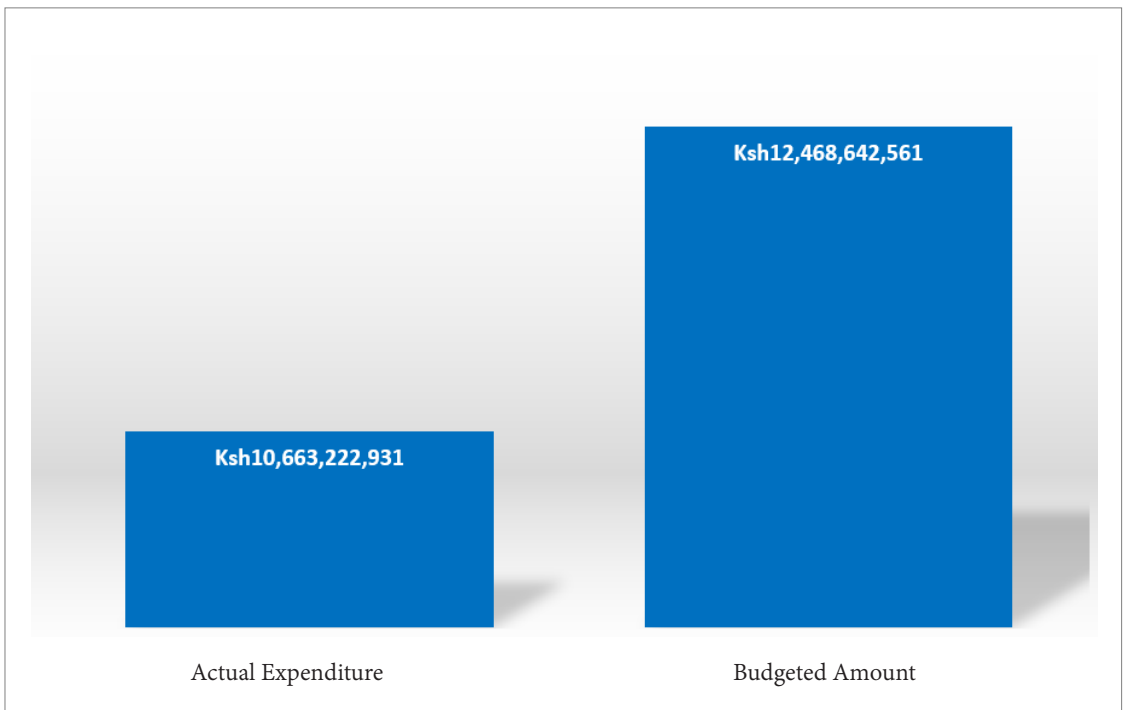




Fact Sheet

Analysis of the Auditor General's Report on the Financial Statements of the Kitui County Executive: FY 2020/21-2021/22

1.0 Budgetary control and performance FY 2021/22

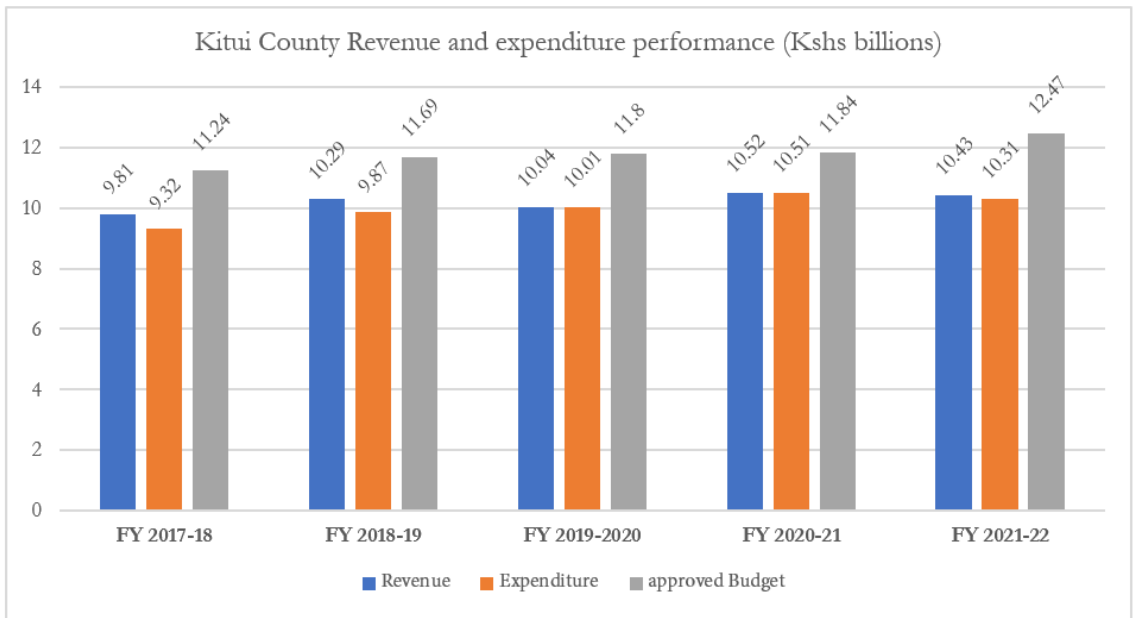


Source: Office of Auditor General Reports

Map of Kitui County



2.0 Revenue and Expenditure Performance

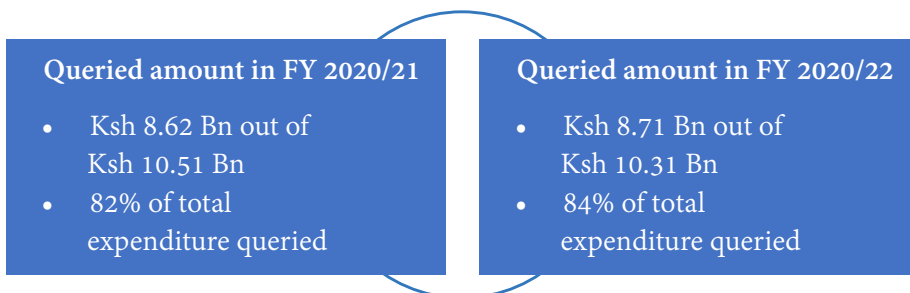


Source: Office of Controller of Budget Reports

3.0 Key Highlights

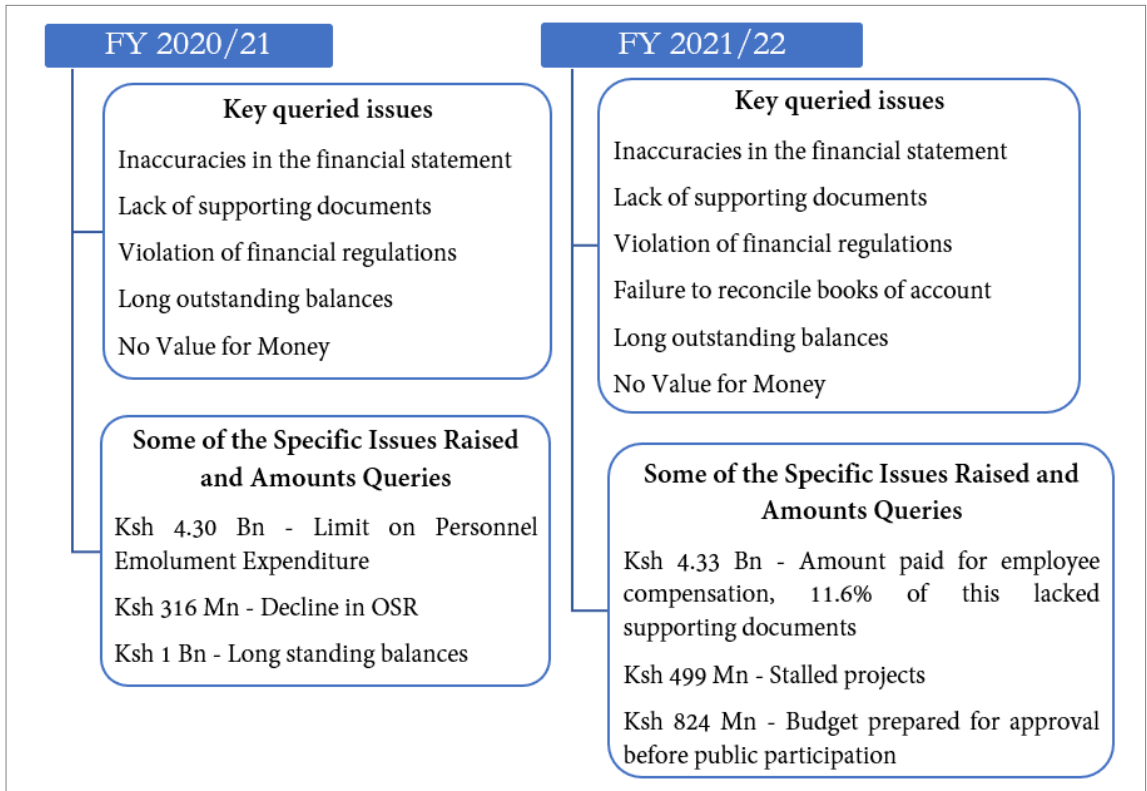
Financial Year	2018/19	2019/20	2020/21	2021/22
Revenue (Ksh Bn)	10.29	10.04	10.52	10.43
Expenditure (Ksh Bn)	9.87	10.01	10.51	10.31
Approved Budget (Ksh Bn)	11.69	11.8	11.84	12.47
Auditor's Opinion	Disclaimer	Disclaimer	Qualified	Qualified

4.0 Trends in Queried Amount



There was a 2% increase in the amount of expenditure queried in FY 2021/2022 in comparison to the amount queried in FY 2020/2021.

5.0 Trends of Audit Opinion for FY 2020/21 – 2021/22



6.0 Unresolved Prior Year Issues in FY 2021/2022

Key Unresolved Prior Year Matters	Description	Implication
Ethnic Diversity in Employment	85% of county staff in Kitui are from the dominant community and 30% of recruited staff are not from other communities	Breach of the law on national integration, recruitment of 30% non-dominant ethnic group
Bank Reconciliation	Bank reconciliation for all (CBK) accounts not attached	Failure to comply with reporting template
Unremitted Retirement Benefits Contributions	Kshs.22,117,103 for retirement contributions for County employees not paid	Breach of Public Finance Management Act
Personnel Emolument Expenditure	39% of revenue was used to compensate employees. The Law limits compensation at 35% of total revenue	Breach of Public Finance Management Act

Key Unresolved Prior Year Matters	Description	Implication
Stalled Projects	Department of health had stalled projects	No value for money realized
Public Participation	Budgets were approved before public participation	Breach of PFM Act
Anomalies in the use of IFMIS Procurement process	Procurement plans, participation of bidders in meetings and digital signatures certificates were not done	Violation of Public Procurement and Assets Disposal Act Regulations, 2020
Delayed Project Completion Muuani Elevated Tank	Muuani Elevated Tank and Pipeline Extension delayed while a certificate of completion was issued for the project. Physical inspection showed the project was abandoned. Contractor had been paid 85% of the contract sum	Contractor violated terms of the contract and value for money lost

7.0 Opportunity Cost

- In the Financial Year 2021/2022, Kitui county committed to spend Ksh. 499,555,498 in healthcare facilities that were never completed. In trying to ascertain the specific project, Audit revealed that the project files were not provided for audit verification and information available indicated that the projects started way back in 2017. The people were denied access to medical services that would have been tenable had the project been completed. The county government cannot show value for money for such an expensive venture
- Incomplete water project across the county i.e. Muuani Elevated Tank and Pipeline Extension, Rehabilitation of the Waste Management and Disposal System at a slaughterhouse, Delayed Project Completion-Construction of Pump House Equipped with Power at Nzeeu River and execution of Civil Works Contracts-Kyaoni water project. These projects have denied the residents of Kitui access to clean and safe water that would eventually reduce their productivity and food security. The lack of clean and safe water makes residents prone to water borne diseases.

8.0 Key Messages

- The queried amount increased from Kshs 8.6 billion to Ksh 8.7 billion for the FY 2020/21 and FY 2021/2022 respectively.
- Most audit issues revolved around, lack of supporting documents, violation of financial regulations, no value for money and pending bills
- Most of these issues have been carried forward, a clear indication of lack of commitment by the county officials to better service delivery.
- CSOs to advocate for employment compliance by the executive with respect to law on ethnic composition
- County Assembly and CSOs to compel County Executive to maintain an updated Asset Register
- There is need for the county executive to comply with the Law on Fiscal Responsibility-Wage Bill
- The County Assembly through Public Investment and Accounts Committee (PIAC) ought to make follow up on unsupported employee costs flagged out by OAG report

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