

DEPARTMENT OF FINANCE AND SOCIO-ECONOMIC PLANNING

Strategic Direction



OUR MISSION

To facilitate county socio-economic transformation agenda through offering effective coordination in public finance management and economic policy formulation and tracking of results



OUR VISION

To be an institution of excellence in the management of public finance and economic affairs for high quality of life



CORE VALUES

High level of professionalism
Dignity
Integrity
Courtesy



Our Mandate

The Department of Finance and Socio-Economic Planning is responsible for the monitoring, evaluating and overseeing the management of public finances and economic affairs of the county government in accordance with the Public Finance Management Act, 2012 and the Constitution of Kenya. The specific functions per directorate include: -

DIRECTORATE	MANDATES
1) Financial Accounting Services	<ul style="list-style-type: none"> Administer County Government Emergency Fund and other public funds as may be necessary; Ensure proper accounts and other records in respect of all public funds administered by the county government; Ensure proper management and control of, and accounting for the finances of county government and its entities County Cash Management Management of County Government Financial Management Systems and Standards Preparation and submission of statutory and other financial reports Managing the County Government's creditors and other financial obligations; Implementation of Public Sector Accounts Standards
2) Internal Audit Services	Internal Audit Services
3) Supply Chain Management	<ul style="list-style-type: none"> Implement public procurement and asset disposal procedures. Coordinate administration of procurement and asset disposal contracts.
4) Socio-Economic Planning	<ul style="list-style-type: none"> Coordination of county integrated and sectoral planning County Statistics Management County investments management Coordination of Public Private Partnerships
5) Budget And Expenditure	<ul style="list-style-type: none"> Coordinating the preparation of budget estimates of the county government; Budget monitoring and tracking Managing the County Government's public debt Promotion of economic and financial governance Economic and fiscal forecasting and analysis
6) Revenue Services	Own Source Revenue mobilization
7) Monitoring And Evaluation	<ul style="list-style-type: none"> Monitoring and Evaluation (M&E) of policies, programmes and county projects Coordinating implementation, monitoring and reporting of Sustainable Development Goals (SDGs)
8) Risk Management	Development and implementation of County Risk Management framework
9) Asset Management	Management and custody of county assets register

Partnerships Achievements In The Last Ten Years Of Devolution

The joint collaboration among different stakeholders in the county led to increased annual budget allocation from KShs 4.72 Billion in FY 2013/14 to KShs 10.76 Billion in FY 2022/23. Over the same period, the county annual expenditure increased by 192% from KShs 3.33 Billion to KShs 9.72 Billion while absorption rate increased from 71% to 90%.

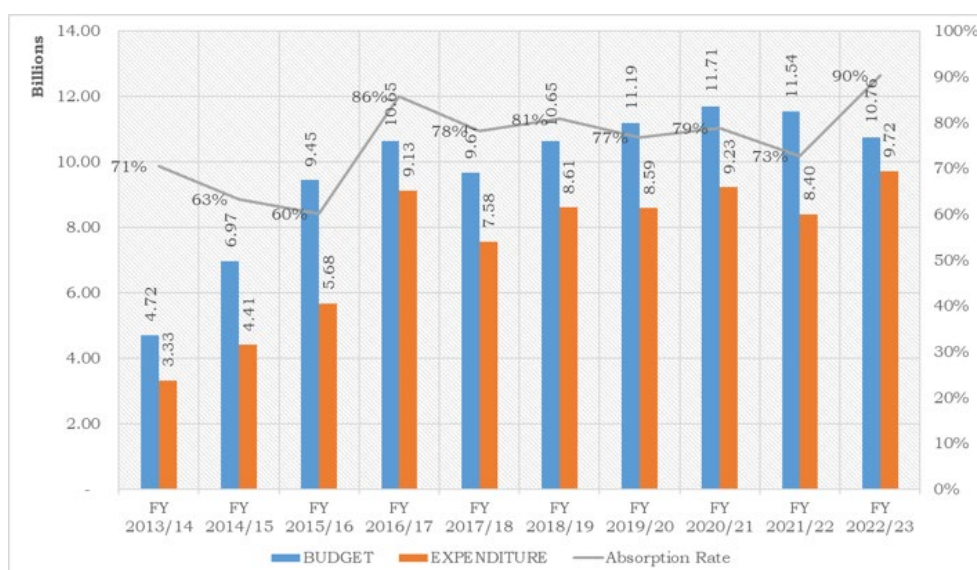


Figure 1: Makueni County Budget, Expenditure and Absorption Rate, FY 2013/14-FY 2022/23

2022 County Budget Transparency Survey (CBTS) Award on 30th May 2023

Makueni County emerged as the second best county with the most transparent budget according to the 2022 County Budget Transparency Survey (CBTS) which is carried out annually International Budget Partnership Kenya (IBPKenya)



Figure 2: H.E Mutula Kilonzo Junior, 5TH from left) displaying the award by IBPKenya on 30th May 2023

SUMMARY OF DEPARTMENTAL DEVELOPMENT PARTNERS, 2013-2023

Partner	Programme	Amount of Donor funding	Impact
Hivos East Africa and Development Gateway	Makueni Open Contracting		Transparency and equity in the delivery of quality goods and services to citizens
World Bank	Kenya Devolution Support Programme	KShs 772,419,749.00	Strengthened budgeting, resource mobilization and allocation
International Budget Partnership Kenya	County Budget Transparency Survey (CBTS)		Improved service delivery and performance by the county government
Local Development Research Institute Development Gateway Mobilization Agency for Paralegal Communities in Africa - Trust (MAPACA Trust)	Open Government Partnership (OGP)		Inclusive, transparent and accountable governance

Twaweza East Africa	Sauti za Wananchi	USD 191,175	<ul style="list-style-type: none"> • Enriched dialogue between citizens and policy-makers. • Improved use of data in decision making
World Food Programme	Knowledge management on county planning and budgeting process		Improved participatory planning and budgeting process

PARTNERS' ENGAGEMENTS-YEAR ONE OF THIRD CIDP 2023-2027

Partner	Programme	Impact
World Bank	Kenya County Governance and Performance Program (CGPP)	Strengthened county institutional performance and management of resources for service delivery
International Budget Partnership Kenya	County Budget Transparency Survey (CBTS)	Improved service delivery and performance by the county government
International Budget Partnership Kenya	County Budget Transparency Survey (CBTS)	
Local Development Research Institute Development Gateway Mobilization Agency for Paralegal Communities in Africa –Trust (MAPACA Trust)	Open Government Partnership (OGP)	Improved service delivery and performance by the county government
	Open Government Partnership (OGP)	Inclusive, transparent and accountable governance
Twaweza East Africa	Sauti Za Wananchi and supported the launch of the 2023-27 CIDP	<ul style="list-style-type: none"> • Enriched dialogue between citizens and policy-makers. • Improved use of data in decision making
World Food Programme	Knowledge management on county planning and budgeting process	Improved participatory planning and budgeting process

DEPARTMENTAL DEVELOPMENT FOCUS AREAS IN CIDP 2023-27

Programme	Output	Desired outcome
Resource Mobilization	Enhanced County base resource	Increased resources for sustainable development
Public Finance Management	County Budget Transparency Survey (CBTS)	Enhanced fiscal responsibility and accountability
	Essential services funding	
	Plans and budgets Linkage improved	
International Budget Partnership Kenya	County Budget Transparency Survey (CBTS)	Enhanced Evidence-Based Decision Making for Socio-Economic Development
	Resources GIS Mapped	
	Progress review reports prepared	

2023-27 STRATEGIC PRIORITIES

SECTOR PRIORITIES	STRATEGIES
Enhance fiscal responsibility and accountability Enhance fiscal responsibility and accountability	<ol style="list-style-type: none"> 1. Increase the reliability, stability and soundness of the public finance management. 2. Establish accountability mechanisms. 3. Operationalize the enterprise risk management policy. 4. Institutionalize open contracting. 5. Eradicate corruption. 6. Strengthening the PFM procedures in line with the Public Finance and Management Act (PFM Act) and Public Procurement and Asset Disposal Act (Planning, Revenue, Budgeting, Expenditure, Procurement, Auditing and reporting). 7. Enhance linkage between planning and budgeting. 8. Strengthen project conceptualization and implementation. 9. Strengthen collaboration and synergies within partners, National Government Agencies for timely funds disbursement. 10. Enterprise risk management.
Enhanced resource mobilization	<ol style="list-style-type: none"> 1. Integrate revenue systems to enhance accountability and reporting/full automation. 2. Enhance revenue forecasting and targeting. 3. Strengthen revenue administration and management. 4. Review, strengthen legal and institutional frameworks for county own source revenue and external resource mobilization (PPP frameworks, county courts). 5. Enhance external resource mobilization (PPPs and Donors). 6. Build and strengthen strategic partnerships with development partners.
Enhance Result-Based Management	<ol style="list-style-type: none"> 1. Enhance evidence-based decision making for socioeconomic development. 2. Enhance systems for tracking the implementation of development policies, strategies, programmes and projects. 3. Strengthen county statistics function & GIS based planning. 4. Implement CIMES guidelines and operationalize county monitoring and evaluation policy and guidelines. 5. Develop an automated result-based management system.

COUNTY RESOURCE REQUIREMENTS BY SECTOR FOR THE CIDP 2023-2027

The total county resource requirement to fund the CIDP III is Kshs 92.3bn. The Transport, Infrastructure, Public Works and Energy sector has the highest requirement followed Agriculture and Rural Development sector and Water, Sanitation, Environment & Natural Resources sector at 27%, 22% and 16% respectively.

Summary of Sector Financial Resource Requirements

Sector	FY 2023/24	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	Total	% of Total
Water Sanitation, Environment and Natural Resources	7,220.40	1,400.6	3,819.60	1,449.70	1,439.10	15,329.40	16%
Agriculture and rural development	3,098.50	4,131.00	4,471.50	4,251.70	4,262.00	20,214.70	22%
Transport, Infrastructure, Energy and ICT	2,055.75	4,614.07	6,353.03	5,255.93	6,894.98	25,173.76	27%
Health Services	2,223.27	3,117.12	2,749.62	2,375.45	2,270.13	12,735.59	14%
Education, Social Protection and Recreation	702.75	808.55	752.90	775.40	797.75	3,837.35	4%
General Economic and Commercial Affairs	205.50	868.30	948.20	209.80	189.50	2,421.30	3%
Lands and Urban Development	693.00	2,530.50	3,702.50	864.50	503.50	8,294.00	9%

Devolution	721.40	869.40	1,001.40	831.40	900.40	4,324.00	5%
Total	16,920.00	18,339.54	23,798.75	16,013.88	17,257.36	92,330.10	

COUNTY RESOURCE REQUIREMENTS BY SECTOR FOR THE CIDP 2023-2027

In the five years, the county government will directly mobilize Kshs 54bn to fund the various programmes in the CIDP through the annual budgets. The greatest contribution of the resources will be from equitable share at 77% and Own Source Revenues at 13%. The funding from Public Private Partnerships, conditional allocations, loans and grants will contribute 10% of the projected revenues in the plan period.

The revenue gap of Kshs 38 Billion will be mobilized through the county's resource mobilization strategy.

Table 1: Resource Gaps

Financial year	Resource Requirement (Kshs. M)	Estimated Revenue (Kshs. M)	Variance (Kshs. M)
2023/24	16,920.51	9,918.90	7,001.67
2024/25	18,339.54	10,314.56	8,024.98
2025/26	23,798.75	10,862.27	12,936.48
2026/27	16,013.88	11,462.27	4,551.61
2027/28	17,257.36	11,662.27	5,595.09
Total	92,330.10	54,220.26	38,109.84

- The county's resource mobilization strategy will involve both internal and external mobilization.
- The internal strategy will focus on enhancing the county's Own Source Revenue while the external strategy will involve engaging external partners to finance implementation of the CIDP programmes.
- The government will ensure deepened engagement with Bilateral and Multilateral agencies, Public Private Partnerships, Private Foundations and Diaspora Engagement Forums.

DEPARTMENTAL MANDATES IN PICTURES, 2023

1. Commissioning of the County Census of Business Establishment 2023

The County Census of Business Establishments(CBE) was carried out from June-August 2023 in which more than 30,000 businesses were enumerated. The census sought to support realistic revenue targets by providing evidence on number, type and size of business establishments in the county. Further CBE aimed to entrench evidence based decision making such as Revenue Potential analysis, guide strategies to optimize OSR collection and inform policy formulation on OSR.



Figure 3:CECM-Finance and Socio-Economic Planning Flagging of Census of Business Establishments exercise

2. Kenya Revenue Authority Award

Kenya Revenue Authority (KRA) led by Margaret Nyamai, Chief Manager, Public Sector division, appreciated the efforts by Makueni for her compliance in remitting tax payments and for filing returns on time. In the next Financial Year 2024/25, KRA plans to open a branch in Makueni to reduce the long distance that the citizens travel to Machakos offices as well as improve on service delivery to the customers and citizens.



Figure 4:CECM Finance Damaris Kavoi flanked by Chief Officers receive an award by KRA as presented by KRA management team led by Chief Manager, Margaret Nyamai.

3. Cashless System of Revenue Collection

The CECM-Finance, Damaris Kavoi and other finance officials carried out a day-long exercise sensitizing Wote business community on the move to digitizing the Revenue Collection exercise across the county. The exercise aims at easing the operations which include; the time taken to process business permits, and cashless parking fee payment methods, among others.



Figure 5: The CECM County Treasury Ms. Damaris Kavoi flanked by the CO Mr. Boniface Mutua speaks to the Press during the launch of the cashless payment method for Own-Sourced Revenue

