

COUNTY GOVERNMENT OF KITUI

31

TEL: 044-4422041, 4422304
Email: finance@kitui.go.ke.

P.O. BOX 33 – 90200
KITUI



COUNTY TREASURY

When replying please quote

Ref No. CGKTI/CT/FIN/1/I/(2020-2021)/38

27TH MAY, 2020

CHAIRMAN
BUDGET AND APPROPRIATION COMMITTEE
KITUI COUNTY ASSEMBLY



Handwritten signatures and initials in blue ink, including 'Bn in file' and '27/05/2020'.

THROUGH,

THE SPEAKER
KITUI COUNTY ASSEMBLY

RE: RECALLING BUDGET ESTIMATES FOR THE 2020/21 FY

Section 129 (2) (a) of the Public Finance Management Act, 2012 requires the County Executive Committee Member for Finance to submit to the County Assembly budget estimates, supporting documents, and any other bills required to implement the budget, except the Finance Bill, by 30th April in that year. In Compliance with this section, the County Executive submitted the 2020-21FY budget estimates on 30th April 2020. However, Mr. Chairman, new developments have emerged since then which requires the County Executive to review the budget to factor in these new developments.

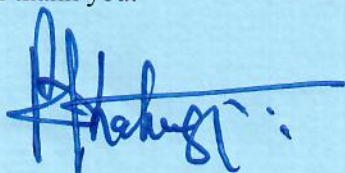
Kenya Revenue Authority (KRA) conducted a reconciliation exercise on the payment of taxes by Kitui County Government for the period March 2013 to April 2018. On conclusion of this exercise, the Commissioner of Public Service Division in KRA sent a notice of assessment to the Kitui County Executive demanding taxes arrears totaling to Kshs. 498,159,155.60 (PAYE on payroll, Kshs. 252,465,090.73, PAYE on motor vehicle benefit Kshs. 64,408,311.49, withholding VAT Kshs. 102,729,100.80 and withholding income tax Kshs. 78,556,652.58). This amount, Mr. Chairman, was not factored in the budget submitted on 30th April 2020 and requires the budget to be adjusted.

The Ethics and Anti-Corruption Commission (EACC) have been investigating drifts and road works tenders which were awarded during 2015-16 FY. The EACC has finalized on these files which have since been returned to the County Treasury for further processing. The total sum of the tenders is Kshs. 608, 205,059.78. Further, there are bills totaling to Kshs. 88,128,020 being arbitration fees by the County Executive which were not factored in the submitted budget estimates for 2020-21 FY. A total of Kshs. 1,194,492,235.38 which needs to be factored in the 2020-21FY budget.

Mr. Chairman, the County Executive conducted public participations on CFSP in February 2020 to get priority projects to be implemented during 2020-21FY. This formed the basis for the CFSP document approved by the county Assembly. However, this was before the first case of COVID-19 was reported in Kenya. Since COVID-19 was reported, the Country's and County's economic activities have severely been affected bringing the Country's economy to its knees. Bearing this in mind and the need to lay down strategies to resuscitate the economy, the County Executive came up with post COVID-19 recovery strategy which will enable the county recover from the devastating effects of COVID-19 by focusing on programmes that will create employment to youth and at the same time generate income to the county. Ministries have finalized their post COVID-19 recovery strategies which were not factored in the submitted budget.

Given the above new developments, Mr. Chairman, the County Executive wishes to recall the 2020-21 FY budget estimates submitted on 30th April 2020 to capture the new developments and resubmit them again in time for County Assembly deliberations before the start of the 2020-21 FY in July 2020.

I thank you.



Ben Katungi
County Executive Committee Member
County Treasury

CC:

Clerk, County Assembly of Kitui