgeted programmes and projects as well penalties associated with statutory deductions, the County Government of Tharaka Nithi urges timely disbursement of equitable sharing of revenues raised nationally to county governments, in line with the Commission on Revenue Allocation (CRA) to close vertical fiscal imbalance, improved fiscal conditions and support of county fiscal objectives.

The fact that the country is aggressively seeking out expansionary fiscal path is an indication that results will be unsustainable and poses risk to economic growth.

The CG has agreed to rectify anomalies highlighted during the 2015/16 C-BROP through engaging relevant government urgencies including the Office of Controller of Budget, Commission on Revenue Allocation, Council of Governors and National Treasury and increasing control on administrative expenditure. These controls have been proven effective in the process of sealing revenue source leakages and ability of the county to manage the needs of disparaged areas and disadvantaged groups in the county.

Therefore, the process of 2016/17 budget implementation can be said to be in progress and bound to improve the management of county resources and operations in comparison to that in 2015/16. In retrospect, the county managed emergency situations satisfactorily during the past fiscal year. However, improved resource allocation towards unforeseen circumstances and temporary needs highlighted in this year's budget will in effect save lives in a transparent and accountable manner.

County Economic Outlook and Policies

International and National finance and economic reports review the importance of the improved relations between governments, better fiscal balance and management of economic disparities. Tharaka Nithi County Government will continue to invest in its readily available resources to improve food security, infrastructure, security, trade, social and health services for its residents through stringent control of projects and nationally-promoted initiatives. The CG has identified duration as one major factor affecting oversight and management of fiscal policies set annually for the control of current status of projects to align with national priorities. This is especially true during the process of determining current year to date (YTD) and last annual estimate (LAE) in the supplementary budget.

In addition, the CG's focus on further devolution of services is projected to yield results in the medium term due to the well estimated sector ceilings and resource envelope consideration

The TNCG fiscal policy and budget framework is designed to promote trade agreements, cross-border infrastructure developments and promotion of products of the county in other counties. Periodic reports indicate that this has been achieved through collaborative activities with neighboring counties as well as participative approach in national economic policies and events with bodies such as the National Treasury, Public Sector Accounting Standards Board (PSASB) and the recommendations that they share.

The level of development and expenditure needs are factors witnessing growth in the county.

This means that the annual budgets will reflect this through various indicators that were used to arrive at the figures therein. In comparison to a similar period in 2015, real GDP growth for Quarter 1 2016 is 5.9%. However, inflation rose to 7%; and is expected to generate shocks due to changes in the global currency markets.

Medium Term Fiscal Framework

Our prudent fiscal policy objectives are derived from Section 36 of the Public Finance Act, which provides guidelines on how to prepare medium term budgets, performance reviews, timeline and framework. The policies support economic agendas of the county, while allowing for implementation of the Governor's manifesto within sustainable public finances and allow for social inclusion during decision making.

Interest rates have been steady at 12.5% during FY 2016. Increases in interest were recently capped by the Central Bank and are expected to have positive effects on inflation and price fluctuation in the Kenya. The implication of this for counties is that the cost of running business is going to significantly stabilize for farmers. This will lead to reasonably higher revenue recorded for the households, which has a significant portion of its area categorized as semi-arid. This will allow for realization of the revenue targets set in the FY2016/17 budget, especially for the hospitality sector, which is flourishing in Tharaka Nithi.

To fully utilize these outcomes, the county is finalizing automation of revenue collection points to ensure accountability and efficiency within the Revenue docket. The county is also in the process of streamlining tax to simplify and modernize them as will be indicated in the FY 2014/15 Budget Statement.

As a County we do recognize the vast natural resources at our disposal. Our County Government is engaging with stakeholders to develop a comprehensive policy and legislative framework covering ways of attracting investors, licensing, mapping revenue sources, taxation and sustainable use of the resources. This will ensure that we derive maximum benefit from these natural resources.

On the expenditure side, the County Government will continue with rationalization of expenditure to improve efficiency and reduce wastage. Expenditure management will be strengthened with implementation of the Integrated Financial Management Information System (IFMIS) across departments and subsequently at the sub county level following decentralization. Above all, the Public Finance Management Act, 2012 is expected to accelerate reforms in expenditure management.

Risks to Tharaka Nithi's Economic Outlook for 2016-17

Although the Tharaka Nithi County economy has exhibited a resilient growth trend, it is still vulnerable to shocks emanating from macro environment affecting the larger national economy. The continued interventions in the economy by the Central Bank and National Treasury through modified macroeconomic policies, austerity expenditure measures, revamped revenue raising strategies and investment in mega infrastructure projects will have significant effect on the performance of county's key sectors.

The following key risk factors are likely to have an impact on the performance of the county economy;

External risks:

Country Risk: Tharaka Nithi County is likely to be affected by the combined risks associated with investing in Kenya:

Political risk: the upcoming elections have led to financial uncertainty in the past. The elections to be held during 2017 are not likely to exhibit any change and to an extent affect foreign investment. The counties that Kenya benchmarks its country risk – USA, South Africa, Nigeria and the countries within the East African Communities – have considered the long term repercussions of the political climate in the country and will remain so for the foreseeable future. Similarly, TNCG is prone to dynamics in the political arena within the county and the forthcoming elections with affect both fiscal position of the county and project implementation.

Sovereign and Exchange rate risk: The continued weakening of Kenyan Shilling against the dollar will negatively affect dollar denominated imports and dollar-based loans. Changes in the constitution of the European Union have also significantly affected the real estate market. An increase in the costs of farm inputs and machinery which are generally imported is expected, however, Tharaka Nithi County will buffer this by provision of subsidized inputs to farmers. Coffee, tea and grain farmers are likely to reap big from export trade though the structural high prices might not be sustainable and raise ***liquidity risk***, which it has regulated since 2015/16. The adjustment of base lending rates for inter-bank lending by Central Bank as resulted in rising interest rates thus high cost of doing business. However, the interventions by the Central Bank and

National Treasury targeting both monetary and fiscal policies will guarantee stable business environment characterized with stable inflation rate, exchange rate and moderate interest rates.

The vulnerability of the Kenya's macroeconomic stability to the external shocks resulting from the current high deficit which is 8.5 percent of GDP has effect on sustained economic growth. In this regard, low country's economic growth will have a negative impact of the growth of the counties especially on creation of jobs, wealth and sustainable development.

Business Risks

Public expenditure pressures originating from recurrent expenditures being driven by enormous wage bill pose serious fiscal risks. The runaway pending bills and other commitments (Kshs. 790 million) are expected drain resources available for programmes and projects scheduled for this FY 2015/16. During 2016/17, over 2500 projects registered during the finance department's annual monitoring exercise. County residents have realized the benefits of the implementation of these projects through the introduction of tertiary education and the popularization of entrepreneurship among youth.

Agriculture will remain driver of the county economy for the foreseeable future. However it faces unreliable weather patterns, poor post-harvest handling practices and lack of commercialization. The CG has embarked on transformative strategy that target to rely down appropriate structures to address overreliance on rain fed production, reduce post-harvest loses, link farmers to markets through future contracts and to offer comprehensive extension services.

The county is aware of all potential risks and will take appropriate measures to safeguard the stability of the county economy. This is a continuous effort and will require additional support from the national government through the establishment of county policies supplementing efforts currently underway to shield the population from uncertainty over the medium term i.e. 2018/19.

SECTION IV: RESOURCE ALLOCATION FRAMEWORK

This section sets out how the County Government intends to live within its means. It establishes the resource envelope or total revenues it expects by sector then allocates these across the County Government departments by setting expenditure limits or ceilings for each government department. It has the following sub-sections as discussed below:

a) Adjustment to the proposed (2016-2017) budget;
b) The medium term expenditure framework up until 2019/2020FY;
c) Proposed (2017-2018) budget framework; and
d) Projected fiscal balance and likely financing.

Adjustment to the proposed 2015/16 Budget

Considering the developments outlined earlier during the first quarter of 2016/17 and the changes in the outlook discussed: the volatility of Kenyan shilling, high interest rates and slower economic growth, we expect the changing microeconomic environment to affect negatively the implementation of FY 2016/17 budget.

Although the CG as a fiscal responsibility to ensure the recurrent expenditure does not exceed 70 percent in the medium term, the increasing recurrent expenditure pressures, especially rising wage bill, pose a serious fiscal risk in event the revenues are not realized in full. Wage pressures, establishment of devolved units at ward and village levels, structural reforms proposed in rationalization report and implementation of Constitution in governance on participation and civil education may limit the level of funding for development programmes.

Adjustments to the 2016/17 budget will take into account actual performance of department so far and absorption capacity in the previous financial year 2015/16. In addition, the review will also address the pending accounts payables for goods and services rendered and brought forward from FY 2015/16 ending 30th June, 2016.

Further, the basis for adjustment will take into the consideration resource constraints such that the CG will rationalize expenditures by cutting on non-priority areas. Additionally, the CG will require the departments to spread the planned expenditure in adherence to the departmental work plans and procurement plans, according to the PPRA regulations. The reason for slowing down or reprioritizing development expenditures is to ensure that the Government lives within its means or available resource envelope. Utilization of contingencies/ emergency funds and other funds established in the FY 2015/16 budget will be within the criteria specified in the PFMA, 2012.

Medium-Term Expenditure Framework

As a way forward, medium term expenditure framework (MTEF) will refocus expenditure on priority sectors by reducing non-priority expenditures in remaining MTEF budgets.

The revised County Integrated Development Plan (2013-2017) will be used to guide identification of investment programmes and projects by departments as well as guaranteeing regional distribution balance in terms of capital investment projects. Therefore, it is important to note the only projects and programmes to be funded in the MTEF 2015/16-2017/18 are those captured in the CIDP 2013-17. Meanwhile, the resource allocation will be based on Annual Development Plan 2016/17 which will be submitted to the county assembly for approval within the course of FY 2016/17.

The education and health social sectors - early childhood education, vocational training and health - will continue to receive adequate resources. Both sectors are already receiving a significant share of resources in the budget and are required to utilize the allocated resources more efficiently to generate fiscal space to accommodate other strategic interventions in their sectors as is evident in the 2016/17 County Approved Budget.

On improving infrastructure the CG will commit a substantial share of resources targeting physical infrastructures, such as roads, energy, water and irrigation. The funding to these sectors will increase interconnectivity, communication, reliable and affordable energy, as well as increased access to clean domestic water and irrigation water.

The CG will also finalize flagship projects in Roads, Lands, ICT, Housing, Industry, Culture, Youth Development, Physical Planning and Cooperative Development where they have been previously underfunded. Particularly, the CG is in the process of developing an integrated spatial plan, GIS lab, housing units at Kathwana for county employees and development of stadia at strategic points to engage our youth constructively.

The proposed budget framework for FY 2017/18

The proposed budget FY 2017/18 will be rolled out on the background of updated medium term framework and outlook with expenditure ceilings for the department being proposed in the County Fiscal Strategy Paper 2016 to be released in February 2016. In addition, the general macroeconomic condition for the county is expected to be stable synonymous to the overarching country macroeconomic environment. Therefore, the envisioned resource envelope and expenditure outlook will be based on inflation rate, exchange rate, interest rate and other macroeconomic conditions which are all considered generally stable.

Revenue Projections for MTEF 2017/18-2019/2020

The projected budget for FY 2017/18 targets a total resource envelop of Kshs. 4.13 billion comprising of an equitable share of Kshs. 3.78 billion, county own revenue (CORe) of Kshs. 180 million and grants of Kshs. 170 million, up from 110 million projected during 2015/16 FY. The MTEF fiscal requirement of Kshs 11.18 billion targeted for the MTEF 2017/18-2019/2020.

The county revenue is expected to remain relatively stable with standard variation of less than Kshs. 15 million from the mean of Kshs. 200 million adopted for the MTEF which is approximately 8 percent of total county revenue. However, this fiscal performance on CORe will be a drop against the 7-9 percent projected in the medium term according to County Budget Review and Outlook Paper 2015. The Kshs. 180 million CORe includes Appropriations – In – Aid (AIA) of Kshs 40 million on average targeted in the medium term from level four hospitals.

On the other hand, the revenue resources from grants and equitable share of domestic resources as allocated by the National Government are expected to increase significantly over the MTEF period. The increase in equitable share will be derived by larger audited national government budget accounts, review of policies on sharing formula, and increasing pressures by the Council of Governors to have the National Government devolve more functions to county governments. The increase in both conditional grants and non-conditional grants will be based on increasing and strengthening capacity of CG to mobilize stakeholder resources in support of the development agenda envisioned by the CG.

The County Treasury has continued to focus extensively on instituting structural reforms aiming at rationalization of revenue collection procedures, harmonizing revenue laws and policies, as well as fiscal reforms targeting optimization of personnel costs, operation costs and minimizing financial wastages. Therefore, the planned acquisition and implementation of electronic revenue system in FY 2016/17 will ensure that the CG realizes the revenue target of Kshs. 180 million against the actual revenue collection of Kshs. 142.46 million in FY 2015/16.

Expenditure Forecasts for FY 2017/18

The current 2016-17 FY budget has a total forecasted expenditure of Kshs. 3.75 billion and projected total expenditure of Kshs. 11.2 billion in the MTEF period. The projected expenditure for FY 2017/18 is Kshs 4.13 billion. The recurrent expenditure is estimated at Kshs. 2.5 billion, Kshs. 2.6 billion, and Kshs. 2.8 billion for FY 2017/18, FY 2018/19 and FY 2019/20 respectively. The expenditure pressures from wage bill and operations costs are the major drivers for the MTEF period. The increasing demand for crucial qualified skills including civil engineers, architects, accountants, lawyers, and economists among others has been on rise and will continue to push the wage higher as the departments try to fill their capacities. However, the County Treasury is advising on staff rationalization with a possibility of reducing the number of redundant staff.

The capital expenditure for FY 2017/18 is Kshs. 1.6 billion compared to Kshs 1.8 billion and Kshs. 1.9 billion anticipated in FY 2018/19 and 2019/20 respectively. The major focus of development will be on infrastructure including rural roads, water infrastructure, electricity and urban infrastructures. However, the county anticipates investing substantially in the medium term on school infrastructure such construction of ECD classes in 410 centres across the county with each centre having at least two classes. The total investment in ECD classes will exceed Kshs. 600 million in the medium term with a class costing Kshs. 800,000 on average. The CG will continue to foster stronger public-private partnerships (PPP) in the medium term with increased financing of projects and programmes from private investors.

Recurrent vs Development Budget Expenditure

The FY 2017/18 budget targets a recurrent expenditure of Ksh 2.5 billion against Kshs 2.2 billion expended in FY 2015/16. This recurrent expenditure represents 61.0 percent of total budgeted expenditure compared to 60 percent targeted FY 2015/16. However, the proportion of the recurrent expenditure to total targeted expenditure is expected to drop to 55 percent over the medium term as the fiscal measures capping on recurrent expenditure take effect.

The development expenditure targeted for FY 2017/18 is Kshs. 1.6 billion which represent 39 percent of total expenditure. This is expected to increase to Kshs. 1.8 billion and Kshs. 1.9 billion in FY 2018/19 and 2019/20 respectively representing 45 percent of the total budgeted expenditure in the medium term. These proportions of recurrent and development expenditures indicates that the CG is compliant with PFM Act, 2012 requirement that the development expenditure shall not be lower than 30 percent in the medium term. The development ratio will be strengthened further in the medium term by anticipated rationalization of expenditure, improved development policies and overall *efficiency* in service delivery.

Debt Obligations

The county has no or planned external debt obligations. However, bills payable from FY 2015/16 of Kshs 390 million will be fully provided for in the supplementary budget for FY 2016/17. Therefore, there are no major events that are likely to impact negatively on CG debt position and credibility.

Wage bill

The CG spent a total of Kshs. 1.36 billion in as compensation to employees and related benefits in the FY 2015/16 which represents 41.2 percent of total expenditure by the CG. When compared to previous FY 2014/15 the amount spent on wages and salaries represent 36 percent increase from Kshs 1.14 billion. This is against the fiscal responsibility principles as stated in PFM Act, 2012 Section 107(2)(c) which indicates that the expenditure on wages and benefits for CG shall not exceed a percentage of the total revenue as prescribed in the regulations. The rate normally adopted by government is 35 percent of total revenues for the CG.

Despite this County Government has anticipated to employee an additional 410 ECDE care givers, polytechnic tutors and additional technical staff in all the departments in the FY 2016/17. Also targeted are village administrators and additional health personnel to ensure that our health facilities are adequately staffed especially level five facilities. As a result, the proposed budget for FY 2016/17 targets a wage bill of Kshs.

1.8 billion with the increase attributable to expected new staffs, promotions and confirmation of employees on either probation or contract to permanent terms. ***Therefore, it is important to reiterate that the ever growing wage bill is detrimental to development prospects of CG and the recommendations from SRC on Capacity Assessment and Rationalization, CPSB Human Resource audit and Human Resource Headcount reports should be adopted and implemented in full.***

Expenditure Ceilings

The expenditure ceilings for the county departments shall be outlined in the County Fiscal Strategy Paper 2016 published during February 2016 and will have to be strictly followed. However, the departments are advised to consider guidance provided in the Annual Development Plan as the basis of establishing the preliminary ceilings.

Projected fiscal Balance (deficit) and likely financing

The county governments are required to maintain a balanced budget in the medium term. Therefore, the CG has complied with this advisory by the National Treasury and has maintained a planned expenditure equal to the planned total revenue. However, technical deficits arises especially where there is under collection of own revenue, delay by the national government to release all monies allocated to the county governments before 30th June and donor funds not received before 30th June.

SECTION V: CONCLUSION

The review of implementation of FY 2015/16 budget shows that the fiscal outcome coupled with updated macroeconomic forecast advises the need for review of the financial objectives for FY 2016/17. Therefore, the reviewed expenditures reflect the real circumstances that surrounded the implementation of FY 2015/16 budget and are broadly within the fiscal responsibility principles outlined in the PFM Act, 2012, Section 107(2). The fiscal outcomes are also consistent with the national financial objectives as outlined in relevant policy documents and various legislations including the Constitution of Kenya, County Government Act, 2010, PFM Act, 2012 and PFM Regulations 2015.

The CG is devoted to ensuring services delivered are aligned to specific needs of our communities. In doing so, the CG will endeavor to mobilize more resources through innovative and enhanced revenue collection mechanisms, embracing private-public partnership and creation of a conducive environment for business to thrive. This will be achieved through equity and fairness in distribution of resources and prioritization of development based on thematic approach for a particular financial year.

Finally, the CG needs to adopt a strong human resource policy for the county to cap the escalating wage bill in order to ensure sustainable development.

APPENDIX I: Detailed Summary of Revenue by Region

REGION	THARAKA NORTH SC	MARIMANTI TOWN	CHOGORIA TOWN	THARAKA SOUT SC	CHUKA TOWN	MAARA SC	CHUKA IGA SC	TOTAL
LAND & RATE RATE - R001	0	0	0	0	2,711,600	0	0	2,711,600
PLOT-RENT R-R002	341,977	214,456	168,523	1,225,188	39,034	737,916	1,363,570	4,090,664
S.B.P - R003	1,660,777	2,289,085	3,987,790	1,919,321	7,211,188	3,841,030	4,836,155	25,745,346
CESS FEE-R004	5,469,940	2,865,760	0	7,142,180	0	901,310	6,187,564	22,566,754
MARKET & SLAUGHTER-R005	2,330,695	3,823,970	1,776,930	1,831,125	3,568,370	1,437,990	4,489,880	19,258,960
VEHICLE PARKING -R006	21,470	89,600	3,084,290	223,530	7,880,530	944,445	144,090	12,387,955
HOUSE & STALLS - R007	0	0	0	65,600	1,133,000	0	0	1,198,600
HIRE OF HALL &LORRY-R008	0	0	0	0	0	0	0	0
PLAN APPROVAL FEES-R009	39,000	118,100	151,000	149,500	668,600	16,800	333,700	1,476,700
WEIGHTS & MEASURES-R010	0	0	0	0	0	0	0	0
PENALTIES -R011	32,906	7,690	106,290	8,414	105,422	21,540	90,936	373,198
LIVESTOCK SALES -R012	0	0	0	0	0	198,860	1,021,230	1,220,090
MT. KENYA LODGE/TOURISM-R013	0	0	0	67,400	0	497,800	0	565,200
TRNS,APPL,& ADJ.-R014	29,650	32,990	38,500	154,900	60,500	96,500	142,000	555,040
SEARCH , MIN, EXT-R015	0	1,500	3,000	5,000	81,500	7,000	194,000	292,000
ADVERT-R016	0	0	68,370	0	432,000	36,500	14,000	550,870
MOTOR/C-R017	36,460	54,360	273,000	55,000	27,360	118,600	39,000	603,780
MISCELLAREOUS - R018	49,160	37,420	23,030	10,132	514,750	149,745	2,707,571	3,491,808

PLAN APP.FEES,HEALTH-R019	4,000	95,300	0	0	2,000	2,000	31,500	134,800
SCH.INSP.-R020	12,200	0	0	0	0	10,000	5,000	27,200
PRIVATE CLINIC PERMIT-R021	12,200	0	0	0	0	0	0	12,200
FOOD PREMISES PERMITS- R022	0	0	0	0	0	0	0	0
LIQOUR -R023	229,000	243,000	343,000	208,000	1,935,000	1,171,500	741,800	4,871,300
MEDICAL EXAM-R024	0	0	23,400	0	0	0	2200	25600
APPROPRIATION TO HOSP-R025	0	0	0	0	0	0	46,024,000	46,024,000
TOTALS	**10,269,435**	**9,873,231**	**10,047,123**	**13,065,290**	**26,370,854**	**10,189,536**	**48,368,196**	**148,183,665**