



THE REPUBLIC OF KENYA

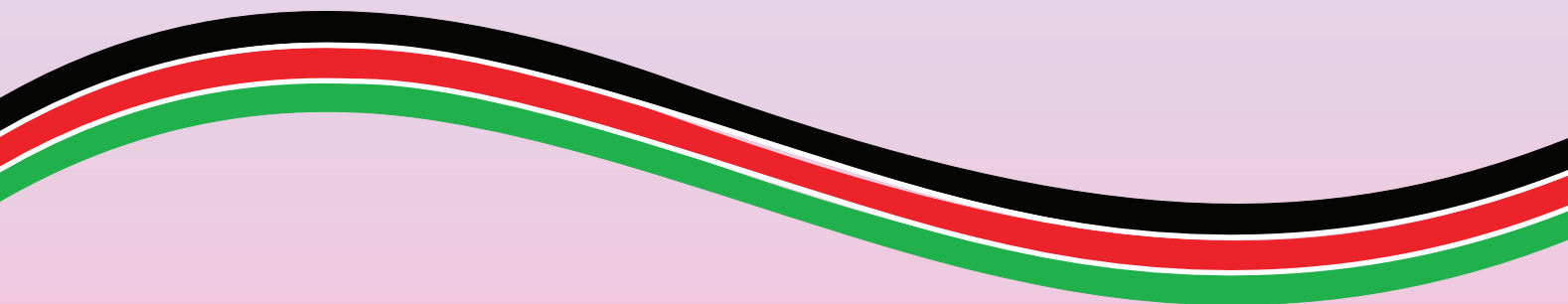
OFFICE OF THE CONTROLLER OF BUDGET



**COUNTY GOVERNMENTS
BUDGET IMPLEMENTATION REVIEW
REPORT**

**FOR THE FIRST NINE MONTHS OF
FY 2020/21**

MAY, 2021





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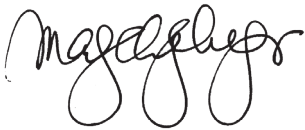
FOREWORD

It gives me great pleasure to present the first nine months County Governments Budget Implementation Review Report (CBIRR) for the FY 2020/21. The report has been prepared in line with Article 228(6) of the Constitution of Kenya 2010, which requires the Controller of Budget to submit to each House of Parliament a report on the implementation of the budgets of the National and County Governments every four months.

This report presents the status of budget implementation by the County Governments in the first nine months of the financial year 2020/21 and covers the period from July, 2020 to March, 2021. This CBIRR seeks to promote openness, transparency and provide information to the public on the management of public resources.

The CBIRR is based on the approved budgets and financial reports submitted by respective county governments to the Office of the Controller of Budget and augmented with data from the Integrated Financial Management Information System (IFMIS). It presents information on the release of funds to county governments, own-source revenue performance by each county, and a review of actual expenditure against budget allocations. I expect that this report will enable County Governments to build on the milestones achieved in budget implementation, initiate corrective mechanisms to address the highlighted challenges, and forge ahead to realise aspirations of the devolved governments in the wake of the current challenges brought about by the COVID-19 Pandemic.

Preparation of this report has been made possible through the concerted effort of staff from the County Governments and my Office. I am, therefore, grateful to all the staff who were involved in the preparation of this report. The Office of the Controller of Budget is looking forward to continued collaborations with the County Governments as they move forward on budget implementation and urge the public to participate in the budgetary process while giving feedback to continuously improve budget execution by the County Governments.



Dr. Margaret Nyakang'o

CONTROLLER OF BUDGET

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ACRONYMS

| | |
|-----------------|--|
| ADP | Annual Development Plan |
| A-I-A | Appropriations in Aid |
| ASDSP | Agriculture Sector Development Support Programme |
| CARA | County Allocation of Revenue Act |
| CBEF | County Budget and Economic Forum |
| CBIRR | County Budget Implementation Review Report |
| CBK | Central Bank of Kenya |
| CBROP | County Budget Review and Outlook Paper |
| CFSP | County Fiscal Strategy Paper |
| CECM-F | County Executive Committee Member for Finance |
| CHV | Community Health Volunteer |
| CIDP | County Integrated Development Plan |
| COB | Controller of Budget |
| COVID-19 | Coronavirus Disease 2019 |
| CRF | County Revenue Fund |
| DANIDA | Danish International Development Agency |
| DRPNK | Drought Resilience Programme in Northern Kenya |
| ECDE | Early Childhood Development Education |
| ERP | Enterprise Resource Planning |
| EU | European Union |
| FAO | Food and Agriculture Organization |
| FIF | Facility Improvement Fund |
| FY | Financial Year |
| HQ | Head Quarter |
| IB | Internet Banking |
| ICT | Information Communication Technology |
| IDA | International Development Association |
| IDEAS | Instruments for Devolution Advice and Support |
| IFMIS | Integrated Financial Management Information System |
| IPPD | Integrated Payroll Personnel Database |

| | |
|----------------|--|
| KASP | Kenya Agricultural Support Programme |
| KCSAP | Kenya Climate Smart Agriculture Project |
| KDSP | Kenya Devolution Support Programme |
| KRB | Kenya Roads Board |
| Kshs | Kenya Shillings |
| KUSP | Kenya Urban Support Project |
| MCA | Member of County Assembly |
| NARIGP | National Agricultural and Rural Inclusive Growth Project |
| O&M | Operations and Maintenance |
| OCoB | Office of the Controller of Budget |
| OSR | Own Source Revenue |
| PE | Personnel Emoluments |
| PFM | Public Finance Management |
| RMLF | Road Maintenance Levy Fund |
| SME | Small and Medium Enterprise |
| SRC | Salaries and Remuneration Commission |
| THSUC | Transforming Health Systems for Universal Health Care |
| UHC | Universal Health Care |
| UIB | Urban Integrated Plan |
| UDG | Urban Development Grant |
| UIG | Urban Institutional Grants |
| WB | World Bank |
| WSDP | Water & Sanitation Development Project |

EXECUTIVE SUMMARY

This report has been prepared to fulfil Article 228(6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act 2016. It covers July 2020 to March 2021 and highlights the status of budget implementation by each of the 47 County Governments.

The approved aggregate budget estimates for the 47 County governments in FY 2020/21 amounts to Kshs.500.77 billion and comprised of Kshs.193.3 billion (38.6 per cent) allocated to development expenditure and Kshs.307.47 billion (61.4 per cent) for recurrent expenditure. The aggregate development expenditure allocation conforms to Section 107 (2(b)) of the PFM Act, 2012, which requires that at least 30 per cent of budget must be allocated for development programs.

In order to finance the budgets, county governments expect to receive Kshs.316.5 billion as equitable share of revenue raised nationally, Kshs.23.16 billion as total conditional grants from the National Government, Ksh.30.20 billion as total loans and grants from Development Partners, generate Kshs.56.02 billion from own revenue sources, and utilize Kshs.50.25 billion cash balance from FY 2019/20. The total funds available to the County Governments in the first nine months of the FY 2020/21 amounted to Kshs.251.09 billion. This amount consisted of Kshs.158.73 billion as equitable share for the FY 2020/21, Kshs.16.59 billion as conditional grants from Development Partners, Kshs.50.25 billion unspent cash balance from FY 2019/20, and Kshs.25.52 billion raised from own sources. The unspent cash balance from FY 2019/20 includes Kshs.26.22 billion, which was released to county governments in August 2020.

During the reporting period, county governments generated Kshs.25.52 billion from their own sources of revenue, which was 45.6 per cent of the annual target of Kshs.56.02 billion. This was a decrease compared to Kshs.28.04 billion generated in a similar period of FY 2019/20. Analysis of own-source revenue as a proportion of the annual revenue target indicates that Tana River, Turkana, and Migori achieved the highest ratios at 92.6 per cent, 84.5 per cent, and 77.8 per cent, respectively. Conversely, counties that recorded the lowest proportion of own-source revenue against annual targets were Narok at 14.5 per cent, Wajir at 18 per cent, and Busia at 20.7 per cent.

In the first nine months of the FY 2020/21, the Controller of Budget (COB) approved the transfer of Kshs.184.95 billion as equitable share of revenue raised nationally from the Consolidated Fund to the various County Revenue Funds (CRFs) per Article 206 (4) of the Constitution. The transferred amount includes the outstanding allocation of the equitable share of the revenue for FY 2019/20 of Kshs.26.22 billion, which was disbursed in August 2020. In addition, County Governments received Kshs.1.99 billion for Level 5 Hospitals, Kshs.1 billion for Rehabilitation of Youth Polytechnics, Kshs.2.1 billion for Transforming Health Systems for Universal Health Care (THSUS), Kshs.1.46 billion for Kenya Urban Support Project (KUSP), Kshs.3.23 billion for National Agricultural and Rural Inclusive Growth Project (NAGRIP), Kshs.2.66 billion for Kenya Climate-Smart Agriculture Project (KCSAP), Kshs.2.12 billion for Kenya Devolution Support Programme (KDSP) Level 1, Kshs.434.33 million for Agricultural Sector Development Support Programme (ASDSP) Phase 11, Kshs.1.25 billion for Water & Sanitation Development Project (WSDP) and Kshs.352.8 million from Danish International Development Agency (DANIDA).

The total expenditure by County governments in the first nine months FY 2020/21 was Kshs.221.39 billion and represented an absorption rate of 44.2 per cent of the aggregated annual County government's budgets. The absorption rate was a decrease from an absorption rate of 49.3 per cent reported attained in a similar period in FY 2019/20 where total expenditure was Kshs.241.6 billion.

Recurrent expenditure was Kshs.172.93 billion while development expenditure amounted to Kshs.48.45 billion. Budget implementation during the reporting period shows a slight improvement in absorption of the development budget from 25 per cent in a similar in the previous financial year to 25.1 per cent in the reporting period. Analysis of development expenditure as a proportion of approved annual development budget shows that Murang'a, Kitui, Kajiado and Mombasa Counties attained the highest absorption rate at 50.5 per cent, 48.8 per cent, 47.8 per cent and 46.3 per cent respectively. County governments that recorded the lowest absorption rate of development budget were Nairobi City at 0.8 per cent, Kisumu at 3.6 per cent, Lamu at 6 per cent and Baringo at 7.4 per cent.

There was a decline in the percentage of recurrent expenditure to recurrent budget from 63.9 per cent recorded in the first nine months of FY 2019/20 to 56.2 per cent in the reporting period. A review of cumulative expenditure by economic classification showed that Kshs.117.19 billion (52.9 per cent) was spent on Personnel Emoluments, Kshs.55.74 billion (25.2 per cent) on Operations and Maintenance, and Kshs.48.46 billion (21.9 per cent) on Development Expenditure.

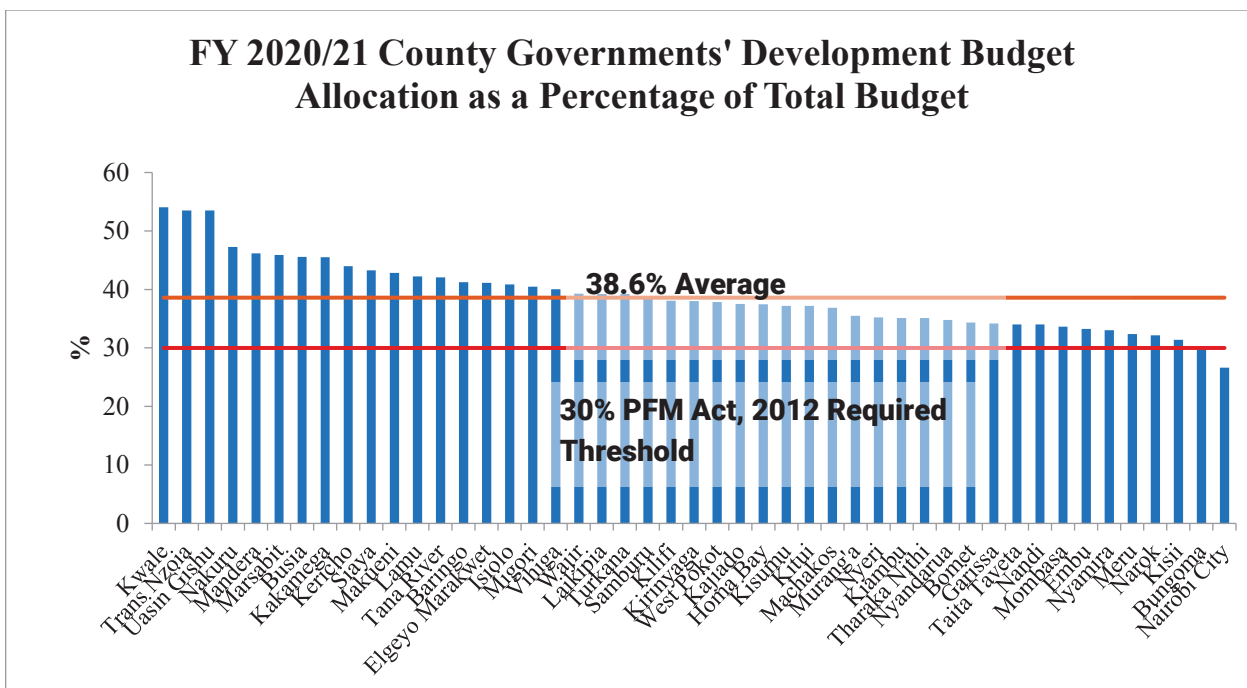
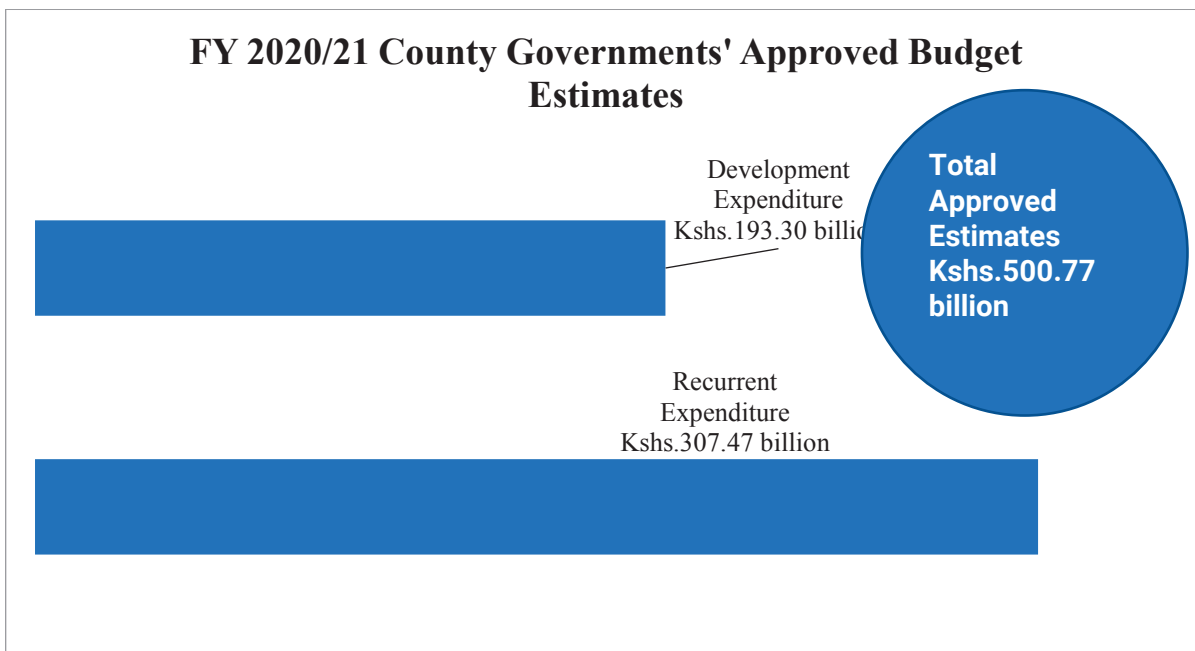
County Assemblies reported a decrease in expenditure on Members of the County Assembly (MCAs) sitting allowance from Kshs.1.62 billion in a similar period of FY 2019/20 to Kshs.1.49 billion. The County Assemblies of Laikipia and Homa Bay reported the highest average monthly sitting allowance per MCA at Kshs.192,470 and Kshs.183,443,

respectively, above the recommended monthly ceiling of Kshs.124,800 established by the Salaries and Remuneration Commission (SRC). West Pokot County Assembly did not report any expenditure on MCAs sitting allowance during the reporting period.

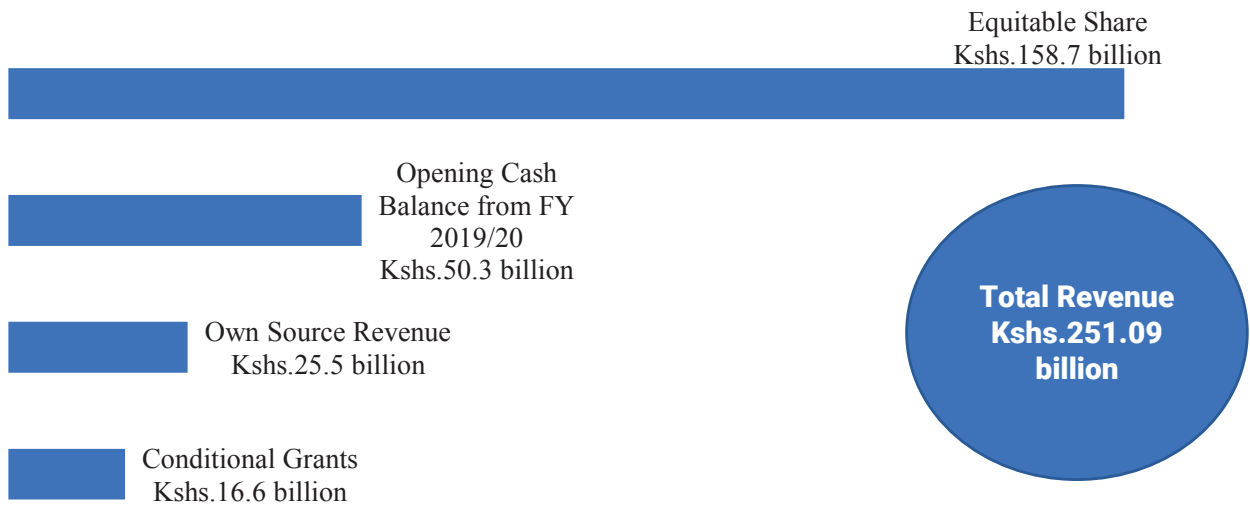
During the reporting period, the Office of the Controller of Budget identified challenges that continued to hinder effective budget execution. They included; high expenditure on Personnel Emoluments, Under-performance of own-source revenue collection, low spending on the development budget, delay in submission of financial and non-financial reports to the Controller of Budget, weak budgetary control and use of revenue at source, high expenditure on travel costs, and delay in Disbursement of Equitable Share by the National Treasury.

To address these challenges, the OCoB recommends that the Counties should ensure expenditure on personnel emoluments is contained at sustainable levels and in compliance with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015; develop and implement alternative measures to ensure the improved generation of own-source revenue for the budget to be fully financed. On low development budget expenditure, the OCoB recommends that counties should prioritize implementation of development projects to improve the standard of living for its citizens and ensure spending on development activities complies with Section 107(2) (b) of the Public Finance Management (PFM) Act, 2012. County Treasuries should develop the capacity to ensure that the reports submitted to the Controller of Budget are timely as provided in law. Further, it is recommended that county governments should ensure all revenue receipts are banked intact into the County Revenue Fund account and develop strategies to ensure all unspent cash balance is refunded into the CRF account in line with the law. County Treasuries should also review expenditure on travel and subsistence allowances to ensure it is credible and institute control measures to curtail this expenditure and avoid wasteful spending. Finally, it is recommended that the National Treasury should disburse funds to the Counties on a timely basis to ensure that budget implementation is not adversely affected.

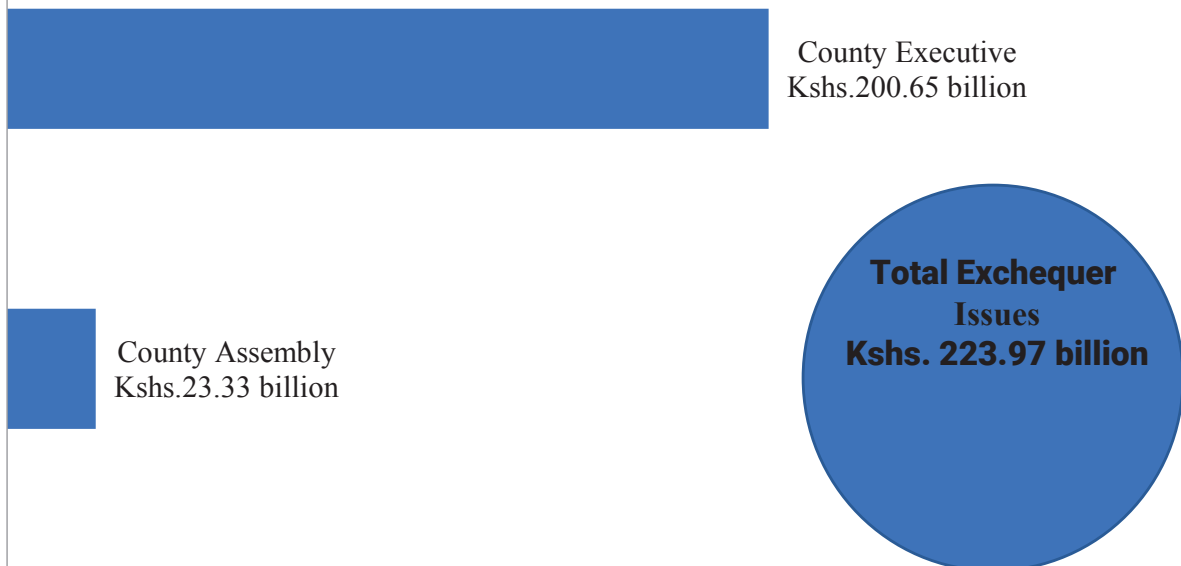
KEY HIGHLIGHTS



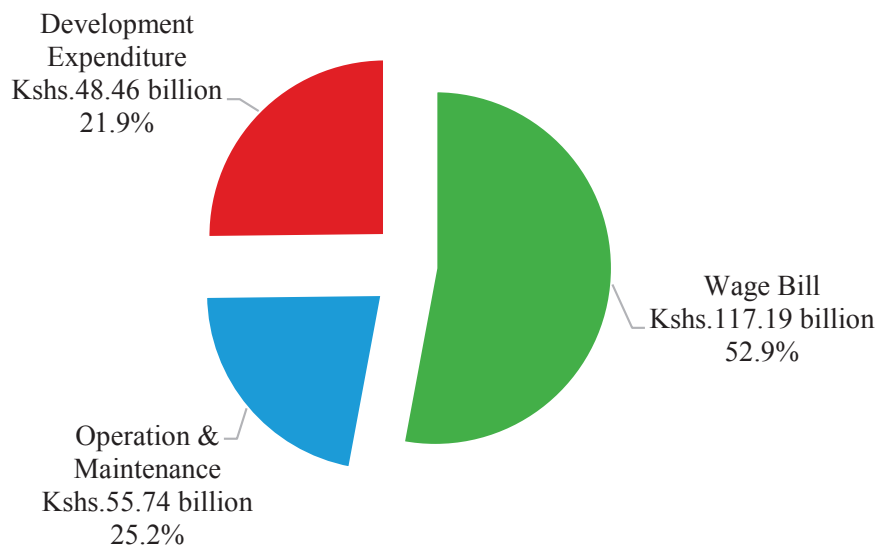
Total Revenue Available in the First Nine Months of FY 2020/21 (Kshs. Billion)



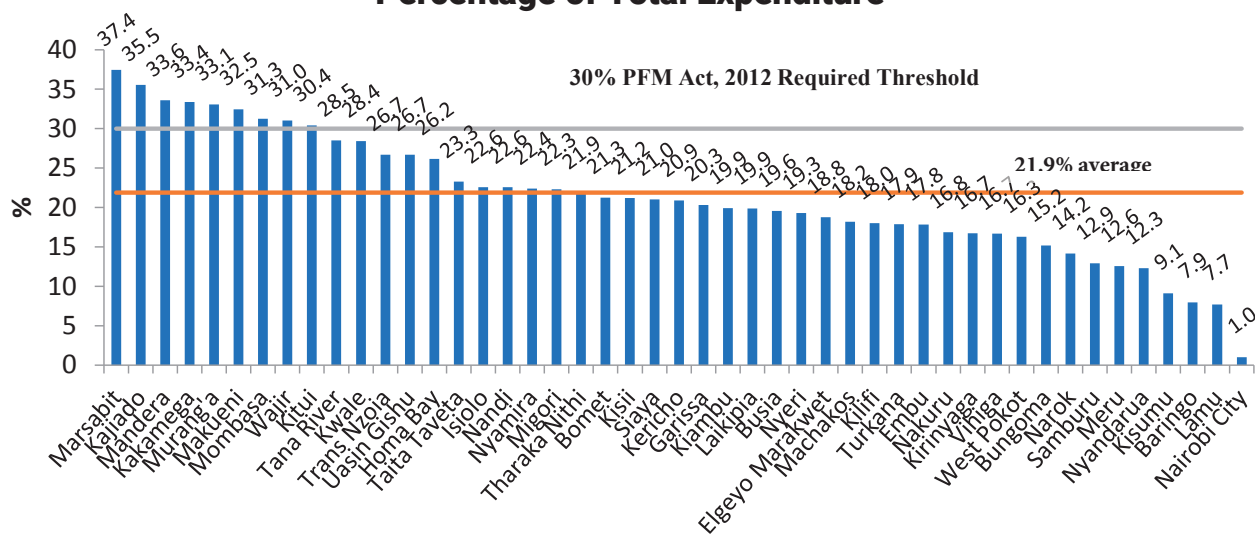
Exchequer Issues in the First Nine Months of FY 2020/21



Expenditure by Economic Classification in the First Nine Months of FY 2020/21



First Nine Months FY 2020/21 Development Expenditure as a Percentage of Total Expenditure



1 INTRODUCTION

The Office of the Controller of Budget (OCoB) is an oversight institution established under Article 228 of the Constitution of Kenya, 2010 to oversee and report on the implementation of the budgets for both the National and County Governments. Article 228 (4) and 228 (6) of the Constitution, and Section 9 of the Controller of Budget (COB) Act, 2016, require the Controller of Budget to authorize the withdrawal of public funds and report on budget implementation by submitting quarterly budget implementation reports to each house of Parliament every four months. This report has been prepared in conformity with this requirement and covers the first nine months of FY 2020/21.

The information provided in this report presents the status of budget execution by the 47 County Governments. It includes; information on budgets, disbursement of the equitable share of revenue by the National Treasury, conditional grants disbursed by both National Government and development partners, own-source revenues, exchequer releases by the Controller of Budget, actual expenditure and absorptive capabilities by each county. It also presents the challenges encountered in budget execution during the reporting period. The information provided in this report is based on the financial and non-financial reports submitted by County Governments in line with provisions of the Public Finance Management (PFM) Act, 2012 and information generated from the Integrated Financial Management Information System (IFMIS).

The County Budget Implementation Review Report (CBIRR) aims to provide information to Parliament and County Assemblies to aid their oversight roles. The report is also valuable for other stakeholders and the public at large as it satisfies the requirements of Section 39 (8) of the Public Finance Management (PFM) Act, 2012, which requires the Controller of Budget (COB) to ensure that members of the public are provided with information on budget implementation. The County Executive will find this report helpful in evaluating their achievements against set annual targets, budget ceilings in the Public Financial Framework, and benchmark performance against other counties.

The report is organized into five chapters. Chapter two provides the aggregate analysis of budget performance by the Counties during the reporting period. It presents the revenue performance, the exchequer issues to the County Governments and expenditure performance disaggregated into development and recurrent expenditure. Revenue performance is analyzed by stream: equitable shareable revenue, conditional grants from the National Government, conditional grants from Development Partners, and County Governments' own-source revenue collection. Chapter three presents performance by individual Counties. It gives information on budget financing, budget allocation, exchequer issues, and expenditure performance by Votes and by Programmes. Expenditure is analysed by the major economic classifications of Compensation to Employees, Operations and Maintenance and Development Expenditure. Observations made by the OCoB in budget implementation during the reporting period by each county are presented in chapter three. The overall challenges and appropriate recommendations in ensuring effective budget implementation by County Governments are presented in Chapter four. Chapter five provides the conclusion.

2 FINANCIAL ANALYSIS OF COUNTY BUDGET IMPLEMENTATION IN THE FIRST NINE MONTHS OF FY 2020/21

2.1 Introduction

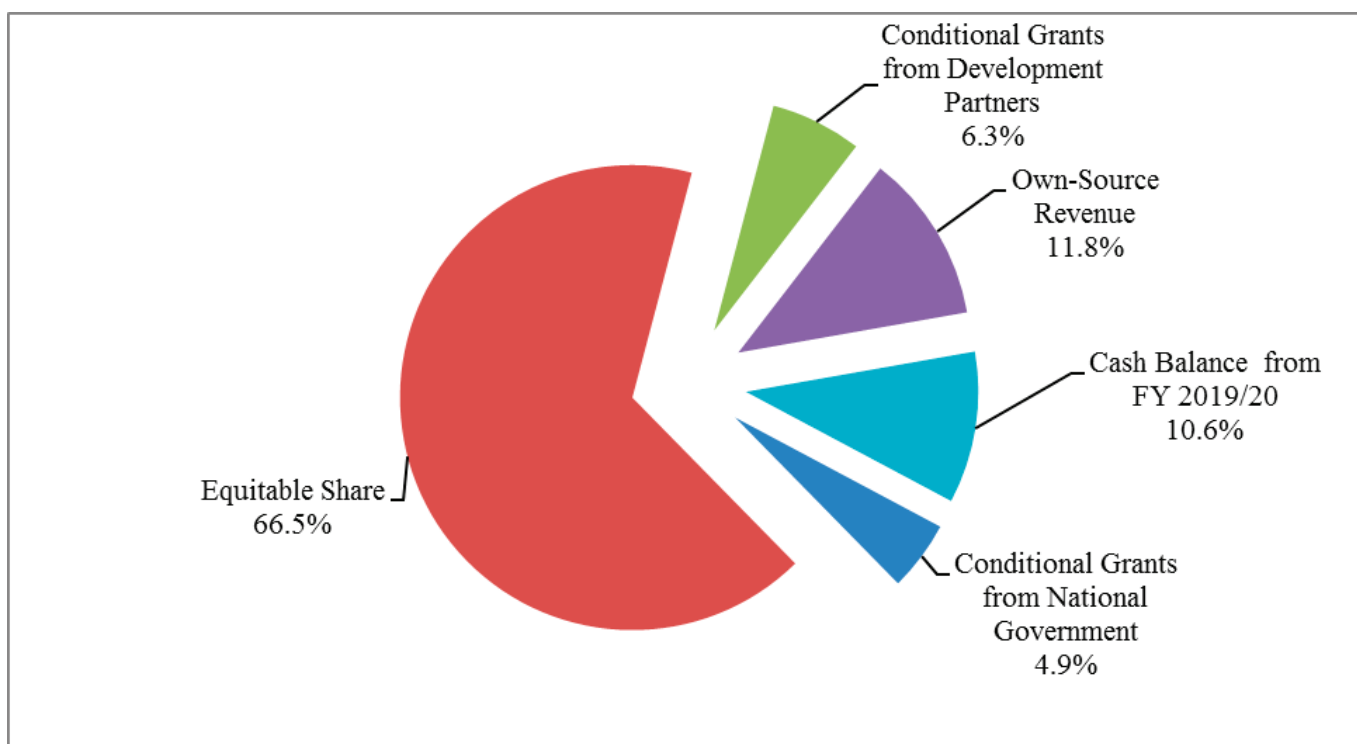
This chapter presents a financial analysis of aggregated county budget implementation for the first nine months of FY 2020/21.

2.2 Revenue Analysis

In the first nine months of FY 2020/21, the combined County governments' budgets approved by the County Assemblies amounted to Kshs.500.77 billion and comprised of Kshs.193.3 billion (38.6 per cent) allocated to development expenditure and Kshs.307.47 billion (61.4 per cent) for recurrent expenditure.

In order to finance the budgets, county governments expect to receive Kshs.316.5 billion as the equitable share of revenue raised nationally, Kshs.23.16 billion as total conditional grants from the National Government, Ksh.30.20 billion as total loans and grants from Development Partners, generate Kshs.56.02 billion from own revenue sources, and utilize Kshs.50.25 billion cash balance from FY 2019/20. Figure 2.1 shows the expected sources of budget financing in FY 2020/21.

Figure 2.1: Expected Sources of Budget Financing in FY 2020/21



Source: CARA, 2020, County Treasuries

The breakdown of conditional grants as per CARA, 2020 are shown in Table 2.1.

Table 2.1: Conditional Grants as per CARA, 2020

| S/No. | Grants Contained in CARA, 2020 | Annual CARA, 2020 Allocation (Kshs.) |
|--|--|--------------------------------------|
| Conditional grants from the National Government | | |
| 1 | Leasing of Medical Equipment | 6,205,000,019 |
| 2 | Level 5 Hospitals | 4,326,000,000 |
| 3 | Road Maintenance Fuel Levy Fund | 9,433,265,629 |
| 4 | Compensation of User Fee Foregone | 900,000,000 |
| 5 | Rehabilitation of Village Polytechnics | 2,000,000,018 |
| 6 | Construction of County Headquarters | 300,000,000 |

| S/No. | Grants Contained in CARA, 2020 | Annual CARA, 2020 Allocation (Kshs.) |
|-------|--|--------------------------------------|
| | Sub Total | 23,164,265,666 |
| | Conditional grants from the Development Partners | |
| 7 | Transforming Health Systems for Universal Care Project (World Bank) | 4,345,375,738 |
| 8 | IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP) | 4,261,646,438 |
| 9 | IDA (World Bank)- Kenya Climate Smart Agriculture Project (KCSAP) | 7,119,726,782 |
| 10 | IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) "Level 1 grant", | 2,115,000,000 |
| 11 | IDA (World Bank) credit: Kenya Urban Support Project (KUSP)- Urban Development Grant (UDG) | 6,366,000,000 |
| 12 | DANIDA for Universal Healthcare in Devolved System Program | 900,000,000 |
| 13 | EU for Instruments for Devolution Advice and Support (IDEAS) | 216,014,391 |
| 14 | IDA (World Bank) credit: Water & Sanitation Development Project (WSDP) | 3,400,000,000 |
| 15 | Sweden-Agricultural Sector Development Support Programme (ASDSP) II | 652,584,158 |
| 16 | EU for Water Tower Protection and Climate Change Mitigation and Adaption Programme (WaTER) | 528,000,001 |
| 17 | German Development Bank (KfW)-Drought Resilience Programme in Northern Kenya (DRPNK) | 300,000,000 |
| | Sub Total | 30,204,347,508 |
| | Grand Total | 53,368,613,174 |

Source: CARA, 2020

2.2.1 Revenue Out-turn

The total funds available to the County Governments in the first nine months of FY 2020/21 amounted to Kshs.251.09 billion. This amount consisted of Kshs.26.22 billion outstanding equitable share of revenue raised nationally for FY 2019/20, which was disbursed in August 2020, Kshs.158.73 billion as equitable share for the FY 2020/21, Kshs.16.59 billion as conditional grants from Development Partners, Kshs.50.25 billion unspent cash balance from FY 2019/20, and Kshs.25.52 billion raised from own sources. The unspent cash balance from FY 2019/20 includes Kshs.26.22 billion which was released to county governments in August, 2020.

2.2.2 Own- Source Revenue

During the reporting period, county governments generated Kshs.25.52 billion, which was 45.6 per cent of the annual target of Kshs.56.02 billion. This was a decrease compared to Kshs.28.04 billion generated in a similar period of FY 2019/20. Analysis of quarterly own source revenue (OSR) collection for the period July 2020 to March 2021 is shown in Table 2.2.

Table 2.2: Own Source Revenue Collection in the First Nine Months of FY 2020/21

| County | Annual Own Source Revenue Target for FY 2020/21 (Kshs.) | First Nine Months of FY 2020/21 OSR Collection (Kshs.) | % of Collection of OSR Against Annual Target |
|-----------------|---|--|--|
| Baringo | 346,088,720 | 147,634,909 | 42.7 |
| Bomet | 275,922,277 | 127,722,724 | 46.3 |
| Bungoma | 700,000,000 | 286,566,412 | 40.9 |
| Busia | 1,119,555,802 | 231,234,728 | 20.7 |
| Elgeyo Marakwet | 71,477,570 | 52,946,854 | 74.1 |
| Embu | 909,000,000 | 283,208,447 | 31.2 |
| Garissa | 150,000,000 | 71,555,792 | 47.7 |
| Homa Bay | 170,818,374 | 73,817,542 | 43.2 |
| Isiolo | 113,686,337 | 26,836,921 | 23.6 |
| Kajiado | 1,687,000,000 | 697,944,570 | 41.4 |
| Kakamega | 2,113,000,000 | 725,318,746 | 34.3 |
| Kericho | 644,058,870 | 272,572,753 | 42.3 |
| Kiambu | 3,988,390,833 | 1,695,568,966 | 42.5 |
| Kilifi | 1,150,000,000 | 663,738,709 | 57.7 |
| Kirinyaga | 405,000,000 | 307,737,805 | 76.0 |
| Kisii | 650,000,000 | 234,325,860 | 36.1 |
| Kisumu | 1,579,172,106 | 369,377,149 | 23.4 |
| Kitui | 600,000,000 | 220,979,557 | 36.8 |
| Kwale | 365,641,316 | 171,139,550 | 46.8 |

| County | Annual Own Source Revenue Target for FY 2020/21 (Kshs.) | First Nine Months of FY 2020/21 OSR Collection (Kshs.) | % of Collection of OSR Against Annual Target |
|---------------|---|--|--|
| Laikipia | 1,006,875,000 | 575,871,508 | 57.2 |
| Lamu | 150,000,000 | 66,293,021 | 44.2 |
| Machakos | 1,729,798,232 | 735,542,916 | 42.5 |
| Makueni | 1,093,000,000 | 391,011,277 | 35.8 |
| Mandera | 200,037,792 | 109,108,870 | 54.5 |
| Marsabit | 150,000,000 | 84,729,538 | 56.5 |
| Meru | 600,000,000 | 316,124,165 | 52.7 |
| Migori | 285,000,000 | 221,751,429 | 77.8 |
| Mombasa | 5,252,448,363 | 2,478,670,237 | 47.2 |
| Murang'a | 900,000,000 | 442,468,954 | 49.2 |
| Nairobi City | 16,209,511,170 | 7,988,810,107 | 49.3 |
| Nakuru | 1,800,000,000 | 1,247,530,155 | 69.3 |
| Nandi | 405,408,260 | 174,091,347 | 42.9 |
| Narok | 3,133,923,503 | 453,294,737 | 14.5 |
| Nyamira | 250,000,000 | 121,714,967 | 48.7 |
| Nyandarua | 830,000,000 | 274,813,477 | 33.1 |
| Nyeri | 1,000,000,000 | 645,810,014 | 64.6 |
| Samburu | 180,312,319 | 49,683,593 | 27.6 |
| Siaya | 351,000,000 | 238,910,584 | 68.1 |
| Taita Taveta | 363,000,000 | 201,703,500 | 55.6 |
| Tana River | 72,600,000 | 67,211,547 | 92.6 |
| Tharaka Nithi | 350,000,000 | 168,311,841 | 48.1 |
| Trans Nzoia | 991,000,000 | 734,577,793 | 74.1 |
| Turkana | 150,000,000 | 126,675,575 | 84.5 |
| Uasin Gishu | 991,000,000 | 734,577,793 | 74.1 |
| Vihiga | 216,096,587 | 98,198,179 | 45.4 |
| Wajir | 150,000,000 | 26,955,722 | 18.0 |
| West Pokot | 168,352,202 | 82,477,078 | 49.0 |
| Total | 56,018,175,633 | 25,517,147,916 | 45.6 |

Source: County Treasuries

Analysis of own-source revenue as a proportion of the annual revenue target indicates that Tana River, Turkana, and Migori achieved the highest ratios at 92.6 per cent, 84.5 per cent, and 77.8 per cent, respectively. Conversely, counties that recorded the lowest proportion of own-source revenue against annual targets were Narok at 14.5 per cent, Wajir at 18 per cent, and Busia at 20.7 per cent.

2.3 Funds Released to the Counties

2.3.1 Funds released from the Consolidated Fund to the Counties

In the first nine months of the FY 2020/21, the Controller of Budget (COB) approved the transfer of Kshs.184.95 billion as equitable share of revenue raised nationally from the Consolidated Fund to the various County Revenue Funds (CRFs) in accordance with Article 206 (4) of the Constitution. The transferred amount includes the outstanding allocation of the equitable share of the revenue for FY 2019/20 of Kshs.26.22 billion, which was disbursed in August, 2020.

In addition, County Governments received Kshs.1.99 billion for Level 5 Hospitals, Kshs.1 billion for Rehabilitations of Youth Polytechnics, Kshs.2.1 billion for Transforming Health Systems for Universal Health Care (THSUS), Kshs.1.46 billion for Kenya Urban Support Project (KUSP), Kshs.3.23 billion for National Agricultural and Rural Inclusive Growth Project (NAGRIP), Kshs.2.66 billion for Kenya Climate-Smart Agriculture Project (KCSAP), Kshs.2.12 billion for Kenya Devolution Support Programme (KDSP) Level 1, Kshs.434.33 million for Agricultural Sector Development Support Programme (ASDSP) Phase 11, Kshs.1.25 billion for Water & Sanitation Development Project (WSDP) and Kshs.352.8 million from Danish International Development Agency (DANIDA). Detailed analysis of the released equitable and conditional grants to each county is provided in chapter three.

2.3.2 Funds Released to the County Operational Accounts

The COB authorised withdrawals of Kshs.223.97 billion from the County Revenue Funds to County Operational Accounts of the County Governments comprised of Kshs.48.42 billion (21.6 per cent) for development expenditure and Kshs.175.56 billion (78.4 per cent) for recurrent expenditure. Detailed analysis of the funds released to each county is provided in chapter three.

2.4 Expenditure Analysis

The total expenditure by County governments in the first nine months of the FY 2020/21 is Kshs.221.39 billion, representing an absorption rate of 44.2 per cent of the total annual County Government's Budgets. This was a decrease from an absorption rate of 49.3 per cent reported attained in a similar period in FY 2019/20 where total expenditure was Kshs.241.6 billion.

Recurrent expenditure was Kshs.172.93 billion, representing 56.2 per cent of the annual recurrent budget, and a decline from 63.9 per cent reported in a similar period of FY 2019/20. Development expenditure amounted to Kshs.48.45 billion, representing an absorption rate of 25.1 per cent, and a slight improvement from 25 per cent attained in the first nine months of FY 2019/20 when total development expenditure was Kshs.49.78 billion. The analysis of expenditure by economic classification in the first nine months FY 2020/21 is provided in Table 2.2.

Table 2.2: Expenditure by Major Economic Classification - First Nine Months of FY 2020/21

| County | Recurrent Expenditure (Kshs.) | | | Development Expenditure (Kshs.) | Total Expenditure (Kshs.) |
|-----------------|-------------------------------|--------------------------|-----------------------------|---------------------------------|---------------------------|
| | Personnel Emoluments | Operations & Maintenance | Total Recurrent Expenditure | | |
| | A | B | C=A+B | D | E=C+D |
| Baringo | 2,205,739,823 | 609,358,922 | 2,815,098,745 | 243,094,244 | 3,058,192,990 |
| Bomet | 1,847,637,230 | 958,761,137 | 2,806,398,367 | 757,631,571 | 3,564,029,938 |
| Bungoma | 3,796,080,737 | 1,695,615,958 | 5,491,696,695 | 981,257,914 | 6,472,954,609 |
| Busia | 2,661,192,966 | 1,309,213,512 | 3,970,406,478 | 965,117,487 | 4,935,523,966 |
| Elgeyo Marakwet | 1,894,721,448 | 358,074,233 | 2,252,795,681 | 519,954,207 | 2,772,749,888 |
| Embu | 1,894,790,922 | 612,698,415 | 2,507,489,337 | 544,718,087 | 3,052,207,424 |
| Garissa | 3,016,195,949 | 1,340,935,975 | 4,357,131,924 | 1,111,795,001 | 5,468,926,925 |
| Homa Bay | 2,474,156,493 | 688,426,854 | 3,162,583,347 | 1,121,671,832 | 4,284,255,179 |
| Isiolo | 996,755,624 | 876,116,026 | 1,872,871,650 | 546,617,571 | 2,419,489,221 |
| Kajiado | 1,686,662,495 | 1,666,158,239 | 3,352,820,734 | 1,848,594,225 | 5,201,414,959 |
| Kakamega | 3,278,358,802 | 1,369,677,314 | 4,648,036,116 | 2,330,881,262 | 6,978,917,378 |
| Kericho | 1,594,853,587 | 1,051,318,570 | 2,646,172,157 | 698,313,606 | 3,344,485,763 |
| Kiambu | 6,077,118,814 | 2,025,845,471 | 8,102,964,286 | 2,016,996,140 | 10,119,960,426 |
| Kilifi | 2,969,552,517 | 1,434,364,538 | 4,403,917,055 | 966,388,489 | 5,370,305,544 |
| Kirinyaga | 1,915,003,980 | 884,436,852 | 2,799,440,832 | 562,782,417 | 3,362,223,249 |
| Kisii | 3,708,288,962 | 907,699,638 | 4,615,988,600 | 1,241,121,109 | 5,857,109,709 |
| Kisumu | 1,015,195,508 | 679,714,952 | 1,694,910,460 | 169,634,487 | 1,864,544,948 |
| Kitui | 3,553,080,484 | 1,365,947,506 | 4,919,027,990 | 2,149,992,835 | 7,069,020,825 |
| Kwale | 2,382,180,884 | 1,721,946,019 | 4,104,126,903 | 1,628,342,342 | 5,732,469,245 |
| Laikipia | 1,835,163,615 | 945,639,117 | 2,780,802,732 | 690,373,757 | 3,471,176,489 |
| Lamu | 1,038,370,457 | 416,927,356 | 1,455,297,813 | 121,059,643 | 1,576,357,455 |
| Machakos | 3,838,555,181 | 1,323,658,350 | 5,162,213,531 | 1,147,246,740 | 6,309,460,271 |
| Makueni | 2,134,536,590 | 1,288,076,220 | 3,422,612,811 | 1,645,132,067 | 5,067,744,878 |
| Mandera | 2,380,330,434 | 1,975,303,984 | 4,355,634,417 | 2,202,583,879 | 6,558,218,296 |
| Marsabit | 1,687,886,677 | 752,511,568 | 2,440,398,244 | 1,460,754,394 | 3,901,152,638 |
| Meru | 3,374,748,305 | 1,756,224,937 | 5,130,973,242 | 737,169,226 | 5,868,142,468 |
| Migori | 1,945,716,751 | 873,259,311 | 2,818,976,062 | 808,790,412 | 3,627,766,474 |
| Mombasa | 3,216,595,595 | 1,793,455,797 | 5,010,051,392 | 2,278,414,219 | 7,288,465,611 |
| Murang'a | 2,654,596,548 | 570,436,435 | 3,225,032,984 | 1,593,383,038 | 4,818,416,022 |
| Nairobi City | 4,544,005,024 | 3,180,018,929 | 7,724,023,953 | 79,125,505 | 7,803,149,457 |
| Nakuru | 4,505,807,776 | 2,197,473,528 | 6,703,281,304 | 1,358,265,462 | 8,061,546,766 |
| Nandi | 2,746,082,903 | 778,331,225 | 3,524,414,128 | 1,026,332,939 | 4,550,747,067 |
| Narok | 2,692,102,482 | 1,722,793,277 | 4,414,895,759 | 727,691,214 | 5,142,586,973 |
| Nyamira | 2,279,919,474 | 619,814,671 | 2,899,734,145 | 837,669,609 | 3,737,403,754 |

| County | Recurrent Expenditure (Kshs.) | | | Development Expenditure (Kshs.) | Total Expenditure (Kshs.) |
|---------------|-------------------------------|--------------------------|-----------------------------|---------------------------------|---------------------------|
| | Personnel Emoluments | Operations & Maintenance | Total Recurrent Expenditure | | |
| | A | B | C=A+B | D | E=C+D |
| Nyandarua | 1,689,255,071 | 1,362,438,373 | 3,051,693,444 | 428,305,593 | 3,479,999,038 |
| Nyeri | 2,939,328,320 | 1,140,075,709 | 4,079,404,029 | 974,242,700 | 5,053,646,729 |
| Samburu | 1,739,614,159 | 947,402,301 | 2,687,016,460 | 398,592,844 | 3,085,609,304 |
| Siaya | 1,825,499,689 | 1,479,995,632 | 3,305,495,321 | 880,266,984 | 4,185,762,305 |
| Taita Taveta | 1,860,747,542 | 609,398,070 | 2,470,145,612 | 749,039,039 | 3,219,184,651 |
| Tana River | 972,088,953 | 938,473,021 | 1,910,561,974 | 762,521,677 | 2,673,083,651 |
| Tharaka Nithi | 1,791,153,873 | 684,788,800 | 2,475,942,673 | 692,373,003 | 3,168,315,676 |
| Trans Nzoia | 2,691,327,710 | 908,677,099 | 3,600,004,809 | 1,311,740,465 | 4,911,745,274 |
| Turkana | 2,874,709,375 | 2,275,417,684 | 5,150,127,059 | 1,121,053,595 | 6,271,180,654 |
| Uasin Gishu | 2,691,327,710 | 908,677,099 | 3,600,004,809 | 1,311,740,465 | 4,911,745,274 |
| Vihiga | 1,796,826,024 | 669,965,877 | 2,466,791,901 | 493,377,058 | 2,960,168,959 |
| Wajir | 2,459,492,300 | 1,235,115,680 | 3,694,607,980 | 1,661,531,885 | 5,356,139,865 |
| West Pokot | 2,021,445,675 | 827,579,684 | 2,849,025,359 | 553,799,601 | 3,402,824,960 |
| Total | 117,194,801,438 | 55,738,239,865 | 172,933,041,303 | 48,457,481,840 | 221,390,523,143 |

Source: OCoB and County Treasuries

The Counties that attained the highest expenditure in absolute terms were; Kiambu at Kshs.10.12 billion, Nakuru at Kshs.8.06 billion, and Nairobi at Kshs.7.80 billion. The lowest expense was recorded by Isiolo, Kisumu and Lamu at Kshs.2.42 billion, Kshs.1.86 billion and Kshs.1.58 billion.

A review of cumulative expenditure by economic classification showed that Kshs.117.19 billion (52.9 per cent) was spent on Personnel Emoluments, Kshs.55.74 billion (25.2 per cent) on Operations and Maintenance, and Kshs.48.46 billion (21.9 per cent) on Development Expenditure.

2.4.1 Development Expenditure

The County governments spent Kshs.48.46 billion on development activities, representing an absorption rate of 25.1 per cent of the annual development budget, which is a slight increase from 25 per cent, reported in a similar period of FY 2019/20 when development expenditure was Kshs.49.78 billion.

Analysis of county budgets and expenditure in the first nine months of the FY 2020/21 is provided in Table 2.3.

Table 2.3: County Budget Allocation, Expenditure and Absorption Rate for First Nine Months FY 2020/21

| County | Budget Estimates (Kshs. Million) | | | Expenditure (Kshs. Million) | | | Recurrent Absorption Rate (%) | Development Absorption Rate (%) | Overall Absorption Rate (%) |
|-----------------|----------------------------------|----------|--------|-----------------------------|----------|-----------|-------------------------------|---------------------------------|-----------------------------|
| | Rec | Dev | Total | Rec | Dev | Total | | | |
| | A | B | C=A+B | D | E | F=D+E | G=D/A*100 | H=E/B*100 | I=F/C*100 |
| Baringo | 4,647.47 | 3,265.07 | 7,913 | 2,815.10 | 243.09 | 3,058.19 | 60.6 | 7.4 | 38.6 |
| Bomet | 4,824.82 | 2,523.03 | 7,348 | 2,806.40 | 757.63 | 3,564.03 | 58.2 | 30.0 | 48.5 |
| Bungoma | 8,298.25 | 3,604.08 | 11,902 | 5,491.70 | 981.26 | 6,472.95 | 66.2 | 27.2 | 54.4 |
| Busia | 5,672.19 | 4,746.72 | 10,419 | 3,970.41 | 965.12 | 4,935.52 | 70.0 | 20.3 | 47.4 |
| Elgeyo Marakwet | 3,502.64 | 2,449.10 | 5,952 | 2,252.80 | 519.95 | 2,772.75 | 64.3 | 21.2 | 46.6 |
| Embu | 4,315.42 | 2,149.24 | 6,465 | 2,507.49 | 544.72 | 3,052.21 | 58.1 | 25.3 | 47.2 |
| Garissa | 6,696.48 | 3,480.28 | 10,177 | 4,357.13 | 1,111.80 | 5,468.93 | 65.1 | 31.9 | 53.7 |
| Homa Bay | 5,577.86 | 3,341.24 | 8,919 | 3,162.58 | 1,121.67 | 4,284.26 | 56.7 | 33.6 | 48.0 |
| Isiolo | 3,401.67 | 2,349.49 | 5,751 | 1,872.87 | 546.62 | 2,419.49 | 55.1 | 23.3 | 42.1 |
| Kajiado | 6,429.12 | 3,864.56 | 10,294 | 3,352.82 | 1,848.59 | 5,201.41 | 52.2 | 47.8 | 50.5 |
| Kakamega | 8,989.67 | 7,511.21 | 16,501 | 4,648.04 | 2,330.88 | 6,978.92 | 51.7 | 31.0 | 42.3 |
| Kericho | 4,290.88 | 3,366.95 | 7,658 | 2,646.17 | 698.31 | 3,344.49 | 61.7 | 20.7 | 43.7 |
| Kiambu | 11,606.99 | 6,287.73 | 17,895 | 8,102.96 | 2,017.00 | 10,119.96 | 69.8 | 32.1 | 56.6 |
| Kilifi | 9,047.42 | 5,558.00 | 14,605 | 4,403.92 | 966.39 | 5,370.31 | 48.7 | 17.4 | 36.8 |

| County | Budget Estimates (Kshs. Million) | | | Expenditure (Kshs. Million) | | | Recurrent Absorption Rate (%) | Development Absorption Rate (%) | Overall Absorption Rate (%) |
|---------------|----------------------------------|----------------|----------------|-----------------------------|---------------|----------------|-------------------------------|---------------------------------|-----------------------------|
| | Rec | Dev | Total | Rec | Dev | Total | | | |
| | A | B | C=A+B | D | E | F=D+E | | | |
| Kirinyaga | 4,212.50 | 2,583.11 | 6,796 | 2,799.44 | 562.78 | 3,362.22 | 66.5 | 21.8 | 49.5 |
| Kisii | 8,680.12 | 3,976.09 | 12,656 | 4,615.99 | 1,241.12 | 5,857.11 | 53.2 | 31.2 | 46.3 |
| Kisumu | 8,025.44 | 4,754.92 | 12,780 | 1,694.91 | 169.63 | 1,864.54 | 21.1 | 3.6 | 14.6 |
| Kitui | 7,435.15 | 4,404.66 | 11,840 | 4,919.03 | 2,149.99 | 7,069.02 | 66.2 | 48.8 | 59.7 |
| Kwale | 5,479.99 | 6,447.71 | 11,928 | 4,104.13 | 1,628.34 | 5,732.47 | 74.9 | 25.3 | 48.1 |
| Laikipia | 4,812.19 | 3,107.73 | 7,920 | 2,780.80 | 690.37 | 3,471.18 | 57.8 | 22.2 | 43.8 |
| Lamu | 2,747.37 | 2,009.28 | 4,757 | 1,455.30 | 121.06 | 1,576.36 | 53.0 | 6.0 | 33.1 |
| Machakos | 8,786.18 | 5,132.43 | 13,919 | 5,162.21 | 1,147.25 | 6,309.46 | 58.8 | 22.4 | 45.3 |
| Makueni | 6,674.86 | 4,998.07 | 11,673 | 3,422.61 | 1,645.13 | 5,067.74 | 51.3 | 32.9 | 43.4 |
| Mandera | 7,169.05 | 6,150.68 | 13,320 | 4,355.63 | 2,202.58 | 6,558.22 | 60.8 | 35.8 | 49.2 |
| Marsabit | 4,337.62 | 3,680.22 | 8,018 | 2,440.40 | 1,460.75 | 3,901.15 | 56.3 | 39.7 | 48.7 |
| Meru | 7,965.48 | 3,818.30 | 11,784 | 5,130.97 | 737.17 | 5,868.14 | 64.4 | 19.3 | 49.8 |
| Migori | 5,447.75 | 3,709.04 | 9,157 | 2,818.98 | 808.79 | 3,627.77 | 51.7 | 21.8 | 39.6 |
| Mombasa | 9,709.24 | 4,925.34 | 14,635 | 5,010.05 | 2,278.41 | 7,288.47 | 51.6 | 46.3 | 49.8 |
| Murang'a | 5,730.89 | 3,154.16 | 8,885 | 3,225.03 | 1,593.38 | 4,818.42 | 56.3 | 50.5 | 54.2 |
| Nairobi City | 27,785.48 | 10,096.26 | 37,882 | 7,724.02 | 79.13 | 7,803.15 | 27.8 | 0.8 | 20.6 |
| Nakuru | 10,934.46 | 9,812.85 | 20,747 | 6,703.28 | 1,358.27 | 8,061.55 | 61.3 | 13.8 | 38.9 |
| Nandi | 5,022.02 | 2,589.50 | 7,612 | 3,524.41 | 1,026.33 | 4,550.75 | 70.2 | 39.6 | 59.8 |
| Narok | 7,636.22 | 3,619.80 | 11,256 | 4,414.90 | 727.69 | 5,142.59 | 57.8 | 20.1 | 45.7 |
| Nyamira | 4,619.08 | 2,276.12 | 6,895 | 2,899.73 | 837.67 | 3,737.40 | 62.8 | 36.8 | 54.2 |
| Nyandarua | 4,478.17 | 2,388.52 | 6,867 | 3,051.69 | 428.31 | 3,480.00 | 68.1 | 17.9 | 50.7 |
| Nyeri | 5,849.24 | 3,180.41 | 9,030 | 4,079.40 | 974.24 | 5,053.65 | 69.7 | 30.6 | 56.0 |
| Samburu | 4,238.93 | 2,641.73 | 6,881 | 2,687.02 | 398.59 | 3,085.61 | 63.4 | 15.1 | 44.8 |
| Siaya | 5,078.33 | 3,873.23 | 8,952 | 3,305.50 | 880.27 | 4,185.76 | 65.1 | 22.7 | 46.8 |
| Taita/Taveta | 3,813.25 | 1,967.42 | 5,781 | 2,470.15 | 749.04 | 3,219.18 | 64.8 | 38.1 | 55.7 |
| Tana River | 4,720.38 | 3,424.87 | 8,145 | 1,910.56 | 762.52 | 2,673.08 | 40.5 | 22.3 | 32.8 |
| Tharaka Nithi | 3,801.34 | 2,056.49 | 5,858 | 2,475.94 | 692.37 | 3,168.32 | 65.1 | 33.7 | 54.1 |
| Trans Nzoia | 5,452.72 | 6,274.37 | 11,727 | 3,600.00 | 1,311.74 | 4,911.75 | 66.0 | 20.9 | 41.9 |
| Turkana | 9,134.85 | 5,897.90 | 15,033 | 5,150.13 | 1,121.05 | 6,271.18 | 56.4 | 19.0 | 41.7 |
| Uasin Gishu | 5,452.72 | 6,274.37 | 11,727 | 3,600.00 | 1,311.74 | 4,911.75 | 66.0 | 20.9 | 41.9 |
| Vihiga | 3,929.98 | 2,622.85 | 6,553 | 2,466.79 | 493.38 | 2,960.17 | 62.8 | 18.8 | 45.2 |
| Wajir | 6,645.59 | 4,298.51 | 10,944 | 3,694.61 | 1,661.53 | 5,356.14 | 55.6 | 38.7 | 48.9 |
| West Pokot | 4,362.67 | 2,655.50 | 7,018 | 2,849.03 | 553.80 | 3,402.82 | 65.3 | 20.9 | 48.5 |
| Total | 307,470 | 193,299 | 500,769 | 172,933 | 48,457 | 221,391 | 56.2 | 25.1 | 44.2 |

Source: OCoB and County Treasuries

Analysis of development expenditure as a proportion of approved annual development budget shows that Murang'a, Kitui, Kajiado and Mombasa Counties attained the highest absorption rate at 50.5 per cent, 48.8 per cent, 47.8 per cent and 46.3 per cent respectively. County governments that recorded the lowest absorption rate of development budget were Nairobi City at 0.8 per cent, Kisumu at 3.6 per cent, Lamu at 6 per cent and Baringo at 7.4 per cent. An analysis of the development projects implemented by counties is provided in chapter three.

2.4.2 Recurrent Expenditure

The Counties spent an aggregate of Kshs.172.93 billion or 78.1 per cent of the total expenditure on recurrent activities. This expenditure represents 56.2 per cent of the annual county government's budget for recurrent activities, and a decline from 63.9 per cent recorded in the first nine months of the FY 2019/20 when expenditure stood at Kshs.191.82 billion.

The recurrent expenditure comprised of Kshs.117.19 billion (67.8 per cent) on Personnel Emoluments and Kshs.55.74 billion (32.2 per cent) on Operations and Maintenance (O&M) expenditure. An analysis of the recurrent expenditure by counties is provided in chapter three.

2.4.3 Review of MCA Sitting Allowances

During the reporting period, the County Assemblies spent Kshs.1.49 billion on MCAs Sitting allowances against an approved budget allocation of Kshs.2.88 billion. This expenditure translates to 51.8 per cent of the approved MCAs sitting allowance budget and a decrease from 56.2 per cent attained in a similar period of FY 2019/20 when Kshs.1.62 billion was spent. Table 2.4 shows the budgetary allocation and expenditure on MCAs and Speakers sitting allowances in the first nine months of the FY 2020/21.

Table 2.4: MCAs Budget Allocation, Expenditure and Absorption Rate in the First Nine Months of FY 2020/21

| County | Budget (Kshs.) | Expenditure (Kshs.) | Absorption (%) | No. of MCA's | Average monthly sitting allowance per MCA (Kshs.) |
|-----------------|----------------|---------------------|----------------|--------------|---|
| | A | B | C=B/A*100 | D | E=B/D/3 |
| Baringo | 66,947,766 | 34,556,300 | 51.6 | 46 | 83,469 |
| Bomet | 31,630,578 | 25,945,250 | 82.0 | 37 | 77,914 |
| Bungoma | 179,966,216 | 29,971,500 | 16.7 | 61 | 54,593 |
| Busia | 75,114,363 | 53,196,421 | 70.8 | 54 | 109,458 |
| Elgeyo Marakwet | 43,287,029 | 28,776,262 | 66.5 | 34 | 94,040 |
| Embu | 33,542,577 | 22,511,468 | 67.1 | 35 | 71,465 |
| Garissa | 63,024,000 | 22,409,700 | 35.6 | 51 | 48,823 |
| Homa Bay | 117,715,200 | 100,710,341 | 85.6 | 61 | 183,443 |
| Isiolo | 24,362,119 | 11,215,629 | 46.0 | 18 | 69,232 |
| Kajiado | 20,500,000 | 3,510,600 | 17.1 | 42 | 9,287 |
| Kakamega | 133,286,400 | 86,332,790 | 64.8 | 90 | 106,584 |
| Kericho | 68,047,200 | 25,209,651 | 37.0 | 48 | 58,356 |
| Kiambu | 120,000,000 | 67,642,900 | 56.4 | 93 | 80,816 |
| Kilifi | 26,463,480 | 20,342,346 | 76.9 | 56 | 40,362 |
| Kirinyaga | 39,310,400 | 25,690,300 | 65.4 | 34 | 83,955 |
| Kisii | 115,074,000 | 63,563,409 | 55.2 | 71 | 99,473 |
| Kisumu | 83,440,800 | 41,068,238 | 49.2 | 49 | 93,125 |
| Kitui | 59,771,200 | 38,156,370 | 63.8 | 55 | 77,084 |
| Kwale | 49,242,000 | 33,308,758 | 67.6 | 31 | 119,386 |
| Laikipia | 43,305,696 | 43,305,696 | 100.0 | 25 | 192,470 |
| Lamu | 19,952,000 | 7,517,300 | 37.7 | 19 | 43,961 |
| Machakos | 60,728,920 | 53,940,400 | 88.8 | 61 | 98,252 |
| Makueni | 74,000,000 | 39,950,800 | 54.0 | 49 | 90,591 |
| Mandera | 55,000,000 | 17,584,200 | 32.0 | 49 | 39,873 |
| Marsabit | 40,000,000 | 24,634,342 | 61.6 | 31 | 88,295 |
| Meru | 100,075,665 | 47,317,900 | 47.3 | 69 | 76,196 |
| Migori | 100,211,200 | 56,026,566 | 55.9 | 57 | 109,214 |
| Mombasa | 50,000,000 | 23,787,800 | 47.6 | 43 | 61,467 |
| Murang'a | 72,000,000 | 27,373,479 | 38.0 | 54 | 56,324 |
| Nairobi City | 109,120,000 | 68,098,600 | 62.4 | 124 | 61,020 |
| Nakuru | 92,000,000 | 22,199,155 | 24.1 | 79 | 31,222 |
| Nandi | 53,557,481 | 14,706,900 | 27.5 | 40 | 40,853 |
| Narok | 58,813,760 | 16,347,000 | 27.8 | 48 | 37,840 |
| Nyamira | 55,436,373 | 33,135,767 | 59.8 | 37 | 99,507 |

| County | Budget (Kshs.) | Expenditure (Kshs.) | Absorption (%) | No. of MCA's | Average monthly sitting allowance per MCA (Kshs.) |
|---------------|----------------------|----------------------|----------------|--------------|---|
| | A | B | C=B/A*100 | D | E=B/D/3 |
| Nyandarua | 55,773,600 | 21,681,540 | 38.9 | 40 | 60,227 |
| Nyeri | 50,668,800 | 38,564,500 | 76.1 | 45 | 95,221 |
| Samburu | 24,300,000 | 19,211,330 | 79.1 | 28 | 76,235 |
| Siaya | 48,040,000 | 41,445,700 | 86.3 | 43 | 107,095 |
| Taita Taveta | 26,200,000 | 14,510,400 | 55.4 | 35 | 46,065 |
| Tana River | 49,171,200 | 14,082,000 | 28.6 | 24 | 65,194 |
| Tharaka Nithi | 31,248,000 | 12,092,751 | 38.7 | 21 | 63,983 |
| Trans Nzoia | 62,853,600 | 18,061,500 | 28.7 | 40 | 50,171 |
| Turkana | 36,000,000 | 16,174,600 | 44.9 | 48 | 37,441 |
| Uasin Gishu | 36,689,000 | 22,276,300 | 60.7 | 48 | 51,566 |
| Vihiga | 73,797,200 | 35,545,220 | 48.2 | 39 | 101,268 |
| Wajir | 22,048,000 | 8,574,400 | 38.9 | 51 | 18,681 |
| West Pokot | 31,788,328 | - | - | 34 | - |
| Total | 2,883,504,151 | 1,492,264,379 | 51.8 | 2,247 | 73,790 |

Source: OCoB and County Treasuries

County Assemblies of Laikipia and Homa Bay reported higher expenditure on sitting allowance than the recommended monthly ceiling of Kshs.124,800 by the Salaries and Remuneration Commission (SRC). West Pokot County Assembly did not report any expenditure on MCAs sitting allowance during the reporting period.

3 BUDGET PERFORMANCE BY COUNTY

3.1 Introduction

This chapter provides individual county budget performance in the first nine months of the FY 2020/21. The 47 county governments are presented in alphabetical order.

3.2 County Government of Baringo

3.2.1 Overview of FY 2020/21 Budget

The County's approved supplementary budget for FY 2020/21 is Kshs.7.91 billion, comprising of Kshs.3.27 billion (41.3 per cent) and Kshs.4.65 billion (58.7 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.5.10 billion (64.4 per cent) as the equitable share of revenue raised nationally, Kshs.1.16 billion (14.7 per cent) as total conditional grants, generate Kshs.346.09 million (4.4 per cent) from own sources of revenue, and a cash balance of Kshs.1.17 billion (14.8 per cent) from FY 2019/20. The County also expects to receive Kshs.135 million (1.7 per cent) as "other revenues" not contained in the CARA, 2020. "Other revenues" consist of Kshs.84.34 million grants for COVID-19 from National Government, Kshs.5.67 million grants for COVID-19 from DANIDA and Kshs.44.99 million allowances for Frontline Healthcare Workers as approved by Salaries and Remuneration Commission (SRC).

3.2.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.2.11 billion as an equitable share of the revenue raised nationally, Kshs.733.91 million as conditional grants, raised Kshs.147.63 million as own-source revenue, Kshs.50.66 million as "other revenues", and had a cash balance of Kshs.1.17 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.4.22 billion, as shown in Table 3.1.

Table 3.1: Baringo County, Revenue Performance in the First Nine months of FY 2020/21

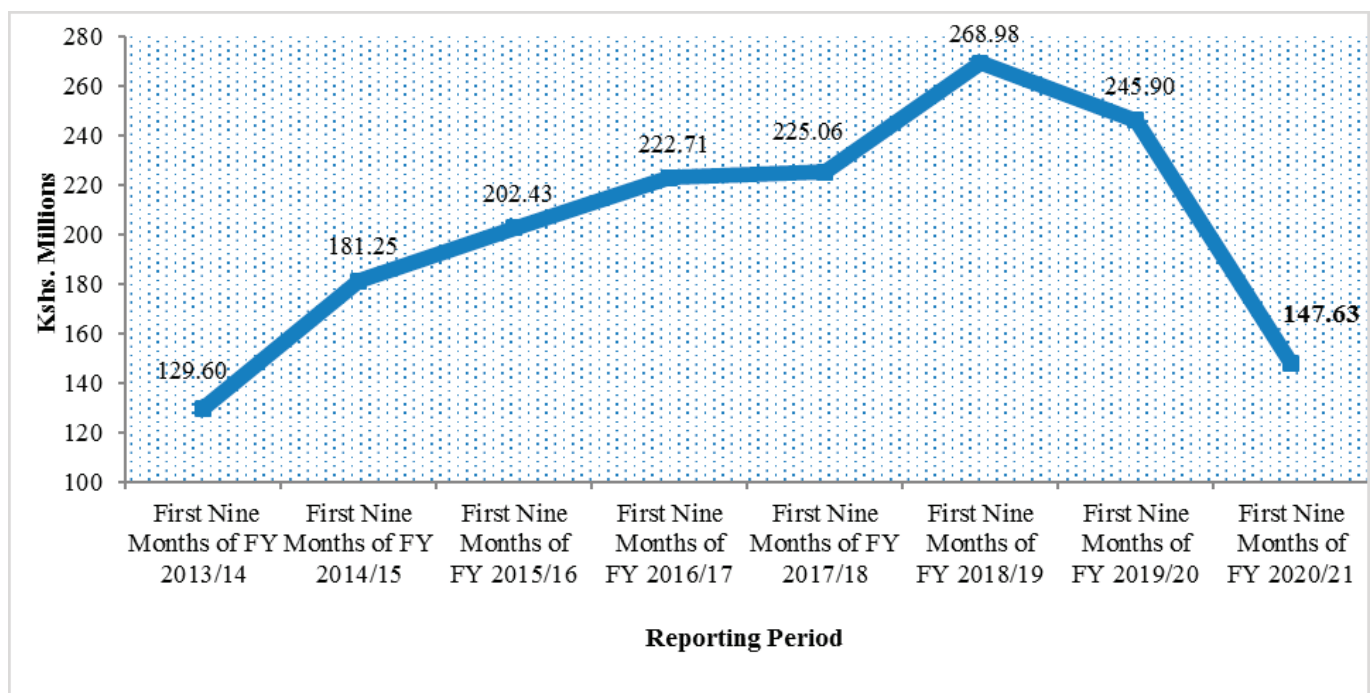
| S/No. | Revenue Category | Annual 2020 (Kshs) | CARA, Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|------------------|--|--------------------|-------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 5,095,650,000 | | 5,095,650,000 | 2,114,694,750 | 41.5 |
| B. | Conditional Grants from the National Government | | | | | |
| 1. | Compensation for User Fee Foregone Plus Balance B/fwd | 13,191,000 | | 26,382,000 | 13,191,000 | 50.0 |
| 2. | Leasing of Medical Equipment | 132,021,277 | | 132,021,277 | - | 0.0 |
| 3. | Road Maintenance Fuel Levy Fund Plus Balance B/fwd | 152,818,903 | | 353,897,567 | 277,488,116 | 78.4 |
| 4. | Rehabilitation of Village Polytechnics plus Balance B/fwd | 20,494,894 | | 38,070,692 | 27,823,245 | 73.1 |
| Sub Total | | 318,526,074 | | 550,371,536 | 318,502,361 | 57.9 |
| C. | Loans and Grants from Development Partners | | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) plus balances bfw | 98,424,470 | | 123,948,349 | 75,281,567 | 60.7 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | - | | - | - | 0.0 |
| 3. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) plus balance B/fwd | 247,240,980 | | 319,549,645 | 192,855,150 | 60.4 |
| 4. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant plus balances bfw | 45,000,000 | | 75,000,000 | 75,000,000 | 100.0 |
| 5. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) plus balances bfw | - | | 37,450,261 | 37,450,261 | 100.0 |
| 6. | DANIDA Grant | 14,490,000 | | 14,490,000 | 7,245,000 | 50.0 |
| 7. | EU Grant (Instruments for Devolution Advise and Support IDEAS) | 15,626,168 | | 15,626,168 | - | 0.0 |

| S/No. | Revenue Category | Annual 2020 CARA, Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|--|-------------------------------------|--|---|--|
| 8. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II plus balances b/wd | 13,557,645 | 15,057,645 | 14,371,531 | 95.4 |
| 9. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Institutional Grants (UIG) plus balances b/wd | - | 13,200,000 | 13,200,000 | 100.0 |
| Sub Total | | 434,339,263 | 614,322,068 | 415,403,509 | 67.6 |
| D. | Other Sources of Revenue | | | | |
| | Own Source Revenue | - | 346,088,720 | 147,634,909 | 42.7 |
| | Balance Brought Forward from FY 2019/20 | - | 1,171,110,595 | 1,171,110,595 | 100.0 |
| | Other Revenues | - | 134,996,000 | 50,655,000 | 37.5 |
| Sub Total | | - | 1,652,195,315 | 1,369,400,504 | 82.9 |
| Grand Total | | 1,262,430,337 | 7,912,538,919 | 4,218,001,124 | 53.3 |

Source: Baringo County Treasury

Figure 3.1 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.1: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Baringo County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.147.63 million as its own-source revenue. This amount represented a significant decrease of 40 per cent compared to Kshs.245.90 million realised during a similar period in FY 2019/20 and was 42.7 per cent of the annual target. The significant reduction in own-source revenue collection was partly attributed to economic disruptions occasioned by the effects of the COVID-19 pandemic, which adversely affected business and financial operations countrywide.

3.2.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.58 billion from the CRF account during the reporting period. The amount comprised of Kshs.635.93 million (17.7 per cent) for development programmes and Kshs.2.95 billion (82.3 per cent) for recurrent programmes.

3.2.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.06 billion on development and recurrent programmes. The expenditure represented 85.3 per cent of the total funds released by the COB and comprised of Kshs.243.09

million and Kshs.2.82 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 7.4 per cent while recurrent expenditure represented 60.6 per cent of the annual recurrent expenditure budget.

3.2.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.21billion was spent on compensation to employees, Kshs.609.36 million on operations and maintenance, and Kshs.243.09 million on development activities as shown in Table 3.2.

Table 3.2: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 4,647,467,647 | 2,947,714,386 | 2,815,098,745 | 60.6 |
| Compensation to Employees | 3,272,959,357 | 2,243,349,927 | 2,205,739,823 | 67.4 |
| Operations and Maintenance | 1,374,508,290 | 704,364,459 | 609,358,922 | 44.3 |
| Total Development Expenditure | 3,265,071,272 | 635,925,434 | 243,094,244 | 7.4 |
| Development Expenditure | 3,265,071,272 | 635,925,434 | 243,094,244 | 7.4 |
| Total | 7,912,538,919 | 3,583,639,820 | 3,058,192,990 | 38.6 |

Source: Baringo County Treasury

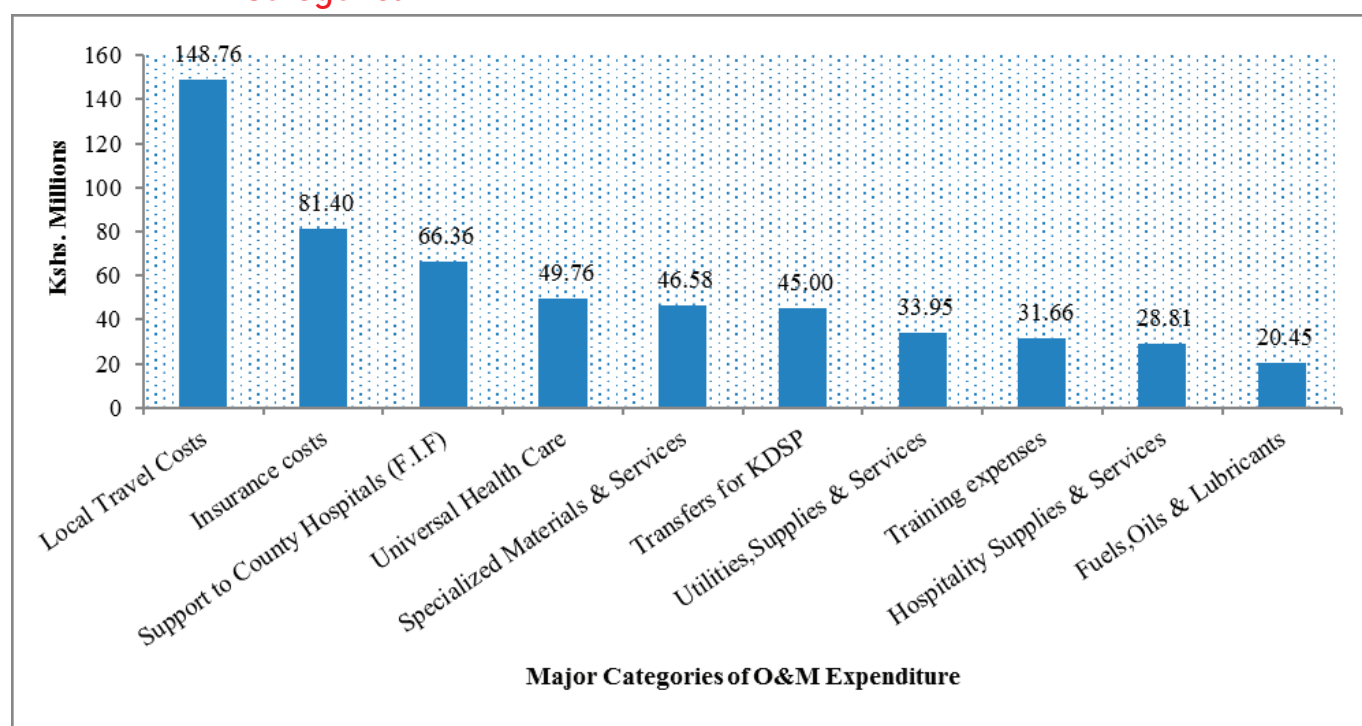
3.2.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 72.1 per cent of the total expenditure for the reporting period and 37.2 per cent of the first nine months proportional revenue estimate of Kshs.5.93billion.

3.2.7 Expenditure on Operations and Maintenance

Figure 3.2 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.2: Baringo County, Operations and Maintenance Expenditure by Major Categories



Source: Baringo County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.34.56 million on committee sitting allowances for the 45 MCAs and Speaker against the annual budget allocation of Kshs.66.95 million. The average monthly sitting allowance was Kshs.83,469 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.148.76 million and comprised of Kshs.91.58 million spent by the County Assembly and Kshs.57.18 million by the County Executive. The County did not incur any foreign travel expenditure

3.2.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.251.99 million to cater for COVID-19 related expenditure. A total of Kshs.163.03 million representing 52.1 per cent utilization, was spent during the reporting period, as shown in Table 3.3.

Table 3.3: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Expenditure as of 31 st March 2021 (Kshs) |
|------|---|--|
| 1 | Supply of PPEs to curb COVID 19 - Health | 13,240,000 |
| 2 | Payment for supply of ICU ventilators | 13,150,950 |
| 3 | Payment for construction of COVID 19 isolation ward at Mogotio Hospital | 9,080,688 |
| 4 | Supply and delivery of emergency relief food- | 8,523,000 |
| 5 | Supply and delivery of emergency relief food- | 7,997,870 |
| 6 | Supply of relief food maize and beans for COVID responses | 7,847,330 |
| 7 | Supply and delivery of emergency relief food- | 7,768,500 |
| 8 | Supply of COVID 19 equipment - Health | 7,080,000 |
| 9 | Supply of COVID 19 equipment - Health | 6,546,000 |
| 10 | Supply of relief food maize and beans for COVID responses | 6,152,670 |
| 11 | Supply and delivery of emergency relief food- | 5,907,350 |
| 12 | Supply of COVID 19 equipment - Health | 5,705,000 |
| 13 | Supply of con soya blend super cereal plus | 4,200,000 |
| 14 | Payment for construction of COVID 19 isolation ward at Mogotio hospital | 4,060,274 |
| 15 | Supply of con soya blend super cereal plus | 3,793,500 |
| 16 | Fencing of COVID 19 isolation wards at Mogotio sub county hospital | 3,172,948 |
| 17 | Supply of face masks - Health | 2,500,000 |
| 18 | Supply of tyres for water bowsers - Water | 2,400,000 |
| 19 | COVID 19 surveillance activities - Health | 2,000,000 |
| 20 | Supply and delivery of water tanks for COVID 22 | 1,972,500 |
| 21 | Supply and delivery of water tanks for COVID 19 | 1,962,780 |
| 22 | Supply and delivery of water tanks for COVID 20 | 1,960,440 |
| 23 | Community sensitization on preventive measures on COVID 19 | 1,887,500 |
| 24 | Community sensitization and preventive measures against COVID 19 - Health | 1,687,500 |
| 25 | Supply and delivery of medical supplies to support fight of COVID 19 | 1,674,500 |
| 26 | Supply of COVID 19 equipment - Health | 1,567,000 |
| 27 | Payment for supply of fuels | 1,474,138 |
| 28 | Supply and delivery of water tanks for COVID 21 | 1,417,000 |
| 29 | Supply and delivery of water tanks for COVID 21 | 1,021,500 |
| 30 | Facilitation for staff allowances fighting COVID 19 - Health | 1,000,000 |
| 31 | Facilitation for staff allowances fighting COVID 19 - Health | 1,000,000 |
| 32 | Supply of bulky fuel for ambulances - COVID 19 - Health | 1,000,000 |
| 33 | Supply of bulky fuel for water tracking - Water | 880,000 |
| 34 | Payment for transportation services of relief food Tiaty sub county | 793,359 |
| 35 | Inspection and assessment of Mogotio sub county hospitall COVID- 19 isolation wards | 741,100 |
| 36 | Facilitation of awareness and surveillance activities COVID 19 - health | 700,000 |
| 37 | Facilitation for food distribution for vulnerable families - Taty sub county | 687,000 |
| 38 | Supply of face masks material | 669,500 |
| 39 | Payment for transportation services of relief food Mogotio sub county | 653,224 |
| 40 | Facilitation | 615,000 |
| 41 | Supply of human drugs to fight COVID 19 - Health | 611,000 |
| 42 | Supply of chlorine granules - COVID 19 | 594,000 |

| S/No | Description of Expenditure Category | Expenditure as of 31 st March 2021 (Kshs) |
|------|---|--|
| 43 | Mask accessories branding logistics - Health | 590,500 |
| 44 | Validation of registered vulnerable for emergency relief food supply | 586,370 |
| 45 | Targeting and registration of vulnerable for emergency relief food supply | 564,000 |
| 46 | Facilitation for food distribution for vulnerable families - Mogotio sub county | 531,000 |
| 47 | Support for case training on surge of malnutrition on COVID 19 - health | 515,000 |
| 48 | Facilitation for food distribution for vulnerable families - Baringo Central sub county | 510,000 |
| 49 | Facilitation for food distribution for vulnerable families - b. South sub county | 507,000 |
| 50 | Operationalization of livestock markets that were closed during COVID pandemic | 502,000 |
| 51 | Facilitation for food distribution for vulnerable families – Baringo North sub- county | 501,000 |
| 52 | Facilitation of medical staff supporting preparedness of COVID 19 | 500,000 |
| 53 | Supply of bulky fuel for COVID 19 responses | 500,000 |
| 54 | Supply of bulky fuel for COVID 19 responses - | 500,000 |
| 55 | Labour payment for manufacture of face masks - Kituro VTC - health | 500,000 |
| 56 | Facilitation of COVID 19 security meeting - (curfew enforcement) | 499,000 |
| 57 | Transportation of emergency COVID relief food-Baringo south | 497,784 |
| 58 | Facilitation for food distribution for vulnerable families - e/ravine sub county | 441,000 |
| 59 | Facilitation for COVID 19 committee meeting | 417,500 |
| 60 | Facilitation of security meeting | 400,000 |
| 61 | Facilitation of awareness and surveillances activities COVID 19 - health | 400,000 |
| 62 | Supply of spraying pumps for fumigation - health | 378,700 |
| 63 | Support towards sensitization on COVID 19 | 354,000 |
| 64 | Facilitation of awareness and surveillances activities COVID 19 - health | 350,000 |
| 65 | Facilitation of awareness and surveillance activities COVID 19 - health | 350,000 |
| 66 | Facilitation of awareness and surveillance activities COVID 19 - health | 340,000 |
| 67 | Facilitation for food distribution for vulnerable families - county wide | 326,100 |
| 68 | Media sensitization on COVID 19 - health | 300,000 |
| 69 | Facilitation of evaluation committee for supply of food stuffs | 296,000 |
| 70 | Facilitation for loading and offloading of relief food | 286,282 |
| 71 | Transportation of emergency COVID relief food-Baringo north | 281,579 |
| 72 | Support to set up of isolation ward at Kaptimbor | 270,000 |
| 73 | Payment for branding services of COVID 19 water tanks | 264,000 |
| 74 | Training of ICU staff on preparedness for COVID 19 - health | 235,200 |
| 75 | Facilitation for summit meeting on COVID 19 -NNairobi | 210,000 |
| 76 | Facilitation of COVID 19 security meeting - (curfew enforcement) | 200,000 |
| 77 | Repairs on ICU ventilators | 186,180 |
| 78 | Payment for transportation services of relief food e/ravine sub county | 171,280 |
| 79 | Facilitation for COVID 19 committee meeting | 150,000 |
| 80 | Logistics accessories for production of 50,000 face masks for COVID 19 | 150,000 |
| 81 | Payment for transportation services of relief food Baringo central-sub county | 108,271 |
| 82 | Transportation of relief food - | 106,000 |
| 83 | Catering for COVID 19 committee meeting - Health | 71,244 |
| 84 | Airtime for COVID 19 responses | 67,000 |
| 85 | Catering for COVID 19 committee meeting | 62,519 |
| 86 | IPC training on COVID 19 - health | 60,400 |
| 87 | Catering for COVID 19 committee meeting | 55,000 |
| 88 | Bulky fuel for opening of livestock markets | 49,350 |
| 89 | Supply of spare parts KBG BG 039A -Health | 45,000 |
| 90 | Transportation of PPEs kits - Health | 32,000 |
| 91 | Payments for storage services for emergency relief food at e/ravine NCPB | 31,110 |
| 92 | Payments for storage services for emergency relief food at Kabarnet NCPB | 26,483 |
| 93 | Supply of fittings forkasoio water tank to curb COVID -19 -water | 23,790 |
| 94 | Catering for COVID 19 committee meeting | 23,709 |

| S/No | Description of Expenditure Category | Expenditure as of 31 st March 2021 (Kshs) |
|------|--|--|
| 95 | Payments for staff cards for essential services during COVID 19 period | 13,500 |
| | TOTAL | 163,031,972 |

Source: Baringo County Treasury

3.2.9 Development Expenditure

The County incurred expenditure of Kshs.243.09 million on development programmes, which represented a significant decrease of 61.1 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.624.67 million. Table 3.4 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.4: Baringo County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|---------------------|------------------------|-----------------------------|---------------------|
| 1 | Kenya Devolution Support Implementation of Programmes & Activities | County wide | 246,293,730 | 246,293,730 | 100.0 |
| 2 | Implementation of IDA World Bank (KCSAP) Assorted Specified Programmes & Activities | Baringo Central | 319,549,645 | 192,855,149 | 60.4 |
| 3 | Routine Maintenance of Roads as approved by Kenya Roads Board | County Wide | 152,818,903 | 38,204,726 | 25.0 |
| 4 | Disbursement of grants to all VTC for capitation | County Wide | 20,494,894 | 10,247,447 | 50.0 |
| 5 | Implementation of the Sweden ASDSP Project activities | County Wide | 15,057,645 | 10,871,531 | 72.2 |
| 6 | Rig Operation (Testing & Commissioning) | Baringo Central | 11,200,000 | 8,690,000 | 77.6 |
| 7 | Purchase of Land for Speaker's Residence | Baringo Central | 7,360,000 | 7,360,000 | 100.0 |
| 8 | Maintenance of Lake Bogoria and Baringo revenue access roads | Baringo South/North | 7,000,000 | 7,000,000 | 100.0 |
| 9 | Purchase of Fuels for Routine Maintenance of County Roads | Baringo Central | 7,000,000 | 7,000,000 | 100.0 |
| 10 | Construction and maintenance of Molok - Kaptalan - Radat Road (RMLF) | Mogotio sub-County | 5,000,000 | 4,598,700 | 92.0 |

Source: Baringo County Treasury

3.2.10 Budget Performance by Department

Table 3.5 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.5: Baringo County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 687.93 | 17.10 | 475.72 | 7.36 | 459.45 | 7.36 | 96.6 | 100.0 | 66.8 | 43.0 |
| Governor/County Executive Services | 433.20 | 16.36 | 196.65 | 3.30 | 183.02 | 3.22 | 93.1 | 97.5 | 42.2 | 19.7 |
| County Treasury Services | 354.07 | 260.78 | 184.88 | 242.79 | 148.08 | 19.78 | 80.1 | 8.1 | 41.8 | 7.6 |
| Lands, Housing & Urban Development | 91.75 | 112.86 | 38.51 | 5.39 | 37.65 | 5.30 | 97.8 | 98.4 | 41.0 | 4.7 |
| Education and ICT | 303.85 | 164.89 | 197.07 | 10.25 | 176.78 | - | 89.7 | - | 58.2 | - |
| Industrialization, Commerce & Tourism | 78.41 | 82.63 | 36.56 | 11.00 | 26.02 | 11.00 | 71.2 | 100.0 | 33.2 | 13.3 |
| Water & Irrigation | 117.93 | 694.06 | 74.50 | 34.42 | 70.06 | 32.21 | 94.0 | 93.6 | 59.4 | 4.6 |
| Environment & Natural Resources | 38.76 | 27.58 | 22.15 | 0.68 | 20.57 | 0.68 | 92.9 | 100.0 | 53.1 | 2.5 |
| Health Services | 2201.57 | 366.98 | 1,542.20 | 22.42 | 1,538.37 | 22.06 | 99.8 | 98.4 | 69.9 | 6.0 |
| Agriculture, Livestock, Fisheries & Marketing | 238.77 | 518.03 | 124.84 | 207.57 | 114.26 | 73.61 | 91.5 | 35.5 | 47.9 | 14.2 |
| Transport & Infrastructure | 63.73 | 921.96 | 37.05 | 88.22 | 25.78 | 65.35 | 69.6 | 74.1 | 40.4 | 7.1 |
| Youth, Gender & Social Security Services | 37.50 | 81.85 | 17.58 | 2.52 | 15.06 | 2.52 | 85.7 | 100.0 | 40.2 | 3.1 |
| TOTAL | 4,647.47 | 3,265.07 | 2,947.71 | 635.93 | 2,815.10 | 243.09 | 95.5 | 38.2 | 60.6 | 7.4 |

Source: Baringo County Treasury

Analysis of departments' expenditure shows that the County Assembly reported the highest absorption rate of development budget at 43 per cent while the department of Education & ICT did not report any spending on development activities. The department of Health Services recorded the highest percentage of recurrent expenditure to budget at 69.9 per cent while Industrialization, Commerce & Tourism reported the lowest at 33.2 per cent.

3.2.11 Budget Execution by Programmes and Sub-Programmes

Table 3.6 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.6: Baringo County, Budget Execution by Programmes and Sub-programmes

| Programmes | Sub- Programmes | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|---|-------------------------|-------------------------|------------------|----------------|
| Default - Non -Programmatic | | - | 6,718,798 | 6,718,798 | - |
| | Default - Non-Programmatic | - | 6,718,798 | 6,718,798 | - |
| General administration | | 330,522,153 | 123,038,212 | 207,483,941 | 37.2 |
| | General administration, planning & support services | 330,522,153 | 123,038,212 | 207,483,941 | 37.2 |
| Land Administration | | - | - | - | - |
| | Land adjudication and demarcation | - | - | - | - |
| Urban Development-El-dama Ravine | | - | - | - | - |
| | Support service | - | - | - | - |
| Livestock Development and Management | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| | Support service | - | - | - | - |
| | Livestock Improvement, Pasture and Fodder Development | - | - | - | - |
| | Apiculture Development | - | - | - | - |
| Agricultural Development | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| Agricultural training services | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| Other Urban Infrastructure development and management | | - | - | - | - |
| | KUSP Programme | - | - | - | - |
| | | 518,029,330 | 89,162,387 | 428,866,943 | 17.2 |
| | Agribusiness Infrastructure Development | 518,029,330 | 89,162,387 | 428,866,943 | 17.2 |
| Fisheries Development and Management | | - | - | - | - |
| | Aquaculture Development | - | - | - | - |
| Urban Development-Kabarnet | | 112,859,252 | 17,844,550 | 95,014,702 | 15.8 |
| | General Administrative Services | 112,859,252 | 17,844,550 | 95,014,702 | 15.8 |
| Land Use Planning | | - | - | - | - |
| | Land Planning and Development | - | - | - | - |
| General administration | | 32,046,738 | 46,835,737 | - 14,788,999 | 146.1 |
| | General administration, planning & support services | 32,046,738 | 46,835,737 | - 14,788,999 | 146.1 |
| Rural Infrastructure Development | | - | - | - | - |
| | Rural road development and management | - | - | - | - |
| Development and Rehabilitation of rural roads and structures | | 921,958,064 | 89,102,618 | 832,855,446 | 9.7 |
| | Roads opening and rehabilitation | 921,958,064 | 89,102,618 | 832,855,446 | 9.7 |
| General administration | | 78,405,925 | 33,614,174 | 44,791,751 | 42.9 |
| | General administration, planning & support services | 78,405,925 | 33,614,174 | 44,791,751 | 42.9 |
| Tourism Dev & Marketing | | - | 132,000 | - 132,000 | 0.0 |

| Programmes | Sub- Programmes | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|--|---|-------------------------|-------------------------|--------------------|----------------|
| | General administration, planning & support services | - | 132,000 | - 132,000 | - |
| Trade Development | | 82,632,662 | 8,356,323 | 74,276,339 | 10.1 |
| | Trade Development | 82,632,662 | 8,356,323 | 74,276,339 | 10.1 |
| Industrial Dev services | | - | - | - | - |
| | Industrial Dev services | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| General administration | | 2,201,571,180 | 1,732,834,060 | 468,737,120 | 78.7 |
| | General administration, planning & support services | 2,201,571,180 | 1,732,834,060 | 468,737,120 | 78.7 |
| Health/preventive services | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| | Support service | - | - | - | - |
| Curative and Rehabilitative Services | | 366,978,995 | 35,528,876 | 331,450,119 | 9.7 |
| | General administration, planning & support services | 366,978,995 | 35,528,876 | 331,450,119 | 9.7 |
| | Support service | - | - | - | - |
| | Support to County Hospitals (FIF) | - | - | - | - |
| Preventive and Promotive Health Services | | - | 8,193,689 | - 8,193,689 | - |
| | Infrastructure Development | - | 6,149,607 | - 6,149,607 | - |
| | Compensation for User fees Forgone | - | 2,044,082 | - 2,044,082 | - |
| | Primary Health Care | - | - | - | - |
| General administration services | | 303,852,363 | 212,993,306 | 90,859,057 | 70.1 |
| | General administration, planning & support services | 303,852,363 | 212,993,306 | 90,859,057 | 70.1 |
| Early Childhood Development Education | | 164,890,401 | 24,537,841 | 140,352,560 | 14.9 |
| | Early Childhood Development Education | - | - | - | - |
| | General administration, planning & support services | 164,890,401 | 24,537,841 | 140,352,560 | 14.9 |
| | Support service | - | - | - | - |
| Vocational Training | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| General Administration, Planning and support services | | - | - | - | - |
| | General Administration services | - | - | - | - |
| Special Programmes | | - | - | - | - |
| | Secondary Schools bursary | - | - | - | - |
| | Capitation allocation on VTC - Grant | - | - | - | - |
| | School feeding programme | - | - | - | - |
| P1 OFFICE OF THE CLERK | | - | - 3,210,933 | 3,210,933 | - |
| | General administration, planning & support services | - | - 3,210,933 | 3,210,933 | - |
| | | 316,514,190 | 216,056,142 | 100,458,048 | 68.3 |
| | Support service | 299,415,998 | 208,696,142 | 90,719,856 | 69.7 |
| | General administrative services | 17,098,192 | 7,360,000 | 9,738,192 | 43.0 |
| P3 Governor's Office | | - | 12,600 | - 12,600 | - |
| | General administration, planning & support services | - | 12,600 | - 12,600 | - |
| P4 DEPUTY GOVERNOR | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| County Secretary | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| Tiaty sub county (Administration) | | - | - | - | - |

| Programmes | Sub- Programmes | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|--|---|-------------------------|-------------------------|--------------------|----------------|
| | General administration, planning & support services | - | - | - | - |
| Baringo North sub county | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| Baringo central sub county | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| Baringo South sub county | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| Mogotio sub county | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| Eldama Ravine sub county | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| County Public service Board | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| General administration | | 249,331,361 | 200,032,849 | 49,298,512 | 80.2 |
| | General administration | - | - | - | - |
| | General administration, planning & support services | 235,331,361 | 200,032,849 | 35,298,512 | 85.0 |
| | Support service | - | - | - | - |
| | Internal Audit Services | - | - | - | - |
| | Emergency Fund | 14,000,000 | - | 14,000,000 | - |
| Treasury Accounts | | | | | |
| | General administration, planning & support services | - | - | - | - |
| KDS Programme | | 90,500,000 | 16,073,482 | 74,426,518 | 17.8 |
| | General administration, planning & support services | 90,500,000 | 16,073,482 | 74,426,518 | 17.8 |
| Economic Planning, Budget, Monitoring and Evaluation Services | | | | | |
| | Support service | - | - | - | - |
| | Monitoring and Evaluation Services | - | - | - | - |
| | Budget process and public participation services | - | - | - | - |
| Revenue Services Development Services | | 275,012,902 | 31,035,296 | 243,977,606 | 11.3 |
| | General administration, planning & support services | 14,237,331 | 11,257,250 | 2,980,082 | 79.1 |
| | Support service | - | - | - | 0.0 |
| | Infrastructural Development | 260,775,571 | 19,778,046 | 240,997,525 | 7.6 |
| Civic Education Development Services | | | | | |
| | Civic Education Development Services | - | - | - | - |
| Inter and intra -governmental Relations services | | | | | |
| | General administration, planning & support services | - | - | - | - |
| | | 433,196,497 | 174,843,431 | 258,353,066 | 40.4 |
| | General administrative services | 75,001,675 | 51,256,135 | 23,745,540 | 68.3 |
| | County Secretary | 127,804,788 | 56,927,832 | 70,876,956 | 44.5 |
| | Deputy Governor | 24,206,329 | 18,486,017 | 5,720,312 | 76.4 |
| | Legal services | - | - | - | - |
| | Public Administration and devolution Services | 60,254,250 | 13,284,951 | 46,969,299 | 22.0 |
| | Communication Services | - | - | - | - |
| | Mogotio Sub- County Administration Services | 16,176,354 | 7,237,024 | 8,939,330 | 44.7 |

| Programmes | Sub- Programmes | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---------------------------|--|-------------------------|-------------------------|----------------------|----------------|
| | Baringo Central Sub - County Administration Services | 14,700,716 | 2,258,920 | 12,441,796 | 15.4 |
| | Baringo North Sub - County Administration Services | 17,009,891 | 4,524,878 | 12,485,013 | 26.6 |
| | Baringo South Sub - County Administration Services | 18,863,174 | 1,953,867 | 16,909,307 | 10.4 |
| | Tiati Sub- County Administration Services | 18,139,445 | 2,777,012 | 15,362,433 | 15.3 |
| | County Public Service Board Services | 44,429,627 | 14,034,516 | 30,395,111 | 31.6 |
| | Eldama Ravine Sub - County Administration Services | 16,610,248 | 2,102,280 | 14,507,968 | 12.7 |
| | | 388,510,866 | 246,807,815 | 141,703,051 | 63.5 |
| | Legislative Representation and Oversight services | 388,510,866 | 246,807,815 | 141,703,051 | 63.5 |
| | | - | - | - | - |
| | General administrative services | - | - | - | - |
| | | 16,357,641 | 3,219,696 | 13,137,945 | 19.7 |
| | ICT Development | - | - | - | - |
| | Infrastructure development | 16,357,641 | 3,219,696 | 13,137,945 | 19.7 |
| | | 37,502,586 | 14,514,274 | 22,988,312 | 38.7 |
| | General administration, planning & support services | 37,502,586 | 14,514,274 | 22,988,312 | 38.7 |
| | | 81,847,711 | 4,524,490 | 77,323,221 | 5.5 |
| | General administration, planning & support services | 81,847,711 | 4,524,490 | 77,323,221 | 5.5 |
| | Support service | - | - | - | - |
| | Gender mainstreaming | - | - | - | - |
| Sports Development | Sports Development | | | | |
| | General administration, planning & support services | - | - | - | - |
| | Support service | - | - | - | - |
| | | - | - | - | - |
| | Conservation of Cultural Heritage | - | - | - | - |
| | | 117,925,715 | 75,169,150 | 42,756,565 | 63.7 |
| | General administration, planning & support services | 117,925,715 | 75,169,150 | 42,756,565 | 63.7 |
| | | 694,062,407 | 67,997,345 | 626,065,062 | 9.8 |
| | General administration, planning & support services | - | - | - | - |
| | Support service | - | - | - | - |
| | Water Harvesting Storage and Flood Control | 694,062,407 | 67,997,345 | 626,065,062 | 9.8 |
| | | 27,581,046 | 5,978,436 | 21,602,610 | 21.7 |
| | General administration, planning & support services | 27,581,046 | 5,978,436 | 21,602,610 | 21.7 |
| | | - | - | - | - |
| | General administration, planning & support services | - | - | - | - |
| | Support service | - | - | - | - |
| | | 38,761,709 | 21,094,687 | 17,667,022 | 54.4 |
| | General Administrative services | 38,761,709 | 21,094,687 | 17,667,022 | 54.4 |
| | | - | - | - | - |
| | Protection of rivers and streams | - | - | - | - |
| | | - | - | - | - |
| | County Forest conservation and management | - | - | - | - |
| | Grand Total | 7,880,851,694 | 3,503,041,329 | 4,377,810,364 | 44.5 |

Source: Baringo County Treasury

Programmes with high levels of implementation based on absorption rates were: General Administration (General Administration Planning & Support Services) at 146.1 per cent, followed by General Administration (General Administration Planning & Support Service) at 80.2 per cent, General Administration (General Administration Planning & Support Service) at 78.7 per cent, General Administration (General Administration Planning & Support Service) at 70.1 per cent, and finally P1 Office of the Clerk (Support service) at 69.7 per cent of the budget allocation.

3.2.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.243.09 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.3.27 billion. The development expenditure represented 7.4 per cent of the annual development budget, a significant reduction of 61.1 per cent from Kshs.624.67 million achieved in a similar period in the FY 2019/20
2. A high wage bill, which accounted for 72.1 per cent of the total expenditure in the first nine months of FY 2020/21 thus constraining funding to other programmes.
3. The under-performance of own-source revenue at Kshs.147.63 million against an annual projection of Kshs.346.09 million, a 40 per cent reduction from Kshs.245.90 million attained in the comparable period of the FY2019/20 and accounted for 42.7 per cent of the annual target.
4. Use of revenue at source and weak budgeting practice by the County Treasury as shown in Table 3.6 where the County incurred an expenditure of Kshs.6.72 million without an approved budgetary allocation and over absorption by 146.1 per cent on General Administration (general administration, planning & support services).
5. While the approved supplementary budget amounts to Kshs.7.91 billion, the budget execution by programmes and sub-programmes as extracted from the uploaded IFMIS budget stands at Kshs.7.88 billion, which does not tally with the total operational budget as indicated in table 6, resulting in a negative variance of Kshs.31.67 million.
6. Failure by the County to reconcile the approved budget amounts in the Programme Based Reports which shows an overall budget figure of Kshs.7.88 billion as shown compared with the Appropriation Act which provided the budget as Kshs.7.91 billion.

The County should implement the following recommendations to improve budget execution;

1. *The County should identify and address issues causing delays in the implementation of development projects.*
2. *The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.*
3. *The County should address its own-source revenue performance to ensure the approved budget is fully financed without a hidden budget deficit.*
4. *The County Treasury should improve the Vote book and budgetary control to ensure that expenditure is within the approved budget. Further, all revenues should be banked intact into the CRF in line with Section 109 (2) of the PFM Act, 2012.*
5. *The County Treasury should liaise with the Directorate of IFMIS National Treasury to ensure that the County's approved Supplementary budget is accurately uploaded and the reported variance of Kshs.31.67 million is corrected henceforth.*
6. *The County Treasury should liaise with Directorate of IFMIS at the National Treasury to ensure that the County's approved budget is accurately uploaded and any variances are addressed accordingly.*

3.3 County Government of Bomet

3.3.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 was Kshs.7.35 billion, comprising of Kshs.2.52 billion (34.3 per cent) and Kshs.4.82 billion (65.7 per cent) allocations for Development and Recurrent programmes, respectively.

To finance the budget, the county expected to receive Kshs.5.51 billion (73.8 per cent) being the equitable share of revenue raised nationally, Kshs.1.27 billion (17 per cent) as total conditional grants, generate Kshs.275.92 million (3.7 per cent) from own sources of revenue, and the cash balance of Kshs.409.11 million (5.5 per cent) from FY 2019/20.

3.3.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.3.25 billion as an equitable share of the revenue raised nationally, Kshs.464.46 million as conditional grants, raised Kshs.127.72 million as own-source revenue, and had a cash balance of Kshs.409.11 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.4.25 billion, as shown in Table 3.7.

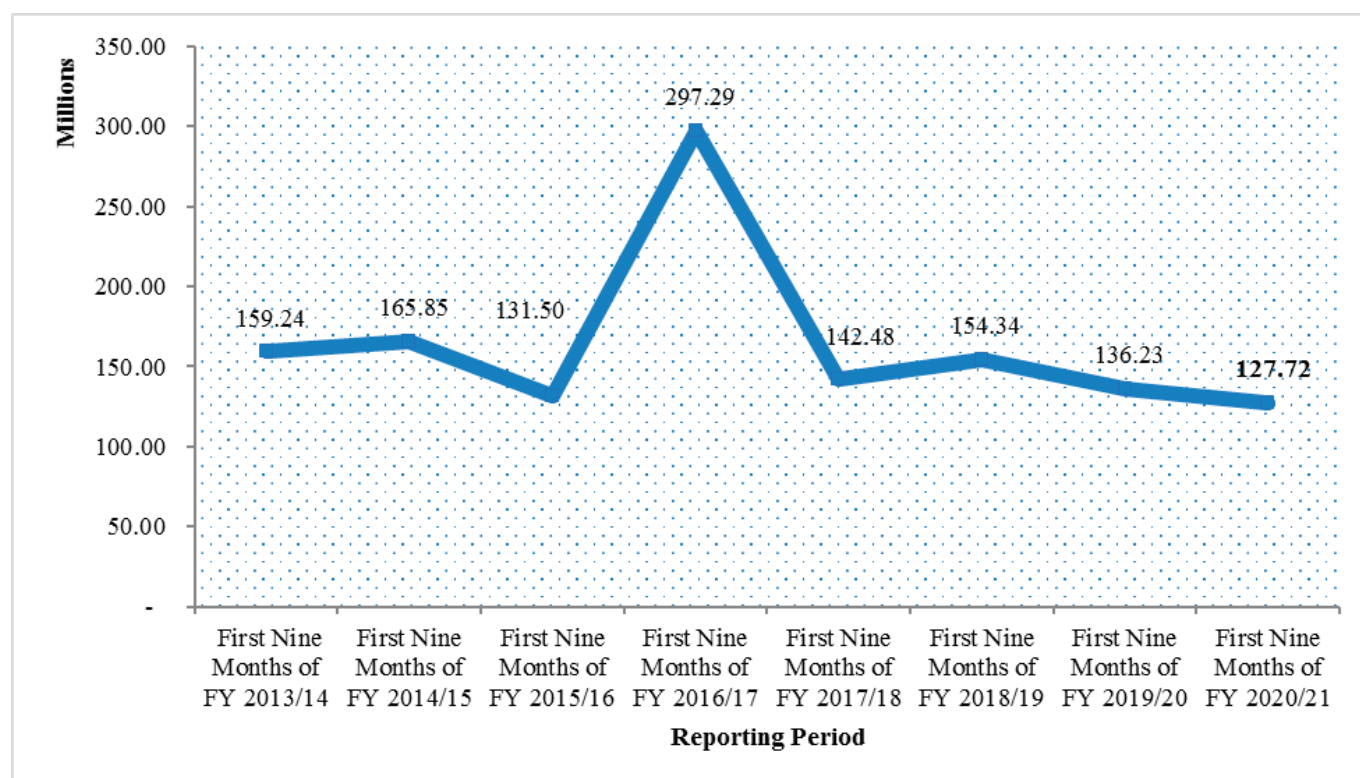
Table 3.7: Bomet County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation (Kshs) | Actual receipts in the first nine months of FY 2020/21 (Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|-------------------------------------|---------------------------------|--|---|
| A. | Equitable Share of Revenue Raised nationally | 5,507,100,000 | 5,507,100,000 | 3,250,379,985 | 59 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Compensation for User Fee Foregone | 16,713,356 | 16,713,356 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 164,138,822 | 164,138,822 | 92,829,569 | 56.6 |
| | Rehabilitation of Village Polytechnics | 48,499,894 | 48,499,894 | 24,249,947 | 50.0 |
| Sub Total | | 361,373,349 | 361,373,349 | 117,079,516 | 32.4 |
| C. | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 186,727,125.00 | 186,727,125 | 101,193,563 | 54.2 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 182,000,000 | 182,000,000 | 115,523,643.25 | 63.5 |
| 3. | DANIDA Grant | 15,660,000 | 15,660,000 | 15,660,000 | 100 |
| 4. | Nutritional International | 10,000,000 | 10,000,000 | - | - |
| 5. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant | 212,353,974 | 212,353,974 | - | - |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 19,658,274 | 19,658,274 | - | - |
| 7. | COVID-19 Pandemic | 115,000,000 | 115,000,000 | 115,000,000 | 100 |
| Sub Total | | 909,399,373 | 909,399,373 | 347,377,206 | 38.2 |
| D. | | | | | |
| 1. | Own Source Revenue | - | 275,922,277 | 127,722,724 | 46.3 |
| 2. | Balance b/f from FY2019/20 | - | 409,110,277 | 409,110,277 | 100 |
| Sub Total | | - | 685,032,554 | 536,833,001 | 78.4 |
| Grand Total | | 6,777,872,722 | 7,462,905,276 | 4,251,669,709 | 57.0 |

Source: Bomet County Treasury

Figure 3.3 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.3: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Bomet County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.127.72 million as its own source revenue. This amount represented a decrease of 6.2 per cent compared to Kshs.136.23 million realised during a similar period in FY 2019/20 and was 46.3 per cent of the annual target.

3.3.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.30 billion from the CRF account during the reporting period. The amount comprised of Kshs.1 billion (23.4 per cent) for development programmes and Kshs.3.3 billion (76.6 per cent) for recurrent programmes.

3.3.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.56 billion on development and recurrent programmes. The expenditure represented 82.9 per cent of the total funds released by the COB and comprised of Kshs.757.63 million and Kshs.2.81 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 30 per cent while recurrent expenditure represented 58.2 per cent of the annual recurrent expenditure budget.

3.3.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.85 billion was spent on compensation to employees, Kshs.958.76 million on operations and maintenance, and Kshs.757.63 million on development activities as shown in Table 3.8.

Table 3.8: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption(%) |
|--------------------------------------|----------------------|--------------------------|----------------------|---------------|
| Total Recurrent Expenditure | 4,824,824,088 | 3,295,928,352 | 2,806,398,367 | 58.2 |
| Compensation to Employees | 2,557,830,374 | 2,035,350,701 | 1,847,637,230 | 72.2 |
| Operations and Maintenance | 2,266,993,714 | 1,260,577,650 | 958,761,137 | 42.3 |
| Total Development Expenditure | 2,523,031,188 | 1,004,458,016 | 757,631,571 | 30.0 |
| Development Expenditure | 2,523,031,188 | 1,004,458,016 | 757,631,571 | 30.0 |
| Total | 7,347,855,276 | 4,300,386,368 | 3,564,029,938 | 48.5 |

Source: Bomet County Treasury

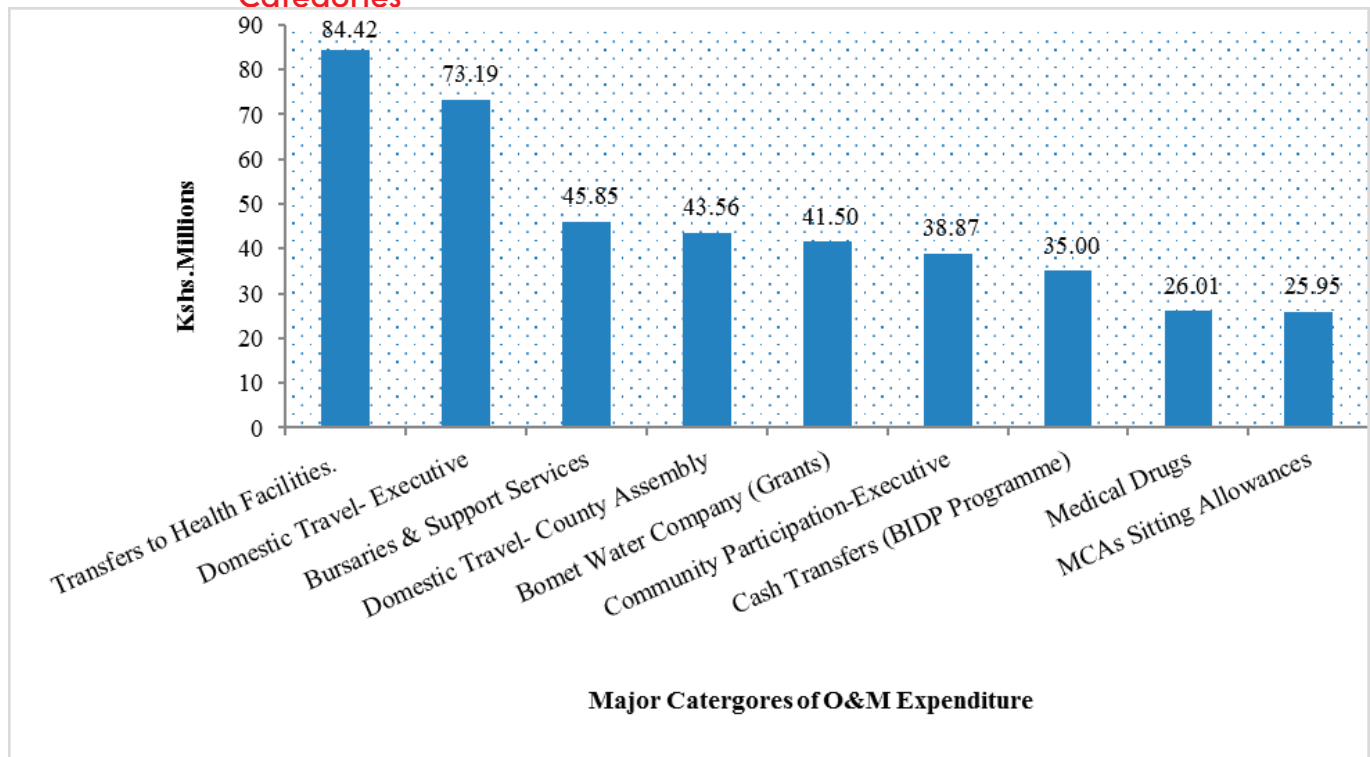
3.3.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 51.8 per cent of the total expenditure for the reporting period and 33.5 per cent of the first nine months proportional revenue estimate of Kshs.5.51 billion.

3.3.7 Expenditure on Operations and Maintenance

Figure 3.4 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.4: Bomet County, Operations and Maintenance Expenditure by Major Categories



Source: Bomet County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.25.95 million on committee sitting allowances for the 37 MCAs and Speaker against the annual budget allocation of Kshs.31.63 million. The average monthly sitting allowance was Kshs.116,870 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.116.76 million and comprised of Kshs.43.56 million spent by the County Assembly and Kshs.73.19 million by the County Executive. Expenditure on foreign travel amounted to Kshs.21.29 million and consisted of Kshs.1.98 million by the County Assembly and Kshs.19.31 million by the County Executive.

3.3.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.286.04 million to cater for COVID-19 related expenditure. A total of Kshs.222.06 million was spent during the reporting period, as shown in Table 3.9.

Table 3.9: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March 2021 (Kshs) |
|--------------|---|---------------------------------|--|
| 1. | Conditional grant from the national Government | 115,000,000 | 62,689,822 |
| 2. | DANIDA Funds disbursements(Additional) COVID- 19 intervention | 6,615,000 | 6,615,000 |
| 3. | COVID 19 Medical allowance for Front line Health Care Workers | 31,470,000 | 31,470,000 |
| 4. | Own Source Revenue | 132,958,804 | 121,283,954 |
| Total | | 286,043,804 | 222,058,776 |

Source: Bomet County Treasury

3.3.9 Development Expenditure

The County incurred expenditure of Kshs.757.63 million on development programmes, which represented an increase of 24.9 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.606.76 billion. Table 3.10 Error! Reference source not found. Table 3.4 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.10: Bomet County, List of Development Projects with the Highest Expenditure

| S/No | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|------|---|---------------------|------------------------|------------------------------------|---------------------|
| 1 | Disease Control (Vaccination) | All wards | 10,000,000 | 9,588,855 | 95.9 |
| 2 | Disease Control (Repair and construction of Dips) | All wards | 21,000,000 | 9,473,354 | 45.1 |
| 3 | Medical and Dental Equipment | Longisa Hospital | 12,820,000 | 12,563,800 | 98.0 |
| 4 | Itare water supply (Mogogosiek-Kaplong pipeline) | Mogogosiek | 66,241,770 | 46,229,600 | 69.8 |
| 5 | Chebangang water project | Kimulot, Chepchabas | 35,000,000 | 23,382,205 | 66.8 |
| 6 | Kertai- Koibeyot Central School Road | Longisa | 5,407,195 | 4,252,386 | 78.6 |
| 7 | Cheboet- Sumoni RD | Kipsonoi | 3,767,465 | 3,767,465 | 100.0 |
| 8 | Upgrading to Bitumen standard of Bomet University-Chebiri- Kabisoge Main Highway Junction | Municipality | 67,163,280 | 64,240,612 | 95.6 |
| 9 | Upgrading to Bitumen standard of Silibwet Township feeder roads | Municipality | 46,528,720 | 38,940,862 | 83.7 |
| 10 | Construction of stalls and walkway pavements of Bomet market | Municipality | 58,526,500 | 20,061,702 | 34.3 |

Source: Bomet County Treasury

3.3.10 Budget Performance by Department

Table 3.11 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.11: Bomet County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 631.32 | 140.00 | 423.68 | 95.71 | 423.68 | 95.61 | 100.0 | 99.9 | 67.1 | 68.3 |
| County Executives | 1,703.11 | - | 1,372.11 | - | 1,260.06 | - | 91.8 | - | 74.0 | - |
| Public Service Board | 48.53 | - | 21.98 | - | 12.76 | - | 58.0 | - | 26.3 | - |
| Administration | 47.00 | 56.00 | 30.91 | 1.50 | 34.34 | - | 111.1 | 0.0 | 73.1 | - |
| ICT | 24.21 | 17.00 | 10.78 | 7.57 | 10.44 | 7.57 | 96.8 | 100.0 | 43.1 | 44.5 |
| Finance | 129.70 | 232.35 | 100.54 | 35.42 | 105.85 | 64.47 | 105.3 | 182.0 | 81.6 | 27.7 |
| Economic Planning | 117.68 | - | 101.56 | - | 65.66 | - | 64.7 | - | 55.8 | - |
| Lands, Housing and Urban Planning | 40.00 | 193.00 | 21.68 | 17.25 | 12.99 | 10.95 | 59.9 | 63.5 | 32.5 | 5.7 |
| Youth, Sports, Gender and Culture | 74.02 | 21.00 | 14.87 | 10.72 | 15.85 | 10.72 | 106.6 | 100.0 | 21.4 | 51.1 |
| Medical Services & Public Health | 1,640.85 | 279.76 | 983.34 | 21.07 | 682.04 | 21.05 | 69.4 | 99.9 | 41.6 | 7.5 |
| Education and Vocational Training | 151.47 | 142.80 | 79.64 | 45.53 | 77.13 | 40.00 | 96.9 | 87.9 | 50.9 | 28.0 |
| Water Sanitation and Environment | 104.25 | 372.18 | 80.58 | 100.87 | 52.13 | 84.92 | 64.7 | 84.2 | 50.0 | 22.8 |
| Agriculture Cooperatives and Marketing | 25.16 | 344.76 | 11.70 | 266.80 | 8.43 | 66.93 | 72.0 | 25.1 | 33.5 | 19.4 |
| Roads, Public Works & Transport | 66.88 | 662.18 | 32.49 | 390.43 | 37.68 | 340.88 | 116.0 | 87.3 | 56.3 | 51.5 |
| Trade, Energy, Tourism, Industry And Investment | 20.65 | 62.00 | 10.06 | 11.58 | 7.36 | 14.53 | 73.2 | 125.5 | 35.7 | 23.4 |
| Total | 4,824.82 | 2,523.03 | 3,295.93 | 1,004.46 | 2,806.40 | 757.63 | 85.1 | 75.4 | 58.2 | 30.0 |

Source: Bomet County Treasury

Analysis of departments' expenditure shows that the County Assembly recorded the highest absorption rate of development budget at 68.3 per cent while the department of Administration did not report any spending on development activities. The Department of Finance had the highest percentage of recurrent expenditure to budget at 81.6 per cent while the Department of Youth, Sports, Gender and Culture had the lowest at 21.4 per cent.

3.3.11 Budget Execution by Programmes and Sub-Programmes

Table 3.12 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.12: Bomet County, Budget Execution by Programmes and Sub-programmes

| Department | Programmes | Sub Programmes | Approved Budget 2020/2021 (Kshs) | Actual payment (Kshs) | Variance (Kshs) | % Absorption |
|---|----------------------------|---|----------------------------------|-----------------------|----------------------|--------------|
| COUNTY EXECUTIVE | County Executive | Compensation to employees | 2,224,680,000 | 1,626,997,308 | 597,682,692 | 73.1 |
| | County Executive | Use of Good and Services | 185,727,874 | 106,317,370 | 79,410,504 | 57.2 |
| | Sub-Total | | 2,410,407,874 | 1,733,314,678 | 677,093,196 | 71.9 |
| PUBLIC SERVICE BOARD | | | | | | |
| | Public service Board | Uses of Good and Services | 48,534,200 | 12,758,393 | 35,775,807 | 26.3 |
| | | Sub-Total | 48,534,200 | 12,758,393 | 35,775,807 | 26.3 |
| ADMINISTRATION | Administration | Use of Good and Services | 47,000,000 | 34,341,010 | 12,658,990 | 73.1 |
| | Development | | 56,000,000 | - | 56,000,000 | - |
| | | Sub Total | 103,000,000 | 34,341,010 | 68,658,990 | 33.3 |
| ICT | ICT Services | Use of Good and Services | 24,205,000 | 10,438,598 | 13,766,402 | 43.1 |
| | Development | ICT Infrastructure and connectivity | 17,000,000 | 7,570,832 | 9,429,168 | 44.5 |
| | | Sub Total | 41,205,000 | 18,009,430 | 23,195,570 | 43.7 |
| FINANCE | Operation and Maintenance | Use of Good and Services | 129,700,151 | 105,854,683 | 23,845,468 | 81.6 |
| | Development | Pending bills and Automation of revenue | 65,000,000 | 64,466,541 | 533,459 | 99.2 |
| | | Sub Total | 194,700,151 | 170,321,224 | 24,378,927 | 87.5 |
| 2. ECONOMIC PLANNING | Economic Planning Services | Use of Goods and Services total | 117,680,824 | 32,292,652 | 85,388,172 | 27.4 |
| | Development | KDSP (Level 2 Grant) | 167,353,974 | - | 167,353,974 | - |
| | | Sub Total | 285,034,798 | 32,292,652 | 252,742,146 | 11.3 |
| LANDS HOUSING AND URBAN PLANNING | Operation and maintenance | Use of Goods and Services | 40,000,000 | 12,992,060 | 27,007,940 | 32.5 |
| | Development | Lands, Survey & mapping-Purchase of land for public utilities (1 million per ward for 25 Wards) | 25,000,000 | 10,953,000 | 14,047,000 | 43.8 |
| | | Sub Total | 65,000,000 | 23,945,060 | 41,054,940 | 36.8 |
| YOUTH SPORTS GENDER AND CULTURE | Operation and maintenance | Use of Goods and Services total | 7,570,370 | 5,156,060 | 2,414,310 | 68.1 |
| | Programme 1 | Policy Development and Administrative Services | 5,000,000 | 311,200 | 4,688,800 | 6.2 |
| | Programme 2 | Gender, Children Services and Social Protection | 29,000,000 | - | 29,000,000 | - |
| | Programme3 | Culture and library services | 8,000,000 | - | 8,000,000 | - |
| | Programme 4 | Youth and Sports Development | 19,000,000 | - | - | - |
| | | Sub Total | 68,570,370 | 5,467,260 | 44,103,110 | 8.0 |
| MEDICAL SERVICES AND PUBLIC HEALTH | Salaries and Wages | Compensation to Employees | 707,300,000 | 473,256,771 | 234,043,229 | 66.9 |
| | Operation and maintenance | Use of Goods and Services | 1,118,120,267 | 158,392,417 | 959,727,850 | 14.2 |
| | Programmes 2 | Curative Services | 291,869,478 | 100,835,842 | 191,033,636 | 34.5 |
| | Programme 3 | Preventive and Promotive Services | 88,129,352 | 2,073,590 | 86,055,762 | 2.4 |
| | Programme 4 | Reproductive Services | 142,727,126 | - | 142,727,126 | - |
| | | Cash Transfers to Health Facilities. | 122,034,644 | 84,424,200 | 37,610,444 | 69.2 |
| | | COVID- 19 Response | 115,000,000 | 51,969,822 | 63,030,178 | 45.2 |
| | Programme 5 | Health Infrastructure | 279,756,170 | 21,047,740 | 258,708,430 | 7.5 |
| | | Sub Total | 2,864,937,036 | 892,000,382 | 1,972,936,654 | 31.1 |
| AGRICULTURE COOPERATIVES AND MARKETING | | | | | | |
| | Operation and maintenance | Use of Goods and Services | 25,155,546 | 4,135,900 | 21,019,646 | 16.4 |

| Department | Programmes | Sub Programmes | Approved Budget 2020/2021 (Kshs) | Actual payment (Kshs) | Variance (Kshs) | % Absorption |
|---|---|---|----------------------------------|-----------------------|----------------------|--------------|
| | Programme 2 | Crop development and management | 243,258,274 | 50,936,645 | 192,321,629 | 20.9 |
| | Programme 3 | P3. Agribusiness Development and Marketing | 48,000,000 | 1,479,417 | 46,520,583 | 3.1 |
| | Programme 4 | P4. Livestock, Fisheries & Veterinary Services | 53,500,000 | 14,516,035 | 38,983,965 | 27.1 |
| | Sub Total | | 369,913,820 | 71,067,997 | 298,845,823 | 19.2 |
| WATER SANITATION AND ENVIRONMENT | Operation and maintenance | Use of Goods and Services sub total | 17,300,000 | 8,823,855 | 8,476,145 | 51.0 |
| | | Support to Bomet Water Company (Grants) | 80,000,000 | 41,500,000 | 38,500,000 | 51.9 |
| | | Office furniture and Fittings | 6,950,000 | 1,806,995 | 5,143,005 | 26.0 |
| | Programme 1 | Policy planning and Administration | 1,000,000 | | | - |
| | Programme 2 | Development of water supply for Domestic | 355,082,407 | 84,917,149 | | 23.9 |
| | Programme 3 | Irrigation Development | 3,000,000 | - | | - |
| | Programme 4 | Environmental and Natural Resources protection | 12,100,000 | - | | - |
| | Programme 5 | Water waste management | 1,000,000 | - | | - |
| | Sub Total | | 476,432,407 | 137,047,999 | 52,119,150 | 28.8 |
| EDUCATION AND VOCATIONAL TRAININGS | | | | | | |
| | Operations and Maintenance | Use of Goods and Services | 25,155,546 | 8,425,030 | 16,730,516 | 33.5 |
| | Development | | 344,758,274 | 32,869,740 | 311,888,534 | 9.5 |
| ROADS PUBLIC WORKS AND TRANSPORT | | | | | | |
| | Use of goods and services | | 66,882,125 | 37,679,626 | 29,202,499 | 56.3 |
| | Programme 1 | Policy Planning and Administration | 2,500,000 | - | 2,500,000 | - |
| | Programme 2 | Roads construction and maintenance | 554,680,469 | 313,532,992 | 241,147,477 | 56.5 |
| | Programme 3 | Development and Maintenance of other Public works | 97,000,000 | 27,344,456 | 69,655,544 | 28.2 |
| | Programme 4 | County Transport Infrastructure | 8,000,000 | - | 8,000,000 | - |
| | Sub Total | | 729,062,594 | 378,557,074 | 350,505,520 | 51.9 |
| TRADE ENERGY TOURISM INDUSTRY AND INVESTMENT | | | | | | |
| | Operations and Maintenance | Used of Goods and services | 20,700,000 | 7,361,981 | 13,338,019 | 35.6 |
| | | P1. Trade Development | 31,000,000 | 6,920,813 | 24,079,187 | 22.3 |
| | | P2. Energy Development | 15,000,000 | 3,999,495 | 11,000,505 | 26.7 |
| | | P3. Tourism Development | 6,000,000 | 4,036,031 | 1,963,969 | 67.3 |
| COUNTY ASSEMBLY | | | | | | |
| | | P4. Industry Development | 10,000,000 | 1,576,058 | 8,423,942 | 15.8 |
| | P1 County Assembly Legislative Services | SP 1.2: Committee Services | 31,630,578 | 25,945,250 | 5,685,328 | 82.0 |
| | | SP 2.2: Public Campaigns | 3,410,000 | 2,782,620 | 627,380 | 81.6 |
| | P2 Oversight Presentation | SP 2.1: Public participation | 30,000,000 | 29,351,048 | 648,952 | 97.8 |
| | | SP 3.2: Administrative Services | 294,780,526 | 170,902,569 | 123,877,957 | 58.0 |
| | Sub-Total | | 369,821,104 | 230,557,545 | 139,263,559 | 62.3 |
| | Personal emoluments | Personal emoluments | 308,200,000 | 220,639,922 | 87,560,078 | 71.6 |
| | | Operation & maintenance | 298,121,526 | 203,036,237 | 95,085,289 | 68.1 |
| | | Development | 115,000,000 | 95,608,517 | 19,391,483 | 83.1 |
| | | Personal emoluments | 2,557,830,374 | 1,847,637,230 | 710,193,144 | 72.2 |
| | | Operation & maintenance | 2,266,993,714 | 958,761,137 | 1,308,232,577 | 42.3 |
| | | Development | 2,523,031,188 | 757,631,571 | 1,765,399,617 | 30.0 |
| TOTAL | | | 7,347,855,276 | 3,564,029,938 | 3,783,825,338 | 48.5 |

Source: Bomet County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Pending Bills and Automation of Revenue in the Department of Finance at 99.2 per cent, Public Participation in the County Assembly at 97.8 per cent respectively of budget allocation.

3.3.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report
2. Low absorption of development funds as indicated by the expenditure of Kshs.757.53 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.2.52 billion. The development expenditure represented 30 per cent of the annual development budget. This is despite the availability of funds in the CRF during the period.
3. The under-performance of own source revenue at Kshs.127.72 million against an annual projection of Kshs.275.92 million, representing 46.3 per cent of the annual target.

The County should implement the following recommendations to improve budget execution;

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.*
2. *The County should identify and address issues causing delays in the implementation of development projects.*
3. *The County should address its own source revenue performance to ensure the approved budget is fully financed.*

3.4 County Government of Bungoma

3.4.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.11.90 billion, comprising of Kshs.3.60 billion (30.3 per cent) and Kshs.8.30 billion (69.7 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.8.99 billion (75.6 per cent) as the equitable share of revenue raised nationally, Kshs.1.65 billion (13.8 per cent) as total conditional grants, generate Kshs.700 million (5.9 per cent) from own sources of revenue. The County also expects to receive Appropriation in Aid (AIA) Kshs.563.35 million (4.7 per cent) as "other revenues" not contained in the CARA, 2020.

3.4.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.5.92 billion as an equitable share of the revenue raised nationally, Kshs.490.11 million as conditional grants, raised Kshs.286.57 million as own-source revenue, and generated Kshs.270.54 million as AIA. The total funds available for budget implementation during the period amounted to Kshs.6.94 billion, as shown in Table 3.13.

Table 3.13: Bungoma County, Revenue Performance in the First Nine Months of FY 2020/21

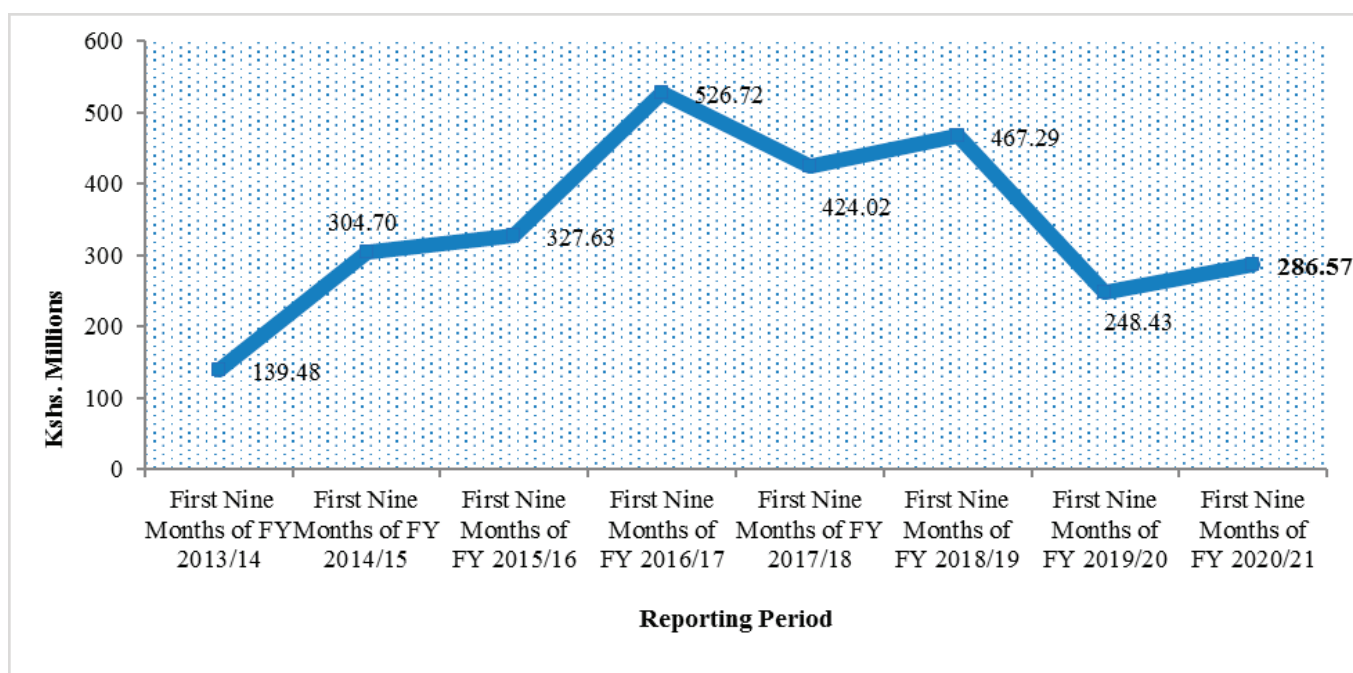
| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual Receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|------------------|--|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 8,956,950,000 | 8,993,740,000 | 5,923,170,900 | 65.9 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Compensation for User Fee Foregone | 32,837,307 | 32,837,307 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 266,961,417 | 266,961,417 | 196,593,747 | 73.6 |
| 4. | Rehabilitation of Village Polytechnics | 67,849,894 | 67,849,894 | 33,924,947 | |
| Sub Total | | 499,669,895 | 499,669,895 | 230,518,694 | 46.1 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 38,480,000 | 38,480,000 | 12,680,237 | 33 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 201,210,550 | 350,000,000 | 149,557,635 | 42.7 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | - | 311,977,100 | - | - |
| 5. | DANIDA Grant | 25,290,000 | 25,290,000 | 13,676,169 | 95.1 |

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual Receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|---------------------------------|---|--|------------------------------------|----------------------------|---|
| 6. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant | - | 212,537,788 | - | - |
| 7. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 14,376,061 | 14,376,061 | 13,676,169 | 95.1 |
| 8. | EU – Water Tower Protection and Climate Change Mitigation and Adaptation Programme (waTER) | 52,565,915 | 80,000,000 | - | - |
| 9. | UNICEF | - | 1,571,000 | - | - |
| 10. | COVID 19 Grant | - | 66,330,000 | - | - |
| Sub Total | | 376,922,526 | 1,145,561,949 | 233,559,041 | 20.4 |
| Other Sources of Revenue | | | | | |
| 1. | Own Source Revenue | - | 700,000,000 | 286,566,412 | 40.9 |
| 2. | A-I-A | - | 563,357,039 | 270,536,929 | 48.0 |
| Sub Total | | - | 1,263,357,039 | 557,103,341 | 44.0 |
| Grand Total | | 9,833,542,421 | 11,902,328,883 | 6,944,351,976 | 58.3 |

Source: Bungoma County Treasury

Figure 3.5 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.5: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Bungoma County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.286.57 million as its own source revenue. This amount represented an increase of 15.4 per cent compared to Kshs.248.43 million realised during a similar period in FY 2019/20 and was 40.9 per cent of the annual target.

3.4.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.7.01 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.17 billion (16.6 per cent) for development programmes and Kshs.5.84 billion (83.4 per cent) for recurrent programmes.

3.4.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.6.47 billion on development and recurrent programmes. The expenditure represented 92.3 per cent of the total funds released by the COB and comprised of Kshs.981.28

million and Kshs.5.49 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 27.2 per cent while recurrent expenditure represented 66.2 per cent of the annual recurrent expenditure budget.

3.4.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.3.8 billion was spent on compensation to employees, Kshs.1.7 billion on operations and maintenance, and Kshs.981.26 million on development activities as shown in Table 3.14.

Table 3.14: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 8,298,250,996 | 5,846,722,200 | 5,491,696,695 | 66.2 |
| Compensation to Employees | 4,667,225,784 | 3,424,427,243 | 3,796,080,737 | 81.3 |
| Operations and Maintenance | 3,631,025,212 | 2,422,294,957 | 1,695,615,958 | 46.7 |
| Total Development Expenditure | 3,604,077,887 | 1,166,828,914 | 981,257,914 | 27.2 |
| Development Expenditure | 3,604,077,887 | 1,166,828,914 | 981,257,914 | 27.2 |
| Total | 11,902,328,883 | 7,013,551,114 | 6,472,954,609 | 54.4 |

Source: Bungoma County Treasury

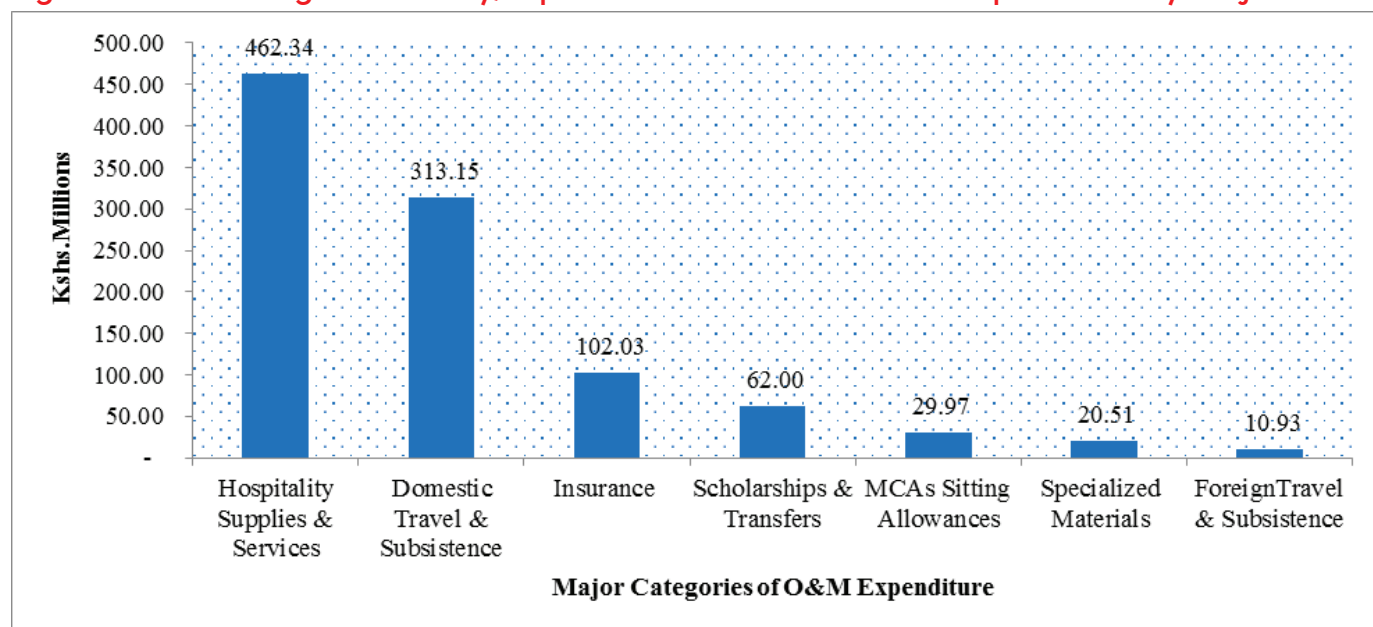
3.4.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 58.6 per cent of the total expenditure for the reporting period and 42.5 per cent of the first nine months' proportional revenue estimate of Kshs.8.93 billion.

3.4.7 Expenditure on Operations and Maintenance

Figure 3.6 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.6: Bungoma County, Operations and Maintenance Expenditure by Major



Source: Bungoma County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.29.97 million on committee sitting allowances for the 61 MCAs and Speaker against the annual budget allocation of Kshs.179.97 million. The average monthly sitting allowance was Kshs.54,593 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.313.15 million and comprised of Kshs.11.21 million spent by the County Assembly and Kshs.301.94 million by the County Executive. Expenditure on foreign travel amounted to Kshs.10.93 million and related to spending by the County Executive.

3.4.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs.213.71 million to cater for COVID-19 related expenditure. A total of Kshs.76.85million was spent during the reporting period, as shown in Table 3.15.

Table 3.15: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Expenditure as of 31.03.2021 (Kshs) |
|--------------|--|-------------------------------------|
| 1 | Supply of PPEs | 15,238,500 |
| 2 | Boards, Committees, Conferences and Seminars | 612,400 |
| 3 | Daily Subsistence Allowance | 7,427,500 |
| 4 | Food and Ration | 4,109,640 |
| 5 | Fund operations | 5,000,000 |
| 6 | Fund operations-impres | 10,830,050 |
| 7 | Other operations | 805,000 |
| 8 | Purchase of Bedding and Linen | 11,109,700 |
| 9 | Supply of isolation ward equipment | 18,069,500 |
| 10 | Supply of fuel for fumigation | 2,025,600 |
| 11 | Payment for quarantine accommodation and meals | 1,520,000 |
| 12 | Supply of jik | 100,000 |
| Total | | 76,847,890 |

Source: Bungoma County Treasury

3.4.9 Development Expenditure

The County incurred expenditure of Kshs.981.26 million on development programmes, which represented a decrease of 32.3 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.45 billion. Table 3.16 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.16: Bungoma County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|-----------------------------|------------------------|------------------------------------|---------------------|
| 1 | Upgrading of Kanduyi - Sang'alo Jnctn Dual Carriage | Kanduyi - Sang'alo Junction | 350,000,000 | 343,639,264 | 98.2 |
| 2 | Maintenance of Rural Roads (RMLF) | 45 Wards | 266,961,417 | 166,748,850 | 62.5 |
| 3 | Contract Routine Framework | HQ | 140,000,000 | 12,263,288 | 8.8 |
| 4 | Conditional grants for VTCs | 45 wards | 67,503,724 | 31,073,046 | 46.0 |
| 5 | Construction and modernization of masinde Muliro stadium | Kanduyi | 168,616,077 | 114,542,181 | 67.9 |
| 6 | Phase 2 Construction of administration block | HQ | 15,000,000 | 15,000,000 | 100.0 |

Source: Bungoma County Treasury

3.4.10 Budget Performance by Department

Table 3.17 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.17: Bungoma County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|---------|----------------------------------|--------|-----------------------------|--------|-------------------------------------|-------|---------------------|------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Agriculture, Livestock, Fisheries and Co-operatives | 347.09 | 594.84 | 347.55 | 203.56 | 293.47 | 39.78 | 84.4 | 19.5 | 84.6 | 6.7 |
| Tourism, Forestry, Environment, Water and Natural Resources | 260.94 | 293.28 | 210.39 | - | 210.71 | - | 100.2 | - | 80.8 | - |
| Roads and Public Works | 169.55 | 1286.87 | 115.64 | 489.43 | 108.68 | 524.48 | 94.0 | 107.2 | 64.1 | 40.8 |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Education, Science | 1167.65 | 326.34 | 846.95 | 33.92 | 763.84 | 38.06 | 90.2 | 112.2 | 65.4 | 11.7 |
| Health and Sanitation | 3197.20 | 265.01 | 2044.13 | 8.46 | 1863.29 | 1.25 | 91.2 | 14.7 | 58.3 | 0.5 |
| Trade, Energy and Industrialization | 56.88 | 68.50 | 45.20 | - | 39.39 | - | 87.1 | - | 69.3 | - |
| Land ,Urban ,Physical Planning and Housing | 106.26 | 334.40 | 68.95 | 224.27 | 64.87 | 215.27 | 94.1 | 95.9 | 61.1 | 64.4 |
| Gender, Culture, Youth and Sports | 135.11 | 189.39 | 61.83 | 147.18 | 84.57 | 114.54 | 136.8 | 77.8 | 62.6 | 60.5 |
| Finance and Planning | 1008.08 | - | 829.84 | - | 722.50 | - | 87.1 | - | 71.7 | - |
| County Public Service | 47.10 | - | 29.31 | - | 32.17 | - | 109.8 | - | 68.3 | - |
| Governor/Deputy Governors | 441.00 | - | 306.73 | - | 334.51 | - | 109.1 | - | 75.8 | - |
| Public Administration | 508.70 | 230.43 | 339.09 | 45.00 | 350.50 | 32.88 | 103.4 | 73.1 | 68.90 | 14.3 |
| County Assembly | 852.70 | 15.00 | 601.12 | 15.00 | 623.20 | 15.00 | 103.7 | 100.0 | 73.1 | 100 |
| Total | 8,298.25 | 3,604.08 | 5,846.72 | 1,166.83 | 5,491.70 | 981.26 | 93.9 | 84.1 | 66.2 | 27.2 |

Source: Bungoma County Treasury

Analysis of departments' expenditure shows that County Assembly recorded the highest absorption rate of development budget at 100 per cent, followed by the Department of Land, Urban , Physical Planning and Housing at 64.4 per cent. The Department of Agriculture, Livestock, Fisheries and Co-operatives had the highest percentage of recurrent expenditure to budget at 84.6 per cent while the Department of Health and Sanitation had the lowest at 58.3 per cent.

3.4.11 Budget Execution by Programmes and Sub-Programmes

Table 3.18 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.18: Bungoma County, Budget Execution by Programmes and Sub-programmes

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|--|--|------------------------|------------------------|------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
| Agriculture, livestock and cooperative development | | | | | |
| General Administration, planning and support services | Administrative and Support Services | 8,811,476 | 8,028,919 | 782,557 | 91.1 |
| | Human Resource Management and Development. | 289,172,958 | 279,719,872 | 9,453,086 | 96.7 |
| | Policy, Legal and Regulatory Framework | 2,000,000 | 1,764,270 | 235,730 | 88.2 |
| | Planning and financial Management | 2,615,043 | 1,959,886 | 655,157 | 74.9 |
| | Sector Coordination | 1,500,000 | - | 1,500,000 | 0.0 |
| | Leadership and Governance | 1,000,000 | - | 1,000,000 | 0.0 |
| Land and Crop Development and Management | Agricultural extension and training services | 2,340,000 | - | 2,340,000 | 0.0 |
| | Crop production and productivity | 62,631,411 | - | 62,631,411 | 0.0 |
| | Soil rehabilitation, protection and conservation | 600,000 | - | 600,000 | 0.0 |
| | Value addition and Agro processing | 700,000 | - | 700,000 | 0.0 |
| | Agri nutrition and food utilization | 500,000 | - | 500,000 | 0.0 |
| | Irrigation Extension and training | 600,000 | - | 600,000 | 0.0 |
| Livestock development and management | Irrigation infrastructure development and agricultural water storage | 10,000,000 | - | 10,000,000 | 0.0 |
| | Livestock production extension, Training and Information Services | 2,896,991 | - | 2,896,991 | 0.0 |
| | Value addition and processing | 80,000,000 | 39,777,502 | 40,222,498 | 49.7 |
| | Livestock production value chain development (Dairy ,Poultry, Honey & Rabbit value chains) | 7,500,000 | 1,993,331 | 5,506,669 | 26.6 |
| | Disease and Vector Control | 4,000,000 | - | 4,000,000 | 0.0 |
| | Food Safety And Quality Control | 7,000,000 | - | 7,000,000 | 0.0 |
| | Veterinary Extension Services | 1,000,000 | - | 1,000,000 | 0.0 |
| Breeding and AI Subsidy programme | 5,000,000 | - | 5,000,000 | 0.0 | |
| Fisheries development and management | Fisheries extension service and training | 2,500,000 | - | 2,500,000 | 0.0 |
| | Fisheries product value-chain development | 4,904,380 | - | 4,904,380 | 0.0 |

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|---|---|------------------------|------------------------|----------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
| Cooperatives Development and Management | Cooperatives extension service and training (Co-operative Governance (Training)) | 1,950,069 | - | 1,950,069 | 0.0 |
| | Cooperatives Audit Services | 250,000 | - | 250,000 | 0.0 |
| | Production, Agro processing, value addition & Marketing (Input and Infrastructural Support to Cooperatives) | 28,000,000 | - | 28,000,000 | 0.0 |
| Institutional Development and Management | Mabanga ATC Administration management services | 2,000,000 | - | 2,000,000 | 0.0 |
| | Agricultural Enterprise Development (ATC) | 2,500,000 | - | 2,500,000 | 0.0 |
| | Infrastructural development (ATC) | 30,600,000 | - | 30,600,000 | 0.0 |
| | Agricultural mechanization extension | 500,000 | - | 500,000 | 0.0 |
| | Tractor hire services | 8,000,000 | - | 8,000,000 | 0.0 |
| | General administrative services (CFF) | 100,000 | - | 100,000 | 0.0 |
| | Technology transfer (CFF) | 400,000 | - | 400,000 | 0.0 |
| | Operational development (CFF) | 500,000 | - | 500,000 | 0.0 |
| NARIGP | NARIGP | 350,000,010 | - | 350,000,010 | 0.0 |
| ASDSP II | ASDSP II | 19,861,959 | - | 19,861,959 | 0.0 |
| Total Expenditure of Vote | | 941,934,297 | 333,243,780 | 608,690,517 | 35.4 |
| Roads & Public Works | | | | | |
| Transport infrastructure development and management | Transport infrastructure development and management | 1,320,000,470 | 524,477,486 | 795,522,984 | 39.7 |
| Public safety and transport operations | Public safety and transport operations | 18,668,115 | - | 18,668,115 | 0.0 |
| Building standards and other civil works | Building standards and other civil works | 3,999,534 | - | 3,999,534 | 0.0 |
| General administration, planning and support services | General administration, planning and support services | 113,754,758 | 108,684,981 | 5,069,776 | 95.5 |
| Total | | 1,456,422,877 | 633,162,468 | 823,260,409 | 43.5 |
| Health & Sanitation | | | | | |
| General Administration and Planning, and Support Services | Health Administration Planning and support services | 501,607,010 | 154,020,205 | 347,586,805 | 30.7 |
| | Human resources | 2,027,711,289 | 1,710,511,321 | 317,199,968 | 84.4 |
| | Health Infrastructure | 172,032,460 | - | 172,032,460 | 0.0 |
| Preventive Promotive and Rehabilitative | Communicable and non-communicable | 42,676,050 | - | 42,676,050 | 0.0 |
| | Health Promotion services | 5,000,000 | - | 5,000,000 | 0.0 |
| | Disease surveillance | 1,576,051 | - | 1,576,051 | 0.0 |
| | Community health services | 76,800,000 | - | 76,800,000 | 0.0 |
| | Nutrition Management | 10,000,000 | - | 10,000,000 | 0.0 |
| | HIV/AIDS awareness. | 2,000,000 | - | 2,000,000 | 0.0 |
| Curative and Rehabilitative Health Services | Routine Medical Services | 551,556,410 | - | 551,556,410 | 0.0 |
| | Blood Bank Services | 10,000,000 | - | 10,000,000 | 0.0 |
| | Maternity Services | 61,252,101 | - | 61,252,101 | 0.0 |
| Total | | 3,462,211,371 | 1,864,531,525 | 1,597,679,846 | 53.9 |
| Education & Statistics | | | | | |
| General Administration, Planning and Support Services | Salaries and allowances | 955,040,802 | 670,035,365 | 285,005,437 | 70.2 |
| | Policy formulation | 3,000,000 | - | 3,000,000 | 0.0 |
| | Monitoring and evaluation | 2,000,000 | - | 2,000,000 | 0.0 |
| | Administration and support services | 53,502,973 | 31,799,658 | 21,703,315 | 59.4 |
| | Capacity building and stakeholders forum | 4,000,000 | - | 4,000,000 | 0.0 |
| | Planning and financial management | 3,000,000 | - | 3,000,000 | 0.0 |
| Early Childhood Education Development | Quality Assurance and Standards | 1,000,000 | - | 1,000,000 | 0.0 |
| | Promotion of good governance | 500,000 | - | 500,000 | 0.0 |
| | Curriculum implementation | 1,000,000 | - | 1,000,000 | 0.0 |
| | Capacity building of ECDE teachers | 1,269,142 | - | 1,269,142 | 0.0 |
| | Special needs assessment | 1,000,000 | - | 1,000,000 | 0.0 |
| | learning materials | 3,000,000 | - | 3,000,000 | 0.0 |
| | Infrastructure development | 229,389,000 | - | 229,389,000 | 0.0 |
| Vocational Education and Training | Assessment of curriculum | 1,000,000 | - | 1,000,000 | 0.0 |
| | Tuition support grant | 67,849,894 | 38,061,880 | 29,788,014 | 56.1 |
| | Promotion of governance | 1,000,000 | - | 1,000,000 | 0.0 |
| | Quality assurance and standards | 1,000,000 | - | 1,000,000 | 0.0 |
| | Special needs assessment | 1,000,000 | - | 1,000,000 | 0.0 |
| | Capacity building for VTC managers | 1,000,000 | - | 1,000,000 | 0.0 |
| | Center of excellence | 29,104,858 | - | 29,104,858 | 0.0 |

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|--|--|---------------------------|---------------------------|---------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
| Education Support Programme | Education support and bursary scheme | 124,336,685 | 62,000,000 | 62,336,685 | 49.9 |
| | Mentorship and launch of scholarship | 10,000,000 | - | 10,000,000 | 0.0 |
| TOTAL | | 1,493,993,354 | 801,896,904 | 692,096,450 | 53.7 |
| Water & Tourism | | | | | |
| Water | | | | | |
| | Administration services | 69,582,437 | 14,807,646 | 54,774,791 | 21.3 |
| General Administration Planning and support Services | Human Resources Management | 23,491,552 | 20,069,689 | 3,421,863 | 85.4 |
| | Policy and Legal Framework formulation | 5,000,000 | - | 5,000,000 | 0.0 |
| Water and Sewerage Services Management | Water Services Provision | 240,991,104 | - | 240,991,104 | 0.0 |
| Total Water | | 339,065,093 | 34,877,335 | 304,187,758 | 10.3 |
| Tourism | | | | | |
| General Administration Planning and support Services | Administration & Human Resources Management | 54,275,801 | 37,124,367 | 17,151,434 | 68.4 |
| | Integrated Solid Waste Management | Dumpsite Management | 16,882,637 | - | 16,882,637 |
| | Garbage collection and transportation | 144,000,000 | 138,711,957 | 5,288,043 | 96.3 |
| Total Tourism | | 215,158,438 | 175,836,324 | 39,322,114 | 81.7 |
| TOTAL | | 554,223,531 | 210,713,659 | 343,509,872 | 38.0 |
| Trade & Industrialization | | | | | |
| Trade and Enterprise Development | Trade and Enterprise Development | 4,180,000 | - | 4,180,000 | 0.0 |
| | Market Infrastructure Development | 25,000,000 | - | 25,000,000 | 0.0 |
| Energy Development and Management | Energy Development and Management | 21,555,632 | - | 21,555,632 | 0.0 |
| Industrial Development and Investment | Industrial Development and Investment | 15,000,000 | - | 15,000,000 | 0.0 |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 52,696,228 | 39,385,841 | 13,310,387 | 74.7 |
| WBP | WBP | 6,945,000 | - | 6,945,000 | 0.0 |
| Total | | 125,376,860 | 39,385,841 | 85,991,019 | 31.4 |
| Lands & Urban Planning | | | | | |
| General Administration, Planning and Support services | Human resource development and management | 50,447,791 | 37,063,410 | 13,384,381 | 73.5 |
| | Institutional accountability, efficiency and effectiveness in service delivery | 1,595,694 | - | 1,595,694 | 0.0 |
| Land Resource Survey/Mapping and Management | Land acquisition | 10,469,160 | - | 10,469,160 | 0.0 |
| | Survey of government land quality control of survey activities | 18,643,612 | - | 18,643,612 | 0.0 |
| County Physical Planning and Infrastructure | Physical Planning and Urban Development | 6,841,464 | - | 6,841,464 | 0.0 |
| Total | | 87,997,721 | 37,063,410 | 50,934,311 | 42.1 |
| Housing | | | | | |
| General Administration, Planning and Support services | Human Resource Management | 12,851,403 | 6,404,424 | 6,446,979 | 49.8 |
| | Administrative Services | 6,670,000 | 5,770,552 | 899,448 | 86.5 |
| | Research and Development | 400,000 | - | 400,000 | 0.0 |
| | Capacity Development | 380,228 | - | 380,228 | 0.0 |
| Housing development and Human Settlement | Estate Management | 1,906,521 | - | 1,906,521 | 0.0 |
| | Housing Development | 1,813,042 | - | 1,813,042 | 0.0 |
| Total | | 24,021,194 | 12,174,976 | 11,846,218 | 50.7 |
| Bungoma Municipality | | | | | |
| Urban Economy, General Administration, Planning and Support services | Human Resource Development and Management | 25,000 | - | 25,000 | 0.0 |
| | General Administration and Support Services | 10,341,584 | 8,293,560 | 2,048,024 | 80.2 |
| | Institutional Accountability, Efficiency and Effectiveness | 1,564,574 | - | 1,564,574 | 0.0 |
| | Leadership and Coordination of Municipal Board Operations | 40,000 | - | 40,000 | 0.0 |
| | Capacity Development | 1,500,000 | 570,500 | 929,500 | 38.0 |
| | Public Participation and Outreach Services | 1,360,000 | - | 1,360,000 | 0.0 |
| Land Use, Urban Infrastructure Development and Management | Urban Transport and Infrastructure | 109,887,700 | 78,595,946 | 31,291,754 | 71.5 |
| Total | | 124,718,858 | 87,460,006 | 37,258,852 | 70.1 |

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|--|---|------------------------|------------------------|--------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
| Kimilili Municipality | | | | | |
| General Administration, Planning and Support services | General Adm planning and support services | 12,831,159 | 6,764,149 | 6,067,010 | 52.7 |
| Urban Infrastructure Development and management | Infrastructure, Housing and public works | 191,089,400 | 136,674,552 | 54,414,848 | 71.5 |
| Total | | 203,920,559 | 143,438,701 | 60,481,858 | 70.3 |
| Total Lands | | 440,658,332 | 280,137,093 | 160,521,239 | 63.6 |
| Finance & Economic planning | | | | | |
| Economic development planning and coordination services | | 49,065,088 | 46,231,861 | 2,833,227 | 94.2 |
| Monitoring and evaluation services | | 46,204,160 | 31,448,113 | 14,756,047 | 68.1 |
| Public finance management | | 96,319,698 | - | 96,319,698 | 0.0 |
| General administration, planning, policy coordination and support services | | 816,488,849 | 644,815,698 | 171,673,151 | 79.0 |
| Total | | 1,008,077,795 | 722,495,673 | 285,582,122 | 71.7 |
| Public Administration & County Secretary | | | | | |
| Public Service Management and Administration | | | | | |
| General administration, planning and support services | General administration, planning and support services | 334,976,577 | 226,098,108 | 108,878,469 | 67.5 |
| Public Participation, Civic Education and outreach services | Public Participation, Civic Education and outreach services | 5,000,000 | - | 5,000,000 | 0.0 |
| Total | | 339,976,577 | 226,098,108 | 113,878,469 | 66.5 |
| Office of the County Secretary and ICT | | | | | |
| General administration, planning and support services | General administration, planning and support services | 123,726,057 | 104,787,046 | 18,939,011 | 84.7 |
| Kenya Devolution Support Programme | Kenya Devolution Support Programme | 257,537,789 | 52,497,187 | 205,040,602 | 20.4 |
| ICT and information management services | ICT and information management services | 17,890,473 | - | 17,890,473 | 0.0 |
| Total | | 399,154,319 | 157,284,232 | 241,870,087 | 39.4 |
| Total Admin | | 739,130,896 | 383,382,341 | 355,748,556 | 51.9 |
| Gender & Youth Sport | | | | | |
| | Administrative services | 54,970,614 | 58,340,737 | (3,370,123) | 106.1 |
| | Payment of utilities | 1,040,000 | - | 1,040,000 | 0.0 |
| | Human Resources Management | 46,696,748 | 26,229,894 | 20,466,854 | 56.2 |
| | Staff training | 2,000,000 | - | 2,000,000 | 0.0 |
| | DHRC Meeting | 1,000,000 | - | 1,000,000 | 0.0 |
| | Staff bonding | 1,200,000 | - | 1,200,000 | 0.0 |
| Cultural Development and management | Planning and Budgeting | 2,500,000 | - | 2,500,000 | 0.0 |
| | Development Historical and cultural sites | 5,925,672 | - | 5,925,672 | 0.0 |
| | Liquor and Licensing | 2,500,000 | - | 2,500,000 | 0.0 |
| Gender Equality And Empowerment Of Vulnerable Groups | Gender equality framework | 6,500,000 | - | 6,500,000 | 0.0 |
| | Gender empowerment | 4,000,000 | - | 4,000,000 | 0.0 |
| | Gender mainstreaming | 2,000,000 | - | 2,000,000 | 0.0 |
| | Disability mainstreaming | 2,000,000 | - | 2,000,000 | 0.0 |
| Sports Facility Development and Management | Development of sports facility | 178,616,377 | 114,542,181 | 64,074,196 | 64.1 |
| Sports talent development and management | Sports and talent development established | 4,850,004 | - | 4,850,004 | 0.0 |
| Youth Development and Management | Youth development services | 8,700,000 | - | 8,700,000 | 0.0 |
| Total | | 324,499,415 | 199,112,812 | 125,386,603 | 61.4 |
| Public Service | | | | | |
| General administration and support services | Administrative services | 31,016,784 | 25,618,975 | 5,397,809 | 82.6 |

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|--|--|------------------------|------------------------|----------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
| Human Resource Management and Development | Human Resource Management & Development | 7,391,056 | 6,555,204 | 835,852 | 88.7 |
| | Ethics governors and national | 8,695,000 | - | 8,695,000 | 0.0 |
| Total | | 47,102,840 | 32,174,179 | 14,928,661 | 68.3 |
| Governors & Deputy Governor | | | | | |
| General Administration, Planning and Support Services | Feasibility Studies/ advisory services | 1,000,000 | - | 1,000,000 | 0.0 |
| | Human Resource Management | 251,261,866 | 185,207,056 | 66,054,810 | 73.7 |
| | Administrative services | 153,241,950 | 149,307,031 | 3,934,919 | 97.4 |
| County Executive Committee Affairs and County Strategic and Service Delivery | Leadership and Coordination of County Departments and Agencies | 10,500,000 | - | 10,500,000 | 0.0 |
| | Staff Management Services. | 24,996,184 | - | 24,996,184 | 0.0 |
| | | 441,000,000 | 334,514,086 | 106,485,914 | 75.9 |
| County Assembly | | | | | |
| General Administration Planning and Support Services | General Administration Planning and Support Services | 594,372,529 | 401,702,656 | 192,669,873 | 67.6 |
| Legislation | Legislation | 16,153,646 | 7,511,710 | 8,641,936 | 46.5 |
| Representation and outreach services | Representation and outreach services | 63,334,520 | 28,134,450 | 35,200,070 | 44.4 |
| Oversight | Oversight | 193,637,940 | 185,855,433 | 7,782,508 | 96.0 |
| General infrastructure | General infrastructure | 15,000,000 | 15,000,000 | - | 100.0 |
| | | 882,498,635 | 638,204,249 | 244,294,386 | 72.3 |
| Grand Total | | 11,917,130,203 | 6,472,954,609 | 5,444,175,594 | 54.3 |

Source: Bungoma County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Human Resource Management and Development in the Department of Agriculture at 96.7 per cent, General infrastructure in the County Assembly at 100 per cent, Administrative Services in the Department of Governors' at 97.4 per cent, Administrative Services in the Department of Gender Youth and Sports at 106.1 per cent of budget allocation.

3.4.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report, with the third-quarter report being submitted on 20th April 2021. This delay occurred despite the OCoB instructing Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.
2. Low absorption of development funds as indicated by the expenditure of Kshs.981.26 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.3.60 billion. The development expenditure represented 27.2 per cent of the annual development budget.
3. A high wage bill accounting for 58.6 per cent of the total expenditure in the first nine months of FY 2020/21, thus constraining funding to other programmes.
4. The under-performance of own source revenue at Kshs.286.57 million against an annual projection of Kshs.700 million, representing 40.9 per cent of the annual target
5. Use of revenue at source and weak budgeting practice by the County Treasury as shown in Table 3.17 and Table 3.18 where the County reported expenditure above the approved budgetary allocations.
6. Failure by Fund Administrators to submit financial and non-financial statements in line with Section 168 of the PFM Act, 2012. The OCoB did not receive quarterly financial reports for the Bungoma County Assembly Car Loan and Mortgage Scheme, Trade loans, and Bungoma County Emergency Fund.
7. High expenditure on local travel at Kshs.313.15 million, which was unexpected during the COVID-19 containment period due to travel restrictions and points to wasteful spending.

The County should implement the following recommendations to improve budget execution;

1. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the

Controller of Budget in line with Section 166 of the PFM Act, 2012.

2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.
4. The County should address its own source revenue performance to ensure the approved budget is fully financed.
5. The County Treasury should improve the Vote book and budgetary control to ensure that expenditure is within the approved budget. Further, all revenues should be banked intact into the CRF in line with Section 109 (2) of the PFM Act, 2012.
6. The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.
7. The County Treasury should review expenditure on travel and subsistence allowances to ensure it is credible and institute control measures to curtail further avoid wasteful spending.

3.5 County Government of Busia

3.5.1 Overview of FY 2020/21 Budget

The County's approved supplementary budget for FY 2020/21 is Kshs.10.42 billion, comprising of Kshs.4.75 billion (45.6 per cent) and Kshs.5.67 billion (54.4 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.6.11 billion (58.6 per cent) as the equitable share of revenue raised nationally, Kshs.783.68 million (7.5 per cent) as total conditional grants, generate Kshs.1.12 billion (10.7 per cent) from own sources of revenue, and a cash balance of Kshs.2.20 billion (21.1 per cent) from FY 2019/20. The County also expects to receive Kshs.205.90 million (2 per cent) as "other revenues" not contained in the CARA, 2020. "Other revenues" consist of Kenya urban support programme (UIG & UDG), COVID 19 FY, 2020/21, COVID 19 payment (KMPDC) and Grant from Nutrition International.

3.5.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.3.49 billion as equitable share of the revenue raised nationally, Kshs.234.04 million as conditional grants, raised Kshs.231.23 million as own-source revenue, and had a cash balance of Kshs.2.20 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.6.15 billion, as shown in Table 3.19.

Table 3.19: Busia County, Revenue Performance in the First Nine Months of FY 2020/21

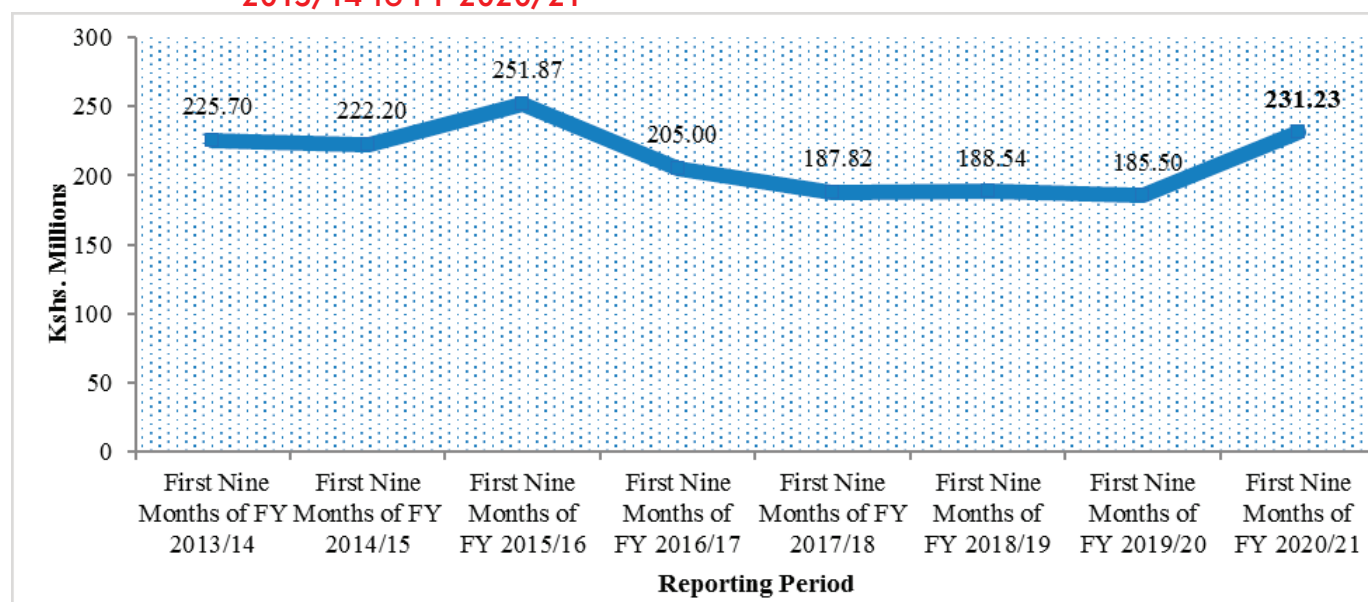
| S/No | Revenue | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation (Kshs) | Actual Receipts (Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|-----------|--|-------------------------------------|---------------------------------|-------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 6,108,450,000 | 6,108,450,000 | 3,487,830,000 | 57.1 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Compensation for User Fee Foregone | 16,934,085 | 16,934,085 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 182,062,027 | 182,062,027 | - | - |
| 4. | Rehabilitation of Village Polytechnics | 57,199,894 | 57,199,894 | 28,599,947 | |
| | Sub Total | 388,217,283 | 256,196,006 | 28,599,947 | 11.2 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 31,200,000 | 31,200,000 | | - |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 320,226,100 | 320,226,100 | 125,569,326 | 39.2 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) – Urban Development Grant (UDG) | - | 101,071,500 | - | - |
| 5. | DANIDA Grant | 17,100,000 | 17,100,000 | 23,557,407 | 137.8 |
| 6. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) – Urban Institutional Grants (UIG) | - | 45,000,000 | - | - |
| 7. | Grant from Nutrition International | - | 10,000,000 | - | - |
| 8. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant | - | 69,825,044 | - | - |

| S/No | Revenue | Annual 2020 (Kshs) | CARA, Allocation | Annual Budget Allocation (Kshs) | Actual Receipts (Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|--------------------|----------------------|---------------------------------|-------------------------|---|
| 9. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | | 14,004,970 | 14,004,970 | 11,311,325 | 80.8 |
| 10. | EU - Water Tower Protection and Climate Change Mitigation and Adaptation Programme (waTER) | | 30,127,734 | 30,127,734 | - | - |
| 11. | COVID 19 FY 2020/21 | | - | 45,270,000 | - | - |
| | COVID 19 Payment (KMPDC) | | - | 4,560,000 | - | - |
| Sub Total | | | 457,658,804 | 733,385,348 | 205,438,058 | 28.0 |
| D | Other Sources of Revenue | | | | | |
| 1. | Own Source Revenue | | - | 1,119,555,805 | 231,234,728 | 20.7 |
| 2. | Balance b/f from FY 2019/20 | | - | 2,201,322,630 | 2,201,322,630 | 100 |
| Sub Total | | | - | 3,320,878,435 | 2,432,557,358 | 73.3 |
| Grand Total | | | 6,954,326,087 | 10,418,909,789 | 6,154,425,363 | 59.1 |

Source: Busia County Treasury

Figure 3.7 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.7: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Busia County Treasury

During the first nine months of FY 2020/21, the County generated Kshs.231.23 million as own-source revenue. This amount represented an increase of 24.7 per cent compared to Kshs.185.50 million realised during a similar period in FY 2019/20 and was 20.7 per cent of the annual target.

3.5.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.15 billion from the CRF account during the reporting period. The amount comprised of Kshs.970.15 million (18.8 per cent) for development programmes and Kshs.4.18 billion (81.2 per cent) for recurrent programmes.

3.5.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.4.94 billion on development and recurrent programmes. The expenditure represented 95.9 per cent of the total funds released by the COB and comprised Kshs.965.12 million and Kshs.3.97 billion on development and recurrent programmes. Expenditure on development programmes represented an absorption rate of 20.3 per cent while recurrent expenditure represented 70 per cent of the annual recurrent expenditure budget.

3.5.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.66 billion was spent on compensation to employees, Kshs.1.31 billion on operations and maintenance, and Kshs.965.12 million on development activities as shown in Table 3.20.

Table 3.20: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 5,672,187,015 | 4,183,267,702 | 3,970,406,478 | 70.0 |
| Compensation to Employees | 3,298,758,235 | 2,542,060,087 | 2,661,192,966 | 80.7 |
| Operations and Maintenance | 2,373,428,780 | 1,641,207,615 | 1,309,213,512 | 55.2 |
| Total Development Expenditure | 4,746,722,775 | 963,942,119 | 965,117,487 | 20.3 |
| Development Expenditure | 4,746,722,775 | 963,942,119 | 965,117,487 | 20.3 |
| Total | 10,418,909,790 | 5,147,209,821 | 4,935,523,966 | 47.4 |

Source: Busia County Treasury

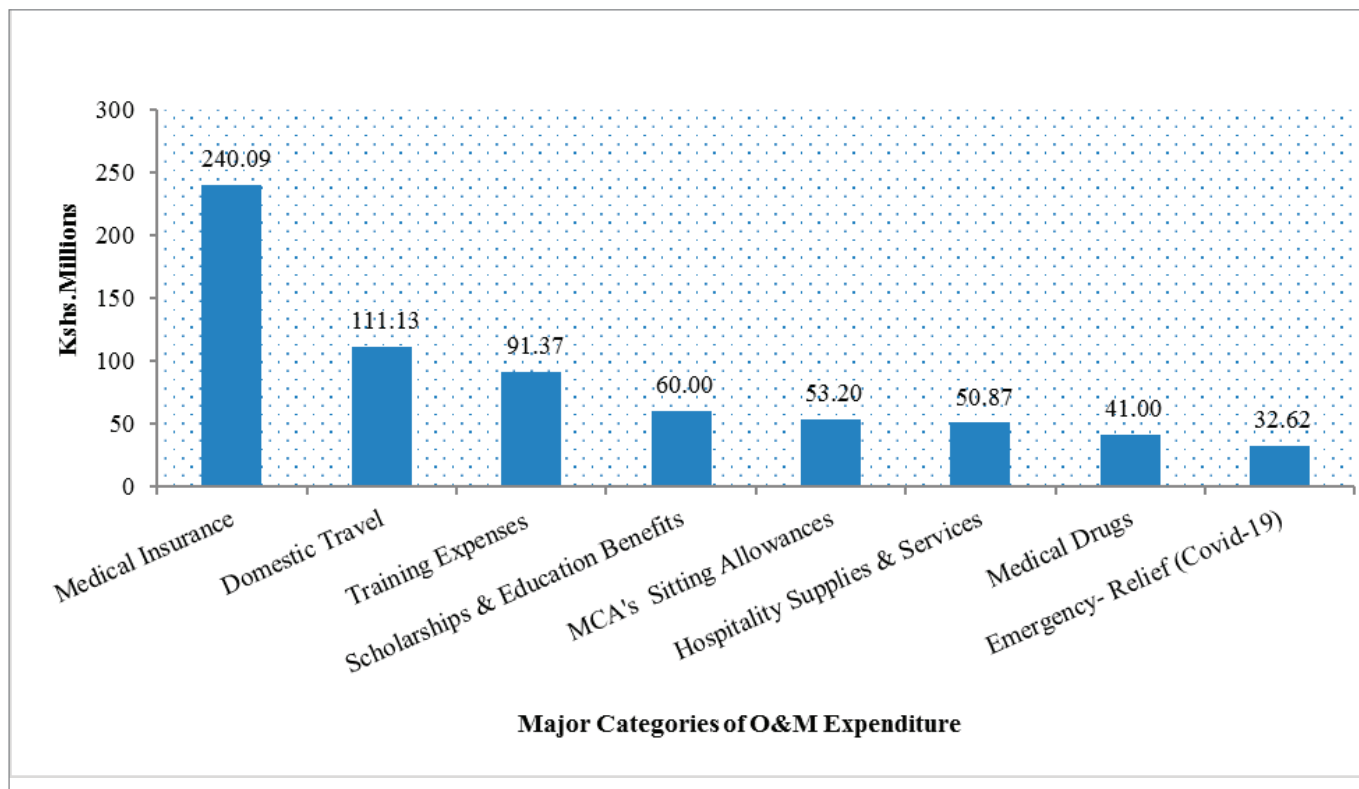
3.5.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government’s expenditure on wages and benefits at 35 per cent of the County’s total revenue. Expenditure on compensation to employees was 53.9 per cent of the total expenditure for the reporting period and 34.1 per cent of the first nine months proportional revenue estimate of Kshs.7.81 billion.

3.5.7 Expenditure on Operations and Maintenance

Figure 3.8 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.8: Busia County, Operations and Maintenance Expenditure by Major Categories



Source: Busia County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.53.20 million on committee sitting allowances for the 54 MCAs and Speaker against the annual budget allocation of Kshs.75.11 million. The average monthly sitting allowance was Kshs.109,458 per MCA against the SRC’s recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.111.13 million and comprised of Kshs.55.06 million spent by the County Assembly and Kshs.56.08 million by the County Executive. Expenditure on foreign travel amounted to Kshs.4.92 million and consisted of Kshs.652,330 by the County Assembly and Kshs.4.26 million by the County Executive.

3.5.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.106.46 million to cater for COVID-19 related expenditure. A total of Kshs.30.27 million was spent during the reporting period, as shown in Table 3.21.

Table 3.21: COVID-19 Budget and Expenditure Summary

| No | Description of Expenditure | Revised Budget 2020/21 (Kshs.) | Expenditure as at 31st march 2021 (Kshs.) | Absorption rate (%) |
|----|--|--------------------------------|---|---------------------|
| 1 | Purchase of oxygen delivery regulators | 1,225,000 | 1,225,000 | 100.0 |
| 2 | Purchase of Oxygen Cylinders with Oxygen | 300,000 | 300,000 | 100.0 |
| 3 | Purchase of Ventilators /Respirators for use at covid-19 treatment centres | 2,900,000 | - | - |
| 4 | Purchase of Hospital Beds with macintosh mattresses (Double crank beds) for isolation centres | 22,500,000 | 22,500,000 | 100.0 |
| 5 | Purchase of Bed side lockers for isolation centres | 6,250,000 | 6,250,000 | 100.0 |
| 6 | Purchase of Cellular Blankets for use in isolation centres and health facilities | 1,798,000 | - | - |
| 7 | Purchase of Patient gowns for isolation centres and health facilities | 1,000,000 | - | - |
| 8 | Purchase of Hospital bed Sheets (100% cotton) for Covid -19 isolation centre(Pairs) | 2,850,000 | - | - |
| 9 | Purchase of scrubs for Health care workers | 750,000 | - | - |
| 10 | Purchase of Waste management Bins(Large size) foot-operated | 750,000 | - | - |
| 11 | Purchase of Decontamination buckets | 1,500,000 | - | - |
| 12 | Purchase of Food and Ration for covid-19 patients | 7,500,000 | - | - |
| 13 | purchase of patient monitors for Isolation centre | 5,000,000 | - | - |
| 14 | Purchase of 3Ply Surgical masks | 6,000,000 | - | - |
| 15 | Purchase of Disposable Gloves(Latex)-boxes | 6,000,000 | - | - |
| 16 | Purchase of complete PPEs | 2,500,000 | - | - |
| 17 | Purchase of scrubs for Health care workers | 375,000 | - | - |
| 18 | Purchase of N95 3M Face Masks with valve | 380,000 | - | - |
| 19 | Purchase of KN95 Face masks | 195,000 | - | - |
| 20 | Maintenance of building, plant and machinery -renovation of MCH,CCC, Fencing of Alupe, partitioning of wards at Alupe Isolation Centres, signages at Alupe and renovation of Mortuary at Alupe | 6,650,000 | - | - |
| 21 | Purchase of 1 Digital XRAY MACHINE [Alupe isolation centre] | 9,000,000 | - | - |
| 22 | Purchase of x-ray films | 250,000 | - | - |
| 23 | Purchase of Refined fuel for patient and specimen transportation and surveillance | 3,265,800 | - | - |
| 24 | Maintenance of Motor vehicles and Motorcycles for use in covid 19 | 1,000,000 | - | - |
| 25 | pipette tips with barrier 100microlitres ,960,s | 56,000 | - | - |
| 26 | Purchase of chemistry and haematology reagents | 1,998,720 | - | - |
| 27 | Air conditioners 18000BTU for BCRH PCR Machine | 245,940 | - | - |
| 28 | Servicing of : thermocycler,QI AGILITY, 1WORKSTATIONS , BIOSAFETY CABINETS | 1,200,000 | - | - |
| 29 | Purchase of IV fluid giving sets | 180,000 | - | - |
| 30 | Purchase of blood giving sets | 22,500 | - | - |
| 31 | Purchase of IV fluids- Normal Saline,Ringers lactate,5% dexrose | 300,000 | - | - |
| 32 | Purchase of Syringes with needle 1x100 (Assorted) | 350,000 | - | - |
| 33 | Cotton wool 400grms | 240,480 | - | - |
| 34 | Gauze rolls (400g) | 503,200 | - | - |
| 35 | Purchase of Sodium Hypochlorite(JIK)-5L Tins | 300,000 | - | - |
| 36 | Purchase of Covid -19 supportive drugs | 400,000 | - | - |
| 37 | Purchase of renal dialysis drugs and supplies | 600,000 | - | - |
| 38 | Purchase of Bin liners (Black, Yellow, Red) | 650,000 | - | - |
| 39 | Purchase of Safety boxes | 500,000 | - | - |
| 40 | Purchase of heavy-duty gloves | 100,000 | - | - |
| 41 | Servicing of ICU equipment | 3,000,000 | - | - |
| 42 | Purchase of Ripple mattresses for ICU beds | 100,000 | - | - |
| 43 | Purchase of Cabinets for ICU | 280,000 | - | - |
| 44 | Provide Multiple electrical outlets, oxygen, medical air and suction ports per bed to be supplied from the ceiling pendant, | 298,360 | - | - |
| 45 | Purchase and installation of blood gas analyser | 4,000,000 | - | - |
| 46 | Contact Tracing and follow up (Enhanced Surveillance) | 600,000 | - | - |

| No | Description of Expenditure | Revised Budget 2020/21 (Kshs.) | Expenditure as at 31st march 2021 (Kshs.) | Absorption rate (%) |
|--------------|---|--------------------------------|---|---------------------|
| 47 | Purchase of Communication 3 laptops and 3 desktop computers | 600,000 | - | - |
| Total | | 106,464,000 | 30,275,000 | 28.4 |

Source: Busia County Treasury

3.5.9 Development Expenditure

The County incurred an expenditure of Kshs.965.12 million on development programmes, which represented an increase of 26.9 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.760.76 million. Table 3.22 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.22: Busia County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|------------------------------|----------------|---------------------|---------------------|
| 1 | Construction of a 30 – bed medical ward | Kocholia Sub County Hospital | 12,631,345 | 12,631,345 | 44.0 |
| 2 | Completion of theatre @Nambale Hosp | Nambale | 8,767,900 | 6,475,200 | 86.8 |
| 3 | Upgrading of - Rasto park - Scorpion Chemist Road; Garage and Rowcena streets to bitumen standards | Matayos | 28,690,720 | 28,690,720 | 238.2 |
| 4 | Routine maintenance of Bumala B Junction - Nambusu River - Esikura primary junction road | Butula | 7,459,464 | 7,459,464 | 125.0 |
| 5 | Routine maintenance of Akoreet - Odioi road | Teso South | 12,046,900 | 12,046,900 | 144.2 |
| 6 | Routine Maintenance Of Bukhakhala - Isongo Road | Butula | 5,969,700 | 5,969,700 | 80.0 |
| 7 | Routine maintenance of Kolanya - Ongaroi - Kawalun road | Teso North | 8,355,050 | 8,355,050 | 82.8 |
| 8 | Routine maintenance of Bumala B Junction - Nambusu River - Esikura primary junction road | Butula | 7,459,464 | 7,459,464 | 44.7 |
| 9 | Routine maintenance of Kiriko - Kamolo Youth empowerment center | Teso North | 10,096,464 | 10,096,464 | 100 |
| 10 | Payment for construction of Chagara water pan | Headquarters | 16,702,750 | 16,702,750 | 100 |

Source: Busia County Treasury

3.5.10 Budget Performance by Department

Table 3.23 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.23: Busia County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|----------|----------------------------------|--------|-----------------------------|--------|-------------------------------------|-------|---------------------|------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Agriculture and Animal Resources | 252.07 | 853.86 | 230.72 | 193.22 | 188.08 | 226.18 | 81.5 | 117.1 | 74.6 | 26.5 |
| Trade, Cooperatives and Industrialization | 81.26 | 220.15 | 66.34 | 86.18 | 25.00 | 14.43 | 37.7 | 16.7 | 30.8 | 6.6 |
| Education and Vocational Training | 450.08 | 299.37 | 421.40 | 145.30 | 356.64 | 55.03 | 84.6 | 37.9 | 79.2 | 18.4 |
| Finance, Economic Planning and ICT | 903.09 | 13.00 | 606.85 | 12.10 | 726.93 | 9.53 | 119.8 | 78.7 | 80.5 | 73.3 |
| Youth, Culture, sports, Tourism and Social Services | 86.38 | 98.04 | 67.50 | 30.55 | 26.85 | 1.65 | 39.8 | 5.4 | 31.1 | 1.7 |
| Roads, Public Works, Energy and Transport | 137.82 | 1,352.28 | 116.90 | 246.48 | 67.28 | 382.16 | 57.6 | 155.1 | 48.8 | 28.3 |
| Public Service Management | 450.48 | - | 298.74 | - | 255.29 | - | 85.5 | - | 56.7 | - |
| Lands, Housing and urban Development | 146.33 | 337.47 | 67.27 | 31.45 | 25.00 | 14.23 | 37.2 | 45.3 | 17.1 | 4.2 |
| Water Environment and Natural Resources | 124.03 | 700.44 | 108.76 | 87.05 | 71.07 | 123.57 | 65.3 | 142.0 | 57.3 | 17.6 |
| Health and Sanitation | 1,870.71 | 723.80 | 1,309.74 | 116.81 | 1,470.87 | 132.91 | 112.3 | 113.8 | 78.6 | 18.4 |
| County Public Service Board | 74.96 | - | 65.37 | - | 45.46 | - | 69.5 | - | 60.7 | - |
| The Governorship | 356.02 | 82.31 | 268.90 | 7.25 | 256.38 | 2.43 | 95.3 | 33.5 | 72.0 | 2.9 |
| County Assembly | 738.97 | 66.00 | 554.78 | 6.21 | 455.56 | 3.00 | 82.1 | 48.3 | 61.6 | 4.5 |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--------------|-----------------------------------|----------|----------------------------------|--------|-----------------------------|--------|-------------------------------------|-------|---------------------|------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Total | 5,672.19 | 4,746.72 | 4,183.27 | 962.59 | 3,970.41 | 965.12 | 94.9 | 100.3 | 70.0 | 20.3 |

Source: Busia County Treasury

Analysis of expenditure by department shows that the Department of Finance recorded the highest absorption rate of development budget at 73.3 per cent while the Department of Youth, Culture, Sports, Tourism and Social Services had the lowest at 1.7 per cent. The Department of Finance had the highest percentage of recurrent expenditure to budget at 80.5 per cent while the Department of Lands, Housing and Urban Planning had the lowest at 17.1 per cent.

3.5.11 Budget Execution by Programmes and Sub-Programmes

Table 3.24 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.24: Busia County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|--|-------------------------|-------------------------|--------------------|----------------|
| DEPARTMENT OF AGRICULTURE, LIVESTOCK AND FISHERIES | | | | | |
| CP 1: General Administration and support services | Administrative support service | 252,070,354 | 188,078,491.40 | 63,991,862 | 75 |
| CP 2: Crop Production and management | CSP 3.1 Input support services | - | - | - | - |
| | CSP 3.2: Crop development | 2,000,000 | 9,476,245 | - 7,476,245 | - |
| | CSP 3.3: Crop protection | - | - | - | - |
| CP 3: Land Use and Management | CSP 2.1: Agricultural mechanization | 3,856,323 | - | 3,856,323 | - |
| CP 4: Agricultural Training and Extension services | CSP 4.1: Agriculture extension services | - | - | - | - |
| | CSP 4.2: Agricultural Training services | 45,506,192 | 1,317,053 | 44,189,139 | 3 |
| CP 5: Agribusiness and agricultural value chain Development | CSP 5.1: Value addition | 15,506,464 | - | 15,506,464 | - |
| CP 6: Agricultural financial support services | CSP 6.1: Agricultural credit support services | - | - | - | - |
| CP 7: Kenya Climate Smart Agriculture Programme | CSP 7.1: Kenya Climate SMART | 453,464,082 | 89,992,918 | 363,471,164 | 20 |
| CP 8: Fisheries and Aquaculture Resources Development | CSP 8.1: Aquaculture development | 6,000,000 | 4,997,580 | 1,002,420 | 83 |
| | CSP 8.2: Fisheries training infrastructure development | - | - | - | - |
| | CSP 8.3: Fish value addition and marketing | 4,000,000 | 4,000,000 | - | - |
| | CSP 8.4: Lake-based aquaculture parks | - | - | - | - |
| CP 9: Veterinary Health Services | CSP 10.1: Veterinary Disease control | 3,555,460 | - | 3,555,460 | - |
| | CSP 10.2: AI services | - | - | - | - |
| | CSP 10.3: Meat inspection services | - | - | - | - |
| | CSP 10.4: Veterinary Extension | 2,000,000 | - | 2,000,000 | - |
| CP 10: Livestock production & Development | CSP 9.1: Livestock production improvement | 12,010,692 | 1,949,990 | 10,060,702 | - |
| | CSP 9.2: Livestock Extension | - | - | - | - |
| CP 11: Other Development Projects | CSP 11.1: Other Development projects | 305,965,650 | 114,444,095 | 191,521,555 | 37 |
| Total for Vote | | 1,105,935,217 | 414,256,373 | 691,678,844 | 37 |
| DEPARTMENT OF TRADE, COOPERATIVE AND INDUSTRIALIZATION | | | | | |
| CP 12: General Administration and Support services | CSP 12.1: Administrative support service | 81,262,962.06 | 25,001,930 | 56,261,031.61 | 31 |
| CP 13: Trade Developments and Investment | CSP 13.1: Busia county trade development fund | 5,000,000 | - | 5,000,000.00 | 0 |
| | CSP 13.2: Market modernization and development | 83,820,000.00 | 7,648,482.70 | 76,171,517.30 | 9 |
| CP 14: Fair Trade Practices | CSP 14.1: Weights and measures. | - | - | - | - |

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|--|--|-------------------------|-------------------------|-----------------------|----------------|
| CP 15: Cooperative development | CSP 15.1 Busia county cooperative enterprise development fund | 2,000,000.00 | 1,583,687.10 | 416,312.90 | - |
| | CSP 15.2: Revitalization of cotton ginneries | 5,000,000.00 | - | 5,000,000.00 | - |
| | CSP 15.3: value addition | - | - | - | - |
| CP 16: Other Development Projects | CSP 16.1. Other Development projects | 124,334,030.00 | 5,200,000.00 | 119,134,030.00 | 4 |
| Total for Vote | | 301,416,992.06 | 39,434,100.25 | 261,982,891.81 | 13 |
| DEPARTMENT OF FINANCE, ECONOMIC PLANNING AND SERVICE DELIVERY | | | | | |
| CP 22: General Administration and Support services | CSP 22.1: Administrative support service | 903,088,072.00 | 726,927,580 | 176,160,491.95 | 80 |
| CP 23: Financial management, Control and Development services | CSP 23.1: Revenue generation services | 8,000,000.00 | 4,525,000.00 | 3,475,000.00 | 57 |
| CP 24: Information and Communication Services | CSP 24.1: ICT support services | 5,000,000.00 | 5,000,000.00 | - | 100 |
| CP 25: Other Development Projects | CSP 25.1: Other Development projects | - | - | - | - |
| Total for Vote | | 916,088,072 | 736,452,580 | 179,635,492 | 80 |
| DEPARTMENT OF EDUCATION AND VOCATIONAL TRAINING | | | | | |
| CP 17: General Administration and Support services | CSP 17.1: Administrative support service | 450,078,587.26 | 356,640,847 | 93,437,739.86 | 79 |
| CP 18: Early Childhood Development Education (Basic Education) | CSP 18.1: Improvement of the infrastructure in E.C.D.E Centres | 8,557,600.00 | - | 8,557,600.00 | 0 |
| | CSP 18.2 E.C.D.E Capitation | - | - | - | 0 |
| | CSP 18.3: Child nutrition | - | - | - | 0 |
| CP 19: Tertiary/Vocational Training Development | CSP 19.1: Infrastructure development | 24,500,000.00 | 2,695,267 | 21,804,732.95 | 11 |
| CP 20: Education support | CSP 20.1: Education support scheme | 144,866,534.00 | 52,336,567 | 92,529,967.40 | 36 |
| CP 21: Other Development Projects | CSP 21.1 Other Development Projects | 121,442,008.00 | - | 121,442,008.00 | 0 |
| Total for Vote | | 749,444,729.26 | 411,672,681.05 | 337,772,048.21 | 55 |
| DEPARTMENT OF COMMUNITY DEVELOPMENT, TOURISM AND CULTURE. | | | | | |
| CP 26: General Administration and Support services | CSP 26.1: Administrative support service | 86,381,359.83 | 26,848,059 | 59,533,300.68 | 31 |
| CP 27: Social services | CSP 27.1: infrastructural development | - | - | - | - |
| | CSP 27.2: Community Support | - | - | - | - |
| CP 28: Youth and Empowerment Development | CSP 28.1 Equipping and Operationalization of youth empowerment | 5,000,000.00 | - | 5,000,000.00 | - |
| CP 29: Promotion and development of sports | CSP 29.1: Infrastructural development | 5,000,000.00 | - | 5,000,000.00 | - |
| | CSP 29.2: sports promotion | - | - | - | - |
| CP 30: Child care and protection | CSP 30.1: Rehabilitation and custody | - | 1,260,967.95 | (1,260,967.95) | - |
| CP 31: Culture Promotion and Development | CSP 31.1: Cultural infrastructural development | 21,400,000.00 | 385,426.15 | 21,014,573.85 | 2 |
| CP 32: Promotion and development of local tourism in the county | CSP 32.1: Tourism development | 3,000,000.00 | - | 3,000,000.00 | 0 |
| CP 33: Alcoholic Drinks and Drugs control | CSP 33.1: Infrastructure development | 5,000,000.00 | - | 5,000,000.00 | 0 |
| CP 34: Other Development Projects | CSP 34.1: Other Development projects | 58,639,200.00 | - | 58,639,200.00 | 0 |
| Total for Vote | | 184,420,560 | 28,494,453 | 155,926,107 | 15 |
| DEPARTMENT OF PUBLIC WORKS, ROAD AND ENERGY | | | | | |
| CP 35: General Administration and support services | CSP 35.1: Administrative support service | 137,820,995.62 | 67,282,287 | 70,538,708.57 | 48 |
| CP 36: Development and Maintenance of Roads | CSP 36.1: Routine maintenance of roads | 381,794,499.00 | 184,870,593 | 196,923,905.60 | - |
| | CSP 36.2: Development of Roads | 327,074,250.00 | 59,415,108 | 267,659,142.40 | - |
| CP 37: Building Infrastructure Development | CSP 37.1: Infrastructure Development | 33,000,000.00 | - | 33,000,000.00 | - |
| CP 38: Energy Development | CSP 38.1 Energy Services | 5,600,000.00 | - | 5,600,000.00 | - |
| | CSP 38.2: Solar Energy Exploration | 11,310,000.00 | - | 11,310,000.00 | - |
| | CSP 38.3: Renewable energy | - | - | - | - |

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|--|-------------------------|-------------------------|-----------------------|----------------|
| CP 39: Alternative Transport infrastructure Development | CSP 39.1: Road safety campaign | - | - | - | 23 |
| CP 40: Other Development Projects | CSP 40.1: Other Development Projects | 593,499,887.00 | 137,876,534 | 455,623,352.70 | 30 |
| Total for Vote | | 1,490,099,632 | 449,444,522 | 1,040,655,109 | 57 |
| DEPARTMENT OF PUBLIC SERVICE MANAGEMENT | | | | | |
| CP 41: General Administration and support services | CSP 41.1: Administrative support services | 450,477,488.00 | 255,285,845 | 195,191,642.60 | 56.67 |
| Total for Vote | | 450,477,488.00 | 255,285,845.40 | 195,191,642.60 | 61 |
| COUNTY PUBLIC SERVICE BOARD | | | | | |
| CP 41: General Administration and support services | CSP 41.1: Administrative support services | 74,955,241 | 45,461,485 | 29,493,756.04 | 61 |
| Total for Vote | | 74,955,241.19 | 45,461,485.15 | 29,493,756.04 | 17 |
| DEPARTMENT OF LANDS AND URBAN DEVELOPMENT | | | | | |
| CP 42: General Administration and support services | CSP 42.1: Administrative support services | 146,331,813.94 | 24,999,961 | 121,331,853.04 | 0 |
| CP 43: County Land Administration and planning | CSP 43.1: Land use planning | 5,000,000.00 | - | 5,000,000.00 | 0 |
| CP 44: Housing development and management | CSP 44.1: Housing Development | 5,000,000.00 | - | 5,000,000.00 | 9 |
| CP 45: County Urban management and Development | CSP 45.1: Urban management | 45,096,006.00 | 3,933,450.95 | 41,162,555.05 | 0 |
| | CSP 45.2: Urban Development | 240,128,242.00 | - | 240,128,242.00 | 24 |
| CP 46: Other Development Projects | CSP 46.1: Other Development Projects | 42,250,000.00 | 10,300,810.00 | 31,949,190.00 | 8 |
| Total for Vote | | 483,806,062 | 39,234,222 | 444,571,840 | 57 |
| DEPARTMENT OF WATER, ENVIRONMENT AND NATURAL RESOURCES | | | | | |
| CP 47: General Administration and support services | CSP 47.1: Administrative support services | 124,025,188.00 | 71,065,451 | 52,959,737.50 | 61 |
| CP 48: Water Supply Services | CSP 48.1: Urban water supply and sewerage | 20,000,000.00 | 12,209,736 | 7,790,264.40 | 0 |
| | CSP 48.2: Rural water supply | 95,565,425.00 | - | 95,565,425.00 | 0 |
| CP 49: Environment Management and Protection | CSP 49.1 Environmental management | 13,000,000.00 | 11,487,912 | 1,512,087.90 | 0 |
| CP 50: Small Holder Irrigation and Drainage | CSP 50.1: Irrigation infrastructure development | 2,310,000.00 | - | 2,310,000.00 | 22 |
| CP 51: Forest development and management | CSP 51.1: Rehabilitation and Restoration degraded landscape | 13,770,000.00 | 3,011,153 | 10,758,846.55 | 0 |
| CP 52: Water Tower Protection and Climate Change Mitigation | CSP 52.1: Water Tower Protection and Climate Change Mitigation | 190,127,734.00 | - | 190,127,734.00 | 26 |
| CP53: Other Development Projects | CSP 53.1 Other Development Projects | 365,665,556.00 | 96,864,617 | 268,800,939.10 | 24 |
| Total for Vote | | 824,463,903 | 194,638,869 | 629,825,034 | 79 |
| DEPARTMENT OF HEALTH AND SANITATION | | | | | |
| CP 54: General Administration and support services | CSP 54.1: Administrative support service | 1,870,705,826 | 1,470,872,562 | 399,833,263.80 | 78.6 |
| CP 55: Curative Health Services | CSP 55.1: Infrastructure development | 384,005,854.00 | 69,519,252 | 314,486,602.40 | 18.1 |
| | CSP 55.2: Hospital equipment | 23,275,000.00 | 3,639,620 | 19,635,379.85 | 15.6 |
| CP 56: Preventive and Promotive Health services | CSP 56.1: Infrastructure development | 26,000,000.00 | 1,010,996 | 24,989,004.00 | 3.9 |
| | CSP 56.2: Lower level hospital equipment | 1,000,000.00 | - | 1,000,000.00 | - |
| | CSP 56.3: Preventive Services | 9,000,000.00 | - | 9,000,000.00 | - |
| | CSP 56.4: Health promotion unit | 147,768,264.00 | 44,380,357 | 103,387,907 | 30.0 |
| CP 57: Other Development Projects | CSP 57.1: Other Development projects | 132,747,823.00 | 14,358,388 | 118,389,435 | 10.8 |
| Total for Vote | | 2,594,502,767 | 1,603,781,175 | 990,721,592 | 61.8 |
| OFFICE OF THE GOVERNOR | | | | | |
| CP 59: General Administration and support services | CSP 59.1: Administrative support service | 356,016,467 | - | 356,016,467 | - |

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|--|-------------------------|-------------------------|----------------------|----------------|
| CP 60: Disaster Risk Management | CSP 60.1: Disaster preparedness | 67,550,000 | - | 67,550,000 | - |
| CP 61: Information dissemination and knowledge management | CSP 60.1: Communication Services | 13,660,000 | - | 13,660,000 | - |
| CP 62: Other Development Projects | CSP 62.1: Other Development projects | 1,100,000 | 2,425,682 | -1,325,682 | 220.5 |
| Total | | 438,326,467 | 2,425,682 | 435,900,785 | 0.6 |
| COUNTY ASSEMBLY | | | | | |
| CP 63: General Administration and Support Services | CP 63: General Administration and Support Services | 738,972,659 | 455,561,777 | 283,410,882 | 61.6 |
| CP 64: Infrastructure Development | CP 64: Infrastructure Development | 66,000,000 | 3,000,000 | 63,000,000 | 4.5 |
| sub totals | | 804,972,659 | 458,561,777 | 346,410,882 | 57.0 |
| GRAND TOTAL | | 10,418,909,789 | 4,935,523,967 | 4,897,454,357 | 47.4 |

Source: Busia County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Other Development Projects in the Office of the Governor at 220.5 per cent, and Information and Communication Services at 100 per cent in the Department of Finance of budget allocation.

3.5.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. Low absorption of development funds as indicated by the expenditure of Kshs.965.12 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.4.75 billion. The development expenditure represented 20.3 per cent of the annual development budget.
3. Under-performance of own source revenue at Kshs.231.23 million against an annual target of Kshs.1.12 billion, representing 20.7 per cent of the annual goal.
4. Use of revenue at source and weak budgeting practice by the County Treasury as shown in Table 3.23 and Table 3.24 where the County incurred expenditure above approved exchequer issues and budget allocation.

The County should implement the following recommendations to improve budget execution;

1. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with Section 166 of the PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County should address its own source revenue performance to ensure the approved budget is fully financed.
4. The County Treasury should improve the Vote book and budgetary control to ensure that expenditure is within the approved budget. Further, all revenues should be banked intact into the CRF in line with Section 109 (2) of the PFM Act, 2012.

3.6 County Government of Elgeyo Marakwet

3.6.1 Overview of FY 2020/21 Budget

The county's approved supplementary budget for FY 2020/21 is Kshs.5.95 billion, comprising Kshs.2.50 billion (41.1 per cent) and Kshs.3.50 billion (58.9 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the county expects to receive Kshs.3.86 billion (64.9 per cent) as the equitable share of revenue raised nationally, Kshs.717.92 billion (12.1 per cent) as total conditional grants, generate Kshs.144 million (2.4 per cent) from own sources of revenue, and a cash balance of Kshs.1.23 billion (20.6 per cent) from FY 2019/20.

3.6.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.1.91 billion as an equitable share of the revenue raised nationally, Kshs.373.46 million as conditional grants, raised Kshs.82.43 million as own-source revenue, and had a cash balance of Kshs.941.70 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.3.31 billion, as shown in Table 3.25.

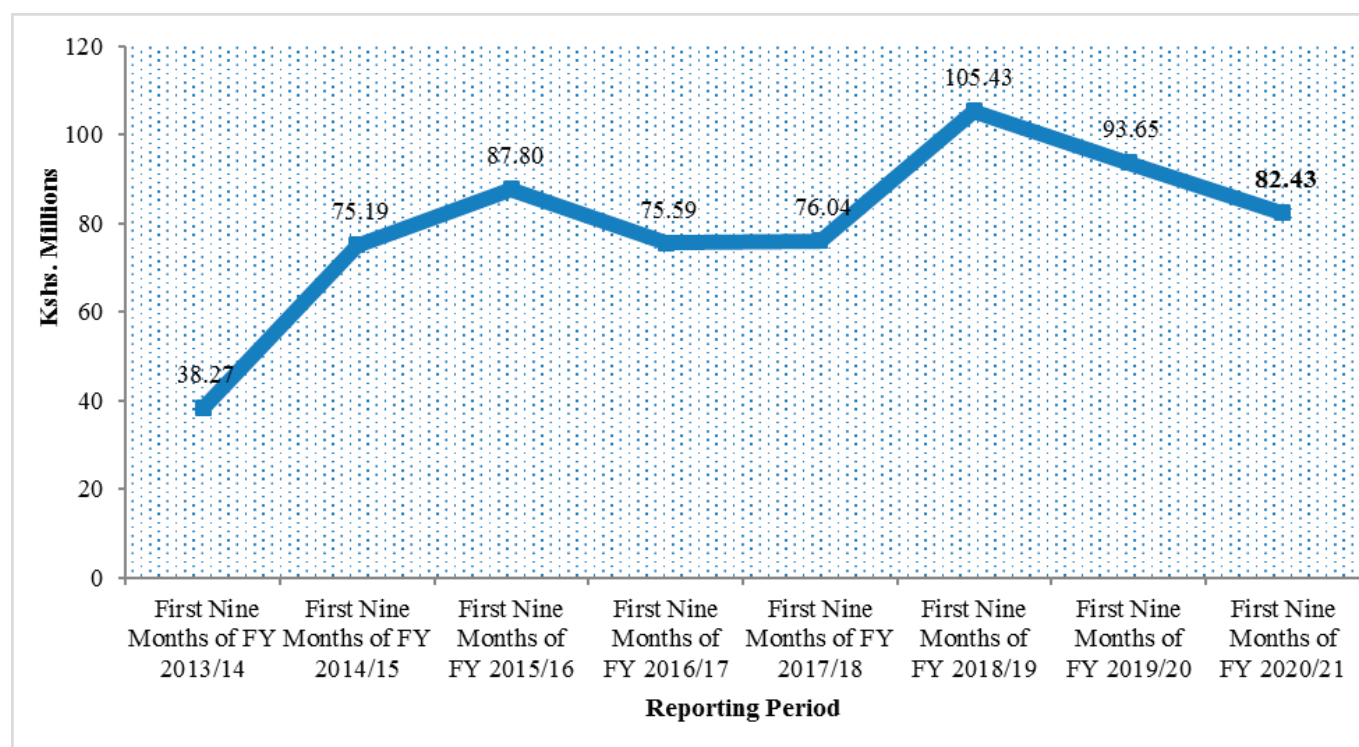
Table 3.25: Elgeyo Marakwet County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation (Kshs) | Actual Receipts (Kshs.) | Actual Receipts as % of annual Budget Allocation (%) |
|--------------------|---|-------------------------------------|---------------------------------|-------------------------|--|
| A. | Equitable Share of Revenue Raised Nationally | 3,861,300,000 | 3,861,300,000 | 1,911,343,500 | 49.5 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Compensation for User Fee Foregone | 8,788,919 | 8,788,919 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 115,085,841 | 115,085,841 | 57,542,920 | 50.0 |
| 4. | Rehabilitation of Village Polytechnics | 27,904,894 | 27,904,894 | 13,952,447 | 50.0 |
| Sub Total | | 283,800,931 | 151,779,654 | 71,495,367 | 47.1 |
| C. | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) | 33,340,400 | 33,340,400 | 16,077,607 | 48.2 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 280,000,045 | 280,000,045 | 105,477,960 | 37.7 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | - | 89,802,100 | 25,572,154 | 28.5 |
| 5. | DANIDA Grant | 10,980,000 | 15,180,000 | 9,690,000 | 63.8 |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 12,921,815 | 12,921,815 | 10,246,405 | 79.3 |
| 7. | EU – Water Tower Protection and Climate Change Mitigation and Adaptation Programme (waTER) | 69,163,856 | - | - | - |
| Sub Total | | 451,406,116 | 476,244,360 | 212,064,126 | 44.5 |
| D. | Other Sources of Revenue | | | | |
| 8. | Own Source Revenue | - | 144,000,000 | 82,433,540 | 57.2 |
| 9. | Balance b/f from FY 2019/20 | - | 1,228,517,476 | 941,696,967 | 76.7 |
| 10. | Other Revenues | - | 89,897,000 | 89,897,000 | 100 |
| Sub Total | | - | 1,462,414,476 | 1,14,027,507 | 76.2 |
| Grand Total | | 4,596,507,047 | 5,951,738,490 | 3,308,930,500 | 55.6 |

Source: Elgeyo Marakwet County Treasury

Figure 3.9 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.9: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Elgeyo Marakwet County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.82.43 million as its own source revenue. This amount represented a decrease of 12 per cent compared to Kshs.93.65 million realised during a similar period in FY 2019/20 and was 57.2 per cent of the annual target.

3.6.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.2.54 billion from the CRF account during the reporting period. The amount comprised of Kshs.417.59 million (16.4 per cent) for development programmes and Kshs.2.13 billion (83.6 per cent) for recurrent programmes.

3.6.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.2.77 billion on development and recurrent programmes. The expenditure represented 109.0 per cent of the total funds released by the COB and comprised of Kshs.519.95 million and Kshs.2.25 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 21.2 per cent while recurrent expenditure represented 64.3 per cent of the annual recurrent expenditure budget.

3.6.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.89 billion was spent on compensation to employees, Kshs.358.07 million on operations and maintenance, and Kshs.519.95 million on development activities as shown in Table 3.26.

Table 3.26: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|-------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 3,502,635,497 | 2,126,465,869 | 2,252,795,681 | 64.3 |
| Compensation to Employees | 2,880,689,749 | 1,627,561,502 | 1,894,721,448 | 65.8 |
| Operations and Maintenance | 621,945,748 | 498,904,367 | 358,074,233 | 57.6 |
| Total Development Expenditure | 2,449,102,993 | 417,587,798 | 519,954,207 | 21.2 |
| Development Expenditure | 2,449,102,993 | 417,587,798 | 519,954,207 | 21.2 |
| Total | 5,951,738,490 | 2,544,053,667 | 2,772,749,888 | 46.6 |

Source: Elgeyo Marakwet County Treasury

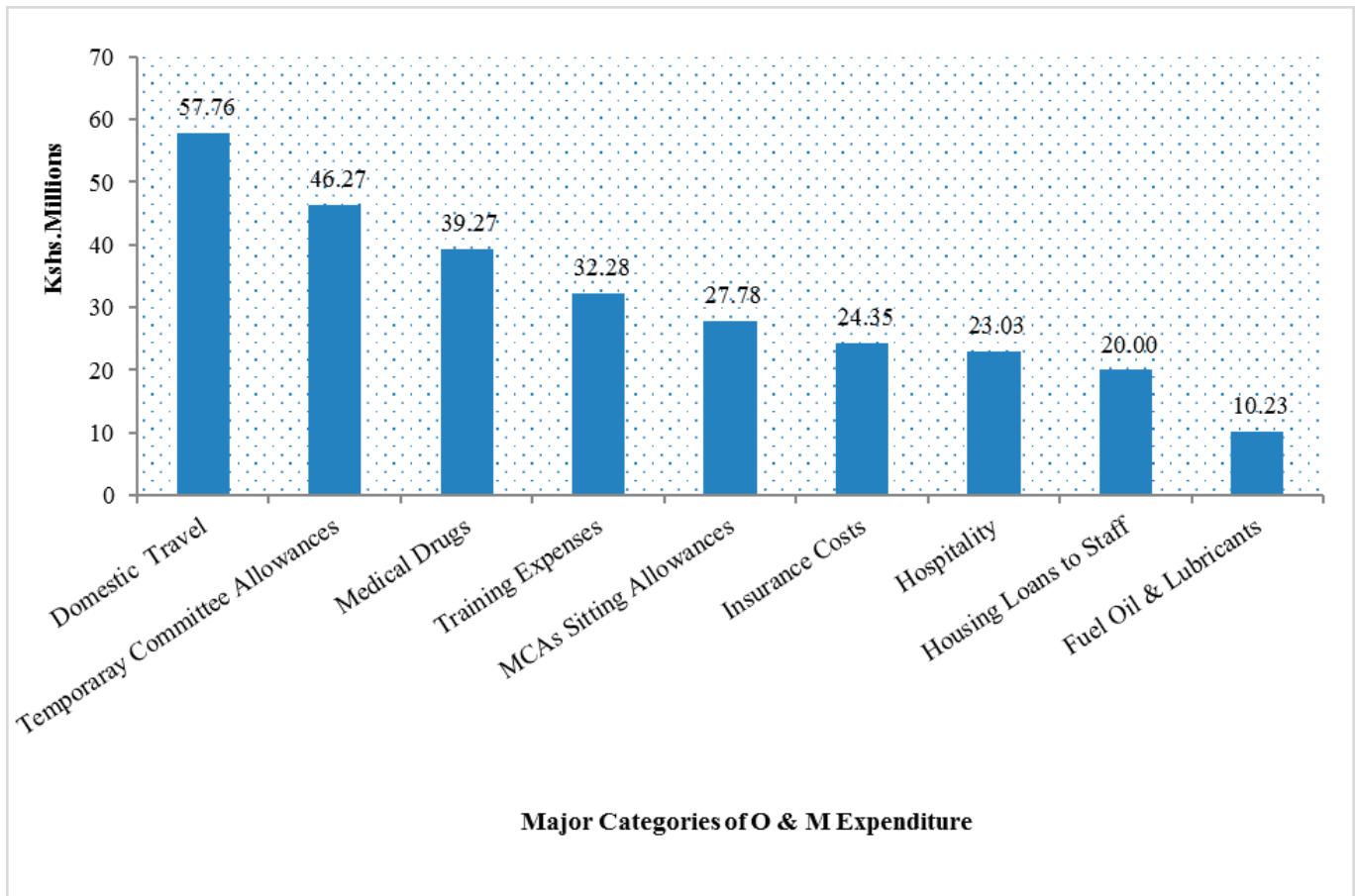
3.6.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government’s expenditure on wages and benefits at 35 per cent of the County’s total revenue. Expenditure on compensation to employees was 68.3 per cent of the total expenditure for the reporting period and 42.4 per cent of the first nine months proportional revenue estimate of Kshs.4.46 billion.

3.6.7 Expenditure on Operations and Maintenance

Figure 3.10 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.10: Elgeyo Marakwet County, Operations and Maintenance Expenditure by Major Categories



Source: Elgeyo Marakwet County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.28.78 million on committee sitting allowances for the 34 MCAs and Speaker against the annual budget allocation of Kshs.43.29 million. The average monthly sitting allowance was Kshs.94,040 per MCA against the SRC’s recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.57.76 million and comprised of Kshs.40.77 million spent by the County Assembly and Kshs.16.99 million by the County Executive. Expenditure on foreign travel amounted to Kshs.0.50 million, and was incurred by the County Executive.

3.6.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.112,897,800 to cater for COVID-19 related expenditure. A total of Kshs.39,199,700 was spent during the reporting period, as shown in Table 3.27.

Table 3.27: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31st March 2021 (Kshs) |
|--------------|--|---------------------------------|--|
| 1 | Domestic Travel - Accommodation | 2,400,000 | - |
| 2 | Daily Subsistence Allowance | 6,540,000 | 315,700 |
| 3 | Dressing and Other Non-Pharmaceutical | 12,072,500 | 1,999,000 |
| 4 | Maintenance of Buildings and Stations-Non-Residential | 10,188,000 | - |
| 5 | Purchase of Medical and Dental Equipment's | 44,812,300 | - |
| 6 | Grant from National Government for Allowances for front line Health Care Workers | 32,685,000 | 32,685,000 |
| 7 | DANIDA grant for COVID in FY 2019/20 | 4,200,000 | 4,200,000 |
| Total | | 112,897,800 | 39,199,700 |

Source: Elgeyo Marakwet County Treasury

3.6.9 Development Expenditure

The County incurred expenditure of Kshs.519.95 million on development programmes, which represented an increase of 8.8 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.477.88 billion. Table 3.28 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.28: Elgeyo Marakwet County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|------------------|------------------------|------------------------------------|---------------------|
| 1 | Embobut Kountikonin Kasabwa Water Project | Endo | 5,988,956 | 5,988,956 | 100 |
| 2 | Kerer-Kabererwo-Konyibsebe-Chemulany Road | Lelan | 4,702,300 | 4,348,432 | 100 |
| 3 | Kaboyon Farm | Endo | 4,208,000 | 4,208,000 | 100 |
| 4 | Nyawa - Rimoi Road | Tambach | 4,131,000 | 4,131,000 | 100 |
| 5 | Field Operation | Countywide | 4,093,625 | 4,093,625 | 100 |
| 6 | Kapngaram-Kapsitotwo-Kabero Road | Kapyego | 4,000,000 | 3,998,730 | 100 |
| 7 | Nyawa-Rimoi Road | Tambach | 4,995,000 | 3,855,500 | 100 |
| 8 | Segenge-Simat Road | Cherangany | 4,999,350 | 3,700,800 | 100 |
| 9 | Koitolial-Katkok Road | Countywide | 3,894,500 | 3,441,310 | 100 |
| 10 | Tripodany-Metibelio Road | Kaptarkwa | 3,283,000 | 3,283,000 | 100 |

Source: Elgeyo Marakwet County Treasury

3.6.10 Budget Performance by Department

Table 3.29 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.29: Elgeyo Marakwet County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|--------|----------------------------------|--------|-----------------------------|--------|-------------------------------------|-------|---------------------|------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 572.97 | 15.25 | 410.71 | 8.59 | 434.70 | 9.78 | 105.8 | 113.9 | 75.9 | 64.1 |
| Office of the Governor | 142.29 | - | 93.54 | - | 102.55 | - | 109.6 | - | 72.1 | - |
| Finance and Economic planning | 289.28 | - | 153.87 | - | 140.36 | - | 91.2 | - | 48.5 | - |
| Agriculture and Irrigation | 94.56 | 753.52 | 59.88 | 132.72 | 66.92 | 213.66 | 111.8 | 161.0 | 70.8 | 28.4 |
| Education and Tech. Training | 269.63 | 218.30 | 115.56 | 54.50 | 129.35 | 50.49 | 111.9 | 92.6 | 48.0 | 23.1 |
| Health and Sanitation | 1,608.52 | 256.97 | 1,029.89 | 43.57 | 1,084.62 | 47.49 | 105.3 | 109.0 | 67.4 | 18.5 |
| Water, Lands, Environment & Climate Change | 81.34 | 450.02 | 46.91 | 48.06 | 52.50 | 32.38 | 111.9 | 67.4 | 64.5 | 7.2 |
| Roads, Public Works and Transport | 80.56 | 503.54 | 42.51 | 112.46 | 47.28 | 145.30 | 111.2 | 129.2 | 58.7 | 28.9 |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|--------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Tourism, Culture, Wildlife, Trade & Industry | 36.17 | 17.98 | 21.27 | - | 23.64 | 0.50 | 111.1 | - | 65.4 | 2.8 |
| Youth Affairs, Sports, ICT & Social Services | 54.54 | 99.59 | 23.38 | 5.54 | 25.90 | 6.89 | 110.8 | 124.3 | 47.5 | 6.9 |
| Public Service Management & County Administration | 127.83 | 26.64 | 47.05 | 0.84 | 52.48 | 4.14 | 111.5 | 492.7 | 41.1 | 15.5 |
| County Public Service Board | 46.89 | - | 26.14 | - | 29.34 | - | 112.2 | - | 62.6 | - |
| Livestock Production, Fisheries & Cooperative Dev't | 98.06 | 107.30 | 55.75 | 11.31 | 63.15 | 9.30 | 113.3 | 82.3 | 64.4 | 8.7 |
| | 3,502.64 | 2,449.10 | 2,126.47 | 417.59 | 2,252.80 | 519.95 | 105.9 | 124.5 | 64.3 | 21.2 |

Source: Elgeyo Marakwet County Treasury

Analysis of departments' expenditure shows that the County Assembly recorded the highest absorption rate of development budget at 64.1 per cent. The County Assembly had the highest percentage of recurrent expenditure to budget at 75.9 per cent, while the Department of Public Service Management & County Administration had the lowest at 41.1 per cent.

3.6.11 Budget Execution by Programmes and Sub-Programmes

Table 3.30 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.30: Elgeyo Marakwet County, Budget Execution by Programmes and Sub-programmes

| Program | Sub Program | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption % |
|---|---|-------------------------|-------------------------|--------------------|--------------|
| County Assembly | | | | | |
| General Administration, Planning and Support Services | | 214,594,283 | 170,814,074 | 134,797,966 | 79.6 |
| | General administration, planning and support services | 214,594,283 | 170,814,074 | 134,797,966 | 79.6 |
| Legislation and Representation | | 313,954,712 | 227,395,159 | 81,116,406 | 72.4 |
| | Legislation and representation | 313,954,712 | 227,395,159 | 81,116,406 | 72.4 |
| Legislative Oversight | | 59,679,404 | 46,274,500 | 13,404,904 | 77.5 |
| | Legislative oversight | 59,679,404 | 46,274,500 | 13,404,904 | 77.5 |
| Sub-Total | | 588,228,399 | 444,483,733 | 229,319,276 | 75.6 |
| Office of the Governor | | | | | |
| General Administration and Support Services | | 122,014,510 | 90,369,834 | 31,644,676 | 74.1 |
| | General administration and support services | 122,014,510 | 90,369,834 | 31,644,676 | 74.1 |
| Open Governance, Transparency and Accountability | | 20,274,853 | 12,077,656 | 8,197,197 | 59.6 |
| | Governance | 20,274,853 | 12,077,656 | 8,197,197 | 59.6 |
| Sub-Totals | | 142,289,363 | 102,447,490 | 39,841,873 | 72.0 |
| Finance and Economic Planning | | | | | |
| General administration and support services | | 73,170,796 | 47,062,697 | 26,108,099 | 64.3 |
| | General administration and support services | 73,170,796 | 47,062,697 | 26,108,099 | 64.3 |
| Financial Management | | 114,009,415 | 81,270,541 | 37,521,474 | 71.3 |
| | Monitoring, Evaluation and reporting | 664,641 | 458,725 | 205,916 | 69.0 |
| | Economic Planning & Budgeting | 106,105,524 | 78,459,124 | 32,146,400 | 73.9 |
| | Accounting services | 2,394,061 | 1,576,933 | 1,099,728 | 65.9 |
| | Supply Chain Management | 1,330,110 | 469,980 | 860,130 | 35.3 |
| | Revenue Management Services | 3,515,079 | 305,779 | 3,209,300 | 8.7 |
| General Administration, Planning and Support Services | | 102,103,501 | 12,028,890 | 90,074,611 | 11.8 |
| | General administration, planning and support services | 102,103,501 | 12,028,890 | 90,074,611 | 11.8 |
| Sub-Total | | 289,283,712 | 140,362,128 | 153,704,184 | 48.5 |
| Agriculture and Irrigation | | | | | |
| General administration and support services | | 94,560,436 | 66,923,283 | 27,637,153 | 70.8 |

| Program | Sub Program | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption % |
|--|--|-------------------------|-------------------------|--------------------|--------------|
| | General administration and support services | 94,560,436 | 66,923,283 | 27,637,153 | 70.8 |
| Crop Development | | 568,302,630 | 203,859,501 | 364,443,129 | 35.9 |
| | Cash Crops Development | 36,672,204 | 1,918,800 | 34,753,404 | 5.2 |
| | Food Crops Development | 500,000 | - | 500,000 | - |
| | Agricultural Extension and Training Services | 531,130,426 | 201,940,701 | 329,189,725 | 38.0 |
| Soil Conservation | | 1,310,198 | - | 1,310,198 | - |
| | Soil Conservation | 1,310,198 | - | 1,310,198 | - |
| Irrigation Development | | 183,904,378 | 9,801,340 | 174,103,038 | 5.3 |
| | Irrigation Development | 183,904,378 | 9,801,340 | 174,103,038 | 5.3 |
| | Sub-Total | 848,077,642 | 280,584,125 | 567,493,517 | 33.1 |
| Education and Technical Training | | | | | |
| General administration and support services | | 78,228,809 | - | 78,228,809 | - |
| | General administration and support services | 78,228,809 | - | 78,228,809 | - |
| Technical and Vocational Education and Training (TVET) | | 191,402,962 | 129,348,011 | 62,054,951 | 67.6 |
| | Technical Vocational Education & Training | 191,402,962 | 129,348,011 | 62,054,951 | 67.6 |
| Pre-Primary Education | | 29,532,300 | - | 29,532,300 | - |
| | Pre-Primary Education | 29,532,300 | - | 29,532,300 | - |
| | | 188,769,611 | 50,494,722 | 138,274,889 | 26.7 |
| | | 188,769,611 | 50,494,722 | 138,274,889 | 26.7 |
| | Sub-Total | 487,933,682 | 179,842,733 | 308,090,949 | 36.9 |
| Health and Sanitation | | | | | |
| General administration and support services | | 1,634,515,534 | 1,084,552,402 | 549,963,132 | 66.4 |
| | Default - Non Programmatic | 1,634,515,534 | 1,084,552,402 | 549,963,132 | 66.4 |
| Preventive and Promotive health | | 14,922,412 | 5,751,217 | 9,171,195 | 38.5 |
| | Community and Environmental Health | 14,922,412 | 5,751,217 | 9,171,195 | 38.5 |
| | Communicable & Non-Communicable Disease Prevention & Control | - | - | - | - |
| Curative and Rehabilitative Health | | 242,044,440 | 41,740,966 | 200,303,474 | 17.2 |
| | Commodity management | 1,800,000 | 99,922 | 1,700,078 | 5.6 |
| | County Hospitals | 40,663,332 | 1,971,770 | 38,691,562 | 4.8 |
| | Primary Care Units | 176,901,988 | 36,943,984 | 139,958,004 | 20.9 |
| | Emergency Medical Services | 22,679,120 | 2,725,290 | 19,953,830 | 12.0 |
| | Sub-Total | 1,865,482,386 | 1,132,110,587 | 759,437,801 | 60.7 |
| Water, Lands, Environment and Climate Change | | | | | |
| General administration and support services | | 81,341,724 | 52,502,970 | 28,838,754 | 64.5 |
| | General administration and support services | 81,341,724 | 52,502,970 | 28,838,754 | 64.5 |
| Water and Sanitation Management | | 213,691,985 | 22,108,269 | 191,583,716 | 10.3 |
| | Water Services | 213,691,985 | 22,108,269 | 191,583,716 | 10.3 |
| Environmental Management and Protection | | 2,400,000 | - | 2,400,000 | - |
| | Environmental conservation | 2,400,000 | - | 2,400,000 | - |
| Solid Waste Management | | 200,000 | - | 200,000 | - |
| | Solid waste management | 200,000 | - | 200,000 | - |
| Lands, Physical planning and Urban Development | | 233,724,252 | 12,075,705 | 221,648,547 | 5.2 |
| | Lands, Physical planning and Urban Development | 233,724,252 | 12,075,705 | 221,648,547 | 5.2 |
| | Sub-Total | 531,357,961 | 84,887,074 | 446,470,887 | 16.0 |
| Roads, Public Works and Transport | | | | | |
| General administration and support services | | 74,668,229 | 42,197,185 | 32,471,044 | 56.5 |
| | General administration and support services | 74,668,229 | 42,197,185 | 32,471,044 | 56.5 |
| Public Works | | 492,102,257 | 145,304,062 | 346,798,195 | 29.5 |
| | Public Works | 492,102,257 | 145,304,062 | 346,798,195 | 29.5 |
| Energy | | 8,075,600 | 251,700 | 7,823,900 | 3.1 |
| | Energy | 8,075,600 | 251,700 | 7,823,900 | 3.1 |
| Road Improvement | | 9,248,000 | 4,833,110 | 4,414,890 | 52.3 |
| | Rural road Works | 9,248,000 | 4,833,110 | 4,414,890 | 52.3 |
| | Sub-Total | 584,094,086 | 192,586,058 | 391,508,029 | 33.0 |
| Tourism, Culture, Wildlife, Trade and Industry | | | | | |
| General administration and support services | | 36,168,213 | 23,638,501 | 12,529,712 | 65.4 |

| Program | Sub Program | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption % |
|--|---|-------------------------|-------------------------|----------------------|--------------|
| | General administration and support services | 36,168,213 | 23,638,501 | 12,529,712 | 65.4 |
| Tourism Development | | 8,524,861 | 499,650 | 8,025,211 | 5.9 |
| | Tourism Development | 8,524,861 | 499,650 | 8,025,211 | 5.9 |
| Trade and Enterprise Development | | 3,794,640 | 0 | 3,794,640 | - |
| | Trade and enterprise development | 3,794,640 | 0 | 3,794,640 | - |
| Culture and Heritage Preservation | | 5,659,550 | 0 | 5,659,550 | - |
| | Culture and Heritage Preservation | 5,659,550 | 0 | 5,659,550 | - |
| | Sub-Total | 54,147,264 | 24,138,151 | 30,009,113 | 44.6 |
| Youth Affairs, Sports, ICT and Social Services | | | | | |
| General administration and support services | | 52,522,775 | 25,901,362 | 104,850,222 | 49.3 |
| | General administration and support services | 52,522,775 | 25,901,362 | 104,850,222 | 49.3 |
| Sports Development | | 31,954,650 | 6,173,940 | 25,780,710 | 19.3 |
| | Sports Infrastructure Development | 13,027,800 | - | 13,027,800 | - |
| | Sports Talent Development | 18,926,850 | 6,173,940 | 12,752,910 | 32.6 |
| Social Empowerment | | 62,458,483 | 715,000 | 61,743,483 | 1.1 |
| | Social Empowerment | 62,458,483 | 715,000 | 61,743,483 | 1.1 |
| ICT Services | | 7,190,436 | - | 7,190,436 | - |
| | ICT Services | 7,190,436 | - | 7,190,436 | - |
| | Sub-Total | 154,126,344 | 32,790,302 | 199,564,851 | 21.3 |
| Public Service Management and County Administration | | | | | |
| General administration and support services | | 125,492,385.00 | 52,475,918 | 73,216,418 | 41.7 |
| | General administration and support services | 125,492,385.00 | 52,475,918 | 73,216,418 | 41.7 |
| Public Service Management | | 28,978,819.00 | 4,143,070 | 24,835,749 | 14.3 |
| | | 1,560,080.00 | - | 1,560,080 | - |
| | Coordination of government functions | 26,643,739.00 | 4,143,070 | 22,500,669 | 15.5 |
| | Citizen participation and Civic Education | 775,000.00 | - | 775,000 | - |
| | Sub-Total | 154,471,204 | 56,618,988 | 98,852,216 | 36.7 |
| County Public Service Board | | | | | |
| General administration and support services | | 46,892,282 | 19,504,609 | 27,387,673 | 41.6 |
| | General administration and support services | 46,892,283 | 19,504,609 | 27,387,674 | 41.6 |
| | Sub-Total | 46,892,282 | 19,504,609 | 27,387,673 | 41.6 |
| Livestock Production, Fisheries and Cooperative Development | | | | | |
| General administration and support services | | 98,056,162 | 63,154,221 | 34,901,941 | 64.4 |
| | General administration and support services | 98,056,162 | 63,154,221 | 34,901,941 | 64.4 |
| Livestock Development | | 60,853,661 | 7,002,670 | 53,850,991 | 11.5 |
| | Livestock Production | 53,822,329 | 6,267,670 | 47,554,659 | 11.6 |
| | Livestock Extension and Training Services | 7,031,332 | 735,000 | 6,296,332 | 10.5 |
| Cooperative Development | | 8,179,272 | 899,236 | 7,280,036 | 11.0 |
| | Cooperatives development | 8,179,272 | 899,236 | 7,280,036 | 11.0 |
| Veterinary Services | | 38,265,070 | 1,402,780 | 36,862,290 | 3.7 |
| | Disease Surveillance and control | 25,642,170 | 1,258,780 | 24,383,390 | 4.9 |
| | A I Services | 12,622,900 | 144,000 | 12,478,900 | 1.1 |
| | Sub-Total | 205,354,165 | 72,458,907 | 132,895,258 | 35.3 |
| Grand Total | | 5,977,738,490 | 2,772,749,888 | 3,204,988,602 | 46.4 |

Source: Elgeyo Marakwet County Treasury

Programmes with the highest levels of implementation based on absorption rates were: General Administration and Support Services in the County Assembly at 79.6 per cent, Legislative Oversight in the County Assembly at 77.5 per cent, General Administration and Support Services in the Office of the Governor at 74.1 per cent and Legislation and Representation in the County Assembly at 72.4 per cent of budget allocation.

3.6.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.519.95 million in the first nine

months of FY 2020/21 from the annual development budget allocation of Kshs.2.50 billion. The development expenditure represented 21.2 per cent of the annual development budget

2. A high wage bill, which accounted for 68.3 per cent of the total expenditure in the first nine months of FY 2020/21 thus constraining funding to other programmes.
3. Over-casting of the Vote Book by Kshs.26,000,000 against an approved Supplementary Budget Estimates/Appropriation Act, 2021 in the Department of Health Services.
4. Failure by the County to reconcile the approved budget amounts in the Programme Based Reports which shows an overall budget figure of Kshs.5.98 billion as shown compared with the Appropriation Act which provided the budget as Kshs.5.95 billion.

The County should implement the following recommendations to improve budget execution;

1. *The County should identify and address issues causing delays in the implementation of development projects.*
2. *The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.*
3. *The County Treasury should amend the uploaded IFMIS vote book downwards by Kshs.26,000,000 in the Department of Health Services to tally with the Supplementary Approved Budget Estimates.*
4. *The County Treasury should liaise with Directorate of IFMIS at the National Treasury to ensure that the County's approved budget is accurately uploaded and any variances are addressed accordingly.*

3.7 County Government of Embu

3.7.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.6.46 billion, comprising of Kshs.2.15 billion (33.2 per cent) and Kshs.4.32 billion (66.8 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the county expected to receive Kshs.4.56 billion (70.5 per cent), being the equitable share of revenue raised nationally, Kshs.998.06 million (15.4 per cent) as total conditional allocations and generate Kshs.909 million (14.1 per cent) from own sources of revenue. The shareable national estimate included in the budget is higher by Kshs.253.20 million than the amount provided for in the CARA 2020. Further, the budget did not include the cash balance of Kshs.483.92 million from FY 2019/20.

3.7.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs2.87 billion as an equitable share of the revenue raised nationally, Kshs.477.57 million as conditional grants, raised Kshs.283.21 million as own-source revenue, and had a cash balance of Kshs.483.92 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.4.11 billion, as shown in Table 3.31.

Table 3.31: Embu County, Revenue Performance in the first nine months of FY 2020/21

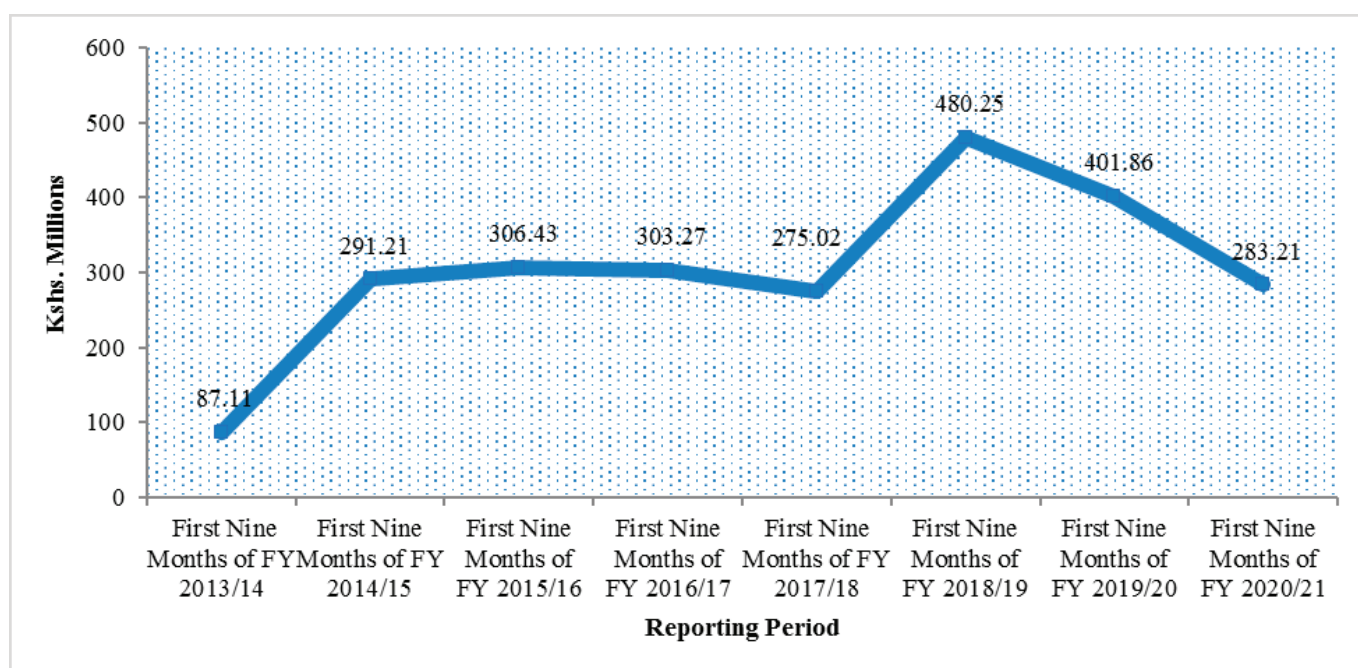
| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|-----------|---|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 4,304,400,000 | 4,557,600,000 | 2,866,730,400 | 62.9 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Rehabilitation of Village Polytechnics | 34,249,894 | 34,249,894 | 17,124,947 | 50.0 |
| 2. | Conditional Grants to Level-5 Hospitals | 301,040,462 | 301,040,462 | 138,478,613 | 46.0 |
| 3. | Road Maintenance Fuel Levy Fund | 135,839,025 | 135,839,025 | 67,919,512 | 50.0 |
| 4. | Leasing of Medical Equipment | 132,021,277 | 132,023,277 | - | - |
| 5. | Compensation for User Fee Foregone | 10,724,225 | 10,724,225 | - | - |
| | Sub Total | 613,874,883 | 613,876,883 | 223,523,072 | 36.4 |
| C. | Loans and Grants from Development Partners | | | | |
| 1. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 202,094,150 | 202,094,150 | 134,862,324 | 66.7 |
| 2. | Transforming Health systems for Universal care Project (WB) | 112,736,973 | 112,736,973 | 56,616,841 | 50.2 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|---|--|------------------------------------|----------------------------|---|
| 4. | DANIDA Grant | 12,240,000 | 12,240,000 | 6,120,000 | 50.0 |
| 5. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 12,112,312 | 12,112,312 | 11,450,530 | 94.5 |
| Sub Total | | 384,183,435 | 384,183,435 | 254,049,695 | 66.1 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 909,000,000 | 283,208,447 | 31.2 |
| 2. | Balance B/F from FY 2019/20 | - | - | 483,916,664 | >100% |
| Sub Total | | - | 909,000,000 | 483,916,664 | 53.2 |
| Grand Total | | 5,302,458,318 | 6,464,660,318 | 4,111,428,278 | 63.6 |

Source: Embu County Treasury

Figure 3.11 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.11: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Embu County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.283.21 million as its own source revenue. This amount represented a decrease of 29.5 per cent compared to Kshs.401.86 million realised during a similar period in FY 2019/20 and was 31.2 per cent of the annual target.

3.7.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.67 billion from the CRF account during the reporting period. The amount comprised of Kshs.694.41 million (18.9 per cent) for development programmes and Kshs.2.98 billion (81.1 per cent) for recurrent programmes.

3.7.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.05 billion on development and recurrent programmes. The expenditure represented 83.1 per cent of the total funds released by the COB and comprised of Kshs.544.72 million and Kshs.2.51 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 25.3 per cent while recurrent expenditure represented 58.1 per cent of the annual recurrent expenditure budget.

3.7.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.89 billion was spent on compensation to employees, Kshs.612.70 million on operations and maintenance, and Kshs.544.72 million on development activities as shown in Table 3.32.

Table 3.32: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 4,315,419,007 | 2,977,440,531 | 2,507,489,337 | 58.1 |
| Compensation to Employees | 3,049,557,975 | 2,312,867,947 | 1,894,790,922 | 62.1 |
| Operations and Maintenance | 1,265,861,032 | 664,572,585 | 612,698,415 | 48.4 |
| Total Development Expenditure | 2,149,239,311 | 694,405,876 | 544,718,087 | 25.3 |
| Development Expenditure | 2,149,239,311 | 694,405,876 | 544,718,087 | 25.3 |
| Total | 6,464,658,318 | 3,671,846,408 | 3,052,207,424 | 47.2 |

Source: Embu County Treasury

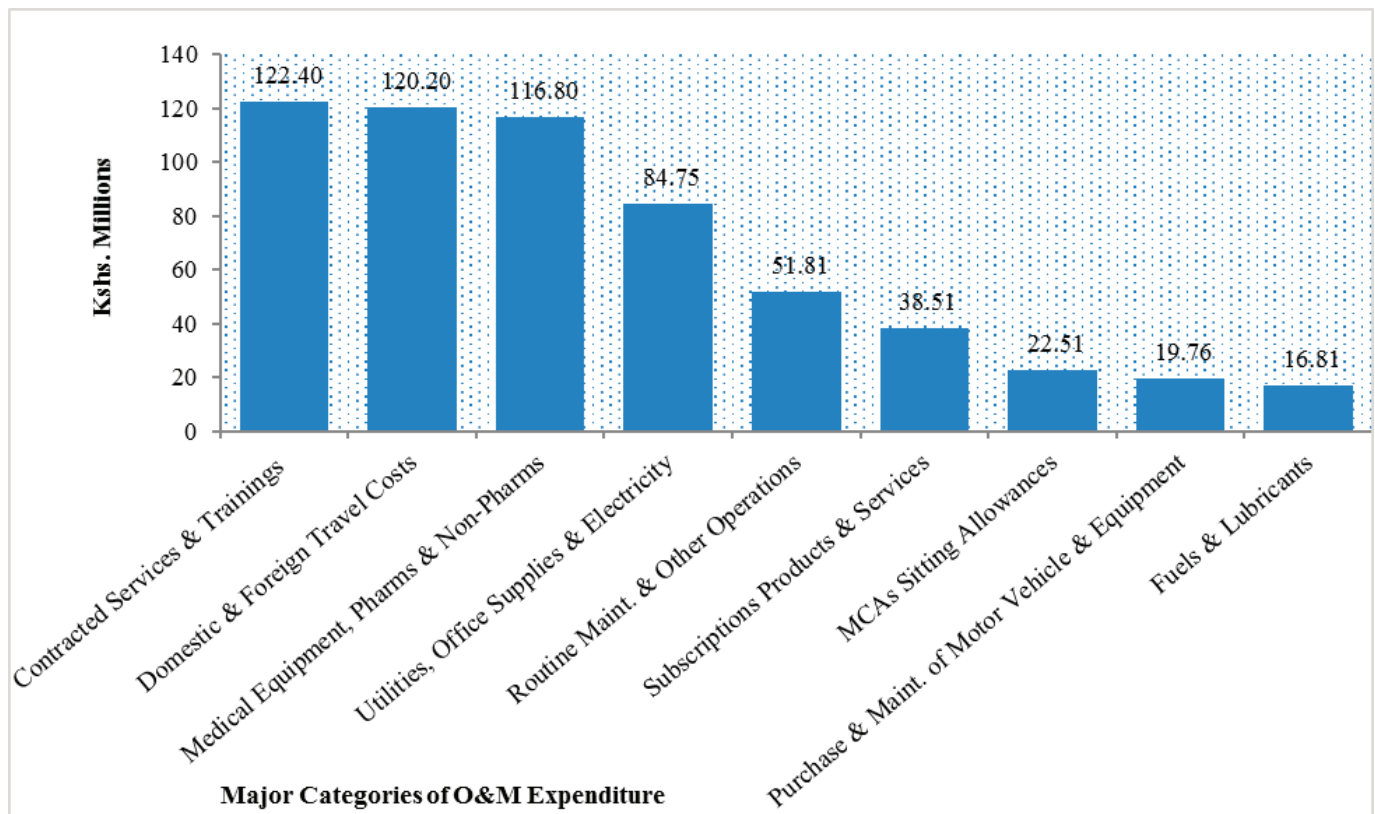
3.7.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government’s expenditure on wages and benefits at 35 per cent of the County’s total revenue. Expenditure on compensation to employees was 62.1 per cent of the total expenditure for the reporting period and 39.1 per cent of the first nine months proportional revenue estimate of Kshs.4.85 billion.

3.7.7 Expenditure on Operations and Maintenance

Figure 3.12 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.12: Embu County, Operations and Maintenance Expenditure by Major Categories



Source: Embu County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.22.51 million on committee sitting allowances for the 34 MCAs and Speaker against the annual budget allocation of Kshs.33.54 million. The average monthly sitting allowance was Kshs.71,464 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.119.98 million and comprised of Kshs.103.65 million spent by the County Assembly and Kshs.16.33 million by the County Executive. Expenditure on foreign travel amounted to Kshs.214,500 incurred by the County Executive.

3.7.8 COVID-19 Expenditure

The County did not budget for COVID-19 in the current financial year (FY 2020/21). During the reporting period, a total of Kshs.177.75 million was spent, which was the balance from FY 2019/20 as shown in Table 3.33.

Table 3.33: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Expenditure as of 31 st March 2021 (Kshs) |
|--------------|--|--|
| 1. | The grant from the National Government for COVID-19 | 80,587,000 |
| 2. | The grant from the National Government for Allowances for Front Line Health Care Workers | 48,465,000 |
| 3. | FY 2019/20 County own revenue allocated to COVID-19 | 12,000,000 |
| 4. | Various PPEs Donations | 36,700,015 |
| Total | | 177,752,015 |

Source: Embu County Treasury

3.7.9 Development Expenditure

The County incurred expenditure of Kshs.544.72 million on development programmes, which represented an increase of 25.7 per cent compared to a similar period in FY 2019/20 when the County spent Kshs. 433.41 million. Table 3.34 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.34: Embu County, List of Development Projects with the Highest Expenditure

| No. | Project Name | Department | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate (%) |
|-----|---|--|-------------------|----------------|---------------------|---------------------|
| 1 | Upgrading to Bitumen Standards of Mukuuri-Kanja Road | Infrastructure, Public Works and Housing. | Kanja Road | 44,054,690 | 48,426,480 | 109.9 |
| 2 | Installation of Duplex Medical Oxygen Plant and Accessories | Embu Level 5 Hospital | Kirimari | 40,000,000 | 40,000,000 | 100.0 |
| 3 | Construction of The County Assembly Office Complex | County Assembly | Kirimari | 102,500,000 | 35,000,000 | 34.1 |
| 4 | Upgrading to Bitumen Standards of Kivwe-Kithimu Road | Infrastructure, Public Works and Housing. | Kithimu | 24,000,000 | 27,866,594 | 116.1 |
| 5 | Rehabilitation of Kyeni Water-Qlinx Supplies Ltd | Lands, Physical Planning and Urban Development & Water | Kyeni South | 14,858,500 | 15,051,000 | 101.3 |
| 6 | Construction of New Badea Block B | Embu Level 5 Hospital | Kirimari | 37,000,000 | 13,103,720 | 35.4 |
| 7 | Upgrading to Bitumen Standards of Rwika-Jeremiah Nyaga Road | Infrastructure, Public Works and Housing. | Mbeti South | 13,000,000 | 12,756,657 | 98.1 |
| 8 | Construction of Ishiara Bio-Digester | Health | Evurore | 24,700,000 | 9,996,102 | 40.5 |
| 9 | Construction of Gatua Nguo Bridge | Infrastructure, Public Works and Housing. | Gaturi North | 3,899,994 | 7,799,989 | 200.0 |
| 10 | Development of CBROP, ADP, CFSP | Finance and Economic Planning | County Wide | 8,000,000 | 7,725,900 | 96.6 |
| 11 | Upgrading to Bitumen Standards of Mate- Nthagaiya Road Phase II | Infrastructure, Public Works and Housing. | Runyenjes Central | - | 7,394,610 | Above 100 |
| 12 | Upgrading Of KCC- Katharaka Road to Bitumen Standards | Infrastructure, Public Works and Housing. | Runyenjes Central | - | 6,853,686 | Above 100 |

Source: Embu County Treasury

The County Treasury settled payments to the following projects: Rehabilitation of Kyeni Water-Qlinx supplies Ltd and Construction of Gatua Nguo Bridge above the set budget. In addition, the payment to Upgrading to Bitumen Standards of Mate- Nthagaiya Road Phase II and Upgrading Of KCC- Katharaka Road to Bitumen Standards was made outside the budget, which was among the pending bills from FY 2019/20.

3.7.10 Budget Performance by Department

Table 3.35 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.35: Embu County, Budget Performance by Department

| Department | Budget Allocation (Kshs.Million) | | Exchequer Issues (Kshs.Million) | | Expenditure (Kshs.Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|----------------------------------|----------------|---------------------------------|--------------|----------------------------|--------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Office of Governor | 234.8 | - | 130.5 | - | 143.8 | - | 110.2 | - | 61.2 | - |
| County Public Service Board | 43.1 | - | 19.7 | - | 26.4 | - | 134.0 | - | 61.3 | - |
| Public Service and Administration | 397.7 | 20.0 | 300.2 | - | 255.8 | - | 85.2 | - | 64.3 | - |
| Gender, Culture, Children and Social Services | 8.0 | 44.2 | 4.0 | 6.5 | 3.1 | 7.5 | 77.5 | 115.4 | 38.8 | 17.0 |
| Finance and Economic Planning | 141.9 | 29.1 | 92.2 | - | 59.5 | 7.7 | 64.5 | - | 41.9 | 26.5 |
| Trade Tourism Investment and Industrialization | 23.1 | 44.0 | 14.0 | 15.7 | 12.0 | 14.8 | 85.7 | 94.3 | 51.9 | 33.6 |
| Agriculture, Livestock, Fisheries and Co-Operative Development | 265.9 | 229.4 | 200.7 | 140.8 | 162.3 | 4.5 | 80.9 | 3.2 | 61.0 | 2.0 |
| Health | 1,901.1 | 179.7 | 1,407.5 | 37.2 | 1,074.2 | 27.4 | 76.3 | 73.7 | 56.5 | 15.2 |
| Embu Level 5 Hospital | 222.1 | 154.1 | 164.9 | 35.5 | 133.3 | 68.6 | 80.8 | 193.2 | 60.0 | 44.5 |
| Infrastructure, Public Works and Housing. | 51.4 | 1,137.3 | 36.4 | 354.9 | 39.8 | 328.6 | 109.3 | 92.6 | 77.4 | 28.9 |
| Education, Science and Technology | 296.2 | 48.0 | 202.8 | 32.0 | 192.8 | 16.9 | 95.1 | 52.8 | 65.1 | 35.2 |
| Lands, Physical Planning and Urban Development & Water | 86.4 | 107.6 | 42.3 | 20.7 | 4.0 | 32.9 | 9.5 | 158.9 | 4.6 | 30.6 |
| Youth Empowerment and Sports | 7.8 | 33.3 | 4.5 | 16.3 | 1.3 | 0.8 | 28.9 | 4.9 | 16.7 | 2.4 |
| Embu County Revenue Authority (ECRA) | 25.8 | - | 5.0 | - | 5.6 | - | 112.0 | - | 21.7 | - |
| County Assembly | 610.1 | 122.5 | 352.7 | 35.0 | 393.6 | 35.0 | 111.6 | 100.0 | 64.5 | 28.6 |
| Total | 4,315.4 | 2,149.2 | 2,977.4 | 694.4 | 2,507.5 | 544.7 | 84.2 | 78.4 | 58.1 | 25.3 |

Source: Embu County Treasury

Analysis of departments' expenditure shows that the Embu Level 5 Hospital recorded the highest absorption rate of development budget at 44.5 per cent while the Department of Public Service and Administration did not report any expenditure on development activities. The Department of Infrastructure, Public Works and Housing had the highest percentage of recurrent expenditure to budget at 77.4 per cent while the Department of Lands, Physical Planning and Urban Development & Water had the lowest at 4.6 per cent.

3.7.11 Budget Execution by Programmes and Sub-Programmes

Table 3.36 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.36: Embu County, Budget Execution by Programmes and Sub-programmes

| Name of the Programme | Sub-Programme | Approved Budget (Kshs.) | Total Actual Expenditure (Kshs.) | Variance (Kshs.) | Absorption (%) |
|--|--|-------------------------|----------------------------------|-------------------|----------------|
| OFFICE OF GOVERNOR | | | | | |
| P1: General Administration Planning and Support Services | SP1.1: Management of County Affairs (Office of Governor) | 140,881,939 | 86,274,948 | 54,606,991 | 61.2% |
| P2: County Leadership and Coordination | SP2.1: Sub-County Administration and Field Services | 46,960,646 | 28,758,316 | 18,202,330 | 61.2% |
| | SP2.2: Management of County Executive Services (Office of County Secretary) | 28,176,388 | 17,254,990 | 10,921,398 | 61.2% |
| P3: County Leadership and Coordination | SP3.1: Public Sector Advisory Services (Legal, Political, and Economic Advisors) | 18,784,259 | 11,503,326 | 7,280,932 | 61.2% |
| Sub Total | | 234,803,232 | 143,791,580 | 91,011,652 | 61.2% |
| COUNTY PUBLIC SERVICE BOARD | | | | | |

| Name of the Programme | Sub-Programme | Approved Budget (Kshs.) | Total Actual Expenditure (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|---|-------------------------|----------------------------------|------------------|----------------|
| P1: Administration of Human Resources in Public Service | SP1.1: Performance Management & Discipline | 7,319,914 | 4,493,519 | 2,826,395 | 61.4% |
| | SP1.2: Administration of board programmes | 10,764,579 | 6,608,116 | 4,156,463 | 61.4% |
| | SP1.3: Recruitment and Selection, Career Management, HR Policy & Audit | 15,070,411 | 9,251,362 | 5,819,049 | 61.4% |
| | SP1.4 Quality service delivery in the County Public Service that is effective and efficient | 9,903,413 | 6,079,467 | 3,823,946 | 61.4% |
| Sub Total | | 43,058,317 | 26,432,463 | 16,625,854 | 61.4% |
| PUBLIC SERVICE AND ADMINISTRATION | | | | | |
| P1: General Administration Planning and Support Services | SP1.1: Service Delivery and Management of County Affairs | 179,974,839 | 110,210,447 | 69,764,392 | 61.2% |
| P2: Public Service | SP2.1: Human Resource Development and Culture Change Management | 143,202,653 | 87,692,416 | 55,510,237 | 61.2% |
| | SP2.2: Office Infrastructure Expansion | 94,544,373 | 57,895,746 | 36,648,627 | 61.2% |
| Sub Total | | 417,721,865 | 255,798,610 | 161,923,255 | 61.2% |
| GENDER, CHILDREN, CULTURE & SOCIAL SERVICES | | | | | |
| P1: Policy and General Administrative Services | SP1.1: General Administrative Unit | 7,829,601 | 1,590,104 | 6,239,497 | 20.3% |
| P2: Gender and Social Development | SP2.1: Communication Mobilization and Development | 10,439,468 | 2,120,138 | 8,319,330 | 20.3% |
| | SP2.2: Social Welfare Services | 7,829,601 | 1,590,104 | 6,239,497 | 20.3% |
| | SP2.3: Vocational Rehabilitation and Training | 5,219,734 | 1,060,069 | 4,159,665 | 20.3% |
| | SP2.4: Gender Mainstreaming and Development | 7,829,601 | 1,590,104 | 6,239,497 | 20.3% |
| P3: Children Services | SP3.1: Child Rehabilitation and Custody | 7,829,601 | 1,590,104 | 6,239,497 | 20.3% |
| P4: Culture and Cultural Preservation | SP 4.1 Cultural Preservation | 5,219,734 | 1,060,069 | 4,159,665 | 20.3% |
| Sub Total | | 52,197,340 | 10,600,692 | 41,596,648 | 20.3% |
| FINANCE AND ECONOMIC PLANNING | | | | | |
| P1: General Administration Planning and Support Services | SP1.1: Administration, Planning and Support Services | 30,356,197 | 11,929,509 | 18,426,688 | 39.3% |
| P2: Economic Policy and County Planning | SP 2.1: Economic Development Planning and Coordination | 42,498,676 | 16,701,313 | 25,797,363 | 39.3% |
| P3: Financial Management Services | SP3.1: Control and Management of Public Finances | 19,719,387 | 7,749,410 | 11,969,977 | 39.3% |
| P4: Monitoring and Evaluation | SP 4.1: Monitoring and Evaluation of projects | 18,213,718 | 7,157,706 | 11,056,012 | 39.3% |
| P5: Research and Statistics | SP5.1: County database and profile | 15,178,099 | 5,964,755 | 9,213,344 | 39.3% |
| P6: P7: Kenya Devolution Support Programme | SP 7.1: Kenya Devolution Support Programme | 45,000,000 | 17,684,294 | 27,315,706 | 39.3% |
| Sub Total | | 170,966,077 | 67,186,987 | 103,779,090 | 39.3% |
| TRADE, TOURISM, INVESTMENT AND INDUSTRIALIZATION | | | | | |
| P1: Administrative Support Services | P1.1: Administrative Support Services | 7,970,283 | 3,184,323 | 4,785,960 | 40.0% |
| P2: Trade development and Promotion | P2.1: Trade development and Promotion | 32,276,212 | 12,895,136 | 19,381,076 | 40.0% |
| P3: Industrial Development and Investment | P3.1: Industrial Development and Investment | 14,757,048 | 5,895,802 | 8,861,246 | 40.0% |
| P4: Tourism Development | P4.1: Tourism Development | 12,073,948 | 4,823,837 | 7,250,111 | 40.0% |
| Sub Total | | 67,077,491 | 26,799,098 | 40,278,393 | 40.0% |
| AGRICULTURE, LIVESTOCK, FISHERIES AND CO-OPERATIVE DEVELOPMENT | | | | | |
| P1: Administrative Support Services | P1.1: Administrative Support Services | 64,643,215 | 21,773,152 | 42,870,063 | 33.7% |
| P2: Crop Development and Management | P2.1: Crop Development and Management | 230,960,274 | 77,792,128 | 153,168,146 | 33.7% |
| P3: Agribusiness and Information Management | P3.1: Agribusiness and Information Management | 64,386,592 | 21,686,716 | 42,699,876 | 33.7% |
| P4: Livestock Resources Management and Development | P4.1: Livestock Resources Management and Development | 85,763,248 | 28,886,810 | 56,876,438 | 33.7% |
| P5: Fisheries Development | P5.1: Fisheries Development | 49,528,148 | 16,682,090 | 32,846,058 | 33.7% |
| Sub Total | | 495,281,477 | 166,820,896 | 328,460,581 | 33.7% |

| Name of the Programme | Sub-Programme | Approved Budget (Kshs.) | Total Actual Expenditure (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|---|-------------------------|----------------------------------|----------------------|----------------|
| HEALTH | | | | | |
| P1: Curative Health Services | SP1.1: Primary Health Care | 1,198,371,306 | 634,441,736 | 563,929,570 | 52.9% |
| P2: Preventive and Promotive Health Services | SP2.1: Health Promotion & Disease Control | 493,240,945 | 261,131,621 | 232,109,324 | 52.9% |
| P3: General Administration Planning and Support Services | SP3.1: General Administration services | 389,200,317 | 206,050,431 | 183,149,885 | 52.9% |
| Sub Total | | 2,080,812,567 | 1,101,623,788 | 979,188,779 | 52.9% |
| EMBU LEVEL 5 HOSPITAL | | | | | |
| P1: Curative Health Services | SP1.1: Primary Health Care | 253,156,973 | 135,880,013 | 117,276,960 | 53.7% |
| P2: Preventive and Promotive Health Services | SP2.1: Health Promotion & Disease Control | 70,934,873 | 38,073,735 | 32,861,138 | 53.7% |
| P3: General Administration Planning and Support Services | SP3.1: General Administration services | 52,124,077 | 27,977,188 | 24,146,889 | 53.7% |
| Sub Total | | 376,215,923 | 201,930,936 | 174,284,987 | 53.7% |
| INFRASTRUCTURE, PUBLIC WORKS AND HOUSING. | | | | | |
| P1: General Administration Planning and Support Services | SP1.1: General Administration Services | 118,873,336 | 36,833,385 | 82,039,952 | 31.0% |
| P2: Roads Transport | SP2.1: Road Infrastructure and Public Works | 891,550,021 | 276,250,384 | 615,299,637 | 31.0% |
| P3: Energy and housing | SP3.1: Energy and Housing | 178,310,004 | 55,250,077 | 123,059,927 | 31.0% |
| Sub Total | | 1,188,733,361 | 368,333,845 | 820,399,516 | 31.0% |
| EDUCATION, SCIENCE AND TECHNOLOGY | | | | | |
| P1: General Administration, Planning and Support Services | SP1.1: General Administration and Support Services | 137,698,237 | 83,887,125 | 53,811,111 | 60.9% |
| P2: Quality Assurance and Standards | SP2.1: Quality Assurance and standards | 68,849,118 | 41,943,563 | 26,905,556 | 60.9% |
| P3: ECDE and Tertiary Education (Polytechnics) | SP3.1: ECDE and Tertiary Education (Polytechnics) | 137,698,237 | 83,887,125 | 53,811,111 | 60.9% |
| Sub Total | | 344,245,592 | 209,717,814 | 134,527,779 | 60.9% |
| LANDS, PHYSICAL PLANNING AND URBAN DEVELOPMENT | | | | | |
| P1: Land Policy and Planning | SP1.1: Spatial planning and urban Planning | 9,699,190 | 1,841,390 | 7,857,800 | 19.0% |
| | SP1.2: Survey and land Planning | 13,578,865 | 2,577,945 | 11,000,920 | 19.0% |
| P2: General Administration, Planning and Support Services | SP2.1 General Administration and support Services | 19,398,379 | 3,682,779 | 15,715,600 | 19.0% |
| P3: Water Supply and sewerage Services | SP3.1: Domestic water supply | 87,292,706 | 16,572,507 | 70,720,199 | 19.0% |
| P4: Environment Management and Natural Resources Conservation | SP4.1: Environmental conservation | 9,699,190 | 1,841,390 | 7,857,800 | 19.0% |
| P5: Expansion and provision of Irrigation water | SP5.1: Supply of Irrigation water | 54,315,462 | 10,311,782 | 44,003,680 | 19.0% |
| Sub Total | | 193,983,792 | 36,827,794 | 157,155,998 | 19.0% |
| YOUTH EMPOWERMENT AND SPORTS | | | | | |
| P1: Youth Development and Empowerment Services | SP5.1: Youth Development and Empowerment Services | 20,594,375 | 1,082,406 | 19,511,970 | 5.3% |
| P2: Management and development of Sport and Sport facilities | SP5.1: Community Sports programme | 16,475,500 | 865,924 | 15,609,576 | 5.3% |
| P3: General Administration Planning and Support Services | SP3.1: General Administration services | 4,118,875 | 216,481 | 3,902,394 | 5.3% |
| Sub Total | | 41,188,750 | 2,164,811 | 39,023,939 | 5.3% |
| EMBU COUNTY REVENUE AUTHORITY (ECRA) | | | | | |
| P1: Financial Management Services | SP1.1: Revenue Management Services | 4,708,689 | 1,026,106 | 3,682,583 | 21.8% |
| | SP1.2: Revenue Management Services | 21,106,221 | 4,599,415 | 16,506,806 | 21.8% |
| Sub Total | | 25,814,910 | 5,625,521 | 20,189,389 | 21.8% |
| COUNTY ASSEMBLY | | | | | |
| P: 1: General Administration Planning and Support Services | SP: 1: General Administration Planning and Support Services | 280,650,931 | 169,943,267 | 110,707,664 | 60.6% |
| P: 1: Legislation | SP: 1: Legislation | 451,906,693 | 273,644,201 | 178,262,492 | 60.6% |
| Sub Total | | 732,557,624 | 443,587,468 | 288,970,156 | 60.6% |
| Grand Total | | 6,464,658,318 | 3,067,242,302 | 3,397,416,016 | 47.4% |

Source: Embu County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Administration of Human Resources in Public Service in the Department of County Public Service Board at 61.4 per cent, General Administration Planning and Support Services, County Leadership and Coordination and County Leadership and Coordination; General Administration Planning and Support Services and Public Service in the Office of the Governor and Public Service Administration at 61.2 per cent, General Administration, Planning and Support Services, Quality Assurance and Standards and ECDE and Tertiary Education (Polytechnics) in the Department of Education Science and Technology at 60.9 per cent of budget allocation.

3.7.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.544.72 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.2.15 billion. The development expenditure represented 25.3 per cent of the annual development budget.
2. A high wage bill, which accounted for 62.1 per cent of the total expenditure in the first nine months of FY 2020/21 thus constraining funding to other programmes.
3. Under-performance of own source revenue at Kshs.283.81 million against an annual projection of Kshs.909.00 million, representing 31.2 per cent of the annual target.
4. Settlement of pending bills that are not in the budget and weak budgeting practice by the County Treasury as shown in Table 3.35 where the County incurred expenditure over approved budgetary allocations.
5. Failure by the County to budget for pending bills in the FY 2020/21 budget; therefore, pending bills could not be settled within the budget during the period under review.
6. Failure to budget for unspent balances of Kshs.483.92 million from the FY 2019/20 of both unspent cash in operational accounts and also in Special Purpose Accounts. Thus, settlement of expenditure using these funds creates a scenario of spending above the budget

The County should implement the following recommendations to improve budget execution;

1. *The County should identify and address issues causing delays in the implementation of development projects.*
2. *The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.*
3. *The County should address its own source revenue performance to ensure the approved budget is fully financed.*
4. *The County Treasury should improve the Vote book and budgetary control to ensure that expenditure is within the approved budget. Further, all pending bills should be included in the budget to be settled as the first charge within the PFM Act and regulations*
5. *The County should verify all pending bills and include them in the FY 2020/21 budget to settle them as the first charge as stipulated in the law.*
6. *The County should prepare a supplementary budget to include the unspent balances from the FY 2019/20.*

3.8 County Government of Garissa

3.8.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.10.18 billion, comprising of Kshs.3.48 billion (34.2 per cent) and Kshs.6.70 billion (65.8 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.7.03 billion (69 per cent) as the equitable share of revenue raised nationally, Kshs.1.65 billion (16.2 per cent) as total conditional grants, generate Kshs.150.0 million (1.5 per cent) from own sources of revenue, and a cash balance of Kshs.1.30 billion (12.7 per cent) from FY 2019/20. The County also expects to receive Kshs.51.90 million (0.5 per cent) as "other revenues" not contained in the CARA, 2020. The "other revenues" include COVID fund- Health staff allowance of Kshs.39.17 million, DANIDA grant of Kshs.7.74 million and UNICEF Fund- Child protection unit of Kshs.5 million.

3.8.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.4.68 billion as equitable share of the revenue raised nationally, Kshs.712.25 million as conditional grants, raised Kshs.71.56 million as own-source revenue, and had a cash balance of Kshs.267.72 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.5.73 billion as shown in Table 3.37.

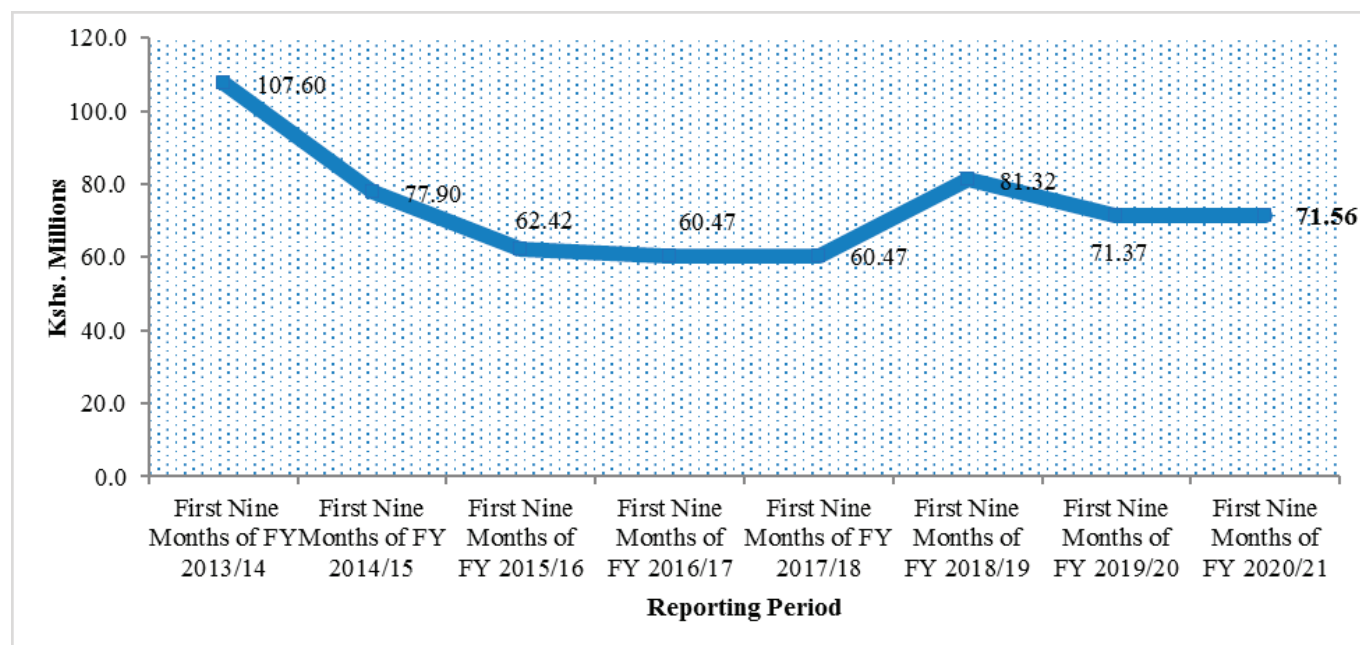
Table 3.37: Garissa County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|--|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 7,026,300,000 | 7,026,300,000 | 4,679,515,800 | 66.6 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Conditional Grants to Level-5 Hospitals | 344,739,884 | 344,739,884 | 158,580,348 | 46.0 |
| 2. | Compensation for User Fee Foregone | 12,964,636 | 12,964,636 | 0.00 | |
| 3. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | 0.00 | |
| 4. | Road Maintenance Fuel Levy Fund | 209,418,497 | 209,418,497 | 204,432,343 | 97.62 |
| 5. | Rehabilitation of Village Polytechnics | 17,899,894 | 17,899,894 | 8,949,947 | 50.00 |
| Sub Total | | 717,044,188 | 717,044,188 | 371,962,638 | |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) | 33,760,000 | 33,760,000 | 16,287,407 | 48.4 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 320,528,195 | 320,528,195 | 105,477,960 | 32.91 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | - | | | |
| 5. | DANIDA Grant | 19,980,000 | 19,980,000 | 9,990,000 | 50.0 |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 15,513,345 | 15,513,345 | 2,000,000 | 12.91 |
| 7. | IDA (WB) Credit: Water & Sanitation Development Project (WSDP) | 500,000,000 | 500,000,000 | 161,533,119 | 32.31 |
| Sub Total | | 934,781,540 | 934,781,540 | 340,288,486 | 36.4 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 150,000,000 | 71,555,792 | 47.7 |
| 2. | Balance b/f from FY 2019/20 | - | 1,296,733,762 | 267,717,966 | 20.65 |
| 3. | Other Revenues | - | 51,900,000 | - | - |
| Sub Total | | 1,498,633,762 | 1,498,633,762 | 339,273,758 | 22.64 |
| Grand Total | | 10,176,759,490 | 10,176,759,490 | 5,731,040,682 | 56.31 |

Source: Garissa County Treasury

Figure 3.13 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.13: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Garissa County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.71.56 million as own-source revenue. This amount represented a marginal increase of 0.3 per cent compared to Kshs.71.37 million realised during a similar period in FY 2019/20 and was 47.7 per cent of the annual target.

3.8.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.66 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.22 billion (21.6 per cent) for development programmes and Kshs.4.44 billion (78.5 per cent) for recurrent programmes.

3.8.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.5.47 billion on development and recurrent programmes. The expenditure represented 96.7 per cent of the total funds released by the COB and comprised of Kshs.1.11 billion and Kshs.4.36 billion on development and recurrent programmes respectively. Expenditure on development programmes represented an absorption rate of 31.9 per cent while recurrent expenditure represented 65.1 per cent of the annual recurrent expenditure budget.

3.8.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.3.02 billion was spent on compensation to employees, Kshs.1.34 billion on operations and maintenance, and Kshs.1.11 billion on development activities as shown in Table 3.38.

Table 3.38: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|-------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 6,696,475,196 | 4,439,087,719 | 4,357,131,924 | 65.1 |
| Compensation to Employees | 4,477,756,866 | 3,381,027,136 | 3,016,195,949 | 67.4 |
| Operations and Maintenance | 2,218,718,330 | 1,058,060,583 | 1,340,935,975 | 60.4 |
| Total Development Expenditure | 3,480,284,294 | 1,218,280,367 | 1,111,795,001 | 31.9 |
| Development Expenditure | 3,480,284,294 | 1,218,280,367 | 1,111,795,001 | 31.9 |
| Total | 10,176,759,490 | 5,657,368,086 | 5,468,926,925 | 53.7 |

Source: Garissa County Treasury

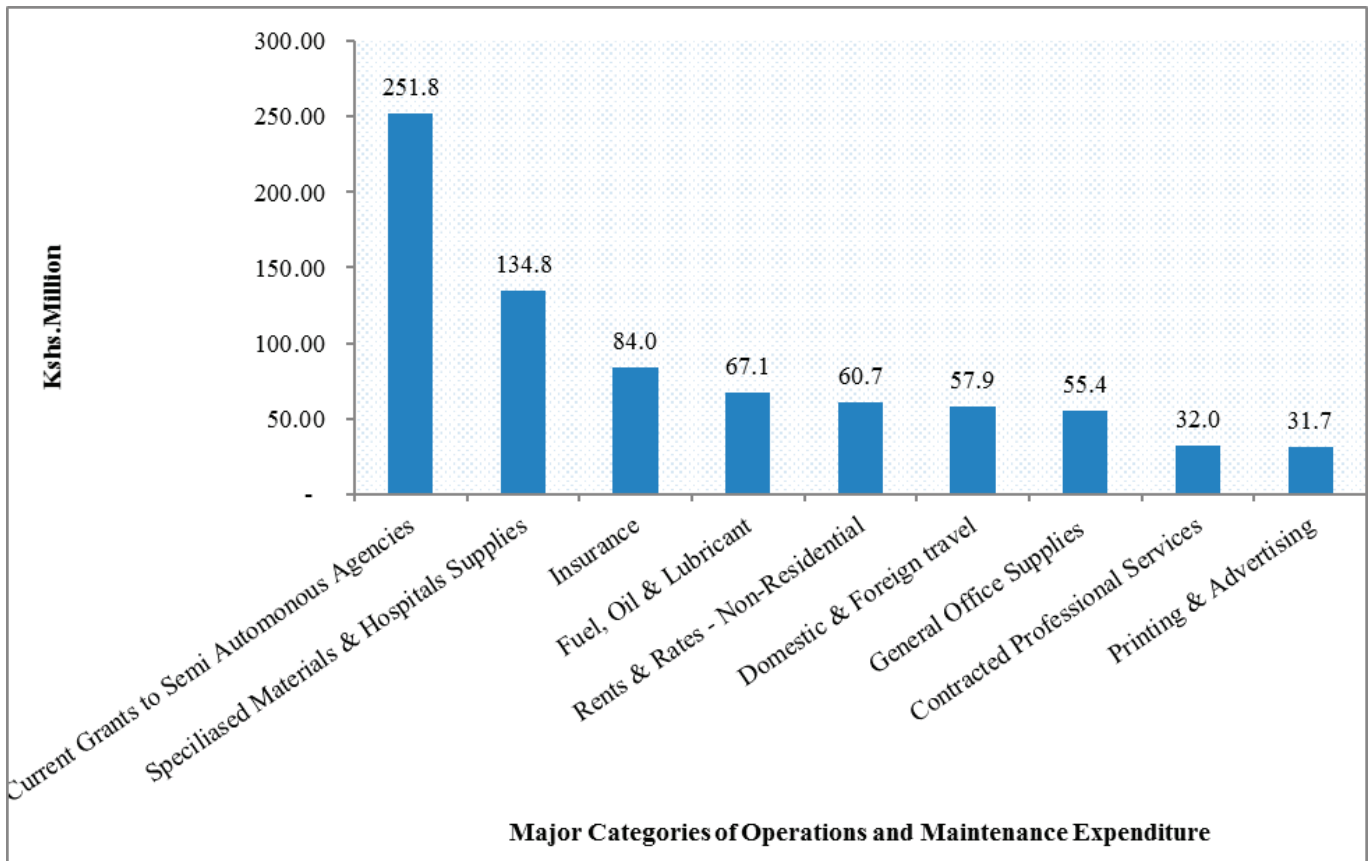
3.8.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government’s expenditure on wages and benefits at 35 per cent of the County’s total revenue. Expenditure on compensation to employees was 55.1per cent of the total expenditure for the reporting period and 39.5 per cent of the first nine months proportional revenue estimate of Kshs.7.63 billion.

3.8.7 Expenditure on Operations and Maintenance

Figure 3.14 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.14: Garissa County, Operations and Maintenance Expenditure by Major Categories



Source: Garissa County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.22.41 million on committee sitting allowances for the 51 MCAs and Speaker against the annual budget allocation of Kshs.63.02 million. The average monthly sitting allowance was Kshs.48, 823 per MCA against the SRC’s recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.56.93 million and comprised of Kshs.51.13 million spent by the County Assembly and Kshs.5.80 million by the County Executive. Expenditure on foreign travel amounted to Kshs.0.93 million paid by the County Assembly.

3.8.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs.118.52 million to cater for COVID-19 related expenditure. A total of Kshs.71.61 million was spent during the reporting period, as shown in Table 3.3.

Table 3.39: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March, 2021 (Kshs) |
|------|---|---------------------------------|---|
| 1 | Supply and Delivery Surgical face masks | 7,400,000 | 7,400,000 |
| 2 | Renovation of 5-Block Isolation centre | 11,037,392 | 11,037,392 |

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March, 2021 (Kshs) |
|--------------|--|---------------------------------|---|
| 3 | Renovation/Refurbishment of Isolation centre | 3,775,452 | 3,775,452 |
| 4 | Supply and Delivery of Assorted Non-Pharmaceutical | 1,998,100 | 1,998,100 |
| 5 | Training FLH workers | 5,277,220 | 5,277,220 |
| 6 | Supply of Bed sheets | 1,500,000 | 1,500,000 |
| 7 | Medical Documents | 9,720,000 | 9,720,000 |
| 8 | Adjusted Hospital beds | 5,000,000 | 5,000,000 |
| 9 | Renovation of TB Isolation centre | 5,084,117 | 5,084,117 |
| 10 | Construction of COVID-19 Prefab | 10,929,321 | 10,929,321 |
| 11 | Fuel | 4,499,908 | 4,499,908 |
| 12 | Supply of Dry Foods | 5,397,490 | 5,397,490 |
| Total | | 71,619,000 | 71,619,000 |

Source: *Garissa County Treasury*

3.8.9 Development Expenditure

The County incurred expenditure of Kshs.1.11 billion on development programmes, which represented an increase of 8.8 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.02 billion. Table 3.40 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.40: Garissa County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|------------------|------------------------|------------------------------------|---------------------|
| 1 | Maintenance and Improvement of road | Countywide | 199,651,276 | 199,651,276 | 100.0 |
| 2 | Proposed and Construction of Township sub-county administrators office | Garissa Township | 104,487,866 | 63,950,000 | 61.2 |
| 3 | Proposed and Construction of 50,000m ³ water pan at awliya | Balambala | 29,499,692 | 19,350,000 | 65.6 |
| 4 | Proposed and Construction of Masalani sub county administrators office | Masalani | 21,856,700 | 17,000,000 | 77.8 |
| 5 | Proposed and Construction of 50,000m ³ water pan at Dogob | Balambala | 28,208,052 | 15,105,600 | 53.6 |
| 6 | Proposed Construction and Equipping of cancer centre | Garissa Township | 199,780,000 | 12,356,000 | 6.2 |
| 7 | Proposed Construction of fruit processing factory | Garissa Township | 30,590,778 | 12,000,000 | 39.2 |
| 8 | Drilling of borehole lot 1 | Countywide | 36,026,329 | 10,764,000 | 29.9 |
| 9 | Proposed beautification of Garissa Town | Garissa Township | 9,882,852 | 9,382,852 | 94.9 |
| 10 | Infrastructure development in Masalani Level 4 Hospital | Masalani | 7,959,544 | 7,959,544 | 100.0 |

Source: *Garissa County Treasury*

3.8.10 Budget Performance by Department

Table 3.41 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.41: Garissa County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|--------|----------------------------------|--------|-----------------------------|--------|-------------------------------------|-------|---------------------|------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Agriculture, Livestock & Coop | 204.22 | 452.95 | 115.00 | 119.87 | 114.90 | 119.87 | 99.9 | 99.6 | 56.3 | 26.4 |
| Environment, Energy, Natural Resource and Wildlife Management | 63.15 | 0.00 | 53.04 | 0.00 | 53.04 | - | 100.0 | - | 84.0 | - |
| Roads and Transport | 40.32 | 508.86 | 31.40 | 199.45 | 31.37 | 199.45 | 99.9 | 100.0 | 77.8 | 39.2 |
| Trade, Tourism and Enterprise | 90.00 | 100.00 | 31.39 | - | 51.39 | - | 100.0 | - | 57.1 | - |
| Health and Sanitation | 2,453.85 | 332.02 | 1,846.34 | - | 1,836.07 | - | 99.4 | - | 74.8 | - |
| Education and Labour | 724.18 | 67.94 | 449.29 | 8.95 | 449.29 | 8.95 | 100.0 | 100.0 | 62.0 | 13.2 |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|----------------|-----------------------------|----------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 756.40 | 150.00 | 469.05 | 13.00 | 405.92 | 9.01 | 86.5 | 69.5 | 53.7 | 6.0 |
| Office of the Governor | 393.80 | 0.00 | 210.73 | 0.00 | 205.59 | - | 97.6 | - | 52.2 | - |
| Finance, Revenue, Economic Planning and County Affairs | 1,295.34 | 640.00 | 782.62 | 548.47 | 779.33 | 548.47 | 99.6 | 100.0 | 60.2 | 85.7 |
| Gender, Social Service and Sport | 76.20 | 70.00 | 28.20 | - | 28.20 | - | 100.0 | - | 37.0 | - |
| Water and Irrigation | 199.56 | 905.00 | 129.69 | 161.53 | 129.69 | 16.53 | 100.0 | 100.0 | 65.0 | 17.8 |
| Lands, Housing and Urban Planning | 281.59 | 20.00 | 186.00 | 0.00 | 186.00 | - | 100.0 | 0.0 | 66.1 | - |
| Public Service Board | 37.07 | - | 25.47 | 0.00 | 25.47 | - | 100.0 | 0.0 | 68.7 | - |
| Garissa Municipality | 80.80 | 233.51 | 60.88 | 167.01 | 60.88 | 65.00 | 100.0 | 38.9 | 75.3 | 27.8 |
| Total | 6,696.48 | 3,480.28 | 4,439.09 | 1,218.3 | 4,357.1 | 1,111.8 | 98.2 | 91.3 | 65.1 | 31.9 |

Source: Garissa County Treasury

Analysis of expenditure by department shows that the Department of Finance, Revenue, Economic Planning and County Affairs recorded the highest absorption rate of development budget at 85.7 per cent, followed by the Department of Roads and Transport at 39.2 per cent. The Department of Environment, Energy, Natural Resource and Wildlife Management had the highest percentage of recurrent expenditure to budget at 84 per cent while the Department of Gender, Social Service and Sport had the lowest at 37.0 per cent.

3.8.11 Budget Execution by Programmes and Sub-Programmes

Table 3.42 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.42: Garissa County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|--|------------------------|------------------------|--------------------|----------------|
| Agriculture, Livestock & Coop | | | | | |
| Agriculture | General Administration and Support Service | 575,522,644 | 188,235,855 | 387,286,789 | 32.7% |
| | Extension Support Service and Exhibition | 1,200,000 | 400,000 | 800,000 | 33.3% |
| | Agricultural Farm inputs & machinery | - | - | - | - |
| Livestock | Livestock Administration and Support Service | 55,745,730 | 41,604,000 | 14,141,730 | 74.6% |
| | Livestock Production | 5,550,000 | 3,600,000 | 1,950,000 | 64.9% |
| | Veterinary Service | 18,350,000 | - | 18,350,000 | 0.0% |
| Fisheries Production | Fisheries Service | 200,000 | 200,000 | - | 100.0% |
| Cooperative | Cooperative Development | 600,000 | 250,000 | 350,000 | 41.7% |
| | Total | 657,168,374 | 234,289,855 | 422,878,519 | 35.7% |
| Environment, Energy, Natural Resource and Wildlife Management | | | | | |
| Administration & support service | Administration & support service | 59,243,025 | 52,138,000 | 7,105,025 | 88.0% |
| Environment management & Natural | Environment management & Natural | 1,100,000 | - | 1,100,000 | 0.0% |
| Natural Resource management | Natural Resource management | 1,600,000 | 900,000 | 700,000 | 56.3% |
| Energy Development | Energy Development | 1,205,000 | - | 1,205,000 | 0.0% |
| | Total | 63,148,025 | 53,038,000 | 10,110,025 | 84.0% |
| Roads and Transport | | | | | |
| Roads and Transport | Administration & support service | 37,906,400 | 30,671,000 | 7,235,400 | 80.9% |
| | Road & Transport | 511,281,885 | 200,146,188 | 311,135,697 | 39.1% |
| | Total | 549,188,285 | 230,817,188 | 318,371,097 | 42.0% |
| Trade, Tourism and Enterprise | | | | | |
| Administration & support service | Administration & support service | 85,447,996 | 50,591,000 | 34,856,996 | 59.2% |
| Trade and Investment Development | Trade and Investment Development | 102,400,000 | 800,000 | 101,600,000 | 0.8% |
| Weight and Measure | Weight and Measure | 1,350,000 | - | 1,350,000 | 0.0% |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|--|------------------------|------------------------|--------------------|----------------|
| Tourism Development | Tourism Development | 802,259 | | 802,259 | 0.0% |
| | Total | 190,000,255 | 51,391,000 | 138,609,255 | 27.0% |
| Health and Sanitation- | | | | | |
| General Administration and support service | General Administration and support service | 2,259,697,321 | 1,555,438,365 | 704,258,956 | 68.8% |
| Curative Service | Medical Products, Appliance and Equipment | 122,500,000 | 136,635,000 | (14,135,000) | 111.5% |
| | Development of Health Facilities | 332,021,277 | 144,000,000 | 188,021,277 | 43.4% |
| | Referral Service | 67,435,485 | | 67,435,485 | 0.0% |
| Preventive Services | Health Promotion Campaign | 1,075,645 | | 1,075,645 | 0.0% |
| | Public Health Service | 1,618,450 | | 1,618,450 | 0.0% |
| | Nutrition | 1,522,509 | | 1,522,509 | 0.0% |
| | Total | 2,785,870,687 | 1,836,073,365 | 949,797,322 | 65.9% |
| Education and Labour | | | | | |
| Education | General Administration and Support Service | 493,889,663 | 284,083,000 | 209,806,663 | 57.5% |
| | ECD | 59,453,793 | 22,249,947 | 37,203,846 | 37.4% |
| | Vocational Training | 25,501,094 | 1,300,000 | 24,201,094 | 5.1% |
| Labour | Human resources | 189,991,478 | 128,870,000 | 61,121,478 | 67.8% |
| | ICT & Libraries | 23,282,733 | 21,732,000 | 1,550,733 | 93.3% |
| | Total | 792,118,761 | 458,234,947 | 333,883,814 | 57.8% |
| County Assembly | | | | | |
| General Administration and support service | General Administration and support service | 906,402,040 | 414,923,822 | 491,478,218 | 45.8% |
| | Total | 906,402,040 | 414,923,822 | 491,478,218 | 45.8% |
| Office of the Governor- | | | | | |
| Governor Operations | Governor Operations | 179,400,000 | 75,800,000 | 103,600,000 | 42.3% |
| Deputy Governor Operations | Deputy Governor Operations | 36,120,000 | 30,699,000 | 5,421,000 | 85.0% |
| County Secretary | County Secretary | 48,656,215 | 28,385,000 | 20,271,215 | 58.3% |
| Operations and Sub County Administration | Operations and Sub County Administration | 90,810,000 | 45,390,000 | 45,420,000 | 50.0% |
| Intergovernmental & Institutional relation | Intergovernmental & Institutional relation | 18,812,430 | 13,570,000 | 5,242,430 | 72.1% |
| County Attorney | County Attorney | 20,000,000 | 11,750,000 | 8,250,000 | 58.8% |
| | Total | 393,798,645 | 205,594,000 | 188,204,645 | 52.2% |
| Finance, Revenue, Economic Planning and County Affairs | | | | | |
| Administration & Support Service | Administration & Support Service | 1,406,580,628 | 1,126,647,629 | 279,932,999 | 80.1% |
| | Special Programm | 197,978,706 | 17,930,000 | 180,048,706 | 9.1% |
| Public Finance Management | Accounting Service | 3,713,739 | 900,000 | 2,813,739 | 24.2% |
| | Budget Formulation | 6,780,000 | 1,550,000 | 5,230,000 | 22.9% |
| | Audit Services | 3,862,600 | 400,000 | 3,462,600 | 10.4% |
| | Economic Planning | 34,086,000 | 26,058,000 | 8,028,000 | 76.4% |
| | Revenue Management | 248,927,781 | 140,368,000 | 108,559,781 | 56.4% |
| | Supply Chain Management | 5,630,000 | 2,750,000 | 2,880,000 | 48.8% |
| Donor Coordination | Donor Coordination | 16,780,548 | 11,200,000 | 5,580,548 | 66.7% |
| | Total | 1,924,340,002 | 1,327,803,629 | 596,536,373 | 69.0% |
| Gender, Social Service and Sport | | | | | |
| Culture, Women & Youth | General Administration & Support Service | 141,411,832 | 28,198,000 | 113,213,832 | 19.9% |
| | Social Protection, Cultural Promotion and Preservation | 1,025,000 | | 1,025,000 | 0.0% |
| | Youth and Sport | 3,763,600 | | 3,763,600 | 0.0% |
| | Total | 146,200,432 | 28,198,000 | 118,002,432 | 19.3% |
| Water and Irrigation | | | | | |
| Water Services | General Administration & Support Service | 234,556,361 | 124,788,000 | 109,768,361 | 53.2% |
| | Water Infrastructure Development | 825,000,000 | 161,533,119 | 663,466,881 | 19.6% |
| Irrigation Service | Irrigation Development | 45,000,000 | 4,900,000 | 40,100,000 | 10.9% |
| | Total | 1,104,556,361 | 291,221,119 | 813,335,242 | 26.4% |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|--|------------------------|------------------------|----------------------|----------------|
| Lands, Housing and Urban Planning | | | | | |
| Administration & Support Service | Urban Administration and Support Service | 268,500,000 | 158,847,000 | 109,653,000 | 59.2% |
| Land and Housing | Lands | 8,000,000 | 7,300,000 | 700,000 | 91.3% |
| | Housing & public Works | 22,574,997 | 18,750,000 | 3,824,997 | 83.1% |
| Urban Development | Urban Planning and Disaster Management | 1,614,626 | 400,000 | 1,214,626 | 24.8% |
| | Urban sanitation and Development | 900,000 | 700,000 | 200,000 | 77.8% |
| | Total | 301,589,623 | 185,997,000 | 115,592,623 | 61.7% |
| County Public Service Board | | | | | |
| General Administration and support Service | General Administration and support Service | 37,072,000 | 25,465,000 | 11,607,000 | 68.7% |
| | Total | 37,072,000 | 25,465,000 | 11,607,000 | 68.7% |
| Garissa Municipality | | | | | |
| General Administration and support Service | General Administration and support Service | 314,306,000 | 125,880,000 | 188,426,000 | 40.1% |
| | Total | 314,306,000 | 125,880,000 | 188,426,000 | 40.1% |
| Grand Total | | 10,165,759,490 | 5,468,926,925 | 4,696,832,565 | 53.8% |

Source: Garissa County Treasury

Programmes with the highest levels of implementation based on absorption rates were: curative under sub-programme of Medical product, appliance and equipment in the department of Health at 111.5 per cent, Fisheries Service in the Department of Agriculture at 100 per cent, ICT and labour in the Department of Education at 93.3 per cent, and Lands at 91.3 per cent under Department of Land, Housing and Urban Development of budget allocation.

3.8.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.1.11 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.4.28 billion. The development expenditure represented 31.9 per cent of the annual development budget.
2. A high wage bill, which accounted for 55.1 per cent of the total expenditure in the first nine months of FY 2020/21, thus constraining funding to other programmes.
3. The under-performance of own source revenue at Kshs.71.56 million against an annual projection of Kshs.150 million, representing 47.7 per cent of the annual target

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.
3. The County should address its own source revenue performance to ensure the approved budget is fully financed.

3.9 County Government of Homa Bay

3.9.1 Overview of FY 2020/21 Budget

The county's approved supplementary budget for FY 2020/21 is Kshs.8.92 billion, comprising Kshs.3.34 billion (37.5 per cent) and Kshs.5.58 billion (62.5 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the county expects to receive Kshs.6.74 billion (75.6 per cent) as the equitable share of revenue raised nationally, Kshs.716.47 million (8 per cent) as total conditional grants, generate Kshs.170.82 million (1.9 per cent) from own sources of revenue, and a cash balance of Kshs.1.11 billion (12.5 per cent) from FY 2019/20. The county also expects to receive Kshs.179.51 million (2 per cent) as Appropriations in Aid.

3.9.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.3.34 billion as an equitable share of the revenue raised nationally, Kshs.335.09 million as conditional grants, raised Kshs.73.82 million as own-source revenue, Kshs.50.04 million as Appropriations in Aid and had a cash balance of Kshs.1.01 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.4.81 billion, as shown in Table 3.43.

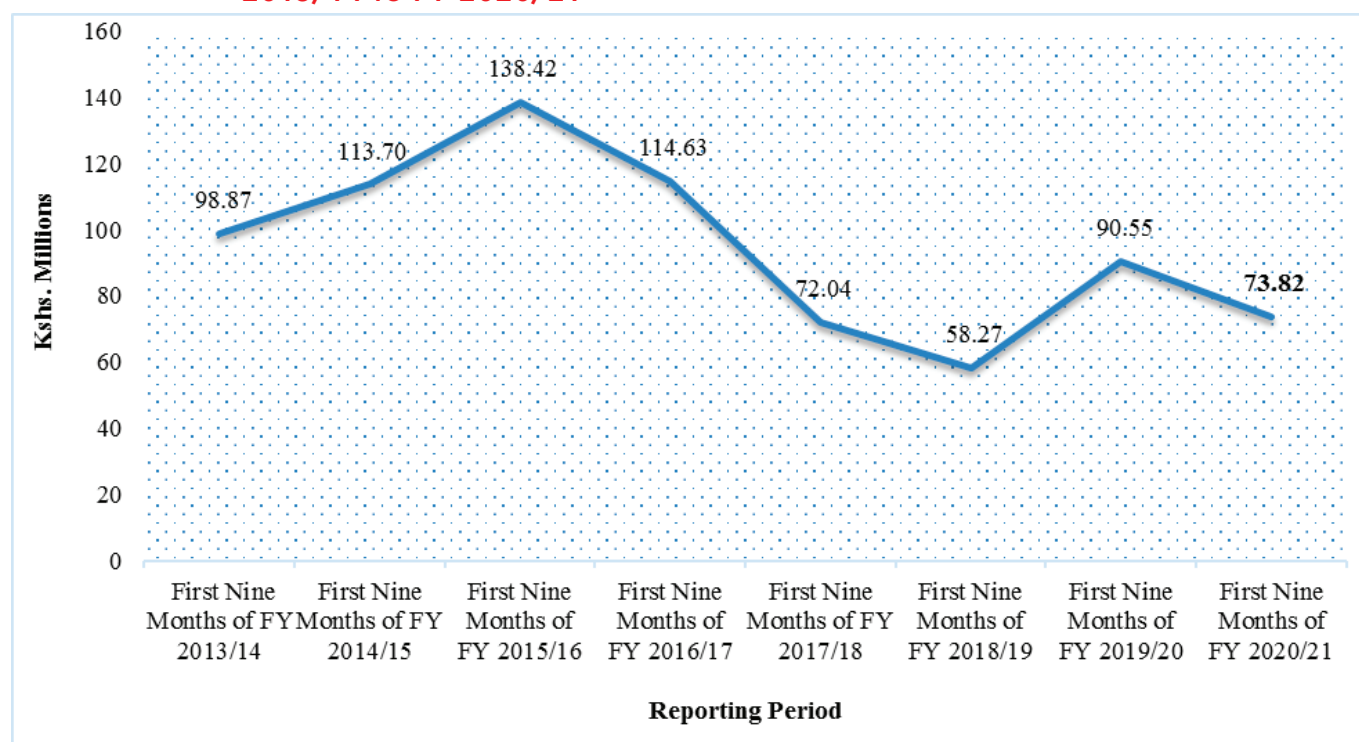
Table 3.43: Homa Bay County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual Receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|-----------|--|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 6,741,450,000 | 6,741,450,000 | 3,337,017,750 | 49.5 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Compensation for User Fee Foregone | 22,185,346 | 22,185,346 | - | - |
| 2. | Road Maintenance Fuel Levy Fund | 200,928,558 | 200,928,558 | 148,304,411 | 73.8 |
| 3. | Rehabilitation of Village Polytechnics | 40,399,894 | 40,399,894 | 20,199,947 | |
| | Sub Total | 395,535,075 | 263,513,798 | 168,504,358 | 64.0 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 33,040,000 | 33,040,000 | 15,290,311 | 46.2 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 198,467,950 | 198,467,950 | 93,245,922 | 46.9 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | - | 119,361,500 | - | - |
| 5. | DANIDA Grant | 19,170,000 | 26,615,000 | - | - |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 13,738,669 | 30,468,641 | 13,049,507 | 42.83 |
| | Sub Total | 309,416,619 | 452,953,091 | 166,585,740 | 36.8 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 170,818,374 | 73,817,542 | 43.2 |
| 2. | Balance b/f from FY 2019/20 | - | 1,110,848,784 | 1,010,848,784 | 91.0 |
| 3. | Appropriations in Aid (A-I-A) | - | 179,511,564 | 50,038,999 | 27.9 |
| | Sub Total | - | 1,461,178,722 | 1,134,705,325 | 77.7 |
| | Grand Total | 7,446,401,694 | 8,919,095,611 | 4,806,813,173 | 53.9 |

Source: Homa Bay County Treasury

Figure 3.15 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.15: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Homa Bay County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.73.82 million as its own source revenue. This amount represented a decrease of 18.5 per cent compared to Kshs.90.55 million realised during a similar period in FY 2019/20 and was 43.2 per cent of the annual target.

3.9.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.32 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.12 billion (26 per cent) for development programmes and Kshs.3.19 billion (74 per cent) for recurrent programmes.

3.9.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.4.28 billion on development and recurrent programmes. The expenditure represented 99.3 per cent of the total funds released by the COB and comprised of Kshs.1.12 billion and Kshs.3.16 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 33.6 per cent while recurrent expenditure represented 56.7 per cent of the annual recurrent expenditure budget.

3.9.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.47 billion was spent on compensation to employees, Kshs.688.43 million on operations and maintenance, and Kshs.1.12 billion on development activities as shown in Table 3.44.

Table 3.44: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|----------------|--------------------------|--------------------|----------------|
| Total Recurrent Expenditure | 5,577,859,944 | 3,194,583,347 | 3,162,583,347 | 56.7 |
| Compensation to Employees | 3,904,648,860 | 2,450,637,126 | 2,474,156,493 | 63.4 |
| Operations and Maintenance | 1,673,211,084 | 743,946,221 | 688,426,854 | 41.1 |
| Total Development Expenditure | 3,341,235,667 | 1,121,671,832 | 1,121,671,832 | 33.6 |
| Development Expenditure | 3,341,235,667 | 1,121,671,832 | 1,121,671,832 | 33.6 |
| Total | 8,919,095,611 | 4,316,255,179 | 4,284,255,179 | 48.0 |

Source: Homa Bay County Treasury

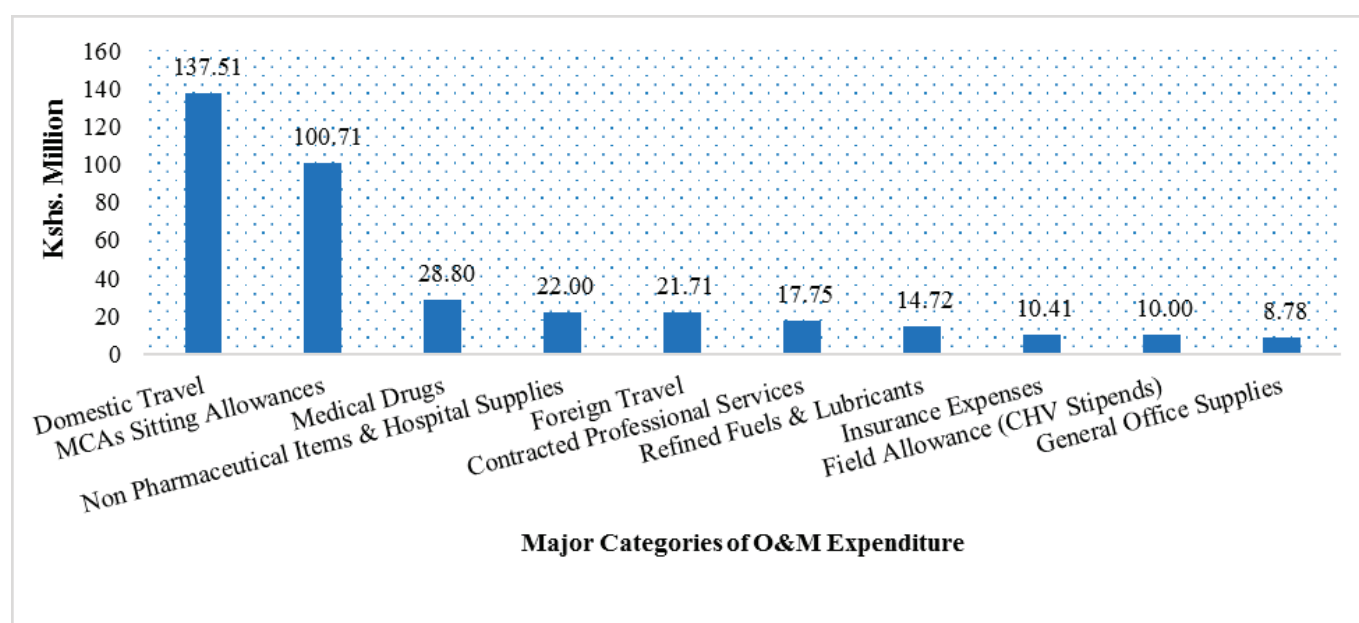
3.9.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 57.7 per cent of the total expenditure for the reporting period and 37 per cent of the first nine months' proportional revenue estimate of Kshs.6.69 billion.

3.9.7 Expenditure on Operations and Maintenance

Figure 3.20 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.16: Homa Bay County, Operations and Maintenance Expenditure by Major Categories



Source: Homa Bay County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.100.71 million on committee sitting allowances for the 61 MCAs and Speaker against the annual budget allocation of Kshs.117.72 million. The average monthly sitting allowance was Kshs.183,443 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.137.51 million and comprised of Kshs.69.24 million spent by the County Assembly and Kshs.68.27 million by the County Executive. Expenditure on foreign travel amounted to Kshs.21.71 million and consisted of Kshs.13.66 million by the County Assembly and Kshs.8.05 million by the County Executive.

3.9.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county did not provide for COVID-19 related expenditure.

3.9.9 Development Expenditure

The County incurred expenditure of Kshs.1.12 billion on development programmes, which represented a decrease of 6.5 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.20 billion. Table 3.45 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.45: Homa Bay County, List of Development Projects with the Highest Expenditure

| S/No | Project Name | Department | Location | Budget (Kshs) | Expenditure (Kshs) | Absorption Rate (%) |
|------|---|--|---------------|---------------|--------------------|---------------------|
| 1 | Completion of phase I of Homa Bay Stadium | Tourism, Sports, Youth Gender, Culture and Social Services | Homa Bay Town | 126,243,381 | 40,504,271 | 32.1 |
| 2 | Construction of MOH offices and store | Health Services | Homa Bay Town | 46,462,232 | 35,705,953 | 76.8 |
| 3 | Oxygen Plant (HBCTRH) | Health Services | Homa Bay Town | 20,000,000 | 20,000,000 | 100 |

| S/ No | Project Name | Department | Location | Budget (Kshs) | Expenditure (Kshs) | Absorption Rate (%) |
|-------|--|-----------------------------------|----------------------|---------------|--------------------|---------------------|
| 4 | Sindo KMTC | Health Services | Kaksingri Ward | 18,650,108 | 9,646,565 | 51.7 |
| 5 | Waregi - Kamgere - Access to safaricom booster 5KM | Roads, Transport and Public Works | Rusinga Ward | 8,919,830 | 8,919,830 | 100 |
| 6 | Guogi - Komolo Sch - Katieno 5.6KM | Roads, Transport and Public Works | Kanyadoto | 7,915,166 | 7,915,166 | 100 |
| 7 | Sangla - Tausi - Kanyakiti - Angong'a Jnc 5.4KM | Roads, Transport and Public Works | West Karachuonyo | 7,906,292 | 7,906,292 | 100 |
| 8 | Kosike - Olando - Koduogo Road 4.2KM | Roads, Transport and Public Works | Homabay West Ward | 7,106,044 | 7,106,044 | 100 |
| 9 | Kawere - Ndere - Langi Road 6KM | Roads, Transport and Public Works | Kanyamwa Kologi Ward | 6,804,372 | 6,804,372 | 100 |
| 10 | Kitawa - Mwiraria Road 5.3KM | Roads, Transport and Public Works | Gwasi North | 6,554,174 | 6,554,174 | 100 |

Source: Homa Bay County Treasury

3.9.10 Budget Performance by Department

Table 3.46 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.46: Homa Bay County, Budget Performance by Department

| Department | Budget Allocation (Kshs.Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|-----------------|-------------------------------------|------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Agriculture, Livestock, Fisheries and Food Security | 138.53 | 245.64 | 122.00 | 105.92 | 123.77 | 104.74 | 101.5 | 98.9 | 89.3 | 42.6 |
| Tourism, Sports, Youth Gender, Culture and Social Services | 52.60 | 126.24 | 15.00 | 40.00 | 41.99 | 40.50 | 279.9 | 101.3 | 79.8 | 32.1 |
| Roads, Transport and Public Works | 42.13 | 1,510.88 | 41.00 | 460.93 | 38.90 | 460.06 | 94.9 | 99.8 | 92.3 | 30.4 |
| Energy and Mining | 14.59 | 66.92 | 14.00 | - | 12.34 | 1.03 | 88.1 | - | 84.6 | 1.5 |
| Education and ICT | 504.70 | 107.91 | 345.70 | 30.00 | 366.34 | 29.52 | 106 | 98.4 | 72.6 | 27.4 |
| Health Services | 2,476.16 | 475.86 | 1,450.10 | 261.82 | 1,336.03 | 261.62 | 92.1 | 99.9 | 54.0 | 55.0 |
| Lands, Housing, Urban Development and Physical Planning | 49.81 | 38.27 | 27.00 | 8.00 | 22.90 | 7.05 | 84.8 | 88.1 | 46.0 | 18.4 |
| Trade, Industry, Cooperatives and Enterprise Development | 129.71 | 91.91 | 148.50 | 34.00 | 127.73 | 33.47 | 86.0 | 98.4 | 98.5 | 36.4 |
| Water, Environment and Natural Resources | 106.82 | 358.55 | 60.00 | 177.00 | 44.00 | 176.92 | 73.3 | 100 | 41.2 | 49.3 |
| Finance, Economic Planning and Service Delivery | 404.05 | 67.00 | 134.72 | 4.00 | 161.73 | 4.55 | 120 | 113.7 | 40.0 | 6.8 |
| Office of the Governor | 559.65 | 10.10 | 217.59 | - | 311.20 | 1.71 | 143 | - | 55.6 | 16.9 |
| County Public Service Board | 31.54 | 0.31 | 21.97 | - | 13.65 | 0.50 | 62.1 | - | 43.3 | 161.3 |
| County Assembly | 1,050.23 | 122.28 | 592.00 | - | 560.00 | - | 94.6 | - | 53.3 | - |
| Municipal Board | 17.34 | 119.36 | 5.00 | - | 2.00 | - | 40.0 | - | 11.5 | - |
| TOTAL | 5,577.86 | 3,341.24 | 3,194.58 | 1,121.67 | 3,162.58 | 1,121.67 | 99.0 | 100 | 56.7 | 33.6 |

Source: Homa Bay County Treasury

Analysis of departments' expenditure shows that the County Public Service Board recorded the highest absorption rate of development budget at 161.3 per cent while the County Assembly and the Homa Bay Municipal Board did not report any expenditure on development activities. The Department of Trade, Industry, Cooperatives and Enterprise Development had the highest percentage of recurrent expenditure to budget at 98.5 per cent while the Homa Bay Municipal Board had the lowest at 11.5 per cent.

3.9.11 Budget Execution by Programmes and Sub-Programmes

Table 3.47 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.47: Homa Bay County, Budget Execution by Programmes and Sub-programmes

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|--|--|------------------------|------------------------|----------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
| Department of Agriculture, Livestock, Fisheries and Food Security | | | | | |
| Policy Planning, General Administration and Support Services | Policy and Planning Services | 4,000,000 | 2,770,000 | 1,230,000 | 69.3 |
| | General Administration and Support Services | 134,530,571 | 121,000,000 | 13,530,571 | 89.9 |
| | Sub total | 138,530,571 | 123,770,000 | 14,760,571 | 89.3 |
| Crop, Land, & Agribusiness Development Services | National Agriculture Rural Inclusive Growth | 198,467,950 | 104,742,024 | 93,725,926 | 52.8 |
| | Agriculture Sector Development Support Programme | 41,468,641 | 0 | 41,468,641 | 0.0 |
| | Sub total | 239,936,591 | 104,742,024 | 135,194,567 | 43.7 |
| | Sub Sector Infrastructure Development Services | 5,700,000 | | 5,700,000 | 0.0 |
| Sub total | 5,700,000 | 0 | 5,700,000 | 0.0 | |
| Department of Tourism, Sports, Youth Gender, Culture and Social Services | | | | | |
| Policy, Planning and General Administration services | General Administration and Support Services | 39,022,620 | 37,985,409 | 1,037,211 | 97.3 |
| | Policy and Planning Services | 9,575,711 | 4,000,000 | 5,575,711 | 41.8 |
| | Sub total | 48,598,331 | 41,985,409 | 6,612,922 | 86.4 |
| Management and Development of Sports and Sports Facilities | Sports Infrastructure Development Services | 126,243,381 | 40,504,271 | 85,739,110 | 32.1 |
| | Sports Management and Talent Development | 4,000,000 | - | 4,000,000 | - |
| | Sub total | 130,243,381 | 40,504,271 | 89,739,110 | 31.1 |
| Department of Roads, Transport and Public Works | | | | | |
| General Administration, Planning and Support Services | Human Resource and Support Services | 35,581,848 | 34,250,630 | 1,331,218 | 96.3 |
| | Roads and Transport Services Operations | 5,043,076 | 4,646,988 | 396,088 | 92.1 |
| | Sub total | 40,624,924 | 38,897,618 | 1,727,306 | 95.7 |
| Public works and maintenance services | Quality control | 359,750 | 0 | 359,750 | 0.0 |
| | Plant and Machinery maintenance | 992,102 | 0 | 992,102 | 0.0 |
| | Enforcement Services | 156,500 | 0 | 156,500 | 0.0 |
| | Sub total | 1,508,352 | 0 | 1,508,352 | 0.0 |
| Road Development and Maintenance Services | Road Development and Rehabilitation services | 1,103,785,778 | 379,206,937 | 724,578,841 | 34.4 |
| | Road maintenance | 407,097,411 | 80,856,470 | 326,240,941 | 19.9 |
| | Sub total | 1,510,883,189 | 460,063,407 | 1,050,819,782 | 30.4 |
| Department of Energy and Mining | | | | | |
| Energy Services | Electrical Power Services | 20,000,000 | 0 | 20,000,000 | 0.0 |
| | Solar Power Services | 29,261,532 | 1,032,105 | 28,229,427 | 3.5 |
| | Low Cost energy Technologies promotion Services | 13,654,249 | 0 | 13,654,249 | 0.0 |
| | Sub total | 62,915,781 | 1,032,105 | 61,883,676 | 1.6 |
| Mineral Resource Development and Marketing Services | Construction mineral development and marketing services | 4,000,000 | 0 | 4,000,000 | 0.0 |
| | Sub total | 4,000,000 | 0 | 4,000,000 | 0.0 |
| General Administration, Planning and Support Services | Administrative Support Services | 8,084,040 | 7,333,700 | 750,340 | 90.7 |
| | Development of Policies, Plans, Regulations and Legislations | 6,503,851 | 5,002,300 | 1,501,551 | 76.9 |
| | Sub total | 14,587,891 | 12,336,000 | 2,251,891 | 84.6 |
| Department of Education and ICT | | | | | |
| General Administration and Quality Assurance Service | General administration Services | 37,421,009 | 28,800,000 | 8,621,009 | 77.0 |
| | Quality Assurance Services | 463,280,164 | 337,541,642 | 125,738,522 | 72.9 |
| | Sub total | 500,701,173 | 366,341,642 | 134,359,531 | 73.2 |
| ECDE and Vocational Training Services | ECDE Services | 71,512,379 | 29,519,915 | 41,992,464 | 41.3 |
| | Vocational Training Services | 40,399,894 | 0 | 40,399,894 | 0.0 |
| | Sub total | 111,912,273 | 29,519,915 | 82,392,358 | 26.4 |
| Department of Health Services | | | | | |
| Policy planning and administrative support service | Policy, Planning and Monitoring Services | 2,500,000 | 0 | 2,500,000 | 0.0 |
| | Administrative Support Services | 2,216,933,944 | 1,336,034,188 | 880,899,756 | 60.3 |
| | Sub total | 2,219,433,944 | 1,336,034,188 | 883,399,756 | 60.2 |

| Budget Execution by Programmes and Sub-Programmes | | | | | | |
|--|---|------------------------|------------------------|--------------------|----------------|--|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) | |
| Preventive and promotive health services | Community health services | 22,000,000 | 9,177,047 | 12,822,953 | 41.7 | |
| | Disease control services | 2,500,000 | 0 | 2,500,000 | 0.0 | |
| | Facility infrastructure improvement services | 256,496,611 | 122,946,804 | 133,549,807 | 47.9 | |
| | Sub total | 280,996,611 | 132,123,851 | 148,872,760 | 47.0 | |
| Curative and rehabilitative health services | Routine medical health services | 224,230,514 | 129,496,611 | 94,733,903 | 57.8 | |
| | Medical emergency response services | 113,902,479 | 0 | 113,902,479 | 0.0 | |
| | Facility infrastructure improvement services | 113,462,232 | 0 | 113,462,232 | 0.0 | |
| | Sub total | 451,595,225 | 129,496,611 | 322,098,614 | 28.7% | |
| Department of Lands, Housing, Urban Development and Physical Planning | | | | | | |
| General Administration Services | General administrative support services | 30,111,180 | 22,900,060 | 7,211,120 | 76.1 | |
| | General office operations | 6,697,478 | 0 | 6,697,478 | 0.0 | |
| | Sub total | 36,808,658 | 22,900,060 | 13,908,598 | 62.2 | |
| Lands and Physical planning | County Spatial planning | 14,881,138 | 7,046,416 | 7,834,722 | 47.4 | |
| | Symbio-City Change Project | 9,789,714 | 0 | 9,789,714 | 0.0 | |
| | Sub total | 24,670,852 | 7,046,416 | 17,624,436 | 28.6 | |
| Housing and Urban Development | Housing improvement services | 5,500,000 | 0 | 5,500,000 | 0.0 | |
| | Smart settlement services (Equipping of Ndiwa ABTC) | 3,100,000 | 0 | 3,100,000 | 0.0 | |
| | Delineation and Establishment of urban institutions | 13,000,000 | 0 | 13,000,000 | 0.0 | |
| | Slum Upgrading Programme | 5,000,000 | 0 | 5,000,000 | 0.0 | |
| | Sub total | 26,600,000 | 0 | 26,600,000 | 0.0 | |
| Department of Trade, Industrialization, Cooperatives and Enterprise Development | | | | | | |
| Planning and Administrative services | Administrative and Support Services | 122,144,244 | 120,834,396 | 1,309,848 | 98.9% | |
| | Policy Development and Implementation Services | 7,561,570 | 6,899,866 | 661,704 | 91.2% | |
| | Sub total | 129,705,814 | 127,734,262 | 1,971,552 | 98.5% | |
| Trade, Cooperative and Entrepreneurship Development Service | Cooperative Development Services | - | - | - | - | |
| | Enterprise Development and Promotion Services | - | - | - | - | |
| | Trade Infrastructure Development Services | 46,095,374 | 33,470,456 | 12,624,918 | 72.6 | |
| | Sub total | 46,095,374 | 33,470,456 | 12,624,918 | 72.6 | |
| Industrial Development and Investment Services | Value Chain Development Services | 45,809,660 | 0 | 45,809,660 | 0.0 | |
| | Sub total | 45,809,660 | 0 | 45,809,660 | 0.0 | |
| Department of Water, Environment and Natural Resources | | | | | | |
| General Administrative services | Administrative Support Services | 106,417,254 | 44,002,960 | 62,414,294 | 41.3 | |
| | Policy and Planning Services | 400,000 | 0 | 400,000 | 0.0 | |
| | Sub total | 106,817,254 | 44,002,960 | 62,814,294 | 41.2 | |
| Water Supply and Management Services | Urban Water Supply Services | 11,000,000 | 0 | 11,000,000 | 0.0 | |
| | Ward Based Projects | 310,004,351 | 176,918,964 | 133,085,387 | 57.1 | |
| | Other Water Projects | 21,043,300 | 0 | 21,043,300 | 0.0 | |
| | Sub total | 342,047,651 | 176,918,964 | 165,128,687 | 51.7 | |
| Environmental Protection and Management Services | Pollution and Waste Management services | 0 | 0 | 0 | 0.0 | |
| | Forestry Development Services | 11,500,000 | 0 | 11,500,000 | 0.0 | |
| | Climate Change Services | 5,000,000 | 0 | 5,000,000 | 0.0 | |
| | Sub total | 16,500,000 | 0 | 16,500,000 | 0.0 | |
| Department of Finance, Economic Planning and Service Delivery | | | | | | |
| General administration and support services | Staff Remuneration and Welfare Support Services | 228,154,872 | 161,730,424 | 66,424,448 | 70.9 | |
| | General Logistics, Coordination and Asset Management Services | 2,861,213 | 0 | 2,861,213 | 0.0 | |
| | Devolution and Service Delivery Support Services | 45,000,000 | 0 | 45,000,000 | 0.0 | |
| | Sub total | 276,016,085 | 161,730,424 | 114,285,661 | 58.6 | |

| Budget Execution by Programmes and Sub-Programmes | | | | | | |
|--|--|------------------------|------------------------|--------------------|----------------|--|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) | |
| Planning, budgeting and development co-ordination services | Economic planning and development services | 13,600,200 | 0 | 13,600,200 | 0.0 | |
| | Resource Allocation Services | 19,629,000 | 4,548,172 | 15,080,828 | 23.2 | |
| | Community Development Participation Services | 5,146,874 | 0 | 5,146,874 | 0.0% | |
| | Sub total | 38,376,074 | 4,548,172 | 33,827,902 | 11.9 | |
| Strategy and service delivery management services | Monitoring and evaluation services | 1,987,200 | 0 | 1,987,200 | 0.0 | |
| | Strategy and service delivery improvement services | 5,200,000 | 0 | 5,200,000 | 0.0 | |
| | Sub total | 7,187,200 | 0 | 7,187,200 | 0.0 | |
| Resource mobilization services | External Resources Mobilization Services | 13,434,248 | 0 | 13,434,248 | 0.0 | |
| | Internal Revenue Generation Services | 13,721,280 | 0 | 13,721,280 | 0.0 | |
| | Sub total | 27,155,528 | 0 | 27,155,528 | 0.0 | |
| Financial management services | Accounting and Financial Reporting Services | 7,129,308 | 0 | 7,129,308 | 0.0 | |
| | Audit and Advisory Services | 9,956,997 | 0 | 9,956,997 | 0.0 | |
| | Emergency Management Services | 105,200,001 | 0 | 105,200,001 | 0.0 | |
| | Sub total | 122,286,306 | 0 | 122,286,306 | 0.0 | |
| Executive Services (Office of the Governor) | | | | | | |
| Public service administration support services | Human resource management and development services | 423,841,788 | 311,195,260 | 112,646,528 | 73.4 | |
| | supply chain management services | 10,325,272 | 0 | 10,325,272 | 0.0 | |
| | Legal Services | 6,000,000 | 0 | 6,000,000 | 0.0 | |
| | Logistics, security and asset management services | 11,174,728 | 0 | 11,174,728 | 0.0 | |
| | Performance contracting and appraisal services | 5,500,000 | 0 | 5,500,000 | 0.0 | |
| | Sub total | 456,841,788 | 311,195,260 | 145,646,528 | 68.1 | |
| Governance and coordination services | Executive management and liaison services | 25,345,346 | 1,705,640 | 23,639,706 | 6.7 | |
| | Field coordination and administration services | 44,104,295 | 0 | 44,104,295 | 0.0 | |
| | Sub total | 69,449,641 | 1,705,640 | 67,744,001 | 2.5 | |
| Strategy and service delivery improvement services | Strategy and advisory services | 7,399,120 | 0 | 7,399,120 | 0.0 | |
| | Efficiency monitoring services | 8,953,000 | 0 | 8,953,000 | 0.0 | |
| | Information and communication services | 2,250,000 | 0 | 2,250,000 | 0.0 | |
| | Disaster management services | 4,860,600 | 0 | 4,860,600 | 0.0 | |
| | Compliance and Enforcement services | 20,000,000 | 0 | 20,000,000 | 0.0 | |
| | Sub total | 43,462,720 | 0 | 43,462,720 | 0.0 | |
| County Public Service Board | | | | | | |
| Policy, Planning and Administration Services | Policy and Planning Services | 1,154,901 | 0 | 1,154,901 | 0.0 | |
| | Administrative Support Services | 23,520,289 | 13,654,524 | 9,865,765 | 58.1 | |
| | Facility Improvement & Capacity Strengthening Services | 310,000 | 0 | 310,000 | 0.0 | |
| | Sub total | 24,985,190 | 13,654,524 | 11,330,666 | 54.7% | |
| Personnel Sourcing and Management Services | Recruitment, Selection and Deployment Services | 3,485,000 | 0 | 3,485,000 | 0.0 | |
| | Human Resource Advisory Services | 2,184,349 | 500,000 | 1,684,349 | 22.9 | |
| | Capacity Development Services | 598,740 | 0 | 598,740 | 0.0 | |
| | Sub total | 6,268,089 | 500,000 | 5,768,089 | 8.0 | |
| Performance Management Services | Performance Contracting and Appraisal Services | 599,612 | 0 | 599,612 | 0.0 | |
| | Sub total | 599,612 | 0 | 599,612 | 0.0 | |
| County Assembly Service Board | | | | | | |
| Legislative Services | Members welfare Support services | 291,765,464 | 180,378,111 | 111,387,353 | 61.8 | |
| | Legislative development and approval services | 113,922,966 | 56,567,399 | 57,355,567 | 49.7 | |
| | Sub total | 405,688,430 | 236,945,510 | 168,742,920 | 58.4 | |

| Budget Execution by Programmes and Sub-Programmes | | | | | | |
|---|--|------------------------|---------------|----------------------|----------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual (Kshs) | Payments | Variance (Kshs.) | Absorption (%) |
| Oversight and Control Services | Capacity building services | 6,470,000 | | 3,499,500 | 2,970,500 | 54.1 |
| | Report writing services | 40,200,000 | | 32,570,450 | 7,629,550 | 81.0 |
| | Public participation and education services | 24,736,374 | | 19,562,255 | 5,174,119 | 79.1 |
| | Sub total | 71,406,374 | | 55,632,205 | 15,774,169 | 77.9 |
| Ward Representation Services | Staff welfare support services | 65,538,420 | | 44,412,563 | 21,125,857 | 67.8 |
| | Ward operations and maintenance | 25,504,800 | | 25,504,800 | 0 | 100.0 |
| | Sub total | 91,043,220 | | 69,917,363 | 21,125,857 | 76.8 |
| Policy, Planning and Administrative support services | Administrative support services | 263,896,952 | | 73,966,368 | 189,930,584 | 28.0 |
| | Financial management Services | 218,197,600 | | 123,538,554 | 94,659,046 | 56.6 |
| | Assembly infrastructure development Services | 122,283,800 | | 0 | 122,283,800 | 0.0 |
| | Sub total | 604,378,352 | | 197,504,922 | 406,873,430 | 32.7 |
| Homa Bay Municipal Board | | | | | | |
| Policy, Planning, General Administration and Support Services | Policy and Planning Services | 4,376,002 | | 0 | 4,376,002 | 0.0 |
| | Administration and Support Services | 12,990,000 | | 2,001,000 | 10,989,000 | 15.4 |
| | Sub total | 17,366,002 | | 2,001,000 | 15,365,002 | 11.5 |
| Urban development services | Land Use Planning and Management | 119,361,500 | | - | 118,361,500 | - |
| | Sub total | 119,361,500 | | - | 118,361,500 | - |
| Grand Total | | 8,915,095,611 | | 4,284,255,179 | 4,629,840,432 | 48.1 |

Source: Homa Bay County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Planning and Administrative Services in the Department of Trade, Industrialization, Cooperatives and Enterprise Development at 98.5 per cent, General Administration, Planning and Support Services in the Department of Roads, Transport and Public Works at 95.7 per cent, Policy Planning, General Administration and Support Services in the Department of Agriculture, Livestock, Fisheries and Food Security at 89.3 per cent, and Policy, Planning and General Administration services in the Department of Tourism, Sports, Youth Gender, Culture and Social Services at 86.4 per cent of budget allocation.

3.9.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. Low absorption of development funds as indicated by the expenditure of Kshs.1.12 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.3.34 billion. The development expenditure represented 33.6 per cent of the annual development budget.
3. A high wage bill, which accounted for 57.7 per cent of the total expenditure in the first nine months of FY 2020/21, thus constraining funding to other programmes.
4. Under-performance of own source revenue at Kshs.73.82 million against an annual projection of Kshs.170.82 million, representing 43.2 per cent of the annual target.
5. Failure by Fund Administrators to submit financial and non-financial reports in line with Section 168 of the PFM Act, 2012 to the OCoB. The OCoB did not receive quarterly financial information for the Homa Bay County Executive Car Loan and Mortgage Fund, Homa Bay Bursary Fund, and Homa Bay County Assembly Car Loan and Mortgage Fund.
6. Failure by the County to reconcile the approved budget amounts in the Programme Based Reports which shows an overall budget figure of Kshs.8.915 billion as shown compared with the Appropriation Act which provided the budget as Kshs.8.919 billion.

The County should implement the following recommendations to improve budget execution;

1. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.

2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.
4. The County should address its own source revenue performance to ensure the approved budget is fully financed.
5. The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.
6. The County Treasury should liaise with Directorate of IFMIS at the National Treasury to ensure that the County's approved budget is accurately uploaded and any variances are addressed accordingly.

3.10 County Government of Isiolo

3.10.1 Overview of FY 2020/21 Budget

The County's approved supplementary budget for FY 2020/21 is Kshs.5.75 billion, comprising of Kshs.2.35 billion (40.9 per cent) and Kshs.3.40 billion (59.1 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.4.24 billion (77.1 per cent) as the equitable share of revenue raised nationally, Kshs.942.48 million (17.1 per cent) as total conditional grants, generate Kshs.113.69 million (2.1 per cent) from own sources of revenue, and a cash balance of Kshs.205.65 million (3.7 per cent) from FY 2019/20.

3.10.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.2.1 billion as an equitable share of the revenue raised nationally, Kshs.221.88 million as conditional grants, raised Kshs.26.84 million as own-source revenue and had a cash balance of Kshs.205.65 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.2.55 billion, as shown in Table 3.48.

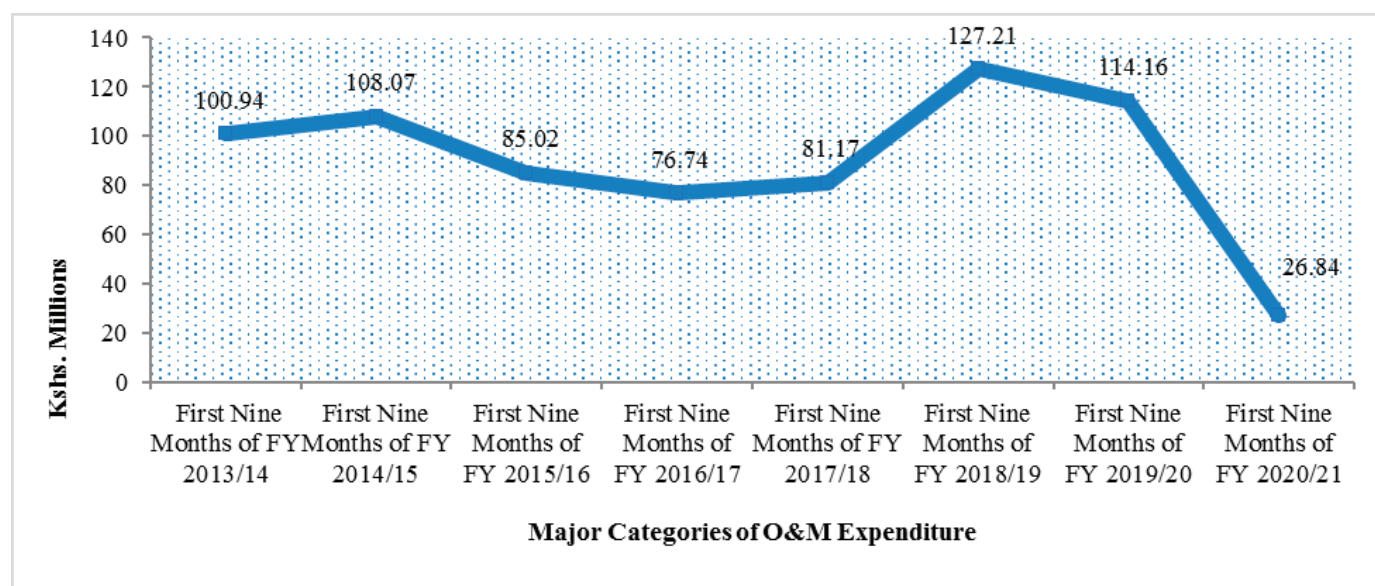
Table 3.48: Isiolo County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (Kshs.) | Annual Budget Allocation (Kshs.) | Actual receipts in First Nine Months of FY 2020/21 (Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|--------------------------------------|----------------------------------|--|---|
| A. | Equitable Share of Revenue Raised nationally | 4,241,100,000 | 4,241,100,000 | 2,099,344,500 | 49.5 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Supplement for construction of county headquarters | 100,000,000 | 100,000,000 | - | - |
| 2. | Compensation for User Fee Foregone | 3,472,461 | 3,472,461 | - | - |
| 3. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 4. | Road Maintenance Fuel Levy Fund | 124,519,106 | 124,519,106 | 62,259,554 | 50.0 |
| 5. | Rehabilitation of Village Polytechnics | 5,344,894 | 5,344,894 | 2,672,447 | 50.0 |
| Sub Total | | 365,357,738 | 365,357,738 | 64,932,001 | 17.8 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 26,720,000 | 26,720,000 | - | - |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 479,143,620 | 479,143,620 | 100,455,118 | 21.0 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |
| 4. | DANIDA Grant | 12,060,000 | 12,060,000 | - | - |
| 5. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 14,193,675 | 14,193,675 | 11,496,853 | 81.0 |
| Sub Total | | 577,117,295 | 577,117,295 | 221,883,973 | 38.5 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 113,686,337 | 26,836,921 | 23.6 |
| 2. | Balance b/f from FY 2019/20 | - | 205,650,644 | 205,650,644 | 100.0 |
| | Sub Total | - | 319,336,981 | 232,487,565 | 72.8 |
| Grand Total | | 5,183,575,033 | 5,502,912,014 | 2,553,716,038 | 46.4 |

Source: Isiolo County Treasury

Figure 3.17 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.17: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Isiolo County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.26.84 million as its own source revenue. This amount represented a significant decrease of 76.5 per cent compared to Kshs.114.16 million realised during a similar period in FY 2019/20 and was 23.6 per cent of the annual target.

3.10.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.2.5 billion from the CRF account during the reporting period. The amount comprised of Kshs.459.64 million (18.4 per cent) for development programmes and Kshs.2.04 billion (81.6 per cent) for recurrent programmes.

3.10.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.2.42 billion on development and recurrent programmes. The expenditure represented 96.9 per cent of the total funds released by the COB and comprised of Kshs.546.62 million and Kshs.1.87 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 23.3 per cent while recurrent expenditure represented 55.1 per cent of the annual recurrent expenditure budget.

3.10.5 Expenditure by Economic Classification

Economic classification analysis indicates that Kshs.996.76 million was spent on compensation to employees, Kshs.876.12 million on operations and maintenance, and Kshs.546.62 million on development activities, as shown in Table 3.49.

Table 3.49: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 3,401,671,428 | 2,037,345,309 | 1,872,871,650 | 55.1 |
| Compensation to Employees | 1,562,949,586 | 1,002,875,663 | 996,755,624 | 63.8 |
| Operations and Maintenance | 1,838,721,842 | 1,034,469,646 | 876,116,026 | 47.6 |
| Total Development Expenditure | 2,349,485,790 | 459,637,176 | 546,617,571 | 23.3 |
| Development Expenditure | 2,349,485,790 | 459,637,176 | 546,617,571 | 23.3 |
| Total | 5,751,157,218 | 2,496,982,485 | 2,419,489,221 | 42.1 |

Source: Isiolo County Treasury

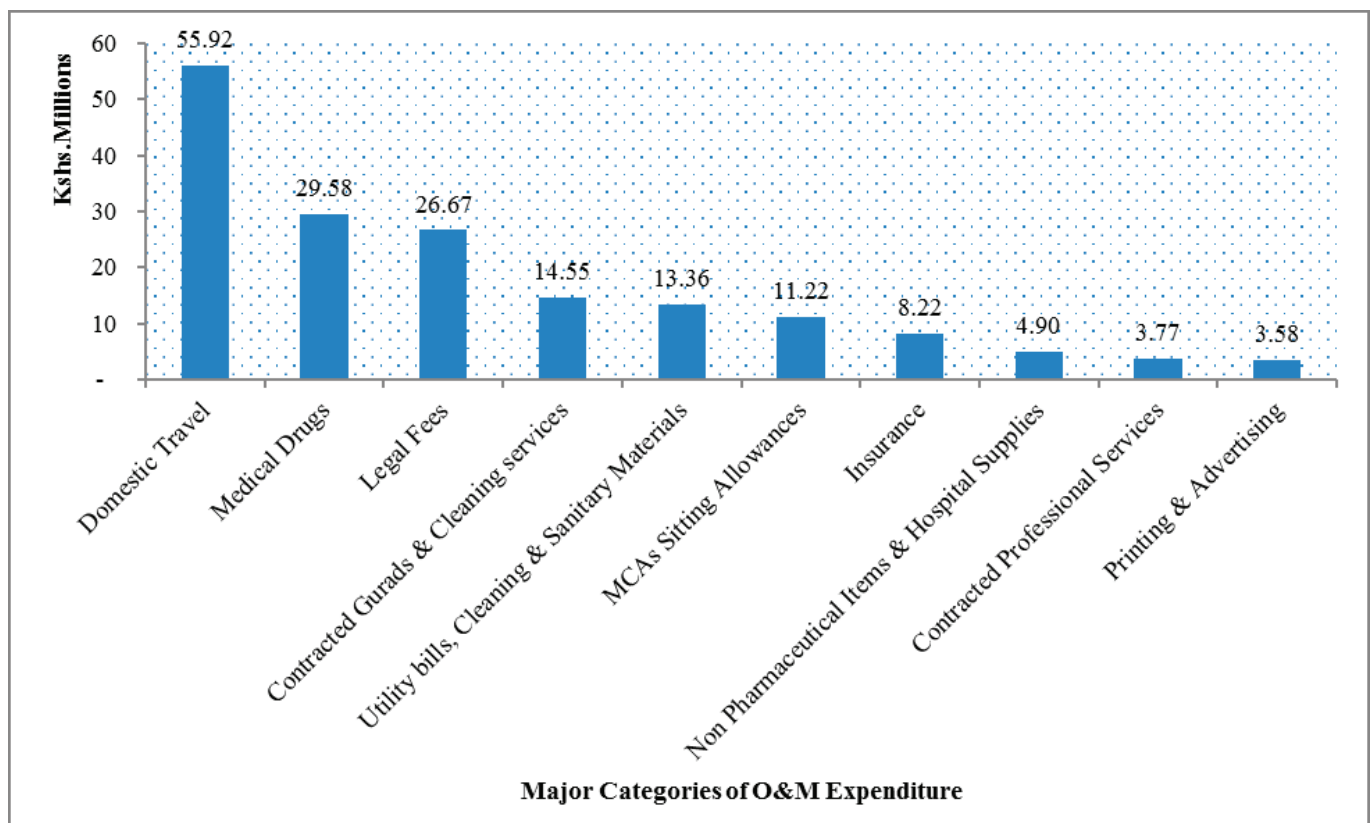
3.10.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 41.2 per cent of the total expenditure for the reporting period and 23.1 per cent of the first nine months proportional revenue estimate of Kshs.4.31 billion.

3.10.7 Expenditure on Operations and Maintenance

Figure 3.18 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.18: Isiolo County, Operations and Maintenance Expenditure by Major Categories



Source: Isiolo County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.11.22 million on committee sitting allowances for the 18 MCAs and Speaker against the annual budget allocation of Kshs.24.36 million. The average monthly sitting allowance was Kshs.69,232 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, the County Executive spent Kshs.55.92 million on domestic travel.

3.10.8 COVID-19 Expenditure

The County did not report any expenditure on COVID-19 during the reporting period.

3.10.9 Development Expenditure

The County incurred an expenditure of Kshs.546.62 million on development programmes, representing an absorption rate of 23.3 per cent. Table 3.50 provides a summary of development projects with the highest spending in the reporting period.

Table 3.50: Isiolo County, List of Development Projects with the Highest Expenditure

| S/No | Project Name | Department | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate % |
|------|--|-----------------------------|---------------------|----------------|---------------------|-------------------|
| 1. | Access Roads (road levy maintenance fund) | Roads and Infrastructure | County Wide | 124,519,106 | 62,259,552 | 50.0 |
| 2. | Construction of Isiolo county stadium | Culture and Social Services | Isiolo Municipality | 152,000,000 | 39,090,870 | 25.7 |

| S/No | Project Name | Department | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate % |
|------|--|-------------------------------------|---------------------|----------------|---------------------|-------------------|
| 1. | Construction of Market | Trade, Industries, Cooperatives | Isiolo municipality | 131,015,510 | 31,783,751 | 24.3 |
| 2. | Construction of County assembly chambers | County Assembly | County Municipality | 87,400,000 | 20,699,464 | 23.7 |
| 3. | Overhaul of Water Supplies and Sewerage | Public Works and Housing | Isiolo Municipality | 30,400,000 | 19,586,000 | 64.4 |
| 4. | Access Roads Countywide | Roads and Infrastructure | Roads County wide | 19,400,000 | 12,088,966 | 62.3 |
| 5. | Purchase of Animals and Breeding Stock | Livestock, Veterinary and Fisheries | County Wide | 10,000,000 | 10,000,000 | 100.0 |
| 6. | Construction of TB Manyatta at Isiolo County referral hospital | Health Services | County Wide | 5,692,200 | 5,692,200 | 100.0 |
| 7. | Borehole repairs at Sericho | Water and Irrigation | Sericho | 3,998,738 | 3,998,738 | 100.0 |
| 8. | Repair of borehole pumps at Alango borehole | Water and Irrigation | County Wide | 3,062,154 | 3,062,154 | 100.0 |

Source: Isiolo County Treasury

3.10.10 Budget Performance by Department

Table 3.51 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.51: Isiolo County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|--------|----------------------------------|--------|-----------------------------|--------|-------------------------------------|-------|---------------------|--------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 421.36 | 87.40 | 248.22 | 20.70 | 248.22 | 20.70 | 100 | 100 | 58.9 | 23.7 |
| Office of the Governor | 292.94 | - | 217.73 | - | 222.24 | - | 102.1 | - | 75.9 | - |
| County Public Service Board | 58.94 | - | 45.00 | - | 41.05 | - | 91.2 | - | 69.6 | - |
| County Secretary | 23.30 | - | 10.02 | - | 10.91 | - | 108.9 | - | 46.8 | - |
| Administration and PSM | 142.87 | 19.95 | 123.68 | - | 64.45 | - | 52.1 | - | 45.1 | - |
| Delivery Unit | 14.00 | - | 15.81 | - | 10.08 | - | 63.8 | - | 72.0 | - |
| Office of the Deputy Governor | 25.00 | - | 13.02 | - | 23.56 | - | 180.9 | - | 94.2 | - |
| Cohesion, Intergovernmental Relations, Aid coordination, Disaster Management | 63.06 | - | 130.87 | 78.33 | - | 238.20 | 0.0 | 304.1 | 0.0 | - |
| Finance and Economic Planning | 230.34 | 350.47 | 6.90 | - | 16.70 | - | 242.1 | - | 7.3 | - |
| Special Programmes and ICT | 246.31 | - | 20.29 | - | 27.67 | - | 136.4 | - | 11.2 | - |
| Economic Planning | 57.03 | - | 10.85 | - | 12.52 | - | 115.5 | - | 22.0 | - |
| Lands and Physical Planning | 39.52 | 30.29 | 7.70 | 62.26 | 5.05 | - | 65.5 | 0.0 | 12.8 | - |
| Roads and Infrastructure | 16.74 | 287.39 | 13.67 | - | 7.97 | - | 58.3 | - | 47.6 | - |
| Public Works and Housing | 23.16 | 3.50 | 27.14 | 49.41 | 26.05 | 95.48 | 96.0 | 193.2 | 112.5 | 2727.9 |
| Municipal Administration | 82.59 | 335.27 | 38.13 | 111.95 | 24.75 | 65.25 | 64.9 | 58.3 | 30.0 | 19.5 |
| Agriculture | 50.88 | 264.87 | 86.00 | 34.44 | 72.79 | 15.96 | 84.6 | 46.3 | 143.1 | 6.0 |
| Livestock, Veterinary and Fisheries | 101.97 | 65.58 | 114.79 | 2.67 | 104.73 | - | 91.2 | - | 102.7 | - |
| Education and Vocational Training | 211.52 | 70.58 | 26.32 | 39.09 | 17.61 | 36.99 | 66.9 | 94.6 | 8.3 | 52.4 |
| Youth and Sports | 21.46 | 133.00 | 21.17 | - | 8.39 | - | 39.6 | - | 39.1 | - |
| Culture and Social Services | 26.89 | 23.80 | 98.88 | 16.76 | 84.49 | 0.97 | 85.4 | 5.8 | 314.2 | 4.1 |
| Tourism and Wildlife Management | 118.25 | 25.79 | 10.59 | - | 11.08 | - | 104.6 | - | 9.4 | - |
| Trade, Industries, Cooperatives | 18.56 | 27.58 | 36.77 | 28.81 | 21.87 | 38.11 | 59.5 | 132.3 | 117.9 | 138.2 |
| Water and Irrigation | 53.65 | 139.74 | 13.25 | - | 8.87 | - | 66.9 | - | 16.5 | - |
| Environment and Natural Resources | 28.95 | 42.73 | 700.55 | 15.22 | 726.30 | 34.96 | 103.7 | 229.7 | 2,508.8 | 81.8 |
| Health Services | 1,032.39 | 441.54 | - | - | 75.53 | - | - | - | 7.3 | - |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--------------|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|--------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Total | 3,401.67 | 2,349.49 | 2,037.35 | 459.64 | 1,872.87 | 546.62 | 91.9 | 118.9 | 55.1 | 23.3 |

Source: Isiolo County Treasury

Analysis of departments' expenditure shows that the Department of Public Works and Housing recorded the highest absorption rate of development budget at 2,727.9 per cent, followed by the Department of Trade, Industries, and Cooperatives at 138.2 per cent. The Department of Environment and Natural Resources recorded the highest percentage of recurrent expenditure to budget at 2,508.8 per cent while the Department of Finance and Economic Planning Department reported the lowest at 7.3 per cent.

3.10.11 Budget Execution by Programmes and Sub-Programmes

Table 3.52 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.52: Isiolo County, Budget Execution by Programmes and Sub-programmes

| Program | Sub Program | Description | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|------------------|-------------|--|-------------------------|-------------------------|--------------------|----------------|
| 101003510 | | Livestock resource management and development | 104,240,813 | 79,945,143 | 24,295,670 | 76.7 |
| | 101013510 | Extension services | - | - | - | 0.0 |
| | 101023510 | Livestock Production | 104,240,813 | 79,945,143 | 24,295,670 | 76.7 |
| | 101063510 | Capacity building | - | - | - | 0.0 |
| | 101073510 | promotion of value addition of livestock and livestock products | - | - | - | 0.0 |
| | 101083510 | livestock infrastructure development | - | - | - | 0.0 |
| 102003510 | | Fisheries development | 2,000,000 | - | 2,000,000 | 0.0 |
| | 102013510 | infrastructure development | - | - | - | 0.0 |
| | 102023510 | extension services | - | - | - | 0.0 |
| | 102033510 | capacity building | 2,000,000 | - | 2,000,000 | 0.0 |
| 103003510 | | Administrative, planning, and support services | 53,641,138 | 29,754,234 | 23,886,904 | 55.5 |
| | 103013510 | Administration and Support Services | 53,641,138 | 29,754,234 | 23,886,904 | 55.5 |
| | 103023510 | generation of sector policy and direction | - | - | - | 0.0 |
| 104003510 | | Crop Productivity Improvement | 493,337,295 | 65,254,129 | 428,083,166 | 13.2 |
| | 104013510 | Increase food productivity & output by 30%. | - | - | - | 0.0 |
| | 104023510 | Enhance accessibility of affordable inputs and credit to farmers | - | - | - | 0.0 |
| | 104033510 | Promote sustainable land use and environmental conservation | - | - | - | 0.0 |
| | 104043510 | Establishment of Demo Farms | 14,193,675 | 6,366,100 | 7,827,575 | 44.9 |
| | 104053510 | Administration Climate Change Mitigation | 479,143,620 | 58,888,029 | 420,255,591 | 12.3 |
| | 104063510 | Irrigation | - | - | - | 0.0 |
| | 104073510 | Policy Devt | - | - | - | 0.0 |
| 105003510 | | Value Addition | 45,244,423 | 19,807,700 | 25,436,723 | 43.8 |
| | 105013510 | Veterinary Support Services | 45,244,423 | 19,807,700 | 25,436,723 | 43.8 |
| 107003510 | | Planning and Survey of Urban Areas (Modogashe and Olndonyiro) | 25,376,220 | 7,995,536 | 17,380,684 | 31.5 |
| | 107013510 | Administration and Planning Services | 25,376,220 | 7,995,536 | 17,380,684 | 31.5 |
| 109003510 | | Land Survey and land use planning | 57,045,199 | 12,530,430 | 44,514,769 | 22.0 |
| | 109013510 | County land planning and spatial development | 27,545,199 | 12,530,430 | 15,014,769 | 45.5 |
| | 109023510 | County Land Survey and Mapping | 29,500,000 | - | 29,500,000 | 0.0 |

| Program | Sub Program | Description | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|------------------|-------------|---|-------------------------|-------------------------|--------------------|----------------|
| | 109033510 | land management infrastructural development | - | - | - | 0.0 |
| 203003510 | | Road Upgrading | - | - | - | 0.0 |
| | 203013510 | Upgrading of Isiolo Town roads to bitumen standards | - | - | - | 0.0 |
| 204003510 | | Public Works. | 175,313,038 | 5,045,470 | 170,267,568 | 2.9 |
| | 204013510 | Road Improvement | 15,400,000 | 5,045,470 | 10,354,530 | 32.8 |
| | 204023510 | Estate Flood lighting facilities. | 159,913,038 | - | 159,913,038 | 0.0 |
| | 204033510 | Bridge Infrastructure and Engineering Designs | - | - | - | 0.0 |
| | 204043510 | Roads Maintenance Emergency | - | - | - | 0.0 |
| 206003510 | | KUSP | 93,968,100 | 36,215,148 | 57,752,952 | 38.5 |
| | 206013510 | Control of invasive species (Mathenge) | - | - | - | 0.0 |
| | 206023510 | Urban Development | 93,968,100 | 36,215,148 | 57,752,952 | 38.5 |
| | 206033510 | Grave yards protection | - | - | - | 0.0 |
| | 206043510 | Garbage collection Support(truck) | - | - | - | 0.0 |
| | 206053510 | County Climate change | - | - | - | 0.0 |
| | 206063510 | Rehabilitation of Sewerage Ponds | - | - | - | 0.0 |
| | 206073510 | Installation of Hybrid Solar Pumping System in Boreholes | - | - | - | 0.0 |
| 207003510 | | Municipal Administration | 186,139,706 | 85,326,363 | 100,813,343 | 45.8 |
| | 207013510 | General Administration and Planning | 51,124,196 | 26,045,575 | 25,078,621 | 51.0 |
| | 207023510 | Infrastructural Development | 135,015,510 | 59,280,788 | 75,734,722 | 43.9 |
| 301003510 | | Trade development and promotion | 37,764,553 | 11,082,150 | 26,682,403 | 29.4 |
| | 301013510 | Entrepreneurship and business management training | 37,764,553 | 11,082,150 | 26,682,403 | 29.4 |
| | 301023510 | Micro and Small Business Support Services | - | - | - | 0.0 |
| | 301033510 | Infrastructure support | - | - | - | 0.0 |
| | 301043510 | Development of new market stalls | - | - | - | 0.0 |
| 304003510 | | Tourism Promotion | 153,581,330 | 92,520,355 | 61,060,975 | 60.2 |
| | 304013510 | Tourism Promotion and Marketing | - | - | - | 0.0 |
| | 304023510 | Tourism Development | 134,181,330 | 91,555,355 | 42,625,975 | 68.2 |
| | 304033510 | Protection of endangered wildlife animals. | 19,400,000 | 965,000 | 18,435,000 | 5.0 |
| | 304043510 | Conservancy development and support | - | - | - | 0.0 |
| 401003510 | | Health Preventive and Promotive Services | 160,475,943 | 69,497,444 | 90,978,499 | 43.3 |
| | 401013510 | Community Health Strategy | - | - | - | 0.0 |
| | 401023510 | Preventive and Promotive Health Services | 148,415,943 | 63,554,261 | 84,861,682 | 42.8 |
| | 401033510 | Disease Surveillance And Epidemic preparedness | 12,060,000 | 5,943,183 | 6,116,817 | 49.3 |
| | 401043510 | Health communication, Promotive Services & health promotion | - | - | - | 0.0 |
| | 401053510 | | - | - | - | 0.0 |
| | 401063510 | Purchase of KEPI Fridges | - | - | - | 0.0 |
| 402003510 | | Health Curative Services | 907,725,151 | 675,051,533 | 232,673,618 | 74.4 |
| | 402013510 | Provision Of Essential Health products In all The Level | - | - | - | 0.0 |
| | 402023510 | Elimination Of Communicable & Non Communicable Diseases | - | - | - | 0.0 |
| | 402033510 | Administration Support Services | 907,725,151 | 671,891,533 | 235,833,618 | 74.0 |
| | 402043510 | SP4 Administration Support services(Medical Services) | - | - | - | 0.0 |
| | 402083510 | Beyond Zero Campaigns | - | - | - | 0.0 |

| Program | Sub Program | Description | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|------------------|-------------|---|-------------------------|-------------------------|--------------------|----------------|
| | 402093510 | Preventive and Promotive Services | - | 3,160,000 | (3,160,000) | 0.0 |
| 403003510 | | Administration and Planning | 138,511,350 | 63,686,272 | 74,825,078 | 46.0 |
| | 403013510 | Curative and Rehabilitative Health Services | 138,511,350 | 63,686,272 | 74,825,078 | 46.0 |
| | 403023510 | Health Information System | - | - | - | 0.0 |
| | 403033510 | Leadership/Governance | - | - | - | 0.0 |
| | 403043510 | Human Resources for health | - | - | - | 0.0 |
| | 403053510 | Curative Infrastructure Support | - | - | - | 0.0 |
| 501003510 | | Administration, Planning and Support Services. | 203,424,167 | 123,725,800 | 79,698,367 | 60.8 |
| | 501013510 | Administration | 168,424,167 | 123,725,800 | 44,698,367 | 73.5 |
| | 501023510 | Personnel services | - | - | - | 0.0 |
| | 501033510 | Contracted Services | 35,000,000 | - | 35,000,000 | 0.0 |
| 502003510 | | Provision of education and training services | 28,000,000 | - | 28,000,000 | 0.0 |
| | 502013510 | ECDE Classroom Infrastructure | 24,000,000 | - | 24,000,000 | 0.0 |
| | 502023510 | Vocational Training | - | - | - | 0.0 |
| | 502033510 | Youth Polytechnics | - | - | - | 0.0 |
| | 502043510 | Promotion of Quality Youth empowerment | 4,000,000 | - | 4,000,000 | 0.0 |
| | 502063510 | Child Rescue Centre In Isiolo | - | - | - | 0.0 |
| 503003510 | | Cultural and Arts Empowerment | 5,344,894 | - | 5,344,894 | 0.0 |
| | 503013510 | Promotion of culture, arts and talents | - | - | - | 0.0 |
| | 503023510 | Education and Vocational Training Support | - | - | - | 0.0 |
| | 503033510 | Sport Youth and Gender | - | - | - | 0.0 |
| | 503053510 | | 5,344,894 | - | 5,344,894 | 0.0 |
| | 503103510 | Construction of Youth Polytechnic | - | - | - | 0.0 |
| 504003510 | | Management and development of Sports and sports facilities | 189,462,905 | 55,596,330 | 133,866,575 | 29.3 |
| | 504013510 | Sports Academy Centre | 152,000,000 | 36,990,330 | 115,009,670 | 24.3 |
| | 504023510 | Youth and Women Empowerment | 37,462,905 | 18,606,000 | 18,856,905 | 49.7 |
| 505003510 | | Culture and Social Services | 28,607,914 | 8,389,656 | 20,218,258 | 29.3 |
| | 505013510 | Culture Development | 28,607,914 | 8,389,656 | 20,218,258 | 29.3 |
| 708003510 | | Prudent use of Financial Resources | 27,988,848 | 16,082,164 | 11,906,684 | 57.5 |
| | 708013510 | Governors Delivery Unit | 27,988,848 | 16,082,164 | 11,906,684 | 57.5 |
| 709003510 | | Administration and support services | 432,869,826 | 263,772,690 | 169,097,136 | 60.9 |
| | 709013510 | Personnel Services | 90,735,450 | 54,098,161 | 36,637,289 | 59.6 |
| | 709023510 | Support Services | - | - | - | 0.0 |
| | 709043510 | Purchase of Pool Transport | 10,000,000 | 2,500,280 | 7,499,720 | 25.0 |
| | 709053510 | Other Support Services | - | - | - | 0.0 |
| | 709073510 | ICT Infrastructure Support | - | - | - | 0.0 |
| | 709083510 | Administrative Infrastructure support | 332,134,376 | 207,174,249 | 124,960,127 | 62.4 |
| | 709093510 | Peace Dividend Projects | - | - | - | 0.0 |
| | 709123510 | Civic Education | - | - | - | 0.0 |
| | 709143510 | Economic Planning Services | - | - | - | 0.0 |
| | 709153510 | County Pensions and Retirement Services | - | - | - | 0.0 |
| 710003510 | | Public financial management | 66,322,351 | 37,411,702 | 28,910,649 | 56.4 |
| | 710013510 | Administrative Services | 66,322,351 | 37,411,702 | 28,910,649 | 56.4 |
| | 710033510 | County Debt Management | - | - | - | 0.0 |
| | 710063510 | Accounting Services | - | - | - | 0.0 |
| 711003510 | | Economic Planning and Coordination | 53,881,766 | 29,774,855 | 24,106,911 | 55.3 |
| | 711013510 | Monitoring and Evaluation | 28,135,515 | 13,366,200 | 14,769,315 | 47.5 |
| | 711023510 | Economic Policy and County Development Plans | 10,046,251 | 5,373,100 | 4,673,151 | 53.5 |

| Program | Sub Program | Description | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|-------------------|-------------|--|-------------------------|-------------------------|--------------------|----------------|
| | 711043510 | County Development Stakeholders Forums | 6,900,000 | 6,186,390 | 713,610 | 89.7 |
| | 711053510 | County Baseline Surveys on County Development Indicators | 7,000,000 | 4,365,165 | 2,634,835 | 62.4 |
| | 711073510 | Capacity building and Support to Departments | 1,800,000 | 484,000 | 1,316,000 | 26.9 |
| | 711093510 | County Strategic Plan and Performance Management Plan | - | - | - | 0.0 |
| 712003510 | | Cohesion and Peace Building | 40,361,199 | 21,057,085 | 19,304,114 | 52.2 |
| | 712013510 | Administrative and Civic Education Services | 40,361,199 | 21,057,085 | 19,304,114 | 52.2 |
| | 712023510 | Conflict Management and Resolution | - | - | - | 0.0 |
| 713003510 | | County Governance and Coordination Affairs | 348,212,151 | 237,490,904 | 110,721,247 | 68.2 |
| | 713013510 | County Governance | 348,212,151 | 237,490,904 | 110,721,247 | 68.2 |
| | 713023510 | Coordination Affairs | - | - | - | 0.0 |
| | 713033510 | Intergovernmental Services (Deputy Governor Services) | - | - | - | 0.0 |
| 716003510 | | County Devolved Administrative Affairs | 21,939,807 | 10,980,622 | 10,959,185 | 50.1 |
| | 716013510 | Devolved Administrative Affairs | 21,939,807 | 10,980,622 | 10,959,185 | 50.1 |
| 719003510 | | Town administration, planning and support services | 136,634,784 | 62,261,101 | 74,373,684 | 45.6 |
| | 719013510 | Personnel Services | - | - | - | 0.0 |
| | 719023510 | General Administration Support Services | 136,634,784 | 62,261,101 | 74,373,684 | 45.6 |
| | 719043510 | Town Infrastructure Support Services | - | - | - | 0.0 |
| 723003510 | | County Public Service | 61,013,600 | 42,395,609 | 18,617,991 | 69.5 |
| | 723013510 | Personnel Services | - | - | - | 0.0 |
| | 723023510 | Administration Support Services | 61,013,600 | 42,395,609 | 18,617,991 | 69.5 |
| 725003510 | | Special programmes | 149,740,136 | 54,420,000 | 95,320,136 | 36.3 |
| | 725013510 | Administration & Planning | 29,834,514 | 11,479,400 | 18,355,114 | 38.5 |
| | 725023510 | Disaster management | 119,905,622 | 42,940,600 | 76,965,022 | 35.8 |
| 726003510 | | KDSP(Kenya Devolution Support Programme) Conditional Grant | 45,000,000 | 15,000,000 | 30,000,000 | 33.3 |
| | 726013510 | Kenya Devolution Support | 45,000,000 | 15,000,000 | 30,000,000 | 33.3 |
| 902003510 | | | 17,000,000 | - | 17,000,000 | 0.0 |
| | 902013510 | Youth and Women Empowerment support Services | - | - | - | 0.0 |
| | 902023510 | Marginalized Group Empowerment support services | 8,000,000 | - | 8,000,000 | 0.0 |
| | 902033510 | Empowerment Support Support Services | 9,000,000 | - | 9,000,000 | 0.0 |
| 1001003510 | | Provision & Management of domestic & livestock rural water supply | 59,435,400 | 22,034,018 | 37,401,382 | 37.1 |
| | 1001013510 | Administration and Planning Support Services | 59,435,400 | 22,034,018 | 37,401,382 | 37.1 |
| | 1001023510 | Design of Water Structure | - | - | - | 0.0 |
| | 1001033510 | Drilling and equipping of boreholes | - | - | - | 0.0 |
| | 1001043510 | Construction of Physical structures for water supply | - | - | - | 0.0 |
| 1002003510 | | Water Supply and Storage Services | 87,900,000 | 38,110,354 | 49,789,646 | 43.4 |
| | 1002013510 | Procurement of survey equipment's& accessories | - | - | - | 0.0 |
| | 1002023510 | Water Supply and Storage | 85,900,000 | 37,130,354 | 48,769,646 | 43.2 |
| | 1002033510 | Civil Works-Rehabilitation & development of Irrigation projects | - | - | - | 0.0 |

| Program | Sub Program | Description | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|-------------------|-------------|---|-------------------------|-------------------------|----------------------|----------------|
| | 1002043510 | Civil Works-Establishment of Dams & Pans | 2,000,000 | 980,000 | 1,020,000 | 49.0 |
| | 1002053510 | River bank protection upstream & downstream of irrigation intakes | - | - | - | 0.0 |
| | 1002063510 | Capacity build Management committees of Irrigation Schemes | - | - | - | 0.0 |
| 1003003510 | | Conservation of Environment & Natural Resources | 57,049,028 | 8,868,500 | 48,180,528 | 15.6 |
| | 1003013510 | Administration and Support Services | 21,049,028 | 8,868,500 | 12,180,528 | 42.1 |
| | 1003023510 | Environmental Conservation | 36,000,000 | - | 36,000,000 | 0.0 |
| | | Grand Total | 4,694,553,035 | 2,301,083,297 | 2,393,469,738 | 49.0 |

Source: Isiolo County Treasury

Programmes with high levels of implementation based on absorption rates were: Livestock production at 77 per cent, Health curative services at 74 per cent, Administration, planning and support at 73 per cent, County public service at 70 per cent and Tourism promotion at 68 per cent.

3.10.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.546.62 million in the third quarter of FY 2020/21 from the annual development budget allocation of Kshs.2.35 billion. The development expenditure represented 23.3 per cent of the annual development budget.
2. Underperformance of own source revenue at Kshs.26.84 million against an annual projection of Kshs.113.69 million, representing 23.6 per cent of the annual target.
3. Poor planning and budgeting, thereby resulting in some expenditure exceeding the budget ceiling. Several Departments reported expenses that exceeded the budget ceiling as shown in Table 3.51.
4. Variances between the approved budget as per the planning documents of Kshs.5.75 billion and the report on programmes performance from IFMIS, which shows an allocation of Kshs.4.7 billion.
5. Failure by the County to reconcile the approved budget amounts in the Programme Based Reports which shows an overall budget figure of Kshs.4.69 billion as shown compared with the Appropriation Act which provided the budget as Kshs.5.75 billion.

The County should implement the following recommendations to improve budget execution;

1. *The County should identify and address issues causing delays in the implementation of development projects*
2. *The County should address its own source revenue performance to ensure the approved budget is fully financed without a hidden budget deficit*
3. *The County Treasury should enhance budgetary control to ensure to avoid incidences of expenditure exceeding the budget which is misappropriation of public funds.*
4. *The County Treasury should liaise with the IFMIS Directorate to rectify the anomaly noted in the Programme Based Performance Report.*
5. *The County Treasury should liaise with Directorate of IFMIS at the National Treasury to ensure that the County's approved budget is accurately uploaded and any variances are addressed accordingly.*

3.11 County Government of Kajiado

3.11.1 Overview of FY 2020/21 Budget

The County's approved supplementary budget for FY 2020/21 is Kshs.10.29 billion, comprising of Kshs.3.86 billion (37.5 per cent) and Kshs.6.43 billion (62.5 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.6.42 billion (62.3 per cent) as the equitable share of revenue raised nationally, Kshs.1.54 billion (14.9 per cent) as total conditional grants, generate Kshs.1.69 billion (16.4 per cent) from own sources of revenue and a cash balance of Kshs.552.55 million (5.4 per cent) from FY 2019/20. The County also expects to receive Kshs.115.61 million (1.1 per cent) as grants for COVID-19 from the National Government.

3.11.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.3.73 billion as an equitable share of the revenue raised nationally, Kshs.299.29 million as conditional grants, raised Kshs.697.94 million as own-source revenue, and Kshs.45.20 million as grants for COVID-19 from the National Government. The total funds available for budget implementation during the period amounted to Kshs.4.78 billion, as shown in Table 3.53.

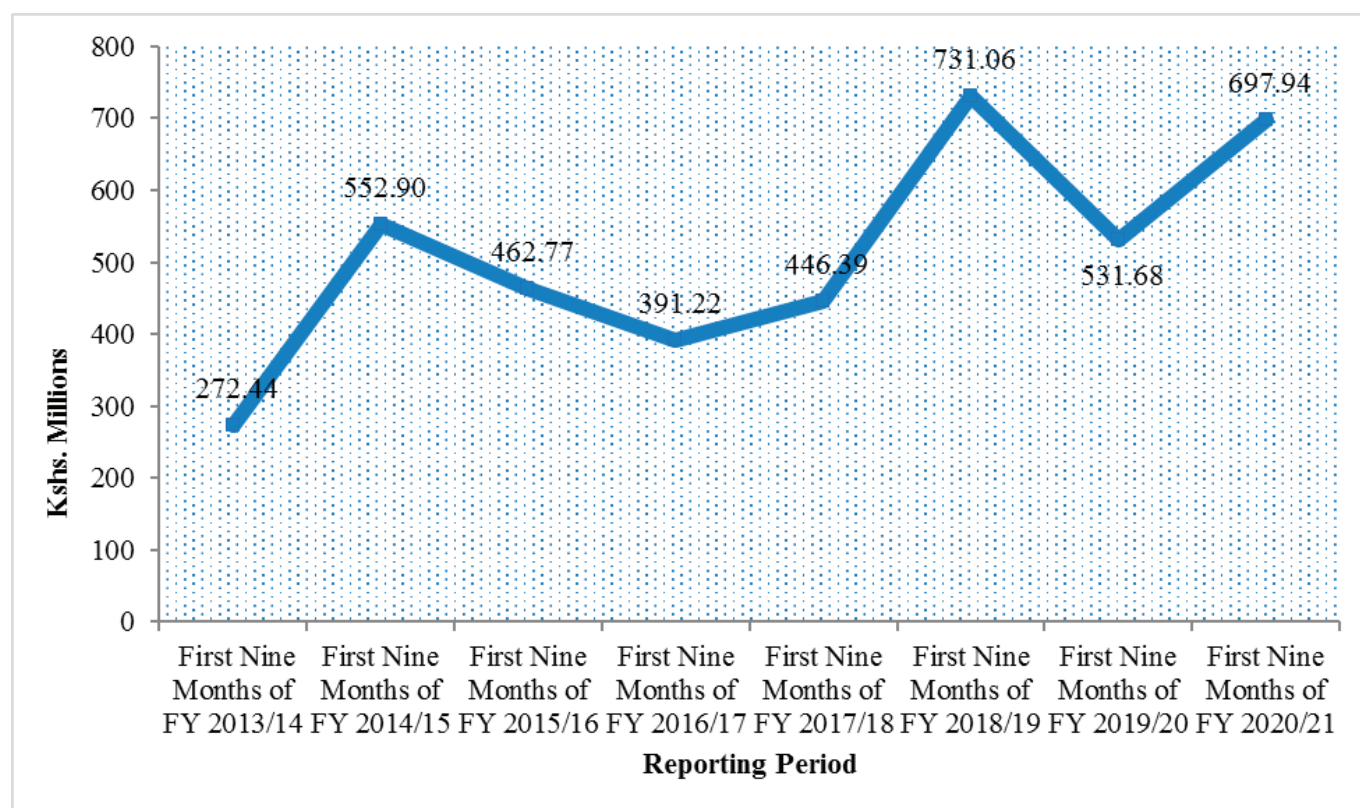
Table 3.53: Kajiado County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation (Kshs) | Actual Receipts (Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|-------------------------------------|---------------------------------|-------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 6,424,950,000 | 6,424,950,000 | 3,732,895,950 | 58.1 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Compensation for User Fee Foregone | 16,955,365 | 33,910,730 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 190,551,966 | 250,817,134 | 95,275,983 | 38.0 |
| 4. | Rehabilitation of Village Polytechnics | 28,504,894 | 28,504,894 | 14,252,447 | 50.0 |
| Sub Total | | 368,033,502 | 313,232,758 | 109,528,430 | 35.0 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 203,253,802 | 223,173,393 | 114,407,076 | 51.3 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 279,821,200 | 279,821,200 | 10,547,796 | 3.8 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level I Grant | 45,000,000 | 141,231,532 | 45,000,000 | 31.9 |
| 4. | DANIDA Grant | 18,270,000 | 24,955,000 | 9,135,000 | 36.6 |
| 5. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 13,357,272 | 13,357,272 | 10,674,531 | 79.9 |
| Sub Total | | 559,702,274 | 1,223,238,997 | 189,764,403 | 15.5 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 1,687,000,000 | 697,944,570 | 41.4 |
| 2. | Balance b/f from FY2019/20 | - | 552,545,700 | - | - |
| 3. | Other Revenues -grants for COVID-19 from the National Government | - | 115,610,640 | 45,195,000 | 39.1 |
| Sub Total | | - | 2,355,156,340 | 743,139,570 | 31.6 |
| Grand Total | | 7,352,685,776 | 10,316,578,095 | 4,775,328,353 | 46.3 |

Source: Kajiado County Treasury

Figure 3.19 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.19: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Kajiado County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.697.94 million as its own source revenue. This amount represented an increase of 31.3 per cent compared to Kshs.531.68 million realised during a similar period in FY 2019/20 and was 41.4 per cent of the annual target.

3.11.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.2.30 billion from the CRF account during the reporting period. The amount comprised of Kshs.732.14 million (31.9 per cent) for development programmes and Kshs.1.56 billion (68.1 per cent) for recurrent programmes.

3.11.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.5.2 billion on development and recurrent programmes. The expenditure represented 226.6 per cent of the total funds released by the COB and comprised of Kshs.1.85 billion and Kshs.3.35 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 47.8 per cent while recurrent expenditure represented 52.2 per cent of the annual recurrent expenditure budget.

3.11.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.69 billion was spent on compensation to employees, Kshs.1.67 billion on operations and maintenance, and Kshs.1.85 billion on development activities, as shown in Table 3.54.

Table 3.54: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|-----------------------|----------------------|----------------|
| Total Recurrent Expenditure | 6,429,115,714 | 3,352,820,734 | 52.2 |
| Compensation to Employees | 3,952,206,697 | 1,686,662,495 | 42.7 |
| Operations and Maintenance | 2,476,909,017 | 1,666,158,239 | 67.3 |
| Total Development Expenditure | 3,864,562,581 | 1,848,594,225 | 47.8 |
| Development Expenditure | 3,864,562,581 | 1,848,594,225 | 47.8 |
| Total | 10,293,678,295 | 5,201,414,959 | 50.5 |

Source: Kajiado County Treasury

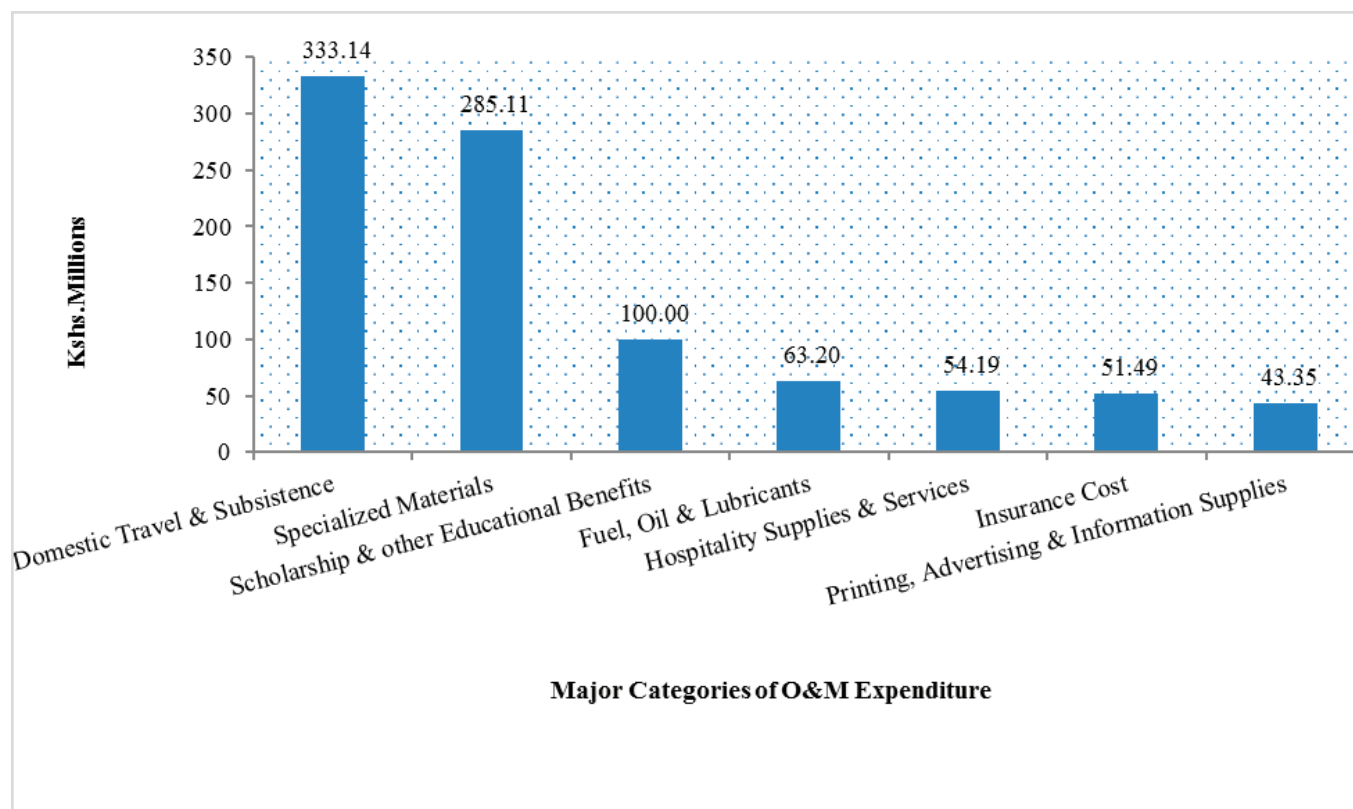
3.11.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 32.4 per cent of the total expenditure for the reporting period and 21.8 per cent of the first nine months' proportional revenue of Kshs.7.72 billion.

3.11.7 Expenditure on Operations and Maintenance

Figure 3.20 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.20: Kajiado County, Operations and Maintenance Expenditure by Major Categories



Source: Kajiado County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.3.51 million on committee sitting allowances for the 42 MCAs and Speaker against the annual budget allocation of Kshs.20.5 million. The average monthly sitting allowance was Kshs.9,287 per MCA against the SRC's recommended monthly ceiling of Kshs. 124,800.

During the period, expenditure on domestic travel amounted to Kshs.333.14 million and comprised of Kshs.111.07 million spent by the County Assembly and Kshs.222.07 million by the County Executive.

3.11.8 COVID-19 Expenditure

The County did not report expenditure on COVID-19 during the reporting period.

3.11.9 Development Expenditure

The County incurred expenditure of Kshs.1.85 billion on development programmes, which represented an absorption rate of 47.8 per cent. Table 3.55 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.55: Kajiado County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Department | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate % |
|-------|---|------------|-----------|----------------|---------------------|-------------------|
| 1. | Payment For Purchase Of Land For Kyangombe ECDE | Education | Kitengela | 45,500,000 | 45,500,000 | 100 |
| 2. | Ngong Sports Complex Phase Ii | Education | ngong | 56,807,346 | 26,804,149 | 47.2 |

| | | | | | | |
|-----|---|------------------------|---------------|------------|------------|------|
| 3. | Being Payment For Revenue Collection Commission | Finance | HQ | 26,182,790 | 26,182,790 | 100 |
| 4. | Revenue Collection Commission | Finance | HQ | - | 26,182,790 | - |
| 5. | Proposed Fencing And Paddock-ing at Demo Farm | Agriculture | Dalalekutuk | 68,810,750 | 19,463,640 | 28.3 |
| 6. | Prison Saitoti Road Drainage | Roads | Kitengela | 13,509,476 | 13,500,080 | 99.9 |
| 7. | Construction Of Ilasit Market | Trade | Rombo | 29,590,869 | 13,319,433 | 45.0 |
| 8. | Construction Of Ilasit Market | Roads | Rombo | 29,590,869 | 13,319,433 | 45.0 |
| 9. | Sports Ground At Kajiado Stadium | Education | Ildamat | 29,313,316 | 11,975,670 | 40.9 |
| 10. | Kimana Enkii Olorika Road | Roads and Public Works | Kajiado South | 18,411,074 | 11,965,023 | 65.0 |

Source: Kajiado County Treasury

3.11.10 Budget Performance by Department

Table 3.56 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.56: Kajiado County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|-----------------|-------------------------------------|--------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Office of the Governor | 213.68 | - | 51.24 | - | 133.16 | - | 259.9 | - | 62.3 | - |
| County Public Service Board | 94.44 | - | 23.41 | - | 47.26 | - | 201.9 | - | 50.0 | - |
| Medical Services, Public Health And Sanitation | 2,401.84 | 203.92 | 500.25 | - | 1,299.56 | 8 | 259.8 | - | 54.1 | 3.9 |
| Water, Irrigation, Environment & Natural Resources | 206.09 | 308.6 | 37.27 | - | 117.85 | 14.55 | 316.2 | - | 57.2 | 4.7 |
| Public Works Energy Roads & Transport | 165 | 695.32 | 45.99 | 140.87 | 82.54 | 29.34 | 179.5 | 20.8 | 50.0 | 4.2 |
| Public Service, Administration And Citizen Participation | 791.25 | - | 109.99 | - | 261.55 | - | 237.8 | - | 33.1 | - |
| Finance, Economic Planning And ICT | 596.38 | 1,305.00 | 148.21 | 441.3 | 356.14 | 1,301.47 | 240.3 | 294.9 | 59.7 | 99.7 |
| Lands, Physical Planning & Urban Development | 104.25 | 3.5 | 25.02 | - | 51.66 | - | 206.5 | - | 49.6 | - |
| Education And Vocational Training | 533.19 | 275 | 111.64 | 14.25 | 316.1 | 14.04 | 283.1 | 98.5 | 59.3 | 5.1 |
| Gender, Social Services, Culture, Tourism and Wildlife | 138.86 | 9 | 18.53 | - | 72.86 | - | 393.2 | - | 52.5 | - |
| Agriculture, Livestock & Fisheries | 295.8 | 304.32 | 58.55 | 105.48 | 138.8 | 26.78 | 237.1 | 25.4 | 46.9 | 8.8 |
| Trade, Investment and Cooperative Development | 119.48 | 93 | 29.72 | - | 59.81 | - | 201.2 | - | 50.1 | - |
| Kajiado Municipality | 41.86 | 100 | 9.2 | - | 18.8 | 50 | 204.3 | - | 44.9 | 50.0 |
| Ngong Municipality | 73.34 | 431.9 | 14.48 | - | 16.32 | 215.95 | 112.7 | - | 22.3 | 50.0 |
| County Assembly | 653.66 | 135 | 379.6 | 30.24 | 380.41 | 188.47 | 100.2 | 623.2 | 58.2 | 139.6 |
| TOTAL | 6,429.12 | 3,864.56 | 1,563.10 | 732.14 | 3,352.82 | 1,848.59 | 214.5 | 252.5 | 52.2 | 47.8 |

Source: Kajiado County Treasury

Analysis of departments' expenditure shows that the County Assembly recorded the highest absorption rate of development budget at 139.6 per cent, which is irregular and should be corrected through a supplementary budget. The Office of the Governor recorded the highest percentage of recurrent expenditure to budget at 62.3 per cent, while the Ngong Municipality reported the lowest at 22.3 per cent. Departments reported expenditure in excess of approved exchequer issues, which indicates a weak budgetary control by the Chief Officers and the County Treasury.

3.11.11 Budget Execution by Programmes and Sub-Programmes

Table 3.57 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.57: Kajiado County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub-programme | Approved Estimates (Kshs.) | Actual expenditure (Kshs.) | Absorption Rate (%) |
|---|---|----------------------------|----------------------------|---------------------|
| General Administration, | Planning and Support Services | 5,130,879,058 | 2,064,160,926 | 40.2 |
| Devolution Services | Coordination of devolution services | 21,266,000 | 7,821,720 | 36.8 |
| | County Executive committee | 12,440,000 | 3,518,940 | 28.3 |
| | Intergovernmental relations | 12,488,000 | 4,735,786 | 37.9 |
| | County Government Advisory | 9,530,000 | 4,312,147 | 45.2 |
| | Special programs | 11,113,600 | 5,883,696 | 52.9 |
| Curative and Rehabilitative | Medical Services | 316,340,196 | 297,393,868 | 94.0 |
| | Ambulance Services | 7,940,000 | 5,869,832 | 73.9 |
| Public Health and Sanitation | Promotive and preventive | 198,577,149 | 88,773,593 | 44.7 |
| | Mobile clinics | 3,650,000 | 2,589,129 | 70.9 |
| | Licensing and control undertaking | 8,015,000 | 3,447,256 | 43.0 |
| | Sanitation | 4,627,920 | 1,496,754 | 32.3 |
| Water Services and Irrigation | Water services | 341,910,000 | 36,433,875 | 10.7 |
| | Storm water management | 7,596,709 | 1,922,896 | 25.3 |
| | Irrigation | 29,282,360 | 4,372,780 | 14.9 |
| Environment & Natural Resource Protection | Environmental protection | 117,918,231 | 23,316,099 | 19.8 |
| | Noise pollution | 2,600,000 | 1,254,400 | 48.2 |
| | Control of air pollution | 870,000 | 498,240 | 57.3 |
| | Natural resources | 8,450,000 | 1,663,373 | 19.7 |
| Public Works and Infrastructure | Roads | 686,051,966 | 42,918,331 | 6.3 |
| | Energy | 40,000,000 | 3,788,000 | 9.5 |
| | Fire Fighting | 8,000,000 | 3,151,095 | 39.4 |
| | Transport | 15,000,000 | 9,209,387 | 61.4 |
| | Public works | 7,283,928 | 2,923,600 | 40.1 |
| County Administration and Inspectorate | County administration | 50,450,000 | 19,042,160 | 37.7 |
| | County inspectorate | 15,665,446 | 6,953,750 | 44.4 |
| Human Resource Management & Development | Human resource management | 121,030,000 | 31,755,340 | 26.2 |
| Citizen Participation | Citizen participation | 39,900,000 | 9,306,050 | 23.3 |
| Information, Communication and Technology | | 25,355,334 | 14,848,006 | 58.6 |
| Public Finance Management | Fiscal & economic planning | 12,250,000 | 6,307,799 | 51.5 |
| | Monitoring & evaluation | 20,638,000 | 8,072,229 | 39.1 |
| | Budget coordination and management | 15,753,000 | 8,547,997 | 54.3 |
| | Accounting and expenditure | 13,877,000 | 8,053,899 | 58.0 |
| | Supply Chain Management | 52,061,000 | 38,957,228 | 74.8 |
| | Internal audit | 8,747,000 | 4,631,100 | 52.9 |
| | Revenue collection | 64,647,225 | 18,224,790 | 28.2 |
| Land Policy and Planning | Physical planning | 21,623,900 | 5,389,929 | 24.9 |
| | Land surveying and mapping | 6,890,000 | 5,998,148 | 87.1 |
| | Land administration | 46,533,900 | 1,899,090.00 | 4.1 |
| Urban Development & Management | Urban development | 12,490,000 | 6,226,400 | 49.9 |
| | Housing | 19,116,000 | 1,301,628 | 6.8 |
| Pre-primary and Vocational Training | Pre-primary education | 337,886,334 | 104,989,820 | 31.1 |
| | Vocational training | 38,076,170 | 16,722,374 | 43.9 |
| | Home craft centers | 2,820,000 | 445,200 | 15.8 |
| Youth and Sports | Sports training and competitions | 18,854,980 | 7,310,385 | 38.8 |
| | Youth development | 68,000,000 | - | - |
| Social Protection and Recreation | Gender mainstreaming | 4,096,908 | 2,106,299 | 51.4 |
| | Disability mainstreaming | 12,000,000 | 5,962,703 | 49.7 |
| | Control of drugs and pornography | 3,000,000 | 500,650 | 16.7 |
| | Liquor licensing | 3,000,000 | 2,092,934 | 69.8 |
| | Betting and Casinos | 1,500,000 | 1,490,600 | 99.4 |
| Cultural Services & Tourism Promotion | Museums | 1,300,000 | 668,199 | 51.4 |
| | Cultural activities | 18,265,262 | 7,144,330 | 39.1 |
| | County parks | 500,000 | 402,240 | 80.4 |
| | Local tourism promotion & wildlife management | 2,563,644 | 2,632,350 | 102.7 |

| Programme | Sub-programme | Approved Estimates (Kshs.) | Actual expenditure (Kshs.) | Absorption Rate (%) |
|---|-------------------------------------|----------------------------|----------------------------|---------------------|
| Animal Husbandry, Livestock Resource management and Development | Animal husbandry | 22,214,079 | 1,458,364 | 6.6 |
| | County abattoirs development | 1,223,171 | 481,370 | 39.4 |
| | Animal disease control | 47,575,889 | 2,125,687 | 4.5 |
| | Livestock market | 732,426 | 36,461 | 5.0 |
| | Veterinary services | 2,821,682 | 1,392,806 | 49.4 |
| | Demonstration farm Kajiado | 622,144 | 150,052 | 24.1 |
| Agricultural Development | Crop husbandry | 25,577,143 | 959,183 | 3.8 |
| | Plant disease control | 3,100,018 | 478,417 | 15.4 |
| | Agricultural mechanization services | 4,433,658 | 933,771 | 21.1 |
| | Agricultural training college | 937,622 | 21,274 | 2.3 |
| Fisheries | Fisheries development | 2,145,714 | 170,543 | 7.9 |
| Trade Development | Trade licensing | 6,802,400 | 3,789,497 | 55.7 |
| | Trade development | 130,168,234 | 3,515,348 | 2.7 |
| | Industrialization | 3,294,901 | 2,180,800 | 66.2 |
| Cooperative Development | | 23,532,866 | 6,135,445 | 26.1 |
| Total | | 8,335,903,167 | 2,993,268,367 | 35.9 |

Source: Kajiado County Treasury

Programmes with high levels of implementation based on absorption rates were: Local tourism promotion & wildlife management at 102.7 per cent, Land Surveying and Mapping at 87.1 per cent, County parks at 80.4 per cent, Administration, Planning and Support at 64.9 per cent, and Supply Chain Management at 74.8 per cent.

3.11.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. Underperformance of own source revenue at Kshs.697.94 million against an annual projection of Kshs.1.69 billion, representing 41.4 per cent of the annual target.
3. High expenditure on local travel at Kshs.333.14 million, which was unexpected during the COVID-19 containment period due to travel restrictions and points to wasteful spending.
4. Failure by the County to reconcile the approved budget amounts in the Programme Based Reports which shows an overall budget figure of Kshs.8.33 billion as shown in Table 3.57 compared with the Appropriation Act, which provided the budget as Kshs.10.29 billion.
5. Use of revenue at source and weak budgeting practice by the County Treasury as shown in Table 3.56 and Table 3.57 where the County incurred expenditure over approved budgetary allocations.
6. Failure by the County to reconcile the approved budget amounts in the Programme Based Reports which shows an overall budget figure of Kshs.8.33 billion as shown compared with the Appropriation Act which provided the budget as Kshs.10.29 billion.

The County should implement the following recommendations to improve budget execution;

1. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.
2. The County should address its own source revenue performance to ensure the approved budget is fully financed without a hidden budget deficit
3. The County Treasury should review expenditure on travel and subsistence allowances to ensure it is credible and institute control measures to curtail further avoid wasteful spending.
4. The County Treasury should liaise with the Directorate of IFMIS at the National Treasury to ensure that the County's approved budget is accurately uploaded and any variances are addressed accordingly.
5. The County Treasury should improve the Vote book and budgetary control to ensure that expenditure is within the approved budget. Further, all revenues should be banked intact into the CRF in line with Section 109 (2) of the PFM Act, 2012.

6. The County Treasury should liaise with Directorate of IFMIS at the National Treasury to ensure that the County's approved budget is accurately uploaded and any variances are addressed accordingly.

3.12 County Government of Kakamega

3.12.1 Overview of FY 2020/21 Budget

The County's approved supplementary budget for FY 2020/21 is Kshs.16.50 billion, comprising of Kshs.7.51 billion (45.5 per cent) and Kshs.8.99 billion (54.5 per cent) allocation for development and recurrent programmes, respectively. The supplementary budget was passed in December 2020

To finance the budget, the County expects to receive Kshs.10.41 billion (63.1 per cent) as the equitable share of revenue raised nationally, Kshs.1.77 billion (10.7 per cent) as total conditional grants, generate Kshs.2.11 billion (12.8 per cent) from own sources of revenue, and a cash balance of Kshs.2.21 billion (13.4 per cent) from FY 2019/20.

3.12.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.5.15 billion as equitable share of the revenue raised nationally, Kshs.674.48 million as conditional grants, raised Kshs.725.32 million as own-source revenue, and had a cash balance of Kshs.2.21 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.8.76 billion as shown in Table 3.58.

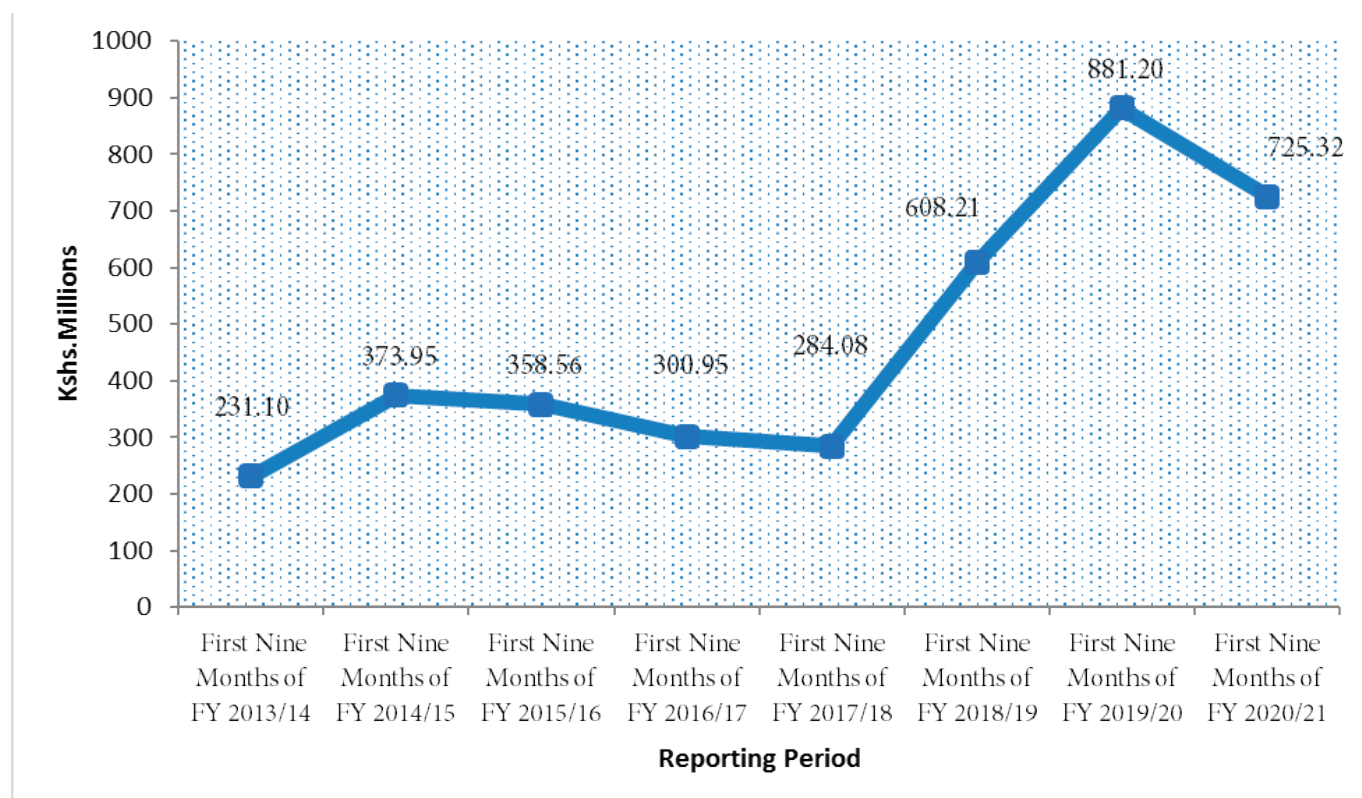
Table 3.58: Kakamega County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|-------|--|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 10,412,850,000 | 10,412,850,000 | 5,154,360,750 | 49.5 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Conditional Grants to Level-5 Hospitals | 427,283,237 | 427,283,237 | 196,550,289 | 46.0 |
| 2. | Compensation for User Fee Foregone | 37,789,290 | 37,789,290 | - | - |
| 3. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 4. | Road Maintenance Fuel Levy Fund | 315,071,072 | 315,071,072 | 157,535,536 | 50.0 |
| 5. | Rehabilitation of Village Polytechnics | 102,349,894 | 102,349,894 | 51,174,947 | 50.0 |
| | Sub Total | 1,014,514,770 | 882,493,493 | 405,260,772 | 45.9 |
| C. | Loans and Grants from Development Partners | | | | |
| 6. | Transforming Health systems for Universal care Project (WB) | 50,214,024 | 50,214,024 | 24,514,419 | 48.8 |
| 7. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 302,964,820 | 302,964,820 | 125,569,326 | 41.4 |
| 8. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level I Grant | 45,000,000 | - | 45,000,000 | - |
| 9. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) -Urban Development Grant (UDG) | - | 389,118,800 | - | - |
| 10. | DANIDA Grant | 29,610,000 | 29,610,000 | 14,805,000 | 50.0 |
| 11. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 15,041,144 | 23,041,144 | - | - |
| 12. | EU - Water Tower Protection and Climate Change Mitigation and Adaptation Programme (waTER) | 42,632,067 | - | - | - |
| 13. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level I Grant | - | 45,000,000 | 45,000,000 | 100.0 |
| 14. | Sweden - Agricultural Sector Development Support Programme (ASDSP) I | - | 23,041,144 | 14,330,055 | 62.2 |
| 15. | EU - Water Tower Protection and Climate Change Mitigation and Adaptation Programme (waTER) | - | 42,632,067 | - | - |
| | Sub Total | 485,462,055 | 905,621,999 | 269,218,800 | 29.7 |
| D. | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | 2,113,000,000 | 2,113,000,000 | 725,318,746 | 34.3 |
| 2. | Balance b/f from FY2019/20 | 2,209,948,667 | 2,209,948,667 | 2,209,948,667 | 100.0 |
| | Sub Total | 4,322,948,667 | 4,322,948,667 | 2,935,267,413 | 67.9 |
| | Grand Total | 16,235,775,492 | 16,523,914,159 | 8,764,107,735 | 53.0 |

Source: Kakamega County Treasury

Figure 3.1 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.21: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Kakamega County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.725.32 million as its own-source revenue. This amount represented a decrease of 17.7 per cent compared to Kshs.881.20 million realised during a similar period in FY 2019/20 and was 34.3 per cent of the annual target.

3.12.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.7.44 billion from the CRF account during the reporting period. The amount comprised of Kshs.2.24 billion (30.1 per cent) for development programmes and Kshs.5.20 billion (69.9 per cent) for recurrent programmes.

3.12.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.6.98 billion on development and recurrent programmes. The expenditure represented 93.8 per cent of the total funds released by the COB and comprised of Kshs.2.33 billion and Kshs.4.65 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 31 per cent while recurrent expenditure represented 51.7 per cent of the annual recurrent expenditure budget.

3.12.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.3.28 billion was spent on compensation to employees, Kshs.1.37 billion on operations and maintenance, and Kshs.2.33 billion on development activities as shown in Table 3.59.

Table 3.59: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 8,989,667,636 | 5,182,420,095 | 4,648,036,116 | 51.7 |
| Compensation to Employees | 5,731,424,497 | 3,745,151,676 | 3,278,358,802 | 57.2 |
| Operations and Maintenance | 3,258,243,139 | 1,437,268,419 | 1,369,677,314 | 42.0 |
| Total Development Expenditure | 7,511,205,379 | 2,241,958,400 | 2,330,881,262 | 31.0 |
| Development Expenditure | 7,511,205,379 | 2,241,958,400 | 2,330,881,262 | 31.0 |
| Total | 16,500,873,015 | 2,241,958,400 | 6,978,917,378 | 42.3 |

Source: Kakamega County Treasury

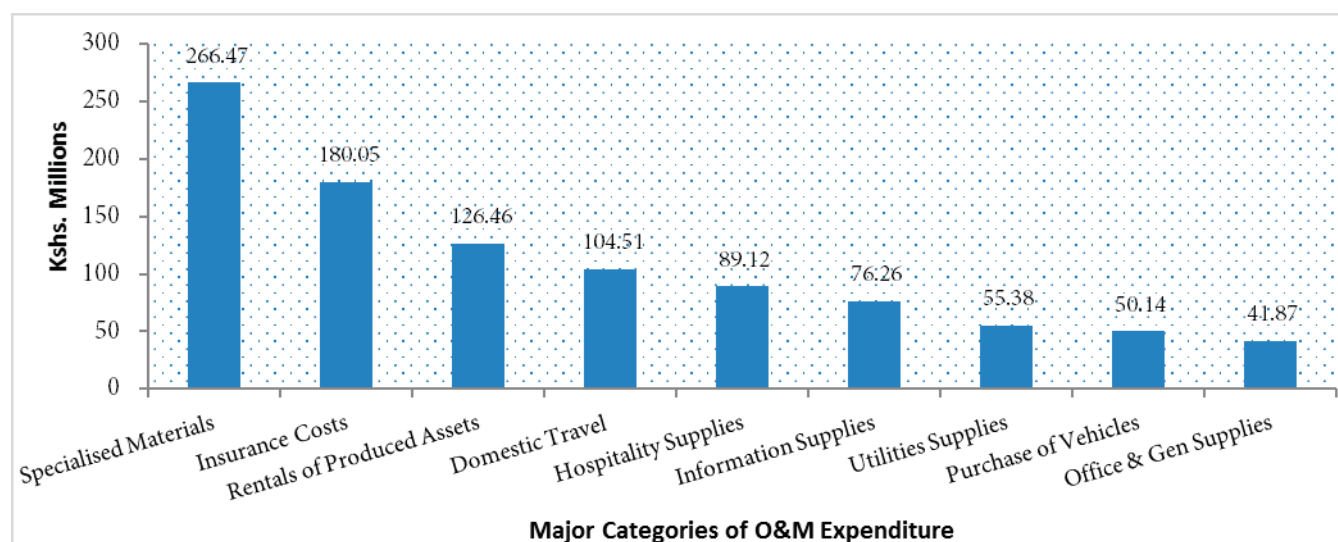
3.12.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 53.7 per cent of the total expenditure for the reporting period and 26.5 per cent of the first nine months proportional revenue estimate of Kshs.12.38 billion.

3.12.7 Expenditure on Operations and Maintenance

Figure 3.22 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.22: Kakamega County, Operations and Maintenance Expenditure by Major Categories



Source: Kakamega County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.86.33 million on committee sitting allowances for the 90 MCAs and Speaker against the annual budget allocation of Kshs.133.29 million. The average monthly sitting allowance was Kshs.106,584 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.104.51 million and comprised of Kshs.28.74 million spent by the County Assembly and Kshs.75.76 million by the County Executive. Expenditure on foreign travel amounted to Kshs.0.71 million. This entire amount was spent by the County Executive. The County Assembly did not incur any expenditure on foreign travel.

3.12.8 COVID-19 Expenditure

The County did not provide a report on COVID-19 expenditure in the period under review.

3.12.9 Development Expenditure

The County incurred expenditure of Kshs.2.33 billion on development programmes, which represented a decrease of 24.8 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.3.10 billion. Table 3.60 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.60: Kakamega County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|------------------|-----------------------|------------------------------------|---------------------|
| 3. | Construction of Roads | Countywide | 670,602,808 | 616,150,930 | 91.9 |
| 4. | Farm Inputs | Countywide | 928,000,000 | 352,331,109 | 38.0 |
| 5. | Non-Residential Buildings (offices, schools, hospitals, etc.) | Countywide | 180,000,000 | 229,594,311 | 127.6 |
| 6. | Routine Maintenance - Other Assets | Countywide | 391,040,226 | 174,354,726 | 44.6 |
| 7. | Construction and Civil Works | Countywide | 164,800,000 | 141,502,926 | 85.9 |
| 8. | Kenya Climate Smart Agricultural Programme | Countywide | 302,964,820 | 125,569,326 | 41.4 |
| 9. | Construction and Civil Works | Countywide | 100,000,000 | 70,532,965 | 70.5 |

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|-------------------------------|------------------|-----------------------|------------------------------------|---------------------|
| 10. | Bukhungu Stadium construction | Kakamega | 450,000,000 | 62,456,021 | 13.9 |
| 11. | Water Supplies and Sewerage | Countywide | 150,000,000 | 59,246,745 | 39.5 |
| 12. | Purchase of Software | Kakamega | 88,000,000 | 57,860,666 | 65.8 |

Source: Kakamega County Treasury

3.12.10 Budget Performance by Department

Table 3.61 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.61: Kakamega County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|-----------------|-------------------------------------|------------|---------------------|-----------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Agriculture, Livestock, Fisheries and Cooperatives | 42.39 | 1,620.61 | 0.54 | 539.25 | 4.76 | 491.19 | 876.7 | 91.1 | 11.2 | 30.3 |
| Health Services | 827.13 | 1,408.45 | 325.07 | 402.98 | 475.06 | 364.75 | 146.1 | 90.5 | 57.4 | 25.9 |
| Education, Science & Technology & ICT | 203.46 | 522.81 | 40.04 | 108.27 | 49.58 | 60.61 | 123.8 | 56 | 24.4 | 11.6 |
| Transport, Infrastructure, Public Works & Energy | 202.9 | 1,341.44 | 57.6 | 753.18 | 35.75 | 1,002.54 | 62.1 | 133.1 | 17.6 | 74.7 |
| Lands, Housing, Urban Areas and Physical Planning | 183.28 | 795.68 | 58.25 | 22.58 | 103.19 | 22.98 | 177.2 | 101.8 | 56.3 | 2.9 |
| Social Services, Youth & Sports | 72.98 | 569 | 29.06 | 195.53 | 16.58 | 62.46 | 57 | 31.9 | 22.7 | 11 |
| Trade, Industrialization and Tourism | 38.99 | 310 | 0.31 | 43.84 | 10.8 | 33.15 | 3462.9 | 75.6 | 27.7 | 10.7 |
| Water, Environment & Natural Resources | 25.74 | 470.81 | 0.12 | 69.54 | 6.84 | 149.06 | 5785.4 | 214.4 | 26.6 | 31.7 |
| Public Service & Administration | 5,520.32 | 220 | 3,281.54 | 47.35 | 3,131.07 | 47.05 | 95.4 | 99.4 | 56.7 | 21.4 |
| Office of the Governor | 198.74 | 10.5 | 40.64 | 3.2 | 113.31 | 2.16 | 278.8 | 67.5 | 57 | 20.6 |
| Finance and Economic Planning | 451.99 | 20 | 65.99 | - | 100.66 | 1 | 152.5 | - | 22.3 | 5 |
| County Public Service Board | 26.54 | - | 7.75 | - | 13.4 | - | 172.9 | - | 50.5 | - |
| ICT, E-government & Communication | 38.71 | 171.9 | 12.68 | 56.23 | 10.38 | 93.94 | 81.9 | 167.1 | 26.8 | 54.6 |
| County Assembly | 1,156.50 | 50 | 630.15 | - | 576.67 | - | 91.5 | - | 49.9 | 0 |
| Total | 8,989.67 | 7,511.21 | 4,549.75 | 2,241.96 | 4,648.04 | 2,330.88 | 102.2 | 104 | 51.7 | 31 |

Source: Kakamega County Treasury

Analysis of expenditure by department shows that the Department of Transport, Infrastructure, Public Works & Energy recorded the highest absorption rate of development budget at 74.7 per cent while the County Assembly did not report any expenditure on development activities. The Department of Health Services had the highest percentage of recurrent expenditure to budget at 57.4 per cent, while the Department of Agriculture, Livestock, Fisheries and Cooperatives had the lowest at 11.2 per cent.

3.12.11 Budget Execution by Programmes and Sub-Programmes

Table 3.62 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.62: Kakamega County, Budget Execution by Programmes and Sub-Programmes

| Programme | Sub-Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|---|------------------------|------------------------|-------------------|----------------|
| Livestock Resource Management and Development | | 126,500,000 | 55,318,917 | 71,181,083 | 43.7 |
| | Livestock resource management and development | 62,000,000 | 32,026,956 | 29,973,044 | 51.7 |
| | Livestock Value Chains Development | 5,000,000 | 2,177,480 | 2,822,520 | 43.5 |
| | Livestock disease and pest prevention | 30,000,000 | 21,114,481 | 8,885,519 | 70.4 |
| | Livestock Market infrastructure Improvement | 29,500,000 | - | 29,500,000 | |
| Fisheries Development | | 25,000,000 | 7,500,937 | 17,499,063 | 30.0 |

| Programme | Sub-Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|--|------------------------|------------------------|----------------------|----------------|
| | Promotion of Fish Farming | 25,000,000 | 7,500,937 | 17,499,063 | 30.0 |
| Crop Production and Management Services | | 1,429,112,132 | 658,039,312 | 771,072,820 | 46.0 |
| | Crop production and management Services | 60,000,000 | 50,087,000 | 9,913,000 | 83.5 |
| | Horticulture Promotion and Development | 938,500,000 | 360,689,972 | 577,810,028 | 38.4 |
| | Farm Input Support and Subsidies | 5,000,000 | - | 5,000,000 | - |
| | Agricultural Extension and Research | 425,612,132 | 247,262,340 | 178,349,792 | 58.1 |
| Agricultural Training Services | | 15,000,000 | - | 15,000,000 | - |
| | Agricultural training services | 15,000,000 | - | 15,000,000 | - |
| Cooperative Development and Marketing | | 25,000,000 | - | 25,000,000 | - |
| | Cooperative development and marketing | 25,000,000 | 0 | 25,000,000 | - |
| Land use policy and planning | | 55,000,000 | 2,900,000 | 52,100,000 | 5.3 |
| | Land use policy and planning | 42,000,000 | 0 | 42,000,000 | - |
| | Land Administration and Planning | 10,000,000 | 400,000 | 9,600,000 | 4.0 |
| | Survey Services | 3,000,000 | 2,500,000 | 500,000 | 83.3 |
| Urban Development Service | | 740,678,378 | 28,358,460 | 712,319,918 | 3.8 |
| | Urban Transport management | 715,678,378 | 11,558,460 | 704,119,918 | 1.6 |
| | Urban Areas Landscape Improvement | 25,000,000 | 16,800,000 | 8,200,000 | 67.2 |
| Infrastructure, roads and transport services | | 1,226,443,034 | 870,419,175 | 356,023,859 | 71.0 |
| | Infrastructure, roads and transport Services | 495,840,226 | 228,696,856 | 267,143,370 | 46.1 |
| | Infrastructure Development | 60,000,000 | 22,803,861 | 37,196,139 | 38.0 |
| | Road construction | 670,602,808 | 618,918,458 | 51,684,350 | 92.3 |
| Energy Reticulation | | 100,000,000 | 84,782,699 | 15,217,301 | 84.8 |
| | Rural Electrification | 100,000,000 | 84,782,699 | 15,217,301 | 84.8 |
| Public works Management | | 15,000,000 | - | 15,000,000 | - |
| | Public works Management | 15,000,000 | - | 15,000,000 | - |
| Administration, Planning and support services | | 5,000,000 | 5,254,734 | -254,734 | 105.1 |
| | Quality Assurance | 5,000,000 | 5,254,734 | -254,734 | 105.1 |
| Trade Development and Investment | | 180,000,000 | 52,195,188 | 127,804,812 | 29.0 |
| | Modern Market Infrastructure | 135,000,000 | 52,195,188 | 82,804,812 | 38.7 |
| | Trade Financing | 45,000,000 | 0 | 45,000,000 | - |
| Industrial development and investment | | 125,000,000 | 20,863,734 | 104,136,266 | 16.7 |
| | Industrial Development and Promotion | 115,000,000 | 17,617,781 | 97,382,219 | 15.3 |
| | SME and Cottage industry development | 10,000,000 | 3,245,953 | 6,754,047 | 32.5 |
| Preventive and promotive services | | 80,000,000 | 30,151,200 | 49,848,800 | 37.7 |
| | Diseases surveillance & Emergency Response | - | - | - | - |
| | Maternal and child healthcare promotion | 80,000,000 | 30,151,200 | 49,848,800 | 37.7 |
| | TB Control | - | - | - | - |
| | Malaria control | - | - | - | - |
| Curative services | | 1,328,446,028 | 441,253,360 | 887,192,668 | 33.2 |
| | Curative services | 828,522,535 | 267,502,261 | 561,020,274 | 32.3 |
| | Community Health Strategy | 484,923,493 | 158,751,099 | 326,172,394 | 32.7 |
| | Disease Surveillance and Response | 15,000,000 | 15,000,000 | - | 100.0 |
| Administrative, planning and support services | | - | - | - | - |
| | Health Data and Information Management | - | - | - | - |
| Vocational Education and Training Development | | 175,811,560 | 89,636,596 | 86,174,964 | 51.0 |
| | Polytechnic Support and Development | 175,811,560 | 89,636,596 | 86,174,964 | 51.0 |
| Early Childhood Development Education (ECDE) | | 202,000,000 | 15,117,739 | 186,882,262 | 7.5 |
| | ECD Infrastructure Development | 137,000,000 | - | 137,000,000 | - |
| | SP2 ECD education improvement and Support | 65,000,000 | 15,117,739 | 49,882,261 | 23.3 |
| Education Support Programme | | 25,000,000 | - | 25,000,000 | - |
| | Education Financial Support | 25,000,000 | - | 25,000,000 | - |
| Polytechnic Improvement | | 120,000,000 | 7,032,279 | 112,967,721 | 5.9 |
| | Polytechnic Tuition Subsidy | 120,000,000 | 7,032,279 | 112,967,721 | 5.9 |
| Coordination and supervisory services | | 3,000,000 | 376,269 | 2,623,731 | 12.5 |
| | Coordination and supervisory services | 3,000,000 | 376,269 | 2,623,731 | 12.5 |
| Information and communication services | | 171,900,000 | 101,516,477 | 70,383,522.70 | 59.1 |
| | Information and communication services | 171,900,000 | 101,516,477 | 70,383,523 | 59.1 |
| Coordination and supervisory services | | 7,500,000 | 1,245,492 | 6,254,508 | 16.6 |
| | Coordination and supervisory services | 5,000,000 | 0 | 5,000,000 | - |
| | County Internal Audit services | 2,500,000 | 1,245,492 | 1,254,508 | 49.8 |
| County Public service and Administrative Services | | 220,000,000 | 55,415,244 | 164,584,756 | 25.2 |
| | County Administration | 145,000,000 | 41,086,224 | 103,913,776 | 28.3 |
| | Human Resource Management | 75,000,000 | 14,329,020 | 60,670,980 | 19.1 |
| Investment promotion | | 20,000,000 | 1,000,000 | 19,000,000 | 5.0 |
| | Investment promotion | 20,000,000 | 1,000,000 | 19,000,000 | 5.0 |

| Programme | Sub-Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--------------------|--|------------------------|------------------------|----------------------|----------------|
| 902004810 | | 10,000,000 | - | 10,000,000 | - |
| | Culture and Heritage Conservation | 10,000,000 | - | 10,000,000 | - |
| 903004810 | | 468,000,000 | 274,993,628 | 193,006,372 | 58.8 |
| | Development of Sports facilities | 450,000,000 | 259,993,628 | 190,006,372 | 57.8 |
| | Promotion and Development of Sports and Talent | 18,000,000 | 15,000,000 | 3,000,000 | 83.3 |
| 904004810 | | 29,000,000 | - | 29,000,000 | - |
| | Youth Disability and Gender Empowerment | 29,000,000 | - | 29,000,000 | - |
| 906004810 | | 62,000,000 | 20,740,860 | 41,259,140 | 33.5 |
| | Social Development and Protection | 62,000,000 | 20,740,860 | 41,259,140 | 33.5 |
| | Child welfare Services | 0 | 0 | 0 | - |
| 1005004810 | | 83,632,067 | - | 83,632,067 | - |
| | Farm Forest Resource Management | 47,632,067 | - | 47,632,067 | - |
| | Mineral Resource Management | 36,000,000 | - | 36,000,000 | - |
| 1006004810 | | 377,182,180 | 193,910,196 | 183,271,984 | 51.4 |
| | Water Resource Supply and management | 377,182,180 | 193,910,196 | 183,271,984 | 51.4 |
| 1007004810 | | 10,000,000 | 3,107,845 | 6,892,155 | 31.1 |
| | Environmental Protection | 10,000,000 | 3,107,845 | 6,892,155 | 31.1 |
| Grand Total | | 7,461,205,379 | 3,021,130,341 | 4,440,075,038 | 40.5 |

Source: Kakamega County Treasury

Sub-Programmes with the highest levels of implementation based on absorption rates were: Quality Assurance at 105.1 per cent, Disease Surveillance and Response at 100 per cent, Rural Electrification at 84.8 per cent of the budget.

3.12.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of quarterly financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. A partial report was first submitted on April 23, 2021, while the second part (Own Source Revenue) was submitted on May 3, 2021. The OCoB issued instructed Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.
2. Low absorption of development funds as indicated by the expenditure of Kshs.2.33. million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.7.51 billion. The development expenditure represented 31.0 per cent of the annual development budget.
3. Under-performance of own source revenue at Kshs.725 million against an annual projection of Kshs.2.11 million, representing 34.3 per cent of the annual target.
4. Failure by the County to reconcile the approved budget amounts in the Programme Based Reports, which shows an overall budget figure of Kshs.7.46 billion as shown in Table 3.62 compared with the Appropriation Act, which provided the budget as Kshs.16.50 billion.

The County should implement the following recommendations to improve budget execution;

1. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with Section 166 of the PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County should address its own source revenue performance to ensure the approved budget is fully financed.
4. The County Treasury should liaise with the Directorate of IFMIS at the National Treasury to ensure that the County's approved budget is accurately uploaded and any variances are addressed accordingly.

3.13 County Government of Kericho

3.13.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 was Kshs.7.66 billion, comprising of Kshs.3.37 billion (44 per cent) and Kshs.4.29 billion (56 per cent) allocations for Development and Recurrent programmes, respectively.

To finance the budget, the county expects to receive Kshs.5.44 billion (71.1 per cent) as equitable share of revenue raised nationally, Kshs.1 billion (13.1 per cent) as total conditional grants, generate Kshs.644.06 million (8.4 per cent) from own sources of revenue, and a cash balance of Kshs.565.38 million (7.4 per cent) from FY 2019/20.

3.13.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.3.13 billion as an equitable share of the revenue raised nationally, Kshs.386.71 million as conditional grants, raised Kshs.272.57 million as own-source revenue, and had a cash balance of Kshs.565.38 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.4.35 billion, as shown in Table 3.63.

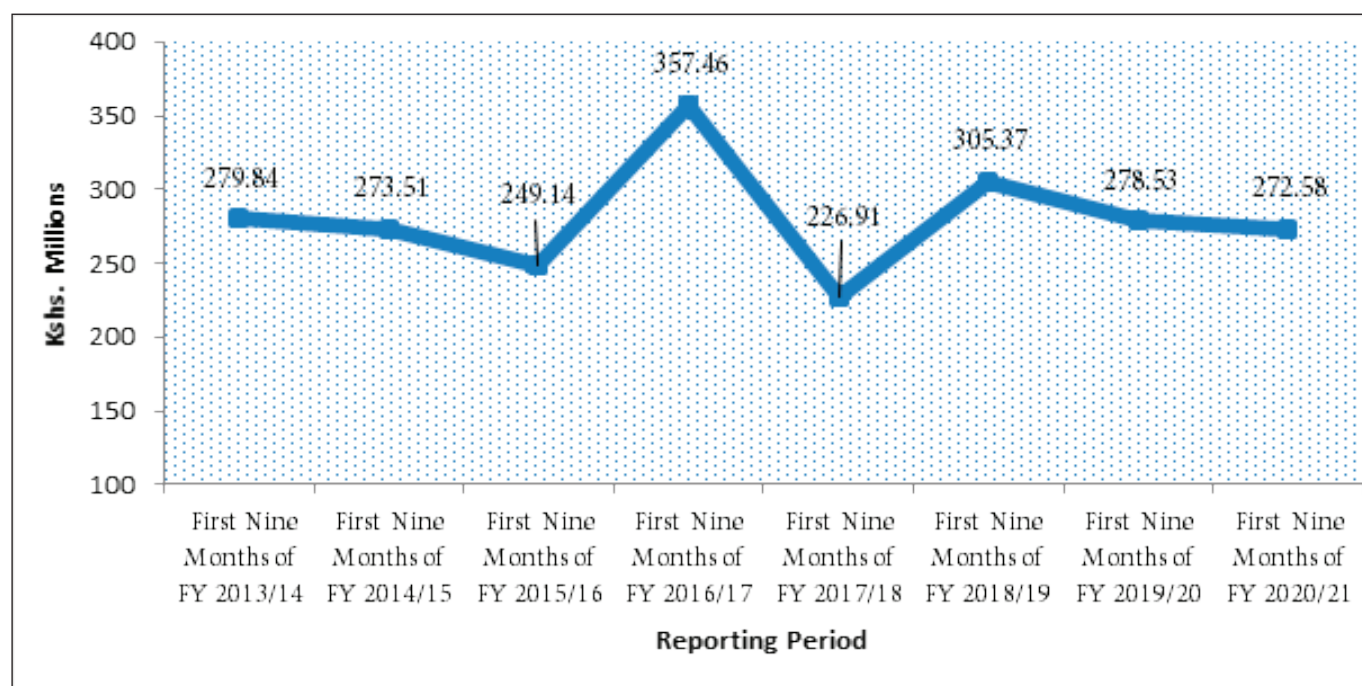
Table 3.63: Kericho County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|-------|--|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 5,443,800,000 | 5,443,800,000 | 3,126,070,500 | 57.4 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Compensation for User Fee Foregone | 18,048,789 | 18,048,789 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 273,409,756 | 273,409,756 | 72,975,322 | 26.7 |
| 4. | Rehabilitation of Village Polytechnics | 22,866,170 | 22,866,170 | 11,222,447 | 49.1 |
| 5. | COVID Allowances | 36,180,000 | 36,180,000 | 36,180,000 | 100 |
| | Sub Total | 482,525,992 | 350,504,715 | 120,377,769 | 34.3 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) | 82,748,619 | 82,748,619 | 47,231,494 | 57.1 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 277,000,000 | 277,000,000 | 119,541,916 | 43.2 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 132,491,953 | 132,491,953 | 45,000,000 | 34 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | 103,228,166 | 103,228,166 | 72,984,012 | 70.7 |
| 5. | DANIDA Grant | 17,062,500 | 17,062,500 | 7,650,000 | 44.8 |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 41,557,771 | 41,557,771 | 10,104,022 | 24.3 |
| | Sub Total | 654,089,009 | 654,089,009 | 302,511,444 | 46.2 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | 644,058,870 | 644,058,870 | 272,579,753 | 42.3 |
| 2. | Balance b/f from FY 2019/20 | - | 565,380,551 | 565,380,551 | 100 |
| | Sub Total | 644,058,870 | 1,209,439,421 | 837,960,304 | 69.3 |
| | Grand Total | 7,224,473,870 | 7,657,833,144 | 4,386,920,017 | 57.3 |

Source: Kericho County Treasury

Figure 3.23 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.23: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Kericho County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.272.58 million as its own source revenue. This amount represented a decrease of 2.1 per cent compared to Kshs.278.53 million realised during a similar period in FY 2019/20 and was 42.3 per cent of the annual target.

3.13.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.88 billion from the CRF account during the reporting period consisting of Kshs.1.20 billion (31 per cent) for development programmes and Kshs.2.68 billion (69 per cent) for recurrent programmes.

3.13.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.34 billion on development and recurrent programmes. The expenditure represented 86.1 per cent of the total funds released by the COB and comprised of Kshs.698.31 million and Kshs.2.65 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 20.7 per cent while recurrent expenditure represented 61.7 per cent of the annual recurrent expenditure budget.

3.13.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.59 billion was spent on compensation to employees, Kshs.1.05 billion on operations and maintenance, and Kshs.698.31 million on development activities as shown in Table 3.64.

Table 3.64: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 4,290,881,684 | 2,679,187,403 | 2,646,172,157 | 61.7 |
| Compensation to Employees | 2,819,745,677 | 1,594,853,587 | 1,594,853,587 | 56.6 |
| Operations and Maintenance | 1,471,136,007 | 1,084,333,816 | 1,051,318,570 | 71.5 |
| Total Development Expenditure | 3,366,951,461 | 1,204,704,436 | 698,313,606 | 20.7 |
| Development Expenditure | 3,366,951,461 | 1,204,704,436 | 698,313,606 | 20.7 |
| Total | 7,657,833,145 | 3,883,891,839 | 3,344,485,763 | 43.7 |

Source: Kericho County Treasury

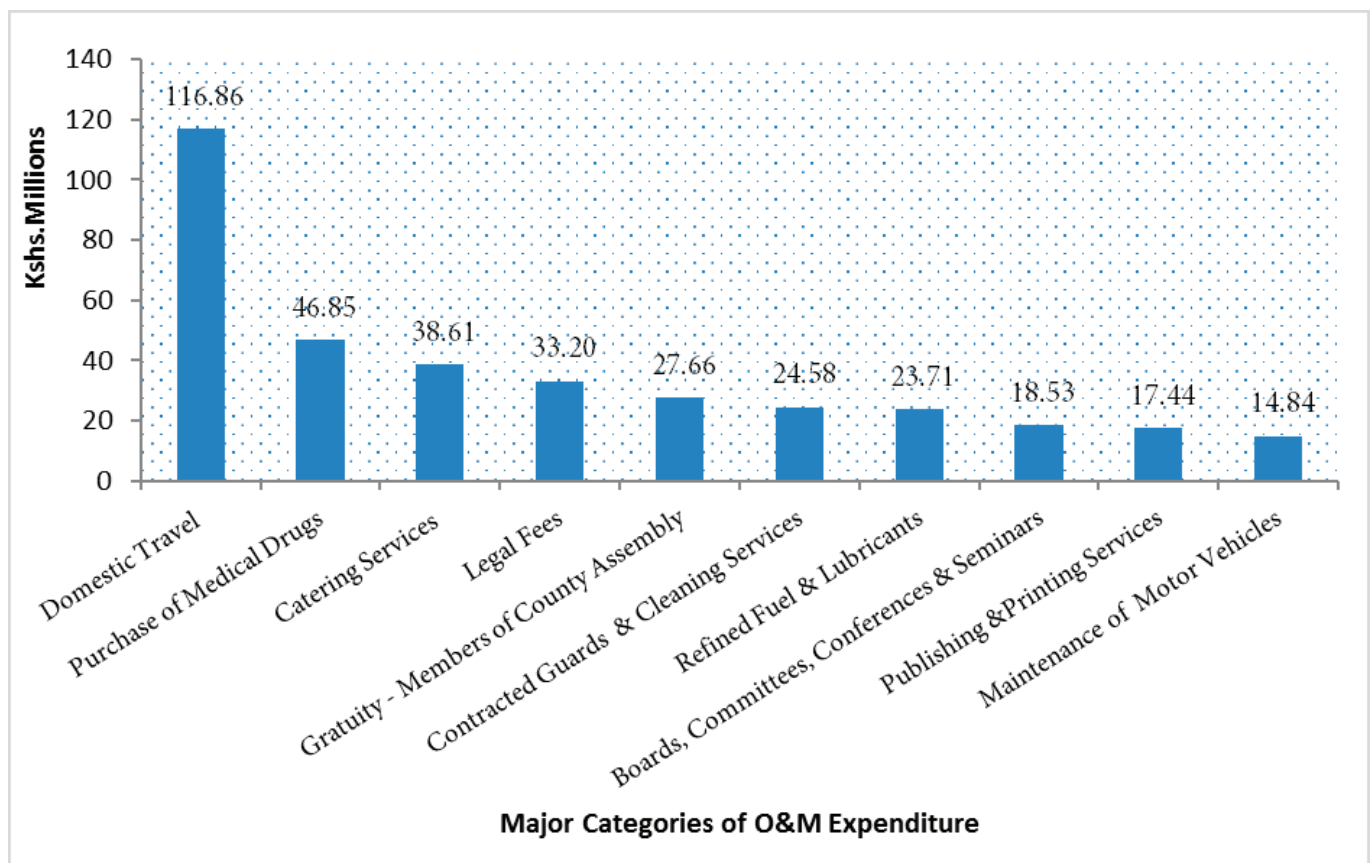
3.13.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 47.7 per cent of the total expenditure for the reporting period and 27.8 per cent of the first nine months proportional revenue estimate of Kshs.5.74 billion.

3.13.7 Expenditure on Operations and Maintenance

Figure 3.24 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.24: Kericho County, Operations and Maintenance Expenditure by Major Categories



Source: Kericho County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.25.20 million on committee sitting allowances for the 48 MCAs and Speaker against the annual budget allocation of Kshs.68.04 million. The average monthly sitting allowance was Kshs.58,356 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.116.86 million and comprised of Kshs.77.34 million spent by the County Assembly and Kshs.39.52 million by the County Executive. Expenditure on foreign travel amounted to Kshs.3.92 million and consisted of Kshs.2.01 million by the County Assembly and Kshs.1.91 million by the County Executive.

3.13.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.134.02 million to cater for COVID-19 related expenditure. A total of Kshs.84.35 million was spent during the reporting period as shown in Table 3.65.

Table 3.65: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as (Kshs) |
|------|---|---------------------------------|-----------------------|
| 1 | Front Workers Allowances | 36,180,000 | 36,180,000 |
| 3 | COVID 19 lab items and baseline test reagents | 8,550,000 | 8,541,777 |
| 4 | Assorted Medical drugs | 11,500,000 | 11,225,550 |

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as (Kshs) |
|------|--|---------------------------------|-----------------------|
| 5 | Assorted Non pharmaceuticals | 8,500,000 | 477,500 |
| 6 | Supply and delivery of PPEs | 12,150,000 | 12,100,000 |
| 7 | Beds - double crank(100.NO.) and Beddings | 11,100,000 | 11,050,000 |
| 8 | Pedal bins (100 No.) | 300,000 | 280,000 |
| 9 | Bin liners | 3,000,000 | 2,992,500 |
| 10 | Laundry machines for isolation unit | 1,400,000 | 1,389,500 |
| 11 | Isolation ward TV sets and installations | 731,000 | 730,000 |
| 12 | Water works | 2,400,000 | 2,388,813 |
| 13 | Completion of level 2 support facilities | 2,655,000 | 2,624,223 |
| 14 | Patient Monitors ,pulse oximeters, suction machine and oxygen flowmeters | 7,630,000 | 7,614,000 |
| 15 | Ventilators | 3,450,000 | - |
| 16 | Quarantine and isolation costs | 4,100,000 | 4,078,500 |
| 17 | Isolation nutritional Support | 800,000 | 789,440 |
| 18 | Sensitization, Awareness and Publicity | 1,300,000 | 600,450 |
| 19 | Medical gases and oxygen piping | 2,900,000 | 1,043,439 |
| 20 | Toll free line pre-payment | 300,000 | 150,000 |
| 21 | Standby Automatic switch generator | 3,900,000 | 2,731,901 |
| 22 | Generator House at Ainamoi | 1,151,300 | 1,151,286 |
| 23 | Provision of Hospital Cleaning services | 1,546,800 | 3,962,301 |
| 24 | Rehabilitation of medical infrastructure at KCRH | 500,000 | 497,350 |
| 25 | Airtime for surveillance ,follow up and coordination | 300,000 | 300,000 |
| 26 | Deep freezer for specimen storage | 1,100,000 | 1,080,000 |
| 27 | Body bags | 360,000 | 357,000 |
| 28 | Electricity ,Water bills | 6,220,150 | 6,192,973 |
| | Total | 134,024,250 | 84,348,503 |

Source: Kericho County Treasury

3.13.9 Development Expenditure

The County incurred expenditure of Kshs.698.31 million on development programmes, which represented a decrease of 24.1 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.920.30 million. Table 3.66 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.66: Kericho County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|-------|---|-------------------|----------------|---------------------|----------------|
| 3. | Supply and aelivery of Opthamology Equipment | KCRH | 39,852,172 | 39,852,172 | 100 |
| 4. | Supply of Bulk Water | Bureti Sub-County | 15,000,000 | 15,000,000 | 100 |
| 5. | Excavation,Grading, Supply Of Murram And Compaction Of Sebetet-Sirimdo-Living Faith-Chepnyonyo Road; Kipchichim Sec-Kabotiris-Kondamet Road | Kipchichim | 8,231,600 | 8,231,600 | 100 |
| 6. | Judgement-Mabwaita-Ngeny Rd; Kapmajumo-Kap Mp-Kap Chemosot Rd; Kapmajuma- Kap Edwin Rd; Samuget-Mabwaita Honest Church: Kap Zakaria- Chematich Pry School Rd; Chepsogot-Kapkatet Tbc Rd; Sosit-Shiners Rd | Kapkatet | 8,133,690 | 8,133,690 | 100 |
| 7. | Chomisian-Ngesumin Rd; Munandet-Chemamul Rd; Ngesumin Pry-Arap Tobon Rd; Ngesumin-Kuresiet Rd-Kamanamsim-Cheptuiyet Rd. | Litein | 7,893,500 | 7,893,500 | 100 |
| 8. | Grading And Supply Of Murram For Orgony-Kapilie-li-Kalelbusien-Kapchanga Road;Tamboiyot-Kiptenden-Kebeneti Road | Sigowet | 7,624,200 | 7,624,200 | 100 |
| 9. | Supply Of Murram For Sebetet-Sirimdo-Living Faith-Chepnyonyo Road; Kipchichim Sec-Kabotiris-Kondamet Road | Kipchichim | 7,178,300 | 7,178,300 | 100 |
| 10. | Grading, Supply of Murram, Installation Of Culverts And Compaction Of Seska-Arap Seronik-Arap Chepsengey-Chemaluk Road; Jolydab-Kaprero Road; Chemaluk Church Of Christ-Kapsegut Pry-Cheptembe Road; Kapin-gok-Birirbei-Chepkoson Road; Koitabarak-Kimugul Road | Soliat | 6,701,830 | 6,701,830 | 100 |
| 11. | Kipsitet-Mbasa Rd; Kipsitet Bridge-Kaplabotwo Rd; Ngeremwo-Kipsitet Dip Rd; Nunda-Kipteran Rd; Kipteran-Ny- aberi Rd-Laitigo Pry-Maemba Rd; Laitigo Pry- Kapsermi Rd; Kapsimingoi-Ndanyomare Rd | Soin | 6,360,000 | 6,360,000 | 100 |

| S/No. | Project Name | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|-------|---|----------|----------------|---------------------|----------------|
| 12. | Muharate-Nyairobi-Jagoror Rd;Jagoror-Some Rd;-Jagoror-Kap Sharack Rd;Makutano-Nyairobi Sec Rd-Kiplaba-Kimoligitbridge Rd-Kap Sugurup-Greenland Rd | Kamasian | 6,216,900 | 6,216,900 | 100 |

Source: Kericho County Treasury

3.13.10 Budget Performance by Department

Table 3.67 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.67: Kericho County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 628.22 | 13.78 | 418.3 | - | 418.30 | - | 100 | - | 66.6 | - |
| PSM | 331.32 | 17.52 | 190.23 | - | 190.23 | - | 100 | - | 57.4 | - |
| Agriculture, Livestock Development And Fisheries | 143.85 | 388.71 | 98.69 | 143.4 | 94.09 | 11.48 | 95.3 | 8.0 | 65.4 | 3.0 |
| Education, Youth Affairs, Children, Culture And Social Services | 353.11 | 276.17 | 143.1 | 101.12 | 144.31 | 73.07 | 100.8 | 72.3 | 40.9 | 26.5 |
| Health | 1,999.28 | 495.4 | 1,349.99 | 160.19 | 1,360.78 | 92.73 | 100.8 | 57.9 | 68.1 | 18.7 |
| Trade, Industrialization, Tourism, Wildlife And Cooperative Management | 59.37 | 10.33 | 36.16 | - | 35 | 0.21 | 96.8 | - | 59.0 | 2.0 |
| Public Works, Roads, Transport And ICT | 98.77 | 1,258.49 | 58.81 | 542.6 | 55.2 | 398.11 | 93.9 | 73.4 | 55.9 | 31.6 |
| Water, Energy, Natural Resources And Environment | 113.89 | 436.61 | 75.16 | 70.27 | 80.45 | 69.19 | 107.0 | 98.5 | 70.6 | 15.8 |
| Lands, Housing And Physical Planning | 98.08 | 192.23 | 79.98 | 79.28 | 48.11 | 2.56 | 60.2 | 3.2 | 49.1 | 1.3 |
| Finance And Economic Planning | 240.69 | 262.27 | 89.28 | 99.1 | 98.05 | 42.22 | 109.8 | 42.6 | 40.7 | 16.1 |
| Office of the Governor | 98.3 | - | 76.74 | - | 73.59 | - | 95.9 | - | 74.9 | - |
| ICT | 71.79 | 15.43 | 38.39 | 8.74 | 26.76 | 8.74 | 69.7 | 100.0 | 37.3 | 56.6 |
| County Public Service Board | 54.2 | - | 24.34 | - | 21.31 | - | 87.6 | - | 39.3 | - |
| Total | 4,290.88 | 3,366.95 | 2,679.19 | 1,204.70 | 2,646.17 | 698.31 | 98.8 | 58.0 | 61.7 | 20.7 |

Source: Kericho County Treasury

Analysis of departments' expenditure shows that the Department of Information Communication and Technology (ICT) recorded the highest absorption rate of development budget at 56.6 per cent while the Office of The Governor had the highest percentage of recurrent expenditure to budget at 74.9 per cent.

3.13.11 Budget Execution by Programmes and Sub-Programmes

Table 3.68 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.68: Kericho County, Budget Execution by Programmes and Sub-Programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|------------------------------|------------------------|------------------------|------------------|----------------|
| DEPARTMENT: OFFICE OF THE GOVERNOR | | | | | |
| County Coordination Services | County Coordination Services | 98,301,145 | 73,593,789 | 24,707,356 | 74.87 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|---|------------------------|------------------------|----------------------|----------------|
| Public sector advisory services | Economic and Social Advisory Service | 2,765,000 | - | 2,765,000 | - |
| | | 101,066,145 | 73,593,789 | 27,472,356 | 72.82 |
| DEPARTMENT: FINANCE AND ECONOMIC PLANNING | | | | | |
| Administration, Planning and Support Services. | Administration Services. | 358,493,218 | 57,268,362 | 301,224,856 | 15.97 |
| Administration, Planning and Support Services. | Monitoring Budget Implementation and Reporting | 12,461,851 | 12,456,219 | 5,632 | 99.95 |
| Public Finance Management | Budget Formulation co-ordination and management | 129,142,332 | 67,696,302 | 61,446,030 | 52.42 |
| Audit Services | County Audit | 2,866,483 | 2,852,268 | 14,215 | 99.50 |
| | | 502,963,884 | 140,273,151 | 362,690,733 | 27.89 |
| DEPARTMENT: AGRICULTURE, LIVESTOCK AND FISHERIES | | | | | |
| Policy, Strategy and Management of Agriculture | Development of Agricultural Policy, Legal & Regulatory framework. | 29,037,959 | 3,409,830 | 25,628,129 | 11.74 |
| Crop Development and Management | Agriculture Extension Services | 420,071,834 | 58,784,412 | 361,287,422 | 13.99 |
| Livestock Resource Management and Development | Livestock Disease Management and Control. | 10,760,397 | 1,977,235 | 8,783,162 | 18.38 |
| Livestock Resource Management and Development | Livestock Production and Extension Services | 65,095,995 | 40,902,321 | 24,193,674 | 62.83 |
| Fisheries development | Management and Development of Capture Fisheries | 7,595,177 | 500,820 | 7,094,357 | 6.59 |
| | | 532,561,362 | 105,574,617 | 426,986,745 | 19.82 |
| DEPARTMENT: WATER, ENERGY, NATURAL RESOURCES AND ENVIRONMENT | | | | | |
| Environment policy development and coordination | Planning Coordination Policy and Administrative Services | 113,073,653 | 92,684,807 | 20,388,846 | 81.97 |
| Water supply services | Rural Water Supply | 437,426,643 | 56,950,135.47 | 380,476,508 | 13.02 |
| | | 550,500,296 | 149,634,943 | 400,865,353 | 27.18 |
| DEPARTMENT: EDUCATION, YOUTH AFFAIRS, CULTURE AND SOCIAL SERVICES | | | | | |
| General Administration & planning services. | Policy Development and Administration | 274,980,529 | 149,709,127 | 125,271,402 | 54.44 |
| Basic Education | Early Childhood Development Education | 272,491,184 | 63,431,998 | 209,059,186 | 23.28 |
| Gender and Social Development | Social Welfare Services/Social Infrastructure Development | 24,899,378 | 3,757,494 | 21,141,884 | 15.09 |
| Youth development and empowerment services | Youth development (YP) Training | 56,907,040 | 483,005 | 56,424,035 | 0.85 |
| | | 629,278,131 | 217,381,625 | 411,896,506 | 34.54 |
| DEPARTMENT: HEALTH SERVICES | | | | | |
| Curative Health | Administration and Planning | 1,213,146,245 | 644,383,492 | 568,762,753 | 53.12 |
| Curative Health | Hospital(curative)Services | - | - | - | - |
| Preventive and Promotive Health | Preventive Medicine and Promotive Health | 1,281,534,216 | 809,128,696 | 472,405,520 | 63.14 |
| | | 2,494,680,461 | 1,453,512,188 | 1,041,168,273 | 58.26 |
| DEPARTMENT: LANDS, HOUSING AND PHYSICAL PLANNING | | | | | |
| Administration and support services | General Administration and Planning | 61,128,784 | 19,789,947 | 41,338,837 | 32.37 |
| Housing Development and Human Resource | Housing Development | 50,808,299 | 7,947,726 | 42,860,573 | 15.64 |
| Land policy and planning | Development Planning and Land Reforms | 172,021,347 | 95,765,957 | 76,255,390 | 55.67 |
| Land policy and planning | Land Use Planning | 6,352,443 | 142,400 | 6,210,043 | 2.24 |
| | | 290,310,873 | 123,646,030 | 166,664,843 | 42.59 |
| DEPARTMENT: PUBLIC WORKS, ROADS AND TRANSPORT | | | | | |
| Transport Management and safety | General Administration Planning and Support Services | 78,843,520 | 34,045,004 | 44,798,516 | 43.18 |
| Infrastructure, Roads and Transport | Rehabilitation of Road | 1,262,094,286 | 419,194,962 | 842,899,324 | 33.21 |
| Infrastructure, Roads and Transport | Maintenance of Roads and Bridges/Periodic Maintenance | 16,330,335 | 67,271 | 16,263,064 | 0.41 |
| | | 1,357,268,141 | 453,307,237 | 903,960,904 | 33.40 |
| DEPARTMENT: TRADE, INDUSTRIALISATION, TOURISM, WILDLIFE AND COOPERATIVE MANAGEMENT | | | | | |
| Trade development and investment | Fair trade Practices and Consumer Protection (weight & measures) | 40,283,406 | 23,244,187 | 17,039,219 | 57.70 |
| Trade development and investment | Administrative and Support Services. | 8,840,976 | 1,192,812 | 7,648,164 | 13.49 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|--|------------------------|------------------------|----------------------|----------------|
| Cooperative development and management | Cooperative Advisory & Extension Services. | 20,574,770 | 10,772,784 | 9,801,986 | 52.36 |
| Tourism development and marketing | Local Tourism Development. | - | - | - | 0.00 |
| | | 69,699,152 | 35,209,783 | 34,489,369 | 50.52 |
| DEPARTMENT: ICT AND E-GOVERNMENT | | | | | |
| Information & Communication Service | News and Information Services | 71,791,149 | 27,983,213 | 43,807,936 | 38.98 |
| Information & Communication Service | ICT and BPO development services | 15,432,683 | 7,512,362 | 7,920,321 | 48.68 |
| | | 87,223,832 | 35,495,575 | 51,728,258 | 40.69 |
| DEPARTMENT: COUNTY PUBLIC SERVICE BOARD | | | | | |
| Administration of Human Resources and Public Service | Establishment, Appointment, Discipline and Board Management. | 54,200,321 | 21,311,776 | 32,888,545 | 39.32 |
| | | 54,200,321 | 21,311,776 | 32,888,545 | 39.32 |
| DEPARTMENT: PUBLIC SERVICE MANAGEMENT | | | | | |
| Administration of Human Resources and Public Service | General Administration, Planning and Support Services | 253,093,364 | 167,893,625 | 85,199,739 | 66.34 |
| Administration of Human Resources and Public Service | Human Resource Development | 95,747,770 | 22,336,403 | 73,411,367 | 23.33 |
| | | 348,841,134 | 190,230,027 | 158,611,107 | 54.53 |
| DEPARTMENT: ASSEMBLY | | | | | |
| Administration of Human Resources and Public Service | General Administration, Planning and Support Services | 354,511,272 | 274,057,214 | 80,454,058 | 77.31 |
| Legislative Services | | 275,170,145 | 137,977,805 | 137,192,340 | 50.14 |
| Administration of Human Resources and Public Service | Establishment, Appointment, Discipline and Board Management. | 12,322,996 | 6,264,017 | | |
| | | 642,004,413 | 418,299,036 | 217,646,398 | 65.16 |
| County Executive Grants(Transfers) | Grand Total -Excluding Conditional | 7,657,833,145 | 3,833,891,839 | 3,344,485,763 | 43.67 |

Source: Kericho County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Administration, Planning and Support Services in the Department of Finance and Economic Planning at 99.95 per cent, Audit Services in the Department of Finance and Economic Planning at 99.5 per cent, Administration of Human Resources and Public Service in the County Assembly at 77.31 per cent, and County Coordination Services in the Office of the Governor at 74.87 per cent of budget allocation.

3.13.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 29th April 2021. The OCoB issued instructed Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.
2. Low absorption of development funds as indicated by the expenditure of Kshs.698.31 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.4.29 billion. The development expenditure represented 20.7 per cent of the annual development budget. This is despite the availability of funds in the CRF Account.
3. The under-performance of own source revenue at Kshs.272.58 million against an annual projection of Kshs. 644.09 million, representing 42.3 per cent of the annual target.

The County should implement the following recommendations to improve budget execution;

1. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County should address its own source revenue performance to ensure the approved budget is fully financed.

3.14 County Government of Kiambu

3.14.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.17.89 billion, comprising of Kshs.6.29 billion (35.1 per cent) and Kshs.11.61 billion (64.9 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.9.43 billion (52.7 per cent) as the equitable share of revenue raised nationally, Kshs.3.17 billion (17.7 per cent) as total conditional grants, generate Kshs.3.99 billion (22.3 per cent) from own sources of revenue, and a cash balance of Kshs.1.30 billion (7.3 per cent) from FY 2019/20.

3.14.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.4.67 billion as equitable share of the revenue raised nationally, Kshs.1.24 billion as conditional grants, raised Kshs.1.70 billion as own-source revenue, and had a cash balance of Kshs.1.30 billion from FY 2019/20. The county also received Kshs.32.07 million as "Other revenues" (MSF - Belgium), bringing total funds available for budget implementation during the period to Kshs.8.94 billion as shown in Table 3.69.

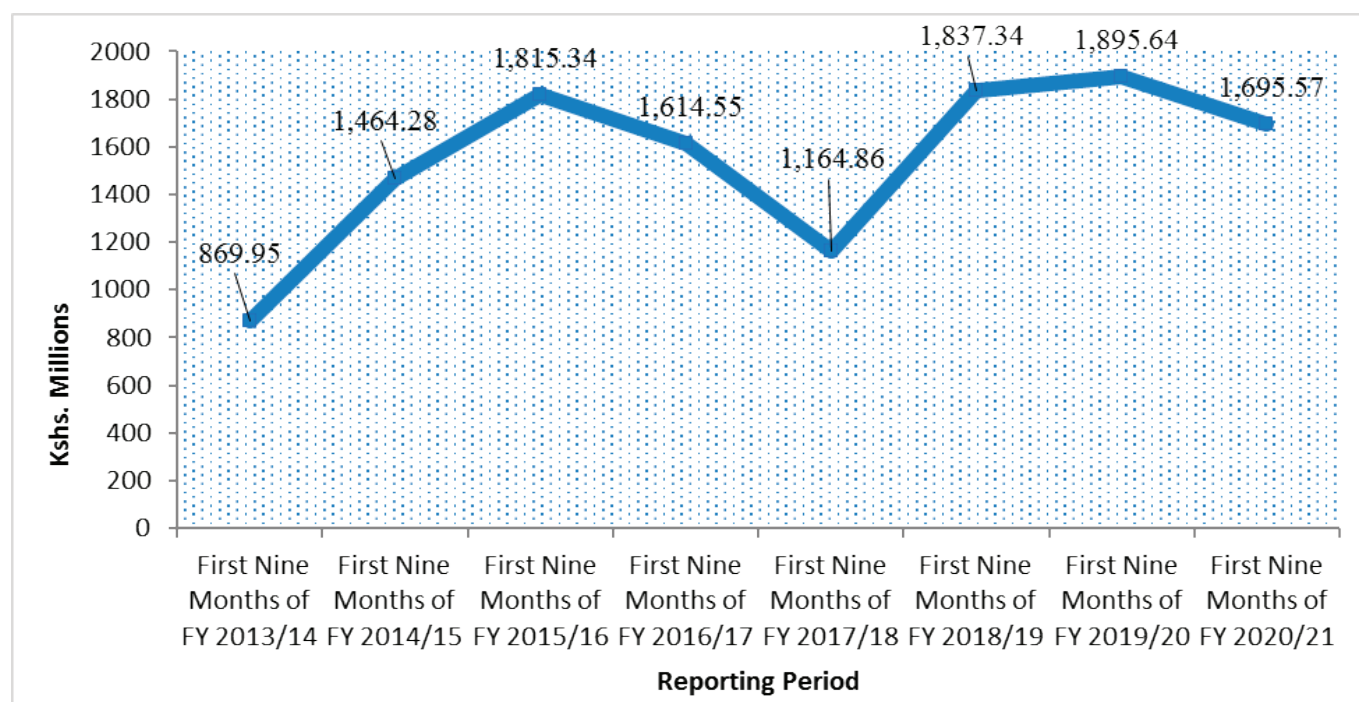
Table 3.69: Kiambu County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|---|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 9,431,700,000 | 9,431,700,000 | 4,668,691,500 | 49.5 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1 | Conditional Grants to Level-5 Hospitals | 538,716,763 | 538,716,763 | 247,809,711 | 46.0 |
| 2 | Supplement for construction of county headquarters | - | - | - | - |
| 3 | Compensation for User Fee Foregone | 34,671,542 | 34,671,542 | - | - |
| 4 | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 5 | Road Maintenance Fuel Levy Fund | 293,374,561 | 293,374,561 | 146,687,280 | 50.0 |
| 6 | Rehabilitation of Village Polytechnics | 61,984,894 | 61,984,894 | 30,992,447 | - |
| Sub Total | | 1,060,769,037 | 928,747,760 | 425,489,438 | 45.8 |
| C | Loans and Grants from Development Partners | | | | |
| 1 | Transforming Health Systems for Universal Care Project (WB) | 49,790,789 | 49,790,789 | 20,064,393 | 40.3 |
| 2 | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 222,340,320 | 222,340,320 | 202,525,924 | 91.1 |
| 3 | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4 | IDA (WB) Credit: Kenya Urban Support Project (KUSP) – Urban Development Grant (UDG) | - | 1,885,993,000 | 537,057,640 | 28.5 |
| 5 | DANIDA Grant | 26,820,000 | 26,820,000 | - | - |
| 6 | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 13,436,146 | 13,436,146 | 10,752,077 | 80.0 |
| Sub Total | | 357,387,255 | 2,243,380,255 | 815,400,034 | 36.3 |
| D | Other Sources of Revenue | | | | |
| 1 | Own Source Revenue | - | 3,988,390,833 | 1,695,568,966 | 42.5 |
| 2 | Balance b/f from FY 2019/20 | - | 1,302,507,988 | 1,302,507,988 | 100.0 |
| 3 | Other Revenue - MSF Belgium | - | - | 32,073,740 | - |
| Sub Total | | - | 5,290,898,821 | 3,030,150,694 | 57.3 |
| Grand Total | | 10,849,856,292 | 17,894,726,836 | 8,939,731,666 | 50.0 |

Source: Kiambu County Treasury

Figure 3.25 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.25: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Kiambu County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.1.70 billion as own-source revenue. This amount represented a decrease of 10.6 per cent compared to Kshs.1.90 billion realised during a similar period in FY 2019/20 and was 42.5 per cent of the annual target.

3.14.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.8.77 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.74 billion (19.9 per cent) for development programmes and Kshs.7.03 billion (80.1 per cent) for recurrent programmes.

3.14.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.10.12 billion on development and recurrent programmes. The expenditure represented 115.4 per cent of the total funds released by the COB and comprised of Kshs.2.02 billion and Kshs.8.10 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 32.1 per cent while recurrent expenditure represented 69.8 per cent of the annual recurrent expenditure budget.

3.14.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.6.08 billion was spent on compensation to employees, Kshs.2.03 billion on operations and maintenance, and Kshs.2.02 billion on development activities as shown in Table 3.70.

Table 3.70: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|-----------------------|----------------|
| Total Recurrent Expenditure | 11,606,992,334 | 7,025,546,141 | 8,102,964,286 | 69.8 |
| Compensation to Employees | 7,444,013,566 | 4,949,914,773 | 6,077,118,814 | 81.6 |
| Operations and Maintenance | 4,162,978,768 | 2,075,631,369 | 2,025,845,471 | 48.7 |
| Total Development Expenditure | 6,287,734,502 | 1,744,593,677 | 2,016,996,140 | 32.1 |
| Development Expenditure | 6,287,734,502 | 1,744,593,677 | 2,016,996,140 | 32.1 |
| Total | 17,894,726,836 | 8,770,139,818 | 10,119,960,426 | 56.6 |

Source: Kiambu County Treasury

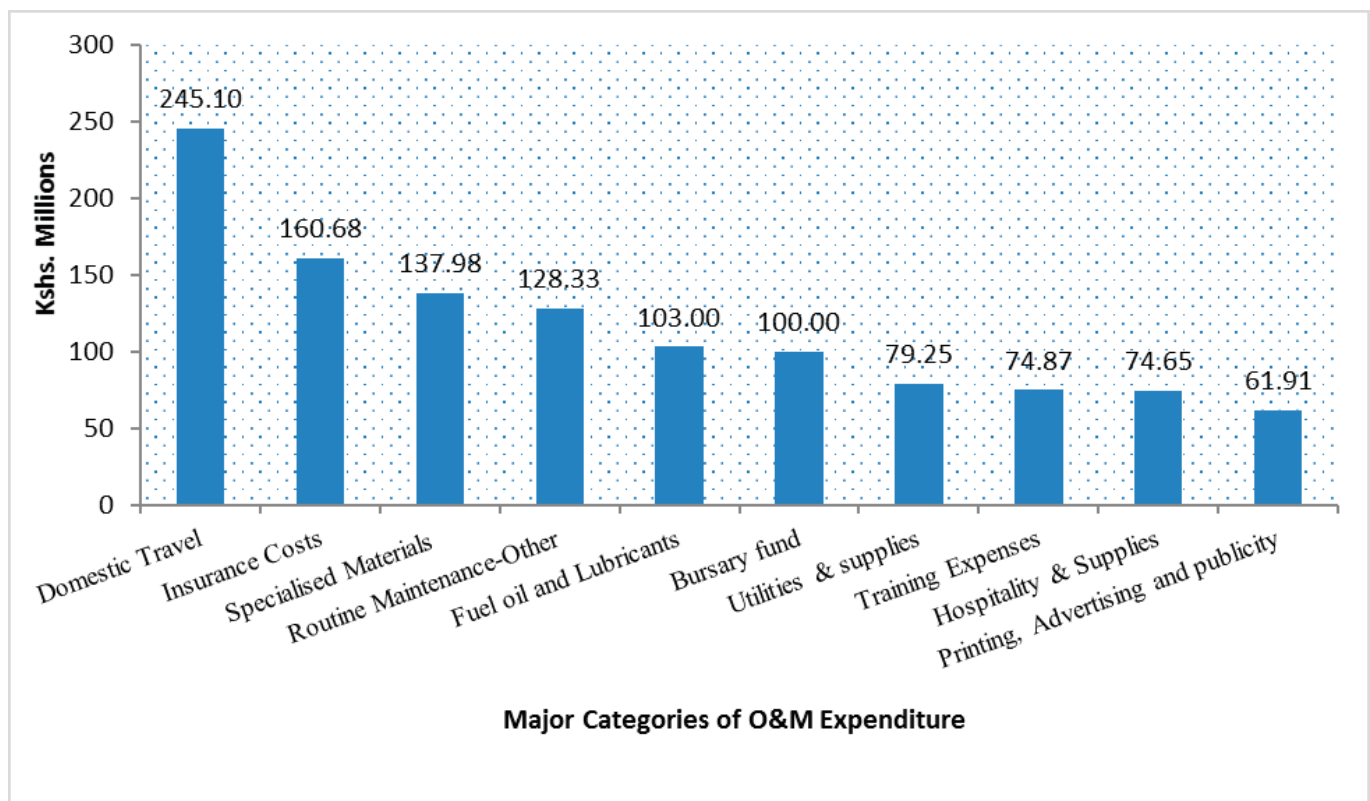
3.14.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 60.1 per cent of the total expenditure for the reporting period and 45.3 per cent of the first nine months proportional revenue estimate of Kshs.13.42 billion.

3.14.7 Expenditure on Operations and Maintenance

Figure 3.26 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.26: Kiambu County, Operations and Maintenance Expenditure by Major Categories



Source: Kiambu County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.67.64 million on committee sitting allowances for the 92 MCAs and Speaker against the annual budget allocation of Kshs.120 million. The average monthly sitting allowance was Kshs.80,816 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.245.10 million and comprised of Kshs.135.98 million spent by the County Assembly and Kshs.109.12 million by the County Executive. Expenditure on foreign travel amounted to Kshs.10.72 million paid by the County Executive.

3.14.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.634.13 million to cater for COVID-19 related expenditure. A total of Kshs.385.34 million was spent during the reporting period as shown in Table 3.71 .

Table 3.71: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March, 2021 (Kshs) |
|------|-------------------------------------|---------------------------------|---|
| 1 | The Grant from National Government | 185,492,000 | 92,928,160 |

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March, 2021 (Kshs) |
|------|--|---------------------------------|---|
| 2 | Construction of Panelled Building COVID -19 Centre in Ruiru Level 4 Hospital | 62,000,000 | 61,067,660 |
| | Construction of Pre- Engineered Steel Structure COVID-19 Centre in Lusighetti Level 4 Hospital | 30,000,000 | - |
| | Supply and Delivery Beds, Lockers and Mattresses for the COVID-19 Centres | 25,000,000 | - |
| | Supply and Deliver Medical equipment for the COVID Centres | 17,200,000 | - |
| | Supply and delivery of a generator at Kiambu County COVID-19 Centre- Tigoni | 11,000,000 | - |
| | Non Pharmaceuticals for COVID-19 Centres | 21,078,876 | 14,860,500 |
| | Pharmaceutical for COVID-19 Items | 5,000,000 | 5,000,000 |
| | Purchase of office furniture and fittings | 2,213,124 | - |
| | Other Operating Expenses for COVID-19 centres and Operations | 12,000,000 | 12,000,000 |
| 3 | The grant from the National Government for allowances for Frontline Health Care Workers | 106,635,000 | 106,635,000 |
| 4 | DANIDA Grant for COVID 19 in FY 2019/2020 | 10,430,000 | 10,430,000 |
| 5 | Aggregate Own Source | 361,570,918 | 175,342,717 |
| 6 | 4.(a) Health services | 331,570,918 | 146,675,717 |
| | 4.(b) Agriculture- Supply and delivery of food stuff | 30,000,000 | 28,667,000 |
| | Total | 664,127,918 | 385,335,877 |

Source: Kiambu County Treasury

3.14.9 Development Expenditure

The County incurred expenditure of Kshs.2.02 billion on development programmes, which represented a decrease of 3.8 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.2.10 billion. Table 3.72 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.72: Kiambu County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|--------------------|-----------------------|------------------------------------|---------------------|
| 1 | Procurement of coffee rehabilitation fertilizer. | All Wards | 30,000,000 | 50,892,210 | 169.6 |
| 2 | Improvement to bituminous standards of Kimbo Matangini road | Ruiru | 35,596,502 | 35,596,502 | 100.0 |
| 3 | Supply and delivery of motor grader | Kiambu | 31,350,000 | 31,350,000 | 100.0 |
| 4 | Installation of access culverts in Kahawa Wendani ward Ruiru sub county | Ruiru | 30,000,000 | 30,000,000 | 100 |
| 5 | Payment of rural electrification and renewable energy projects | Ruiru | 30,000,000 | 30,000,000 | 100 |
| 6 | Procurement of Maize and Bean seed for short rains additional for the long rains | | 37,000,000 | 29,275,800 | 79.1 |
| 7 | Supply and delivery of motor grader | Kiambu | 28,785,000 | 28,785,000 | 100 |
| 8 | Construction of Juja sub county offices | Juja | 49,459,500 | 19,202,254 | 38.8 |
| 9 | Proposed construction of office at Red Nova Kiambu | Kiambu, Red Nova | 60,000,000 | 19,095,286 | 31.8 |
| 10 | Suply of Tigoni-Gachororo 10km 4" water HDPE pipes | Kiambaa sub county | 19,916,460 | 17,773,783 | 89.2 |
| | Total | | 352,107,462 | 291,970,835 | 82.9 |

Source: Kiambu County Treasury

3.14.10 Budget Performance by Department

Table 3.73 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.73: Kiambu County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|-----------------|-------------------------------------|--------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 1,232.68 | 77.20 | 658.99 | 6.78 | 658.99 | 6.78 | 100.0 | 100.0 | 53.5 | 8.8 |
| County Executive | 388.36 | - | 226.54 | - | 273.48 | - | 120.7 | - | 70.4 | - |
| County Public Service Board | 78.96 | - | 46.23 | - | 32.26 | - | 69.8 | - | 40.9 | - |
| Finance, Economic Planning and ICT | 1,487.55 | 375.74 | 762.78 | 65.86 | 927.65 | 50.00 | 121.6 | 75.9 | 62.4 | 13.3 |
| Administration, Public Service & Communication | 662.04 | 50.00 | 484.17 | 4.75 | 550.17 | 31.52 | 113.6 | 663.1 | 83.1 | 63.0 |
| Agriculture, Crop Production and Irrigation | 515.80 | 513.28 | 308.53 | 122.79 | 342.48 | 329.05 | 111.0 | 268.0 | 66.4 | 64.1 |
| Water, Energy, Environment and Natural Resources | 340.37 | 246.94 | 231.14 | 80.86 | 236.57 | 81.10 | 102.3 | 100.3 | 69.5 | 32.8 |
| Health Services | 5,055.33 | 927.26 | 3,192.09 | 306.20 | 3,914.63 | 287.24 | 122.6 | 93.8 | 77.4 | 31.0 |
| Education, Youth, Sports, Culture and Social Services | 933.80 | 161.98 | 485.76 | 39.89 | 651.06 | 11.91 | 134.0 | 29.9 | 69.7 | 7.4 |
| Youth and Sports | 140.12 | 109.50 | 92.66 | - | 57.69 | - | 62.3 | - | 41.2 | 0.0 |
| Lands, Physical Planning and Housing | 214.82 | 2,022.46 | 146.01 | 562.47 | 88.72 | 568.70 | 60.8 | 101.1 | 41.3 | 28.1 |
| Trade, Tourism, Industry and Co-operative | 143.89 | 300.00 | 92.29 | 17.28 | 74.36 | 32.31 | 80.6 | 187.0 | 51.7 | 10.8 |
| Roads, Transport and Public Works | 413.28 | 1,503.37 | 298.37 | 537.71 | 294.92 | 618.39 | 98.8 | 115.0 | 71.4 | 41.1 |
| TOTAL | 11,606.99 | 6,287.73 | 7,025.55 | 1,744.59 | 8,102.96 | 2,017.00 | 115.3 | 115.6 | 69.8 | 32.1 |

Source: Kiambu County Treasury

Analysis of expenditure by department shows that the Department of Agriculture, Crop Production and Irrigation recorded the highest absorption rate of development budget at 64.1 per cent while the Department of Youth and Sports did not report any expenditure on development activities. The Department of Administration, Public Service & Communication had the highest percentage of recurrent expenditure to budget at 83.1 per cent while the County Public Service Board had the lowest at 40.9 per cent.

3.14.11 Budget Execution by Programmes and Sub-Programmes

Table 3.74 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.74: Kiambu County, Budget Execution by Programmes and Sub-Programmes

| Programme | Sub-Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|--|------------------------|------------------------|------------------|----------------|
| Agriculture, Crop Production and Irrigation | | | | | |
| 0101004060 Crop, Livestock and Fisheries Development and Management | General Administration and Support Services | 486,931,917 | 291,585,188 | 195,346,729 | 59.9 |
| | Livestock Resource Management and Development | 79,400,000 | 24,082,570 | 55,317,430 | 30.3 |
| | Fisheries Development | 17,000,000 | - | 17,000,000 | - |
| | Crop Production and Management | 445,744,352 | 355,863,274 | 89,881,078 | 79.8 |
| | | 1,029,076,269 | 671,531,032 | 357,545,237 | 65.3 |
| | Sub Total | 1,029,076,269 | 671,531,032 | 357,545,237 | 65.3 |
| Lands, Physical Planning and Housing | | | | | |
| 0102004060 Land Management and Physical Planning; & Housing Development | Planning & Housing Administration | 195,136,167 | 86,171,191 | 108,964,976 | 44.2 |
| | Housing Development | 58,000,000 | 19,095,286 | 38,904,714 | 32.9 |
| | Land Management and Physical Planning | 65,000,000 | 0 | 65,000,000 | 0.0 |
| | | 318,136,167 | 105,266,477 | 212,869,690 | 33.1 |
| 0105004060 Municipal Administration & Urban Development | Municipal Administration and Urban Development | 1,919,145,915 | 552,149,740 | 1,366,996,175 | 28.8 |
| | | 1,919,145,915 | 552,149,740 | 1,366,996,175 | 28.8 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|---|------------------------|------------------------|------------------|----------------|
| | Sub Total | 2,237,282,082 | 657,416,217 | 1,579,865,865 | 29.4 |
| Roads, Transport and Public Works | | | | | |
| 0201004060 Maintenance of Roads, Bridges, Land Transport, Construction & Maintenance | Construction of Road and Civil Works | 1,503,374,561 | 618,385,689 | 884,988,872 | 41.1 |
| | | 1,503,374,561 | 618,385,689 | 884,988,872 | 41.1 |
| 0202004060 Administration, planning & support | General Administration and Support Services | 413,275,910 | 294,918,824 | 118,357,086 | 71.4 |
| | | 413,275,910 | 294,918,824 | 118,357,086 | 71.4 |
| | Sub Total | 1,916,650,471 | 913,304,513 | 1,003,345,958 | 47.7 |
| Trade, Tourism, Industry and Co-operative | | | | | |
| 0301004060 Industrial, Investments, Tourism, Trade and Cooperative Development | General Administration and Support Services | 100,740,095 | 59,944,814 | 40,795,281 | 59.5 |
| | Trade, Industrial Development and Investments | 294,800,000 | 40,017,205 | 254,782,795 | 13.6 |
| | Tourism Development and Promotion | 3,000,000 | - | 3,000,000 | - |
| | Cooperative Development and Promotion | 38,344,930 | 6,716,856 | 31,628,074 | 17.5 |
| | Enterprise Development | 7,000,000 | - | 7,000,000 | 0.0 |
| | | | 443,885,025 | 106,678,875 | 337,206,150 |
| | Sub Total | 443,885,025 | 106,678,875 | 337,206,150 | 24.0 |
| Health Services | | | | | |
| 0401004060 Curative and preventive health care services | Health curative services | 1,641,450,485 | 690,842,846 | 950,607,639 | 42.1 |
| | | 1,641,450,485 | 690,842,846 | 950,607,639 | 42.1 |
| 0402004060 Administration, Planning and Support Services | General Administration and Support Services | 4,185,081,945 | 3,456,794,777 | 728,287,168 | 82.6 |
| | | 4,185,081,945 | 3,456,794,777 | 728,287,168 | 82.6 |
| 0403004060 Preventive Health Services | Community Health Services | 81,055,329 | 25,678,545 | 55,376,784 | 31.7 |
| | | 81,055,329 | 25,678,545 | 55,376,784 | 31.7 |
| 0405004060 County Pharmaceutical Services | Pharmaceutical and Non Pharmaceutical supplies | 75,000,000 | 28,549,212 | 46,450,788 | 38.1 |
| | | 75,000,000 | 28,549,212 | 46,450,788 | 38.1 |
| | Sub Total | 5,982,587,759 | 4,201,865,380 | 1,780,722,379 | 70.2 |
| Education, Youth, Sports, Culture and Social Services | | | | | |
| 0501004060 Pre-primary Education, Promotion of Culture; ICT and social Services | Pre primary education and youth polytechnics services | 368,869,558 | 132,670,359 | 236,199,199 | 36.0 |
| | Vocational Training centres | 23,000,000 | 10,865,300 | 12,134,700 | 47.2 |
| | | 391,869,558 | 143,535,659 | 248,333,899 | 36.6 |
| 0502004060 General Administration and Support Services | General Administration and support Services | 679,911,538 | 518,553,679 | 161,357,859 | 76.3 |
| | | 679,911,538 | 518,553,679 | 161,357,859 | 76.3 |
| 0504004060 Culture Gender and Social Service Development | Culture, Gender & Social Services | 24,000,000 | 878,700 | 23,121,300 | 3.7 |
| | | 24,000,000 | 878,700 | 23,121,300 | 3.7 |
| | Sub Total | 1,095,781,096 | 662,968,038 | 432,813,058 | 60.5 |
| County Assembly | | | | | |
| General Administration and support services | General Administration and support services | 481,493,255 | 175,524,488 | 305,968,767 | 36.5 |
| | | 481,493,255 | 175,524,488 | 305,968,767 | 36.5 |
| Representation services | Representation services | 178,073,111 | 94,940,729 | 83,132,382 | 53.3 |
| | | 178,073,111 | 94,940,729 | 83,132,382 | 53.3 |
| 0701004060 Legislation and Oversight of County Government | Legislation and Oversight services | 650,312,178 | 395,299,926 | 255,012,252 | 60.8 |
| | | 650,312,178 | 395,299,926 | 255,012,252 | 60.8 |
| | Sub Total | 1,309,878,544 | 665,765,143 | 644,113,401 | 50.8 |
| County Executive | | | | | |
| 0702004060 Leadership and Co-ord of County Administration and Departments | General Administration and support services | 326,651,105 | 238,797,567 | 87,853,538 | 73.1 |
| | Representation Services | 61,710,000 | 34,684,238 | 27,025,762 | 56.2 |
| | | 388,361,105 | 273,481,805 | 114,879,300 | 70.4 |
| | Sub Total | 388,361,105 | 273,481,805 | 114,879,300 | 70.4 |
| County Public Service Board | | | | | |
| | General Administration and support services | | | | |
| 0703004060 Leadership and Admin of HR management and development in County Public Service | Human Resource development and management services | 78,962,096 | 32,256,981 | 46,705,115 | 40.9 |
| | | 78,962,096 | 32,256,981 | 46,705,115 | 40.9 |
| | Sub Total | 78,962,096 | 32,256,981 | 46,705,115 | 40.9 |
| Finance and Economic Planning | | | | | |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|---|------------------------|------------------------|----------------------|----------------|
| 0704004060 Public Finance Management and Economic Policy and Strategy | General Administration and Support Services | 1,596,242,124 | 807,561,790 | 788,680,334 | 50.6 |
| | financial management services | 190,796,121 | 165,876,897 | 24,919,224 | 86.9 |
| | Economic planning services | 10,000,000 | 4,214,353 | 5,785,647 | 42.1 |
| | | 1,797,038,245 | 977,653,040 | 819,385,205 | 54.4 |
| 902004060 ICT Services | | 66,249,021 | - | 66,249,021 | 0.0 |
| | ICT Services | 66,249,021 | - | 66,249,021 | 0.0 |
| | Sub Total | 1,863,287,266 | 977,653,040 | 885,634,226 | 52.5 |
| Administration, and Public Service and Communication | | | | | |
| 0705004060 Admin & co-ord of county affairs, HR Dev, Management, Capacity Building | General administration and support services | 691,522,259 | 570,289,847 | 121,232,412 | 82.5 |
| | Human resource development and management | 5,000,000 | - | 5,000,000 | 0.0 |
| | | 696,522,259 | 570,289,847 | 126,232,412 | 81.9 |
| 0703004060 Leadership and Admin of HR mgmt. and dev in County Public Service | Leadership and Admin of HR mgmt. and dev in County Public Service | 15,521,529 | 11,397,864 | 4,123,665 | 73.4 |
| | | 15,521,529 | 11,397,864 | 4,123,665 | 73.4 |
| | Sub Total | 712,043,788 | 581,687,711 | 130,356,077 | 81.7 |
| Youth and Sports | | | | | |
| 0901004060 Promotion and development of sports; Youth services | General administration and support services | 223,920,000 | 51,305,249 | 172,614,751 | 22.9 |
| | | 223,920,000 | 51,305,249 | 172,614,751 | 22.9 |
| | | 25,695,300 | 6,383,325 | 19,311,975 | 24.8 |
| 902004060 ICT Services | ICT Services | 25,695,300 | 6,383,325 | 19,311,975 | 24.8 |
| | Sub Total | 249,615,300 | 57,688,574 | 191,926,726 | 23.1 |
| Water, Energy, Environment and Natural Resources | | | | | |
| 1001004060 Water Resources Management, Environment Protection and Conservation | Environmental management | 50,944,735 | 9,000,000 | 41,944,735 | 17.7 |
| | Water provision and management | 176,000,000 | 72,096,584 | 103,903,416 | 41.0 |
| | Natural resources conservation and Management | 15,000,000 | - | 15,000,000 | - |
| | Renewable Energy and Climate Change | 7,000,000 | 738,000 | 6,262,000 | 10.5 |
| | | 248,944,735 | 81,834,584 | 167,110,151 | 32.9 |
| 1002004060 General Administration Planning and Support Services | General Administration and Support Services | 338,371,300 | 235,828,533 | 102,542,767 | 69.7 |
| | | 338,371,300 | 235,828,533 | 102,542,767 | 69.7 |
| | Sub Total | 587,316,035 | 317,663,117 | 269,652,918 | 54.1 |
| Grand Total | | 17,894,726,836 | 10,119,960,426 | 7,774,766,410 | 56.6 |

Source: Kiambu County Treasury

Programmes with the highest levels of implementation based on absorption rates were: 0402004060 Administration, Planning and Support Services in the Department of Health services at 82.6 per cent, 0705004060 Admin & co-ord. of county affairs, HR Dev, Management, Capacity Building in the Department of Administration, and Public Service and Communication at 81.9 per cent, 0502004060 General Administration and Support Services in the Department of Education, Youth, Sports, Culture and Social Services at 76.3 per cent, and 0703004060 Leadership and Admin of HR management and development in the County Public Service in the Department of Administration, and Public Service and Communication at 73.4 per cent of budget allocation.

3.14.12 Variance Analysis of Budget against actual Expenditure

Recurrent Expenditure Budget: The analysis of annual recurrent budget and expenditure indicates that the Departments Agriculture, Crop Production and Irrigation, Trade, Tourism, Industry and Co-operative, and Roads, Transport and Public Works overspent their budget on various items as shown in Table 3.75.

Table 3.75: Kiambu County, Variance Analysis of Recurrent Budget and Expenditure

| Department | Expenditure Item | Approved Annual Budget Estimates (Kshs.) | Actual Expenditure (Kshs.) | Variance (Kshs.) | Variance (%) |
|---|--|--|----------------------------|------------------|--------------|
| A | B | C | D | E=C-D | F=E/C*100 |
| Agriculture, Crop Production and Irrigation | 2211007-Agricultural Materials, Supplies and Small Equipment | 0 | 50,892,210 | -50,892,210 | - |
| | 2210809-Board Allowance | 224,000 | 1,250,000 | -1,026,000 | -458.0 |
| | 2211102-Supplies and Accessories for Computers and Printers | 301,925 | 2,751,860 | -2,449,935 | -811.4 |
| | 2211204-Other Fuels (wood, charcoal, cooking gas etc) | 53,000 | 814,155 | -761,155 | -1436.1 |
| | 2211301-Bank Service Commission and Charges | 3,180 | 50,000 | -46,820 | -1472.3 |
| | 2210802-Boards, Committees, Conferences and Seminars | 700,000 | 2,672,676 | -1,972,676 | -281.8 |
| Trade, Tourism, Industry and Co-operative | 2210502-Publishing & Printing Services | 0 | 73,080 | -73,080 | - |
| Roads, Transport and Public Works | 2210402-Accommodation | 0 | 300,000 | -300,000 | - |

Source: Kiambu County Treasury

3.14.13 Development Budget

The development budget and expenditure analysis indicate that the Department of Agriculture, Crop Production and Irrigation overspent on “other Infrastructure and Civil Works” as shown in Table 3.76.

Table 3.76: Kiambu County, Variance Analysis of Development Budget and Expenditure

| Department | Expenditure Item | Approved Annual Budget Estimates (Kshs.) | Actual Expenditure (Kshs.) | Variance (Kshs.) | Variance (%) |
|---|--|--|----------------------------|------------------|--------------|
| A | B | C | D | E=C-D | F=E/C*100 |
| Agriculture, Crop Production and Irrigation | 3110504-Other Infrastructure and Civil Works | 0 | 4,294,010 | -4,294,010 | - |
| | 3110599-Other Infrastructure and Civil Works | 0 | 3,598,020 | -3,598,020 | - |

Source: Kiambu County Treasury

3.14.14 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.2.02 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.6.29 billion. The development expenditure represented 32.1 per cent of the annual development budget.
2. A high wage bill, which accounted for 60.1 per cent of the total expenditure in the first nine months of FY 2020/21 thus constraining funding to other programmes.
3. Under-performance of own source revenue at Kshs.1.70 billion against an annual projection of Kshs.3.99 billion, representing 42.5 per cent of the annual target.
4. Use of revenue at source and weak budgeting practice by the County Treasury as shown in Table 3.73, Table 3.75 and Table 3.76 where the County incurred expenditure over approved exchequer issues and approved budget allocation.
5. High expenditure on local travel at Kshs.245.10 million, which was unexpected during the COVID-19 containment period due to travel restrictions and points to wasteful spending.

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County

Governments) Regulations, 2015.

3. The County should address its own source revenue performance to ensure the approved budget is fully financed.
4. The County Treasury should improve the Vote book and budgetary control to ensure that expenditure is within the approved budget. Further, all revenues should be banked in the CRF in line with Section 109 (2) of the PFM Act, 2012.
5. The County Treasury should review expenditure on travel and subsistence allowances to ensure it is credible and institute control measures to curtail further avoid wasteful spending.

3.15 County Government of Kilifi

3.15.1 Overview of FY 2020/21 Budget

The county's approved supplementary budget for FY 2020/21 is Kshs.14.61 billion, comprising Kshs.5.56 billion (38.1 per cent) and Kshs.9.05 billion (61.9 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the county expects to receive Kshs.10.44 billion (71.5 per cent) as the equitable share of revenue raised nationally, Kshs.2.38 billion (16.3 per cent) as total conditional grants, generate Kshs.1.15 billion (7. per cent) from own sources of revenue, and a cash balance of Kshs.629.45 million (4.3 per cent) from FY 2019/20.

3.15.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs5.17 billion as an equitable share of the revenue raised nationally, Kshs.1. billion as conditional grants, raised Kshs.663.74 million as own-source revenue, and had a cash balance of Kshs.629.44 million from FY 2019/20. The County also received Kshs.59.89 million as allocation for Frontline Health Workers. The total funds available for budget implementation during the period amounted to Kshs.7.52 billion, as shown in Table 3.77.

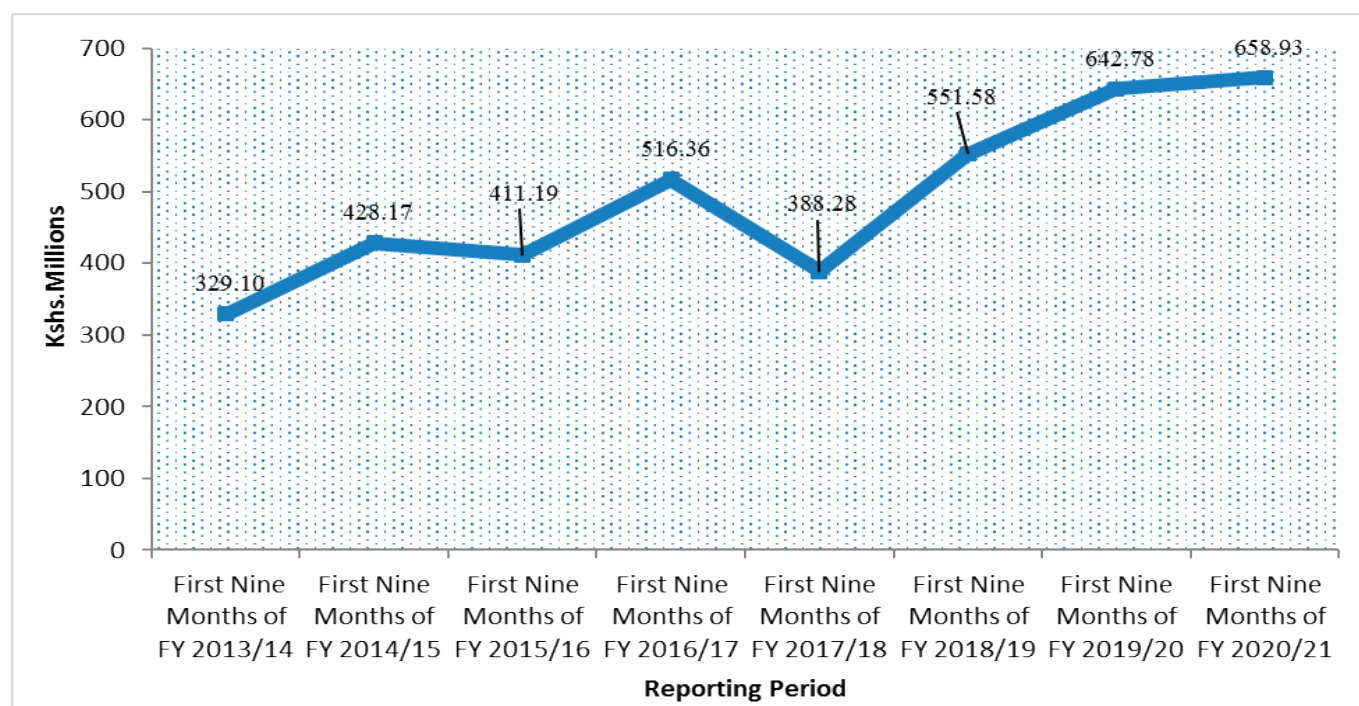
Table 3.77: Kilifi County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual Receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 10,602,750,000 | 10,602,750,000 | 5,170,027,500 | 48.76 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Compensation for User Fee Foregone | 25,969,864 | 25,969,864 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 316,014,398 | 316,014,398 | 158,007,200 | 25.0 |
| 4. | Rehabilitation of Village Polytechnics | 79,999,894 | 79,999,894 | 39,999,947 | |
| Sub Total | | 554,005,433 | 554,005,433 | 198,007,147 | 35.7 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 265,111,481 | 265,111,481 | 138,909,504 | - |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 198,440,766 | 198,440,766 | 165,318,533 | 35.8 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | 236,411,097 | - | 94,123,403 | - |
| 5. | DANIDA Grant | 29,700,000 | 29,700,000 | - | - |
| 6. | EU – Water Tower Protection and Climate Change Mitigation and Adaptation Programme (waTER) | 700,000,000 | 700,000,000 | 347,093,108 | 49.6 |
| 7. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Institutional Grants (UIG) | 14,982,463 | 14,982,463 | 12,272,362 | - |
| 8. | Kenya Urban Support Programme (KUSP)-Urban Institutional Grant | 8,800,000 | - | - | - |
| Sub Total | | 1,498,445,807 | 1,253,234,710 | 802,716,910 | 64.1 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 1,150,000,000 | 663,738,709 | 57.7 |
| 2. | Balance b/f from FY 2019/20 | - | 629,445,023 | 629,445,023 | 100 |
| 3. | COVID 19 health Workers | - | 59,895,000 | 59,895,000 | 100 |
| Sub Total | | - | 1,839,340,023 | 1,353,078,732 | 73.6 |
| Grand Total | | 12,655,201,240 | 14,605,415,229 | 7,523,830,288.50 | 51.5 |

Source: Kilifi County Treasury

Figure 3.27 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.27: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Kilifi County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.663.74 million as its own source revenue. This amount represented an increase of 2.5 per cent compared to Kshs.642.78 million realised during a similar period in FY 2019/20 and was 64.3 per cent of the annual target.

3.15.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.78 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.59 billion (23.5 per cent) for development programmes and Kshs.5.19 billion (76.5 per cent) for recurrent programmes.

3.15.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.5.37 billion on development and recurrent programmes. The expenditure represented 79.1 per cent of the total funds released by the COB and comprised of Kshs.966.39 million and Kshs.4.40 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 17.9 per cent while recurrent expenditure represented 48.7 per cent of the annual recurrent expenditure budget.

3.15.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.97 billion was spent on compensation to employees, Kshs.1.43 billion on operations and maintenance, and Kshs.966.39 million on development activities as shown in Table 3.78.

Table 3.78: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 9,047,416,164 | 5,193,538,309 | 4,403,917,055 | 48.7 |
| Compensation to Employees | 4,522,405,873 | 2,969,552,517 | 2,969,552,517 | 65.7 |
| Operations and Maintenance | 4,525,010,291 | 2,223,985,792 | 1,434,364,538 | 31.7 |
| Total Development Expenditure | 5,557,999,065 | 1,593,807,729 | 966,388,489 | 17.4 |
| Development Expenditure | 5,557,999,065 | 1,593,807,729 | 966,388,489 | 17.4 |
| Total | 14,605,415,229 | 6,787,346,038 | 5,370,305,544 | 36.8 |

Source: Kilifi County Treasury

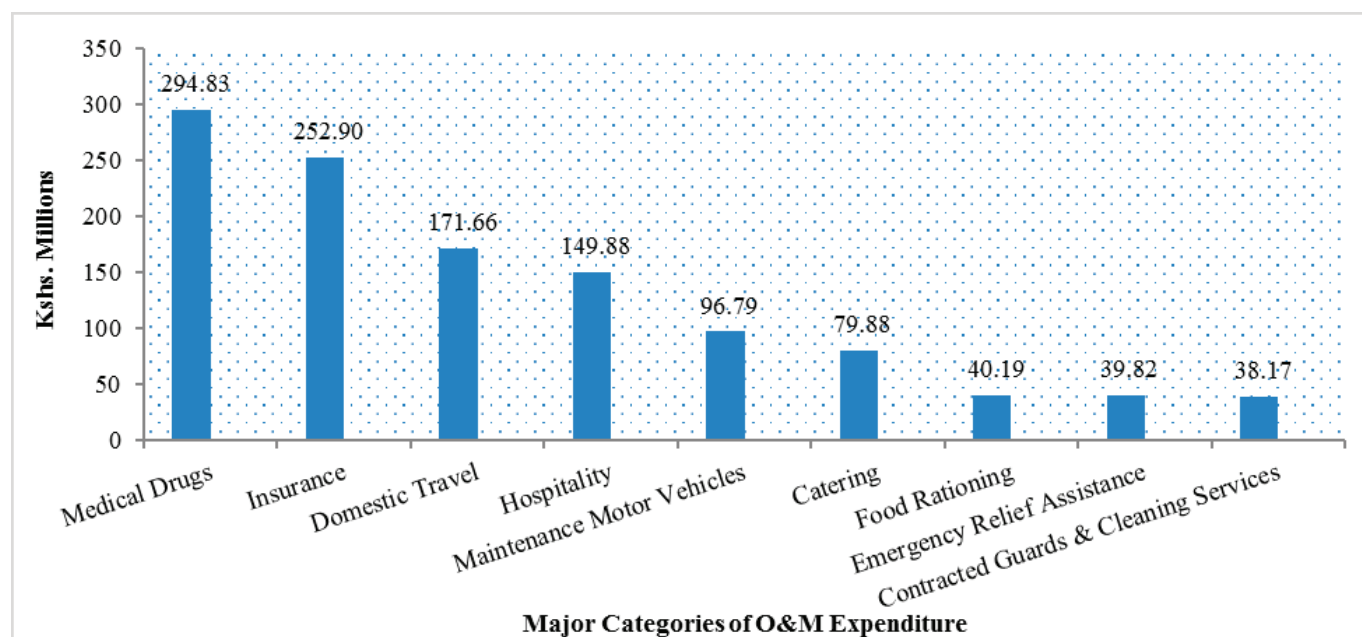
3.15.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 55.3 per cent of the total expenditure for the reporting period and 27.1 per cent of the first nine months proportional revenue estimate of Kshs.10.95 billion.

3.15.7 Expenditure on Operations and Maintenance

Figure 3.28 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.28: Kilifi County, Operations and Maintenance Expenditure by Major Categories



Source: Kilifi County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.20.34 million on committee sitting allowances for the 56 MCAs and Speaker against the annual budget allocation of Kshs.26.46 million. The average monthly sitting allowance was Kshs.40,362 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.171.66 million and comprised of Kshs.48.2 million spent by the County Assembly and Kshs.123.46 million by the County Executive. Expenditure on foreign travel amounted to Kshs.5.90 million and consisted of Kshs.4.82 million by the County Assembly and Kshs.1.08 million by the County Executive.

3.15.8 COVID-19 Expenditure

The County did not provide data on COVID-19 expenditure for the period under review.

3.15.9 Development Expenditure

The County incurred expenditure of Kshs.966.38 million on development programmes, which represented a decrease of 18.79 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.19 billion. Table 3.79 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.79: Kilifi County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Location | Budget (Kshs) | Expenditure (Kshs) | Absorption Rate (%) |
|-------|---|-----------|---------------|--------------------|---------------------|
| 1. | Roads Maintenance Levy Fund | All Wards | 316,014,398 | 153,792,649 | 48.7 |
| 2. | Water Sanitation Development Programme (WSDP) | All Wards | 700,000,000 | 347,093,108 | 49.6 |
| 3. | National Agricultural and Rural Inclusive Growth Project (NARIGP) | All Wards | 198,440,766 | 165,318,533 | 83.3 |
| 4. | Micro finance programme (mbegu fund) | All Wards | 105,000,000 | 52,500,000 | 50.0 |
| 5. | Kilifi County Health Complex (phase II) | Kilifi | 207,626,466 | 40,885,219 | 19.7 |

| S/No. | Project Name | Location | Budget (Kshs) | Expenditure (Kshs) | Absorption Rate (%) |
|-------|--|----------|---------------|--------------------|---------------------|
| 6. | Construction of Mtwapa Market Loading Bay | Mtwapa | 40,000,000 | 36,937,302 | 92.3 |
| 7. | Proposed upgrading to paved standard of Malindi township road to cabro (Price Variation) | Malindi | 28,234,516 | 8,000,000 | 28.3 |
| 8. | Upgrading to bitumen of A7 Gongoni to Sosoni Road (1km) | Gongoni | 13,507,763 | 3,455,502 | 25.6 |
| 9. | Completion of Shomela Majengo pipeline | Gongoni | 25,000,000 | 16,214,080 | 64.9 |

Source: Kilifi County Treasury

3.15.10 Budget Performance by Department

Table 3.80 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.80: Kilifi County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---------------------------------------|-----------------------------------|--------------|----------------------------------|--------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-----------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 818 | 119 | 557 | 46 | 556 | 46 | 99.8 | 100.0 | 68 | 38 |
| Office of the Governor | 322 | - | 214 | - | 113 | - | 52.7 | - | 40 | - |
| County Attorney | 84 | - | - | - | 21 | - | - | - | 24 | - |
| Finance | 678 | 40 | 432 | 2 | 232 | 2 | 53. | 92.0 | 36 | 3 |
| Economic Planning | 118 | | - | | 25 | - | - | - | 29 | - |
| Agriculture | 378 | 297 | 202 | 228 | 182 | 211 | 90.1 | 92.4 | 50 | 56 |
| Livestock | 52 | 99 | 6 | 25 | 22 | 27 | 350.2 | 109.3 | 42 | 17 |
| Fisheries | 43 | 59 | 2 | 29 | 23 | 45 | 1352.0 | 152.9 | 45 | 44 |
| Water and Sanitation | 187 | 1,129 | 186 | 546 | 137 | 142 | 73.7 | 26.0 | 71 | 11 |
| Environment & Natural Resources | 116 | 53 | 45 | - | 76 | - | 169.5 | 0.0 | 64 | - |
| Education (Sports & Youth Affairs) | 1,036 | 472 | 482 | 104 | 570 | 94 | 118.2 | 90.5 | 56 | 14 |
| ICT | 82 | - | 30 | 251 | 4 | - | 12.6 | 0.0 | 5 | 0.0 |
| Medical Services | 2,987 | 886 | 1,924 | - | 1,543 | 3 | 80.2 | 0.0 | 57 | - |
| Public Health | 458 | 58 | 151 | - | 47 | | 31.0 | 0.0 | 9 | - |
| Roads & Public Works | 354 | 1,185 | 243 | 162 | 305 | 210 | 125.5 | 130.1 | 102 | 19 |
| Lands and energy | 188 | 317 | 70 | 43 | 37 | 39 | 53.3 | 91.4 | 25 | 12 |
| Physical Planning & Urban Development | 38 | 116 | 2 | 29 | 1 | 13 | 59.0 | 43.1 | 3 | 7 |
| Gender, Culture & Social Services | 172 | 92 | 40 | 11 | 38 | 19 | 94.2 | 180.6 | 29 | 11 |
| Trade And Tourism | 141 | 229 | 50 | 114 | 35 | 114 | 68.6 | 100.0 | 27 | 38 |
| Cooperatives Development | 14 | - | - | - | - | - | - | - | 2 | - |
| Public Service Board | 65 | - | 44 | - | 20 | - | 46.4 | - | 31 | - |
| Devolution & Public Service | 132 | 51 | 112 | 3 | - | - | 0.0 | - | 0.0 | - |
| Disaster Management | 524 | - | 379 | - | 386 | - | 101.8 | - | 99 | - |
| Kilifi Municipality | 25 | 97 | 13 | 2 | 15 | 2 | 122.9 | 0.0 | 62 | 0.0 |
| Malindi Municipality | 34 | 260 | 9 | - | 15 | - | 164.2 | - | 42 | - |
| Total | 9,047 | 5,558 | 5,194 | 1,594 | 4,403.9 | 966.39 | 84.8 | 60.6 | 49 | 17 |

Source: Kilifi County Treasury

Analysis of departments' expenditure shows that the department of Agriculture recorded the highest absorption rate of development budget at 56 per cent while the department of Devolution and public service did not report any expenditure on development activities. The department of Roads had the highest percentage of recurrent expenditure to budget at 102 per cent while the department of ICT had the lowest at 5 per cent.

3.15.11 Budget Execution by Programmes and Sub-Programmes

Table 3.81 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.81: Kilifi County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs) | Absorption (%) |
|---|--|------------------------|------------------------|-----------------|----------------|
| County Attorney | Administration Planning and Support Services | 90,000,000 | 21,318,635 | 68,681,365 | 23.7 |
| | Sub total | 90,000,000 | 21,318,635 | 68,681,365 | 23.7 |
| Agriculture | Administration, Planning and Support services | 547,264,356 | 342,873,941 | 204,390,415 | 62.7 |
| | Production Management | 54,063,600 | 19,872,044 | 34,191,556 | 36.8 |
| | Agribusiness and Information Management | 61,653,432 | 25,136,953 | 36,516,479 | 40.8 |
| | Irrigation and Drainage Infrastructure | 75,194,574 | 4,777,797 | 70,416,777 | 6.4 |
| | Sub total | 738,175,962 | 392,660,735 | 345,515,227 | 53.2 |
| Devolution, Public service and Disaster management | General Administration Planning and Support services | 5,450,000 | | 5,450,000 | - |
| | Devolution | 598,839,152 | 386,121,238 | 212,717,914 | 64.5 |
| | Emergency | 3,400,000 | | 3,400,000 | - |
| | Strategic Human Resource Management | 5,750,000 | - | #VALUE! | - |
| | Sub total | 613,439,152 | 386,121,238 | 227,317,914 | 62.9 |
| Education | General administration, planning and support services | 638,564,598 | 334,018,019 | 304,546,579 | 52.3 |
| | Early Childhood development education | 521,095,209 | 80,780,943 | 440,314,266 | 15.5 |
| | Education support services | 350,000,000 | 235,000,000 | 115,000,000 | 67.1 |
| | Vocation Education and training | 173,714,638 | 14,277,118 | 159,437,520 | 8.2 |
| | Sub total | 1,683,374,445 | 664,076,081 | 1,019,298,364 | 39.4 |
| Environment, Forestry, Natural Resources & Wildlife | Environment management and protection | 173,033,265 | 75,544,251 | 97,489,014 | 43.7 |
| | Sub total | 173,033,265 | 75,544,251 | 97,489,014 | 43.7 |
| Economic Planning | County Fiscal Planning | 66,910,250 | 23,241,371 | 43,668,879 | 34.7 |
| | Statistical Information services /Monitoring | 20,514,532 | 2,108,100 | 18,406,432 | 10.3 |
| | Sub total | 87,424,782 | 25,349,471 | 62,075,311 | 29 |
| Finance | Administration, Planning and Support Services | 577,494,892 | 203,126,789 | 374,368,103 | 35.2 |
| | Kenya devolution support programme | 22,500,000 | 20,764,360 | 1,735,640 | 92.3 |
| | Budget Formulation, Coordination and Management | 14,031,000 | 3,189,716 | 10,841,284 | 22.7 |
| | Audit Services | 3,065,000 | 1,489,702 | 1,575,298 | 48.6 |
| | Accounting Services | 5,812,500 | 1,817,228 | 3,995,272 | 31.3 |
| | Supply Chain Management Services | 4,650,000 | | 4,650,000 | - |
| | Development | 66,033,455 | 2,291,090 | 63,742,365 | 3.5 |
| | Resource Mobilisation/Debt Management | 11,835,260 | 1,817,228 | 10,018,032 | 15.4 |
| | Sub total | 705,422,107 | 234,496,113 | 470,925,994 | 33.2 |
| Gender | General Administration, Planning and Support Services | 70,092,915 | 33,651,061 | 36,441,854 | 48 |
| | Conservation of Culture | 9,700,000 | 305,700 | 9,394,300 | 3.2 |
| | Sports Development | 85,703,440 | 1,604,068 | 84,099,372 | 1.9 |
| | Gender Mainstreaming | 19,000,000 | 1,824,800 | 17,175,200 | 9.6 |
| | Betting control and licensing | 4,036,809 | 1,522,000 | 2,514,809 | 37.7 |
| | Social Development | 125,788,722 | 18,310,748 | 107,477,974 | 14.6 |
| | Sub total | 314,321,886 | 57,218,377 | 257,103,509 | 18.2 |
| Health | Curative and rehabilitative | 529,781,345 | 45,604,605 | 484,176,740 | 8.6 |
| | General Administration, Planning & Support Services | 2,728,128,585 | 1,589,757,981 | 1,138,370,604 | 58.3 |
| | Development | 1,187,744,033 | 3,110,134 | 1,184,633,899 | 0.3 |
| | Sub total | 4,445,653,963 | 1,638,472,720 | 2,807,181,243 | 36.9 |
| Lands & Energy | General Administration Planning and Support services | 310,338,666 | 36,707,111 | 273,631,555 | 11.8 |
| | Land policy and planning | 97,674,381 | 14,603,406 | 83,070,975 | 15 |
| | Alternative Energy Technologies | 78,404,074 | 24,689,405 | 53,714,669 | 31.5 |
| | Sub total | 486,417,121 | 75,999,922 | 410,417,199 | 15.6 |
| Livestock | Administration, Planning and Support services | 26,793,000 | 12,072,854 | 14,720,146 | 45.1 |
| | Livestock Production and Management | 73,515,001 | 4,770,549 | 68,744,452 | 6.5 |
| | Livestock Value Addition and Marketing | 56,864,834 | 16,691,579 | 40,173,255 | 29.4 |
| | Food Safety and Animal Products Development | 20,792,038 | 8,734,347 | 12,057,691 | 42 |
| | Livestock Disease Management and Control | 30,876,628 | 6,383,544 | 24,493,084 | 20.7 |
| | Sub total | 208,841,501 | 48,652,873 | 160,188,628 | 23.3 |
| Fisheries | Fisheries Policy and Capacity Development | 94,254,847 | 42,385,705 | 51,869,142 | 45 |
| | Assurance of Fish Safety, Value Addition and Marketing | 57,787,508 | 25,147,747 | 32,639,761 | 43.5 |
| | Sub total | 152,042,355 | 67,533,452 | 84,508,903 | 44.4 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs) | Absorption (%) |
|---------------------------------------|---|------------------------|------------------------|----------------------|----------------|
| Office of the Governor | Intergovernmental relations | 5,500,000 | 3,177,584 | 2,322,416 | 57.8 |
| | Administration, planning and support services | 274,895,858 | 109,417,766 | 165,478,092 | 39.8 |
| | Sub total | 280,395,858 | 112,595,350 | 167,800,508 | 40 |
| County Assembly | General administration | 817,588,616 | 556,000,002 | 261,588,614 | 68 |
| | Development | 118,500,000 | 45,604,606 | 72,895,394 | 38.5 |
| | Sub total | 936,088,616 | 556,000,002 | 380,088,614 | 59.4 |
| Public Works | General administration, planning and support services | 149,514,147 | 305,431,830 | -155,917,683 | 204.3 |
| | Road Transport | 1,263,777,408 | 210,457,017 | 1,053,320,391 | 16.7 |
| | Sub total | 1,413,291,555 | 515,888,847 | 897,402,708 | 36.5 |
| Trade & Tourism | General Administration, Planning and Support services | 99,433,235 | 30,679,406 | 68,753,829 | 30.9 |
| | Trade Development and Promotion | 314,020,414 | 113,573,821 | 200,446,593 | 36.2 |
| | Co-operative Development and Promotion | 14,350,000 | 267,700 | 14,082,300 | 1.9 |
| | Tourism Development and Promotion | 19,490,000 | 4,099,177 | 15,390,823 | 21 |
| | Sub total | 447,293,649 | 148,620,104 | 298,673,545 | 33.2 |
| Public Service Board | General Administration, Planning and Support Services | 52,582,963 | 17,385,342 | 35,197,621 | 33.1 |
| | Coordination and Supervision | 2,922,200 | 278,600 | 2,643,600 | 9.5 |
| | Human Resource Development | 5,100,000 | 1,581,365 | 3,518,635 | 31 |
| | Performance Management | 4,553,038 | 1,152,532 | 3,400,506 | 25.3 |
| | Sub total | 65,158,201 | 20,397,839 | 44,760,362 | 31.3 |
| Kilifi Municipality | General Administration | 25,000,000 | 17,828,353 | 7,171,647 | 71.3 |
| | Sub total | 25,000,000 | 17,828,353 | 7,171,647 | 71.3 |
| Malindi Municipality | General Administration | 71,000,000 | 14,770,567 | 56,229,433 | 20.8 |
| | Sub total | 71,000,000 | 14,770,567 | 56,229,433 | 20.8 |
| Physical Planning & Urban Development | General Administration | 211,211,458 | 13,933,470 | 197,277,988 | 6.6 |
| | Sub total | 211,211,458 | 13,933,470 | 197,277,988 | 6.6 |
| ICT | General Administration | 81,855,754 | 3,847,300 | 78,008,454 | 4.7 |
| | Sub total | 81,855,754 | 3,847,300 | 78,008,454 | 4.7 |
| Water & Sanitation | General Administration, Planning and Support Services | 193,077,617 | 137,019,481 | 56,058,136 | 71 |
| | Water Resource management | 1,255,258,137 | 141,960,363 | 1,113,297,774 | 11.3 |
| | Sub total | 1,448,335,754 | 278,979,844 | 1,169,355,910 | 19.3 |
| Grand Total | | 14,605,415,229 | 5,370,305,543 | 9,307,471,841 | 36.6 |

Source: Kilifi County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Kenya Devolution support programme in the Finance Department at 92.3 per cent, Education Support Programme in the Education Department at 67.1 per cent, Devolution in the Department of Devolution at 64.5 per cent of budget allocation.

3.15.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 22nd April 2021, contrary to CoB instructions Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.
2. Low absorption of development funds as indicated by the expenditure of Kshs.966.39 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.5.55 billion. The development expenditure represented 17.9 per cent of the annual development budget.
3. Failure by Fund Administrators to submit financial and non-financial statements in line with Section 168 of the PFM Act, 2012. The OCoB did not receive quarterly financial reports for the Kilifi County Education Fund, and the Kilifi County Emergency Fund.

The County should implement the following recommendations to improve budget execution;

1. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.

2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.

3.16 County Government of Kirinyaga

3.16.1 Overview of FY 2020/21 Budget

The County's second approved supplementary budget for FY 2020/21 is Kshs.6.80 billion, comprising of Kshs.2.58 billion (38 per cent) and Kshs.4.2 billion (62 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.4.24 billion (62.4 per cent) as the equitable share of revenue raised nationally, Kshs.540.67 million (8 per cent) as total conditional grants, generate Kshs.405 million (6 per cent) from own sources of revenue, and a cash balance of Kshs.1.61 billion (23.7 per cent) from FY 2019/20.

3.16.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.2.10 billion as the equitable share of the revenue raised nationally, Kshs.237.07 million as conditional grants, raised Kshs.307.74 million as own-source revenue, and had a cash balance of Kshs.1.61 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.4.25 billion as shown in Table 3.82.

Table 3.82: Kirinyaga County, Revenue Performance in the First Nine Months of FY 2020/21

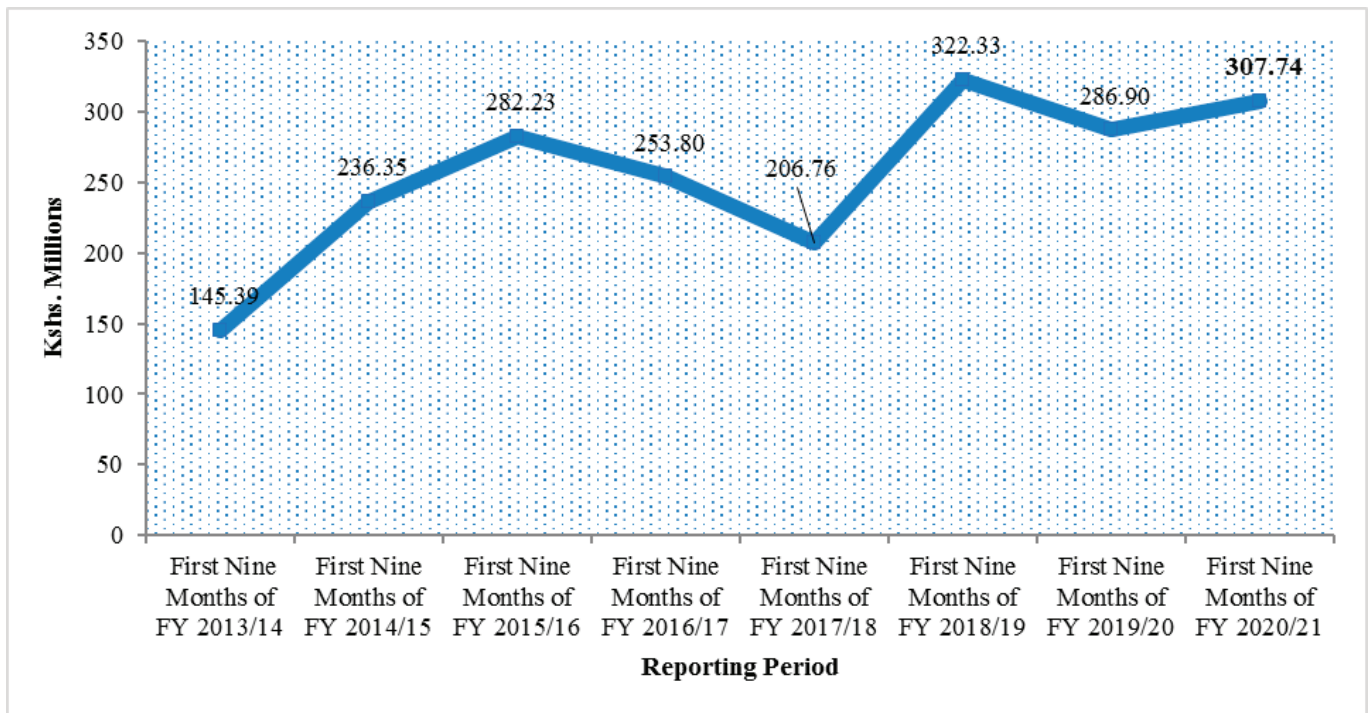
| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual Receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|------------------|---|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 4,241,100,000 | 4,241,100,000 | 2,099,344,500 | 49.5 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Compensation for User Fee Foregone | 11,282,570 | 11,282,570 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 127,349,086 | 127,349,086 | 79,418,716 | 62.4 |
| 4. | Rehabilitation of Village Polytechnics | 26,899,894 | 26,899,894 | 13,449,947 | 50.0 |
| Sub Total | | 297,552,827.00 | 165,531,550.00 | 92,868,663.15 | 56.1 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 26,720,000 | 26,720,000 | 12,767,407 | 47.8 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 199,748,243 | 199,748,243 | 49,242,534 | 24.7 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | - | 71,302,200 | 20,304,100 | 28.5 |
| 5. | DANIDA Grant | 12,060,000 | 12,060,000 | 6,030,000 | 50.0 |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 11,509,004 | 11,509,004 | 10,857,378 | 94.3 |
| 7. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Institutional Grants (UIG) | - | 8,800,000 | - | - |
| Sub Total | | 295,037,247 | 295,037,247 | 375,139,447 | 144,201,419 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 405,000,000 | 307,737,805 | 76.0 |
| 2. | Rolled over Funds | - | 809,996,082 | 809,996,082 | 100 |
| 3. | COVID-19 Emergency Response | - | 116,356,000 | 116,356,000 | 100 |
| 4. | Savings from Roads Maintenance Levy Fund for FY 2018-2019 | - | 24,400,000 | 24,400,000 | 100 |
| 5. | Delayed Exchequer Disbursement June 2020 | - | 364,734,600 | 364,734,600 | 100 |
| 6. | Additional Allocation Financed by Grant from Government of Denmark to Supplement Financing of County Health facilities (DANIDA) | - | 4,585,000 | 4,585,000 | 100 |
| 7. | IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP) Level 1 Grant (Roll-Over FY 2018/2019) | - | 41,078,830 | 41,078,830 | 100 |
| 8. | IDA (World Bank)-Kenya Devolution Support Programme Grant (KDSP) Level 1 Grant (Roll-Over FY 2019/2020) | - | 30,000,000 | 30,000,000 | 100 |
| 9. | IDA-(World Bank) Kenya Devolution Support Programme Grant (KDSP) Level 2 Grant | - | 146,608,512 | 146,608,512 | 100 |

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual Receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|---|--|------------------------------------|----------------------------|---|
| 10. | Receipt from National Government's Ministry of Health for allowances to be paid to frontline health care workers for COVID-19 | - | 43,740,000 | 43,740,000 | 100 |
| 11. | KRB Savings - for FY 2018/19 and FY 2019/20 | - | 27,335,647 | 27,335,647 | 100 |
| Sub Total | | - | 2,013,834,671 | 1,916,572,476 | 95.2 |
| Grand Total | | 4,833,690,074 | 6,795,605,668 | 4,252,987,058 | 62.6 |

Source: Kirinyaga County Treasury

Figure 3.29 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.29: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Kirinyaga County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.307.74 million as own-source revenue. This amount represented an increase of 6.8 per cent compared to Kshs.286.89 million realised during a similar period in FY 2019/20 and was 76 per cent of the annual target.

3.16.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.36 billion from the CRF account during the reporting period. The amount comprised of Kshs.562.78 million (16.7 per cent) for development programmes and Kshs.2.79 billion (83.3 per cent) for recurrent programmes.

3.16.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.36 billion on development and recurrent programmes. The expenditure represented 100 per cent of the total funds released by the COB and comprised of Kshs.562.78 million and Kshs.2.80 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 21.8 per cent while recurrent expenditure represented 66.5 per cent of the annual recurrent expenditure budget.

3.16.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.92 billion was spent on compensation to employees, Kshs.884.44 million on operations and maintenance, and Kshs.562.78 million on development activities as shown in Table 3.83.

Table 3.83: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 4,212,498,736 | 2,799,471,827 | 2,799,440,832 | 66.5 |
| Compensation to Employees | 2,562,402,244 | 1,915,003,980 | 1,915,003,980 | 74.7 |
| Operations and Maintenance | 1,650,096,492 | 884,467,847 | 884,436,852 | 53.6 |
| Total Development Expenditure | 2,583,106,932 | 562,782,417 | 562,782,417 | 21.8 |
| Development Expenditure | 2,583,106,932 | 562,782,417 | 562,782,417 | 21.8 |
| Total | 6,795,605,668 | 3,362,254,244 | 3,362,223,249 | 49.5 |

Source: Kirinyaga County Treasury

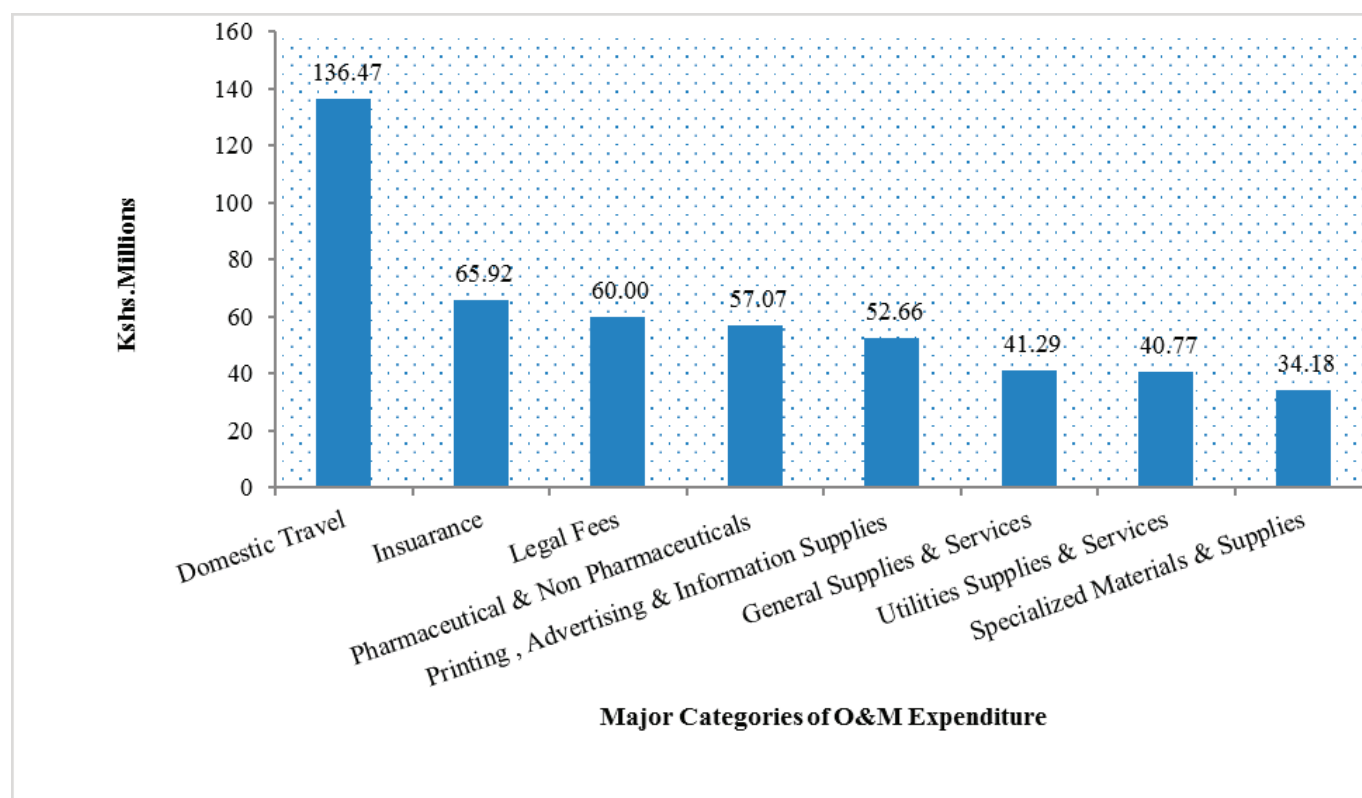
3.16.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 57 per cent of the total expenditure for the reporting period and 37.6 per cent of the first nine months proportional revenue estimate of Kshs.5.1 billion.

3.16.7 Expenditure on Operations and Maintenance

Figure 3.30 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.30: Kirinyaga County, Operations and Maintenance Expenditure by Major Categories



Source: Kirinyaga County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.25.69 million on committee sitting allowances for the 34 MCAs and Speaker against the annual budget allocation of Kshs.39.31 million. The average monthly sitting allowance was Kshs.83,955 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.136.47 million and comprised of Kshs.85.67 million spent by the County Assembly and Kshs.50.80 million by the County Executive. There was no expenditure on foreign travel during the reporting period.

3.16.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.164.68 million to cater for COVID-19 related expenditure. A total of Kshs.140.96 million was spent during the reporting period, as shown in Table 3.84.

Table 3.84: COVID-19 Budget and Expenditure Summary

| Description of Expenditure Category | Classification | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March 2021 (Kshs) |
|---|----------------|---------------------------------|--|
| National Government for COVID-19 Grant | Development | 116,356,000 | 92,640,402 |
| Allowances for Front Line Health Care Workers | Recurrent | 43,740,000 | 43,740,000 |
| DANIDA Grant for COVID | Recurrent | 4,585,000 | 4,585,000 |

Source: Kirinyaga County Treasury

3.16.9 Development Expenditure

The County incurred an expenditure of Kshs.562.78 million on development programmes, which represented a decrease of 9.6 per cent compared to a similar period in FY 2019/20 when the County spent Kshs. 616.99 million. Table 3.85 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.85: Kirinyaga County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|------------------------------|------------------------|------------------------------------|---------------------|
| 1 | Construction of Non-Residential Buildings (offices, schools, hospitals, etc) | Kerugoya | 254,637,442 | 168,081,232 | 66.0 |
| 2 | Other Current Transfers-Other | County Hqs | 116,356,000 | 116,356,000 | 100.0 |
| 3 | Access Roads | County Hqs | 127,349,086 | 63,674,543 | 50.0 |
| 4 | Upscaling poultry feeds production | Wezesha Kirinyaga Initiative | 47,000,000 | 26,054,710 | 55.4 |
| 5 | IDA- (World Bank) Credit National Agricultural and Rural Inclusive Growth Project (NARIGP) | County Hqs | 199,748,243 | 24,831,640 | 12.4 |
| 6 | IDA- (World Bank) Credit National Agricultural and Rural Inclusive Growth Project (NARIGP) | County Hqs | 244,686,978 | 24,410,893 | 10.0 |
| 7 | Project Management vehicles | County Assembly Hqs | 30,000,000 | 21,512,600 | 71.7 |
| 8 | Kenya Urban Support Programme | County Hqs | 71,302,200 | 20,304,100 | 28.5 |
| 9 | Supplies for Production | County Hqs | 16,916,271 | 16,916,271 | 100.0 |
| 10 | Construction of Non-Residential Buildings (offices, schools, hospitals, etc..) | Kerugoya | 19,528,578 | 13,843,637 | 70.9 |

Source: Kirinyaga County Treasury

3.16.10 Budget Performance by Department

Table 3.86 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.86: Kirinyaga County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Agriculture, Livestock and Fisheries | 235.70 | 546.60 | 176.14 | 92.21 | 176.11 | 92.21 | 100 | 100 | 74.7 | 16.9 |
| Cooperative Development Trade and Tourism | 42.84 | 40.14 | 34.77 | 5.38 | 34.77 | 5.38 | 100 | 100 | 81.2 | 13.4 |
| County Assembly | 637.39 | 432.86 | 420.39 | 21.51 | 420.39 | 21.51 | 100 | 100 | 66.0 | 5.0 |
| County Executive | 481.79 | 149.10 | 381.40 | - | 381.40 | - | 100 | - | 79.2 | - |
| Education | 246.04 | 54.04 | 204.75 | 13.45 | 204.75 | 13.45 | 100 | 100 | 83.2 | 24.9 |
| Environment and Natural Resources | 102.59 | 80.85 | 72.63 | 3.38 | 72.63 | 3.38 | 100 | 100 | 70.8 | 4.2 |
| Finance and Economic Planning | 572.62 | 152.67 | 270.41 | 5.98 | 270.41 | 5.98 | 100 | 100 | 47.2 | 3.9 |
| Gender and Youth | 46.17 | 11.36 | 26.56 | 1.00 | 26.56 | 1.00 | 100 | 100 | 57.5 | 8.8 |
| Medical Services and Public Health | 1,711.90 | 556.05 | 1,129.36 | 306.88 | 1,129.36 | 306.88 | 100 | 100 | 66.0 | 55.2 |
| Physical Planning and Housing | 37.77 | 163.00 | 21.35 | 20.30 | 21.35 | 20.30 | 100 | 100 | 56.5 | 12.5 |
| Sports Culture and Social Services | 20.61 | 30.84 | 12.72 | 6.58 | 12.72 | 6.58 | 100 | 100 | 61.7 | 21.3 |
| Transport and Infrastructure | 77.08 | 365.60 | 48.99 | 86.10 | 48.99 | 86.10 | 100 | 100 | 63.6 | 23.5 |
| Total | 4,212.50 | 2,583.11 | 2,799.47 | 562.78 | 2,799.44 | 562.78 | 100 | 100 | 66.5 | 21.8 |

Source: Kirinyaga County Treasury

Analysis of expenditure by department shows that the Department of Medical Service and Public Health recorded the highest absorption rate of development budget at 55.2 per cent while the County Executive did not report any expenditure on development activities. The Department of Education had the highest percentage of recurrent expenditure to budget at 83.2 per cent, while the Department of Finance and Economic Planning had the lowest at 47.2 per cent.

3.16.11 Budget Execution by Programmes and Sub-Programmes

Table 3.87 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.87: Kirinyaga County, Budget Execution by Programmes and Sub-programmes

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|---|---|------------------------|------------------------|-----------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance | Absorption (%) |
| Legislation and Oversight | | 1,070,254,050 | 441,902,354.00 | 628,351,696 | 41.3 |
| Sub Total | | 1,070,254,050 | 441,902,354 | 628,351,696 | 41.3% |
| Office of the Governor and Deputy Governor | 070601 County Executive Services | 306,960,284 | 198,525,495.70 | 108,434,788 | 64.7 |
| County Executive Administration | 070701 County Executive Services | 149,097,638 | 54,679,206.50 | 94,418,432 | 36.7 |
| Management of County Affairs | 070801 Coordination of County Functions | 110,452,000 | 95,166,090.75 | 15,285,909 | 86.2 |
| County Executive Committee Affairs | 070901 Organization of County Business | 6,200,000 | 2,937,500.00 | 3,262,500 | 47.4 |
| County Public Service Board | 071001 Human Resource Management | 13,253,640 | 5,088,951.70 | 8,164,688 | 38.4 |
| Administrative Support Services | 020202 ICT Governance | 5,480,000 | 1,669,073.25 | 3,810,927 | 30.5 |
| | 020701 Government Buildings Services | 2,567,000 | 1,617,888.00 | 949,112 | 63.0 |
| | 070411 Audit Committee | 1,919,000 | 762,649.00 | 1,156,351 | 39.7 |
| | 070412 County Enforcement Activities | 4,185,000 | 3,326,070.00 | 858,930 | 79.5 |
| | 070413 ICT Infrastructure Development Management | 13,458,800 | 7,673,830.00 | 5,784,970 | 57.0 |
| | 070414 ICT Systems Development Management | 17,314,717 | 9,956,644.00 | 7,358,073 | 57.5 |
| Sub Total | | 630,888,079 | 381,403,399 | 249,484,680 | 60.5% |
| Public Finance Management | 070401 Finance Services | 673,940,776 | 240,261,824.75 | 433,678,951 | 35.7 |
| | 070402 Revenue Services | 24,364,008 | 17,407,671.25 | 6,956,337 | 71.4 |
| | 070404 Procurement and Supply Services | 6,446,500 | 6,168,579.95 | 277,920 | 95.7 |
| | 070405 Internal Audit Services | 1,318,200 | 823,048.75 | 495,151 | 62.4 |
| | 070408 Budget Formulation, Coordination and Management | 9,224,520 | 4,531,716.00 | 4,692,804 | 49.1 |
| | 070409 Accounting Services | 5,477,500 | 3,784,802.95 | 1,692,697 | 69.1 |
| County Planning and Economic Policy Management | 070501 Economic Planning Services | 4,516,246 | 3,416,245.10 | 1,100,001 | 75.6 |
| Sub Total | | 725,287,750.00 | 276,393,888.75 | 448,893,861.25 | 38.1% |
| Curative and Rehabilitative Services | 040301 Curative and Rehabilitative Services | 2,267,957,747 | 1,436,247,772.90 | 831,709,974 | 63.3 |
| Sub Total | | 2,267,957,747 | 1,436,247,773 | 831,709,974 | 63.3% |
| Basic Education | 050101 General Administration | 215,696,229 | 175,869,714.95 | 39,826,514 | 81.5 |
| | 050102 Free Pre- Primary Education | 2,770,000 | 1,492,900.00 | 1,277,100 | 53.9 |
| State Education Function Support | 050203 Tertiary Education | 54,038,344 | 13,449,947.00 | 40,588,397 | 24.9 |
| Technical and Vocational Training | 050301 Village Polytechnique | 27,578,394 | 27,385,284.00 | 193,110 | 99.3 |
| Sub Total | | 300,082,967 | 218,197,846 | 81,885,121 | 72.7% |
| Livestock Resource Management and Development | 010102 Livestock Extension and Capacity Building Services | 305,000 | 128,550.00 | 176,450 | 42.1 |
| | 010105 Livestock Production Management | 2,480,000 | 1,004,612.00 | 1,475,388 | 40.5 |
| | 010106 Livestock Disease Management & Control | 1,200,000 | 342,165.00 | 857,835 | 28.5 |
| Crop Development and Management | 010202 Agricultural Extension Services | 1,500,000 | 1,374,068.00 | 125,932 | 91.6 |
| | 010203 Agribusiness and Market Development | 320,000 | 106,425.00 | 213,575 | 33.3 |
| | 010206 Land and Crop Development | 1,331,000 | 401,208.00 | 929,792 | 30.1 |
| | 010207 Food Security Initiatives | 400,000 | 394,500.00 | 5,500 | 98.6 |
| Kamweti Agricultural Training Centre | Extension and Training | | | - | |

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|---|---|------------------------|------------------------|--------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance | Absorption (%) |
| Fisheries Development | 010402 Aquaculture Development | 200,000 | - | 200,000 | 0.0 |
| Policy Strategy and Management of Agriculture | 010801 Development of Agricultural Policy | 543,000 | 492,549.00 | 50,451 | 90.7 |
| | 011001 General Administration and Planning | 774,021,812 | 264,079,198.45 | 509,942,614 | 34.1 |
| Sub Total | | 782,300,812 | 268,323,275 | 513,977,537 | 34.3% |
| Culture | 090702 Social Welfare Services | 10,687,000 | 4,019,873.00 | 6,667,127 | 37.6 |
| | 091201 Gender Administration Services | 30,821,210 | 21,429,110.00 | 9,392,100 | 69.5 |
| | 091301 Gender and Social Development | 15,345,621 | 1,578,300.00 | 13,767,321 | 10.3 |
| Youth | 090901 Youth Development and Empowerment Services | 670,000 | 528,000.00 | 142,000 | 78.8 |
| Sub Total | | 57,523,831 | 27,555,283 | 29,968,548 | 47.9% |
| Sports | 090701 General Administration | 12,221,217 | 9,447,983.00 | 2,773,234 | 77.3 |
| | 090801 Development of Sports and Sports Facilities | 30,840,000 | 6,579,530.00 | 24,260,470 | 21.3 |
| | 091401 Management & Development of Sports and Sports Facilities | 825,000 | 254,000.00 | 571,000 | 30.8 |
| | 091601 Control & Campaign Against Drug & Substance Abuse | 1,549,000 | 1,549,000.00 | - | 100.0 |
| | 091701 Preservation & Promotion of Heritage and Culture | 248,800 | 82,600.00 | 166,200 | 33.2 |
| Children Services | 091101 Child Community Support Services | 5,764,000 | 1,383,562.00 | 4,380,438 | 24.0 |
| Sub Total | | 51,448,017 | 19,296,675 | 32,151,342 | 37.5% |
| Trade Development and Investment | 030401 General Administration and Planning | 37,773,441 | 33,476,246.00 | 4,297,195 | 88.6 |
| | 030103 Capacity Building for Traders and SME's | 1,527,000 | 155,000.00 | 1,372,000 | 10.2 |
| | 030104 promotion, Development & Growth of Trade | 354,000 | 329,400.00 | 24,600 | 93.1 |
| | 030105 Fair Trade Practises and Consumer Protection | 205,000 | 168,600.00 | 36,400 | 82.2 |
| Tourism Development and Marketing | 030302 Tourism promotion and Marketing | 195,500 | 90,000.00 | 105,500 | 46.0 |
| | 030304 International Tourism Promotion and Marketing | 310,000 | 64,000.25 | 246,000 | 20.6 |
| | 030305 Promotion of Industrial Development | 1,268,500 | 75,800.00 | 1,192,700 | 6.0 |
| | 030306 Provision of Industrial Training | 140,000 | 15,000.00 | 125,000 | 10.7 |
| Cooperative Development and Marketing | 030101 General Administration & Planning | 40,136,868 | 5,375,413.00 | 34,761,455 | 13.4 |
| | 030405 Cooperative Advisory and Extension Services | 295,000 | 62,500.00 | 232,500 | 21.2 |
| | 030406 Cooperative Education and Training | 542,000 | 228,400.00 | 313,600 | 42.1 |
| | 030407 Cooperative Governance and Accountability | 159,000 | 50,000.00 | 109,000 | 31.4 |
| Cooperative Audit Services | 030603 Inspections and Investigations for Cooperatives | 70,000 | 54,800.00 | 15,200 | 78.3 |
| Sub Total | | 82,976,309 | 40,145,159 | 42,831,150 | 48.4% |
| Water Supply Services | 090101 Water and Irrigation | 80,850,000 | 3,383,892.00 | 77,466,108 | 4.2 |
| Energy Programme | 090301 Energy Services | 405,000 | 318,440.00 | 86,560 | 78.6 |
| Cleaning and Waste Management | 090502 Environment Management and Protection | 675,800 | 598,800.00 | 77,000 | 88.6 |
| Nema | 090401 Waste Management Services | 101,508,439 | 71,715,330.00 | 29,793,109 | 70.6 |
| Sub Total | | 183,439,239 | 76,016,462 | 107,422,777 | 41.4% |
| Land and Physical Planning | 010601 General Administration and Planning | 35,333,028 | 20,262,705.00 | 15,070,323 | 57.3 |
| | 010604 County Spatial Planning | 1,510,000 | 556,300.00 | 953,700 | 36.8 |
| | 010605 Town Zoning and Mapping | 162,999,831 | 20,304,100.00 | 142,695,731 | 12.5 |
| | 010607 Survey and Mapping | 505,000 | 278,040.00 | 226,960 | 55.1 |
| Housing Development | 010701 Improvement and Development of Human Settlements | 420,000 | 249,000.00 | 171,000 | 59.3 |
| Sub Total | | 200,767,859 | 41,650,145 | 159,117,714 | 20.7% |
| Transport Management | 020301 General Administration and Planning | 61,571,285 | 39,888,872.00 | 21,682,413 | 64.8 |
| Disaster Management | 020401 Fire Fighting and Emergency Services | 4,507,000 | 625,863.00 | 3,881,137 | 13.9 |
| Roads Development Maintenance and Management | 020601 Construction and Maintenance of Roads and Bridges | 366,900,724 | 86,381,914.00 | 280,518,810 | 23.5 |

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|--|--|------------------------|------------------------|----------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance | Absorption (%) |
| Infrastructure Development, Maintenance and Management | 020801 Infrastructure Development Services | 9,700,000 | 8,194,340.00 | 1,505,660 | 84.5 |
| Sub Total | | 442,679,009 | 135,090,989 | 307,588,020 | 30.5 |
| Grand Total | | 6,795,605,669 | 3,362,223,249 | 3,433,382,420 | 49.5 |

Source: Kirinyaga County Treasury

Sub-Programmes with the highest levels of implementation based on absorption rates were: Control & Campaign against Drug and Substance Abuse in the Department of Sports, Culture and Social Services at 100 per cent, Village Polytechnique in the Department of Education at 99.3 per cent, Food Security Initiatives in the Department of Agriculture, Livestock and Fisheries at 98.6 per cent, and Procurement and Supply Services at 95.7 per cent of budget allocation.

3.16.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.562.78 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.2.58 billion. The development expenditure represented 21.8 per cent of the annual development budget.
2. A high wage bill, which accounted for 57 per cent of the total expenditure in the first nine months of FY 2020/21 thus constraining funding to other programmes.

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.

3.17 County Government of Kisii

3.17.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.12.66 billion, comprising Kshs.3.98 billion (31.4 per cent) and Kshs.8.68 billion (68.6 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the county expects to receive Kshs.7.82 billion (61.8 per cent) as the equitable share of revenue raised nationally, Kshs.1.60 billion (12.6 per cent) as total conditional grants, generate Kshs.650 million (5.1 per cent) from own sources of revenue, and a cash balance of Kshs.2.59 billion (20.5 per cent) from FY 2019/20.

3.17.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.4.52 billion as an equitable share of the revenue raised nationally, Kshs.740.69 million as conditional grants, raised Kshs.234.33 million as own-source revenue, and had a cash balance of Kshs.1.45 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.6.94 billion, as shown in Table 3.88.

Table 3.88: Kisii County, Revenue Performance in the First Nine Months of FY 2020/21

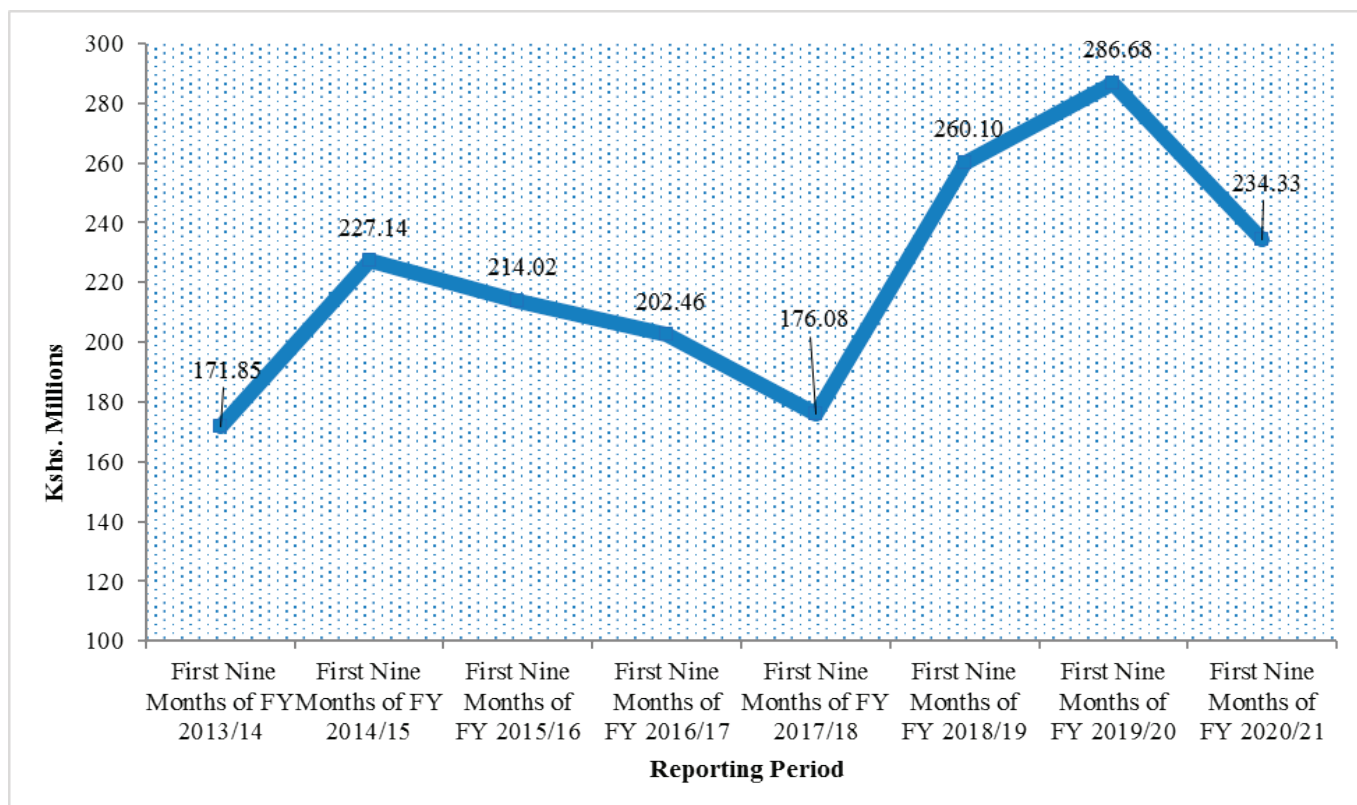
| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|-------|--|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 7,785,900,000 | 7,817,550,000 | 4,515,822,000 | 57.8 |
| B. | Conditional Grants from the National Government | | | | |
| 1 | Compensation for User Fee Foregone | 26,138,997 | 26,138,997 | - | - |
| 2 | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 3 | Road Maintenance Fuel Levy Fund | 233,001,661 | 233,001,661 | 116,500,830 | 50 |
| 4 | Rehabilitation of Village Polytechnics | 70,549,894 | 70,549,894 | 35,274,947 | 50 |
| 5 | Conditional Share for Kisii Level Five Hospital | 417,572,254 | 417,572,254 | 192,083,236 | 46 |

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|--|-------------------------------------|--|---|--|
| Sub Total | | 879,284,083 | 879,284,083 | 343,859,013 | 39.106703 |
| C | Loans and Grants from Development Partners | | | | |
| 1 | Transforming Health Systems for Universal care Project (WB) | 68,638,638 | 68,638,638 | 33,726,726 | 49.1 |
| 2 | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 198,615,016 | 198,615,016 | 195,245,299 | 98.3 |
| 3 | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4 | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 11 Grant | - | 128,507,146 | - | - |
| 5 | IDA (WB) Credit: Kenya Urban Support Project (KUSP) – Urban Development Grants (UDG) | - | 117,337,642 | - | - |
| 6 | DANIDA Grant | 22,140,000 | 22,140,000 | 11,070,000 | 50 |
| 7 | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 14,185,102 | 14,185,102 | 11,488,424 | 81 |
| 8 | EU Grant (Instruments for Devolution Advice and Support IDEAS) | 16,140,145 | 16,140,145 | 16,140,145 | 100 |
| 9 | COVID 19 Conditional Grant | - | - | - | - |
| 10 | Conditional Grant- Frontline Health workers Top-up Allowances | - | 84,165,000 | 84,165,000 | 100 |
| 11 | Aquaculture Business Development Programme (IFAD) | - | 23,700,000 | - | - |
| Sub Total | | 364,718,901 | 718,428,689 | 396,835,594 | 55.2 |
| D | Other Sources of Revenue | | | | |
| 1 | Own Source Revenue | - | 650,000,000 | 234,325,860 | 36.1 |
| 2 | Balance b/f from FY 2019/20 | - | 2,590,952,010 | 1,452,936,079 | 56.1 |
| Sub Total | | | 3,240,952,010 | 1,687,261,939 | 52.1 |
| Grand Total | | | 12,656,214,782 | 6,943,778,546 | 54.9 |

Source: Kisii County Treasury

Figure 3.31 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.31: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Kisii County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.234.33 million as its own source revenue. This amount represented a decrease of 18.3 per cent compared to Kshs.286.68 million realised during a similar period in FY 2019/20 and was 36.1 per cent of the annual target.

3.17.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.77 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.05 billion (18.2 per cent) for development programmes and Kshs.4.72 billion (81.8 per cent) for recurrent programmes.

3.17.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.5.86 billion on development and recurrent programmes. The expenditure represented 101.5 per cent of the total funds released by the COB and comprised of Kshs.1.24 billion and Kshs.4.62 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 31.2 per cent while recurrent expenditure represented 53.2 per cent of the annual recurrent expenditure budget.

3.17.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.3.71 billion was spent on compensation to employees, Kshs.907.70 million on operations and maintenance, and Kshs.1.24 billion on development activities as shown in Table 3.89.

Table 3.89: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 8,680,123,767 | 4,724,760,497 | 4,615,988,600 | 53.2 |
| Compensation to Employees | 5,853,638,238 | 3,727,102,743 | 3,708,288,962 | 63.4 |
| Operations and Maintenance | 2,826,485,529 | 997,657,754 | 907,699,638 | 32.1 |
| Total Development Expenditure | 3,976,091,015 | 1,048,034,553 | 1,241,121,109 | 31.2 |
| Development Expenditure | 3,976,091,015 | 1,048,034,553 | 1,241,121,109 | 31.2 |
| Total | 12,656,214,782 | 5,772,795,050 | 5,857,109,709 | 46.3 |

Source: Kisii County Treasury

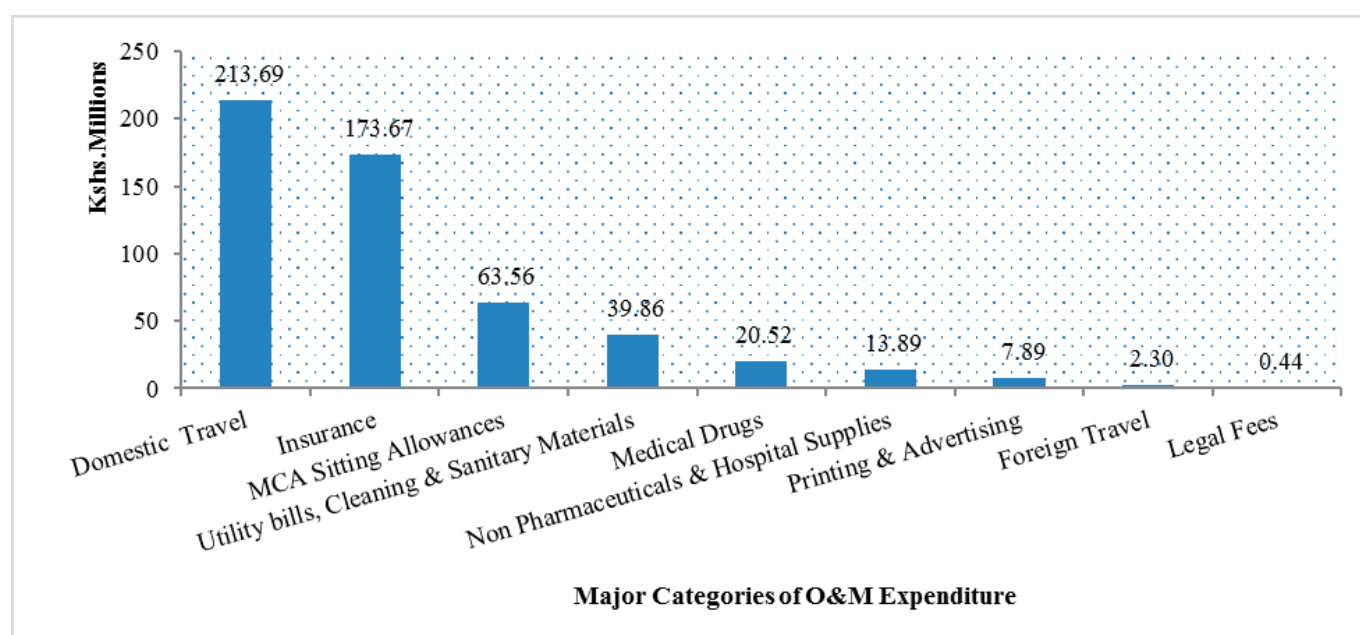
3.17.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 63.3 per cent of the total expenditure for the reporting period and 53.4 per cent of the first nine months proportional revenue estimate of Kshs.9.49 billion.

3.17.7 Expenditure on Operations and Maintenance

Figure 3.32 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.32: Kisii County, Operations and Maintenance Expenditure by Major Categories



Source: Kisii County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.63.56 million on committee sitting allowances for the 70 MCAs and Speaker against the annual budget allocation of Kshs.115.07 million. The average monthly sitting allowance was Kshs.99,473 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.213.69 million and comprised of Kshs.58.06 million spent by the County Assembly and Kshs.155.63 million by the County Executive. Expenditure on foreign travel amounted to Kshs.2.30 million and consisted of Kshs.1.20 million by the County Assembly and Kshs.1.11 million by the County Executive.

3.17.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs.156.87 million to cater for COVID-19 related expenditure. A total of Kshs.114.34 million was spent during the reporting period, as shown in Table 3.90.

Table 3.90: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March 2021 (Kshs) |
|--------------|---|---------------------------------|--|
| | Renovations and alteration to COVID 19 isolation and treatment Units at KTRH and Getembe dispensary | 26,575,450 | 26,381,787 |
| | Purchase of medical equipment for COVID 19 isolation and treatment units | 28,290,468 | 26,745,669 |
| | Purchase of PPEs and other medical supplies for COVID 19 | 89,506,581 | 56,211,673 |
| | Food ration for COVID 19 | 9,000,000 | 5,000,000 |
| | Training for Health Workers | 3,500,000 | - |
| Total | | 156,872,500 | 156,872,500 |

Source: Kisii County Treasury

3.17.9 Development Expenditure

The County incurred expenditure of Kshs.1.24 billion on development programmes, which represented a decrease of 21.8 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.59 billion. Table 3.91 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.91: Kisii County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|------------------------------------|------------------------|------------------------------------|---------------------|
| 1 | Proposed Construction of reproductive health unit | Kisii Teaching & Referral Hospital | 594,066,178 | 124,195,874 | 20.9 |

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|------------------------------------|------------------------|------------------------------------|---------------------|
| 2 | Proposed Construction of Doctors Plaza KTRH | Kisii Teaching & Referral Hospital | 146,117,995 | 11,879,340 | 8.1 |
| 3 | Repair, Maintenance and Reinstatement of Civil Works Within Kisii Municipality | Kisii Town | 9,147,833 | 8,550,000 | 93.5 |
| 4 | Supply and Fixing of carpet to main pavilion V.I.P rooms | Gusii Stadium | 8,400,000 | 8,067,000 | 96 |
| 5 | Repair and maintenance of Moneke- Magena- Keera –Sensi-Salamba- Embonga | Nyatieko/Sensi/Monyerero/Kegogi | 15,000,000 | 8,000,000 | 53.3 |
| 6 | Supply of V.I.P seats | Gusii Stadium | 7,300,000 | 6,732,460 | 92.2 |
| 7 | Supply and delivery of deep-frozen semen, liquid nitrogen and vials of xylazine | All 45 Wards | 6,499,100 | 6,499,100 | 100 |
| 8 | Construction of Toilet including water reticulation | Gusii Stadium | 6,459,000 | 6,459,000 | 100 |
| 9 | Construction of Abolition block and Cabro paving to KTRH | Kisii Teaching & Referral Hospital | 12,318,775 | 6,009,884 | 48.8 |
| 10 | Supply, Delivery, Installation, and Commissioning of 170 NO. Solar Lights | All 45 Wards | 54,898,600 | 5,000,000 | 9.1 |

Source: Kisii County Treasury

3.17.10 Budget Performance by Department

Table 3.92 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.92: Kisii County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|-----------------|-------------------------------------|--------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 992.53 | 180.55 | 565.84 | - | 565.62 | - | 100.0 | - | 57.0 | - |
| County Executive and Public Service Board | 465.69 | 20.00 | 231.17 | - | 222.35 | - | 96.2 | - | 47.7 | - |
| Administration and Stakeholder Management | 675.51 | 36.45 | 339.96 | 4.10 | 345.53 | 4.10 | 101.6 | 100.0 | 51.2 | 11.3 |
| Finance & Economic Planning | 1,124.48 | 70.00 | 667.17 | 18.12 | 641.96 | 18.12 | 96.2 | 100.0 | 57.1 | 25.9 |
| Agriculture and Co-operative development | 405.91 | 615.51 | 196.52 | 329.20 | 195.50 | 406.13 | 99.5 | 123.4 | 48.2 | 66.0 |
| Energy, Water, Environment And Natural Resources | 197.24 | 209.27 | 99.67 | 54.04 | 94.80 | 54.04 | 95.1 | 100.0 | 48.1 | 25.8 |
| Education, Youth Affairs & Social Development | 619.28 | 142.34 | 273.69 | 4.18 | 273.19 | 4.18 | 99.8 | 100.0 | 44.1 | 2.9 |
| County Health Services | 3,608.62 | 1,050.50 | 2,105.93 | 217.26 | 2,041.49 | 331.15 | 96.9 | 152.4 | 56.6 | 31.5 |
| Lands, Physical Planning and Urban Development | 89.51 | 92.38 | 41.21 | 8.85 | 38.65 | 8.85 | 93.8 | 100.0 | 43.2 | 9.6 |
| Roads, Public Works, Transport | 208.85 | 1,077.27 | 85.52 | 339.64 | 78.97 | 302.61 | 92.3 | 89.1 | 37.8 | 28.1 |
| Trade Development, Industry and Tourism | 87.59 | 114.15 | 41.54 | 5.78 | 40.53 | 5.78 | 97.6 | 100.0 | 46.3 | 5.1 |
| Culture and Social Services | 77.01 | 133.66 | 35.07 | 24.33 | 36.43 | 24.33 | 103.9 | 100.0 | 47.3 | 18.2 |
| Kisii town Urban Area | 127.91 | 234.00 | 41.47 | 19.11 | 40.96 | 81.83 | 98.8 | 428.2 | 32.0 | 35.0 |
| Total | 8,680.12 | 3,976.09 | 4,724.76 | 1,024.62 | 4,615.99 | 1,241.12 | 97.7 | 121.1 | 53.2 | 31.2 |

Source: Kisii County Treasury

Analysis of departments' expenditure shows that the Department of Agriculture and Co-operative development recorded the highest absorption rate of development budget at 66 per cent. The Department of Finance & Economic planning had the highest percentage of recurrent expenditure to budget at 57.1 per cent, while the Department of Kisii Town Urban Area had the lowest at 32.0 per cent.

3.17.11 Budget Execution by Programmes and Sub-Programmes

Table 3.93 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.93: Kisii County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Ksh) | Actual Payments (Ksh) | Variance | Absorption (%) |
|--|--|---|-----------------------|----------------------|----------------|
| County Assembly | Office of The Speaker | 18,090,000 | 2,780,698 | 15,309,302 | 15.4 |
| | Representation, Legislative and Oversight Services | 185,071,420 | 97,426,560 | 87,644,860 | 52.6 |
| | County Assembly Service Board | 969,920,620 | 465,412,602 | 504,508,018 | 48.0 |
| | Sub Total | 1,173,082,040 | 565,619,860 | 607,462,180 | 48.2 |
| County Executive | Administration, Planning and Support Services | 388,699,172 | 194,660,171 | 194,039,001 | 50.1 |
| | Office Of The County Secretary | 29,520,000 | 5,953,995 | 23,566,005 | 20.2 |
| | Legal Services | 14,500,000 | 3,297,771 | 11,202,229 | 22.7 |
| | Communication Services | 9,250,000 | 2,031,599 | 7,218,401 | 22.0 |
| | Special Programmes | 6,950,000 | 2,590,100 | 4,359,900 | 37.3 |
| | Public Private Partnership | 3,400,000 | 1,253,400 | 2,146,600 | 36.9 |
| | Advisory Services | 3,250,000 | 1,208,400 | 2,041,600 | 37.2 |
| | County Public Service Board | 30,120,200 | 11,357,150 | 18,763,050 | 37.7 |
| Sub Total | 485,689,372 | 222,352,586 | 263,336,786 | 45.8 | |
| Administration and Stakeholder management | Administration, Planning and Support Services | 579,211,277 | 311,362,172 | 267,849,105 | 53.8 |
| | Devolved Units Services | 45,144,044 | 7,973,819 | 37,170,225 | 17.7 |
| | Human Resource Development | 8,000,000 | 3,642,800 | 4,357,200 | 45.5 |
| | Enforcement Services | 12,800,000 | - | 12,800,000 | 0.0 |
| | Stakeholder Management | 14,925,000 | 6,102,400 | 8,822,600 | 40.9 |
| | Public Participation and Civic Education | 15,075,000 | 5,559,700 | 9,515,300 | 36.9 |
| | Disaster Management | 14,804,282 | 1,057,000 | 13,747,282 | 7.1 |
| | Fleet Management | 22,000,000 | - | 22,000,000 | 0.0 |
| | Sub Total | 711,959,603 | 335,697,891 | 376,261,712 | 47.2 |
| | Finance & Economic planning | Administration, Coordination and Support Services | 924,750,533 | 554,580,522 | 370,170,011 |
| Public Financial Management Services | | 77,075,000 | 29,390,154 | 47,684,846 | 38.1 |
| County Planning Services | | 192,656,938 | 76,107,303 | 116,549,635 | 39.5 |
| Sub Total | | 1,194,482,471 | 660,077,979 | 534,404,492 | 55.3 |
| Agriculture, Livestock, Veterinary & Fisheries | Administrative and Support Services | 315,066,818 | 272,227,998 | 42,838,820 | 86.4 |
| | Crop Development and Value Addition | 423,255,789 | 222,837,554 | 200,418,235 | 52.6 |
| | Livestock Development | 46,300,000 | 9,468,550 | 36,831,450 | 20.5 |
| | Veterinary Services | 175,500,000 | 91,933,097 | 83,566,903 | 52.4 |
| | Co-Operative Development and Management | 3,350,000 | 200,000 | 3,150,000 | 6.0 |
| | Fisheries Development | 48,050,000 | 4,961,400 | 43,088,600 | 10.3 |
| | Kisii Agricultural Training Center | 9,900,000 | - | 9,900,000 | 0.0 |
| | Sub Total | 1,021,422,607 | 601,628,599 | 419,794,008 | 58.9 |
| Energy, Environment and Natural Resources | Administration and Planning Services | 115,394,842 | 70,974,595 | 44,420,247 | 61.5 |
| | Water and Sanitation Services | 270,312,875 | 77,863,472 | 192,449,403 | 28.8 |
| | Environment Management | 17,000,000 | - | 17,000,000 | 0.0 |
| | Energy Services | 3,810,500 | - | 3,810,500 | 0.0 |
| | Sub Total | 406,518,217 | 148,838,067 | 257,680,150 | 36.6 |
| Education, Youth Affairs & Social Development | General Administration and Planning Services | 619,277,713 | 273,190,185 | 346,087,528 | 44.1 |
| | Early Childhood Development Education | 60,793,940 | 4,180,430 | 56,613,510 | 6.9 |
| | Vocational Training | 81,549,094 | - | 81,549,094 | 0.0 |
| | Sub Total | 761,620,747 | 277,370,615 | 484,250,132 | 36.4 |
| County Health Services | Medical Services | 4,567,670,274 | 2,372,643,189 | 2,195,027,085 | 51.9 |
| | Public Health | 91,450,000 | - | 91,450,000 | 0.0 |
| | Sub Total | 4,659,120,274 | 2,372,643,189 | 2,286,477,085 | 50.9 |

| Programme | Sub- Programme | Approved Budget (Ksh) | Actual Payments (Ksh) | Variance | Absorption (%) |
|---|---|-----------------------|-----------------------|--------------------|----------------|
| Lands, Physical Planning and Urban Development | Administration, Planning and Support Services | 70,507,240 | 34,667,489 | 35,839,751 | 49.2 |
| | Land Use Services | 54,800,000 | 7,832,786 | 46,967,214 | 14.3 |
| | Urban Development | 56,583,915 | 5,000,000 | 51,583,915 | 8.8 |
| | Sub Total | 181,891,155 | 47,500,275 | 134,390,880 | 26.1 |
| Roads, Public Works, Transport and Housing | General Administration and Planning Services | 125,540,000 | 66,023,708 | 59,516,292 | 52.6 |
| | Roads Development | 1,052,778,254 | 303,058,550 | 749,719,704 | 28.8 |
| | Public Works | 102,305,555 | 11,696,158 | 90,609,397 | 11.4 |
| | Housing Services | 5,500,000 | - | 5,500,000 | 0.0 |
| | Sub Total | 1,286,123,809 | 380,778,416 | 905,345,393 | 29.6 |
| Trade, Tourism, Cooperatives and Enterprise Development | Administration and Planning Services | 186,085,479 | 42,533,485 | 143,551,994 | 22.9 |
| | Tourism Development | 8,750,000 | 899,096 | 7,850,904 | 10.3 |
| | Weights and Measures | 1,700,000 | 983,500 | 716,500 | 57.9 |
| | Liquor Licensing | 1,200,000 | 450,000 | 750,000 | 37.5 |
| | Betting and Gaming | 4,000,000 | 1,445,276 | 2,554,724 | 36.1 |
| | Sub Total | 201,735,479 | 46,311,357 | 155,424,122 | 23.0 |
| Culture and Social Services | Administration and Planning Services | 59,206,460 | 33,384,595 | 25,821,865 | 56.4 |
| | Sports Development | 127,595,581 | 24,158,460 | 103,437,121 | 18.9 |
| | Cultural Services | 20,559,921 | 3,218,000 | 17,341,921 | 15.7 |
| | Social Development | 3,300,000 | - | 3,300,000 | 0.0 |
| | Sub Total | 210,661,962 | 60,761,055 | 149,900,907 | 28.8 |
| Kisii Municipality | General Administration, Planning and Support Services | 127,905,459 | 40,958,638 | 86,946,821 | 32.0 |
| | Infrastructure Development | 234,001,587 | 81,832,810 | 152,168,777 | 35.0 |
| | Sub Total | 361,907,046 | 122,791,448 | 239,115,598 | 33.9 |
| Grand Total | 12,656,214,782 | 5,559,257,696 | 7,096,957,086 | 43.9 | |

Source: Kisii County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Administrative and Support Services in the Department of Agriculture, Livestock Veterinary & Fisheries at 86.4 per cent, Administration and Planning Services in the Department of Energy, Environment and Natural Resources at 61.5 per cent, Administration, Coordination and Support Services in the Department of Finance and Economic Planning at 60.0 per cent, and Administration and Planning Services at 56.4 per cent of budget allocation.

3.17.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.1.24 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.3.98 billion. The development expenditure represented 31.2 per cent of the annual development budget.
2. A high wage bill, which accounted for 63.3 per cent of the total expenditure in the first nine months of FY 2020/21 thus constraining funding to other programmes.
3. The under-performance of own source revenue at Kshs. 234.33 million against an annual projection of Kshs.650 million, representing 36.1 per cent of the annual target.
4. High expenditure on local travel at Kshs.213.69 million, which was unexpected during the COVID-19 containment period due to travel restrictions and points to wasteful spending.

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.
3. The County should address its own source revenue performance to ensure the approved budget is fully financed.

4. The County Treasury should review expenditure on travel and subsistence allowances to ensure it is credible and institute control measures to curtail further avoid wasteful spending.

3.18 County Government of Kisumu

3.18.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.12.78 billion, comprising of Kshs.4.75 billion (37.2 per cent) and Kshs.8.03 billion (62.8 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.6.84 billion (53.5 per cent) as the equitable share of revenue raised nationally, Kshs.3.14 billion (24.6 per cent) as total conditional grants, generate Kshs.1.58 billion (12.4 per cent) from own sources of revenue, and a cash balance of Kshs.968.04 million (7.6 per cent) from FY 2019/20. The County also expects to receive Kshs.254.55 million (2.4 per cent) as "other revenues" not contained in the CARA, 2020. "Other revenues" consist of transfer from KDSP at Kshs.45 million and allocation for Youth Polytechnic at Kshs.22.67 million.

3.18.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.1.13 billion as equitable share of the revenue raised nationally, Kshs.294.30 million as conditional grants, raised Kshs.633.19 million as own-source revenue, and had a cash balance of Kshs.968.04 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.3.17 billion as shown in Table 3.94.

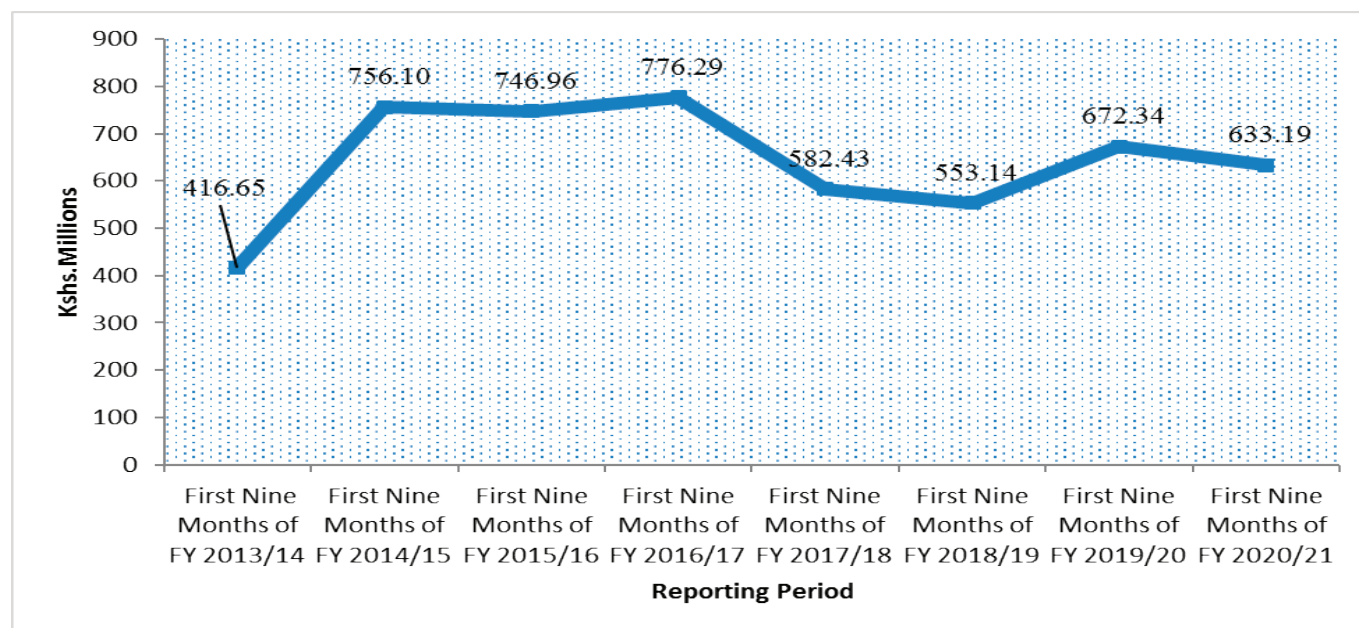
Table 3.94: Kisumu County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|---|--|------------------------------------|----------------------------|---|
| A | Equitable Share of Revenue Raised nationally | 6,836,400,000 | 6,838,321,494 | 1,128,006,000 | 16.5 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Conditional Grants to Level-5 Hospitals | 369,017,341 | 408,193,262 | 169,747,976 | 41.6 |
| 2. | Compensation for User Fee Foregone | 21,299,489 | 21,299,489 | - | - |
| 3. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 4. | Road Maintenance Fuel Levy Fund | 203,758,538 | 305,104,656 | 101,879,268 | 33.4 |
| 5. | Rehabilitation of Village Polytechnics | 45,349,894 | 70,323,192 | 22,674,947 | - |
| Sub Total | | 771,446,539 | 804,920,599 | 294,302,191 | 36.6 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 57,625,645 | 135,297,510 | 28,220,230 | 20.9 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 240,035,100 | 323,159,500 | - | - |
| 3. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) – Urban Development Grant (UDG) | - | 1,351,803,512 | - | - |
| 4. | DANIDA Grant | 19,440,000 | 19,440,000 | - | - |
| 5. | EU Grant (Instruments for Devolution Advise and Support IDEAS) | 15,626,168 | 87,814,812 | - | - |
| 6. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant | 45,000,000 | 75,545,790 | 45,000,000 | 59.6 |
| 7. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 13,186,151 | 20,407,439 | - | - |
| 8. | EU – Water Tower Protection and Climate Change Mitigation and Adaptation Programme (waTER) | 34,868,974 | 34,868,974 | - | - |
| 9. | COVID-fund | - | 278,220,000 | - | - |
| 10. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) – Urban Institutional Grants (UIG) | - | 8,800,000 | - | - |
| Sub Total | | 425,782,038 | 2,335,357,537 | 73,220,230 | 3.1 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 1,579,172,106 | 633,189,790 | 40.1 |
| 2. | Balance b/f from FY 2019/20 | - | 968,038,494 | 968,038,494 | 100.0 |
| 3. | Other Revenues | - | 254,545,521 | 73,220,230 | 28.8 |
| Sub Total | | - | 2,801,756,121 | 1,674,448,514 | 59.8 |
| Grand Total | | 8,033,628,577 | 12,780,355,751 | 3,169,976,935 | 24.8 |

Source: Kisumu County Treasury

Figure 3.33 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.33: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Kisumu County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.633.19 million as own-source revenue. This amount represented a decrease of 5.8 per cent compared to Kshs.672.19 million realised during a similar period in FY 2019/20 and was 40.1 per cent of the annual target.

3.18.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.2.23 billion from the CRF account during the reporting period. The amount comprised of Kshs.252.48 million (11.3 per cent) for development programmes and Kshs.1.98 billion (87.7 per cent) for recurrent programmes.

3.18.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs1.86 billion on development and recurrent programmes. The expenditure represented 75.2 per cent of the total funds released by the COB and comprised of Kshs.169.63 million and Kshs.1.69 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 3.6 per cent while recurrent expenditure represented 21.1 per cent of the annual recurrent expenditure budget.

3.18.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.02 billion was spent on compensation to employees, Kshs.679.71 million on operations and maintenance, and Kshs.169.63million on development activities, as shown in Table 3.95.

Table 3.95: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 8,025,436,366 | 1,976,087,042 | 1,694,910,460 | 21.1 |
| Compensation to Employees | 4,884,512,849 | 1,509,697,679 | 1,015,195,508 | 20.8 |
| Operations and Maintenance | 3,140,923,517 | 466,389,363 | 679,714,952 | 21.6 |
| Total Development Expenditure | 4,754,919,385 | 252,479,193 | 169,634,487 | 3.6 |
| Development Expenditure | 4,754,919,385 | 252,479,193 | 169,634,487 | 3.6 |
| Total | 12,780,355,751 | 2,228,566,235 | 1,864,544,948 | 14.6 |

Source: Kisumu County Treasury

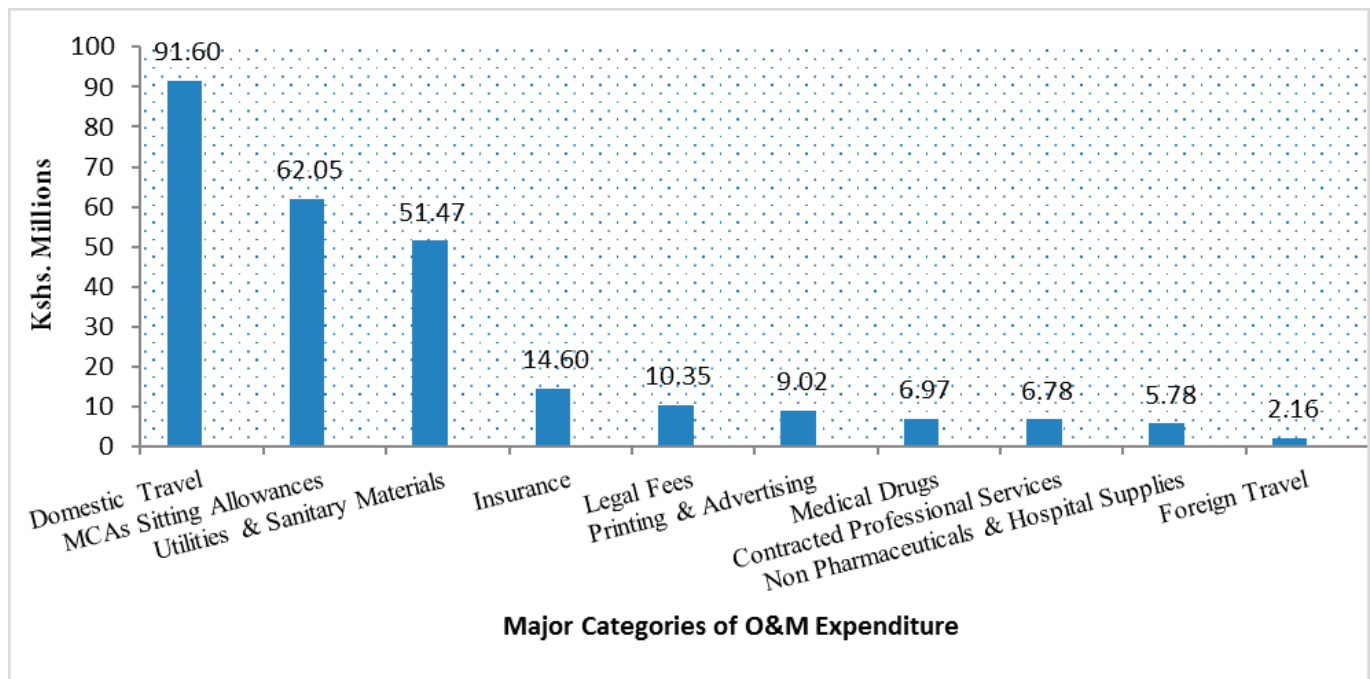
3.18.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 54.4 per cent of the total expenditure for the reporting period and 10.6 per cent of the first nine months proportional revenue estimate of Kshs.9.59 billion.

3.18.7 Expenditure on Operations and Maintenance

Figure 3.34 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.34: Kisumu County, Operations and Maintenance Expenditure by Major Categories



Source: Kisumu County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.62.05 million on committee sitting allowances for the 49 MCAs and Speaker against the annual budget allocation of Kshs.83.44 million. The average monthly sitting allowance was Kshs.93,125 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.91.64 million and comprised of Kshs.42.70 million spent by the County Assembly and Kshs.48.90 million by the County Executive. Expenditure on foreign travel amounted to Kshs.2.16 million paid by the County Assembly.

3.18.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.278.22 million to cater for COVID-19 related expenditure. A total of Kshs.217.40 million was spent during the reporting period, as shown in Table 3.96.

Table 3.96: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Expenditure as of 31st March 2021 (Kshs.) |
|------|--|---|
| 4. | Non-Conditional Grant-County Government of Kisumu | 50,000,000 |
| | Non-Conditional Grant -Donations from Well-Wishers | 2,601,445 |
| | Non-Conditional Grant- Credit Interests | 4,982,007 |
| | Conditional Grants-National Government | 159,820,000 |
| | Total | 217,403,452 |

Source: Kisumu County Treasury

3.18.9 Development Expenditure

The County incurred expenditure of Kshs.169.63 million on development programmes, which represented a decrease of 53.1 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.360.10 million. Table 3.97 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.97: Kisumu County, List of Development Projects with the Highest Expenditure

| No. | Project Name | Location | Budget (Kshs) | Expenditure (Kshs) | Absorption Rate (%) |
|-----|--|--------------------|---------------|--------------------|---------------------|
| 1 | Construction of DG's official residence | Milimani | 29,263,818 | 12,644,914 | 43.2 |
| 2 | Construction of modern market at Pap Onditi | Pap Onditi | 42,400,000 | 19,366,032 | 45.7 |
| 3 | Construction of modern market at Kombewa | Kombewa | 35,982,162 | 35,473,602 | 98.6 |
| 4 | Supply of 300 POS machines | Finance | 21,500,000 | 21,500,000 | 100 |
| 5 | Kisumu county valuation roll | Finance | 23,799,997 | 9,500,000 | 39.9 |
| 6 | Desilting 3.7 Km of Alwera stream | Special programmes | 4,001,300 | 4,001,300 | 100 |
| 7 | Construction of male ward at Ahero Sub - county hospital | Ahero | 3,999,448 | 3,999,448 | 100 |
| 8 | Construction of Wambuka - Kanalegioa road | Wambuka | 3,687,556 | 3,511,529 | 95.2 |
| 9 | Improvement of Odiyo - Wange'eo road | Odiyo | 3,497,748 | 3,497,748 | 100 |
| 10 | Construction of Rambra water project | Rambra | 2,414,180 | 2,414,180 | 100 |

Source: Kisumu County Treasury

3.18.10 Budget Performance by Department

Table 3.98 shows a summary of the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.98: Kisumu County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|--------------|----------------------------------|------------|-----------------------------|------------|-------------------------------------|-------------|---------------------|------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Agriculture, Livestock and Fisheries | 245.34 | 504.20 | 5.14 | 7.50 | 5.14 | 5.50 | 100.0 | 73.3 | 2.1 | 1.1 |
| Cooperative Development Trade and Tourism | 82.68 | 133.75 | 11.45 | - | 11.45 | - | 100.0 | - | 13.8 | - |
| County Assembly | 701.92 | 110.00 | 410.06 | 4.71 | 370.90 | 4.71 | 90.5 | 100.0 | 52.8 | 4.3 |
| Governance and Administration | 552.28 | 95.00 | 146.80 | - | 146.80 | - | 100.0 | - | 26.6 | - |
| Education, Human Resource Development & ICT | 544.55 | 361.57 | 153.25 | 22.67 | 153.25 | 23.54 | 100.0 | 103.8 | 28.1 | 6.5 |
| Water, Environment & Natural Resources | 106.61 | 378.37 | 107.32 | - | 107.32 | - | 100.0 | - | 100.7 | - |
| Finance and Economic Planning | 1,062.18 | 458.50 | 332.76 | 115.72 | 332.76 | 116.49 | 100.0 | 100.7 | 31.3 | 25.4 |
| Energy & industrialization | 48.77 | 131.65 | 0.56 | - | 0.56 | - | 100.0 | - | 1.1 | - |
| Health Services | 3,734.61 | 318.40 | 895.88 | - | 401.38 | - | 44.8 | - | 10.7 | - |
| Lands, Housing & Physical Planning | 81.34 | 127.00 | 6.76 | - | 6.76 | - | 100.0 | - | 8.3 | - |
| City of Kisumu | 390.62 | 1,457.10 | 91.50 | - | 91.50 | - | 100.0 | - | 23.4 | - |
| County Public Service Board | 76.78 | - | 4.18 | - | 4.18 | - | 100.0 | - | 5.4 | - |
| Business, Cooperatives & Marketing | 76.12 | 161.26 | 5.75 | - | 5.75 | - | 100.0 | - | 7.6 | - |
| Roads, Transport & Public Works | 321.64 | 518.10 | 57.66 | 101.88 | 57.66 | 19.40 | 100.0 | 19.0 | 17.9 | 3.7 |
| TOTAL | 8,025 | 4,755 | 2,229 | 252 | 1,695 | 170 | 76.1 | 67.2 | 21.1 | 3.6 |

Source: Kisumu County Treasury

Analysis of expenditure by the department shows that the Department of Finance and Economic Planning recorded the highest absorption rate of development budget at 25.4 per cent. The Department of Water had the highest percentage of recurrent expenditure to budget at 100.7 per cent while the Department of Energy had the lowest at 1.1 per cent.

3.18.11 Budget Execution by Programmes and Sub-Programmes

Table 3.99 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.99: Kisumu County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub Programme | Description | Approved Budget(K-shs) | Actual Payments(K-shs) | Variance(Kshs) | Absorption (%) |
|------------------|---------------|--|------------------------|------------------------|--------------------|----------------|
| 5060 | 0 | Default - Non Programmatic | - | - | - | |
| 101005060 | | General Administration and Planning Services | 1,175,792,815 | 373,900,518 | 801,892,297 | 31.8 |
| | 101015060 | Planning and Coordination Services | 383,340,651 | 219,030,672 | 164,309,979 | 57.1 |
| | 101025060 | Management of Human and Capital Resource | - | - | - | - |
| | 101035060 | Performance management | - | - | - | - |
| | 101045060 | Planning and administration | 792,452,164 | 154,869,846 | 637,582,318 | 19.5 |
| | 101055060 | Personnel Services | - | - | - | - |
| 102005060 | | County Survey Services | 2,520,000 | 387,955 | 2,132,045 | 15.4 |
| | 102015060 | County Survey | 2,520,000 | 387,955 | 2,132,045 | 15.4 |
| 103005060 | | Physical Planning & Housing | 3,180,000 | 703,980 | 2,476,020 | 22.1 |
| | 103015060 | Physical planning services | 1,530,000 | 453,105 | 1,076,895 | 29.6 |
| | 103025060 | county housing management | 1,650,000 | 250,875 | 1,399,125 | 15.2 |
| 104005060 | | Promotion of sustainable land use | 38,765,150 | 108,720 | 38,656,430 | 0.3 |
| | 104015060 | Promotion of Soil and Water Management | 8,585,150 | 28,720 | 8,556,430 | 0.3 |
| | 104025060 | Drought Mitigation and flood control | - | - | - | - |
| | 104035060 | Development of irrigation schemes | - | - | - | - |
| | 104045060 | Promotion of Mechanization | 30,180,000 | 80,000 | 30,100,000 | 0.3 |
| 105005060 | | Agriculture Productivity Improvement | 52,853,697 | 17,759,607 | 35,094,090 | 33.6 |
| | 105015060 | Management of Agriculture Advisory services | 33,187,938 | 15,253,588 | 17,934,350 | 46.0 |
| | 105025060 | Promotion of Crop production Value Chains | 500,000 | 184,000 | 316,000 | 36.8 |
| | 105035060 | Promotion of Livestock Production Value Chains | 683,500 | 510,500 | 173,000 | 74.7 |
| | 105045060 | Promotion of Fisheries Value Chains | - | - | - | - |
| | 105055060 | Management of Stations | 17,306,159 | 1,611,519 | 15,694,640 | 9.3 |
| | 105065060 | Promotion of Farm Forestry | - | - | - | - |
| | 105075060 | Development of Product Quality Assurance | 512,200 | 100,000 | 412,200 | 19.5 |
| | 105085060 | Agriculture Sector Planning and Management | 663,900 | 100,000 | 563,900 | 15.1 |
| 106005060 | | Agricultural Productivity Improvement | 7,647,500 | 3,196,200 | 4,451,300 | 41.8 |
| | 106015060 | Agriculture Credit Access | 7,547,500 | 3,196,200 | 4,351,300 | 42.3 |
| | 106025060 | Agriculture input Access | 100,000 | - | 100,000 | - |
| 107005060 | | Promotion of market access and products development | 1,456,700 | 258,750 | 1,197,950 | 17.8 |
| | 107015060 | Promotion of Agribusiness | 611,750 | 185,250 | 426,500 | 30.3 |
| | 107025060 | Promotion value addition | 844,950 | 73,500 | 771,450 | 8.7 |
| 108005060 | | Revenue Generation and Management | 25,649,231 | 15,507,381 | 10,141,850 | 60.5 |
| | 108015060 | Local Revenue Mobilization | 25,649,231 | 15,507,381 | 10,141,850 | 60.5 |
| 109005060 | | Urban Planning & Development Control | 225,554,417 | 77,179,000 | 148,375,417 | 34.2 |
| | 109015060 | Urban planning and development | 225,554,417 | 77,179,000 | 148,375,417 | 34.2 |
| 110005060 | | 0 Kisumu Urban Project | - | - | - | - |
| | 110015060 | Consultancy | - | - | - | - |
| | 110025060 | Works | - | - | - | - |
| | 110035060 | Supply | - | - | - | - |
| 201005060 | | County Roads and Public Works Management | 723,225,606 | 135,893,014 | 587,332,592 | 18.8 |

| Programme | Sub Programme | Description | Approved Budget(K-shs) | Actual Payments(K-shs) | Variance(Kshs) | Absorption (%) |
|------------------|---------------|--|------------------------|------------------------|--------------------|----------------|
| | 201015060 | General administration & planning | 217,120,950 | 12,152,056 | 204,968,894 | 5.6 |
| | 201025060 | Road construction and maintenance services | 506,104,656 | 123,740,958 | 382,363,698 | 24.4 |
| 203005060 | | Administration, Planning and Support Services | 1,179,503,110 | 734,773,927 | 444,729,183 | 62.3 |
| | 203015060 | Administrative services | 1,143,855,250 | 722,418,449 | 421,436,801 | 63.2 |
| | 203025060 | Personnel services | - | - | - | - |
| | 203035060 | Financial Services | 35,647,860 | 12,355,478 | 23,292,382 | 34.7 |
| 205005060 | | Energy Production | 16,778,924 | 1,484,401 | 15,294,523 | 8.8 |
| | 205015060 | Rural Electrification | - | - | - | - |
| | 205035060 | Climate Change | 1,173,000 | 91,428 | 1,081,572 | 7.8 |
| | 205045060 | Petroleum and Electricity | 15,605,924 | 1,392,973 | 14,212,951 | 8.9 |
| 206005060 | | Mining Efficiency | 153,213,094 | 24,148,200 | 129,064,894 | 15.8 |
| | 206015060 | Inventory of mining activities | - | - | - | - |
| | 206025060 | GIS mapping and surveillance | - | - | - | - |
| | 206045060 | Mining Efficiency | 2,259,677 | 107,400 | 2,152,277 | 4.8 |
| | 206055060 | Resource Mobilizatio | 29,868,417 | 18,043,820 | 11,824,597 | 60.4 |
| | 206065060 | Green Energy | 121,085,000 | 5,996,980 | 115,088,020 | 5.0 |
| 207005060 | | Roads General Administration and Planning | 226,641,161 | 36,187,157 | 190,454,004 | 16.0 |
| | 207015060 | Public Works | 12,800,000 | 2,505,000 | 10,295,000 | 19.6 |
| | 207025060 | Transport Management | - | - | - | - |
| | 207035060 | Resource Mobilization and Research | - | - | - | - |
| | 207045060 | Mechanical Engineering Services | 213,841,161 | 33,682,157 | 180,159,004 | 15.8 |
| 208005060 | | ICT Services | 30,202,339 | 1,275,190 | 28,927,149 | 4.2 |
| | 208015060 | ICT Services | 30,202,339 | 1,275,190 | 28,927,149 | 4.2 |
| 209005060 | | Communication Services | 2,335,000 | 1,561,735 | 773,265 | 66.9 |
| | 209015060 | Communication Services | 2,335,000 | 1,561,735 | 773,265 | 66.9 |
| 301005060 | | General Administration and Policy making Services | 17,905,446 | 159,390 | 17,746,056 | 0.9 |
| | 301015060 | Infrastructure Development | 6,355,446 | 75,000 | 6,280,446 | 1.2 |
| | 301025060 | Trade Support Services | 11,550,000 | 84,390 | 11,465,610 | 0.7 |
| | 301035060 | Entrepreneurial training and Business management skills | - | - | - | - |
| | 301045060 | Trade Fairs and Exhibitions | - | - | - | - |
| 302005060 | | Regulation and Verification of Weights | 1,347,500 | 67,200 | 1,280,300 | 5.0 |
| | 302015060 | Verification and Calibration of Weighing Equipment | 1,347,500 | 67,200 | 1,280,300 | 5.0 |
| | 302025060 | Consumer Protection | - | - | - | - |
| 303005060 | | Tourism Development and Management | 20,273,860 | 4,364,771 | 15,909,089 | 21.5 |
| | 303015060 | Tourism Development | 11,285,000 | 857,185 | 10,427,815 | 7.6 |
| | 303025060 | Research and Product Development | - | - | - | - |
| | 303035060 | Tourism Event Management | 5,708,860 | 2,062,486 | 3,646,374 | 36.1 |
| | 303045060 | Tourism Standards Development | 3,280,000 | 1,445,100 | 1,834,900 | 44.1 |
| 304005060 | | Administration Planning and Support | 108,496,863 | 51,736,509 | 56,760,354 | 47.7 |
| | 304015060 | Administration planning | 108,496,863 | 51,736,509 | 56,760,354 | 47.7 |
| 305005060 | | Co-Operative Development and Management | 51,528,231 | 3,079,800 | 48,448,431 | 6.0 |
| | 305015060 | Extension services | - | - | - | - |
| | 305045060 | Renovation of sub county co-op offices | - | - | - | - |
| | 305055060 | Co-operative Governance | 51,528,231 | 3,079,800 | 48,448,431 | 6.0 |
| 306005060 | | Enterprise Development | 6,650,000 | 222,000 | 6,428,000 | 3.3 |
| | 306015060 | Business Development Services | 6,650,000 | 222,000 | 6,428,000 | 3.3 |
| 307005060 | | Industrial Development | - | - | - | - |
| | 307015060 | Renovation and operationalization of C.I.D.Cs | - | - | - | - |
| | 307025060 | Equipping C.I.D.Cs with machinery | - | - | - | - |
| | 307035060 | Establish cottage industries | - | - | - | - |

| Programme | Sub Programme | Description | Approved Budget(K-shs) | Actual Payments(K-shs) | Variance(Kshs) | Absorption (%) |
|-----------|---------------|--|------------------------|------------------------|--------------------|----------------|
| 401005060 | | Preventive & Promotive Health Services | 1,575,397,994 | 615,277,894 | 960,120,100 | 39.1 |
| | 401015060 | Environmental health and sanitation | 1,492,586,026 | 606,708,378 | 885,877,648 | 40.6 |
| | 401025060 | Community health strategy | 1,100,000 | - | 1,100,000 | - |
| | 401035060 | Disease surveillance | 1,200,000 | 9,450 | 1,190,550 | 0.8 |
| | 401045060 | Health promotion service | 80,511,968 | 8,560,065 | 71,951,903 | 10.6 |
| 402005060 | | Health Curative Services | 141,297,510 | 34,951,561 | 106,345,949 | 24.7 |
| | 402015060 | Essential Service | - | - | - | - |
| | 402025060 | Elimination of communicable and non-communicable disease | 3,500,000 | 1,351,200 | 2,148,800 | 38.6 |
| | 402035060 | Reproductive Health | 137,797,510 | 33,600,361 | 104,197,149 | 24.4 |
| 403005060 | | General Administration, Operational Research and Planning | 2,972,163,895 | 2,652,083,388 | 320,080,507 | 89.2 |
| | 403015060 | Health infrastructure and development | - | - | - | - |
| | 403025060 | Health information System | - | - | - | - |
| | 403035060 | Governance and leadership | 73,044,000 | 27,378,846 | 45,665,154 | 37.5 |
| | 403045060 | Human resource for Health | 2,899,119,895 | 2,624,704,542 | 274,415,353 | 90.5 |
| 404005060 | | Preventive Health Care | - | - | - | - |
| | 404015060 | Primary healthcare Services | - | - | - | - |
| | 404025060 | Disease Control Services | - | - | - | - |
| 405005060 | | Health Sector support Program (DANIDA) | 202,341,389 | 65,719,039 | 136,622,350 | 32.5 |
| | 405015060 | Health Promotive Services | 202,341,389 | 65,719,039 | 136,622,350 | 32.5 |
| 406005060 | | Maternal and Child Health | - | - | - | - |
| | 406015060 | Maternal and Child Health | - | - | - | - |
| 407005060 | | Jaramogi Oginga Odinga Teaching and Referral Hospital | 369,070,349 | 128,989,351 | 240,080,998 | 34.9 |
| | 407015060 | Jaramogi Oginga Odinga Teaching and Referral Hospital | 369,070,349 | 128,989,351 | 240,080,998 | 34.9 |
| 408005060 | | Kisumu County Referral Hospital | 26,740,133 | 7,800,000 | 18,940,133 | 29.2 |
| | 408015060 | Kisumu County Referral Hospital | 26,740,133 | 7,800,000 | 18,940,133 | 29.2 |
| 409005060 | | Medical and Bio-Medical Services | 338,848,000 | 56,489,203 | 282,358,797 | 16.7 |
| | 409015060 | County and Sub-County Hospital Services | 338,848,000 | 56,489,203 | 282,358,797 | 16.7 |
| 501005060 | | Early Childhood Development. | 51,274,053 | 7,495,050 | 43,779,003 | 14.6 |
| | 501015060 | Promotion of early childhood education. | 51,274,053 | 7,495,050 | 43,779,003 | 14.6 |
| 502005060 | | Youth Training and Development | 18,700,000 | 452,400 | 18,247,600 | 2.4 |
| | 502015060 | Youth Polytechnics Services | 18,700,000 | 452,400 | 18,247,600 | 2.4 |
| | 502025060 | Youth Training Facilities | - | - | - | - |
| 504005060 | | Gender and Social Dev. | 3,680,000 | 857,500 | 2,822,500 | 23.3 |
| | 504015060 | Gender & Disability Mainstreaming | 2,755,000 | 857,500 | 1,897,500 | 31.1 |
| | 504025060 | Social Dev. Facilities | - | - | - | - |
| | 504035060 | Child Protection & Rehabilitation | - | - | - | - |
| | 504045060 | Child Rescue Centre | - | - | - | - |
| | 504055060 | Betting Control Services | 925,000 | - | 925,000 | - |
| 505005060 | | Early Child Education Management | 401,250,000 | 116,680,506 | 284,569,494 | 29.1 |
| | 505015060 | Early Child Education | 401,250,000 | 116,680,506 | 284,569,494 | 29.1 |
| 506005060 | | Sports Management and Development | 114,329,971 | 3,292,420 | 111,037,551 | 2.9 |
| | 506015060 | Sports Management | 112,768,352 | 3,074,820 | 109,693,532 | 2.7 |
| | 506025060 | Talent Development | 1,561,619 | 217,600 | 1,344,019 | 13.9 |
| 507005060 | | Sports Stadia Development | 2,288,600 | 651,500 | 1,637,100 | 28.5 |
| | 507015060 | Sports Academy | 2,288,600 | 651,500 | 1,637,100 | 28.5 |
| 508005060 | | Alcoholic Drinks | 1,350,000 | 28,320 | 1,321,680 | 2.1 |
| | 508015060 | Alcoholic Drinks | 1,350,000 | 28,320 | 1,321,680 | 2.1 |
| 509005060 | | ECD Infrastructure and Development | - | - | - | - |

| Programme | Sub Programme | Description | Approved Budget(K-shs) | Actual Payments(K-shs) | Variance(Kshs) | Absorption (%) |
|------------------|---------------|---|------------------------|------------------------|--------------------|----------------|
| | 509015060 | ECD Infrastructure and Development | - | - | - | - |
| 510005060 | | Bursary and Scholarships | - | - | - | - |
| | 510015060 | Bursary and Scholarships | - | - | - | - |
| 511005060 | | ECD Equipping/Teaching Materials | - | - | - | - |
| | 511015060 | ECD Equipping/Teaching Materials | - | - | - | - |
| 512005060 | | ECD Feeding Programme | - | - | - | - |
| | 512015060 | ECD Feeding Programme | - | - | - | - |
| 513005060 | | ECD IMIS | - | - | - | - |
| | 513015060 | ECD IMIS | - | - | - | - |
| 514005060 | | Routine Nutritional Survey | - | - | - | - |
| | 514015060 | Routine Nutritional Survey | - | - | - | - |
| 515005060 | | Pre-Primary Policy and Legislation | 21,568,878 | 16,544,717 | 5,024,161 | 76.7 |
| | 515015060 | Primary Policy and Legislation | 21,568,878 | 16,544,717 | 5,024,161 | 76.7 |
| 516005060 | | Skill Gap Analysis in Youth Polytechnics | - | - | - | - |
| | 516015060 | Skill Gap Analysis in Youth Polytechnics | - | - | - | - |
| 517005060 | | Youth Training and Legislation | 133,873,192 | 27,719,840 | 106,153,352 | 20.7 |
| | 517015060 | Youth Training and Legislation | 133,873,192 | 27,719,840 | 106,153,352 | 20.7 |
| 701005060 | | General Administration and Planning services | 297,219,846 | 175,132,584 | 122,087,262 | 58.9 |
| | 701015060 | Administration and Formulation of County policy | - | - | - | - |
| | 701025060 | Development and Management of County Administrative systems | 25,010,078 | 17,869,103 | 7,140,975 | 71.4 |
| | 701035060 | General Administration | 148,578,565 | 91,795,021 | 56,783,544 | 61.8 |
| | 701045060 | Administration | - | - | - | - |
| | 701055060 | Financial Administration services | - | - | - | - |
| | 701065060 | Human Resource development services | 87,673,823 | 62,543,476 | 25,130,347 | 71.3 |
| | 701075060 | Fiscal Analysis services | - | - | - | - |
| | 701085060 | Social Responsibility Including Civic and Public Engagement | 35,957,380 | 2,924,984 | 33,032,396 | 8.1 |
| 702005060 | | Management of County affairs and Special Programmes | 3,272,417 | 1,551,780 | 1,720,637 | 47.4 |
| | 702015060 | Emergency, Relief, Disaster Management and Control | - | - | - | - |
| | 702025060 | Inter-Government Coordination and protocol | 3,272,417 | 1,551,780 | 1,720,637 | 47.4 |
| 703005060 | | Inter-Governmental relations, Communication and Protocol | 32,017,163 | 11,663,344 | 20,353,819 | 36.4 |
| | 703015060 | Governor's Press Service and Communication | 18,855,443 | 9,173,769 | 9,681,674 | 48.7 |
| | 703025060 | Internal Auditing Services | 13,161,720 | 2,489,575 | 10,672,145 | 18.9 |
| 704005060 | | County Public Service Board | 821,235,226 | 376,836,559 | 444,398,667 | 45.9 |
| | 704015060 | General Administration and Support services | 786,053,297 | 365,637,199 | 420,416,098 | 46.5 |
| | 704025060 | Human Resource Recruitment and Development | 26,316,588 | 8,765,880 | 17,550,708 | 33.3 |
| | 704035060 | Human Resource Audit and Staff Rationalization | 970,000 | 164,300 | 805,700 | 16.9 |
| | 704045060 | Promotion of Values and Principles | 7,895,341 | 2,269,180 | 5,626,161 | 28.7 |
| | 704055060 | Disciplinary Control | - | - | - | - |
| 705005060 | | Public Financial Management | 214,154,305 | 75,895,720 | 138,258,585 | 35.4 |
| | 705015060 | Revenue Mobilization | 37,094,099 | 21,994,572 | 15,099,527 | 59.3 |
| | 705025060 | assets management | 31,475,290 | 1,757,790 | 29,717,500 | 5.6 |
| | 705035060 | management of public financial resources | 9,750,000 | 1,743,300 | 8,006,700 | 17.9 |
| | 705045060 | public debt management | - | - | - | - |
| | 705055060 | Budget Formulation & Coordination Services | 135,834,916 | 50,400,058 | 85,434,858 | 37.1 |

| Programme | Sub Programme | Description | Approved Budget(K-shs) | Actual Payments(K-shs) | Variance(Kshs) | Absorption (%) |
|-----------|---------------|--|------------------------|------------------------|----------------------|----------------|
| 706005060 | | County Planning and Development Coordination Services | 61,361,674 | 14,795,960 | 46,565,714 | 24.1 |
| | 706015060 | Policy Formulation & Planning | 28,010,000 | 2,091,940 | 25,918,060 | 7.5 |
| | 706025060 | Monitoring & Evaluation | 33,351,674 | 12,704,020 | 20,647,654 | 38.1 |
| 707005060 | | County Communication & Ict Services | 963,750 | 212,300 | 751,450 | 22.0 |
| | 707015060 | Management Information System | 963,750 | 212,300 | 751,450 | 22.0 |
| | 707025060 | County Publicity & Marketing | - | - | - | - |
| 708005060 | | Legislation & Oversight, services | 195,281,489 | 146,502,418 | 48,779,071 | 75.0 |
| | 708015060 | Legislation & oversight services | 158,443,295 | 124,342,345 | 34,100,950 | 78.5 |
| | 708025060 | Policy Services (Speaker's office) | 36,838,194 | 22,160,074 | 14,678,121 | 60.2 |
| 709005060 | | Representation services & public participation | 15,270,000 | 7,087,700 | 8,182,300 | 46.4 |
| | 709025060 | Public participation services | 15,270,000 | 7,087,700 | 8,182,300 | 46.4 |
| 710005060 | | County Assembly Service Board | 338,540,574 | 162,666,712 | 175,873,862 | 48.0 |
| | 710015060 | SP1 County Assembly Service board | - | - | - | - |
| | 710025060 | SP2 Committee Services | 235,524,574 | 103,486,734 | 132,037,840 | 43.9 |
| | 710035060 | Representation & Public Participation Services | 103,016,000 | 59,179,978 | 43,836,022 | 57.4 |
| 711005060 | | County Planning and Development Co ordination Services | 16,490,969 | 10,078,623 | 6,412,346 | 61.1 |
| | 711005060 | County Planning and Development Co ordination Services | 16,490,969 | 10,078,623 | 6,412,346 | 61.1 |
| 712005060 | | Ward development fund, public private partnerships& vision 2030 | - | - | - | - |
| | 712015060 | Ward Development Fund ,Public Private Partnerships and Vision 2030 | - | - | - | - |
| 901005060 | | General Administration and Planning Services | - | - | - | - |
| | 901015060 | Policy planning & Administration | - | - | - | - |
| 902005060 | | Conservation and management of natural ecosystem | 324,179,792 | 13,628,118 | 310,551,674 | 4.2 |
| | 902015060 | Sustainable Access to safe Water | 750,000 | 33,000 | 717,000 | 4.4 |
| | 902025060 | Water resources & Sewerage services | 323,429,792 | 13,595,118 | 309,834,674 | 4.2 |
| 903005060 | | General Administration and Planning Services | - | - | - | - |
| | 903015060 | Policy planning & Administration | - | - | - | - |
| 904005060 | | Environmental Planning And Management | 4,380,998 | 289,540 | 4,091,458 | 6.6 |
| | 904015060 | Environmental Quality Protection | - | - | - | - |
| | 904025060 | Environment Conservation Of Natural Resources | 1,190,000 | 99,000 | 1,091,000 | 8.3 |
| | 904035060 | Solid Waste Management | 3,190,998 | 190,540 | 3,000,458 | 6.0 |
| 905005060 | | Sports and Cultural Services | - | - | - | - |
| | 905015060 | Cultural Promotion Services | - | - | - | - |
| 906005060 | | | 1,172,840 | 47,500 | 1,125,340 | 4.0 |
| | 906015060 | Pollution Control | 1,172,840 | 47,500 | 1,125,340 | 4.0 |
| 907005060 | | | 9,120,100 | 2,009,200 | 7,110,900 | 22.0 |
| | 907015060 | Culture and Heritage Development | 5,079,400 | 1,227,000 | 3,852,400 | 24.2 |
| | 907025060 | Artistic Talent Development | 4,040,700 | 782,200 | 3,258,500 | 19.4 |
| | | Grand Total | 12,780,355,751 | 6,217,386,153 | 6,562,969,598 | 48.6 |

Source: Kisumu County Treasury

3.18.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 28th April, 2021 contrary to OCoB's

instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.

2. Low absorption of development funds as indicated by the expenditure of Kshs.169.63 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.4.75 billion. The development expenditure represented 3.6 per cent of the annual development budget despite the availability of funds in the CRF.
3. Under-performance of own source revenue at Kshs.633.19 million against an annual projection of Kshs.1.58 billion, representing 40.1 per cent of the annual target.

The County should implement the following recommendations to improve budget execution;

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with Section 166 of the PFM Act, 2012.*
2. *The County should identify and address issues causing delays in the implementation of development projects.*
3. *The County should address its own source revenue performance to ensure the approved budget is fully financed.*

3.19 County Government of Kitui

3.19.1 Overview of FY 2020/21 Budget

The county's approved supplementary budget for FY 2020/21 is Kshs.11.84 billion, comprising of Kshs.4.40 billion (37.2 per cent) and Kshs.7.44 billion (62.8 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the county expects to receive Kshs.8.83 billion (74.6 per cent) as the equitable share of revenue raised nationally, Kshs.1.31 billion (11.1 per cent) as total conditional grants, generate Kshs.600 million (5.1 per cent) from own sources of revenue, and a cash balance of Kshs.1.10 billion (9.3 per cent) from FY 2019/20.

3.19.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.5.12 billion as an equitable share of the revenue raised nationally, Kshs.457.61 million as conditional grants, raised Kshs.220.98 million as own-source revenue, and had a cash balance of Kshs.1.58 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.7.38 billion, as shown in Table 3.100.

Table 3.100: Kitui County, Revenue Performance in the First Nine Months of FY 2020/21

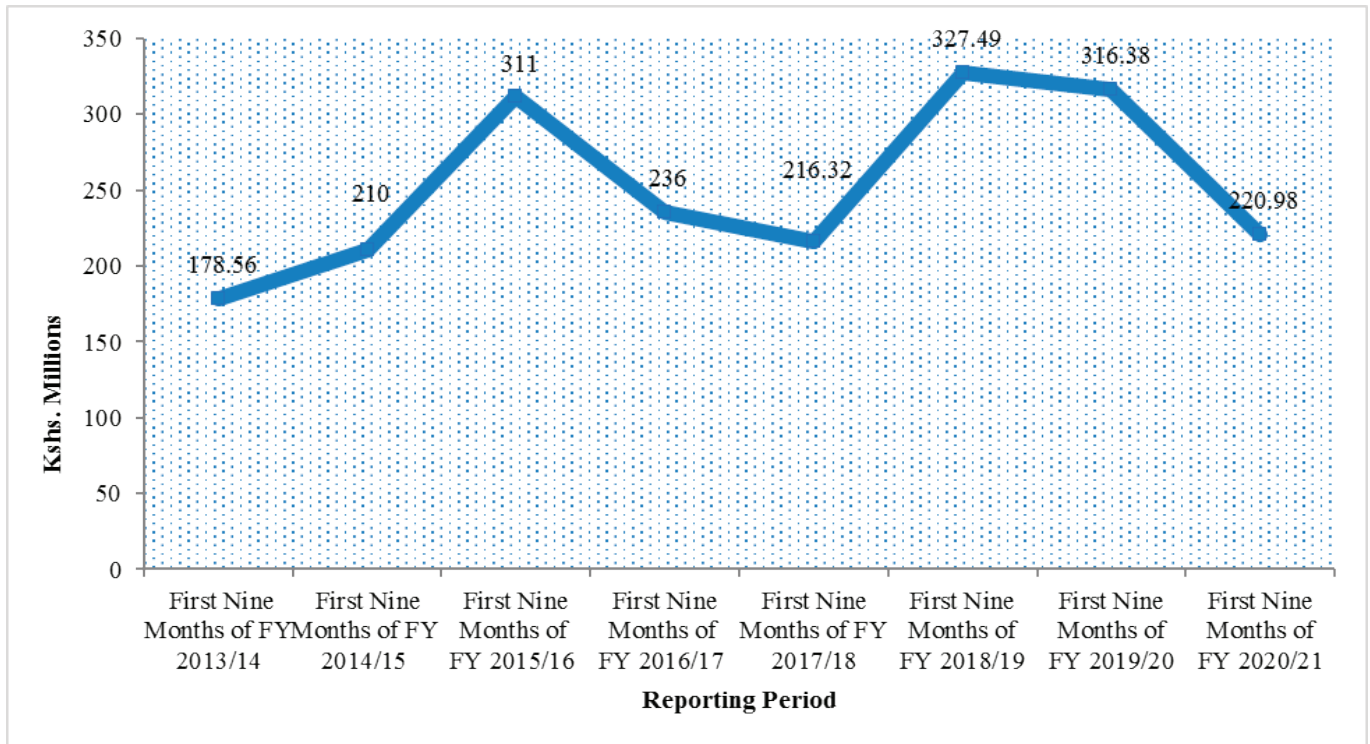
| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|------------------|--|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 8,830,350,000 | 8,830,350,000 | 5,121,603,000 | 58 |
| B. | Conditional Grants from the National Government | | | | |
| 1 | Compensation for User Fee Foregone | 22,499,906 | 22,499,906 | - | - |
| 2 | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 3 | Road Maintenance Fuel Levy Fund | 264,131,438 | 343,981,921 | 132,065,718 | 38.4 |
| 4 | Rehabilitation of Village Polytechnics | 92,149,894 | 167,820,430 | 46,074,947 | 27.5 |
| Sub Total | | 510,802,515 | 534,302,257 | 178,140,665 | 33.3 |
| C | Loans and Grants from Development Partners | | | | |
| 1 | Transforming Health Systems for Universal care Project (WB) | 38,320,000 | 43,906,649 | 18,567,407 | 42.3 |
| 2 | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 199,218,200 | 277,878,927 | 190,631,819 | 68.6 |
| 3 | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 70,841,398 | 45,000,000 | 63.5 |
| 4 | IDA (WB) Credit: Kenya Urban Support Project (KUSP) -Urban Development Grant (UDG) | - | 333,514,064 | - | - |
| 5 | DANIDA Grant | 25,110,000 | 25,542,200 | 12,555,000 | 49.2 |
| 6 | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 15,428,645 | 27,151,151 | 12,711,032 | 46.8 |
| Sub Total | | 323,076,845 | 778,834,389 | 279,465,258 | 35.9 |
| D | Other Sources of Revenue | | | | |
| 1 | Own Source Revenue | - | 600,000,000 | 220,979,557 | 36.8 |
| 2 | Balance b/f from FY 2019/20 | - | 1,096,323,973 | 1,578,584,301 | 144 |
| Sub Total | | - | 1,696,323,973 | 1,799,563,858 | 106.1 |

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|------------------|-------------------------------------|--|---|--|
| Grand Total | | 9,664,229,360 | 11,839,810,619 | 7,378,772,781 | 62.3 |

Source: Kitui County Treasury

Figure 3.35 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.35: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Kitui County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.220.98 million as its own source revenue. This amount represented a decrease of 23.6 per cent compared to Kshs.316.38 million realised during a similar period in FY 2019/20 and was 36.8 per cent of the annual target.

3.19.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.30 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.49 billion (23.6 per cent) for development programmes and Kshs.4.81 billion (76.4 per cent) for recurrent programmes.

3.19.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.7.07 billion on development and recurrent programmes. The expenditure represented 112.3 per cent of the total funds released by the COB and comprised of Kshs.2.15 billion and Kshs.4.92 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 48.8 per cent while recurrent expenditure represented 66.2 per cent of the annual recurrent expenditure budget.

3.19.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.3.55 billion was spent on compensation to employees, Kshs.1.37 billion on operations and maintenance, and Kshs.2.15 billion on development activities as shown in Table 3.101.

Table 3.101: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 7,435,146,063 | 4,808,767,267 | 4,919,027,990 | 66.2 |
| Compensation to Employees | 4,718,911,864 | 3,562,248,330 | 3,553,080,484 | 75.3 |
| Operations and Maintenance | 2,716,234,199 | 1,246,518,938 | 1,365,947,506 | 50.3 |
| Total Development Expenditure | 4,404,664,556 | 1,487,655,085 | 2,149,992,835 | 48.8 |
| Development Expenditure | 4,404,664,556 | 1,487,655,085 | 2,149,992,835 | 48.8 |
| Total | 11,839,810,619 | 6,296,422,352 | 7,069,020,825 | 59.7 |

Source: Kitui County Treasury

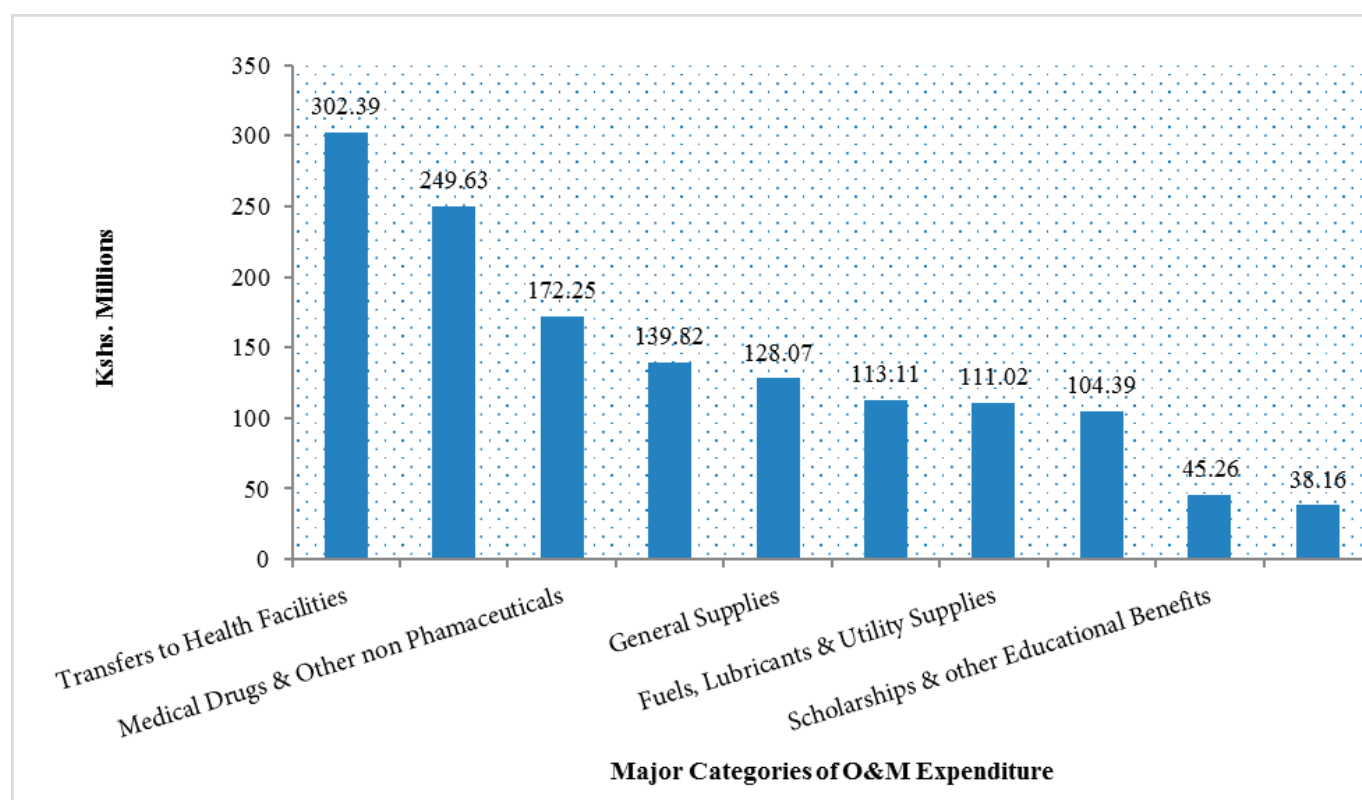
3.19.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 50.3 per cent of the total expenditure for the reporting period and 48.2 per cent of the first nine months proportional revenue estimate of Kshs.7.38 billion.

3.19.7 Expenditure on Operations and Maintenance

Figure 3.36 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.36: Kitui County, Operations and Maintenance Expenditure by Major Categories



Source: Kitui County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.38.16 million on committee sitting allowances for the 55 MCAs and Speaker against the annual budget allocation of Kshs.59.77 million. The average monthly sitting allowance was Kshs.77,084 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.242.86 million and comprised of Kshs.77.96 million spent by the County Assembly and Kshs.164.90 million by the County Executive. Expenditure on foreign travel amounted to Kshs.6.77 million and consisted of Kshs.5.95 million by the County Assembly and Kshs.812,400 by the County Executive.

3.19.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.498.52 million to cater for COVID-19 related expenditure. A total of Kshs.375.42 million was spent during the reporting period, as shown in Table 3.102.

Table 3.102: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Expenditure as of 31 st March 2021 (Kshs) |
|------|---|---|
| 1. | | |
| 2. | COVID 19 Medical allowance for front line- Health | 66,510,000 |
| 3. | DANIDA COVID-19 transfers to Health Centres and Dispensaries-Health | 9,729,974 |
| 4. | Procurement of IEC banners for Kauwi Sub-county Hospital -Health | 159,200 |
| 5. | Conduct youth leaders sensitization on COVID 19-health | 219,000 |
| 6. | Supply of stainless-steel working tables -Health | 236,500 |
| 7. | Being payment for generator set | 247,580 |
| 8. | Community leaders sensitization on COVID 19-Health | 282,000 |
| 9. | Being payment for supply of plaster cutter and dental extraction machine-Health | 323,700 |
| 10. | Supply of personal protective gear for Kitui County Referral Hospital-Health | 332,783 |
| 11. | Supply of CT scan consumables-Health | 340,000 |
| 12. | Equipment and operationalization of Kauwi hospital-Health | 341,810 |
| 13. | Equipping and operationalizing of Tseikuru theatre-Health | 397,700 |
| 14. | Transfer to Kauwi sub-county hospital for payment of electricity for the isolation centre-Health | 495,796 |
| 15. | Procurement of plumbing and waterworks for Migwani sub-county hospital-Health | 498,167 |
| 16. | Procurement of fumigation automated sprayer for Kicotec-Health | 500,000 |
| 17. | Payment for the installation of spare parts anaesthetic machine-Health | 519,200 |
| 18. | Supply of haematology machine-Health | 565,000 |
| 19. | Supply of raw materials and equipment for Kitui pharma industries-Health | 572,000 |
| 20. | supply of fuel to county health management team-Health | 608,981 |
| 21. | Equipping and operationalization of Ikutha hospital -Health | 643,700 |
| 22. | Procurement of health products commodities for Kitui County Referral Hospital-Health | 668,107 |
| 23. | Payment for supply of drip stand for hospital-Health | 689,100 |
| 24. | Supply of equipment for Kitui pharma industries-Health | 787,560 |
| 25. | Supply of operationationalization of Kauwi sub-county hospital-Health | 874,500 |
| 26. | Supply and equipping and operationalization of Ikutha hospital dental and orthopaedic unti-Health | 966,580 |
| 27. | Construction of 10,000 lts handwashing facilities tanks-Health | 999,000 |
| 28. | Supply of production equipment and cutlery for COVID-19 Kauwi school isolation centre-Health | 1,018,930 |
| 29. | Payment for plumbing works at the renal unit in Mwingi level iv hosp.-Health | 1,048,000 |
| 30. | Being payment for supply of formalin-Health | 1,082,400 |
| 31. | Supply of delivery installation and commissioning of dryer machine for Kauwi Sub County Hospital-Health | 1,150,000 |
| 32. | Being payment for supply of cellular blankets-Health | 1,226,556 |
| 33. | Supply of screening thermometers-Health | 1,267,680 |
| 34. | being payment for supply of walking foot, rivet tools and drill bits-Trade | 1,289,920 |
| 35. | Supply of ICU, amenity pharmaceuticals and non-pharmaceuticals-Health | 1,452,800 |
| 36. | Supply and equipping and operationalization of Ikutha Hospital -Health | 1,453,800 |
| 37. | Supply of pharmaceuticals and non-pharmaceuticals for Kauwi Sub County Hospital-Health | 1,465,760 |
| 38. | Supply of 2no. heal seal machines and 2 no screen-Trade | 1,496,000 |
| 39. | Payment for the installation of 250 a panel at Zombe sub-county hospital-Health | 1,499,989 |
| 40. | Being payment for supply of non-pharms-Health | 1,599,000 |
| 41. | Supply of production raw materials for Kitui Pharma Industries-Health | 1,620,000 |
| 42. | Purchase of moulds at Manyonyeni- Basic Education | 1,637,350 |
| 43. | Payment for supply of computers and printers-Health | 1,646,500 |
| 44. | Supply and equipment and operationalization of Kauwi Hospital-Health | 1,702,219 |
| 45. | Supply of masks for Kitui county referral hospital-Health | 1,726,920 |
| 46. | Payment for purchase of computerized knitting machine (socks, sweater, scarfs)-Trade | 1,789,900 |
| 47. | Being payment for supply of Magadi soda and chlorides-Health | 1,791,100 |
| 48. | Equipping and operationalizing of Tseikuru theatre-Health | 1,795,198 |
| 49. | Being payment for supply of screening thermometers-Health | 1,798,680 |
| 50. | Fume extractor chambers for Kitui pharma industries-Health | 1,800,000 |
| 51. | Supply of opd equipment for Kitui county referral hospital-Health | 1,803,660 |
| 52. | Supply of laundry machine for Kauwi sub-county hospital-Health | 1,816,800 |
| 53. | Payment for workshop tools and equipment-Trade | 1,869,984 |
| 54. | Being payment for supply of conveyor belt-Health | 1,887,879 |
| 55. | Supply of aprons-overalls for Kitui County Hospital-Health | 1,986,000 |
| 56. | Supply of sanitation commodities for Kauwi sub-county hospital-Health | 2,141,000 |
| 57. | Supply of ct scan consumables-Health | 2,159,250 |
| 58. | Supply of office furniture and equipment's for CECM block-Health | 2,188,727 |
| 59. | Being payment for supply of pharmaceuticals-Health | 2,196,000 |
| 60. | Payment for computerized overlock and computerized sewing machine-Trade | 2,339,820 |
| 61. | Payment for supply of computerized sewing machine-Trade | 2,356,164 |
| 62. | Supply of metallic bedside lockers-Health | 2,356,690 |

| S/No | Description of Expenditure Category | Expenditure as of 31 st March 2021 |
|--------------|--|---|
| 63. | Being payment for supply of fabricated mixing tanks-Health | 2,457,128 |
| 64. | Supply of opd equipment for Kitui county referral hospital-Health | 2,500,800 |
| 65. | Supply of laundry type washing machines-Health | 2,669,470 |
| 66. | Being payment for supply of medical equipment-Health | 2,983,600 |
| 67. | Payment for supply of masks-Health | 2,894,200 |
| 68. | Supply and installation of power distribution panel boda 4300a switchgear at Mwingi-Health | 2,899,648 |
| 69. | Being payment for installation of CCTV at Kitui referral hospital-Health | 2,971,860 |
| 70. | construction of container roof, slab waiting bay, fence, gate, elevated tanks pit latrine/septic at Kabati dispensary | 2,992,460 |
| 71. | Being payment for supply, installation and commissioning of dialysis water plant at Mwingi level 4-Health | 2,999,988 |
| 72. | Supply and equipping and operationalizing of Tseikuru theatre-Health | 3,231,180 |
| 73. | Supply of renal and dental reagents for Kitui referral hospital-Health | 3,450,206 |
| 74. | Supply of hospital mattresses with waterproof mackintosh-Health | 3,463,500 |
| 75. | 1st and final payment- proposed installation of solar energy (mulika mwinzi) for Utuneni Kanguu Kanduti and Utwiini markets-Trade | 3,504,000 |
| 76. | Supply and installation of 185mm2 swa cable for power distribution at Kitui County Referral Hospital-Health | 3,869,300 |
| 77. | Supply of health products commodities for Kitui county referral hospital-Health | 4,319,379 |
| 78. | construction and completion of Mutitu x-ray room-Health | 4,407,146 |
| 79. | 1st and final payment- proposed installation of solar energy (mulika mwinzi) for ithumulani, nzaaya, kwa move, Kanzau, Itulani and Mwaani-Trade | 4,607,253 |
| 80. | Payment for supply of computerized sewing machine-Trade | 4,749,500 |
| 81. | 1st and final payment- proposed installation of solar energy for Ngungi, Kamaembe, Kanduti, Kiongwe, Kyangunga Ithangathi Mangola and Itangani markets-Trade | 4,886,662 |
| 82. | Transfer to Kitui referral hospital to pay pending bills for COVID 19 suppliers-Health | 6,200,000 |
| 83. | Supply of masks to Kitui referral hospital-Health | 12,439,565 |
| 84. | Supply of surgical masks for health-Health | 13,930,000 |
| 85. | Supply and standard metallic hospital beds/ tents (100-seater) / infrared gun thermometers-Health | 15,214,500 |
| 86. | Transfer to 14 Kitui sub-county hospitals for preparedness of COVID -19-Health | 68,510,013 |
| 87. | Clearance at Manyonyeni training centre-Basic Education | 3,990,915 |
| 88. | Supply and delivery of concrete pipe making machine at Kanyonyoo Precast material centre-Basic Education | 2,177,030 |
| 89. | Supply and delivery of concrete pipe making machine at Kanyonyoo Precast material centre-Basic Education | 320,570 |
| 90. | Supply of sewing machines-Basic Education | 1,795,000 |
| 91. | Payment of 2-block making machine-Basic Education | 3,790,500 |
| 92. | Payment for stabilised soil block making machine-Basic Education | 5,010,000 |
| 93. | Supply and delivery of moulds for KIYOSEC-Basic Education | 1,637,350 |
| 94. | Supply of cement at Manyonyeni-Basic Education | 1,992,060 |
| 95. | Acquisition of forklift at Manyonyeni youth skill enterprise centre-Basic Education | 3,160,000 |
| 96. | Supply of cement at KIYOSEC-Basic Education | 1,839,200 |
| 97. | Supply and delivery of concrete pipe making machine at Kanyonyoo Precast material centre-Basic Education | 4,460,000 |
| 98. | Supply of safety gears for youth training-Basic Education | 1,056,000 |
| 99. | The hiring of dozer machine-Basic Education | 259,609 |
| 100. | Supply of tetrix materials-Basic Education | 863,000 |
| 101. | Being payment of staff subsistence allowance-Basic Education | 246,400 |
| 102. | Training programme-Basic Education | 444,600 |
| 103. | Youth training programme-Basic Education | 408,200 |
| 104. | Youth training-Basic Education | 521,000 |
| 105. | Supply of safety gears for youth training-Basic Education | 1,056,000 |
| 106. | Hiring of dozer machine-Basic Education | 259,609 |
| 107. | Training of youth facilitation-Basic Education | 252,000 |
| 108. | Travel allowances-Basic Education | 283,200 |
| 109. | Payment for supply of high-density mattress and washing basin-Basic | 1,745,100 |
| 110. | Purchase of bachhole loader machine-Basic | 215,700 |
| 111. | Supply and delivery of block machine-Basic | 3,790,500 |
| 112. | Consultancy services for youth training under COVID -intervention-Basic | 368,940 |
| 113. | Supply of building materials at Manyonyeni-Basic | 1,988,100 |
| 114. | Travel allowances for officers on soil block machines market survey-Basic | 312,000 |
| 115. | Supply of general equipment for production lines-Basic | 1,059,989 |
| Total | | 375,422,545 |

Source: Kitui County Treasury

3.19.9 Development Expenditure

The County incurred expenditure of Kshs.2.15 billion on development programmes, which represented an increase of 46.3 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.47 billion. Table 3.103 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.103: Kitui County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Budget (Kshs) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|-----------------------|------------------------------------|---------------------|
| 1 | Hire of equipment for road grading | 28,174,000 | 28,174,000 | 100 |
| 2 | Hire of machinery 1 Excavator, 5 Tippers 20 tonne capacity, 1 Low loader, and 1 fuel tank | 21,257,800 | 21,257,800 | 100 |
| 3 | Water pipeline from Kavisuni-Mavindini-Kilevi-Kalala | 21,247,708 | 21,247,708 | 100 |
| 4 | Construction of main gravity distribution line from Kenze junction -Kyoani beacon and 3no water kiosks Lot 1 | 19,114,256 | 19,114,256 | 100 |
| 5 | Construction of specialised site /house for installation of one CT scan machine | 18,816,320 | 18,816,320 | 100 |
| 6 | Improvement of Mutwangombve -Nyaanya Ngaai road | 17,809,768 | 17,809,768 | 100 |
| 7 | Standard Metallic Hospital beds/ Tents (100-Seater)/ Infrared Gun thermometers | 15,214,500 | 15,214,500 | 100 |
| 8 | Civil works for Kaundu borehole in Mwingi North | 14,477,517 | 14,477,517 | 100 |
| 9 | Construction of Kamunyu drift | 17,852,226 | 14,824,244 | 83 |
| 10 | Construction of Matulani Nduundune Ndithini | 19,948,307 | 16,509,295 | 82.8 |

Source: Kitui County Treasury

3.19.10 Budget Performance by Department

Table 3.104 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.104: Kitui County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|-----------------|-------------------------------------|--------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Office of The Governor | 648.42 | 1,100.60 | 305.89 | 354.92 | 386.28 | 410.93 | 126.3 | 115.8 | 59.6 | 37.3 |
| Administration and Coordination of County Affairs | 391.37 | 0.32 | 315.19 | - | 233.45 | - | 74.1 | - | 59.6 | 0.0 |
| Agriculture Water and Livestock Development | 448.92 | 1,044.29 | 334.19 | 421.93 | 254.44 | 612.64 | 76.1 | 145.2 | 56.7 | 58.7 |
| Basic Education, ICT, and Youth Development | 485.01 | 326.62 | 368.80 | 87.04 | 346.04 | 97.44 | 93.8 | 111.9 | 71.3 | 29.8 |
| Lands, Infrastructure, Housing and Urban Development | 228.70 | 756.76 | 169.21 | 376.22 | 124.23 | 481.12 | 73.4 | 127.9 | 54.3 | 63.6 |
| Health and Sanitation | 3,146.34 | 233.76 | 2,082.52 | 43.55 | 2,349.32 | 117.59 | 112.8 | 270.0 | 74.7 | 50.3 |
| Trade, Cooperatives and Investments | 363.33 | 267.38 | 92.52 | 83.82 | 73.47 | 148.61 | 79.4 | 177.3 | 20.2 | 55.6 |
| Environment and Natural Resources | 93.07 | 122.09 | 71.01 | 35.22 | 48.15 | 60.93 | 67.8 | 173.0 | 51.7 | 49.9 |
| Tourism, Sports and Culture | 107.76 | 88.46 | 81.04 | 20.44 | 54.01 | 52.13 | 66.6 | 255.1 | 50.1 | 58.9 |
| County Treasury | 495.93 | 88.86 | 357.28 | 45.00 | 429.44 | 16.91 | 120.2 | 37.6 | 86.6 | 19.0 |
| County Public Service Board | 31.91 | - | 20.83 | - | 18.26 | - | 87.7 | - | 57.2 | - |
| County Assembly | 836.03 | 44.98 | 513.01 | 8.80 | 509.67 | 8.80 | 99.3 | 100.0 | 61.0 | 19.6 |
| Kitui Municipality | 93.26 | 300.48 | 54.08 | - | 57.87 | 132.23 | 107.0 | - | 62.1 | 44.0 |
| Mwingi Town Administration | 65.10 | 30.07 | 43.20 | 10.72 | 34.41 | 10.66 | 79.7 | 99.4 | 52.9 | 35.5 |
| TOTAL | 7,435.15 | 4,404.66 | 4,808.77 | 1,487.66 | 4,919.03 | 2,149.99 | 102.3 | 144.5 | 66.2 | 48.8 |

Source: Kitui County Treasury

Analysis of departments' expenditure shows that the Department of Lands, Infrastructure, Housing and Urban Development recorded the highest absorption rate of development budget at 63.6 per cent. The Department of County Treasury had the highest percentage of recurrent expenditure to budget at 86.6 per cent, while the Department of Trade, Cooperatives and Investments, had the lowest at 20.2 per cent.

The percentage of expenditure to exchequer issues is above 100 per cent and is attributed to unspent balances in the Special Purpose Accounts as of the end of the FY 2019/20 that were not refunded to the County Revenue Fund.

3.19.11 Budget Execution by Programmes and Sub-Programmes

Table 3.105 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.105: Kitui County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption Rate (%) |
|--|----------------|------------------------|------------------------|--------------------|---------------------|
| Office of The Governor | | | | | |
| General Administration & Planning | 701013710 | 1,552,520,555 | 614,953,645 | 937,566,910 | 39.6 |
| General Administration & Planning | 702013710 | 73,566,597 | 55,346,966 | 18,219,631 | 75.2 |
| Procurement | 704023710 | 45,462,825 | 35,058,666 | 10,404,159 | 77.1 |
| General Administration & Planning | 705013710 | 77,478,771 | 91,844,559 | (14,365,788) | 118.5 |
| Subtotal | | 1,749,028,748 | 797,203,836 | 951,824,912 | 45.6 |
| Administration & Coordination of County Affairs | | | | | |
| General Administration & Planning | 701013710 | 124,434,964 | 62,053,472 | 62,381,492 | 49.9 |
| Coordination & Administrative Services | 705013710 | 123,857,446 | 62,738,789 | 61,118,657 | 50.7 |
| Coordination & Administrative Services | 706013710 | 143,397,744 | 108,656,334 | 34,741,410 | 75.8 |
| Subtotal | | 391,690,154 | 233,448,595 | 158,241,559 | 59.6 |
| Agriculture Water & Livestock Development | | | | | |
| General Administration & Planning | 101013710 | 293,464,324 | 147,401,945 | 146,062,379 | 50.2 |
| Agriculture | 101029999 | 27,803,793 | 18,624,726 | 9,179,067 | 67.0 |
| Agriculture | 102013710 | 310,634,404 | 269,414,617 | 41,219,787 | 86.7 |
| Agriculture | 103013710 | 84,042,202 | 28,687,223 | 55,354,979 | 34.1 |
| Agriculture Headquarters | 103023710 | 78,599,235 | 22,533,398 | 56,065,837 | 28.7 |
| Agriculture | 104013710 | 2,587,578 | 754,474 | 1,833,104 | 29.2 |
| Fisheries | 105013710 | 2,146,058 | 513,751 | 1,632,307 | 23.9 |
| Livestock Production | 106013710 | 40,437,375 | 10,623,888 | 29,813,487 | 26.3 |
| Livestock Production | 106023710 | 20,399,299 | 12,980,317 | 7,418,982 | 63.6 |
| Water | 111013710 | 457,215,909 | 235,307,624 | 221,908,285 | 51.5 |
| Water | 111023710 | 113,929,375 | 73,201,146 | 40,728,229 | 64.3 |
| Water | 111033710 | 61,946,567 | 47,041,126 | 14,905,441 | 75.9 |
| Subtotal | | 1,493,206,119 | 867,084,235 | 626,121,884 | 58.1 |
| Basic Education, ICT, & Youth Development | | | | | |
| Basic Education | 501013710 | - | (5,000) | 5,000 | ∞ |
| General Administration & Planning | 501013710 | 92,741,160 | 75,703,597 | 17,037,563 | 81.6 |
| Basic Education | 502013710 | 357,916,962 | 216,292,708 | 141,624,254 | 60.4 |
| Training & Skills Development | 503013710 | 208,531,610 | 44,294,708 | 164,236,902 | 21.2 |
| Training & Skills Development | 504013710 | 2,432,853 | 250,800 | 2,182,053 | 10.3 |
| Youth development | 505013710 | 23,333,306 | 8,491,170 | 14,842,136 | 36.4 |
| Training & Skills Development | 506013710 | 126,667,686 | 98,446,213 | 28,221,473 | 77.7 |
| Subtotal | | 811,623,577 | 443,474,196 | 368,149,381 | 54.6 |
| Land, Infrastructure, Housing & Urban Development | | | | | |
| General Administration & Planning | 101013710 | 109,268,206 | 61,273,561 | 47,994,645 | 56.1 |
| Housing | 107013710 | 25,660,186 | 14,638,504 | 11,021,682 | 57.0 |
| Physical Planning | 108013710 | 32,672,769 | 16,538,660 | 16,134,109 | 50.6 |
| Land Adjudication & Settlement | 108023710 | 11,443,420 | 5,251,102 | 6,192,318 | 45.9 |
| Survey & Mapping | 108023710 | 11,950,112 | 2,547,250 | 9,402,862 | 21.3 |
| Housing | 109013710 | 24,108,102 | 11,549,170 | 12,558,932 | 47.9 |
| Roads, Transport & Mechanical Services | 110013710 | 734,157,074 | 474,686,659 | 259,470,415 | 64.7 |
| Roads, Transport & Mechanical Services | 203013710 | 36,197,033 | 18,868,314 | 17,328,719 | 52.1 |
| Subtotal | | 985,456,902 | 605,353,220 | 380,103,682 | 61.4 |
| Health & Sanitation | | | | | |
| General Administration & Planning | 401013710 | 96,313,817 | 81,743,940 | 14,569,877 | 84.9 |
| General Administration & Planning | 401023710 | 65,599,204 | 33,917,480 | 31,681,724 | 51.7 |
| General Administration & Planning | 401033710 | 4,844,084 | 4,667,427 | 176,657 | 96.4 |
| Medical Services | 402013710 | 2,606,711,494 | 1,937,060,635 | 669,650,859 | 74.3 |
| Medical Services | 402023710 | 13,610,550 | 8,492,092 | 5,118,458 | 62.4 |
| Rural Health Services | 402033710 | 324,380,396 | 279,469,017 | 44,911,379 | 86.2 |
| Public Health | 403013710 | 7,105,912 | 4,615,930 | 2,489,982 | 65.0 |
| Medical Services | 403023710 | 126,707,592 | 65,462,605 | 61,244,987 | 51.7 |
| Public Health | 403023710 | 1,531,796 | 928,680 | 603,116 | 60.6 |
| Public Health | 403033710 | 1,982,324 | 1,543,900 | 438,424 | 77.9 |
| Health Promotion & Disease Control | 404013710 | 2,725,985 | 1,087,664 | 1,638,321 | 39.9 |
| Rural Health Services | 404023710 | 76,830,284 | 21,575,355 | 55,254,929 | 28.1 |
| Rural Health Services | 404033710 | 29,257,060 | 13,684,045 | 15,573,015 | 46.8 |
| Rural Health Services | 404043710 | 22,499,905 | 12,659,937 | 9,839,968 | 56.3 |
| Subtotal | | 3,380,100,403 | 2,466,908,707 | 913,191,696 | 73.0 |
| Trade, Cooperatives & Investments | | | | | |
| General Administration & Planning | 301013710 | 52,186,173 | 30,058,722 | 22,127,451 | 57.6 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption Rate (%) |
|---|----------------|------------------------|------------------------|--------------------|---------------------|
| Trade & Markets | 301013710 | 257,957,196 | 11,160,686 | 246,796,510 | 4.3 |
| Trade & Markets | 303023710 | 7,558,635 | 4,370,965 | 3,187,670 | 57.8 |
| Cooperatives | 304013710 | 289,628,725 | 61,678,818 | 127,949,907 | 55.8 |
| Cooperatives | 304023710 | 23,382,092 | 14,816,627 | 8,565,465 | 63.4 |
| Subtotal | | 630,712,821 | 222,085,818 | 408,627,003 | 35.2 |
| Environment & Natural Resources | | | | | |
| General Administration & Planning | 1001013710 | 49,010,772 | 24,509,442 | 24,501,330 | 50.0 |
| Environment | 1002013710 | 14,935,137 | 7,158,265 | 7,776,872 | 47.9 |
| Environment | 1003013710 | 2,882,936 | 2,016,800 | 866,136 | 70.0 |
| Mineral Resources | 1003013710 | 3,751,989 | 1,661,064 | 2,090,925 | 44.3 |
| Mineral Resources | 1003023710 | 10,647,333 | 4,883,742 | 5,763,591 | 45.9 |
| Mineral Resources | 1003043710 | 2,883,216 | 2,200,950 | 682,266 | 76.3 |
| Environment | 1004013710 | 2,793,929 | 2,203,990 | 589,939 | 78.9 |
| Energy | 1004013710 | 3,157,018 | 888,384 | 2,268,634 | 28.1 |
| Energy | 1005013710 | 2,713,108 | 1,946,400 | 766,708 | 71.7 |
| Energy | 1006013710 | 102,554,377 | 55,106,515 | 47,447,862 | 53.7 |
| Mineral Resources | 1007013710 | 16,378,419 | 5,839,146 | 10,539,273 | 35.7 |
| Mineral Resources | 1008013710 | 3,446,668 | 663,600 | 2,783,068 | 19.3 |
| Subtotal | | 215,154,902 | 109,078,298 | 106,076,604 | 50.7 |
| Tourism, Sports & Culture | | | | | |
| Tourism, Sports & Culture | 301013710 | 26,873,438 | 13,517,849 | 13,355,589 | 50.3 |
| Tourism | 305013710 | 4,902,603 | 2,694,045 | 2,208,558 | 55.0 |
| Tourism | 305033710 | 16,896,057 | 4,074,020 | 12,822,037 | 24.1 |
| Sports | 306013710 | 15,193,762 | 7,135,704 | 8,058,058 | 47.0 |
| Sports | 306023710 | 61,895,781 | 48,313,284 | 13,582,497 | 78.1 |
| Gender, Culture & Social Services Headquarters | 307013710 | 15,357,714 | 5,546,933 | 9,810,781 | 36.1 |
| Gender, Culture & Social Services Headquarters | 307023710 | 6,666,320 | 3,075,936 | 3,590,384 | 46.1 |
| Gender, Culture & Social Services Headquarters | 308013710 | 9,553,992 | 3,378,813 | 6,175,179 | 35.4 |
| Gender, Culture & Social Services Headquarters | 308023710 | 1,351,586 | 688,850 | 662,736 | 51.0 |
| Tourism | 1003023710 | 37,531,400 | 17,713,355 | 19,818,045 | 47.2 |
| Subtotal | | 196,222,653 | 106,138,789 | 90,083,864 | 54.1 |
| County Treasury | | | | | |
| General Administration & Planning | 701013710 | 277,646,184 | 197,906,832 | 79,739,352 | 71.3 |
| Accounts | 704013710 | 54,340,358 | 51,197,794 | 3,142,564 | 94.2 |
| Economic Affairs | 710013710 | 79,552,564 | 57,673,784 | 21,878,780 | 72.5 |
| Economic Affairs | 710023710 | 13,398,649 | 8,520,771 | 4,877,878 | 63.6 |
| Budgetary Supplies | 712013710 | 128,894,745 | 108,421,757 | 20,472,988 | 84.1 |
| Budgetary Supplies | 712023710 | 10,923,447 | 8,719,506 | 2,203,941 | 79.8 |
| Internal Audit | 712033710 | 8,442,176 | 6,215,440 | 2,226,736 | 73.6 |
| Accounts | 712053710 | 11,593,445 | 7,693,555 | 3,899,890 | 66.4 |
| Subtotal | | 584,791,568 | 446,349,439 | 138,442,129 | 76.3 |
| County Public Service Board | | | | | |
| General Administration & Planning | 701013710 | 12,001,036 | 7,559,649 | 4,441,387 | 63.0 |
| Board | 713013710 | 7,775,439 | 4,545,005 | 3,230,434 | 58.5 |
| Board | 713023710 | 7,297,121 | 3,959,852 | 3,337,269 | 54.3 |
| Board | 714013710 | 4,834,050 | 2,190,702 | 2,643,348 | 45.3 |
| Subtotal | | 31,907,646 | 18,255,208 | 13,652,438 | 57.2 |
| County Assembly | | | | | |
| General Administration & Planning | 701013710 | 297,003,008 | 156,276,917 | 140,726,091 | 52.6 |
| Legislative Department | 715013710 | 583,999,151 | 365,646,717 | 218,352,434 | 62.6 |
| Subtotal | | 881,002,159 | 521,923,634 | 359,078,525 | 59.2 |
| Kitui Municipality | | | | | |
| General Administration & Planning | 201013710 | 39,261,973 | 23,498,923 | 15,763,050 | 59.9 |
| Environment, Culture, Recreation & Community Development | 207013710 | 20,210,653 | 11,414,934 | 8,795,719 | 56.5 |
| Planning, Development Control, Transport & Infrastructure | 207013710 | 13,470,278 | 9,104,656 | 4,365,622 | 67.6 |
| Finance | 207023710 | 18,585,320 | 10,689,897 | 7,895,423 | 57.5 |
| Trade, Commerce & Industrialisation | 207033710 | 26,370,160 | 5,384,773 | 20,985,387 | 20.4 |
| Planning, Development Control, Transport & Infrastructure | 209013710 | 275,845,214 | 130,006,130 | 145,839,084 | 47.1 |
| Subtotal | | 393,743,598 | 190,099,313 | 203,644,285 | 48.3 |
| Mwingi Town Administration | | | | | |
| General Administration & Planning | 109013710 | 17,226,282 | 7,922,507 | 9,303,775 | 46.0 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption Rate (%) |
|---|----------------|------------------------|------------------------|----------------------|---------------------|
| General Administration & Planning | 201013710 | 43,316,523 | 22,776,413 | 20,540,110 | 52.6 |
| Planning, Development Control, Transport & Infrastructure | 207013710 | 9,926,419 | 3,085,752 | 6,840,667 | 31.1 |
| Planning, Development Control, Transport & Infrastructure | 207023710 | 1,414,659 | 563,650 | 851,009 | 39.8 |
| Planning, Development Control, Transport & Infrastructure | 207033710 | 6,350,374 | 3,245,997 | 3,104,377 | 51.1 |
| General Administration & Planning | 706013710 | 6,299,069 | 2,326,862 | 3,972,207 | 36.9 |
| Environment, Culture, Recreation & Community Development | 1001013710 | 10,636,043 | 5,155,102 | 5,480,941 | 48.5 |
| Subtotal | | 95,169,369 | 45,076,283 | 50,093,086 | 0.5 |
| Gr& Total | | 11,839,810,619 | 7,072,479,571 | 4,717,237,962 | 59.7 |

Source: Kitui County Treasury

Programmes with the highest levels of implementation based on absorption rates were: General Administration & Planning in the Department of Office of the Governor at 118.5 per cent, followed by General Administration & Planning in the Department of Health and Sanitation at 96.4 per cent, and, Accounts in the Department of County Treasury at 94.2 per cent of budget allocation.

3.19.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.2.15 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.4.40 billion. The development expenditure represented 48.8 per cent of the annual development budget.
2. A high wage bill, which accounted for 50.3 per cent of the total expenditure in the first nine months of FY 2020/21 thus constraining funding to other programmes.
3. Under-performance of own-source revenue at Kshs.220.98 million against an annual projection of Kshs.600 million, representing 36.8 per cent of the annual target.
4. Failure to fully budget for the unspent cash balance from FY 2019/20. The county budgeted for Kshs.1.09 billion while the actual amount was Kshs.1.58 billion.
5. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 22nd April 2021 contrary to OCoB's instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.
6. High expenditure on local travel at Kshs.249.63 million, which was unexpected during the COVID-19 containment period due to travel restrictions and points to wasteful spending.

The County should implement the following recommendations to improve budget execution;

1. *The County should identify and address issues causing delays in the implementation of development projects.*
2. *The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.*
3. *The County should address its own source revenue performance to ensure the approved budget is fully financed.*
4. *The County should prepare a supplementary budget to include unbudgeted balances from FY 2019/20 in the FY 2020/21 budget.*
5. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.*
6. *The County Treasury should review expenditure on travel and subsistence allowances to ensure it is credible and institute control measures to curtail further avoid wasteful spending.*

3.20 County Government of Kwale

3.20.1 Overview of FY 2020/21 Budget

The county's approved supplementary budget for FY 2020/21 is Kshs.11.93 billion, comprising Kshs.6.45 billion (54.1 per cent) and Kshs.5.48 billion (45.9 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the county expects to receive Kshs.7.66 billion (64.2 per cent) as the equitable share of revenue raised nationally, Kshs.1.17 billion (9.8 per cent) as total conditional grants, generate Kshs.365.64 million (3.1 per cent) from own sources of revenue, and a cash balance of Kshs.2.73 billion (22.9 per cent) from FY 2019/20.

3.20.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.3.90 billion as an equitable share of the revenue raised nationally, Kshs.499.54 million as conditional grants, raised Kshs.171.14 million as own-source revenue, and had a cash balance of Kshs.2.73 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.7.31 billion, as shown in Table 3.106.

Table 3.106: Kwale County, Revenue Performance in the First Nine Months of FY 2020/21

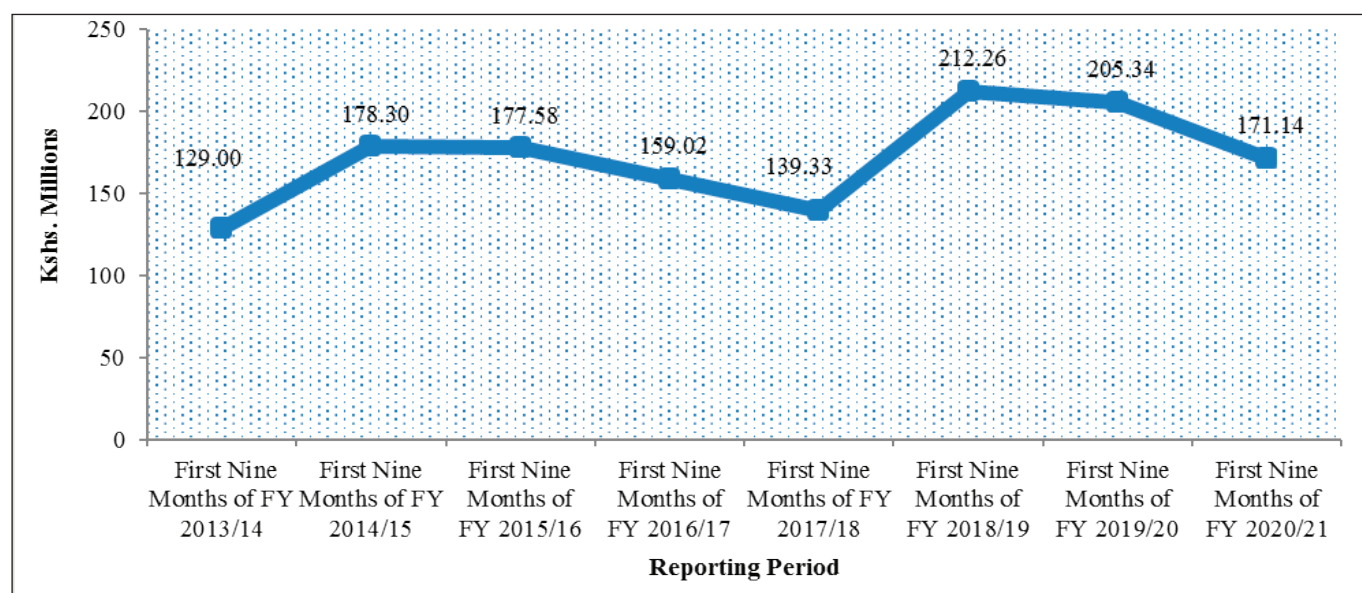
| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual Receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|---|--|------------------------------------|----------------------------|---|
| A | Equitable Share of Revenue Raised nationally | 7,785,900,000 | 7,659,300,000 | 3,900,735,900 | 50.9 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Compensation for User Fee Foregone | 15,209,593 | 15,209,593 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 228,285,028 | 228,285,028 | 114,142,514 | 50 |
| | Rehabilitation of Village Polytechnics | 56,299,894 | 56,299,894 | 28,149,947 | 50 |
| Sub-Total | | 431,815,792 | 299,794,515 | 142,292,461 | 47.5 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal Care Project (WB) | 35,200,000 | 35,200,000 | 17,007,407 | 48.3 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 199,640,546 | 199,640,546 | 110,779,303 | 55.5 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 75,000,000 | 45,000,000 | 60.0 |
| 4. | DANIDA Grant | 22,140,000 | 22,140,000 | - | - |
| 5. | EU Grant (Instruments for Devolution Advise and Support IDEAS) | 15,624,891 | 15,624,891 | 48,984,766 | 313.5 |
| 6. | IDA (WB) Credit: Water & Sanitation Development Project (WSDP) | 400,000,000 | 400,000,000 | 107,214,642 | 26.8 |
| 7. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 14,732,422 | 14,732,422 | 14,026,530 | 95.2 |
| 8. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Institutional Grants (UIG) | - | - | 14,238,060 | - |
| Sub Total | | 732,337,859 | 762,337,859 | 357,250,708 | 46.9 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 365,641,316 | 171,139,550 | 46.8 |
| 2. | Balance b/f from FY 2019/20 | - | 2,734,050,576 | 2,734,050,576 | 100 |
| Sub Total | | - | 3,099,691,892 | 2,905,190,125 | 93.7 |
| Grand Total | | 8,950,053,651 | 11,821,124,266 | 7,305,469,194 | 61.8 |

Source: Kwale County Treasury

The County received Ksh.48.98 million for Water and Sanitation Development Project, which is Kshs.33.36 million more than the budgeted amount because the receipt includes phase 2 allocations.

Figure 3.37 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.37: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Kwale County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.171.14 million as its own source revenue. This amount represented a decrease of 16.7 per cent compared to Kshs.205.34 million realised during a similar period in FY 2019/20 and was 46.8 per cent of the annual target.

3.20.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.22 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.80 billion (28.9 per cent) for development programmes and Kshs.4.42 billion (71.1 per cent) for recurrent programmes.

3.20.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.5.73 billion on development and recurrent programmes. The expenditure represented 78.5 per cent of the total funds released by the COB and comprised of Kshs.1.63 billion and Kshs.4.10 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 25.3 per cent while recurrent expenditure represented 74.9 per cent of the annual recurrent expenditure budget.

3.20.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.38 billion was spent on compensation to employees, Kshs.1.72 billion on operations and maintenance, and Kshs.1.63 billion on development activities as shown in Table 3.107.

Table 3.107: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 5,479,986,482 | 4,421,767,628 | 4,104,126,903 | 74.9 |
| Compensation to Employees | 2,989,752,626 | 2,384,643,280 | 2,382,180,884 | 79.7 |
| Operations and Maintenance | 2,490,233,856 | 2,037,124,348 | 1,721,946,019 | 69.1 |
| Total Development Expenditure | 6,447,706,784 | 1,799,541,512 | 1,628,342,342 | 25.3 |
| Development Expenditure | 6,447,706,784 | 1,799,541,512 | 1,628,342,342 | 25.3 |
| Total | 11,927,693,266 | 6,221,309,140 | 5,732,469,245 | 48.1 |

Source: Kwale County Treasury

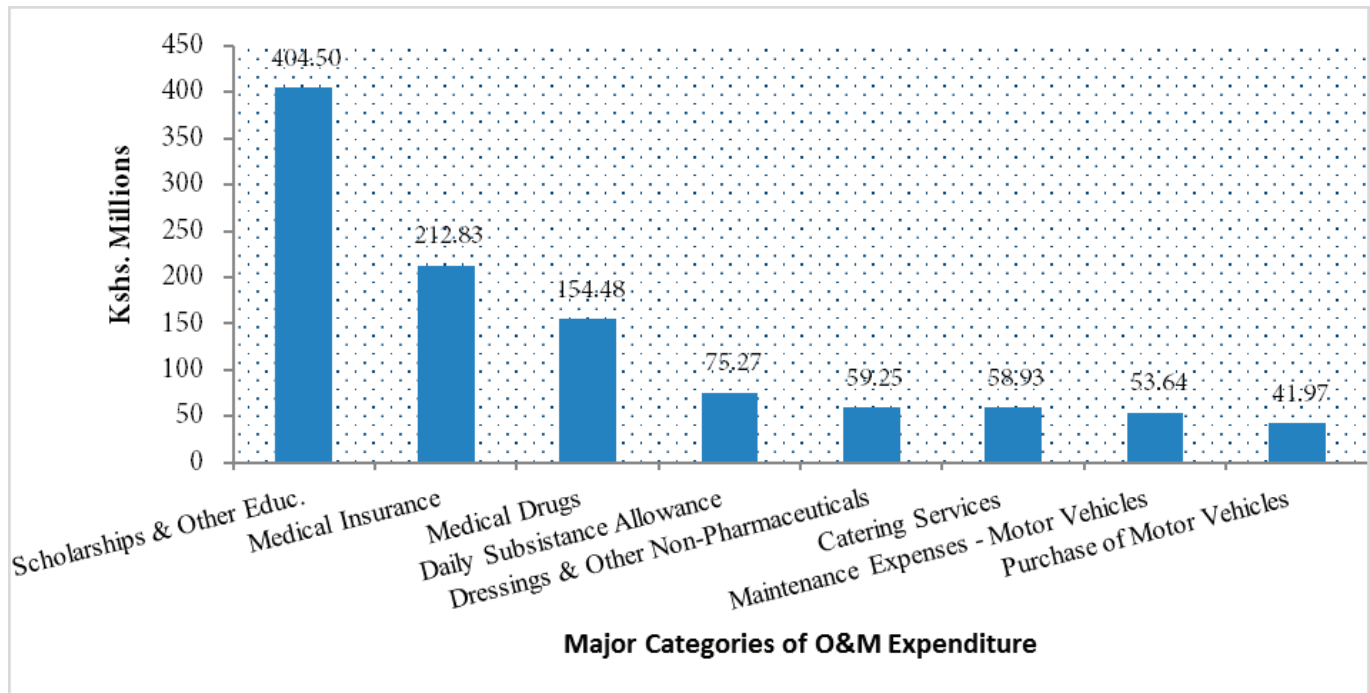
3.20.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 41.6 per cent of the total expenditure for the reporting period and 26.6 per cent of the first nine months proportional revenue estimate of Kshs.8.95 billion.

3.20.7 Expenditure on Operations and Maintenance

Figure 3.38 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.38: Kwale County, Operations and Maintenance Expenditure by Major Categories



Source: Kwale County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.33.31 million on committee sitting allowances for the 30 MCAs and Speaker against the annual budget allocation of Kshs.49.24 million. The average monthly sitting allowance was Kshs.119, 386 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.158.87 million and comprised of Kshs.24.15 million spent by the County Assembly and Kshs.134.72 million by the County Executive. Expenditure on foreign travel amounted to Kshs.2.87 million and consisted of Kshs.1.94 million by the County Assembly and Kshs.0.92 million by the County Executive.

3.20.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.137.08 million to cater for COVID-19 related expenditure. A total of Kshs.57.66 million was spent during the reporting period, as shown in Table 3.108.

Table 3.108: COVID-19 Budget and Expenditure Summary

| No. | Description of Expenditure Category | Annual Budget Allocation | Expenditure As At 31st March 2021 |
|-----|---|--------------------------|-----------------------------------|
| 3. | Daily Subsistence Allowance | 6,039,000 | |
| 4. | Allowances for Ferrying COVID 19 Samples | | 39,000 |
| 5. | Allowance for Attending Covid19-Sensitization Meeting | | 51,800 |
| 6. | Allowances for Fumigating Public Places | | 80,750 |
| 7. | Allowances for COVID 19 Sensitization Meeting-Matuga | | 140,000 |
| 8. | Allowances for Review Meeting | | 581,700 |
| 9. | Allowance for Kinango COVID Sensitization Meeting | | 76,500 |
| 10. | Allowances for Updating COVID 19-Data | | 493,900 |
| 11. | Lab Materials | 11,000,000 | |
| 12. | Supply of Lab Items | | 10,985,000 |

| No. | Description of Expenditure Category | Annual Budget Allocation | Expenditure As At 31st March 2021 |
|-----|---|--------------------------|-----------------------------------|
| 13. | Fuel | 3,300,000 | |
| 14. | Fuel for Ambulances | | |
| 15. | M/V Maintenance | 2,722,000 | |
| 16. | Motor Vehicle Repairs | | 2,685,696 |
| 17. | Personal Protective Equipment (PPE) | 14,000,000 | |
| 18. | Supply of PPE's | | 7,499,260 |
| 19. | Crank Beds and Folding Chairs | 5,208,000 | |
| 20. | Equipments | 20,600,000 | |
| 21. | Supply of COVID 19 Equipment | | 19,178,000 |
| 22. | Advertising | 7,730,000 | |
| 23. | Purchase of Tv Sets | | 626,022 |
| 24. | Hire of Public Adress System | | 3,560,000 |
| 25. | Hire of Public Adress System | | 600,000 |
| 26. | Oxygen Concentrators | 1,500,000 | |
| 27. | Lungalunga Xray Machine | 6,000,000 | |
| 28. | 1000 Bedsheets | 2,500,000 | |
| 29. | Rehab of Oxygen Plant | 2,500,000 | |
| 30. | Purchase of Oxygen Cylinders | 3,270,000 | |
| 31. | Construction of Msambweni Oxygen Plant | 2,500,000 | |
| 32. | Training Expenses | 8,700,000 | |
| 33. | Allowances For Drivers Training | | 562,800 |
| 34. | Training Fees And Conference For Drivers | | 427,000 |
| 35. | Nurses Allowance For Attending COVID 19 Training-Kilifi | | 642,600 |
| 36. | Conference Package For Updating COVID Data | | 96,660 |
| 37. | Purchase of Furniture | 9,000,000 | |
| 38. | COVID Unit | 30,513,000 | |
| 39. | Supply of 2500 Bags of Cement | | 1,687,500 |
| 40. | COVID Labour Costs | | 2,166,140 |
| 41. | Hiring of Mixer | | 288,500 |
| 42. | Purchase of Tools | | 136,100 |
| 43. | 150 Tonnes Hardcore | | 210,000 |
| 44. | 400 Tonnes Riversand | | 560,000 |
| 45. | Building Rods | | 1,806,000 |
| 46. | 70 Tonnes Quarry Dust | | 80,500 |
| 47. | 25000 Masonry Blocks | | 1,185,000 |
| 48. | 210 Tonnes Ballast | | 1,008,000 |
| 49. | Purchase of Mixer And Vibrator | | 205,000 |
| 50. | Total | 137,082,000 | 57,659,428 |

Source: Kwale County Treasury

3.20.9 Development Expenditure

The County incurred expenditure of Kshs.1.63 billion on development programmes, which represented a decrease of 0.6 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.64 billion. Table 3.109 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.109: Kwale County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Department | Location | Budget (Kshs) | Expenditure (Ksshs) | Absorption Rate |
|-------|--|----------------------------------|--------------|---------------|---------------------|-----------------|
| 1. | Water and Sanitation Project | Water | Kwale Hq | 400,000,000 | 107,214,642 | 26.8 |
| 2. | Sporting Field Levelling | Social Services | Kwale | 81,819,999 | 60,550,325 | 74.0 |
| 3. | Construction of Stadium | Social Services | Kwale | 119,259,841 | 52,732,043 | 44.2 |
| 4. | Proposed Tarmacking of Kona Ya Jadini-Lotfa Resort Road In Ukunda Ward | Roads & Public Works | Ukunda | 50,000,000 | 46,707,886 | 93.4 |
| 5. | Proposed Tarmacking of Kona Musa Mabokoni-Kona Ya Masairoad In Ukunda Ward | Roads & Public Works | Ukunda | 50,000,000 | 45,014,960 | 90.0 |
| 6 | Grant to Youth Polytechnics | Education | All Wards | 45,873,971 | 34,953,750 | 76.2 |
| 7 | County Assembly Complex | County Assembly | HQ | 79,325,838 | 32,871,125 | 41.4 |
| 8 | Construction of Kinango Buspark | Public Service Ad Administration | Kinango Town | 24,000,000 | 23,300,077 | 97.1 |

| S/No. | Project Name | Department | Location | Budget (Kshs) | Expenditure (Kshs) | Absorption Rate |
|-------|--|------------|--------------------------|---------------|--------------------|-----------------|
| 9 | Flagship Project - Fruit Processing Plant in Shimba Hills -Kubo South Phase Ii | Trade | Simba - Hills Kubo South | 59,752,679 | 22,673,199 | 37.9 |
| 10 | Kwale Teachers College-Phase 2 | Education | Puma | 100,000,000 | 20,725,418 | 20.7 |

Source: Kwale County Treasury

3.20.10 Budget Performance by Department

Table 3.110 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.110: Kwale County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Millions) | | Exchequer Issues (Kshs. Millions) | | Expenditure (Kshs. Millions) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|------------------------------------|-----------------|-----------------------------------|-----------------|------------------------------|-----------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Finance and Economic Planning | 513.22 | 30.59 | 510.90 | 4.40 | 443.16 | 4.40 | 86.7 | 100.0 | 86.3 | 14.4 |
| Agriculture, Livestock and Fisheries | 196.69 | 642.48 | 136.78 | 263.17 | 125.73 | 218.00 | 91.9 | 82.8 | 63.9 | 33.9 |
| Land, Environment, Mining and natural resources | 141.69 | 161.13 | 83.29 | 12.40 | 68.24 | 22.33 | 81.9 | 180.1 | 48.2 | 13.9 |
| Medical and Public Health Services | 1,982.62 | 976.92 | 1,792.74 | 146.66 | 1,716.57 | 127.84 | 95.8 | 87.2 | 86.6 | 13.1 |
| County Assembly | 589.35 | 234.85 | 420.70 | 62.20 | 342.69 | 76.70 | 81.5 | 123.3 | 58.1 | 32.7 |
| Trade, Investment and Co-operative Development | 80.31 | 265.89 | 36.69 | 107.01 | 41.32 | 54.75 | 112.6 | 51.2 | 51.5 | 20.6 |
| Social Services and Talent Management | 146.67 | 291.02 | 114.27 | 67.94 | 68.57 | 61.77 | 60.0 | 90.9 | 46.8 | 21.2 |
| Executive Services | 123.54 | 69.23 | 79.65 | 2.00 | 74.96 | 2.00 | 94.1 | 100.0 | 60.7 | 2.9 |
| Education | 1,032.49 | 1,099.32 | 769.29 | 360.09 | 766.18 | 359.11 | 99.6 | 99.7 | 74.2 | 32.7 |
| Water Services | 73.11 | 1,201.81 | 47.74 | 370.60 | 46.29 | 370.37 | 97.0 | 99.9 | 63.3 | 30.8 |
| Roads and public Works | 153.41 | 1,185.10 | 99.82 | 339.05 | 97.35 | 276.33 | 97.5 | 81.5 | 63.5 | 23.3 |
| Tourism and ICT | 52.88 | 96.18 | 31.55 | 19.31 | 29.26 | 19.31 | 92.7 | 100.0 | 55.3 | 20.1 |
| County Public Service Board | 50.40 | 98.14 | 37.82 | 44.71 | 31.00 | - | 82.0 | - | 61.5 | 0.0 |
| Public Service & Administration | 333.59 | 54.06 | 259.49 | - | 250.83 | 35.43 | 96.7 | 0.0 | 75.2 | 65.5 |
| Kwale Municipality | 5.00 | 40.98 | 0.45 | - | 1.62 | - | 360.0 | - | 32.4 | - |
| Diani Municipality | 5.00 | - | 0.60 | - | 0.35 | - | 58.3 | - | 7.0 | - |
| TOTAL | 5,479.97 | 6,447.70 | 4,421.78 | 1,799.54 | 4,104.12 | 1,628.34 | 92.8 | 90.5 | 74.9 | 25.3 |

Source: Kwale County Treasury

Analysis of departments' expenditure shows that the Department of Public Service & Administration recorded the highest absorption rate of development budget at 65.5 per cent while Kwale and Diani Municipalities did not report any expenditure on development activities. The Department of Medical & Public Health had the highest percentage of recurrent expenditure to budget at 86.6 per cent, while Diani Municipality had the lowest at 7.0 per cent.

3.20.11 Budget Execution by Programmes and Sub-Programmes

Table 3.111 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.111: Kwale County, Budget Execution by Programmes and Sub-programmes

| Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|------------------------|------------------------|----------------------|----------------|
| 3061 - FINANCE & ECONOMIC PLANNING | | | | |
| Budget formulation, co-ordination and management (0703023060) | 50,363,427 | 43,412,502 | 6,950,925 | 86.2 |
| General Administration (0704043060) | 311,113,457 | 243,312,842 | 67,800,615 | 78.2 |
| Revenue Collection Management (0710013060) | 26,998,098 | 16,669,667 | 10,328,431 | 61.7 |
| Public Finance and Accounting Services (0711013060) | 11,289,109 | 9,203,173 | 2,085,936 | 81.5 |
| Procurement Services (0711023060) | 5,517,065 | 1,241,870 | 4,275,195 | 22.5 |
| Risk Assurance Services (0711033060) | 5,447,030 | 3,299,971 | 2,147,059 | 60.6 |
| Personal Services(0704013060) | 133,083,391 | 130,423,548 | 2,659,843 | 98.0 |
| TOTALS | 543,811,577 | 447,563,572 | 96,248,005 | 82.3 |
| 3062 - AGRICULTURE,LIVESTOCK & FISHERIES | | | | |
| General administration and support services {0102053060} | 371,120,740 | 285,512,591 | 85,608,149 | 76.9 |
| Crop production & food security {0107013060} | 268,738,968 | 686,428 | 268,052,540 | 0.3 |
| Dairy and meat production {0108013060} | 58,575,000 | 16,823,770 | 41,751,230 | 28.7 |
| Fish production management {0109013060} | 21,237,294 | 5,704,655 | 15,532,639 | 26.9 |
| Livestock disease control {0108033060} | 71,694,000 | 3,254,776 | 68,439,224 | 4.5 |
| Farm land utilization, mechanization & crop storage {0107033060} | 44,135,000 | 31,279,283 | 12,855,717 | 70.9 |
| Agricultural extension, research & training. {0107023060} | 3,665,000 | 471,325 | 3,193,675 | 12.9 |
| Total | 839,166,002 | 343,732,828 | 495,433,174 | 41.0 |
| 3063 -LAND, ENVIRONMENT, MINING & NATURAL RESOURCES | | | | |
| 0102053060 (General administration and Support services | 149,802,776 | 32,184,782 | 117,617,994 | 21.5 |
| 0102063060 (Personnel Services) | 21,735,980 | 20,556,363 | 1,179,617 | 94.6 |
| 0104013060 (Physical development plans) | 21,480,000 | 3,777,800 | 17,702,200 | 17.6 |
| 0105013060 (Establishment of squatter settlement schemes | 45,281,207 | 30,104,107 | 15,177,100 | 66.5 |
| '0105033060 (identification and acquisition of land for development) | 12,900,000 | 2,350,000 | 10,550,000 | 18.2 |
| 0106023060 (County Environmental Awareness Initiative) | 50,600,000 | 776,300 | 49,823,700 | 1.5 |
| 0901023060 (Empowering communities in extractive industry) | 1,020,000 | 825,600 | 194,400 | 80.9 |
| TOTAL | 302,819,963 | 90,574,952 | 212,245,011 | 29.9 |
| 3064 - MEDICAL & PUBLIC HEALTH | | | | |
| General administration(0403013060) | 763,164,425 | 218,469,299 | 544,695,126 | 28.6 |
| Medical drugs(0402043060)) | 220,000,000 | 213,730,702 | 6,269,298 | 97.2 |
| HMIS (0403043060)) | 4,530,000 | 3,729,400 | 800,600 | 82.3 |
| Personnel services(0403053060) | 1,402,677,613 | 1,259,314,449 | 143,363,164 | 89.8 |
| Msambweni hospital (0405013060) | 44,276,733 | 30,525,235 | 13,751,499 | 68.9 |
| Kinango hospital(0406013060) | 30,125,186 | 17,283,378 | 12,841,808 | 57.4 |
| Kwale hospital(0407013060) | 59,030,000 | 13,297,857 | 45,732,143 | 22.5 |
| Tiwi rural health facility(0408013060) | 5,104,000 | 2,543,543 | 2,560,457 | 49.8 |
| Samburu hospital(0409013060) | 22,045,200 | 4,097,582 | 17,947,618 | 18.6 |
| Lunga lunga hospital(0410013060) | 14,898,200 | 11,227,665 | 3,670,535 | 75.4 |
| Public health(0401053060) | 3,350,000 | 1,111,976 | 2,238,024 | 33.2 |
| Rural health facilities(0412013060) | 390,343,554 | 69,077,960 | 321,265,594 | 17.7 |
| Total | 2,959,544,911 | 1,844,409,046 | 1,115,135,865 | 62.3 |
| 3065 - COUNTY ASSEMBLY | | | | |
| General administration and support services | 707,450,432 | 363,229,013 | 344,221,419 | 51.3 |
| Oversight, legislation and representation | 116,749,934 | 56,156,433 | 60,593,501 | 48.1 |
| Total | 824,200,366 | 419,385,446 | 404,814,920 | 50.9 |
| 3066 -TRADE, INVESTMENT & CO-OPERATIVE DEVELOPMENT | | | | |
| Administration services(0305023060) | 11,289,000 | 3,977,183 | 7,311,817 | 35.2 |
| Construction of new markets(0306023060) | 45,589,356 | 10,532,208 | 35,057,148 | 23.1 |
| Weights & Measures | 11,748,424 | 7,399,950 | 4,348,474 | 63.0 |
| Trade Development and Investment | 13,718,987 | 3,858,753 | 9,860,234 | 28.1 |
| Other Current Transfers(0306023060) | 10,000,000 | - | 10,000,000 | 0.0 |
| Personnel Services (305013060) | 28,701,006 | 21,657,999 | 7,043,007 | 75.5 |
| Building Capacity of Traders for better Market Access(301013060) | 5,763,500 | 2,117,360 | 3,646,140 | 36.7 |

| Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|------------------------|------------------------|----------------------|----------------|
| Industry & Enterprise Development | 83,856,000 | 987,233 | 82,868,767 | 1.2 |
| Cooperative Development | 7,230,348 | 1,317,920 | 5,912,428 | 18.2 |
| Domestic payable-from previous years | 128,305,577 | 44,216,462 | 84,089,115 | 34.5 |
| TOTAL | 346,202,198 | 96,065,068 | 250,137,130 | 27.7 |
| 3067-SOCIAL SERVICES & TALENT DEVELOPMENT | | | | |
| Administration | 170,959,015 | 97,545,587 | 73,413,428 | 57.1 |
| Community development | 91,787,056 | 2,072,525 | 89,714,531 | 2.3 |
| Culture and heritage | 30,414,943 | 4,784,320 | 25,630,623 | 15.7 |
| Sports and talent management | 144,523,958 | 25,934,003 | 118,589,955 | 17.9 |
| Total | 437,684,972 | 130,336,435 | 307,348,537 | 29.8 |
| 3068-EXECUTIVE SERVICES | | | | |
| Audit Services704013060 | 76,797,685 | 46,124,651 | 30,673,034 | 60.1 |
| General Administration704043060 | 102,615,818 | 21,875,652 | 80,740,166 | 21.3 |
| Legal Advisory Services707013060 | 2,386,000 | 962,360 | 1,423,640 | 40.3 |
| Media and Communication Services707033060 | 10,986,460 | 7,999,500 | 2,986,960 | 72.8 |
| TOTAL | 192,785,963 | 76,962,163 | 115,823,800 | 39.9 |
| 3069 -EDUCATION | | | | |
| Personnel Services (0502023060) | 516,326,025 | 320,260,389 | 196,065,636 | 62.0 |
| Scholarship and Bursary (0504013060) | 404,500,000 | 404,500,000 | - | 100.0 |
| Administration Planning support service (0502013060) | 572,232,925 | 294,395,666 | 277,837,259 | 51.4 |
| Infrastructure development (0503023060) AND (0501043060) | 456,302,167 | - | 456,302,167 | 0.0 |
| Youth Training Development(0503013060) | 79,099,894 | 38,340,474 | 40,759,420 | 48.5 |
| Early Childhood Development (0501013060) | 103,350,000 | 67,788,426 | 35,561,574 | 65.6 |
| Total | 2,131,811,011 | 1,125,284,955 | 1,006,526,056 | 52.8 |
| 3070 -WATER SERVICES | | | | |
| Construction & Maintenance of water pipeline supply systems (1001023060) | 101,500,000 | 2,416,904 | 99,083,096 | 2.4 |
| Development of Borehole water supply system (1001033060) | 83,082,966 | 4,153,647 | 78,929,319 | 5.0 |
| Development/Construction of surface water supply systems (1001043060) | 235,426,042 | 3,260,660 | 232,165,382 | 1.4 |
| Community Water Project (1001063060) | 21,044,263 | 8,429,966 | 12,614,297 | 40.1 |
| Personnel Services (1002013060) | 40,992,416 | 21,125,586 | 19,866,830 | 51.5 |
| Administration Services (1002023060) | 792,875,292 | 377,276,578 | 415,598,714 | 47.6 |
| TOTAL | 1,274,920,979 | 416,663,341 | 858,257,638 | 32.7 |
| 3071 -ROADS & PUBLIC WORKS | | | | |
| Administration Services (0305023060) | 420,848,360 | 276,458,740 | 144,389,620 | 65.7 |
| Rehabilitations of Roads, Drainage and bridges (0202013060) | 721,232,335 | 51,914,273 | 669,318,062 | 7.2 |
| Personnel Services (0305013060) | 153,411,638 | 45,309,419 | 108,102,219 | 29.5 |
| Installation of Street Lighting Facilities (0203013060) | 43,016,877 | - | 43,016,877 | 0.0 |
| TOTAL | 1,338,509,210 | 373,682,432 | 964,826,778 | 27.9 |
| 3072 -TOURISM & ICT | | | | |
| Personnel services {0305013060} | 21,602,016 | 16,622,881 | 4,979,135 | 77.0 |
| Administration services {0305023060} | 27,666,930 | 11,724,657 | 15,942,273 | 42.4 |
| Local area network installation and ICT support {0308013060} | 46,406,063 | 15,944,032 | 30,462,031 | 34.4 |
| Tourism Promotion {0304013060} | 53,385,338 | 4,277,203 | 49,108,135 | 8.0 |
| TOTAL | 149,060,347 | 48,568,773 | 100,491,574 | 32.6 |
| 3073 -PUBLIC SERVICE BOARD | | | | |
| Human resource planning (706013060) | 16,820,856 | 9,706,823 | 7,114,033 | 57.7 |
| Transformation of service delivery in public service (706023060) | 1,700,000 | 1,097,933 | 602,067 | 64.6 |
| HR management and skill development (706033060) | - | - | - | 0.0 |
| Compensation to employees (706043060) | 29,281,935 | 19,379,052 | 9,902,883 | 66.2 |
| Human resource planning (706053060) | 1,300,000 | 270,900 | 1,029,100 | 20.8 |
| Staff rationalization (706063060) | 1,300,000 | 549,150 | 750,850 | 42.2 |
| TOTAL | 50,402,791 | 31,003,858 | 19,398,933 | 61.5 |
| 3074 - PUBLIC SERVICE & ADMINISTRATION | | | | |
| Audit Services0704013060 | 167,949,004 | 143,944,255 | 24,004,749 | 85.7 |
| General Administration0704043060 | 159,425,820 | 83,559,162 | 75,866,658 | 52.4 |
| Compensation to employees | 1,200,000 | 600,000 | 600,000 | 50.0 |
| County compliance and enforcement0708033060 | 19,422,200 | 11,876,577 | 7,545,623 | 61.1 |

| Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|------------------------|------------------------|----------------------|----------------|
| Sub County Admin Msambweni0712013060 | 11,222,000 | 6,642,038 | 4,579,962 | 59.2 |
| sub County Admin lungalunga0712023060 | 13,152,000 | 9,470,790 | 3,681,210 | 72.0 |
| sub County Admin Matuga0712033060 | 11,378,000 | 7,963,044 | 3,414,956 | 70.0 |
| sub County Admin Kinango0712043060 | 14,668,028 | 9,715,845 | 4,952,183 | 66.2 |
| county garbage and cleaning services0713013060 | 15,361,568 | 8,905,040 | 6,456,528 | 58.0 |
| Human Resource and Planning,0714013060 | 17,958,000 | 3,586,317 | 14,371,683 | 20.0 |
| TOTAL | 431,736,620 | 286,263,069 | 145,473,551 | 66.3 |
| 3075 - KWALE MUNICIPALITY | | | | |
| 0102063060 (Personnel) | 2,000,000 | - | 2,000,000 | 0.0 |
| 0111013060 (Kwale municipality) | 57,056,358 | 1,618,910 | 55,437,448 | 2.8 |
| TOTAL | 59,056,358 | 1,618,910 | 57,437,448 | 2.7 |
| 3076 - DIANI MUNICIPALITY | | | | |
| 0102063060 (Personnel) | 2,400,000 | 354,400 | 2,045,600 | 14.8 |
| 0112013060 (Diani municipality) | 43,580,000 | - | 43,580,000 | 0.0 |
| TOTAL | 45,980,000 | 354,400 | 45,625,600 | 0.8 |
| Grand Total | 11,927,693,268 | 5,732,469,249 | 6,195,224,019 | 48.1 |

Source: Kwale County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Scholarship and Bursary in the Department of Education at 100 per cent, Personal Services in the Department of Finance & Economic Planning at 98 per cent, Medical Drugs in the Department of medical and Public health at 97.2 per cent, and personnel Services in the Department of Land, Environment, mining & natural resources at 94.6 per cent of budget allocation.

3.20.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.1.63 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.6.45 billion. The development expenditure represented 25.3 per cent of the annual development budget. This is despite the availability of funds in the CRF during the period.
2. The under-performance of own source revenue at Kshs. 171.14 million against an annual projection of Kshs.365.64 million, representing 46.8 per cent of the annual target

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County should address its own source revenue performance to ensure the approved budget is fully financed.

3.21 County Government of Laikipia

3.21.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.7.92 billion, comprising of Kshs. 3.11 billion (39.2 per cent) and Kshs.4.81 billion (60.8 per cent) allocation for development and recurrent programmes, respectively

To finance the budget, the County expects to receive Kshs.4.83 billion (65.5 per cent) as the equitable share of revenue raised nationally, Kshs.811.76 million (11.0 per cent) as total conditional grants, generate Kshs.1.0 billion (13.6 per cent) from own sources of revenue, and a cash balance of Kshs.728.60 million (9.9 per cent) from FY 2019/20.

3.21.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.2.78 billion as an equitable share of the revenue raised nationally, Kshs.287.87 million as conditional grants, raised Kshs.575.87 million as own-source revenue, and had a cash balance of Kshs.728.60 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.4.37 billion, as shown in Table 3.112.

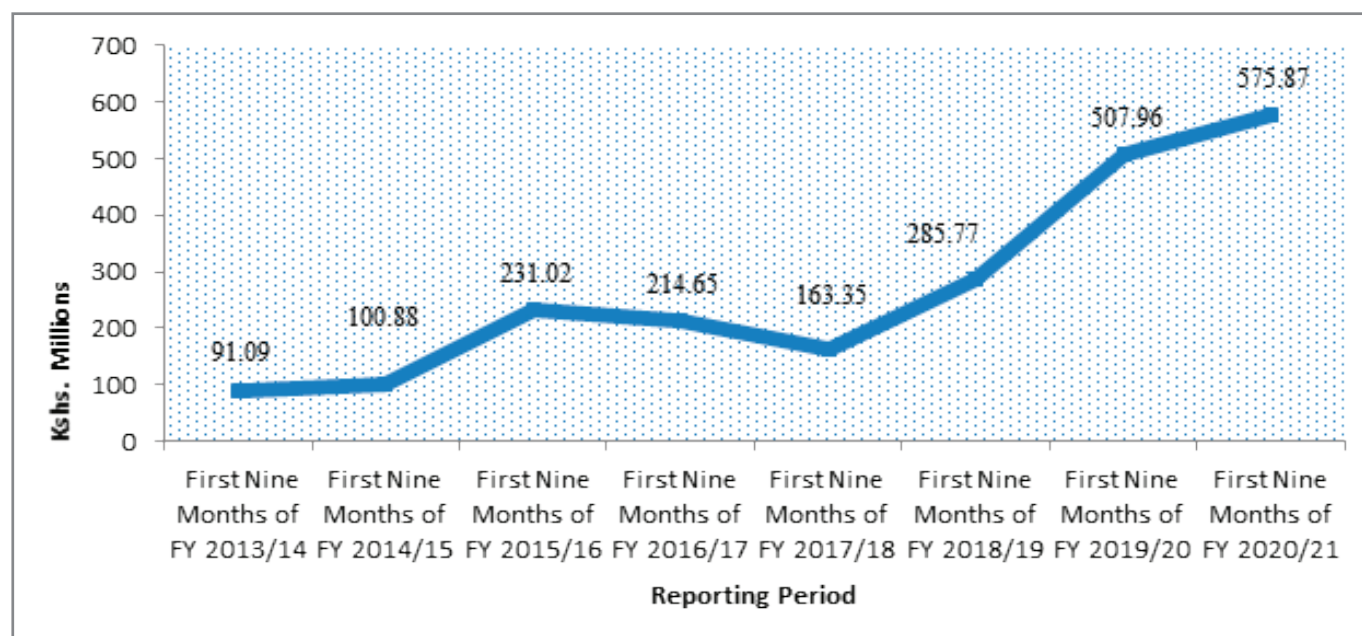
Table 3.112: Laikipia County, Revenue Performance in the First nine months of FY 2020/21

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|--|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 4,177,800,000 | 4,830,560,000 | 2,782,414,800 | 57.6 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Compensation for User Fee Foregone | 9,968,208 | 9,968,208 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 143,385,638 | 143,385,638 | 71,692,819 | 50.0 |
| 4. | Rehabilitation of Village Polytechnics | 18,319,894 | 18,319,894 | 9,159,947 | 50.0 |
| Sub Total | | 303,695,017 | 171,673,740 | 80,852,766 | 47.1 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) | 90,610,649 | 90,610,649 | 43,338,975 | 47.83 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 236,105,200 | 236,105,200 | 100,455,119 | 42.5 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |
| 4. | DANIDA Grant | 11,880,000 | 11,880,000 | 5,940,000 | 50.0 |
| 5. | EU Grant (Instruments for Devolution Advise and Support IDEAS) | 15,626,168 | 15,626,168 | - | - |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 12,916,815 | 12,916,815 | 10,241,489 | 79.3 |
| 7. | UNICEF Grant | - | - | 2,044,600 | ∞ |
| Sub Total | | 412,138,832 | 412,138,832 | 107,780,318 | 50.2 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 1,006,875,000 | 575,871,508 | 57.2 |
| 2. | Balance b/f from FY 2019/20 | - | 728,598,998 | 728,598,998 | 100.0 |
| Sub Total | | - | 1,735,473,998 | 1,051,572,108 | 75.2 |
| Grand Total | | 4,893,633,849 | 7,149,846,570 | 4,374,758,255 | 61.12 |

Source: Laikipia County Treasury

Figure 3.39 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.39: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Laikipia County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.575.87 million as its own source revenue. This amount represented an increase of 13.4 per cent compared to Kshs.507.96 million realised during a similar period in FY 2019/20 and was 57.2 per cent of the annual target.

3.21.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.62 billion from the CRF account during the reporting period. The amount comprised of Kshs.678.8 million (18.7 per cent) for development programmes and Kshs.2.94 billion (81.3 per cent) for recurrent programmes.

3.21.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.47 billion on development and recurrent programmes. The expenditure represented 95.9 per cent of the total funds released by the COB and comprised of Kshs.690.37 million and Kshs.2.78 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 22.2 per cent while recurrent expenditure represented 57.8 per cent of the annual recurrent expenditure budget.

3.21.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.84 billion was spent on compensation to employees, Kshs.945.64 million on operations and maintenance, and Kshs.690.37 million on development activities as shown in Table 3.113.

Table 3.113: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 4,812,193,378 | 2,942,207,814 | 2,780,802,732 | 57.8 |
| Compensation to Employees | 3,036,810,460 | 1,835,163,615 | 1,835,163,615 | 60.4 |
| Operations and Maintenance | 1,775,382,918 | 1,107,044,199 | 945,639,117 | 53.3 |
| Total Development Expenditure | 3,107,730,043 | 678,795,069 | 690,373,757 | 22.2 |
| Development Expenditure | 3,107,730,043 | 678,795,069 | 690,373,757 | 22.2 |
| Total | 7,919,923,421 | 3,621,002,883 | 3,471,176,489 | 43.8 |

Source: Laikipia County Treasury

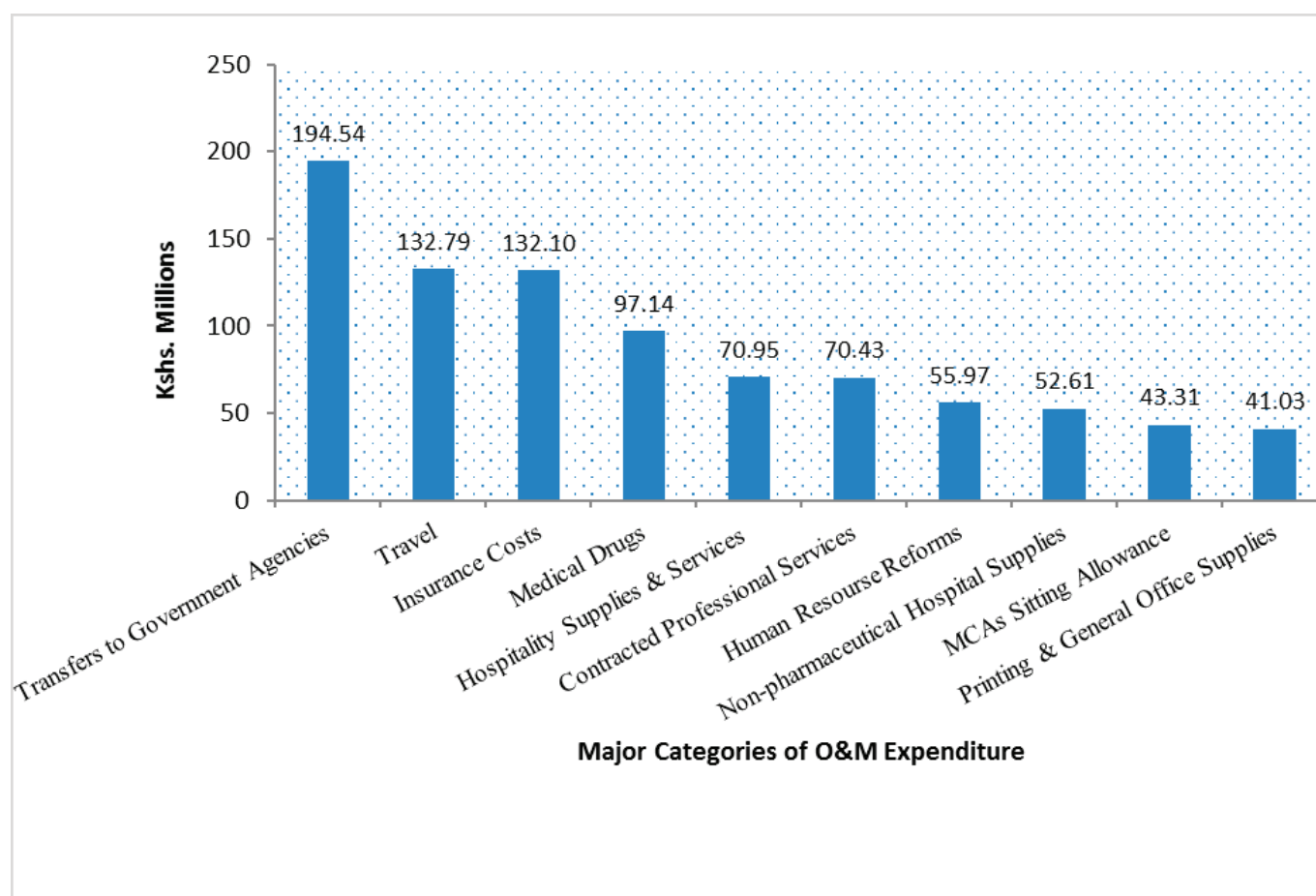
3.21.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 52.9 per cent of the total expenditure for the reporting period and 30.9 per cent of the first nine months proportional revenue estimate of Kshs.5.94 billion.

3.21.7 Expenditure on Operations and Maintenance

Figure 3.40 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.40: Laikipia County, Operations and Maintenance Expenditure by Major Categories



Source: Laikipia County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.43.3 million on committee sitting allowances for the 25 MCAs and Speaker against the annual budget allocation of Kshs.43.3 million. The average monthly sitting allowance was Kshs.192,470 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.89.1 million and comprised of Kshs.25.89 million spent by the County Assembly and Kshs.63.18 million by the County Executive. Expenditure on foreign travel amounted to Kshs.43.71 million and consisted of Kshs.41.11 million by the County Assembly and Kshs.2.60 million by the County Executive.

3.21.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs.45.13 million to cater for COVID-19 related expenditure. A total of Kshs.30.5 million was spent during the reporting period as shown in Table 3.114.

Table 3.114: COVID-19 Budget and Expenditure Summary

| S/No. | Description of Expenditure (Kshs.) | Budgeted Amount (Kshs.) | Expenditure as of 31st March, 2021 (Kshs.) | Absorption Rate (%) |
|-------|---|-------------------------|--|---------------------|
| 1 | Basic Wages to Temporary Employees | 3,500,000 | 2,180,000 | 62.3 |
| 2 | Domestic Travel & Subsistence | 1,500,000 | 811,200 | 54.1 |
| 3 | Foods and Ration | 8,000,000 | 5,049,500 | 63.1 |
| 4 | Fuel, Oils and Lubricants | 2,000,000 | 1,800,000 | 90.0 |
| 5 | Hire of Transport | 520,000 | 90,000 | 17.3 |
| 6 | Hospitality Supplies and Services | 9,000,000 | 7,702,400 | 85.6 |
| 7 | Printing & Advertising | 1,500,000 | 627,000 | 41.8 |
| 8 | Specialised Materials And Services(Non-Pharmaceutical Materials) | 13,500,000 | 9,614,000 | 71.2 |
| 9 | Uniforms | 1,200,000 | 800,000 | 66.7 |
| 10 | Utilities Suppliss and Services | 408,807 | 53,000 | 13.0 |
| 11 | Acquisition of Assets | 4,000,000 | 1,772,602 | 44.3 |
| | Total | 45,128,807 | 30,499,702 | 67.6 |

Source: Laikipia County Treasury

3.21.9 Development Expenditure

The County incurred expenditure of Kshs.690.37 million on development programmes, which represented a decrease of 23.1 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.560.65 billion. Table 3.115 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.115: Laikipia County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|------------------|------------------------|------------------------------------|---------------------|
| 1 | Financing For Recovery Program | Countywide | 73,000,000 | 39,503,300 | 54.1 |
| 2 | Construction of Storm Water Drainage, Paving , Water Tank And Electricals At Old Market Lso No 1763342 Req No 11324 | Old Market | 19,000,000 | 19,000,000 | 100.0 |
| 3 | Being Payment In Respect of Weighbridge Services | Laikipia | 13,456,690 | 13,456,690 | 100.0 |
| 4 | Being Payment In Respect of Final Payment of Construction of Storm Water Drainage , Paving , Water Tank And Electrical At Old Market | Old Market | 7,722,618 | 7,722,618 | 100.0 |
| 5 | Being Payment In Respect of Annual Maintenance Fee 2019 - 2020 Payable To Intsoft For County Operations Management System | Headquarter | 7,216,200 | 7,091,783 | 98.3 |
| 6 | Being Part Payment For Stage Stalls In Nanyuki Town ,Nanyuki Ward | Nanyuki | 6,507,557 | 6,507,557 | 100.0 |
| 7 | Being Payment In respect of Construction of Gachuiro Bridge In Umande Ward | Umande Ward | 5,447,198 | 5,447,198 | 100.0 |
| 8 | Being Charges For Weighbridges For July, August And September | Laikipia | 4,034,460 | 4,034,460 | 100.0 |
| 9 | Being Payment Inrespect of Road Grading and Graveling of Kabati-Munene Road In Olmoran Ward | Olmoran | 3,986,920 | 3,918,180 | 98.3 |
| 10 | Being Payment For Construction of X-Ray Block At Kimanjo | Kimanjo | 3,974,158 | 3,974,158 | 100.0 |

Source: Laikipia County Treasury

3.21.10 Budget Performance by Department

Table 3.116 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.116: Laikipia County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|-----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|--------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Administration Services | 3,339.88 | 61.38 | 2,114.38 | 8.41 | 1,944.42 | 2.67 | 92.0 | 31.7 | 58.2 | 4.3 |
| Finance and Economic Planning | 182.13 | 861.02 | 106.42 | 384.78 | 117.60 | 405.73 | 110.5 | 105.4 | 64.6 | 47.1 |
| County Health & Sanitation | 560.99 | 200.09 | 334.64 | - | 301.18 | - | 90 | - | 53.7 | 0.0 |
| Agriculture, Livestock & Fisheries | 66.25 | 554.06 | 24.54 | 35.65 | 11.30 | 93.82 | 46.0 | 263.2 | 17.0 | 16.9 |
| Infrastructure, Physical Planning & Lands | 34.84 | 817.74 | 13.75 | 142.98 | 3.80 | 96.75 | 27.7 | 67.7 | 10.9 | 11.8 |
| Education, Sports & Social Services | 91.18 | 146.88 | 24.49 | 9.16 | 23.15 | 9.43 | 94.5 | 102.9 | 25.4 | 6.4 |
| Trade & Industrialization | 23.22 | 123.84 | 13.88 | 58.05 | 11.10 | 39.50 | 79.9 | 68.1 | 47.8 | 31.9 |
| Water Services | 18.02 | 241.62 | 10.41 | 6.21 | 9.47 | 8.92 | 91.0 | 143.7 | 52.5 | 3.7 |
| County Assembly | 495.69 | 101.09 | 299.69 | 33.55 | 358.79 | 33.55 | 119.7 | 100.0 | 72.4 | 33.2 |
| Total | 4,812.19 | 3,107.73 | 2,942.21 | 678.80 | 2,780.80 | 690.37 | 94.5 | 101.7 | 57.8 | 22.2 |

Source: Laikipia County Treasury

Analysis of departments' expenditure shows that the Department of Finance and Economic Planning recorded the highest absorption rate of development budget at 47.1 per cent. The County Assembly had the highest percentage of recurrent expenditure to budget at 72.4 per cent, while the Department of Infrastructure had the lowest at 10.9 per cent.

3.21.11 Budget Execution by Programmes and Sub-Programmes

Table 3.117 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.117: Laikipia County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|--|------------------------|------------------------|--------------------|----------------|
| Education, Youth & Sports | | | | | |
| Administration Planning And Support Services | Administration Services | 5,777,793 | 1,390,662 | 4,387,131 | 24.1 |
| | Personnel Services | 1,800,000 | 844,050 | 955,950 | 46.9 |
| | SUB-TOTAL | 7,577,793 | 2,234,712 | 5,343,081 | 29.5 |
| Sports, Arts and Social Services | Talent Development Services | 500,000 | 250,000 | 250,000 | 50 |
| | Sport Development and Promotion | 7,500,000 | 492,800 | 7,007,200 | 6.6 |
| | Social and Cultural Development | 7,200,000 | 170,000 | 7,030,000 | 2.4 |
| | Child Care Services | 2,500,000 | 1,052,291 | 1,447,709 | 42.1 |
| | SUB- TOTAL | 17,700,000 | 1,965,091 | 15,734,909 | 11.1 |
| Education and Training | Vocational Education and Training | 97,680,795 | 28,382,486 | 69,298,309 | 29.1 |
| | Collaboration and partnerships on skills and technology transfer | 3,500,000 | - | 3,500,000 | - |
| | Early Childhood Education Development | 49,500,000 | - | 49,500,000 | - |
| | Education Empowerment | 50,000,000 | - | 50,000,000 | - |
| | Basic Education School Infrastructure Support | 12,102,193 | - | 12,102,193 | - |
| | SUB-TOTALS | 212,782,988 | 28,382,486 | 184,400,502 | 13.3 |
| Sub-Total | | 238,060,781 | 32,582,289 | 205,478,492 | 13.7 |
| County Assembly | | | | | |
| General Administration & Planning Services | Administration services | 298,068,250 | 239203388 | 58,864,862 | 80.3 |
| Legislative & Oversight | Legislation & Oversight Services | 197,625,500 | 119583158 | 78,042,342 | 60.5 |
| Infrastructure Improvement Services | County Assembly Infrastructure improvement | 101,092,291 | 33,549,543 | 67,542,748 | 33.2 |
| Sub-Total | | 596,786,041 | 392,336,089 | 204,449,952 | 65.7 |
| County Health Services | | | | | |
| General Administrative and Planning Services | Human Resource Development | 1,000,000 | 388,160 | 611,840 | 38.8 |
| | Health Policy, Governance, Planning and Financing | 4,500,000 | 2,454,518 | 2,045,482 | 54.5 |
| | Administrative, Project Planning and Implementation Services | 80,465,000 | 62,439,419 | 18,025,581 | 77.6 |
| | Health General Information Standard and Quality Assurance | 500,000 | - | 500,000 | - |
| Preventive Health Services | Family Planning, Maternal and Child Health Services | 3,300,000 | 1,571,600 | 1,728,400 | 47.6 |
| | Non-Communicable Diseases Control and Preventive Services | 800,000 | 795,000 | 5,000 | 99.4 |
| | Community Health Strategy Advocacy and Services | 240,630,277 | 74,701,839 | 165,928,438 | 31 |
| | Social Health Insurance Scheme | 40,000,000 | 12,332,028 | 27,667,972 | 30.8 |
| Curative And Rehabilitative Health | Emergency Referral and Rehabilitative Services | 133,421,416 | 67,804,662 | 65,616,754 | 50.8 |
| | Health Products and Technology Support | 50,832,955 | 39,854,400 | 10,978,555 | 78.4 |
| | Essential Health Institutions and Services | 138,761,404 | 35,604,084 | 103,157,320 | 25.7 |
| | Ultra Morden Maternity Infrastructure Development | 24,004,435 | - | 24,004,435 | - |
| | Health Infrastructure Development | 34,568,787 | - | 34,568,787 | - |
| | Health Training Centre Infrastructural Development | 3,000,000 | - | 3,000,000 | - |
| Sub-Total | | 755,784,274 | 297,945,709 | 457,838,565 | 39.4 |
| Infrastructure, Physical Planning & Lands | | | | | |
| General Administration And Planning Services | Administration Services | 3,314,000 | 822,501 | 2,491,499 | 24.8 |
| | Planning and Financial Management | 2,790,000 | 1,142,000 | 1,648,000 | 40.9 |
| Physical Planning And Survey | Survey and Planning services | 2,696,000 | 795,100 | 1,900,900 | 29.5 |
| Land And Housing Management | Housing Policy Development | 4,000,000 | 156,500 | 3,843,500 | 3.9 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|---|------------------------|------------------------|----------------------|----------------|
| Public Works Service Delivery Improvement | County Building Construction Standard | 4,200,000 | 768,950 | 3,431,050 | 18.3 |
| Renewable /Green Energy Services | County renewable/green energy services | 1,036,268 | 118,200 | 918,068 | 11.4 |
| Roads Network Improvement Housing And Urban Development | Road Network improvement | 329,149,511 | 52,682,500 | 276,467,011 | 16 |
| | Road network maintenance | 192,592,783 | 31,068,742 | 161,524,041 | 16.1 |
| | Heavy equipment Maintenance | 15,000,000 | | 15,000,000 | - |
| | Road Reserve Maintenance | 10,000,000 | | 10,000,000 | - |
| Critical Infrastructure Rehabilitation And Construction | Inter ward bridge construction program | 16,000,000 | | 16,000,000 | - |
| Administration And Support Services | Managed Specialized equipment and Vehicles | 120,000,000 | | 120,000,000 | - |
| Physical Planning And Survey | Survey and Planning services | 15,000,000 | 12,996,000 | 2,004,000 | 86.6 |
| | Land Management services | 10,000,000 | | 10,000,000 | - |
| Roads Network Improvement Housing And Urban Development | Urban development | 40,000,000 | | 40,000,000 | - |
| Sub-Total | | 765,778,562 | 100,550,493 | 665,228,069 | 13.1 |
| Trade, Tourism & Cooperatives | | | | | |
| General Administration & Planning Services | Administration Services | 9,316,496 | 2,741,718 | 6,574,778 | 29.4 |
| | Personnel Services | 1,500,000 | 536,701 | 963,299 | 35.8 |
| | Policy Development | 500,000 | 100,000 | 400,000 | 20 |
| Co-Operative Development And Promotion | Co-operative Development and promotion | 19,500,000 | 1,221,940 | 18,278,060 | 6.3 |
| | Research & Development | 4,506,679 | 1,403,280 | 3,103,399 | 31.1 |
| | Market Infrastructure Development | 1,000,000 | 332,100 | 667,900 | 33.2 |
| | Lab weights & Measures | 2,500,000 | - | 2,500,000 | 0 |
| Home Craft Industrialization & Enterprise | Industrial Development & Investment Promotion | 5,800,000 | 2,623,820 | 3,176,180 | 45.2 |
| | Enterprise Development | 75,000,000 | 39,503,300 | 35,496,700 | 52.7 |
| | Industrial mapping & promotion initiative | 8,000,000 | | 8,000,000 | 0 |
| Trade And Investment | Trade promotion Services | 2,500,000 | 693,670 | 1,806,330 | 27.7 |
| | Market Infrastructure Development | 5,840,271 | | 5,840,271 | 0 |
| Tourism Development & Promotion | Tourism Promotion & Marketing | 5,300,000 | 373,900 | 4,926,100 | 7.1 |
| | Tourism Infrastructural Development | 5,792,275 | 1,067,900 | 4,724,375 | 18.4 |
| | | | | | |
| Sub-Total | | 147,055,721 | 50,598,329 | 96,457,392 | 34.4 |
| County Administration Services | | | | | |
| Human Capital Management & Development | Compensation to employees | 3,029,507,605 | 1,750,587,472 | 1,278,920,133 | 57.8 |
| | County Public Service Board | 19,781,629 | 7,634,730 | 12,146,899 | 38.6 |
| County Administration Services | Headquarter Administration Services | 7,296,931 | 5,158,209 | 2,138,722 | 70.7 |
| | ICT Infrastructure & Connectivity | 8,000,000 | 1,103,350 | 6,896,650 | 13.8 |
| | County Administration Services | 10,000,000 | 5,514,088 | 4,485,912 | 55.1 |
| | County services delivery and result reporting | 10,900,000 | 5,400,754 | 5,499,246 | 49.5 |
| | Car & Mortgage | 15,000,000 | 7,500,000 | 7,500,000 | 50 |
| | Decentralized Services | 53,099,545 | 4,649,000 | 48,450,545 | 8.8 |
| | Executive Support Service | 46,000,000 | 27,370,884 | 18,629,116 | 59.5 |
| | Grants & Transfers | 86,121,027 | 67,082,166 | 19,038,861 | 77.9 |
| | Urban Facilities Management | 25,000,000 | 9,396,324 | 15,603,676 | 37.6 |
| | Legal Services | 29,000,000 | 27,700,727 | 1,299,273 | 95.5 |
| Security & Policing Services | Disaster Reduction Management | 5,000,000 | 1,227,974 | 3,772,026 | 24.6 |
| | Enforcement and Disaster Management | 5,000,000 | 1,441,703 | 3,558,297 | 28.8 |
| | Alcohol Control Committee | 4,500,000 | 1,729,200 | 2,770,800 | 38.4 |
| | Intergovernmental & Donor Relations | 22,000,000 | 14,139,863 | 7,860,137 | 64.3 |
| | Fire Services | 6,000,000 | 2,630,302 | 3,369,698 | 43.8 |
| Public Participation & Civic Education | Public participation | 19,052,452 | 8,718,179 | 10,334,273 | 45.8 |
| Sub-Total | | 3,401,259,189 | 1,948,984,925 | 1,452,274,264 | 57.3 |
| Water, Environment & Natural Resources | | | | | |
| Water Development | Rural Water Supply & Sanitation | 198,623,342 | 2,400,256 | 196,223,086 | 1.2 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Pay-ments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|---|------------------------|-------------------------|----------------------|----------------|
| General Administration & Support Services | Administration & Planning Services | 13,000,000 | 3,756,195 | 9,243,805 | 28.9 |
| | Personnel Services | 2,500,000 | 2,000,000 | 500,000 | 80 |
| | Strategic Project Monitoring & Intervention | 5,000,000 | 1,923,460 | 3,076,540 | 38.5 |
| Environment & Natural Resources | Solid Waste Management | 17,519,589 | 2,969,600 | 14,549,989 | 17 |
| | Human Wildlife Conflict Prevention | 4,500,000 | 741,600 | 3,758,400 | 16.5 |
| | Integrated land rehabilitation | 10,000,000 | 4,600,997 | 5,399,003 | 46 |
| | Climate Change Adaptation & mitigation | 6,500,000 | | 6,500,000 | - |
| | Natural Resources Management | 2,000,000 | | 2,000,000 | - |
| Sub-Total | | 259,642,931 | 18,392,108 | 241,250,823 | 7.1 |
| Agriculture, Livestock & Veterinary | | | | | |
| General Administration and Planning Services | Headquarter Administration Services | 38,005,096 | 2,174,170 | 35,830,926 | 5.7 |
| | Agriculture Sector Extension Management | 47,546,600 | 9,121,970 | 38,424,630 | 19.2 |
| Crop Development and Management | Irrigation Development and management | 705,287 | - | 705,287 | - |
| Irrigation Development and Management | Land and Crop Productivity Enhancement and Management | 11,997,561 | - | 11,997,561 | - |
| Livestock Resources Management and Development | Animal Health and Disease Management and Control | 414,148,713 | 92,106,908 | 322,041,805 | 22.2 |
| | Livestock Resource Development and Management | 4,273,872 | - | 4,273,872 | - |
| General Administration and Planning Services | Strategic Food Security | 92,457,157 | 1,714,800 | 90,742,357 | 1.9 |
| | Fisheries Development and Management | 11,175,863 | - | 11,175,863 | - |
| Sub-Total | | 620,310,149 | 105,117,848 | 515,192,301 | 16.9 |
| Finance & Economic Planning | | | | | |
| General Administration and Planning Services | Administrative services | 50,000,000 | - | 50,000,000 | - |
| County Administration | Fleet and Logistics | 5,800,000 | 3,642,900 | 2,157,100 | 62.8 |
| Departmental Administrative Services/ Centralized Services | Revenue collection services | 39,000,000 | 22,500,000 | 16,500,000 | 57.7 |
| Financial Services | Revenue Management Service | 25,759,542 | 6,714,955 | 19,044,587 | 26.1 |
| | County Treasury administrative services | 703,000,000 | 321,496,549 | 381,503,451 | 45.7 |
| Administration and Support Services | Generation administration and support services | 78,150,000 | 68,249,594 | 9,900,406 | 87.3 |
| | Infrastructural facility | 29,178,340 | 2,410,597 | 26,767,743 | 8.3 |
| | Personnel services | 2,450,000 | 1,759,250 | 690,750 | 71.8 |
| Intergovernmental Relations | Grants and Transfers to Government entities | 39,016,747 | 61,343,428 | -22,326,681 | 157.2 |
| Economic Planning Services | Integrated Monitoring and Evaluation Services | 1,580,000 | 1,320,994 | 259,006 | 83.6 |
| Public Finance Management Services | Supply Chain Management Services | 14,394,223 | 6,266,470 | 8,127,753 | 43.5 |
| | Internal Audit Services | 9,000,000 | 3,915,807 | 5,084,193 | 43.5 |
| | Budget Management | 1,700,000 | 843,800 | 856,200 | 49.6 |
| Development Planning Services | Participatory Budgeting support services | 12,333,899 | 7,181,586 | 5,152,313 | 58.2 |
| | Research Statistics and Documentation services | 10,120,000 | 3,930,838 | 6,189,162 | 38.8 |
| | Programme monitoring and Evaluation | 8,000,000 | 5,854,750 | 2,145,250 | 73.2 |
| | Strategic Partnership and Collaboration | 13,663,022 | 7,900,000 | 5,763,022 | 57.8 |
| Sub-Total | | 1,043,145,773 | 525,331,518 | 517,814,255 | 50.4 |
| Grand Total | | 7,827,823,421 | 3,471,839,308 | 4,355,984,113 | 44.4 |

Source: Laikipia County Treasury

Sub-Programmes with the highest levels of implementation based on absorption rates were: Non-Communicable Diseases Control and Preventive Services at 99.4 per cent, Grants and Transfers to Government entities at 157.2 per cent, Survey and Planning services at 86.6 per cent of budget allocation.

3.21.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.690.37 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.3.11 billion. The development

expenditure represented 22.2 per cent of the annual development budget

2. The under-performance of own source revenue at Kshs.575.87 million against an annual projection of Kshs.1.01 billion, representing 57.2 per cent of the annual target.
3. Failure by the County to reconcile the approved budget amounts in the Programme Based Reports which shows an overall budget figure of Kshs.7.83 billion as shown compared with the Appropriation Act which provided the budget as Kshs.7.92 billion.

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County should address its own source revenue performance to ensure the approved budget is fully financed.
3. The County Treasury should liaise with Directorate of IFMIS at the National Treasury to ensure that the County's approved budget is accurately uploaded and any variances are addressed accordingly.

3.22 County Government of Lamu

3.22.1 Overview of FY 2020/21 Budget

The county's approved supplementary budget for FY 2020/21 is Kshs.4.76 billion, comprising Kshs. 2.01 billion (42.2 per cent) and Kshs.2.75 billion (57.8 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the county expects to receive Kshs.2.6 billion (54.6 per cent) as the equitable share of revenue raised nationally, Kshs.638.18 million (13.4 per cent) as total conditional grants, generate Kshs.150 million (3.2 per cent) from own sources of revenue, and a cash balance of Kshs.1.14 billion (24 per cent) from FY 2019/20. The County also expects to receive Kshs.231.05 million (4.9 per cent) as "other revenues" not contained in the CARA, 2020. "Other revenues" consist of unutilised grants or grants for previous years which had not been received comprising of Road Maintenance Fuel Levy Fund of Kshs.29.42 million, Kenya Devolution Support Programme Level 1 of Kshs.31.53 million, COVID 19 grant of Kshs.13.68 million, Frontline Health Allowances of Kshs.20.33 million, DANIDA of Kshs.3.96 million and Kenya Urban Support Project (KUSP) of Kshs.132.13 million.

3.22.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.1.3 billion as an equitable share of the revenue raised nationally, Kshs.306.1 million as conditional grants, raised Kshs.66.29 million as own-source revenue, and had a cash balance of Kshs.1.14 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.2.87 billion, as shown in Table 3.118.

Table 3.118: Lamu County, Revenue Performance in the First Nine Months of FY 2020/21

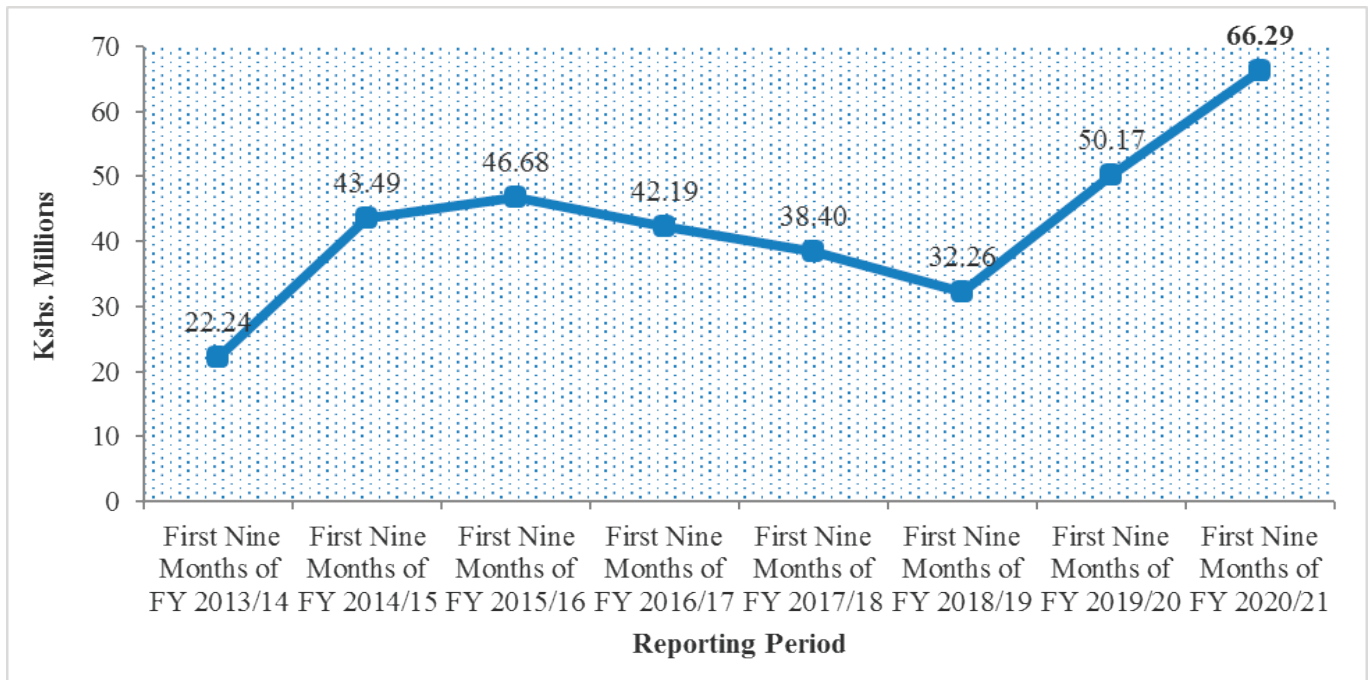
| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|------------------|--|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 2,595,300,000 | 2,595,300,000 | 1,300,245,300 | 50.1 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Supplement for construction of county headquarters | 50,000,000 | 50,000,000 | - | - |
| 2. | Compensation for User Fee Foregone | 2,451,034 | 2,451,034 | - | - |
| 3. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 4. | Road Maintenance Fuel Levy Fund | 82,069,411 | 82,069,411 | 41,034,706 | 50.0 |
| 5. | Rehabilitation of Village Polytechnics | 50,299,894 | 50,299,894 | 25,149,947 | 50.0 |
| Sub Total | | 316,841,616 | 184,820,339 | 66,184,653 | 35.8 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) | 131,761,634 | 131,761,634 | 85,521,389 | 64.9 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 257,872,086 | 257,872,086 | 90,409,436 | 35.1 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4. | DANIDA Grant | 7,380,000 | 7,380,000 | 3,690,000 | 50 |
| 5. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 11,343,998 | 11,343,998 | 11,343,998 | 100 |
| Sub Total | | 453,357,718 | 453,357,718 | 235,964,823 | 52 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 150,000,000 | 66,293,021 | 44.2 |
| 2. | Balance b/f from FY 2019/20 | - | 1,142,125,389 | 1,142,125,389 | 100 |

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|------------------|-------------------------------------|--|---|--|
| 3. | Other Revenues | - | 231,050,595 | 57,351,211 | 24.8 |
| Sub Total | | - | 1,523,175,984 | 1,265,769,621 | 83.1 |
| Grand Total | | 3,365,499,334 | 4,756,654,041 | 2,868,164,397 | 60.3 |

Source: Lamu County Treasury

Figure 3.41 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.41: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Lamu County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.66.29 million as its own source revenue. This amount represented an increase of 32.1 per cent compared to Kshs.50.17 million realised during a similar period in FY 2019/20 and was 44.2 per cent of the annual target.

3.22.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.1.93 billion from the CRF account during the reporting period. The amount comprised of Kshs.286.06 million (14.8 per cent) for development programmes and Kshs.1.64 billion (85.2 per cent) for recurrent programmes.

3.22.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.1.58 billion on development and recurrent programmes. The expenditure represented 81.8 per cent of the total funds released by the COB and comprised of Kshs.121.06 million and Kshs.1.46 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 6 per cent while recurrent expenditure represented 53 per cent of the annual recurrent expenditure budget.

3.22.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.04 billion was spent on compensation to employees, Kshs.416.93 million on operations and maintenance, and Kshs.121.06 million on development activities, as shown in Table 3.119.

Table 3.119: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|-----------------------|----------------|
| Total Recurrent Expenditure | 2,747,371,222 | 1,641,945,618 | 1,455,297,8123 | 53.0 |
| Compensation to Employees | 1,521,179,651 | 1,090,152,875 | 1,038,370,457 | 68.3 |
| Operations and Maintenance | 1,226,191,571 | 551,792,743 | 416,927,356 | 34.0 |
| Total Development Expenditure | 2,009,282,819 | 286,060,875 | 121,059,643 | 6.0 |
| Development Expenditure | 2,009,282,819 | 286,060,875 | 121,059,643 | 6.0 |
| Total | 4,756,654,041 | 1,928,006,493 | 1,576,357,455 | 33.1 |

Source: Lamu County Treasury

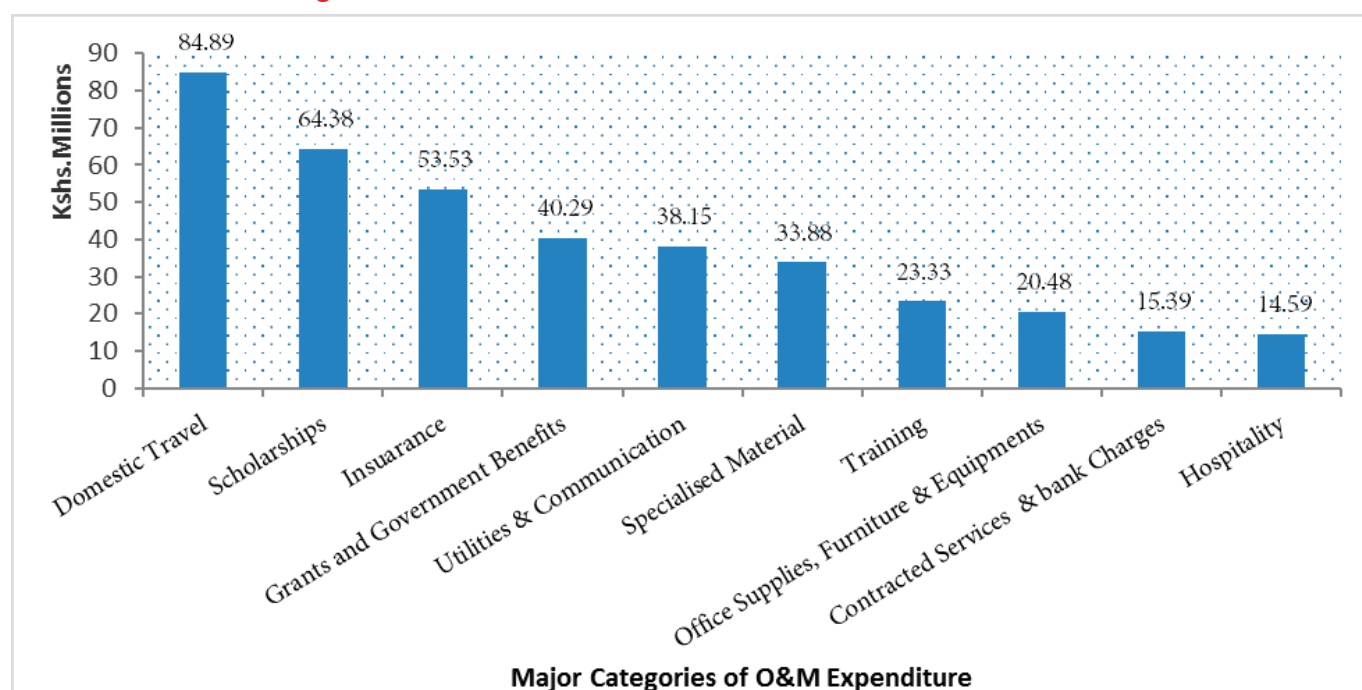
3.22.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 65.9 per cent of the total expenditure for the reporting period and 29.1 per cent of the first nine months proportional revenue estimate of Kshs.3.57 billion.

3.22.7 Expenditure on Operations and Maintenance

Figure 3.42 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.42: Lamu County, Operations and Maintenance Expenditure by Major Categories



Source: Lamu County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.7.52 million on committee sitting allowances for the 19 MCAs and Speaker against the annual budget allocation of Kshs.19.95 million. The average monthly sitting allowance was Kshs.43,961 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.84.89 million and comprised of Kshs.34.63 million spent by the County Assembly and Kshs.50.26 million by the County Executive. Expenditure on foreign travel amounted to Kshs.1.86 million, and was incurred by the County Assembly.

3.22.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.47.82 million to cater for COVID-19 related expenditure. A total of Kshs.34.14 million was spent during the reporting period, as shown in Table 3.120.

Table 3.120: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March 2021 (Kshs) |
|--------------|--|---------------------------------|--|
| 1. | The grant from the National Government for COVID-19 | 13,682,000 | - |
| 2. | The grant from the National Government for Allowances for Front Line Health Care Workers | 20,325,000 | 20,325,000 |
| 3. | DANIDA Grant for COVID in FY 2019/20(Kshs.) | 3,955,000 | 3,955,000 |
| 4. | FY 2019/20 County own revenue allocated to COVID-19 | 9,857,500 | 9,857,500 |
| Total | | 47,819,500 | 34,137,500 |

3.22.9 Development Expenditure

The County incurred expenditure of Kshs.121.06 million on development programmes, which represented a decrease of 42.8 per cent compared to a similar period in FY 2019/20 when the County spent Kshs. 211.61 million. Table 3.121 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.121: Lamu County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|------------------|------------------------|------------------------------------|---------------------|
| 1 | Construction of OPD at Mpeketoni | Bahari | 51,000,000 | 48,833,137 | 95.8 |
| 2 | Grants towards supporting Rehabilitation of Village Polytechnics | Countywide | 50,299,894 | 25,149,949 | 50.0 |
| 3 | Tchundwa - Iyabogi - Mbwajumwali household connection 30km | Faza | 23,000,000 | 9,777,189 | 42.5 |
| 4 | Purchase of ambulance | Basuba | 9,600,000 | 9,530,000 | 99.3 |
| 5 | ASDSP11 | Countywide | 16,582,998 | 4,862,657 | 29.3 |
| 6 | Construction of an ECD at Bomani | Hongwe | 3,599,967 | 3,469,153 | 96.4 |
| 7 | Construction of an ECD at Hindi | Hindi | 3,599,613 | 3,469,153 | 96.4 |
| 8 | Construction of ECD at Lake Kenyatta | Bahari | 3,276,295 | 3,079,443 | 94.0 |
| 9 | Construction of Thaku Thaku ECD | Witu | 3,231,906 | 3,052,106 | 94.4 |
| 10 | Livestock health improvement programme | Countywide | 6,000,000 | 2,998,800 | 50.0 |

Source: Lamu County Treasury

3.22.10 Budget Performance by Department

Table 3.122 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.122: Lamu County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|--------|----------------------------------|--------|-----------------------------|-------|-------------------------------------|-------|---------------------|------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 400 | 120 | 210.89 | 2.74 | 172.65 | 2.74 | 81.9 | 100 | 43.2 | 2.3 |
| County Executive | 377.40 | 106.00 | 277.85 | - | 226.59 | - | 81.6 | - | 60.0 | - |
| Finance | 118.12 | 4.30 | 73.61 | - | 71.30 | - | 96.9 | - | 60.4 | - |
| Agriculture & Irrigation | 118.74 | 260.58 | 40.74 | 106.90 | 39.59 | 4.86 | 97.2 | 4.5 | 33.3 | 1.9 |
| Land, Physical Planning | 26.14 | 128.19 | 13.60 | - | 13.19 | - | 97.0 | - | 50.5 | - |
| Education, Gender, Sports, Youth, Culture & Social services | 211.42 | 139.15 | 117.94 | 42.32 | 117.81 | 42.32 | 99.9 | 100.0 | 55.7 | 30.4 |
| Medical Services | 1,107.78 | 403.89 | 697.10 | 66.05 | 608.70 | 58.36 | 87.3 | 88.4 | 54.9 | 14.4 |
| Trade, Tourism & Investment Development | 20.29 | 17.19 | 12.23 | - | 9.96 | - | 81.4 | - | 49.1 | - |
| Livestock, Veterinary & Cooperative Development | 38.11 | 40.94 | 27.92 | 3.00 | 27.99 | 3.00 | 100.3 | 100.0 | 73.4 | 7.3 |
| Public Service Board | 45.16 | - | 25.81 | - | 27.04 | - | 104.8 | - | 59.9 | - |
| Water | 53.80 | 312.66 | 32.29 | 9.78 | 29.16 | 9.78 | 90.3 | 100.0 | 54.2 | 3.1 |
| Gender, Sports, Youth, Culture & Social Services | 23.76 | 86.35 | 9.72 | - | 9.12 | - | 93.8 | - | 38.4 | - |
| Public Health Sanitation and Environment | 62.32 | 30.77 | 45.43 | - | 44.14 | - | 97.2 | - | 70.8 | - |
| Fisheries | 34.02 | 26.36 | 21.04 | - | 19.05 | - | 90.5 | - | 56.0 | - |
| Infrastructure & Energy | 32.88 | 244.03 | 18.75 | 55.27 | 22.50 | - | 120.0 | - | 68.4 | - |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|-------------------|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|------------|
| Lamu Municipality | 77.45 | 88.87 | 17.02 | - | 16.53 | - | 97.1 | - | 21.3 | - |
| Total | 2,747.37 | 2,009.28 | 1,641.95 | 286.06 | 1,455.30 | 121.06 | 88.6 | 42.3 | 53.0 | 6.0 |

Source: Lamu County Treasury

Analysis of departments' expenditure shows that the Department of Education, Gender, Sports, Youth, Culture & Social Services recorded the highest absorption rate of development budget at 30.4 per cent. The Department of Livestock, Veterinary & Cooperative Development had the highest percentage of recurrent expenditure to budget at 73.4 per cent while Lamu Municipality had the lowest at 21.3 per cent.

3.22.11 Budget Execution by Programmes and Sub-Programmes

Table 3.123 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.123: Lamu County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Ksh) | Actual Payments (Ksh) | Variance (Kshs.) | Absorption Rate (%) |
|--|--|-----------------------|-----------------------|--------------------|---------------------|
| Department County Assembly | | | | | |
| County Assembly | P.1 Administration, planning and support services. | 201,237,120 | 94,361,964 | 106,875,157 | 46.90 |
| | P.2 Legislation and Oversight | 198,762,880 | 78,290,824 | 120,472,056 | 39.40 |
| | Development | 120,000,000 | 2,737,552 | 117,262,448 | 2.30 |
| | Subtotal | 520,000,000 | 175,390,340 | 344,609,661 | 33.70 |
| Department County Executive | | | | | |
| County Executive | P 1: Executive Services | 349,758,249 | 213,186,713 | 136,571,536 | 61.00 |
| | P.2 Office of the Governor & Deputy Governor | 27,645,940 | 13,405,731 | 14,240,209 | 48.50 |
| | Development | 105,996,000 | - | 105,996,000 | 0.00 |
| | Subtotal | 483,400,189 | 226,592,444 | 256,807,745 | 46.90 |
| Department Finance | | | | | |
| Finance, Economy And Strategic Planning | 3213000101 Head-quarters | 108,564,736 | 67,930,511 | 40,634,225 | 62.60 |
| | 3213000401 Budget, Economic & Financial | 9,554,900 | 3,365,255 | 6,189,645 | 35.20 |
| | Development | 4,297,382 | - | 4,297,382 | 0.00 |
| | Subtotal | 122,417,018 | 71,295,766 | 51,121,252 | 58.20 |
| Department Agriculture & Irrigation | | | | | |
| Agriculture & Irrigation | 3214000201 Directorate of Agriculture & Extension Services | 51,006,370 | 35,826,816 | 15,179,554 | 70.20 |
| | 3214000701 Crop Productivity and Output | 15,487,030 | 3,427,248 | 12,059,782 | 22.10 |
| | 3214000901 Conditional Grants (KCSAP & ASDSP) | 52,248,686 | 331,800 | 51,916,886 | 0.60 |
| | Development | 260,582,998 | 4,862,657 | 255,720,341 | 1.90 |
| | Subtotal | 379,325,084 | 44,448,521 | 334,876,563 | 11.70 |
| Department Land, Physical Planning | | | | | |
| Land, Physical Planning | 3215000101 Head-quarters | 26,138,961 | 13,192,308 | 12,946,653 | 50.50 |
| | Development | 128,192,264 | - | 128,192,264 | 0.00 |
| | Subtotal | 154,331,225 | 13,192,308 | 141,138,917 | 8.50 |
| Department Education | | | | | |

| Programme | Sub- Programme | Approved Budget (Ksh) | Actual Payments (Ksh) | Variance (Kshs.) | Absorption Rate (%) |
|--|---|-----------------------|-----------------------|--------------------|---------------------|
| Education | 3216000101 Head-quarters | 77,625,690 | 53,435,881 | 24,189,809 | 68.80 |
| | 3216000201 Early Childhood Development | 133,791,000 | 64,375,000 | 69,416,000 | 48.10 |
| | Development | 139,149,556 | 42,320,308 | 96,829,248 | 30.40 |
| | Subtotal | 350,566,246 | 160,131,189 | 190,435,057 | 45.70 |
| Department Medical Services | | | | | |
| Medical Services | 3217000101 Head-quarters | 837,827,401 | 556,673,666 | 281,153,735 | 66.40 |
| | 3217000201 Curative & Rehabilitative Health Dept | 121,650,265 | 40,580,599 | 81,069,666 | 33.40 |
| | 3217000301 Preventive & Promotive Health | 148,297,668 | 11,443,387 | 136,854,281 | 7.70 |
| | Development - SP4 curative Services | 403,889,881 | 58,363,137 | 345,526,744 | 14.50 |
| | Subtotal | 1,511,665,215 | 667,060,789 | 844,604,426 | 44.10 |
| Department Trade, Investment, Culture & Tourism | | | | | |
| Trade, Investment, Culture & Tourism | 3218000101 Head-quarters | 13,812,508 | 8,221,367 | 5,591,141 | 59.50 |
| | 3218000201 Tourism | 4,450,800 | 763,350 | | |
| | 3218000401 Trade & Investment | 2,024,998 | 977,160 | 1,047,838 | 48.30 |
| | Development | 17,188,414 | - | 17,188,414 | 0.00 |
| | Subtotal | 37,476,720 | 9,961,877 | 23,827,393 | 26.60 |
| Department Livestock, Veterinary & Co-operative Development | | | | | |
| Livestock, Veterinary & Co-operative Development | 3220000101 Head-quarters | 33,738,149 | 26,354,429 | 7,383,720 | 78.10 |
| | 3220000301 Live-stock Production | 1,600,328 | 679,295 | 921,033 | 42.40 |
| | 3220000401 Veterinary Services | 1,944,187 | 629,489 | 1,314,698 | 32.40 |
| | 3220000501 Cooperative Development | 824,528 | 325,174 | 499,354 | 39.40 |
| | Development | 40,941,592 | 2,998,800 | 37,942,792 | 7.30 |
| | Subtotal | 79,048,784 | 30,987,187 | 48,061,597 | 39.20 |
| Department Public Service Board | | | | | |
| Public Service Board | 3221000100 County Public Service Board | 37,488,710 | 23,327,167 | 14,161,543 | 62.20 |
| | 3221000200 Human Resource Management & Development | 7,666,386 | 3,708,054 | 3,958,332 | 48.40 |
| | Development | | | - | - |
| | Subtotal | 45,155,096 | 27,035,221 | 18,119,875 | 59.90 |
| Department Water Management & Conservation | | | | | |
| Water Management & Conservation | 3223000101 Head-quarters | 23,502,875 | 9,206,318 | 14,296,557 | 39.20 |
| | 3223000201 Water Management, Conservation & Provision | 30,300,000 | 19,953,161 | 10,346,839 | 65.90 |
| | Development | 312,661,141 | 9,777,189 | 302,883,953 | 3.10 |
| | Subtotal | 366,464,016 | 38,936,668 | 327,527,348 | 10.60 |
| Department Gender, Youth Affairs, Sports & Social Services | | | | | |
| Gender, Youth Affairs, Sports & Social Services | 3224000101 Head-quarters | 23,757,400 | 9,118,574 | 14,638,826 | 38.40 |
| | Development | 86,354,910 | - | 86,354,910 | - |
| | Subtotal | 110,112,310 | 9,118,574 | 100,993,736 | 8.30 |
| Department Public Health Environment and Sanitation | | | | | |

| Programme | Sub- Programme | Approved Budget (Ksh) | Actual Payments (Ksh) | Variance (Kshs.) | Absorption Rate (%) |
|---|---|-----------------------|-----------------------|----------------------|---------------------|
| Public Health Environment and Sanitation | 3225000100 Headquarters Administrative | 60,682,106 | 43,731,012 | 16,951,095 | 72.10 |
| | 3225000201 Public Health and Sanitation | 1,633,190 | 405,700 | 1,227,490 | 24.80 |
| | Development | 30,770,304 | - | 30,770,304 | - |
| | Subtotal | 93,085,600 | 44,136,712 | 48,948,889 | 47.40 |
| Department Fisheries Development | | | | | |
| Fisheries Development | 3226000100 Headquarters Administrative | 34,016,205 | 19,046,938 | 14,969,267 | 56.00 |
| | Development | 26,360,000 | - | 26,360,000 | 0.00 |
| | Subtotal | 60,376,205 | 19,046,938 | 41,329,267 | 31.50 |
| Department Infrastructure and Energy | | | | | |
| Infrastructure and Energy | 3228000101 Administration Headquarters | 32,882,174 | 22,496,299 | 10,385,875 | 68.40 |
| | Development | 244,025,839 | - | 244,025,839 | - |
| | Subtotal | 276,908,013 | 22,496,299 | 254,411,714 | 8.10 |
| Department Lamu Municipality | | | | | |
| Lamu Municipality | 3229000101 Administration Headquarters | 29,188,532 | 16,526,623 | 12,661,909 | 56.60 |
| | 3229000201 KUSP Headquarters | 48,261,250 | - | 48,261,250 | 0.00 |
| | Development | 88,872,538 | - | 88,872,538 | 0.00 |
| | Subtotal | 166,322,320 | 16,526,623 | 149,795,697 | 9.90 |
| Grand Total | | 4,756,654,041 | 1,610,532,290 | 3,141,670,952 | 33.90 |

Source: Lamu County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Headquarters in the Department of Livestock, Veterinary & Co-operative Development at 78.1 per cent, Headquarters in the Department of Public Health Environment and Sanitation at 72.1 per cent, Directorate of Agriculture & Extension Services in the Department of Agriculture & Irrigation at 70.2 per cent, and Administration Headquarters in the Department of Infrastructure and Energy at 68.4 per cent of budget allocation.

3.22.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 28th April 2021 despite OCoB issuing instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.
2. Low absorption of development funds as indicated by the expenditure of Kshs.121.06 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.2.01 billion. The development expenditure represented 6.0 per cent of the annual development budget
3. The under-performance of own source revenue at Kshs. 66.29 million against an annual projection of Kshs. 150 million, representing 44.2 per cent of the annual target.
4. Failure by Fund Administrators to submit financial and non-financial statements in line with Section 168 of the PFM Act, 2012. The OCoB did not receive quarterly financial reports for the Lamu County Scholarships Fund, Lamu County Conditional Allocation from National Government, Lamu County Conditional Allocation for Loans & Grants, and Lamu County Emergency Fund.

The County should implement the following recommendations to improve budget execution;

1. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.

3. The County should address its own source revenue performance to ensure the approved budget is fully financed.
4. The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.

3.23 County Government of Machakos

3.23.1 Overview of FY 2020/21 Budget

The County's approved supplementary budget for FY 2020/21 is Kshs.13.92 billion, comprising of Kshs.5.13 billion (36.9 per cent) and Kshs.8.79 billion (63.1 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.7.75 billion (55.7 per cent) as the equitable share of revenue raised nationally, Kshs.3.23 billion (23.2 per cent) as total conditional grants, generate Kshs.1.73 billion (12.4 per cent) from own sources of revenue, and a cash balance of Kshs.1.21 billion (8.7 per cent) from FY 2019/20.

3.23.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.4.51 billion as equitable share of the revenue raised nationally, Kshs.625.69 million as conditional grants, raised Kshs.735.54 million as own-source revenue, and had a cash balance of Kshs.433.46 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.6.29 billion as shown in Table 3.124.

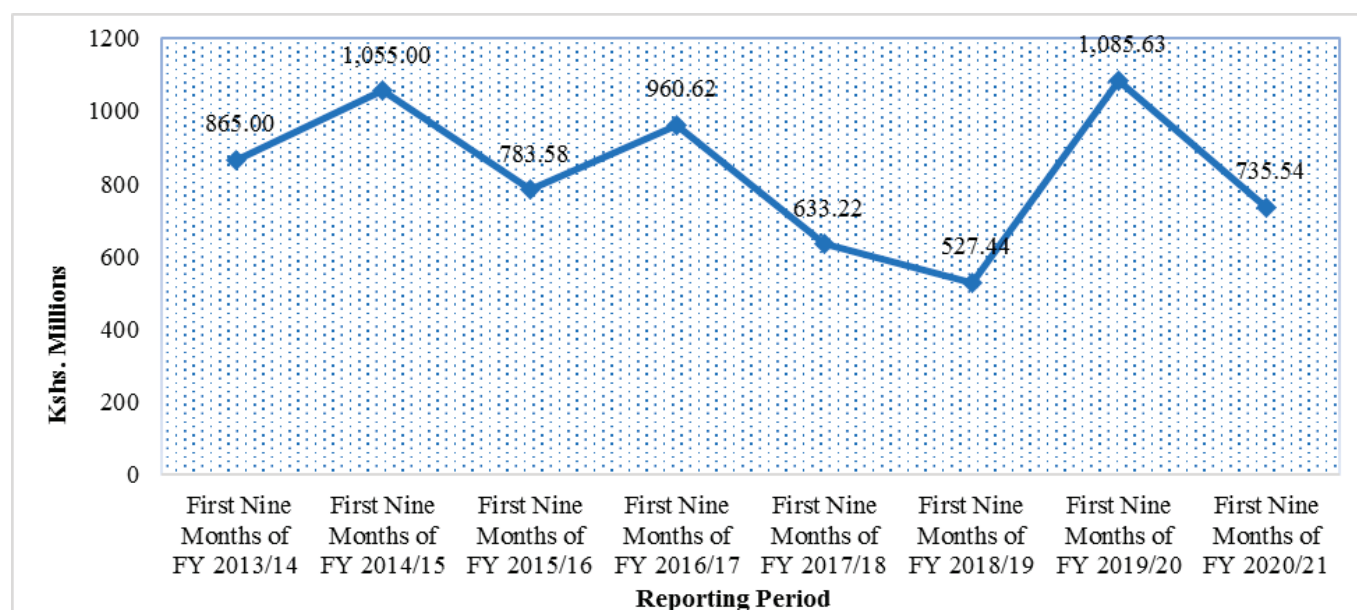
Table 3.124: Machakos County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation (Kshs) | Actual receipts in the First Nine Months (Kshs) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|-------------------------------------|---------------------------------|---|---|
| A. | Equitable Share of Revenue Raised nationally | 7,754,250,000 | 7,754,250,000 | 4,505,219,250 | 58.1 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Conditional Grants to Level-5 Hospitals | 383,583,815 | 384,967,359 | 176,448,554 | 45.8 |
| 3. | Compensation for User Fee Foregone | 24,129,039 | 24,129,039 | - | - |
| 4. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 5. | Road Maintenance Fuel Levy Fund | 239,604,947 | 282,013,396 | 119,802,474 | 42.5 |
| 6. | Rehabilitation of Village Polytechnics | 62,749,894 | 62,749,894 | 31,374,947 | 50 |
| Sub Total | | 842,088,972 | 885,880,965 | 327,625,975 | 37 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 45,165,352 | 90,645,491 | 21,990,083 | 24.3 |
| 3. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 279,999,640 | 279,999,640 | 120,546,485 | 43.1 |
| 4. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 90,103,027 | 45,000,000 | 49.9 |
| 5. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | - | 1,746,662,827 | 86,441,371 | 4.9 |
| 6. | DANIDA Grant | 22,050,000 | 22,080,000 | 11,025,000 | 49.9 |
| 7. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 13,746,442 | 13,924,442 | 13,057,148 | 93.8 |
| Sub Total | | 405,961,434 | 2,243,415,427 | 298,060,087 | 13.3 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 1,729,798,232 | 735,542,916 | 42.5 |
| 2. | Balance b/f from FY2019/20 | - | 1,207,684,976 | 433,461,904 | 35.9 |
| 3. | Other Revenues (COVID 19 Emergency Response) | - | 97,581,003 | - | - |
| Sub Total | | - | 3,035,064,211 | 1,169,004,820 | 38.5 |
| Grand Total | | 9,002,300,406 | 13,918,610,603 | 6,299,910,131 | 45.3 |

Source: Machakos County Treasury

Figure 3.43 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.43: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Machakos County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.735.54 million as own-source revenue. This amount represented a decrease of 32.3 per cent compared to Kshs.1.09 billion realised during a similar period in FY 2019/20 and was 42.5 per cent of the annual target. The decrease of revenue collection by 32.3 per cent compared to a similar period of FY 2019/20 may be attributed partly to the COVID-19 pandemic.

3.23.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.39 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.16 billion (18.1 per cent) for development programmes and Kshs.5.23 billion (81.9 per cent) for recurrent programmes.

3.23.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.6.31 billion on development and recurrent programmes. The expenditure represented 98.8 per cent of the total funds released by the COB and comprised of Kshs.1.15 billion and Kshs.5.16 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 22.4 per cent of the annual development budget, while recurrent expenditure represented 58.8 per cent of the annual recurrent expenditure budget.

3.23.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.3.84 billion was spent on compensation to employees, Kshs.1.32 billion on operations and maintenance, and Kshs.1.15 billion on development activities as shown in Table 3.125.

Table 3.125: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------|--------------------------|---------------------|----------------|
| Total Recurrent Expenditure | 8,786,182,662 | 5,228,233,370 | 5,162,213,531 | 58.8 |
| Compensation to Employees | 6,014,509,617 | 3,838,555,181 | 3,838,555,181 | 63.8 |
| Operations and Maintenance | 2,771,673,045 | 1,389,678,189 | 1,323,658,350 | 47.8 |
| Total Development Expenditure | 5,132,427,941 | 1,158,893,821 | 1,147,246,740 | 22.4 |
| Development Expenditure | 5,132,427,941 | 1,158,893,821 | 1,147,246,740 | 22.4 |
| Total | 13,918,610,603 | 6,387,127,191 | 6,309,460,271 | 45.3 |

Source: Machakos County Treasury

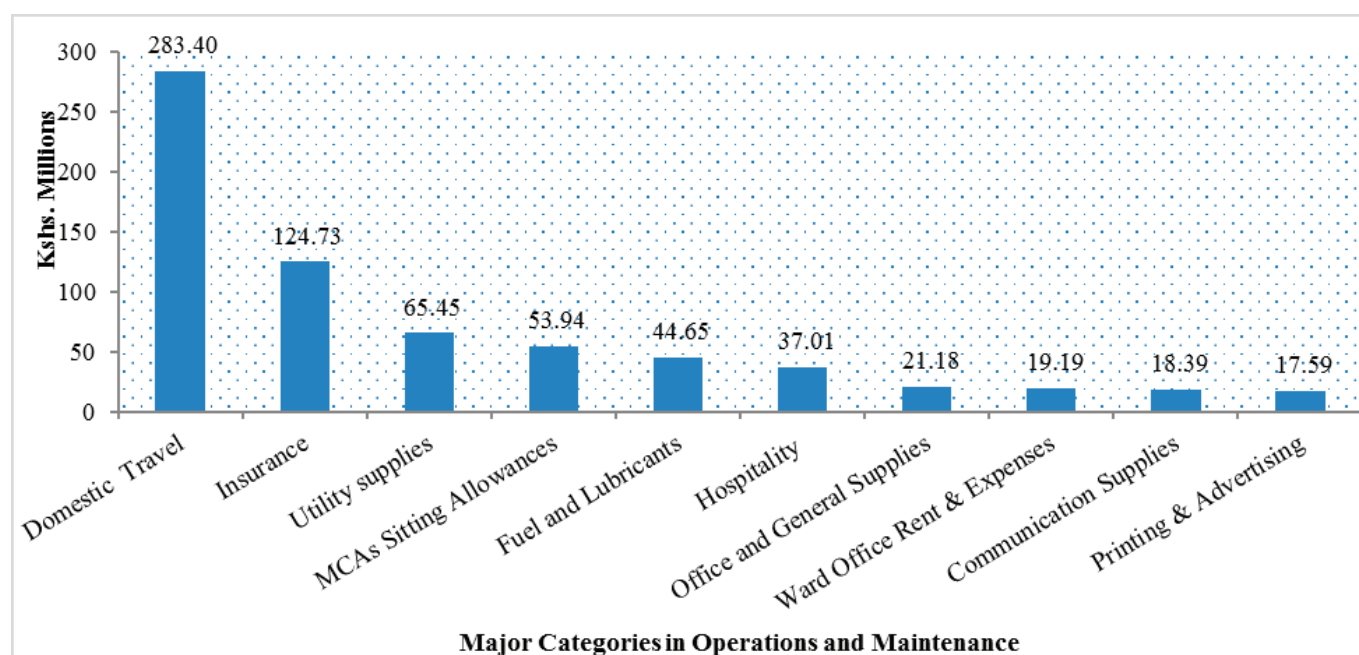
3.23.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees for the reporting period was 27.6 per cent of the total revenue and 36.8 per cent of the first nine months' proportional revenue estimate of Kshs.10.43 billion.

3.23.7 Expenditure on Operations and Maintenance

Figure 3.44 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.44: Machakos County, Operations and Maintenance Expenditure by Major Categories



Source: Machakos County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.53.94 million on committee sitting allowances for the 61 MCAs and Speaker against the annual budget allocation of Kshs.60.73 million. The average monthly sitting allowance was Kshs.98,252 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.283.40 million and comprised of Kshs.166.21 million spent by the County Assembly and Kshs.117.19 million by the County Executive. Expenditure on foreign travel amounted to Kshs.5.95 million and consisted of Kshs.3.31 million by the County Assembly and Kshs.2.64 million by the County Executive.

3.23.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county did not provide any allocation for COVID-19 related expenditure and did not report any expenditure towards the COVID-19 pandemic.

3.23.9 Development Expenditure

The County incurred expenditure of Kshs.1.15 billion on development programmes, which represented an increase of 8.1 per cent compared to a similar period in FY 2019/20 when the County spent Kshs. 1.05 billion. Table 3.126 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.126: Machakos County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Department | Location | Budget (Kshs) | Expenditure (Kshs) | Absorption Rate (%) |
|-------|---|-------------|------------------|---------------|--------------------|---------------------|
| 1 | Construction of Kyleni Earth Dam | Water | Matungulu | 182,499,592 | 28,462,433 | 15.6 |
| 2 | Routine Maintenance of Bishop Ndingi-Kwa Vinde Road | Transport | Mwala | 182,858,392 | 4,800,103 | 2.6 |
| 3 | Routine Maintenance of Masii-Mutheni Road | Transport | Mwala | 182,858,392 | 4,886,152 | 2.7 |
| 4 | Upgrading of Seveni-Kionyweni-Miu Road | Transport | Kathiani | 180,000,000 | 23,840,076 | 13.2 |
| 5 | Seed Distribution Programme | Agriculture | All Sub Counties | 5,682,361 | 4,750,431 | 83.6 |
| 6 | Chick Distribution Programme | Agriculture | All Sub Counties | 6,324,262 | 4,000,000 | 63.3 |

Source: Machakos County Treasury

3.23.10 Budget Performance by Department

Table 3.127 shows a summary of the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.127: Machakos County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|----------------|----------------------------------|----------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Office of the Governor | 554.12 | 3.31 | 225.23 | - | 257.99 | 2.16 | 114.5 | - | 46.6 | 65.4 |
| Public Service, Labour and ICT | 890.67 | 32.54 | 442.20 | - | 348.83 | 0.00 | 78.9 | - | 39.2 | - |
| Trade, Investment, Economic Planning and Industrialization | 260.15 | 95.31 | 48.58 | 7.09 | 36.95 | 0.23 | 76.1 | 3.3 | 14.2 | 0.2 |
| Finance and Revenue Management | 468.85 | 26.37 | 248.47 | 0.79 | 259.40 | 8.83 | 104.4 | 1118.9 | 55.3 | 33.5 |
| Decentralized Units, County Administration, Water and Irrigation | 546.36 | 40.78 | 318.65 | - | 182.67 | 0.65 | 57.3 | - | 33.4 | 1.6 |
| Agriculture, Food Security and Co-operative Development | 265.40 | 332.95 | 145.46 | 154.78 | 86.44 | 155.37 | 59.4 | 100.4 | 32.6 | 46.7 |
| Water, irrigation, Environment and Natural Resources | 103.63 | 480.70 | 64.35 | 174.36 | 37.94 | 175.23 | 59 | 100.5 | 36.6 | 36.5 |
| Health and Emergency Services | 3896.8 | 446.14 | 2615.62 | 59.57 | 3007.02 | 54.30 | 115 | 91.2 | 77.2 | 12.2 |
| Transport, Roads, Public Works and Housing | 187.94 | 1054.31 | 119.07 | 489.05 | 77.22 | 493.74 | 64.9 | 101 | 41.1 | 46.8 |
| Education, Youth and Social Welfare | 344.88 | 220.88 | 221.00 | 51.98 | 149.82 | 52.45 | 67.8 | 100.9 | 43.4 | 23.7 |
| Lands, Urban Development, Energy & Natural Resources | 199.64 | 1877.60 | 95.75 | 107.44 | 57.43 | 94.93 | 60 | 88.4 | 28.8 | 5.1 |
| Tourism Sports and Culture | 114.70 | 140.40 | 55.92 | 43.58 | 43.96 | 40.62 | 78.6 | 93.2 | 38.3 | 28.9 |
| County Public Service Board | 41.92 | 5.37 | 24.03 | 0.00 | 16.39 | 0.00 | 68.2 | - | 39.1 | - |
| County Assembly | 911.15 | 375.78 | 603.90 | 70.25 | 600.16 | 68.73 | 99.4 | 97.8 | 65.9 | 18.3 |
| TOTAL | 8,786.2 | 5,132.4 | 5,228.2 | 1,158.9 | 5,162.2 | 1,147. | 98.7 | 99.0 | 58.8 | 22.4 |

Source: Machakos County Treasury

Analysis of expenditure by department shows that the Office of the Governor recorded the highest absorption rate of development budget at 65.4 per cent while the Department of Public Service, Labour & ICT and the CPBS did not incur any expenditure on development activities. The Department of Health and Emergency Services had the highest percentage of recurrent expenditure to budget at 77.2 per cent, while the Department of Trade, Investment, Economic Planning and Industrialization had the lowest at 14.2 per cent.

3.23.11 Budget Execution by Programmes and Sub-Programmes

Table 3.128 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.128: Machakos County, Budget Execution by Programmes and Sub-Programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs) | Absorption (%) |
|---|---|------------------------|------------------------|--------------------|----------------|
| OFFICE OF THE GOVERNOR | | | | | |
| Sub-programme 1 | Office of the Governor | 340,805,300 | 191,104,831 | 149,700,469 | 56.1 |
| Sub-programme 2 | Transport Services | 27,135,676 | 14,933,571 | 12,202,105 | 55 |
| Sub-programme 3 | Human Resource and Administration Section | 86,840,760 | 14,724,725 | 72,116,035 | 17 |
| Sub-programme 4 | ICT Section | 13,387,204 | 3,023,107 | 10,364,097 | 22.6 |
| Sub-programme 5 | Hospitality Services Section | 14,580,000 | 11,201,509 | 3,378,491 | 76.8 |
| Sub-programme 6 | Cabinet Office | 6,493,175 | 3,234,985 | 3,258,190 | 49.8 |
| Sub-programme 7 | Office of the Deputy Governor | 36,000,000 | 16,486,645 | 19,513,355 | 45.8 |
| Sub-programme 8 | Directorate of Projects Delivery, Monitoring and Evaluation | 9,759,080 | 1,256,088 | 8,502,992 | 12.9 |
| Sub-programme 9 | Office of the County Secretary | 13,466,246 | 40,000 | 13,426,246 | 0.3 |
| Sub-programme 10 | Office of the County Advisors | 8,954,060 | 4,148,900 | 4,805,160 | 46.3 |
| TOTAL | | 557,421,501 | 260,154,361 | 297,267,140 | 46.7 |
| PUBLIC SERVICE, QUALITY MANAGEMENT AND ICT | | | | | |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs) | Absorption (%) |
|--|---|------------------------|------------------------|--------------------|----------------|
| Sub-programme 1 | General Administration and support services | 778,943,756 | 296,218,368 | 482,725,388 | 38 |
| Sub-programme 2 | Quality Management | 625,000 | - | 625,000 | - |
| Sub-programme 3 | Training, Research and Development | 95,112,564 | 45,265,200 | 49,847,364 | 47.6 |
| Sub-programme 4 | Information Communication Technology | 4,875,011 | 366,200 | 4,508,811 | 7.5 |
| Sub-programme 5 | ICT Infrastructure | 36,192,218 | 6,979,242 | 29,212,976 | 19.3 |
| Sub-programme 6 | Closed Circuit Television | 7,461,582 | - | 7,461,582 | - |
| TOTAL | | 923,210,131 | 348,829,009 | 574,381,121 | 37.8 |
| TRADE, INDUSTRIALIZATION AND INNOVATION | | | | | |
| Sub-programme 1 | Headquarter Administration Services | 57,094,782 | 33,123,633 | 23,971,149 | 58 |
| Sub-programme 2 | Trade Development | 49,064,737 | 1,664,450 | 47,400,287 | 3.4 |
| Sub-programme 3 | Business and Enterprise Development | 15,058,833 | - | 15,058,833 | - |
| Sub-programme 4 | Industrialization and Innovation | 30,618,885 | - | 30,618,885 | - |
| Sub-programme 5 | Investment Facilitation and Support | 11,051,203 | 995,000 | 10,056,203 | 9 |
| Sub-programme 6 | Hygiene and Sanitation | 5,808,080 | 2,109,300 | 3,698,780 | 36.3 |
| Sub-programme 7 | Legal Services | 186,756,150 | 6,263,978 | 180,492,172 | 3.4 |
| TOTAL | | 355,452,670 | 44,156,362 | 311,296,308 | 12.4 |
| FINANCE AND ECONOMIC PLANNING | | | | | |
| Sub-programme 1 | Revenue Management | 62,949,785 | 30,202,490 | 32,747,295 | 48.0 |
| Sub-programme 2 | Budget formulation, Coordination and Implementation Section | 24,102,493 | 10,110,030 | 13,992,463 | 41.9 |
| Sub-programme 3 | Supply Chain Management Section | 1,888,533 | - | 1,888,533 | - |
| Sub-programme 4 | Accounts Section | 5,747,868 | 1,000,000 | 4,747,868 | 17.4 |
| Sub-programme 5 | Audit Section | 2,700,000 | 1,583,000 | 1,117,000 | 58.6 |
| Sub-programme 6 | Human Resource Management and Support Services | 376,795,731 | 207,641,792 | 169,153,939 | 55.1 |
| Sub-programme 7 | Economic Planning and Statistical Services | 20,130,587 | 10,715,964 | 9,414,623 | 53.2 |
| Sub-programme 8 | External Resource Mobilization | 900,000 | - | 900,000 | - |
| TOTAL | | 495,214,997 | 261,253,276 | 233,961,721 | 52.8 |
| COUNTY ADMINISTRATION AND DECENTRALIZED UNITS | | | | | |
| Sub-programme 1 | General Administration and support services | 553,366,546 | 176,723,003 | 376,643,543 | 31.9 |
| Sub-programme 2 | Civic Engagement | 5,428,718 | - | 5,428,718 | - |
| Sub-programme 4 | Solid Waste Management | 13,000,000 | 6,378,059 | 6,621,941 | 49.1 |
| Sub-programme 5 | Sanitation Management | 4,489,294 | 222,083 | 4,267,211 | 4.9 |
| Sub-programme 6 | Forensic and Inspectorate Services | 5,852,507 | - | 5,852,507 | - |
| Sub-programme 7 | Inspectorate Services and Management | 5,000,000 | - | 5,000,000 | - |
| TOTAL | | 587,137,064 | 183,323,145 | 403,813,919 | 31.2 |
| AGRICULTURE, FOOD SECURITY AND CO-OPERATIVE DEVELOPMENT | | | | | |
| Sub-programme 1 | General Administration and support services | 397,525,016 | 200,999,863 | 196,525,153 | 50.6 |
| Sub-programme 2 | Crop Development and Management | 99,357,299 | 26,994,885 | 72,362,414 | 27.2 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs) | Absorption (%) |
|---|---|------------------------|------------------------|-----------------|----------------|
| Sub-programme 3 | Livestock Resources Management and Development | 54,585,771 | 11,083,190 | 43,502,581 | 20.3 |
| Sub-programme 4 | Fisheries Development | 11,326,739 | 910,409 | 10,416,330 | 8.0 |
| Sub-programme 5 | Veterinary Services | 25,790,578 | 466,400 | 25,324,178 | 1.8 |
| Sub-programme 6 | Agriculture Training Centre | 2,148,696 | - | 2,148,696 | - |
| Sub-programme 7 | Co-operative Development and Marketing | 5,218,284 | 1,349,850 | 3,868,434 | 25.9 |
| Sub-programme 7 | Promotion of Co-operative Marketing and Value Chain | 1,500,000 | - | 1,500,000 | - |
| Sub-programme 9 | Promotion and growth of Co-operative Societies | 900,000 | - | 900,000 | - |
| TOTAL | | 598,352,383 | 241,804,597 | 356,547,786 | 40.4 |
| WATER, IRRIGATION, ENVIRONMENT AND NATURAL RESOURCES | | | | | |
| Sub-programme 1 | Water Supply and Sewerage | 305,508,911 | 99,902,880 | 205,606,031 | 32.7 |
| Sub-programme 2 | Irrigation Schemes, Development and Promotion | 196,237,359 | 89,162,057 | 107,075,302 | 45.4 |
| Sub-programme 4 | General Administration and support services | 42,476,056 | 11,705,962 | 30,770,094 | 27.6 |
| Sub-programme 5 | Environment and Natural Resources | 40,107,199 | 12,397,328 | 27,709,871 | 30.9 |
| TOTAL | | 584,329,525 | 213,168,227 | 371,161,298 | 36.5 |
| HEALTH AND EMERGENCY SERVICES | | | | | |
| Sub-programme 1 | General Administration and support services | 3,785,024,429 | 2,700,799,634 | 1,084,224,795 | 71.4 |
| Sub-programme 2 | Machakos Level 5 | 346,658,116 | 281,523,417 | 65,134,699 | 81.2 |
| Sub-programme 3 | Kangundo Level 4 | 36,967,617 | 26,248,545 | 10,719,072 | 71 |
| Sub-programme 4 | Matuu Level 4 | 34,807,498 | 25,244,305 | 9,563,193 | 72.5 |
| Sub-programme 5 | Kathiani Level 4 | 22,749,302 | 14,011,100 | 8,738,202 | 61.6 |
| Sub-programme 6 | Mwala Level 4 | 11,374,651 | 10,488,449 | 886,202 | 92.2 |
| Sub-programme 7 | Public Health and Community Outreach | 83,193,440 | 3,011,009 | 80,182,431 | 3.6 |
| Sub-programme 8 | Emergency Services | 22,152,409 | - | 22,152,409 | - |
| TOTAL | | 4,342,927,462 | 3,061,326,459 | 1,281,601,003 | 70.5 |
| ROADS, TRANSPORT AND PUBLIC WORKS | | | | | |
| Sub-programme 1 | Head quarter Administrative services | 286,406,401 | 91,352,883 | 195,053,518 | 31.9 |
| Sub-programme 2 | Road Development and Management | 646,934,038 | 270,919,233 | 376,014,805 | 41.9 |
| Sub-programme 3 | County Government Buildings | 194,148,301 | 166,195,944 | 27,952,357 | 85.6 |
| Sub-programme 4 | County Fleet Management | 114,762,776 | 42,494,461 | 72,268,315 | 37 |
| TOTAL | | 1,242,251,516 | 570,962,521 | 671,288,995 | 46 |
| EDUCATION, YOUTH AND SOCIAL WELFARE | | | | | |
| Sub-programme 1 | Head quarter Administrative services | 453,107,147 | 168,842,272 | 284,264,875 | 37.3 |
| Sub-programme 2 | Basic Education | 6,285,011 | 235,345 | 6,049,666 | 3.7 |
| Sub-programme 3 | Youth Development Services | 96,367,985 | 31,374,947 | 64,993,038 | 32.6 |
| Sub-programme 4 | Gender and Social Services | 10,000,000 | 1,819,500 | 8,180,500 | 18.2 |
| TOTAL | | 565,760,144 | 202,272,064 | 363,488,080 | 35.8 |
| ENERGY, LANDS, HOUSING AND URBAN DEVELOPMENT | | | | | |
| Sub-programme 1 | Lands | 69,713,043 | 26,668,488 | 43,044,554 | 38.3 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs) | Absorption (%) |
|---|---|------------------------|------------------------|----------------------|----------------|
| Sub-programme 2 | Energy and Natural Resources | 196,601,134 | 31,398,163 | 165,202,972 | 16 |
| Sub-programme 3 | Housing and Urban Development | 1,810,926,239 | 94,287,838 | 1,716,638,401 | 5.2 |
| TOTAL | | 2,077,240,417 | 152,354,489 | 1,924,885,928 | 7.3 |
| TOURISM,CULTURE,YOUTH AND SPORTS | | | | | |
| Sub-programme 1 | General administrative and Support Services | 95,745,006 | 38,645,480 | 57,099,526 | 40.4 |
| Sub-programme 2 | Heritage & Culture | 16,903,788 | 6,164,492 | 10,739,296 | 36.5 |
| Sub-programme 3 | Liquor Management | 159,695 | - | 159,695 | - |
| Sub-programme 4 | Tourism Development and Marketing | 21,848,777 | 30,000 | 21,818,777 | 0.1 |
| Sub-programme 5 | Machawood | 2,688,732 | 1,500,000 | 1,188,732 | 55.8 |
| Sub-programme 6 | County Image Directorate | 7,897,859 | 543,378 | 7,354,481 | 6.9 |
| Sub-programme 7 | Youth and Sports | 109,856,717 | 37,698,543 | 72,158,174 | 34.3 |
| TOTAL | | 255,100,574 | 84,581,892 | 170,518,682 | 33.2 |
| COUNTY PUBLIC SERVICE BOARD | | | | | |
| Sub-programme 1 | Human Resource and Administration | 47,289,683 | 16,387,934 | 30,901,749 | 34.7 |
| TOTAL | | 47,289,683 | 16,387,934 | 30,901,749 | 34.7 |
| COUNTY ASSEMBLY | | | | | |
| Sub-programme 1 | Legislation and Oversight | 1,286,922,536 | 668,885,936 | 618,036,600 | 52 |
| TOTAL | | 1,286,922,536 | 668,885,936 | 618,036,600 | 52 |
| Grand Total | | 13,918,610,603 | 6,309,460,272 | 7,609,150,331 | 45.3 |

Source: Machakos County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Mwala Level 4 and Machakos Level 5 in the Department of Health and Emergency Services at 92.2 per cent and 81.2 per cent respectively, County Government Buildings in the Department of Roads, Transport & Public Works at 85.6 per cent, and Hospitality Section in the Office of the Governor at 76.8 per cent of budget allocation.

3.23.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Assembly to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 23rd April, 2021 contrary to OCoB's instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.
2. Low absorption of development funds as indicated by the expenditure of Kshs.1.15 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.5.13 billion. The development expenditure represented 22.4 per cent of the annual development budget.
3. Under-performance of own source revenue at Kshs.735.54 million against an annual projection of Kshs.1.73 billion, representing 42.5 per cent of the annual target.
4. Failure by Fund Administrators to submit financial and non-financial statements in line with Section 168 of the PFM Act, 2012. The OCoB did not receive quarterly financial statements for the Machakos County Assembly Car Loan and Mortgage Fund and Machakos County Bursary Fund.
5. High expenditure on local travel at Kshs.283.40 million, which was unexpected during the COVID-19 containment period due to travel restrictions and points to wasteful spending.

The County should implement the following recommendations to improve budget execution;

1. *The County Treasury and the County Assembly should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with Section 166 of the PFM Act, 2012.*

2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County should address its own source revenue performance to ensure the approved budget is fully financed.
4. The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.
5. The County Treasury should review expenditure on travel and subsistence allowances to ensure it is credible and institute control measures to curtail further avoid wasteful spending.

3.24 County Government of Makueni

3.24.1 Overview of FY 2020/21 Budget

The County's approved supplementary budget for FY 2020/21 is Kshs.11.67 billion, comprising of Kshs. 5 billion (42.8 per cent) and Kshs.6.67 billion (57.2 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.7.41 billion (63.4 per cent) as the equitable share of revenue raised nationally, Kshs.855.94 million (7.3 per cent) as total conditional grants, generate Kshs.1.09 billion (9.4 per cent) from own sources of revenue, and a cash balance of Kshs.1.93 billion (16.6 per cent) from FY 2019/20. The County also expects to receive Kshs.385.39 million (3.3 per cent) as "other revenues" not contained in the CARA, 2020. "Other revenues" consist of Conditional Grant - for COVID 19 Emergency response Kshs.119.72 million, Nutrition International Kshs.10 million, DANIDA - UHC Health Programme support Kshs.7.95 million, Equitable share from National Government - COVID Health allowances Kshs.58.83 million, Nutrition International - FY 2019/20 Funds Kshs.3 million, World Food Programme Funding Kshs.1 million, Bulk SMS Donor Support Kshs.100,000, and IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) "Level 2 grant" Kshs.184.8 million.

3.24.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.4.93 billion as equitable share of the revenue raised nationally. Included in the Kshs.4.93 billion equitable-share was Kshs.636.92 million disbursement for FY 2019/20. Also receipted in the first nine months of FY 2020/21 was Kshs.498.71 million as conditional grants, raised Kshs.391.01 million as own-source revenue, and reported a cash balance of Kshs.1.06 billion from FY 2019/20. "Other revenues" receipted consisted of Kshs.7.5 million for Nutrition International and Kshs.38.8 million for IDA (World Bank) credit: Kenya Urban Support Project (KUSP) - Urban Institutional Grants (UIG). The total funds available for budget implementation during the period amounted to Kshs.6.93 billion as shown in Table 3.129.

Table 3.129: Makueni County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts in the first Nine Months (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|------------------|---|--|------------------------------------|---|---|
| A. | Equitable Share of Revenue Raised nationally | 7,406,100,000 | 7,406,100,000 | 4,932,462,600 | 66.6 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Compensation for User Fee Foregone | 19,435,760 | 19,435,760 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 216,965,109 | 216,965,109 | 108,482,554 | 50 |
| 4. | Rehabilitation of Village Polytechnics | 68,299,894 | 68,299,894 | 34,149,947 | |
| Sub Total | | 436,722,040 | 436,722,040 | 142,632,501 | 32.7 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 98,890,804 | 98,890,804 | 51,909,581 | 52.5 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 198,499,820 | 198,499,820 | 186,625,037 | 94 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4. | DANIDA Grant | 21,060,000 | 21,060,000 | 10,530,000 | 50 |
| 5. | EU Grant (Instruments for Devolution Advise and Support IDEAS) | 11,000,000 | 41,236,231 | 50,179,739 | 121.7 |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 14,534,090 | 14,534,090 | 13,831,536 | 95.2 |
| Sub Total | | 388,984,714 | 419,220,945 | 358,075,893 | 85.4 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 1,093,000,000 | 391,011,277 | 35.8 |

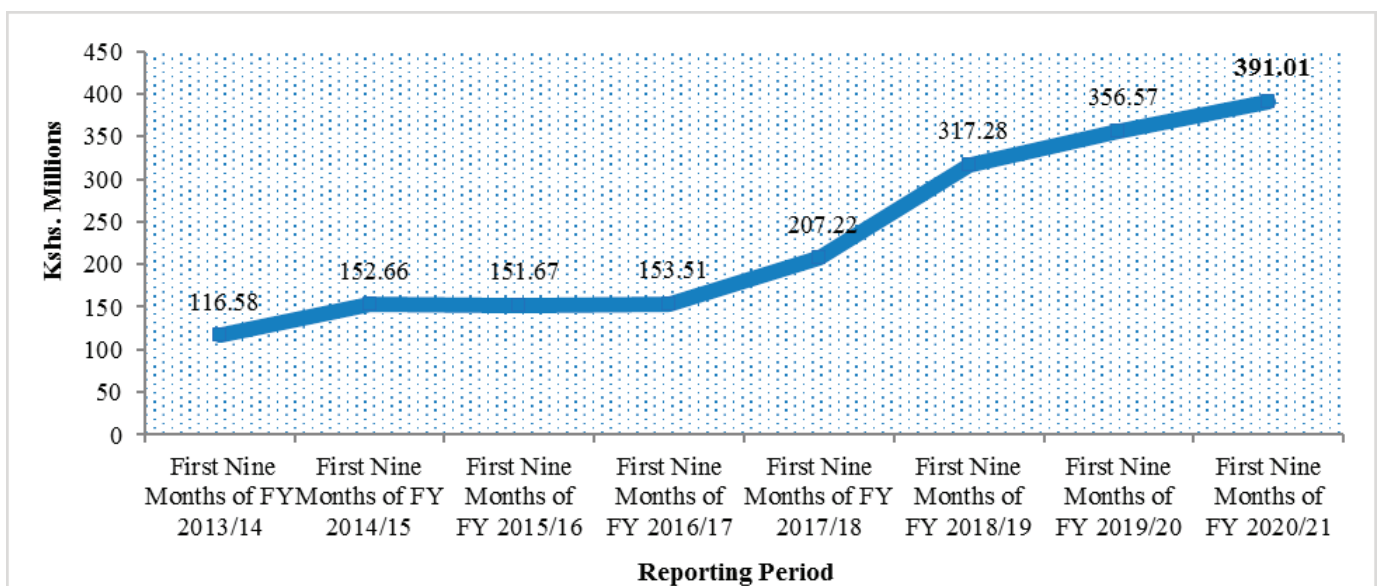
| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts in the first Nine Months (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|----------------------------|--|------------------------------------|---|---|
| 2. | Balance b/f from FY2019/20 | - | 1,932,511,040 | 1,056,993,892 | 54.7 |
| 3. | Other Revenues | - | 385,385,683 | 46,302,017 | 12 |
| Sub Total | | - | 3,410,896,723 | 1,494,307,186 | 43.8 |
| Grand Total | | 8,105,206,754 | 11,672,939,708 | 6,927,478,180 | 59.3 |

Source: Makueni County Treasury

Makueni County received an European Union (EU) grant of Kshs.110 million for the purchase and installation of a reconstitution line for Makueni Fruit Processing Plant. The total cost for the purchase and installation of the line was Kshs.154.73 million, out of which Kshs.110 million was from the grant, and Kshs 44.73 million was funded from the county funds. Out of the EU allocation of Kshs.110. million, the County reported receipts of funds as follows;

Figure 3.45 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.45: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Makueni County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.391.01 million as own-source revenue. This amount represented an increase of 9.7 per cent compared to Kshs.356.6 million realised during a similar period in FY 2019/20 and was 35.8 per cent of the annual target.

3.24.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.57 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.77 billion (31.7 per cent) for development programmes and Kshs.3.8 billion (68.3 per cent) for recurrent programmes.

3.24.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.5.07 billion on development and recurrent programmes. The expenditure represented 91.1 per cent of the total funds released by the COB and comprised of Kshs.1.65 billion and Kshs.3.42 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 32.9 per cent while recurrent expenditure represented 51.3 per cent of the annual recurrent expenditure budget.

3.24.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.13 billion was spent on compensation to employees, Kshs.1.29 billion on operations and maintenance, and Kshs.1.65 billion on development activities as shown in Table 3.130.

Table 3.130: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 6,674,864,838 | 3,798,709,960 | 3,422,612,811 | 51.3 |
| Compensation to Employees | 3,964,381,050 | 2,447,779,944 | 2,134,536,590 | 53.8 |
| Operations and Maintenance | 2,710,483,789 | 1,350,930,016 | 1,288,076,220 | 47.5 |
| Total Development Expenditure | 4,998,074,870 | 1,767,091,447 | 1,645,132,067 | 32.9 |
| Development Expenditure | 4,998,074,870 | 1,767,091,447 | 1,645,132,067 | 32.9 |
| Total | 11,672,939,708 | 5,565,801,407 | 5,067,744,878 | 43.4 |

Source: Makueni County Treasury

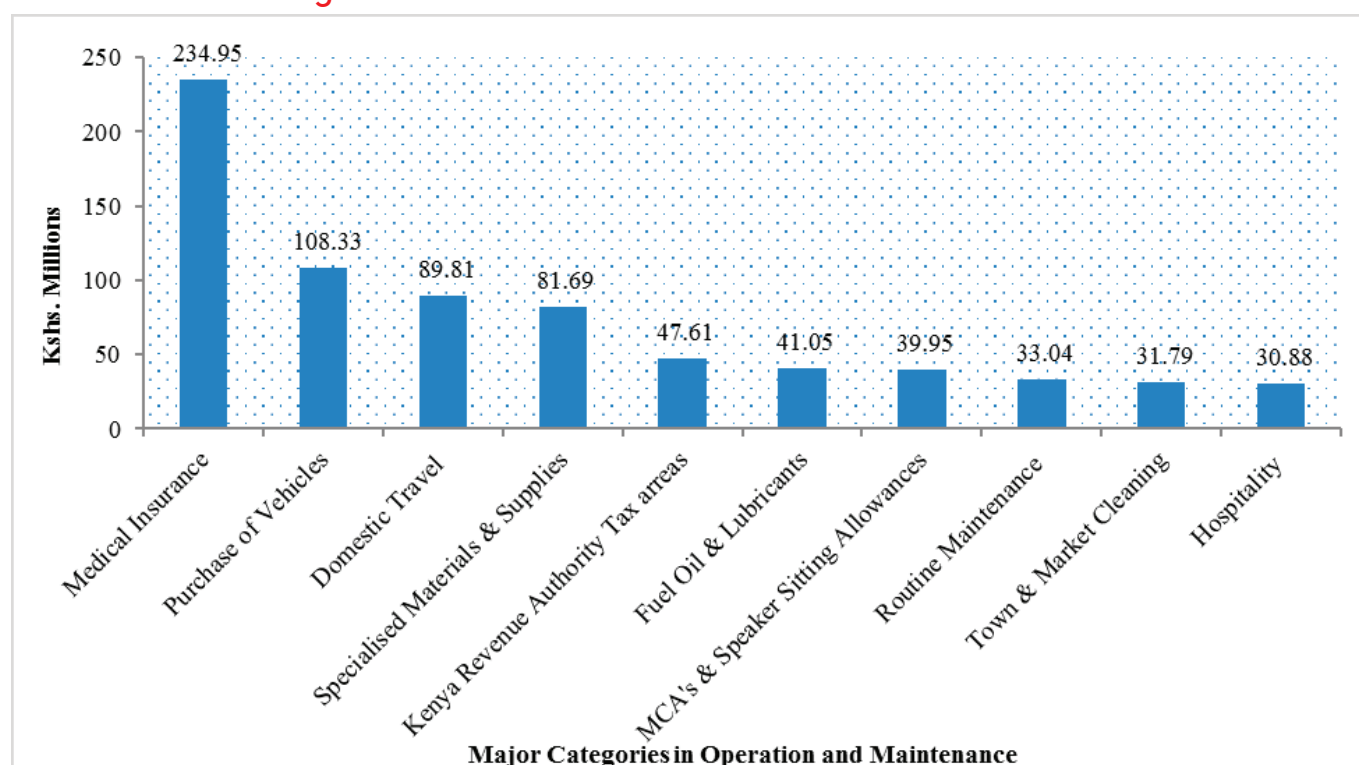
3.24.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 42.1 per cent of the total expenditure for the reporting period and 24.4 per cent of the first nine months revenue received of Kshs.8.75 billion.

3.24.7 Expenditure on Operations and Maintenance

Figure 3.46 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.46: Makueni County, Operations and Maintenance Expenditure by Major Categories



Source: Makueni County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.39.95 million on committee sitting allowances for the 48 MCAs and Speaker against the annual budget allocation of Kshs.74 million. The average monthly sitting allowance was Kshs. 90,591 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.89.81 million and comprised of Kshs.49.14 million spent by the County Assembly and Kshs.40.68 million by the County Executive. Expenditure on foreign travel amounted to Kshs.63,300 incurred by Makueni County Assembly.

3.24.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs. 186.49 million to cater for COVID-19 related expenditure. A total of Kshs.100.42 million was spent during the reporting period as shown in Table 3.131.

Table 3.131: COVID-19 Budget and Expenditure Summary

| Source of Funds | Budgeted Amount (FY 2020/21) (Kshs.) | Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------------------------------------|--------------------------------------|----------------------------|---------------------|
| Grants from the National Government | 119,715,000 | 33,641,268 | 28.1 |
| Donor Funds (DANIDA) | 7,945,000 | 7,945,000 | 100 |
| Health Care workers allowance | 58,830,000 | 58,830,000 | 100 |
| Total | 186,490,000 | 100,416,268 | 53.8 |

Source: Makueni County, Department of Health Services

3.24.9 Development Expenditure

The County incurred expenditure of Kshs.1.65 billion on development programmes, which represented an increase of 50.8 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.09 billion. Table 3.132 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.132: Makueni County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|----------------------|------------------------|------------------------------------|---------------------|
| 1 | Universal Health Care Programme | County Wide | 242,465,244 | 218,191,499 | 90 |
| 2 | IDA (World Bank) credit (National Agricultural and Rural Inclusive Growth Project (NARIGP)) | County Wide | 198,499,820 | 193,125,036 | 97.3 |
| 3 | IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) "Level 2 grant" | | 481,447,416 | 186,917,770 | 38.8 |
| 4 | Construction of Thwake bridge | Kalawa | 257,053,102 | 61,382,938 | 23.9 |
| 5 | Procurement & Installation of Hansard In the Chaand Committee Rooms | County Assembly | 48,000,000 | 34,459,850 | 71.8 |
| 6 | Construction of Kamunyolo Earth dam | Wote | 34,933,640 | 33,804,356 | 96.8 |
| 7 | Conditional Grant - for COVID 19 Emergency response - | | 119,715,000 | 33,641,268 | 28.1 |
| 8 | Makueni Fruit Processing Plant Development | Nzaui Kilili Kalamba | 100,000,000 | 31,759,339 | 31.8 |
| 9 | Conditional Allocation for Development of Youth Polytechnics | All wards | 98,466,644 | 30,166,547 | 30.6 |
| 10 | Youth Empowerment Programme | County Wide | 32,922,274 | 18,191,486 | 55.3 |

Source: Makueni County Treasury

3.24.10 Budget Performance by Department

Table 3.133 shows a summary of the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.133: Makueni County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|--------|----------------------------------|--------|-----------------------------|--------|-------------------------------------|-------|---------------------|------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 703.98 | 120.41 | 484.41 | 53.23 | 422.46 | 53.69 | 87.2 | 100.9 | 60.0 | 44.6 |
| Office of the Governor | 193.06 | - | 104.57 | - | 99.90 | - | 95.5 | - | 51.7 | - |
| Office of the Deputy Governor | 13.91 | - | 2.81 | - | 5.13 | - | 182.9 | - | 36.9 | - |
| County Attorney's Office | 46.63 | - | 22.75 | - | 18.42 | - | 81 | - | 39.5 | - |
| County Public Service Board | 54.42 | 15 | 37.79 | - | 21.98 | - | 58.2 | - | 40.4 | - |
| County Secretary Office | 454.10 | - | 375.03 | - | 335.08 | - | 89.3 | - | 73.8 | - |
| Devolution, Administration, Participatory Development, Youth & Public Service | 314.47 | 58.56 | 163.36 | 20.78 | 135.01 | 26.23 | 82.6 | 126.2 | 42.9 | 44.8 |
| Finance and Socio-Economic Planning | 543.52 | 576.64 | 312.73 | 59.73 | 267.98 | 203.58 | 85.7 | 340.9 | 49.3 | 35.3 |
| Agriculture, Irrigation, Live-stock & Fisheries Development | 267.42 | 636.62 | 167.75 | 315.52 | 111.81 | 278.88 | 66.7 | 88.4 | 41.8 | 43.8 |
| Water, Environment & Climate Change | 162.13 | 952.27 | 102.96 | 341.27 | 81.23 | 350.10 | 78.9 | 102.6 | 50.1 | 36.8 |
| Sand Authority | 54.54 | 76.73 | 20.90 | 17.10 | 19.29 | 12.60 | 92.3 | 73.7 | 35.4 | 16.4 |
| Education and ICT | 391.74 | 334.82 | 209.00 | 96.95 | 160.30 | 86.05 | 76.7 | 88.8 | 40.9 | 25.7 |
| Health Services | 2,965.00 | 815.43 | 1,461.29 | 442.05 | 1,463.25 | 324.13 | 100.1 | 73.3 | 49.4 | 39.7 |
| Lands, Mining and Urban Development | 117.22 | 270.71 | 71.79 | 70.04 | 53.60 | 52.35 | 74.7 | 74.7 | 45.7 | 19.3 |
| Transport and Infrastructure | 237.84 | 975.61 | 172.80 | 315.18 | 151.20 | 223.93 | 87.5 | 71 | 63.6 | 23 |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|-----------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Trade, Industry, Tourism & Cooperatives | 48.14 | 106.23 | 29.37 | 25.25 | 24.94 | 21.18 | 84.9 | 83.9 | 51.8 | 19.9 |
| Gender and Social Services | 106.75 | 59.05 | 59.41 | 9.99 | 51.02 | 12.40 | 85.9 | 124.1 | 47.8 | 21 |
| TOTAL | 6,674.86 | 4,998.07 | 3,798.71 | 1,767.09 | 3,422.61 | 1,645.13 | 90.1 | 93.1 | 51.3 | 32.9 |

Source: Makueni County Treasury

Analysis of expenditure by department shows that the Department of Devolution, Administration, Participatory Development, Youth & Public Service recorded the highest absorption rate of development budget at 44.8 per cent while the County Public Service Board did not report any expenditure on development activities. The County Secretary Office had the highest percentage of recurrent expenditure to budget at 73.8 per cent, while the Sand Authority had the lowest at 35.4 per cent.

3.24.11 Budget Execution by Programmes and Sub-Programmes

Table 3.134 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.134: Makueni County, Budget Execution by Programmes and Sub-programmes

| Department | Programme/ Sub Programme | Approved Estimates FY 2020/21 Revised Budget (Kshs) | Actual Nine Months Expenditure FY 2020/21 (Kshs) | Variance - Kshs | Absorption Rate (%) |
|--|--|---|--|--------------------|---------------------|
| Agriculture, Irrigation, Livestock & Fisheries Development | Programme 1: General administration & planning | | | | |
| | SP1. 1 General administration & planning | 613,328,912 | 307,870,860 | 305,458,051 | 50.2 |
| | Programme 2: Land, Crop development & productivity | | | | |
| | SP2. 1 Land, Crop development & productivity | 35,462,343 | 25,470,572 | 9,991,771 | 71.8 |
| | P3; Agribusiness and information management | | | | |
| | SP3. 1 Agribusiness and information management | 168,298,835 | 42,753,797 | 125,545,038 | 25.4 |
| | Programme 4: Livestock Production, Management and Development | | | | |
| | SP4. 1 Livestock Production, Management and Development | 86,946,324 | 14,597,339 | 72,348,985 | 16.8 |
| | Total Budget | 904,036,414 | 390,692,568 | 513,343,845 | 43.2 |
| Transport and Infrastructure | Programme 1: General administration & planning | | | | |
| | SP1. 1 General administration & planning | 182,082,672 | 126,767,110 | 55,315,563 | 69.6 |
| | Programme 2: Road transport | | | | |
| | SP2. 1 Road transport | 926,897,647 | 282,343,856 | 644,553,791 | 30.5 |
| | P3; Infrastructure development | | | | |
| | SP3. 1 Infrastructure development | 34,735,276 | 6,394,396 | 28,340,881 | 18.4 |
| | Programme 2: Energy Infrastructure & development | | | | |
| | SP4. 1 Energy Infrastructure & development | 69,741,288 | 19,103,267 | 50,638,020 | 27.4 |
| | Total Budget | 1,213,456,884 | 434,608,629 | 778,848,255 | 35.8 |
| Trade, Industry, Tourism & Cooperatives | Programme 1: General administration & planning | | | | |
| | SP1. 1 General administration & planning | 42,200,723 | 24,205,311 | 17,995,412 | 57.4 |
| | SP2.3; Local markets development | | | - | |
| | SP2.4; Trade marketing & promotion | 84,065,437 | 12,402,369 | 71,663,067 | 14.8 |
| | P3; Industrial development and promotion | | | | |
| | SP3. 1 Industrial development and promotion | 50,000 | | 50,000 | |
| | Programme 4: Tourism development & promotion | | | | |

| Department | Programme/ Sub Programme | Approved Estimates FY 2020/21 Revised Budget (Kshs) | Actual Nine Months Expenditure FY 2020/21 (Kshs) | Variance - Kshs | Absorption Rate (%) |
|--|---|---|--|--------------------|---------------------|
| | SP4. 1Tourism development & promotion | 6,551,511 | 827,022 | 5,724,489 | 12.6 |
| | Programme 5: Cooperative development and management | | | | |
| | SP4. 1Cooperative development and management | 21,494,745 | 8,682,983 | 12,811,763 | 40.4 |
| | Total Budget | 154,362,416 | 46,117,684 | 108,244,731 | 29.9 |
| Lands, Mining and Urban Development | Programme 1: General administration & planning | | | | |
| | SP1. 1 General administration & planning | 41,449,554 | 14,324,020 | 27,125,534 | 34.6 |
| | Programme 2: : Land Survey & Mapping | | | | |
| | SP2. 1: Land Survey & Mapping | 62,692,977 | 11,759,178 | 50,933,799 | 18.8 |
| | P3; Urban planning | | | - | |
| | SP3. 1Urban planning | 179,487,454 | 33,476,446 | 146,011,008 | 18.7 |
| | Programme 2: Mining mapping & development | | | | |
| | SP4. 1Mining mapping & development | 1,522,500 | 170,000 | 1,352,500 | 11.2 |
| | Programme 4: Environment management and protection | | | | |
| | SP4. 1Environment management and protection | 102,781,916 | 44,530,013 | 58,251,902 | 43.3 |
| | Total Budget | 387,934,401 | 104,259,658 | 283,674,744 | 26.9 |
| Water, Environment & Climate Change | Programme 1: General administration & planning | | | | |
| | SP1. 1 General administration & planning | 135,010,304 | 74,762,706 | 60,247,598 | 55.4 |
| | Programme 2: Water infrastructure Development | | | | |
| | SP 2.1 Water harvesting and storage | 404,531,015 | 129,415,193 | 275,115,822 | 32.0 |
| | SP 2.2.Piped water supply infrastructure | 439,316,897 | 129,957,865 | 309,359,032 | 29.6 |
| | SP2.3 Ground water development | 135,534,970 | 96,536,087 | 38,998,883 | 71.2 |
| | Total Budget | 1,114,393,185 | 431,329,046 | 683,064,139 | 38.7 |
| Sand Authority | Programme 1: General administration & planning | | | | |
| | SP1. 1 General administration & planning | 131,262,726 | 31,894,599 | 99,368,127 | 24.3 |
| | Total Budget | 131,262,726 | 31,894,599 | 99,368,127 | 24.3 |
| Education and ICT | Programme 1: General administration & planning | | | | |
| | SP1. 1 General administration & planning | 372,593,466 | 176,528,453 | 196,065,012 | 47.4 |
| | Programme 2: Early childhood education | | | | |
| | SP1. 1 Early childhood education | 119,408,409 | 35,383,034 | 84,025,375 | 29.6 |
| | Programme 3: Technical training & non-formal education | | | | |
| | SP1. 1 Technical training & non-formal education | 30,157,272 | 5,308,582 | 24,848,690 | 17.6 |
| | Programme 4: Support to education | | | | |
| | SP1. 1 Support to education | 70,374,644 | 2,498,824 | 67,875,820 | 3.6 |
| | Programme 5; ICT Infrastructure & Systems Development | | | | |
| | SP3. 1ICT Infrastructure & Systems Development | 55,897,517 | 15,741,486 | 40,156,031 | 28.2 |
| | Programme 7: Sports Development | | | | |
| | SP7. 1Sports Development | 78,122,930 | 10,889,059 | 67,233,871 | 13.9 |
| | Total Budget | 726,554,237 | 246,349,438 | 480,204,799 | 33.9 |
| Health Services | Programme 1: General administration & planning | | | | |
| | SP1. 1 General administration & planning | 3,386,647,973 | 1,782,158,309 | 1,604,489,664 | 52.6 |
| | Programme 2: Curative health care services | | | | |

| Department | Programme/ Sub Programme | Approved Estimates FY 2020/21 Revised Budget (Kshs) | Actual Nine Months Expenditure FY 2020/21 (Kshs) | Variance - Kshs | Absorption Rate (%) |
|--|---|---|--|----------------------|---------------------|
| | SP2. 1: Curative health care services | 255,393,727 | 378,950 | 255,014,777 | 0.1 |
| | Programme 3; Preventive and promotive health care services | | | | |
| | SP3. 1 Preventive and promotive health care services | 138,388,507 | 4,834,179 | 133,554,328 | 3.5 |
| | Total Expenditure of Vote | 3,780,430,207 | 1,787,371,438 | 1,993,058,769 | 47.3 |
| Gender and Social Services | Programme 1: General administration & planning | | | | |
| | SP1. 1 General administration & planning | 102,154,282 | 44,418,051 | 57,736,231 | 43.5 |
| | Programme 2: Gender & Social Development | | | | |
| | SP2. 1 Gender & Social Development | 63,640,575 | 19,006,004 | 44,634,570 | 29.9 |
| | Total Budget | 165,794,857 | 63,424,055 | 102,370,802 | 38.3 |
| County Attorney's Office | Programme 1: Legal & advisory services | | | | |
| | SP1. 1 Legal & advisory services | 46,631,942 | 18,422,743 | 28,209,199 | 39.5 |
| | Total Budget | 46,631,942 | 18,422,743 | 28,209,199 | 39.5 |
| County Secretary Office | Programme 1: Leadership and coordination of departments. | | | | |
| | SP1. 1 Leadership and coordination of departments. | 454,100,746 | 335,081,141 | 119,019,606 | 73.8 |
| | Total Budget | 454,100,746 | 335,081,141 | 119,019,606 | 73.8 |
| Governship | Programme 1: General administration & planning | | | | |
| | SP1. 1 General administration & planning | 206,970,183 | 105,034,318 | 101,935,865 | 50.7 |
| | Total Budget | 206,970,183 | 105,034,318 | 101,935,865 | 50.7 |
| Devolution, Administration, Participatory Development, Youth & Public Service | Programme 1: General administration & planning | | | | |
| | SP1. 1 General administration & planning | 234,751,808 | 114,745,650 | 120,006,158 | 48.9 |
| | Programme 2: Public Participation & Civic Education | | | | |
| | SP2. 1: Public Participation & Civic Education | 39,590,000 | 14,853,249 | 24,736,751 | 37.5 |
| | Programme 3; Information and communication | | | | |
| | SP3. 1 Information and communication | 12,570,000 | 942,640 | 11,627,360 | 7.5 |
| | Programme 4: Enforcement and compliance | | | | |
| | SP4. 1 Enforcement and compliance | 41,950,000 | 9,617,103 | 32,332,897 | 22.9 |
| | Programme 6; Youth Development support & Empowerment | | | | |
| | SP6. 1 Youth Development | 44,166,555 | 21,084,182 | 23,082,373 | 47.7 |
| | Total Budget | 373,028,362 | 161,242,823 | 211,785,539 | 43.2 |
| County Public Service Board | Programme 1: General Administration and Planning | | | | |
| | SP1.1: General Administration and Planning | 69,424,545 | 21,980,123 | 47,444,422 | 31.7 |
| | Total Budget | 69,424,545 | 21,980,123 | 47,444,422 | 31.7 |
| Finance and Socio-Economic Planning | Programme 1: General administration & planning | | | | |
| | SP1. 1 General administration & planning | 954,130,967 | 404,662,564 | 549,468,403 | 42.4 |
| | Programme 2: Public financial management | | | | |
| | SP2.1 Accounting services | 11,075,000 | 3,783,326 | 7,291,674 | 34.2 |
| | SP2.2; Budget formulation, coordination and management | 29,139,550 | 15,432,810 | 13,706,739 | 53.0 |
| | SP2.3; Internal audit services | 13,739,203 | 3,757,968 | 9,981,235 | 27.4 |
| | SP2.4; Resource mobilization | 58,905,000 | 32,657,632 | 26,247,368 | 55.4 |
| | SP2.5; Supply chain management services | 6,065,465 | 2,225,473 | 3,839,992 | 36.7 |

| Department | Programme/ Sub Programme | Approved Estimates FY 2020/21 Revised Budget (Kshs) | Actual Nine Months Expenditure FY 2020/21 (Kshs) | Variance - Kshs | Absorption Rate (%) |
|------------------------|------------------------------------|---|--|----------------------|---------------------|
| | SP2.6; Economic planning | 47,110,194 | 9,044,453 | 38,065,741 | 19.2 |
| | Total Budget | 1,120,165,378 | 471,564,228 | 648,601,151 | 42.1 |
| County Assembly | Legislation & Oversight | 824,393,224 | 476,157,726 | 348,235,497 | 57.8 |
| Grand Total | | 11,672,939,708 | 5,125,530,217 | 6,547,409,491 | 43.9 |

Source: Makueni County Treasury

Sub-programmes with the highest levels of implementation based on absorption rates were: Leadership and coordination of departments sub-programme under County Secretary Office at 73.8 per cent, Land; Crop development & productivity sub-programme in the Department of Agriculture, Irrigation, Livestock & Fisheries Development at 71.8 per cent; Groundwater development sub-programme in the Department of Water, Environment & Climate Change at 71.2 per cent; and General administration & planning in the Department of Transport and Infrastructure at 69.6 per cent of budget allocation.

3.24.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.1.65 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.5 billion. The development expenditure represented 32.9 per cent of the annual development budget.
2. The under-performance of own source revenue at Kshs. 391.01 million against an annual projection of Kshs.1.09 billion, representing 35.8 per cent of the annual target.
3. Failure by Fund Administrators and Heads of Corporations of the Makueni County Bursary Fund, ENE Microfinance, and the Makueni Fruit Processing Plant to submit financial and non-financial statements in line with Section 168 and 185 of the PFM Act, 2012.

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County should address its own source revenue performance to ensure the approved budget is fully financed.
3. The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators and Heads of Corporations prepare and submit financial reports in line with Section 168 and 185 of the PFM Act, 2012.

3.25 County Government of Mandera

3.25.1 Overview of FY 2020/21 Budget

The County's approved supplementary budget for FY 2020/21 is Kshs.13.32 billion, comprising of Kshs.6.15 billion (46.2 per cent) and Kshs.7.17 billion (53.8 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.10.22 billion (76.8 per cent) as the equitable share of revenue raised nationally, Kshs.2.01 billion (15.1 per cent) as total conditional grants, generate Kshs.200.04 million (1.5 per cent) from own sources of revenue, and a cash balance of Kshs.883.76 million (6.6 per cent) from FY 2019/20. The County also expects to receive Kshs.134.47 million (1 per cent) as "other revenues" not contained in the CARA, 2020.

Other revenues consist of Kshs.91.32 million grants for COVID-19 from National Government, Kshs.11.31 million grants for COVID-19 from DANIDA and Kshs.31.85 million allowances for frontline healthcare workers as approved by Salaries and Remuneration Commission (SRC).

3.25.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.5.94 billion as an equitable share of the revenue raised nationally, Kshs.617.01 million as conditional grants, raised Kshs.109.11 million as own-source revenue, Kshs.134.47 million as other revenues, and had a cash balance of Kshs.212.14 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.7.01 billion, as shown in Table 3.135.

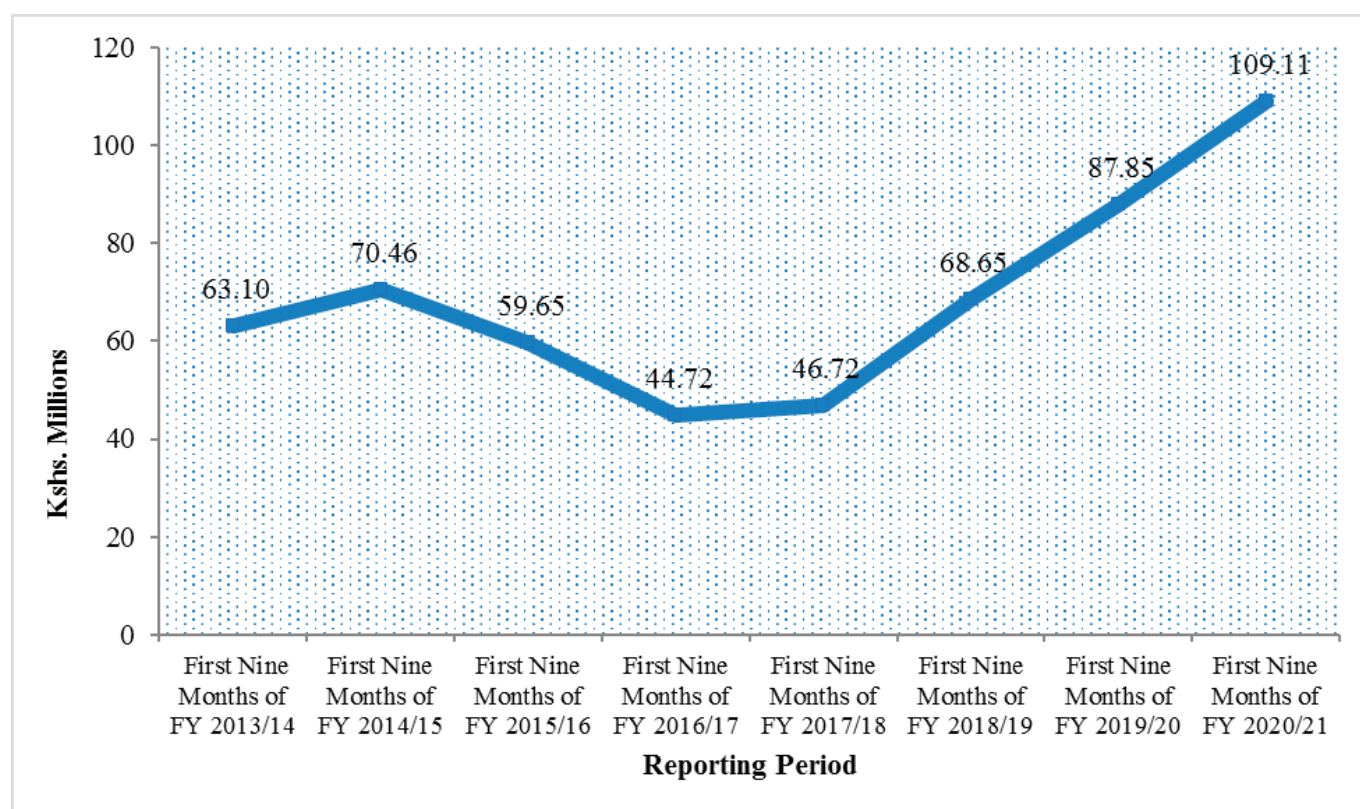
Table 3.135: Mandera County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation (Kshs) | Actual receipts (Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|---|-------------------------------------|---------------------------------|-------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 10,222,950,000 | 10,222,950,000 | 5,939,533,950 | 58.1 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Compensation for User Fee Foregone | 25,474,920 | 25,474,920 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 304,694,480 | 304,694,480 | - | - |
| 4. | Road Maintenance Fuel Levy Fund B/F from FY2019/20 | | 160,026,064 | 160,026,064 | 100.0 |
| 5. | Rehabilitation of Village Polytechnics | 15,049,894 | 15,049,894 | 6,650 | <1 |
| Sub Total | | 477,240,571 | 505,245,358 | 160,032,714 | 31.7 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 300,000,000 | 144,609,161 | 72,304,581 | 50.0 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 290,090,936 | 324,000,000 | 100,455,119 | 31.0 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant | - | 143,000,000 | - | - |
| 5. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 17,048,048 | 14,548,048 | 14,303,172 | 98.3 |
| 6. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Institutional Grants (UIG) | - | 175,819,500 | 50,066,573 | 28.5 |
| 7. | Sweden -Agricultural Sector Development Support Program (ASDSP) II - Co Funding | - | 2,500,000 | 2,500,000 | 100 |
| 8. | World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health 2017/2018 - Amount in SPA | - | 9,604,002 | - | - |
| 9. | World Bank/Japan Funding for Health sector - Transforming Health care - Universal Health b/f 2018/2019. Amount not yet released | - | 14,826,792 | 14,535,000 | 98 |
| 10. | Kenya Devolution support Program (KDSP) B/F (from 17/2018) - Amount n SPA | - | 4,295,329 | - | - |
| 11. | Kenya Devolution Support Program for 2018/2019 funds to be released in 2020/2021 | - | 58,673,488 | - | - |
| 1. | Kenya Climate Smart Agriculture Project (NEDI) - Conditional Grant B/F - amount yet to be released | - | 49,173,647 | - | - |
| 2. | Kenya Devolution Support Program b/f - Amount in SPA - Malbe and Lafey Hospital | - | 84,075,528 | - | - |
| 3. | Conditional Grant from KDSP(balance from 6,100,000) B//F | - | 640,901 | - | - |
| 4. | Kenya Urban Support Program (Conditional Grant) b/f - Not Released | - | 98,923,344 | - | - |
| 5. | Kenya Urban Institutional grant b/f from 2019/2020 | - | 8,800,000 | 8,800,000 | 100 |
| 6. | Kenya Urban Development Support Program b/f from 2019/2020 (50,066,573 not Released while 79,242,718 not yet released) | - | 129,309,291 | 119,011,758 | 92 |
| 7. | Agricultural Sector Development Support Program (ASDSP) (Conditional Grant) B/F - Amount in SPA | - | 6,387,012 | - | - |
| 8. | Kenya Devolution Support Program - Level I b/f from 2019/2020 | - | 30,000,000 | 30,000,000 | 100 |
| Sub Total | | 681,208,984 | 1,373,256,042 | 456,976,202 | 33.3 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 200,037,792 | 109,108,870 | 54.5 |
| 2. | Balance b/f from FY2019/20 | - | 883,762,901 | 212,144,165 | 24 |
| 3. | Other Revenues | - | 134,473,000 | 134,473,000 | 100 |
| Sub Total | | - | 1,218,273,693 | 455,726,036 | 37.4 |
| Grand Total | | 11,381,399,555 | 13,319,725,092 | 7,012,268,902 | 52.6 |

Source: Mandera County Treasury

Figure 3.47 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.47: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Mandera County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.109.11 million as its own source revenue. This amount represented an increase of 24.2 per cent compared to Kshs.87.84 million realised during a similar period in FY 2019/20 and was 54.5 per cent of the annual target.

3.25.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.69 billion from the CRF account during the reporting period. The amount comprised of Kshs.2.2 billion (34.2 per cent) for development programmes and Kshs.4.4 billion (65.8 per cent) for recurrent programmes.

3.25.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.6.56 billion on development and recurrent programmes. The expenditure represented 98 per cent of the total funds released by the COB and comprised of Kshs.2.20 billion and Kshs.4.36 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 35.8 per cent while recurrent expenditure represented 60.8 per cent of the annual recurrent expenditure budget.

3.25.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.38 billion was spent on compensation to employees, Kshs.1.98 billion on operations and maintenance, and Kshs.2.20 billion on development activities as shown in Table 3.136.

Table 3.136: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|-----------------------|----------------------|----------------|
| Total Recurrent Expenditure | 7,169,045,514 | 4,355,634,417 | 60.8 |
| Compensation to Employees | 3,515,027,944 | 2,380,330,434 | 67.7 |
| Operations and Maintenance | 3,654,017,570 | 1,975,303,984 | 54.1 |
| Total Development Expenditure | 6,150,679,578 | 2,202,583,879 | 35.8 |
| Development Expenditure | 6,150,679,578 | 2,202,583,879 | 35.8 |
| Total | 13,319,725,092 | 6,558,218,296 | 49.2 |

Source: Mandera County Treasury

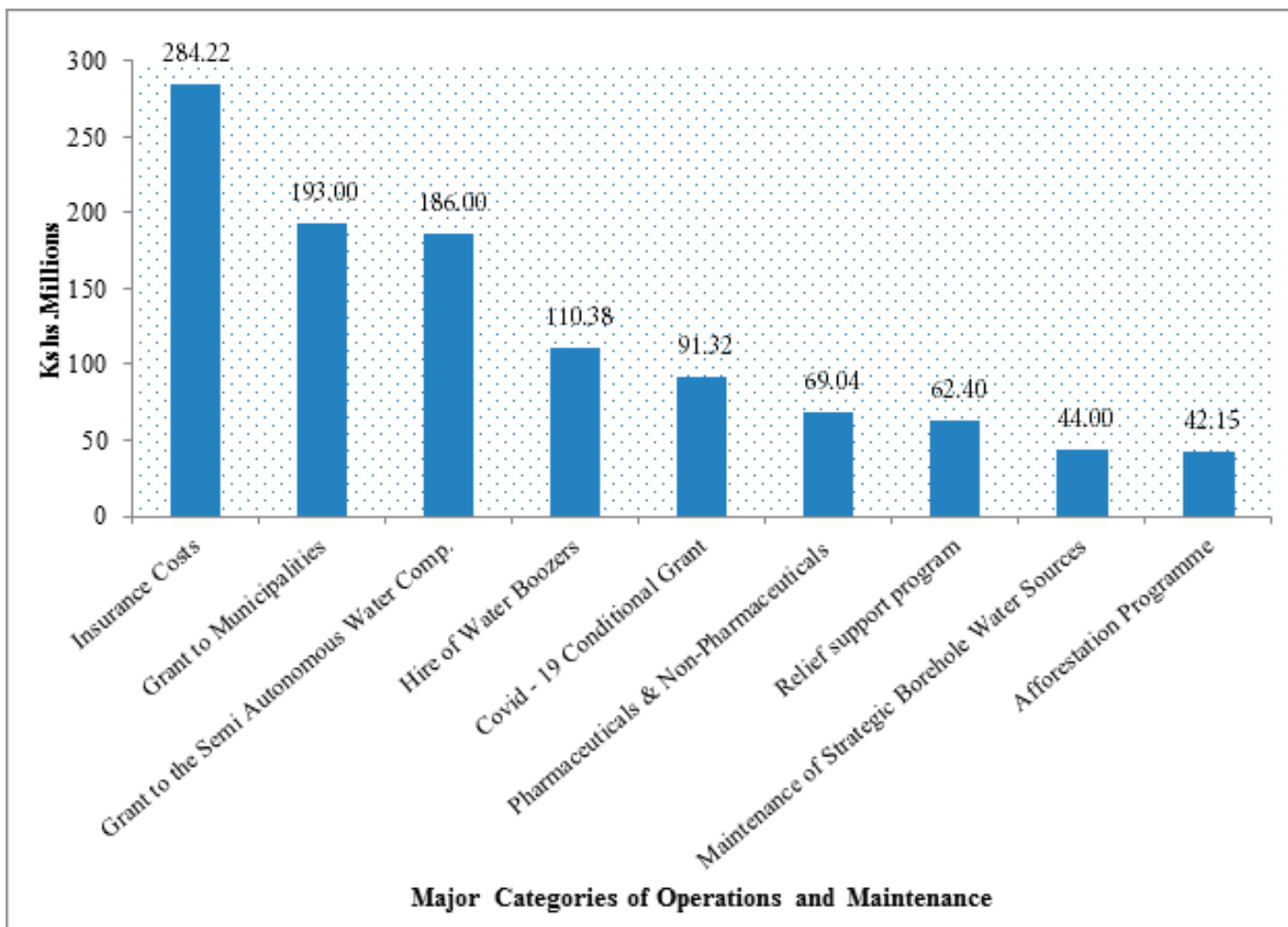
3.25.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government’s expenditure on wages and benefits at 35 per cent of the County’s total revenue. Expenditure on compensation to employees was 36.3 per cent of the total expenditure for the reporting period and 23.8 per cent of the first nine months’ proportional revenue estimate of Kshs.9.99 billion.

3.25.7 Expenditure on Operations and Maintenance

Figure 3.48 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.48: Mandera County, Operations and Maintenance Expenditure by Major Categories



Source: Mandera County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.17.58 million on committee sitting allowances for the 49 MCAs and Speaker against the annual budget allocation of Kshs.66.95 million. The average monthly sitting allowance was Kshs.39,873 per MCA against the SRC’s recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.148.76 million and comprised of Kshs.91.58 million spent by the County Assembly and Kshs.57.18 million by the County Executive.

3.25.8 COVID-19 Expenditure

The County did not allocate funds to meet COVID-19 related expenditure in FY 2020/21.

3.25.9 Development Expenditure

The County incurred expenditure of Kshs.2.20 billion on development programmes, which represented an absorption rate of 35.8 per cent. Table 3.137 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.137: Mandera County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Department | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate % |
|-------|---|------------------|-------------------------------|----------------|---------------------|-------------------|
| 1 | Drilling And Equipping of New Boreholes Throughout The County | Water | County Wide | 161,040,159 | 161,039,388 | 100 |
| 2 | Proposed Extension of Solar Street Lighting And Maintenance of Existing Solar Street Lights In Elwak Town In Mandera South Sub County | Water | Mandera South | 57,697,605 | 57,697,605 | 100 |
| 3 | Proposed Construction of 60,000 Cubic Metre Earth Pan At Banisa Town Banisa Sub- County | Water | Banisa | 61,576,452 | 55,261,162 | 89.7 |
| 4 | Proposed Construction of 3No Wards, Maternity Block, Laboratory Block And Store At Banisa Level Iv Hospital At Banisa Sub County. | Medical services | Banisa | 98,608,385 | 50,000,000 | 50.7 |
| 5 | Proposed Construction of Mandera Teachers Training Collage | Education | Mdr East | 155,500,000 | 50,000,000 | 32.2 |
| 6 | Proposed Change of Tiled Floor To Terrazo At Elwak Sub County Hospital | Medical services | Mandera South | 35,101,426 | 35,101,426 | 100 |
| 7 | Proposed Construction of 1No. Ward Maternity Block, Mechanical Works And Associated Civilworks At Lafey Level Iv Hospital At Lafey Sub County | Medical services | Lafey | 46,774,723 | 34,908,309 | 74.6 |
| 8 | Completion of County Assembly Building | County Assembly | County Assembly Head Quarters | 108,073,057 | 40,108,693 | 37.1 |
| 9 | Proposed Erection And Completion of Modern Slaughter House (Phase 2) In Mandera East Sub County | Livestock | Mandera East | 67,446,320 | 26,000,000 | 38.5 |
| 10 | Proposed Kutulo (Malbe) Water Pan For Irrigation Projects In Kutulo Subcounty | Irrigation | Kutulo | 52,092,828 | 25,000,000 | 48 |

Source: Mandera County Treasury

3.25.10 Budget Performance by Department

Table 3.138 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.138: Mandera County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|-----------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 790.83 | 221.22 | 360.13 | 48.51 | 358.35 | 48.51 | 99.5 | 100 | 45.3 | 21.9 |
| Agriculture and livestock | 238.84 | 897.59 | 126.75 | 313.92 | 126.75 | 299.61 | 100 | 95.4 | 53.1 | 33.4 |
| Education, Culture and Sports | 325.86 | 361.02 | 209.47 | 59.02 | 209.47 | 59.02 | 100 | 100 | 64.3 | 16.3 |
| Genders, Social Services and Youth Affairs | 73.52 | 123.89 | 47.77 | 56.89 | 47.77 | 56.89 | 100 | 100 | 65 | 45.9 |
| Finance and Economic Planning and ICT | 586.75 | 51.83 | 300.21 | - | 300.21 | - | 100 | - | 51.2 | - |
| Health Services | 2,042.92 | 880.54 | 1,296.71 | 314.22 | 1,296.71 | 314.22 | 100 | 100 | 63.5 | 35.7 |
| Trade, Investments, Industrialisation, and Cooperative Development | 49.49 | 135.96 | 36.47 | 49.20 | 36.47 | 49.20 | 100 | 100 | 73.7 | 36.2 |
| Lands, Housing Developments and Physical Planning | 317.42 | 281.74 | 249.79 | 64.07 | 249.79 | 64.07 | 100 | 100 | 78.7 | 22.7 |
| Office of the Governor and Deputy Governor | 472.20 | - | 258.08 | 49.44 | 258.08 | - | 100 | - | 54.7 | - |
| County Public Service Board | 69.60 | 12.00 | 50.59 | - | 50.59 | - | 100 | - | 72.7 | - |
| Public Service Management and Devolved Units | 1,331.89 | 149.37 | 853.81 | 471.78 | 808.81 | 49.44 | 94.7 | 10.5 | 60.7 | 33.1 |
| Public Works Roads and Transport | 154.11 | 1,308.66 | 109.20 | 863.36 | 109.20 | 398.25 | 100 | 46.1 | 70.9 | 30.4 |
| Water, Energy, Environment & Natural Resources | 715.61 | 1,726.86 | 503.45 | - | 503.45 | 863.36 | 100 | - | 70.4 | 50 |
| Total | 7,169.05 | 6,150.68 | 4,402.41 | 2,290.42 | 4,355.63 | 2,202.58 | 98.9 | 96.2 | 60.8 | 35.8 |

Source: Mandera County Treasury

Analysis of departments' expenditure shows that the Department of Water, Energy, Environment and Natural Resources recorded the highest absorption rate of development budget at 50 per cent while the Department of Finance

and Economic Planning and County Public Service Board did not incur any expenditure on development activities. The Ministry of Lands, Housing Developments and Physical Planning recorded the highest percentage of recurrent expenditure to budget at 78.7 per cent while the County Assembly reported the lowest at 45.3 per cent.

3.25.11 Budget Execution by Programmes and Sub-Programmes

Table 3.139 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.139: Mandera County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub Programme | Description | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs) | Absorption (%) |
|---|--------------------|--|------------------------|------------------------|----------------------|----------------|
| Administration and Compensation | 904013410 | Administration and Support Services | 155,117,725 | 102,061,967 | 53,055,758 | 65.8 |
| | 702033410 | Administration Services | 2,977,089,062 | 1,772,285,331 | 1,204,803,731 | 59.5 |
| | | | 3,132,206,787 | 1,874,347,298 | 1,257,859,489 | 59.8 |
| Agricultural and Livestock Sector Support | 101063410 | Agricultural Infrastructure, Conservation and Research | 713,190,420 | 188,000,857 | 525,189,563 | 26.4 |
| | 103033410 | Livestock Agricultural Sector Support | 208,154,333 | 117,263,737 | 90,890,596 | 56.3 |
| | | | 921,344,753 | 305,264,594 | 616,080,159 | 33.1 |
| Cooperatives Development Programmes | 303023410 | Cooperatives Agricultural Support | 11,100,000 | 7,800,000 | 3,300,000 | 70.3 |
| | | | 11,100,000 | 7,800,000 | 3,300,000 | 70.3 |
| Legislation and Oversight Services | 701013410 | County Assembly Administration offices | 221,218,668 | 58,902,435 | 162,316,234 | 26.6 |
| | | | 221,218,668 | 58,902,435 | 162,316,234 | 26.6 |
| ECDE and Sports Development Services | 504013410 | ECDE Infrastructure. | 361,020,068 | 92,519,500 | 268,500,568 | 25.6 |
| | | | 361,020,068 | 92,519,500 | 268,500,568 | 25.6 |
| Solar Energy and Environmental Services | 903013410 | Environmental Protection | 87,254,030 | 57,649,350 | 29,604,680 | 66.1 |
| | 902023410 | Street lighting | 242,116,629 | 180,638,930 | 61,477,699 | 74.6 |
| | | | 329,370,659 | 238,288,280 | 91,082,379 | 72.3 |
| Administration, Planning and Support Services | 105013410 | General Administration & Support Services | 686,607,526 | 471,744,669 | 214,862,856 | 68.7 |
| | 503013410 | General Administration & Support Services | 2,368,783,973 | 1,510,137,458 | 858,646,514 | 63.8 |
| | | | 3,055,391,498 | 1,981,882,128 | 1,073,509,370 | 64.9 |
| Physical Infrastructure Development | 107013410 | Infrastructure & Equipment | 281,744,752 | 132,354,963 | 149,389,790 | 47 |
| | 401013410 | Infrastructure Construction, Expansion and Maintenance | 880,544,060 | 351,192,034 | 529,352,026 | 39.9 |
| | 502013410 | Infrastructure Development and Expansion | 149,371,471 | 54,387,658 | 94,983,814 | 36.4 |
| | 701023410 | Infrastructure Development and Expansion | 1,388,675,003 | 861,383,307 | 897,384,472 | 62 |
| | | | 2,700,335,286 | 1,399,317,961 | 1,671,110,101 | 51.8 |
| Financial Services | 701033410 | Procurement Services | 51,825,600 | - | 51,825,600 | - |
| | | | 51,825,600 | - | 51,825,600 | - |
| Trade Development | 305013410 | Trade development & Promotion | 174,350,215 | 77,694,664 | 96,655,551 | 44.6 |
| | | | 174,350,215 | 77,694,664 | 96,655,551 | 44.6 |
| Water Provision Services | 901053410 | Water provision services | 746,977,856 | 455,104,898 | 291,872,958 | 60.9 |
| | 901043410 | Water Storage Structures | 1,490,692,714 | 881,750,501 | 683,695,771 | 59.2 |
| | | | 2,237,670,570 | 1,336,855,399 | 975,568,728 | 59.7 |
| Youth Rehabilitation and Development | 501023410 | Youth Development Programmes and Policy | 123,890,988 | 56,771,327 | 67,119,661 | 45.8 |
| | Sub Total | | 123,890,988 | 56,771,327 | 67,119,661 | 45.8 |
| | Grand Total | | 13,319,725,092 | 7,429,643,584 | 6,334,927,841 | 55.8 |

Source: Mandera County Treasury

Programmes with high levels of implementation based on absorption rates were: Solar Energy and Environmental Services at 72.3 per cent, Cooperatives Development Programmes at 80.2 per cent, General Administration (General Administration Planning & Support Service) at 70.3 per cent, Administration, Planning and Support at 64.9 per cent, and Physical Infrastructure Development at 62 per cent.

3.25.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenge which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.2.20 billion in the period under review of FY 2020/21 from the annual development budget allocation of Kshs.6.15 billion. The development expenditure represented 35.8 per cent of the annual development budget.

The County should implement the following recommendation to improve budget execution;

1. *The County should identify and address issues causing delays in the implementation of development projects*

3.26 County Government of Marsabit

3.26.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.8.02 billion, comprising of Kshs.3.68 billion (45.9 per cent) and Kshs.4.34 billion (54.1 per cent) allocation for Development and Recurrent programmes, respectively.

To finance the budget, the county expects to receive Kshs.6.87 billion (85.7 per cent) as the equitable share of revenue raised nationally, Kshs.999.79 million (12.5 per cent) as total conditional grants, generate Kshs.150 million (1.8 per cent) from own sources of revenue. The County did not include in the budget the cash balance of Kshs.583.12 million brought forward from FY 2019/20

3.26.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.3.35 billion as an equitable share of the revenue raised nationally, Kshs.281.06 million as conditional grants, raised Kshs.84.73 million as own-source revenue, and had a cash balance of Kshs.583.12 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.4.3 billion, as shown in Table 3.140.

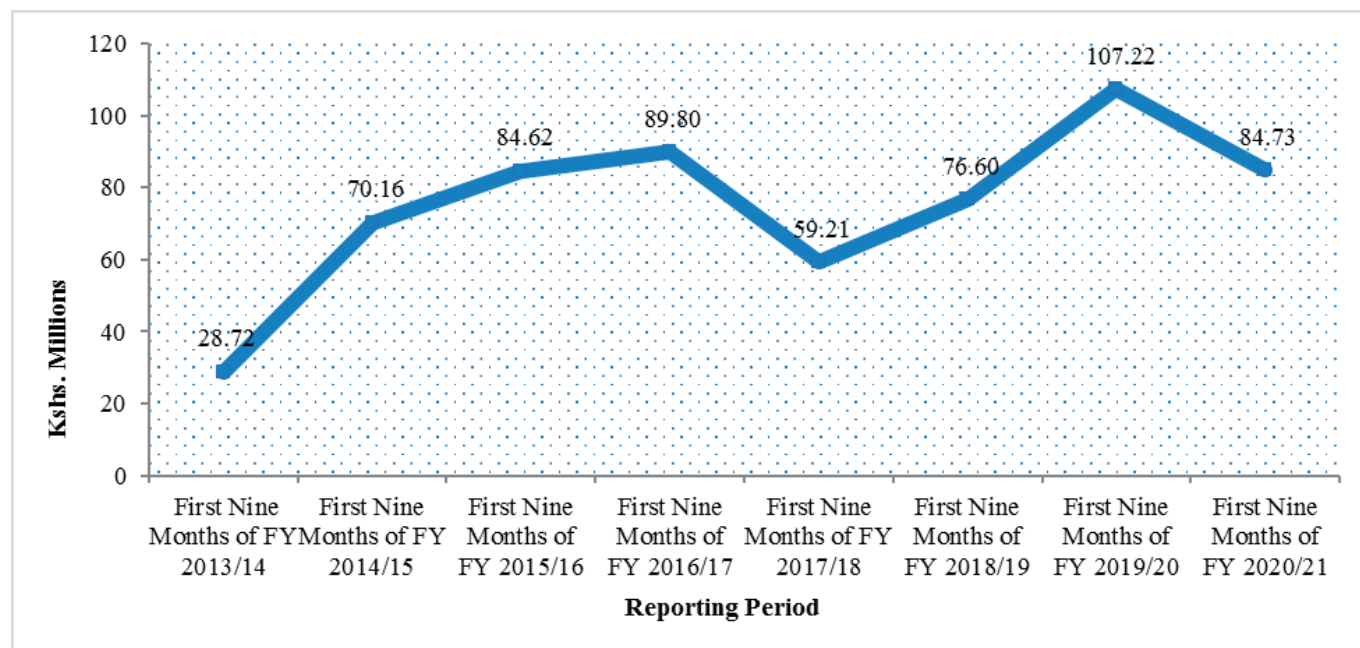
Table 3.140: Marsabit County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts in the First Nine Months (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|--|------------------------------------|---|---|
| A. | Equitable Share of Revenue Raised nationally | 6,773,100,000 | 6,868,050,000 | 3,352,684,500 | 48.8 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1 | Compensation for User Fee Foregone | 6,643,714 | 6,643,714 | - | - |
| 2 | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 3 | Road Maintenance Fuel Levy Fund | 204,701,864 | 204,701,864 | - | - |
| 4 | Rehabilitation of Village Polytechnics | 10,699,894 | 10,699,894 | 5,349,947 | 50 |
| 5 | Grant for COVID-19 | - | 28,819,000 | 28,819,000 | 100 |
| 6 | Grant for COVID-19 | - | - | 30,420,000 | - |
| Sub Total | | 354,066,749 | 382,885,749 | 64,588,947 | 16.9 |
| C | Loans and Grants from Development Partners | | | | |
| 1 | Transforming Health systems for Universal care Project (WB) | 99,759,979 | 99,759,979 | 47,315,901 | 47.4 |
| 2 | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 319,933,840 | 319,933,840 | 100,455,119 | 31.4 |
| 3 | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4 | DANIDA Grant | 19,260,000 | 19,260,000 | 9,630,000 | 50 |
| 5 | EU Grant (Instruments for Devolution Advise and Support IDEAS) | 16,140,048 | 16,140,048 | - | - |
| 6 | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 16,810,792 | 16,810,792 | 14,069,910 | 83.7 |
| 7 | German Development Bank (KfW) – Drought Resilience Programme in Northern Kenya (DRPNK) | 100,000,000 | 100,000,000 | - | - |
| Sub Total | | 616,904,659 | 616,904,659 | 216,470,930 | 35.1 |
| D | Other Sources of Revenue | | | | |
| 1 | Own Source Revenue | - | 150,000,000 | 84,729,538 | 56.5 |
| 2 | Balance b/f from FY 2019/20 | - | - | 583,124,498 | - |
| Sub Total | | - | 150,000,000 | 667,854,036 | 445.2 |
| Grand Total | | 7,744,071,408 | 8,017,840,408 | 4,301,598,413 | 53.7 |

Source: Marsabit County Treasury

Figure 3.49 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.49: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Marsabit County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.84.73 million as its own source revenue. This amount represented a decrease of 20.9 per cent compared to Kshs.107.22 million realised during a similar period in FY 2019/20 and was 56.5 per cent of the annual target.

3.26.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.35 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.66 billion (38 per cent) for development programmes and Kshs.2.69 billion (62 per cent) for recurrent programmes.

3.26.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.9 billion on development and recurrent programmes. The expenditure represented 89.6 per cent of the total funds released by the COB and comprised of Kshs.1.46 billion and Kshs.2.44 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 39.7 per cent while recurrent expenditure represented 56.3 per cent of the annual recurrent expenditure budget.

3.26.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.69 billion was spent on compensation to employees, Kshs.752.51 million on operations and maintenance, and Kshs.1.46 billion on development activities as shown in Table 3.141.

Table 3.141: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 4,337,619,991 | 2,697,616,363 | 2,440,398,244 | 56.3 |
| Compensation to Employees | 2,750,598,303 | 1,687,886,677 | 1,687,886,677 | 61.4 |
| Operations and Maintenance | 1,587,021,689 | 1,009,729,687 | 752,511,568 | 47.4 |
| Total Development Expenditure | 3,680,220,417 | 1,655,404,882 | 1,460,754,394 | 39.7 |
| Development Expenditure | 3,680,220,417 | 1,655,404,882 | 1,460,754,394 | 39.7 |
| Total | 8,017,840,409 | 4,353,021,245 | 3,901,152,638 | 48.7 |

Source: Marsabit County Treasury

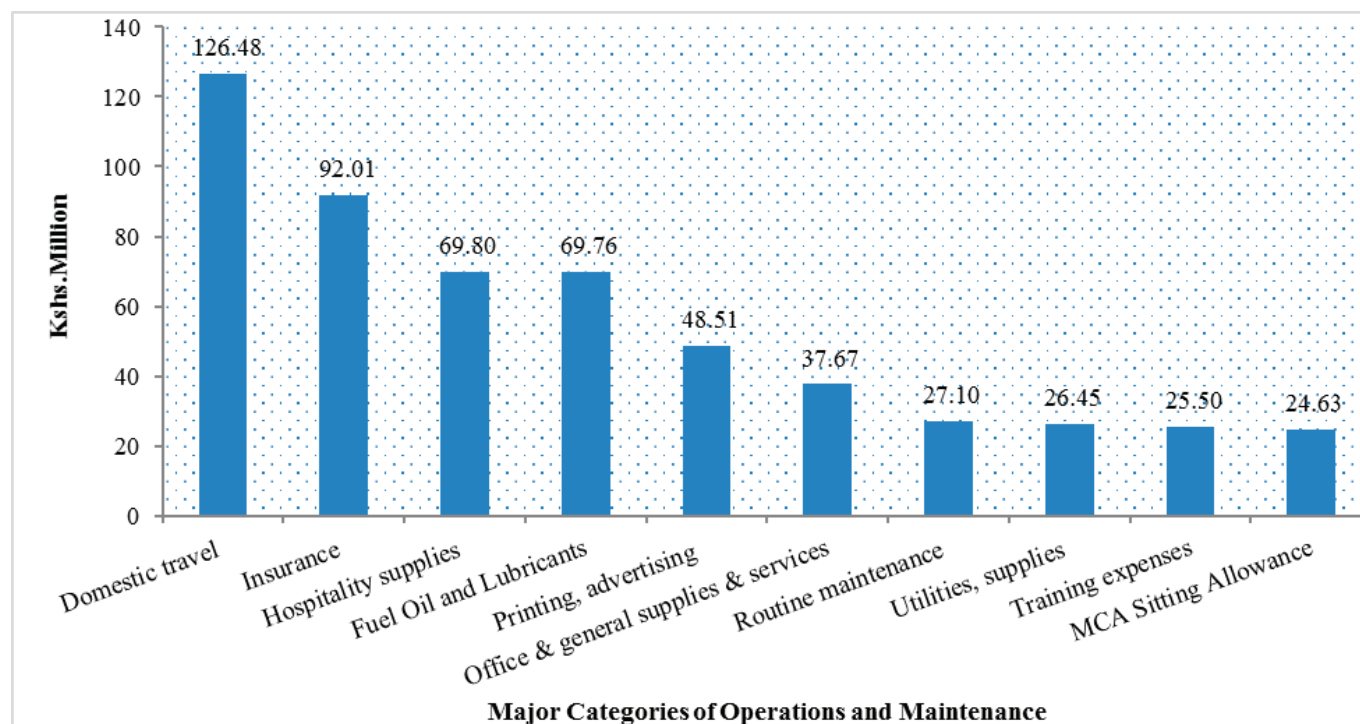
3.26.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 43.3 per cent of the total expenditure for the reporting period and 28.1 per cent of the first nine months proportional revenue estimate of Kshs.6.01 billion.

3.26.7 Expenditure on Operations and Maintenance

Figure 3.50 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.50: Marsabit County, Operations and Maintenance Expenditure by Major Categories



Source: Marsabit County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.24.63 million on committee sitting allowances for the 31 MCAs and Speaker against the annual budget allocation of Kshs.40 million. The average monthly sitting allowance was Kshs.88,295 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.126.48 million and comprised of Kshs.38.77 million spent by the County Assembly and Kshs.87.71 million by the County Executive. Expenditure on foreign travel amounted to Kshs.9.15 million incurred by the County Executive.

3.26.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs. 28.82 to cater for COVID-19 related expenditure. A total of Kshs.18.59 was spent during the reporting period, as shown in Table 3.142.

Table 3.142: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Expenditure as of 31 st March 2021 (Kshs) |
|--------------|--|--|
| 1. | Supply and delivery of face mask N95 to Marsabit County Referral Hospital. | 4,745,000 |
| 2. | Supply and delivery of ICU drugs to Marsabit County Referral Hospital. | 3,630,174 |
| 3. | Supply and delivery of COVID 19 mitigation items | 10,212,500 |
| Total | | 18,587,674 |

Source: Marsabit County Treasury

3.26.9 Development Expenditure

The County incurred expenditure of Kshs.1.46 billion on development programmes, which represented a decrease of 28.7 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.2.05 billion. Table 3.143 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.143: Marsabit County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Department | Location | Budget (Kshs) | Expenditure (Kshs) | Absorption Rate (%) |
|-------|--|--------------------|--------------|---------------|--------------------|---------------------|
| 1 | Supply and delivery of 1686 pcs 5000ltrs plastics tanks. | Water | All Wards | 100,000,000 | 97,156,484 | 97.2 |
| 2 | Proposed erection and completion of tuition block for Kmtc at marsabit Hospital MBT/COU/HEALTH/139/2017-2018 | Health Services | Marsabit | 75,000,000 | 72,969,904 | 97.3 |
| 3 | Proposed completion of modern market MBT/COU/TRADE/50/2018-2019 | Trade | Marsabit | 65,000,000 | 45,400,000 | 69.8 |
| 4 | Proposed construction of the County Assembly Chamber | County Assembly | Marsabit | 50,000,000 | 20,651,589 | 41.3 |
| 5 | Upgrading of moyale town roads to bitumen standard MBT/COU/ROADS/83/2018-2019 | Roads | Moyale | 98,237,063 | 15,769,402 | 16.1 |
| 6 | Proposed erection and completion of fish factory at loyangalani marsabit MBT/COU/FISHERIES/98/2018-2019 | Agriculture | Loiyangalani | 34,811,472 | 8,047,046 | 23.1 |
| 7 | Piping of water systems from the sources to mpagas centre in korr MBT/COU/WATER/58/2020-2021 | Water | Korr | 5,000,000 | 4,907,000 | 98.1 |
| 8 | Proposed erection and completion of 200m3 underground water at nuru star primary school moyale MBT/COU/EXE/316/2019-2020 | Executive Services | Moyale | 4,000,000 | 3,899,950 | 97.5 |

Source: Marsabit County Treasury

3.26.10 Budget Performance by Department

Table 3.144 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.144: Marsabit County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|----------------|-----------------------------|-----------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 680.18 | 50 | 380.89 | 28.62 | 341.77 | 20.65 | 89.7 | 72.2 | 50.2 | 41.3 |
| County Executive Services | 535 | 460 | 330.61 | 459.96 | 357.07 | 399.94 | 108 | 87 | 66.7 | 86.9 |
| Finance Management Services | 348 | 139.28 | 232.27 | 45 | 215.44 | 48.29 | 92.8 | 107.3 | 61.9 | 34.7 |
| Agriculture, Livestock, Fisheries | 200 | 554.98 | 120.17 | 173.21 | 98.40 | 19.51 | 81.9 | 11.3 | 49.2 | 3.5 |
| County Public Service | 90 | 5 | 69.94 | - | 50.38 | - | 72 | - | 56 | - |
| Education Youth Affairs | 324 | 290.80 | 215.41 | 103.45 | 182.31 | 131.56 | 84.6 | 127.2 | 56.3 | 45.2 |
| County Health Services | 1,278.44 | 937.29 | 796.00 | 407.27 | 733.62 | 390.45 | 92.2 | 95.9 | 57.4 | 41.7 |
| Administration and ICT | 330 | 16.15 | 187.96 | - | 181.98 | 11.76 | 96.8 | - | 55.1 | 72.8 |
| Physical Planning and Development, Energy, Lands | 143 | 93.35 | 102.99 | 52.44 | 60.12 | 47.37 | 58.4 | 90.3 | 42 | 50.7 |
| Public Works and Roads | 93 | 413.14 | 64.67 | 63.74 | 64.50 | 55.54 | 99.7 | 87.1 | 69.4 | 13.4 |
| Water and Environment | 135 | 557.46 | 96.16 | 238.95 | 74.42 | 235.43 | 77.4 | 98.5 | 55.1 | 42.2 |
| Trade and Industry | 81 | 107.40 | 59.58 | 54.60 | 38.85 | 72.49 | 65.2 | 132.8 | 48 | 67.5 |
| Tourism, Culture & Social Service | 100 | 55.35 | 40.98 | 28.17 | 41.53 | 27.76 | 101.3 | 98.6 | 41.5 | 50.2 |
| TOTAL | 4,337.6 | 3,680.22 | 2,697.62 | 1,655.4 | 2,440.4 | 1,460.75 | 90.5 | 88.2 | 56.3 | 39.7 |

Source: Marsabit County Treasury

Analysis of departments' expenditure shows that the Department of Executive Services recorded the highest absorption rate of development budget at 86.9 per cent while the County Public Service did not report expenditure on development activities. The Department of Public Works and Roads had the highest percentage of recurrent expenditure to budget at 69.4 per cent while the Department of Tourism, Culture & Social Service had the lowest at 41.5 per cent.

3.26.11 Budget Execution by Programmes and Sub-Programmes

Table 3.145 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.145: Marsabit County, Budget Execution by Programmes and Sub-programmes

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|---|---|------------------------|------------------------|----------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance | Absorption (%) |
| County Assembly of Marsabit Operational And Oversight | Operations and Oversight | 730,182,991 | 362,422,061 | 367,760,930 | 49.6 |
| Physical Planning And Development | Urban Development Services | - | - | - | - |
| | Lands and Physical Planning Services | 93,350,000 | 47,367,280 | 45,982,720 | 50.7 |
| | General administration planning and Support Services | 143,000,000 | 60,118,732 | 82,881,269 | 42 |
| | Sub total | 236,350,000 | 107,486,012 | 128,863,989 | 45.5 |
| Education | General Administration, Planning and Support Services | 324,000,000 | 182,312,423 | 141,687,577 | 56.3 |
| | Pre – Primary Education | 290,803,724 | 131,555,287 | 159,248,437 | 45.2 |
| | Youth Development | - | - | - | - |
| | Vocational Education and Training | - | - | - | - |
| | Sports | - | - | - | - |
| | Sub total | 614,803,724 | 313,867,710 | 300,936,014 | 51.1 |
| Executive Services | General Administration, Planning and Support Services | 360,000,000 | 349,180,930 | 10,819,070 | 97 |
| | Management of County Affairs | 635,000,000 | 407,827,840 | 227,172,161 | 64.2 |
| | Public Sector Advisory Services | - | - | - | - |
| | Inter/Intra Governmental | - | - | - | - |
| | County Legal Services | - | - | - | - |
| | Sub total | 995,000,000 | 757,008,770 | 237,991,231 | 76.1 |
| Administration And ICT | General administration planning and Support Services | 330,000,000 | 181,984,568 | 148,015,432 | 55.1 |
| | ICT infrastructure | 16,150,000 | 11,763,000 | 4,387,000 | 72.8 |
| | Coordination of functions of devolved Units | - | - | - | - |
| | Public Participation and Civic Education | - | - | - | - |
| | Sub total | 346,150,000 | 193,747,568 | 152,402,432 | 56 |
| Agriculture And Live-stock Development | General Administration, Planning and Support Services | 90,116,158 | 53,828,656 | 36,287,502 | 59.7 |
| | Livestock Resources Management and Development | 88,652,172 | 40,692,203 | 47,959,969 | 45.9 |
| | Fisheries Development and Management | 21,231,666 | 3,875,244 | 17,356,422 | 18.3 |
| | Crop Development and Management | 554,984,815 | 19,509,304 | 535,475,511 | |
| | Sub total | 754,984,811 | 117,905,407 | 637,079,404 | 15.6 |
| Health Services | Curative Health Services | - | - | - | - |
| | General Administration, Planning and Support Services | 2,215,731,869 | 1,124,069,312 | 1,091,662,557 | 50.7 |
| | Maternal and child health | - | - | - | - |
| | Sub total | 2,215,731,869 | 1,124,069,312 | 1,091,662,557 | 50.7 |
| County Public Service Board | General administration planning and Support Services | 95,000,000 | 50,381,322 | 44,618,678 | 53 |
| | Human Resource Management and Development | - | - | - | - |
| | Sub total | 95,000,000 | 50,381,322 | 44,618,678 | 53 |
| Culture And Social Services | Youth Development | - | - | - | - |
| | Culture Services | 55,350,000 | 27,759,200 | 27,590,800 | |
| | Social Services | - | - | - | - |
| | General administration, planning and support services | 100,000,000 | 41,525,567 | 58,474,433 | 41.5 |
| | Sub total | 155,350,000 | 69,284,767 | 86,065,233 | 44.6 |

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|---|--|------------------------|------------------------|----------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance | Absorption (%) |
| Finance And Economic Planning | General administration planning and Support Services | 348,000,000 | 215,441,583 | 132,558,417 | 61.9 |
| | Public Finance Management | 94,284,991 | 45,769,450 | 48,515,541 | |
| | Economic and financial policy Formulation | 45,000,000 | 2,525,000 | 42,475,000 | 5.6 |
| | Sub total | 487,284,991 | 263,736,033 | 223,548,958 | 54.1 |
| Roads, Housing And Public Works | Road Transport Infrastructure Development | 413,138,927 | 55,543,759 | 357,595,168 | 13.4 |
| | Housing Development | - | - | - | |
| | General administration planning and Support Services | 93,000,000 | 64,504,648 | 28,495,352 | 69.4 |
| | Sub total | 506,138,927 | 120,048,407 | 386,090,520 | 23.7 |
| Trade, Industry & Enterprise Development | General administration planning and Support Services | 81,000,000 | 38,854,602 | 42,145,398 | 48 |
| | Trade and Industrial Development | - | - | - | |
| | Enterprise Development | 107,400,000 | 72,493,608 | 34,906,392 | 67.5 |
| | Sub total | 188,400,000 | 111,348,210 | 77,051,790 | 59.1 |
| Water | Water Resources Management | 557,463,091 | 235,431,659 | 54,624,099 | 42.2 |
| | General administration planning and Support Services | 92,728,213 | 54,081,900 | 209,600 | 58.3 |
| | Natural Resources Conservation and Management | 42,271,787 | 20,333,502 | 475,900 | 48.1 |
| | Sub total | 692,463,091 | 309,847,061 | 55,309,599 | 44.7 |
| Grand Total | | 8,017,840,404 | 3,901,152,638 | 3,789,381,335 | 48.7 |

Source: Marsabit County Treasury

Sub-Programmes with the highest levels of implementation based on absorption rates were: General Administration and Support in the Department of Executive Services at 97 per cent, ICT infrastructure in the Department of Administration at 72.8 per cent, General Administration in the Department of Roads at 69.4 per cent, and Enterprise Development in the Department of Trade & Industry at 67.5 per cent of budget allocation.

3.26.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 23rd April 2021 contrary to OCoB's instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.
2. Low absorption of development funds as indicated by the expenditure of Kshs.1.46 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.3.68 billion. The development expenditure represented 39.7 per cent of the annual development budget.
3. Failure by Fund Administrators to submit financial and non-financial statements in line with Section 168 of the PFM Act, 2012. The OCoB did not receive quarterly financial reports for the Marsabit County Executive Car Loan Scheme Fund, Marsabit County Executive Mortgage Scheme Fund, Marsabit County Bursary Fund, and Marsabit County Emergency Fund.

The County should implement the following recommendations to improve budget execution;

1. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.

3.27 County Government of Meru

3.27.1 Overview of FY 2020/21 Budget

The County's approved supplementary budget for FY 2020/21 is Kshs.11.78 billion, comprising of Kshs.3.82 billion (32.4 per cent) and Kshs.7.97 billion (67.6 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.8.04 billion (68.2 per cent) as the equitable share of revenue raised nationally, Kshs.1.48 billion (12.5 per cent) as total conditional grants, generate Kshs.600 million (5.1 per cent) from own sources of revenue, and a cash balance of Kshs.1.45 billion (12.3 per cent) from FY 2019/20. The County also expects to receive Kshs.220 million (1.9 per cent) as Appropriation in Aid.

3.27.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.5.35 billion as an equitable share of the revenue raised nationally, Kshs.654.83 million as conditional grants, raised Kshs.316.12 million as own-source revenue, and had a cash balance of Kshs.641.27 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.6.97 billion, as shown in Table 3.146.

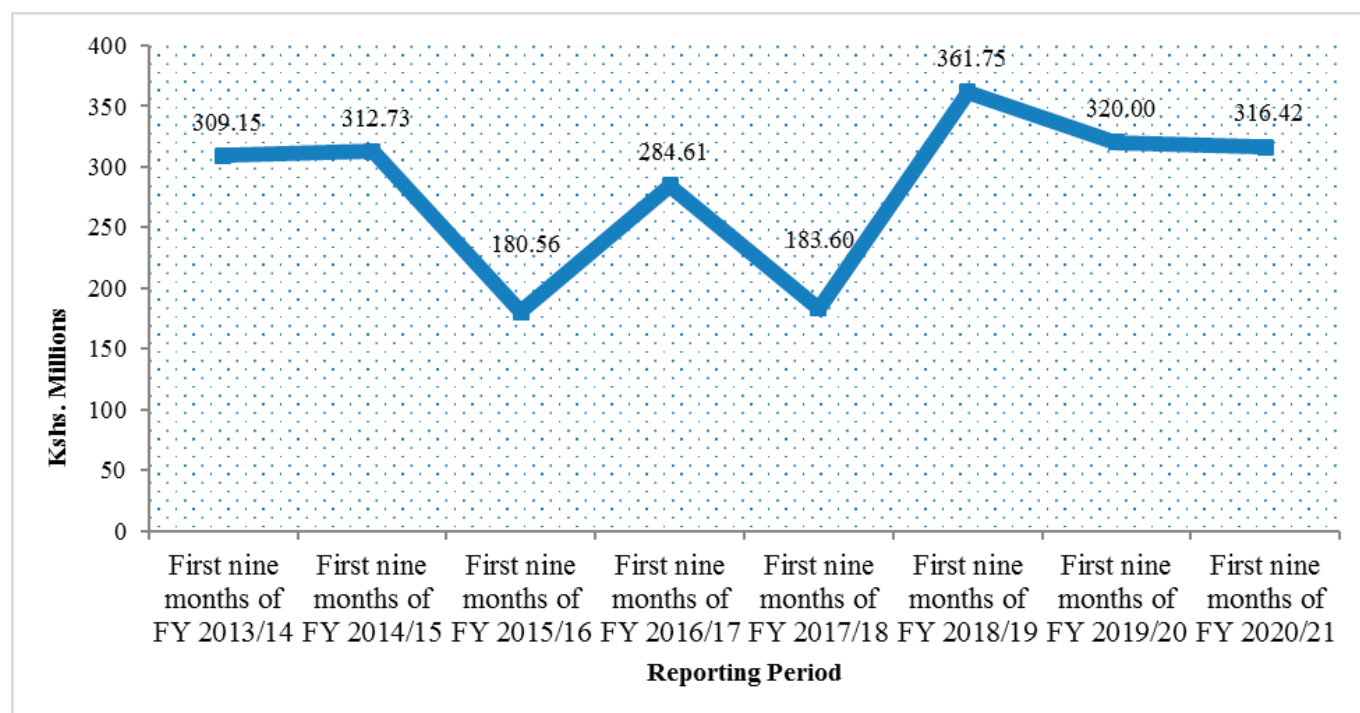
Table 3.146: Meru County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts in the first nine months FY 2020/21 (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|--|------------------------------------|--|---|
| A. | Equitable Share of Revenue Raised nationally | 8,039,100,000 | 8,039,100,000 | 5,354,040,600 | 66.6 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Conditional Grants to Level-5 Hospitals | 373,872,832 | 373,872,832 | 171,981,502 | 46 |
| 2. | Compensation for User Fee Foregone | 31,648,428 | 31,648,848 | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 241,491,600 | 241,491,600 | 120,745,800 | 50 |
| 4. | Rehabilitation of Village Polytechnics | 58,249,894 | 58,249,984 | 29,124,947 | 50 |
| 5. | Conditional grants -management of COVID 19 | - | 102,886,000 | 203,431,537 | 197.7 |
| Sub Total | | 705,262,754 | 808,149,264 | 525,283,786 | 65 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 36,400,000 | 36,400,000 | 16,903,111 | 46.4 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 202,802,950 | 202,802,950 | 79,638,247 | 39.3 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | - | 232,216,740 | 45 | - |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) -Urban Development Grant (UDG) | - | 116,890,200 | - | - |
| 5. | DANIDA Grant | 22,860,000 | 22,860,000 | 8,925,000 | 39 |
| 6. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 7. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 13,550,139 | 13,703,648 | 10,864,150 | 79.3 |
| Sub Total | | 320,613,089 | 669,873,538 | 161,330,553 | 24.1 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 600,000,000 | 316,124,165 | 52.7 |
| 2. | Balance b/f from FY 2019/20 | - | 1,446,657,433 | 609,467,947 | 42 |
| 3. | Other Revenues (A-I-A) | - | 220,000,000 | - | - |
| Sub Total | | - | 2,266,657,433 | 925,592,112 | 41 |
| Grand Total | | 9,064,975,843 | 11,783,780,235 | 6,966,247,050 | 59 |

Source: Meru County Treasury

Figure 3.51 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.51: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Meru County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.316.12 million as its own source revenue. This amount represented an increase of 1.2 per cent compared to Kshs.320 million realised during a similar period in FY 2019/20 and was 52.7 per cent of the annual target.

3.27.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.30 billion from the CRF account during the reporting period. The amount comprised of Kshs.942.70 million (15 per cent) for development programmes and Kshs.5.36 billion (85 per cent) for recurrent programmes.

3.27.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.5.87 billion on development and recurrent programmes. The expenditure represented 93.1 per cent of the total funds released by the COB and comprised of Kshs.737.17 million and Kshs.5.13 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 19.3 per cent while recurrent expenditure represented 64.4 per cent of the annual recurrent expenditure budget.

3.27.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.3.37 billion was spent on compensation to employees, Kshs.1.76 billion on operations and maintenance, and Kshs.737.17 million on development activities as shown in Table 3.147.

Table 3.147: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 7,965,483,592 | 5,362,221,116 | 5,130,973,242 | 64.4 |
| Compensation to Employees | 4,864,474,522 | 3,374,748,305 | 3,374,748,305 | 69.4 |
| Operations and Maintenance | 3,101,009,070 | 1,987,472,811 | 1,756,224,937 | 56.6 |
| Total Development Expenditure | 3,818,296,643 | 942,701,107 | 737,169,226 | 19.3 |
| Development Expenditure | 3,818,296,643 | 942,701,107 | 737,169,226 | 19.3 |
| Total | 11,783,780,235 | 6,304,922,223 | 5,868,142,468 | 49.8 |

Source: Meru County Treasury

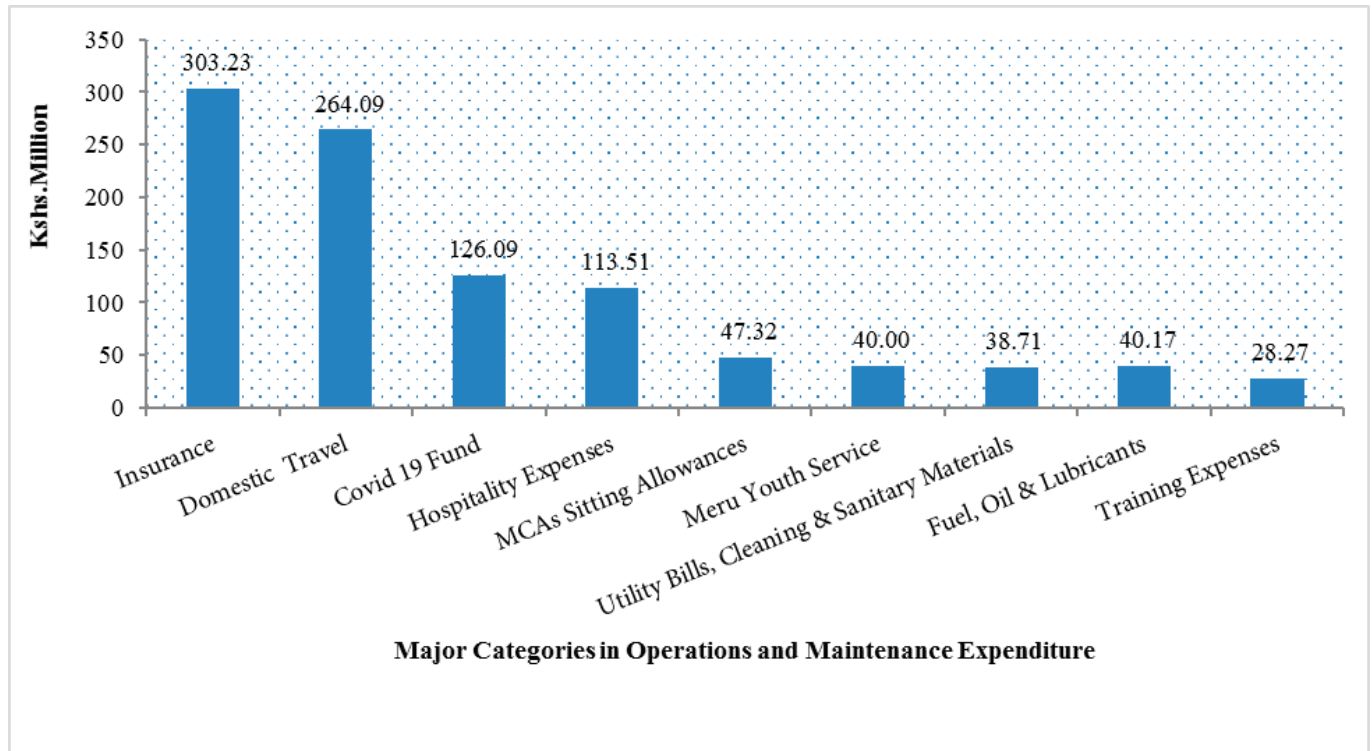
3.27.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 57.5 per cent of the total expenditure for the reporting period and 38.2 per cent of the first nine months proportional revenue estimate of Kshs.8.84 billion.

3.27.7 Expenditure on Operations and Maintenance

Figure 3.20 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.52: Meru County, Operations and Maintenance Expenditure by Major Categories



Source: Meru County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.47.32 million on committee sitting allowances for the 69 MCAs and Speaker against the annual budget allocation of Kshs.100.07 million. The average monthly sitting allowance was Kshs.76,196 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.264.09 million and comprised of Kshs.176.78 million spent by the County Assembly and Kshs.87.31 million by the County Executive.

3.27.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.289 million to cater for COVID-19 related expenditure. A total of Kshs.126.09 million was spent during the reporting period, as shown in Table 3.148.

Table 3.148: COVID-19 Budget and Expenditure Summary

| S/No | Item | Estimated Cost (Ksh.) | Amount (Ksh.) | Absorption Rate % |
|------|---|-----------------------|---------------|-------------------|
| 1 | Hospital Double crank beds | 5,000,000 | 3,599,250 | 72 |
| 2 | Cellular hospital bedcovers and pillows with mackintosh | 1,452,000 | 1,404,000 | 97 |
| 3 | Fumigation and IUC materials | 3,208,638 | 1,022,000 | 32 |
| 4 | 3 ply surgical face masks | 26,000,000 | 24,914,930 | 96 |
| 5 | Oxygen cylinders 11.5kgs | 1,150,000 | 1,120,000 | 97 |
| 6 | 3 inch mattresses with mackintosh | 2,745,000 | 2,677,020 | 98 |
| 7 | Procurement of paintworks at Mboroga, Kunene and Nyambene isolation centres | 2,000,000 | 1,699,992 | 85 |
| 8 | PVC partitions and related works - Igoji isolation centre | 3,800,000 | 3,790,000 | 100 |

| S/No | Item | Estimated Cost (Ksh.) | Amount (Ksh.) | Absorption Rate % |
|--------------------------|--|-----------------------|--------------------|-------------------|
| 9 | Medical equipment | 21,786,420 | 21,786,411 | 100 |
| 10 | Cellular Hospital blankets | 1,152,000 | 1,080,000 | 94 |
| 11 | Sanitizer reagents | 2,000,000 | 1,659,600 | 83 |
| 12 | Single crank beds | 3,000,000 | 1,998,000 | 67 |
| 13 | Paint Works and Electrical works Igoji isolation centre | 3,500,000 | 3,263,820 | 93 |
| 14 | Sanitation works Igoji isolation centre | 2,700,000 | 2,630,778 | 97 |
| 15 | Accommodation of Meru County Staff Handling Covid-19 | 32,460,000 | 21,459,500 | 66 |
| 16 | Oxygen Piping at MeTRH Isolation Centre | 2,909,000 | 2,628,966 | 90 |
| 17 | Proposed Extensions & Alterations works at eye clinic & NHIF Ward at MeTRH | 8,591,000 | 3,590,769 | 42 |
| 18 | Refurbishment works at Igoji Isolation Centre | 2,280,000 | 2,279,715 | 100 |
| 19 | Renovation works at Igoji Isolation Centre | 2,500,000 | 2,019,111 | 81 |
| 20 | Renovation works at Igoji Isolation Centre | 3,950,000 | 3,940,455 | 100 |
| 21 | Renovation works at Igoji Isolation Centre | 3,731,942 | 3,631,942 | 97 |
| 22 | Procurement of KN95 face masks | 6,400,000 | 5,400,000 | 84 |
| 23 | Procurement of ordinary metallic beds for Isolation Centres | 4,000,000 | 2,835,000 | 71 |
| 24 | Procurement of Oxygen Concentrators for Maua Methodist Isolation Centre | 650,000 | 630,000 | 97 |
| 25 | Procurement of ordinary metallic beds for Isolation Centres | 970,000 | 925,000 | 95 |
| 26 | Procurement of Handwashing Containers | 2,500,000 | 2,200,000 | 88 |
| 27 | Renovation works at Igoji Isolation Centre | 2,450,000 | 1,900,671 | 78 |
| Total Expenditure | | 152,886,000 | 126,086,929 | 82 |

Source: Meru County Treasury

3.27.9 Development Expenditure

The County incurred expenditure of Kshs.737.17 million on development programmes, which represented a decrease of 9.4 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.746.58 million. Table 3.149 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.149: Meru County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Department | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|-------------|--------------|----------------|---------------------|---------------------|
| 1 | Improvement and maintenance of the roads | Road | Countywide | 1,181,082,360 | 418,833,290 | 35.5 |
| 2 | Funding of the farmers on different product | Agriculture | Countywide | 383,936,297 | 75,369,976 | 19.6 |
| 3 | Finishing of the County Headquarter office block | Finance | Municipality | 45,000,000 | 15,000,000 | 33.3 |
| 4 | Construction of ward in Meru Teaching and Referral Hospital | Health | Municipality | 264,138,621 | 89,276,700 | 33.8 |
| 5 | Construction of the Governor's and Deputy Governor's residence | Lands | Municipality | 75,000,000 | 5,636,620 | 7.5 |
| 6 | Meru Town Municipality projects | Lands | Municipality | 81,462,844 | 33,576,880 | 41.2 |

Source: Meru County Treasury

3.27.10 Budget Performance by Department

Table 3.150 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.150: Meru County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|------------------------|-----------------------------------|-------|----------------------------------|-----|-----------------------------|-----|-------------------------------------|-----|---------------------|-----|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 983.22 | 40.00 | 633.00 | - | 632.70 | - | 100 | - | 64.3 | - |
| Office of the Governor | 312.06 | 4.00 | 194.64 | - | 194.64 | - | 100 | - | 62.4 | - |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Finance, Economic Planning and ICT | 993.30 | 83.13 | 666.90 | 39.10 | 666.90 | 18.97 | 100 | 48.5 | 67.1 | 22.8 |
| Agriculture, Livestock & Fishery | 302.23 | 408.62 | 191.57 | 117.46 | 191.57 | 84.55 | 100 | 72 | 63.4 | 20.7 |
| Water & Irrigation | 132.51 | 356.67 | 73.34 | 93.05 | 73.34 | 47.25 | 100 | 50.8 | 55.3 | 13.2 |
| Education Technology, Gender Culture & Social Development | 768.11 | 268.96 | 450.73 | 39.12 | 450.73 | 10 | 100 | 25.6 | 58.7 | 3.7 |
| Health Services | 3,181.85 | 330.39 | 2,202.71 | 126.18 | 1,971.76 | 89.28 | 89.5 | 70.8 | 62 | 27 |
| Land, Physical Planning, Urban Development & Public Works | 99.57 | 625.90 | 69.56 | 51.36 | 69.56 | 69.14 | 100 | 134.6 | 69.9 | 11 |
| Public Service Administration & Legal Affairs | 738.19 | 238.71 | 633.97 | - | 633.97 | - | 100 | - | 85.9 | - |
| Roads, Transport & Energy | 95.46 | 1,197.58 | 58.82 | 424.83 | 58.82 | 417.99 | 100 | 98.4 | 61.6 | 34.9 |
| Trade, Investment, Industrialization, Tourism & Cooperative Development | 104.48 | 122.58 | 60.00 | 34.04 | 60.00 | - | 100 | - | 57.4 | - |
| Youth Affairs & Sport | 167.28 | 104.55 | 82.94 | 10.41 | 82.94 | - | 100 | - | 49.6 | - |
| Public Service Board | 43.04 | - | 15.88 | - | 15.88 | - | 100 | - | 36.9 | - |
| Environment, Wildlife & Natural Resources | 44.20 | 37.22 | 28.16 | - | 28.16 | - | 100 | - | 63.7 | - |
| TOTAL | 7,965.48 | 3,818.30 | 5,362.22 | 935.55 | 5,130.97 | 737.17 | 95.7 | 78.8 | 64.4 | 19.3 |

Source: Meru County Treasury

Analysis of departments' expenditure shows that the Department of Roads, Transport & Energy recorded the highest absorption rate of development budget at 34.9 per cent. The Department of Public Service, Administration and Legal Affairs had the highest percentage of recurrent expenditure to budget at 85.9 per cent while the Department of Public Service Board had the lowest at 36.9 per cent.

3.27.11 Budget Execution by Programmes and Sub-Programmes

Table 3.151 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.151: Meru County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|---|-------------------------|-------------------------|--------------------|----------------|
| County Assembly | | | | - | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 371,585,852 | 202,868,063 | 168,717,789 | 54.6 |
| Legislative and Representation | Legislative and Representation | 445,155,546 | 285,063,503 | 160,092,043 | 64 |
| Legislative Oversight | Legislative Oversight | 206,478,602 | 144,768,434 | 61,710,168 | 70.1 |
| Grand Total | | 1,023,220,000 | 632,700,000 | 390,520,000 | 61.8 |
| Office of the Governor | | | | - | |
| | | | | - | |
| Efficiency, Monitoring and Evaluation | Efficient, Monitoring and Evaluation | 44,891,346 | 19,759,842 | 25,131,504 | 44 |
| | Performance management and Appraisal | - | - | - | - |
| | Sub Total | - | - | - | - |
| Communication and Events | Communication and Events | 19,451,136 | 14,731,561 | 4,719,575 | 75.7 |
| Disaster Management, Rescue and Emergency | Disaster Management, Rescue and Emergency | 12,832,403 | 4,235,600 | 8,596,803 | 33 |
| Human Resource Management | Human Resource Management | - | - | - | - |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 216,588,384 | 127,666,335 | 88,922,049 | 58.9 |

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|---|-------------------------|-------------------------|--------------------|----------------|
| Research and Strategy | Research and Public Participation | 7,700,000 | 8,331,992 | (631,992) | 108.2 |
| Office of the County Secretary | County Secretary | 10,600,000 | 7,728,125 | 2,871,875 | 72.9 |
| Partnership Development and External Linkages | Partnership Development and External Linkages | - | - | - | - |
| Total | | 312,063,269 | 182,453,456 | 129,609,813 | 58.5 |
| Finance, Economic Planning and ICT - | | | | | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 767,838,924 | 463,500,214 | 304,338,710 | 60.4 |
| | Accounts and Reporting | 51,326,127 | 5,328,001 | | |
| Public Finance Management | Budget Coordination & Management | 29,484,304 | 23,145,850 | 6,338,454 | 78.5 |
| | Internal Audit | 7,700,000 | 6,424,768 | 1,275,232 | 83.4 |
| | Procurement Service | 6,100,000 | 4,212,283 | 1,887,717 | 69.1 |
| | Sub Total | - | - | - | - |
| ICT Development | ICT Development | 55,675,408 | 16,406,034 | 39,269,374 | 29.5 |
| Economic Planning & Coordination Services | Economic Planning & Coordination Services | 10,300,000 | 4,964,830 | 5,335,170 | 48.2 |
| Fleet Management | Fleet Management | 148,000,177 | 89,563,467 | 58,436,710 | 60.5 |
| | | 1,076,424,940 | 613,545,447 | 416,881,367 | 57 |
| Agriculture, Livestock and Fisheries | | | | | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 663,963,972 | 177,656,177 | 486,307,795 | 26.8 |
| Agriculture Development | Agriculture Development | 19,381,111 | 1,033,487 | 18,347,624 | 5.3 |
| Aquaculture Development | Aquaculture Development | 8,915,000 | 571,773 | 8,343,227 | 6.4 |
| Livestock Development | Livestock Development | 9,249,389 | 2,977,286 | 6,272,103 | 32.2 |
| Animal Disease Management | Animal Disease Management | 1,555,000 | 8,729 | 1,546,271 | 0.6 |
| County Owned Enterprise | Agricultural Training Centre | 6,647,461 | 262,070 | 6,385,391 | 3.9 |
| | Agricultural Mechanization Services | 1,134,625 | - | 1,134,625 | - |
| | | 710,846,558 | 182,509,523 | 528,337,035 | 25.7 |
| Water and Irrigation | | | | | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 132,507,487 | 68,266,878 | 64,240,609 | 51.5 |
| Water Resource Management | Water Resource Management | 356,672,094 | 52,322,972 | 304,349,122 | - |
| Irrigation and drainage Infrastructure | Irrigation and drainage Infrastructure | - | - | - | - |
| | | 489,179,581 | 120,589,850 | 368,589,731 | 24.7 |
| Education, Technology, Gender and Social Development | | | | | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 723,413,225 | 433,940,235 | 289,472,990 | 60 |
| Basic Education | Basic Education | 185,674,624 | 4,000 | 185,670,624 | - |
| Technical & Vocational Education & Training | Technical & Vocational Education & Training | 74,086,170 | - | 74,086,170 | - |
| Gender, Social Development & Children Services | Gender, Social Development & Children Services | 53,895,000 | 10,000,000 | 43,895,000 | 18.6 |
| | | 1,037,069,019 | 443,944,235 | 593,124,784 | 42.8 |
| Health Service | | | | | |
| Preventive and Promotive | Preventive services | 137,181,996 | 56,292,211 | 80,889,785 | 41 |

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|--|---|-------------------------|-------------------------|----------------------|----------------|
| Health Care Services | Promotive health care | | - | - | - |
| | Subtotal | - | - | - | - |
| Curative Health | Curative health care services | 815,052,444 | 89,276,700 | 725,775,744 | 11 |
| | Subtotal | - | - | - | - |
| General Administration and Planning | General Administration and Planning | 2,560,007,670 | 1,923,533,661 | 636,474,009 | 75.1 |
| | Subtotal | - | - | - | - |
| COVID 19 | COVID 19 | - | 203,431,537 | (203,431,537) | - |
| | | 3,512,242,110 | 2,272,534,110 | 1,239,708,000 | 64.7 |
| Lands, Physical Planning, Urban Development and Public Works | | - | - | - | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 73,772,012 | 54,775,956 | 18,996,056 | 74.3 |
| Meru Town Municipality | Meru Town Municipality | 450,634,281 | 5,174,690 | 445,459,591 | 1.1 |
| Spatial, Planning, Survey and Mapping | Spatial, Planning, Survey and Mapping | 44,600,000 | 7,544,521 | 37,055,479 | 16.9 |
| Public Works | Public Works | 156,462,844 | 35,565,271 | 120,897,573 | - |
| | | 725,469,137 | 103,060,438 | 622,408,699 | 14.2 |
| Public Service Administration and Legal Affairs | | - | - | - | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 53,053,525 | 8,729,308 | 44,324,217 | 16.5 |
| Coordination of County Government Function | Coordination of County Government Function | 11,685,270 | 5,619,324 | 6,065,946 | 48.1 |
| County Enforcement Services | County Law Enforcement Service | 50,758,250 | 28,335,431 | 22,422,819 | 55.8 |
| | Conservancy Ranger Service | - | - | - | - |
| Human Resource Management | Human Resource Management | 810,160,338 | 521,025,585 | 289,134,753 | 64.3 |
| Legal Representaion and Advisory Services | Legal Representaion and Advisory Services | 46,279,250 | 39,537,975 | 6,741,275 | 85.4 |
| Town Management & Administration | Town Management & Administration | 4,960,000 | 1,478,800 | 3,481,200 | 29.8 |
| | | 976,896,633 | 604,726,423 | 372,170,210 | 61.9 |
| Road, Transport and Energy | | | | | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 73,644,479 | 41,446,503 | 32,197,976 | 56.3 |
| Electrification and Street Lighting | Electrification and Street Lighting | 38,311,122 | 11,787,456 | 26,523,666 | 30.8 |
| Road Transport | Road Transport | 1,181,082,360 | 418,833,290 | 762,249,070 | - |
| | | 1,293,037,961 | 472,067,248 | 820,970,712 | 36.5 |
| Trade, Investment, Industrialization, Tourism and Cooperative Development | | | | | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 63,175,915 | 40,800,710 | 22,375,205 | 64.6 |
| Trade Development & Promotion | Trade Development & Promotion | 125,877,392 | 3,546,345 | 122,331,047 | 2.8 |
| Cooperative Development | Cooperative Development | 18,000,000 | 3,837,480 | 14,162,520 | 21.3 |
| Tourism Development and Promotion | Tourism Development and Promotion | 20,000,000 | 7,140,081 | 12,859,919 | 35.7 |
| Industrial Development and Investment | Industrial Development and Investment | - | 55,324,616 | (55,324,616) | - |
| | | 227,053,307 | 110,649,231 | 116,404,076 | 48.7 |

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|---|-------------------------|-------------------------|----------------------|----------------|
| Youth, Affairs and Sport | | - | - | - | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 30,676,932 | 23,041,572 | 7,635,360 | 75.1 |
| Youth Affairs | Youth Affairs | 123,316,625 | 45,257,990 | 78,058,635 | 36.7 |
| Sport Development | Sport Development | 96,959,110 | 4,909,008 | 92,050,102 | 5.1 |
| Arts & Culture Development | Arts & Culture Development | 20,871,131 | 6,218,512 | 14,652,619 | 29.8 |
| | | 271,823,798 | 79,427,082 | 192,396,716 | 29.2 |
| County Public Service Board | | - | - | - | |
| Human Resource Management & Development | Human Resource Management & Development | 43,036,736 | 15,076,662 | 27,960,074 | 35 |
| | | 43,036,736 | 15,076,662 | 27,960,074 | 35 |
| Environment, Wildlife and Natural Resource | | - | - | - | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 44,200,885 | 27,708,263 | 16,492,622 | 62.7 |
| Environmental Management and Protection | Environmental Management and Protection | 37,216,301 | 7,150,500 | 30,065,801 | - |
| | | 81,417,186 | 34,858,763 | 46,558,423 | 42.8 |
| | Grand Total | 11,779,780,235 | 5,868,142,468 | 5,865,639,641 | 49.8 |

Source: Meru County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Research and Strategy in the Department of Executive (Office of the Governor) at 108.2 per cent, Internal Audit in the Department of Finance at 83.4 per cent, Communication and Events in the Department of Governor's Office at 75.7 per cent, and Legislative Oversight in the Assembly at 70.1 per cent of budget allocation.

3.27.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 22nd April 2021 contrary to OCoB's instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.
2. Low absorption of development funds as indicated by the expenditure of Kshs.737 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.3.82 billion. The development expenditure represented 19.3 per cent of the annual development budget. This is despite the availability of funds in the CRF Account.
3. A high wage bill, which accounted for 57.5 per cent of the total expenditure in the first nine months of FY 2020/21 thus constraining funding to other programmes.
4. Under-performance of own-source revenue collection at Kshs.316.12 million against an annual projection of Kshs.600 million, representing 52.7 per cent of the annual target.
5. High expenditure on local travel at Kshs.264.09 million, which was unexpected during the COVID-19 containment period due to travel restrictions and points to wasteful spending.
6. Failure by the County to reconcile the approved budget amounts in the Programme Based Reports which shows an overall budget figure of Kshs.11.779 billion as shown compared with the Appropriation Act which provided the budget as Kshs.11.783 billion.

The County should implement the following recommendations to improve budget execution;

1. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.

2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.
4. The County should address its own source revenue performance to ensure the approved budget is fully financed.
5. The County Treasury should review expenditure on travel and subsistence allowances to ensure it is credible and institute control measures to curtail further avoid wasteful spending.
6. The County Treasury should liaise with Directorate of IFMIS at the National Treasury to ensure that the County's approved budget is accurately uploaded and any variances are addressed accordingly.

3.28 County Government of Migori

3.28.1 Overview of FY 2020/21 Budget

The County's approved supplementary budget for FY 2020/21 is Kshs.9.16 billion, comprising of Kshs.3.71 billion (40.5 per cent) and Kshs.5.45 billion (59.5 per cent) allocation for development and recurrent programmes respectively.

To finance the budget, the County expects to receive Kshs.6.77 billion (74 per cent) as the equitable share of revenue raised nationally, Kshs.1.14 billion (12.4 per cent) as total conditional grants, generate Kshs.285 million (3.1 per cent) from own sources of revenue, and a cash balance of Kshs.917.41 million (10 per cent) from FY 2019/20. The County also expects to receive Kshs.42 million (0.5 per cent) as Appropriation in Aid (A-I-A).

3.28.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.3.39 billion as equitable share of the revenue raised nationally, Kshs.401.16 million as conditional grants, raised Kshs.221.75 million as own-source revenue, and had a cash balance of Kshs.917.41 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.4.95 billion as shown in Table 3.152.

Table 3.152: Migori County, Revenue Performance in the first nine months of FY 2020/21

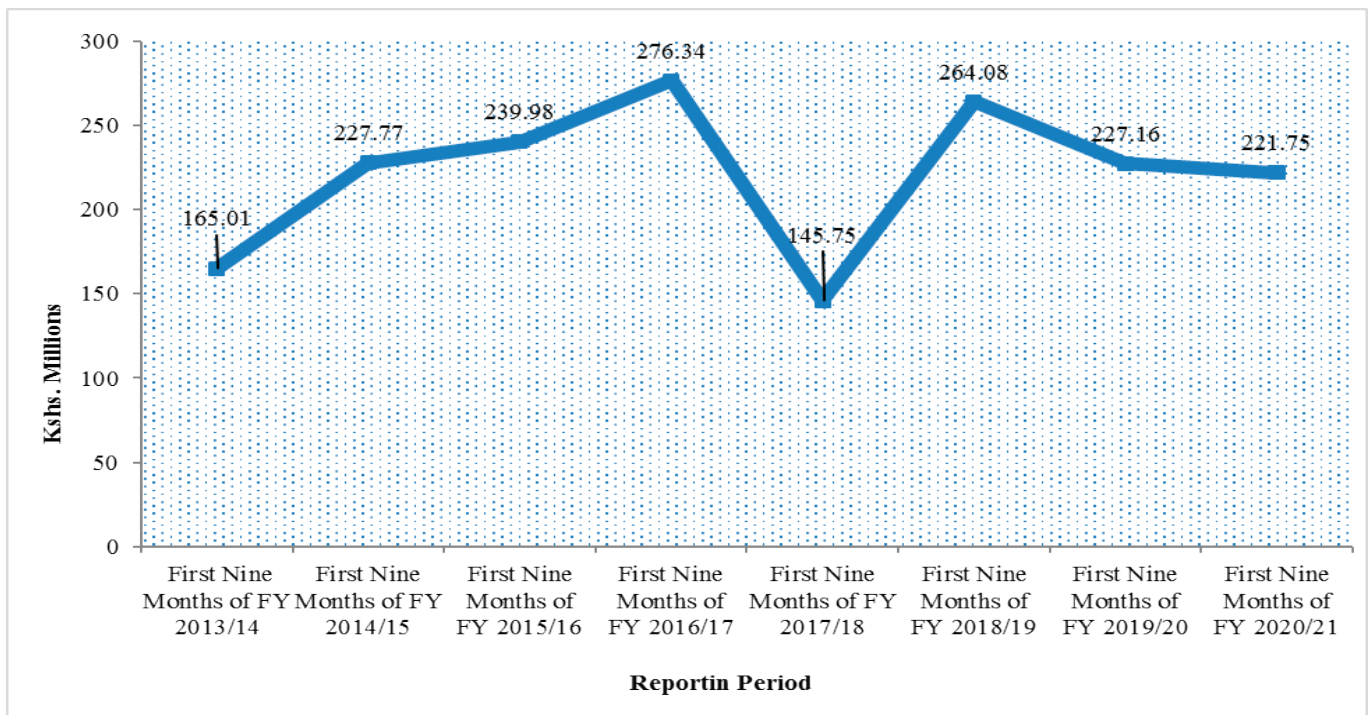
| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|-------|---|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 6,773,100,000 | 6,773,100,000 | 3,393,323,100 | 50 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Compensation for User Fee Foregone | 21,655,884 | 29,811,768 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 204,701,864 | 329,128,781 | 102,350,932 | 31 |
| 4. | Rehabilitation of Village Polytechnics | 36,439,894 | 36,439,894 | 18,219,947 | 50 |
| | Sub Total | 394,818,919 | 527,401,720 | 120,570,879 | 22.8 |
| C. | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) | 40,295,580 | 60,295,580 | 19,555,197 | 32.4 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 198,500,002 | 198,500,002 | 150,089,097 | 75.6 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | - | 147,611,040 | - | - |
| 5. | DANIDA Grant | 19,260,000 | 26,750,000 | 9,630,000 | 36 |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 13,703,648 | 13,703,648 | 13,015,075 | 95 |
| 7. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Institutional Grants (UIG) | - | 8,800,000 | - | - |
| 8. | EU Grant (Instruments for Devolution Advice and Support IDEAS) | 15,626,168 | 66,371,589.60 | 43,296,483 | 65 |
| 9. | Allowance Front line Health Care workers | - | 44,850,000 | - | - |
| | Sub Total | 332,385,398 | 611,881,859.12 | 280,585,852.10 | 46 |
| D. | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 285,000,000 | 221,751,429 | 78 |
| 2. | Balance b/f from FY 2019/20 | - | 917,406,110 | 917,406,110 | 100 |
| 3. | A-I-A | - | 42,000,000 | 14,814,842 | 35 |

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|------------------|-------------------------------------|--|---|--|
| Sub Total | | 332,385,398 | 1,244,406,110 | 1,153,972,381 | 93 |
| Grand Total | | 7,500,304,317 | 9,156,789,689 | 4,948,452,212 | 54 |

Source: Migori County Treasury

Figure 3.53 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.53: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Migori County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.221.75 million as own-source revenue. This amount represented a decrease of 11.5 per cent compared to Kshs.227.16 million realised during a similar period in FY 2019/20 and was 78 per cent of the annual target

3.28.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.10 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.05 billion (25.7 per cent) for development programmes and Kshs.3.05 billion (74.3 per cent) for recurrent programmes.

3.28.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.63 billion on development and recurrent programmes. The expenditure represented 88.5 per cent of the total funds released by the COB and comprised of Kshs.808.79 million and Kshs.2.81 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 21.8 per cent while recurrent expenditure represented 51.7 per cent of the annual recurrent expenditure budget.

3.28.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.98 billion was spent on compensation to employees, Kshs.873.26 million on operations and maintenance, and Kshs.808.79 million on development activities, as shown in Table 3.153.

Table 3.153: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 5,447,749,860 | 3,046,653,090 | 2,818,976,061 | 51.7 |
| Compensation to Employees | 3,108,102,951 | 1,987,249,757 | 1,945,716,751 | 62.6 |
| Operations and Maintenance | 2,339,646,908 | 1,059,403,333 | 873,259,311 | 37.3 |
| Total Development Expenditure | 3,709,039,829 | 1,052,351,265 | 808,790,412 | 21.8 |
| Development Expenditure | 3,709,039,829 | 1,052,351,265 | 808,790,412 | 21.8 |
| Total | 9,156,789,689 | 4,099,004,355 | 3,627,766,474 | 39.6 |

Source: Migori County Treasury

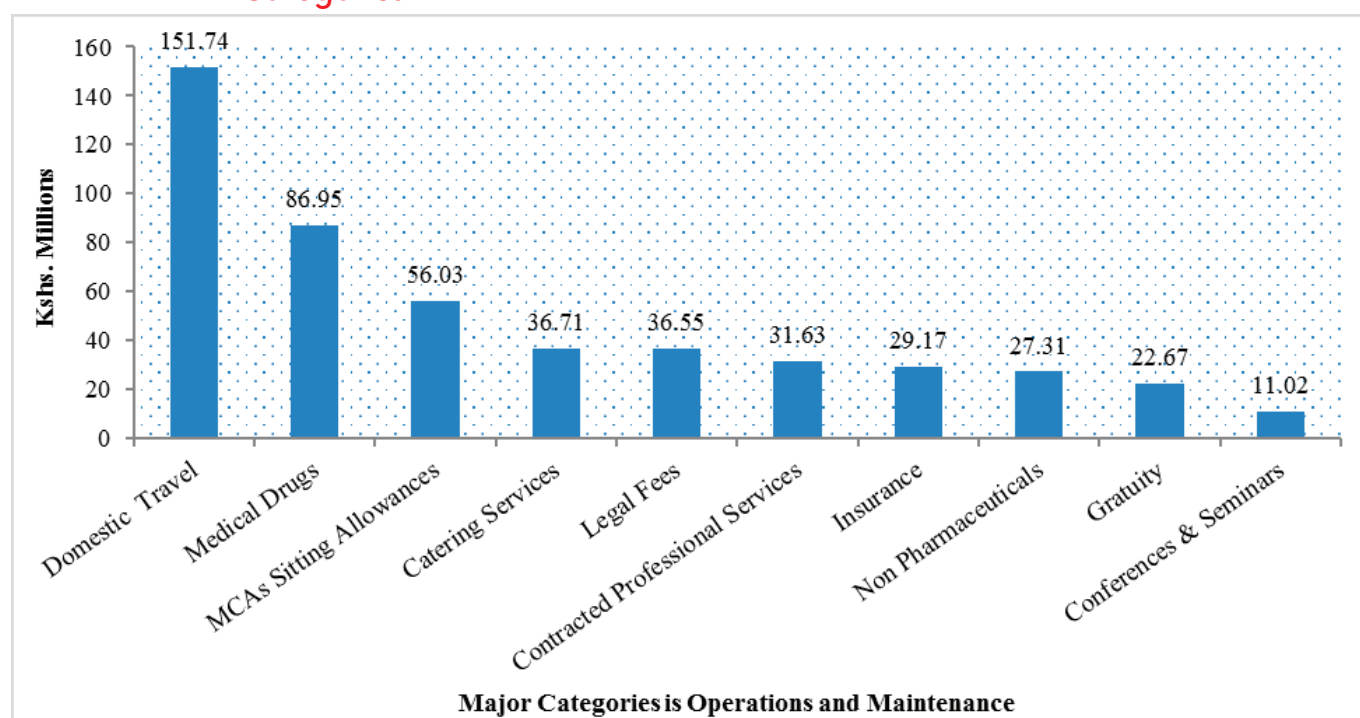
3.28.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government’s expenditure on wages and benefits at 35 per cent of the County’s total revenue. Expenditure on compensation to employees was 53.6 per cent of the total expenditure for the reporting period and 28.3 per cent of the first nine months proportional revenue estimate of Kshs.6.87 billion.

3.28.7 Expenditure on Operations and Maintenance

Figure 3.54 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.54: Migori County, Operations and Maintenance Expenditure by Major Categories



Source: Migori County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.56.03 million on committee sitting allowances for the 57 MCAs and Speaker against the annual budget allocation of Kshs.100.21 million. The average monthly sitting allowance was Kshs.109,213 per MCA against the SRC’s recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.151.74 million and comprised of Kshs.59.88 million spent by the County Assembly and Kshs.91.86 million by the County Executive. Expenditure on foreign travel amounted to Kshs.17.08 million and comprised of Kshs.13.41 million by the County Assembly and Kshs.3.67 million by the County Executive.

3.28.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs.89.41 million to cater for COVID-19 related expenditure while Kshs.201.24 million was brought forward from FY 2019/20. During the reporting period, the County spent a total of Kshs.201.24 million as shown in Table 3.154.

Table 3.154: COVID-19 Expenditure Summary

| S/No | Description of Expenditure Category | Expenditure as of 30.03.2021 (Kshs) |
|--------------|--|-------------------------------------|
| 1 | Non-pharmaceuticals | 73,740,573 |
| 2 | Allowances For Front line health workers | 44,835,000 |
| 3 | Beddings & Linens | 39,619,150 |
| 4 | Domestic travel & accommodation | 24,404,413 |
| 5 | Transfers to health facilities | 7,490,000 |
| 6 | Medical drugs | 4,471,550 |
| 7 | Maintenance of motor vehicles | 3,258,024 |
| 8 | Refined fuel | 2,000,000 |
| 9 | Food and ration | 1,113,487 |
| 10 | Advertising & Awareness | 312,961 |
| Total | | 201,245,158 |

Source: Migori County Treasury

3.28.9 Development Expenditure

The County incurred expenditure of Kshs.808.79 million on development programmes, which represented an increase of 28.3 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.630.22 million. Table 3.155 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.155: Migori County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|--------------------|------------------------|------------------------------------|---------------------|
| 1 | Construction of Kabwana-Ayego Road. | North Kanyamkago | 111,611,381 | 74,314,388 | 66.6 |
| 2 | Uriri - Oria Road Construction | North Kanyamkago | 287,164,974 | 52,548,555 | 18.3 |
| 3 | Maintenance of Kababu-Magoto-Marindi-Kodule-Giribe-Mancha-Angesia-Nyalganda-Kanga Machine-Kuja-Rare Road | Wasweta II | 28,189,300 | 28,189,300 | 100 |
| 4 | Maintenance of Sony Junction-Rombe-A1-Siruti-Gamba-Gada-Bondo Road | Central Sakwa | 17,044,442 | 17,044,442 | 100 |
| 5 | Completion of ICU Unit | Suna Central | 35,800,000 | 15,527,160 | 43 |
| 6 | Proposed Maintenance of Alara- Nyaduong Road | God Jope | 13,926,810 | 13,926,810 | 100 |
| 7 | Maintenance of Akonjo-Pinyowachcho-Mori-Kuja-Med Gisuka Road | Central Kanyamkago | 13,628,803 | 13,628,802 | 100 |
| 8 | Access road To Mabera-Ragana | Oruba Ragana | 13,925,100 | 13,925,100 | 100 |
| 9 | Improvement of Karamu-Biamiti Road-Komosoko-Kugisingisi-Biriria-Nyabirongo-Nyamagongwi-Tagare-Mabera Road | Tagare | 12,516,971.90 | 12,516,971.88 | 100 |
| 10 | Maintenance of Luoro-Kadima-Utoma-Mzuzu-Pith Nyadundo-Ulanda-Supanova-Odeno-Otati Road | East Kanyamkago | 17,493,831 | 11,238,147 | 64 |

Source: Migori County Treasury

3.28.10 Budget Performance by Department

Table 3.156 shows a summary of the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.156: Migori County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|--------|----------------------------------|--------|-----------------------------|-------|-------------------------------------|------|---------------------|------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Agriculture, Livestock and Fisheries | 208.97 | 322.19 | 121.67 | 214.41 | 99.56 | 68.75 | 81.8 | 32.1 | 47.6 | 21.3 |
| County Assembly | 956.83 | 50 | 522.56 | - | 522.56 | - | 100 | - | 54.6 | - |
| County Executive | 291.38 | 170 | 138.65 | - | 131.59 | 0.72 | 94 | - | 45.2 | 0.4 |
| Education, Youth, Sports, Culture, Gender & Social Service | 211.42 | 219.31 | 179.31 | 31.31 | 142.29 | 25.08 | 79 | 80 | 67.3 | 11.4 |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Finance and Economic Planning | 579 | 4.98 | 263.25 | 4.98 | 258.85 | 4.98 | 98.3 | 100 | 44.7 | 100 |
| Health | 2,115.37 | 499.68 | 1,294.77 | 93.74 | 1,072 | 119.50 | 82.8 | 127.5 | 50.7 | 23.9 |
| Lands, Physical Planning and Housing | 153.98 | 359.66 | 49.43 | 46.05 | 48.98 | 46.05 | 99.1 | 100 | 31.8 | 12.8 |
| Management Environment, Natural Resources and Disaster Management | 73.34 | 23.84 | 46.19 | 22.84 | 39.79 | 10.32 | 86.1 | 45.2 | 54.3 | 43.3 |
| Public Service Management | 610.67 | 142.10 | 269.70 | 26.52 | 372.64 | 21.09 | 138 | 79.5 | 61 | 14.8 |
| Roads, transport and Public works | 98.87 | 1,511.62 | 58.62 | 499.25 | 43.35 | 412.94 | 73.9 | 82.7 | 43.8 | 27.3 |
| Trade, Tourism and Cooperatives | 60.29 | 128.53 | 45.12 | 11.23 | 50.80 | 19.45 | 112.6 | 173 | 84 | 15 |
| Water and Energy | 87.58 | 277.09 | 57.34 | 102 | 36.52 | 79.89 | 63.7 | 78.3 | 41.7 | 28 |
| Total | 5,447.74 | 3,709.03 | 3,046.65 | 1,052.35 | 2,818.97 | 808.79 | 92.5 | 76.9 | 51.7 | 21.8 |

Source: Migori County Treasury

Analysis of expenditure by the departments shows that the Department of Finance and Economic Planning recorded the highest absorption rate of development budget at 100 per cent while the County Assembly did not incur any expenditure on development activities. The Department of Trade, Tourism and Cooperatives had the highest percentage of recurrent expenditure to budget at 84 per cent while the Department of Lands, Physical Planning and Housing had the lowest at 31.8 per cent.

3.28.11 Budget Execution by Programmes and Sub-Programmes

Table 3.157 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.157: Migori County, Budget Execution by Programmes and Sub-Programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|--|------------------------|------------------------|----------------------|----------------|
| Agriculture, Livestock and Fisheries Development | | | | | |
| Policy, Planning, General Administration and Support Services (Agriculture Development) | General administration | 154,658,939.09 | 97,046,357.90 | 57,612,581.19 | 62.7 |
| | Field Extension Services and support programme | 6,170,000.00 | 451,159.00 | 5,718,841.00 | 7.3 |
| | sub-total | 160,828,939.09 | 97,497,516.90 | 63,331,422.19 | 60.6 |
| Donor Funds | Donor Funds | 12,000,000.00 | - | 12,000,000.00 | - |
| | sub-total | 12,000,000.00 | - | 12,000,000.00 | - |
| Pending bills | Pending bills | 4,103,000.00 | - | 4,103,000.00 | - |
| | sub-total | 4,103,000.00 | - | 4,103,000.00 | - |
| Policy, Planning, General Administration and Support Services (Livestock Development) | General administration | 4,806,000.00 | - | 4,806,000.00 | - |
| | sub-total | 4,806,000.00 | - | 4,806,000.00 | - |
| Livestock production and management | Enterprise Development And Value Addition | 3,687,639.69 | 460,920.00 | 3,226,719.69 | 12.5 |
| | sub-total | 3,687,639.69 | 460,920.00 | 3,226,719.69 | 12.5 |
| Pending Bills | Pending Bills | 1,303,760.00 | - | 1,303,760.00 | - |
| | sub-total | 1,303,760.00 | - | 1,303,760.00 | - |
| Policy, Planning, General Administration and Support Services (Fisheries Development) | General administration | 5,502,139.69 | 130,000.00 | 5,372,139.69 | 2.3 |
| | Field Extension Services and support programme | 3,610,500.00 | 575,400.00 | 3,035,100.00 | 15.9 |
| | sub-total | 9,112,639.69 | 705,400.00 | 8,407,239.69 | 7.7 |
| Pending Bills | Pending Bills | 1,296,000.00 | - | 1,296,000.00 | - |
| | sub-total | 1,296,000.00 | - | 1,296,000.00 | - |
| Policy, Planning, General Administration and Support Services (Veterinary Services Department) | General administration | 6,484,000.00 | - | 6,484,000.00 | - |
| | Field Extension Services and support programme | - | - | 0 | - |
| | sub-total | 7,184,000.00 | - | 7,184,000.00 | - |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|--|------------------------|------------------------|-----------------------|----------------|
| Veterinary services | Livestock disease control & management | 1,750,000.00 | 680,400.00 | 1,069,600.00 | 38.8 |
| | Veterinary public health management | 986,000.00 | - | 986,000.00 | - |
| | Livestock breeding services | 1,030,000.00 | 219,000.00 | 811,000.00 | 21.3 |
| | sub-total | 3,766,000.00 | 899,400.00 | 2,866,600.00 | 23.9 |
| Pending Bills | Pending Bills | 887,850.00 | - | 887,850.00 | - |
| | sub-total | 887,850.00 | - | 887,850.00 | - |
| Pending Bills | Pending bills | 2,697,269.60 | 2,427,269.00 | 270,000.60 | 90 |
| | sub-total | 2,697,269.60 | 2,427,269.00 | 270,000.60 | 90 |
| Donor Funds | EU IDEAS | 66,371,589.60 | - | 66,371,589.60 | - |
| | NARIGP | 198,500,002.00 | 57,387,908.46 | 141,112,093.54 | 28.9 |
| | ASDSP | 16,203,648.00 | - | 16,203,648.00 | - |
| | sub-total | 281,075,239.60 | 57,387,908.46 | 223,687,331.14 | 20.4 |
| Livestock production and management | Enterprise Development and Value Addition | 350,000.00 | - | 350,000.00 | - |
| | Dairy cows distribution (Community Projects) Wiga Ward | 3,424,818.00 | - | 3,424,818.00 | - |
| | Breeds Improvement | 1,424,600.00 | - | 1,424,600.00 | - |
| | sub-total | 9,750,218.00 | - | 9,750,218.00 | - |
| Pending Bills | Pending bills | 8,225,400.00 | 7,650,000.00 | 575,400.00 | 93 |
| | sub-total | 8,225,400.00 | 7,650,000.00 | 575,400.00 | 93 |
| Fisheries Development | Aquaculture Development and Extension Services | 3,351,750.00 | - | 3,351,750.00 | - |
| | Fish Safely Assurance, Value Addition and Marketing | 500,000.00 | - | 500,000.00 | - |
| | sub-total | 3,851,750.00 | - | 3,851,750.00 | - |
| Pending Bills | Pending Bills | 4,972,000.00 | 1,287,000.00 | 3,685,000.00 | 25.8 |
| | sub-total | 4,972,000.00 | 1,287,000.00 | 3,685,000.00 | 25.8 |
| Veterinary services | Veterinary public health management | 9,600,000.00 | - | 9,600,000.00 | - |
| | sub-total | 9,600,000.00 | - | 9,600,000.00 | - |
| Pending Bills | Pending Bills | 2,600,000.00 | - | 2,600,000.00 | - |
| | sub-total | 2,600,000.00 | - | 2,600,000.00 | - |
| | Sub Total Kshs | 531,172,305.67 | 168,315,414.36 | 362,856,891.30 | 31.7 |
| County Executive | | | | | |
| Governance and Executive Management | Coordination of Devolved Ministries and Departments | 12,715,405.00 | 11,134,995.20 | 1,580,409.80 | 87.6 |
| | sub-total | 12,715,405.00 | 11,134,995.20 | 1,580,409.80 | 87.6 |
| Strategy and service delivery | Legal Services | 69,600,000.00 | 48,835,731.00 | 20,764,269.00 | 70.2 |
| | Efficiency monitoring services | 2,856,000.00 | 2,108,657.00 | 747,343.00 | 73.8 |
| | sub-total | 72,456,000.00 | 50,944,388.00 | 21,511,612.00 | 70.3 |
| Strategy and service delivery | Conflict Management And Resolution | 1,141,000.00 | 652,112.00 | 488,888.00 | 57 |
| | sub-total | 1,141,000.00 | 652,112.00 | 488,888.00 | 57 |
| General Administration and Support Services | General Administration Services | 77,598,550.00 | 43,077,546.90 | 34,521,003.10 | 55.5 |
| | sub-total | 77,598,550.00 | 43,077,546.90 | 34,521,003.10 | 55.5 |
| Cohesion And Peace Building | Peace Building, Education, Advocacy And Research | 3,700,000.00 | 513,100.00 | 3,186,900.00 | 13.8 |
| | sub-total | 3,700,000.00 | 513,100.00 | 3,186,900.00 | 13.8 |
| General Administration and Support Services (Deputy Governor's Office) | General Administration Services | 22,999,800.00 | 6,091,051.00 | 16,908,749.00 | 26.4 |
| | sub-total | 22,999,800.00 | 6,091,051.00 | 16,908,749.00 | 26.4 |
| Governance and Executive Management | Citizen Delivery services | 1,000,000.00 | - | 1,000,000.00 | - |
| | sub-total | 1,000,000.00 | - | 1,000,000.00 | - |
| General Administration and Support Services (County Secretary) | General Administration Services | 11,200,000.00 | 4,834,560.00 | 6,365,440.00 | 43.2 |
| | sub-total | 11,200,000.00 | 4,834,560.00 | 6,365,440.00 | 43.2 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|--|------------------------|------------------------|-----------------------|----------------|
| Kenya Devolution Support Programme | Key Result Area1: Public Finance Management | 5,450,641.63 | - | 5,450,641.63 | - |
| | Key Result Area2: Planning, Monitoring And Evaluation | 10,499,275.59 | - | 10,499,275.59 | - |
| | Key Result Area3: Performance Contracting And Human Resources Management | 16,180,646.97 | - | 16,180,646.97 | - |
| | Key Result Area4: Civic Education And Public Participation | 7,482,038.72 | - | 7,482,038.72 | - |
| | Key Result Area5: Environment And Social Safeguard | 5,387,397.09 | - | 5,387,397.09 | - |
| | sub-total | 45,000,000.00 | - | 45,000,000.00 | - |
| Pending Bills - Office of the County Executive | Pending Bills | 43,573,081.40 | 14,349,868.40 | 29,223,213.00 | 32.9 |
| | sub-total | 43,573,081.40 | 14,349,868.40 | 29,223,213.00 | 32.9 |
| Governance and Executive Management | Citizen Delivery services | 170,000,000.00 | 720,046.00 | 169,279,954.00 | 0.4 |
| | sub-total | 170,000,000.00 | 720,046.00 | 169,279,954.00 | 0.4 |
| | Sub Total Kshs | 461,383,836.40 | 132,317,667.50 | 329,066,168.90 | 28.6 |
| Public Service Management | | | | | |
| General Administration and Support Services | General Administration and Support Services | 478,328,625.24 | 312,286,981.37 | 166,041,643.87 | 65.2 |
| | sub-total | 478,328,625.24 | 312,286,981.37 | 166,041,643.87 | 65.2 |
| pending bills-already deducted from vote heads | Pending Bills | 22,988,981.00 | 11,466,000.00 | 11,522,981.00 | 49.8 |
| | sub-total | 22,988,981.00 | 11,466,000.00 | 11,522,981.00 | 49.8 |
| Human Capital Management And Development | Human Capital Strategy | 2,020,000.00 | 1,417,465.00 | 602,535.00 | 70.2 |
| | Information And Records Management | | 656,265.00 | -656,265.00 | - |
| | sub-total | 2,740,000.00 | 2,073,730.00 | 666,270.00 | 75.7 |
| Sub County Administration Services | Devolved units Development services | 8,300,000.00 | 3,394,870.00 | 4,905,130.00 | 40.9 |
| | sub-total | 8,300,000.00 | 3,394,870.00 | 4,905,130.00 | 40.9 |
| Civic Education And Public Participation | Civic Education | 200,000.00 | - | 200,000.00 | - |
| | sub-total | 200,000.00 | 0 | 200,000.00 | - |
| County Security and Compliance Enforcement Services | Support and Administration Services | 3,566,037.00 | 3,362,400.00 | 203,637.00 | 94.3 |
| | sub-total | 3,566,037.00 | 3,362,400.00 | 203,637.00 | 94.3 |
| General Administration and Support Services (Public Service Board) | General Administration and Support Services | 62,900,000.00 | 26,231,828.00 | 36,668,172.00 | 41.7 |
| | sub-total | 62,900,000.00 | 26,231,828.00 | 36,668,172.00 | 41.7 |
| Human Capital Management And Development | Human Capital Strategy | 3,900,000.00 | 2,384,144.00 | 1,515,856.00 | 61 |
| | Public Service Board Services | 5,400,000.00 | 2,261,800.00 | 3,138,200.00 | 41.9 |
| | Information And Records Management | 1,350,000.00 | 147,816.00 | 1,202,184.00 | 10.9 |
| | sub-total | 10,650,000.00 | 4,793,760.00 | 5,856,240.00 | 45 |
| General Administration and Support Services (information) | General Administration Services | 21,000,000.00 | 20,503,422.00 | 496,578.00 | 97.6 |
| | sub-total | 21,000,000.00 | 20,503,422.00 | 496,578.00 | 97.6 |
| General Administration and Support Services | General Administration and Support Services | 22,650,326.00 | 4,423,080.00 | 18,227,246.00 | 19.5 |
| | Construction/Renovation of Sub-County/Ward Admin. Offices | 22,650,326.00 | 4,423,080.00 | 18,227,246.00 | 19.5 |
| | Devolved units Development services | 79,449,674.00 | 16,666,478.00 | 62,783,196.00 | 21 |
| | ICT | 40,000,000.00 | - | 40,000,000.00 | - |
| | sub-total | 142,100,000.00 | 21,089,558.00 | 121,010,442.00 | 14.8 |
| | Sub Total Kshs | 752,773,643.24 | 393,736,549.37 | 359,037,093.87 | 52.3 |
| Education, Youth, Sports, Culture, Gender and Social Services | | | | | |
| General Administration and supportive Services | Personal Emolument | 138,322,952.00 | 126,079,018.00 | 12,243,934.00 | 91 |
| | General Administration Services | 9,408,710.00 | 6,043,290.00 | 3,365,420.00 | 64.2 |
| | Staff trainings and Empowerment | 1,200,000.00 | 1,000,000.00 | 200,000.00 | 83.3 |
| | sub-total | 160,463,662.00 | 133,122,308.00 | 27,341,354.00 | 82.9 |
| Education Support Services | Bursary And Scholarship | 29,000,000.00 | - | 29,000,000.00 | - |
| | sub-total | 29,000,000.00 | - | 29,000,000.00 | - |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|---|------------------------|------------------------|-----------------------|----------------|
| Child Care Support Services | Ecde Staffing | 1,000,000.00 | 1,000,000.00 | - | 100 |
| | sub-total | 1,000,000.00 | 1,000,000.00 | - | 100 |
| Quality Management Services | Quality Assurance And Standards Services | 1,000,000.00 | 1,000,000.00 | - | 100 |
| | Quality Assurance And Standards Services | 500,000.00 | 470,000.00 | 30,000.00 | 94 |
| | Sub County Education Office Services | 500,000.00 | 500,000.00 | - | 100 |
| | sub-total | 2,000,000.00 | 1,970,000.00 | 30,000.00 | 98.5 |
| Pending Bills | Pending Bills | 4,406,000.00 | 1,909,500.00 | 2,496,500.00 | 43.3 |
| | sub-total | 4,406,000.00 | 1,909,500.00 | 2,496,500.00 | 43.3 |
| General Administration and supportive Services | General Administration Services | 5,980,000.00 | 3,510,279.00 | 2,469,721.00 | 58.7 |
| | sub-total | 5,980,000.00 | 3,510,279.00 | 2,469,721.00 | 58.7 |
| Sports and Culture Development | Sports And Talent Development | 500,000.00 | 373,233.00 | 126,767.00 | 74.6 |
| | Talent Development Services | 500,000.00 | 406,400.00 | 93,600.00 | 81.28 |
| | sub-total | 1,000,000.00 | 779,633.00 | 220,367.00 | 77.9 |
| Pending Bills Recurrent | Pending Bills | 4,278,307.00 | - | 4,278,307.00 | - |
| | sub-total | 4,278,307.00 | - | 4,278,307.00 | - |
| Sports and Culture Development | Promotion of indigenous knowledge | 1,000,000.00 | - | 1,000,000.00 | - |
| | sub-total | 1,000,000.00 | - | 1,000,000.00 | - |
| Gender and Equality Services | Women Empowerment Enterprises And Support Services | 600,000.00 | - | 600,000.00 | - |
| | Pwds Enterprises And Support Services | 1,100,000.00 | - | 1,100,000.00 | - |
| | sub-total | 600,000.00 | - | 600,000.00 | - |
| Child Care Support Services | Infrastructure Development and Sanitation Improvement: Construction of ECDE classrooms (Community Projects) | 57,822,269.00 | 297,263.20 | 57,525,005.80 | 0.5 |
| | sub-total | 57,822,269.00 | 297,263.20 | 57,525,005.80 | 0.5 |
| Youth Development & Empowerment | Construction of VETC | 53,067,165.00 | 14,028,987.00 | 39,038,178.00 | 26.4 |
| | sub-total | 53,067,165.00 | 14,028,987.00 | 39,038,178.00 | 26.4 |
| External Funding | Conditional Grants: Rehabilitation of village polytechnics - External Funding (grant) | 36,439,894.00 | - | 36,439,894.00 | - |
| | Pending Bills | 21,526,930.00 | - | 21,526,930.00 | - |
| | Construction of ECDE Centres | 27,550,000.00 | 249,527.00 | 27,300,473.00 | 0.9 |
| | sub-total | 85,516,824.00 | 249,527.00 | 85,267,297.00 | 0.3 |
| Sports and Culture Development | Sports And Talent Development | 2,293,832.00 | - | 2,293,832.00 | - |
| | sub-total | 2,293,832.00 | - | 2,293,832.00 | - |
| Pending Bills Development - sports | Pending Bills | 13,635,459.00 | 9,304,888.00 | 4,330,571.00 | 68.2 |
| | sub-total | 13,635,459.00 | 9,304,888.00 | 4,330,571.00 | 68.2 |
| Sports and Culture Development | Culture And Heritage Conservation | 4,000,000.00 | - | 4,000,000.00 | - |
| | sub-total | 4,000,000.00 | - | 4,000,000.00 | - |
| Pending Bills Development - Culture | Pending Bills | 2,977,778.00 | 1,200,000.00 | 1,777,778.00 | 40.3 |
| | sub-total | 2,977,778.00 | 1,200,000.00 | 1,777,778.00 | 40.3 |
| Sub Total Kshs | | 430,741,296.00 | 167,372,385.20 | 263,368,910.80 | 38.8 |
| Trade, Tourism and Cooperative Development | | | | | |
| Policy, Planning and Administrative Support Services | Administrative Support Services | 55,320,566.32 | 47,161,758.40 | 8,158,807.92 | 85.2 |
| | sub-total | 55,320,566.32 | 47,161,758.40 | 8,158,807.92 | 85.2 |
| Investment promotion, trade and enterprise development services | Investment promotion, trade and enterprise development services | 450,000.00 | 300,000.00 | 150,000.00 | 66.6 |
| | sub-total | 450,000.00 | 300,000.00 | 150,000.00 | 66.6 |
| Cooperative development services | Cooperative development services | 376,000.00 | 149,100.00 | 226,900.00 | 39.6 |
| | sub-total | 376,000.00 | 149,100.00 | 226,900.00 | 39.6 |
| Tourism Development | Tourism Promotion and Marketing | 1,900,000.00 | 1,774,260.00 | 125,740.00 | 93.3 |
| | sub-total | 1,900,000.00 | 1,774,260.00 | 125,740.00 | 93.3 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|--|------------------------|------------------------|-----------------------|----------------|
| Legal Metrology Services | Verification | 100,000.00 | 100,000.00 | - | 100 |
| | Inspection | 100,000.00 | 100,000.00 | - | 100 |
| | Calibration of Standards | 140,000.00 | 100,000.00 | 40,000.00 | 71.4 |
| | Staff trainings and empowerment | 492,268.00 | 400,000.00 | 92,268.00 | 81.2 |
| | sub-total | 832,268.00 | 700,000.00 | 132,268.00 | 84 |
| Alcoholic drinks and drug abuse control | Liquor licensing | 800,000.00 | 723,400.00 | 76,600.00 | 90.4 |
| | sub-total | 800,000.00 | 723,400.00 | 76,600.00 | 90.4 |
| Pending bills | Pending bills | 500,000.00 | - | 500,000.00 | - |
| | sub-total | 500,000.00 | - | 500,000.00 | - |
| Trade and Market Development | Trade development and promotion of SMEs services | 69,011,061.00 | 2,944,076.44 | 66,066,984.56 | 4.3 |
| | Trade Infrastructure Development Services | 21,000,000.00 | 2,380,200.00 | 18,619,800.00 | 11.3 |
| | sub-total | 90,011,061.00 | 5,324,276.44 | 84,686,784.56 | 5.9 |
| Pending Bill | Pending Bill | 38,521,213.78 | 14,127,375.85 | 24,393,837.93 | 36.6 |
| | sub-total | 38,521,213.78 | 14,127,375.85 | 24,393,837.93 | 36.6 |
| | Sub Total Kshs | 188,829,562.10 | 70,260,170.69 | 118,569,391.41 | 37.2 |
| Lands, Housing and Survey | | | | | |
| General Administration planning and support services | Administration support services | 34,535,331.00 | 24,349,465.00 | 10,185,866.00 | 70.5 |
| | sub-total | 34,535,331.00 | 24,349,465.00 | 10,185,866.00 | 70.5 |
| General Administration planning and support services | Administration support services | 31,900,344.50 | 13,565,378.80 | 18,334,965.70 | 42.5 |
| | sub-total | 31,900,344.50 | 13,565,378.80 | 18,334,965.70 | 42.5 |
| Pending Bills | Pending Bills | 17,685,841.39 | 500,000.00 | 17,185,841.39 | 2.8 |
| | sub-total | 17,685,841.39 | 500,000.00 | 17,185,841.39 | 2.8 |
| Migori Municipality | Administration support services | 21,215,920.00 | - | 21,215,920.00 | - |
| | sub-total | 21,215,920.00 | 1,016,160 | 20,199,760.00 | 4.8 |
| Rongo Municipality | Administration support services | 21,315,920.00 | 8,404,551 | 12,911,369.00 | 39.4 |
| | sub-total | 21,315,920.00 | - | 21,315,920.00 | - |
| Awendo Municipality | Administration support services | 18,530,920.00 | 1,144,600 | 17,386,320.00 | 6.2 |
| | sub-total | 18,530,920.00 | - | 18,530,920.00 | - |
| External Funding | Donor Funds | 8,800,000.00 | - | 8,800,000.00 | - |
| | sub-total | 8,800,000.00 | - | 8,800,000.00 | - |
| General Administration planning and support services | Physical And Urban Planning Services | 160,000,000.00 | - | 160,000,000.00 | - |
| | sub-total | 160,000,000.00 | - | 160,000,000.00 | - |
| External Funding | External Funding | 147,611,039.52 | - | 147,611,039.52 | - |
| | sub-total | 147,611,039.52 | - | 147,611,039.52 | - |
| Pending Bills | Pending Bills | 52,050,452.50 | 46,050,452.50 | 6,000,000.00 | 88.5 |
| | sub-total | 52,050,452.50 | 46,050,452.50 | 6,000,000.00 | 88.5 |
| | Sub Total Kshs | 513,645,768.91 | 95,030,607.30 | 418,615,161.61 | 18.5 |
| Finance and Economic planning | | | | | |
| General Administrative and supportive service(accounts) | General administration planning and support services | 117,283,973.00 | 60,985,388 | 56,298,584.95 | 52 |
| | sub-total | 117,283,973.00 | 60,985,388 | 56,298,584.95 | 52 |
| Public Financial Management | Accounting services | 276,656,932.57 | 176,692,639.05 | 99,964,293.52 | 63.8 |
| | sub-total | 276,656,932.57 | 176,692,639.05 | 99,964,293.52 | 63.8 |
| Pending bills | Pending bills | 15,695,312.00 | 720,000.00 | 14,975,312.00 | 4.5 |
| | sub-total | 15,695,312.00 | 720,000.00 | 14,975,312.00 | 4.5 |
| General Administrative and supportive service audit | General administration planning and support services | 26,232,497.52 | - | 26,232,497.52 | - |
| | sub-total | 26,232,497.52 | - | 26,232,497.52 | - |
| Public Financial Management | Procurement services | 18,207,569.41 | 6,797,278.20 | 11,410,291.21 | 37.3 |
| | sub-total | 18,207,569.41 | 6,797,278.20 | 11,410,291.21 | 37.3 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|---|-------------------------|------------------------|-----------------------|----------------|
| General Administrative and supportive service (revenue) | General administration planning and support services | 2,402,966.38 | - | 2,402,966.38 | - |
| | sub-total | 45,962,426.44 | 7,672,148.00 | 38,290,278.44 | 16.6 |
| | Public Financial Management | 43,559,460.06 | 7,672,148.00 | 35,887,312.06 | 17.6 |
| | Resource mobilization | 43,559,460.06 | 7,672,148.00 | 35,887,312.06 | 17.6 |
| | Pending bills | 16,440,000.00 | 5,990,000.00 | 10,450,000.00 | 36.4 |
| General Administrative and supportive service | Pending bills | 16,440,000.00 | 5,990,000.00 | 10,450,000.00 | 36.4 |
| | sub-total | 16,739,616.82 | 10,427,579.00 | 6,312,037.82 | 62.2 |
| Economic policy and county planning | General administration planning and support services | 16,739,616.82 | 10,427,579.00 | 6,312,037.82 | 62.2 |
| | Budget coordination and management | 26,104,908.07 | 13,186,821.00 | 12,918,087.07 | 50.5 |
| | County statistical information services | 11,789,015.82 | - | 11,789,015.82 | - |
| | Community development | 2,936,704.74 | - | 2,936,704.74 | - |
| | sub-total | 45,786,232.37 | 13,186,821.00 | 32,599,411.37 | 28.8 |
| General Administrative and supportive service | Pending Bills | 4,981,101.00 | 4,981,101.00 | - | 100 |
| | sub-total | 4,981,101.00 | 4,981,101.00 | - | 100 |
| | Sub Total Kshs | 583,985,661.13 | 263,838,554.30 | 320,147,106.83 | 45.1 |
| Health | | | | | |
| Planning and administrative support services (Medical services) | Health Management Informative System(Medical services) | 338,052.00 | - | 338,052.00 | - |
| | Administrative And Support Services(Medical services) | 1,409,360,756.56 | 871,737,613.57 | 537,623,142.99 | 61.8 |
| | sub-total | 1,409,698,808.56 | 871,737,613.57 | 537,961,194.99 | 61.8 |
| Public health | Health Management Informative System(Public Health) | 338,052.00 | 165,250.00 | 172,802.00 | 48.8 |
| | Administrative And Support Services(Public Health) | 16,283,080.09 | 9,342,082.00 | 6,940,998.09 | 57.3 |
| | sub-total | 16,621,132.09 | 9,507,332.00 | 7,113,800.09 | 57.2 |
| Medical services | Human Nutrition And Dietetics(Medical services) | 507,079.00 | - | 507,079.00 | - |
| | Hiv And Aids Management(- Medical services) | 236,637.00 | - | 236,637.00 | - |
| | Disease Surveillance/(Medical services) | 5,000,000.00 | - | 5,000,000.00 | - |
| | Emergency Preparedness And Response(medical services) | 1,690,268.00 | - | 1,690,268.00 | - |
| | Family& Reproductive Health Medical services) | 34,738,053.00 | 309,880.00 | 34,428,173.00 | 0.8 |
| | Family Planning & Adolescent Health activities (Co funding) | 7,000,000.00 | - | 7,000,000.00 | - |
| | sub-total | 49,172,037.00 | 309,880.00 | 48,862,157.00 | 0.6 |
| Public health | Community Health Services(- Public health) | 24,338,053.00 | 3,255,877.00 | 21,082,176.00 | 13.3 |
| | Sanitation And Environmental Health Services(Public health) | 338,053.00 | - | 338,053.00 | - |
| | Human Nutrition And Dietetics(Public health) | 507,080.00 | 500,000.00 | 7,080.00 | 98.6 |
| | Communicable Disease Control(Public health) | 253,540.00 | 60,830.00 | 192,710.00 | 23.9 |
| | Hiv And Aids Management(- Public health) | 709,912.00 | 700,000.00 | 9,912.00 | 98.6 |
| | Disease Surveillance/(Public health) | 89,415,132.00 | 9,116,000.00 | 80,299,132.00 | 10.2 |
| | Emergency Preparedness And Response(Public health) | 1,490,268.00 | 1,066,620.00 | 423,648.00 | 71.5 |
| | Health Promotion(Public health) | 338,053.00 | - | 338,053.00 | - |
| | Family& Reproductive Health(- Public health) | 7,938,053.00 | 22,050.00 | 7,916,003.00 | 0.2 |
| | Family & Adolescent Health activities (Co funding) | 10,600,000.00 | - | 10,600,000.00 | - |
| | sub-total | 135,928,144.00 | 14,721,377.00 | 121,206,767.00 | 10.8 |
| Medical services | Pharmaceutical And Non - Pharmaceutical Commodities(- Medical services) | 189,615,655.00 | 60,601,843.50 | 129,013,811.50 | 31.9 |
| | sub-total | 191,815,655.00 | 60,601,843.50 | 131,213,811.50 | 31.5 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|--|-------------------------|-------------------------|-------------------------|----------------|
| Public health | Pharmaceutical And Non – Pharmaceutical Commodities(- Public health) | 85,291,232.00 | 4,933,700.00 | 80,357,532.00 | 5.7 |
| | sub-total | 85,291,232.00 | 2,935,700.00 | 82,355,532.00 | 3.4 |
| External Funding | Donor Funds | 26,750,000.00 | 16,542,140.00 | 10,207,860.00 | 61.8 |
| | Conditional Grants | 29,811,768.00 | 13,253,280.00 | 16,558,488.00 | 44.4 |
| | sub-total | 56,561,768.00 | 29,795,420.00 | 26,766,348.00 | 52.6 |
| Pending Bills | Pending Bills Medical Services | 152,420,410.52 | 82,394,953.00 | 70,025,457.52 | 54 |
| | Pending Bills Public Health | 17,862,301.00 | - | 17,862,301.00 | - |
| | sub-total | 170,282,711.52 | 82,394,953.00 | 87,887,758.52 | 48.4 |
| Administrative And Support Services | Pending Bill –Development (COMPLETED) | 133,650,886.70 | 95,892,045.04 | 37,758,841.66 | 71.7 |
| | sub-total | 133,650,886.70 | 95,892,045.04 | 37,758,841.66 | 71.7 |
| Infrastructure Development | Infrastructure Development | 78,500,000.00 | 15,527,160.00 | 62,972,840.00 | 19.7 |
| | Dispensaries and Health Centres | 5,340,681.00 | 1,523,760.00 | 3,816,921.00 | 28.5 |
| | Face lifting of Health Centres and Dispensaries (Community Projects) | 89,879,362.00 | 6,557,851.60 | 83,321,510.40 | 7.3 |
| | sub-total | 173,720,043.00 | 23,608,771.60 | 150,111,271.40 | 13.5 |
| External Funding | Donor Funds | 60,295,580.00 | - | 60,295,580.00 | - |
| | Conditional Grants | 132,021,277.00 | - | 132,021,277.00 | - |
| | sub-total | 192,316,857.00 | - | 192,316,857.00 | - |
| | Sub Total Kshs | 2,615,059,274.87 | 1,191,504,935.71 | 1,423,554,339.16 | 45.5 |
| Management Environment, Natural Resources and Disaster Management | | | | | |
| General administration and supportive services | General administration supportive services | 47,175,985.48 | 31,714,950.65 | 15,461,034.83 | 67.2 |
| | sub-total | 47,175,985.48 | 31,714,950.65 | 15,461,034.83 | 67.2 |
| Environment Management And Protection | Solid Waste Management Services | 11,500,000.00 | 1,980,450.00 | 9,519,550.00 | 17.2 |
| | sub-total | 11,500,000.00 | 1,980,450.00 | 9,519,550.00 | 17.2 |
| Environmental And Natural Resource Conservation And Management | Climate Change Adoption And Mitigation | 100,000.00 | - | 100,000.00 | - |
| | sub-total | 100,000.00 | - | 100,000.00 | - |
| Disaster Management | Disaster Management Services | 1,620,000.00 | 492,050.00 | 1,127,950.00 | 30.3 |
| | Fire Fighting and rescue services | 700,000.00 | 408,827.00 | 291,173.00 | 58.4 |
| | sub-total | 2,320,000.00 | 900,877.00 | 1,419,123.00 | 38.8 |
| Pending bills | Pending bills | 12,246,463.00 | 5,194,200.00 | 7,052,263.00 | 42.4 |
| | sub-total | 12,246,463.00 | 5,194,200.00 | 7,052,263.00 | 42.4 |
| Environment and Natural Resource Conservation and Management | Climate Change | 1,500,000.00 | - | 1,500,000.00 | - |
| | Forestry Conservation and development | 126,681.00 | - | 126,681.00 | - |
| | sub-total | 1,626,681.00 | - | 1,626,681.00 | - |
| Disaster Management | Disaster Management | 5,917,400.00 | - | 5,917,400.00 | - |
| | sub-total | 5,917,400.00 | - | 5,917,400.00 | - |
| Pending bill | Pending bill | 16,304,510.00 | 10,325,500.00 | 5,979,010.00 | 63.3 |
| | sub-total | 16,304,510.00 | 10,325,500.00 | 5,979,010.00 | 63.3 |
| | Sub Total Kshs | 97,191,039.48 | 50,115,977.65 | 47,075,061.83 | 51.5 |
| Roads, Transport and Public Works | | | | | |
| Policy, General administration, planning & support Service | General administration, planning & support service | 54,162,345.07 | 34,430,979.70 | 19,731,365.37 | 63.5 |
| | sub-total | 54,162,345.07 | 34,430,979.70 | 19,731,365.37 | 63.5 |
| Road Development, Maintenance And Management | Road Network Improvement | 23,207,300.00 | 8,915,237.90 | 14,292,062.10 | 38.4 |
| | sub-total | 23,207,300.00 | 8,915,237.90 | 14,292,062.10 | 38.4 |
| Pending bills | Pending bills | 21,502,960.00 | 4,852,200.00 | 16,650,760.00 | 22.5 |
| | sub-total | 21,502,960.00 | 4,852,200.00 | 16,650,760.00 | 22.5 |
| Road Development, Maintenance And Management | Road Network Improvement | 533,286,507.26 | 103,724,020.73 | 429,562,486.53 | 19.4 |
| | County Access Roads (Community Projects) | 341,778,763.00 | - | 341,778,763.00 | - |
| | Construction of Bridges And Maintenance | 98,000,000.00 | - | 98,000,000.00 | - |
| | Rural Access Roads | 38,494,923.48 | - | 38,494,923.48 | - |
| | sub-total | 1,011,560,193.74 | 103,724,020.73 | 907,836,173.01 | 10.2 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|--|-------------------------|-------------------------|-------------------------|----------------|
| Pending Bills - Roads Total | Pending Bills | 417,061,180.04 | 293,011,776.18 | 124,049,403.86 | 70.2 |
| | Pending bills KRB roads | 83,007,247.94 | 16,204,188.00 | 66,803,059.94 | 19.5 |
| | sub-total | 500,068,427.98 | 309,215,964.18 | 190,852,463.80 | 61.8 |
| | Sub Total Kshs | 1,610,501,226.79 | 456,286,202.51 | 1,154,215,024.28 | 28.3 |
| Water and Energy | | | | | |
| Water supply and management services | Urban water Supply and Management Services | 23,100,000.00 | 12,420,063.00 | 10,679,937.00 | 53.7 |
| | Rural Water Services | 800,000.00 | 800,000.00 | - | 100 |
| | sub-total | 23,900,000.00 | 13,220,063.00 | 10,679,937.00 | 55.3 |
| General administration, planning & support Service | General Administration, Policies and Legal Framework | 46,807,088.00 | 18,337,104.90 | 28,469,983.10 | 39.1 |
| | sub-total | 46,807,088.00 | 18,337,104.90 | 28,469,983.10 | 39.1 |
| | Energy | 5,000,000.00 | 4,500,192.50 | 499,807.50 | 90 |
| Alternative Energy Services | Green Energy Development | 5,000,000.00 | 4,500,192.50 | 499,807.50 | 90 |
| | sub-total | 5,000,000.00 | 4,500,192.50 | 499,807.50 | 90 |
| Pending Bills | Pending Bills | 11,874,604.00 | 469,000.00 | 11,405,604.00 | 3.9 |
| | sub-total | 11,874,604.00 | 469,000.00 | 11,405,604.00 | 3.9 |
| Water supply and management services | Rural water Services | 27,076,000.00 | - | 27,076,000.00 | - |
| | sub-total | 27,076,000.00 | - | 27,076,000.00 | - |
| General administration, planning & support Service | Rural Water Services | 95,950,625.00 | 481,653.87 | 95,468,971.13 | 0.5 |
| | Operation And Maintenance of Rural Water Services | 49,910,440.00 | - | 49,910,440.00 | - |
| | sub-total | 144,176,065.00 | 481,653.87 | 143,694,411.13 | 0.3 |
| Pending Bills | Pending Bills | 106,653,092.38 | 79,416,803.88 | 27,236,288.50 | 74.4 |
| | sub-total | 106,653,092.38 | 79,416,803.88 | 27,236,288.50 | 74.4 |
| | Sub Total Kshs | 364,671,849.38 | 116,424,818.15 | 248,247,031.23 | 31.9 |
| County Assembly | | | | | |
| Oversight Management services | Committees Management Services | 104,850,000.00 | 73,293,447.71 | 31,556,552.29 | 69.9 |
| | sub-total | 104,850,000.00 | 73,293,447.71 | 31,556,552.29 | 69.9 |
| Legislative services | Representation | 105,712,000.00 | 91,156,740.00 | 14,555,260.00 | 86.2 |
| | sub-total | 105,712,000.00 | 91,156,740.00 | 14,555,260.00 | 86.2 |
| General administration and supportive service (Clerk Department) | Administrative Services | 616,272,225.00 | 358,113,003.28 | 258,159,221.72 | 58.1 |
| | Car Grant (Non-ceiling item) | 120,000,000.00 | - | 120,000,000.00 | - |
| | sub-total | 616,272,225.00 | 358,113,003.28 | 258,159,221.72 | 58.1 |
| General administration and supportive service | Administrative Services | 50,000,000 | - | 50,000,000.00 | - |
| | sub-total | 50,000,000 | - | 50,000,000.00 | - |
| Grand Total | | 9,156,789,688.97 | 3,627,766,473.73 | 5,529,023,215.24 | 39.6 |

Source: Migori County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Quality Management Services in the Department of Education, Youth, Sports, Culture, Gender and Social Services at 98.5 per cent, General administration and supportive service in the Department of Public Service Management at 97.6 per cent, County Security and Compliance Enforcement Services in the Department of Public Service Management at 94 per cent, and Tourism Development in the Department of Trade, Tourism and Cooperative Development at 93.6 per cent of budget allocation.

3.28.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 22nd April, 2021 contrary to OCoB's instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.
2. Low absorption of development funds as indicated by the expenditure of Kshs.808.79 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.3.70 billion. The development expenditure represented 21.8 per cent of the annual development budget.
3. Failure by Fund Administrators to submit financial and non-financial statements in line with Section 168 of the PFM Act, 2012. The OCoB did not receive quarterly financial statements for the Migori County Executive

The County should implement the following recommendations to improve budget execution;

1. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with Section 166 of the PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.

3.29 County Government of Mombasa

3.29.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 was Kshs.14.63 billion, comprising of Kshs.4.92 billion (33.7 per cent) and Kshs.9.71 billion (66.3 per cent) allocations for Development and Recurrent programmes, respectively.

To finance the budget, the county expects to receive Kshs.7.44 billion (50.1 per cent) being equitable share of revenue raised nationally, Kshs.1.94 billion (13.1 per cent) as total conditional grants, and generate Kshs.5.25 billion (35.4 per cent) from own sources of revenue. The County did not budget for the cash balance of Kshs.202.26 million (1.4 per cent) from FY 2019/20.

3.29.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.4.59 billion as an equitable share of the revenue raised nationally, Kshs.501.12 million as conditional grants, raised Kshs.2.48 billion as own-source revenue, and had a cash balance of Kshs.202.26 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.7.78 billion, as shown in Table 3.158.

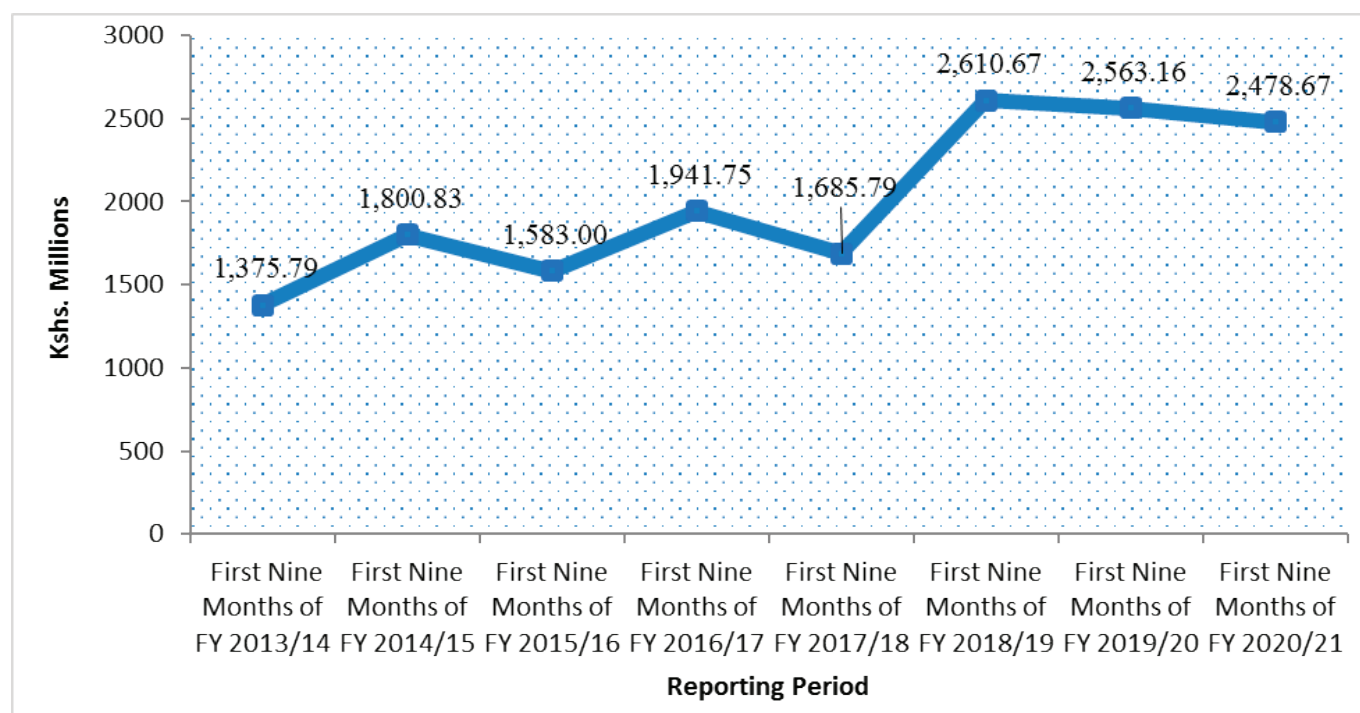
Table 3.158: Mombasa County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs.) | Annual Budget Allocation (in Kshs.) | Actual Receipts (Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|---|-------------------------------------|-------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 7,057,950,000 | 7,437,750,000 | 4,594,727,490 | 61.8 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Conditional Grants to Level-5 Hospitals | 388,439,306 | 388,439,306 | 178,682,082 | 46 |
| 2. | Compensation for User Fee Foregone | 23,385,934 | 23,385,934 | - | - |
| 3. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 4. | Road Maintenance Fuel Levy Fund | 221,681,742 | 221,681,742 | - | - |
| 5. | Rehabilitation of Village Polytechnics | 18,484,894 | 18,484,894 | 9,242,447 | 50 |
| Sub Total | | 784,013,153 | 651,991,876 | 187,924,529 | 28.8 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 114,569,473 | 114,569,473 | 19,858,350 | 17.3 |
| 2. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 3. | DANIDA Grant | 20,070,000 | 20,070,000 | 10,035,000 | 50 |
| 4. | IDA (WB) Credit: Water & Sanitation Development Project (WSDP) | 1,100,000,000 | 1,100,000,000 | 228,221,154 | 20.7 |
| 5. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 12,749,975 | 12,749,975 | 10,077,457 | 79.0 |
| Sub Total | | 1,292,389,448 | 1,292,389,448 | 313,191,961 | 24.2 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 5,252,448,363 | 2,478,670,237 | 47.2 |
| 2. | Balance b/f from FY 2019/20 | - | - | 202,259,814 | - |
| Sub Total | | - | 5,252,448,363 | 2,680,930,051 | 51.0 |
| Grand Total | | 9,134,352,601 | 14,634,579,687 | 7,776,774,031 | 53.1 |

Source: Mombasa County Treasury

Figure 3.55 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.55: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Mombasa County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.2.48 billion as its own source revenue. This amount represented a decrease of 3.3 per cent compared to Kshs.2.56 billion realised during a similar period in FY 2019/20 and was 47.2 per cent of the annual target.

3.29.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.07 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.13 billion (18.6 per cent) for development programmes and Kshs. 4.94 billion (81.4 per cent) for recurrent programmes.

3.29.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.7.29 billion on development and recurrent programmes. The expenditure represented 120.1 per cent of the total funds released by the COB and comprised of Kshs.2.28 billion and Kshs.5.01 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 46.3 per cent while recurrent expenditure represented 51.6 per cent of the annual recurrent expenditure budget.

3.29.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.3.22 billion was spent on compensation to employees, Kshs.1.79 billion on operations and maintenance, and Kshs.2.28 billion on development activities as shown in Table 3.159.

Table 3.159: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 9,709,238,107 | 4,939,266,661 | 5,010,051,392 | 51.6 |
| Compensation to Employees | 5,332,449,008 | 3,794,432,787 | 3,216,595,595 | 60.3 |
| Operations and Maintenance | 4,376,789,099 | 1,144,833,874 | 1,793,455,797 | 41.0 |
| Total Development Expenditure | 4,925,341,580 | 1,128,230,025 | 2,278,414,219 | 46.3 |
| Development Expenditure | 4,925,341,580 | 1,128,230,025 | 2,278,414,219 | 46.3 |
| Total | 14,634,579,687 | 6,067,496,686 | 7,288,465,611 | 49.8 |

Source: Mombasa County Treasury

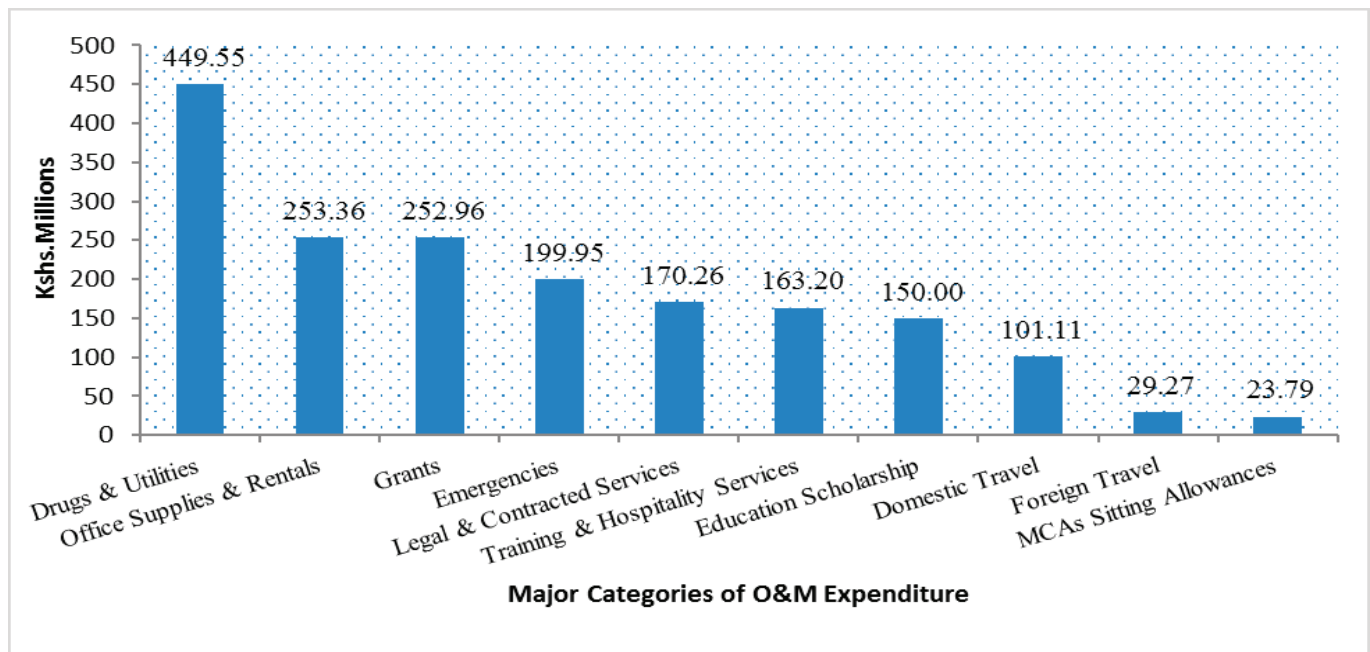
3.29.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 44.1 per cent of the total expenditure for the reporting period and 29.3 per cent of the first nine months proportional revenue estimate of Kshs.10.98 billion.

3.29.7 Expenditure on Operations and Maintenance

Figure 3.56 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.56: Mombasa County, Operations and Maintenance Expenditure by Major Categories



Source: Mombasa County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.23.79 million on committee sitting allowances for the 43 MCAs and Speaker against the annual budget allocation of Kshs.50.0 million. The average monthly sitting allowance was Kshs.61,467 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.101.11 million and comprised of Kshs.14.55 million spent by the County Assembly and Kshs.86.56 million by the County Executive. Expenditure on foreign travel amounted to Kshs.29.27 million and consisted of Kshs.21.92 million by the County Assembly and Kshs.7.34 million by the County Executive.

3.29.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county budgeted Kshs.200 million to cater for COVID-19 related expenditure. Total expenditure was Kshs.142.1 million during the reporting period as shown in Table 3.160.

Table 3.160: COVID-19 Budget and Expenditure Summary

| S/No. | Description of the Expenditure item | Annual Budget Allocation (Kshs) | Amount spent as of 31 March 2021 (Kshs) |
|-------|--|---------------------------------|---|
| 1 | Purchases of Emergency foodstuffs to Vulnerable groups in across sub-counties | 80,000,000 | 79,663,047 |
| 2 | Purchases of Personnel Protective Equipment /Gears & other emergency materials | 7,500,000 | 6,174,765 |
| 3 | Purchase of Sanitary and hand washing materials | 50,000,000 | 27,185,069 |
| 4 | Purchase of Medical Drugs | 20,000,000 | 2,633,806 |
| 5 | Purchase and Installation of Sanitizing Booths and tents | 10,000,000 | 14,656,351 |
| 6 | Purchase and Installation of Examination Booths | 10,000,000 | 3,921,207 |
| 7 | Supply of Sanitizing booths and tents sanitizing chemicals | 22,500,000 | 7,866,000 |
| | Total | 200,000,000 | 142,100,245 |

Source: Mombasa County Treasury

3.29.9 Development Expenditure

The County incurred expenditure of Kshs.2.28 billion on development programmes, which represented an increase of 22.6 per cent compared to a similar period in FY 2019/20 when the County spent Kshs. 1.86 billion. Table 3.161 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.161: Mombasa County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Location | Budget (Kshs) | Expenditure (Kshs.) | Absorption Rate/Status |
|-------|--|-------------------|---------------|---------------------|------------------------|
| 1 | Development of Mombasa Stadium | Tudor | 1,768,183,999 | 211,300,798 | 12.0 |
| 2 | Purchase of High-Density Fibre Fishing Boat with Accessories | Across the County | 196,000,000 | 152,456,218 | 77.8 |
| 3 | Kongowea - Makutano road | Kongowea | 60,237,162 | 23,735,666.00 | 70.0 |
| 4 | Improvement of A Section Of Simu Ya Upepo Road To Cabro Standard | Mvita | 13,049,377 | 12,817,793.60 | 65.0 |
| 5 | Spot Graveling of Mwakirunge Dumpsite to Kilifi Boundary Roads | Mwakirunge | 12,694,905 | 12,516,523.00 | 98.6 |
| 6 | Cabro access road at Majengo machura | Mvita | 11,350,506 | 10,810,006.00 | 100.0 |
| 7 | Gome ECD - Construction of ECD Center at Gome primary School | Changamwe | 16,556,000 | 10,696,400.00 | 75.0 |
| 8 | Kwahola ECD - Proposed ECD Center at Kwahola Primary School | Changamwe | 16,735,020 | 10,030,200.00 | 75.0 |
| 9 | Proposed Renovations to Shika Adabu Market | Likoni | 9,946,805 | 9,946,805.00 | 100% complete |
| 10 | Kiembeni Fire Station - Improvement of access road, construction of boundary wall, leveling and graveling. | Kisauni | 24,822,937 | 9,898,782.00 | 100% complete |

Source: Mombasa County Treasury

3.29.10 Budget Performance by Department

Table 3.162 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Tble 3.162: Mombasa County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption (%) | |
|---|-----------------------------------|----------|----------------------------------|--------|-----------------------------|--------|-------------------------------------|---------|----------------|-------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| The Executive | 355.39 | 20.42 | 98.63 | - | 88.24 | - | 89.5 | - | 24.8 | - |
| Public Service Board | 121.38 | 11.64 | 59.11 | - | 36.38 | 1.96 | 61.5 | - | 30.0 | 16.8 |
| Finance and Economic Planning | 1,014.01 | 415.54 | 492.28 | 38.75 | 514.12 | 439.6 | 104.4 | 1,134.5 | 50.7 | 105.8 |
| Energy, Environment and Waste Management | 612.51 | 365.37 | 317.07 | 1.57 | 280.15 | 29.09 | 88.4 | 1,852.9 | 45.7 | 8.0 |
| Education, Information Technology and MV 2035 | 661.16 | 311.33 | 40.49 | 47.06 | 329.62 | 151.03 | 814.1 | 320.9 | 49.9 | 48.5 |
| Health Services | 3,240.66 | 436.64 | 1,982.37 | 118.34 | 2,002.89 | 399.36 | 101.0 | 337.5 | 61.8 | 91.5 |
| Water, Environment and Natural Resources | 128.86 | 1,350.23 | 34.18 | 228.22 | 246.17 | 228.22 | 720.2 | 100.0 | 191.0 | 16.9 |
| Youth, Gender, Sports and Cultural Affairs | 387.61 | 528.37 | 136.92 | 58.1 | 95.18 | 385.92 | 69.5 | 664.2 | 24.6 | 73.0 |
| Trade, Tourism and Investments | 458.88 | 350.06 | 217.35 | 62.53 | 190.93 | 43.44 | 87.8 | 69.5 | 41.6 | 12.4 |
| Lands, Housing and Physical Planning | 346.78 | 171.33 | 142.26 | - | 103.79 | 1.65 | 73.0 | - | 29.9 | 1.0 |
| Transport, Infrastructure and Public Works | 558.55 | 668.86 | 375.36 | 553.61 | 256.42 | 471.37 | 68.3 | 85.1 | 45.9 | 70.5 |
| Agriculture, Fisheries, Livestock and Co-Operatives | 282.93 | 200.02 | 139.37 | - | 94.65 | 20.47 | 67.9 | - | 33.5 | 10.2 |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption (%) | |
|--|-----------------------------------|----------------|----------------------------------|-----------------|-----------------------------|-----------------|-------------------------------------|--------------|----------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Devolution and Public Service Administration | 856.16 | 95.55 | 597.76 | 20.04 | 332.36 | 106.3 | 55.6 | 530.4 | 38.8 | 111.3 |
| County Assembly | 684.38 | - | 306.12 | - | 439.15 | - | 143.5 | - | 64.2 | - |
| Total | 9,709.2 | 4,925.3 | 4,939.27 | 1,128.23 | 5,010.05 | 2,278.41 | 101.4 | 201.9 | 51.6 | 46.3 |

Source: Mombasa County Treasury

Analysis of Departments' expenditure shows that the Department of Devolution and Public Service Administration expenditure recorded the highest absorption rate of development budget at 111.3 per cent. The Department of Water, Environment and Natural Resources the highest percentage of recurrent expenditure to budget at 191.0 per cent while the Department of Youth, Gender, Sports and Cultural Affairs had the lowest at 24.6 per cent.

The County made expenditure payments of Kshs.7.29 billion and had exchequer releases of 6.07 billion, as shown in Table 3.162. Meaning there was an expenditure of Kshs.1.22 billion above approved exchequer release. This may be attributed to inaccurate reporting of Grants and Provincial Coast General Hospital Expenditure and failure to ensure closure of FY 2019/20 is undertaken as required. These reasons explain overshooting of budget absorption per cents.

3.29.11 Budget Execution by Programmes and Sub-Programmes

Table 3.163 summarises the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.163: Mombasa County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|---|-------------------------|-------------------------|------------------|----------------|
| 3011 The Executive | Governor's Affairs & Advisory Services | 140,500,000 | 25,771,629 | 114,728,371 | 18.3 |
| | Deputy Governor's Affairs & External Relations | 66,575,327 | 12,126,303 | 54,449,024 | 18.2 |
| | Cabinet Affairs, Policy Research and Legal Services | 110,300,000 | 44,772,414 | 65,527,586 | 40.6 |
| | MV 2035 & E-Government | 31,624,673 | 1,665,776 | 29,958,897 | 5.3 |
| | Strategic Delivery Unit | 26,816,961 | 3,907,448 | 22,909,513 | 14.6 |
| 3013 County Public Service Board | Administration Unit | 133,015,169 | 38,346,605 | 94,668,564 | 28.8 |
| 3014 Finance and Economic Planning | Administration Unit | 1,207,919,840 | 824,340,340 | 420,008,723 | 68.2 |
| | Accounting Unit | 97,050,000 | 56,580,920 | 40,469,080 | 58.3 |
| | Planning and Monitoring Unit | 124,574,896 | 72,799,522 | 51,775,374 | 58.4 |
| 3015 Energy, Environment & Waste Management | Administration, Planning and Support Services | 491,856,186 | 275,549,407 | 216,306,779 | 56.0 |
| | Waste Management | 125,000,000 | 24,734,915 | 100,265,085 | 19.8 |
| | Environmental Compliance and Monitoring | 330,372,081 | 8,951,194 | 321,420,887 | 2.7 |
| | Climate Change | 14,650,963 | 0 | 14,650,963 | - |
| | Energy | 16,000,000 | 0 | 16,000,000 | - |
| 3016 Education, Information Technology & MV 2035 | General Administration, Planning and Support Services | 365,848,451 | 300,348,152 | 65,500,298 | 82.1 |
| | Education headquarters | 190,589,894 | 11,029,797 | 179,560,097 | 5.8 |
| | Childcare | 17,500,000 | 0 | 17,500,000 | - |
| | Elimu Fund | 211,890,000 | 152,010,000 | 59,880,000 | 71.7 |
| | Information Technology Headquarters | 186,659,356 | 17,261,554 | 169,397,802 | 9.2 |
| 3017 Health Services | Administration Unit | 2,695,470,096 | 1,880,472,284 | 814,997,813 | 69.8 |
| | Curative/Clinical Health Services | 200,016,500 | 465,141,519 | -265,125,019 | 232.6 |
| | Preventive and Promotive Services Unit | 703,691,515 | 55,465,939 | 648,225,576 | 7.9 |
| | Special Programs | 78,123,400 | 1,170,800 | 76,952,600 | 1.5 |
| 3018 Water, Sanitation & Natural Resources | Administration unit | 313,331,433 | 34,180,694 | 279,150,739 | 10.9 |
| | Sanitation/Sewerage Services Headquarters | 463,581,812 | 235,360,658 | 228,221,154 | 50.8 |
| | Water Supply Headquarters | 697,453,892 | 200,133,045 | 497,320,847 | 28.7 |

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|--|-------------------------|-------------------------|----------------------|----------------|
| | Natural Resources | 4,720,000 | 4,720,000 | 0 | 100.0 |
| 3019 Youth, Gender , Sports and Cultural Affairs | Administration Unit | 246,279,041 | 40,000,002 | 206,279,039 | 16.2 |
| | Youth Empowerment | 95,480,000 | 89,371,341 | 6,108,659 | 93.6 |
| | Gender Affairs and Disability Mainstreaming | 50,000,000 | 44,264,597 | 5,735,403 | 88.5 |
| | Sports development | 463,695,266 | 247,762,547 | 215,932,719 | 53.4 |
| | Cultural Affairs | 40,900,000 | 40,900,000 | 0 | 100.0 |
| | Public Recreation and Entertainment | 19,620,000 | 18,795,957 | 824,043 | 95.8 |
| 3020 Trade, Tourism & Investment | Administration Unit | 325,174,295 | 173,856,010 | 101,764,110 | 53.5 |
| | Trade Development | 172,153,810 | 33,161,564 | 18,673,300 | 19.3 |
| | Development of Tourism | 25,158,933 | 3,754,138 | 21,404,795 | 14.9 |
| | Investment Promotion and Products Headquarters | 211,840,000 | 21,144,128 | 20,372,518 | 10.0 |
| | Ease of Doing Business-Headquarters | 74,605,082 | 2,451,983 | 72,153,099 | 3.3 |
| 3021 Lands, Housing and Physical Planning | Administration Unit | 225,915,432 | 47,914,128 | 178,001,304 | 21.2 |
| | Physical planning | 104,930,000 | 0 | 104,930,000 | - |
| | Land Management Unit | 71,390,963 | 12,464,952 | 58,926,011 | 17.5 |
| | Housing Development Unit | 59,600,000 | 45,065,029 | 14,534,971 | 75.6 |
| | Urban Renewal | 56,270,000 | | 56,270,000 | - |
| 3022 Transport, Infrastructure & Public Works | Administration Unit | 396,043,439 | 142,072,897 | 253,970,542 | 35.9 |
| | Road and Transport Unit | 507,255,896 | 319,822,501 | 187,433,395 | 63.0 |
| | Works Unit | 40,780,298 | 38,334,245 | 2,446,053 | 94.0 |
| | Transport Planning, Management and Safety | 77,750,000 | 50,970,158 | 26,779,842 | 65.6 |
| | Mechanical Services | 69,375,001 | 69,375,001 | 0 | 100.0 |
| | Safety, Risk Management and Rescue Services | 136,200,000 | 107,208,621 | 28,991,379 | 78.7 |
| 3023 Agriculture, Fisheries, Livestock and Co-operatives | Administration Unit-Headquarters | 192,009,875 | 44,762,383 | 147,247,492 | 23.3 |
| | Crop Management Unit | 59,407,105 | 26,620,221 | 32,786,884 | 44.8 |
| | Livestock Unit | 39,427,979 | 8,964,022 | 30,463,957 | 22.7 |
| | Fisheries Unit-Headquarters | 157,376,831 | 10,392,486 | 146,984,345 | 6.6 |
| | Veterinary Services | 21,060,547 | 19,335,570 | 1,724,977 | 91.8 |
| | Cooperatives | 13,663,512 | 5,050,032 | 8,613,480 | 37.0 |
| 3026 Devolution & Public Service Administration | Administration | 615,238,749 | 289,046,709 | 326,192,040 | 47.0 |
| | Devolution and public service administration | 111,358,237 | 107,752,712 | 3,605,525 | 96.8 |
| | Public Service Reforms and Delivery | 26,929,118 | 20,151,257 | 6,777,861 | 74.8 |
| | Compliance and Enforcement | 105,672,976 | 0 | 105,672,976 | - |
| | County Administration and decentralized services | 92,501,914 | 21,710,955 | 70,790,959 | 23.5 |
| County Assembly | | 684,382,942 | 439,148,550 | 245,234,392 | 64.2 |
| Grand Total | | 14,634,579,687 | 7,288,465,611 | 7,346,114,076 | 49.8 |

Source: Mombasa County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Curative/Clinical Health Services in the Department of Health Services at 232.6 per cent, Culture affairs in the Department of Youth, Gender, Sports and Cultural Affairs at 100 per cent and Mechanical Services in the Department of Transport, Infrastructure & Public Works at 100 per cent of budget allocation.

3.29.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 25th April 2021 contrary to OCoB's instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB

Act, 2016.

2. Under-performance of own source revenue at Kshs.2.48 billion against an annual projection of Kshs.5.25 billion, representing 47.2 per cent of the annual target.
3. Use of non-prudent budgeting practices as shown in Table 3.5 and Table 3.6 where the County incurred expenditure over approved budgetary allocations.
4. Late preparation of Supplementary budget to align the budget inflows with outflows.

The County should implement the following recommendations to improve budget execution;

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.*
2. *The County should address its own source revenue performance to ensure the approved budget is fully financed.*
3. *The County Treasury should improve the Vote book and budgetary control to ensure that expenditure is within the approved budget. Further, all revenues should be banked intact into the CRF in line with Section 109 (2) of the PFM Act, 2012.*
4. *The County should prepare a Supplementary budget in good time to avoid interdepartmental huge funds reallocations that overrun expenditures against the budgeted amounts.*

3.30 County Government of Murang'a

3.30.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.8.89 billion, comprising of Kshs.3.15 billion (35.5 per cent) and Kshs.5.73 billion (64.5 per cent) allocations for Development and Recurrent programmes, respectively.

To finance the budget, the county expected to receive Kshs.6.46 billion (72.7 per cent) being equitable share of revenue raised nationally, Kshs.880.61 billion (9.9 per cent) as total conditional grants, generate Kshs.900 million (10.1 per cent) from own sources of revenue, and the cash balance of Kshs.540.66 million (6.1 per cent) from FY 2019/20. The County also expects to receive Kshs.107.18 million (1.2 per cent) as "other revenues" not contained in the CARA, 2020. The other revenue consists of conditional grants brought forward from FY 2019/20.

3.30.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.3.66 billion as equitable share of the revenue raised nationally, Kshs.476.55 million as conditional grants, raised Kshs.442.47 million as own-source revenue, and had a cash balance of Kshs.540.66 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.5.23 billion as shown in Table 3.164.

Table 3.164: Murang'a County, Revenue Performance in the First Nine Months of FY 2020/21

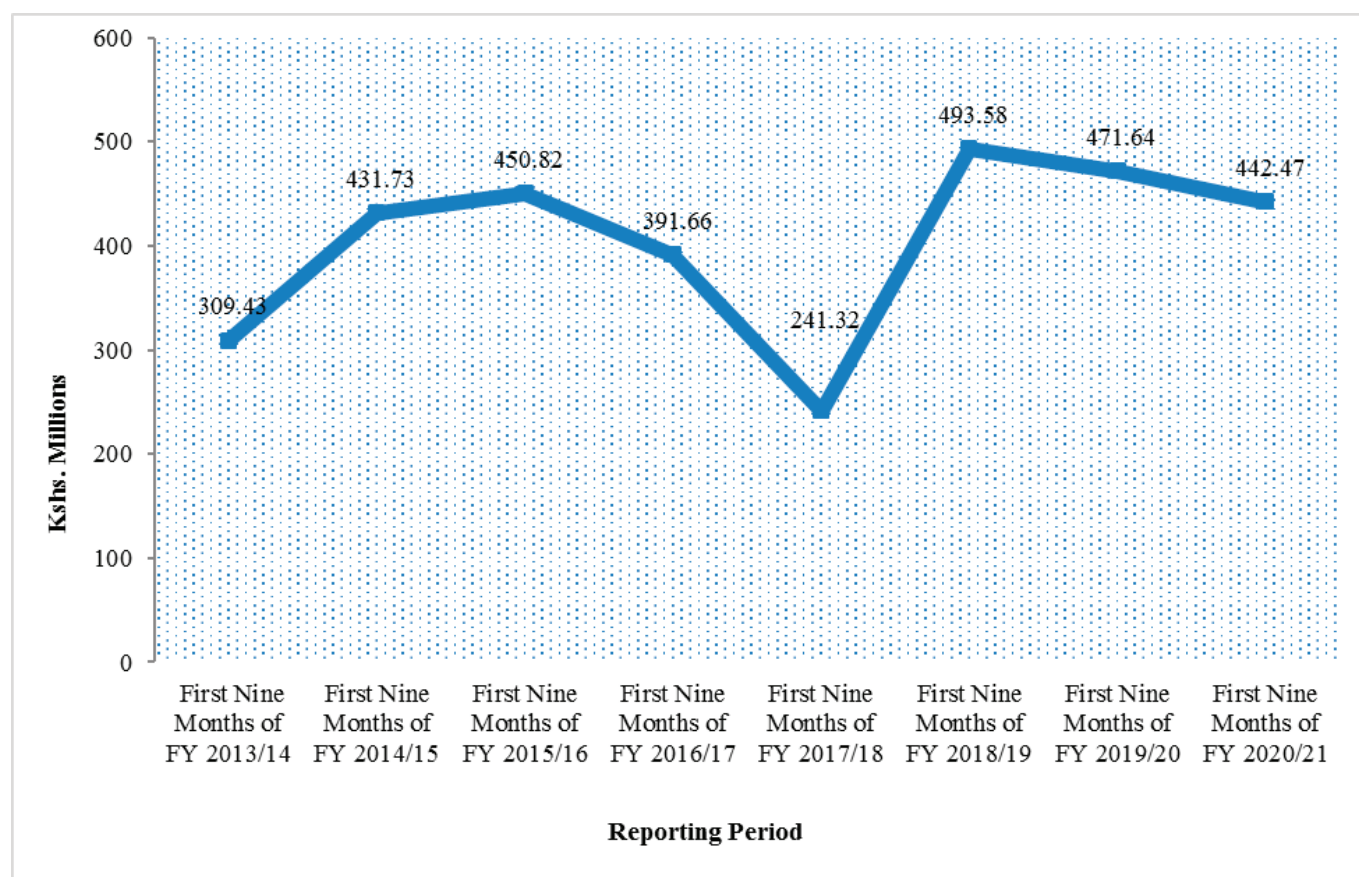
| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|------------------|--|-------------------------------------|---------------------------------|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 6,298,350,000 | 6,456,600,000 | 3,659,341,350 | 56.7 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Compensation for User Fee Foregone | 20,138,691 | 20,138,691 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 192,438,619 | 192,438,619 | 96,219,310 | 50 |
| 4. | Rehabilitation of Village Polytechnics | 97,999,894 | 97,999,894 | 48,999,947 | 50 |
| Sub Total | | 442,598,481 | 310,577,204 | 145,219,257 | 46.8 |
| C. | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) | 149,093,840 | 149,093,840 | 92,640,767 | 62.1 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 198,485,140 | 198,485,140 | 174,657,379 | 88 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) -Urban Development Grant (UDG) | 124,800,000 | 124,800,000 | - | - |

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|--|-------------------------------------|---------------------------------|---|--|
| 5. | DANIDA Grant | 17,910,000 | 17,910,000 | 8,955,000 | 50 |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 12,746,035 | 12,746,035 | 10,073,583 | 79 |
| 7. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) - Urban Institutional Grants (UIG) | 22,000,000 | 22,000,000 | - | - |
| Sub Total | | 570,035,015 | 570,035,015 | 331,326,729 | 58.1 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 900,000,000 | 442,468,954 | 49.2 |
| 2. | Balance b/f from FY 2019/20 | - | 540,658,100 | 540,658,100 | 100 |
| 3. | Other Revenues | - | 107,184,716 | 107,184,716 | 100 |
| Sub Total | | - | 1,547,842,816 | 1,090,311,770 | 70.4 |
| Grand Total | | 7,310,983,496 | 8,885,055,035 | 5,226,199,107 | 58.8 |

Source: Murang'a County Treasury

Figure 3.57 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.57: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Murang'a County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.442.47 million as own-source revenue. This amount represented a decrease of 6.2 per cent compared to Kshs.471.64 million realised during a similar period in FY 2019/20 and was 49.2 per cent of the annual target.

3.30.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.89 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.66 billion (34 per cent) for development programmes and Kshs.3.23 billion (66 per cent) for recurrent programmes.

3.30.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.4.82 billion on development and recurrent programmes. The expenditure represented 98.5 per cent of the total funds released by the COB and comprised Kshs.1.59 billion and Kshs.3.23 billion on development and recurrent programmes. Expenditure on development programmes represented an absorption rate of 50.5 per cent while recurrent expenditure represented 56.3 per cent of the annual recurrent expenditure budget.

3.30.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.65 billion was spent on compensation to employees, Kshs.570.44 million on operations and maintenance, and Kshs.1.59 billion on development activities, as shown in Table 3.165.

Table 3.165: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------|--------------------------|---------------------|----------------|
| Total Recurrent Expenditure | 5,730,893,283 | 3,229,898,932 | 3,225,032,984 | 56.3 |
| Compensation to Employees | 4,072,478,560 | 2,654,596,548 | 2,654,596,549 | 65.2 |
| Operations and Maintenance | 1,658,414,723 | 575,302,384 | 570,436,435 | 34.4 |
| Total Development Expenditure | 3,154,161,752 | 1,661,716,057 | 1,593,383,038 | 50.5 |
| Development Expenditure | 3,154,161,752 | 1,661,716,057 | 1,593,383,038 | 50.5 |
| Total | 8,885,055,035 | 4,891,614,989 | 4,818,416,022 | 54.2 |

Source: Murang'a County Treasury

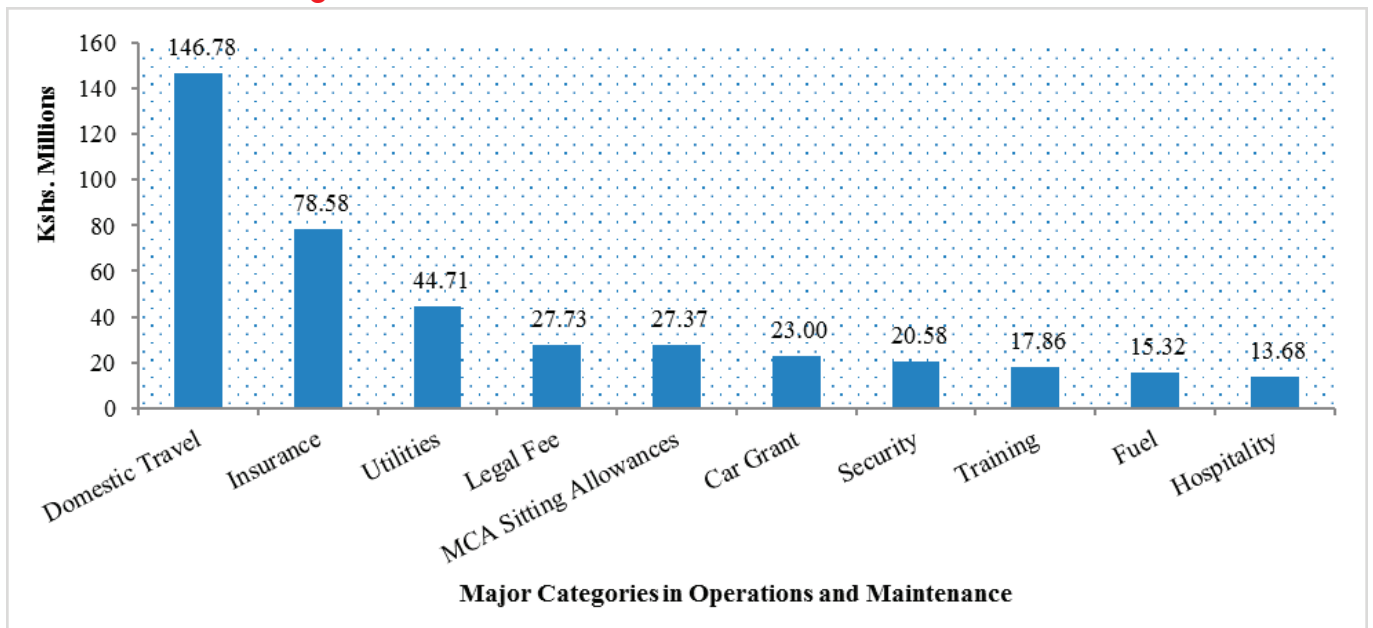
3.30.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 55.1 per cent of the total expenditure for the reporting period and 39.8 per cent of the first nine months proportional revenue estimate of Kshs.66.6 billion.

3.30.7 Expenditure on Operations and Maintenance

Figure 3.58 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.58: Murang'a County, Operations and Maintenance Expenditure by Major Categories



Source: Murang'a County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.27.37 million on committee sitting allowances for the 54 MCAs and Speaker against the annual budget allocation of Kshs.72 million. The average monthly sitting allowance was Kshs.56,324 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.146.78 million and comprised of Kshs.110.02 million spent by the County Assembly and Kshs.36.76 million by the County Executive. Expenditure on foreign travel amounted to Kshs.320,056 by the County Assembly.

3.30.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs. 51.06 million to cater for COVID-19 related expenditure. A total of Kshs.46.91 million was spent during the reporting period, as shown in Table 3.166.

Table 3.166: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March, 2021 (Kshs) |
|--------------|---|---------------------------------|---|
| 1 | Isolation centres | 9,000,000 | 8,781,786 |
| 2 | PPEs | 3,000,000 | 2,355,200 |
| 3 | N95 Masks | 5,000,000 | 4,397,000 |
| 4 | Accommodation for health workers | 2,000,000 | 1,797,750 |
| 5 | Allowances, Educators & Technical staff | 1,570,000 | 1,379,375 |
| 6 | Food | 5,100,000 | 4,854,850 |
| 7 | Sanitizers | 3,500,000 | 3,441,600 |
| 8 | 3 Ply Masks | 10,000,000 | 8,356,143 |
| 9 | ICU Equipment's | 11,200,000 | 11,071,590 |
| 10 | Fumigation | 387,362 | 184,200 |
| 11 | Bank Charges | - | 14,110 |
| 12 | Social Mobilization | 300,000 | 278,000 |
| Total | | 51,057,362 | 46,911,604 |

Source: Murang'a County Treasury

3.30.9 Development Expenditure

The County incurred expenditure of Kshs.1.59 billion on development programmes, which represented a decrease of 23 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.2.09 billion. Table 3.167 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.167: Murang'a County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|--|------------------------|------------------------------------|---------------------|
| 1 | Supply of pharms and non-pharms | Murang'a level V | 145,000,000 | 116,487,361 | 80.3 |
| 2 | Food security (Supply of maize seeds) | County wide | 41,020,000 | 41,020,000 | 100 |
| 3 | Supply of ICU Ventilators and other items | Muranga Level 5 ICU Centre | 34,689,894 | 34,689,894 | 100 |
| 4 | Milk support | MCC-Maragua | 20,000,000 | 20,000,000 | 100 |
| 5 | Gravelling, Maintenance and Equipment | Kariara ward, Kambiti ward, Mugumo ini ward, ichagaki ward, Kihumbu-ini. | 50,000,000 | 19,386,755 | 38.8 |
| 6 | Foot bridge construction gatuya play ground | Mugoiri ward | 2,945,267 | 2,945,267 | 100 |
| 7 | Construction of Gathungururu box culvert | Ichagaki Ward | 2,813,772 | 2,813,772 | 100 |
| 8 | Culvert installation at Glogon | Township ward | 2,535,931 | 2,535,931 | 100 |
| 9 | Spot improvement of Gitui play ground | Wangu ward | 2,372,840 | 2,372,840 | 100 |
| 10 | Drilling and equipping of Maragua borehole | Maragua | 2,037,949 | 2,037,949 | 100 |

Source: Murang'a County Treasury

3.30.10 Budget Performance by Department

Table 3.168 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.168: Murang'a County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|----------------|-----------------------------|----------------|-------------------------------------|-----------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Governorship, County Coordination and Administration | 270.32 | - | 107.85 | - | 108.45 | | 100.6 | 0.0 | 40.1 | 0.0 |
| Finance, Information Technology and Economic Planning | 325.00 | 21.00 | 144.70 | - | 138.99 | | 96.1 | 0.0 | 42.8 | 0.0 |
| Agriculture, Livestock And Fisheries | 250.24 | 566.41 | 106.30 | 345.60 | 106.31 | 229.36 | 100 | 66.4 | 42.5 | 40.5 |
| Energy Transport and Roads | 32.14 | 510.44 | 9.50 | 249.78 | 9.53 | 297.89 | 100.3 | 119.3 | 29.7 | 58.4 |
| Commerce, Trade, Industry and Tourism | 24.65 | 266.00 | 10.33 | 156.81 | 10.33 | 156.81 | 100 | 100 | 41.9 | 59 |
| Health and Sanitation | 2,607.6 | 1,120.71 | 1,840.62 | 744.01 | 1,845.97 | 744.01 | 100.3 | 100 | 70.8 | 66.4 |
| Lands, Housing & Physical Planning | 151.68 | 179.80 | 50.49 | 45.66 | 50.75 | 44.46 | 100.5 | 97.4 | 33.5 | 24.7 |
| Education & Technical Training | 443.41 | 186.80 | 174.56 | 57.36 | 174.56 | 57.36 | 100 | 100 | 39.4 | 30.7 |
| Public Service | 587.91 | - | 282.67 | - | 278.96 | - | 98.7 | - | 47.4 | - |
| Youth, Culture, Gender, Social Services & Special Programs | 103.71 | 22.00 | 24.33 | 17.77 | 24.01 | 18.77 | 98.7 | 105.6 | 23.2 | 85.3 |
| Environment & Natural Resources | 47.07 | 31.00 | 20.06 | 1.46 | 19.40 | 1.46 | 96.7 | 100 | 41.2 | 4.7 |
| County Public Service Board | 44.64 | - | 16.79 | - | 20.65 | - | 123 | - | 46.3 | - |
| Water & Irrigation | 57.35 | 200.00 | 23.69 | 43.26 | 23.69 | 43.26 | 100 | 100 | 41.3 | 21.6 |
| County Assembly | 785.14 | 50.00 | 417.99 | - | 413.13 | - | 98.8 | - | 52.6 | - |
| TOTAL | 5,730.9 | 3,154.16 | 3,229.9 | 1,661.7 | 3,224.7 | 1,593.4 | 99.8 | 95 | 56.3 | 50.5 |

Source: Murang'a County Treasury

Analysis of expenditure by department shows that the Department of Youth, Culture, Gender, Social Services & Special Programs recorded the highest absorption rate of development budget at 85.3 per cent while the Department of Finance, Information Technology and Economic Planning and the County Assembly did not incur any expenditure on development activities. The Department of Health and Sanitation had the highest percentage of recurrent expenditure to budget at 70.8 per cent, while the Department of Youth, Culture, Gender, Social Services & Special Programs had the lowest at 23.2 per cent.

3.30.11 Budget Execution by Programmes and Sub-Programmes

Table 3.169 summarises the budget execution by programmes and sub-programmes for the first nine months of FY 2020/21.

Table 3.169: Murang'a County, Budget Execution by Programmes and Sub-programmes

| Budget Execution by Programmes and Sub-Programmes | | | | | | |
|---|--|------------------------|------------------------|-------------------|----------------|--|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) | |
| FINANCE, IT AND PLANNING | | | | | | |
| Stalled and new Government buildings | Stalled and new Government buildings | 2,000,000 | - | 2,000,000 | - | |
| | sub total | 2,000,000 | - | 2,000,000 | - | |
| ICT Infrastructure Connectivity | ICT Infrastructure Connectivity | 13,000,000 | - | 13,000,000 | - | |
| | sub total | 13,000,000 | - | 13,000,000 | - | |
| Budget Formulation Coordination and Management | Revenue Sub Program And Ict And Automation | 33,300,000 | 14,463,741 | 18,836,259 | 43.4 | |
| | Budget Formulation Coordination and Management | 3,900,000 | 1,936,728 | 1,963,272 | 49.7 | |
| | Economic Planning and CIDP Review | 7,000,000 | 2,421,349 | 4,578,651 | 34.6 | |
| | sub total | 44,200,000 | 18,821,818 | 25,378,182 | 42.6 | |

| Budget Execution by Programmes and Sub-Programmes | | | | | | |
|--|--|-----------------|--------------------|-------------------------|--------------------|----------------|
| Programme | Sub- Programme | Approved (Kshs) | Budget | Actual Pay-ments (Kshs) | Variance (Kshs.) | Absorption (%) |
| Public Participation | Public Participation | | 4,837,988 | 1,818,080 | 3,019,908 | 37.6 |
| | sub total | | 4,837,988 | 1,818,080 | 3,019,908 | 37.6 |
| General Administration Planning and support Services | General Administration Planning and support Services | | 268,862,262 | 113,186,478 | 155,675,784 | 42.1 |
| | Sub total | | 268,862,262 | 113,186,478 | 155,675,784 | 42.1 |
| Public Financial Management Reforms | Public Financial Management | | 9,900,000 | 3,476,211 | 6,423,789 | 35.1 |
| | sub total | | 9,900,000 | 3,476,211 | 6,423,789 | 35.1 |
| Control and Management of Public finances | Budget implementation and Monitoring | | 3,200,000 | 1,688,905 | 1,511,095 | 52.8 |
| | sub total | | 3,200,000 | 1,688,905 | 1,511,095 | 52.8 |
| | Grand Total | | 346,000,250 | 138,991,492 | 207,008,758 | 40.2 |
| AGRICULTURE LIVESTOCK AND FISHERIES | | | | | | |
| Promotion Food Security | Land and Crops Development | | 2,700,000 | 458,000 | 2,242,000 | 17 |
| | Promotion Food Security | | 569,911,735 | 229,901,794 | 340,009,941 | 40.3 |
| | sub total | | 572,611,735 | 230,359,794 | 342,251,941 | |
| Value addition and marketing of fish products | Value addition and marketing of fish products | | 108,499,487 | 63,090,555 | 45,408,932 | 58.1 |
| | sub total | | 108,499,487 | 63,090,555 | 45,408,932 | 58.1 |
| Livestock Diseases Management and Control | Livestock Policy Development and capacity building Programme | | 3,500,000 | - | 3,500,000 | - |
| | Livestock Diseases Management and Control | | 5,000,000 | 1,229,200 | 3,770,800 | 24.6 |
| | sub total | | 8,500,000 | 1,229,200 | 7,270,800 | |
| General Administration Planning and support Services | General Administration Planning and support Services | | 127,036,464 | 40,983,680 | 86,052,784 | 32.3 |
| | sub total | | 127,036,464 | 40,983,680 | 86,052,784 | 32.3 |
| | Grand Total | | 816,647,686 | 335,663,229 | 480,984,457 | 41.1 |
| ROADS AND INFRASTRUCTURE DEPARTMENT | | | | | | |
| Construction of Roads and Bridges | Construction of Roads and Bridges | | 27,823,060 | 9,351,381 | 18,471,679 | 33.6 |
| | General Administration, Planning and Support Services | | 510,438,619 | 297,891,851 | 212,546,768 | 58.4 |
| | sub total | | 538,261,679 | 307,243,232 | 231,018,447 | 57.1 |
| Land Administration and Management | Land Administration and Management | | 4,319,000 | 180,000 | 4,139,000 | 4.2 |
| | sub total | | 4,319,000 | 180,000 | 4,139,000 | 4.2 |
| | Grand Total | | 542,580,679 | 307,423,232 | 235,157,447 | 56.7 |
| WATER AND IRRIGATION | | | | | | |
| Water Resources Management | Water Supply Infrastructure | | 257,351,213 | 66,952,332 | 190,398,881 | 26 |
| | Grand Total | | 257,351,213 | 66,952,332 | 190,398,881 | 26 |
| COMMERCE, TRADE, INDUSTRY AND TOURISM | | | | | | |
| Trade Development and Promotion | Domestic Trade Development | | 3,500,000 | 334,550 | 3,165,450 | 9.6 |
| | Fair Trade and Consumer Protection | | 3,100,000 | 1,750,000 | 1,350,000 | 56.5 |
| | sub total | | 6,600,000 | 2,084,550 | 4,515,450 | 31.6 |
| Tourism Development and Promotion | Tourism Promotion and Marketing | | 2,000,000 | 490,250 | 1,509,750 | 24.5 |
| | sub total | | 2,000,000 | 490,250 | 1,509,750 | 24.5 |
| Agribusiness and Information Management | Agribusiness and Market Development | | 4,200,000 | 815,200 | 3,384,800 | 19.4 |
| | sub total | | 4,200,000 | 815,200 | 3,384,800 | 19.4 |
| General Administration Planning and support Services | General Administration Planning and support Services | | 11,850,166 | 6,944,044 | 4,906,122 | 58.6 |
| | sub total | | 11,850,166 | 6,944,044 | 4,906,122 | 58.6 |
| Cooperative Development and Management | Co-operative Advisory Services | | 16,299,950 | 2,921,185 | 13,378,765 | 17.9 |
| | sub total | | 16,299,950 | 2,921,185 | 13,378,765 | 17.9 |

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|--|---|------------------------|------------------------|----------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
| Trade Promotion and marketing | Domestic Trade Development | 266,000,000 | 156,806,125 | 109,193,875 | 58.9 |
| | sub total | 266,000,000 | 156,806,125 | 109,193,875 | 58.9 |
| | Grand Total | 306,950,116 | 170,061,354 | 136,888,762 | 55.4 |
| 4018 HEALTH AND SANITATION | | | | | |
| Curative Health Services | Forensic and Diagnostics | 3,000,000 | 600,000 | 2,400,000 | 20.0 |
| | Free Primary Healthcare | 551,706,290 | 252,476,425 | 299,229,865 | 45.8 |
| | sub total | 554,706,290 | 253,076,425 | 301,629,865 | 45.6 |
| General Administration Planning and support Services | General Administration Planning and support Services | 3,172,125,424 | 2,336,406,504 | 835,718,920 | 73.7 |
| | General Administration Planning and support Services - Infrastructure Support Program | 1,500,000 | 500,000 | 1,000,000 | 33.3 |
| | sub total | 3,173,625,424 | 2,336,906,504 | 836,718,920 | 73.6 |
| | Grand Total | 3,728,331,714 | 2,589,982,929 | 1,138,348,786 | 69.5 |
| LANDS HOUSING AND PHYSICAL PLANNING | | | | | |
| Land survey, housing and administration | Land Policy and Planning | 11,000,000 | - | 11,000,000 | - |
| | Land Survey | 14,000,000 | - | 14,000,000 | - |
| | sub total | 25,000,000 | - | 25,000,000 | - |
| Infrastructure Development and Expansion | Infrastructure Development and Expansion | 51,920,000 | 7,457,794 | 44,462,206 | 14.4 |
| | sub total | 51,920,000 | 7,457,794 | 44,462,206 | 14.4 |
| General Administration, Planning and Support Services | County Administrative Services | 194,172,371 | 73,294,094 | 120,878,277 | 37.7 |
| | sub total | 194,172,371 | 73,294,094 | 120,878,277 | 37.7 |
| Public Trusts and Estates Management | Public Trusts and Estates Management | 11,000,000 | - | 11,000,000 | - |
| | sub total | 11,000,000 | - | 11,000,000 | - |
| Administration and Planning | ADMIN AND PLANNING | 49,392,371 | 14,454,033 | 34,938,338 | 29.3 |
| | sub total | 49,392,371 | 14,454,033 | 34,938,338 | 29.3 |
| | Grand Total | 331,484,742 | 95,205,921 | 236,278,821 | 28.7 |
| PUBLIC SERVICE AND ADMINISTRATION | | | | | |
| General Administration Planning and support Services | General Administration Planning and support Services | 587,915,401 | 278,958,207 | 308,957,194 | 47.4 |
| | Grand Total | 587,915,401 | 278,958,207 | 308,957,194 | 47.4 |
| EDUCATION AND TECHNICAL TRAINING | | | | | |
| Gender & Youth Empowerment | Gender & Youth Empowerment | 3,100,000 | - | 3,100,000 | - |
| | sub total | 3,100,000 | - | 3,100,000 | - |
| Youth Training and Development | Revitalization of Youth Polytechnics | 123,147,008 | 47,344,758 | 75,802,250 | 38.4 |
| | sub total | 123,147,008 | 47,344,758 | 75,802,250 | 38.4 |
| Education | Early Childhood Development Education | 92,158,100 | 9,347,254 | 82,810,846 | 10.1 |
| | Motivation of Primary and Secondary School | 94,000,000 | 6,178,501 | 87,821,499 | 6.6 |
| | sub total | 186,158,100 | 15,525,755 | 170,632,345 | 8.3 |
| General Administration Planning and support Services | General Administration Planning and support Services | 287,806,195 | 169,051,469 | 118,754,726 | 58.7 |
| | Sub total | 287,806,195 | 169,051,469 | 118,754,726 | 58.7 |
| Stalled and new Government buildings | Stalled and new Government buildings | 30,000,000 | - | 30,000,000 | - |
| | sub total | 30,000,000 | - | 30,000,000 | - |
| | Grand Total | 630,211,303 | 231,921,982 | 398,289,321 | 36.8 |
| YOUTH CULTURE GENDER SPORTS AND SOCIAL SERVICES | | | | | |
| Social Assistance to vulnerable groups | Social Assistance to vulnerable groups | 66,253,038 | 17,902,739 | 48,350,299 | 27 |
| | Persons Living With Disabilities | 22,000,000 | 18,772,224 | 3,227,776 | 85.3 |
| | sub total | 88,253,038 | 36,674,963 | 51,578,075 | 41.6 |
| Development and Management of Sports Facilities | Development and Management of Sports Facilities | 9,902,096 | 730,770 | 9,171,326 | 7.4 |
| | sub total | 9,902,096 | 730,770 | 9,171,326 | 7.4 |
| Development And Promotion of Culture | Development And Promotion of Culture | 3,251,520 | 532,000 | 2,719,520 | 16.4 |
| | sub total | 3,251,520 | 532,000 | 2,719,520 | 16.4 |

| Budget Execution by Programmes and Sub-Programmes | | | | | | |
|---|---|-----------------|----------------------|------------------------|----------------------|----------------|
| Programme | Sub- Programme | Approved (Kshs) | Budget | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
| Gender & Youth Empowerment | Youth Development Services | | 1,100,000 | 170,000 | 930,000 | 15.5 |
| | sub total | | 1,100,000 | 170,000 | 930,000 | 15.5 |
| General Administration Planning and support Services | General Administration Planning and support Services | | 6,900,000 | 1,749,500 | 5,150,500 | 25.4 |
| | sub total | | 6,900,000 | 1,749,500 | 5,150,500 | 25.4 |
| | Grade total | | 109,406,654 | 39,857,233 | 69,549,421 | 36.4 |
| ENVIRONMENT AND CLIMATE CHANGE | | | | | | |
| Environmental Leadership and Governance | Environmental Leadership and Governance | | 18,600,000 | 1,763,550 | 16,836,450 | 9.5 |
| | sub total | | 18,600,000 | 1,763,550 | 16,836,450 | 9.5 |
| Hazardous Waste | Hazardous Waste | | 21,400,000 | - | 21,400,000 | - |
| | sub total | | 21,400,000 | - | 21,400,000 | - |
| General Administration Planning and support Services | General Administration Planning and support Services | | 38,069,186 | 19,400,259 | 18,668,927 | 51 |
| | sub total | | 38,069,186 | 19,400,259 | 18,668,927 | 51 |
| | Grade Total | | 78,069,186 | 21,163,809 | 56,905,377 | 27.1 |
| PUBLIC SERVICE BOARD | | | | | | |
| Human Resource Management | Human Resource Management | | 13,800,000 | 2,112,000 | 11,688,000 | 15.3 |
| | sub total | | 13,800,000 | 2,112,000 | 11,688,000 | 15.3 |
| Governance and Accountability | Governance and Accountability | | 3,100,000 | 30,000 | 3,070,000 | 1 |
| | sub total | | 3,100,000 | 30,000 | 3,070,000 | 1 |
| General Administration Planning and support Services | General Administration Planning and support Services | | 27,738,485 | 18,507,386 | 9,231,099 | 66.7 |
| | sub total | | 27,738,485 | 18,507,386 | 9,231,099 | 66.7 |
| | Grade Total | | 44,638,485 | 20,649,386 | 23,989,099 | 46.3 |
| COUNTY CO-ORDINATION GOVERNORSHIP AND ADMINISTRATION | | | | | | |
| Public Financial Management | Audit Services | | 5,000,000 | 399,850 | 4,600,150 | 8 |
| | sub total | | 5,000,000 | 399,850 | 4,600,150 | 8 |
| County Governments Audit | Audit Services | | 4,999,999 | 246,595 | 4,753,404 | 4.9 |
| | sub total | | 4,999,999 | 246,595 | 4,753,404 | 4.9 |
| Disaster Fund Management | Disaster Fund Management | | 9,500,000 | 1,473,878 | 8,026,122 | 15.5 |
| | sub total | | 9,500,000 | 1,473,878 | 8,026,122 | 15.5 |
| Public Participation | Public Participation | | 158,162,411 | 75,928,742 | 82,233,669 | 48 |
| | sub total | | 158,162,411 | 75,928,742 | 82,233,669 | 48 |
| General Administration Planning and support Services | General Administration Planning and support Services | | 88,362,226 | 29,851,802 | 58,510,424 | 33.8 |
| | sub total | | 88,362,226 | 29,851,802 | 58,510,424 | 33.8 |
| Quality Assurance and Monitoring of Outreach Services | Quality Assurance and Monitoring of Outreach Services | | 4,300,000 | 550,000 | 3,750,000 | 12.8 |
| | sub total | | 4,300,000 | 550,000 | 3,750,000 | 12.8 |
| | Grade total | | 270,324,636 | 108,450,867 | 161,873,769 | 40.1 |
| County Assembly | | | | | | |
| Oversight | Oversight | | 226,750,000 | 90,530,811 | 136,219,189 | 39.9 |
| Legislation and representation | Legislation and representation | | 302,400,000 | 178,348,365 | 124,051,635 | 59.0 |
| General administration and planning support | General administration and planning support | | 305,993,240 | 144,254,873 | 161,738,367 | 47.1 |
| | Grade total | | 835,143,240 | 413,134,049 | 422,009,191 | 49.5 |
| | Grand Total | | 8,885,055,035 | 4,818,416,021 | 3,339,995,530 | 59.1 |

Source: Murang'a County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Social Assistance to vulnerable groups in the Department of Youth Culture Gender Sports and Social Services at 85.3 per cent, General Administration Planning and Support Services in the Department of Health and Sanitation at 73.7 per cent, General Administration Planning and Support Services in the Department of Public Service Board at 66.7 per cent, and Legislation and representation at 59 per cent of budget allocation.

3.30.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 27th April, 2021 contrary to OCoB's

instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.

2. A high wage bill, which accounted for 55.1 per cent of the total expenditure in the first nine months of FY 2020/21 thus constraining funding to other programmes.
3. The under-performance of own source revenue at Kshs. 442.47 million against an annual projection of Kshs. 900.00 million, representing 49.2 per cent of the annual target.
4. Budgeting for a higher amount of equitable share of revenue than the allocation provided for in the CARA 2020, representing a variance of Kshs.158.25 million.
5. A high amount of pending bills amounting to Kshs.1.47 billion, which included statutory deductions for county staff.

The County should implement the following recommendations to improve budget execution;

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with Section 166 of the PFM Act, 2012.*
2. *The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.*
3. *The County should address its own source revenue performance to ensure the approved budget is fully financed.*
4. *The County should revise its revenue estimates (sharable revenue) in line with the allocations contained in the CARA, 2020.*
5. *Pending bills should be a first charge in the FY 2020/21 budget. The county should have clear budget lines for payment of pending bills. The county should also prepare a payment plan to clear the pending bills.*

3.31 County Government of Nairobi City

3.31.1 Overview of FY 2020/21 Budget

The county's approved supplementary budget for FY 2020/21 is Kshs.37.88 billion, comprising Kshs.10.10 billion (26.7 per cent) and Kshs.27.78 billion (73.3 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.19.42 billion (51.3 per cent) as the equitable share of revenue raised nationally, including Kshs.3.50 billion unremitted share for FY 2019/20, Kshs.1.29 billion (3.4 per cent) as total conditional grants, generate Kshs.16.46 billion (43.4 per cent) from own sources of revenue and a cash balance of Kshs.711.89 million (1.9 per cent) from FY 2019/20.

3.31.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.5.25 billion as an equitable share of the revenue raised nationally, Kshs.53 million as conditional grants, raised Kshs.8.21 billion as own-source revenue, and had a cash balance of Kshs.711.89 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.14.23 billion, as shown in Table 3.170.

Table 3.170: Nairobi City County, Revenue Performance in the First Nine Months of FY 2020/21

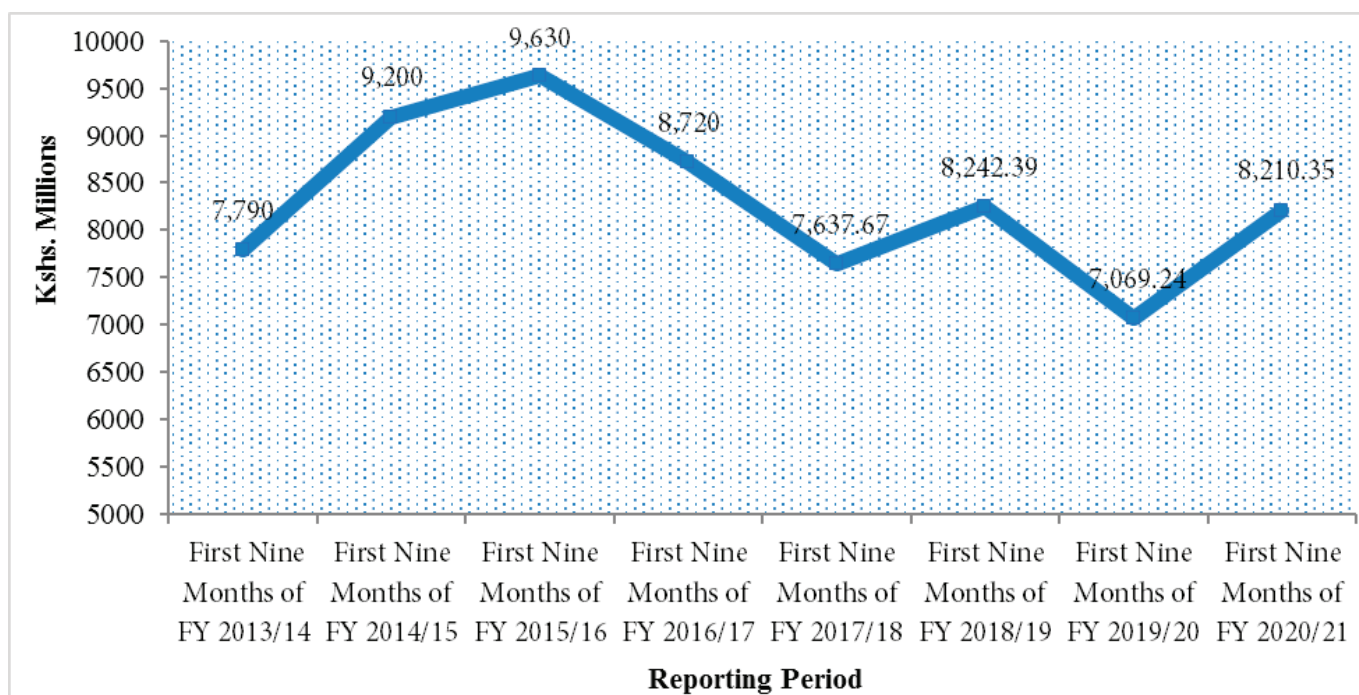
| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts in the first nine months (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|------------------|--|--|------------------------------------|---|---|
| A. | Equitable Share of Revenue Raised nationally | 15,919,950,000 | 19,420,647,260 | 5,253,583,500 | 27.1 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1 | Compensation for User Fee Foregone | 79,423,251 | 79,423,251 | | - |
| 2 | Leasing of Medical Equipment | 132,021,277 | - | | - |
| 3 | Road Maintenance Fuel Levy Fund | 475,436,588 | 927,334,932 | | - |
| 4 | Rehabilitation of Village Polytechnics | 16,009,894 | 16,009,894 | 8,004,947 | 50 |
| Sub Total | | 702,891,010 | 1,022,768,077 | 8,004,947 | 0.8 |

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts in the first nine months (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|--|------------------------------------|---|---|
| C | Loans and Grants from Development Partners | | | | |
| 1 | Transforming Health systems for Universal care Project (WB) | 60,494,430 | 60,494,430 | - | - |
| 2 | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 3 | DANIDA Grant | 45,270,000 | 45,270,000 | - | - |
| 4 | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 15,955,893 | 15,955,893 | - | - |
| Sub Total | | 166,720,323 | 166,720,323 | 45,000,000 | 27 |
| D | Other Sources of Revenue | | | | |
| 1 | Own Source Revenue | - | 16,209,511,170 | 7,988,810,107 | 49.3 |
| 2 | Balance b/f from FY 2019/20 | - | 711,888,103 | 711,888,103 | 100 |
| 3 | Appropriation in Aid (A-I-A) | - | 250,000,000 | 221,541,854 | 88.6 |
| Sub Total | | - | 17,171,399,273 | 8,922,240,064 | 52 |
| Grand Total | | 16,789,561,333 | 37,881,734,933 | 14,228,828,511 | 37.7 |

Source: Nairobi City County Treasury

Figure 3.59 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.59: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Nairobi City County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.8.21 billion as its own source revenue. This amount represented an increase of 16.1 per cent compared to Kshs.7.07 billion realised during a similar period in FY 2019/20 and was 49.3 per cent of the annual target.

3.31.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.8.05 billion from the CRF account during the reporting period. The amount comprised of Kshs.79.13 million (1.0 per cent) for development programmes and Kshs.7.97 billion (99 per cent) for recurrent programmes.

3.31.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.7.80 billion on development and recurrent programmes. The expenditure represented 96.9 per cent of the total funds released by the COB and comprised of Kshs.79.12 million and Kshs.7.72 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 0.8 per cent while recurrent expenditure represented 27.8 per cent of the annual recurrent expenditure budget.

3.31.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.4.54 billion was spent on compensation to employees, Kshs.3.18 billion on operations and maintenance, and Kshs.79.12 million on development activities as shown in Table 3.171.

Table 3.171: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 27,785,475,422 | 7,970,951,669 | 7,724,023,953 | 27.8 |
| Compensation to Employees | 17,123,007,689 | 4,682,828,116 | 4,544,005,023 | 26.5 |
| Operations and Maintenance | 10,662,467,733 | 3,288,123,553 | 3,180,018,929 | 29.8 |
| Total Development Expenditure | 10,096,259,511 | 79,125,505 | 79,125,504 | 0.8 |
| Development Expenditure | 10,096,259,511 | 79,125,505 | 79,125,504 | 0.8 |
| Total | 37,881,734,933 | 8,050,077,174 | 7,803,149,457 | 20.6 |

Source: Nairobi City County Treasury

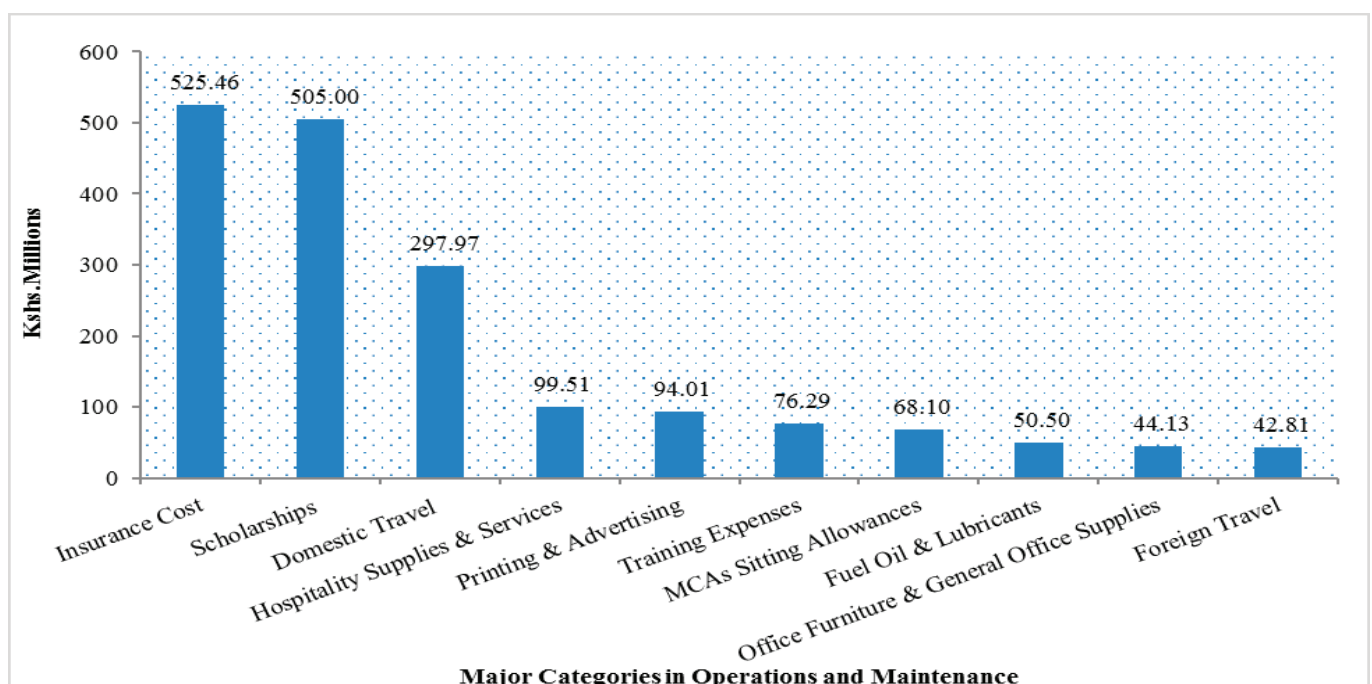
3.31.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 58.2 per cent of the total expenditure for the reporting period and 16 per cent of the first nine months proportional revenue estimate of Kshs.14.23 billion.

3.31.7 Expenditure on Operations and Maintenance

Figure 3.60 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.60: Nairobi City County, Operations and Maintenance Expenditure by Major Categories



Source: Nairobi City County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.68.10 million on committee sitting allowances for the 124 MCAs and Speaker against the annual budget allocation of Kshs.109.12 million. The average monthly sitting allowance was Kshs.61,020 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.297.97 million and comprised of Kshs.129.38 million spent by the County Assembly and Kshs.168.59 million by the County Executive. Expenditure on foreign travel amounted to Kshs.42.81 million and consisted of Kshs.3.79 million by the County Assembly and Kshs.39.02 million by the County Executive.

3.31.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county did not provide for any COVID-19 related expenditure while a total of Kshs.47.60 million was brought forward from FY 2019/20, which comprised of Kshs.17.61 million as a grant from DANIDA and Kshs.30 million for Kenya Devolution Support Project (KDSP). The County did not report expenditure on COVID-19 during the reporting period.

3.31.9 Development Expenditure

The County incurred expenditure of Kshs.79.12 million on development programmes, which represented a decrease of 93.7 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.25 billion. Table 3.172 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.172: Nairobi City County, List of Development Projects with the Highest Expenditure

| No. | Project description | Location | Approved Supplementary Budget (Kshs) | Actual Payment (Kshs) | Absorption Rate (%) |
|-----|---|--|--------------------------------------|-----------------------|---------------------|
| 1 | City Park Market Reconstruction of burnt market | Parklands/Aga Khan (Westlands Sub County) | 30,000,000 | 13,331,447 | 44.4 |
| 2 | Construction of new ECDE schools | Gatina, Mowlem superloaf, Kayole 1 Primary, Joash Olun & Kangemi Primary | 20,000,000 | 7,370,728 | 36.9 |
| 3 | Rehabilitation Works (Laton Contractors) | New Pumwani Market | 6,993,183 | 6,993,183 | 100 |
| 4 | Rehabilitation of New Pumwani Market (Pekals Ltd) | New Pumwani Market | 6,814,718 | 6,814,781 | 100 |
| 5 | Reroofing all blocks (Eleven Contractors) | New Pumwani Market | 16,610,028 | 6,814,781 | 41 |
| 6 | E-payment maintainance | City Hall | 10,000,000 | 6,664,000 | 66.6 |
| 7 | Purchase of ECDE Furniture & Play Equipment | 212 ECDE Centers | 7,515,995 | 4,546,500 | 60.5 |
| 8 | Smartnet licenses and Support | City Hall | 81,000,000 | 3,634,119 | 4.5 |
| 9 | Completion of Dandora II Hall Construction | Dandora 2 Ward | 7,000,000 | 2,172,032 | 31 |
| 10 | Refurbishment of ICT Offices | City Hall | 5,000,000 | 1,452,412 | 29 |

Source: Nairobi City County Treasury

3.31.10 Budget Performance by Department

Table 3.173 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.173: Nairobi City County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|--------|----------------------------------|-------|-----------------------------|-------|-------------------------------------|------|---------------------|-----|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Public Service Board | 91.50 | 35 | 30.16 | - | 35.69 | - | 118 | - | 39.0 | - |
| Office of Governor & Deputy Governor | 4,440.73 | 165.10 | 2,497.4 | - | 2,544.1 | - | 101.9 | - | 57.3 | - |
| ICT, E-Govt & Public Communications | 189.78 | 279 | 92.55 | 17.09 | 92.03 | 11.75 | 99.4 | 68.8 | 48.5 | 4.2 |
| Finance & Economic Planning | 2,189.42 | - | 1,414.5 | - | 1,158 | - | 81.8 | - | 52.9 | - |
| Health | 366.78 | - | 586.71 | - | 547.71 | - | 93.4 | - | 149.3 | - |
| Urban Planning And Lands | 17.65 | - | 36.87 | - | 30.29 | - | 82.2 | - | 171.6 | - |
| Public Works, Transport & Infrastructure | 77.86 | - | 75.21 | - | 66.21 | - | 88 | - | 85 | - |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|--------------|-----------------------------|--------------|-------------------------------------|------------|---------------------|------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Education, Youth Affairs, Sports, Culture & Social Services | 1,936.84 | 136.14 | 1,190.6 | 32.06 | 1,184.7 | 23.20 | 99.5 | 72.4 | 61.2 | 17.0 |
| Trade, Commerce, Tourism & Cooperatives | 532.51 | 222.42 | 148.45 | 27.14 | 146.41 | 41.34 | 98.6 | 152.3 | 27.5 | 18.6 |
| Public Service Management | 1,396.79 | 11.40 | 508.72 | 2.84 | 518.76 | 2.84 | 102 | 100 | 37.1 | 24.9 |
| Agriculture, Livestock Development, Fisheries & Forestry | 297.16 | 74.20 | 145.59 | - | 121.57 | - | 83.5 | - | 40.9 | - |
| County Assembly | 1,655.98 | 100 | 1,032.5 | - | 1,032.5 | - | 100 | - | 62.3 | - |
| Environment, Water, Energy & Natural Resources | 34.03 | - | 42.34 | - | 35.34 | - | 83.5 | - | 103.8 | - |
| Urban Renewal And Housing | 32.41 | - | 9.80 | - | 8.07 | - | 82.3 | - | 24.9 | - |
| Ward Development Programmes | 17.03 | - | 0.32 | - | 0.32 | - | 100 | - | 1.9 | - |
| Emergency Fund | 130 | - | 79.83 | - | 79.83 | - | 100 | - | 61.4 | - |
| Liquor Licensing Board | 219.34 | 50 | - | - | 122.89 | - | - | - | 56 | - |
| Nairobi Metropolitan Services | 14,159.7 | 9,023 | 79.42 | - | - | - | - | - | - | - |
| TOTAL | 27,785.5 | 10,096.3 | 7,971 | 79.13 | 7,724 | 79.13 | 96.9 | 100 | 27.8 | 0.8 |

Source: Nairobi City County Treasury

Analysis of departments' expenditure shows that the Department of Public Service Management recorded the highest absorption rate of development budget at 24.9 per cent followed by the Department of Trade, Commerce, and Tourism & Cooperatives at 18.6 per cent. The Department of Health, the Department of Urban Planning and Lands, and the Department of Environment, Water, Energy and Natural Resources recorded an absorption rate of recurrent expenditure above 100 per cent. This was caused by a reduction in budget allocations during the supplementary budget below actual expenditure. The Nairobi Metropolitan Services (NMS) did not report any expenditure during the period.

3.31.11 Budget Execution by Programmes and Sub-Programmes

Table 3.174 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.174: Nairobi City County, Budget Execution by Programmes and Sub-programmes

| Vote Code Title | Programme | Programme Code and Title | Revised Budgets (Kshs.) | Total Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|--|--|--|-------------------------|------------------------|----------------------|----------------|
| | 0701000 P1 General Administration Planning and Support Services | 0701010 SP1.1 General Administration Planning and Support Services | 126,503,677 | 35,687,276 | 90,816,401 | 28 |
| | | Total 5311000000 COUNTY PUBLIC SERVICE BOARD | 126,503,677 | 35,687,276 | 90,816,401 | 28 |
| 5312 OFFICE OF GOVERNOR & DEPUTY GOVERNOR | | | | | | |
| | 0718005310 General Administrative Services | 0718015310 Sp1 General Administration & Support Services | 570,149,822 | 164,784,975 | 405,364,847 | 29 |
| | | 0718025310 Sp2 Sub County Administration | 1,761,715,884 | 1,262,058,606 | 499,657,278 | 72 |
| | | 0718075310 Sp7 County Executive | 315,338,763 | 179,858,634 | 135,480,129 | 57 |
| | | 0718095310 Sp9 Audit | 100,154,396 | 43,202,896 | 56,951,500 | 43 |
| | 0724005310 P 24 Security and Safety Management | 0724055310 Inspectorate | 782,090,740 | 535,814,983 | 246,275,757 | 69 |
| | | 0724015310 sp 24.1 investigative Services | 80,459,115 | 20,523,175 | 59,935,940 | 26 |
| | P; 0726005310: Disaster Management Coordination | 072601510: Fire & Disaster Management | 283,657,682 | 64,961,336 | 218,696,346 | 23 |
| | 0725005310 P 25 management of legal affairs | 0725015310 sp 25.1 legal services | 712,266,993 | 469,265,185 | 243,001,808 | 66 |
| | | Total 5312000000 OFFICE OF GOVERNOR & DEPUTY GOVERNOR | 4,605,833,395 | 2,740,469,790 | 1,865,363,605 | 59 |

| Vote Code Title | Programme | Programme Code and Title | Revised Budgets (Kshs.) | Total Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|---|--|-------------------------|------------------------|----------------------|----------------|
| 5313000000 ICT, E-GOVT & PUBLIC COMMUNICATIONS | | | | | | |
| | 0207000 P1: General Administration Planning and Support Services | 0207010 SP 1: General Administration, Planning And Support Services | 107,043,947 | 59,804,852 | 47,239,095 | 56 |
| | 0208000 P2: Information And Communication Services | 0208010 SP 2.1: News And Information Services | 59,185,970 | 29,159,652 | 30,026,318 | 49 |
| | | 0208030 SP 2.3: ICT and Media Regulatory Services | 10,676,710 | 1,980,000 | 8,696,710 | 19 |
| | | 0208040 SP 2.4 E-Government Services | 188,860,760 | 10,981,719 | 177,879,041 | 6 |
| | 0210005310 ICT Infrastructure Development | 0210010 SP1: ICT Infrastructure Connectivity | 98,508,000 | 1,856,680 | 96,651,320 | 2 |
| | | 0210035310 sp 3:Information Security | 4,508,000 | 0 | 4,508,000 | 0 |
| | | Total 5313000000 ICT, E-GOVT & PUBLIC COMMUNICATIONS | 468,783,387 | 103,782,903 | 365,000,484 | 22 |
| 5314000000 FINANCE & ECONOMIC PLANNING | | | | | | |
| | 0701005310 Public Financial Management | 0701015310 Assets Management Services | 252,376,910 | 131,304,400 | 121,072,510 | 52 |
| | | 0701065310 sp1.6 Accounting Services | 817,803,840 | 250,913,758 | 566,890,083 | 31 |
| | | 0701075310 sp1.7 Budget Formulation Coordination and mgt | 127,008,110 | 58,890,838 | 68,117,273 | 46 |
| | | 0701085310 sp1.8 Resource Mobilisation | 423,708,273 | 347,793,852 | 75,914,421 | 82 |
| | | 070115310 Debt Management Services | 9,060,000 | 1,828,400 | 7,231,600 | 20 |
| | | 0718085310 Sp8 Supply Chain Management | 111,298,098 | 71,848,193 | 39,449,905 | 65 |
| | | 5314001101 County Budget & Economic Forum | 4,585,300 | 1,246,590 | 3,338,710 | 27 |
| | 0718005310 General Administrative Services | 0718015310 Sp1 General Administration & Support Services | 257,662,450 | 231,376,314 | 26,286,136 | 90 |
| | | 5314001001 KDSP | 75,000,000 | 0 | 75,000,000 | 0 |
| | 0719000 P3: Economic and Financial Policy Formulation and Management | 0719010 SP 3.1 Fiscal Policy Formulation, Development and Management | 110,918,830 | 62,410,790 | 48,508,040 | 56 |
| | | Total 5314000000 FINANCE & ECONOMIC PLANNING | 2,189,421,811 | 1,157,613,134 | 1,031,808,677 | 53 |
| 5315000000 HEALTH | | | | | | |

| Vote Code Title | Programme | Programme Code and Title | Revised Budgets (Kshs.) | Total Payments (Kshs.) | Variance (Kshs.) | Absorption (%) | |
|---|--|--|--|----------------------------------|-------------------|----------------|-----|
| | 0401000 P.1 Preventive & Promotive Health Services | 0401115310 HIV/AIDS Prevention & Control Unit | - | - | - | - | |
| | | 0401125310 TB Control | - | - | - | - | |
| | | 0401135310 Malaria Control & Other Communicable Diseases | - | - | - | - | |
| | | 0401145310 Reproductive Health & Maternal Health (RMNCAH) | - | - | - | - | |
| | | 0401155310 Environmental / Public Health | - | - | - | - | |
| | 0402005310 Curative care | 0402065310 sp.2.6 County Referral Hospitals | - | - | - | - | |
| | | | - | - | - | - | |
| | 0402075310 sp.2.7 Health Centres & dispensaries | | - | - | - | - | |
| | 0404005310 General administration, planning and support services | 0404015310 Sp4.1 Administration/Human Resource for Health | 366,786,154 | 351,376,154 | 15,410,000 | 96 | |
| | | 0404025310 Sp4.2 Health Policy, Planning & Financing | - | - | - | - | |
| | | 0404035310 sp 4.3 Health Commodities | - | - | - | - | |
| | | 0404045310 sp 4.4 Research, Quality assurance & standards unit | - | - | - | - | |
| | | 0404055310 sp 4.5 Coroner services unit | - | - | - | - | |
| | | Total 5315000000 HEALTH | 366,786,154 | 351,376,154 | 15,410,000 | 96 | |
| | 5316000000 URBAN PLANNING AND LANDS | | | | | | |
| | | 0106000 P 6 General Administration Planning and Support Services | 0106010 SP.6.1 Administration, Planning & Support Services | 17,645,267 | 17,645,267 | - | 100 |
| | | | 0114005310 P.8: Urban Planning, compliance & enforcement | 0114015310 sp 8.1 Urban planning | - | - | - |
| 0115005310 P.9: Land management | | 0114025310 sp 8.2 Enforcement and compliance | - | - | - | - | |
| | | 0115015310 sp 9.1 valuation services | - | - | - | - | |
| | | 0115025310 sp 9.2 land survey | - | - | - | - | |
| | | 0115035310 sp 9.3 Administrative services | - | - | - | - | |
| | | Total 5316000000 URBAN PLANNING AND LANDS | 17,645,267 | 17,645,267 | - | 100 | |
| 5317000000 PUBLIC WORKS ,TRANSPORT & INFRASTRUCTURE | | | | | | | |
| | 0207000 P1: General Administration Planning and Support Services | 0207010 SP 1: General Administration, Planning And Support Services | 77,860,031 | 44,947,610 | 32,912,421 | 58 | |
| | | 0211015310 sp 5.1 Construction Roads & Drainages & Maintenance | - | - | - | - | |
| | 0212005310 P6: Road Safety Interventions | 0212015310 sp 6.1 Transport Facilities & Traffic Management | - | - | - | - | |
| | | 0213005310 P7: Institutional Buildings & Maintenance | 0213015310 sp 7.1 Public street lighting Installations & Maintenance | - | - | - | - |
| | 0213025310 sp 7.2 Motor Vehicle, Machinery & Plant Maintenance | | - | - | - | - | |
| | 0213035310 sp 7.3 Institutional Buildings Maintenance | | - | - | - | - | |
| | | Total 5317000000 PUBLIC WORKS ,TRANSPORT & INFRASTRUCTURE | 77,860,031 | 44,947,610 | 32,912,421 | 58 | |
| 5318000000 EDUCATION, YOUTH AFFAIRS, SPORTS, CULTURE & SOCIAL SERVICES | | | | | | | |

| Vote Code Title | Programme | Programme Code and Title | Revised Budgets (Kshs.) | Total Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|---|---|-------------------------|------------------------|--------------------|----------------|
| | 0508005310 General administration, planning and support services | 0508025310 sp 8.2 General Administration & Support Services | 1,513,976,719 | 1,007,737,225 | 506,239,494 | 67 |
| | 0509005310 P9 Education services | 0509015310 sp 9.1 Quality Assurance and Co-curriculum | 492,600 | 313,600 | 179,000 | 64 |
| | | 0509025310 sp 9.2 Early Childhood Development Centres | 252,305,971 | 103,200,175 | 149,105,797 | 41 |
| | | 0509035310 sp 9.3 Technical and Vocational Training | 41,621,266 | 515,321 | 41,105,945 | 1 |
| | 0902005310 2.1 Social Services | 0902015310 General Administration & Support Services | 177,749,117 | 99,628,874 | 78,120,243 | 56 |
| | | 0902025310 Sp.2.2 Gender and Community Empowerment | 2,847,630 | 100,000 | 2,747,630 | 4 |
| | | 0902035310 Sp.2.3 Development and promotion of culture/ heritage | - | 0 | 0 | - |
| | | 0902045310 Sp.2.4 Development and promotion of sports | 27,967,973 | 15,807,616 | 12,160,357 | 57 |
| | | 0902055310 Sp.2.5 Youth Empowerment and Promotion | 15,406,530 | 10,150,000 | 5,256,530 | 66 |
| | | 0902065310 Sp 2.6 Social welfare and care for the Aged | 28,239,920 | 792,800 | 27,447,120 | 3 |
| | | 0902075310 Sp 2.7 Promotion of Library and Information Services | 2,029,180 | 300,000 | 1,729,180 | 15 |
| | | 0902085310 Sp.2 8 Rescue and Rehabilitation of Children Services | 10,339,340 | 3,268,790 | 7,070,550 | 32 |
| | | Total 5318000000 EDUCATION, YOUTH AFFAIRS, SPORTS, CULTURE & SOCIAL SERVICES | 2,072,976,246 | 1,241,814,401 | 831,161,845 | 60 |
| 5319000000 TRADE, COMMERCE, TOURISM & COOPERATIVES | | | | | | |
| | 0301000 P.1 General Administration Planning and Support Services | 0301010 SP1 General Administration Planning and Support Services | 411,744,540 | 132,858,127 | 278,886,413 | 32 |
| | 0310005310 P.10 Co-operative Development and Audit Services | 0310015310 sp 10.1 Cooperative Development Services | 9,995,190 | 3,165,100 | 6,830,090 | 32 |
| | | 0310025310 sp 10.2 Cooperative Audit Services | 3,357,560 | 240,000 | 3,117,560 | 7 |
| | 0311005310 P.11 Tourism Promotion and Marketing | 0311015310 sp 11.1 Tourism Development | 11,338,630 | 1,588,846 | 9,749,784 | 14 |
| | 0312005310 P.12 Trade development and Market Services | 0312015310 sp 12.1 Trade Development | 136,531,790 | 1,909,360 | 134,622,430 | 1 |
| | | 0312025310 sp 12.2 Market Services | 144,252,029 | 45,111,741 | 99,140,288 | 31 |
| | 0313005310 P.13 Licensing and Fair Trade Practices | 0313015310 sp 13.1 Liquor Licensing & Regulation | - | - | - | - |
| | | 0313025310 sp 13.2 Weights & Measures Services | 22,439,470 | 209,800 | 22,229,670 | 1 |
| | | 0313035310 sp 13.3 Trade Licensing Services | 8,884,490 | 2,214,530 | 6,669,960 | 25 |
| | | 0313045310 sp 13.4 Betting & Gaming Services | 6,384,460 | 449,200 | 5,935,260 | 7 |
| | | Total 5319000000 TRADE, COMMERCE, TOURISM & COOPERATIVES | 754,928,159 | 187,746,704 | 567,181,455 | 25 |
| 5320000000 PUBLIC SERVICE MANAGEMENT | | | | | | |

| Vote Code Title | Programme | Programme Code and Title | Revised Budgets (Kshs.) | Total Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|--|---|--|-------------------------|------------------------|--------------------|----------------|
| | 0701000 P1 General Administration Planning and Support Services | 0701010 SP.1.1 General Administration Planning and Support Services | 414,384,416 | 184,271,400 | 230,113,016 | 44 |
| | 0710000 P 5: Public Service Transformation | 0710010 S.P.5.1 Human Resource Management | 920,564,790 | 328,764,840 | 591,799,950 | 36 |
| | | 0710020 S.P.5.2 Human Resource Development | 65,703,030 | 10,989,613 | 54,713,417 | 17 |
| | 0723005310 P 23 Performance Management and Public Service Delivery | 0723015310 sp 23.1 Performance Contracting management | 3,330,830 | 295,200 | 3,035,630 | 9 |
| | | 0723025310 sp 23.2 Governance Monitoring and Evaluation | 3,315,360 | 0 | 3,315,360 | 0 |
| | | 0723035310 sp 23.3 Quality Management Systems and ISO certification | 892,610 | 0 | 892,610 | 0 |
| | | Total 532000000 PUBLIC SERVICE MANAGEMENT | 1,408,191,036 | 524,321,053 | 883,869,983 | 37 |
| 5321000000 AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY | | | | | | |
| | 0106000 P 6 General Administration Planning and Support Services | 0106010 SP.6.1 Administration, Planning & Support Services | 193,102,827 | 131,479,105 | 61,623,722 | 68 |
| | P;0119005310: Urban Agriculture Promotion & Regulation | 019015310: Crop Development and Management | 7,356,303 | 552,400 | 6,803,903 | 8 |
| | | 0119025310: Fisheries Development and mangement | 21,727,323 | 716,000 | 21,011,323 | 3 |
| | | 0119035310: Livestock Resources management and development | 14,002,578 | 618,190 | 13,384,388 | 4 |
| | 0116005310 P.10: Animal Health, Safety and Quality Assurance | 0116015310 sp 10.1 Animal Research, Diseases, Pest Control & Quality Assurance | 52,161,224 | 1,701,045 | 50,460,179 | 3 |
| | 0 1 1 7 0 0 5 3 1 0 P.11:Aforestation | 0117015310 sp 11.1 Forestry Services | 6,590,480 | 87,200 | 6,503,280 | 1 |
| | 0118015310 Food Systems and Surveillance | 0118015310 sp18:1 Food Systems and Surveillance Services | 6,067,800 | 83,550 | 5,984,250 | 1 |
| | 5321000801 Agricultural Development Support Project | 5321000801 Agricultural Development Support Project | 70,351,519 | - | 70,351,519 | - |
| | | Total 5321000000 AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY | 371,360,054 | 135,237,490 | 236,122,564 | 36 |
| 5323000000 ENVIRONMENT, WATER, ENERGY & NATURAL RESOURCES | | | | | | |
| | 1001005310 P1 General Administration & Support Services | 1001015310 Sp1 General Administration & Support Services | 34,030,940 | 21,676,452 | 12,354,488 | 64 |
| | 1002005310 P2 Environment Management and Protection. | 1002035310 sp 2.3 Solid waste management | - | - | - | - |
| | | 1002045310 sp 2.4 Beautification, Recreation and Greening Services | - | - | - | - |
| | | 1002055310 sp 2.5 Environment planning Management Services | - | - | - | - |
| | 1004005310 P4 Water Resources Management | 1004055310 sp 4.5 Energy & Natural resources | - | - | - | - |
| | | Total 5323000000 ENVIRONMENT, WATER, ENERGY & NATURAL RESOURCES | 34,030,940 | 21,676,452 | 12,354,488 | 64 |
| 5324000000 URBAN RENEWAL AND HOUSING | | | | | | |

| Vote Code Title | Programme | Programme Code and Title | Revised Budgets (Kshs.) | Total Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|--|--|--|-------------------------|------------------------|--------------------|----------------|
| | 0102000 P.2 Housing Development and Human Settlement | 0102045310 SP4 Urban Renewal | - | - | - | - |
| | | 0102055310 SP5 Management of Rental Housing | - | - | - | - |
| | 0106000 P 6 General Administration Planning and Support Services | 0106010 SP.6.1 Administration, Planning & Support Services | 32,411,378 | 5,347,678 | 27,063,700 | 16 |
| | 0113005310 P.7: Building Services | 0113015310 sp 7.1 Building services research and information | - | - | - | - |
| | | Total 5324000000 URBAN RENEWAL AND HOUSING | 32,411,378 | 5,347,678 | 27,063,700 | 16.5 |
| 5325000000 WARD DEVELOPMENT PROGRAMMES | 0 2 1 4 0 0 5 3 1 0 P8:Ward Development | 0214015310 sp 8.1 Ward Development & Administration | 17,028,350 | 316,000 | 16,712,350 | 2 |
| | | Total 5325000000 WARD DEVELOPMENT FUND | 17,028,350 | 316,000 | 16,712,350 | 2 |
| 5326000000 EMERGENCY FUND | | | | | | |
| | 0718005310 General Administrative Services | 0718015310 Sp1 General Administration & Support Services | 130,000,000 | 79,828,060 | 50,171,940 | 61 |
| | | 5326000000 EMERGENCY FUND | 130,000,000 | 79,828,060 | 50,171,940 | 61 |
| 5327000000 LIQUOR LICENSING BOARD | | | | | | |
| | 0313015310 sp 13.1 Liquor Licensing & Regulation | 0313015310 sp 13.1 Liquor Licensing & Regulation | 269,339,821 | 122,839,391 | 146,500,430 | 46 |
| | | Total 5327000000 LIQUOR LICENSING BOARD | 269,339,821 | 122,839,391 | 146,500,430 | 45.6 |
| COUNTY ASSEMBLY | | | | | | |
| | 07220001 Legislation, Oversight and Representation | 07220001 Legislation, Oversight and Representation | 1,755,977,879 | 1,032,500,094 | 723,477,786 | 59 |
| | | Total COUNTY ASSEMBLY | 1,755,977,879 | 1,032,500,094 | 723,477,786 | 59 |
| TOTAL NAIROBI METROPOLITAN SERVICES | | | 23,182,657,349 | - | - | - |
| Total Voted Expenditure.... KShs. | | | 37,881,734,934 | 7,803,149,457 | 6,895,928,127 | 20.6 |

Source: Nairobi City County Treasury

Programmes with the highest levels of implementation based on absorption rates were: General Administration, Planning and Support Services in the Department of Health at 96 per cent, General Administrative Services in the Department of Finance & Economic Planning at 90 per cent, General Administration, Planning and Support Services in the Department of Agriculture, Livestock Development, Fisheries & Forestry at 68 per cent, and General Administration, Planning and Support Services in the Department of Education, Youth Affairs, Sport & Culture at 67 per cent of budget allocation.

3.31.12 Key Observations and Recommendations

In the course of overseeing and reporting on implementation of the County budget, the OCoB identified the following challenges which hampered effective implementation;

1. Low absorption of development funds in the first nine months of FY 2020/21. The County spent Kshs.79.13 million out of the annual development budget of Kshs.10.10 billion. The development expenditure represented 0.8 per cent of the annual development budget
2. Under performance of own source revenue at Kshs.8.21 billion against annual projection of Kshs.16.46 billion. The realised own source revenue represented 49.3 per cent of its annual target.
3. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely

preparation of budget implementation report.

4. Reduction of departmental budget allocations below actual expenditure during the supplementary budget. This has led to negative vote balances, which should be regularised before the end of the financial year.
5. High expenditure on local travel at Kshs.297.97 million, which was unexpected during the COVID-19 containment period due to travel restrictions and points to wasteful spending.

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County should address own source revenue performance so as to ensure the approved budget is fully financed.
3. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with Section 166 of PFM Act, 2012.
4. The County Treasury should ensure a supplementary budget is prepared to regularise the negative vote balances in the financial reports.
5. The County Treasury should review expenditure on travel and subsistence allowances to ensure it is credible and institute control measures to curtail further avoid wasteful spending.

3.32 County Government of Nakuru

3.32.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.20.75 billion, comprising of Kshs.10.93 billion (52.7 per cent) and Kshs.9.81 billion (47.3 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.10.48 billion (50.5 per cent) as the equitable share of revenue raised nationally, Kshs.1.23 billion (5.9 per cent) as total conditional grants, generate Kshs.1.8 billion (8.7 per cent) from own sources of revenue, and a cash balance of Kshs.5.62 billion (27.1 per cent) from FY 2019/20 and Kshs.217.8 million as other revenues. The County also budgeted to collect Kshs.1.4 billion (6.7 per cent) as appropriation in Aid (A-I-A).

3.32.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.4.35 billion as the equitable share of the revenue raised nationally, Kshs.498.30 million as conditional grants, raised Kshs.1.25 billion as own-source revenue, and had a cash balance of Kshs.5.62 billion from FY 2019/20 and Kshs.202.94 million unspent Appropriation in Aid (A-I-A) from FY 2019/20. In the period, the county raised Kshs.919.5 million from A-I-A. The total funds available for budget implementation during the period amounted to Kshs.12.84 billion, as shown in Table 3.175.

Table 3.175: Nakuru County, Revenue Performance in the First Nine Months of FY 2020/21

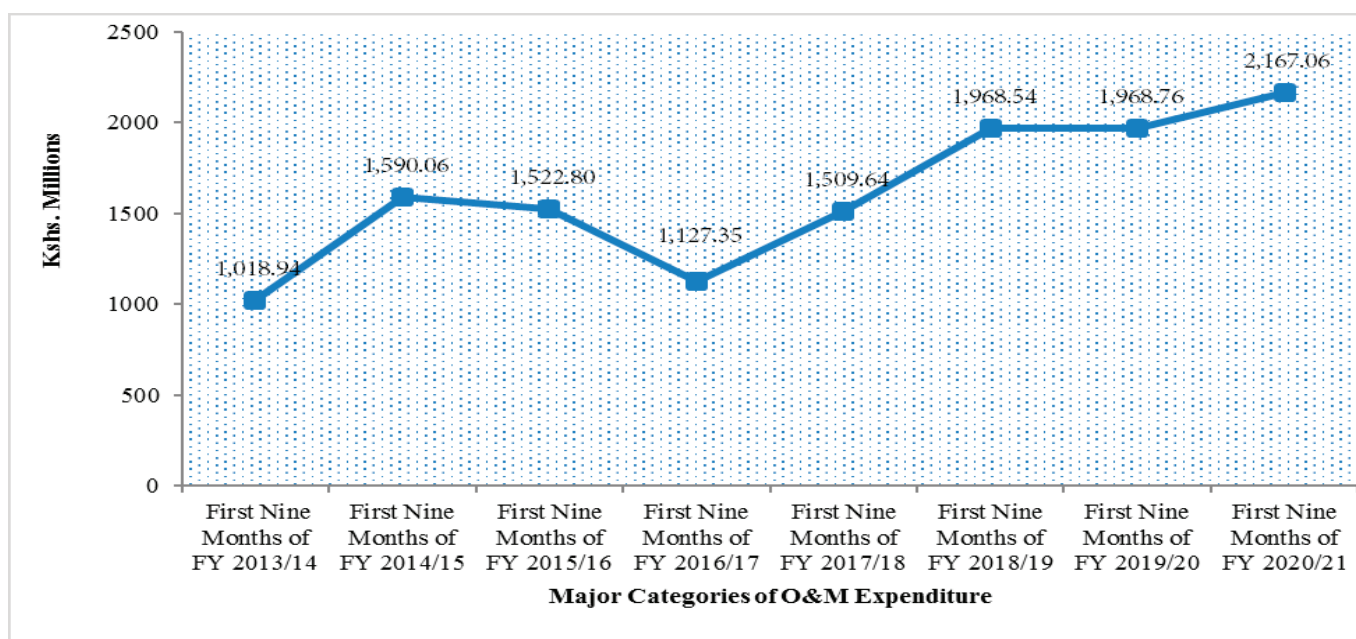
| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|------------------|---|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 10,476,150,000 | 10,476,150,000 | 4,347,602,250 | 41.5 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1 | Conditional Grants to Level-5 Hospitals | 373,872,832 | 373,872,832 | 171,981,502 | 46.0 |
| 2 | Compensation for User Fee Foregone | 38,723,265 | 38,723,265 | - | - |
| 3 | Leasing of Medical Equipment | 131,914,894 | 132,021,277.00 | - | - |
| 4 | Road Maintenance Fuel Levy Fund | 297,372,469 | 290,544,581 | - | - |
| 5 | Rehabilitation of Village Polytechnics | 63,063,298 | 66,289,894 | 44,620,161 | 67.3 |
| Sub Total | | 904,946,758 | 901,451,849 | 216,601,663 | 24.0 |
| C. | Loans and Grants from Development Partners | | | | |
| 1 | Transforming Health systems for Universal care Project (WB) | 95,036,351 | 40,080,000 | 18,669,511 | 46.6 |
| 2 | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 140,435,163 | 198,441,600 | 197,640,514 | 99.6 |

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|--|------------------------------------|----------------------------|---|
| 3 | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 60,282,958 | 45,000,000 | - | - |
| 4 | DANIDA Grant | 31,083,750 | 29,790,000 | 14,895,000 | 50.0 |
| 5 | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 21,983,635 | 14,171,667 | 5,500,000 | 38.8 |
| 6 | IDA (WB) Credit: Kenya Urban Support Project (KUSP) - Urban Institutional Grants (UIG) | 1,084,843,300 | - | 45,000,000 | - |
| Sub Total | | 1,433,665,157 | 327,483,267 | 281,705,025.05 | 86.0 |
| D | Other Sources of Revenue | | | | |
| 1 | Own Source Revenue | - | 1,800,000,000 | 1,247,530,155 | 69.3 |
| 2 | Balance b/f from FY 2019/20 | - | 5,624,403,839 | 5,624,403,839 | 100.0 |
| 3 | Other Revenues | - | 217,820,012 | 202,942,308 | 93.2 |
| 4 | A-I-A | - | 1,400,000,000 | 919,534,619 | 65.7 |
| Sub Total | | - | 9,042,223,851 | 7,994,410,921 | 88.4 |
| Grand Total | | 12,814,761,915 | 20,747,308,967 | 12,840,319,859 | 61.9 |

Source: Nakuru County Treasury

Figure 3.61 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.61: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Nakuru County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.2.17 billion as its own source revenue, which includes receipts from A-I-A. This amount represented an increase of 9.2 per cent compared to Kshs.1.97 billion realised during a similar period in FY 2019/20 and was 69.3 per cent of the annual target.

3.32.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.7.96 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.59 billion (19.9 per cent) for development programmes and Kshs.6.38 billion (80.1 per cent) for recurrent programmes.

3.32.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.8.06 billion on development and recurrent programmes. The expenditure represented 101.25 per cent of the total funds released by the COB and comprised of Kshs.1.36 billion and Kshs.6.70 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 13.8 per cent while recurrent expenditure represented 61.3 per cent of the annual recurrent expenditure budget.

3.32.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.4.51billion was spent on compensation to employees, Kshs.2.20 billion on operations and maintenance, and Kshs.1.36 billion on development activities as shown in Table 3.176.

Table 3.176: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer (Kshs.) | Issues | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|-----------------------|----------------------|--------|----------------------|----------------|
| Total Recurrent Expenditure | 10,934,455,307 | 6,378,026,864 | | 6,703,281,304 | 61.3 |
| Compensation to Employees | 7,032,693,623 | 4,557,603,698 | | 4,505,807,776 | 64.1 |
| Operations and Maintenance | 3,901,761,684 | 1,820,423,166 | | 2,197,473,528 | 56.3 |
| Total Development Expenditure | 9,812,853,660 | 1,588,923,680 | | 1,358,265,462 | 13.8 |
| Development Expenditure | 9,812,853,660 | 1,588,923,680 | | 1,358,265,462 | 13.8 |
| Total | 20,747,308,968 | 7,966,950,544 | | 8,061,546,766 | 38.9 |

Source: Nakuru County Treasury

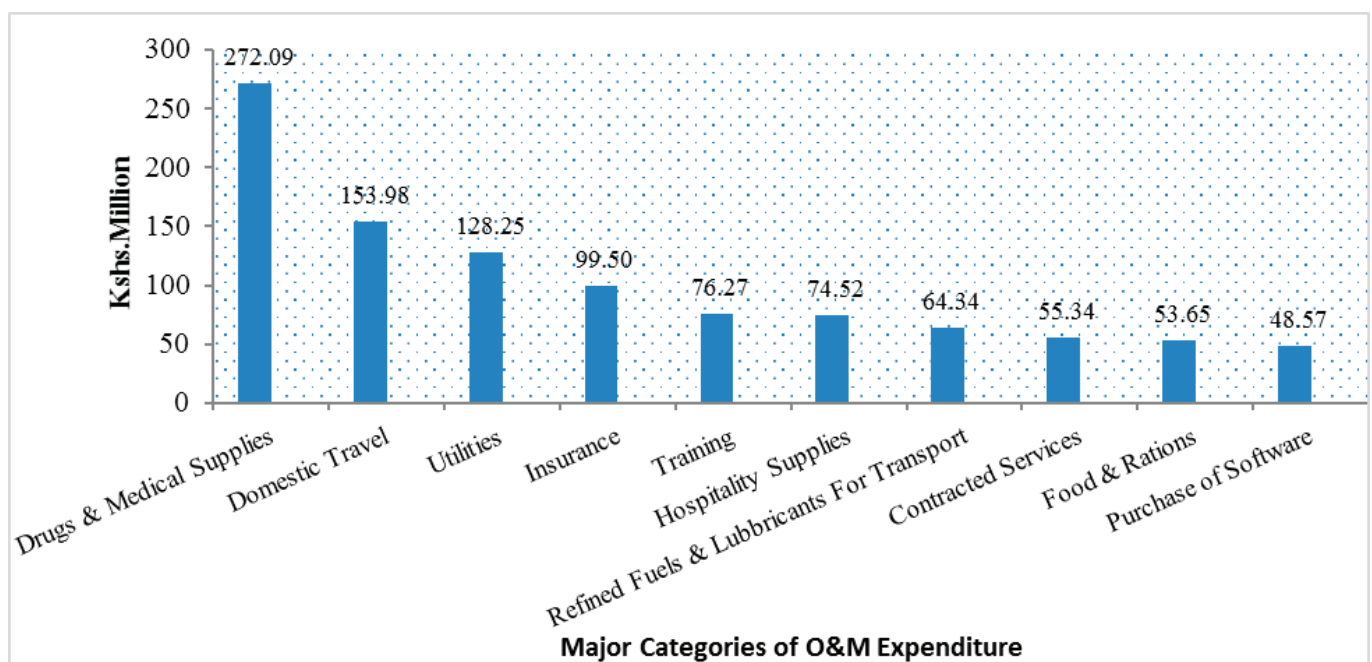
3.32.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 55.9 per cent of the total expenditure for the reporting period and 29 per cent of the first nine months proportional revenue estimate of Kshs.15.56 billion.

3.32.7 Expenditure on Operations and Maintenance

Figure 3.62 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.62: Nakuru County, Operations and Maintenance Expenditure by Major Categories



Source: Nakuru County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.22.2 million on committee sitting allowances for the 79 MCAs and Speaker against the annual budget allocation of Kshs.92 million. The average monthly sitting allowance was Kshs.31,222 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.153.98 million and comprised of Kshs.68.93 million spent by the County Assembly and Kshs.85.05 million by the County Executive. Expenditure on foreign travel amounted to Kshs.17.23 million and consisted of Kshs.4.17 million by the County Assembly and Kshs.13.06 million by the County Executive.

3.32.8 COVID-19 Expenditure

The county spent a total of Kshs.116.05 million of own resources on COVID-19 related expenditure and Kshs.91 million from National Government grants. The highest expenditure of Kshs.80.5 million was incurred in paying Frontline Health Workers as shown in Table 3.177.

Table 3.177: COVID-19 Budget and Expenditure Summary

| Sub Item | Sub Item Name | Budget Amount (Kshs.) | Expenditure (Kshs.) | Balance (Kshs.) |
|----------|--|-----------------------|-----------------------|-----------------------|
| | COUNTY OWN CONTRIBUTION | | | |
| 2110201 | Contractual Employees | 13,100,000.00 | - | 13,100,000.00 |
| 2210399 | Domestic Travel and Subs. – Others | 10,000,000.00 | 10,000,000.00 | - |
| 2211001 | Medical Drugs | 48,000,000.00 | 48,000,000.00 | - |
| 2211002 | Dressings and Other Non-Pharmaceutical Medical Items | 40,000,000.00 | 39,827,675.00 | 172,325.00 |
| 2211015 | Food and Rations | 15,504,500.00 | 15,070,610.00 | 433,890.00 |
| 2211201 | Refined Fuels and Lubricants for Transport (P3) | 3,845,020.00 | 3,151,200.00 | 693,820.00 |
| 2640402 | Locust Control | | | - |
| | Non-Financial Assets | 19,550,480.00 | | 19,550,480.00 |
| | TOTAL | 150,000,000.00 | 116,049,485.00 | 33,950,515.00 |
| | GRANTS FROM THE NATIONAL GOVERNMENT | | | |
| 2630201 | conditional health grant for covid-19 emergency response | 201,073,000.00 | - | 201,073,000.00 |
| 2110201 | Frontline healthcare workers Covid allowances | 80,505,000.00 | 80,505,000.00 | - |
| | DONOR GRANTS FROM DANIDA | | | |
| 2630201 | Amount disbursed to various health facilities | 10,535,000.00 | 10,535,000.00 | - |
| | TOTAL | 292,113,000.00 | 91,040,000.00 | 201,073,000.00 |

Source: Nakuru County Treasury

3.32.9 Development Expenditure

The County incurred expenditure of Kshs.1.36 billion on development programmes, which represented a decrease of 12.8 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.56 billion. Table 3.178 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.178: Nakuru County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|-------------|----------------|---------------------|---------------------|
| 1 | Construction of buildings - Outpatients complex (PGH) | HQ | 155,372,832 | 86,160,595 | 55.5 |
| 2 | purchase of land for lanet umoa health centre | Lanet/Umoja | 23,015,405 | 20,000,000 | 86.9 |
| 3 | Construction and rehabilitation of roads - Boresha Barabara | HQ | 20,181,765 | 19,127,790 | 94.8 |
| 4 | Laying of water pipes in Kiamunyi / ngata bridge | HQ | 20,000,000 | 12,926,104 | 64.6 |
| 5 | Beautification and rehabilitation of Nyayo Gardens | HQ | 20,000,000 | 12,401,617 | 62.0 |
| 6 | Opening of Industrial Park roads | HQ | 20,000,000 | 9,999,980 | 50.0 |
| 7 | Construction of Githioro dispensary | Dundori | 9,847,120 | 8,238,064 | 83.7 |
| 8 | Purchase of milk pasteurizers, cooling system and dispensers (1000lts system) Mangu Tomato, Lare Njoro, Kamarus, Kamugendo Dairy Farmers Co-operatives | HQ | 8,191,456 | 8,191,456 | 100.0 |
| 9 | Purchase of Skip Loader (Truck) | HQ | 7,849,770 | 7,849,770 | 100.0 |
| 10 | Completion of outpatient block at Elburgon Sub County hospital | HQ | 12,336,169 | 6,646,074 | 53.9 |

Source: Nakuru County Treasury

3.32.10 Budget Performance by Department

Table 3.179 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.179: Nakuru County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|--------------|----------------------------------|--------------|-----------------------------|--------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 993 | 271.19 | 694 | 57 | 584 | 27 | 84.1 | 47.4 | 58.8 | 10.0 |
| Finance and Economic Planning | 906 | 651.05 | 718 | 201 | 617 | 46 | 85.9 | 22.9 | 68.1 | 7.1 |
| Public Service Training and Devolution | 720 | 58.89 | 467 | - | 469 | 5 | 100.4 | - | 65.1 | 8.5 |
| Agriculture, Livestock and Fisheries | 511 | 504.86 | 327 | 257 | 323 | 242 | 98.8 | 94.2 | 63.2 | 47.9 |
| Lands, Physical Planning and Housing | 130 | 1,160.37 | 84 | 66 | 91 | 48 | 108.3 | 72.7 | 70.0 | 4.1 |
| Office of The Governor and Deputy Governor | 330 | 65.32 | 230 | 19 | 217 | 19 | 94.3 | 100.0 | 65.8 | 29.1 |
| Education Vocational training, ICT and E-Government | 520 | 705.89 | 315 | 156 | 183 | 113 | 58.1 | 72.4 | 35.2 | 16.0 |
| Trade, Industry Marketing and Tourism | 139 | 253.55 | 79 | 50 | 71 | 29 | 89.9 | 58.0 | 51.1 | 11.4 |
| Youth, Culture, Sports and Social Services | 298 | 195.82 | 56 | 19 | 94 | 19 | 167.9 | 100.0 | 31.5 | 9.7 |
| Infrastructure | 377 | 2,436.49 | 206 | 221 | 249 | 330 | 120.9 | 149.3 | 66.0 | 13.5 |
| Environment, Water, Energy and Natural Resources | 312 | 1,206.24 | 179 | 332 | 179 | 309 | 100.0 | 93.1 | 57.4 | 25.6 |
| Health Services | 5,574 | 1,518.95 | 3,011 | 211 | 3,590 | 172 | 119.2 | 81.5 | 64.4 | 11.3 |
| County Public Service Board | 67 | 8.31 | 23 | - | 23 | - | 100.0 | - | 34.3 | - |
| Nakuru Municipality | 31 | 529.83 | 6 | - | 7.85 | - | 130.8 | - | 25.3 | - |
| Naivasha Municipality | 26 | 246.1 | 1 | - | 7 | - | 700.0 | - | 26.9 | - |
| Total | 10,934 | 9,813 | 6,396 | 1,589 | 6,705 | 1,359 | 104.8 | 85.5 | 61.3 | 13.8 |

Source: Nakuru County Treasury

Analysis of departments' expenditure shows that the Department of Agriculture, Livestock and Fisheries recorded the highest absorption rate of development budget at 47.9 per cent while the Nakuru Municipality, Naivasha Municipality and County Public Service Board did not report any expenditure on development activities. The Department of Lands, Physical Planning and Housing had the highest percentage of recurrent expenditure to budget at 70.1 per cent while the Nakuru Municipality had the lowest at 25.2 per cent.

3.32.11 Budget Execution by Programmes and Sub-Programmes

Table 3.180 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.180: Nakuru County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|---|------------------------|------------------------|------------------|----------------|
| | | 86,792,994 | 70,420,115 | 16,372,879 | 81.1 |
| Promotion of Dairy Production, Breeding and Disease Control | Promotion of Dairy Production, Breeding and Disease Control | 78,792,994 | 70,420,115 | 8,372,879 | 89.4 |
| Promotion of Value Addition of Livestock and Livestock Products | Promotion of Value Addition of Livestock and Livestock Products | 8,000,000 | - | 8,000,000 | - |
| Promotion of Non-ruminants and Emerging livestock Enterprises | Promotion of Non-ruminants and Emerging livestock Enterprises | - | - | - | - |
| Promotion of Apiculture | Promotion of Apiculture | - | - | - | - |
| | | 4,343,115 | 354,590 | 3,988,525 | 8.2 |
| Aquaculture development | Aquaculture development | 4,343,115 | 354,590 | 3,988,525 | 8.2 |
| Development of capture fisheries resources | Development of capture fisheries resources | - | - | - | - |
| Fish quality assurance, value addition and marketing | Fish quality assurance, value addition and marketing | - | - | - | - |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|---|------------------------|------------------------|------------------|----------------|
| | | 479,778,843 | 159,059,186 | 320,719,657 | 33.2 |
| Extension, Research and Training | Extension, Research and Training | - | - | - | - |
| Crop Production and Food Security | Crop Production and Food Security | 479,778,843 | 159,059,186 | 320,719,657 | 33.2 |
| Farmland utilization, Conservation and Mechanization | Farmland utilization, Conservation and Mechanization | - | - | - | - |
| Agribusiness Development and Marketing | Agribusiness Development and Marketing | - | - | - | - |
| | | 1,699,878,933 | 147,957,073 | 1,551,921,860 | 8.7 |
| Administration Services | Administration Services | 557,686,294 | 113,085,732 | 444,600,562 | 20.3 |
| Infrastructure for Land | Infrastructure for Land | 1,142,192,639 | 34,871,341 | 1,107,321,298 | 3.1 |
| | | 12,440,000 | 1,357,634 | 11,082,366 | 10.9 |
| Develop County Spatial Plan | Develop County Spatial Plan | 7,050,000 | 894,369 | 6,155,631 | 12.7 |
| GIS Data Base creation | GIS Data Base creation | - | - | - | - |
| Survey and Mapping | Survey and Mapping | 5,390,000 | 463,265 | 4,926,735 | 8.6 |
| | | 2,299,393,628 | 243,584,553 | 2,055,809,075 | 10.6 |
| Rehabilitation of Roads, Drainage and Bridges | Rehabilitation of Roads, Drainage and Bridges | 2,291,793,628 | 243,101,658 | 2,048,691,970 | 10.6 |
| Rehabilitation and construction of Transport terminals | Rehabilitation and construction of Transport terminals | 100,000 | - | 100,000 | - |
| Design, Supervision and Rehabilitation of County Buildings | Design, Supervision and Rehabilitation of County Buildings | 2,750,000 | - | 2,750,000 | - |
| Firefighting and Emergency Services | Firefighting and Emergency Services | 4,750,000 | 482,895 | 4,267,105 | 10.2 |
| | | 95,050,000 | 47,500,000 | 47,550,000 | 50.0 |
| Installation, Maintenance and Rehabilitation of lighting | Installation, Maintenance and Rehabilitation of lighting | 95,050,000 | 47,500,000 | 47,550,000 | 50.0 |
| | | 492,269,093 | 92,851,944 | 399,417,149 | 18.9 |
| Administration & Personnel | Administration & Personnel | 492,269,093 | 92,851,944 | 399,417,149 | 18.9 |
| System Support | System Support | - | - | - | - |
| | | 14,892,500 | 437,401 | 14,455,099 | 2.9 |
| Functional & Technical Support Centre-Help Desk | Functional & Technical Support Centre-Help Desk | 14,892,500 | 437,401 | 14,455,099 | 2.9 |
| | | 16,600,000 | 121,100 | 16,478,900 | 0.7 |
| Networking Infrastructure | Networking Infrastructure | 16,600,000 | 121,100 | 16,478,900 | 0.7 |
| Hardware & Software Platforms | Hardware & Software Platforms | - | - | - | - |
| | | 10,000,000 | - | 10,000,000 | - |
| Construction & Maintenance of Non Residential County Buildings | Construction & Maintenance of Non Residential County Buildings | 10,000,000 | - | 10,000,000 | - |
| Installation, Rehabilitation & Maintenance of Lighting Facilities | Installation, Rehabilitation & Maintenance of Lighting Facilities | - | - | - | - |
| | | 10,000,000 | - | 10,000,000 | - |
| Fire Fighting | Fire Fighting | 10,000,000 | - | 10,000,000 | - |
| | | 10,000,000 | 1,012,800 | 8,987,200 | 10.1 |
| Education Developments | Education Developments | 10,000,000 | 1,012,800 | 8,987,200 | 10.1 |
| | | 85,152,126 | 15,474,520 | 69,677,606 | 18.2 |
| Revitalization of Youth Programme | Revitalization of Youth Programme | 85,152,126 | 15,474,520 | 69,677,606 | 18.2 |
| | | 96,307,999 | 18,801,233 | 77,506,766 | 19.5 |
| Administration Services | Administration Services | 96,307,999 | 18,801,233 | 77,506,766 | 19.5 |
| | | 13,840,000 | 1,027,200 | 12,812,800 | 7.4 |
| Enhance Marketing Co-operatives | Enhance Marketing Co-operatives | 13,840,000 | 1,027,200 | 12,812,800 | 7.4 |
| SACCO members' empowerment | SACCO members' empowerment | - | - | - | - |
| | | 12,410,000 | 311,000 | 12,099,000 | 2.5 |
| Business Development Services for MSE's | Business Development Services for MSE's | 10,980,000 | 211,000 | 10,769,000 | 1.9 |
| Producer Business Groups | Producer Business Groups | - | - | - | - |
| Consumer protection | Consumer protection | 1,430,000 | 100,000 | 1,330,000 | 7.0 |
| | | 239,590,748 | 22,478,160 | 217,112,588 | 9.4 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|---|------------------------|------------------------|----------------------|----------------|
| Rehabilitation of existing markets | Rehabilitation of existing markets | 239,590,748 | 20,984,903 | 218,605,845 | 8.8 |
| Development of Retail and Wholesale Market in Nakuru | Development of Retail and Wholesale Market in Nakuru | - | 1,493,256 | (1,493,256) | - |
| | | 720,000 | 1,995 | 718,005 | 0.3 |
| Establish & Management of County Tourism Information Centre | Establish & Management of County Tourism Information Centre | 720,000 | 1,995 | 718,005 | 0.3 |
| | | 451,484,867 | 25,920,950 | 425,563,917 | 5.7 |
| Community Health Strategy | Community Health Strategy | - | - | - | - |
| Environmental Health and Sanitation Program | Environmental Health and Sanitation Program | 2,300,000 | - | 2,300,000 | - |
| Health Promotive Services | Health Promotive Services | 449,184,867 | 25,920,950 | 423,263,917 | 5.8 |
| | | 2,602,690,878 | 127,147,199 | 2,475,543,679 | 4.9 |
| Provision of Essential Health Services in all the Levels. | Provision of Essential Health Services in all the Levels. | 2,602,690,878 | 127,147,199 | 2,475,543,679 | 4.9 |
| | | 3,768,702,475 | 966,736,438 | 2,801,966,037 | 25.7 |
| Health Infrastructure Development | Health Infrastructure Development | 2,000,000 | - | 2,000,000 | - |
| Human Resources for health | Human Resources for health | 3,766,702,475 | 966,736,438 | 2,799,966,037 | 25.7 |
| Research and Development | Research and Development | - | - | - | - |
| | | 900,568,153 | 97,082,134 | 803,486,019 | 10.8 |
| Administration | Administration | 900,568,153 | 97,082,134 | 803,486,019 | 10.8 |
| | | 117,308,408 | 690,371 | 116,618,037 | 0.6 |
| Promotion of Early Childhood Education | Promotion of Early Childhood Education | 92,361,886 | 403,471 | 91,958,415 | 0.4 |
| Bursaries | Bursaries | - | - | - | - |
| Promotion of Quality Youth Empowerment | Promotion of Quality Youth Empowerment | 24,946,522 | 286,900 | 24,659,622 | 1.2 |
| | | 10,414,075 | - | 10,414,075 | - |
| Education Emergency Kitty | Education Emergency Kitty | 10,414,075 | - | 10,414,075 | - |
| | | 20,000,000 | - | 20,000,000 | - |
| Infrastructure Improvement | Infrastructure Improvement | 20,000,000 | - | 20,000,000 | - |
| | | 79,835,808 | 29,958,975 | 49,876,833 | 37.5 |
| ICT Infrastructure and Connectivity | ICT Infrastructure and Connectivity | 79,835,808 | 29,958,975 | 49,876,833 | 37.5 |
| | | 544,683,611 | 56,606,995 | 488,076,616 | 10.4 |
| Budget Formulation Coordination and management | Budget Formulation Coordination and management | 45,431,751 | 15,159,875 | 30,271,876 | 33.4 |
| Resource Mobilization | Resource Mobilization | 68,979,717 | 20,860,300 | 48,119,417 | 30.2 |
| Internal Audit | Internal Audit | 35,189,523 | 11,246,460 | 23,943,063 | 32.0 |
| Procurement | Procurement | 13,610,497 | 4,930,320 | 8,680,177 | 36.2 |
| Public finance and Accounting | Public finance and Accounting | 16,669,300 | 4,221,040 | 12,448,260 | 25.3 |
| Debt Management | Debt Management | 364,802,823 | 189,000 | 364,613,823 | 0.1 |
| | | 198,711,833 | 36,064,827 | 162,647,006 | 18.1 |
| Fiscal Planning | Fiscal Planning | 192,256,477 | 34,868,327 | 157,388,150 | 18.1 |
| Monitoring & Evaluation /Statistical Data Management | Monitoring & Evaluation /Statistical Data Management | 6,455,356 | 1,196,500 | 5,258,856 | 18.5 |
| | | 1,533,429,096 | 355,300,352 | 1,178,128,744 | 23.2 |
| Administration Services | Administration Services | 1,533,429,096 | 355,300,352 | 1,178,128,744 | 23.2 |
| Financial Services | Financial Services | - | - | - | - |
| Co-Ordination of Public and Special Community Programmes | Co-Ordination of Public and Special Community Programmes | - | - | - | - |
| ICT Support Services | ICT Support Services | - | - | - | - |
| | | 72,176,746 | 4,400,933 | 67,775,813 | 6.1 |
| Legal Service to County Government & Public | Legal Service to County Government & Public | 20,288,457 | 4,400,933 | 15,887,524 | 21.7 |
| Rehabilitation of Sub-County Offices | Rehabilitation of Sub-County Offices | 51,888,289 | - | 51,888,289 | - |
| | | 21,250,000 | 3,448,316 | 17,801,685 | 16.2 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|---|------------------------|------------------------|-----------------------|----------------|
| Public Sector Management | Public Sector Management | 21,250,000 | 3,448,316 | 17,801,685 | 16.2 |
| | | 654,569,247 | 132,494,269 | 522,074,978 | 20.2 |
| Procedures and Committee Services | Procedures and Committee Services | 654,569,247 | 132,494,269 | 522,074,978 | 20.2 |
| County Ward Offices | County Ward Offices | - | - | - | - |
| Hansard Services | Hansard Services | - | - | - | - |
| | | 599,839,279 | 95,302,498 | 504,536,781 | 15.9 |
| Finance and Budget | Finance and Budget | 599,839,279 | 95,302,498 | 504,536,781 | 15.9 |
| | | 299,361,442 | 48,610,901 | 250,750,541 | 16.2 |
| Administration and Coordination of County Affairs | Administration and Coordination of County Affairs | 299,361,442 | 48,610,901 | 250,750,541 | 16.2 |
| | | 33,522,400 | 847,700 | 32,674,700 | 2.5 |
| County Planning and Development Coordination Services | County Planning and Development Coordination Services | - | - | - | - |
| Organisation of County Business | Organisation of County Business | 33,522,400 | 847,700 | 32,674,700 | 2.5 |
| | | 80,976,716 | 3,270,430 | 77,706,286 | 4.0 |
| Economic, Social and Political Advisory Services | Economic, Social and Political Advisory Services | 80,976,716 | 3,270,430 | 77,706,286 | 4.0 |
| | | 252,071,636 | 70,168,637 | 181,902,999 | 27.8 |
| Administration | Administration | 252,071,636 | 70,168,637 | 181,902,999 | 27.8 |
| | | 14,457,014 | 1,910,063 | 12,546,951 | 13.2 |
| Pollution Control & Monitoring | Pollution Control & Monitoring | 14,457,014 | 1,910,063 | 12,546,951 | 13.2 |
| | | 4,450,000 | 425,879 | 4,024,121 | 9.6 |
| Forest Resources Management & Climate Change | Forest Resources Management & Climate Change | 4,450,000 | 425,879 | 4,024,121 | 9.6 |
| | | 1,123,805,502 | 195,005,740 | 928,799,762 | 17.4 |
| Water Provision & Drilling of Boreholes | Water Provision & Drilling of Boreholes | 1,123,805,502 | 195,005,740 | 928,799,762 | 17.4 |
| Water Resources & Sewerage Services | Water Resources & Sewerage Services | - | - | - | - |
| | | 25,561,890 | 616,765 | 24,945,125 | 2.4 |
| Rehabilitation of Council Houses | Rehabilitation of Council Houses | 15,561,890 | 616,765 | 14,945,125 | 4.0 |
| Housing Technology Transfer | Housing Technology Transfer | 10,000,000 | - | 10,000,000 | - |
| | | 77,940,000 | 4,204,922 | 73,735,078 | 5.4 |
| Cultural Development Services | Cultural Development Services | - | - | - | - |
| Promotion of Culture, Arts and Talents | Promotion of Culture, Arts and Talents | 11,180,000 | 2,153,795 | 9,026,205 | 19.3 |
| Social Development Programs | Social Development Programs | 33,880,000 | 817,764 | 33,062,236 | 2.4 |
| Rehabilitation of Social Halls, Libraries, Parks and Academies | Rehabilitation of Social Halls, Libraries, Parks and Academies | 32,880,000 | 1,233,363 | 31,646,637 | 3.8 |
| | | 10,000,000 | - | 10,000,000 | - |
| Strategic Project Monitoring and intervention(Ending Drought Emergency) | Strategic Project Monitoring and intervention(Ending Drought Emergency) | 10,000,000 | - | 10,000,000 | - |
| | Grand Total | 19,177,271,055 | 3,078,965,797 | 16,098,305,258 | 16.1 |

Source: Nakuru County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Promotion of Dairy Production, Breeding and Disease Control in the Department of Agriculture, Livestock and Fisheries Control at 89.4 per cent, Installation, Maintenance and Rehabilitation of lighting in the Department of Infrastructure at 50.1 per cent, ICT Infrastructure and Connectivity in the Department of Education and ICT at 37.5 per cent, and Procurement at 36.2 per cent of budget allocation.

3.32.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 29th April 2021 contrary to OCoB's

instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.

2. Low absorption of development funds as indicated by the expenditure of Kshs.1.36 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.9.81 billion. The development expenditure represented 13.8 per cent of the annual development budget. This is despite the availability of funds in the CRF Account.
3. Fund Administrators failed to submit financial and non-financial statements in line with Section 168 of the PFM Act, 2012. The OCoB did not receive quarterly financial reports for the Nakuru County Executive Car Loan and Mortgage Scheme Fund and Nakuru County Assembly Car Loan and Mortgage Scheme Fund,
4. Failure by the County to reconcile the approved budget amounts in the Programme Based Reports which shows an overall budget figure of Kshs.19.18 billion as shown compared with the Appropriation Act which provided the budget as Kshs.20.75 billion.

The County should implement the following recommendations to improve budget execution;

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.*
2. *The County should identify and address issues causing delays in the implementation of development projects.*
3. *The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.*
4. *The County Treasury should liaise with Directorate of IFMIS at the National Treasury to ensure that the County's approved budget is accurately uploaded and any variances are addressed accordingly.*

3.33 County Government of Nandi

3.33.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 was Kshs.7.61billion, comprising of Kshs.5.02 billion (66 per cent) and Kshs.2.59 billion (34 per cent) allocations for Development and Recurrent programmes, respectively.

To finance the budget, the county expected to receive Kshs.5.38 billion (70.7 per cent) being equitable share of revenue raised nationally, Kshs.676.14 million (8.9 per cent) as total conditional grants, generate Kshs.405.41 million (5.3 per cent) from own sources of revenue, and the cash balance of Kshs.1.01 billion (13.3 per cent) from FY 2019/20. The County also expects to receive Kshs.135.56 million (1.8 per cent) as "other revenues" not contained in the CARA, 2020. The "other revenues" include Kshs.126.76 million from Urban Development Grant (UDG) and Kshs.8.8 million from Urban Institutional Grant (UIG).

3.33.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.3.10 billion as an equitable share of the revenue raised nationally, Kshs.434.82 million as conditional grants, raised Kshs.174.09 million as own-source revenue, and had a cash balance of Kshs.460 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.4.31 billion, as shown in Table 3.181.

| S/No. | Revenue | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation (Kshs) | Actual Receipts (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|------------------|---|-------------------------------------|---------------------------------|-------------------------|--|
| A. | Equitable Share of Revenue Raised Nationally | 5,348,850,000 | 5,380,500,000 | 3,102,333,000 | 57.7 |
| B. | Conditional Grants from the National Government | | | | |
| 4. | Compensation for User Fee Foregone | 18,086,363 | 18,086,363 | - | - |
| 5. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 6. | Road Maintenance Fuel Levy Fund | 160,365,516 | 160,365,516 | 80,182,758 | 50.0 |
| 7. | Rehabilitation of Village Polytechnics | 27,919,894 | 27,919,894 | 13,959,947 | 50.0 |
| Sub Total | | 338,393,050 | 206,371,773 | 94,142,705 | 6.8 |

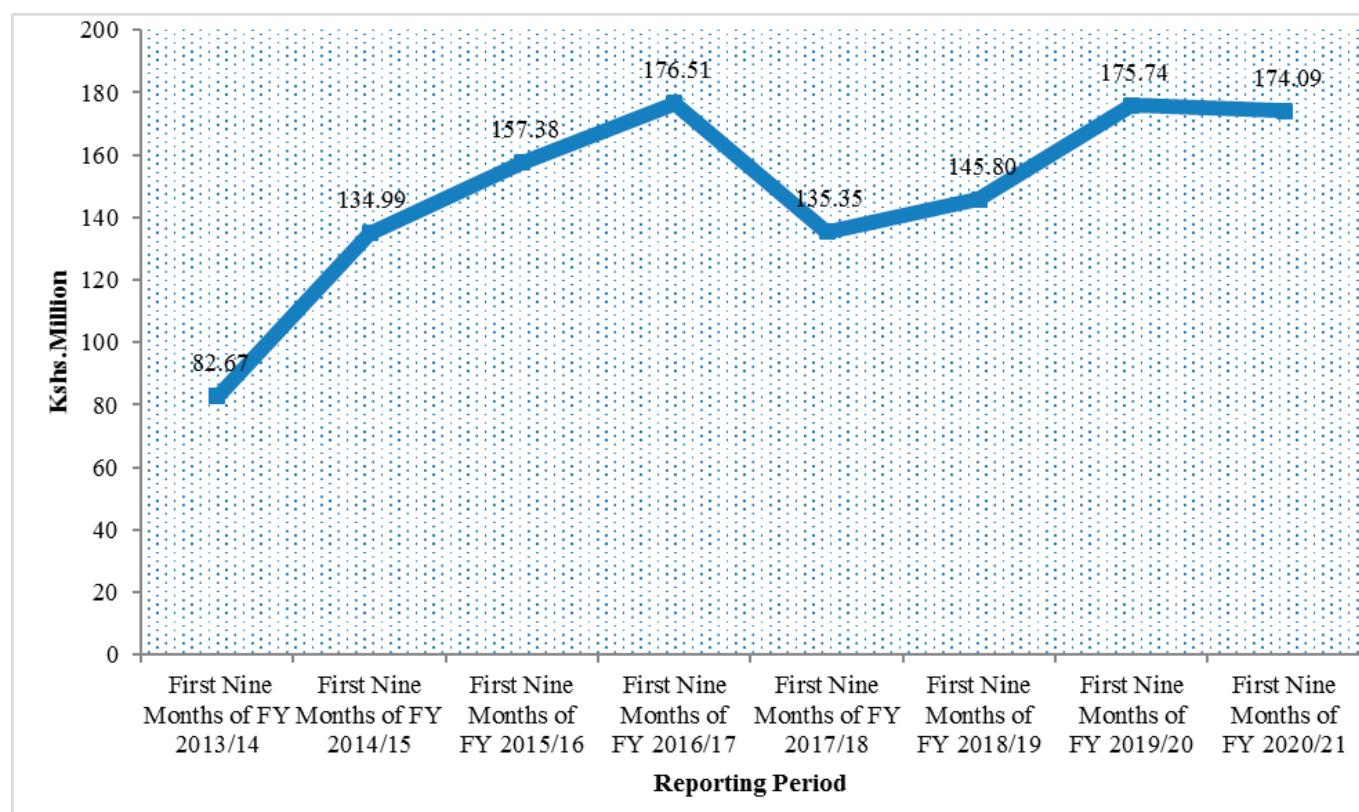
Table 3.181: Nandi County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No. | Revenue | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation (Kshs) | Actual Receipts (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|--|-------------------------------------|---------------------------------|-------------------------|--|
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 102,150,272 | 102,150,272 | 51,761,479 | 50.7 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 197,907,900 | 197,907,900 | 188,158,702 | 95.1 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 75,000,000 | 75,000,000 | 100.0 |
| 4. | DANIDA Grant | 15,210,000 | 21,195,000 | 13,590,000 | 64.1 |
| 5. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 12,838,123 | 12,838,123 | 12,164,121 | 94.8 |
| 6. | EU-Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WaTER) | 60,669,094 | 60,669,094 | - | - |
| Sub Total | | 433,775,389 | 469,760,389 | 340,674,302 | 72.5 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 405,408,260 | 174,091,347 | 42.9 |
| 2. | Balance b/f from FY 2019/20 | - | 1,013,914,458 | 460,001,100 | 45.4 |
| 3. | Other Revenues | - | 135,562,988 | 135,562,988 | 100 |
| Sub Total | | - | 1,554,885,706 | 769,655,435 | 49.5 |
| Grand Total | | 6,121,018,439 | 7,611,517,868 | 4,306,805,442 | 56.6 |

Source: Nandi County Treasury

Figure 3.63 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.63: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Nandi County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.174.09 million as its own source revenue. This amount represented a decrease of 0.9 per cent compared to Kshs.175.74 million realised during a similar period in FY 2019/20 and was 42.9 per cent of the annual target.

3.33.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.74 billion from the CRF account during the reporting period. The amount comprised of Kshs.709.98 million (10.9 per cent) for development programmes and Kshs.3.03 billion (89.1 per cent) for recurrent programmes.

3.33.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.4.55 billion on development and recurrent programmes. The expenditure represented 121.7 per cent of the total funds released by the COB and comprised of Kshs.1.03 billion and Kshs.3.52 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 39.6 per cent while recurrent expenditure represented 70.2 per cent of the annual recurrent expenditure budget.

3.33.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.75 billion was spent on compensation to employees, Kshs.778.33 million on operations and maintenance, and Kshs.1.03 billion on development activities as shown in Table 3.182.

Table 3.182: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 5,022,021,592 | 3,030,743,510 | 3,524,414,128 | 70.2 |
| Compensation to Employees | 3,845,956,683 | 2,372,167,807 | 2,746,082,903 | 71.4 |
| Operations and Maintenance | 1,176,064,909 | 658,575,703 | 778,331,225 | 66.2 |
| Total Development Expenditure | 2,589,496,276 | 709,984,499 | 1,026,332,939 | 39.6 |
| Development Expenditure | 2,589,496,276 | 709,984,499 | 1,026,332,939 | 39.6 |
| Total | 7,611,517,868 | 3,740,728,009 | 4,550,747,067 | 59.8 |

Source: Nandi County Treasury

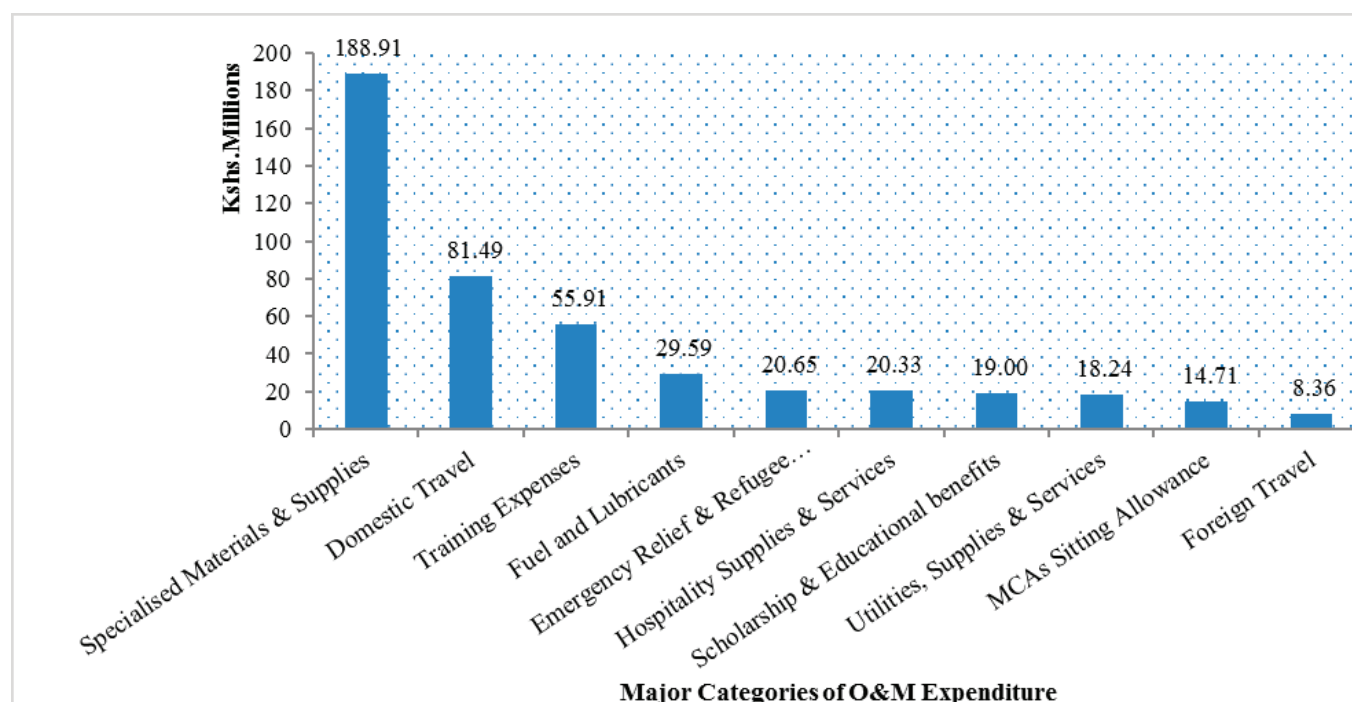
3.33.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 60.3 per cent of the total expenditure for the reporting period and 48.1 per cent of the first nine months proportional revenue estimate of Kshs.5.71 billion.

3.33.7 Expenditure on Operations and Maintenance

Figure 3.64 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.64: Nandi County, Operations and Maintenance Expenditure by Major Categories



Source: Nandi County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.14.71 million on committee sitting allowances for the 40 MCAs and Speaker against the annual budget allocation of Kshs.53.56 million. The average monthly sitting allowance was Kshs.40,853 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.81.49 million and comprised of Kshs.54.19 million spent by the County Assembly and Kshs.27.30 million by the County Executive. Expenditure on foreign travel amounted to Kshs.8.36 million and consisted of Kshs.5.46 million by the County Assembly and Kshs.2.90 million by the County Executive.

3.33.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs.10 million to cater for COVID-19 related expenditure. A total of Kshs.224.99 million was spent during the reporting period, as shown in Table 3.183.

Table 3.183: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs.) | Expenditure as of 31.03.2021 (Kshs.) |
|--------------|---|----------------------------------|--------------------------------------|
| 1. | Training and allowances for health care workers | 82,567,283 | 77,443,747 |
| 2. | Purchase of ICU Beds and Medical Equipment | 136,442,644 | 122,492,290 |
| 3. | Level I and II Grants | 5,985,000 | 5,985,000 |
| Total | | 224,994,927 | 224,994,927 |

Source: Nandi County Treasury

3.33.9 Development Expenditure

The County incurred expenditure of Kshs.1.03 billion on development programmes, which represented an increase of 23.1 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.833.95 million. Table 3.184 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.184: Nandi County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|------------------|------------------------|------------------------------------|---------------------|
| 1 | Supply of Semen | County Wide | 10,000,000 | 9,000,000 | 90.0 |
| 2 | Supply of Fuel | County Wide | 45,000,000 | 32,285,649 | 71.7 |
| 3 | Hire of Machinery | County Wide | 107,000,000 | 72,467,595 | 67.7 |
| 4 | Construction of ECDE | County Wide | 51,856,483 | 33,895,219 | 65.4 |
| 5 | Spot Improvement of Roads | County Wide | 160,365,516 | 100,907,156 | 62.9 |
| 6 | Construction of Cooling Plants | County Wide | 36,898,973 | 18,275,988 | 49.5 |
| 7 | Renovation and Repair of Cattle Dips | County Wide | 10,000,000 | 3,903,437 | 39.0 |
| 8 | Construction of County Referral Hospital | Kapsabet | 119,996,289 | 42,874,138 | 35.7 |
| 9 | Construction of Water Projects | County Wide | 95,000,000 | 33,805,554 | 35.6 |
| 10 | Construction and Renovation of Dispensaries | County Wide | 292,772,918 | 56,763,151 | 19.4 |

Source: Nandi County Treasury

3.33.10 Budget Performance by Department

Table 3.185 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.185: Nandi County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|-----------------|-------------------------------------|--------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Executive | 332.98 | 30.00 | 200.85 | - | 250.44 | - | 124.7 | - | 75.2 | - |
| Finance and Economic Planning | 407.38 | 10.00 | 278.78 | 1.47 | 306.37 | 3.04 | 109.9 | 207.1 | 75.2 | 30.4 |
| Devolved Units and Special programmes | 474.47 | 191.35 | 275.98 | - | 327.26 | 139.56 | 118.6 | - | 69.0 | 72.9 |
| Health and Sanitation | 2,307.86 | 462.77 | 1,470.10 | 139.93 | 1,639.53 | 152.82 | 111.5 | 109.2 | 71.0 | 33.0 |
| Agriculture, Livestock and Fisheries | 287.32 | 521.46 | 187.01 | 263.57 | 207.92 | 224.68 | 111.2 | 85.2 | 72.4 | 43.1 |
| Tourism, Culture and Co-operative Development | 32.57 | 32.90 | 13.10 | 9.08 | 19.49 | 5.84 | 148.8 | 64.3 | 59.8 | 17.7 |
| Youth, Gender and Social Services | 86.43 | 73.90 | 36.90 | 3.91 | 41.94 | 1.39 | 113.7 | 35.5 | 48.5 | 1.9 |
| Education Research and Vocational Training | 213.67 | 196.29 | 81.00 | 44.70 | 146.51 | 68.54 | 180.9 | 153.3 | 68.6 | 34.9 |
| Lands, Environment and Natural Resources | 68.19 | 423.44 | 29.55 | 50.19 | 45.71 | 61.41 | 154.7 | 122.3 | 67.0 | 14.5 |
| Roads, Transport and Public Works | 95.09 | 443.99 | 53.44 | 147.46 | 72.40 | 269.23 | 135.5 | 182.6 | 76.1 | 60.6 |
| Trade and Industrial Development | 39.95 | 103.40 | 15.64 | 19.89 | 25.34 | 21.76 | 162.0 | 109.4 | 63.4 | 21.0 |
| Public Service and Labour | 26.34 | - | 10.77 | - | 11.89 | - | 110.4 | - | 45.1 | - |
| County Assembly | 649.76 | 100.00 | 377.62 | 29.78 | 429.64 | 78.06 | 113.8 | 262.1 | 66.1 | 78.1 |
| Grand Total | 5,022.02 | 2,589.50 | 3,030.74 | 709.98 | 3,524.41 | 1,026.33 | 116.3 | 144.6 | 70.2 | 39.6 |

Source: Nandi County Treasury

Analysis of departments' expenditure shows that the County Assembly recorded the highest absorption rate of development budget at 78.1 per cent while the department of Public Service and Labour did not report any expenditure on development activities. The department of Roads, Transport and Public Works had the highest percentage of recurrent expenditure to budget at 76.1 per cent while the department of Public Service and Labour had the lowest at 45.1 per cent.

3.33.11 Budget Execution by Programmes and Sub-Programmes

Table 3.186 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.186: Nandi County, Budget Execution by Programmes and Sub-programmes

| Budget Execution by Programmes and Sub-Programmes | | | | | | |
|---|---|-------------------------|-------------------------|--------------------|----------------|--|
| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance(Kshs.) | Absorption (%) | |
| County Executive | | | | | | |
| General Administration and Planning | General Administration and Planning | 332,983,927 | 250,436,696 | 82,547,231 | 75.2 | |
| | Sub total | 332,983,927 | 250,436,696 | 82,547,231 | 75.2 | |
| Physical Infrastructure | Construction of Governor's Offices | 30,000,000 | - | 30,000,000 | 0.0 | |
| | Sub total | 30,000,000 | - | 30,000,000 | 0.0 | |
| Finance and Economic Planning | | | | | | |
| General Administration and Planning | General Administration and Planning | 407,381,387 | 306,365,635 | 101,015,752 | 75.2 | |
| | Sub total | 407,381,387 | 306,365,635 | 101,015,752 | 75.2 | |
| Revenue Enhancement and Infrastructure | Revenue Collection and Management Phase 1 | 10,000,000 | 3,040,930 | 6,959,070 | 30.4 | |
| | Sub total | 10,000,000 | 3,040,930 | 6,959,070 | 30.4 | |
| Devolved Units and Special Programmes | | | | | | |
| Administration and Support of Human Resources | Administrative Support Services | 460,971,378 | 327,255,383 | 133,715,995 | 71.0 | |
| | ICT Support Services | 13,500,000 | - | 13,500,000 | 0.0 | |
| | Sub total | 474,471,378 | 327,255,383 | 147,215,995 | 69.0 | |
| County Administrative Services | Urban Planning, Investment and Research | 191,346,920 | 139,562,987 | 51,783,933 | 72.9 | |
| | Sub total | 191,346,920 | 139,562,987 | 51,783,933 | 72.9 | |
| Health and Sanitation | | | | | | |
| Health Service Delivery Administration Services | Health Service Delivery Administration Services | 1,897,509,456 | 1,314,021,974 | 583,487,482 | 69.2 | |
| | Construction of building | 335,976,629 | 79,763,765 | 256,212,864 | 23.7 | |
| | Sub total | 2,233,486,085 | 1,393,785,739 | 839,700,346 | 62.4 | |
| Preventive & Promotive Health Services | Community Health Services | 391,537,664 | 312,349,190 | 79,188,474 | 79.8 | |
| | Sub total | 391,537,664 | 312,349,190 | 79,188,474 | 79.8 | |
| Curative Health Services | Curative Health Management Services | 126,796,289 | 73,059,983 | 53,736,306 | 57.6 | |
| | Sub total | 126,796,289 | 73,059,983 | 53,736,306 | 57.6 | |
| Health Sector Programme Support (DANIDA FUNDS) | County Health Facilities Support (DANIDA) | 18,808,500 | 11,223,550 | 7,584,950 | 59.7 | |
| | Sub total | 18,808,500 | 11,223,550 | 7,584,950 | 59.7 | |
| Agriculture, Livestock and Fisheries | | | | | | |
| Administration and general support services | Administration and support services | 287,319,034 | 207,920,284 | 79,398,750 | 72.4 | |
| | Sub total | 287,319,034 | 207,920,284 | 79,398,750 | 72.4 | |
| Crop Development and Management | Land and Crops Development | 232,246,023 | 157,805,955 | 74,440,068 | 67.9 | |
| | Value addition to Agricultural Products | - | - | - | - | |
| | Sub total | 232,246,023 | 157,805,955 | 74,440,068 | 67.9 | |
| Livestock Resources Management and Development | Livestock Production and Management | 289,214,130 | 66,872,110 | 222,342,020 | 23.1 | |
| | Sub total | 289,214,130 | 66,872,110 | 222,342,020 | 23.1 | |
| Tourism, Culture and Cooperative Development | | | | | | |
| General Administration and Planning | General Administration and Planning | 32,574,072 | 19,490,446 | 13,083,626 | 59.8 | |
| | Sub total | 32,574,072 | 19,490,446 | 13,083,626 | 59.8 | |
| Culture | Development and Promotion of Culture | 32,898,000 | 5,835,998 | 27,062,002 | 17.7 | |
| | Sub total | 32,898,000 | 5,835,998 | 27,062,002 | 17.7 | |
| Youth, Gender and Social Services | | | | | | |
| General Administration and Planning | General Administration and Planning | 86,425,001 | 41,936,278 | 44,488,723 | 48.5 | |
| | Sub total | 86,425,001 | 41,936,278 | 44,488,723 | 48.5 | |
| Sports Development | Sports Activities and Programs | 73,902,912 | 1,389,500 | 72,513,412 | 1.9 | |
| | Sub total | 73,902,912 | 1,389,500 | 72,513,412 | 1.9 | |

| Budget Execution by Programmes and Sub-Programmes | | | | | | |
|--|--|-------------------------|-------------------------|----------------------|----------------|--|
| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance(Kshs.) | Absorption (%) | |
| Education, Research and Vocational Training | | | | | | |
| General Administration and Planning | General Administration and Planning | 213,674,617 | 146,507,308 | 67,167,309 | 68.6 | |
| | Sub total | 213,674,617 | 146,507,308 | 67,167,309 | 68.6 | |
| Education | Early Child Development and Education. | 161,868,483 | 67,786,248 | 94,082,235 | 41.9 | |
| | Sub total | 161,868,483 | 67,786,248 | 94,082,235 | 41.9 | |
| Youth Training and Development | Revitalization of Youth Polytechnics | 34,419,894 | 750,000 | 33,669,894 | 2.2 | |
| | Sub total | 34,419,894 | 750,000 | 33,669,894 | 2.2 | |
| Lands, Environment and Natural Resources | | | | | | |
| General Administration and Planning | General Administration and Planning | 68,189,811 | 45,705,539 | 22,484,272 | 67.0 | |
| | Sub total | 68,189,811 | 45,705,539 | 22,484,272 | 67.0 | |
| Land Adjudication | Demarcation and Survey of Community Land | 15,000,000 | - | 15,000,000 | 0.0 | |
| | Sub total | 15,000,000 | - | 15,000,000 | 0.0 | |
| Environmental Conservation & Protection | Forests Protection and Conservation of Swamps and Wetlands | 2,739,278 | - | 2,739,278 | 0.0 | |
| | Sub total | 2,739,278 | - | 2,739,278 | 0.0 | |
| Water Supply | Development of Water Catchment Areas and Distribution of Water | 405,696,934 | 61,407,516 | 344,289,418 | 15.1 | |
| | Sub total | 405,696,934 | 61,407,516 | 344,289,418 | 15.1 | |
| Roads, Transport and Public Works | | | | | | |
| General Administration and Planning | General Administration and Planning | 95,094,019 | 72,403,933 | 22,690,086 | 76.1 | |
| | Sub total | 95,094,019 | 74,403,933 | 22,690,086 | 76.1 | |
| Road Transport | Bridges and Foot Bridges | - | - | - | 0.0 | |
| | Road-Works | 443,993,552 | 269,233,700 | 174,759,852 | 60.6 | |
| | Sub total | 443,993,552 | 269,233,700 | 174,759,852 | 60.6 | |
| Trade and Industrial Development | | | | | | |
| General Administration and Planning | General Administration and Planning | 39,948,285 | 25,338,781 | 14,609,504 | 63.4 | |
| | Sub total | 39,948,285 | 25,338,781 | 14,609,504 | 63.4 | |
| Trade Development | Trade Development and Promotion | 103,397,232 | 21,761,620 | 81,635,612 | 21.0 | |
| | Sub total | 103,397,232 | 21,761,620 | 81,635,612 | 21.0 | |
| Public Service and Labour | | | | | | |
| General Administration and Planning | General Administration and Planning | 26,344,189 | 11,888,670 | 14,455,519 | 78.1 | |
| | Sub total | 26,344,189 | 11,888,670 | 14,455,519 | 78.1 | |
| County Assembly | | | | | | |
| General Administration and Support Services | Administration and support Services | 100,000,000 | 78,062,627 | 21,937,373 | 78.1 | |
| | Sub total | 100,000,000 | 78,062,627 | 21,937,373 | 78.1 | |
| County Assembly Service Board | Personnel services | 649,760,252 | 429,636,481 | 220,123,771 | 66.1 | |
| | Sub total | 649,760,252 | 429,636,481 | 220,123,771 | 66.1 | |
| Default- Non-Programmatic | | - | 14,734,328 | - | | |
| Grand Total | | 7,611,517,868 | 4,563,547,415 | 3,062,704,781 | 60.0 | |

Source: Nandi County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Community Health Services in the Department of Health and Sanitation at 79.8 per cent, Administrative and Support Services in the County Assembly at 78.1 per cent, and General Administration and Planning in the Department of Trade and Industrial Development at 76.1 per cent.

3.33.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely

preparation of budget implementation report. The report was submitted on 27th April 2021 contrary to OCoB's instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.

2. Low absorption of development funds as indicated by the expenditure of Kshs.1.03 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.2.59 billion. The development expenditure represented 39.6 per cent of the annual development budget.
3. A high wage bill, which accounted for 60.3 per cent of the total expenditure in the first nine months of FY 2020/21 thus constraining funding to other programmes.
4. Under-performance of own source revenue at Kshs.174.09 million against an annual projection of Kshs.405.41 million, representing 42.9 per cent of the annual target.

The County should implement the following recommendations to improve budget execution;

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.*
2. *The County should identify and address issues causing delays in the implementation of development projects.*
3. *The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.*
4. *The County should address its own source revenue performance to ensure the approved budget is fully financed.*

3.34 County Government of Narok

3.34.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.11.26 billion, comprising of Kshs.3.62 billion (32.2 per cent) and Kshs.7.64 billion (67.8 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.7.121 billion (63.3 per cent) as the equitable share of revenue raised nationally, Kshs.1.0 billion (8.9 per cent) as total conditional grants, generate Kshs.3.133 billion (27.8 per cent) from own sources of revenue.

3.34.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.5.35 billion as the equitable share of the revenue raised nationally, Kshs.426.02 million as conditional grants, and raised Kshs.453.29 million as own-source revenue. The total funds available for budget implementation during the period amounted to Kshs.6.23 billion as shown in Table 3.187.

Table 3.187: Narok County, Revenue Performance in the First Nine Months of FY 2020/21

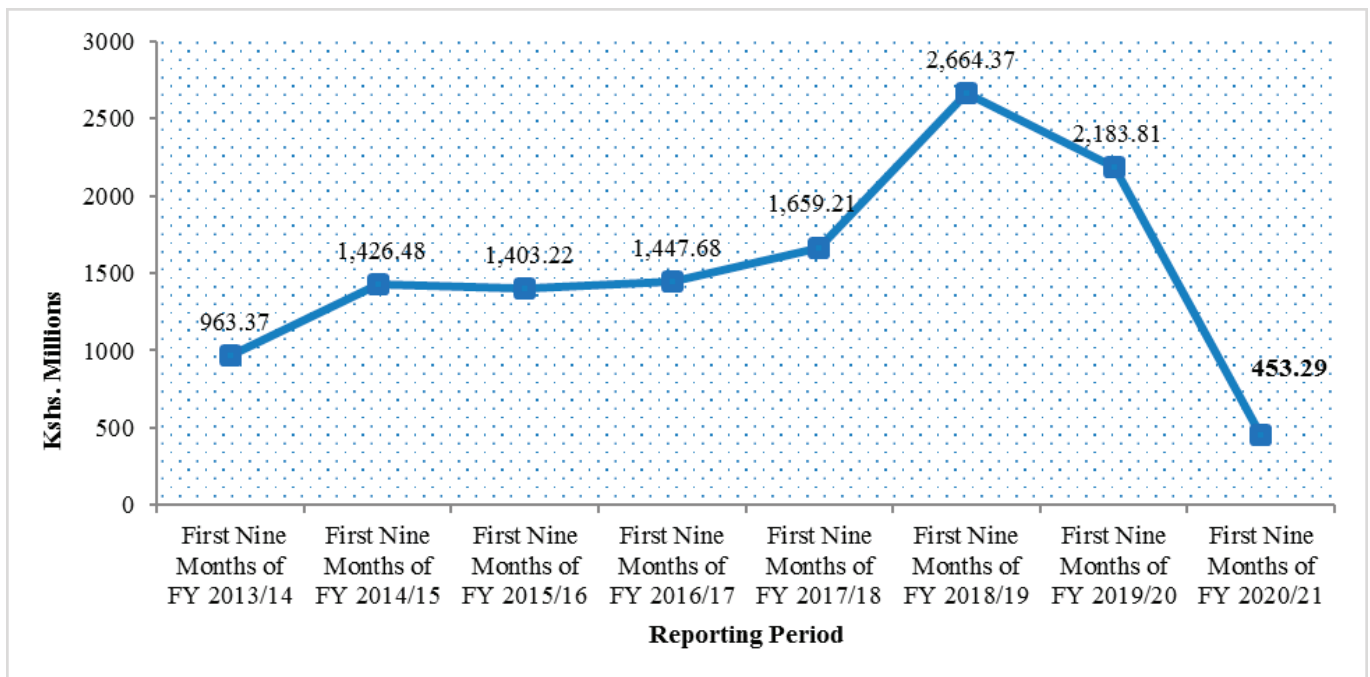
| S/No | Revenue | Annual CARA, 2021 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual Receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|-----------|---|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 7,121,250,000 | 7,121,250,000 | 5,354,040,600 | 75.2 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1 | Compensation for User Fee Foregone | 20,595,297 | 20,595,297 | - | - |
| 2 | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 3 | Road Maintenance Fuel Levy Fund | 212,248,477 | 212,248,477 | 106,124,238 | 50.0 |
| 4 | Rehabilitation of Village Polytechnics | 16,084,894 | 16,084,894 | 8,042,447 | 50.0 |
| | Sub Total | 380,949,945 | 380,949,945 | 114,166,685 | 30.0 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 104,265,416 | 104,265,416 | 50,064,855 | 48.0 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 218,575,646 | 218,575,646 | 194,355,162 | 88.9 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |

| S/No | Revenue | Annual CARA, 2021 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual Receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|--|------------------------------------|----------------------------|---|
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | 74,500,000 | 74,500,000 | - | - |
| 5. | DANIDA Grant | 22,860,000 | 22,860,000 | 11,430,000 | 50.0 |
| 6. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant | 141,000,000 | 141,000,000 | - | - |
| 7. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 13,695,490 | 13,695,490 | 11,007,054 | 80.4 |
| Sub Total | | 619,896,552 | 619,896,552 | 311,857,071 | 50.3 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 3,133,923,503 | 453,294,737 | 14.5 |
| Sub Total | | - | 3,133,923,503 | 453,294,737 | 14.5 |
| Grand Total | | 8,122,096,497 | 11,256,020,000 | 6,233,359,092 | 55.4 |

Source: Narok County Treasury

Figure 3.65 shows the trend in own-source revenue collection for the first half from FY 2013/14 to FY 2020/21.

Figure 3.65: Trend in Own-Source Revenue Collection for the First Half from FY 2013/14 to FY 2020/21



Source: Narok County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.453.29 million as own-source revenue. This amount represented a decrease of 79.2 per cent compared to Kshs.2.18 billion realised during a similar period in FY 2019/20 and 14 per cent of the annual target

3.34.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.45 billion from the CRF account during the reporting period. The amount comprised of Kshs.956.478 million (18 per cent) for development programmes and Kshs.4.493 billion (82.4 per cent) for recurrent programmes.

3.34.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.5.14 billion on development and recurrent programmes. The expenditure represented 94.4 per cent of the total funds released by the COB and comprised of Kshs.727.69 million and Kshs.4.41 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 20.1 per cent while recurrent expenditure represented 57.8 per cent of the annual recurrent expenditure budget.

3.34.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.69 billion was spent on compensation to employees, Kshs.1.72 billion on operations and maintenance, and Kshs.727.69 million on development activities as shown in Table 3.188.

Table 3.188: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 7,636,220,000 | 4,492,688,011 | 4,414,895,759 | 57.8 |
| Compensation to Employees | 3,930,844,895 | 2,404,037,670 | 2,692,102,482 | 68.5 |
| Operations and Maintenance | 3,705,375,105 | 2,088,650,341 | 1,722,793,277 | 46.5 |
| Total Development Expenditure | 3,619,800,000 | 956,478,663 | 727,691,214 | 20.1 |
| Development Expenditure | 3,619,800,000 | 956,478,663 | 727,691,214 | 20.1 |
| Total | 11,256,020,000 | 5,449,166,674 | 5,142,586,973 | 45.7 |

Source: Narok County Treasury

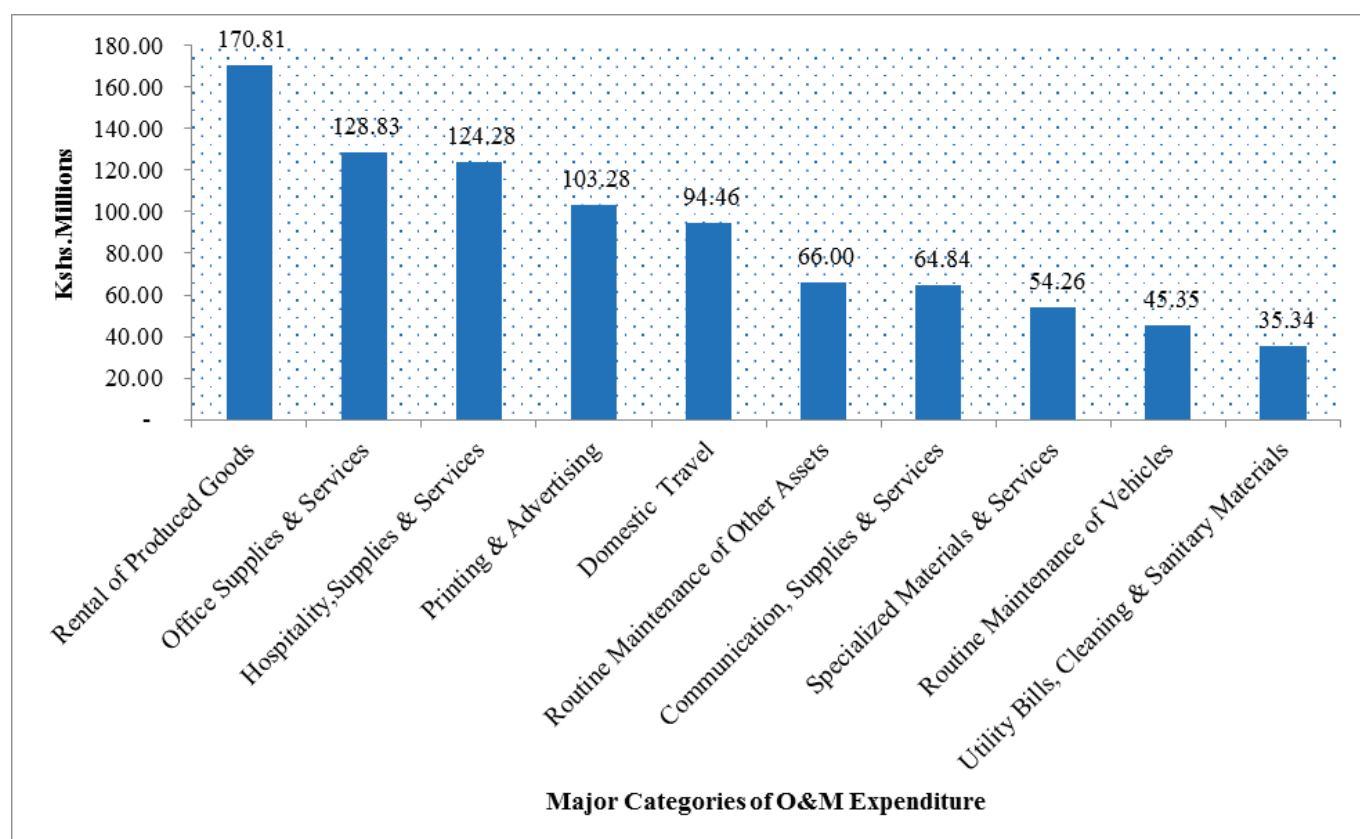
3.34.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 52.3 per cent of the total expenditure for the reporting period and 31.9 per cent of the first nine months proportional revenue estimate of Kshs.5.71 billion.

3.34.7 Expenditure on Operations and Maintenance

Figure 3.66 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.66: Narok County, Operations and Maintenance Expenditure by Major Categories



Source: Narok County Treasury

Analysis of expenditure reports indicates that the County spent Kshs.16.35 million on committee sitting allowances for the 48 MCAs and Speaker against the annual budget allocation of Kshs.58.81 million. The average monthly sitting allowance was Kshs.37,840 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.94.46 million and comprised of Kshs.51.45 million spent by the County Assembly and Kshs.43 million by the County Executive.

3.34.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs.195.24 million to cater for COVID-19 related expenditure while a total of Kshs.194.25 million was spent during the reporting period. However, the County Treasury did not submit an itemisation of the expenditure summing to Kshs.194.25 million.

3.34.9 Development Expenditure

The County incurred an expenditure of Kshs.727.69 million on development programmes, which represented a decrease of 36 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.04 billion. Table 3.189 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.189: Narok County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Location | Budget | Expenditure | Absorption Rate |
|-------|---|-----------------|-------------|-------------|-----------------|
| 1 | Construction of New Hospital Block And Mortuary at Narok County Referral Hospital | Narok North | 558,795,432 | 105,040,000 | 18.8 |
| 2 | Construction of Ololulung'a Isolation Centre Phase 2 | Narok South | 99,655,497 | 53,000,000 | 53.2 |
| 3 | Upgrading of Lolgorian Health Centre | Trans Mara West | 160,353,612 | 46,000,000 | 28.7 |
| 4 | Construction of Narok Town Bus Park | Narok North | 131,431,940 | 40,000,000 | 30.4 |
| 5 | Construction of Medical School And Hotel | Narok North | 288,850,043 | 34,022,934 | 11.8 |
| 6 | N/Enkare Market | Narok East | 42,624,000 | 27,673,700 | 64.9 |
| 7 | Commercial Bridge Morgor River | Transmara West | 32,560,000 | 25,000,000 | 76.8 |
| 8 | Construction of 100beds Inpatient Wards At N/Enkare | Narok East | 48,678,281 | 23,326,156 | 47.9 |
| 9 | Supply of Drilling Machines | Narok North | 59,729,328 | 18,430,357 | 30.9 |
| 10 | Bitumen Standard Narok County Roads | Narok North | 137,570,664 | 66,351,196 | 48.2 |

Source: Narok County Treasury

3.34.10 Budget Performance by Department

Table 3.190 shows a summary of the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.190: Narok County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 709.60 | 215.27 | 336.18 | - | 324.82 | - | 96.6 | - | 45.8 | - |
| County Executive | 155.23 | - | 95.20 | - | 89.76 | - | 94.3 | - | 57.8 | - |
| Finance and Economic Planning | 771.76 | 442.40 | 439.54 | 4.00 | 436.33 | 3.90 | 99.3 | 97.5 | 56.5 | 0.9 |
| Transport, Public Works and Infrastructure | 291.87 | 800.77 | 143.38 | 352.30 | 139.24 | 292.43 | 97.1 | 83.0 | 47.7 | 36.5 |
| Education, Youth Affairs, Sports, Culture and Social Services | 1,124.04 | 450.92 | 540.54 | 79.04 | 536.29 | 68.17 | 99.2 | 86.2 | 47.7 | 15.1 |
| Environment and Natural Resources | 210.01 | 124.21 | 126.96 | - | 120.51 | - | 94.9 | - | 57.4 | - |
| County Public Service Board | 86.64 | - | 41.90 | - | 40.23 | - | 96.0 | - | 46.4 | - |
| Agriculture, Livestock and Fisheries | 317.51 | 334.26 | 185.00 | 243.86 | 181.26 | 138.13 | 98.0 | 56.6 | 57.1 | 41.3 |
| Health and Sanitation | 2,527.00 | 864.72 | 1,579.47 | 250.27 | 1,551.44 | 198.11 | 98.2 | 79.2 | 61.4 | 22.9 |
| Lands, Housing, Physical Planning and Urban Development | 153.25 | 146.50 | 93.70 | 10.00 | 92.62 | 9.99 | 98.8 | 99.9 | 60.4 | 6.8 |
| Tourism and Wildlife | 391.05 | 99.37 | 235.10 | 15.00 | 230.26 | 14.96 | 97.9 | 99.7 | 58.9 | 15.1 |
| Administration and Public Service Management | 788.59 | 100.83 | 619.01 | - | 616.19 | - | 99.5 | - | 78.1 | - |
| Trade and Industrialization | 109.67 | 40.55 | 56.70 | 2.00 | 55.94 | 2.00 | 98.7 | 100.0 | 51.0 | 4.9 |
| Total | 7,636.22 | 3,619.80 | 4,492.69 | 956.48 | 4,414.90 | 727.69 | 98.3 | 76.1 | 57.8 | 20.1 |

Source: Narok County Treasury

Analysis of expenditure by department shows that the Department of Agriculture, Livestock and Fisheries recorded the highest absorption rate of development budget at 41 per cent, followed by the Transport, Public Works and Infrastructure at 36.5 per cent. The Department of Administration and Public Service management had the highest percentage of recurrent expenditure to budget at 78.1 per cent, while the County Assembly had the lowest at 45.8 per cent.

3.34.11 Budget Execution by Programmes and Sub-Programmes

Table 3.191 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.191: Narok County, Budget Execution by Programmes and Sub-programmes

| Programme Description | Approved Estimates (Kshs.) | Actual Expenditure (Kshs.) | Variance (Kshs.) | Absorption Rate (%) |
|---|----------------------------|----------------------------|------------------|---------------------|
| | A | B | C=A-B | D=B/A*100 |
| Default - Non Programmatic | - | 1,153,500 | (627,000) | 0% |
| Default - Non Programmatic | - | 1,153,500 | (627,000) | 0% |
| Crop Development and management | 416,346,682 | 145,533,229 | 270,813,453 | 35% |
| Crop Productivity Improvement | 416,346,682 | 145,533,229 | 270,813,453 | 35% |
| Livestock Resources management and development | 204,917,623 | 43,237,946 | 161,679,677 | 21% |
| Livestock Pests & Disease Management & Control | 72,802,607 | - | 72,802,607 | 0% |
| Livestock Information Management | 132,115,016 | 43,237,946 | 88,877,070 | 33% |
| Fisheries development and management | 30,505,695 | 8,000,000 | 22,505,695 | 26% |
| Fish Products Production | 30,505,695 | 8,000,000 | 22,505,695 | 26% |
| Land Policy and Planning | 41,413,459 | 14,613,949 | 26,799,510 | 35% |
| Development Planning and Land Reforms | 41,413,459 | 14,613,949 | 26,799,510 | 35% |
| Housing Development and Human Settlement | 100,366,687 | 2,481,500 | 97,885,187 | 2% |
| Housing Development | 100,366,687 | 2,481,500 | 97,885,187 | 2% |
| Urban Mobility and Transport | 157,969,854 | 96,385,177 | 61,584,676 | 61% |
| Metropolitan Planning & Infrastructure Development | 157,969,854 | 96,385,177 | 61,584,676 | 61% |
| Roads Transport and Public Works | 1,092,636,745 | 414,599,638 | 678,037,108 | 38% |
| General Administration, Planning and Support Services | 61,549,884 | 10,319,832 | 51,230,051 | 17% |
| Construction of Roads and Bridges | 943,589,270 | 400,354,013 | 543,235,257 | 42% |
| Maintenance of Roads | 87,497,592 | 3,925,792 | 83,571,800 | 4% |
| ICT Services | 52,744,534 | 3,046,103 | 49,698,431 | 6% |
| ICT Infrastructure Development | 52,744,534 | 3,046,103 | 49,698,431 | 6% |
| General Administration and Support Services | 150,220,000 | 21,653,903 | 128,566,097 | 14% |
| Administrative Services | 3,908,004 | - | 3,908,004 | 0% |
| Cooperative Development & Management | 23,845,870 | 500,000 | 23,345,870 | 2% |
| Trade Development and Promotion | 122,466,126 | 21,153,903 | 101,312,223 | 17% |
| Tourism Development and Promotion | 490,420,000 | 130,229,720 | 360,190,280 | 27% |
| Tourism Promotion and Marketing | 490,420,000 | 130,229,720 | 360,190,280 | 27% |
| Preventive & Promotive Health Services | 864,720,000 | 517,304,954 | 347,415,046 | 60% |
| Health Promotion | 864,720,000 | 517,304,954 | 347,415,046 | 60% |
| Curative Health Services | 325,874,301 | 62,977,098 | 262,897,204 | 19% |
| Referral Services | 325,874,301 | 62,977,098 | 262,897,204 | 19% |
| General Administration, Planning & Support Services | 2,201,127,501 | 1,155,277,398 | 1,045,850,103 | 52% |
| Health Policy, Planning and Financing | 2,201,127,501 | 1,155,277,398 | 1,045,850,103 | 52% |
| Manpower Development, Employment and Productivity Management | 1,275,802,307 | 859,761,857 | 416,040,451 | 67% |
| Early Child Development and Education | 1,015,802,307 | 731,761,857 | 284,040,451 | 72% |
| Infrastructure Development and Expansion | 260,000,000 | 128,000,000 | 132,000,000 | 49% |
| General Administration, Planning and Support Services | 1,455,268,548 | 566,464,538 | 888,804,009 | 39% |
| Administrative Services | 550,596,129 | 256,183,122 | 294,413,007 | 47% |
| Information Communication Services | - | - | - | 0% |
| Coordination and Administrative Services | 317,438,631 | 73,979,327 | 243,459,304 | 23% |
| Public service and Field Administrative Services | 430,601,788 | 182,567,013 | 248,034,775 | 42% |
| Board Management Services | 156,632,000 | 53,735,077 | 102,896,924 | 34% |
| Legal and Public Affairs | - | - | - | 0% |
| Public Finance Management | 369,377,906 | 109,228,211 | 260,149,696 | 30% |
| Accounting services | 36,697,725 | 3,186,600 | 33,511,125 | 9% |
| Resource Mobilization | 164,004,654 | 74,027,770 | 89,976,884 | 45% |

| Programme Description | Approved Estimates (Kshs.) | Actual Expenditure (Kshs.) | Variance (Kshs.) | Absorption Rate (%) |
|---|----------------------------|----------------------------|----------------------|---------------------|
| | A | B | C=A-B | D=B/A*100 |
| Budget Formulation, Coordination and Management | 43,685,860 | 5,188,666 | 38,497,195 | 12% |
| Supply Chain Management Services | 71,061,565 | 23,365,175 | 47,696,390 | 33% |
| Internal Audit Services | 53,928,102 | 3,460,000 | 50,468,102 | 6% |
| Economic Policy and County Planning | 792,041,032 | 512,808,942 | 279,232,090 | 65% |
| Economic Planning Coordination | 760,515,691 | 506,171,342 | 254,344,349 | 67% |
| Monitoring and Evaluation Services | 31,525,341 | 6,637,600 | 24,887,741 | 21% |
| Legislation and Representation | 600,891,577 | 211,092,816 | 389,798,761 | 35% |
| Legislative Oversight | 463,101,034 | 130,946,424 | 332,154,610 | 28% |
| County Co-ordination Services | 131,190,000 | 75,620,820 | 55,569,181 | 58% |
| Research and Policy | 6,600,543 | 4,525,572 | 2,074,971 | 69% |
| Social Development and Children Services | 299,157,353 | 139,072,440 | 160,084,913 | 46% |
| Gender and Youth Development | 18,927,420 | - | 18,927,420 | 0% |
| Social Assistance to Vulnerable Groups | 21,136,920 | 1,182,400 | 19,954,520 | 6% |
| Development and Promotion of culture | 8,770,391 | 520,000 | 8,250,391 | 6% |
| Development and Management of sports facilities | 150,000,000 | 132,050,000 | 17,950,000 | 88% |
| Sports Services | - | - | - | 0% |
| Voluntary Training Services | 100,322,622 | 5,320,040 | 95,002,582 | 5% |
| Environment Management and Protection | 334,218,198 | 127,664,056 | 206,554,142 | 38% |
| Forests Conservation and Management | 334,218,198 | 127,664,056 | 206,554,142 | 38% |
| Total | 11,256,020,000 | 5,142,586,972 | 6,113,433,027 | 46% |

Source: Narok County Treasury

Programmes with high levels of implementation based on absorption rates were: Development and Management of sports facilities at 88 per cent, Early Child Development and Education at 72 per cent, and Research and Policy at 69 per cent of budget allocation.

3.34.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.727.69 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.3.62 billion. The development expenditure represented 13 per cent of the annual development budget.
2. Under-performance of own source revenue at Kshs.453.29 million compared to an annual projection of Kshs.3.13 billion, representing 14.5 per cent of the annual target. The challenges can be attributed to the global pandemic of COVID-19, which caused a significant drop in the tourism revenue stream.

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County should address its revenue performance to ensure the approved budget is fully financed.

3.35 County Government of Nyamira

3.35.1 Overview of FY 2020/21 Budget

The County's approved supplementary budget for FY 2020/21 is Kshs.6.90 billion, comprising of Kshs.2.28 billion (33 per cent) and Kshs.4.62 billion (67 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.4.91 billion (71.2 per cent) as the equitable share of revenue raised nationally, Kshs.883.67 billion (12.8 per cent) as total conditional grants, generate Kshs.250.00 million (3.6 per cent) from own sources of revenue, and a cash balance of Kshs.855.78 million (12.5 per cent) from FY 2019/20.

3.35.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.2.80 billion as equitable share of the revenue raised nationally, Kshs.514.28 million as conditional grants, raised Kshs.121.71 million as own-source revenue, and had a cash balance of Kshs.855.78 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.4.29 billion as shown in Table 3.192.

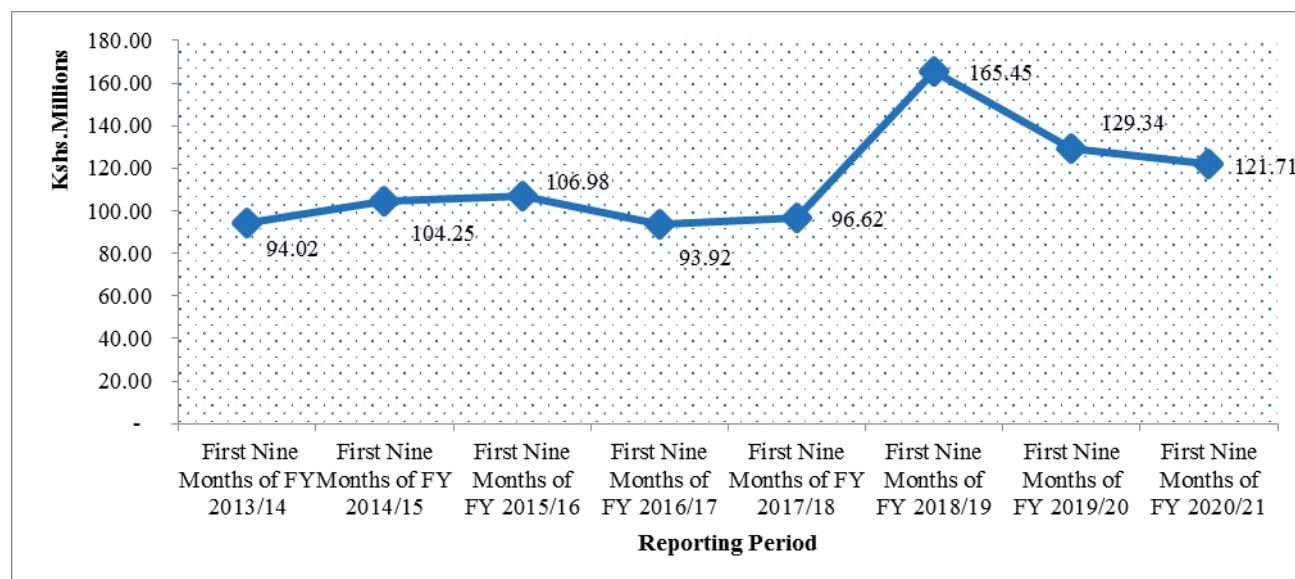
Table 3.192: Nyamira County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|--|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 4,810,800,000 | 4,905,750,000 | 2,795,074,800 | 57.0 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Road Maintenance Fuel Levy Fund | 146,215,617 | 146,215,617 | 123,071,026 | 84.2 |
| 2. | Rehabilitation of Village Polytechnics | 60,409,894 | 60,409,894 | 30,204,947 | 50.0 |
| 3. | Compensation for User Fee Foregone | 13,175,221 | 13,175,221 | - | - |
| Sub Total | | 219,800,732 | 219,800,732 | 153,275,973 | 69.7 |
| C. | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) | 278,847,760 | 278,847,760 | 150,000,000 | 53.8 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 198,509,110 | 198,509,110 | 157,159,829 | 79.2 |
| 3. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | - | 114,705,300 | - | - |
| 4. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |
| 5. | DANIDA Grant | 13,680,000 | 13,680,000 | 6,840,000 | 50.0 |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 13,125,036 | 13,125,036 | 12,446,204 | 94.8 |
| Sub Total | | 549,161,906 | 663,867,206 | 371,446,033 | 56.0 |
| D. | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 250,000,000 | 121,714,967 | 48.7 |
| 2. | Balance b/f from FY 2019/20 | - | 855,779,664 | 855,779,664 | 100 |
| Sub Total | | | 1,105,779,664 | 977,494,631 | 88.4 |
| Grand Total | | 5,579,762,638 | 6,895,197,602 | 4,297,295,211 | 62.2 |

Source: Nyamira County Treasury

Figure 3.67 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.67: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Nyamira County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.121.71 million as own-source revenue. This amount represented a decrease of 5.9 per cent compared to Kshs.129.34 million realised during a similar period in FY 2019/20 and was 48.7 per cent of the annual target.

3.35.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.15 billion from the CRF account during the reporting period. The amount comprised of Kshs.683.99 million (21.7 per cent) for development programmes and Kshs.2.47 billion (78.3 per cent) for recurrent programmes.

3.35.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.74 billion on development and recurrent programmes. The expenditure represented 118.9 per cent of the total funds released by the COB and comprised of Kshs.837.67 million and Kshs.2.90 billion on development and recurrent programmes respectively. Expenditure on development programmes represented an absorption rate of 36.8 per cent while recurrent expenditure represented 62.8 per cent of the annual recurrent expenditure budget.

3.35.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.28 billion was spent on compensation to employees, Kshs.619.81 million on operations and maintenance, and Kshs.837.67 million on development activities as shown in Table 3.193.

Table 3.193: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|-------------------------|-------------------------|----------------|
| Total Recurrent Expenditure | 4, 619, 075, 596 | 2, 899, 734, 145 | 62.8 |
| Compensation to Employees | 3, 123, 070, 948 | 2, 279, 919, 474 | 73.0 |
| Operations and Maintenance | 1, 496, 004, 648 | 619, 814, 671 | 41.4 |
| Total Development Expenditure | 2, 276, 122, 006 | 837, 669, 609 | 36.8 |
| Development Expenditure | 2, 276, 122, 006 | 837, 669, 609 | 36.8 |
| Total | 6, 895,197, 602 | 3,737,403,754 | 54.2 |

Source: Nyamira County Treasury

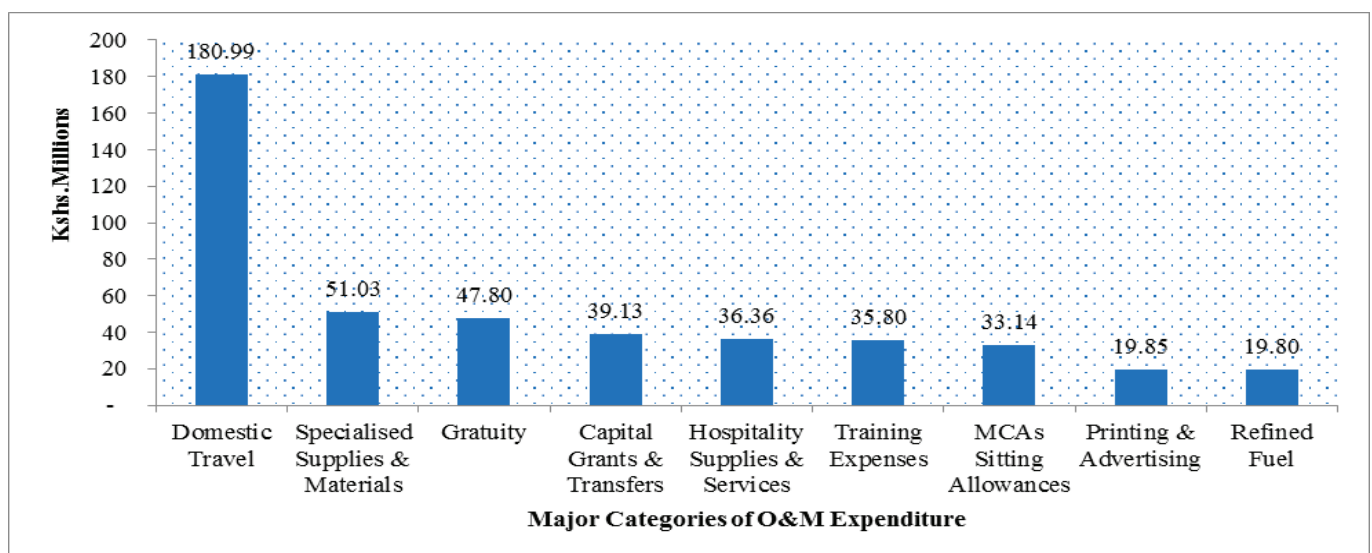
3.35.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 61 per cent of the total expenditure for the reporting period and 33.1 per cent of the first nine months proportional revenue estimate of Kshs.5.17 billion.

3.35.7 Expenditure on Operations and Maintenance

Figure 3.68 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.68: Nyamira County, Operations and Maintenance Expenditure by Major Categories



Source: Nyamira County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.33.14 million on committee sitting allowances for the 36 MCAs and Speaker against the annual budget allocation of Kshs.55.44 million. The average monthly sitting allowance was Kshs.99,507 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.180.99 million and comprised of Kshs.78.91 million spent by the County Assembly and Kshs.102.08 million by the County Executive. Expenditure on foreign travel amounted to Kshs.15.48 million and comprised of Kshs.0.90 million by the County Assembly and Kshs.14.58 million by the County Executive.

3.35.8 COVID-19 Expenditure

The County did not provide information on the utilisation of COVID-19 Funds

3.35.9 Development Expenditure

The County incurred expenditure of Kshs.837.67 million on development programmes, which represented an increase of 46.1 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.573.23 million. Table 3.194 SHOWS list of development projects with the highest expenditure in the reporting period.

Table 3.194: Nyamira County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|------------------|------------------------|------------------------------------|---------------------|
| 1 | Proposed construction & completion of Nyamira county Covid – 19 isolation complex | HQ | 95,860,834 | 19,172,167 | 20 |
| 2 | Proposed Erection & completion of Manga stadium pavilion | Manga | 83,721,866 | 12,980,603 | 16 |
| 3 | Construction & completion of county Headquarters | HQ | 31,554,823 | 5,703,290 | 18 |
| 4 | GIS special plan & pre - feasibility | County wide | 15,000,000 | 6,647,600 | 44 |
| 5 | Proposed construction & completion in-patient ward at Materio Health Centre | Kiabonyoru | 14,716,807 | 10,355,306 | 70 |
| 6 | Laying of water ways in the county | Countywide | 5,260,000 | 4,679,236 | 89 |
| 7 | Proposed construction and completion of 3 ECDE classrooms at Nyagachi Pry School | Manga | 3,641,654 | 3,641,654 | 100 |
| 8 | Construction & completion of 3ECDE classroom at Nyambaria Pry. School | Magambo | 3,398,000 | 3,398,000 | 100 |
| 9 | Construction of Riastephene – Bogwendo – Riokendo road | Magambo | 4,017,613 | 3,612,528 | 90 |
| 10 | Fencing of Kemera Market | Kemera | 3,000,000 | 2,980,121 | 98 |

Source: Nyamira County Treasury

3.35.10 Budget Performance by Department

Table 3.195 shows a summary of the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.195: Nyamira County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|------------------------------------|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|--------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 606.11 | 128.68 | 342.96 | 6.50 | 412.26 | 6.50 | 120.2 | 100.0 | 68.0 | 5.1 |
| County Executive Office | 469.16 | 0 | 135.51 | 0 | 228.15 | 0 | 168.4 | 0 | 48.6 | 0 |
| Finance & Economic Planning | 473.08 | 24.97 | 194.65 | 0.35 | 263.34 | 4.09 | 135.3 | 1,174 | 55.7 | 16.4 |
| Agriculture, Livestock & Fisheries | 160.75 | 306.10 | 81.95 | 171.76 | 105.79 | 298.06 | 129.1 | 173.5 | 65.8 | 97.4 |
| Environment, Energy, NR & Mining | 116.13 | 196.35 | 42.54 | 4.19 | 61.06 | 56.62 | 143.5 | 1,351 | 52.6 | 28.3 |
| Education & ICT | 278.73 | 223.34 | 156.85 | 19.16 | 179.82 | 94.56 | 114.6 | 493.6 | 64.5 | 42.3 |
| Health services | 1,757.99 | 410.86 | 1,090.57 | 199.76 | 1,160.05 | 61.11 | 106.4 | 30.6 | 66.0 | 14.9 |
| Lands, Housing & Urban Develop. | 85.78 | 124.55 | 51.92 | 19.64 | 67.31 | 35.56 | 129.6 | 181.1 | 78.5 | 28.5 |
| Roads, Transport & Works | 138.20 | 426.97 | 67.20 | 152.98 | 76.54 | 158.51 | 113.9 | 103.6 | 55.4 | 37.1 |
| Trade, Tourism, Industrialization | 37.93 | 56.78 | 22.50 | 7.45 | 27.74 | 21.32 | 123.3 | 286.6 | 73.1 | 37.6 |
| Youths, Sports, Gender, culture | 64.19 | 51.84 | 32.05 | 20.17 | 39.27 | 24.35 | 122.5 | 120.8 | 61.2 | 47.0 |
| County Public Service Board | 66.13 | 0 | 18.82 | 0 | 33.18 | 0 | 176.3 | 0 | 50.2 | 0 |
| Public Administration | 308.40 | 0 | 206.17 | 0 | 222.54 | 0 | 107.9 | 0 | 72.2 | 0 |
| Nyamira Municipality | 56.50 | 325.69 | 16.19 | 82.04 | 22.68 | 77.00 | 140.1 | 93.9 | 40.1 | 23.6 |
| | 4,619.08 | 2,276.12 | 2,469.92 | 683.99 | 2,899.73 | 837.67 | 117.9 | 122.5 | 62.8 | 36.8 |

Source: Nyamira County Treasury

Analysis of expenditure by department shows that the Department of Agriculture, Livestock & Fisheries recorded the highest absorption rate of development budget at 97.4 per cent while the County Assembly had the lowest at 5.1 per cent on development activities. The Department of Lands, Housing & Urban Development had the highest percentage of recurrent expenditure to budget at 78.5 per cent while Nyamira Municipality had the lowest at 40.1 per cent.

3.35.11 Budget Execution by Programmes and Sub-Programmes

Table 3.196 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.196: Nyamira County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption Rate (%) |
|---|---|------------------------|------------------------|-----------------------|---------------------|
| Policy planning, general administration and support services | | | | | |
| | General administration & support services | 1,029, 876, 379 | 513, 546, 542 | 516, 329, 837 | 50.9 |
| | Policy planning | 71, 342, 094 | 46, 545, 879 | 24, 796, 215 | 49.9 |
| | Subtotal | 1, 101,218, 473 | 560, 092, 421 | 541, 126, 052 | 65.2 |
| Crop, agribusiness, and land management service | | | | | |
| | | 275, 015, 735 | 293, 153, 761 | (18, 138,026) | 106.6 |
| | Subtotal | 275, 015, 735 | 293, 153, 761 | (18, 138, 026) | 106.6 |
| Fisheries development and promotion services | | | | | |
| | | 25, 001, 616 | 23, 211, 531 | 1, 790, 085 | 92.8 |
| | Subtotal | 25, 001, 616 | 23, 211, 531 | 1, 790, 085 | 92.8 |
| Livestock promotion and development | | | | | |
| | | 81, 192, 304 | 40, 798, 248 | 40, 394, 051 | 50.2 |
| | | 35, 227, 884 | 27, 423, 285 | 7, 804, 599 | 77.8 |
| | Subtotal | 116, 420, 188 | 68, 221, 533 | 48, 198, 655 | 58.6 |
| Physical planning and survey services | | | | | |
| | | 4, 610, 898 | 2, 305, 400 | 2, 305, 498 | 50.0 |
| | | 5, 000, 000 | 2, 596, 600 | 2, 403, 400 | 51.9 |
| | Subtotal | 9, 610, 898 | 4, 902, 000 | 4, 708, 898 | 51.0 |
| Housing improvement development | | | | | |
| | | 73, 617, 082 | 17, 218, 478 | 56, 398, 604 | 23.4 |
| | Subtotal | 73, 617, 082 | 17, 218, 478 | 56, 398, 604 | 23.4 |
| Management and development of towns | | | | | |
| | | 46, 544, 823 | 16,050, 063 | 30, 504, 760 | 34.5 |
| | Subtotal | 46, 544, 823 | 16, 050, 063 | 30, 504, 760 | 34.5 |
| General administration, planning and support services | | | | | |
| | Administration and support services | 87, 987, 002 | 47, 247, 329 | 40, 739, 673 | 53.7 |
| | Policy planning | 4, 763, 653 | 2, 606, 040 | 2, 157, 613 | 54.9 |
| | Sub-total | 92, 750, 655 | 49, 853, 370 | 42, 897, 285 | 53.7 |
| Roads development and management | | | | | |
| | Construction Of roads and bridges | 190, 994, 082 | 95, 583, 916 | 95, 410, 166 | 50.0 |
| | Rehabilitation and maintenance of roads | 261, 538, 958 | 82, 849, 786 | 178, 689, 172 | 31.7 |
| | Infrastructure development and fire safety | 19, 882, 634 | 6, 756, 380 | 13, 126, 254 | 34.0 |
| | Subtotal | 472, 415, 674 | 185, 190, 082 | 287, 225, 592 | 39.2 |
| Policy planning, general administration and support services | | | | | |
| | General administration and support services | 25, 736, 185 | 11, 180, 988 | 14, 555, 197 | 43.4 |
| | Policy and planning services | 1, 729, 652 | 1, 254, 800 | 474, 852 | 72.5 |
| | Subtotal | 27, 465, 837 | 12, 435, 788 | 15, 030, 049 | 45.3 |
| Trade, cooperative and investment development and promotion | | | | | |
| | Cooperative promotion | 16, 899, 606 | 13, 119, 389 | 3, 780, 217 | 43.3 |
| | Trade promotion | 48, 448, 279 | 22, 191, 849 | 26, 256, 430 | 45.8 |
| | Subtotal | 65, 347, 885 | 35, 311, 238 | 30, 036, 647 | 54.0 |
| Tourism development and promotion | | | | | |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption Rate (%) |
|---|---|-------------------------|------------------------|----------------------|---------------------|
| | Tourism promotion and management | 1, 889, 000 | 1, 314, 900 | 574, 100 | 69.0 |
| | Subtotal | 1, 889, 000 | 1,314, 900 | 574, 100 | 69.0 |
| Preventive and promotive health services | | | | | |
| | Health promotion | 532, 504, 808 | 406, 937, 094 | 125, 567, 714 | 76.4 |
| | Communicable disease control | 7, 720, 514 | 3, 998, 034 | 3, 721, 574 | 51.8 |
| | Subtotal | 540, 225, 322 | 410, 936, 034 | 129, 289, 288 | 76.1 |
| General administration, planning and support services | | | | | |
| | Administration support services | 141, 936, 735 | 109, 271, 443 | 32, 665, 292 | 77.0 |
| | Subtotal | 141, 936, 735 | 109, 271, 443 | 32, 665, 292 | 77.0 |
| Curative health services | | | | | |
| | Medical services | 1, 486, 693, 579 | 700, 946, 160 | 785, 747, 419 | 47.1 |
| | Sub - total | 1, 486, 693, 579 | 700, 946, 160 | 785, 747, 419 | 47.1 |
| General administration, policy planning & support services | | | | | |
| | General administration | 34, 876, 832 | 7, 081, 768 | 27, 795, 064 | 20.3 |
| | Planning policy | 6, 762, 500 | 5, 242, 500 | 1, 520, 000 | 77.5 |
| | Subtotal | 41, 639, 332 | 12, 324, 268 | 29, 315, 064 | 29.6 |
| ECDE and CCC development services | | | | | |
| | ECDE and CCC management services | 252, 728, 241 | 147, 343, 421 | 105, 384, 820 | 58.3 |
| | subtotal | 252, 728, 241 | 147, 343, 421 | 105, 384, 820 | 58.3 |
| Vocational development and training services. | | | | | |
| | Vocational management services | 207,710, 343 | 114, 714, 939 | 92, 995, 404 | 55.2 |
| | Subtotal | 207, 710, 343 | 114, 714, 939 | 92, 995, 404 | 55.2 |
| Information and communication technology services | | | | | |
| | ICT infrastructural services | 89, 008, 375 | 66, 058, 693 | 22, 949, 682 | 74.2 |
| | Subtotal | 89, 008, 375 | 66, 058, 693 | 22, 949, 682 | 74.2 |
| | General administration support services | 310, 868, 862 | 177, 377, 274 | 133, 491, 588 | 57.1 |
| | Policy development and support services | 186, 607, 465 | 85, 576, 826 | 101, 030, 639 | 45.9 |
| | Supply chain management | 24, 311, 548 | 13, 613, 770 | 10, 697, 778 | 56.0 |
| | Communication services | 2, 037, 000 | 185, 000 | 1, 852, 000 | 9.1 |
| | Subtotal | 523, 824, 875 | 276, 752, 871 | 247, 072, 004 | 52.8 |
| | Economic planning and communication | 41, 970, 852 | 24, 879, 327 | 17, 091, 525 | 59.3 |
| | Budget formulation and management | 14, 293, 755 | 10, 065, 360 | 4, 228, 395 | 70.4 |
| | Subtotal | 56, 264, 607 | 34, 944, 687 | 21, 319, 920 | 62.1 |
| | Accounting and financial services | 72, 323, 155 | 18, 720, 361 | 53, 602, 794 | 25.9 |
| | Audit services | 15, 335, 487 | 12, 823, 200 | 2, 512, 287 | 83.6 |
| | Subtotal | 87, 658, 642 | 31, 543, 561 | 56,115, 081 | 36.0 |
| | External resource mobilization | 75, 000, 000 | 188, 000 | 74, 812, 000 | 0.3 |
| | Internal resource mobilization | 141, 116, 623 | 109, 005, 113 | 32, 111, 510 | 77.2 |
| | Subtotal | 216, 116, 623 | 109, 193, 113 | 106, 923, 510 | 50.5 |
| | Executive management and liaison services | 20, 850, 000 | 8, 393, 901 | 12, 456, 099 | 40.3 |
| | Subtotal | 20, 850, 000 | 8, 393, 901 | 12, 456, 099 | 40.3 |
| | Committees management services | 32, 194, 000 | 30, 673, 675 | 1, 520, 325 | 95.3 |
| | Subtotal | 32, 194, 000 | 30, 673, 675 | 1, 520, 325 | 95.3 |
| | Legislation | 243, 979, 022 | 180, 994, 796 | 108, 348, 226 | 74.2 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption Rate (%) |
|--------------------|--|------------------------|------------------------|----------------------|---------------------|
| | Representation and infrastructural development | 128, 678, 206 | 6, 499, 948 | 122, 178, 258 | 5.1 |
| | Subtotal | 418, 021, 228 | 187, 494, 744 | 230, 526, 484 | 44.9 |
| | Field coordination and administration | 28, 660, 718 | 21, 386, 958 | 7, 273, 760 | 74.6 |
| | | 8, 600, 000 | 2, 499, 784 | 6, 100, 216 | 29.1 |
| | Human resource management | 30, 805, 628 | 25, 867, 582 | 4, 938, 046 | 84.0 |
| | Human resource development | 166, 000 | 56, 000 | 110, 000 | 33.7 |
| | Subtotal | 68, 232, 346 | 49, 810, 324 | 18, 422, 022 | 73.0 |
| | Community development | 50, 190, 056 | 22, 646, 060 | 27, 543, 996 | 45.1 |
| | Cultural promotion heritage | 21, 367, 737 | 6, 602, 880 | 14, 764, 857 | 30.9 |
| | subtotal | 71, 557, 793 | 29, 248, 940 | 42, 308, 853 | 40.9 |
| | General administration and support services | 128, 175, 336 | 61, 959, 433 | 66, 215, 902 | 48.3 |
| | Policy and planning | 19, 197, 290 | 12, 241, 884 | 6, 955, 406 | 63.8 |
| | Subtotal | 147, 372, 626 | 74, 201, 318 | 73, 171, 308 | 50.3 |
| | Other energy sources promotion | 13, 275, 460 | 1, 741, 480 | 11, 533, 980 | 13.1 |
| | Subtotal | 13, 275, 460 | 1, 741, 480 | 11, 533, 980 | 13.1 |
| | Rural water services | 201, 423, 520 | 67, 884, 873 | 133, 538, 647 | 33.7 |
| | subtotal | 201, 423, 520 | 67, 884, 873 | 133, 538, 647 | 33.7 |
| | Agroforestry promotion | 16, 520, 089 | 7, 029, 160 | 9, 490, 929 | 42.5 |
| | subtotal | 16, 520, 089 | 7, 029, 160 | 9, 490, 929 | 42.5 |
| Grand Total | | 6,895,197,602 | 3,737,462,773 | 3,203,098,829 | 54.2 |

Source: Nyamira County Treasury

3.35.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.837.67 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.2.28 billion. The development expenditure represented 36.8 per cent of the annual development budget. This is despite availability of funds in the CRF Account.
2. Under-performance of own revenue collection at Kshs.121.71 million against an annual projection of Kshs.250 million, representing 48.7 per cent of the annual target.
3. Use of revenue at source and weak budgeting practice by the County Treasury as shown in Table 3.195 where the County incurred expenditure over approved exchequer issues.
4. Failure by Fund Administrators to submit financial and non-financial statements in line with Section 168 of the PFM Act, 2012. The OCoB did not receive quarterly financial statements for the Nyamira County Assembly Car Loan Scheme Fund.
5. Failure by the County Treasury to submit information on the COVID-19 Expenditure and a report on projects implemented during the period under review.

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County should address its own source revenue performance to ensure the approved budget is fully financed.
3. The County Treasury should improve the Vote book and budgetary control to ensure that expenditure is within the approved budget. Further, all revenues should be banked in the CRF in line with Section 109 (2) of the PFM Act,

2012.

4. The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012
5. The County Treasury Officials responsible for financial reporting attention should be drawn to the provisions of Section 16 of the Controller of Budget Act, 2016 and ensure information requested is provided within a reasonable time.

3.36 County Government of Nyandarua

3.36.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 was Kshs.6.87 billion, comprising of Kshs.2.39 billion (34.8 per cent) and Kshs.4.48 billion (65.2 per cent) allocations for Development and Recurrent programmes, respectively.

To finance the budget, the county expected to receive Kshs.4.9 billion (71.4 per cent) being equitable share of revenue raised nationally, Kshs.1.04 billion (15.2 per cent) as total conditional grants, and generate Kshs.830 million (12.1 per cent) from own sources of revenue. The County also expects to receive Kshs.89.35 million (1.3 per cent) as "other revenues" not contained in the CARA, 2020, which includes Kshs.89.35 million as National Government COVID – 19 Grant.

3.36.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.2.4 billion as equitable share of the revenue raised nationally, Kshs.369.06 million as conditional grants, raised Kshs.274.81 million as own-source revenue, National Government COVID – 19 Grant of Kshs.89.35 million and had a cash balance of Kshs.419.17 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.3.56 billion as shown in Table 3.197.

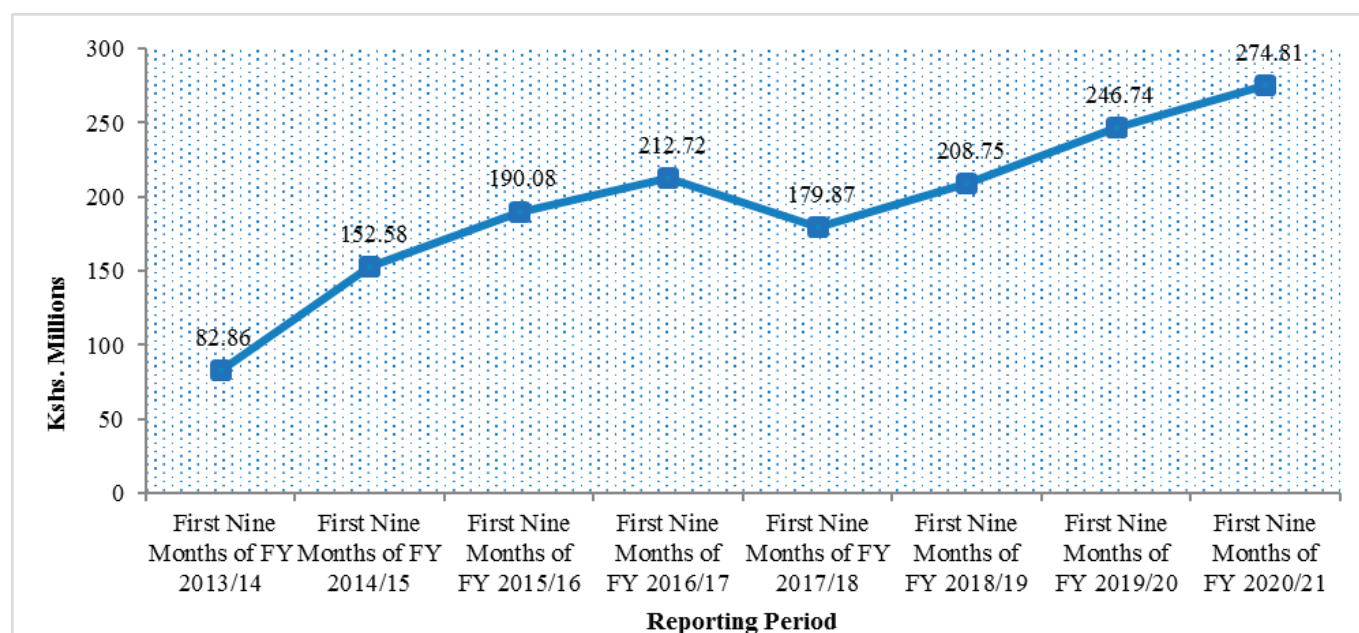
Table 3.197: Nyandarua County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 4,874,100,000 | 4,905,750,000 | 2,412,679,500 | 49.2 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Supplement for construction of county headquarters | 50,000,000 | 50,000,000 | - | - |
| 2. | Compensation for User Fee Foregone | 12,735,922 | 12,735,922 | - | - |
| 3. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 4. | Road Maintenance Fuel Levy Fund | 146,215,617 | 146,215,617 | 73,107,808 | 50.0 |
| 5. | Rehabilitation of Village Polytechnics | 30,949,894 | 30,949,894 | 15,474,947 | 50.0 |
| Sub Total | | 371,922,710 | 371,922,710 | 88,582,755 | 23.8 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 163,357,834 | 163,357,834 | 110,231,665 | 67.5 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 239,157,250 | 239,157,250 | 108,491,665 | 45.4 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |
| 4. | DANIDA Grant | 13,860,000 | 13,860,000 | 6,930,000 | 50.0 |
| 5. | EU Grant (Instruments for Devolution Advise and Support IDEAS) | 11,000,000 | 11,000,000 | - | - |
| 6. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant | - | 184,795,683 | - | - |
| | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 12,491,573 | 12,491,573 | 9,823,405 | 78.6 |
| Sub Total | | 484,866,657 | 669,662,340 | 280,476,735 | 41.9 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 830,000,000 | 274,813,476 | 33.1 |
| 2. | Balance b/f from FY 2019/20 | - | - | 419,172,600 | - |
| 3. | Other Revenues | - | 89,354,000 | 89,354,000 | 100.0 |
| Sub Total | | - | 919,354,000 | 783,340,076 | 85.2 |
| Grand Total | | 5,730,889,367 | 6,866,689,050 | 3,565,079,066 | 51.9 |

Source: Nyandarua County Treasury

Figure 3.69 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.69: Nyandarua County Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Nyandarua County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.274.81 million as own-source revenue. This amount represented an increase of 10.2 per cent compared to Kshs.246.74 million realised during a similar period in FY 2019/20 and was 33.1 per cent of the annual target.

3.36.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.52 billion from the CRF account during the reporting period. The amount comprised of Kshs.460.76 million (13.1 per cent) for development programmes and Kshs.3.06 billion (86.9 per cent) for recurrent programmes.

3.36.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.48 billion on development and recurrent programmes. The expenditure represented 98.8 per cent of the total funds released by the COB and comprised of Kshs.428.30 million and Kshs.3.05 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 17.9 per cent while recurrent expenditure represented 68.1 per cent of the annual recurrent expenditure budget.

3.36.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.69 billion was spent on compensation to employees, Kshs.1.36 billion on operations and maintenance, and Kshs.428.31 million on development activities as shown in Table 3.198.

Table 3.198: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 4,478,165,182 | 3,061,338,668 | 3,051,693,444 | 68.1 |
| Compensation to Employees | 2,304,306,775 | 1,716,405,341 | 1,689,255,071 | 73.3 |
| Operations and Maintenance | 2,173,858,407 | 1,344,933,326 | 1,362,438,373 | 62.7 |
| Total Development Expenditure | 2,388,523,868 | 460,761,138 | 428,305,593 | 17.9 |
| Development Expenditure | 2,388,523,868 | 460,761,138 | 428,305,593 | 17.9 |
| Total | 6,866,689,050 | 3,522,099,806 | 3,479,999,038 | 50.7 |

Source: Nyandarua County Treasury

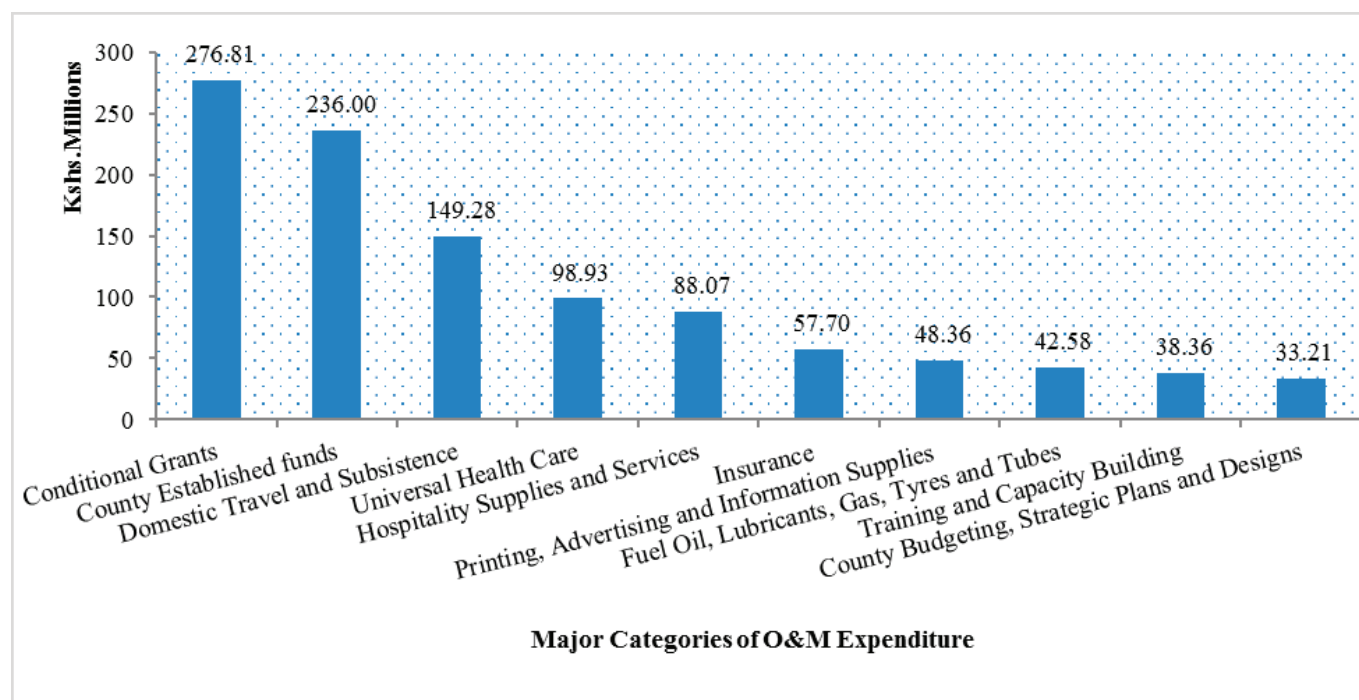
3.36.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 48.5 per cent of the total expenditure for the reporting period and 32.8 per cent of the first nine months proportional revenue estimate of Kshs.5.15 billion.

3.36.7 Expenditure on Operations and Maintenance

Figure 3.70 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.70: Nyandarua County, Operations and Maintenance Expenditure by Major Categories



Source: Nyandarua County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.21.68 million on committee sitting allowances for the 40 MCAs and Speaker against the annual budget allocation of Kshs.55.77 million. The average monthly sitting allowance was Kshs.60,227 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.149.28 million and comprised of Kshs.57.75 million spent by the County Assembly and Kshs.91.53 million by the County Executive. Expenditure on foreign travel amounted to Kshs.2.37 million and comprised of Kshs.1.46 million by the County Assembly and Kshs.900,224 by the County Executive.

3.36.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs.25.90 million to cater for COVID-19 related expenditure, while a total of Kshs.126.21 million was brought forward from FY 2019/20. During the reporting period, a total of Kshs.44.11 million was spent on COVID-19 related expenditure as shown in Table 3.199.

Table 3.199: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Expenditure as of 31.03.2021 (Kshs) |
|--------------|--|-------------------------------------|
| 1. | Allowances for Front Line Health Care Workers | 31,365,000 |
| 2. | Hospital Bed with Single Crank without Side Rails and Mattresses with Mackintosh Cover | 5,550,000 |
| 3. | Patient Bed Single Crank with Side Rails and Aluminium Alloy | 6,300,000 |
| 4. | Heavy Duty Mattress with Mackintosh Cover | 900,000 |
| Total | | 44,115,000 |

Source: Nyandarua County Treasury

3.36.9 Development Expenditure

The County incurred expenditure of Kshs.428.31 on development programmes, which represented an increase of 70.7 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.125.30 million. Table 3.200 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.200: Nyandarua County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|--------------|----------------|---------------------|---------------------|
| 1 | Kenya Climate Smart Agriculture project - IDA World Bank | All Wards | 111,157,250 | 108,491,665 | 97.6 |
| 2 | road maintenance fuel levy fund | All Wards | 146,215,617 | 73,107,808 | 50.0 |
| 3 | County Headquarters (County Contribution) | Headquarter | 30,000,000 | 30,000,000 | 100.0 |
| 4 | Construction of an Office Block | Ol kalou | 51,029,065 | 17,533,401 | 34.4 |
| 5 | Road maintenance using County Road Machinery & Equipment (At least 36KM) | Kiriita Ward | 15,000,000 | 13,915,249 | 92.8 |
| 6 | Road maintenance using County Road Machinery & Equipment (At least 35KM) | Murungaru | 13,000,000 | 11,896,000 | 91.5 |
| 7 | Construction of Speakers residence | OL kalou | 29,000,000 | 10,066,114 | 34.7 |
| 8 | Road maintenance using County Road Machinery & Equipment (At least 24KM) | Githabai | 10,000,000 | 10,000,000 | 100.0 |
| 9 | Road maintenance using County Road Machinery & Equipment (At least 24KM) | Magumu | 10,000,000 | 10,000,000 | 100.0 |
| 10 | Road maintenance using County Road Machinery & Equipment (At least 24KM) | Wanjohi | 10,000,000 | 10,000,000 | 100.0 |

Source: Nyandarua County Treasury

3.36.10 Budget Performance by Department

Table 3.201 shows a summary of the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.201: Nyandarua County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Governor's Office & Service Delivery | 119.89 | 2.00 | 81.38 | - | 79.15 | - | 97.3 | - | 66.0 | - |
| The County Secretary | 2,026.34 | - | 1,487.74 | - | 1,487.49 | - | 100.0 | - | 73.4 | - |
| County Attorney | 33.33 | - | 20.31 | - | 19.14 | - | 94.2 | - | 57.4 | - |
| Public Administration & ICT | 36.37 | 10.00 | 27.56 | - | 26.64 | - | 96.7 | - | 73.2 | - |
| County Public Service Board | 18.40 | - | 17.05 | - | 17.05 | - | 100.0 | - | 92.7 | - |
| Finance & Economic Development | 439.69 | 102.11 | 399.25 | 41.84 | 397.70 | 24.37 | 99.6 | 58.3 | 90.4 | 23.9 |
| Health Services | 689.31 | 301.77 | 348.01 | 35.33 | 347.44 | 35.33 | 99.8 | 100.0 | 50.4 | 11.7 |
| Education, Gender, Youth, Culture and Social Services | 127.44 | 76.45 | 28.96 | - | 28.76 | - | 99.3 | - | 22.6 | - |
| Industrialization Cooperatives, Trade & Enterprise Development | 38.61 | 270.60 | 21.58 | - | 20.91 | - | 96.9 | - | 54.1 | - |
| Youth, Sports and Arts | 49.45 | 57.30 | 20.55 | - | 20.55 | - | 100.0 | - | 41.5 | - |
| Water, Environment, Tourism & Natural resources | 51.06 | 224.38 | 21.94 | 4.99 | 21.80 | - | 99.3 | - | 42.7 | - |
| Transport, Energy & Public Works | 41.10 | 899.91 | 40.40 | 241.47 | 40.40 | 232.51 | 100.0 | 96.3 | 98.3 | 25.8 |
| Lands, Housing & Physical Planning | 30.51 | 77.99 | 11.78 | - | 11.02 | - | 93.6 | - | 36.1 | - |
| Agriculture Livestock & Fisheries | 112.71 | 274.99 | 60.98 | 108.49 | 60.98 | 108.49 | 100.0 | 100.0 | 54.1 | 39.5 |
| County Assembly | 663.97 | 91.03 | 473.84 | 28.64 | 472.66 | 27.60 | 99.8 | 96.4 | 71.2 | 30.3 |
| TOTAL | 4,478.17 | 2,388.52 | 3,061.34 | 460.76 | 3,051.69 | 428.31 | 99.7 | 93.0 | 68.1 | 17.9 |

Source: Nyandarua County Treasury

Analysis of expenditure by department shows that the Department of Agriculture, Livestock and Fisheries recorded the highest absorption rate of development budget at 39.5 per cent. The Department of Roads Transport and Public Works had the highest percentage of recurrent expenditure to budget at 98.3 per cent while the Department of Education, Gender, Youth, Culture and Social Services had the lowest at 22.6 per cent.

3.36.11 Budget Execution by Programmes and Sub-Programmes

Table 3.202 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.202: Nyandarua County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|--|------------------------|------------------------|--------------------|----------------|
| General administration, planning and support services | Service Delivery Unit | 18,200,000 | 10,630,975 | 7,569,025 | 58.4% |
| | Governor's Office & Investment Promotion | 81,335,058 | 62,548,795 | 18,786,263 | 76.9% |
| | Liaison and Intergovernmental Relations | 13,750,000 | 1,096,029 | 12,653,971 | 8.0% |
| | Civic Education and Public Participation | 8,600,000 | 4,871,370 | 3,728,630 | 56.6% |
| Sub Total | | 121,885,058 | 79,147,169 | 42,737,889 | 64.9% |
| County Secretary | County Secretary-Administration | 15,655,000 | 6,512,959 | 9,142,042 | 41.6% |
| | Communication and Public Relations | 2,400,000 | 1,955,615 | 444,385 | 81.5% |
| | Cabinet Affairs | 700,000 | 457,640 | 242,360 | 65.4% |
| Human Resource Management | Payroll (Including Compensation to employees) | 1,906,050,000 | 1,476,618,365 | 429,431,635 | 77.5% |
| | Human Resource Management (Including employee gratuity, pension and medical insurance) | 101,530,000 | 1,949,180 | 99,580,820 | 1.9% |
| Sub Total | | 2,026,335,000 | 1,487,493,758 | 538,841,242 | 73.4% |
| County Attorney Services | legal and public affairs | 33,332,655 | 19,140,529 | 14,192,126 | 57.4% |
| Sub Total | | 33,332,655 | 19,140,529 | 14,192,126 | 57.4% |
| Public administration | Public Administration | 3,920,000 | 3,463,201 | 456,799 | 88.3% |
| | sub-county and ward administration | 25,450,000 | 15,024,822 | 10,425,178 | 59.0% |
| | Enforcement and Compliance | 6,000,000 | 4,521,125 | 1,478,875 | 75.4% |
| ICT and E-government Services | ICT and E-government Services | 11,000,000 | 3,630,647 | 7,369,353 | 33.0% |
| Sub Total | | 46,370,000 | 26,639,795 | 19,730,205 | 57.5% |
| County Public Service Board | County Public Service Board | 18,400,000 | 17,052,022 | 1,347,978 | 92.7% |
| Sub Total | | 18,400,000 | 17,052,022 | 1,347,978 | 92.7% |
| Public Finance Management | County Funds | 246,000,000 | 206,000,000 | 40,000,000 | 83.7% |
| | County Pending Bills | 98,747,429 | 24,373,257 | 74,374,172 | 24.7% |
| | treasury services | 71,872,978 | 71,199,586 | 673,391 | 99.1% |
| | Financial reporting | 5,096,300 | 4,719,562 | 376,738 | 92.6% |
| | Revenue Collection and Administration (Including automation) | 20,642,085 | 19,567,111 | 1,074,974 | 94.8% |
| | Revenue Enhancement and Monitoring | 300,000 | | 300,000 | 0.0% |
| | Supply Chain Management | 6,828,407 | 5,675,796 | 1,152,611 | 83.1% |
| | Internal Audit and Risk Management | 11,320,000 | 11,194,938 | 125,062 | 98.9% |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|--|------------------------|------------------------|--------------------|----------------|
| Economic planning and development | County Budgeting | 13,600,000 | 12,116,608 | 1,483,392 | 89.1% |
| | County Statistics and Data Bank | 5,850,000 | 5,807,550 | 42,450 | 99.3% |
| | Monitoring and Evaluation | 3,750,000 | 3,716,060 | 33,940 | 99.1% |
| | Economic Modelling and Research | 3,700,000 | 3,659,351 | 40,649 | 98.9% |
| | Economic Development Planning (Including Central Kenya Economic Block) | 54,093,305 | 54,041,842 | 51,463 | 99.9% |
| Sub Total | | 541,800,503 | 422,071,661 | 119,728,842 | 77.9% |
| Preventive and Promotive Services | Preventive and Promotive Services | 6,271,274 | 5,690,831 | 580,443 | 90.7% |
| Curative Services | Curative Services (including universal health care and grants) | 678,821,034 | 338,703,196 | 340,117,838 | 49.9% |
| General administration, planning and support services | Solid Waste and Cemeteries | 5,219,915 | 3,046,845 | 2,173,070 | 58.4% |
| | Infrastructure and Equipment | 300,774,687 | 35,326,881 | 265,447,806 | 11.7% |
| Sub total | | 991,086,910 | 382,767,753 | 608,319,157 | 38.6% |
| Primary education | ECDE | 77,040,000 | 5,100,973 | 71,939,027 | 6.6% |
| Youth training and development | revitization of youth polytechnics | 61,934,894 | 17,425,987 | 44,508,907 | 28.1% |
| Gender Affairs and Social Services & youth empowerment | Gender Affairs and Social Services | 54,770,000 | 3,398,660 | 51,371,340 | 6.2% |
| General administration, planning and support services | Alcohol Drinks Control and Civic Education | 3,500,000 | 1,907,114 | 1,592,886 | 54.5% |
| Culture | development and promotion of culture | 6,644,999 | 926,625 | 5,718,374 | 13.9% |
| Sub Total | | 203,889,893 | 28,759,359 | 175,130,534 | 14.1% |
| Trade development and promotion | Financial and Trade Services | 59,320,000 | 6,992,937 | 52,327,063 | 11.8% |
| Industrial development and investment | Industrial and Enterprise Development | 225,430,000 | 1,580,319 | 223,849,681 | 0.7% |
| | Weights & Measures | 2,620,000 | 2,255,101 | 364,899 | 86.1% |
| Cooperative development and management | Cooperative advisory services | 17,530,000 | 6,943,136 | 10,586,864 | 39.6% |
| | cooperative audit extension services | 4,308,700 | 3,134,398 | 1,174,302 | 72.7% |
| Sub Total | | 309,208,700 | 20,905,891 | 288,302,809 | 6.8% |
| Sports | Sports Development | 77,553,800 | 11,899,826 | 65,653,974 | 15.3% |
| Youth Affairs | Youth Affairs | 23,295,000 | 5,263,175 | 18,031,825 | 22.6% |
| Arts & Theatre | Arts & Theatre | 5,900,000 | 3,382,160 | 2,517,840 | 57.3% |
| Sub Total | | 106,748,800 | 20,545,161 | 86,203,639 | 19.2% |
| Water Resource Development. | water resource conservation and protection, infrastructure and flood control | 218,305,000 | 11,845,880 | 206,459,120 | 5.4% |
| Environment | environmental support and management | 27,865,000 | 4,967,979 | 22,897,021 | 17.8% |
| | climate change resilience | 3,500,000 | 794,053 | 2,705,947 | 22.7% |
| Tourism development and promotion | tourism infrastructure development | 15,310,000 | 2,569,008 | 12,740,992 | 16.8% |
| Irrigation and Drainage infrastructure | promotion of irrigation and drainage development and management | 10,455,000 | 1,623,465 | 8,831,535 | 15.5% |
| Sub Total | | 275,435,000 | 21,800,385 | 253,634,615 | 7.9% |
| Road transport | Transport (Including fuel level, General Administration & Support Services) | 783,180,617 | 219,380,648 | 563,799,969 | 28.0% |
| | Public Works | 114,389,000 | 35,853,218 | 78,535,782 | 31.3% |
| Alternative energy technologies | alternative energy technologies | 40,084,000 | 14,638,461 | 25,445,539 | 36.5% |
| General administration, planning and support services | Emergency Response & Preparedness | 3,350,000 | 3,046,211 | 303,789 | 90.9% |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|---|---|------------------------|------------------------|----------------------|----------------|
| Sub Total | | 941,003,617 | 272,918,538 | 668,085,079 | 29.0% |
| Land policy and planning | Physical Planning | 26,294,798 | 1,095,850 | 25,198,948 | 4.2% |
| | Survey and Mapping | 7,655,000 | 3,375,850 | 4,279,150 | 44.1% |
| | Land Administration and Management | 35,570,000 | 4,912,076 | 30,657,924 | 13.8% |
| Housing & Urban Development | Housing & Urban Development (Kenya Urban Support Programme) | 38,978,642 | 1,638,310 | 37,340,332 | 4.2% |
| Sub Total | | 108,498,440 | 11,022,086 | 97,476,354 | 10.2% |
| Crop development and management | land and crop development | 335,817,671 | 141,463,414 | 194,354,257 | 42.1% |
| Livestock resources management and development | livestock production and management | 7,941,204 | 5,894,531 | 2,046,673 | 74.2% |
| | Veterinary Services | 12,117,621 | 7,070,478 | 5,047,143 | 58.3% |
| Fisheries Development and management | fisheries policy, strategy and capacity building | 3,961,871 | 707,269 | 3,254,602 | 17.9% |
| General administration, planning and support services | Institution Support (ATCs) | 10,195,000 | 5,579,448 | 4,615,552 | 54.7% |
| | Agriculture Mechanization Services | 7,265,044 | 2,693,414 | 4,571,630 | 37.1% |
| | General administration and Extension Services | 5,174,382 | 2,725,559 | 2,448,823 | 52.7% |
| | Subsidized Artificial Insemination | 5,221,681 | 3,337,428 | 1,884,253 | 63.9% |
| Sub Total | | 387,694,474 | 169,471,541 | 218,222,933 | 43.7% |
| County Assembly | legislative, oversight and representation | 755,000,000 | 500,263,388 | 254,736,612 | 66.3% |
| Sub Total | | 755,000,000 | 500,263,388 | 254,736,612 | 66.3% |
| Grand Total | | 6,866,689,050 | 3,479,999,038 | 3,386,690,012 | 50.7% |

Source: Nyandarua County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Economic Development and Planning in the Department of Finance and Economic Development at 99.9 per cent, County Statistics and Data Bank in the Department of Finance and Economic Development at 99.3 per cent, Monitoring and Evaluation in the Department of Finance and Economic Development at 99.1 per cent, and Treasury Services in the Department of Finance and Economic Development at 99.1 per cent of budget allocation.

3.36.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.428.30 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.2.38 billion. The development expenditure represented 17.9 per cent of the annual development budget.
2. The under-performance of own source revenue at Kshs. 274.81 million against an annual projection of Kshs.830 million, representing 33.1 per cent of the annual target.

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County should address its own source revenue performance to ensure the approved budget is fully financed.

3.37 County Government of Nyeri

3.37.1 Overview of FY 2020/21 Budget

The county's approved supplementary budget for FY 2020/21 Kshs.9.03 billion, comprising of Kshs.3.18 billion (35.2 per cent) and Kshs.5.85 billion (64.8 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.5.41 billion (59.9 per cent) as the equitable share of revenue raised nationally, Kshs.1.27 billion (14.1 per cent) as total conditional grants, generate Kshs.1.0 billion (11.1 per cent) from own sources of revenue, and a cash balance of Kshs.1.34 billion (14.9 per cent) from FY 2019/20.

3.37.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.2.68 billion as an equitable share of the revenue raised nationally, Kshs.616.45 million as conditional grants, raised Kshs.645.81 million as own-source revenue, and had a cash balance of Kshs.1.34 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.5.27 billion, as shown in Table 3.203.

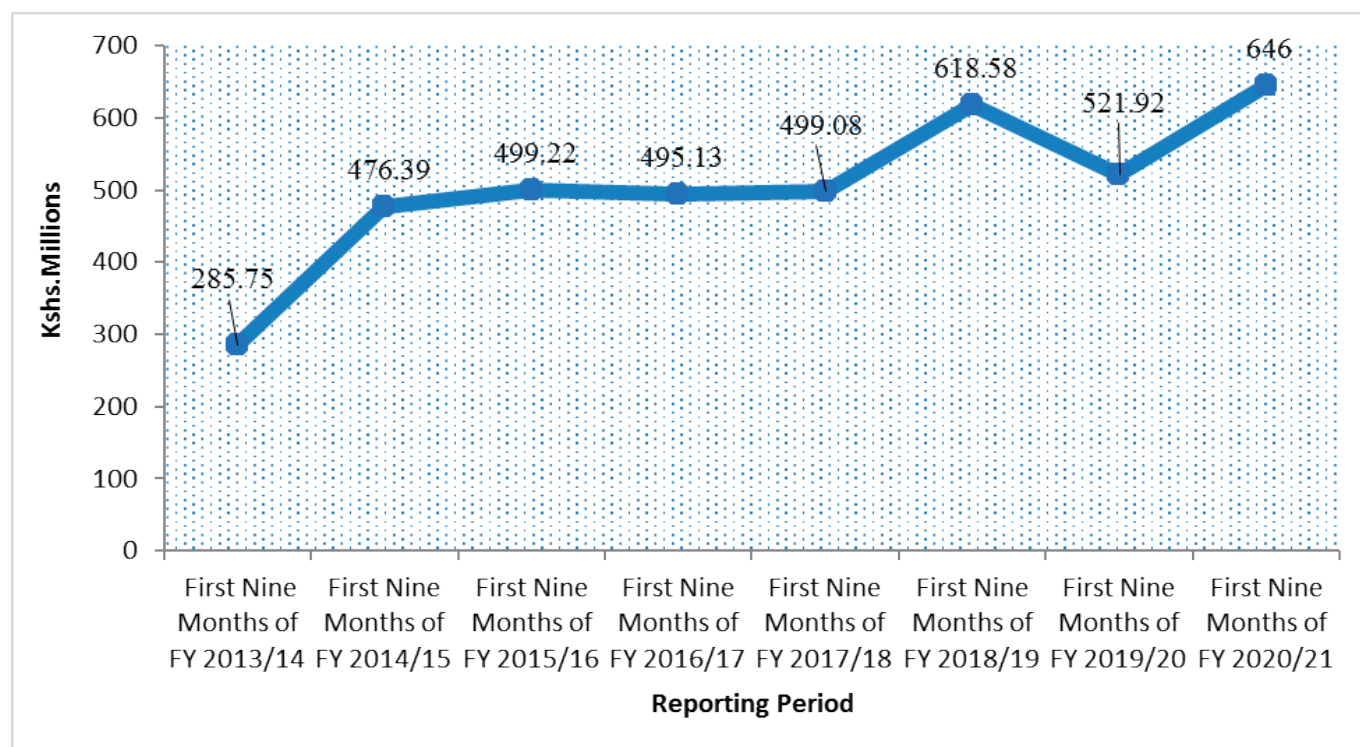
Table 3.203: Nyeri County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|-------|--|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 5,412,150,000 | 5,412,150,000 | 2,679,014,250 | 49.5 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Conditional Grants to Level-5 Hospitals | 407,861,272 | 407,861,272 | 187,616,184 | 46.0 |
| 2. | Compensation for User Fee Foregone | 13,701,379 | 13,701,379 | - | - |
| 3. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 4. | Road Maintenance Fuel Levy Fund | 151,875,577 | 151,875,577 | ,114,344,656 | 75.3 |
| 5. | Rehabilitation of Village Polytechnics | 48,949t,894 | 48,949t,894 | 24,474,947 | 50.0 |
| | Sub Total | 754,409,399 | 622,388,122 | 326,435,787 | 52.4 |
| C. | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) | 28,800,000 | 28,800,000 | - | - |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | - | - | - | - |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | 236,639,100 | 236,639,100 | 67,385,635 | 28.5 |
| 5. | DANIDA Grant | 15,390,000 | 15,390,000 | 7,695,000 | 50.0 |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 11,958,572 | 11,958,572 | 11,299,377 | 94.5 |
| | Sub Total | 649,965,222 | 649,965,222 | 290,019,485 | 44.6 |
| D. | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | 1,000,000,000 | 1,000,000,000 | 645,810,014 | 64.6 |
| 2. | Balance b/f from FY 2019/20 | 1,345,146,970 | 1,345,146,970 | 1,345,146,970 | 100.0 |
| | Sub Total | 2,345,146,970 | 2,345,146,970 | 1,990,956,984 | 84.9 |
| | Grand Total | 9,161,671,591 | 9,029,650,314 | 5,286,426,506 | 58.5 |

Source: Nyeri County Treasury

Figure 3.71 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.71: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Nyeri County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.645.81 million as its own source revenue. This amount represented an increase of 23.7 per cent compared to Kshs.521.92 million realised during a similar period in FY 2019/20 and was 64.6 per cent of the annual target.

3.37.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.45 billion from the CRF account during the reporting period. The amount comprised of Kshs.503.42 million (11.3 per cent) for development programmes and Kshs.3.94 billion (88.7 per cent) for recurrent programmes.

3.37.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.5.05 billion on development and recurrent programmes. The expenditure represented 113.7 per cent of the total funds released by the COB and comprised of Kshs.974.24 million and Kshs.4.08 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 30.6 per cent while recurrent expenditure represented 69.7 per cent of the annual recurrent expenditure budget.

3.37.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.94 billion was spent on compensation to employees, Kshs.1.14 billion on operations and maintenance, and Kshs.974.24 million on development activities as shown in Table 3.204.

Table 3.204: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 5,849,238,370 | 3,942,410,724 | 4,079,404,029 | 69.7 |
| Compensation to Employees | 3,862,995,699 | 2,939,328,320 | 2,939,328,320 | 76.1 |
| Operations and Maintenance | 1,986,242,671 | 1,003,082,404 | 1,140,075,709 | 57.4 |
| Total Development Expenditure | 3,180,411,944 | 503,418,745 | 974,242,700 | 30.6 |
| Development Expenditure | 3,180,411,944 | 503,418,745 | 974,242,700 | 30.6 |
| Total | 9,029,650,314 | 4,445,829,469 | 5,053,646,729 | 56 |

Source: Nyeri County Treasury

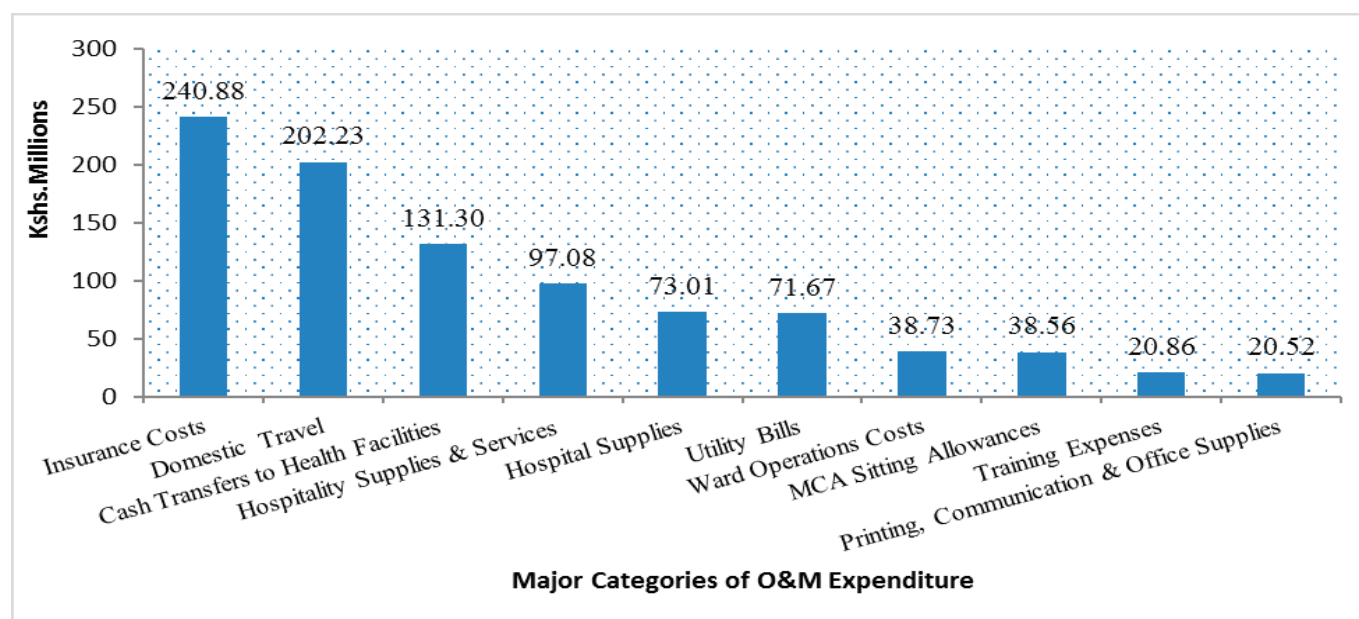
3.37.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 58.2 per cent of the total expenditure for the reporting period and 32.6 per cent of first nine months proportional revenue estimate of Kshs.5.29 billion.

3.37.7 Expenditure on Operations and Maintenance

Figure 3.72 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.72: Nyeri County, Operations and Maintenance Expenditure by Major Categories



Source: Nyeri County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.38.56 million on committee sitting allowances for the 44 MCAs and Speaker against the annual budget allocation of Kshs.50.67 million. The average monthly sitting allowance was Kshs.95,221 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.202.23 million and comprised of Kshs.127.96 million spent by the County Assembly and Kshs.74.27 million by the County Executive. Expenditure on foreign travel amounted to Kshs.4.12 million and comprised of Kshs.3.97 million by the County Assembly and Kshs.0.15 million by the County Executive.

3.37.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.253.2 million to cater for COVID-19 related expenditure. A total of Kshs.115.9 million was spent during the reporting period, as shown in Table 3.205.

Table 3.205: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March 2021 (Kshs) |
|------|-------------------------------------|---------------------------------|--|
| 1 | Accommodation | 17,890,000 | 5,615,000 |
| 2 | Uniform, Bedding & Linen | 17,135,000 | 1,200,000 |
| 3 | Food & Ration | 13,500,000 | - |
| 4 | Fuel & Lubricants | 2,500,000 | 1,000,000 |
| 5 | Sanitary & Cleaning Materials | 3,855,000 | 750,000 |
| 6 | Maintenance of Building | 10,686,500 | - |
| 7 | Medical Equipment | 76,062,500 | 23,197,610 |
| 8 | Non-Pharmaceutical supplies | 37,986,755 | 11,471,600 |
| 9 | Training | 4,836,000 | 4,265,600 |
| 10 | Casual Wages | 5,600,000 | 5,600,000 |
| 11 | Front Line HCW Allowances | 63,150,000 | 62,868,000 |

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March 2021 (Kshs) |
|--------------|-------------------------------------|---------------------------------|--|
| Total | | 253,201,755 | 115,967,810 |

Source: Nyeri County Treasury

3.37.9 Development Expenditure

The County incurred expenditure of Kshs.974.24 on development programmes, which represented an increase of 80.6 per cent compared to a similar period in FY 2019/20 when the County spent Kshs. 539.31 billion. Table 3.206 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.206: Nyeri County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|--------------------|------------------------|------------------------------------|---------------------|
| 1 | Construction of Transport Termini at Asian quarters | Rware | 542,562,726 | 201,649,856 | 37 |
| 2 | Construction of New Naromoru Level 4 Hospital | Narumoru | 334,580,000 | 115,357,738 | 34 |
| 3 | Fueling, maintenance of County Machinery and purchase of murrum | County Wide | 26,650,000 | 24,918,860 | 94 |
| 4 | Kiria earth dam | Gatarakwa | 32,956,111 | 22,931,552 | 70 |
| 5 | Proposed upgrading of Kianda Road Phase II to Bitumen Standard | Rware | 20,057,103 | 18,200,574 | 91 |
| 6 | Proposed maintenance and repair works at Kibaki Road | Karatina | 17,246,758 | 16,191,226 | 94 |
| 7 | Thiha Sagana Irrigation Project | Mukurweini Central | 31,002,476 | 15,927,597 | 51 |
| 8 | Proposed completion of Classic- Ngangarithi Muthaiga Estate road to Bitumen Standard | Rware | 21,000,000 | 13,293,143 | 63 |
| 9 | Proposed upgrading of National Library- Nyewasco road to Bitumen Standard | Rware | 11,932,624 | 9,828,042 | 82 |
| 10 | Lusoi earth dam Phase 2 | Thegu | 11,489,214 | 9,030,076 | 79 |

Source: Nyeri County Treasury

3.37.10 Budget Performance by Department

Table 3.207 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.207: Nyeri County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|--------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Office of the Governor and Deputy Governor | 123.35 | 10.00 | 62.22 | 0.00 | 71.13 | 0.00 | 114.3 | - | 57.7 | 0.0 |
| Office of the County Secretary | 353.49 | 8.20 | 290.28 | 0.00 | 292.16 | 0.10 | 100.6 | - | 82.6 | 1.2 |
| Finance and Economic Planning | 834.58 | 534.57 | 388.29 | 0.00 | 413.26 | 368.19 | 106.4 | - | 49.5 | 68.9 |
| Lands, Physical Planning, Housing and Urbanization | 44.27 | 600.96 | 35.13 | 70.07 | 37.24 | 214.66 | 106.0 | 306.4 | 84.1 | 35.7 |
| Health Services | 2,669.24 | 315.03 | 2,052.03 | 140.01 | 2,103.01 | 25.13 | 102.5 | 18.0 | 78.8 | 8.0 |
| Gender, Youth and Social Services | 65.91 | 60.90 | 36.79 | 0.00 | 35.40 | 0.00 | 96.2 | - | 53.7 | 0.0 |
| County Public Service and Solid Waste Management | 106.28 | 41.50 | 87.29 | 5.77 | 86.94 | 6.23 | 99.6 | 108.0 | 81.8 | 15.0 |
| Agriculture, Livestock and Fisheries | 301.27 | 353.15 | 202.84 | 143.12 | 188.08 | 159.94 | 92.7 | 111.8 | 62.4 | 45.3 |
| Trade, Culture, Tourism and Co-Operative Development | 54.24 | 41.85 | 35.14 | - | 37.51 | 0.47 | 106.7 | - | 69.2 | 1.1 |
| Education and Sports | 337.63 | 71.12 | 161.60 | 0.00 | 166.83 | 4.39 | 103.2 | - | 49.4 | 6.2 |
| Water and Irrigation Services | 77.91 | 53.38 | 43.61 | 3.86 | 44.85 | 3.86 | 102.8 | - | 57.6 | 7.2 |
| County Assembly | 706.09 | 50.00 | 443.92 | 4.61 | 498.13 | 7.87 | 112.2 | - | 70.5 | 15.7 |
| County Public Service Board | 43.85 | 12.00 | 28.51 | 0.00 | 28.63 | 0.00 | 100.4 | - | 65.3 | 0.0 |
| Transport, Public Works Infrastructure and Energy | 131.13 | 1,027.76 | 74.77 | 135.97 | 76.23 | 183.39 | 102.0 | - | 58.1 | 17.8 |
| TOTAL | 5,849.24 | 3,180.41 | 3,942.41 | 503.42 | 4,079.40 | 974.24 | 103.5 | 193.5 | 69.7 | 30.6 |

Source: Nyeri County Treasury

Analysis of departments' expenditure shows that the Department of Finance and Economic Planning recorded the highest absorption rate of development budget at 68.9 per cent while the Office of the Governor, Department of Gender and Social Services and the County Public Service Board did not report any expenditure on development activities. The Department of Lands and Physical Planning had the highest percentage of recurrent expenditure to budget at 84.1 per cent while the Department of Education and Sports had the lowest at 49.4 per cent.

3.37.11 Budget Execution by Programmes and Sub-Programmes

Table 3.208 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.208: Nyeri County, Budget Execution by Programmes and Sub-programmes

| Department | Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|---|---|------------------------|------------------------|--------------------|----------------|
| Agriculture, Live-stock and Fisheries | Agricultural Manage-ment | Administration and planning services | 250,515,480 | 175,477,961 | 75,037,519 | 70.05 |
| | Livestock Production Management | Provision of Extension Services to Live-stock farmers | 7,526,000 | 837,453 | 6,688,547 | 11.13 |
| | Crop Management | County Agriculture Extension Program | 6,205,000 | 1,120,445 | 5,084,555 | 18.06 |
| | Fisheries development | Administrative Support Services | 5,849,000 | 579,485 | 5,269,515 | 9.91 |
| | Veterinary services | Administrative Support Services | 20,745,000 | 10,295,711 | 10,449,289 | 49.63 |
| | Wambugu ATC | Farm Development | 8,786,450 | 5,762,000 | 3,024,450 | 65.58 |
| | AMS Naromoru | Development of Agricultural Land For Crop Production | 7,929,794 | 1,929,794 | 6,000,000 | 24.34 |
| | KCSAP | Administration and planning services | 329,404,812 | 140,174,164 | 189,230,648 | 42.55 |
| | ASDSP | Administration and planning services | 17,458,572 | 11,843,929 | 5,614,643 | 67.84 |
| | Sub-total | | 654,420,108 | 348,020,942 | 306,399,166 | 53.18 |
| Lands, Physical Planning, Housing and Urbanization | Physical planning services | Administration and personnel services | 30,053,703 | 28,418,085 | 1,635,618 | 94.56 |
| | Land Policy and Planning | Land Policy Formulation | 3,070,000 | 1,816,079 | 1,253,921 | 59.16 |
| | I | Government Building | 980,000 | 479,241 | 500,759 | 48.90 |
| | Nyeri Municipality | Administration and personnel services | 611,129,637 | 221,179,435 | 389,950,202 | 36.19 |
| | Sub-total | | 645,233,340 | 251,892,840 | 393,340,500 | 39.04 |
| Transport, Public Works Infrastructure and Energy | Roads development, maintenance and management | County access and feeder roads improvement | 994,507,864 | 234,999,968 | 759,507,896 | 23.63 |
| | Energy Sector development | Street lighting programme | 164,382,743 | 24,627,492 | 139,755,251 | 14.98 |
| | Sub-total | | 1,158,890,607 | 259,627,460 | 899,263,147 | 22.40 |
| Trade, Culture, Tourism and Co-Operative Development | Trade and Cooperative Development | Trade Promotion | 91,205,440 | 36,045,748 | 55,159,692 | 39.52 |
| | Tourism Development | Promotion of Tourism | 2,285,000 | 1,226,451 | 1,058,549 | 53.67 |
| | Co-operative development | Cooperative Development And Management | 2,598,370 | 709,546 | 1,888,824 | 27.31 |
| | Sub-total | | 96,088,810 | 37,981,745 | 58,107,065 | 39.53 |

| Department | Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|--|---|------------------------|------------------------|--------------------|----------------|
| Health Services | County Health Services | Administration, planning and support services | 2,284,209,190 | 1,890,511,371 | 393,697,819 | 82.76 |
| | Nyeri Level V Referral Hospital | Administration, planning and support services | 484,361,272 | 152,468,115 | 331,893,157 | 31.48 |
| | Karatina District Hospital | Administration, planning and support services | 40,000,000 | 30,000,000 | 10,000,000 | 75.00 |
| | Mukurweini District Hospital | Administration, planning and support services | 13,000,000 | 11,000,000 | 2,000,000 | 84.62 |
| | Othaya District Hospital | Administration, planning and support services | 17,000,000 | 14,000,000 | 3,000,000 | 82.35 |
| | Mt Kenya Hospital | Administration, planning and support services | 17,000,000 | 7,150,840 | 9,849,160 | 42.06 |
| | Health Centres and Dispensaries | Administration, planning and support services | 128,703,831 | 23,015,627 | 105,688,204 | 17.88 |
| | Sub-total | | 2,984,274,293 | 2,128,145,953 | 856,128,340 | 71.31 |
| Education and Sports | Education Management | Administrative Support Services | 271,288,573 | 157,289,214 | 113,999,359 | 57.98 |
| | ECDE Management | ECDE Management | 23,917,496 | 3,850,921 | 20,066,575 | 16.10 |
| | Youth Training | Administrative Support Services | 66,171,639 | 7,154,190 | 59,017,449 | 10.81 |
| | County Sports Development | Search and nurture talents | 47,369,566 | 2,927,585 | 44,441,981 | 6.18 |
| | Sub-total | | 408,747,274 | 171,221,910 | 237,525,364 | 41.89 |
| Office of the Governor and Deputy Governor | Management and Co-ordination of county affairs | Administration, planning and support services | 120,782,337 | 60,431,685 | 60,350,652 | 50.03 |
| | | Service Delivery | 2,720,000 | 2,318,877 | 401,123 | 85.25 |
| | | Management of county affairs | 9,850,000 | 8,383,875 | 1,466,125 | 85.12 |
| | Sub-total | | 133,352,337 | 71,134,437 | 62,217,900 | 53.34 |
| Office of the County Secretary | Coordination of County Functions and Public Service Management | Administration, planning and support services | 360,422,272 | 291,612,461 | 68,809,811 | 80.91 |
| | | Coordination of functions of the County Executive Committee | 1,270,000 | 648,255 | 621,745 | 51.04 |
| | Sub-total | | 361,692,272 | 292,260,716 | 69,431,556 | 80.80 |
| Finance and Economic Planning | Executive services | Administration and personnel services | 812,887,174 | 451,238,191 | 361,648,983 | 55.51 |
| | Economic Planning | Economic Planning and Policy Formulation | 13,294,046 | 5,233,526 | 8,060,520 | 39.37 |
| | | Budget Management | 417,645,843 | 286,075,031 | 131,570,812 | 68.50 |
| | Public Finance Management | Financial Accounting | 13,051,687 | 7,857,476 | 5,194,211 | 60.20 |
| | | Procurement Compliance and Reporting | 11,907,249 | 6,697,383 | 5,209,866 | 56.25 |
| | | Internal Audit | 8,747,881 | 4,752,260 | 3,995,621 | 54.32 |
| | Revenue Mobilization | Revenue Mobilization | 24,211,483 | 10,964,211 | 13,247,272 | 45.29 |
| | Intra and Intergovernmental Relation | Administration and personnel services | 10,500,000 | 4,447,030 | 6,052,970 | 42.35 |
| | KDSP | Administration and personnel services | 51,800,000 | 1,905,255 | 49,894,745 | 3.68 |
| | Monitoring and Evaluation | Administration and personnel services | 5,100,000 | 2,285,500 | 2,814,500 | 44.81 |
| | Sub-total | | 1,369,145,363 | 781,455,863 | 587,689,500 | 57.08 |
| County Assembly | General administration, Policy Development and implementation | Administration and planning services | 756,085,232 | 505,992,398 | 250,092,834 | 66.92 |

| Department | Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
|--|--|---|------------------------|------------------------|----------------------|----------------|
| County Public Service and Solid Waste Management | Human resources Management | Administration Planning and Support Services | 59,277,027 | 46,326,922 | 12,950,105 | 78.15 |
| | Environmental Management | Environment Conservation, Protection and Management | 24,105,027 | 16,269,541 | 7,835,486 | 67.49 |
| | Sanitation management | Administrative Support Services | 64,395,754 | 30,576,513 | 33,819,241 | 47.48 |
| | Sub-total | | 147,777,808 | 93,172,976 | 54,604,832 | 63.05 |
| County Public Service Board | General Administration and Planning services | Administration and Personnel Services | 55,846,848 | 28,632,745 | 27,214,103 | 51.27 |
| Gender, Youth and Social Services | General Administration and Planning services | Administration and personnel services | 117,603,436 | 29,892,425 | 87,711,011 | 25.42 |
| | Social development | Administration and planning services | 3,502,001 | 2,326,750 | 1,175,251 | 66.44 |
| | Disaster Management | Administration and planning services | 5,704,537 | 3,182,550 | 2,521,987 | 55.79 |
| | Sub-total | | 126,809,974 | 35,401,725 | 91,408,249 | 27.92 |
| Water and Irrigation Services | Water Management | Administrative Support Services | 131,286,048 | 48,705,020 | 82,581,028 | 37.10 |
| Grand Total | | | 9,029,650,314 | 5,053,646,730 | 3,976,003,584 | 55.97 |

Source: Nyeri County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Physical Planning Services at 94.56 per cent, Mukurweini District Hospital at 84.62 per cent, County Health Services at 82.76 per cent, Coordination of County Functions and Public Service Management at 80.8 per cent, and Agricultural Management at 70.05 per cent of budget allocation.

3.37.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.974.24 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.3.18 billion. The development expenditure represented 30.6 per cent of the annual development budget.
2. High expenditure on local travel at Kshs.202.23 million, which was unexpected during the COVID-19 containment period due to travel restrictions and points to wasteful spending.

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County Treasury should review expenditure on travel and subsistence allowances to ensure it is credible and institute control measures to curtail further avoid wasteful spending.

3.38 County Government of Samburu

3.38.1 Overview of FY 2020/21 Budget

The county's approved supplementary budget for FY 2020/21 is Kshs.6.88 billion, comprising Kshs.2.64 billion (38.4 per cent) and Kshs.4.24 billion (61.6 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the county expects to receive Kshs.4.62 billion (67.2 per cent) as the equitable share of revenue raised nationally, Kshs.602.39 million (8.8 per cent) as total conditional grants, generate Kshs.180.31 million (2.6 per cent) from own sources of revenue, and a cash balance of Kshs.1.48 billion (21.5 per cent) from FY 2019/20.

3.38.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.2.11 billion as an equitable share of the revenue raised nationally, Kshs.327.97 million as conditional grants, raised Kshs.49.68 million as own-source revenue, and had a cash balance of Kshs.397.40 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.2.89 billion, as shown in Table 3.209.

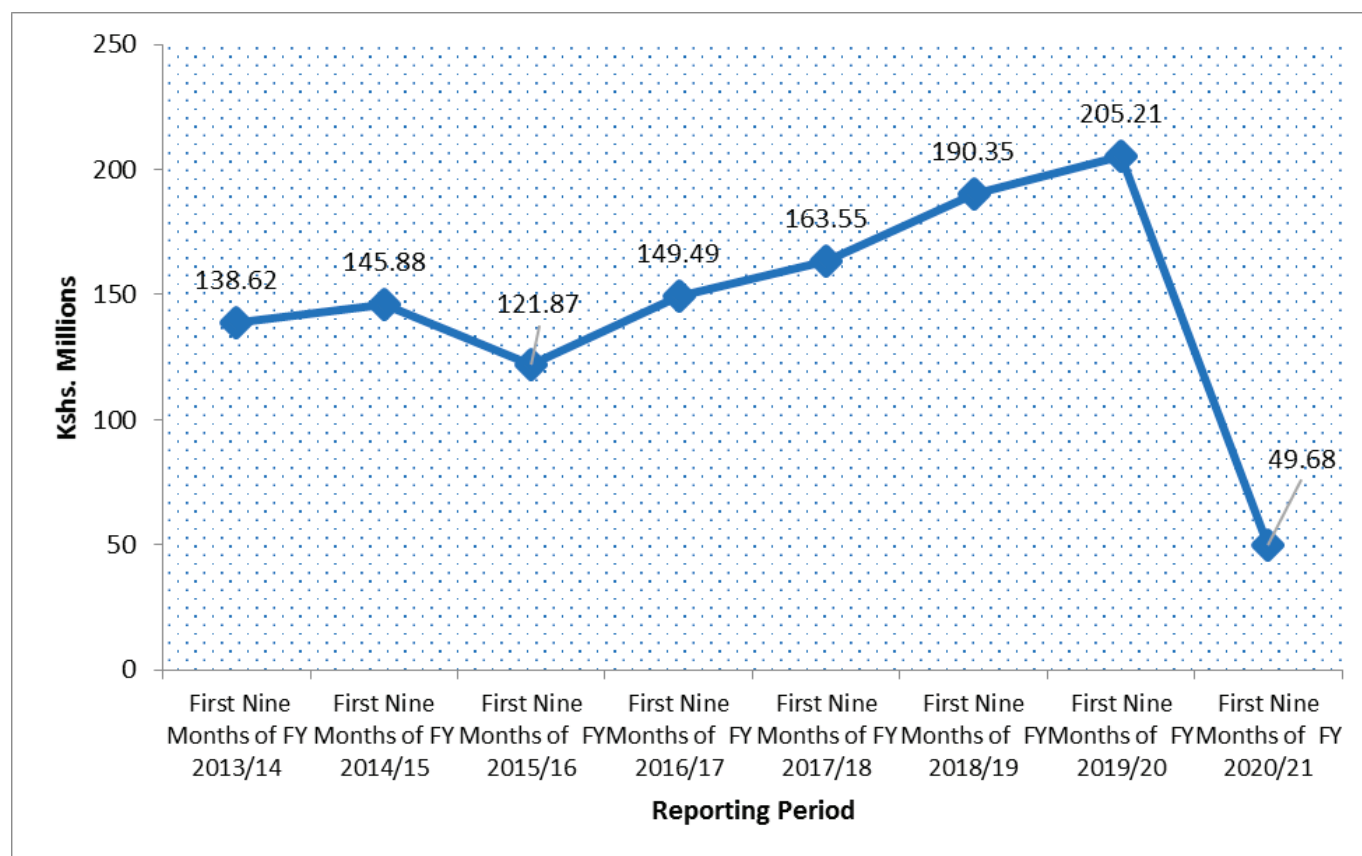
Table 3.209: Samburu County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|-------|--|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 4,620,900,000 | 4,620,900,000 | 2,110,211,555 | 45.7 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Compensation for User Fee Foregone | 5,235,578 | 5,235,578 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 118,859,147 | 229,259,147 | 59,429,573 | 25.9 |
| 4. | Rehabilitation of Village Polytechnics | 10,549,894 | 10,549,894 | 5,274,947 | 50.0 |
| | Sub Total | 266,665,896 | 377,065,896 | 64,704,520 | 141.4 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) | 31,320,789 | 67,761,930 | 15,067,802 | 22.2 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 216,145,500 | 272,401,924 | 146,629,766 | 53.8 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 75,000,000 | 45,000,000 | 60.0 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | - | 50,000,000 | 50,000,000 | 100.0 |
| 5. | DANIDA Grant | 13,140,000 | 18,075,000 | 6,570,000 | 36.3 |
| 6. | EU Grant (Instruments for Devolution Advise and Support IDEAS) | 15,626,168 | 93,220,674 | - | - |
| 7. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 14,496,213 | 45,318,793 | - | - |
| 8. | COVID-19 Funds Bal B/f | - | 27,402,000 | - | - |
| | Sub Total | 335,728,670 | 649,180,321 | 263,267,568 | 40.6 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 180,312,319 | 49,683,593 | 27.6 |
| 2. | Balance b/f from FY 2019/20 | - | 1,053,199,388 | 397,397,400 | 37.7 |
| | Sub Total | - | 1,233,511,707 | 447,080,993 | 36.2 |
| | Grand Total | 5,223,294,566 | 6,880,657,924 | 2,885,264,636 | 41.9 |

Source: Samburu County Treasury

Figure 3.73 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.73: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Samburu County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.49.68 million as its own source revenue. This amount represented a decrease of 75.8 per cent compared to Kshs.205.21 million realised during a similar period in FY 2019/20 and was 27.6 per cent of the annual target.

The decrease in own Source revenue collection during the period under review can be attributed partly to the impact COVID-19 containment measures has had on the tourism sector, which is the county's top revenue earner. The sector contributed a paltry Kshs.6.76 million as compared to kshs.152.80 million of the own source revenues during a similar period in FY 2019/20.

3.38.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.2.84 billion from the CRF account during the reporting period. The amount comprised of Kshs.383.47 million (13.5 per cent) for development programmes and Kshs.2.45 billion (86.5 per cent) for recurrent programmes.

3.38.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.09 billion on development and recurrent programmes. The expenditure represented 108.8 per cent of the total funds released by the COB and comprised of Kshs.398.59 million and Kshs.2.69 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 15.1 per cent while recurrent expenditure represented 63.4 per cent of the annual recurrent expenditure budget.

3.38.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.74 billion was spent on compensation to employees, Kshs.947.40 million on operations and maintenance, and Kshs.398.59 million on development activities as shown in Table 3.210.

Table 3.210: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 4,238,931,986 | 2,452,111,963 | 2,687,016,460 | 63.4 |
| Compensation to Employees | 2,255,524,101 | 1,514,063,011 | 1,739,614,159 | 77.1 |
| Operations and Maintenance | 1,983,407,885 | 938,048,952 | 947,402,301 | 47.8 |
| Total Development Expenditure | 2,641,725,938 | 383,469,081 | 398,592,844 | 15.1 |
| Development Expenditure | 2,641,725,938 | 383,469,081 | 398,592,844 | 15.1 |
| Total | 6,880,657,924 | 2,835,581,044 | 3,085,609,304 | 44.8 |

Source: Samburu County Treasury

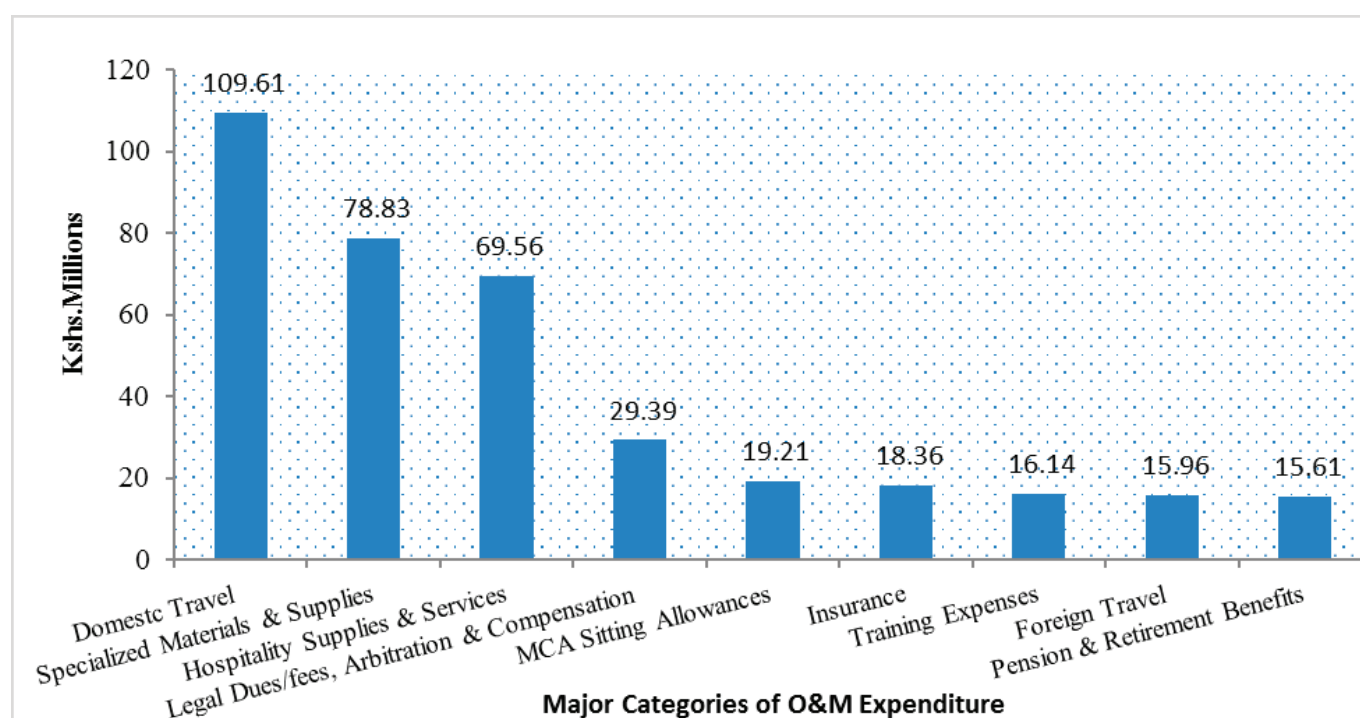
3.38.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 56.4 per cent of the total expenditure for the reporting period and 33.7 per cent of first nine months proportional revenue estimate of Kshs.5.16 billion.

3.38.7 Expenditure on Operations and Maintenance

Figure 3.74 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.74: Samburu County, Operations and Maintenance Expenditure by Major Categories



Source: Samburu County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.19.21 million on committee sitting allowances for the 28 MCAs and Speaker against the annual budget allocation of Kshs.24.30 million. The average monthly sitting allowance was Kshs.76,235 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.109.61 million and comprised of Kshs.41.54 million spent by the County Assembly and Kshs.68.08 million by the County Executive. Expenditure on foreign travel amounted to Kshs.15.96 million and comprised of Kshs.10.59 million by the County Assembly and Kshs.5.37 million by the County Executive.

3.38.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.25 million in addition to the unspent balances of Kshs.306.82 million from the FY 2019/20 to cater for COVID-19 related expenditure. A total of Kshs.196.53 million was spent during the reporting period, as shown in Table 3.211.

Table 3.211: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31st March 2021 (Kshs) |
|--|--|---------------------------------|--|
| A. Department of Health Services (County Own Contribution) FY2019/20 | | | |
| 1 | Coordination, support supervision and County wide outbreak and response management-County department of Health | 156,577,270 | 898,000 |
| 2 | Training of Community Health Volunteers CHVs on COVID-19, Community prevention, awareness creation and distribution of Information Education Communication (IEC) materials | | 2,189,150 |
| 3 | Disease surveillance, active case management, contact tracing and sample logistics-County department of Health | | 1,259,130 |
| 4 | Community Sensitization, message dissemination and awareness | | 1,126,100 |
| 5 | COVID-19 branding and signage- County department of Health | | 488,000 |
| 6 | Training of staff and frontline Health Care workers on COVID-19-County department of Health | | 1,346,940 |
| 7 | Moi Teaching and referral Hospital Doctors claims who facilitated Training on COVID-19 at Maralal Referral Hospital | | 134,137 |
| 8 | Tent hiring for Screening at Entry points - Health services | | 181,000 |
| 9 | COVID-19 Health technical task force team travel allowances | | 4,991,600 |
| 10 | Purchase of ICU, HDU beds and assorted medical equipment-County department of Health | | 62,287,650 |
| 11 | Construction of ICU and HDU units at Maralal Referral Hospital | | 4,937,000 |
| 12 | COVID-19 Screening allowances paid to Health workers at Entry Points-Archers, Suguta Marmar, Baragoi and South Horr | | 1,589,500 |
| 13 | Fumigation-County department of Health services | | 2,373,150 |
| 14 | Purchase of tyres and tubes for Motor vehicles (Ambulances) | | 1,500,000 |
| 15 | Purchase of PPEs-County department of Health | | 16,766,525 |
| 16 | Construction of donning and doffing units and Oxygen piping at Maralal Referral Hospital-County department of Health | | 3,589,740 |
| 17 | Refined fuels and lubricants for contact tracing, disease surveillance and COVID-19 related activities | | 3,400,000 |
| 18 | Purchase of pharmaceutical drugs | | 100,000 |
| 19 | Vehicle services-County department of Health | | 535,658 |
| 20 | Modification of Maralal Polytechnic to Isolation wards | | 3,516,305 |
| 21 | Repair and maintenance of motor vehicles allocated to COVID-19 activities | | 1,969,428 |
| 22 | Renovations and modification of Laikipia University Campus at Nomotio to Isolation wards | | 3,490,400 |
| 23 | Accommodation for frontline health care workers handling active COVID-19 cases | | 3,960,000 |
| 24 | Purchase of Oxygen manifold for ICU facility | | 976,387 |
| 25 | Cleaning materials for the department of Health services | | 993,500 |
| 26 | Purchase of tents, chairs and tables for the department of health services | | 971,500 |
| 27 | Refilling of medical oxygen for ICU and Cylinders caging | | 610,500 |
| 28 | Purchase of Cooking utensils for Isolation Wards | | 987,500 |
| 29 | Roll out of COVID-19 Vaccination Health services | | 1,658,500 |
| 30 | Transportation of COVID-19 items | | 40,000 |
| B. Department of Water, Environment and Natural Resources (County own Contribution) FY2019/20 | | | |
| 1 | Support to Water Service Provider (Samburu water and Sanitation Company ltd) as per guidelines and protocols on COVID-19 response on the management of water supply (Salaries for May and June 2020) | 44,686,421 | 4,164,026 |
| 2 | Diesel subsidy for Community boreholes | | 854,460 |
| 3 | Diesel for Baragoi town borehole | | 767,250 |
| 4 | Fuel for water trucking County wide | | 3,289,492 |
| 5 | Water connection to ICU Facility - Maralal Referral Hospital | | 1,349,304 |
| 6 | Purchase of pumps and motors for strategic boreholes & water supply | | 4,331,700 |
| 7 | Purchase of fast-moving spares for servicing of generators | | 1,497,382 |
| 8 | Water connection to isolation ward-Archers Post | | 2,207,700 |
| 9 | Repair and maintenance of Water bowser | | 689,580 |
| 10 | Water connection to isolation ward - Maralal Polytechnic | | 1,398,210 |
| 11 | Water connection to isolation ward - Laikipia University campus | | 1,592,580 |
| 12 | Water connection to isolation ward - Wamba | | 1,398,780 |
| 13 | Water connection to isolation wards - Baragoi | | 2,090,088 |
| 14 | Rehabilitation of Kisima - Lchoro Lerai Borehole | | 1,174,616 |
| 15 | Monitoring, assessment and COVID-19 waste management | | 1,568,000 |
| 16 | Daily Subsistence allowances for the Boreholes repairing team | | 500,800 |
| C. Department of Public administration (County own Contribution) FY2019/20 | | | |

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31st March 2021 (Kshs) |
|--------------|---|---------------------------------|--|
| 1 | Communication, publicity and advocacy-County department of administration. | 10,355,001 | 602,000 |
| 2 | Essential cleaning items and detergents for County headquarters offices in line with health guidelines for COVID-19- County department of administration. | | 2,223,260 |
| 3 | Coordination and security | | 1,317,500 |
| 4 | Purchase of surgical face masks for County staff and offices | | 1,500,000 |
| 5 | Purchase of hand sanitisers for county staff and offices | | 993,500 |
| D. | Department of Finance, Economic Planning and ICT (County own Contribution) FY2019/20 | | |
| 1 | Repair and maintenance of motor vehicles allocated to COVID-19 activities | 9,541,308 | 772,064 |
| 2 | Monitoring and Evaluation of COVID-19 activities and projects | | 2,980,500 |
| 3 | Fuel for motor vehicles allocated to COVID-19 activities | | 854,460 |
| 4 | Internal Audit | | 448,200 |
| E. | Fund Administration Costs (County own Contribution) FY2019/20 | | |
| 1 | Sitting allowances and per diems for COVID Fund committee | 6,840,000 | 2,298,570 |
| 2 | Secretariat costs | | 500,000 |
| 3 | Fund office supplies | | 647,410 |
| 4 | Allowances for COVID-19 Umbrella Committees (Response team, Intergovernmental coordination team and County Assembly COVID-19 Ad-hoc committee) | | 2,170,300 |
| 5 | Bank charges | | 58,484 |
| F. | DANIDA Grant | 4,935,000 | 4,935,000 |
| G. | Allowances paid to Frontline Health Care Workers | 16,485,000 | 16,485,000 |
| H. | KDSP | 30,000,000 | - |
| I. | National Government MOH Grant | 27,402,000 | - |
| J. | County Own Contribution FY 2020/2021 | 25,000,000 | - |
| Total | | 331,822,000 | 196,527,516 |

Source: Samburu County Treasury

3.38.9 Development Expenditure

The County incurred an expenditure of Kshs.398.59 on development programmes, which represented an increase of 170.5 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.147.37 million. Table 3.212 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.212: Samburu County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|------------------------|------------------------|------------------------------------|---------------------|
| 1 | Supply and Delivery Camel Heifers and Camel Bulls | Samburu East and North | 45,100,000 | 42,042,000 | 93.2 |
| 2 | Part-Payment for Loibor Ngare Sale Yard | Loibor Nkare | 13,748,580 | 6,061,480 | 44.1 |
| 3 | Construction of Multipurpose Hall at Maralal Polytechnic | Maralal | 10,549,894 | 9,966,000 | 94.5 |
| 4 | Construction of Napakarangan Earth Dam at Samburu North | Nachola | 5,000,000 | 5,000,000 | 100.0 |
| 5 | Construction of Referral Hospital Complex | Maralal | 106,800,000 | 95,898,485 | 89.8 |
| 6 | Construction of OPD and Laboratory Block at Baragoi Health Centre | Baragoi | 7,378,700 | 7,088,310 | 96.1 |
| 7 | Construction of Staff House, Pit Latrine and Fencing Works at Logorate Dispensary | Logorate | 6,500,000 | 5,365,520 | 82.5 |
| 8 | Construction of Bridge at Arsim River | Arsim | 8,300,000 | 8,295,625 | 99.9 |
| 9 | Routine Maintenance of Unclassified Road Poro-Angata Nanyokie-Sunoni-Lpus | Poro | 7,600,000 | 6,937,300 | 91.3 |
| 10 | Construction of Flood Lights at Archers Post | Archers Post | 5,000,000 | 4,841,600 | 96.8 |

Source: Samburu County Treasury

3.38.10 Budget Performance by Department

Table 3.213 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.213: Samburu County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|--------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 490.30 | 140.00 | 326.29 | 0.00 | 350.51 | - | 107.4 | 0.0 | 71.5 | - |
| County Executive | 480.90 | 23.00 | 252.45 | 0.00 | 334.98 | - | 132.7 | 0.0 | 69.7 | - |
| Finance, Economic Planning & ICT | 737.36 | 76.86 | 384.59 | 0.00 | 317.30 | - | 82.5 | 0.0 | 43.0 | - |
| Agriculture, Livestock Development, Veterinary Services & Fisheries | 420.07 | 370.96 | 341.13 | 77.16 | 337.64 | 128.59 | 99.0 | 166.6 | 80.4 | 34.7 |
| Water, Environment, Natural Resources & Energy | 160.15 | 501.76 | 95.70 | 5.00 | 72.54 | 8.58 | 75.8 | 171.6 | 45.3 | 1.7 |
| Education and Vocational Training | 414.03 | 155.98 | 286.11 | 24.35 | 366.09 | 40.59 | 128.0 | 166.7 | 88.4 | 26.0 |
| Medical Services, Public Health & Sanitation | 1,054.92 | 437.04 | 527.46 | 114.25 | 682.85 | 115.21 | 129.5 | 100.8 | 64.7 | 26.4 |
| Lands, Housing, Physical Planning & Urban Development | 111.66 | 80.00 | 51.67 | 50.00 | 43.05 | - | 83.3 | - | 38.6 | - |
| Roads, Transport & Public Works | 78.70 | 540.07 | 31.04 | 112.70 | 21.60 | 102.33 | 69.6 | 90.8 | 27.4 | 18.9 |
| Tourism, Trade, Enterprise Development & Cooperatives | 179.97 | 250.57 | 83.21 | 0.00 | 106.71 | 3.30 | 128.2 | - | 59.3 | 1.3 |
| Culture, Social Services, Gender, Sports & Youth Affairs | 110.88 | 65.48 | 72.48 | 0.00 | 53.74 | - | 74.1 | - | 48.5 | - |
| TOTAL | 4,238.93 | 2,641.73 | 2,452.11 | 383.47 | 2,687.02 | 398.59 | 109.6 | 103.9 | 63.4 | 15.1 |

Source: Samburu County Treasury

Analysis of departments' expenditure shows that the department of Agriculture, Livestock Development, Veterinary Services and Fisheries recorded the highest absorption rate of development budget at 34.7 per cent followed by the Department of Medical Services, Public Health & Sanitation that reported 26.4 per cent absorption rate. The Department of Education and Vocational Training had the highest percentage of recurrent expenditure to budget at 88.4 per cent while the Department of Roads, Transport & Public Works had the lowest at 27.4 per cent.

3.38.11 Budget Execution by Programmes and Sub-Programmes

Table 3.214 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.214: Samburu County, Budget Execution by Programmes and Sub-Programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption Rate (%) |
|---|--|------------------------|------------------------|--------------------|---------------------|
| County Assembly | | | | | |
| 0707004210 P1 County Assembly Administration | 0707014210 SP1 Legislative and Oversight | 52,497,492 | 38,154,687 | 14,342,805 | 72.7 |
| | 0707024210 SP2 County Assembly Administration | 341,308,595 | 161,404,244 | 179,904,351 | 47.3 |
| | 0707034210 SP3 Representation | 236,490,947 | 150,946,387 | 85,544,560 | 63.8 |
| | Sub total | 630,297,034 | 350,505,318 | 279,791,716 | 55.6 |
| County Executive | | | | | |
| 0701004210 P1 Management of County Affairs | 0701014210 SP1 General Administration and Support Services (Governor, Deputy Governor) | 230,253,958 | 131,694,852 | 98,559,106 | 57.2 |
| | 0704014210 SP2 Administration of Human Resources in County Public Service | 58,446,626 | 34,259,991 | 24,186,635 | 58.6 |
| | 0701034210 SP3 Sub County Administration | 176,902,094 | 147,982,080 | 28,920,014 | 83.7 |
| | 0701044210 SP4 Coordination, Supervision and Human Resource services (C S) | 38,294,586 | 21,041,323 | 17,253,263 | 54.9 |
| | Sub total | 503,897,264 | 334,978,246 | 168,919,018 | 66.5 |
| Finance, Economic Planning & ICT | | | | | |
| 0705004210 P1 General Administration Planning and Support Services | 0705014210 SP1 Administration Services | 496,540,749 | 174,186,199 | 322,354,550 | 35.1 |
| | 0705024210 SP2 ICT Services | 46,150,316 | 7,841,714 | 38,308,602 | 17.0 |
| | Sub total | 542,691,065 | 182,027,913 | 360,663,152 | 33.5 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption Rate (%) |
|--|---|------------------------|------------------------|--------------------|---------------------|
| 0706004210 P2 Public Finance Management | 0706054210 SP5 Accounting Services | 31,154,458 | 21,716,747 | 9,437,711 | 69.7 |
| | 0706024210 SP2 Resource Mobilization | 85,062,231 | 53,095,705 | 31,966,526 | 62.4 |
| | 0706034210 SP3 Internal Audit | 17,386,714 | 11,396,470 | 5,990,244 | 65.5 |
| | 0706044210 SP4 Supply Chain Management | 19,654,266 | 10,879,590 | 8,774,676 | 55.4 |
| | 0706014210 SP1 Budget Formulation Coordination and Management | 11,031,050 | 6,969,804 | 4,061,246 | 63.2 |
| | 0706064210 SP6 Fiscal Planning | 82,951,670 | 18,021,276 | 64,930,394 | 21.7 |
| | Sub total | 247,240,389 | 122,079,592 | 125,160,797 | 49.4 |
| 0713004210 P3 General Administration Planning and Support Services | 0713014210 SP1 General Administration Planning and Support Services | 6,523,997 | 3,996,973 | 2,527,024 | 61.3 |
| | Sub total | 6,523,997 | 3,996,973 | 2,527,024 | 61.3 |
| 0712004210 P4 Special Programs | 0712014210 SP 1 Special Programs | 17,763,776 | 9,195,480 | 8,568,296 | 51.8 |
| | Sub total | 17,763,776 | 9,195,480 | 8,568,296 | 51.8 |
| Agriculture, Livestock Development, Veterinary Services & Fisheries | | | | | |
| 0101004210 P1 General Administration Planning and Support Services | 0101014210 SP1 Administration, Planning and Support Services | 398,359,122 | 394,394,044 | 3,965,078 | 99.0 |
| | Sub total | 398,359,122 | 394,394,044 | 3,965,078 | 99.0 |
| 0103004210 P2 Livestock Resource Management and Development | 0103014210 SP1 Livestock Policy Development and Capacity Building | 10,505,622 | 7,380,550 | 3,125,072 | 70.3 |
| | 0103024210 SP2 Livestock Production and Management | 43,773,504 | 4,738,885 | 39,034,619 | 10.8 |
| | 0103034210 SP3 Livestock Diseases Management and Control | 64,549,902 | 9,879,925 | 54,669,977 | 15.3 |
| | 0103044210 SP4 Livestock Marketing and Rangeland Management | 135,439,535 | 24,283,413 | 111,156,122 | 17.9 |
| | Sub total | 254,268,563 | 46,282,773 | 207,985,790 | 18.2 |
| 0104004210 P4 Fisheries Development and Management | 0104014210 SP1 Management and Development of Fisheries | 8,468,596 | 3,113,598 | 5,354,998 | 36.8 |
| | Sub total | 8,468,596 | 3,113,598 | 5,354,998 | 36.8 |
| 0105004210 P3 Crop Development and Management | 0105014210 SP1 Lands and Crops Development | 114,718,401 | 14,304,929 | 100,413,472 | 12.5 |
| | 0105024210 SP2 Food Security Initiatives | 15,216,436 | 8,133,687 | 7,082,749 | 53.5 |
| | Sub total | 129,934,837 | 22,438,616 | 107,496,221 | 17.3 |
| Water, Environment, Natural Resources & Energy | | | | | |
| 1001004210 P1 General Administration Planning and Support Services | 1001014210 SP1 General Administration Planning and Support Services | 17,744,171 | 8,192,852 | 9,551,319 | 46.2 |
| | Sub total | 17,744,171 | 8,192,852 | 9,551,319 | 46.2 |
| 1002004210 P2 Environmental Management and Protection | 1002014210 SP1 County Environment Management | 17,818,420 | 1,973,740 | 15,844,680 | 11.1 |
| | 1002024210 SP2 Forests Conservation and Management | 4,455,494 | 507,094 | 3,948,400 | 11.4 |
| | Sub total | 22,273,914 | 2,480,834 | 19,793,080 | 11.1 |
| 1003004210 P3 Natural Resources Services | 1003024210 SP1 Soil Conservation Management | 3,596,174 | 1,666,880 | 1,929,294 | 46.4 |
| | 1003034210 SP2 Mining Services | 1,756,600 | 727,300 | 1,029,300 | 41.4 |
| | 1003044210 SP3 Water Catchment and Protection Services | 191,760,421 | 2,169,400 | 189,591,021 | 1.1 |
| | Sub total | 197,113,195 | 4,563,580 | 192,549,615 | 2.3 |
| 1004004210 P4 Water and sanitation infrastructure | 1004014210 SP1 Storm Water Management | 5,145,059 | 2,233,796 | 2,911,263 | 43.4 |
| | 1004024210 SP2 Water and Sanitation Services | 419,635,121 | 63,647,236 | 355,987,885 | 15.2 |
| | Sub total | 424,780,180 | 65,881,032 | 358,899,148 | 15.5 |
| Education and Vocational Training | | | | | |
| 0501004210 P1 General Administration Planning and Support Services | 0501014210 SP1 General Administration Planning and Support Services | 205,899,735 | 105,892,242 | 100,007,493 | 51.4 |
| | Sub total | 205,899,735 | 105,892,242 | 100,007,493 | 51.4 |
| 0502004210 P3 Youth Training and Development | 0504014210 SP1 Revitalization of Youth Polytechnics | 31,521,336 | 5,228,349 | 26,292,987 | 16.6 |
| | Sub total | 31,521,336 | 5,228,349 | 26,292,987 | 16.6 |
| 0502004210 P2 Early childhood development and Education | 0502014210 SP1 Early Childhood Development and Education | 332,585,588 | 295,556,155 | 37,029,433 | 88.9 |
| | Sub total | 332,585,588 | 295,556,155 | 37,029,433 | 88.9 |
| Medical Services, Public Health & Sanitation | | | | | |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption Rate (%) |
|--|--|------------------------|------------------------|--------------------|---------------------|
| 0401004210 P1 Preventive and Promotive Health Services | 0401044210 SP2 Environmental & Health promotion | 71,490,325 | 70,633,177 | 857,148 | 98.8 |
| | 0402014210 SP1 Nutrition | 13,898,410 | 9,982,144 | 3,916,266 | 71.8 |
| | 0401054210 SP3 Communicable Disease Control | 86,203,050 | 59,222,970 | 26,980,080 | 68.7 |
| | 0401064210 SP4 Non-communicable Disease Prevention & Control | 37,877,350 | 24,823,465 | 13,053,885 | 65.5 |
| | 0401074210 SP5 Reproductive, Maternal, Neonatal, child and Adolescent Health | 50,307,630 | 29,780,957 | 20,526,673 | 59.2 |
| | Sub total | 259,776,765 | 194,442,713 | 65,334,052 | 74.8 |
| 0402004210 P2 Curative Health | 0402044210 SP1 County Hospital and Referral Services | 487,569,378 | 293,084,930 | 194,484,448 | 60.1 |
| | 0402054210 SP2 Free Primary Health Services | 109,362,174 | 46,290,050 | 63,072,124 | 42.3 |
| | Sub total | 596,931,552 | 339,374,980 | 257,556,572 | 56.9 |
| 0403004210 P3 General Administration Planning and Support Services | 0403014210 SP1 Health Infrastructure Development | 314,896,036 | 120,016,037 | 194,879,999 | 38.1 |
| | 0403034210 SP2 Human Resource Management and Development | 73,655,826 | 71,091,257 | 2,564,569 | 96.5 |
| | 0403044210 SP3 Monitoring and Evaluation, Research and Development | 4,934,656 | 2,298,297 | 2,636,359 | 46.6 |
| | 0403054210 SP4 Health Policy, Planning & Financing | 23,805,221 | 9,376,582 | 14,428,639 | 39.4 |
| | 0403064210 SP5 Health Standards and Quality Assurance Services | 217,961,521 | 61,464,461 | 156,497,060 | 28.2 |
| | Sub total | 635,253,260 | 264,246,634 | 371,006,626 | 41.6 |
| Lands, Housing, Physical Planning & Urban Development | | | | | |
| 0101004210 P1 General Administration Planning and Support Services | 0101014210 SP1 Administration, Planning and Support Services | 60,812,492 | 16,237,345 | 44,575,147 | 26.7 |
| | Sub total | 60,812,492 | 16,237,345 | 44,575,147 | 26.7 |
| 0102004210 P2 Land policy Planning and Housing | 0102014210 SP1 Land Use Planning | 36,007,344 | 2,630,600 | 33,376,744 | 7.3 |
| | 0102034210 SP2 Land Survey and Mapping | 8,571,690 | 3,632,100 | 4,939,590 | 42.4 |
| | 0102044210 SP3 Housing Management Services | 853,340 | 204,880 | 648,460 | 24.0 |
| | Sub total | 45,432,374 | 6,467,580 | 38,964,794 | 14.2 |
| 0106004210 P3 Urban Centres Administration | 0106014210 SP1 Urban Centre Management | 85,417,925 | 20,348,796 | 65,069,129 | 23.8 |
| | Sub total | 85,417,925 | 20,348,796 | 65,069,129 | 23.8 |
| Roads, Transport & Public Works | | | | | |
| 0201004210 P1 General Administration Planning and Support Services | 0201014210 SP1 General Administration Planning and Support Services | 194,994,373 | 9,404,299 | 185,590,074 | 4.8 |
| | 0201034210 SP2 Firefighting Services | 31,957,137 | 106,164 | 31,850,973 | 0.3 |
| | 0201044210 SP3 Design, Implementation and Supervision of Public Buildings | 13,751,858 | 3,717,170 | 10,034,688 | 27.0 |
| | Sub total | 240,703,368 | 13,227,633 | 227,475,735 | 5.5 |
| 0202004210 P2 Roads and public Infrastructure Development | 0202014210 SP1 Construction, Rehabilitation and Maintenance of Roads and Bridges | 352,269,024 | 103,015,296 | 249,253,728 | 29.2 |
| | 0202024210 SP2 Design, supervision and rehabilitation of County Buildings | 6,931,654 | 1,497,964 | 5,433,690 | 21.6 |
| | 0202034210 SP3 Street Lights Management | 11,608,766 | 3,644,545 | 7,964,221 | 31.4 |
| | 0202044210 SP4 Public Road Transport and Parking | 7,261,449 | 2,546,035 | 4,715,414 | 35.1 |
| | Sub total | 378,070,893 | 110,703,840 | 267,367,053 | 29.3 |
| Tourism, Trade, Enterprise Development & Cooperatives | | | | | |
| 0301004210 P1 General Administration Planning and Support Services | 0301014210 SP1 General Administration Planning and Support Services | 29,381,522 | 13,674,584 | 15,706,938 | 46.5 |
| | Sub total | 29,381,522 | 13,674,584 | 15,706,938 | 46.5 |
| 0302004210 P2 Cooperatives Development and Management | 0302014210 SP1 Governance and Accountability | 24,571,610 | 6,149,413 | 18,422,197 | 25.0 |
| | Sub total | 24,571,610 | 6,149,413 | 18,422,197 | 25.0 |
| 0304004210 P3 Tourism Development and Promotion | 0304014210 SP1 Tourism Promotion and Marketing | 312,144,112 | 75,726,357 | 236,417,755 | 24.3 |
| | Sub total | 312,144,112 | 75,726,357 | 236,417,755 | 24.3 |
| 0305004210 P4 Trade Development and Promotion | 0305014210 SP1 Domestic Trade Development | 42,662,396 | 4,865,308 | 37,797,088 | 11.4 |
| | Sub total | 42,662,396 | 4,865,308 | 37,797,088 | 11.4 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption Rate (%) |
|---|---|------------------------|------------------------|----------------------|---------------------|
| 0306004210 P5 P1 General Administration Planning and Support Services | 0306014210 SP6 SP1 General Administration Planning and Support Services | 21,781,110 | 9,595,746 | 12,185,364 | 44.1 |
| | Sub total | 21,781,110 | 9,595,746 | 12,185,364 | 44.1 |
| Culture, Social Services, Gender, Sports & Youth Affairs | | | | | |
| 0901004210 P1 General Administration Planning and Support Services | 0901014210 SP1 General Administration Planning and Support Services | 26,520,592 | 15,815,797 | 10,704,795 | 59.6 |
| | Sub total | 26,520,592 | 15,815,797 | 10,704,795 | 59.6 |
| 0902004210 P2 Culture and social Services development | 0902014210 SP1 Conservation of Heritage | 978,000 | 414,640 | 563,360 | 42.4 |
| | 0902024210 SP2 Development and Promotion of Culture | 36,279,932 | 2,881,600 | 33,398,332 | 7.9 |
| | 0902034210 SP3 Social Welfare and Gender | 27,438,000 | 6,326,725 | 21,111,275 | 23.1 |
| | 0902044210 SP4 Community Mobilization and Development | 6,106,692 | 2,959,600 | 3,147,092 | 48.5 |
| | Sub total | 70,802,624 | 12,582,565 | 58,220,059 | 17.8 |
| 0903004210 P3 Promotion of other sports activities | 0903014210 SP1 Development and Management of Sports Facilities | 35,612,581 | 665,630 | 34,946,951 | 1.9 |
| | Sub total | 35,612,581 | 665,630 | 34,946,951 | 1.9 |
| 0503004210 P4 Sports Development | 0503034210 SP1 Sports Development, Training and Competition | 27,873,600 | 17,155,106 | 10,718,494 | 61.5 |
| | Sub total | 27,873,600 | 17,155,106 | 10,718,494 | 61.5 |
| 0904014210 P5 General Administration Planning and Support Services | 0904004210 SP1 General Administration Planning and Support Services | 15,546,383 | 7,521,680 | 8,024,703 | 48.4 |
| | Sub total | 15,546,383 | 7,521,680 | 8,024,703 | 48.4 |
| Grand Total | | 6,880,657,924 | 3,085,609,304 | 3,795,048,620 | 44.8 |

Source: Samburu County Treasury

Programmes with the highest levels of implementation based on absorption rates were: General Administration Planning and Support Services in the Department of Agriculture, Livestock Development, Veterinary Services & Fisheries at 99.0 per cent, Early childhood development and Education in the Department of Education and Vocational Training at 88.9 per cent, Preventive and Promotive Health Services in the Department of Medical Services, Public Health & Sanitation at 74.8 per cent, and Management of County Affairs at 66.5 per cent of budget allocation.

3.38.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.398.59 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.2.64 billion. The development expenditure represented 15.1 per cent of the annual development budget.
2. Under-performance of own source revenue at Kshs.49.68 million compared to the annual projection of Kshs.180.31 million, representing 27.6 per cent of the annual target.

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County should address its own source revenue performance to ensure the approved budget is fully financed.

3.39 County Government of Siaya

3.39.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.8.95 billion, comprising of Kshs.3.87 billion (43.3 per cent) and Kshs.5.08 billion (56.7 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.5.86 billion (65.4 per cent) as the equitable share of revenue raised nationally, Kshs.905.19 million (10.1 per cent) as total conditional grants, generate Kshs.351 million (3.9 per cent) from own sources of revenue, and a cash balance of Kshs.1.84 billion (20.6 per cent) from FY 2019/20.

3.39.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.3.36 billion as an equitable share of the revenue raised nationally, Kshs.301.75 million as conditional grants, raised Kshs.238.91 million as own-source revenue, and had a cash balance of Kshs.1.25 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.5.15 billion, as shown in Table 3.215.

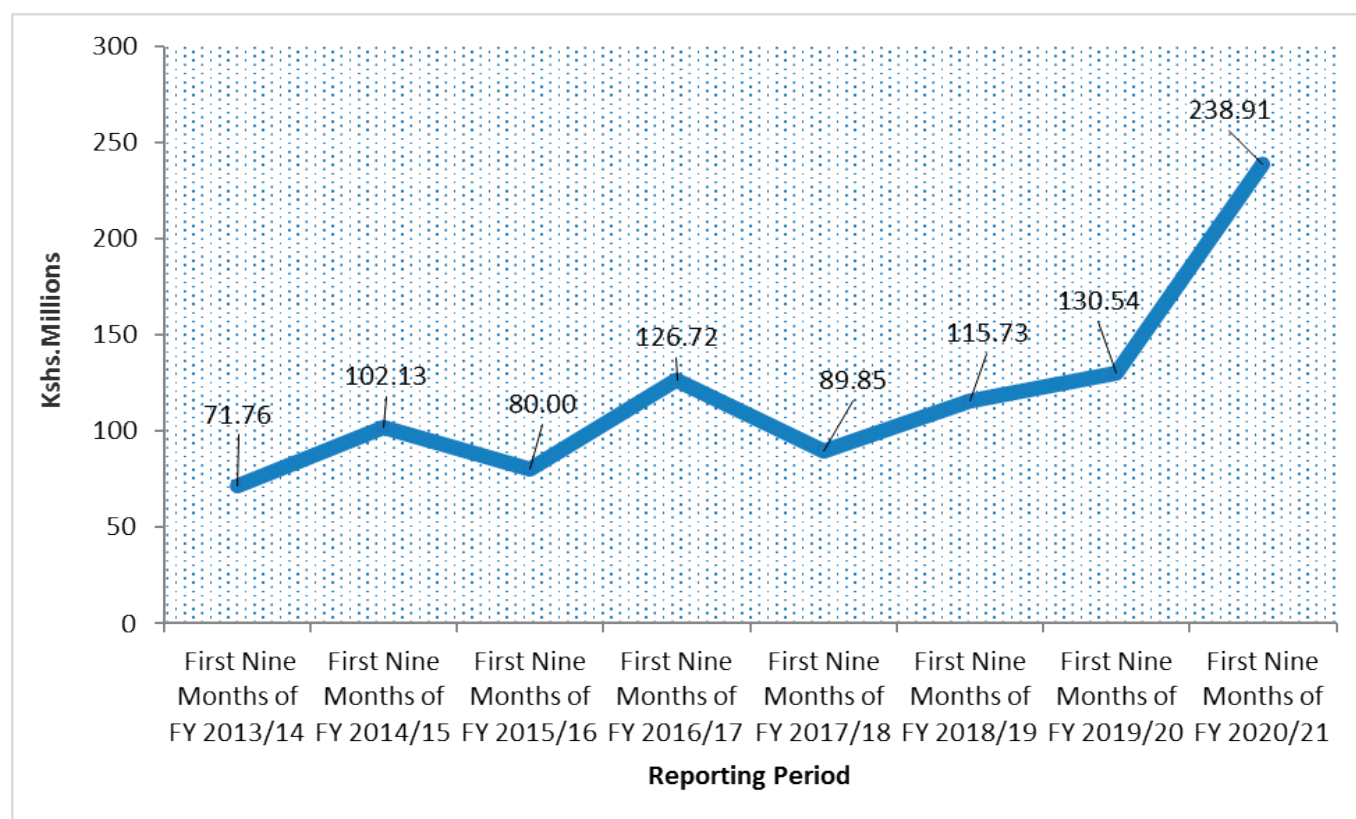
Table 3.215: Siaya County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual Receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|---|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 5,855,250,000 | 5,855,250,000 | 3,359,331,000 | 57.4 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 3. | Compensation for User Fee Foregone | 18,194,808 | 18,194,808 | - | - |
| 4. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 5. | Road Maintenance Fuel Levy Fund | 174,515,414 | 174,515,414 | 87,257,708 | 50 |
| 6. | Rehabilitation of Village Polytechnics | 48,199,894 | 48,199,894 | 24,099,947 | 50 |
| Sub-Total | | 372,931,393 | 372,931,393 | 111,357,655 | 29.9 |
| C. | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) | 50,199,253 | 50,199,253 | 24,507,034 | 48.8 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 319,185,080 | 319,185,080 | 100,455,119 | 31.5 |
| 3. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | 50,000,000 | 50,000,000 | - | - |
| 4. | DANIDA Grant - Universal Healthcare for Devolved System Program | 16,470,000 | 16,470,000 | 8,235,000 | 50.0 |
| 5. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 12,874,560 | 12,874,560 | 12,199,944 | 94.8 |
| 7. | EU – Water Tower Protection and Climate Change Mitigation and Adaptation Programme (waTER) | 38,530,664 | 38,530,664 | - | - |
| Sub Total | | 532,259,557 | 532,259,557 | 190,397,097 | 35.8 |
| D. | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 351,000,000 | 238,910,584 | 68.1 |
| 2. | Balance B/F from FY 2019/20 | - | 1,840,119,055 | 1,251,297,348 | 68.0 |
| Sub Total | | - | 2,191,119,055 | 1,490,207,932 | 68.0 |
| Grand Total | | 6,760,440,950 | 8,951,560,005 | 5,151,293,684 | 57.5 |

Source: Siaya County Treasury

Figure 3.75 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.75: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Siaya County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.238.91 million as its own source revenue. This amount represented an increase of 83 per cent compared to Kshs.130.54 million realised during a similar period in FY 2019/20 and was 68.1 per cent of the annual target. The increase of 83 per cent can partly be attributed to the enhanced collection of NHIF/capitation and Linda Mama revenue streams

3.39.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.12 billion (22.3 per cent) for development programmes and Kshs.3.89 billion (77.7 per cent) for recurrent programmes.

3.39.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.4.19 billion on development and recurrent programmes. The expenditure represented 83.6 per cent of the total funds released by the COB and comprised of Kshs.880.27 million and Kshs.3.31 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 22.7 per cent while recurrent expenditure represented 65.1 per cent of the annual recurrent expenditure budget.

3.39.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.83 billion was spent on compensation to employees, Kshs.1.48 billion on operations and maintenance, and Kshs.880.27 million on development activities as shown in Table 3.216.

Table 3.216: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 5,078,327,048 | 3,889,165,346 | 3,305,495,321 | 65.1 |
| Compensation to Employees | 3,006,817,934 | 2,405,821,987 | 1,825,499,689 | 60.7 |
| Operations and Maintenance | 2,071,509,114 | 1,483,343,359 | 1,479,995,632 | 71.4 |
| Total Development Expenditure | 3,873,232,957 | 1,118,459,162 | 880,266,984 | 22.7 |

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|----------------------------|----------------------|--------------------------|----------------------|----------------|
| Development Expenditure | 3,873,232,957 | 1,118,459,162 | 880,266,984 | 22.7 |
| Total | 8,951,560,005 | 5,007,624,509 | 4,185,762,305 | 46.8 |

Source: Siaya County Treasury

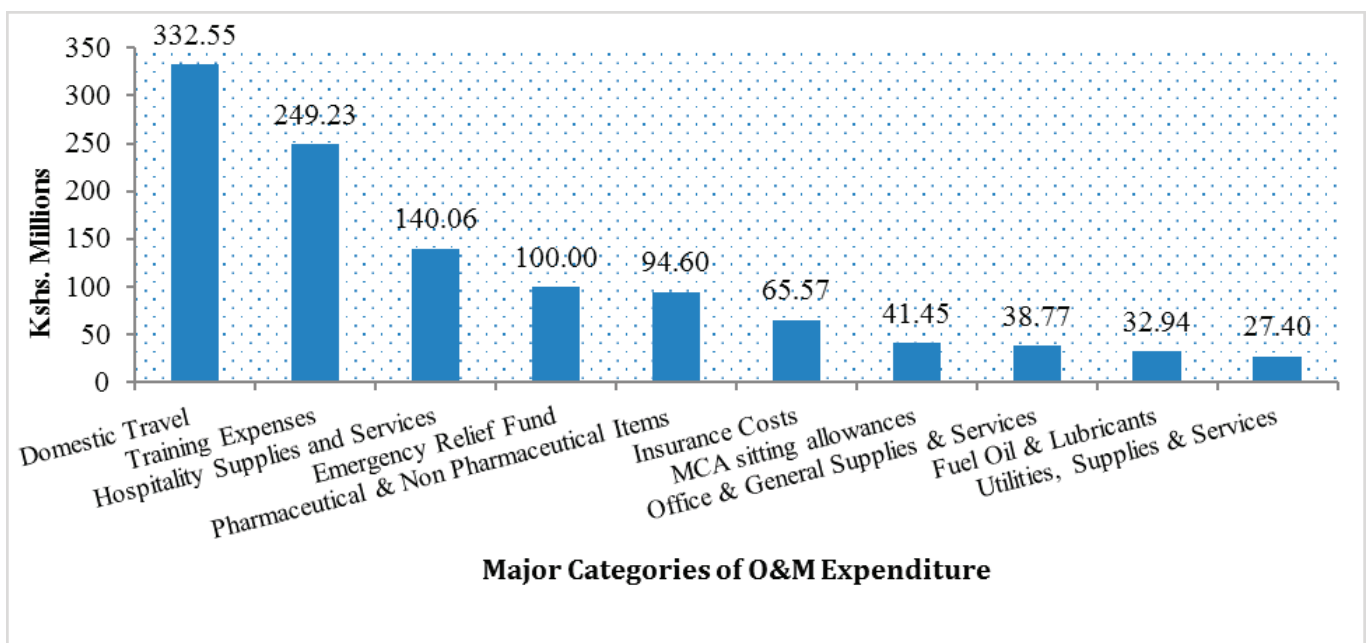
3.39.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government’s expenditure on wages and benefits at 35 per cent of the County’s total revenue. Expenditure on compensation to employees was 43.6 per cent of the total expenditure for the reporting period and 27.2 per cent of the first nine months proportional revenue estimate of 6.71 billion.

3.39.7 Expenditure on Operations and Maintenance

Figure 3.76 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.76: Siaya County, Operations and Maintenance Expenditure by Major Categories



Source: Siaya County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.41.45 million on committee sitting allowances for the 42 MCAs and Speaker against the annual budget allocation of Kshs.48.04 million. The average monthly sitting allowance was Kshs. 107,095 per MCA against the SRC’s recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.332.55 million and comprised of Kshs.87.26 million spent by the County Assembly and Kshs.245.29 million by the County Executive. Expenditure on foreign travel amounted to Kshs.0.95 million, which was entirely by the County Executive.

3.39.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county did not budget directly for COVID-19 related expenditure. Instead, it budgeted for Kshs.100 million towards an Emergency Fund where Kshs.79.09 million was withdrawn to cater for COVID-19 Expenditure during the reporting period. In addition, Kshs 140.28 million was brought forward from FY 2019/20 from which Kshs 130.08 million was spent during the reporting period. Total expenditure on COVID-10 related activities was as shown 209.18 million as shown in Table 3.217 provides a summary of the COVID-19 budget and expenditure

Table 3.217: COVID-19 Budget and Expenditure Summary

| S/No | Description | Description of Expenditure Category (Kshs.) | Annual Budget Allocation (Kshs) | | Expenditure (Kshs) |
|--------------|--|---|---------------------------------|--------------------|--------------------|
| 1 | Funding towards COVID 19 from Emergency Fund FY 2020/21 | Specialized Materials and Supplies | 63,962,768 | 100,000,000 | 79,094,425 |
| | | Hospitality Supplies and Services | 6,328,966 | | |
| | | Printing, Advertising and Information Supplies and Services | 2,443,138 | | |
| | | Other operating expenses | 2,046,621 | | |
| | | Fuel Oil and Lubricants | 4,312,933 | | |
| 2 | DANIDA Grant for COVID-19 B/F from FY 2019/20 | Casual Labor Wages | 3,350,000 | 6,720,000 | 6,720,000 |
| | | Electricity | 700,000 | | |
| | | Water and Sewerage | 402,000 | | |
| | | Telephone and Telex & Mobile Phone Services | 268,000 | | |
| | | Travel Costs | 134,000 | | |
| | | Catering Services (staff tea) | 134,000 | | |
| | | Boards, Committees | 268,000 | | |
| | | Dressings & Non-Pharmaceuticals | 402,000 | | |
| | | Chemicals & Gases | 160,800 | | |
| | | General Office Supplies | 82,460 | | |
| | | Sanitary & Cleaning Materials | 536,000 | | |
| | | Bank Service Commission & Charges | 14,740 | | |
| | | Maintenance of Buildings & Stations (nonresidential) | 268,000 | | |
| 3 | National Government COVID 19 Grant for Allowances for Front Line Health Care Workers B/F from FY 2019/20 | Allowances to Health Workers | 36,495,000 | 36,495,000 | 36,495,000 |
| 4 | National Government COVID-19 Grant B/F from FY 2019/20 | Specialized Materials and Supplies | 28,867,933 | 97,066,000 | 86,868,338 |
| | | Construction of Buildings | 56,218,405 | | |
| | | Purchase of Office Furniture | 1,782,000 | | |
| Total | | | 209,177,762 | 240,281,000 | 209,177,762 |

Source: Siaya County Treasury

3.39.9 Development Expenditure

The County incurred expenditure of Kshs.880.27 million on development programmes, which represented an increase of 14.9 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.766.43 million. Table 3.218 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.218: Siaya County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Location | Budget (Kshs) | Expenditure (Kshs) | Absorption Rate (%) |
|-------|---|----------------|---------------|--------------------|---------------------|
| 1 | Construction of Siaya Stadium | Siaya Township | 140,000,000 | 77,786,597 | 55.6 |
| 2 | Tarmacking of Opoda Bondo Township Road | North Sakwa | 50,000,000 | 23,757,743 | 47.5 |
| 3 | Supply of Medical Equipments | | 12,000,000 | 11,086,000 | 92.4 |
| 4 | Construction of Modern Market At Yala | Yala Township | 9,302,834 | 9,302,834 | 100.0 |
| 5 | Drilling And Equipping of Borejoles At Ragegni Migowa And Wayaga | Bondo | 9,000,000 | 8,569,050 | 95.2 |
| 6 | Maintanance of Nyamonye Ragak Odhuro Road | Yimbo East | 8,000,000 | 8,000,000 | 100.0 |
| 7 | Construction of Rice Drying Floor In Mulwa Siriwo | Usonga | 8,000,000 | 7,999,998 | 100.0 |
| 8 | Maintenance of Oganya Kipasi Matangwe Road | South Sakwa | 8,000,000 | 7,998,780 | 100.0 |
| 9 | Solarization of East Uyoma Water Supply Pumps | East Uyoma | 8,000,000 | 7,488,017 | 93.6 |
| 10 | Drilling, Equipping And Pipeline Extension (Nyalenda Mkt Borehole, Konyango Borehole, Murweyo And Kimira, Konya Sec Sch And Sirisia Borehole) | East Ugenya | 7,000,000 | 6,596,226 | 94.2 |

Source: Siaya County Treasury

3.39.10 Budget Performance by Department

Table 3.219 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.219: Siaya County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 746.31 | 641.76 | 491.54 | 46.11 | 466.64 | 46.11 | 94.9 | 100.0 | 62.5 | 7.2 |
| Governance and Administration | 569.79 | 31.22 | 460.85 | - | 410.48 | 6.31 | 89.1 | - | 72.0 | 20.2 |
| Finance and Economic Planning | 658.52 | 5.00 | 561.11 | 4.00 | 502.84 | 4.00 | 89.6 | 100.0 | 76.4 | 80.0 |
| Agriculture, Food, Livestock & Fisheries | 250.69 | 465.91 | 197.38 | 195.64 | 160.41 | 142.44 | 81.3 | 72.8 | 64.0 | 30.6 |
| Water, Irrigation, Environment & Natural Resources | 51.14 | 369.14 | 41.75 | 113.62 | 39.54 | 56.63 | 94.7 | 49.8 | 77.3 | 15.3 |
| Education, Youth Affairs, Gender & Social Services | 339.37 | 439.85 | 206.87 | 177.31 | 183.56 | 119.77 | 88.7 | 67.5 | 54.1 | 27.2 |
| County Health Services | 2,123.58 | 396.91 | 1,653.78 | 146.05 | 1,309.17 | 63.34 | 79.2 | 43.4 | 61.6 | 16.0 |
| Lands, Physical Planning, Urban Development and Housing | 74.75 | 179.50 | 55.72 | 43.11 | 46.62 | 9.76 | 83.7 | 22.6 | 62.4 | 5.4 |
| Roads, Public Works, Energy and Transport | 88.25 | 976.09 | 75.46 | 250.31 | 57.84 | 300.21 | 76.7 | 119.9 | 65.5 | 30.8 |
| Enterprise and Industrial Development | 99.30 | 177.47 | 80.02 | 85.28 | 72.47 | 41.40 | 90.6 | 48.5 | 73.0 | 23.3 |
| Tourism, Culture, Sports and Arts | 76.63 | 190.38 | 64.67 | 57.04 | 55.92 | 90.30 | 86.5 | 158.3 | 73.0 | 47.4 |
| Total | 5,078.33 | 3,873.23 | 3,889.17 | 1,118.46 | 3,305.50 | 880.27 | 85.0 | 78.7 | 65.1 | 22.7 |

Source: Siaya County Treasury

Analysis of departmental expenditure shows that the Department of Finance and Economic Planning recorded the highest absorption rate of development budget at 80.0 per cent while the Department of Lands, Physical Planning, Urban Development and Housing had the lowest at 5.4 per cent. The Department of Finance and Economic Planning had the highest percentage of recurrent expenditure to budget at 76.4 per cent while the department of Education, Youth Affairs, Gender & Social Services had the lowest at 54.1 per cent.

3.39.11 Budget Execution by Programmes and Sub-Programmes

Table 3.220 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.220: Siaya County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments in (Kshs.) | Variance(Kshs.) | Absorption rate (%) |
|--|--|------------------------|----------------------------|--------------------|---------------------|
| COUNTY ASSEMBLY | | | | | |
| Legislative and Representation | Legislative and Representation | 942,053,219 | 235,857,320 | 706,195,899 | 25.0% |
| | Sub total | 942,053,219 | 235,857,320 | 706,195,899 | 25.0% |
| Legislative Oversight | Legislative Oversight | 76,657,200 | 64,839,576 | 11,817,624 | 84.6% |
| | Sub total | 76,657,200 | 64,839,576 | 11,817,624 | 84.6% |
| General administration and planning support services | General administration and planning support services | 369,361,691 | 212,052,711 | 157,308,980 | 57.4% |
| | Sub total | 369,361,691 | 212,052,711 | 157,308,980 | 57.4% |
| GOVERNANCE AND ADMINISTRATION | | | | | |
| Office of the Governor and Deputy Governor | General administration and planning support services | 193,559,985 | 158,581,565 | 34,978,420 | 81.9% |
| | Sub total | 193,559,985 | 158,581,565 | 34,978,420 | 81.9% |
| County Executive Administration | County Executive Administration | 288,832,165 | 213,407,231 | 75,424,934 | 73.9% |
| | Sub total | 288,832,165 | 213,407,231 | 75,424,934 | 73.9% |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments in (Kshs.) | Variance(Kshs.) | Absorption rate (%) |
|---|---|------------------------|----------------------------|--------------------|---------------------|
| County Public Service Board | County Public Service Board | 118,609,934 | 44,797,297 | 73,812,637 | 37.8% |
| | Sub total | 118,609,934 | 44,797,297 | 73,812,637 | 37.8% |
| FINANCE AND ECONOMIC PLANNING | | | | | |
| General Administration | General Administration | 574,688,739 | 435,524,270 | 139,164,469 | 75.8% |
| | Sub total | 574,688,739 | 435,524,270 | 139,164,469 | 75.8% |
| Financial Services | Budget formulation, coordination and management | 33,456,466 | 28,759,097 | 4,697,369 | 86.0% |
| | Accounting Services | 24,648,655 | 21,165,371 | 3,483,284 | 85.9% |
| | Supply chain management services | 5,843,344 | 4,050,481 | 1,792,863 | 69.3% |
| | Audit and assurance services | 8,213,672 | 3,075,731 | 5,137,941 | 37.4% |
| | Sub total | 72,162,137 | 57,050,680 | 15,111,457 | 79.1% |
| Economic Planning Services | Economic Planning Services | 16,671,189 | 14,266,998 | 2,404,191 | 85.6% |
| | Sub total | 16,671,189 | 14,266,998 | 2,404,191 | 85.6% |
| AGRICULTURE, FOOD, LIVESTOCK AND FISHERIES | | | | | |
| General Administration and Planning | General Administration and Planning | 523,572,888 | 179,167,719 | 344,405,169 | 34.2% |
| | Sub total | 523,572,888 | 179,167,719 | 344,405,169 | 34.2% |
| Livestock Management and Development | Livestock Management and Development | 43,181,268 | 27,674,691 | 15,506,577 | 64.1% |
| | Sub total | 43,181,268 | 27,674,691 | 15,506,577 | 64.1% |
| Crop and Land Development | Crop and Land Development | 93,928,277 | 73,319,411 | 20,608,866 | 78.1% |
| | Sub total | 93,928,277 | 73,319,411 | 20,608,866 | 78.1% |
| Fisheries Management and Development | Fisheries Management and Development | 27,801,271 | 10,513,717 | 17,287,554 | 37.8% |
| | Sub total | 27,801,271 | 10,513,717 | 17,287,554 | 37.8% |
| Veterinary Services | Veterinary Services | 28,117,196 | 12,178,035 | 15,939,161 | 43.3% |
| | Sub total | 28,117,196 | 12,178,035 | 15,939,161 | 43.3% |
| WATER, IRRIGATION, ENVIRONMENT AND NATURAL RESOURCES | | | | | |
| Water Resources Development and Management | Water Resources Development and Management | 11,222,441 | 8,561,279 | 2,661,162 | 76.3% |
| | Sub total | 11,222,441 | 8,561,279 | 2,661,162 | 76.3% |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 405,949,147 | 86,358,384 | 319,590,763 | 21.3% |
| | Sub total | 405,949,147 | 86,358,384 | 319,590,763 | 21.3% |
| Environment and Natural Resources Conservation and Management | Environment and Natural Resources Conservation and Management | 3,110,930 | 1,241,675 | 1,869,255 | 39.9% |
| | Sub total | 3,110,930 | 1,241,675 | 1,869,255 | 39.9% |
| EDUCATION, YOUTH AFFAIRS, GENDER AND SOCIAL SERVICES | | | | | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 745,858,530 | 297,945,391 | 447,913,139 | 39.9% |
| | Sub total | 745,858,530 | 297,945,391 | 447,913,139 | 39.9% |
| County Pre Primary Education | County Pre Primary Education | 5,271,760 | 2,239,088 | 3,032,672 | 42.5% |
| | Sub total | 5,271,760 | 2,239,088 | 3,032,672 | 42.5% |
| Vocational Education and Training Development | Vocational Education and Training Development | 2,608,458 | 1,115,350 | 1,493,108 | 42.8% |
| | Sub total | 2,608,458 | 1,115,350 | 1,493,108 | 42.8% |
| County Social Security and Services | County Social Security and Services | 25,480,871 | 2,032,758 | 23,448,113 | 8.0% |
| | Sub total | 25,480,871 | 2,032,758 | 23,448,113 | 8.0% |
| COUNTY HEALTH SERVICES | | | | | |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments in (Kshs.) | Variance(Kshs.) | Absorption rate (%) |
|--|---|------------------------|----------------------------|----------------------|---------------------|
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 2,275,592,713 | 1,255,406,054 | 1,020,186,659 | 55.2% |
| | Sub total | 2,275,592,713 | 1,255,406,054 | 1,020,186,659 | 55.2% |
| Curative and Rehabilitative Health Care Services | Curative and Rehabilitative Health Care Services | 127,047,600 | 91,409,530 | 35,638,070 | 71.9% |
| | Sub total | 127,047,600 | 91,409,530 | 35,638,070 | 71.9% |
| Preventive and Promotive Health Services | Preventive and Promotive Health Services | 117,850,000 | 25,697,096 | 92,152,904 | 21.8% |
| | Sub total | 117,850,000 | 25,697,096 | 92,152,904 | 21.8% |
| LANDS, PHYSICAL PLANNING, URBAN DEVELOPMENT AND HOUSING | | | | | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 230,527,256 | 48,445,013 | 182,082,243 | 21.0% |
| | Sub total | 230,527,256 | 48,445,013 | 182,082,243 | 21.0% |
| Land Use Planning | Land Use Planning | 1,960,000 | 1,066,400 | 893,600 | 54.4% |
| | Sub total | 1,960,000 | 1,066,400 | 893,600 | 54.4% |
| County Land Administration and Surveying | County Land Administration and Surveying | 2,385,000 | 1,081,650 | 1,303,350 | 45.4% |
| | Sub total | 2,385,000 | 1,081,650 | 1,303,350 | 45.4% |
| Housing and Urban Development | Housing and Urban Development | 2,650,000 | 1,576,810 | 1,073,190 | 59.5% |
| | Sub total | 2,650,000 | 1,576,810 | 1,073,190 | 59.5% |
| Siaya Municipal Board | Siaya Municipal Board | 16,718,000 | 4,207,778 | 12,510,222 | 25.2% |
| | Sub total | 16,718,000 | 4,207,778 | 12,510,222 | 25.2% |
| ROADS, PUBLIC WORKS, ENERGY AND TRANSPORT | | | | | |
| Transport Infrastructure Development | Transport Infrastructure Development | 1,062,561,322 | 357,650,142 | 704,911,180 | 33.7% |
| | Sub total | 1,062,561,322 | 357,650,142 | 704,911,180 | 33.7% |
| County Government Building Services | County Government Building Services | 627,241 | - | 627,241 | 0.0% |
| | Sub total | 627,241 | - | 627,241 | 0.0% |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 1,159,795 | 405,000 | 754,795 | 34.9% |
| | Sub total | 1,159,795 | 405,000 | 754,795 | 34.9% |
| ENTERPRISES AND INDUSTRIAL DEVELOPMENT | | | | | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 268,760,131 | 109,251,848 | 159,508,283 | 40.7% |
| | Sub total | 268,760,131 | 109,251,848 | 159,508,283 | 40.7% |
| Trade Development and Promotion | Trade Development and Promotion | 1,970,000 | 939,894 | 1,030,106 | 47.7% |
| | Sub total | 1,970,000 | 939,894 | 1,030,106 | 47.7% |
| Fair Trade Practices and Consumer Protection Services | Fair Trade Practices and Consumer Protection Services | 2,360,000 | 1,442,714 | 917,286 | 61.1% |
| | Sub total | 2,360,000 | 1,442,714 | 917,286 | 61.1% |
| Alcoholic Drinks Control | Alcoholic Drinks Control | 1,490,000 | 767,554 | 722,446 | 51.5% |
| | Sub total | 1,490,000 | 767,554 | 722,446 | 51.5% |
| Co-operatives Development and Management | Co-operatives Development and Management | 2,190,000 | 1,463,455 | 726,545 | 66.8% |
| | Sub total | 2,190,000 | 1,463,455 | 726,545 | 66.8% |
| TOURISM, CULTURE SPORTS AND ARTS | | | | | |
| General Administration, Planning and Support Services | General Administration, Planning and Support Services | 247,172,143 | 133,019,650 | 114,152,493 | 53.8% |
| | Sub total | 247,172,143 | 133,019,650 | 114,152,493 | 53.8% |
| Sports and Arts | Sports and Arts | 7,085,000 | 5,080,305 | 2,004,695 | 71.7% |
| | Sub total | 7,085,000 | 5,080,305 | 2,004,695 | 71.7% |
| Information, Communication Technology | Information, Communication Technology | 5,890,000 | 3,089,094 | 2,800,906 | 52.4% |
| | Sub total | 5,890,000 | 3,089,094 | 2,800,906 | 52.4% |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments in (Kshs.) | Variance(Kshs.) | Absorption rate (%) |
|-----------------------------------|-----------------------------------|------------------------|----------------------------|----------------------|---------------------|
| Tourism development and Promotion | Tourism development and Promotion | 6,864,508 | 5,037,172 | 1,827,336 | 73.4% |
| | Sub total | 6,864,508 | 5,037,172 | 1,827,336 | 73.4% |
| | Grand Total | 8,951,560,005 | 4,185,762,305 | 4,765,797,700 | 46.8% |

Source: Siaya County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Economic Planning Services in the Department of Finance and Economic Planning at 85.6 per cent, Legislative Oversight in the Department of County Assembly at 84.6 per cent, Office of the Governor and Deputy Governor in the Department of Governance and Administration at 81.9 per cent of budget allocation.

3.39.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 22nd April 2021 contrary to OCoB's instructions to Counties to provide the financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016
2. Low absorption of development funds as indicated by the expenditure of Kshs.880.27 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.3.87 billion. The development expenditure represented 22.7 per cent of the annual development budget
3. Fund Administrators failed to submit financial and non-financial statements in line with Section 168 of the PFM Act, 2012. Specifically, the OCoB did not receive quarterly financial reports for the Siaya County Executive Car Loan Scheme Fund, Siaya County Assembly Car Loan and Mortgage Scheme Fund, Siaya County Bursary Fund, and Siaya County Emergency Fund.
4. Poor budgeting practice by the County Treasury as shown in Table 3.5 where the County incurred expenditure over approved exchequer requests.
5. High expenditure on local travel at Kshs.332.55 million, which was unexpected during the COVID-19 containment period due to travel restrictions and points to wasteful expenditure.

The County should implement the following recommendations to improve budget execution;

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.*
2. *The County should identify and address issues causing delays in the implementation of development projects.*
3. *The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.*
4. *The County Treasury should improve the Vote book and budgetary control to ensure that expenditure is within the approved budget.*
5. *The County Treasury should review expenditure on travel and subsistence allowances to ensure it is credible and institute control measures to curtail further avoid wasteful spending. County*

3.40 Government of Taita Taveta

3.40.1 Overview of FY 2020/21 Budget

The county's approved supplementary budget for FY 2020/21 is Kshs.5.78 billion, comprising Kshs.3.81 billion (66 per cent) and Kshs.1.97 billion (34.0 per cent) allocation for development and recurrent programmes, respectively.

In order to finance the budget, the county expects to receive Kshs.4.40 billion (76.1 per cent) as the equitable share of revenue raised nationally, Kshs.1.02 billion (17.6 per cent) as total conditional grants, generate Kshs.363 million (6.3 per cent) from own sources of revenue.

3.40.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.2.82 billion as an equitable share of the revenue raised nationally, Kshs.469.32 million as conditional grants, raised Kshs.201.70 million as own-source revenue. The total funds available for budget implementation during the period amounted to Kshs.3.53 billion, as shown in Table 3.221.

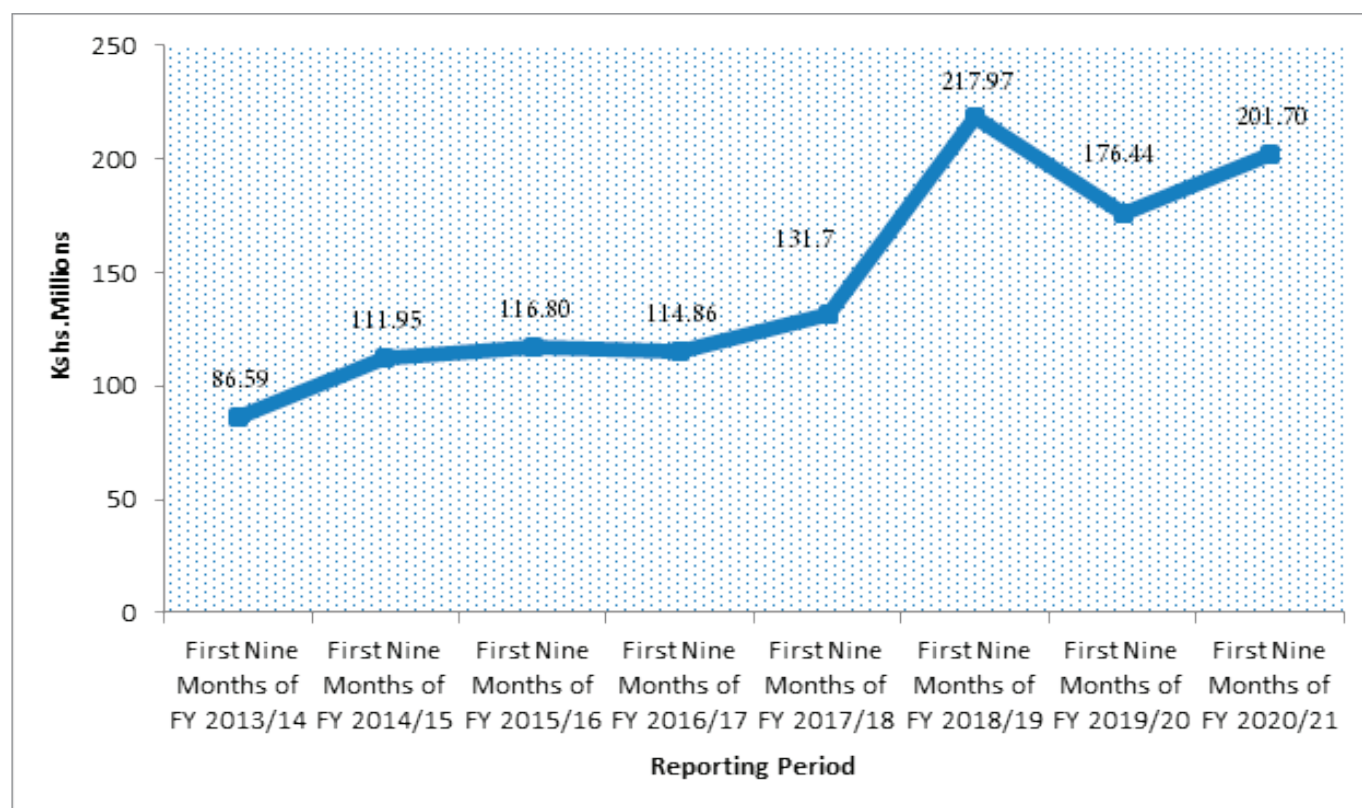
Table 3.221: Taita Taveta County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual Receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 4,241,100,000 | 4,399,350,000 | 2,824,572,600 | 64.2 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Compensation for User Fee Foregone | 5,296,305 | 5,296,305 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 131,122,392 | 161,219,001 | - | - |
| 4. | Rehabilitation of Village Polytechnics | 57,634,894 | 57,634,894 | 28,817,447 | 50 |
| Sub Total | | 326,074,868 | 224,150,200 | 28,817,447 | 12.90 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 40,679,150 | 40,679,150 | 18,957,103 | 46.6 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 317,598,320 | 317,598,320 | 120,546,515 | 38 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4. | DANIDA Grant | 12,060,000 | 12,060,000 | 6,030,000 | 50 |
| 5. | EU Grant (Instruments for Devolution Advise and Support IDEAS) | 15,624,929 | 15,624,929 | - | - |
| 6. | IDA (WB) Credit: Water & Sanitation Development Project (WSDP) | 350,000,000 | 350,000,000 | 239,441,312 | 68.4 |
| 7. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 13,206,924 | 13,206,924 | 10,526,713 | 79.7 |
| Sub Total | | 794,169,323 | 794,169,323 | 440,501,643 | 55.5 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 363,000,000 | 201,703,500 | 55.6 |
| 2. | Other Revenues | - | - | 34,575,000 | - |
| Sub Total | | - | 363,000,000 | 236,278,500 | 65.1 |
| Grand Total | | 5,361,344,191 | 5,780,669,523 | 3,530,170,19 | 61.1 |

Source: Taita Taveta County Treasury

Figure 3.77 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.77: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Taita Taveta County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.201.7 million as its own source revenue. This amount represented a decrease of 14.3 per cent compared to Kshs.176.44 million realised during a similar period in FY 2019/20 and was 55.6 per cent of the annual target.

3.40.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.29 billion from the CRF account during the reporting period. The amount comprised of Kshs.787.91 million (24 per cent) for development programmes and Kshs.2.50 billion (76 per cent) for recurrent programmes.

3.40.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.22 billion on development and recurrent programmes. The expenditure represented 97.9 per cent of the total funds released by the COB and comprised of Kshs.749.04 million and Kshs.2.47 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 38.1 per cent while recurrent expenditure represented 64.8 per cent of the annual recurrent expenditure budget.

3.40.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.86 billion was spent on compensation to employees, Kshs.609.40 million on operations and maintenance, and Kshs.749.04 million on development activities as shown in Table 3.222.

Table 3.222: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 3,813,253,525 | 2,501,140,466 | 2,470,145,612 | 64.8 |
| Compensation to Employees | 2,405,213,958 | 1,656,016,395 | 1,860,747,542 | 77.4 |
| Operations and Maintenance | 1,408,039,567 | 845,124,071 | 609,398,070 | 43.3 |
| Total Development Expenditure | 1,967,415,998 | 787,907,702 | 749,039,039 | 38.1 |
| Development Expenditure | 1,967,415,998 | 787,907,702 | 749,039,039 | 38.1 |
| Total | 5,780,669,523 | 3,289,048,168 | 3,219,184,651 | 55.7 |

Source: Taita Taveta County Treasury

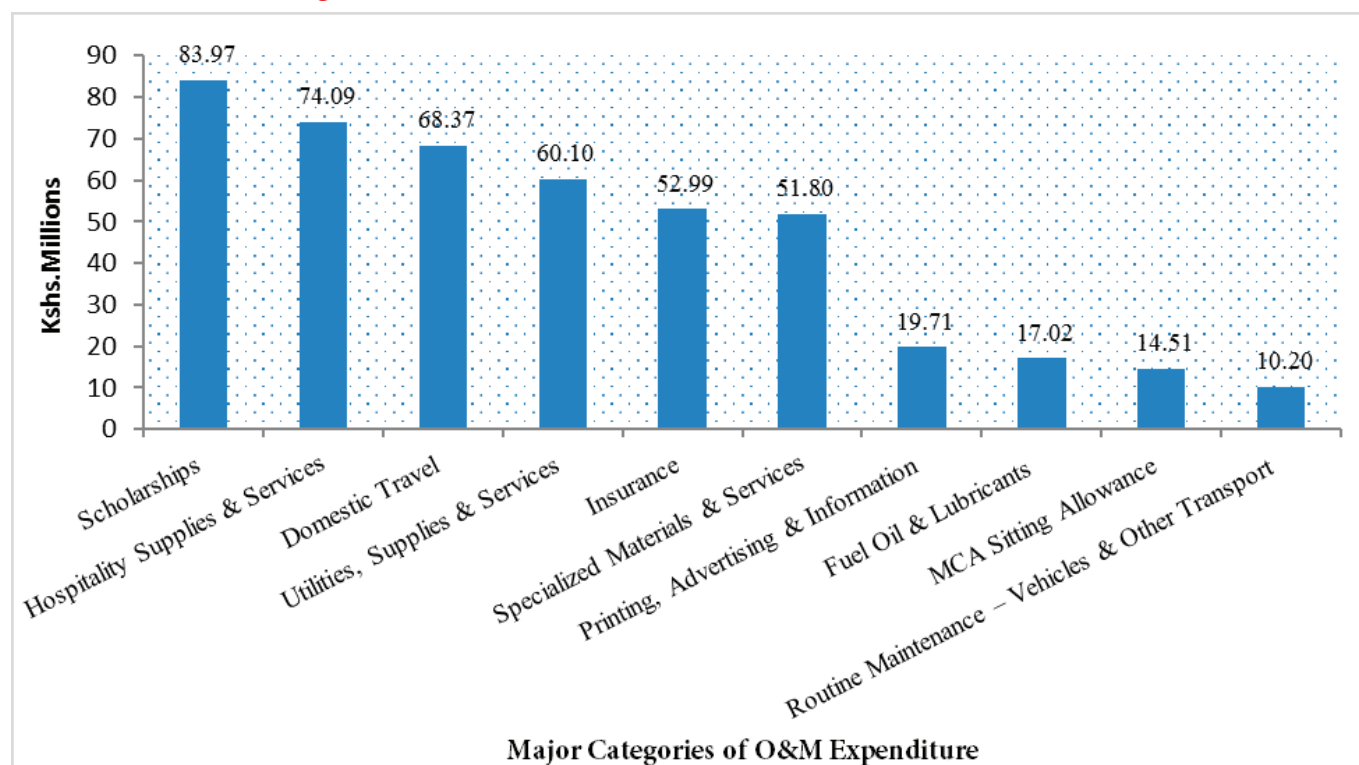
3.40.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 57.8 per cent of the total expenditure for the reporting period and 42.9 per cent of the first nine months proportional revenue estimate of Kshs.4.33 billion.

3.40.7 Expenditure on Operations and Maintenance

Figure 3.20 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.78: Taita Taveta County, Operations and Maintenance Expenditure by Major Categories



Source: Taita Taveta County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.14.51 million on committee sitting allowances for the 35 MCAs and Speaker against the annual budget allocation of Kshs.26.2 million. The average monthly sitting allowance was Kshs.46,065 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.68.37 million and comprised of Kshs.5.08 million spent by the County Assembly and Kshs.63.29 million by the County Executive. Expenditure on foreign travel amounted to Kshs.1.72 million and comprised of Kshs.175,712 by the County Assembly and Kshs.1.54 million by the County Executive.

3.40.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county did not provide any funds to cater for COVID-19 related expenditure, while the total of Kshs.82.01 million was brought forward from FY 2019/20. A total of Kshs.41.48 million was spent during the reporting period, as shown in Table 3.223.

Table 3.223: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31.03.2021 (Kshs) |
|--------------|---|---------------------------------|-------------------------------------|
| 1 | The Grant from the National Government for COVID-19 FY 2019/20 | 37,704,000 | 36,256,927 |
| 2 | The grant from the National Government for Allowances for Front Line Health Care Workers FY 2020/21 | 34,575,000 | - |
| 3 | DANIDA Grant for COVID in FY 2019/20 | 4,515,000 | - |
| 4 | FY 2019/20 County own revenue allocated to COVID | 5,218,325 | 5,218,325 |
| Total | | 82,012,325 | 41,475,252 |

Source: Taita Taveta County Treasury

3.40.9 Development Expenditure

The County incurred expenditure of Kshs.749.04 million on development programmes, which represented an increase of 158.9 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.289.32 million. The significant difference is attributed by the fact that the county in the FY 2019/20 operated on a vote on account for the better half of the financial year. Table 3.224 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.224: Taita Taveta County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Department | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|---------------------------------|--------------------------|----------------|---------------------|---------------------|
| 1. | Completion and maintenance of access roads-Roads Levy | Infrastructure and Public Works | County Wide | 161,219,001 | 54,602,484 | 33.9 |
| 2. | Result Based Financing (Health) | Health | County Health Facilities | 58,035,455 | 15,831,026 | 27.3 |
| 3. | Kenya Climate Smart Agriculture Program (KCSAP) | Agriculture | County Wide | 317,598,320 | 111,721,638 | 35.2 |
| 4. | Water and Sanitation Development Project (WSDP) | Water | County Wide | 350,000,000 | 239,441,312 | 68.4 |

Source: Taita Taveta County Treasury

3.40.10 Budget Performance by Department

Table 3.225 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.225: Taita Taveta County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 601.00 | 52.00 | 412.12 | - | 248.91 | 7.02 | 60.4 | - | 41.4 | 13.5 |
| Public Service And Administration | 2,165.63 | 5.00 | 1,576.03 | 37.99 | 1,729.73 | 0.63 | 109.8 | 1.7 | 79.9 | 12.7 |
| The Governor's And Deputy Governor's Office | 115.11 | 12.00 | 45.61 | 35.24 | 54.09 | - | 118.6 | 0.0 | 47.0 | 0.0 |
| Finance and Economic Planning | 325.14 | 103.30 | 193.06 | 48.59 | 197.44 | 132.91 | 102.3 | 273.5 | 60.7 | 128.7 |
| Agriculture, Livestock and Fisheries | 27.86 | 433.28 | 7.22 | 143.38 | 9.17 | 207.63 | 127.1 | 144.8 | 32.9 | 47.9 |
| Water and Irrigation | 27.25 | 485.55 | 6.85 | 281.90 | 13.09 | 77.85 | 191.2 | 27.6 | 48.0 | 16.0 |
| Education and Libraries | 172.57 | 116.98 | 47.78 | 53.64 | 105.24 | 13.10 | 220.2 | 24.4 | 61.0 | 11.2 |
| Health | 275.05 | 216.49 | 157.65 | 89.32 | 63.66 | 84.59 | 40.4 | 94.7 | 23.1 | 39.1 |
| Trade, Tourism and Cooperative Development | 29.71 | 59.74 | 36.68 | - | 11.28 | 11.29 | 30.8 | - | 38.0 | 18.9 |
| County Public Service Board | 12.88 | 5.00 | 4.65 | 2.50 | 7.12 | - | 153.1 | 0.0 | 55.3 | 0.0 |
| Infrastructure and Public Works | 23.65 | 266.12 | 7.13 | 92.19 | 15.56 | 139.26 | 218.3 | 151.1 | 65.8 | 52.3 |
| Lands, Environment and Natural Resources | 14.82 | 8.00 | 4.37 | 3.16 | 9.68 | 3.50 | 221.6 | 110.9 | 65.3 | 43.8 |
| Youth, Gender, sports, Culture and Social Services | 22.57 | 203.95 | 2.00 | - | 5.18 | 71.26 | 258.9 | - | 22.9 | 34.9 |
| TOTAL | 3,813.25 | 1,967.42 | 2,501.14 | 787.91 | 2,470.15 | 749.04 | 98.8 | 95.1 | 64.8 | 38.1 |

Source: Taita Taveta County Treasury

Analysis of departments' expenditure shows that the Department of Finance and Economic planning recorded the highest absorption rate of development budget at 128.7 per cent while the Governor's Office and County Public Service Board did not report any expenditure on development activities. The Department of Public Service and Administration had the highest percentage of recurrent expenditure to budget at 79.9 per cent while the Department of Youth, Gender, Sports, Culture and Social Services had the lowest at 22.9 per cent.

3.40.11 Budget Execution by Programmes and Sub-Programmes

Table 3.226 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.226: Taita Taveta County, Budget Execution by Programmes and Sub-Programmes

| Programme Description | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance | Absorption (%) |
|--|------------------------|------------------------|----------------------|----------------|
| Default - Non-Programmatic | | | | |
| Administration Planning and Support Services | 64,729,287 | 39,411,028 | 25,318,259 | 60.9 |
| Administration Planning and Support Services | 64,729,287 | 39,411,028 | 25,318,259 | 60.9 |
| Development programme | 344,430,346 | 142,757,410 | 201,672,936 | 41.4 |
| Development programme | 344,430,346 | 142,757,410 | 201,672,936 | 41.4 |
| Infrastructure Development programme | - | - | - | - |
| Infrastructure Development programme | - | - | - | - |
| Agricultural Development Programme | 417,898,191 | 195,818,325 | 222,079,866 | 46.9 |
| Agricultural Development Programme | 417,898,191 | 195,818,325 | 222,079,866 | 46.9 |
| Livestock and Fisheries Development | 26,240,000 | 11,807,642 | 14,432,358 | 45.0 |
| Livestock and Fisheries Development | 26,240,000 | 11,807,642 | 14,432,358 | 45.0 |
| General Administration and support services programme | 20,945,923 | 13,283,525 | 7,662,398 | 63.4 |
| General Administration and support services programme | 20,945,923 | 13,283,525 | 7,662,398 | 63.4 |
| Trade Development programme. | 31,050,000 | 17,292,208 | 13,757,792 | 55.7 |
| Trade Development programme. | 31,050,000 | 17,292,208 | 13,757,792 | 55.7 |
| Administration and Support Services | 235,824,311 | 131,783,649 | 104,040,662 | 55.9 |
| Administration and Support Services | 235,824,311 | 131,783,649 | 104,040,662 | 55.9 |
| Health Development Programme | 211,095,024 | 139,434,708 | 71,660,317 | 66.1 |
| Health Development Programme | 211,095,024 | 139,434,708 | 71,660,317 | 66.1 |
| General Administration, Planning and Support services | 154,720,795 | 153,772,460 | 948,335 | 99.4 |
| General Administration, Planning and Support services | 154,720,795 | 153,772,460 | 948,335 | 99.4 |
| Early childhood Education and Youth Training Development Programme | 132,797,100 | 15,103,040 | 117,694,060 | 11.4 |
| Early childhood Education & Youth Training Development Programme | 132,797,100 | 15,103,040 | 117,694,060 | 11.4 |
| General Administration support services | 2,959,424,211 | 1,675,642,143 | 1,283,782,068 | 56.6 |
| General Administration support services | 2,959,424,211 | 1,675,642,143 | 1,283,782,068 | 56.6 |
| County Assembly Infrastructure improvement | 52,000,000 | 7,015,000 | 44,985,000 | 13.5 |
| County Assembly Infrastructure improvement | 52,000,000 | 7,015,000 | 44,985,000 | 13.5 |
| Decentralised Infrastructure development programme | 5,000,000 | - | 5,000,000 | - |
| Decentralised Infrastructure development programme | 5,000,000 | - | 5,000,000 | - |
| General Administration and Management of County Affairs | 116,088,977 | 101,842,038 | 14,246,939 | 87.7 |
| General Administration and Management of County Affairs | 116,088,977 | 101,842,038 | 14,246,939 | 87.7 |
| Leadership Development Programme | 10,640,000 | 2,634,972 | 8,005,029 | 24.8 |
| Leadership Development Programme | 10,640,000 | 2,634,972 | 8,005,029 | 24.8 |
| General Administration, Planning, Internal Audit & Support Services | 356,642,917 | 186,011,038 | 170,631,879 | 52.2 |
| General Administration, Planning, Internal Audit & Support Services | 356,642,917 | 186,011,038 | 170,631,879 | 52.2 |
| Treasury Development Programme | 133,300,000 | 132,909,567 | 390,433 | 99.7 |
| Treasury Development Programme | 133,300,000 | 132,909,567 | 390,433 | 99.7 |
| Water and irrigation Development Programme | 491,947,516 | 217,288,201 | 274,659,315 | 44.2 |
| Water and irrigation Development Programme | 491,947,516 | 217,288,201 | 274,659,315 | 44.2 |
| General Administration, Support and Support Services | 15,894,925 | 13,090,804 | 2,804,121 | 82.4 |
| General Administration, Support and Support Services | 15,894,925 | 13,090,804 | 2,804,121 | 82.4 |
| Natural Resources Support Programme | - | - | - | - |
| Natural Resources Support Programme | - | - | - | - |
| Grand Total | 5,780,669,523 | 3,196,897,756 | 2,583,771,767 | 55.3 |

Source: Taita Taveta County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Treasury development programme in the Department of Finance and Economic Planning at 100 per cent, General Administration, Planning and Support Services in the Department of Public Service and Administration at 99 per cent and General administration and management of County affairs in the Department of Public service and Administration at 88 per cent.

3.40.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 26th April 2021 contrary to OCoB's instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.
2. Low absorption of development funds as indicated by the expenditure of Kshs.749.04 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.1.97 billion. The development expenditure represented 38.1 per cent of the annual development budget.
3. A high wage bill, which accounted for 52.7 per cent of the total expenditure in the first nine months of FY 2020/21 thus constraining funding to other programmes.

The County should implement the following recommendations to improve budget execution;

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.*
2. *The County should identify and address issues causing delays in the implementation of development projects.*
3. *The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.*

3.41 County Government of Tana River

3.41.1 Overview of FY 2020/21 Budget

The county's approved supplementary budget for FY 2020/21 is Kshs.8.15 billion, comprising Kshs.3.42 billion (42 per cent) and Kshs.4.72 billion (58 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the county expects to receive Kshs.5.86 billion (71.9 per cent) as the equitable share of revenue raised nationally, Kshs.788.99 million (9.7 per cent) as total conditional grants, generate Kshs.72.60 million (0.9 per cent) from own sources of revenue, and a cash balance of Kshs.1.43 billion (17.5 per cent) from FY 2019/20.

3.41.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.3.40 billion as an equitable share of the revenue raised nationally, Kshs.432.38 million as conditional grants, raised Kshs.67.21 million as own-source revenue, and had a cash balance of Kshs.1.43 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.5.33 billion, as shown in Table 3.227.

Table 3.227: Tana River County, Revenue Performance in the First Nine Months of FY 2020/21

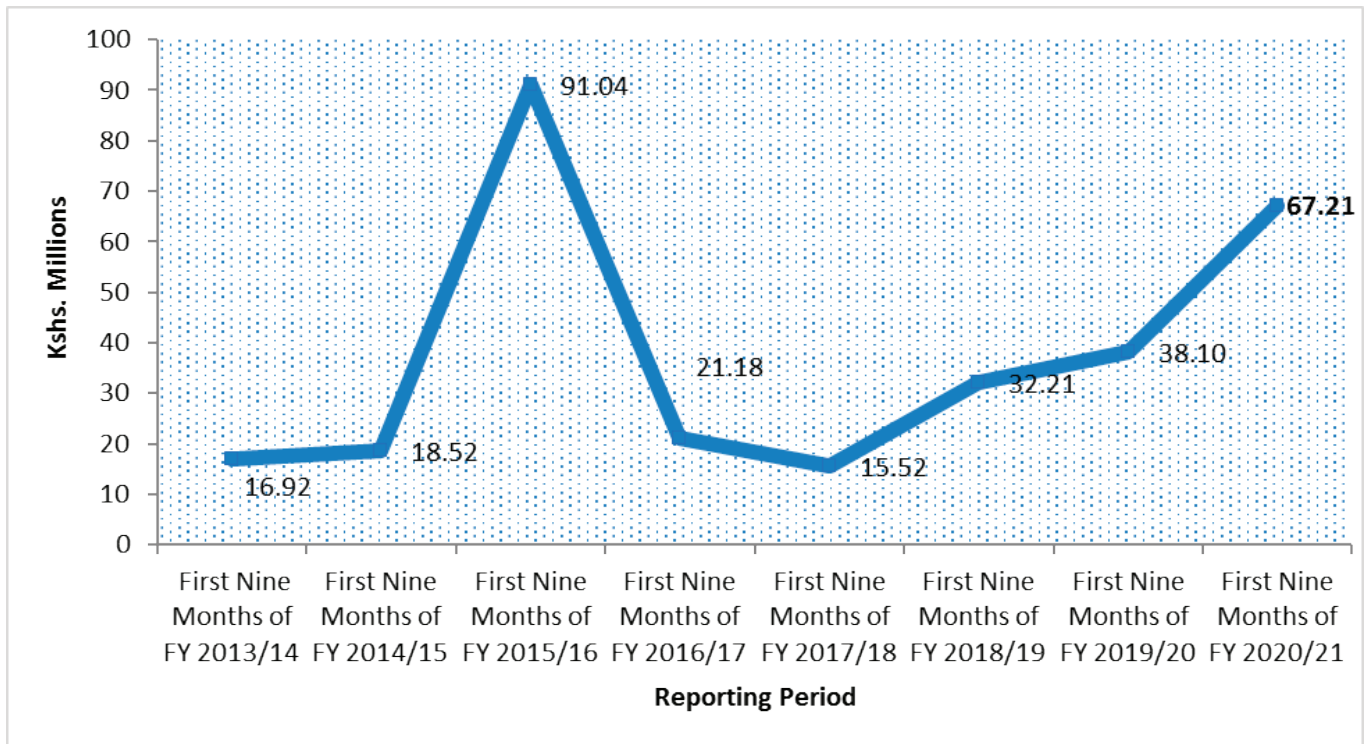
| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual Receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|------------------|--|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 5,855,250,000 | 5,855,250,000 | 3,401,900,250 | 58.1 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Supplement for construction of county headquarters | 50,000,000 | 50,000,000 | - | - |
| 2. | Compensation for User Fee Foregone | 5,682,537 | 5,682,537 | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 166,968,802 | 166,968,802 | 41,555,289 | 24.9 |
| 4. | Rehabilitation of Village Polytechnics | 14,674,894 | 14,674,894 | 23,837,447 | 162.4 |
| Sub Total | | 237,326,233 | 237,326,233 | 237,326,233 | 65,392,736 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 138,012,263 | 138,012,263 | 88,339,168 | 64 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 320,630,200 | 320,630,200 | 210,955,920 | 65.8 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level I Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4. | DANIDA Grant | 16,650,000 | 16,650,000 | 6,195,000 | 37.2 |

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual Receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|---|--|------------------------------------|----------------------------|---|
| 5. | EU Grant (Instruments for Devolution Advise and Support IDEAS) | 14,727,370 | 14,727,370 | - | - |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 16,500,000 | 15,405,911 | 16,500,000 | - |
| 7. | Food and Agriculture Organization (FAO) | 1,245,700 | 1,245,700 | - | - |
| Sub Total | | 552,765,533 | 551,671,444 | 366,990,088 | 66.5 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 72,600,000 | 67,211,547 | 92.6 |
| 2. | Balance b/f from FY 2019/20 | - | 1,428,402,576 | 1,428,402,576 | 100 |
| Sub Total | | - | 1,501,002,576 | 1,495,614,123 | 99.6 |
| Grand Total | | 6,645,341,766 | 8,145,250,253 | 5,329,897,197 | 65.4 |

Source: Tana River County Treasury

Figure 3.79 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.79: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Tana River County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.67.21 million as its own source revenue. This amount represented an increase of 5.9 per cent compared to Kshs.63.45 million realised during a similar period in FY 2019/20 and was 92.6 per cent of the annual target.

3.41.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs3.54 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.14 billion (32.3 per cent) for development programmes and Kshs.2.40 billion (67.7 per cent) for recurrent programmes.

3.41.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.2.67 billion on development and recurrent programmes. The expenditure represented 75.5 per cent of the total funds released by the COB and comprised of Kshs.762

.52 million and Kshs.1.91 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 22.3 per cent while recurrent expenditure represented 40.5 per cent of the annual recurrent expenditure budget.

3.41.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.972.09 million was spent on compensation to employees, Kshs.938.47 million on operations and maintenance, and Kshs.762.52 million on development activities as shown in Table 3.228.

Table 3.228: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 4,720,382,274 | 2,397,949,343 | 1,910,561,974 | 40.5 |
| Compensation to Employees | 2,095,127,895 | 1,218,127,199 | 972,088,953 | 46.4 |
| Operations and Maintenance | 2,625,254,379 | 1,179,822,144 | 938,473,021 | 35.7 |
| Total Development Expenditure | 3,424,867,979 | 1,141,754,270 | 762,521,677 | 22.3 |
| Development Expenditure | 3,424,867,979 | 1,141,754,270 | 762,521,677 | 22.3 |
| Total | 8,145,250,253 | 3,539,703,613 | 2,673,083,651 | 32.8 |

Source: Tana River County Treasury

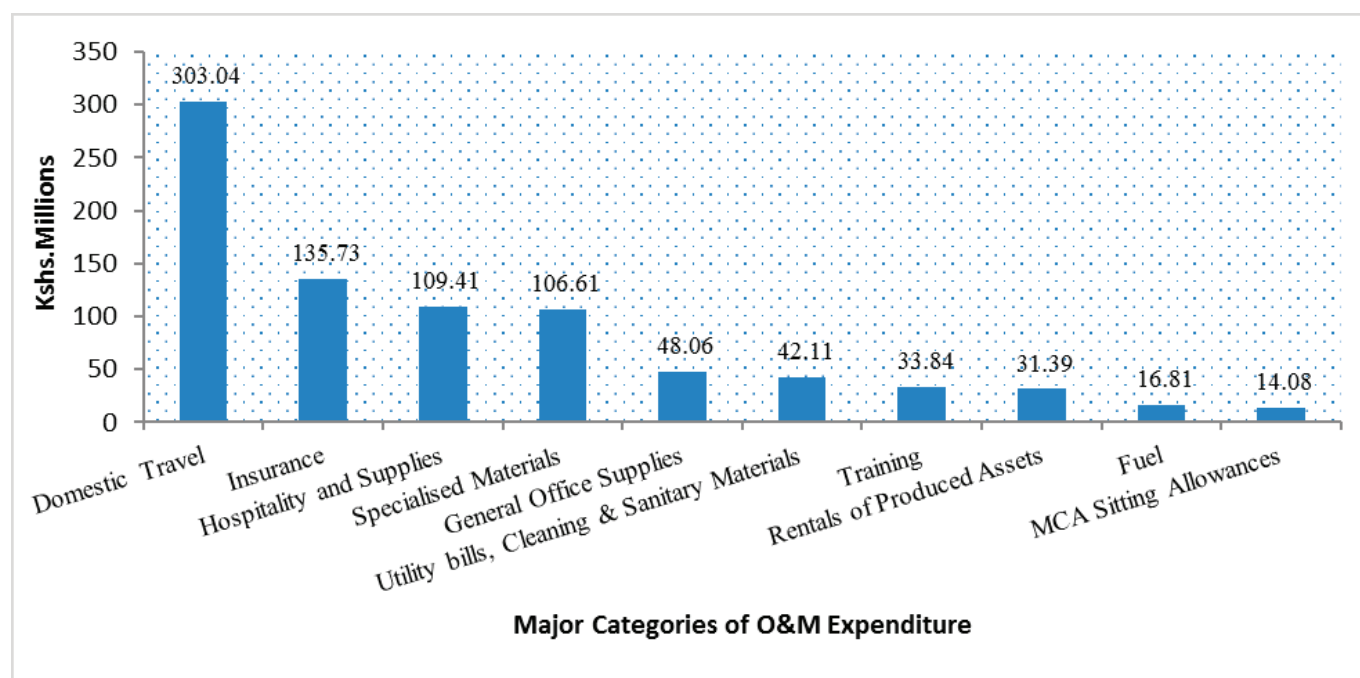
3.41.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 36.4 per cent of the total expenditure for the reporting period and 15.9 per cent of the first nine months proportional revenue estimate of Kshs.6.11 billion.

3.41.7 Expenditure on Operations and Maintenance

Figure 3.80 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.80: Tana River County, Operations and Maintenance Expenditure by Major Categories



Source: Tana River County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.14.08 million on committee sitting allowances for the 24 MCAs and Speaker against the annual budget allocation of Kshs.49.17 million. The average monthly sitting allowance was Kshs.65,194 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.303.04 million and comprised of Kshs.119.76 million spent by the County Assembly and Kshs.183.26 million by the County Executive. Expenditure on foreign travel amounted to Kshs.1.94 million spent by the County Executive.

3.41.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.39.82 million to cater for COVID-19 related expenditure. A total of Kshs.28.34 million was spent during the reporting period on Allowances for Front Line Health Care Workers.

3.41.9 Development Expenditure

The County incurred expenditure of Kshs.762.52 million on development programmes, which represented a decrease of 61.9 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.23 billion. Table 3.229 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.229: Tana River County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Department | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|------------------------|-------------|----------------|---------------------|---------------------|
| 1 | Rehabilitation of Handa Mpya Road | Roads and Public Works | Galole | 398,345,16 | 60,650,629 | 15.2 |
| 2 | Purchase of ambulances | Health | County wide | 47,650,000 | 47,650,000 | 100 |
| 3 | Construction of Idsowe solar irrigation project | Agriculture | Garsen | 20,487,380 | 8,954,200 | 43.7 |
| 4 | Construction of chain link fence at Kibusu Cemetery | Roads and Public Works | Chewani | 22,256,920 | 11,006,000 | 49.4 |
| 5 | Rehabilitation of Umoja Komoranjila Road | Roads and Public Works | Chewani | 10,375,000 | 6,100,000 | 58.8 |
| 6 | Rehabilitation of two wards at Hola Referral Hospital | Health | Hola | 7,869,788 | 5,020,924 | 63.8 |
| 7 | Construction of lands and physical planning office | Roads and Public Works | Hola | 5,492,425 | 4,763,837 | 86.7 |
| 8 | Rehabilitation of Umoja Komoranjila Road | Roads and Public Works | Hola | 5,047,392 | 4,640,370 | 91.9 |
| 9 | Completion of trade offices in Garsen | Trade | Garsen | 4,350,000 | 4,228,156 | 97.2 |
| 10 | Construction of chain link fence at Kibusu Cemetery | Roads and Public Works | Chewani | 3,480,461 | 3,480,461 | 100 |

Source: Tana River County Treasury

3.41.10 Budget Performance by Department

Table 3.230 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.230: Tana River County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|----------|----------------------------------|--------|-----------------------------|--------|-------------------------------------|-------|---------------------|------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 516.49 | 100 | 393.67 | 68.52 | 352.74 | 68.44 | 89.6 | 99.9 | 68.3 | 68.4 |
| Office of the Governor | 400.53 | - | 182.66 | - | 174.3 | - | 95.4 | - | 43.5 | - |
| Finance and Planning | 770.61 | 810.95 | 505 | 563.73 | 528.49 | 622.99 | 104.7 | 110.5 | 68.6 | 76.8 |
| Public Service Board | 66.61 | - | 27.62 | - | 32.23 | - | 116.7 | - | 48.4 | - |
| Trade, Tourism and Industry | 61.25 | 47.5 | 21.71 | - | 22.59 | - | 104.1 | - | 36.9 | - |
| Agriculture and Rural Development | 236.94 | 574.9 | 53.32 | 105.48 | 43.87 | - | 82.3 | 0 | 18.5 | - |
| Gender, Social services and Youth Development | 26.69 | 48.2 | 16.29 | - | 10.31 | - | 63.3 | - | 38.6 | - |
| Education, Vocational Training and Sports | 251.69 | 164.66 | 222.15 | 23.84 | 108.13 | - | 48.7 | - | 43 | - |
| Health Services and Sanitation | 1,304.89 | 186.7 | 651.29 | 47.65 | 401.78 | 47.65 | 61.7 | 100 | 30.8 | 25.5 |
| Special Program and Cohesion | 106.58 | - | 18.88 | - | 17.87 | - | 94.7 | - | 16.8 | - |
| Roads and Public Works | 76.18 | 1,101.95 | 42.63 | 332.54 | 30.59 | 23.43 | 71.8 | 7 | 40.2 | 2.1 |
| Water, Environment and Natural Resources | 131.88 | 195 | 104.03 | - | 48.22 | - | 46.4 | - | 36.6 | - |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Public Service, Administration and Citizen Participation | 679.33 | 30 | 143.28 | - | 121.45 | - | 84.8 | | 17.9 | - |
| Lands and Physical Planning | 37.44 | 65 | 14.13 | - | 17.96 | - | 127.1 | | 48 | - |
| Hola Municipality | 53.27 | 100 | 1.25 | - | - | - | - | - | - | - |
| TOTAL | 4,720.38 | 3,424.86 | 2,397.91 | 1,141.76 | 1,910.50 | 762.51 | 79.7 | 66.8 | 40.5 | 22.3 |

Source: Tana River County Treasury

Analysis of departments' expenditure shows that the Department of Finance and Economic Planning recorded the highest absorption rate of development budget at 76.8 per cent and also had the highest percentage of recurrent expenditure to budget at 68.6 per cent. The Hola Municipality did not report any spending.

3.41.11 Budget Execution by Programmes and Sub-Programmes

Table 3.231 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.231: Tana River County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub Programme | Approved Budget (Kshs.) | Actual payments (Kshs) | Variance (Kshs) | Absorption Rate (%) |
|---|--|-------------------------|------------------------|--------------------|---------------------|
| Agriculture Development | Administration, planning support services | 77,836,678 | 10,730,413 | 67,106,265 | 13.8 |
| | Administration, planning support services | 77,836,678 | 10,730,413 | 67,106,265 | 13.8 |
| | Agricultural Development project | 639,848,337 | 44,520,091 | 595,328,246 | 7.0 |
| | Agricultural Mechanization Services (AMS Garsen station) | 26,984,500 | 3,982,364 | 23,002,136 | 14.8 |
| | Minor/Village irrigation schemes | 20,000,000 | 428,150 | 19,571,850 | 2.1 |
| | | 57,823,158 | 39,644,977 | 18,178,181 | 68.6 |
| | | 600,000 | - | 600,000 | - |
| | | 448,911,379 | - | 448,911,379 | - |
| | Agriculture Sector Development Support Project (ASDSP) | 84,283,600 | - | 84,283,600 | - |
| | Food and Agriculture Organization | 1,245,700 | 464,600 | 781,100 | 37.3 |
| | Veterinary Development | 10,286,818 | 1,362,269 | 8,924,549 | 13.2 |
| | Veterinary extension services | 918,500 | 421,650 | 496,850 | 45.9 |
| | Artificial insemination (Pilot scheme) | 485,000 | 253,000 | 232,000 | 52.2 |
| | Buy Tsetse fly traps/Targets (Kipini, Tarasa) | 2,068,872 | 229,400 | 1,839,472 | 11.1 |
| | Conduct Disease Surveillance | 5,349,600 | 56,350 | 5,293,250 | 1.1 |
| | | 1,082,846 | 370,869 | 711,977 | 34.3 |
| | Leather Development Service | 382,000 | 31,000 | 351,000 | 8.1 |
| | Livestock Development | 20,259,250 | 1,316,183 | 18,943,067 | 6.5 |
| | Livestock production extension services | 16,154,250 | 929,233 | 15,225,017 | 5.8 |
| | | 1,105,000 | 386,950 | 718,050 | 35.0 |
| | | 3,000,000 | - | 3,000,000 | - |
| | Fisheries Development | 72,988,940 | - | 72,988,940 | - |
| | Fisheries development | 52,988,940 | - | 52,988,940 | - |
| | Provision of Fishing Gears to Fishers in Kipini | 20,000,000 | - | 20,000,000 | - |
| | County Land Survey Services | 30,000,000 | - | 30,000,000 | - |
| | Surveying and Mapping | 30,000,000 | - | 30,000,000 | - |
| | Fisheries | 2,245,000 | 336,680 | 1,908,320 | 15.0 |
| Empowerment of Women and Youth on Fish Safety and Quality Assurance | 1,320,000 | 277,280 | 1,042,720 | 21.0 | |
| Construction of Ice Plant and Cold Storage | 925,000 | 59,400 | 865,600 | 6.4 | |
| Land Policy and Planning | Land Policy and Planning | 61,344,888 | 19,086,705 | 42,258,183 | 31.1 |
| | Physical Planning | 44,624,782 | 6,453,994 | 38,170,788 | 14.5 |
| | Land Survey and Mapping | 5,320,106 | 3,818,617 | 1,501,489 | 71.8 |
| | Land Administration | 11,400,000 | 8,814,094 | 2,585,906 | 77.3 |

| Programme | Sub Programme | Approved Budget(K-shs.) | Actual payments (Kshs) | Variance (Kshs) | Absorption Rate (%) |
|---|--|-------------------------|------------------------|--------------------|---------------------|
| Infrastructure Development programme | Infrastructure Development programme | 160,300,000 | - | 160,300,000 | - |
| | Public Works | 105,000,000 | - | 105,000,000 | - |
| | Roads | 55,300,000 | - | 55,300,000 | - |
| | Administration, Planning and Support Services | 50,466,872 | 711,927 | 49,754,945 | 1.4 |
| | Administration, planning, Operation and Maintenance | 50,466,872 | 711,927 | 49,754,945 | 1.4 |
| | Public Works | 396,572,838 | 118,956,199 | 277,616,639 | 30.0 |
| | Construction | 5,000,000 | - | 5,000,000 | - |
| | County Headquarters | 391,572,838 | 118,956,199 | 272,616,639 | 30.4 |
| | County Roads Development | 560,462,959 | 177,728,330 | 382,734,629 | 31.7 |
| | Routine Maintenance | 384,767,093 | 175,669,910 | 209,097,183 | 45.7 |
| | Opening of New Roads | 32,929,733 | 927,620 | 32,002,113 | 2.8 |
| | Grading and Murruming of County Roads | 52,363,333 | 913,800 | 51,449,533 | 1.8 |
| | Tarmacking of County Roads | 90,402,800 | 217,000 | 90,185,800 | 0.2 |
| | County Housing Development | 10,330,662 | 6,066,106 | 4,264,556 | 58.7 |
| | Maintenance of County Houses | - | - | - | - |
| | Housing Development | 3,788,662 | 786,606 | 3,002,056 | 20.8 |
| | Urbanization | 6,542,000 | 5,279,500 | 1,262,500 | 80.7 |
| | Urban Development | 153,271,100 | 97,445,010 | 55,826,090 | 63.6 |
| | Hola Municipality | 153,271,100 | 97,445,010 | 55,826,090 | 63.6 |
| | Administration and Support Services | 14,361,468 | 610,730 | 13,750,738 | 4.3 |
| Administration, planning & support Services | 14,361,468 | 610,730 | 13,750,738 | 4.3 | |
| Promotion of Trade, Tourism and Cooperative Development | Promotion of Trade, Tourism and Cooperative Development | 94,392,847 | 9,446,489 | 84,946,358 | 10.0 |
| | Promotion of Trade | 67,951,705 | 6,334,909 | 61,616,796 | 9.3 |
| | Promotion of Tourism | 22,607,704 | 1,579,850 | 21,027,854 | 7.0 |
| | Promotion of Cooperative Development | 3,833,438 | 1,531,730 | 2,301,708 | 40.0 |
| Health Services Programme | Administration and Support Services | 1,095,898,867 | 532,891,204 | 563,007,663 | 48.6 |
| | Administration, planning & support Services | 1,095,898,867 | 532,891,204 | 563,007,663 | 48.6 |
| | Health Services Programme | 29,200,000 | - | 29,200,000 | - |
| | Preventive Health Programme | 15,000,000 | - | 15,000,000 | - |
| | Curative Health programme | 14,200,000 | - | 14,200,000 | - |
| | Curative and Rehabilitative | 341,400,000 | 196,934,526 | 144,465,474 | 57.7 |
| | Medical Supplies | 156,200,000 | 87,084,463 | 69,115,537 | 55.8 |
| | Medical Services | 129,400,000 | 58,801,613 | 70,598,387 | 45.4 |
| | Ambulance Services | 55,800,000 | 51,048,450 | 4,751,550 | 91.5 |
| | Preventive and Promotive | 25,095,800 | 11,495,480 | 13,600,320 | 45.8 |
| | Preventive and Promotive | 8,700,000 | 4,394,530 | 4,305,470 | 50.5 |
| | Licensing and Control of Undertaking | 13,895,800 | 6,695,450 | 7,200,350 | 48.2 |
| | Mobile Clinics | 2,500,000 | 405,500 | 2,094,500 | 16.2 |
| | General Administration, Planning and Support services | 206,818,972 | 88,279,132 | 118,539,840 | 42.7 |
| General operation, Planning and support services | 206,818,972 | 88,279,132 | 118,539,840 | 42.7 | |
| Sports Services | Sports Services | 3,000,000 | - | 3,000,000 | - |
| | Sports Services | 3,000,000 | - | 3,000,000 | - |
| Quality and Standard Assurance in EYE Centre | Quality and Standard Assurance in EYE Centre | 142,551,996 | 10,807,661 | 131,744,335 | 7.6 |
| | ECDE Learning/Teaching Materials | 42,551,996 | 10,807,661 | 31,744,335 | 25.4 |
| | ECDE Furniture and Equipment Support | - | - | - | - |
| | ECDE Infrastructure | 100,000,000 | - | 100,000,000 | - |
| | Vocational Training Centres and Adult Education | 66,989,894 | 16,944,547 | 50,045,347 | 25.3 |
| | Youth Polytechnic Publicity Campaigns | 1,990,000 | 900,500 | 1,089,500 | 45.3 |
| | Provision of Modern Tools and Equipment | 335,000 | 35,000 | 300,000 | 10.5 |
| Subsidized Youth Polytechnic Tuition Fund (SYPT) | 64,664,894 | 16,009,047 | 48,655,847 | 24.8 | |
| Administration, planning support services | 274,853,662 | 102,598,709 | 172,254,953 | 37.3 | |
| Coordination and Supervisory Services | 274,853,662 | 102,598,709 | 172,254,953 | 37.3 | |

| Programme | Sub Programme | Approved Budget(K-shs.) | Actual payments (Kshs) | Variance (Kshs) | Absorption Rate (%) |
|----------------------|---|-------------------------|------------------------|--------------------|---------------------|
| Financial Management | Administration, planning support services | 1,177,319,273 | 314,109,478 | 863,209,795 | 26.7 |
| | Administration, planning support services | 1,177,319,273 | 314,109,478 | 863,209,795 | 26.7 |
| | Financial Management | 916,974,184 | 600,844,534 | 316,129,650 | 65.5 |
| | Financial management | 19,872,263 | 17,184,266 | 2,687,997 | 86.5 |
| | Supply Chain Managements | 13,441,000 | 4,825,119 | 8,615,881 | 35.9 |
| | Own Source Revenue Collection | 20,314,000 | 4,356,000 | 15,958,000 | 21.4 |
| | Budget and Economic Planning | 16,784,864 | 6,478,243 | 10,306,621 | 38.6 |
| | Accounting & Finance | 815,359,006 | 554,079,866 | 261,279,140 | 68.0 |
| | Internal Audit | 9,431,566 | 5,146,840 | 4,284,726 | 54.6 |
| | Monitoring and Evaluation | 21,771,485 | 8,774,200 | 12,997,285 | 40.3 |
| | Board Administration, Planning and Governance | 58,178,248 | 9,219,873 | 48,958,376 | 15.9 |
| | Board Operations & Governance | 58,178,248 | 9,219,873 | 48,958,376 | 15.9 |
| | | 14,432,000 | 7,882,020 | 6,549,980 | 54.6 |
| | Ethics Governance and Compliance | 3,132,000 | 2,402,060 | 729,940 | 76.7 |
| | Informational Communication Technology (ICT) | 6,000,000 | 3,001,780 | 2,998,220 | 50.0 |
| | Human Resource Management & Development | 2,900,000 | 1,087,040 | 1,812,960 | 37.5 |
| | Skills and Competence Development | 2,400,000 | 1,391,140 | 1,008,860 | 58.0 |
| | | 148,369,416 | 128,493,794 | 19,875,622 | 86.6 |
| | Performance Management System | 4,869,416 | 731,248 | 4,138,168 | 15.0 |
| | Human Resource Development | 143,500,000 | 127,762,546 | 15,737,454 | 86.0 |
| | | 37,850,000 | 2,976,850 | 34,873,150 | 7.9 |
| | County Administration | 37,850,000 | 2,976,850 | 34,873,150 | 7.9 |
| | | 3,822,576 | 2,847,300 | 975,276 | 74.5 |
| | Citizen Participation | 3,822,576 | 2,847,300 | 975,276 | 74.5 |
| | | 125,675,364 | 60,921,680 | 64,753,684 | 48.5 |
| | County Leadership & Coordination of CDAs | 40,300,000 | 21,762,700 | 18,537,300 | 54.0 |
| | County Government Advisory Service | 64,875,364 | 27,194,931 | 37,680,433 | 41.9 |
| | Coordination of Peace and Cohesion | 20,500,000 | 11,964,049 | 8,535,951 | 58.4 |
| | Administration, planning support services | 45,820,175 | 14,330,939 | 31,489,236 | 31.3 |
| | Administration, planning support services | 45,820,175 | 14,330,939 | 31,489,236 | 31.3 |
| | Social development | 4,500,000 | - | 4,500,000 | - |
| | Social development | 4,500,000 | - | 4,500,000 | - |
| Culture Promotion | Culture | 13,500,000 | - | 13,500,000 | - |
| | County women, Youth and PWDs empowerment and development fund | 13,500,000 | - | 13,500,000 | - |
| | Natural Disaster mitigation programme | 74,885,000 | 3,378,220 | 71,506,780 | 4.5 |
| | Drought management (Preparedness, Response and Recovery) | 11,385,677 | 3,378,220 | 8,007,457 | 29.7 |
| | Emergency Relief (food, medicine, blankets, cash grant) | 63,499,323 | - | 63,499,323 | - |
| | | 6,799,999 | 864,900 | 5,935,099 | 12.7 |
| | Culture Promotion and Development | 5,649,999 | 971,000 | 4,678,999 | 17.2 |
| | Empowerment/Capacity Building of Cultural Practitioners | 1,150,000 | - 106,100 | 1,256,100 | - 9.2 |
| | | 2,420,000 | 450,010 | 1,969,990 | 18.6 |
| | Baseline Survey for OVC | 850,000 | 317,010 | 532,990 | 37.3 |
| | Community Awareness Creation on Child Rights and Child Protection | 1,220,000 | 83,000 | 1,137,000 | 6.8 |
| | Enhanced Child Participation | 350,000 | 50,000 | 300,000 | 14.3 |
| | | 1,285,000 | 411,300 | 873,700 | 32.0 |
| | Women Empowerment | 765,000 | 312,800 | 452,200 | 40.9 |
| | Gender and Leadership | 520,000 | 98,500 | 421,500 | 18.9 |
| | | 29,265,000 | 653,500 | 28,611,500 | 2.2 |
| | County Sports Leagues | 1,025,000 | 568,500 | 456,500 | 55.5 |

| Programme | Sub Programme | Approved Budget(K-shs.) | Actual payments (Kshs) | Variance (Kshs) | Absorption Rate (%) |
|--------------------------------|---|-------------------------|------------------------|----------------------|---------------------|
| | Sports Equipment Support | 28,240,000 | 85,000 | 28,155,000 | 0.3 |
| | General Administration, Support and Support Services | 50,124,247 | 20,114,956 | 30,009,291 | 40.1 |
| | General Administration, Support and Support Services | 50,124,247 | 20,114,956 | 30,009,291 | 40.1 |
| | Environmental Management Programme | 93,797,680 | 20,888,173 | 72,909,507 | 22.3 |
| | Environmental Management Programme | 39,000,000 | - | 39,000,000 | - |
| | Environmental Protection | 53,958,640 | 20,127,973 | 33,830,667 | 37.3 |
| | Control of Air Pollution | 839,040 | 760,200 | 78,840 | 90.6 |
| | | 182,957,000 | 21,261,455 | 161,695,545 | 11.6 |
| | Water Management Services | 182,957,000 | 21,261,455 | 161,695,545 | 11.6 |
| County Assembly Administration | Legislative Services | 621,497,243 | 421,183,066 | 200,314,177 | 67.9 |
| | Grand Total | 8,145,250,253 | 2,673,083,651 | 5,472,166,602 | 32.9 |

Source: Tana River County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Financial management in the Department of Finance and Economic Planning at 86.4 per cent, Human Resources Development in the Department of Public Service Administration at 86 per cent, Land Administration in the Department of Land policy and Planning at 77.3per cent.

3.41.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 10th May 2021 contrary to OCoB's instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016
2. Low absorption of development funds as indicated by the expenditure of Kshs.762.51 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.3.42 billion. The development expenditure represented 22.3 per cent of the annual development budget. This is despite the availability of funds in the CRF Account.
3. High expenditure on local travel at Kshs.303.04 million, which was unexpected during the COVID-19 containment period due to travel restrictions and points to wasteful spending.

The County should implement the following recommendations to improve budget execution;

1. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Treasury should review expenditure on travel and subsistence allowances to ensure it is credible and institute control measures to curtail further avoid wasteful spending.

3.42 County Government of Tharaka Nithi

3.42.1 Overview of FY 2020/21 Budget

The County's approved Supplementary budget for FY 2020/21 is Kshs.5.85 billion, comprising of Kshs. 2.05 billion (35.1 per cent) and Kshs.3.80 billion (64.9 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.4.26 billion (72.8 per cent) as the equitable share of revenue raised nationally, Kshs.993.16 million (17.0 per cent) as total conditional grants, generate Kshs.350 million (6.0 per cent) from own sources of revenue, and a cash balance of Kshs.252.55 million (4.3 per cent) from FY 2019/20.

3.4.2.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.2.61 billion as an equitable share of the revenue raised nationally, Kshs.333.85 million as conditional grants, raised Kshs.168.31 million as own-source revenue, and had a cash balance of Kshs. 252.55 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.3.36 billion, as shown in Table 3.232.

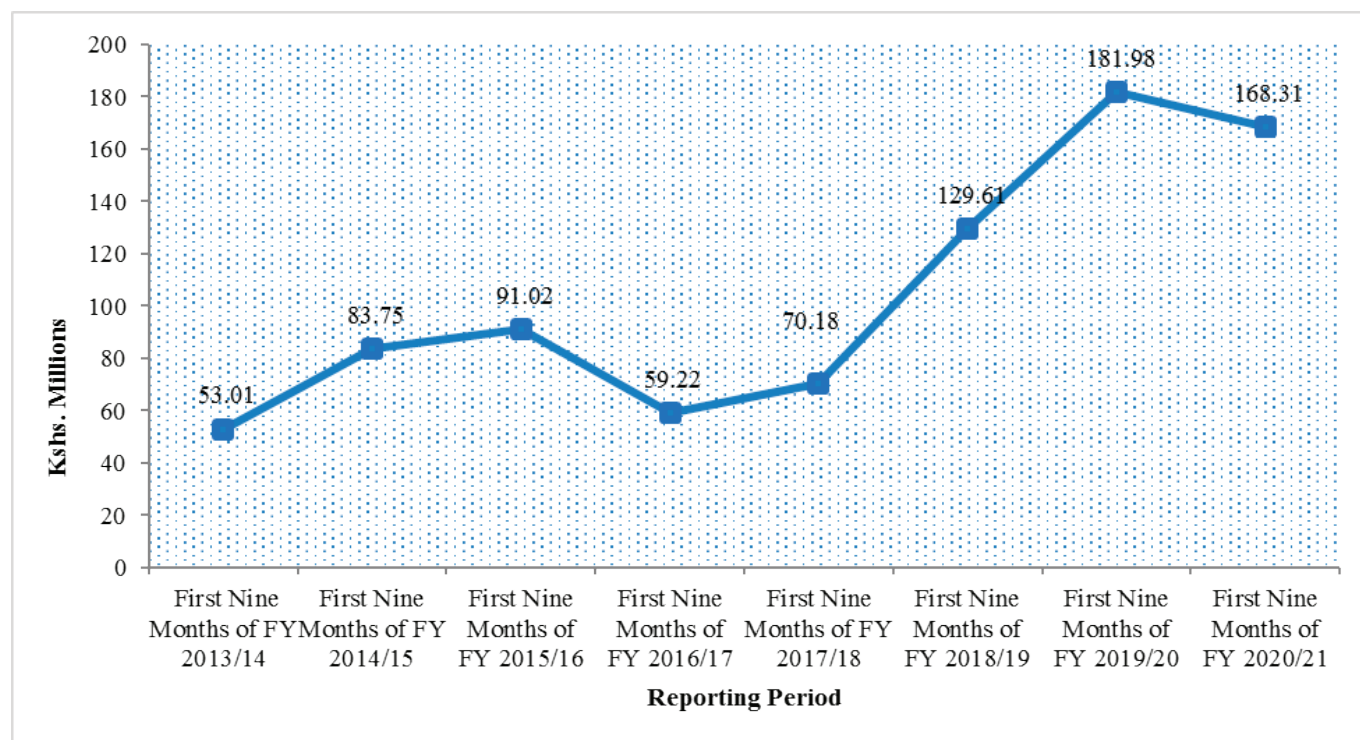
Table 3.232: Tharaka Nithi County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 3,924,600.00 | 4,262,115,600 | 2,613,783,600 | 61.3 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Supplement for construction of county headquarters | 50,000,000 | - | - | - |
| 2. | Compensation for User Fee Foregone | 8,218,119 | 8,218,119 | - | - |
| 3. | Leasing of Medical Equipment | 132,021,277 | 132,031,277 | - | - |
| 4. | Road Maintenance Fuel Levy Fund | 115,085,841 | 115,085,841 | 57,542,920 | 50.0 |
| 5. | Rehabilitation of Village Polytechnics | 60,799,894 | 60,799,894 | 30,399,947 | 50.0 |
| Sub Total | | 366,125,131 | 316,135,131 | 87,942,867 | 27.8 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 101,448,239 | 101,448,239 | 51,032,370 | 50.3 |
| 2. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 320,000,850 | 320,000,850 | 120,546,484 | 37.6 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | - | 50,000,000 | 14,238,060 | 28.4 |
| 5. | DANIDA Grant | 11,160,000 | 11,160,000 | 5,580,000 | 50.0 |
| 6. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant | - | 137,242,250 | - | - |
| 7. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 12,178,726 | 12,178,726 | 9,515,825 | 78.1 |
| Sub Total | | 489,787,815 | 677,030,065 | 245,912,739 | 36.3 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 350,000,000 | 168,311,841 | 48.1 |
| 2. | Balance b/f from FY 2019/20 | - | 252,554,178 | 252,554,178 | 100 |
| Sub Total | | - | 602,554,178 | 420,866,019 | 69.8 |
| Grand Total | | 859,837,546 | 5,857,834,974 | 3,368,505,225 | 57.5 |

Source: Tharaka Nithi County Treasury

Figure 3.81 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.81: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Tharaka Nithi County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.168.31 million as its own source revenue. This amount represented a decrease of 7.5 per cent compared to Kshs.181.98 million realised during a similar period in FY 2019/20 and was 48.1 per cent of the annual target.

3.42.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.17 billion from the CRF account during the reporting period. The amount comprised of Kshs.696.34 million (21.9 per cent) for development programmes and Kshs.2.48 billion (78.1 per cent) for recurrent programmes.

3.42.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.16 billion on development and recurrent programmes. The expenditure represented 99.7 per cent of the total funds released by the COB and comprised Kshs.692.37 million and Kshs.2.47 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 33.7 per cent while recurrent expenditure represented 65.1 per cent of the annual recurrent expenditure budget.

3.42.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.79 billion was spent on compensation to employees, Kshs.684.78 million on operations and maintenance, and Kshs.692.37 million on development activities as shown in Table 3.233.

Table 3.233: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 3,801,342,007 | 2,482,077,771 | 2,475,942,673 | 65.1 |
| Compensation to Employees | 2,137,951,711 | 1,791,153,873 | 1,791,153,873 | 83.8 |
| Operations and Maintenance | 1,663,390,296 | 690,923,898 | 684,788,800 | 41.2 |
| Total Development Expenditure | 2,056,492,967 | 696,345,365 | 692,373,003 | 33.7 |
| Development Expenditure | 2,056,492,967 | 696,345,365 | 692,373,003 | 33.7 |
| Total | 5,857,834,974 | 3,178,423,136 | 3,168,315,676 | 54.1 |

Source: Tharaka Nithi County Treasury

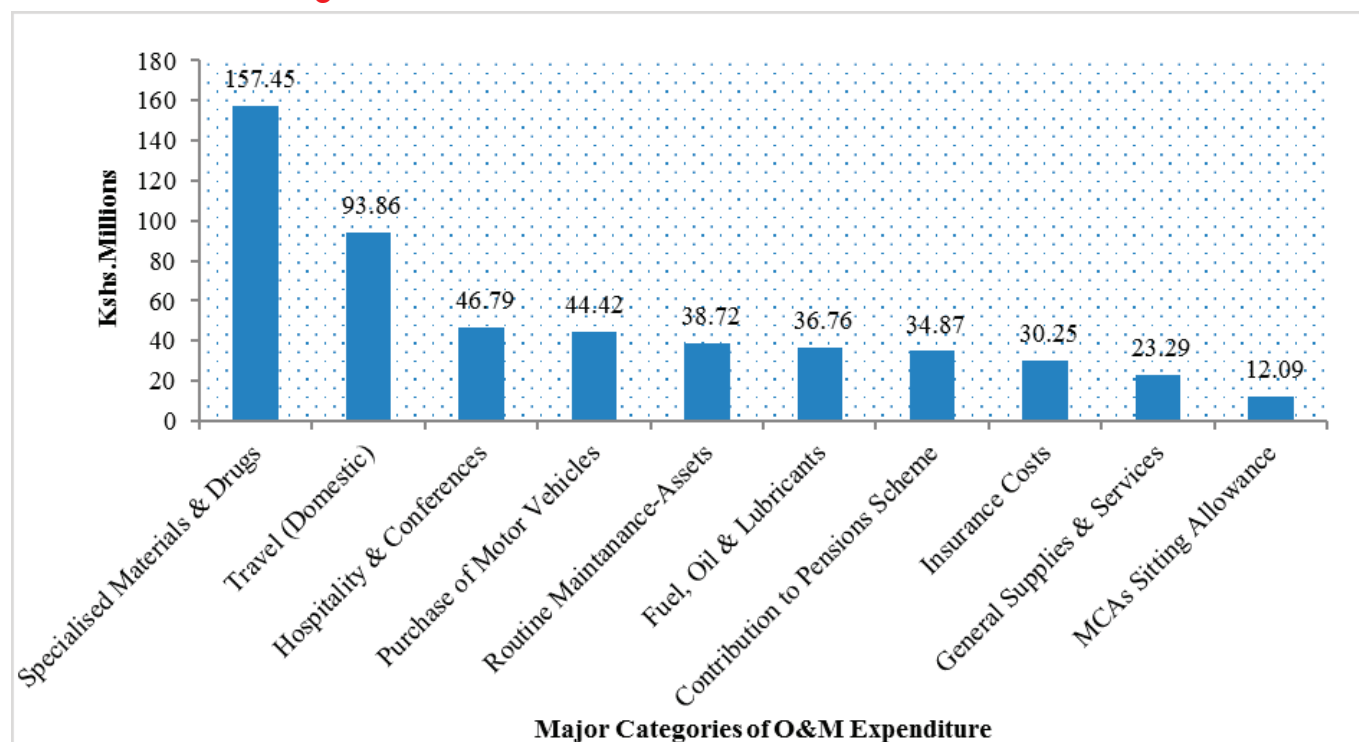
3.42.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 56.5 per cent of the total expenditure for the reporting period and 40.8 per cent of the first nine months proportional revenue estimate of Kshs.4.39 billion.

3.42.7 Expenditure on Operations and Maintenance

Figure 3.82 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.82: Tharaka Nithi County, Operations and Maintenance Expenditure by Major Categories



Source: Tharaka Nithi County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.12.09 million on committee sitting allowances for the 21 MCAs and Speaker against the annual budget allocation of Kshs.31.24 million. The average monthly sitting allowance was Kshs.63,983 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.93.86 million and comprised of Kshs.46.67 million spent by the County Assembly and Kshs.47.19 million by the County Executive.

3.42.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.82.67million to cater for COVID-19 related expenditure. A total of Kshs.68.03 million was spent during the reporting period, as shown in Table 3.234.

Table 3.234: COVID-19 Budget and Expenditure Summary

| S/No | Description | Expenditure as of 31st March 2021 (Kshs.) |
|------|--|---|
| 1 | Conference facilities COVID-19 meetings | 68,400 |
| 2 | Conference facilities COVID-19meetings | 216,600 |
| 3 | Isolation areas and accommodation facilities | 2,760,000 |
| 4 | Branding hand wash water Tanks | 56,000 |
| 5 | Supply of County Branded Masks | 2,970,000 |
| 6 | Supply of testing booth and branded umbrellas | 1,438,680 |
| 7 | Purchase of latex examination gloves and body bags | 2,480,000 |
| 8 | Purchase of Patient monitor and c-pap machine | 2,845,554 |
| 9 | Purchase of assorted isolation ward equipment's | 2,940,907 |
| 10 | Purchase of N95 face masks | 2,690,000 |

| S/No | Description | Expenditure as of 31st March 2021 (Kshs.) |
|--------------|--|---|
| 11 | Supply hospital linen and uniforms | 1,296,000 |
| 12 | Purchase of Hospital linen | 2,751,436 |
| 13 | Repair of Hospital Beds | 120,000 |
| 14 | Fencing isolation wards Chuka Hospital | 353,250 |
| 15 | Construction of Water tower at isolation centre | 751,180 |
| 16 | Construction of sluice room at isolation centre | 639,080 |
| 17 | Supply of 8 x 10-Seater Tents and Plastic Chairs | 870,960 |
| 18 | Supply hospital beds with metallic side drawers | 8,436,000 |
| 19 | Supply of assorted medical equipment | 2,468,400 |
| 20 | Supply of Laundry Machine | 528,950 |
| 21 | Purchase of medical equipment | 2,864,136 |
| 22 | Supply of surgical masks | 6,498,000 |
| 23 | Supply of thermo gun thermometers | 6,840,000 |
| 24 | Catering and accommodation for staff manning COVID-19 isolation ward | 1,470,000 |
| 25 | Supply of branded jelicans | 1,000,000 |
| 26 | Supply KN95 respirator face mask, PPE kit assorted and surgical 3-ply face masks | 12,670,500 |
| Total | | 68,024,033 |

Source: Tharaka Nithi County Treasury

3.42.9 Development Expenditure

The County incurred expenditure of Kshs.692.37 million on development programmes, which represented an increase of 5.4 per cent compared to a similar period in FY 2019/20 when the County spent Kshs. 656.44 million. Table 3.235 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.235: Tharaka Nithi County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Department | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|--|------------|----------------|---------------------|---------------------|
| 1 | CHUKA L4 Hosp- Construction of OPD Block [ongoing] | Medical Services | Karingani | 52,000,000 | 36,231,124 | 69.7 |
| 2 | Tarmacking ofTunyai - Nthaara- Marimanti Rd | Roads, Public works &Infrastructure | Chiakariga | 50,000,000 | 49,999,960 | 100.0 |
| 3 | Tarmacking of Kambandi-Cheera-Ruguti Road | Roads, Public works &Infrastructure | Mugwe | 36,030,000 | 36,030,000 | 100.0 |
| 4 | Kaanwa -Mitheru rd [Tarmacking] | Roads, Public works &Infrastructure | Mitheru | 50,000,000 | 29,986,650 | 60.0 |
| 5 | Community domestic water projects | Water Services And Irrigation | Countywide | 25,400,000 | 10,473,145 | 41.2 |
| 6 | Installation of mobile market stalls at Kiracha | Lands, Physical Planning, Urban Development, Housing And Environment | Magumoni | 10,000,000 | 9,907,600 | 99.1 |
| 7 | Construction of Mukothima Market | Lands, Physical Planning, Urban Development, Housing And Environment | mukothima | 8,000,000 | 6,155,000 | 76.9 |
| 8 | Kenya Climate Smart Agriculture Program (KCSAP) | Agriculture And Cooperative Development | Countywide | 355,088,350 | 120,546,545 | 33.9 |
| 9 | Maintenance of Key County Trunk Roads [RMLF] | Roads, Public works &Infrastructure | Countywide | 115,085,841 | 57,542,920 | 50.0 |
| 10 | Completion, Renovation and equipping of Health Centres | Medical Services | Countywide | 13,000,000 | 10,808,428 | 83.1 |

Source: Tharaka Nithi County Treasury

3.42.10 Budget Performance by Department

Table 3.236 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.236: Tharaka Nithi County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Assembly | 423.00 | 40.00 | 266.50 | 2.60 | 265.67 | 2.60 | 99.7 | 100.0 | 62.8 | 6.5 |
| Office of the Governor And Deputy Governor | 159.28 | - | 64.78 | - | 63.90 | - | 98.6 | - | 40.1 | - |
| Finance and Economic Planning | 326.94 | 265.36 | 183.96 | 15.10 | 183.20 | 15.10 | 99.6 | 100.0 | 56.0 | 5.7 |
| Agriculture and Cooperative Development | 116.42 | 482.96 | 79.51 | 157.75 | 80.51 | 151.01 | 101.3 | 95.7 | 69.2 | 31.3 |
| Education and Vocational Training | 280.89 | 68.64 | 161.39 | 8.20 | 161.16 | 14.14 | 99.9 | 172.4 | 57.4 | 20.6 |
| Medical Services | 1371.87 | 144.57 | 1040.93 | 80.85 | 1040.42 | 80.11 | 100.0 | 99.1 | 75.8 | 55.4 |
| Lands, Physical Planning, Urban Development, Housing And Environment | 107.42 | 208.17 | 51.46 | 73.10 | 51.06 | 72.66 | 99.2 | 99.4 | 47.5 | 34.9 |
| Roads, Infrastructure, Public Works and Industry | 102.49 | 563.74 | 44.67 | 292.58 | 44.25 | 291.85 | 99.0 | 99.7 | 43.2 | 51.8 |
| Administration and Public Service | 254.13 | - | 186.11 | - | 185.99 | - | 99.9 | - | 73.2 | - |
| Trade and Resource Mobilization | 115.08 | - | 76.49 | - | 76.52 | - | 100.0 | - | 66.5 | - |
| Water Services and Irrigation | 51.56 | 175.24 | 32.46 | 53.70 | 31.98 | 53.33 | 98.5 | 99.3 | 62.0 | 30.4 |
| County Public Service Board | 22.76 | - | 11.87 | - | 11.02 | - | 92.8 | - | 48.4 | - |
| Livestock, Veterinary and Fisheries Development | 87.09 | 45.78 | 58.83 | 11.08 | 58.00 | 10.21 | 98.6 | 92.2 | 66.6 | 22.3 |
| Public Health and Sanitation | 328.65 | - | 202.28 | - | 201.45 | - | 99.6 | - | 61.3 | - |
| Energy, Information, Communication and Technology | 7.26 | - | - | - | - | - | - | - | - | - |
| Youth, Sports, Culture And Tourism | 46.51 | 62.03 | 20.81 | 1.38 | 20.81 | 1.38 | 100.0 | 100.0 | 44.7 | 2.2 |
| TOTAL | 3,801.34 | 2,056.49 | 2,482.08 | 696.35 | 2,475.94 | 692.37 | 99.8 | 99.4 | 65.1 | 33.7 |

Source: Tharaka Nithi County Treasury

Analysis of departments' expenditure shows that the department of Medical Services recorded the highest absorption rate of development budget at 55.4 per cent while the Department of Youth, Sports, Culture and Tourism had the lowest at 2.2 per cent. The Department of Medical Services had the highest percentage of recurrent expenditure to budget at 75.8 per cent, while the Office of the Governor & Deputy Governor had the lowest at 40.1 per cent.

3.42.11 Budget Execution by Programmes and Sub-Programmes

Table 3.237 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.237: Tharaka Nithi County, Budget Execution by Programmes and Sub-programmes

| Budget Execution by Programmes and Sub-Programmes | Sum of Approved Estimates (Kshs.) | Sum of Total Expenditure (Kshs.) | Sum of Balance (Kshs.) | Absorption (%) |
|---|-----------------------------------|----------------------------------|------------------------|----------------|
| Administration and Devolution Affairs | 254,129,734 | 185,985,508 | 68,144,226 | 73.2% |
| P: County Government Advisory Services | 3,600,000 | 725,420 | 2,874,580 | 20.2% |
| SP: Disaster Management and Coordination | 3,600,000 | 725,420 | 2,874,580 | 20.2% |
| P: General Administration, Planning and Support Services | 250,529,734 | 185,260,088 | 65,269,646 | 73.9% |
| SP: General Administration and Support Services | 244,529,734 | 183,169,978 | 61,359,756 | 74.9% |
| SP: Human Resource Management Services | 1,100,000 | 384,200 | 715,800 | 34.9% |
| SP: Sub-County Administration and Field Services | 4,900,000 | 1,705,910 | 3,194,090 | 34.8% |
| Agriculture, Industry and Cooperatives | 599,380,937 | 231,518,468 | 367,862,469 | 38.6% |
| P: Cooperative Development and Management | 3,168,903 | 2,126,200 | 1,042,703 | 67.1% |
| SP: Cooperative Development | 3,168,903 | 2,126,200 | 1,042,703 | 67.1% |

| Budget Execution by Programmes and Sub-Programmes | Sum of Approved Estimates (Kshs.) | Sum of Total Expenditure (Kshs.) | Sum of Balance (Kshs.) | Absorption (%) |
|---|-----------------------------------|----------------------------------|------------------------|----------------|
| P: Crop Development and Management | 8,343,351 | 3,646,000 | 4,697,351 | 43.7% |
| SP: Crops Development, Agribusiness and Market Development | 8,343,351 | 3,646,000 | 4,697,351 | 43.7% |
| P: General Administration Planning and Support Services | 587,868,683 | 225,746,268 | 362,122,415 | 38.4% |
| SP: Administration, Policy, Strategy and Management of Agriculture | 104,909,024 | 74,740,472 | 30,168,552 | 71.2% |
| SP: General Administration Services | 482,959,659 | 151,005,796 | 331,953,863 | 31.3% |
| County Public Service Board | 22,762,798 | 11,017,878 | 11,744,920 | 48.4% |
| P: County Government Advisory Services | 2,300,000 | 626,800 | 1,673,200 | 27.3% |
| SP: County Public Service Board | 2,300,000 | 626,800 | 1,673,200 | 27.3% |
| P: General Administration, Planning and Support Services | 18,762,798 | 9,924,228 | 8,838,570 | 52.9% |
| SP: General Administration and Support Services | 18,662,798 | 9,924,228 | 8,738,570 | 53.2% |
| SP: Human Resource Management Services | 100,000 | - | 100,000 | 0.0% |
| P: Human Resource Management and Development | 1,700,000 | 466,850 | 1,233,150 | 27.5% |
| SP: County Public Service Board Services | 1,700,000 | 466,850 | 1,233,150 | 27.5% |
| Education, Gender, Culture and Social Services | 349,526,859 | 175,301,168 | 174,225,691 | 50.2% |
| P: Education and Youth Training | 197,680,450 | 43,519,655 | 154,160,795 | 22.0% |
| SP: Promotion of Basic Education (ECDE) | 94,004,660 | 11,649,655 | 82,355,005 | 12.4% |
| SP: Youth Training and Capacity Building | 103,675,790 | 31,870,000 | 71,805,790 | 30.7% |
| P: General Administration Planning and Support Services | 151,846,409 | 131,781,513 | 20,064,896 | 86.8% |
| SP: Administration Planning and Support Services | 151,846,409 | 131,781,513 | 20,064,896 | 86.8% |
| Energy and Housing | 7,257,500 | - | 7,257,500 | 0.0% |
| P: Energy Resource Development & Management | 1,758,000 | - | 1,758,000 | 0.0% |
| SP: Energy Resource Development & Management | 1,758,000 | - | 1,758,000 | 0.0% |
| P: General Administration Planning and Support Services | 5,499,500 | - | 5,499,500 | 0.0% |
| SP: General Administration Services | 5,499,500 | - | 5,499,500 | 0.0% |
| Finance and Economic Planning | 592,290,685 | 198,295,925 | 393,994,760 | 33.5% |
| P: Economic Policy and County Planning | 8,290,000 | 5,027,600 | 3,262,400 | 60.6% |
| SP: County Statistics Services | 2,540,000 | 1,114,947 | 1,425,053 | 43.9% |
| SP: Economic Development, Planning and Coordination Services | 3,110,000 | 2,017,703 | 1,092,297 | 64.9% |
| SP: Monitoring and Evaluation Services | 2,640,000 | 1,894,950 | 745,050 | 71.8% |
| P: Financial Management Services | 17,810,000 | 10,005,335 | 7,804,665 | 56.2% |
| SP: Accounting Services | 4,400,000 | 2,922,450 | 1,477,550 | 66.4% |
| SP: Audit Services | 5,000,000 | 2,161,310 | 2,838,690 | 43.2% |
| SP: Budget Formulation and Coordination | 5,930,000 | 3,737,675 | 2,192,325 | 63.0% |
| SP: Supply Chain Management Services | 2,480,000 | 1,183,900 | 1,296,100 | 47.7% |
| P: General Administration, Planning and Support Services | 364,532,742 | 172,964,900 | 191,567,842 | 47.4% |
| SP: Human Resource Management Services | 364,532,742 | 172,964,900 | 191,567,842 | 47.4% |
| P: Kenya Devolution Support Programme | 201,657,943 | 10,298,090 | 191,359,853 | 5.1% |
| SP: Tharaka Nithi KDSP Capacity Building | 201,657,943 | 10,298,090 | 191,359,853 | 5.1% |
| Lands, Physical Planning, Urban Development, Environment and Natural Resources | 315,588,712 | 123,718,196 | 191,870,516 | 39.2% |
| P: Environment and Natural Resources Management | 23,013,728 | 13,304,890 | 9,708,838 | 57.8% |
| SP: Environment and Natural Resource | 23,013,728 | 13,304,890 | 9,708,838 | 57.8% |
| P: Kathwana Municipality Development Programme | 12,469,600 | - | 12,469,600 | 0.0% |
| SP: Kathwana Urban Area Support | 12,469,600 | - | 12,469,600 | 0.0% |
| P: Land Policy and Planning | 269,462,484 | 108,684,806 | 160,777,678 | 40.3% |
| SP: Land administration & management | 214,999,174 | 72,785,495 | 142,213,679 | 33.9% |
| SP: Physical Planning Services | 54,463,310 | 35,899,311 | 18,563,999 | 65.9% |
| P: Urban Development and Administration | 10,642,900 | 1,728,500 | 8,914,400 | 16.2% |
| SP: Urban Administrative Services | 10,642,900 | 1,728,500 | 8,914,400 | 16.2% |
| Livestock, Veterinary and Fisheries Development | 132,870,290 | 68,209,724 | 64,660,566 | 51.3% |

| Budget Execution by Programmes and Sub-Programmes | Sum of Approved Estimates (Kshs.) | Sum of Total Expenditure (Kshs.) | Sum of Balance (Kshs.) | Absorption (%) |
|--|-----------------------------------|----------------------------------|------------------------|----------------|
| P: Livestock and Fisheries Resource Management and Development | 132,870,290 | 68,209,724 | 64,660,566 | 51.3% |
| SP: Fisheries Development and Promotion | 6,664,850 | 50,000 | 6,614,850 | 0.8% |
| SP: Livestock Policy Development and Capacity Building | 97,124,890 | 59,130,624 | 37,994,266 | 60.9% |
| SP: Veterinary Services and Disease Prevention | 29,080,550 | 9,029,100 | 20,051,450 | 31.0% |
| Medical Services | 1,516,436,351 | 1,120,535,166 | 395,901,185 | 73.9% |
| P: Curative and Rehabilitative Services | 92,064,480 | 21,252,450 | 70,812,030 | 23.1% |
| SP: Primary Healthcare | 92,064,480 | 21,252,450 | 70,812,030 | 23.1% |
| P: General Administration Planning and Support Services | 1,424,371,871 | 1,099,282,716 | 325,089,155 | 77.2% |
| SP: General Administration Services | 256,347,846 | 119,129,543 | 137,218,303 | 46.5% |
| SP: HMIS Monitoring and Evaluation | 3,149,500 | 905,120 | 2,244,380 | 28.7% |
| SP: Human resource management | 929,693,954 | 848,641,031 | 81,052,923 | 91.3% |
| SP: Policy, Planning, Financing and Budgeting | 235,180,571 | 130,607,022 | 104,573,549 | 55.5% |
| Office of Governor and Deputy Governor | 159,275,922 | 63,903,121 | 95,372,801 | 40.1% |
| P: County Government Advisory Services | 11,860,000 | 4,112,438 | 7,747,562 | 34.7% |
| SP: Communication and Strategy | 11,860,000 | 4,112,438 | 7,747,562 | 34.7% |
| P: County Leadership and Coordination of MDAs | 26,870,400 | 5,711,057 | 21,159,343 | 21.3% |
| SP: Coordination of CMAs (Office of County Secretary) | 18,300,000 | 3,194,717 | 15,105,283 | 17.5% |
| SP: Public Sector Advisory Services (Legal, Political, and Economic Affairs) | 8,570,400 | 2,516,340 | 6,054,060 | 29.4% |
| P: General Administration, Planning and Support Services | 120,545,522 | 54,079,626 | 66,465,896 | 44.9% |
| SP: Coordination and Supervisory Services (Deputy Governor's Office) | 11,480,000 | 3,213,615 | 8,266,385 | 28.0% |
| SP: Management of County Affairs (Office of Governor) | 109,065,522 | 50,866,011 | 58,199,511 | 46.6% |
| Public Health and Sanitation | 328,651,536 | 201,454,524 | 127,197,012 | 61.3% |
| P: Preventive and Promotive Health Services | 328,651,536 | 201,454,524 | 127,197,012 | 61.3% |
| SP: Disease Surveillance | 1,920,000 | 345,672 | 1,574,328 | 18.0% |
| SP: Environmental Health services | 12,732,200 | 7,635,944 | 5,096,256 | 60.0% |
| SP: Health Promotion and Disease Control | 310,999,336 | 192,994,758 | 118,004,578 | 62.1% |
| SP: HIV and AIDS Support Services | 1,300,000 | 234,400 | 1,065,600 | 18.0% |
| SP: Nutrition Services | 800,000 | - | 800,000 | 0.0% |
| SP: Reproductive Maternal and Child health Services | 900,000 | 243,750 | 656,250 | 27.1% |
| Roads, Infrastructure, Public Works and ICT | 666,238,778 | 336,097,212 | 330,141,566 | 50.4% |
| P: County Government Advisory Services | 10,000,000 | 4,706,670 | 5,293,330 | 47.1% |
| SP: Communication and Strategy | 10,000,000 | 4,706,670 | 5,293,330 | 47.1% |
| P: General Administration Planning and Support Services | 28,840,600 | 16,175,000 | 12,665,600 | 56.1% |
| SP: General Administration Services | 28,840,600 | 16,175,000 | 12,665,600 | 56.1% |
| P: ICT Infrastructure Development | 28,670,000 | 10,220,489 | 18,449,511 | 35.6% |
| SP: ICT Infrastructure Development | 28,670,000 | 10,220,489 | 18,449,511 | 35.6% |
| P: Public Works and Housing Services | 2,005,000 | 528,000 | 1,477,000 | 26.3% |
| SP: Public Works Services | 2,005,000 | 528,000 | 1,477,000 | 26.3% |
| P: Roads Transport | 596,723,178 | 304,467,053 | 292,256,125 | 51.0% |
| SP: Rural Roads Improvement and Maintenance Services | 596,723,178 | 304,467,053 | 292,256,125 | 51.0% |
| Trade and Revenue | 115,080,802 | 76,518,851 | 38,561,951 | 66.5% |
| P: General Administration, Planning and Support Services | 90,291,802 | 69,575,113 | 20,716,689 | 77.1% |
| SP: General Administration and Support Services | 90,291,802 | 69,575,113 | 20,716,689 | 77.1% |
| P: Industrial Development and Investment | 12,348,000 | 4,041,308 | 8,306,692 | 32.7% |
| SP: Consumer Protection & Fair Trade Practices | 6,875,000 | 2,503,908 | 4,371,092 | 36.4% |
| SP: Promotion of Industrial Products | 5,473,000 | 1,537,400 | 3,935,600 | 28.1% |
| P: Resource Mobilization | 12,441,000 | 2,902,430 | 9,538,570 | 23.3% |
| SP: Revenue Administration | 12,441,000 | 2,902,430 | 9,538,570 | 23.3% |
| Water and Irrigation | 226,805,109 | 85,308,622 | 141,496,487 | 37.6% |

| Budget Execution by Programmes and Sub-Programmes | Sum of Approved Estimates (Kshs.) | Sum of Total Expenditure (Kshs.) | Sum of Balance (Kshs.) | Absorption (%) |
|---|-----------------------------------|----------------------------------|------------------------|----------------|
| P: Water Supply Services | 226,805,109 | 85,308,622 | 141,496,487 | 37.6% |
| SP: Domestic Water Services | 211,657,159 | 79,048,992 | 132,608,167 | 37.3% |
| SP: Irrigation and Drainage Services | 13,554,950 | 6,138,330 | 7,416,620 | 45.3% |
| SP: Water Storage Services | 1,593,000 | 121,300 | 1,471,700 | 7.6% |
| Youth, Sports, Culture and Tourism | 108,538,961 | 22,184,804 | 86,354,157 | 20.4% |
| P: Culture, Arts and Social Services | 6,581,100 | 2,764,164 | 3,816,936 | 42.0% |
| SP: Culture and Arts Promotion | 4,945,975 | 2,521,984 | 2,423,991 | 51.0% |
| SP: Gender, PWDs and Social Services | 1,635,125 | 242,180 | 1,392,945 | 14.8% |
| P: Sports Development and Promotion | 98,151,861 | 18,791,640 | 79,360,221 | 19.1% |
| SP: Athletics Championships and Other Games | 2,976,375 | 52,900 | 2,923,475 | 1.8% |
| SP: County Football League and Clubs Development | 5,752,000 | 138,800 | 5,613,200 | 2.4% |
| SP: Talent Search and Promotion | 89,423,486 | 18,599,940 | 70,823,546 | 20.8% |
| P: Tourism Development and Promotion | 3,806,000 | 629,000 | 3,177,000 | 16.5% |
| SP: Miss Tourism Tharaka Nithi | 2,730,500 | 569,000 | 2,161,500 | 20.8% |
| SP: Tourism Branding and Marketing | 1,075,500 | 60,000 | 1,015,500 | 5.6% |
| P: County assembly | 463,000,000 | 268,266,509 | 194,733,491 | 57.9% |
| SP: County Assembly Services | 463,000,000 | 268,266,509 | 194,733,491 | 57.9% |
| Grand Total | 5,857,834,974 | 3,168,315,676 | 2,689,519,298 | 54.1% |

Source: Tharaka Nithi County Treasury

Programmes with the highest levels of implementation based on absorption rates were: General Administration, Planning, and Support Services in the Department of Education, Gender, Culture, and Social Services at 86.8 per cent, General Administration, Planning & Support Services in the Department of Medical Services at 77.2 per cent and General Administration, Planning & Support Services in the Department of Trade and Revenue at 77.1 per cent of Budget Allocation

3.42.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.692.37 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.2.05 billion. The development expenditure represented 33.7 per cent of the annual development budget.
2. A high wage bill, accounting for 56.5 per cent of the total expenditure in the first nine months of FY 2020/21 thus constraining funding to other programmes.
3. Under-performance of own source revenue at Kshs.168.31 million compared to the annual projection of Kshs.350 million, representing 48.1 per cent of the annual target.

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County Public Service Board should establish an optimal staffing structure to ensure that expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.
3. The County should address its own source revenue performance to ensure the approved budget is fully financed.

3.43 County Government of Trans Nzoia

3.43.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.8.14 billion, comprising of Kshs.3.28 billion (40.8 per cent) and Kshs.4.86 billion (59.7 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.5.79 billion (75.6 per cent) as the equitable share of revenue raised nationally, Kshs.714.79 million (9.3 per cent) as total conditional grants, generate Kshs.500 million (6.5 per cent) from own sources of revenue, and a cash balance of Kshs.495.39 million (6.5 per cent) from FY 2019/20. The County also expects to receive Kshs.160.90 million (2.1 per cent) as “other revenues” not contained in the CARA, 2020. The “other revenues” include Kshs.117.3 million for COVID grants from the National Government and Kshs.43.6 million for Frontline Healthcare Workers Allowance.

3.43.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.2.85 billion as equitable share of the revenue raised nationally, Kshs.536.99 million as conditional grants, raised Kshs.239.83 million as own-source revenue, and had a cash balance of Kshs.495.39 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.4.28 billion as shown in Table 3.238.

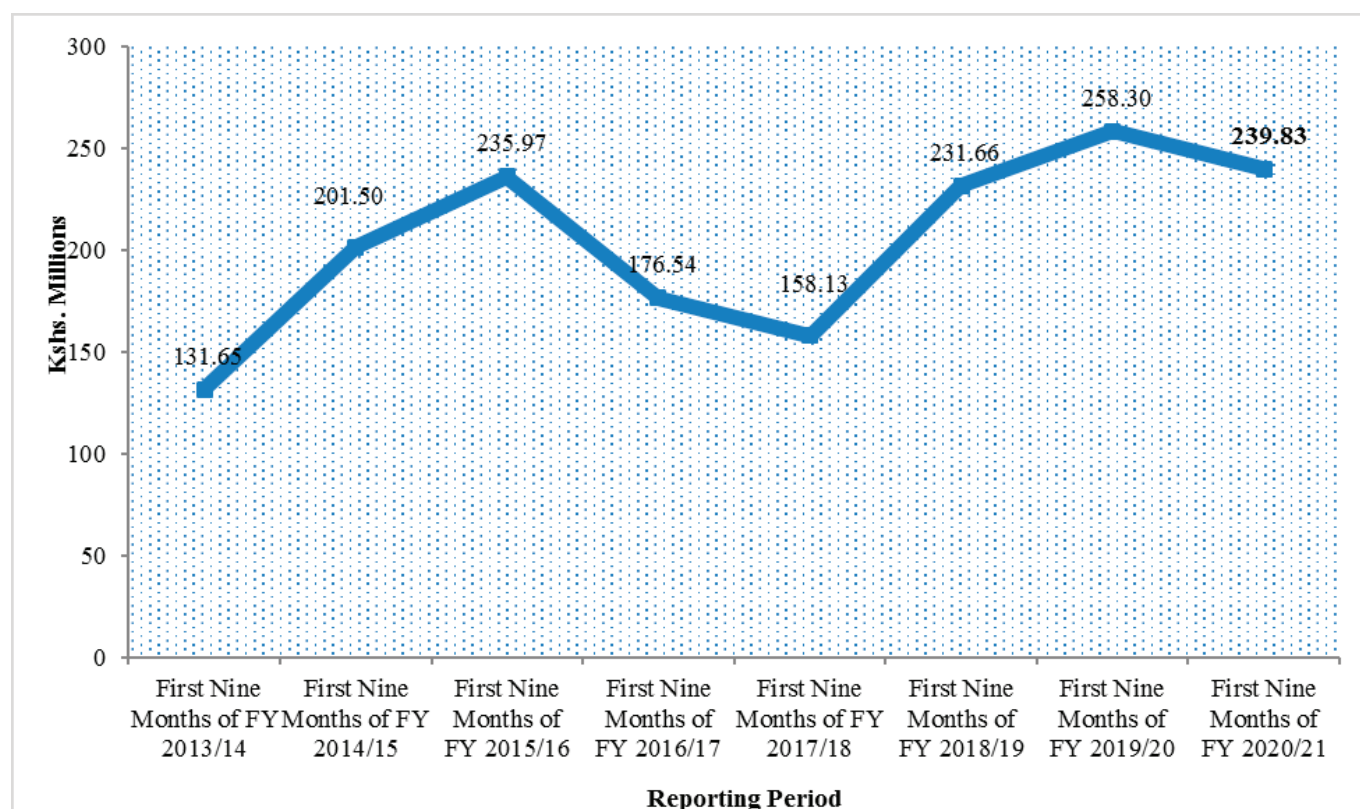
Table 3.238: Trans Nzoia County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|--|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 5,760,300,000 | 5,791,950,000 | 2,851,348,500 | 49.2 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | Compensation for User Fee Foregone | 21,304,915 | 21,304,915 | | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | | - |
| 3. | Road Maintenance Fuel Levy Fund | 172,628,761 | 254,383,730 | 168,069,350 | 66.1 |
| 4. | Rehabilitation of Village Polytechnics | 43,909,894 | 74,768,711 | 21,954,947 | 29.4 |
| Sub Total | | 369,864,847.00 | 482,478,633.00 | 190,024,297 | 39.4 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 44,386,749 | 44,386,749 | 21,600,782 | 48.7 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 199,332,120 | 199,332,120 | 152,854,024 | 76.7 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 75,000,000 | 75,000,000 | 100 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | - | 299,106,900 | 85,174,041 | 28.5 |
| 5. | DANIDA Grant | 16,380,000 | 22,645,000 | - | - |
| 6. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 13,012,542 | 29,158,844 | 12,335,603 | 42.3 |
| 7. | EU – Water Tower Protection and Climate Change Mitigation and Adaptation Programme (waTER) | 45,162,927 | 45,162,927 | - | - |
| Sub Total | | 363,274,338 | 714,792,540 | 346,964,450 | 48.5 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 500,000,000 | 239,830,697 | 48 |
| 2. | Balance b/f from FY 2019/20 | - | 495,385,800 | 495,385,800 | 100 |
| 3. | Other Revenues | - | 160,903,000 | 160,903,000 | 100 |
| Sub Total | | - | 1,156,288,800 | 656,288,800 | 56.8 |
| Grand Total | | 6,493,439,185 | 8,145,509,973 | 4,284,456,744 | 52.6 |

Source: Trans Nzoia County Treasury

Figure 3.83 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.83: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Trans Nzoia County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.239.83 million as own-source revenue. This amount represented a decrease of 14.7 per cent compared to Kshs.275.04 million realised during a similar period in FY 2019/20 and was 48 per cent of the annual target.

3.43.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.22 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.34 billion (31.8 per cent) for development programmes and Kshs.3.28 billion (68.2 per cent) for recurrent programmes.

3.43.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.67 billion on development and recurrent programmes. The expenditure represented 87 per cent of the total funds released by the COB and comprised of Kshs.1.1 billion and Kshs.2.57 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 33.6 per cent while recurrent expenditure represented 52.8 per cent of the annual recurrent expenditure budget.

3.43.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.04 billion was spent on compensation to employees, Kshs.521.58 million on operations and maintenance, and Kshs.1.1 billion on development activities as shown in Table 3.239.

Table 3.239: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 4,861,244,685 | 2,881,515,499 | 2,565,486,303 | 52.8 |
| Compensation to Employees | 2,785,777,459 | 2,374,893,350 | 2,043,905,466 | 73.4 |
| Operations and Maintenance | 2,075,467,226 | 506,622,149 | 521,580,838 | 25.1 |
| Total Development Expenditure | 3,284,265,288 | 1,340,788,677 | 1,102,621,836 | 33.6 |

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|----------------------------|----------------------|--------------------------|----------------------|----------------|
| Development Expenditure | 3,284,265,288 | 1,340,788,677 | 1,102,621,836 | 33.6 |
| Total | 8,145,509,973 | 4,222,304,176 | 3,668,108,139 | 45 |

Source: Trans Nzoia County Treasury

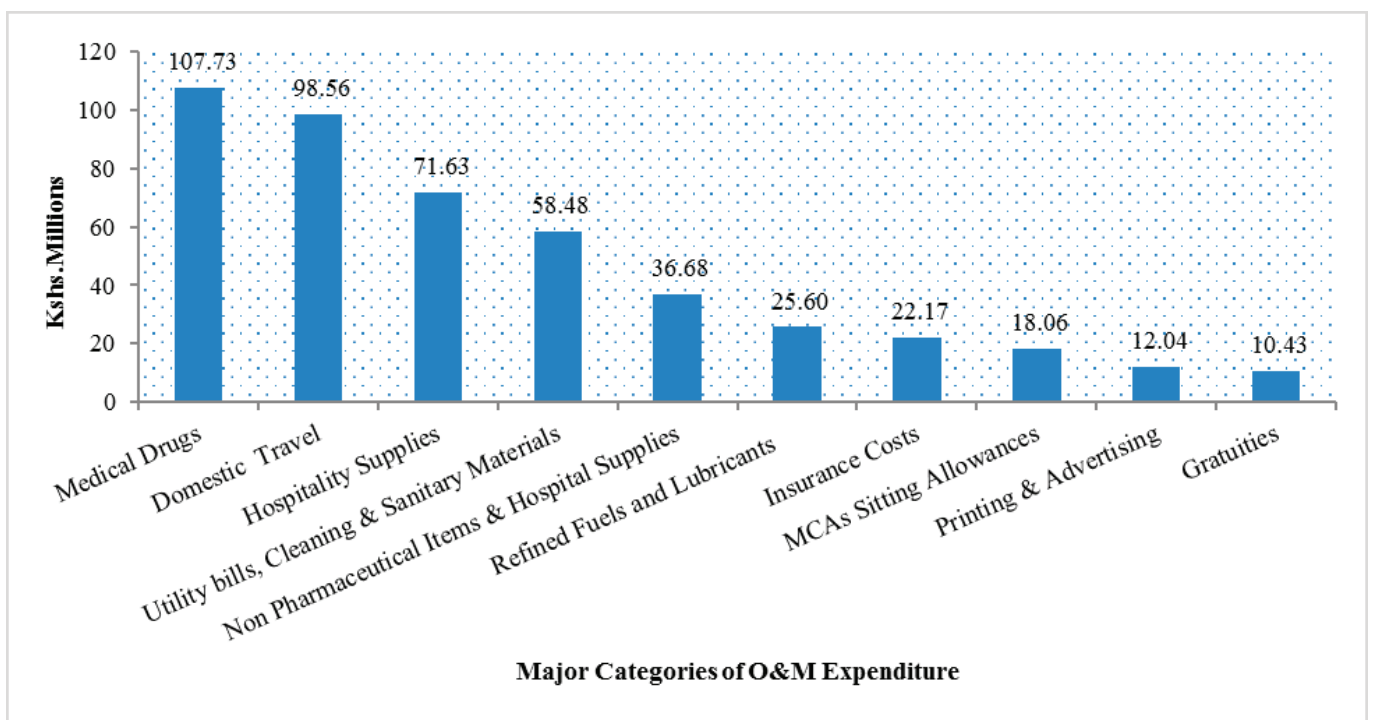
3.43.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government’s expenditure on wages and benefits at 35 per cent of the County’s total revenue. Expenditure on compensation to employees was 55.8 per cent of the total expenditure for the reporting period and 33.5 per cent of the first nine months proportional revenue estimate of Kshs.6.11 billion.

3.43.7 Expenditure on Operations and Maintenance

Figure 3.84 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.84: Trans Nzoia County, Operations and Maintenance Expenditure by Major Categories



Source: Trans Nzoia County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.18.06 million on committee sitting allowances for the 40 MCAs and Speaker against the annual budget allocation of Kshs.62.85 million. The average monthly sitting allowance was Kshs.50,171 per MCA against the SRC’s recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.98.56 million and comprised of Kshs.61.65 million spent by the County Assembly and Kshs.36.91 million by the County Executive. Expenditure on foreign travel amounted to Kshs.3.10 million incurred by the County Assembly.

3.43.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs.515.39 million to cater for COVID-19 related expenditure while Kshs.162.18 million was brought forward from FY 2019/20. A total of Kshs.200.06 million was spent during the reporting period, as shown in Table 3.240.

Table 3.240: COVID-19 Budget and Expenditure Summary

| S/No. | Description of Expenditure Category | Expenditure as of 31.03.2021 (Kshs.) |
|--------------|---|--------------------------------------|
| 1 | Supply of Assorted Medical Equipment and Non Pharms | 102,246,988 |
| 2 | Frontline Health Workers COVID Allowances | 43,635,000 |
| 3 | Supply of Non Pharms | 1,614,200 |
| 4 | Supply of Lestrone Microbiology ldl Cholestral | 2,019,700 |
| 5 | Supply of Gloves and Grape Bandage | 1,935,800 |
| 6 | Supply of Dettol Soap and Toilet Disinfectant | 1,990,000 |
| 7 | Supply of Hand Sanitizers | 1,875,000 |
| 8 | Supply of Surgical Masks and PPE | 1,421,600 |
| 9 | Supply of N95 Masks with Respirator | 2,438,000 |
| 10 | Supply of COVID-19 items | 3,306,522 |
| 11 | Supply of Surgical Masks, 3Ply Thermometer and Infrared Battery | 2,808,400 |
| 12 | Supply of Surgical Masks | 2,380,000 |
| 13 | Supply of Surgical Masks and Thermometers | 2,115,000 |
| 14 | Supply of Face Masks | 1,552,250 |
| 15 | Supply of Thermoguns Latex Gloves | 2,354,500 |
| 16 | Supply of Linen | 3,710,000 |
| 17 | Supply of COVID-19 items | 1,730,000 |
| 18 | Supply of Sterilized Gloves | 1,984,500 |
| 19 | Supply of Surgical Masks | 3,360,000 |
| 20 | Supply of surgical Nose Masks | 1,700,000 |
| 21 | Sterile Gloves,KN95, Thermo guns | 1,949,800 |
| 22 | Face Masks, Coveralls, Scrubs Complete ,Goggles, Gloves ,Sanitizers | 2,757,490 |
| 23 | Surgical Masks | 1,410,000 |
| 24 | Surgical Masks | 1,300,000 |
| 25 | Sanitizers | 450,000 |
| 26 | Surgical Masks | 1,300,000 |
| 27 | Surgical Masks ,N95 Masks | 1,600,000 |
| 28 | N95 Mask with Respirator, JIK, Sample Labels, Hand Rubs | 2,737,115 |
| 29 | Sanitizers | 375,000 |
| Total | | 200,056,865 |

Source: *Trans Nzoia County Treasury*

3.43.9 Development Expenditure

The County incurred expenditure of Kshs.1.1 billion on development programmes, which represented a decrease of 2.7 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.13 billion. Table 3.241 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.241: Trans Nzoia County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|--------------------------------------|----------------|------------------------------------|---------------------|
| | | | (Kshs.) | | |
| 1 | Other Infrastructure and Civil Works | County Wide | 398,364,894 | 294,735,992 | 74.0 |
| 2 | Road Maintenance – Fuel Levy - KRB | County Wide | 254,383,730 | 79,543,202 | 31.3 |
| 3 | Completion and Equipping of Trans Nzoia County Teaching and Referral hospital | Trans Nzoia County Referral Hospital | 171,826,165 | 78,222,867 | 45.5 |
| 4 | Borehole drilling and equipping | County Wide | 45,000,000 | 43,445,473 | 96.5 |
| 5 | Construction of classrooms in ECDEs centers | County Wide | 50,000,000 | 20,819,119 | 41.6 |

| S/No. | Project Name/Description | Project Location | Project Budget | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|--|----------------|------------------------------------|---------------------|
| | | | (Kshs.) | | |
| 6 | Other Infrastructure and Civil Works(Ward Specific) | Kiminini,Nabiswa,Kwanza and Hospital Wards | 101,500,000 | 16,557,756 | 16.3 |
| 7 | Fruit Trees seedlings | Kitale | 39,396,949 | 15,592,400 | 39.6 |
| 8 | Pipeline extension | Kitale,Weonia Dam and Khalwenge | 15,000,000 | 14,972,193 | 99.8 |
| 9 | Construction/Expansion/Completion of Health Facilities;Kwanza,Matunda and Cherangani | Sikhendu,Sinyerere,Sirende and Cheptandan | 25,000,000 | 10,912,397 | 43.6 |
| 10 | ASDSP Counterpart Funding | County Wide | 6,500,000 | 3,903,763 | 60.1 |

Source: *Trans Nzoia County Treasury*

3.43.10 Budget Performance by Department

Table 3.242 shows a summary of the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.242: Trans Nzoia County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|-----------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Agriculture and Livestock | 263.08 | 479.91 | 161.64 | 217.35 | 122.50 | 280.63 | 75.8 | 129.1 | 46.6 | 58.5 |
| Trade, Commerce and Industry | 60.44 | 246.25 | 41.04 | 95.27 | 26.92 | 28.06 | 65.6 | 29.5 | 44.5 | 11.4 |
| Water, Environment and Natural Resources | 97.52 | 268.22 | 41.63 | 146.26 | 45.60 | 97.31 | 109.5 | 66.5 | 46.8 | 36.3 |
| Public Works, Transport and Infrastructure | 199.94 | 480.39 | 81.56 | 242.04 | 91.05 | 164.00 | 111.6 | 67.8 | 45.5 | 34.1 |
| Health Services and Corporate Health | 1,707.57 | 519.80 | 1,302.64 | 204.10 | 1,358.41 | 142.11 | 104.3 | 69.6 | 79.6 | 27.3 |
| Lands, Housing and Physical Planning | 66.77 | 40.26 | 28.55 | - | 24.79 | - | 86.8 | 0.0 | 37.1 | - |
| Municipality Board of Kitale | 10.00 | 309.11 | - | 85.17 | - | - | - | - | - | - |
| Gender, Youth ,Sports, Culture, Social Services ,Children & Tourism | 53.06 | 151.73 | 16.43 | 40.01 | 21.47 | 64.02 | 130.7 | 160.0 | 40.5 | 42.2 |
| Governance and Public Service Management | 573.41 | 20.45 | 362.51 | - | 265.36 | - | 73.2 | 0.0 | 46.3 | - |
| County Public Service Board | 62.85 | 3.82 | 24.43 | 23.92 | 22.46 | 2.30 | 91.9 | 9.6 | 35.7 | 60.2 |
| Education, ECDE and Vocational Training | 373.03 | 200.23 | 221.63 | 33.60 | 232.76 | 71.19 | 105.0 | 211.8 | 62.4 | 35.6 |
| Finance and Economic Planning | 712.75 | 464.10 | 190.97 | 253.07 | 354.15 | 253.01 | 185.4 | 100.0 | 49.7 | 54.5 |
| County Assembly | 680.84 | 100.00 | 408.48 | 1,340.79 | 403.43 | - | 98.8 | 0.0 | 59.3 | 0.0 |
| Total | 4,861.24 | 3,284.27 | 2,881.52 | 1,340.79 | 2,968.91 | 1,102.62 | 103.0 | 82.2 | 61.1 | 33.6 |

Source: *Trans Nzoia County Treasury*

Analysis of expenditure by the departments shows that the County Public Service Board recorded the highest absorption rate of development budget at 60.2 per cent while the Municipality Board of Kitale and the Department of Lands, Housing and Physical Planning did not report any expenditure on development activities. The Department of Health Services and Corporate Health had the highest percentage of recurrent expenditure to budget at 79.6 per cent.

3.43.11 Budget Execution by Programmes and Sub-Programmes

Table 3.243 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.243: Trans Nzoia County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption Rate (%) |
|----------------------|----------------------|------------------------|------------------------|------------------|---------------------|
| Agriculture | | | | | |
| Crop Diversification | Crop Diversification | 71,776,295 | 45,823,428 | 25,952,867 | 63.8 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption Rate (%) |
|---|--|------------------------|------------------------|----------------------|---------------------|
| Post-harvest management and value addition | Post-harvest management and value addition | 144,401,329 | 92,188,709 | 52,212,620 | 63.8 |
| Administrative and Support Services | Administrative and Support Services | 339,014,196 | 216,433,472 | 122,580,724 | 63.8 |
| Sub total | | 555,191,820 | 354,445,610 | 200,746,210 | 63.8 |
| Trade, Commerce and Industry | | | | | |
| Medium and small Enterprises | Medium and small Enterprises | 47,944,507 | 7,252,726 | 40,691,782 | 15.1 |
| Administrative and Support Services | Administrative and Support Services | 258,748,454 | 39,141,743 | 219,606,710 | 15.1 |
| Sub total | | 306,692,961 | 46,394,469 | 260,298,492 | 15.1 |
| Water, Environment and Natural Resources | | | | | |
| Environment Management and Protection | Waste Management | 140,027,728 | 40,813,684 | 99,214,044 | 29.1 |
| Administrative and Support Services | Administrative and Support Services | 225,711,445 | 65,787,796 | 159,923,649 | 29.1 |
| Sub total | | 365,739,173 | 106,601,480 | 259,137,693 | 29.1 |
| Public Works, Roads and Infrastructure | | | | | |
| Road Construction and Road Maintenance | Maintenance of Roads | 512,298,213 | 123,188,456 | 389,109,757 | 24.0 |
| Administrative and Support Services | Administrative and Support Services | 168,032,626 | 40,405,528 | 127,627,098 | 24.0 |
| Sub total | | 680,330,839 | 163,593,984 | 516,736,855 | 24.0 |
| Lands, Housing and Urban Planning | Administrative and Support Services | 107,032,026 | 33,855,009 | 73,177,017 | 31.6 |
| Sub total | | 107,032,026 | 33,855,009 | 73,177,017 | 31.6 |
| Gender, Sports, Culture and Tourism | | | | | |
| Culture development and promotion | Culture development | 89,379,724 | 45,743,183 | 43,636,540 | 51.2 |
| Administrative and Support Services | Administrative and Support Services | 87,166,156 | 44,610,313 | 42,555,843 | 51.2 |
| Sub total | | 176,545,880 | 90,353,496 | 86,192,384 | 51.2 |
| Public Service Management | | | | | |
| Supervision and Management of Projects | Supervision and Management of Projects | 82,908,632 | 45,661,677 | 37,246,955 | 55.1 |
| Administrative and Support Services | Administrative and Support Services | 390,990,611 | 215,336,889 | 175,653,722 | 55.1 |
| Sub total | | 473,899,243 | 260,998,566 | 212,900,677 | 55.1 |
| Education and ICT | | | | | |
| Vocational Training Development | Vocational Training Development | 63,448,820 | 35,939,270 | 27,509,550 | 56.6 |
| Administrative and Support Services | Administrative and Support Services | 509,805,036 | 288,768,505 | 221,036,531 | 56.6 |
| Sub total | | 573,253,856 | 324,707,775 | 248,546,081 | 56.6 |
| Finance | | | | | |
| Supervision and Management of Projects | Supervision and Management of Projects | 584,644,555 | 372,220,201 | 212,424,354 | 63.7 |
| Administrative and Support Services | Administrative and Support Services | 524,112,789 | 333,682,006 | 190,430,783 | 63.7 |
| Sub total | | 1,108,757,344 | 705,902,207 | 402,855,137 | 63.7 |
| Governance | | | | | |
| Supervision and Management of Projects | Infrastructure Development | 52,945,533 | 27,389,629 | 25,555,905 | 51.7 |
| Administrative and Support Services | Administrative and Support Services | 95,244,838 | 49,271,781 | 45,973,056 | 51.7 |
| Sub total | | 148,190,371 | 76,661,410 | 71,528,961 | 51.7 |
| County Public Service Board | | | | | |
| Infrastructure Development | Governance and County Values | 66,673,461 | 19,968,503 | 46,704,958 | 29.9 |
| Sub total | | 66,673,461 | 19,968,503 | 46,704,958 | 29.9 |
| Livestock | | | | | |
| Livestock Productivity | Livestock Productivity | 187,796,624 | 75,076,777 | 112,719,847 | 40.0 |
| Sub total | | 187,796,624 | 75,076,777 | 112,719,847 | 40.0 |
| Health Corporate | | | | | |
| Preventive Health Services | Preventive Health Services | 523,378,231 | 259,408,574 | 263,969,657 | 49.6 |
| Administrative and Support Services | Administrative and Support Services | 1,703,989,956 | 844,570,101 | 859,419,855 | 49.6 |
| Sub total | | 2,227,368,187 | 1,103,978,675 | 1,123,389,512 | 49.6 |
| Economic Planning | | | | | |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption Rate (%) |
|---|---|------------------------|------------------------|----------------------|---------------------|
| County Development Planning Services | County Development Planning Services | 44,877,728 | 12,475,520 | 32,402,208 | 27.8 |
| County Monitoring and Evaluation System | County Monitoring and Evaluation System | 23,217,005 | 6,454,075 | 16,762,930 | 27.8 |
| Sub total | | 68,094,733 | 18,929,595 | 49,165,138 | 27.8 |
| Municipality Board of Kitale | | | | | |
| Administrative and Support Services | Administrative and Support Services | 319,106,900 | | 319,106,900 | - |
| Sub total | | 319,106,900 | | 319,106,900 | - |
| County Assembly | | | | | |
| Legislative and Oversight Arm | Legislative and Oversight Arm | 170,715,006 | 89,770,597 | 80,944,409 | 52.6 |
| General Administrative and Support Services | General Administrative and Support Services | 602,094,685 | 306,488,027 | 295,606,658 | 50.9 |
| Security Services | Security Services | 8,026,864 | 7,168,525 | 858,339 | 89.3 |
| Sub total | | 780,836,555 | 403,427,149 | 377,409,406 | 51.7 |
| Grand Total | | 8,145,509,973 | 3,784,894,706 | 4,360,615,267 | 46.5 |

Source: Trans Nzoia County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Security Services in the Department of County Assembly at 89.3 per cent, Crop Diversification, Post-harvest management and value addition, and Administrative and Support Services in the Department of Agriculture at 63.8 per cent, Supervision and Management of Projects and Administrative and Support Services in the Department of Finance at 63.7 per cent, and Vocational Training Development and Administrative and Support Services at 56.6 per cent in the Department of Education and ICT of budget allocation.

3.43.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 21st April, 2021 contrary to OCoB's instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.
2. Low absorption of development funds as indicated by the expenditure of Kshs.1.1 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.3.28 billion. The development expenditure represented 33.6 per cent of the annual development budget.
3. Under-performance of own source revenue at Kshs.239.83 million compared to the annual projection of Kshs.500 million, representing 48 per cent of the target.
4. Fund Administrators failed to submit financial and non-financial statements in line with Section 168 of the PFM Act, 2012. The OCoB did not receive quarterly financial statements for the Trans Nzoia County Executive Car Loan Scheme Fund, Trans Nzoia County Assembly Mortgage Scheme Fund, Trans County Bursaries Fund, and Trans Nzoia County Emergency Fund.

The County should implement the following recommendations to improve budget execution;

1. The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with Section 166 of the PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County should address its own source revenue performance to ensure the approved budget is fully financed.
4. The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.

3.44 County Government of Turkana

3.44.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 was Kshs.15.03 billion, comprising of Kshs.5.90 billion (39.2 per cent) and Kshs.9.13 billion (60.8 per cent) allocations for Development and Recurrent programmes, respectively.

To finance the budget, the county expected to receive Kshs.10.57 billion (70.3 per cent) being the equitable share of revenue raised nationally, Kshs.1.13 billion (3.31 per cent) as total conditional grants, generate Kshs.150 million (0.1 per cent) from own sources of revenue, and the cash balance of Kshs.2.99 billion (19.9 per cent) from FY 2019/20.

3.44.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.4.37 billion as an equitable share of the revenue raised nationally, Kshs.635.82 million as conditional grants, raised Kshs.126.68 million as own-source revenue, and had a cash balance of Kshs.2.99 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.8.13 billion, as shown in Table 3.244.

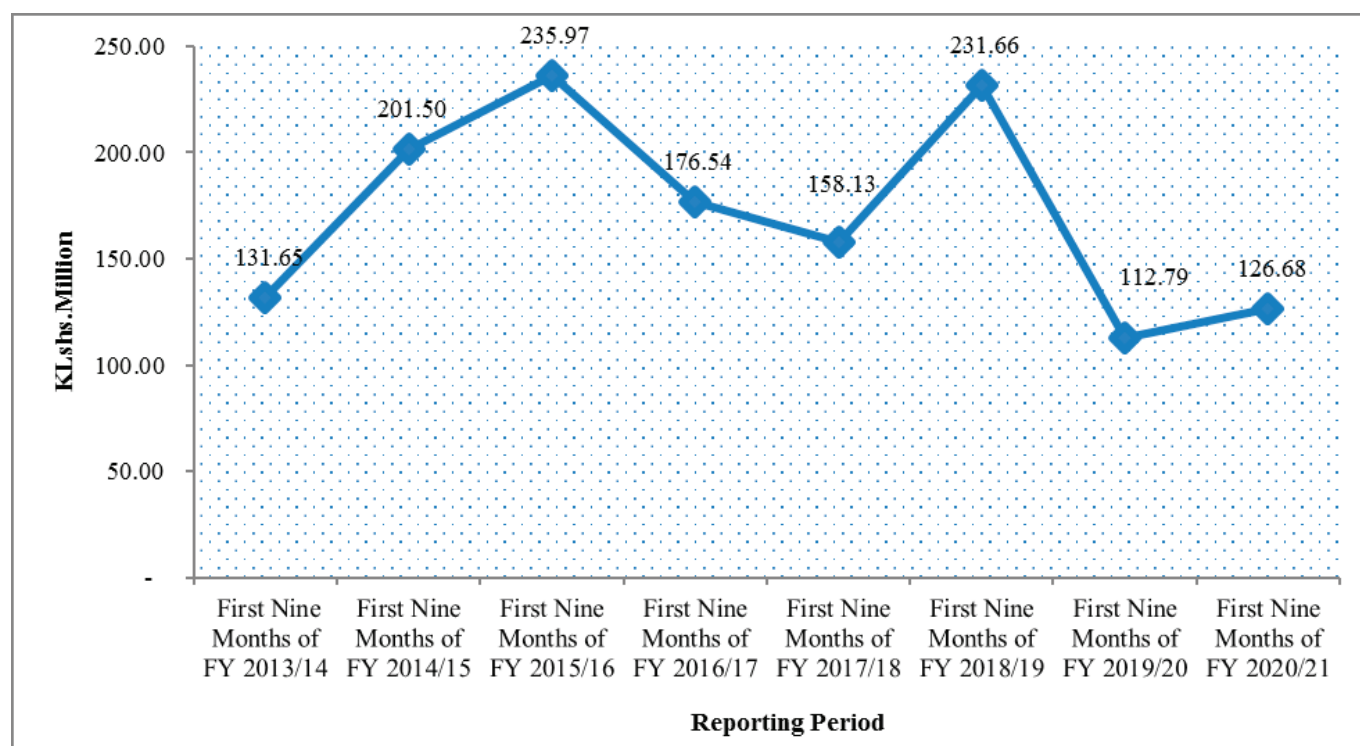
Table 3.244: Turkana County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|--|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 10,539,450,000 | 10,571,100,000 | 4,373,871,750 | 41.4 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Compensation for User Fee Foregone | 25,634,941 | 25,634,941 | - | - |
| 2. | Roads Maintenance Levy Fund FY 2019/20 Balance | 143,459,632 | 143,459,632 | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 315,071,072 | 315,071,072 | 232,327,854 | 73.7 |
| 4. | Rehabilitation of Village Polytechnics | 1,209,894 | 12,709,894 | 6,354,947 | 50 |
| Sub Total | | 496,875,539 | 496,875,539 | 238,682,801 | 49.2 |
| C. | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) | 300,000,000 | 300,000,000 | 150,000,000 | 50.00 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 216,213,300 | 216,213,300 | 148,091,728 | 68.4 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | - | - | 27,058,920 | - |
| 5. | DANIDA Grant | 12,005,000 | 12,005,000 | 12,005,000 | 100 |
| 6. | Universal Health Care in Devolved System Programme | 29,970,000 | 29,970,000 | 14,985,000 | 50 |
| 7. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 18,731,177 | 18,731,177 | - | - |
| 1. | German Development Bank (KfW) – Drought Resilience Programme in Northern Kenya (DRPNK) | 200,000,000 | 200,000,000 | - | - |
| Sub Total | | 821,919,477 | 821,919,477 | 397,140,648.90 | 48 |
| D. | Other Sources of Revenue | | | | |
| | Own Source Revenue | 150,000,000 | 150,000,000 | 126,675,575 | 84.5 |
| | Balance b/f from FY 2019/20 | 2,992,862,368 | 2,992,862,368 | 2,992,862,368 | 100 |
| Sub Total | | 3,142,862,368 | 3,142,862,368 | 3,119,537,943 | 99.3 |
| Grand Total | | 15,001,107,384 | 15,032,757,384 | 8,129,233,142 | 54.1 |

Source: Turkana County Treasury

Figure 3.85 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.85: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Turkana County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.126.68 million as its own source revenue. This amount represented an increase of 12.3 per cent compared to Kshs.112.79 million realised during a similar period in FY 2019/20 and was 84.5 per cent of the annual target.

3.44.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.14 billion from the CRF account during the reporting period. The amount comprised of Kshs.995.97 million (16.2 per cent) for development programmes and Kshs.5.14 billion (83.8 per cent) for recurrent programmes.

3.44.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.6.27 billion on development and recurrent programmes. The expenditure represented 102.2 per cent of the total funds released by the COB and comprised of Kshs.1.12 billion and Kshs.5.15 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 19 per cent while recurrent expenditure represented 56.4 per cent of the annual recurrent expenditure budget.

3.44.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.87 billion was spent on compensation to employees, Kshs.2.28 billion on operations and maintenance, and Kshs.1.12 billion on development activities as shown in Table 3.245.

Table 3.245: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 9,134,853,541 | 5,142,784,188 | 5,150,127,059 | 56.4 |
| Compensation to Employees | 4,186,105,486 | 2,874,709,375 | 2,874,709,375 | 68.7 |
| Operations and Maintenance | 4,948,748,055 | 2,268,074,813 | 2,275,417,684 | 46.0 |
| Total Development Expenditure | 5,897,903,743 | 995,968,007 | 1,121,053,594 | 19.0 |
| Development Expenditure | 5,897,903,743 | 995,968,007 | 1,121,053,594 | 19.0 |
| Total | 15,032,757,284 | 6,138,752,195 | 6,271,180,654 | 41.7 |

Source: Turkana County Treasury

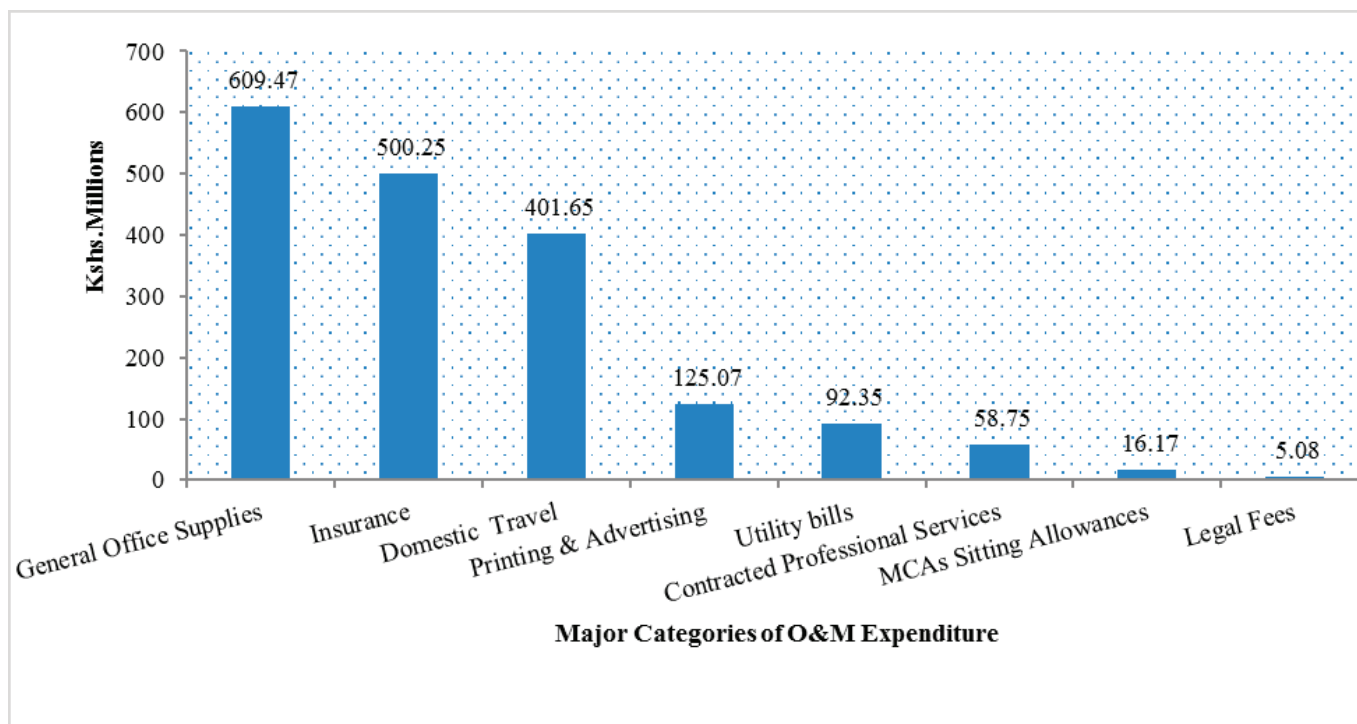
3.44.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 45.8 per cent of the total expenditure for the reporting period and 25.5 per cent of the first nine months proportional revenue estimate of Kshs.11.27 billion.

3.44.7 Expenditure on Operations and Maintenance

Figure 3.86 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.86: Turkana County, Operations and Maintenance Expenditure by Major Categories



Source: Turkana County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.16.17 million on committee sitting allowances for the 48 MCAs and Speaker against the annual budget allocation of Kshs.36 million. The average monthly sitting allowance was Kshs.37,441 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.401.65 million, comprising Kshs.93.61 million spent by the County Assembly and Kshs.308.04 million by the County Executive.

3.44.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.907.56 million to cater for COVID-19 related expenditure. A total of Kshs.128.42 million was spent during the reporting period, as shown in Table 3.246.

Table 3.246: COVID-19 Budget and Expenditure Summary

| No. | Description of Expenditure | Expenditure as of 31st March 2021 (Kshs.) |
|-----|---|---|
| 1. | Pulses (Beans) | 65,500,000 |
| 2. | Transportation, Handling and Storage | 17,479,135 |
| 3. | Plastic water tanks (10m ³) | 5,163,574 |
| 4. | Handwashing Stations (45 litres) | 605,596 |
| 5. | Sanitizers, 500 ml | 1,016,842 |
| 6. | Water trucking Turkana West Nalapatui, Nasinyono, Loro, Nakururum, Nalamacha, Naremeto | 1,650,526 |
| 7. | Turkana Central Kerio, Kaikir, Lokaparaparai, Kalotum, Kapua, Kaoo, Kapokor, Nakurio, Timama, Loturu-rei and Mesewan | 5,400,000 |
| 8. | 50% Waiver on containment of COVID-19 (LOWASCO - 3M/month, Kakuma - 740,000/Month) | 7,180,000 |

| No. | Description of Expenditure | Expenditure as of 31st March 2021 (Kshs.) |
|-----|--|---|
| 9. | Water trucking fee charges (LOWASCO - 1M/month) | 2,000,000 |
| 10. | Household sensitization level by CHVs and healthcare workers. | 4,123,785 |
| 11. | Refurbishment of 8 isolation areas | 1,671,240 |
| 12. | PPEs Kit | 2,450,000 |
| 13. | N95 | 1,900,000 |
| 14. | Accommodation and meals for frontline HCWs working in isolations and quarantine facilities | 8,130,080 |
| 15. | Sample collection teams | 541,400 |
| 16. | Members | 935,000 |
| 17. | Hire of meeting hall and projector | 87,000 |
| 18. | Catering services/ Refreshments | 87,000 |
| 19. | Transport reimbursement | 900,000 |
| 20. | Stationery and office administration | 400,000 |
| 21. | DSA, Security | 300,000 |
| 22. | DRM Directorate (supervisory) | 900,825 |
| 23. | Total | 128,422,003 |

Source: Turkana County Treasury

3.44.9 Development Expenditure

The County incurred expenditure of Kshs.1.12 billion on development programmes, which represented an increase of 40.2 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.799.74 million. Table 3.247 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.247: Turkana County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|-------------------|------------------------|------------------------------------|---------------------|
| 1 | Construction of Turkana Biashara Centre | Lodwar | 132,390,490 | 96,645,057 | 73.0 |
| 2 | Proposed Supply, Installation and Commissioning of Solar Powered Street Lights and Construction of Fire Station in Lodwar | Lodwar-Kanamkemer | 95,023,200 | 33,980,600 | 35.8 |
| 3 | Mechanical Ventilation Works | Kanamkemer Ward | 52,856,812 | 33,035,508 | 62.5 |
| 4 | UHC Ambulances | Lodwar Township | 29,000,000 | 28,590,000 | 98.6 |
| 5 | Lorugum-Lorengesinyen | Lorugum | 28,000,000 | 25,455,968 | 90.9 |
| 6 | Modernization of Lodwar Fresh Produce Markets | Lodwar | 21,000,000 | 21,000,000 | 100.0 |
| 9 | Kerio Multiplication and Breeding Centre | Kerio | 13,892,851 | 13,892,851 | 100.0 |
| 10 | Lokichar River Protection | Lokichar | 25,717,414 | 11,911,054 | 46.3 |
| 11 | Proposed Peace security fence at Lomaro Resettlement Project | Lomaro | 9,935,480 | 9,935,480 | 100 |
| 12 | Kangakipur Dispensary | Kaeris | 9,894,449 | 9,894,449 | 100 |

Source: Turkana County Treasury

3.44.10 Budget Performance by Department

Table 3.248 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.248: Turkana County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|--------|----------------------------------|--------|-----------------------------|-------|-------------------------------------|-----|---------------------|------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Governance | 302.56 | 29.09 | 104.154 | 20.41 | 164.58 | 48.75 | 158 | 238 | 54.4 | 16.4 |
| Office of the Deputy Governor | 25.95 | 3.11 | 13.69 | - | 12.23 | - | 89.3 | - | 47.1 | - |
| County Attorney | 138.98 | - | 34.39 | - | 46.93 | - | 136 | - | 33.8 | - |
| Finance and Economic Planning | 746.71 | 436.57 | 264.62 | 37.30 | 277.85 | 32.08 | 105 | 86. | 37.2 | 7.3 |
| Water Services, Environment and Mineral Resources | 257.79 | 597.81 | 121.26 | 112.56 | 130.66 | 134.3 | 107 | 119 | 50.7 | 22.5 |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|--------------|-------------------------------------|------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Health & Sanitation Services | 780.01 | 694.31 | 417.35 | 43.02 | 439.32 | 136.2 | 105 | 316 | 56.3 | 19.6 |
| Trade, Gender and Youth Affairs | 199.80 | 241.98 | 51.64 | 63.25 | 85.59 | 35.21 | 165 | 55 | 42.8 | 14.6 |
| Education, Sports and Social Protection | 546.05 | 702.62 | 414.37 | 55.33 | 360.98 | 150.5 | 87 | 272 | 66.1 | 21.4 |
| Public Service, Administration & Disaster Mgt | 4,513.32 | 39.15 | 2,848.55 | 6.35 | 2,789.54 | 30.54 | 97 | 4.8 | 61.8 | 0.8 |
| Infrastructure Transport & Public Works | 107.91 | 616.79 | 23.66 | 234.32 | 28.99 | 191.6 | 122 | 81 | 26.9 | 31.1 |
| Agriculture, Pastoral Economy & Fisheries | 198.25 | 1,164.44 | 73.76 | 216.23 | 111.54 | 122.8 | 151 | 56. | 56.3 | 10.5 |
| Tourism, Culture and Natural Resources | 118.91 | 204.16 | 62.18 | 18.84 | 53.64 | 22.72 | 86 | 120 | 45.1 | 11.1 |
| Lands, Energy, Housing & Urban Areas Mgt. | 169.96 | 489.27 | 89.21 | 42.28 | 77.06 | 100.4 | 86 | 237 | 45.3 | 20.5 |
| Turkana County Assembly | 875.65 | 349.34 | 589.49 | 146.01 | 540.49 | 146.0 | 91 | 100 | 61.7 | 41.8 |
| Turkana County Public Service Board | 115.30 | 2.34 | 28.03 | - | 30.66 | - | 109 | - | 26.6 | - |
| Lodwar Municipality Board | 37.69 | 30.88 | 6.34 | - | - | - | - | - | - | - |
| TOTAL | 9,134.85 | 5,897.90 | 5,142.78 | 995.96 | 5,150.12 | 1,121 | 100.1 | 112 | 56.4 | 19.0 |

Source: Turkana County Treasury

Analysis of departments' expenditure shows that the Turkana County Assembly recorded the highest absorption rate of development budget at 41.8 per cent. The Department of Education, Sports and Social Protection had the highest percentage of recurrent expenditure to budget at 66.1 per cent while the Lodwar Municipality Board did not report any expenditure.

3.44.11 Budget Execution by Programmes and Sub-Programme

Table 3.249 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.249: Turkana County, Budget Execution by Programmes and Sub-programmes

| Sub Program | Name of the Programme | Approved Estimates (Kshs.) | Expenditure (Kshs.) | Variance (Kshs.) | Absorption Rate (%) |
|---|--|----------------------------|---------------------|------------------|---------------------|
| | | A | B | C=A-B | D=B/A*100 |
| Adjudication, registry and settlement | | 30,655,100 | 4,194,723 | 26,460,377 | 13.7 |
| 102014110 | Delineation & adjudication of community land | 30,655,100 | 4,194,723 | 26,460,377 | 13.7 |
| Spatial Planning | | 44,804,913 | 2,784,682 | 42,020,231 | 6.2 |
| 103044110 | Spatial Planning | 44,804,913 | 2,784,682 | 42,020,231 | 6.2 |
| Formulation of community land policy and regulations | | 62,415,161 | 118,760 | 62,296,401 | 0.2 |
| 104024110 | Municipality Upgrade | 14,500,000 | - | 14,500,000 | 0.0 |
| 104064110 | Transport Parks | 22,405,000 | - | 22,405,000 | 0.0 |
| 104074110 | Urban Centre Mgt | 25,510,161 | 118,760 | 25,391,401 | 0.5 |
| Compulsory land acquisition for public utilities | | 4,185,867 | 680,654 | 3,505,213 | 16.3 |
| 105014110 | Land acquisition for public utilities | 4,185,867 | 680,654 | 3,505,213 | 16.3 |
| Establishment and rehabilitation of public utilities in Lodwar | | 98,283,302 | 2,232,370 | 96,050,932 | 2.3 |
| 109014110 | Improvement of Moi Garden Stadia | 52,783,302 | 2,232,370 | 50,550,932 | 4.2 |
| 109024110 | completion of recreational park | 37,500,000 | - | 37,500,000 | 0.0 |
| 109034110 | setting up of dumping site in Lodwar | 8,000,000 | - | 8,000,000 | 0.0 |
| Revival of Turkana Fishermen Co-op. society | | 440,697,982 | 5,241,762 | 435,456,220 | 1.2 |
| 110044110 | Spate Irrigation Technology | 158,875,747 | 5,241,762 | 153,633,985 | 3.3 |
| 110054110 | Rehabilitation | 112,357,235 | - | 112,357,235 | 0.0 |
| 110064110 | Soil & Water Conservation | 77,000,000 | - | 77,000,000 | 0.0 |
| 110074110 | Spate Irrigation Technology | 61,350,000 | - | 61,350,000 | 0.0 |

| Sub Program | Name of the Programme | Approved Estimates (Kshs.) | Expenditure (Kshs.) | Variance (Kshs.) | Absorption Rate (%) |
|--|--|----------------------------|---------------------|------------------|---------------------|
| | | A | B | C=A-B | D=B/A*100 |
| 110084110 | Rehabilitation | 8,170,000 | - | 8,170,000 | 0.0 |
| 110094110 | Soil & Water Conservation | 22,945,000 | - | 22,945,000 | 0.0 |
| Fish market infrastructure/ fish value addition | | 36,434,905 | 2,020,889 | 34,414,016 | 5.5 |
| 111014110 | Fish market infrastructure/ fish value addition | 2,778,795 | 367,109 | 2,411,686 | 13.2 |
| 111024110 | Fisheries livelihood support | 2,704,680 | 811,132 | 1,893,548 | 30.0 |
| 111034110 | Fisheries Extension Services | 3,121,280 | 15,758 | 3,105,522 | 0.5 |
| 111044110 | Fisheries resource management | 7,278,949 | 238,119 | 7,040,830 | 3.3 |
| 111054110 | Fisheries resource management | 13,343,252 | 588,770 | 12,754,482 | 4.4 |
| 111064110 | Fisheries resource management | 4,258,735 | - | 4,258,735 | 0.0 |
| 111084110 | Fish Farming & Aquaculture | 2,949,214 | - | 2,949,214 | 0.0 |
| Sustainable management of fisheries resources | | 75,858,148 | 7,393,946 | 68,464,202 | 9.7 |
| 115014110 | Frame survey | 65,924,148 | 4,245,517 | 61,678,631 | 6.4 |
| 115024110 | Fish Stock assessment | 2,880,000 | 1,116,110 | 1,763,890 | 38.8 |
| 115034110 | Monitoring, Control and Surveillance | 4,992,000 | 903,378 | 4,088,622 | 18.1 |
| 115044110 | Resource monitoring facilities | 2,062,000 | 1,128,941 | 933,059 | 54.7 |
| Livestock breed improvement | | 98,663,187 | 4,726,072 | 93,937,115 | 4.8 |
| 117014110 | Establish livestock Multiplication and breeding Centre. | 3,240,000 | 300,676 | 2,939,324 | 9.3 |
| 117034110 | Provision of Livestock Extension services | 6,624,000 | 1,019,074 | 5,604,926 | 15.4 |
| 117054110 | Livestock multiplication and breeding Centre | 5,940,000 | 1,166,286 | 4,773,714 | 19.6 |
| 117064110 | Livestock Risk Management | 1,440,000 | 900,364 | 539,636 | 62.5 |
| 117074110 | Livestock Value Chain | 55,339,187 | 1,339,672 | 53,999,515 | 2.4 |
| 117084110 | Skills Devt | 26,080,000 | - | 26,080,000 | 0.0 |
| General Administration | | 777,463,896 | 179,387,097 | 598,076,799 | 23.1 |
| 125014110 | General Administration | 99,779,055 | 49,158,754 | 50,620,301 | 49.3 |
| 125024110 | General Administration and Support Services- Pastoral Economy and | 128,177,406 | 38,434,185 | 89,743,221 | 30.0 |
| 125034110 | General Administration, Planning and Support Services - Lands | 549,507,435 | 91,794,158 | 457,713,277 | 16.7 |
| Agriculture Programme | | 50,875,177 | 9,926,541 | 40,948,636 | 19.5 |
| 126044110 | Agri-nutrition/Urban & peri-urban agriculture | 324,000 | 76,601 | 247,399 | 23.6 |
| 126064110 | Smart agriculture practices (Innovations/ technologies to mitigate | 5,000,000 | - | 5,000,000 | 0.0 |
| 126084110 | Agricultural Sector Development Support Programme (ASDSP) | 23,981,177 | 9,379,705 | 14,601,472 | 39.1 |
| 126104110 | Agricultural Mechanization | 9,250,000 | - | 9,250,000 | 0.0 |
| 126114110 | Agriculture market Access | 720,000 | 76,288 | 643,712 | 10.6 |
| 126124110 | Agriculture Extension & Development | 1,440,000 | 163,982 | 1,276,018 | 11.4 |
| 126134110 | Subsidy & Support | 6,440,000 | - | 6,440,000 | 0.0 |
| 126144110 | Pest Control & Management | 3,720,000 | 229,965 | 3,490,035 | 6.2 |
| Land Governance | | 17,640,280 | 26,563 | 17,613,717 | 0.2 |
| 127054110 | Land Policies | 17,640,280 | 26,563 | 17,613,717 | 0.2 |
| | | 333,083,647 | 333,083,647 | (0) | 100.0 |
| 129014110 | NARIGP | 333,083,647 | 333,083,647 | (0) | 100.0 |
| | | 310,000,000 | 12,506,273 | 297,493,727 | 4.0 |
| 130014110 | DRNKP/KfW | 310,000,000 | 12,506,273 | 297,493,727 | 4.0 |
| | | 30,000,000 | - | 30,000,000 | 0.0 |
| 131014110 | Land Development | 30,000,000 | - | 30,000,000 | 0.0 |
| Develop and maintain roads | | 599,397,989 | 121,566,756 | 477,831,233 | 20.3 |
| 201024110 | Gravel rural roads | 5,000,000 | - | 5,000,000 | 0.0 |

| Sub Program | Name of the Programme | Approved Estimates (Kshs.) | Expenditure (Kshs.) | Variance (Kshs.) | Absorption Rate (%) |
|--|---|----------------------------|---------------------|------------------|---------------------|
| | | A | B | C=A-B | D=B/A*100 |
| 201044110 | Road Designs system and software | 2,850,547 | - | 2,850,547 | 0.0 |
| 201054110 | Annual Roads Inventory and Conditional Survey (ARICS) | 3,016,738 | - | 3,016,738 | 0.0 |
| 201064110 | Roads Safety initiatives | 3,500,000 | 1,038,233 | 2,461,767 | 29.7 |
| 201074110 | Roads maintenance levy fund(RMLF) | 558,530,704 | 114,435,506 | 444,095,198 | 20.5 |
| 201094110 | Roads | 26,500,000 | 6,093,016 | 20,406,984 | 23.0 |
| Develop and maintain other public works | | 53,398,455 | 919,211 | 52,479,244 | 1.7 |
| 203134110 | Machinery | 3,500,000 | - | 3,500,000 | 0.0 |
| 203144110 | Machinery | 27,898,455 | - | 27,898,455 | 0.0 |
| 203154110 | Feasibility & Consultancy | 14,000,000 | - | 14,000,000 | 0.0 |
| 203164110 | Capacity Building | 5,600,000 | 919,211 | 4,680,789 | 16.4 |
| 203184110 | Professional Capacity Building | 2,400,000 | - | 2,400,000 | 0.0 |
| General Administration | | 155,468,861 | 60,907,531 | 94,561,330 | 39.2 |
| 205014110 | General Administration | 128,764,604 | 59,415,220 | 69,349,384 | 46.1 |
| 205024110 | General Administration- Public works | 26,704,257 | 1,492,311 | 25,211,946 | 5.6 |
| | | 4,100,000 | 2,162,084 | 1,937,916 | 52.7 |
| 206014110 | Mechanical Services | 4,100,000 | 2,162,084 | 1,937,916 | 52.7 |
| | | 4,900,000 | 2,123,340 | 2,776,660 | 43.3 |
| 207014110 | Structural Services | 4,900,000 | 2,123,340 | 2,776,660 | 43.3 |
| | | 3,100,000 | - | 3,100,000 | 0.0 |
| 208014110 | Electrical Services | 3,100,000 | - | 3,100,000 | 0.0 |
| | | 1,700,000 | - | 1,700,000 | 0.0 |
| 209014110 | Building Inspectorate | 1,700,000 | - | 1,700,000 | 0.0 |
| | | 2,640,000 | 1,305,217 | 1,334,783 | 49.4 |
| 210014110 | Architectural Services | 2,640,000 | 1,305,217 | 1,334,783 | 49.4 |
| Cooperative Societies Development & Performance Improvement | | 165,721,467 | 30,882,589 | 134,838,878 | 18.6 |
| 302014110 | Cooperatives Development Fund | 9,359,600 | 272,393 | 9,087,207 | 2.9 |
| 302024110 | Value Addition Initiatives | 6,512,000 | 1,656,148 | 4,855,852 | 25.4 |
| 302034110 | Business Development and Training Services | 2,196,000 | - | 2,196,000 | 0.0 |
| 302044110 | Liquor control Programme | 2,268,000 | 541,021 | 1,726,979 | 23.9 |
| 302054110 | Cooperative societies development and revival programmes | 6,134,000 | 1,160,582 | 4,973,418 | 18.9 |
| 302064110 | Legal Metrology Services | 2,934,000 | - | 2,934,000 | 0.0 |
| 302074110 | Verification of traders equipment | 2,214,000 | 679,591 | 1,534,409 | 30.7 |
| 302084110 | Consumer rights education | 1,134,000 | - | 1,134,000 | 0.0 |
| 302104110 | Standards and Anti-Counterfeit Services | 756,000 | - | 756,000 | 0.0 |
| 302114110 | Market Infrastructure Development | 17,000,000 | - | 17,000,000 | 0.0 |
| 302124110 | Industrial Development and Investments | 6,057,000 | - | 6,057,000 | 0.0 |
| 302134110 | Biashara Fund | 25,419,400 | 25,419,400 | 0 | 100.0 |
| 302144110 | Completion of Biashara Centre | 70,000,000 | - | 70,000,000 | 0.0 |
| 302154110 | North Rift Economic & FCDC Blocs | 6,237,467 | 1,153,454 | 5,084,013 | 18.5 |
| 302164110 | Standardization and Metrology | 3,000,000 | - | 3,000,000 | 0.0 |
| 302174110 | Mgt of Kakuma Biashara Centre | 4,500,000 | - | 4,500,000 | 0.0 |
| Modern Physical Markets Infrastructure | | 59,925,415 | 30,972,341 | 28,953,074 | 51.7 |
| 303014110 | Construction & Development of Modern Physical Market | 7,701,510 | 1,213,859 | 6,487,651 | 15.8 |
| 303024110 | Co-operative Marketing, Value Addition, Surveys & Research | 6,866,400 | 1,238,121 | 5,628,279 | 18.0 |
| 303034110 | Co-operative Education, Training, Exchange and Ushirika Day Celeb | 7,151,420 | 2,345,677 | 4,805,743 | 32.8 |

| Sub Program | Name of the Programme | Approved Estimates (Kshs.) | Expenditure (Kshs.) | Variance (Kshs.) | Absorption Rate (%) |
|-------------|--|----------------------------|---------------------|------------------|---------------------|
| | | A | B | C=A-B | D=B/A*100 |
| 303044110 | Strengthening of Key Dormant Co-operative Societies | 7,623,000 | - | 7,623,000 | 0.0 |
| 303054110 | Formulation of Cooperative Policy and Legal Frame Work | 4,408,400 | - | 4,408,400 | 0.0 |
| 303064110 | Cooperative Development Fund | 26,174,685 | 26,174,685 | 0 | 100.0 |
| | General Administration | 130,026,817 | 8,367,040 | 121,659,777 | 6.4 |
| 307014110 | General Administration | 130,026,817 | 8,367,040 | 121,659,777 | 6.4 |
| | Gender Promotion | 21,331,000 | 5,297,570 | 16,033,430 | 24.8 |
| 308014110 | Gender Empowerment and advocacy | 9,966,000 | 3,408,835 | 6,557,165 | 34.2 |
| 308024110 | Gender Mainstreaming and Coordination | 4,187,000 | 683,255 | 3,503,745 | 16.3 |
| 308034110 | Legal Compliance and Redress | 3,098,000 | - | 3,098,000 | 0.0 |
| 308044110 | Promotion of Gender Equality and Empowerment | 4,080,000 | 1,205,480 | 2,874,520 | 29.5 |
| | Youth Affairs Development | 80,633,800 | 38,257,681 | 42,376,119 | 47.4 |
| 309014110 | Youth Coordination and Representation | 17,860,000 | 1,500,752 | 16,359,248 | 8.4 |
| 309024110 | Youth Employment Scheme | 20,420,000 | 5,429,095 | 14,990,905 | 26.6 |
| 309034110 | Youth Rare skills | 14,840,000 | 3,814,033 | 11,025,967 | 25.7 |
| 309044110 | Youth and Women Fund | 27,513,800 | 27,513,800 | (0) | 100.0 |
| | General Administration, Planning and support services | 748,622,804 | 335,910,218 | 412,712,586 | 44.9 |
| 401014110 | General Administration, Planning and support services | 564,607,836 | 335,910,218 | 228,697,618 | 59.5 |
| 401074110 | Health Facilities | 284,014,968 | - | 284,014,968 | 0.0 |
| | Support to Health Programs | 432,280,000 | 50,489,043 | 381,790,957 | 11.7 |
| 402114110 | Health promotion | 400,000,000 | 28,957,318 | 371,042,682 | 7.2 |
| 402134110 | Emergency preparedness & disaster response | 30,480,000 | 21,531,725 | 8,948,275 | 70.6 |
| 402164110 | mainstreaming | 1,800,000 | - | 1,800,000 | 0.0 |
| | Curative Health Services | - | - | - | - |
| 409014110 | Curative Health Services | - | - | - | - |
| | | 95,920,000 | 2,081,694 | 93,838,306 | 2.2 |
| 410024110 | Blood Transfusion Services | 1,800,000 | - | 1,800,000 | 0.0 |
| 410044110 | Referrals & Emergency Services | 3,600,000 | - | 3,600,000 | 0.0 |
| 410094110 | Rural Health Facility Support | 45,000,000 | - | 45,000,000 | 0.0 |
| 410104110 | Sub county Health Facilities Support | 45,520,000 | 2,081,694 | 43,438,306 | 4.6 |
| | | 16,200,000 | 1,431,968 | 14,768,032 | 8.8 |
| 411014110 | LCRH Devt | 7,200,000 | 1,431,968 | 5,768,032 | 19.9 |
| 411024110 | LCRH Devt | 9,000,000 | - | 9,000,000 | 0.0 |
| | | 344,440,000 | 11,312,374 | 333,127,626 | 3.3 |
| 412014110 | Medical Supplies | 343,000,000 | 11,312,374 | 331,687,626 | 3.3 |
| 412024110 | Health mgt | 1,440,000 | - | 1,440,000 | 0.0 |
| | | 31,410,000 | 18,538,188 | 12,871,812 | 59.0 |
| 413014110 | Health Information & Mgt | 1,440,000 | - | 1,440,000 | 0.0 |
| 413034110 | Universal Health Care | 29,970,000 | 18,538,188 | 11,431,812 | 61.9 |
| | | 5,458,000 | 308,855 | 5,149,145 | 5.7 |
| 414014110 | Rehabilitation & Treatment | 4,000,000 | 170,335 | 3,829,665 | 4.3 |
| 414034110 | Liquor Licensing | 1,458,000 | 138,519 | 1,319,481 | 9.5 |
| | Social protection programs/ Affirmative Action | 60,402,535 | 9,882,164 | 50,520,371 | 16.4 |
| 503024110 | Construction of PWDs multi-purpose resource center | 22,900,000 | 1,357,138 | 21,542,862 | 5.9 |
| 503074110 | Marginalized and Minority groups support | 3,160,000 | - | 3,160,000 | 0.0 |
| 503084110 | Child Rescue Centres | 12,000,000 | - | 12,000,000 | 0.0 |
| 503094110 | Child Care & Protection | 22,342,535 | 8,525,026 | 13,817,509 | 38.2 |

| Sub Program | Name of the Programme | Approved Estimates (Kshs.) | Expenditure (Kshs.) | Variance (Kshs.) | Absorption Rate (%) |
|--|--|----------------------------|---------------------|------------------|---------------------|
| | | A | B | C=A-B | D=B/A*100 |
| Sports and arts programme | | 20,281,224 | 247,937 | 20,033,287 | 1.2 |
| 504014110 | Construction of sport Stadia | 14,282,668 | 247,937 | 14,034,731 | 1.7 |
| 504044110 | Stadia | 5,998,556 | - | 5,998,556 | 0.0 |
| General Administration | | 861,645,451 | 541,270,420 | 320,375,031 | 62.8 |
| 506014110 | General Administration | 462,720,440 | 192,345,409 | 270,375,031 | 41.6 |
| 506024110 | Turkana Education and Skill Development Fund | 348,925,011 | 348,925,011 | (0) | 100.0 |
| 506044110 | Turkana Higher Education Loans | 50,000,000 | - | 50,000,000 | 0.0 |
| Vocational Training | | 43,376,413 | 11,305,354 | 32,071,059 | 26.1 |
| 508014110 | Youth Polytechnic Infrastructure | 17,903,732 | - | 17,903,732 | 0.0 |
| 508024110 | Training and Development | 9,467,999 | 2,590,799 | 6,877,200 | 27.4 |
| 508034110 | Co-Cirricular Activities | 3,294,788 | 766,885 | 2,527,903 | 23.3 |
| 508044110 | Youth Polytechnics- Conditional | 12,709,894 | 7,947,670 | 4,762,224 | 62.5 |
| Public Relations | | 3,528,000 | - | 3,528,000 | 0.0 |
| 509014110 | Publicity | 1,620,000 | - | 1,620,000 | 0.0 |
| 509024110 | Research and Sensitization | 1,908,000 | - | 1,908,000 | 0.0 |
| Early Childhood Education | | 429,362,417 | 9,273,793 | 420,088,624 | 2.2 |
| 510014110 | School Feeding | 116,620,000 | 3,464,238 | 113,155,762 | 3.0 |
| 510024110 | Quality Improvement | 7,008,595 | 2,813,803 | 4,194,792 | 40.1 |
| 510034110 | Infrastructure Development | 297,803,822 | 2,995,753 | 294,808,069 | 1.0 |
| 510044110 | Support to Pre-Primary Training | 7,930,000 | - | 7,930,000 | 0.0 |
| General Administration, Planning and Support Services | | 5,560,752,006 | 3,135,859,299 | 2,424,892,707 | 56.4 |
| 701014110 | General Administration Services | 570,245,357 | 85,000,825 | 485,244,532 | 14.9 |
| 701094110 | General Administration - Economic planning | 118,444,157 | 10,006,190 | 108,437,967 | 8.4 |
| 701154110 | General Admin Planning & Support | 46,539,350 | 4,882,100 | 41,657,250 | 10.5 |
| 701164110 | General Administration, Planning and Support Services-Public Service | 4,083,338,567 | 2,856,618,513 | 1,226,720,054 | 70.0 |
| 701174110 | General Administration, Planning and Support Services-Administrator | 108,543,628 | 47,093,242 | 61,450,386 | 43.4 |
| 701194110 | General Administration, Planning and Support Services- Office of | 349,622,773 | 90,239,200 | 259,383,573 | 25.8 |
| 701204110 | General Administration, Planning and Support Services- Liaison O | 20,340,000 | 9,764,616 | 10,575,384 | 48.0 |
| 701214110 | General Admin Planning & Support | 26,994,000 | 10,755,205 | 16,238,795 | 39.8 |
| 701224110 | COVID-19 Emergency Response Fund | 236,684,174 | 21,499,409 | 215,184,765 | 9.1 |
| Governor's Residence | | 11,781,879 | 2,129,925 | 9,651,954 | 18.1 |
| 702014110 | Construction of Governors residence | 2,268,591 | 675,726 | 1,592,865 | 29.8 |
| 702024110 | Documentation, communication policy and strategy | 3,024,789 | 624,532 | 2,400,257 | 20.6 |
| 702034110 | Civic Education and Public Sensitization | 4,663,182 | 829,666 | 3,833,516 | 17.8 |
| 702044110 | Production of County Newspaper and Newsletter | 1,825,317 | - | 1,825,317 | 0.0 |
| Donor/ Investor engagement | | 14,400,000 | 6,386,722 | 8,013,278 | 44.4 |
| 703014110 | Public-Private Partnership Initiatives (PPPs) | 1,440,000 | 1,102,490 | 337,510 | 76.6 |
| 703024110 | Political and Intergovernmental Advisory Services | 1,440,000 | 57,122 | 1,382,878 | 4.0 |
| 703034110 | Legal Advisory Services | 1,440,000 | 675,339 | 764,661 | 46.9 |
| 703044110 | Security and cross border Advisory Services | 1,440,000 | 740,346 | 699,654 | 51.4 |
| 703054110 | Oil And Gas Advisory Service | 1,440,000 | 900,452 | 539,548 | 62.5 |
| 703064110 | Gender and Partnership Advisory Services | 1,440,000 | 900,452 | 539,548 | 62.5 |
| 703074110 | Special Interest groups | 1,440,000 | 238,432 | 1,201,568 | 16.6 |
| 703084110 | Climate Change advisory services | 1,440,000 | 450,226 | 989,774 | 31.3 |

| Sub Program | Name of the Programme | Approved Estimates (Kshs.) | Expenditure (Kshs.) | Variance (Kshs.) | Absorption Rate (%) |
|---|---|----------------------------|---------------------|------------------|---------------------|
| | | A | B | C=A-B | D=B/A*100 |
| 703094110 | Education and youth Advisory services | 1,440,000 | 864,809 | 575,191 | 60.1 |
| 703104110 | Culture, Arts and Heritage advisory services | 1,440,000 | 457,054 | 982,946 | 31.7 |
| Security and Peace Building | | 105,975,274 | 32,959,682 | 73,015,592 | 31.1 |
| 704014110 | Community Cohesion and Resettlement | 10,288,800 | 6,561,704 | 3,727,096 | 63.8 |
| 704024110 | Operationalization of peace building structures and institutions | 24,660,986 | 8,899,039 | 15,761,947 | 36.1 |
| 704034110 | Resettlement Infrastructural Programme | 44,000,000 | - | 44,000,000 | 0.0 |
| 704044110 | Cross Border peace dividends programme | 27,025,488 | 17,498,940 | 9,526,548 | 64.7 |
| Government Communication and Media relations | | 22,442,394 | 12,975,331 | 9,467,063 | 57.8 |
| 705014110 | Acquiring & development of communication systems/equipment | 2,935,394 | 560,806 | 2,374,588 | 19.1 |
| 705024110 | Bills | 3,000,000 | - | 3,000,000 | 0.0 |
| 705034110 | Policies | 12,370,240 | 11,466,549 | 903,691 | 92.7 |
| 705044110 | Development and Implementation of ICT Policy and Regulations | 2,136,760 | - | 2,136,760 | 0.0 |
| 705054110 | Acquisition of Information Systems and Equipment | 2,000,000 | 947,975 | 1,052,025 | 47.4 |
| Revenue Collection Systems | | 31,374,307 | 13,930,293 | 17,444,014 | 44.4 |
| 706014110 | Automated Revenue Collection | 4,404,393 | 4,142,490 | 261,903 | 94.1 |
| 706024110 | Feasibility Study on Revenue Base | 2,192,833 | 2,157,220 | 35,613 | 98.4 |
| 706034110 | Awareness and Campaigns on Revenue. | 3,249,094 | 1,367,611 | 1,881,483 | 42.1 |
| 706044110 | Motorbikes for Revenue Officers 30 No. | 5,615,105 | - | 5,615,105 | 0.0 |
| 706054110 | Strengthening Revenue Systems | 14,775,499 | 5,125,590 | 9,649,909 | 34.7 |
| 706064110 | Revenue Forecast and Revenue Budget Preparation | 1,137,383 | 1,137,383 | 0 | 100.0 |
| Accountability and Transparency | | 133,457,961 | 14,615,805 | 118,842,156 | 11.0 |
| 707014110 | Internal Audit | 6,455,340 | 4,148,023 | 2,307,317 | 64.3 |
| 707024110 | Procurement systems | 6,117,694 | 225,113 | 5,892,581 | 3.7 |
| 707044110 | IFMIS training | 6,993,681 | 3,185,473 | 3,808,208 | 45.5 |
| 707054110 | Consultancy Services | 4,896,808 | - | 4,896,808 | 0.0 |
| 707064110 | Financial Reporting/Research and Development | 8,994,438 | 7,057,196 | 1,937,242 | 78.5 |
| 707074110 | Modern Fencing, Gate and Parking Yards for County Treasury Office | 100,000,000 | - | 100,000,000 | 0.0 |
| Social and Financial Security | | 15,679,182 | 5,792,537 | 9,886,645 | 36.9 |
| 708014110 | Assurance and Insurance of Govt. Assets | 3,061,182 | 855,542 | 2,205,640 | 27.9 |
| 708024110 | Liability and Debt Management | 3,978,000 | 1,918,212 | 2,059,788 | 48.2 |
| 708034110 | Turkana SACCO Seed Capital | 8,640,000 | 3,018,783 | 5,621,217 | 34.9 |
| Planning and Policy formulation | | 129,603,680 | 16,087,869 | 113,515,811 | 12.4 |
| 709014110 | Economic Policy formulation and Dissemination | 11,564,183 | 6,082,513 | 5,481,670 | 52.6 |
| 709024110 | CIDP review and Dissemination | 3,644,246 | 1,916,586 | 1,727,660 | 52.6 |
| 709034110 | Budget preparation and Dissemination | 45,000,000 | - | 45,000,000 | 0.0 |
| 709054110 | County Budget and Economic Forums | 54,000,000 | 2,908,459 | 51,091,541 | 5.4 |
| 709064110 | Public Participation and Access to Information | 8,196,591 | 2,884,259 | 5,312,332 | 35.2 |
| 709074110 | Waste Management | 3,569,500 | 1,067,836 | 2,501,664 | 29.9 |
| 709104110 | Sector Plans Devt | 3,629,160 | 1,228,216 | 2,400,944 | 33.8 |
| Development coordination Programme | | 4,638,340 | - | 4,638,340 | 0.0 |
| 710014110 | Donor scan/Mapping | 1,775,487 | - | 1,775,487 | 0.0 |
| 710024110 | Establishment of development committees | 1,141,022 | - | 1,141,022 | 0.0 |
| 710034110 | Training of the development committees | 854,110 | - | 854,110 | 0.0 |
| 710044110 | Formulation and Development of TCPSB Boardroom ICT Infrastructure | 867,721 | - | 867,721 | 0.0 |

| Sub Program | Name of the Programme | Approved Estimates (Kshs.) | Expenditure (Kshs.) | Variance (Kshs.) | Absorption Rate (%) |
|-------------|--|----------------------------|---------------------|------------------|---------------------|
| | | A | B | C=A-B | D=B/A*100 |
| | Monitoring and Evaluation | 8,503,582 | 1,858,245 | 6,645,337 | 21.9 |
| 711014110 | Soft wares(E-ProMIS, GIS e.t.c) | 2,123,067 | 585,294 | 1,537,773 | 27.6 |
| 711024110 | Field visits, data collection and Reporting | 2,402,600 | 318,910 | 2,083,690 | 13.3 |
| 711034110 | Training and Knowledge management | 2,442,063 | 192,597 | 2,249,466 | 7.9 |
| 711044110 | Devolved Monitoring and Evaluation Committees | 1,535,852 | 761,444 | 774,408 | 49.6 |
| | Public Participation and Access to Information | 36,336,526 | 19,691,208 | 16,645,318 | 54.2 |
| 712014110 | Construction of Citizen Resource Centre | 5,600,000 | 3,051,068 | 2,548,932 | 54.5 |
| 712024110 | Web site Development | 10,655,443 | 4,729,922 | 5,925,521 | 44.4 |
| 712034110 | Social Budgeting and Generation of SIR Reports | 3,024,000 | 306,404 | 2,717,596 | 10.1 |
| 712044110 | Intergovernmental Relation | 14,870,366 | 10,241,443 | 4,628,923 | 68.9 |
| 712054110 | Strategy Development, Review, Support and Operationalization | 2,186,717 | 1,362,371 | 824,346 | 62.3 |
| | County Statistical Unit | 37,154,747 | 16,541,165 | 20,613,582 | 44.5 |
| 713014110 | Soft wares, databases and tools | 24,521,794 | 11,245,472 | 13,276,322 | 45.9 |
| 713024110 | Capacity Development | 6,710,953 | 3,663,775 | 3,047,178 | 54.6 |
| 713044110 | Project Mgt Information System | 5,922,000 | 1,631,919 | 4,290,081 | 27.6 |
| | Service Delivery- ISO Certification | 11,662,651 | 4,495,042 | 7,167,609 | 38.5 |
| 714014110 | Service Charter | 2,232,000 | 256,529 | 1,975,471 | 11.5 |
| 714024110 | Development of County Filing Systems | 6,653,958 | 2,866,694 | 3,787,264 | 43.1 |
| 714034110 | Procedure Manual and Training | 2,776,693 | 1,371,819 | 1,404,874 | 49.4 |
| | County Internship Programme | 36,897,246 | 1,583,829 | 35,313,417 | 4.3 |
| 715014110 | County Internship Programme | 36,897,246 | 1,583,829 | 35,313,417 | 4.3 |
| | Operationalization of Decentralized Units | 88,659,324 | 12,622,935 | 76,036,389 | 14.2 |
| 717014110 | Operationalization of Decentralized Units | 10,890,000 | 3,152,177 | 7,737,823 | 28.9 |
| 717024110 | Decentralized County Policy | 33,912,000 | 7,396,217 | 26,515,783 | 21.8 |
| 717034110 | Coordinated development | 13,320,000 | 1,124,064 | 12,195,936 | 8.4 |
| 717044110 | Policy sensitization and dissemination | 8,190,000 | 950,477 | 7,239,523 | 11.6 |
| 717084110 | Completion of Kibish Sub County Office | 22,347,324 | - | 22,347,324 | 0.0 |
| | Mainstream Public Sector Integrity programme & Accountability | 5,772,328 | 100,050 | 5,672,278 | 1.7 |
| 718014110 | Mainstream Public Sector Integrity programme & Accountability | 1,358,825 | - | 1,358,825 | 0.0 |
| 718024110 | Public Evaluation on County Public Service Board Performance | 1,563,640 | - | 1,563,640 | 0.0 |
| 718034110 | Human Resource Conference & Symposium | 1,424,709 | 100,050 | 1,324,659 | 7.0 |
| 718044110 | Exit Meetings Per Department | 1,425,154 | - | 1,425,154 | 0.0 |
| | Disaster Risk Reduction | 2,959,577 | 305,816 | 2,653,761 | 10.3 |
| 719034110 | Assessment and stake holder capacity mapping | 1,420,059 | 305,816 | 1,114,243 | 21.5 |
| 719044110 | Regular Assessments of Food, Flood and Conflict Security | 1,539,518 | - | 1,539,518 | 0.0 |
| | Human resource | 12,914,068 | - | 12,914,068 | 0.0 |
| 720014110 | Scheme of service | 1,397,226 | - | 1,397,226 | 0.0 |
| 720024110 | Performance Appraisal | 3,072,467 | - | 3,072,467 | 0.0 |
| 720034110 | Enhancing Leadership In County Public Service | 1,285,407 | - | 1,285,407 | 0.0 |
| 720044110 | Review and Development of HR Policies | 1,563,171 | - | 1,563,171 | 0.0 |
| 720054110 | Human Resource Development/Career Progression | 1,351,206 | - | 1,351,206 | 0.0 |
| 720064110 | Performance Management Monitoring | 870,096 | - | 870,096 | 0.0 |

| Sub Program | Name of the Programme | Approved Estimates (Kshs.) | Expenditure (Kshs.) | Variance (Kshs.) | Absorption Rate (%) |
|-------------|---|----------------------------|---------------------|------------------|---------------------|
| | | A | B | C=A-B | D=B/A*100 |
| 720074110 | Development of Database Filing System | 1,146,421 | - | 1,146,421 | 0.0 |
| 720084110 | County Public Service Pre-Retirement Sensitization | 1,158,775 | - | 1,158,775 | 0.0 |
| 720094110 | Evaluation of Different Cadres of Employees(Promotion,Re-Designat | 1,069,299 | - | 1,069,299 | 0.0 |
| | Quality management system programming | 3,278,395 | - | 3,278,395 | 0.0 |
| 723014110 | Quality Management Systems (QMS) Development & Establishment | 910,999 | - | 910,999 | 0.0 |
| 723024110 | QMS Audit /Routine Inspection | 1,062,281 | - | 1,062,281 | 0.0 |
| 723034110 | Documentation/Record Management For QMS | 1,305,115 | - | 1,305,115 | 0.0 |
| | Budgetary Supply | 89,207,651 | 43,731,772 | 45,475,879 | 49.0 |
| 724014110 | Budget Formulation, Co-ordination and Management | 60,100,000 | 25,667,149 | 34,432,851 | 42.7 |
| 724024110 | Public Participation in Budgeting | 17,100,000 | 11,044,633 | 6,055,367 | 64.6 |
| 724034110 | County Budget and Economic Forum | 12,007,651 | 7,019,990 | 4,987,661 | 58.5 |
| | Resource Mobilization | 6,188,053 | 871,937 | 5,316,116 | 14.1 |
| 725014110 | Resource Mobilization | 6,188,053 | 871,937 | 5,316,116 | 14.1 |
| | Governors Press Service | 6,859,281 | 3,781,309 | 3,077,972 | 55.1 |
| 727014110 | Governors Press support | 6,859,281 | 3,781,309 | 3,077,972 | 55.1 |
| | Governance and Public participation | 12,150,000 | 2,216,112 | 9,933,888 | 18.2 |
| 728014110 | Civic education Programme | 1,440,000 | - | 1,440,000 | 0.0 |
| 728024110 | Public Participation and access to information | 2,970,000 | - | 2,970,000 | 0.0 |
| 728034110 | County Dialogue Forum | 1,440,000 | 666,584 | 773,416 | 46.3 |
| 728044110 | National & County Holidays | 5,130,000 | 1,549,527 | 3,580,473 | 30.2 |
| 728054110 | Policies Design | 1,170,000 | - | 1,170,000 | 0.0 |
| | Disaster risk management | 337,095,184 | 39,352,953 | 297,742,231 | 11.7 |
| 729014110 | Disaster Preparedness Programmes | 2,160,000 | - | 2,160,000 | 0.0 |
| 729024110 | Disaster Mitigation Programmes | 2,160,000 | 225,113 | 1,934,887 | 10.4 |
| 729034110 | Stakeholders coordination and Support Programme | 2,160,000 | - | 2,160,000 | 0.0 |
| 729044110 | Humanitarian Relief Food Programme | 329,895,184 | 39,127,840 | 290,767,344 | 11.9 |
| 729064110 | Disaster Risk Mgt | 720,000 | - | 720,000 | 0.0 |
| | Inspectorate services | 10,620,000 | 1,828,417 | 8,791,583 | 17.2 |
| 730054110 | Dispute Resolution | 720,000 | - | 720,000 | 0.0 |
| 730074110 | Capacity Building | 3,600,000 | 1,828,417 | 1,771,583 | 50.8 |
| 730084110 | Inspectorate Services | 2,880,000 | - | 2,880,000 | 0.0 |
| 730094110 | Inspectorate Services Equip | 3,420,000 | - | 3,420,000 | 0.0 |
| | Human resource management | 20,862,000 | 4,711,388 | 16,150,612 | 22.6 |
| 731014110 | Payroll and record management | 1,440,000 | 675,339 | 764,661 | 46.9 |
| 731024110 | Human Resource Development | 4,410,000 | 112,556 | 4,297,444 | 2.6 |
| 731034110 | GHRIS Leave & Performance Module Implementation | 2,160,000 | 207,379 | 1,952,621 | 9.6 |
| 731044110 | Digitization and Automation of Human Resource Registry | 3,960,000 | 2,069,788 | 1,890,212 | 52.3 |
| 731054110 | Mainstreaming Public Sector Integrity Programme | 3,600,000 | 586,644 | 3,013,356 | 16.3 |
| 731074110 | Public Service Week | 1,692,000 | - | 1,692,000 | 0.0 |
| 731094110 | Records Mgt | 1,440,000 | - | 1,440,000 | 0.0 |
| 731104110 | HRM | 2,160,000 | 1,059,682 | 1,100,318 | 49.1 |
| | | 10,524,741 | 4,584,775 | 5,939,966 | 43.6 |
| 735014110 | Govt Programming | 4,720,557 | 2,492,350 | 2,228,207 | 52.8 |

| Sub Program | Name of the Programme | Approved Estimates (Kshs.) | Expenditure (Kshs.) | Variance (Kshs.) | Absorption Rate (%) |
|-------------|--|----------------------------|---------------------|------------------|---------------------|
| | | A | B | C=A-B | D=B/A*100 |
| 735024110 | Community Engagement | 1,800,000 | 351,801 | 1,448,199 | 19.5 |
| 735034110 | Govt Stakeholder Engagement | 1,944,000 | 757,255 | 1,186,745 | 39.0 |
| 735044110 | Govt Transformation | 2,060,184 | 983,368 | 1,076,816 | 47.7 |
| | General Administration | 180,319,842 | 57,323,881 | 122,995,961 | 31.8 |
| 901014110 | General Administration, Planning and Support Services | 180,319,842 | 57,323,881 | 122,995,961 | 31.8 |
| | Tourism destination marketing and promotion | 13,083,772 | 1,230,699 | 11,853,073 | 9.4 |
| 902014110 | Tourism expos, incentives, conferences and exhibition program | 4,724,203 | 342,734 | 4,381,469 | 7.3 |
| 902024110 | Community Based Tourism products | 1,953,284 | 342,472 | 1,610,812 | 17.5 |
| 902054110 | Media Campaign and Promotion of Tourism Products and Programmes | 6,406,285 | 545,492 | 5,860,793 | 8.5 |
| | Tourism development and Promotion | 58,509,221 | 92,296 | 58,416,925 | 0.2 |
| 903014110 | Completion and Furnishing of Eco-Lodges | 52,035,000 | - | 52,035,000 | 0.0 |
| 903024110 | Phase II of Renovation of Tourism Infrastructure | 4,184,000 | - | 4,184,000 | 0.0 |
| 903034110 | Tourism Products | 2,290,221 | 92,296 | 2,197,925 | 4.0 |
| | Culture, arts, heritage development, promotion and preservation | 133,321,943 | 1,211,238 | 132,110,705 | 0.9 |
| 904014110 | Ushanga Initiative | 20,100,000 | - | 20,100,000 | 0.0 |
| 904024110 | Culture Promotion and Preservation | 83,186,000 | 140,320 | 83,045,680 | 0.2 |
| 904034110 | Arts and Creativity Development | 1,872,000 | - | 1,872,000 | 0.0 |
| 904044110 | Heritage Promotion | 3,863,943 | 439,350 | 3,424,593 | 11.4 |
| 904054110 | Annual tourism and cultural festival | 24,300,000 | 631,567 | 23,668,433 | 2.6 |
| | Culture development and preservation infrastructure | 10,400,000 | - | 10,400,000 | 0.0 |
| 905014110 | Equipment and Infrastructure Development at Ekalees Centre | 10,400,000 | - | 10,400,000 | 0.0 |
| | Forestry and wildlife management development and management | 27,442,352 | 1,914,023 | 25,528,329 | 7.0 |
| 906014110 | Forestry Management and Conservation | 3,773,952 | 1,625,128 | 2,148,824 | 43.1 |
| 906024110 | Community Wildlife Conservation | 3,956,400 | - | 3,956,400 | 0.0 |
| 906054110 | Forestry Development Infrastructure | 15,032,000 | 288,895 | 14,743,105 | 1.9 |
| 906084110 | Forestry Protection | 2,250,000 | - | 2,250,000 | 0.0 |
| 906094110 | Prosopis Mgt | 2,430,000 | - | 2,430,000 | 0.0 |
| | Turkana Water Programme | 439,205,368 | 14,976,467 | 424,228,901 | 3.4 |
| 1001014110 | General Administration, Planning and support services | 145,000,000 | - | 145,000,000 | 0.0 |
| 1001024110 | Construction and Desilting of Water Pans/Rock Catchment | 45,605,050 | - | 45,605,050 | 0.0 |
| 1001034110 | Rehabilitation of Water Infrastructure | 112,644,212 | 3,059,410 | 109,584,802 | 2.7 |
| 1001044110 | Drilling and Equipping of Boreholes | 118,409,736 | 9,319,129 | 109,090,607 | 7.9 |
| 1001084110 | Equipment of Quality Analysis Laboratory | 13,000,000 | - | 13,000,000 | 0.0 |
| 1001094110 | Project Coordination and Management | 4,546,370 | 2,597,928 | 1,948,442 | 57.1 |
| | Joint planning with stakeholders | 3,600,000 | 1,231,180 | 2,368,820 | 34.2 |
| 1002014110 | Technical planning and design | 3,600,000 | 1,231,180 | 2,368,820 | 34.2 |
| | IRRIGATION AND SCHEMES DEVELOPMENT PROGRAMME | 12,940,000 | 2,384,258 | 10,555,742 | 18.4 |
| 1003014110 | Feasibility studies for irrigation systems development | 10,440,000 | 2,384,258 | 8,055,742 | 22.8 |
| 1003024110 | Construction of 2 new irrigation schemes | 2,500,000 | - | 2,500,000 | 0.0 |
| | TURKANA AGRICULTURE PROGRAMME | 20,708,000 | 3,744,065 | 16,963,935 | 18.1 |
| 1004014110 | Farmers training | 5,850,000 | 3,744,065 | 2,105,935 | 64.0 |

| Sub Program | Name of the Programme | Approved Estimates (Kshs.) | Expenditure (Kshs.) | Variance (Kshs.) | Absorption Rate (%) |
|-------------|---|----------------------------|----------------------|----------------------|---------------------|
| | | A | B | C=A-B | D=B/A*100 |
| 1004024110 | Establishment of farm demonstrations and trials | 3,168,000 | - | 3,168,000 | 0.0 |
| 1004034110 | Organizing field days show and exhibitions | 8,000,000 | - | 8,000,000 | 0.0 |
| 1004124110 | Climate Change & Adaptation | 3,690,000 | - | 3,690,000 | 0.0 |
| | TURKANA REHABILITATION PROGRAMME | 17,800,007 | 250,125 | 17,549,882 | 1.4 |
| 1005014110 | Construction of trapezoidal bunds, contours & micro catchment | 2,718,000 | - | 2,718,000 | 0.0 |
| 1005024110 | Construction of rock catchments and sand dams | 1,728,000 | - | 1,728,000 | 0.0 |
| 1005034110 | Sinking of shallow wells | 7,056,007 | 250,125 | 6,805,882 | 3.5 |
| 1005064110 | Artisanal Mining Equipment | 2,500,000 | - | 2,500,000 | 0.0 |
| 1005074110 | Extractive Bills & Policies | 3,798,000 | - | 3,798,000 | 0.0 |
| | General Administration and Support | 549,824,189 | 237,846,914 | 311,977,275 | 43.3 |
| 1012014110 | General Administration and Support | 549,824,189 | 237,846,914 | 311,977,275 | 43.3 |
| | General Administration and Support | 11,520,000 | 4,314,814 | 7,205,186 | 37.5 |
| 1013014110 | Oil & gas | 7,740,000 | 2,629,344 | 5,110,656 | 34.0 |
| 1013024110 | Extractive Regulations & Strategies | 3,780,000 | 1,685,470 | 2,094,530 | 44.6 |
| | Grand Total | 15,032,757,284 | 5,584,671,723 | 9,448,085,561 | 37.2 |

Source: Turkana County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Biashara Fund, Revenue Forecast and Revenue Budget Preparation, and Turkana Education and Skill Development Fund at 100 per cent of budget allocation.

3.44.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.1.12 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.5.9 billion. The development expenditure represented 19 per cent of the annual development budget. The low absorption is partly because of failure by the County government to adhere to payment of projects despite the availability of funds in the CRF Account.
2. Fund Administrators failed to submit financial and non-financial statements in line with Section 168 of the PFM Act, 2012. The OCoB did not receive quarterly financial reports for the Turkana County Executive Mortgage Loan Scheme Fund, Turkana County Assembly Members car loan and Mortgage Scheme Fund, Turkana County Assembly Staff Mortgage Fund, and Turkana County Emergency Fund, and the Turkana County COVID-19 Fund.
3. High expenditure on domestic travel at Kshs.401.65 million. This high level of travel spending was unexpected during the period, considering that there were travel restrictions to contain the COVID-19 pandemic.

The County should implement the following recommendations to improve budget execution;

1. The County should identify and address issues causing delays in the implementation of development projects.
2. The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.
3. The County Treasury should review expenditure on travel and subsistence allowances to ensure it is credible and institute control measures to avoid wasteful spending.

3.45 County Government of Uasin Gishu

3.45.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.11.73 billion, comprising of Kshs.6.28 billion (53.5 per cent) and Kshs.5.45 billion (46.5 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.6.05 billion (51.6 per cent) as the equitable share of revenue raised nationally, Kshs.1.42 billion (12.1 per cent) as total conditional grants, generate Kshs.991 million (8.5 per cent) from own sources of revenue, and a cash balance of Kshs.3.27 billion (27.9 per cent) from FY 2019/20.

3.45.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.3.17 billion as equitable share of the revenue raised nationally, Kshs.518.86 million as conditional grants, raised Kshs.734.58 million as own-source revenue, and had a cash balance of Kshs.3.27 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.7.69 billion as shown in Table 3.250.

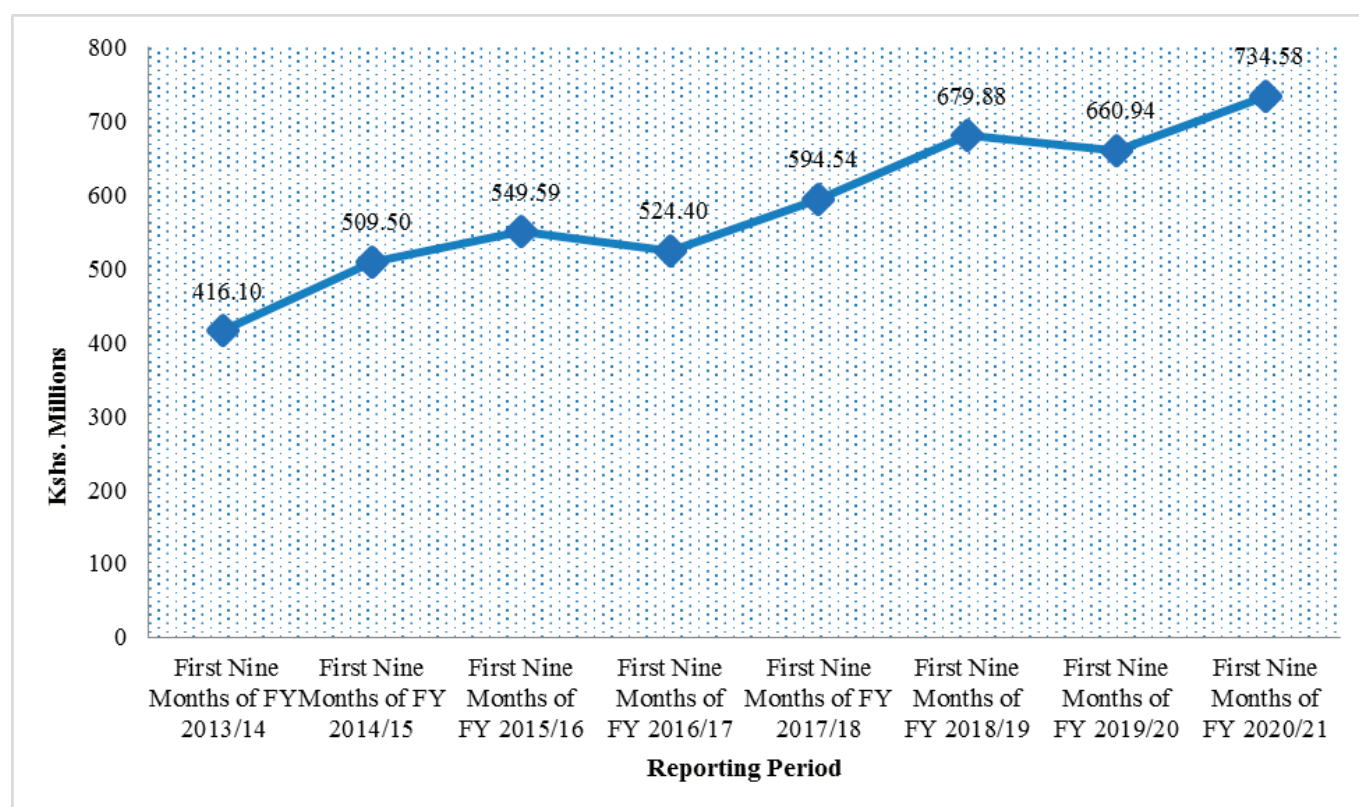
Table 3.250: Uasin Gishu County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|---|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 6,330,000,000 | 6,045,150,000 | 3,171,330,000 | 52.5 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Compensation for User Fee Foregone | 20,813,065 | 20,813,065 | - | - |
| 2. | Leasing of Medical Equipment | 132,021,277 | - | - | - |
| 3. | Road Maintenance Fuel Levy Fund | 180,175,373 | 180,175,373 | 45,043,843 | 25.0 |
| 4. | Rehabilitation of Village Polytechnics | 40,129,894 | 40,129,894 | 20,064,947 | 50.0 |
| Sub Total | | 373,139,609 | 241,118,332 | 65,108,790 | 27.0 |
| C. | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health Systems for Universal care Project (WB) | 114,973,599 | 114,973,599 | 55,376,881 | 48.2 |
| 2. | IDA (WB) Credit: Kenya Climate Smart Agriculture project (KCSAP) | 239,984,700 | 239,984,700 | 108,491,665.15 | 45.2 |
| 3. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | 630,147,800 | 630,147,800 | 179,441,646.90 | 28.5 |
| 5. | DANIDA Grant | 18,000,000 | 18,000,000 | 9,000,000 | 50.0 |
| 6. | EU Grant: Instruments for Devolution Advise and Support (IDEAS) | 11,000,000 | 11,000,000 | - | - |
| 7. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 12,720,859 | 12,720,859 | 10,048,831 | 79.0 |
| 8. | EU –Water Tower protection and Climate Change Mitigation and Adaptation Programme (WaTER) | 62,574,758 | 62,574,758 | - | - |
| 9. | COVID -19 Grant | - | 46,395,000 | 46,395,000 | 100.0 |
| Sub Total | | 1,134,401,716 | 1,180,796,716 | 453,754,024 | 38.4 |
| D. | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 991,000,000 | 734,577,793 | 74.1 |
| 2. | Balance b/f from FY 2019/20 | - | 3,269,022,050 | 3,269,022,050 | 100.0 |
| Sub Total | | - | 4,260,022,050 | 4,003,599,843 | 94.0 |
| Grand Total | | 7,837,541,325 | 11,727,087,098 | 7,693,792,657 | 65.6 |

Source: Uasin Gishu County Treasury

Figure 3.87 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.87: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Uasin Gishu County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.734.58 million as its own source revenue. This amount represented an increase of 11.1 per cent compared to Kshs.660.94 million realised during a similar period in FY 2019/20 and was 74.1 per cent of the annual target.

3.45.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.95 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.26 billion (25.6 per cent) for development programmes and Kshs.3.68 billion (74.4 per cent) for recurrent programmes.

3.45.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.4.91 billion on development and recurrent programmes. The expenditure represented 99.2 per cent of the total funds released by the COB and comprised of Kshs.1.31 billion and Kshs.3.60 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 20.9 per cent while recurrent expenditure represented 66 per cent of the annual recurrent expenditure budget.

3.45.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.69 billion was spent on compensation to employees, Kshs.908.68 million on operations and maintenance, and Kshs.1.31 billion on development activities as shown in Table 3.251.

Table 3.251: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 5,452,717,885 | 3,683,958,888 | 3,600,004,809 | 66.0 |
| Compensation to Employees | 3,771,850,852 | 2,698,429,256 | 2,691,327,710 | 71.4 |
| Operations and Maintenance | 1,680,867,033 | 985,529,632 | 908,677,099 | 54.1 |
| Total Development Expenditure | 6,274,369,213 | 1,263,345,490 | 1,311,740,465 | 20.9 |
| Development Expenditure | 6,274,369,213 | 1,263,345,490 | 1,311,740,465 | 20.9 |
| Total | 11,727,087,098 | 4,947,304,378 | 4,911,745,274 | 41.9 |

Source: Uasin Gishu County Treasury

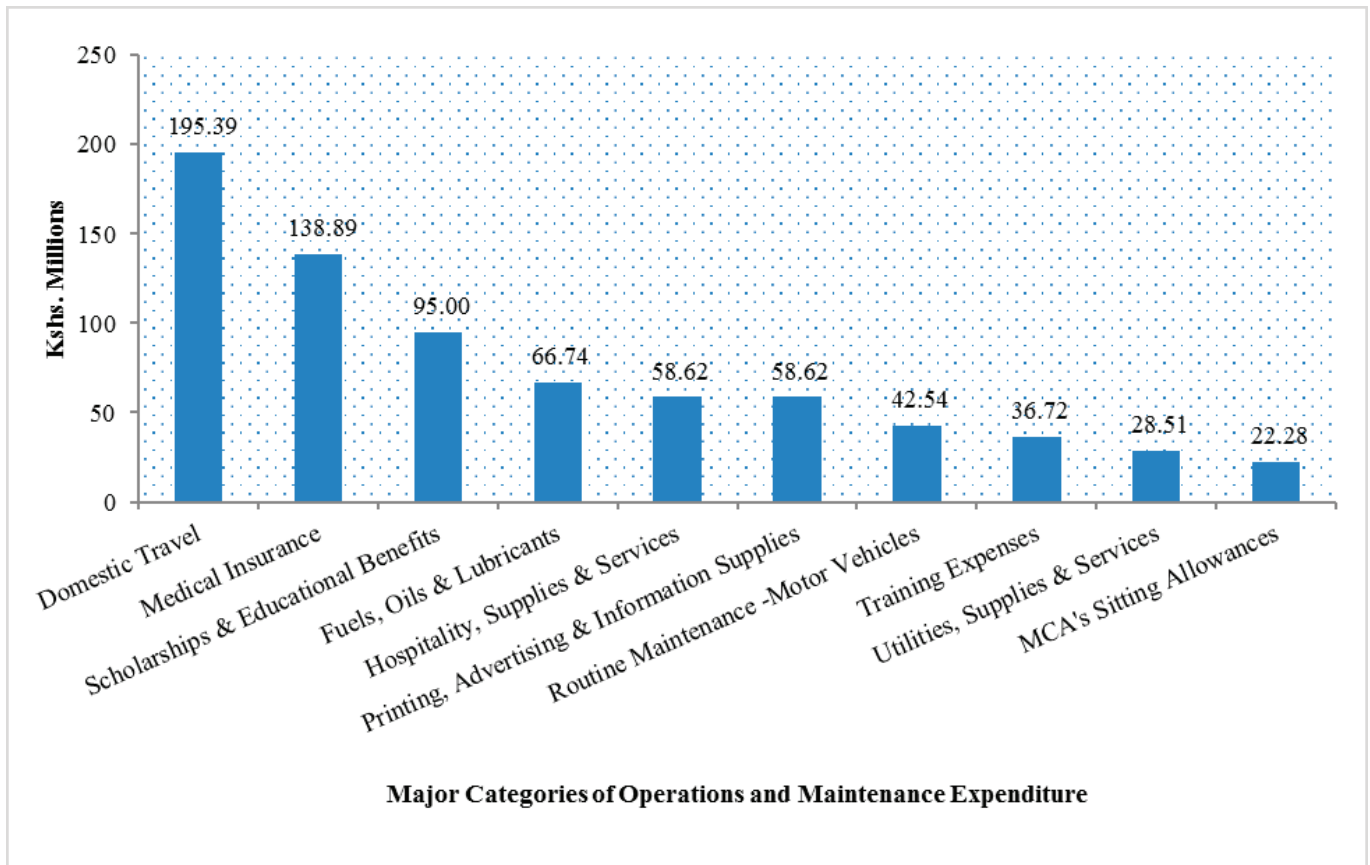
3.45.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government’s expenditure on wages and benefits at 35 per cent of the County’s total revenue. Expenditure on compensation to employees was 54.8 per cent of the total expenditure for the reporting period and 30.6 per cent of the first nine months proportional revenue estimate of Kshs.8.79 billion.

3.45.7 Expenditure on Operations and Maintenance

Figure 3.88 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.88: Uasin Gishu County, Operations and Maintenance Expenditure by Major Categories



Source: Uasin Gishu County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.22.28 million on committee sitting allowances for the 47 MCAs and Speaker against the annual budget allocation of Kshs.36.69 million. The average monthly sitting allowance was Kshs.51,566 per MCA against the SRC’s recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.195.39 million and comprised of Kshs.92.34 million spent by the County Assembly and Kshs.103.05 million by the County Executive. Expenditure on foreign travel amounted to Kshs.13.70 million and consisted of Kshs.6.90 million by the County Assembly and Kshs.6.80 million by the County Executive.

3.45.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs.425.91 million to cater for COVID-19 related expenditure. A total of Kshs.52.01 million was spent during the reporting period, as shown in Table 3.252.

Table 3.252: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March 2021 (Kshs) |
|------|---|---------------------------------|--|
| 1. | Medical Equipment's and Safety gears (PPEs) | 373,896,873 | - |
| 2. | Health Workers COVID 19 allowance | 45,395,000 | 45,395,000 |

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March 2021 (Kshs) |
|--------------|--|---------------------------------|--|
| 3. | Disbursement to level 2 and level 3 Health Facilities for COVID -19 Mitigation | 6,615,000 | 6,615,000 |
| Total | | 425,906,873 | 52,010,000 |

Source: Uasin Gishu County Treasury

3.45.9 Development Expenditure

The County incurred expenditure of Kshs.1.31 billion on development programmes, which represented an increase of 17 per cent compared to a similar period in FY 2019/20 when the County spent Kshs. 1.12 billion. Table 3.253 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.253: Uasin Gishu County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|--|--------------------------|------------------------|------------------------------------|---------------------|
| 1 | Phase 2 Construction of Kesses Level IV Hospital | Tulwet/Chuiyat Ward | 174,620,533 | 93,958,998 | 53.8 |
| 2 | Construction of Ziwa Level V Hospital | Ziwa Ward | 337,527,708 | 70,024,190 | 20.7 |
| 3 | Construction of Ainabkoi Sub County Office | Wournifor Centre | 55,358,355 | 29,887,747 | 54.0 |
| 4 | Construction of Chagaiya High Altitude Training Camp | Tarakwa Ward | 82,698,220 | 28,925,464 | 35.0 |
| 5 | Purchase of Truck-mounted Skip Loader Complete with Bin 8-10 Cubed Capacity | Headquarters | 22,500,000 | 22,350,000 | 99.3 |
| 6 | Purchase of Lighting Equipment | All Wards | 15,073,196 | 15,073,196 | 100.0 |
| 7 | Purchase of passion fruits, seedlings, water tanks, fertilizer, fungicides and plain wires | Countywide | 44,100,000 | 14,857,760 | 33.7 |
| 8 | Erection and Completion of Kapseret Sub County office | Kapseret Centre | 55,358,355 | 12,438,334 | 22.5 |
| 9 | Purchase, Supply and Delivery of Refuse Compactor | Countywide | 10,590,000 | 10,590,000 | 100.00 |
| 10 | Purchase and Installation of County outdoor 2 Double LED Screen | Nandi Road -Eldoret Town | 9,928,000 | 9,928,000 | 100.00 |

Source: Uasin Gishu County Treasury

3.45.10 Budget Performance by Department

Table 3.254 shows a summary of the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.254: Uasin County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|--------|----------------------------------|--------|-----------------------------|--------|-------------------------------------|-------|---------------------|------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Office of the Governor | 83.05 | - | 66.00 | 0 | 69.42 | - | 105.2 | - | 83.6 | - |
| Finance | 404.61 | - | 305.33 | 0 | 204.46 | - | 67.0 | - | 50.5 | - |
| Public Service Management | 546.3 | 11.83 | 524.35 | 7.39 | 512.00 | 7.39 | 97.6 | 100.0 | 93.7 | 62.5 |
| ICT & E-Government | 41.85 | 38.31 | 30.37 | 18.95 | 18.08 | 17.95 | 59.5 | 94.7 | 43.2 | 46.8 |
| Roads, Transport, Energy & Public Works | 408.09 | 935.23 | 330.32 | 308.38 | 255.11 | 285.17 | 77.2 | 92.5 | 62.5 | 30.5 |
| Lands and Housing | 76.37 | 690.22 | 55.77 | 26.24 | 65.04 | 25.77 | 116.6 | 98.2 | 85.2 | 3.7 |
| Water, Environment, Natural Resources, Tourism and Wildlife | 118.2 | 599.69 | 91.13 | 84.08 | 63.17 | 82.52 | 69.3 | 98.1 | 53.4 | 13.8 |
| Health Services | 2,236.59 | 900.48 | 1,075.57 | 176.25 | 1,337.04 | 181.57 | 124.3 | 103.0 | 59.8 | 20.2 |
| Agriculture | 234.16 | 528.94 | 166.03 | 135.38 | 213.99 | 258.60 | 128.9 | 191.0 | 91.4 | 48.9 |
| Trade, Investment and Industrialization | 13.01 | 218.99 | 4.95 | 73.76 | 6.18 | 66.74 | 124.9 | 90.5 | 47.5 | 30.5 |
| Education, Culture and Social Services | 406.5 | 147.63 | 381.80 | 93.58 | 282.56 | 103.68 | 74.0 | 110.8 | 69.5 | 70.2 |
| County Public Service Board | 45.61 | - | 20.93 | - | 22.22 | - | 106.2 | - | 48.7 | - |
| County Assembly | 686.01 | 120.00 | 572.66 | - | 456.25 | - | 79.7 | - | 66.5 | - |
| Economic Planning | 68.61 | - | 31.93 | - | 39.82 | - | 124.7 | - | 58.0 | - |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|-----------------|-------------------------------------|--------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Devolution and Public Administration | 38.05 | 98.36 | 13.56 | 54.04 | 21.74 | 61.82 | 139.7 | 114.4 | 57.1 | 62.9 |
| Youth Affairs, Gender and Sports Development | 16.02 | 197.17 | 6.70 | 55.65 | 15.22 | 59.60 | 227.1 | 107.1 | 95.0 | 30.2 |
| Cooperatives and Enterprise Development | 4.15 | 32.39 | 1.13 | 14.50 | 2.37 | 35.41 | 210.2 | 244.2 | 57.1 | 109.3 |
| Livestock Development and Fisheries | 4.37 | 155.72 | 0.81 | 24.81 | 3.00 | 26.53 | 370.6 | 106.9 | 68.6 | 17.0 |
| Physical Planning and Urban Development | 4.65 | 50.58 | 0.81 | 2.86 | 2.51 | 6.46 | 310.7 | 225.7 | 53.9 | 12.8 |
| Eldoret Municipality | 16.52 | 1,548.85 | 1,800.89 | 187.47 | 9.82 | 92.53 | 545.2 | 14.4 | 59.4 | 6.0 |
| Total | 5,452.72 | 6,274.37 | 3,683.96 | 1,263.35 | 3,600.00 | 1,311.74 | 97.7 | 103.8 | 66.0 | 20.9 |

Source: Uasin Gishu County Treasury

Analysis of expenditure by department shows that the Department of Cooperatives and Enterprise Development recorded the highest absorption rate of development budget at 109.3 per cent while the County Assembly did not report any expenditure on development activities. The Department of Public Service and Management had the highest percentage of recurrent expenditure to budget at 93.7 per cent, while the Department of ICT and E-Government had the lowest at 43.2 per cent.

The total expenditure on development activities is higher than total development exchequer because of the utilization of conditional grants in the Special Purpose Accounts at the beginning of the financial year.

3.45.11 Budget Execution by Programmes and Sub-Programmes

Table 3.255 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.255: Uasin Gishu County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|-------------------------------------|-------------------------|-------------------------|------------------------|----------------|
| Default Value (Non-Departmental) | | 0 | 108,352,413.00 | -108,352,413.00 | - |
| | | 0 | 108,352,413.00 | -108,352,413.00 | - |
| Office of the Governor | | | | | |
| Administration - Governor's Office | Administration And Support Services | 73,953,462.00 | 60,872,185.00 | 13,081,277.00 | 82.3 |
| | | 73,953,462.00 | 60,872,185.00 | 13,081,277.00 | 82.3 |
| Inter- Governmental Committee | Administration And Support Services | 1,543,128.00 | 1,542,300.00 | 828 | 99.9 |
| | | 1,543,128.00 | 1,542,300.00 | 828 | 99.9 |
| 504004310 | Administration And Support Services | 7,550,000.00 | 7,111,121.00 | 438,879.00 | 94.2 |
| | | 7,550,000.00 | 7,111,121.00 | 438,879.00 | 94.2 |
| | Sub Total | 83,046,590.00 | 69,525,606.00 | 13,520,984.00 | 83.7 |
| Finance and Economic Planning | | | | | |
| Administration - Finance and Economic Planning | Public Finance Management | 370,484,906.00 | 171,459,359.20 | 199,025,546.80 | 46.3 |
| | | 370,484,906.00 | 171,459,359.20 | 199,025,546.80 | 46.3 |
| Revenue Section | Public Finance Management | 22,840,000.00 | 21,962,253.00 | 877,747.00 | 96.2 |
| | | 22,840,000.00 | 21,962,253.00 | 877,747.00 | 96.2 |
| Accounts Section | Public Finance Management | 1,884,862.00 | 1,838,525.00 | 46,337.00 | 97.5 |
| | | 1,884,862.00 | 1,838,525.00 | 46,337.00 | 97.5 |
| Procurement and Supplies Section | Public Finance Management | 2,250,000.00 | 2,113,380.00 | 136,620.00 | 93.9 |
| | | 2,250,000.00 | 2,113,380.00 | 136,620.00 | 93.9 |
| Internal Audit Section | Public Finance Management | 7,150,000.00 | 7,083,770.00 | 66,230.00 | 99.1 |
| | | 7,150,000.00 | 7,083,770.00 | 66,230.00 | 99.1 |
| | Sub Total | 404,609,768.00 | 204,457,287.20 | 200,152,480.80 | 50.5 |
| Public Service Management | | | | | |
| Administration- Public Service Management | County Governance Support Services | 11,830,079.00 | 7,388,000.00 | 4,442,079.00 | 62.5 |
| | Administration And Support Services | 532,108,561.00 | 505,974,437.30 | 26,134,123.70 | 95.1 |
| | | 543,938,640.00 | 513,362,437.30 | 30,576,202.70 | 94.4 |

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|--|---|-------------------------|-------------------------|-----------------------|----------------|
| Communication Section | Administration And Support Services | 1,380,000.00 | 1,023,300.00 | 356,700.00 | 74.2 |
| | | 1,380,000.00 | 1,023,300.00 | 356,700.00 | 74.2 |
| Legal Section | Administration And Support Services | 11,743,860.00 | 5,582,655.00 | 6,161,205.00 | 47.5 |
| | | 11,743,860.00 | 5,582,655.00 | 6,161,205.00 | 47.5 |
| Registry Section | Administration And Support Services | 320,000.00 | 166,500.00 | 153,500.00 | 52.0 |
| | | 320,000.00 | 166,500.00 | 153,500.00 | 52.0 |
| Human Resource Section | Administration And Support Services | 750,000.00 | 473,600.00 | 276,400.00 | 63.1 |
| | | 750,000.00 | 473,600.00 | 276,400.00 | 63.1 |
| | Sub Total | 558,132,500.00 | 520,608,492.30 | 37,524,007.70 | 93.3 |
| ICT And E-Government | | | | | |
| Administration- ICT and E-Government | Administrative Support Services | 48,088,768.00 | 22,800,292.50 | 25,288,475.50 | 47.4 |
| | Ict Infrastructure Development | 32,068,723.00 | 13,228,755.00 | 18,839,968.00 | 41.3 |
| | | 80,157,491.00 | 36,029,047.50 | 44,128,443.50 | 44.9 |
| | Sub Total | 80,157,491.00 | 36,029,047.50 | 44,128,443.50 | 44.9 |
| Roads, Transport And Public Works | | | | | |
| Administration - Roads, Transport and Infrastructure | Roads Infrastructure Development | 224,553,901.00 | 110,900,000.00 | 113,653,901.00 | 49.4 |
| | | 224,553,901.00 | 110,900,000.00 | 113,653,901.00 | 49.4 |
| Roads Department | Roads Infrastructure Development | 1,022,672,757.00 | 380,608,120.20 | 642,064,636.80 | 37.2 |
| | | 1,022,672,757.00 | 380,608,120.20 | 642,064,636.80 | 37.2 |
| Fire and Emergency Respond Department | Disaster Management | 3,795,011.00 | 1,645,993.70 | 2,149,017.30 | 43.4 |
| | Roads Infrastructure Development | 50,000.00 | 50,000.00 | 0 | 100.0 |
| | | 3,845,011.00 | 1,695,993.70 | 2,149,017.30 | 44.1 |
| Public Works Department | Roads Infrastructure Development | 1,050,000.00 | 72,000.00 | 978,000.00 | 6.9 |
| | | 1,050,000.00 | 72,000.00 | 978,000.00 | 6.9 |
| Transport Department | Disaster Management | 5,714,000.00 | 0 | 5,714,000.00 | - |
| | | 5,714,000.00 | 0 | 5,714,000.00 | - |
| 209004310 | Street Lighting Services | 85,487,430.00 | 52,452,330.00 | 33,035,100.00 | 61.4 |
| | | 85,487,430.00 | 52,452,330.00 | 33,035,100.00 | 61.4 |
| | Sub Total | 1,343,323,099.00 | 545,728,443.90 | 797,594,655.10 | 40.6 |
| Lands And Housing | | | | | |
| Administration- Lands, Housing and Physical Planning | Land Policy And Management | 134,693,395.00 | 62,910,380.75 | 71,783,014.25 | 46.7 |
| | | 134,693,395.00 | 62,910,380.75 | 71,783,014.25 | 46.7 |
| Physical Planning Section | Land Policy And Management | 16,410,725.00 | 7,055,800.00 | 9,354,925.00 | 43.0 |
| | | 16,410,725.00 | 7,055,800.00 | 9,354,925.00 | 43.0 |
| Survey Section | Land Policy And Management | 14,342,039.00 | 3,616,336.40 | 10,725,702.60 | 25.2 |
| | | 14,342,039.00 | 3,616,336.40 | 10,725,702.60 | 25.2 |
| Housing Section | Land Policy And Management | 601,140,095.00 | 17,223,536.00 | 583,916,559.00 | 2.9 |
| | | 601,140,095.00 | 17,223,536.00 | 583,916,559.00 | 2.9 |
| | Sub Total | 766,586,254.00 | 90,806,053.15 | 675,780,200.85 | 11.8 |
| Water, Environment, Natural Resources, Tourism And Wildlife | | | | | |
| Administration- Water, Environment, Energy and Natural resources | Water Supply Services | 118,201,759.00 | 63,165,477.50 | 55,036,281.50 | 53.4 |
| | | 118,201,759.00 | 63,165,477.50 | 55,036,281.50 | 53.4 |
| Environment Section | Environmental Management And Protection | 160,790,000.00 | 32,940,000.00 | 127,850,000.00 | 20.5 |
| | | 160,790,000.00 | 32,940,000.00 | 127,850,000.00 | 20.5 |
| Water Section | Water Supply Services | 425,307,241.00 | 47,920,701.00 | 377,386,540.00 | 11.3 |
| | | 425,307,241.00 | 47,920,701.00 | 377,386,540.00 | 11.3 |
| Energy Section | Tourism Development And Marketing | 13,591,390.00 | 1,657,920.00 | 11,933,470.00 | 12.2 |
| | | 13,591,390.00 | 1,657,920.00 | 11,933,470.00 | 12.2 |
| | Sub Total | 717,890,390.00 | 145,684,098.50 | 572,206,291.50 | 20.3 |
| Health Services | | | | | |
| Administration- Health Services | Administration And Support Services | 2,394,083,995.00 | 1,726,992,655.10 | 667,091,339.90 | 72.1 |
| | Curative Health Services | 124,200,000.00 | 3,518,510.80 | 120,681,489.20 | 2.8 |
| | Health Infrastructure | 230,494,706.00 | 138,965,479.65 | 91,529,226.35 | 60.3 |
| | | 2,748,778,701.00 | 1,869,476,645.55 | 879,302,055.45 | 68.0 |

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|--|-------------------------|-------------------------|-------------------------|----------------|
| Clinical Services | Clinical Services | 248,183,873.00 | 0 | 248,183,873.00 | - |
| | Administration And Support Services | 125,653,176.00 | 215,630.00 | 125,437,546.00 | 0.2 |
| | Health Infrastructure | 13,700,000.00 | 0 | 13,700,000.00 | - |
| | | 387,537,049.00 | 215,630.00 | 387,321,419.00 | 0.1 |
| Prevention and Health Promotion | Administration And Support Services | 749,785.00 | 355,800.00 | 393,985.00 | 47.5 |
| | | 749,785.00 | 355,800.00 | 393,985.00 | 47.5 |
| | Sub Total | 3,137,065,535.00 | 1,870,048,075.55 | 1,267,017,459.45 | 59.6 |
| Agriculture | | | | | |
| Administration- Agriculture, Livestock and Fisheries | Administration Support Services | 229,555,060.00 | 212,323,162.60 | 17,231,897.40 | 92.5 |
| | | 229,555,060.00 | 212,323,162.60 | 17,231,897.40 | 92.5 |
| Agriculture | Crop Development And Management | 467,476,539.00 | 248,231,924.90 | 219,244,614.10 | 53.1 |
| | | 467,476,539.00 | 248,231,924.90 | 219,244,614.10 | 53.1 |
| Chebororwa Training Center | Agricultural Training Services - Chebororwa | 23,645,443.00 | 4,611,182.40 | 19,034,260.60 | 19.5 |
| | | 23,645,443.00 | 4,611,182.40 | 19,034,260.60 | 19.5 |
| Agricultural Machinery Service | Agricultural Mechanization Services | 42,422,968.00 | 9,211,130.00 | 33,211,838.00 | 21.7 |
| | | 42,422,968.00 | 9,211,130.00 | 33,211,838.00 | 21.7 |
| | Sub Total | 763,100,010.00 | 474,377,399.90 | 288,722,610.10 | 62.2 |
| Trade, Investment And Industrialization | | | | | |
| Administration- Trade, Cooperatives, Tourism and Wildlife | Administration And Support Services | 13,006,144.00 | 6,183,645.60 | 6,822,498.40 | 47.5 |
| | | 13,006,144.00 | 6,183,645.60 | 6,822,498.40 | 47.5 |
| Trade Department | Market Services | 92,400,000.00 | 24,089,201.25 | 68,310,798.75 | 26.1 |
| | Trade Development And Investment | 126,587,187.00 | 42,809,590.00 | 83,777,597.00 | 33.8 |
| | | 218,987,187.00 | 66,898,791.25 | 152,088,395.75 | 30.5 |
| | Sub Total | 231,993,331.00 | 73,082,436.85 | 158,910,894.15 | 31.5 |
| Education, Culture And Social Services | | | | | |
| Administration - Education, Social Cultural, Youth and Sports | Administration And Support Services | 384,976,008.00 | 264,785,738.10 | 120,190,269.90 | 68.8 |
| | | 384,976,008.00 | 264,785,738.10 | 120,190,269.90 | 68.8 |
| Education Department | Basic Education | 110,026,679.00 | 99,272,200.00 | 10,754,479.00 | 90.2 |
| | Administration And Support Services | 1,548,772.00 | 301,000.00 | 1,247,772.00 | 19.4 |
| | | 111,575,451.00 | 99,573,200.00 | 12,002,251.00 | 89.2 |
| Department of Culture | Administration And Support Services | 15,300,000.00 | 14,686,580.00 | 613,420.00 | 96.0 |
| | | 15,300,000.00 | 14,686,580.00 | 613,420.00 | 96.0 |
| Social Service Department | Administration And Support Services | 4,670,702.00 | 3,593,334.00 | 1,077,368.00 | 76.9 |
| | Youth Training And Development | 6,600,839.00 | 4,402,818.00 | 2,198,021.00 | 66.7 |
| | Community Development Services | 30,000,000.00 | 0 | 30,000,000.00 | - |
| | Social Development Services | 1,000,000.00 | 0 | 1,000,000.00 | - |
| | | 42,271,541.00 | 7,996,152.00 | 34,275,389.00 | 18.9 |
| | Sub Total | 554,123,000.00 | 387,041,670.10 | 167,081,329.90 | 69.8 |
| County Public Service Board | | | | | |
| Headquarters - County Public Service Board | Administration And Support Services | 45,614,234.00 | 22,224,072.10 | 23,390,161.90 | 48.7 |
| | | 45,614,234.00 | 22,224,072.10 | 23,390,161.90 | 48.7 |
| | Sub Total | 45,614,234.00 | 22,224,072.10 | 23,390,161.90 | 48.7 |
| County Assembly | | | | | |
| Headquarters | County Planning And Economic Policy Management | 806,014,946.00 | 482,075,837.00 | 323,939,109.00 | 59.8 |
| | | 806,014,946.00 | 482,075,837.00 | 323,939,109.00 | 59.8 |
| | Sub Total | 806,014,946.00 | 482,075,837.00 | 323,939,109.00 | 59.8 |
| Economic Planning | | | | | |
| 702004310 | County Planning And Economic Policy Management | 58,605,271.00 | 38,094,970.00 | 20,510,301.00 | 65.0 |
| | | 58,605,271.00 | 38,094,970.00 | 20,510,301.00 | 65.0 |
| 702004310 | County Planning And Economic Policy Management | 10,000,000.00 | 1,730,000.00 | 8,270,000.00 | 17.3 |

| Programme | Sub- Programme | Approved Budget (Kshs.) | Actual Payments (Kshs.) | Variance (Kshs.) | Absorption (%) |
|---|--|--------------------------|-------------------------|-------------------------|----------------|
| | | 10,000,000.00 | 1,730,000.00 | 8,270,000.00 | 17.3 |
| | Sub Total | 68,605,271.00 | 39,824,970.00 | 28,780,301.00 | 58.0 |
| Devolution, Public Administration And Coordination | | | | | |
| 105004310 | Administration Support Services | 70,000,000.00 | 50,735,736.00 | 19,264,264.00 | 72.5 |
| 206004310 | Public Works Services | 28,358,355.00 | 11,088,147.00 | 17,270,208.00 | 39.1 |
| 504004310 | Administration And Support Services | 38,052,103.00 | 21,741,558.00 | 16,310,545.00 | 57.1 |
| | | 136,410,458.00 | 83,565,441.00 | 52,845,017.00 | 61.3 |
| | Sub Total | 136,410,458.00 | 83,565,441.00 | 52,845,017.00 | 61.3 |
| Youth Affairs, Gender And Sports Development | | | | | |
| Youth and Gender Affairs | Administration And Support Services | 14,973,807.00 | 9,140,500.00 | 5,833,307.00 | 61.0 |
| | Administration And Support Services | 7,176,915.00 | 3,729,318.00 | 3,447,597.00 | 52.0 |
| | | 22,150,722.00 | 12,869,818.00 | 9,280,904.00 | 58.1 |
| Youth and Gender Affairs | Youth Training and Development | 62,439,724.00 | 25,187,960.00 | 37,251,764.00 | 40.3 |
| | Administration and Support Services | 8,240,000.00 | 3,683,520.00 | 4,556,480.00 | 44.7 |
| | | 70,679,724.00 | 28,871,480.00 | 41,808,244.00 | 40.8 |
| Youth and Gender Affairs | Tourism Development and Marketing | 46,655,799.00 | 27,881,885.00 | 18,773,914.00 | 59.8 |
| | Administration and Support Services | 600,000.00 | 395,610.00 | 204,390.00 | 65.9 |
| | Management and Development of Sports And Sports Facilities | 73,100,000.00 | 0 | 73,100,000.00 | - |
| | | 120,355,799.00 | 28,277,495.00 | 92,078,304.00 | 23.5 |
| | Sub Total | 213,186,245.00 | 70,018,793.00 | 143,167,452.00 | 32.8 |
| Cooperatives And Enterprise Development | | | | | |
| 304004310 | Cooperatives Development And Marketing | 18,539,098.00 | 8,783,345.25 | 9,755,752.75 | 47.4 |
| | | 18,539,098.00 | 8,783,345.25 | 9,755,752.75 | 47.4 |
| 305004310 | Weights And Measurements | 18,000,000.00 | 29,000,000.00 | -11,000,000.00 | 161.1 |
| | | 18,000,000.00 | 29,000,000.00 | -11,000,000.00 | 161.1 |
| | Sub Total | 36,539,098.00 | 37,783,345.25 | -1,244,247.25 | 103.4 |
| Livestock Development And Fisheries | | | | | |
| 101004310 | Livestock Resource Management And Development | 68,542,258.00 | 0 | 68,542,258.00 | - |
| 102004310 | Crop Development And Management | 4,374,227.00 | 3,002,485.00 | 1,371,742.00 | 68.6 |
| | | 72,916,485.00 | 3,002,485.00 | 69,914,000.00 | 4.1 |
| 104004310 | Fisheries Development | 11,028,960.00 | 3,457,560.00 | 7,571,400.00 | 31.3 |
| | | 11,028,960.00 | 3,457,560.00 | 7,571,400.00 | 31.3 |
| 101004310 | Livestock Resource Management and Development | 76,145,950.00 | 24,974,536.40 | 51,171,413.60 | 32.8 |
| | | 76,145,950.00 | 24,974,536.40 | 51,171,413.60 | 32.8 |
| | Sub Total | 160,091,395.00 | 31,434,581.40 | 128,656,813.60 | 19.6 |
| Physical Planning And Urban Development | | | | | |
| Physical Planning and Urban Development | Housing Development | 4,654,065.00 | 2,508,269.55 | 2,145,795.45 | 53.9 |
| | | 4,654,065.00 | 2,508,269.55 | 2,145,795.45 | 53.9 |
| | Housing Development | 50,578,104.00 | 6,464,802.00 | 44,113,302.00 | 12.8 |
| | | 50,578,104.00 | 6,464,802.00 | 44,113,302.00 | 12.8 |
| | Sub Total | 55,232,169.00 | 8,973,071.55 | 46,259,097.45 | 16.2 |
| Eldoret Municipality | | | | | |
| Eldoret Municipality | Housing Development | 339,090,514.00 | 13,978,811.00 | 325,111,703.00 | 4.1 |
| | Rural Electrification | 37,573,900.00 | 0 | 37,573,900.00 | - |
| | Roads Infrastructure Development | 1,188,700,900.00 | 88,606,273.05 | 1,100,094,626.95 | 7.5 |
| | | 1,565,365,314.00 | 102,585,084.05 | 1,462,780,229.95 | 6.6 |
| | Sub Total | 1,565,365,314.00 | 102,585,084.05 | 1,462,780,229.95 | 6.6 |
| | Grand Total | 11,727,087,098.00 | 5,404,226,219.30 | 6,322,860,878.70 | 46.1 |

Source: Uasin Gishu County Treasury

Sub-Programmes with the highest levels of implementation based on absorption rates were: Weight and measures in the Department of Cooperatives and Enterprise Development at 161.1 per cent, Intergovernmental Committee in the Office of the Governor Department at 99.9 per cent and Internal Audit Section in the Department of Finance and Economic Planning at 99.1 per of budget allocation.

3.45.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. Low absorption of development funds as indicated by the expenditure of Kshs.1.31 billion in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.6.27 billion. The development expenditure represented 20.9 per cent of the annual development budget.
2. Fund Administrators failed to submit financial and non-financial statements in line with Section 168 of the PFM Act, 2012. Specifically, the OCoB had not received quarterly financial statements for the Uasin Gishu County Executive Car Loan Scheme Fund, Uasin Gishu County Bursary and Scholarship Fund, Uasin Gishu County Cooperative and Enterprise Fund, Uasin Gishu County Inua Biashara Fund and Uasin Gishu County Assembly staff Car loan and Mortgage Fund as of 23rd April, 2021.

The County should implement the following recommendations to improve budget execution;

1. *The County should identify and address issues causing delays in the implementation of development projects.*
2. *The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.*

3.46 County Government of Vihiga

3.46.1 Overview of FY 2020/21 Budget

The county's approved 1st supplementary budget for FY 2020/21 is Kshs.6.55 billion, comprising Kshs.2.62 billion (40 per cent) and Kshs.3.93 billion (60 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the county expects to receive Kshs.4.65 billion (71 per cent) as the equitable share of revenue raised nationally, Kshs.1.25 billion (19.2 per cent) as total conditional grants, generate Kshs.216.1 million (3.3 per cent) from own sources of revenue, and a cash balance of Kshs.428.18 million (6.5 per cent) from FY 2019/20. The county also expects to receive Kshs.1.06 million as "other revenues" not contained in the CARA, 2020.

3.46.2 Revenue Performance

During the first nine months of FY 2020/21, the county received Kshs.2.70 billion as an equitable share of the revenue raised nationally, Kshs.1.25 billion as conditional grants, raised Kshs.98.20 million as own-source revenue, and had a cash balance of Kshs.428.18 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.3.67 billion, as shown in Table 3.256.

Table 3.256: Vihiga County, Revenue Performance in the First Nine Months of FY 2020/21

| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|------------------|--|--|------------------------------------|----------------------------|---|
| A. | Equitable Share of Revenue Raised nationally | 4,652,550,000 | 4,652,550,000 | 2,703,131,550 | 58.1 |
| B. | Conditional Grants from the National Government Revenue | | | | |
| 1. | COVID-19 Grant | - | 78,893,284 | - | - |
| 2. | Compensation for User Fee Foregone | 12,657,201 | 12,657,201 | - | - |
| 3. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 4. | Road Maintenance Fuel Levy Fund | 134,895,698 | 136,928,406 | 67,447,849 | 49.3 |
| 5. | Rehabilitation of Village Polytechnics | 69,979,894 | 70,001,128 | 34,989,947 | 49.9 |
| Sub Total | | 349,554,070 | 430,501,296 | 102,437,796 | 23.8 |
| C | Loans and Grants from Development Partners | | | | |
| 1. | Transforming Health systems for Universal care Project (WB) | 93,531,471 | 134,450,324 | 44,643,879 | 33.2 |
| 2. | IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP) | 198,457,709 | 251,069,449 | 155,691,947 | 62.0 |
| 3. | Nutrition International | - | 2,241,200 | 5,000,000 | 223.1 |
| 4. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG) | - | 295,458,460 | 71,461,023 | 24.2 |
| 5. | DANIDA Grant | 13,230,000 | 18,989,396 | 6,615,000 | 34.8 |
| 6. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant | 45,000,000 | 75,000,000.00 | 45,000,000 | 60.0 |
| 7. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 12,316,175 | 37,265,898 | 11,650,960 | 31.3 |

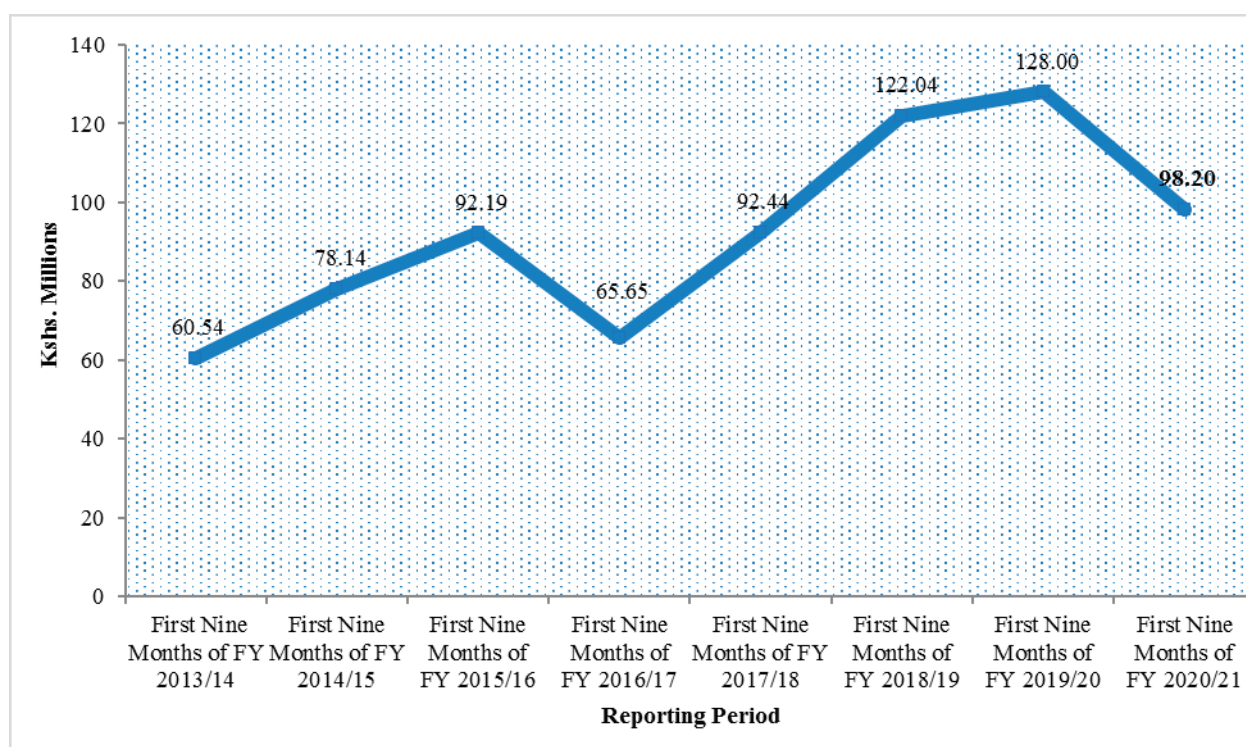
| S/No | Revenue | Annual CARA, 2020 Allocation (in Kshs) | Annual Budget Allocation (in Kshs) | Actual receipts (in Kshs.) | Actual Receipts as % of Annual Allocation (%) |
|--------------------|---|--|------------------------------------|----------------------------|---|
| 8. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Institutional Grants (UIG) | - | 9,969,151 | - | - |
| Sub Total | | 362,535,355 | 824,443,878 | 340,062,808 | 41.3 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 216,096,587 | 98,198,179 | 45.4 |
| 2. | Balance b/f from FY2019/20 | - | 428,177,727 | 428,177,727 | 100.0 |
| 3. | Other Revenues | - | 1,061,329 | 1,061,329 | 100.0 |
| Sub Total | | - | 645,335,643. | 527,437,235 | 81.7 |
| Grand Total | | 5,364,639,425 | 6,552,830,817 | 3,673,069,389 | 56.1 |

Source: Vihiga County Treasury

During the first nine months of FY 2020/21, the County received Kshs.5.0 million from Nutrition International (NI), a Canadian NGO to finance nutrition projects in the county. The entire amount was not included in the approved budget.

Figure 3.89 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.89: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Vihiga County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.98.20 million as its own source revenue. This amount represented a decrease of 23.3 per cent compared to Kshs.128 million realised during a similar period in FY 2019/20 and was 45.4 per cent of the annual target.

The decrease can partly be attributed to the following reasons:-

a) Effects of COVID-19 pandemic to the economy

The revenue collection process was adversely affected by the outbreak of COVID-19 pandemic. The performance of markets and business premises was greatly affected, causing a drop in amounts collected as revenue. Most premises have had it difficult complying with revenue collection, with a number of them closing business altogether. The stringent COVID-19 containment measures rendered collection of revenue in some revenue streams such as Liquor licensing impossible.

b) Frequent strikes by medical personnel

The frequent strikes witnessed at the medical facilities within Vihiga County have significantly affected the amount of revenue collected at the medical facilities. This has considerably compromised the County's potential to meet the set revenue target at the medical facilities, especially at the Vihiga County Referral Hospital.

c) Shortage of staff in the revenue department

The Directorate of Revenue is currently facing a significant shortage of staff. A total of 58 staff members left the Directorate of Revenue with no replacement coming in. The staff shortage in the directorate currently stands at 60 staff members, which poses a significant challenge in ensuring effective revenue mobilisation.

3.46.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.30 billion from the CRF account during the reporting period. The amount comprised of Kshs.663.62 million (20.1 per cent) for development programmes and Kshs.2.64 billion (79.9 per cent) for recurrent programmes.

3.46.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.2.96 billion on development and recurrent programmes. The expenditure represented 89.7 per cent of the total funds released by the COB and comprised of Kshs.493.38 million and Kshs.2.64 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 18.8 per cent while recurrent expenditure represented 62.8 per cent of the annual recurrent expenditure budget.

3.46.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.80 billion was spent on compensation to employees, Kshs.669.97 million on operations and maintenance, and Kshs.493.38 million on development activities as shown in Table 3.257.

Table 3.257: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 3,929,981,489 | 2,636,065,224 | 2,466,791,901 | 62.8 |
| Compensation to Employees | 2,176,323,114 | 1,769,784,184 | 1,796,826,024 | 82.6 |
| Operations and Maintenance | 1,753,658,375 | 866,281,040 | 669,965,877 | 38.2 |
| Total Development Expenditure | 2,622,849,328 | 663,622,582 | 493,377,058 | 18.8 |
| Development Expenditure | 2,622,849,328 | 663,622,582 | 493,377,058 | 18.8 |
| Total | 6,552,830,817 | 3,299,687,806 | 2,960,168,959 | 45.2 |

Source: Vihiga County Treasury

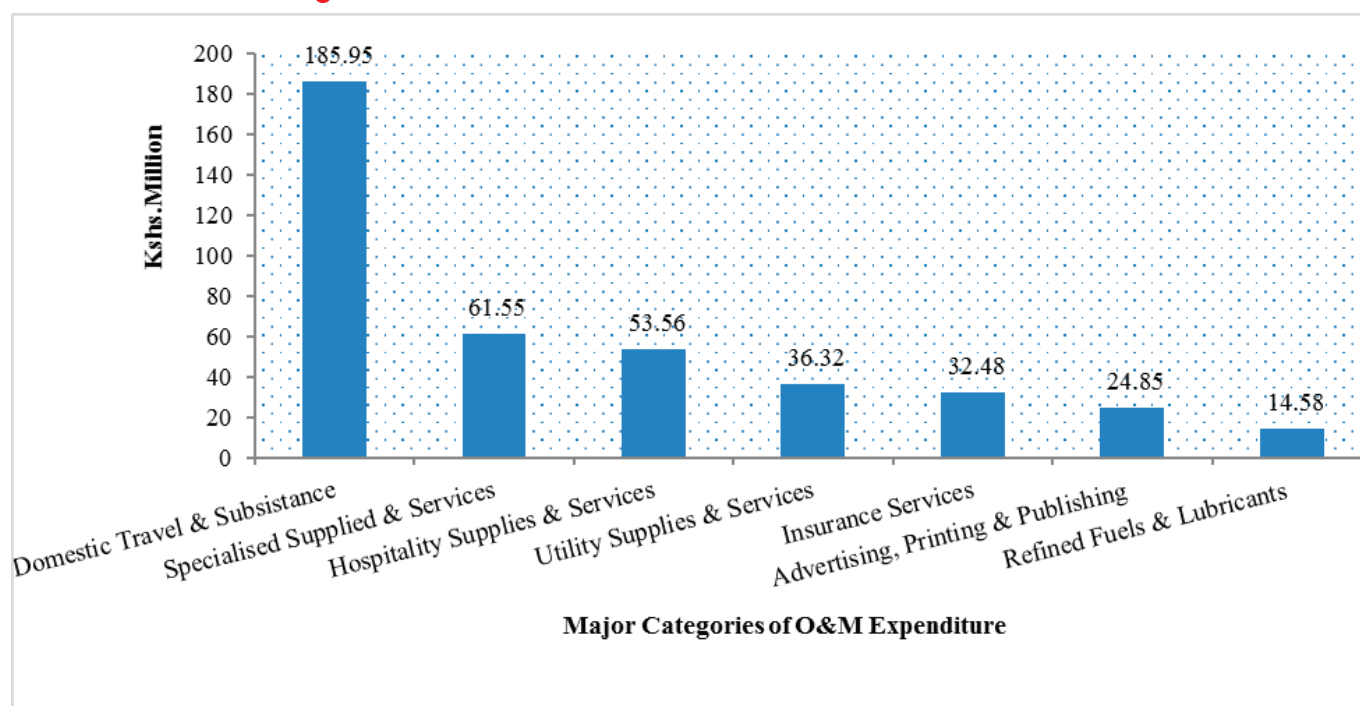
3.46.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 60.7 per cent of the total expenditure for the reporting period and 36.6 per cent of the first nine months proportional revenue estimate of Kshs.4.91 billion.

3.46.7 Expenditure on Operations and Maintenance

Figure 3.90 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.90: Vihiga County, Operations and Maintenance Expenditure by Major Categories



Source: Vihiga County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.35.55 million on committee sitting allowances for the 39 MCAs and Speaker against the annual budget allocation of Kshs.73.80 million. The average monthly sitting allowance was Kshs.101,268 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.185.95 million and comprised of Kshs.80.21 million spent by the County Assembly and Kshs.105.74 million by the County Executive. Expenditure on foreign travel amounted to Kshs.4.09 million incurred by the County Executive.

3.46.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.79.89 million to cater for COVID-19 related expenditure. A total of Kshs.79.89 million was spent during the reporting period, as shown in Table 3.258.

Table 3.258: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March 2021 (Kshs) |
|--------------|-------------------------------------|---------------------------------|--|
| 1 | Purchase of ICU equipment | 50,288,284 | 50,288,284 |
| 2 | Health staff allowances | 28,605,000 | 28,605,500 |
| Total | | 78,893,284 | 79,893,284 |

Source: Vihiga County Treasury

3.46.9 Development Expenditure

The County incurred an expenditure of Kshs.493.38 million on development programmes, which represented a decrease of 41 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.835.59 million. Table 3.259 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.259: County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name | Department | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|-------------|--------------------------------|----------------|---------------------|---------------------|
| 1 | NARIGP Grant to Farming Groups | Agriculture | Across Sub counties | 40,368,698 | 40,368,698 | 100.0 |
| 2 | NARIGP Grant for Enterprise Development to Co-operatives | Agriculture | Sabatia and Vihiga Dairy Co-op | 43,507,950 | 16,304,350 | 37.5 |
| 3 | Construction of Footpaths and SIDE Drains in Mbale Municipality | Lands | Mbale Municipality | 211,115,858 | 175,418,181 | 83.1 |

| S/No. | Project Name | Department | Location | Budget (Kshs.) | Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|-----------------|--------------------|----------------|---------------------|---------------------|
| 4 | Supply and delivery of compacting Truck | Lands | Mbale Municipality | 12,916,000 | 12,916,000 | 100.0 |
| 5 | Construction of Waste water wetland and Bio digester | Lands | Mbale Municipality | 15,141,292 | 15,141,292 | 100.0 |
| 6 | Upgrading of Tsimbalo- Munoywa Road to Bitumen Standadr | Lands | Mbale Municipality | 148,211,801 | 133,502,945 | 90.1 |
| 7 | Beatification of Mbale Town | Lands | Mbale Municipality | 22,453,561 | 20,208,205 | 90.0 |
| 8 | Construction of Hon. Speakers Residence | County Assembly | Vihiga Sub-county | - | 16,306,824 | - |

Source: Vihiga County Treasury

3.46.10 Budget Performance by Department

Table 3.260 summarises the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.260: Vihiga County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|----------------|----------------------------------|--------------|-----------------------------|--------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Office of the Governor | 255.0 | 4.8 | 168.2 | 100.4 | 124.2 | - | 73.9 | 0.0 | 48.7 | - |
| Finance and Economic Planning | 307.9 | 643.0 | 211.6 | 187.1 | 132.7 | 123.1 | 62.7 | 65.8 | 43.1 | 19.1 |
| Agriculture, Livestock, Fisheries and Co-operatives | 150.8 | 321.1 | 110.4 | 28.9 | 92.9 | 56.7 | 84.2 | 195.9 | 61.6 | 17.7 |
| Health Services | 1,460.5 | 377.4 | 932.0 | 102.9 | 834.0 | - | 89.5 | 0.0 | 57.1 | - |
| Education, Science, Technical and Vocational Training | 345.0 | 253.5 | 197.1 | 6.6 | 243.2 | - | 123.4 | 0.0 | 70.5 | - |
| Gender, Culture, Youth, Sports and Social Services | 117.1 | 31.4 | 69.8 | 17.0 | 25.1 | - | 35.9 | 0.0 | 21.4 | - |
| Trade, Industry, Tourism and Entrepreneurship | 56.8 | 50.6 | 31.5 | - | 32.1 | - | 101.8 | 0.0 | 56.5 | - |
| County Public Service Board | 48.0 | - | 27.1 | 17.5 | 24.9 | - | 91.9 | 0.0 | 51.8 | - |
| Environment, Water, Energy and Natural Resources | 116.4 | 160.4 | 83.4 | 99.2 | 69.0 | - | 82.8 | 0.0 | 59.3 | - |
| Transport, Infrastructure and Communication | 114.4 | 399.8 | 93.4 | 88.2 | 44.5 | - | 47.6 | - | 38.9 | - |
| Physical Planning, Lands and Housing | 76.7 | 343.6 | 51.6 | 15.8 | 24.0 | 297.3 | 46.5 | 1884.7 | 31.3 | 86.5 |
| County Assembly | 618.4 | 33.6 | 468.6 | - | 335.3 | 16.3 | 71.6 | - | 54.2 | 48.5 |
| Administration and Coordination of County Affairs | 263.0 | 3.5 | 191.5 | - | 484.8 | - | 253.2 | - | 184.3 | - |
| Total | 3,930.0 | 2,622.8 | 2,636.1 | 663.6 | 2,466.8 | 493.4 | 93.6 | 73.6 | 62.8 | 18.8 |

Source: Vihiga County Treasury

Analysis of departments' expenditure shows that the Department of Physical Planning, Lands and Housing recorded the highest absorption rate of development budget at 86.5 per cent. The Department of Administration and Coordination of County Affairs had the highest percentage of recurrent expenditure to budget at 184.3 per cent while the Department of Gender, Culture, Youth, Sports and Social Services had the lowest at 21.4 per cent.

3.46.11 Budget Execution by Programmes and Sub-Programmes

Table 3.261 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.261: Vihiga County, Budget Execution by Programmes and Sub-programmes

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|---|---------------------------|------------------------|------------------------|------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
| Administration, Planning and Support Service | | 508,182,969 | 76,313,339 | 431,869,630 | 15.0 |
| | Administrative Service | 508,182,969 | 411,632,838 | 431,869,630 | 81.0 |
| Rural Planning and Community Development | | 3,400,000 | 1,699,500 | 1,700,500 | 50.0 |
| | Ward Development Projects | 3,400,000 | 1,699,500 | 1,700,500 | 50.0 |

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|---|---|------------------------|------------------------|------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
| Livestock Development and Management | | 18,720,357 | 9,733,098 | 8,987,259 | 52.0 |
| | Veterinary Services and Extension | 14,520,357 | 6,762,900 | 7,757,457 | 46.6 |
| | Livestock Extension | 4,200,000 | 2,970,198 | 1,229,802 | 70.7 |
| Fisheries Development and Management | | 9,450,000 | 4,246,297 | 5,203,703 | 44.9 |
| | Promotion of Fish Farming | 9,450,000 | 4,246,297 | 5,203,703 | 44.9 |
| Crop Development and Management | | 14,261,329 | 11,583,577 | 2,677,752 | 81.2 |
| | Crop Extension | 3,461,329 | 1,347,699 | 2,113,630 | 38.9 |
| | Farm Input Subsidy | 8,000,000 | 7,743,878 | 256,122 | 96.8 |
| | Cash Crop Production and Development | 2,800,000 | 2,492,000 | 308,000 | 89.0 |
| Cooperatives Development | | 3,750,000 | 2,233,300 | 1,516,700 | 59.6 |
| | Cooperative Development Services | 3,750,000 | 2,233,300 | 1,516,700 | 59.6 |
| Urban and Physical Planning and Housing Services | | 334,513,111 | 313,798,557 | 318,045,486 | 93.8 |
| | Urban and Physical Planning | 122,893,846 | 4,928,500 | 117,965,346 | 4.0 |
| | Housing Development | 20,000,000 | 9,999,999 | 10,000,001 | 50.0 |
| | Vihiga Municipality {KUSP} | 191,619,265 | 298,870,058 | 190,080,139 | 156.0 |
| Administration, Planning and Support Service | | 489,045,326 | 75,949,156 | 413,096,170 | 15.5 |
| | Administrative Service | 489,045,326 | 75,949,156 | 413,096,170 | 15.5 |
| Public Finance Management | | 3,000,000 | - | 3,000,000 | - |
| | Purchase of a trailer | 3,000,000 | - | 3,000,000 | - |
| Transport Management | | 21,302,400 | 788,372 | 20,514,028 | 3.7 |
| | Transport System Management | 8,900,000 | 12,022 | 8,887,978 | 0.1 |
| | Mechanical Services | 12,402,400 | 776,350 | 11,626,050 | 6.3 |
| Infrastructure Development | | 800,000 | - | 800,000 | - |
| | Roads Maintenance | 800,000 | - | 800,000 | - |
| Administration, Planning and Support Service | | 105,369,819 | 51,235,249 | 54,134,570 | 48.6 |
| | Administrative Service | 105,369,819 | 51,235,249 | 54,134,570 | 48.6 |
| Tourism Development | | 1,977,264 | - | 1,977,264 | - |
| | Tourism Promotion and Branding | 1,977,264 | - | 1,977,264 | - |
| Administration, Planning and Support Service | | 1,412,944,128 | 793,398,468 | 1,080,286,175 | 56.2 |
| | Administrative Service | 262,836,294 | 86,030,750 | 176,805,544 | 32.7 |
| | Human Resource Management and Development | 1,001,479,356 | 694,183,194 | 768,036,677 | 69.3 |
| | Healthcare Financing | 148,628,478 | 13,184,524 | 135,443,954 | 8.9 |
| Promotive and Preventive Healthcare Services | | 15,705,284 | 823,200 | 14,882,084 | 5.2 |
| | Public Health Services | 6,320,000 | 350,000 | 5,970,000 | 5.5 |
| | Community Health Strategy | 6,320,000 | 100,000 | 6,220,000 | 1.6 |
| | Health Promotion | 2,175,284 | 100,000 | 2,075,284 | 4.6 |
| | Reproductive Healthcare | 320,000 | 93,400 | 226,600 | 29.2 |
| | Disease Surveillance and Emergency | 570,000 | 179,800 | 390,200 | 31.5 |
| Curative And Rehabilitative Health Services | | 344,789,449 | 132,054,275 | 212,735,174 | 38.3 |
| | Medical services | 341,609,449 | 132,036,775 | 209,572,674 | 38.7 |
| | County referral services | 140,000 | 17,500 | 122,500 | 12.5 |
| | Drugs and Other Medical Supplies | 3,040,000 | - | 3,040,000 | - |
| Child and Maternal Health Care | | 64,445,596 | 12,862,797 | 51,582,799 | 20.0 |
| | Antenatal and Post Natal healthcare | 1,600,000 | - | 1,600,000 | - |
| | Antenatal and Post Natal Healthcare | 26,285,047 | 10,113,192 | 16,171,855 | 38.5 |
| | Maternity Services | 23,709,396 | - | 23,709,396 | - |
| | Newborne, Child and Adolescent Health | 40,000 | - | 40,000 | - |
| | Nutrition Services | 12,811,153 | 2,749,605 | 10,061,548 | 21.5 |
| Administration, Planning and Support Service | | 391,908,139 | 104,193,060 | 287,715,079 | 26.6 |
| | Administrative Service | 391,908,139 | 104,193,060 | 287,715,079 | 26.6 |

| Budget Execution by Programmes and Sub-Programmes | | | | | |
|---|--|------------------------|------------------------|----------------------|----------------|
| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Absorption (%) |
| Vocational Education and Training | | 53,046,000 | 14,902,040 | 38,143,960 | 28.1 |
| | Youth Polytechnic Development | 53,046,000 | 14,902,040 | 38,143,960 | 28.1 |
| Early Childhood Development | | 153,566,806 | 32,053,820 | 121,512,986 | 20.9 |
| | ECD Development | 153,566,806 | 32,053,820 | 121,512,986 | 20.9 |
| Administration, Planning and Support Service | | 1,886,320,033 | 916,944,514 | 419,375,519 | 48.6 |
| | Administrative Service | 1,849,280,033 | 909,379,680 | 389,900,353 | 49.2 |
| | County Administration | 13,190,000 | 5,941,159 | 7,248,841 | 45.0 |
| | County Radio Information Services | 23,850,000 | 1,623,675 | 22,226,325 | 6.8 |
| Public Finance Management | | 66,120,000 | 34,808,170 | 31,311,830 | 52.6 |
| | Public Finance Management | 12,200,000 | 6,394,300 | 5,805,700 | 52.4 |
| | Accounting Services | 7,200,000 | 2,769,400 | 4,430,600 | 38.5 |
| | Audit Services | 11,750,000 | 5,264,950 | 6,485,050 | 44.8 |
| | Budget Formulation Coordination | 13,000,000 | 9,480,100 | 3,519,900 | 72.9 |
| | Resource Mobilization | 10,760,000 | 5,387,800 | 5,372,200 | 50.1 |
| | Budget Expenditure Management | 11,210,000 | 5,511,620 | 5,698,380 | 49.2 |
| County Planning Services | | 87,850,000 | 19,074,800 | 68,775,200 | 21.7 |
| | Monitoring and Evaluation | 81,150,000 | 14,499,020 | 66,650,980 | 17.9 |
| | Coordination of Policy Formulation and Plans | 6,700,000 | 4,575,780 | 2,124,220 | 68.3 |
| Management and Administration of County Services | | 136,965,167 | 12,730,576 | 124,234,591 | 9.3 |
| | County Secretary | 122,665,167 | 9,048,126 | 113,617,041 | 7.4 |
| | Legal Services | 14,300,000 | 3,682,450 | 10,617,550 | 25.8 |
| Administration, Planning and Support Service | | 85,863,704 | 24,587,766 | 61,275,938 | 28.6 |
| | Administrative Service | 85,413,704 | 24,468,766 | 60,944,938 | 28.6 |
| | Technical Conferences | 250,000 | 119,000 | 131,000 | 47.6 |
| | Elderly Fund | 200,000 | - | 200,000 | - |
| Sports Management | | 52,400,000 | 2,510,200 | 49,889,800 | 4.8 |
| | Promotion of Sports | 47,550,000 | 1,344,600 | 46,205,400 | 2.8 |
| | Promotion of Culture and Heritage | 4,850,000 | 1,165,600 | 3,684,400 | 24.0 |
| Social Services | | 10,250,000 | 1,686,720 | 8,563,280 | 16.5 |
| | Social Protection | 150,000 | - | 150,000 | - |
| | Gender, Children, Youth and People with Disability | 10,100,000 | 1,686,720 | 8,413,280 | 16.7 |
| Administration, Planning and Support Service | | 217,483,898 | 76,515,428 | 140,968,470 | 35.2 |
| | Administrative Service | 217,483,898 | 76,515,428 | 140,968,470 | 35.2 |
| Water Supply Management | | 33,200,000 | - | 33,200,000 | - |
| | Water Supply Management | 33,200,000 | - | 33,200,000 | - |
| Environmental Management | | 19,200,039 | - | 19,200,039 | - |
| | Environmental Protection and Conservation | 19,200,039 | - | 19,200,039 | - |
| Forest Management | | 7,000,000 | - | 7,000,000 | - |
| | Farm Forest Management | 7,000,000 | - | 7,000,000 | - |
| | Grand Total | 6,552,830,818 | 2,960,168,959 | 3,592,661,859 | 45.2 |

Source: Vihiga County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Urban and Physical Planning and Housing Services in the Department of Physical Planning, Lands and Housing at 94 per cent, Crop Development and Management in the Department of Agriculture, Livestock, Fisheries and Co-operatives at 81 per cent, Cooperatives Development in the Department of Agriculture, Livestock, Fisheries and Co-operatives at 60 per cent of budget allocation.

3.46.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective performance;

1. A high wage bill that accounted for 60.7 per cent of the total expenditure in the period under review thus constraining funding to other programmes.
2. High outstanding pending bills of Kshs1.26 billion have affected the implementation of the budget as planned

due to scarce resources in the county for both current and historical bills.

3. Under-performance of own source revenue at Kshs.98.20 million compared to an annual projection of Kshs.216.10 million, representing 45.4 per cent of the target.
4. Fund Administrators failed to submit financial and non-financial statements in line with Section 168 of the PFM Act, 2012. Specifically, the OCoB did not receive quarterly financial reports for the Vihiga County Executive Car Loan Scheme Fund, Vihiga County Executive Mortgage Scheme Fund, Vihiga County Sports Fund, and Vihiga County Bursary Fund.
5. Low absorption of development funds as indicated by the expenditure of Kshs.493.38 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.2.62 billion. The development expenditure represented 18.8 per cent of the annual development budget.
6. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The report was submitted on 25th April 2021, contrary to OCoB's issued instructions to Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016.

The County should implement the following recommendations to improve budget execution;

1. *The County leadership and the County Public Service Board should continuously review the issue of high wage bill to find a permanent solution and ensure a sustainable wage bill.*
2. *The County should develop and implement a payment plan for verified pending bills in this financial FY 2020/21.*
3. *The County should address its revenue performance to ensure the approved budget is fully financed.*
4. *The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.*
5. *The County should identify and address issues causing delays in the implementation of development projects.*
6. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget according to Section 166 of the PFM Act, 2012.*

3.47 County Government of Wajir

3.47.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.10.94 billion, comprising of Kshs.4.30 billion (39.2 per cent) and Kshs.6.65 billion (60.8 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.8.55 billion (78.2 per cent) as the equitable share of revenue raised nationally, Kshs.1.16 billion (10.6 per cent) as total conditional grants, generate Kshs.150 million (1.2 per cent) from own sources of revenue, and a cash balance of Kshs.1.09 billion (10.0 per cent) from FY 2019/20.

3.47.2 Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.5.69 billion as an equitable share of the revenue raised nationally, Kshs.592.64 million as conditional grants, raised Kshs.26.96 million as own-source revenue, and had a cash balance of Kshs.445.10 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.6.76 billion as shown in Table 3.262.

Table 3.262: Wajir County, Revenue Performance in the First Nine Months of FY 2020/21

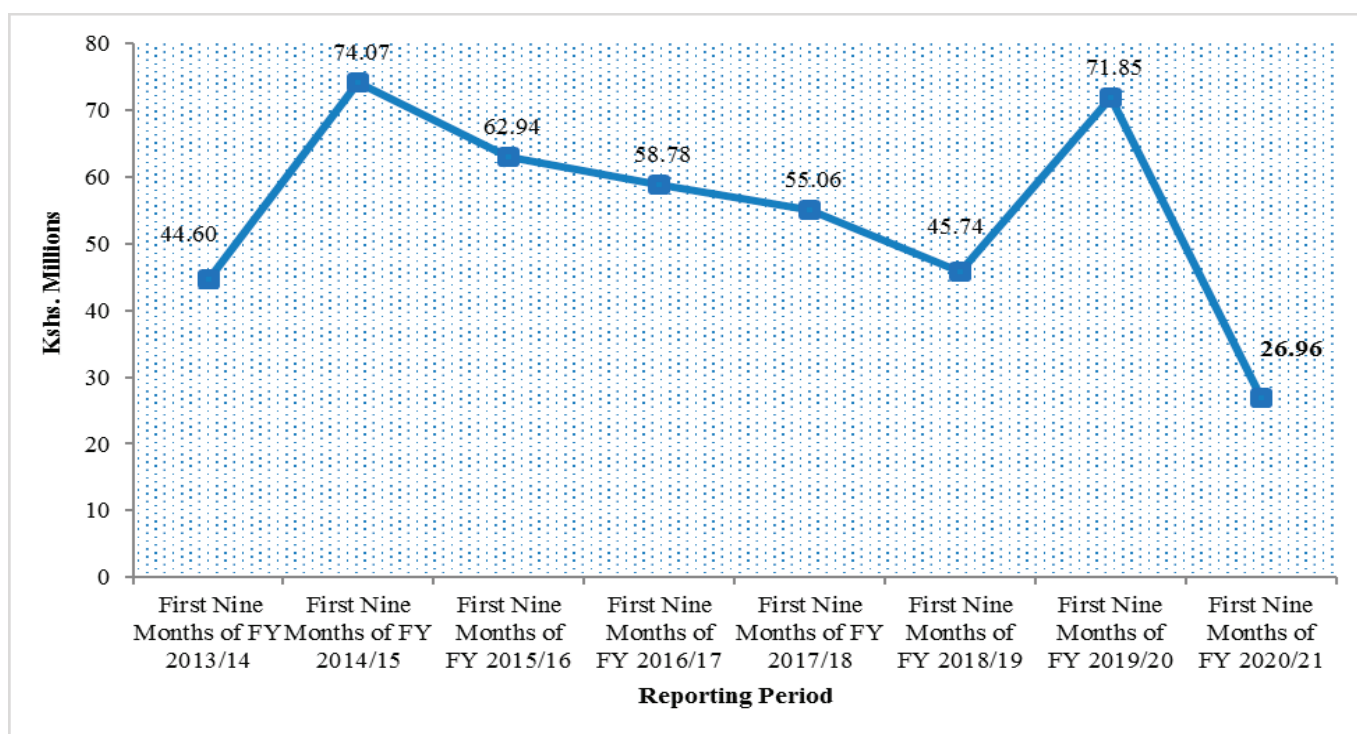
| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|------------------|--|-------------------------------------|--|---|--|
| A. | Equitable Share of Revenue Raised Nationally | 8,545,500,000 | 8,545,500,000 | 5,691,303,000 | 66.6 |
| B. | Conditional Grants from the National Government | | | | |
| 1. | Compensation for User Fee Foregone | 15,784,997 | 15,784,997 | - | - |
| 2. | Road Maintenance Fuel Levy Fund | 254,698,172 | 254,698,172 | 242,569,685 | 95.2 |
| 3. | Rehabilitation of Village Polytechnics | 14,074,894 | 14,074,894 | 7,037,447 | 50.0 |
| Sub Total | | 284,558,063 | 284,558,063 | 249,607,132 | 87.7 |
| C | Loans and Grants from Development Partners | | | | |

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation FY 2020/21 (Kshs) | Actual Receipts for the First Nine Months (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|--|-------------------------------------|--|---|--|
| 4. | Transforming Health Systems for Universal care Project (WB) | 98,763,532 | 98,763,532 | 18,207,409 | 18.4 |
| 5. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 320,674,340 | 320,674,340 | 105,477,960 | 32.8 |
| 6. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100 |
| 7. | DANIDA Grant | 24,300,000 | 24,300,000 | 12,150,000 | 50.0 |
| 8. | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 17,532,329 | 17,532,329 | - | - |
| 9. | IDA (WB) Credit: Water & Sanitation Development Project (WSDP) | 350,000,000 | 350,000,000 | 162,214,525 | 46.3 |
| Sub Total | | 871,896,349 | 871,896,349 | 343,049,894 | 39.3 |
| D | Other Sources of Revenue | | | | |
| 1. | Own Source Revenue | - | 150,000,000 | 26,955,722 | 17.9 |
| 2. | Balance b/f from FY 2019/20 | - | 1,092,150,275 | 445,100,593 | 40.7 |
| Sub Total | | | 1,242,150,275 | 472,056,315 | 38.0 |
| Grand Total | | 9,701,954,432 | 10,944,104,687 | 6,756,016,341 | 61.73 |

Source: Wajir County Treasury

Figure 3.1 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.91: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: Wajir County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.26.96 million as own-source revenue. This amount represented a decrease of 62.5 per cent compared to Kshs.71.85 million realised during a similar period in FY 2019/20 and was 17.9 per cent of the annual target.

3.47.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.44 billion from the CRF account during the reporting period. The amount comprised of Kshs.1.57 billion (70.1 per cent) for development programmes and Kshs.3.86 billion (28.9 per cent) for recurrent programmes.

3.47.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.5.36 billion on development and recurrent programmes. The expenditure represented 98.5 per cent of the total funds released by the COB and comprised of Kshs.1.66 billion and Kshs.3.69 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 38.7 per cent while recurrent expenditure represented 55.6 per cent of the annual recurrent expenditure budget.

3.47.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.46 billion was spent on compensation to employees, Kshs.1.24 billion on operations and maintenance, and Kshs.1.66 billion on development activities as shown in Table 3.263.

Table 3.263: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|-----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 6,645,593,500 | 3,863,193,772 | 3,694,607,980 | 55.6 |
| Compensation to Employees | 4,263,257,680 | 3,267,963,984 | 2,459,492,300 | 57.7 |
| Operations and Maintenance | 2,382,335,820 | 595,229,788 | 1,235,115,680 | 51.8 |
| Total Development Expenditure | 4,298,511,187 | 1,572,778,082 | 1,661,531,885 | 38.7 |
| Development Expenditure | 4,298,511,187 | 1,572,778,082 | 1,661,531,885 | 38.7 |
| Total | 10,944,104,687 | 5,435,971,854 | 5,356,139,865 | 48.9 |

Source: Wajir County Treasury

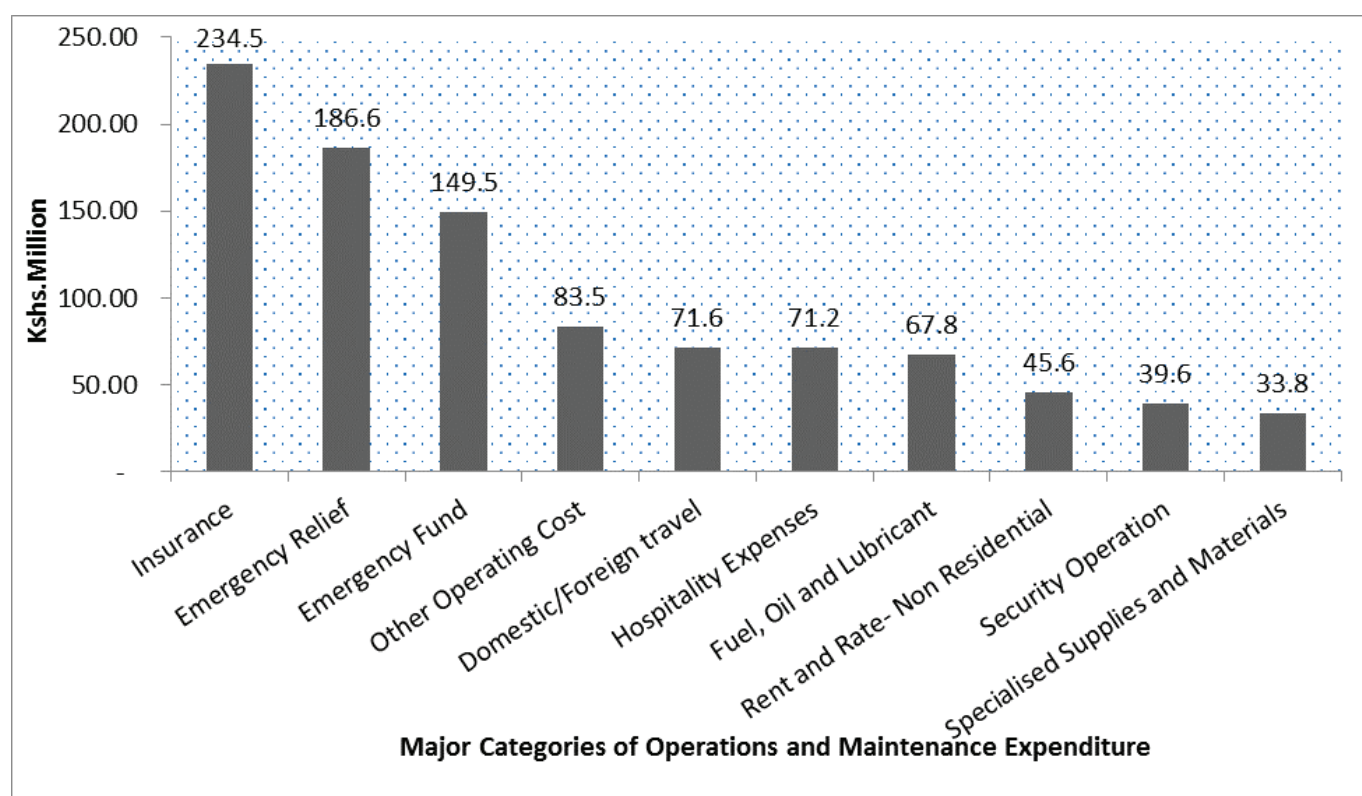
3.47.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 45.9 per cent of the total expenditure for the reporting period and 30 per cent of the first nine months proportional revenue estimate of Kshs.8.21 billion.

3.47.7 Expenditure on Operations and Maintenance

Figure 3.92 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.92: Wajir County, Operations and Maintenance Expenditure by Major Categories



Source: Wajir County Treasury

Analysis of expenditure reports indicates that the County Assembly spent Kshs.8.57 million on committee sitting allowances for the 51 MCAs and Speaker against the annual budget allocation of Kshs.22.05 million. The average monthly sitting allowance was Kshs.18,681 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.65.72 million and comprised of Kshs.29.64 million spent by the County Assembly and Kshs.36.08 million by the County Executive. Expenditure on foreign travel amounted to Kshs.5.90 million and was incurred by the County Executive.

3.47.8 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs.112.79 million to cater for COVID-19 related expenditure. A total of Kshs.66.45 million was spent during the reporting period, as shown in Table 3.264.

Table 3.264: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Annual Budget Allocation (Kshs) | Expenditure as of 31 st March, 2021 (Kshs) |
|------|--|---------------------------------|---|
| 1 | Allowance for Health Care Workers | 36,570,000 | 36,570,000 |
| 3 | Capacity building of County Emergency Response Committee on COVID 19 | 1,975,000 | 1,975,000 |
| 4 | Training on Isolation Ward Equipment and MOH Protocols | 1,890,000 | 1,890,000 |
| 5 | Environmental and Social Risk Assessment at Makoror Isolation Center | 926,000 | 926,000 |
| 6 | Bill boards and IEC Publicity Materials | 2,233,000 | 2,233,000 |
| 7 | Monitoring and Evaluation | 750,000 | 750,000 |
| 8 | Sensitization training for staff in isolation centers | 1,914,900 | 1,914,900 |
| 9 | Training of Departmental Emergency Team | 1,974,000 | 1,974,000 |
| 10 | Radio shows and radio spot/short messages | 1,530,000 | 1,530,000 |
| 11 | Training of front care health workers on ICT | 1,890,000 | 1,890,000 |
| 12 | Training of surveillance and contact tracing staff | 1,600,000 | 1,600,000 |
| 13 | Human Resources and Gaps Assessment | 1,896,000 | 1,896,000 |
| 14 | Dissemination for the amended Wajir CIDP 2018- 2022 and C-ADP for the FY 2021-2022 | 1,757,400 | 1,757,400 |
| 15 | Review of Wajir CIDP 2018- 2022 and C-ADP 2021- 2022 2 to incorporate and mainstream County COVID 19 Social Economic Recovery Strategy | 2,960,400 | 2,960,400 |
| 16 | Capacity building of County on Project Planning | 1,798,800 | 1,798,800 |
| 17 | Consultancy Services on CIDP 2018-2022 | 1,950,000 | 1,950,000 |
| 18 | Capacity building of County on Sectoral Planning, APR, PER and ADP | 1,840,500 | 1,840,500 |
| 19 | Preparation of County Indicator Handbook | 996,440 | 996,440 |
| | Total | 66,452,440 | 66,452,440 |

Source: Wajir County Treasury

3.47.9 Development Expenditure

The County incurred expenditure of Kshs.1.66 billion on development programmes, which represented an increase of 45.6 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.1.14 billion. The County Treasury failed to submit a report on development projects undertaken during the reporting period which was requested by the Controller of Budget to enable the fulfilment of Article 228 (6) of the Constitution.

3.47.10 Budget Performance by Department

Table 3.265 shows a summary of the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.265: Wajir County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|---|-----------------------------------|--------|----------------------------------|--------|-----------------------------|--------|-------------------------------------|------|---------------------|------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Executive | 410.63 | - | 265.43 | - | 183.74 | - | 6.9 | - | 44.7 | - |
| County Assembly | 830.19 | 40.00 | 565.39 | - | 565.37 | - | 10.0 | - | 68.1 | - |
| Finance and Economic Planning | 620.32 | - | 332.09 | - | 458.89 | - | 13.8 | - | 74.0 | - |
| Public Health, Medical Service and Sanitation | 2,101.15 | 827.29 | 1,220.57 | 479.32 | 1,552.04 | 452.60 | 12.7 | 94.4 | 73.9 | 54.7 |
| Water Resources | 333.73 | 527.34 | 276.21 | 330.35 | 207.26 | 296.19 | 7.5 | 89.7 | 62.1 | 56.2 |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|-----------------|-----------------------------|-----------------|-------------------------------------|--------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Public Works, Housing and Physical Planning | 95.92 | 75.10 | 18.72 | - | 78.88 | 10.01 | 42.1 | - | 82.2 | 13.3 |
| Roads and Transport | 141.16 | 907.66 | 48.73 | 242.57 | 31.92 | 246.50 | 6.6 | 101.6 | 22.6 | 27.2 |
| Agriculture, Livestock and Fisheries | 194.74 | 583.87 | 110.36 | 189.85 | 29.67 | 199.40 | 2.7 | 105.0 | 15.2 | 34.2 |
| Education, Youth, Gender and Social Services | 516.54 | 271.40 | 231.52 | - | 165.96 | 58.44 | 7.2 | - | 32.1 | 21.5 |
| ICT and E-Government, Trade, Industrialization and Cooperative Development | 181.71 | 41.28 | 64.34 | - | 19.60 | 8.50 | 3.0 | - | 10.8 | 20.6 |
| Public Services, Special Program and Decentralization Unit | 725.77 | 102.80 | 481.18 | - | 278.31 | 10.36 | 5.8 | - | 38.3 | 10.1 |
| Energy, Environment and Natural Resources | 62.59 | 260.14 | 29.30 | - | 14.20 | 41.56 | 4.8 | - | 22.7 | 16.0 |
| County Public Service Board | 84.97 | - | 33.85 | - | 14.18 | - | 4.2 | - | 16.7 | - |
| WAJWASCO | 137.82 | 437.00 | 87.75 | 212.21 | 36.55 | 219.55 | 4.2 | 103.5 | 26.5 | 50.2 |
| Municipality | 208.35 | 224.64 | 97.76 | 118.47 | 58.03 | 118.47 | 5.9 | 100.0 | 27.9 | 52.7 |
| Total | 6,645.59 | 4,298.52 | 3,863.20 | 1,572.77 | 3,694.60 | 1,661.58 | 9.6 | 105.6 | 55.6 | 38.7 |

Source: Wajir County Treasury

Analysis of expenditure by the departments shows that the Department of Water Resources recorded the highest absorption rate of development budget at 56.2 per cent while the County Assembly did not report any expenditure on development activities. The Department of Public Works, Housing and Physical Planning had the highest percentage of recurrent expenditure to budget at 82.2 per cent while the Department of ICT and E-Government, Trade, Industrialization and Cooperative Development had the lowest at 10.8 per cent.

3.47.11 Budget Execution by Programmes and Sub-Programmes

Table 3.266 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21

Table 3.266: Wajir County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Ksh) | Actual Payments (Ksh) | Variance (Kshs.) | Absorption (%) |
|--|--|-----------------------|-----------------------|--------------------|----------------|
| County Executive | | | | | |
| Office of the Deputy Governor | Office of the Deputy Governor | 26,000,000 | 18,998,000 | 7,002,000 | 73.1% |
| Office of the Governor | Office of the Governor | 384,625,059 | 164,740,031 | 219,885,028 | 42.8% |
| | Total | 410,625,059 | 183,738,031 | 226,887,028 | 44.7% |
| County Assembly | | | | | |
| General Administration and Support Service | General Administration and Support Service | 870,194,403 | 565,369,964 | 304,824,439 | 65.0% |
| | Total | 870,194,403 | 565,369,964 | 304,824,439 | 65.0% |
| Finance and Economic Planning | | | | | |
| County Service | County Service | 62,049,793 | 5,125,000 | 56,924,793 | 8.3% |
| Supply Chain Service | Supply Chain Service | 71,576,720 | 9,861,249 | 61,715,471 | 13.8% |
| Asset Management | Asset Management | 8,684,936 | | 8,684,936 | 0.0% |
| Revenue | Revenue | 64,735,450 | 10,065,000 | 54,670,450 | 15.5% |
| Internal | Internal | 14,722,161 | 545,140 | 14,177,021 | 3.7% |
| Budget | Budget | 12,052,544 | 2,078,622 | 9,973,922 | 17.2% |
| County Integrated | County Integrated | 115,419,234 | | 115,419,234 | 0.0% |
| County Statistical Information Service | County Statistical Information Service | 3,007,000 | | 3,007,000 | 0.0% |
| County Monitoring & Evaluation Service | County Monitoring & Evaluation Service | 2,059,000 | | 2,059,000 | 0.0% |
| General Administration and Support Service | General Administration and Support Service | 266,334,444 | 431,218,670 | (164,884,226) | 161.9% |
| | Total | 620,641,282 | 458,893,681 | 161,747,601 | 73.9% |

| Programme | Sub- Programme | Approved Budget (Ksh) | Actual Payments (Ksh) | Variance (Kshs.) | Absorption (%) |
|--|--|-----------------------|-----------------------|--------------------|----------------|
| Public Health, Medical Service and Sanitation | | | | | |
| Curative | Curative | 831,685,636 | 301,386,475 | 530,299,161 | 36.2% |
| General Administration | General Administration | 1,799,829,088 | 1,574,837,657 | 224,991,431 | 87.5% |
| Preventive | Preventive | 145,303,140 | 64,323,040 | 80,980,100 | 44.3% |
| Special Programme | Special Programme | 7,400,000 | 11,338,955 | (3,938,955) | 153.2% |
| Research | Research | 7,900,000 | 153,100 | 7,746,900 | 1.9% |
| Family Health | Family Health | 136,322,302 | 52,604,478 | 83,717,824 | 38.6% |
| | Total | 2,928,440,166 | 2,004,643,705 | 923,796,461 | 68.5% |
| Water Resources | | | | | |
| Water Supplies, Overhaul and Maintenance Service | Water Supplies, Overhaul and Maintenance Service | 654,720,734 | 503,449,203 | 151,271,531 | 76.9% |
| New Infrastructure development service | New Infrastructure development service | 122,316,674 | - | 122,316,674 | - |
| Personnel, Administration and Financial Service | Personnel, Administration and Financial Service | 84,031,557 | - | 84,031,557 | - |
| | Total | 861,068,965 | 503,449,203 | 357,619,762 | 58.5% |
| Public Works, Housing and Physical Planning | | | | | |
| Urban, Physical Planning Service | Urban, Physical Planning Service | 66,666,755 | 76,907,858 | (10,241,103) | 115.4% |
| County survey and policy service | County survey and policy service | 27,411,650 | 312,500 | 27,099,150 | 1.1% |
| Government building service | Government building service | 3,179,758 | - | 3,179,758 | - |
| Housing development, capacity building and ABT | Housing development, capacity building and ABT | 2,140,800 | - | 2,140,800 | - |
| Public Works Service | Public Works Service | 30,369,461 | 1,661,355 | 28,708,106 | 5.5% |
| General Administration and support Service | General Administration and support Service | 40,926,693 | 10,011,894 | 30,914,799 | 24.5% |
| | Total | 170,695,117 | 88,893,607 | 81,801,510 | 52.1% |
| Roads and Transport | | | | | |
| Maintenance & Rehabilitation of County roads and Bridges | Maintenance & Rehabilitation of County roads and Bridges | 756,335,527 | 246,459,448 | 509,876,079 | 32.6% |
| Design and construction of the County roads and bridges | Design and construction of the County roads and bridges | 182,103,917 | - | 182,103,917 | - |
| Transport Services | Transport Services | 72,986,772 | 1,911,140 | 71,075,632 | 2.6% |
| General Administration and Support Service | General Administration and Support Service | 37,387,068 | 30,009,290 | 7,377,778 | 80.3% |
| | Total | 1,048,813,284 | 278,379,878 | 770,433,406 | 26.5% |
| Agriculture, Livestock and Fisheries | | | | | |
| Livestock | Livestock | 73,295,515 | - | 73,295,515 | - |
| Veterinary Service | Veterinary Service | 51,744,464 | - | 51,744,464 | - |
| Agriculture | Agriculture | 430,137,066 | 157,242,039 | 272,895,027 | 36.6% |
| General Administration | General Administration | 49,567,432 | - | 49,567,432 | - |
| Irrigation | Irrigation | 163,331,488 | 71,828,263 | 91,503,225 | 44.0% |
| Fisheries | Fisheries | 10,535,351 | - | 10,535,351 | - |
| | Total | 778,611,316 | 229,070,302 | 549,541,014 | 29.4% |
| Education, Youth, Gender and Social Services | | | | | |
| ECD | General Administration | 446,091,836 | 189,256,863 | 256,834,973 | 42.4% |
| School support programme | School support programme | 86,499,294 | - | 86,499,294 | - |
| Vocational Training Centre | Vocational Training Centre | 74,915,732 | 5,256,220 | 69,659,512 | 7.0% |
| Sport and Youth | Sport and Youth | 63,389,804 | 2,097,000 | 61,292,804 | 3.3% |
| Culture, Heritage and Library Service | Culture, Heritage and Library Service | 19,653,833 | 1,800,000 | 17,853,833 | 9.2% |
| Gender and Social Service | Gender and Social Service | 68,955,152 | 22,088,500 | 46,866,652 | 32.0% |
| General Administration and Support Service | ECD | 28,434,599 | 3,902,000 | 24,532,599 | 13.7% |
| | Total | 787,940,251 | 224,400,583 | 563,539,668 | 28.5% |
| IC and E-Government, Trade, Industrialization and Cooperative Development | | | | | |

| Programme | Sub- Programme | Approved Budget (Ksh) | Actual Payments (Ksh) | Variance (Kshs.) | Absorption (%) |
|--|--|-----------------------|-----------------------|----------------------|----------------|
| Trade Services | Business Support | 21,293,000 | - | 21,293,000 | - |
| | Infrastructure | 36,281,809 | 8,497,402 | 27,784,407 | 23.4% |
| Coop Services | Coop Support | 23,016,880 | 300,000 | 22,716,880 | 1.3% |
| Investment & Industry | Support Service | 8,759,160 | 340,800 | 8,418,360 | 3.9% |
| | Infrastructure | 2,000,000 | - | 2,000,000 | - |
| General Administration and Support Service | General Administration and Support Service | 89,334,940 | 16,134,771 | 73,200,169 | 18.1% |
| ICT Service | Service | 39,301,600 | 2,822,735 | 36,478,865 | 7.2% |
| | Infrastructure | 3,000,000 | - | 3,000,000 | - |
| | Total | 222,987,389 | 28,095,708 | 194,891,681 | 12.6% |
| Public Services, Special Programs and Decentralization Unit | | | | | |
| Governance and Ethics | Governance and Ethics | 22,386,382 | - | 22,386,382 | - |
| Town Administration and decentralized | Town Administration and decentralized | 202,136,733 | 15,633,183 | 186,503,550 | 7.7% |
| HRM | HRM | 311,413,605 | 225,858,930 | 85,554,675 | 72.5% |
| Peace | Peace | 75,040,567 | 37,458,500 | 37,582,067 | 49.9% |
| Public Participation | Public Participation | 79,104,892 | 3,156,500 | 75,948,392 | 4.0% |
| Disaster | Disaster | 94,349,889 | 6,120,192 | 88,229,697 | 6.5% |
| Intergovernmental | Intergovernmental | 10,821,568 | 435,600 | 10,385,968 | 4.0% |
| EMU | EMU | 33,316,544 | - | 33,316,544 | - |
| | Total | 828,570,180 | 288,662,905 | 539,907,275 | 34.8% |
| Energy, Environment and Natural Resources | | | | | |
| Energy Services | Energy Services | 92,434,374 | 55,753,675 | 36,680,699 | 60.3% |
| Environment | Environment | 159,300,000 | - | 159,300,000 | - |
| Natural Resources | Natural Resources | 4,125,000 | - | 4,125,000 | - |
| General Administration and Support Service | General Administration and Support Service | 66,871,654 | - | 66,871,654 | - |
| | Total | 322,731,028 | 55,753,675 | 266,977,353 | 17.3% |
| County Public Service Board | | | | | |
| General Administration and Support Service | General Administration and Support Service | 84,969,616 | 14,182,444 | 70,787,172 | 16.7% |
| | Total | 84,969,616 | 14,182,444 | 70,787,172 | 16.7% |
| WAJWASCO | | | | | |
| General Administration and Support Service | General Administration and Support Service | 574,822,868 | 256,101,324 | 318,721,544 | 44.6% |
| | Total | 574,822,868 | 256,101,324 | 318,721,544 | 44.6% |
| Wajir Municipality | | | | | |
| General Administration and Support Service | General Administration and Support Service | 432,993,763 | 176,504,853 | 256,488,910 | 40.8% |
| | Total | 432,993,763 | 176,504,853 | 256,488,910 | 40.8% |
| Grand Total | | 10,944,104,687 | 5,356,139,863 | 5,587,964,824 | 48.9% |

Source: Wajir County Treasury

Programmes with the highest levels of implementation based on absorption rates were: General Administration and Support Service in the Department of Finance and Economic Planning at 161.9 per cent, Special Programme in the Department of Public Health, Medical Service and Sanitation at 153.2 per cent, Urban, Physical Planning Service in the Department of Public Works, Housing and Physical Planning at 115.4 per cent, and General Administration and Support at 87.5 per cent of budget allocation.

3.47.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The information was first submitted on 3rd May 2021, but was incomplete as it excluded a schedule of development projects implemented during the reporting period.

1. Low absorption of development funds as indicated by the expenditure of Kshs.1.66 billion in the first nine

months of FY 2020/21 from the annual development budget allocation of Kshs.4.98 billion. The development expenditure represented 38.7 per cent of the annual development budget.

- Under-performance of own source revenue at Kshs.26.96 million compared to an annual projection of Kshs.150 million, representing 17.9 per cent of the target.

The County should implement the following recommendations to improve budget execution;

- The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with Section 166 of the PFM Act, 2012.
- The County should identify and address issues causing delays in the implementation of development projects.
- The County should address its own source revenue performance to ensure the approved budget is fully financed.

3.48 County Government of West Pokot

3.48.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.7.02 billion, comprising of Kshs.2.66 billion (37.8 per cent) and Kshs.4.36 billion (62.2 per cent) allocation for development and recurrent programmes, respectively.

To finance the budget, the County expects to receive Kshs.5 billion (71.3 per cent) as the equitable share of revenue raised nationally, Kshs.820.63 million (11.7 per cent) as total conditional grants, generate Kshs.168.35 million (2.4 per cent) from own sources of revenue, and a cash balance of Kshs.914.09 million (13 per cent) from FY 2019/20. The County also expects to receive Kshs.114.40 million (1.6 per cent) as "other revenues" not contained in the CARA, 2020. "Other revenues" consist of Kshs.75.29 million for COVID-19 grant from National Government, Kshs.5.5 million COVID-19 grants from DANIDA and Kshs.33.60 million for Frontline Healthcare Workers Allowances.

3.48.2 Revenue Performance

During the first half of FY 2020/21, the County received Kshs.2.14 billion as the equitable share of the revenue raised nationally, Kshs.218.30 million as conditional grants, raised Kshs.82.48 million as own-source revenue, had a cash balance of Kshs.914.09 million from FY 2019/20 and "other revenues" for COVID 19 support programme of Kshs114.4 million. The total funds available for budget implementation during the period amounted to Kshs.3.47 billion as shown in Table 3.267.

Table 3.267: West Pokot County, Revenue Performance in the First Nine Months of FY 2020/21

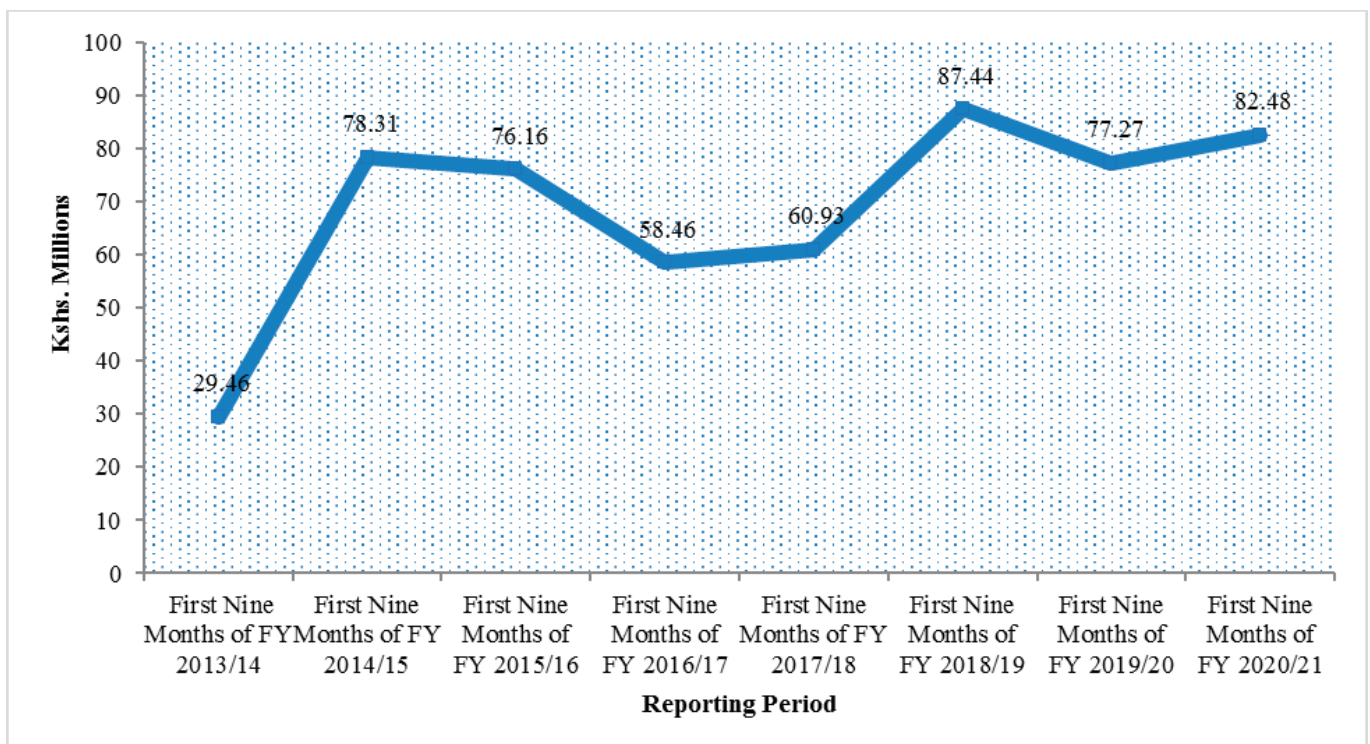
| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation (Kshs) | Actual Receipts (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|-------|---|-------------------------------------|---------------------------------|-------------------------|--|
| A. | Equitable Share of Revenue Raised Nationally | 5,000,700,000 | 5,000,700,000 | 2,140,093,332 | 42.8 |
| B. | Conditional Grants from the National Government | | | | |
| 3. | Compensation for User Fee Foregone | 12,128,484 | 12,128,484 | - | - |
| 4. | Leasing of Medical Equipment | 132,021,277 | 132,021,277 | - | - |
| 5. | Road Maintenance Fuel Levy Fund | 149,045,597 | 149,045,597 | 74,522,798 | 50.0 |
| 6. | Rehabilitation of Village Polytechnics | 17,749,894 | 17,749,894 | 8,874,947 | 50.0 |
| | Sub Total | 310,945,252 | 310,945,252 | 83,397,745 | 28.8 |
| C. | Loans and Grants from Development Partners | | | | |
| 7. | Transforming Health Systems for Universal care Project (WB) | 32,237,369 | 32,237,369 | 15,526,094 | 48.2 |
| 8. | IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP) | 320,000,420 | 320,000,420 | 55,743,652 | 17.4 |
| 9. | IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant | 45,000,000 | 45,000,000 | 45,000,000 | 100.0 |
| | DANIDA Grant | 14,220,000 | 14,220,000 | 7,110,000 | 50.0 |
| | EU Grant (Instruments for Devolution Advise and Support IDEAS) | 11,000,000 | 11,000,000 | - | - |
| | Sweden - Agricultural Sector Development Support Programme (ASDSP) II | 14,224,205 | 14,224,205 | 11,526,868 | 81.0 |
| | EU - Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WATER) | 65,952,437 | - | - | - |
| 1. | IDA (WB) Credit: Kenya Urban Support Project (KUSP) -Urban Institutional Grants (UIG) | 73,000,000 | 73,000,000 | - | - |

| S/No. | Revenue Category | Annual CARA, 2020 Allocation (Kshs) | Annual Budget Allocation (Kshs) | Actual Receipts (Kshs.) | Actual Receipts as % of Annual Budget Allocation (%) |
|--------------------|---------------------------------|-------------------------------------|---------------------------------|-------------------------|--|
| Sub Total | | 575,634,431 | 509,681,994 | 134,906,614 | 26.5 |
| D | Other Sources of Revenue | | | | |
| | Own Source Revenue | - | 168,352,202 | 82,477,078 | 49.0 |
| | Balance b/f from FY 2019/20 | - | 914,088,958 | 914,088,958 | 100.0 |
| | Other Revenues | - | 114,400,000 | 114,400,000 | 100.0 |
| Sub Total | | | 1,196,841,160 | 1,110,966,036 | 89.7 |
| Grand Total | | 5,887,279,683 | 7,018,168,406 | 3,469,363,726 | 49.4 |

Source: West Pokot County Treasury

Figure 3.93 shows the trend in own-source revenue collection for the first nine months of the financial year from FY 2013/14 to FY 2020/21.

Figure 3.93: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21



Source: West Pokot County Treasury

During the first nine months of FY 2020/21, the County generated a total of Kshs.82.48 million as its own-source revenue. This amount represented an increase of 6.7 per cent compared to Kshs.77.27 million realised during a similar period in FY 2019/20 and was 49 per cent of the annual target.

3.48.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.44 billion from the CRF account during the reporting period. The amount comprised of Kshs.571.35 million (18.6 per cent) for development programmes and Kshs.2.50 billion (81.4 per cent) for recurrent programmes.

3.48.4 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.3.40 billion on development and recurrent programmes. The expenditure represented 111.0 per cent of the total funds released by the COB and comprised of Kshs.553.80 million and Kshs.2.85 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 20.9 per cent while recurrent expenditure represented 65.3 per cent of the annual recurrent expenditure budget.

3.48.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.2.02 billion was spent on Compensation to Employees, Kshs.827.58 million on Operations and Maintenance, and Kshs.553.80 million on development activities as shown in Table 3.268.

Table 3.268: Summary of Expenditure by Economic Classification

| Expenditure Classification | Budget (Kshs.) | Exchequer Issues (Kshs.) | Expenditure (Kshs.) | Absorption (%) |
|--------------------------------------|----------------------|--------------------------|----------------------|----------------|
| Total Recurrent Expenditure | 4,362,672,168 | 2,495,118,189 | 2,849,025,359 | 65.3 |
| Compensation to Employees | 2,723,628,656 | 1,956,325,227 | 2,021,445,675 | 74.2 |
| Operations and Maintenance | 1,639,043,512 | 538,792,962 | 827,579,684 | 50.5 |
| Total Development Expenditure | 2,655,496,238 | 571,350,588 | 553,799,601 | 20.9 |
| Development Expenditure | 2,655,496,238 | 571,350,588 | 553,799,601 | 20.9 |
| Total | 7,018,168,406 | 3,066,468,777 | 3,402,824,960 | 48.5 |

Source: West Pokot County Treasury

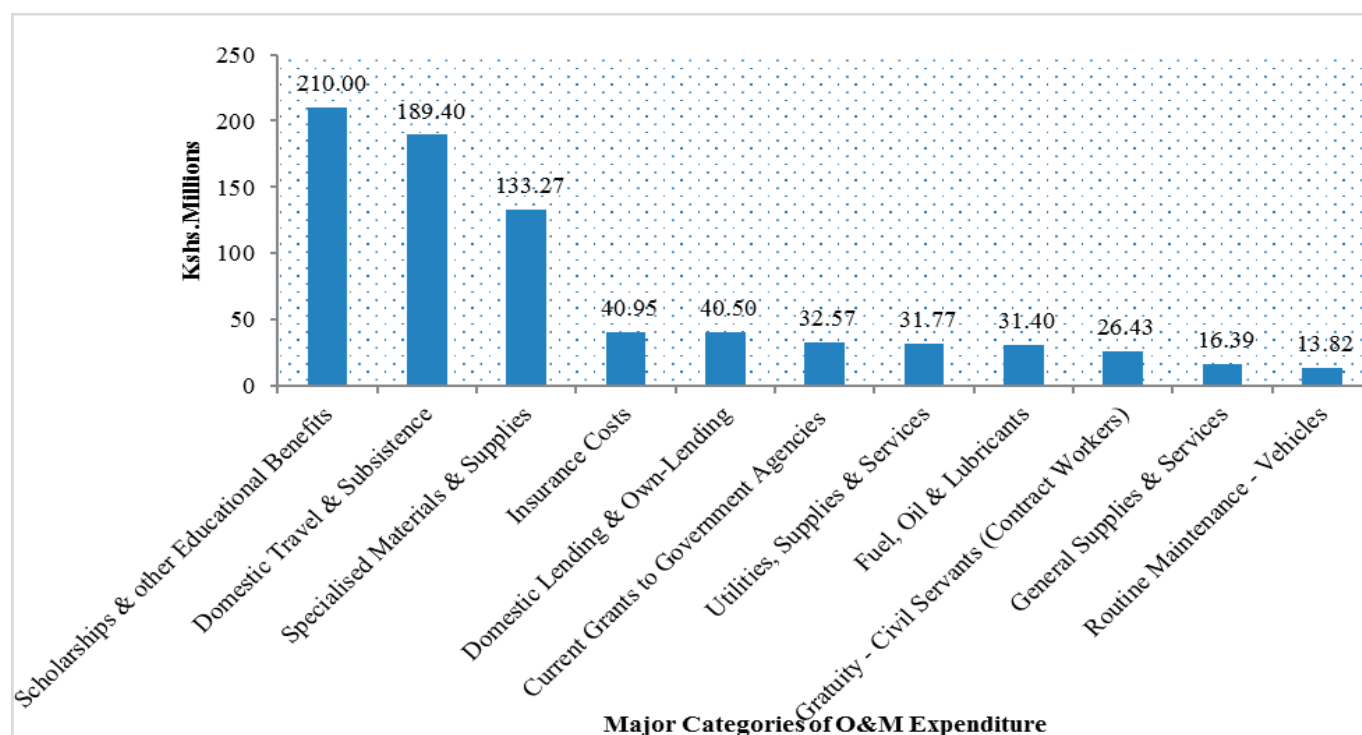
3.48.6 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 59.4 per cent of the total expenditure for the reporting period and 38.4 per cent of the first nine months proportional revenue estimate of Kshs.5.26 billion.

3.48.7 Expenditure on Operations and Maintenance

Figure 3.94 shows a summary of operations and maintenance expenditure by major categories.

Figure 3.94: West Pokot County, Operations and Maintenance Expenditure by Major Categories



Source: West Pokot County Treasury

During the period, expenditure on domestic travel amounted to Kshs.189.40 million and comprised of Kshs.56.72 million spent by the County Assembly and Kshs.132.68 million by the County Executive. Expenditure on foreign travel amounted to Kshs.0.77 million and was entirely spent by the County Executive.

3.48.8 COVID-19 Expenditure

In the approved supplementary budget for FY 2020/21, the county provided Kshs.116.40 million to cater for COVID-19 related expenditure. A total of Kshs.57.17 million was spent during the reporting period, as shown in Table 3.269.

Table 3.269: COVID-19 Budget and Expenditure Summary

| S/No | Description of Expenditure Category | Expenditure as of 31 st March, 2021 (Kshs) |
|--------------|--|---|
| 1. | Supply and delivery of assorted medical equipment for ICU | 21,494,000 |
| 2. | Supply and delivery of assorted medical equipment for ICU | 14,500,000 |
| 3. | Fabrication of Hospital beds and Supply and delivery of associated accessories | 11,990,400 |
| 4. | Medical Equipment for COVID - 19 Isolation Centre | 9,186,500 |
| Total | | 57,170,900 |

Source: West Pokot County Treasury

3.48.9 Development Expenditure

The County incurred expenditure of Kshs.553.80 million on development programmes, which represented a decrease of 9.4 per cent compared to a similar period in FY 2019/20 when the County spent Kshs. 610.99 million. Table 3.270 provides a summary of development projects with the highest expenditure in the reporting period.

Table 3.270: West Pokot County, List of Development Projects with the Highest Expenditure

| S/No. | Project Name/Description | Project Location | Project Budget (Kshs.) | Project Actual Expenditure (Kshs.) | Absorption Rate (%) |
|-------|---|-------------------------------|------------------------|------------------------------------|---------------------|
| 1 | Construction of Governor's Office Complex | Kapenguria | 60,000,000 | 45,765,778 | 76.3 |
| 2 | Completion of Peace Border Schools (Akulo Kanyerus, Katikomor) | Akulo, Kanyerus and Katikomor | 27,000,000 | 27,000,000 | 100.0 |
| 3 | Infrastructure Development in primary Schools throughout the County | CountyWide | 30,000,000 | 20,000,000 | 66.7 |
| 4 | Infrastructure Development in Secondary Schools through the County | CountyWide | 30,000,000 | 20,000,000 | 66.7 |
| 5 | Proposed Construction of Namoru Water Pan-North Pokot Sub-County | North Pokot | 19,452,678 | 19,452,678 | 100.0 |
| 6 | Proposed Construction of Arur Water Pan- Central Pokot Sub-County | Central Pokot | 19,104,540 | 19,104,540 | 100.0 |
| 7 | Construction of County Commissioner's Office | Kapenguria | 48,500,251 | 15,000,000 | 30.9 |
| 8 | Construction of Kapkorus-Makutano Water Supply Project | Makutano | 23,450,000 | 10,332,028 | 44.1 |
| 9 | Rehabilitation of Cheptem-Kaporo Road in Sekerr Ward | Sekerr Ward | 8,000,000 | 8,000,000 | 100.0 |
| 10 | Construction of Kermonot Emboasis Mini Dam -West Pokot Sub County | West Pokot Sub County | 11,702,600 | 7,293,100 | 62.3 |

Source: West Pokot County Treasury

3.48.10 Budget Performance by Department

Table 3.271 shows a summary of the approved budget allocation and performance by departments in the first nine months of FY 2020/21.

Table 3.271: West Pokot County, Budget Performance by Department

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|--------|----------------------------------|--------|-----------------------------|--------|-------------------------------------|-------|---------------------|------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| County Executive | 428.86 | 123.10 | 209.07 | 57.91 | 281.45 | 60.77 | 134.6 | 104.9 | 65.6 | 49.4 |
| Finance and Economic Planning | 318.16 | 8.41 | 158.39 | - | 161.52 | - | 102.0 | - | 50.8 | - |
| Public Works, Transport and Infrastructure | 78.19 | 359.23 | 46.30 | 97.06 | 53.79 | 97.06 | 116.2 | 100.0 | 68.8 | 27.0 |
| Health, Sanitation and Emergencies | 1,548.30 | 394.61 | 1,051.78 | 100.25 | 1,138.77 | 100.25 | 108.3 | 100.0 | 73.5 | 25.4 |
| Education and Technical Training | 489.77 | 373.66 | 364.46 | 75.87 | 401.53 | 67.00 | 110.2 | 88.3 | 82.0 | 17.9 |
| Agriculture and Irrigation | 110.45 | 419.12 | 59.22 | 120.55 | 72.58 | 120.55 | 122.6 | 100.0 | 65.7 | 28.8 |
| Pastoral Economy | 99.92 | 148.65 | 69.86 | 63.53 | 66.13 | 52.00 | 94.7 | 81.9 | 66.2 | 35.0 |
| Trade, Industrialization, Investment and Cooperative Development | 120.01 | 146.03 | 72.38 | - | 91.82 | - | 126.9 | - | 76.5 | - |
| Land, Housing, Physical Planning and Urban Development | 106.09 | 188.34 | 59.82 | - | 78.24 | - | 130.8 | - | 73.7 | - |

| Department | Budget Allocation (Kshs. Million) | | Exchequer Issues (Kshs. Million) | | Expenditure (Kshs. Million) | | Expenditure to Exchequer Issues (%) | | Absorption rate (%) | |
|--|-----------------------------------|-----------------|----------------------------------|---------------|-----------------------------|---------------|-------------------------------------|-------------|---------------------|-------------|
| | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev | Rec | Dev |
| Water development, Environment and Natural Resources | 85.57 | 289.12 | 44.56 | 56.18 | 45.68 | 56.18 | 102.5 | 100.0 | 53.4 | 19.5 |
| Youths, Sports, Tourism, Gender and Social services | 75.53 | 55.17 | 31.24 | - | 35.50 | - | 113.7 | - | 47.0 | - |
| Public Service, ICT and Decentralized Units | 259.31 | 50.00 | 93.43 | - | 117.93 | - | 126.2 | - | 45.5 | - |
| Special programmes and Directorates | 42.06 | 1.40 | 21.75 | - | 21.04 | - | 96.7 | - | 50.0 | - |
| County Assembly | 600.45 | 98.67 | 212.88 | - | 283.04 | - | 133.0 | - | 47.1 | - |
| | 4,362.67 | 2,655.50 | 2,849.03 | 571.35 | 2,849.03 | 553.80 | 114.2 | 96.9 | 65.3 | 20.9 |

Source: West Pokot County Treasury

The departments' analysis shows that the County Executive recorded the highest absorption rate of the development budget at 49.4 per cent. The Department of Education and Technical Training had the highest percentage of recurrent expenditure to budget at 82 per cent while the Department of Public Service, ICT and Decentralized Units had the lowest at 45.5 per cent.

3.48.11 Budget Execution by Programmes and Sub-Programmes

Table 3.272 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 3.272: West Pokot County, Budget Execution by Programmes and Sub-programmes

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Implementation Status (%) |
|---|--|------------------------|------------------------|--------------------|---------------------------|
| County Executive | | | | | |
| | SP 1 - (General Administration, planning and Support Services) | 502,019,030 | 324,858,886 | 177,160,144 | 64.7 |
| | SP 2 - (County Executive affairs) | 9,493,120 | 3,493,100 | 6,000,020 | 36.8 |
| | SP 3 - (County Public service Board) | 29,715,400 | 9,338,128 | 20,377,272 | 31.4 |
| | SP 4 - (Field Administration service) | - | - | - | - |
| | SP 5- (Liaison and Intergovernmental service) | 10,733,816 | 4,527,800 | 6,206,016 | 40.0 |
| | Sub total | 551,961,366 | 342,217,914 | 209,743,452 | 62.0 |
| Finance and Economic Planning | | | | | |
| | SP 1 (General Administration, planning and Support Services) | 198,966,087 | 121,700,066 | 77,266,021 | 61.2 |
| | SP 2- (Treasury Accounting Services) | 2,373,440 | 1,217,100 | 1,156,340 | 51.3 |
| | SP 3- (Supply Chain Management services) | 3,142,816 | 1,484,992 | 1,657,824 | 47.3 |
| | SP 4- (Resource Mobilization) | 11,606,632 | 7,352,076 | 4,254,556 | 63.3 |
| | SP 5- (Internal Audit services) | 4,133,600 | 2,235,450 | 1,898,150 | 54.1 |
| | SP 6- (Budget Formulation services) | 15,806,721 | 8,822,200 | 6,984,521 | 55.8 |
| | SP 7- (Economic Planning) | 83,953,932 | 13,298,082 | 70,655,850 | 15.8 |
| | SP 8- (Project Management) | - | - | - | - |
| | SP 9- (Monitoring and Evaluation) | 6,587,000 | 5,407,300 | 1,179,700 | 82.1 |
| | Sub total | 326,570,228 | 161,517,266 | 165,052,962 | 49.5 |
| Public Works, Transport and Infrastructure | | | | | |
| | SP 1 (General Administration, planning and Support Services) | 72,659,4080 | 51,412,086 | 21,247,322 | 70.8 |
| | SP 2 (Road Transport) | 7,837,840 | 1,583,380 | 6,254,460 | 20.2 |
| | SP 3 (KRB) | 186,588,369 | 74,522,798 | 112,065,571 | 39.9 |
| | SP 4 (Public works) | 15,188,500.00 | 9,766,503 | 5,421,997 | 64.3 |
| | SP 5- (Ward Specific Projects) | 155,139,992 | 13,565,808 | 141,574,184 | 8.7 |
| | Sub total | 437,414,109 | 150,850,575 | 286,563,534 | 34.5 |
| Health, Sanitation and Emergencies | | | | | |
| | SP 1 (General Administration, planning and Support Services) | 1,313,835,246 | 978,226,157 | 335,609,089 | 74.5 |
| | SP 2- (Preventive Health Services) | 300,791,260 | 52,499,179 | 19,995,108 | 72.4 |
| | SP 3- (Kapenguria Referral Hospital) | 72,494,287 | 147,828,070 | 152,963,190 | 49.1 |
| | SP 4- (Kacheliba Sub county hospital) | 14,615,000 | 6,575,253 | 8,039,747 | 45.0 |
| | SP 5- (Sigor Sub county hospital) | 15,620,000 | 8,091,620 | 7,528,380 | 51.8 |
| | SP 6- (Chepareria Sub county hospital) | 48,260,000 | 13,289,874 | 34,970,126 | 27.5 |
| | SP 7 (Facility Improvement Fund) | 39,500,000 | 29,007,865 | 10,492,135 | 73.4 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Implementation Status (%) |
|---|---|------------------------|------------------------|--------------------|---------------------------|
| | SP 8(Ward Specific) | 137,787,403 | 3,500,001 | 134,287,402 | 2.5 |
| | Sub total | 1,942,903,196 | 1,239,018,019 | 703,885,177 | 63.8 |
| Education and Technical training | | | | | |
| | SP 1(General Administration, planning and Support Services) | 303,268,553 | 215,839,660 | 87,428,893 | 71.2 |
| | SP 2 - (ECD Services) | 15,247,253 | 280,973 | 14,966,280 | 1.8 |
| | SP 3- (Youth Vocational training) | 36,805,196 | 413,400 | 36,391,796 | 1.1 |
| | SP 4- (Bursary Fund) | 299,000,000 | 252,000,000 | 47,000,000 | 84.3 |
| | SP 5 - (Ward specific) | 209,100,791 | - | 209,100,791 | 0.0 |
| | Sub total | 863,421,793 | 468,534,033 | 394,887,760 | 54.3 |
| Agriculture and Irrigation | | | | | |
| | SP 1- (General Administration, Planning and Support Services) | 104,857,776 | 67,663,215 | 37,194,561 | 64.5 |
| | SP 2- (Crop Development and Management) | 406,727,420 | 121,317,034 | 285,410,386 | 29.8 |
| | SP 3- (Cash Crop Production (Special Programs) | 4,546,000 | 4,142,140 | 403,860 | 91.1 |
| | SP 4 - (Ward specific) | 13,435,900 | - | 13,435,900 | 0.0 |
| | Sub total | 529,567,096 | 193,122,390 | 336,444,706 | 36.5 |
| Pastoral Economy | | | | | |
| | SP 1- (General Administration, Planning and Support Services) | 142,512,425 | 61,994,259 | 25,718,166 | 70.7 |
| | SP 2 - (Livestock production and Range Management) | 39,709,009 | 1,217,500 | 38,491,509 | 3.1 |
| | SP 3- (Livestock Disease management) | 5,718,400 | 1,916,400 | 3,802,000 | 33.5 |
| | SP 4- (Fisheries Development) | 434,400 | 192,000 | 242,400 | 44.2 |
| | SP 5- (Nasukuta Livestock Improvement Centre) | 2,128,000 | 52,230,500 | 4,697,500 | 91.7 |
| | SP 6 - (Ward specific) | 58,069,111 | 577,200 | 57,491,911 | 1.0 |
| | SP 7 - Dairy Development (Special Programmes) | - | - | - | - |
| | Sub total | 248,571,345 | 118,127,859 | 130,443,486 | 47.5 |
| Trade, Industrialization, Investment and Cooperative Development | | | | | |
| | SP 1- (General Administration, Planning and Support Services) | 72,223,346 | 47,303,666 | 24,919,680 | 65.5 |
| | SP 2- (Cooperative Development) | 173,015,691 | 42,864,528 | 130,151,164 | 24.8 |
| | SP 3 - (Trade, License and Market Development) | 3,877,073 | 1,656,475 | 2,220,598 | 42.7 |
| | SP 4- (Ward specific) | 16,928,554 | - | 16,928,554 | 0.0 |
| | Sub total | 266,044,664 | 91,824,669 | 174,219,995 | 34.5 |
| Land, Housing, Physical Planning and Urban Development | | | | | |
| | SP 1- (General Administration, Planning and Support Services) | 78,077,589 | 56,003,047 | 22,074,542 | 71.7 |
| | SP 2 - (Land Policy and Physical Planning) | 58,448,854 | 17,468,783 | 40,980,071 | 29.9 |
| | SP 3- (Housing Development) | 912,000 | 714,686 | 197,314 | 78.4 |
| | SP 4- (Urban Development) | 151,749,537 | 267,500 | 2,081,300 | 11.4 |
| | SP 5- (Kapenguria Municipality) | 2,348,800 | 3,784,863 | 147,964,674 | 2.5 |
| | SP 6- (Ward specific) | 2,900,000 | - | 2,900,000 | 0.0 |
| | Sub total | 294,436,780 | 78,238,879 | 216,197,901 | 26.6 |
| Water Development, Environment and Natural Resources | | | | | |
| | SP 1- (General Administration, Planning and Support Services) | 65,010,892 | 37,139,808 | 27,871,084 | 57.1 |
| | SP 2 - (Water Supply Services) | 136,526,968 | 63,429,378 | 73,097,590 | 46.5 |
| | SP 3 - (Environment & Natural Resource Development) | 12,581,280 | 1,291,800 | 11,289,480 | 10.3 |
| | SP 4 - (Ward Specific) | 160,571,261 | - | 160,571,261 | 0.0 |
| | Sub total | 374,690,401 | 101,860,986 | 272,829,415 | 27.2 |
| Youths, Sports, tourism, Gender and Social services | | | | | |
| | SP 1- (General Administration, Planning and Support Services) | 36,388,416 | 25,020,569 | 11,367,847 | 68.8 |
| | SP 2- (Tourism Development) | 3,521,214 | 2,098,500 | 1,422,714 | 59.6 |
| | SP 3- (Gender, Youths and sports Development) | 85,574,300 | 7,131,050 | 78,443,250 | 8.3 |
| | SP 4- (Culture and Social Development) | 2,089,719 | 1,252,900 | 836,819 | 60.0 |
| | SP 5- (Ward Specific) | 3,125,000 | - | 3,125,000 | 0.0 |
| | Sub total | 130,698,649 | 35,503,019 | 95,195,630 | 27.2 |
| Public Service, ICT and Decentralized Units | | | | | |
| | SP 1- (General Administration, Planning and Support Services) | 291,136,416 | 107,214,142 | 183,922,274 | 36.8 |
| | SP 2- (Human Resource) | 1,404,000 | 804,974 | 599,026 | 57.3 |
| | SP 3- (Legal Services) | 1,836,000 | 1,468,376 | 367,624 | 80.0 |
| | SP 4 - (Records Management) | 384,000 | 312,782 | 71,218 | 81.5 |
| | SP 5- (Communication Services) | 720,000 | 567,485 | 152,515 | 78.8 |

| Programme | Sub- Programme | Approved Budget (Kshs) | Actual Payments (Kshs) | Variance (Kshs.) | Implementation Status (%) |
|--|---|------------------------|------------------------|----------------------|---------------------------|
| | SP 6 - (ICT Infrastructure Connectivity) | 2,116,423 | 517,800 | 1,598,623 | 24.5 |
| | SP 7 - (Field Administration) | 11,715,680 | 7,041,550 | 4,674,130 | 60.1 |
| | Sub total | 309,312,519 | 117,927,109 | 186,711,280 | 38.1 |
| Special programmes and Directorates | | | | | |
| | SP 1- (General Administration, Planning and Support Services) | 18,821,548 | 9,644,808 | 10,576,740 | 47.7 |
| | SP 2 - (Dairy Development) | - | - | - | 0.0 |
| | SP 3- (Cash crop production) | - | - | - | 0.0 |
| | SP 4- (Investment and Cooperative development) | 575,900 | 396,790 | 179,110 | 68.9 |
| | SP 5 - (Emergency and disaster response) | 7,705,000 | 756,100 | 5,548,900 | 12.0 |
| | SP 6 - (Peace building and reconciliation) | 5,818,000 | 4,180,150 | 1,637,850 | 71.8 |
| | SP 7- (Resource mobilization and Coordination) | 1,350,000 | 1,105,000 | 245,000 | 81.9 |
| | SP 8(Gender and special needs) | 9,190,000 | 4,957,425 | 4,232,575 | 53.9 |
| | Sub total | 43,460,448 | 21,040,273 | 22,420,175 | 48.4 |
| County Assembly | | | | | |
| | SP 1- (General Administration, Planning and Support Services) | 470,286,760 | 206,418,669 | 263,868,091 | 43.9 |
| | SP 2 - (Legislation and Representation) | 180,029,053 | 68,743,800 | 111,285,253 | 38.2 |
| | SP 3- (Staff Affairs and development) | 48,800,000 | 7,879,500 | 40,920,500 | 16.1 |
| | Sub total | 699,115,813 | 283,041,969 | 416,073,844 | 40.5 |
| Grand Total | | 7,018,168,407 | 3,402,824,960 | 3,615,343,447 | 48.5 |

Source: West Pokot County Treasury

Programmes with the highest levels of implementation based on absorption rates were: Nasukuta Livestock Improvement Centre in the Department of Pastoral Economy at 91.7 per cent, Cash Crop Production (Special Programmes) in the Department of Agriculture and Irrigation at 91.1 per cent, Bursary Fund in the Department of Education and Technical Training at 84.3 per cent, and Monitoring and Evaluation in the Department of Finance and Economic Planning at 82.1 per cent of their budget allocation.

3.48.12 Key Observations and Recommendations

In the course of overseeing and reporting on the implementation of the County budget, the OCoB identified the following challenges which hampered effective budget implementation;

1. The County Assembly failed to submit financial statements to the Controller of Budget. This is in contravention of Section 16 of the COB Act, 2016, which requires a public officer to co-operate with the Controller of Budget. The OCoB issued instructions to Counties to provide financial reports by 15th April, 2021, in line with Section 16 of the COB Act, 2016.
2. Low absorption of development funds as indicated by the expenditure of Kshs.553.80 million in the first nine months of FY 2020/21 from the annual development budget allocation of Kshs.2.66 billion. The development expenditure represented 20.9 per cent of the annual development budget.
3. A high wage bill, which accounted for 59.4 per cent of the total expenditure in the first nine months of FY 2020/21, thereby constraining funding to other programmes.
4. Under-performance of own source revenue at Kshs.82.48 million compared to the annual projection of Kshs.168.35 million, representing 49 per cent of the target.
5. Failure by Fund Administrators to submit to OCoB financial and non-financial statements in line with Section 168 of the PFM Act, 2012. The OCoB did not receive quarterly financial statements for the West Pokot County Executive Car Loan and Mortgage Scheme Fund, West Pokot County Assembly Car Loan and Mortgage Scheme Fund, West Pokot County Assembly Staff Car Loan and Mortgage Scheme Fund and West Pokot County Cooperative Development Fund.

The County should implement the following recommendations to improve budget execution;

1. The County Assembly should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with Section 166 of the PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Public Service Board should establish an optimal staffing structure to ensure that expenditure

on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.

- 4. The County should address its own source revenue performance to ensure the approved budget is fully financed.*
- 5. The County Executive Committee Member for Finance (CECM-F) should ensure Fund Administrators prepare and submit financial reports in line with Section 168 of the PFM Act, 2012.*

4 KEY CHALLENGES AND RECOMMENDATIONS

4.1 Introduction

This section highlights cross-cutting issues that affected budget implementation in the first nine months of the FY 2020/21/20 and presents recommendations to address the challenges to enhance smooth budget execution in the future. The cross-cutting challenges included:

4.2 High Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue.

On aggregate, county governments spent Kshs.117.19 billion on personnel emoluments (PE), which accounted for 52.9 per cent of the total expenditure for the period. Nonetheless, this expenditure was a decrease from Kshs.126.28 billion incurred in a similar period of FY 2019/20, which may be attributed to delays in release of the equitable share of revenue raised nationally by the National Treasury, thereby affecting timely payment of salaries. The expenditure on personnel emoluments represented 52.3 per cent of the total available revenue of Kshs.223.97 billion. Analysis of personnel emoluments for the first nine months as a proportion of income received by County shows that 18 county governments exceeded the allowable limit of 35 per cent. These were; Baringo, Bungoma, Elgeyo Marakwet, Embu, Garissa, Homa Bay, Kiambu, Kirinyaga, Kisii, Kitui, Machakos, Meru, Murang'a, Nandi, Taita Taveta, Tharaka Nithi, Vihiga and West Pokot counties.

County Governments should ensure that expenditure on personnel emoluments is contained at sustainable levels and in compliance with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.

4.3 Under-performance in Own Source Revenue Collection

Article 209 (3) of the Constitution allows County Governments to impose property rates, entertainment taxes and any other tax that a county is authorised to charge by an Act of Parliament.

During the reporting period, county governments generated Kshs.23.52 billion, which was 45.6 per cent of the annual target of Kshs.56.02 billion. This was a decrease compared to Kshs.28.04 billion generated in a similar period of FY 2019/20. The performance was below the expected prorated target of 75 per cent in the first nine months of the financial year. The under-performance of own-source revenue collection implies that some planned activities may not be implemented in the financial year due to lack of funds and may lead to accumulation of pending bills.

The Office of the Controller of Budget recommends that counties develop and implement alternative measures to ensure the budget is fully financed.

4.4 Low Expenditure on the Development Budget

Section 107(2) (b) of the Public Finance Management (PFM) Act, 2012 provides that over the medium term, a minimum of thirty per cent of the County Governments budget shall be spent on the development expenditure.

During the reporting period, County Governments spent Kshs.48.45 billion on development activities, representing an absorption rate of 25.1 per cent of the County Governments' cumulative annual development expenditure budget of Kshs.193.3 billion. This performance was a slight improvement from an absorption rate of 25 per cent, reported in a similar period of FY 2019/20 when development expenditure was Kshs.49.78 billion. Analysis of development expenditure as a proportion of approved annual development budget shows that twenty-five counties reported absorption rates on development budget below 25 per cent. These were; Nairobi City, Kisumu, Lamu, Baringo, Nakuru, Samburu, Kilifi, Nyandarua, Vihiga, Turkana, Meru, Narok, Busia, Kericho, Trans Nzoia, Uasin Gishu, West Pokot, Elgeyo Marakwet, Kirinyaga, Migori, Laikipia, Tana River, Machakos, Siaya, and Isiolo.

The Office of the Controller of Budget recommends that counties prioritise the implementation of development projects to improve the standard of living for their citizens.

4.5 Delay in Submission of Financial and Non-Financial Reports to the Controller of Budget

County Governments are required to prepare and submit financial and non-financial reports in line with Section 166(4) and Section 168 (3) of the PFM Act, 2012, not later than one month after the end of each quarter. Further, Section 16 of the Controller of Budget Act, 2016 requires Accounting Officers to co-operate with the Controller of Budget to enable the Controller to carry out his or her functions per the Constitution and any other law. Accounting Officers are required to respond promptly to any inquiry made by the Controller of Budget; furnish the Controller of Budget with periodic reports as to the status of management of the budget and public funds in respect of the question raised within such period as may be prescribed by the Controller of Budget, and provide any other information that the Controller may request.

In line with the above requirement, the Office of the Controller of Budget issued a letter to County Treasuries requesting for submission of financial and financial reports for the period under review by 15th April, 2021. The OCoB noted late submission by twenty-six counties, namely;- Bomet, Bungoma, Busia, Homa Bay, Kajiado, Kakamega, Kericho, Kilifi, Kisumu, Kitui, Lamu, Machakos, Marsabit, Meru, Migori, Mombasa, Murang'a, Nairobi City, Nakuru, Nandi, Siaya, Taita Taveta, Tana River, Trans Nzoia, Vihiga and Wajir.

The delay in submission occurred despite the OCoB instructing Counties to provide financial reports by 15th April, 2021 in line with Section 16 of the COB Act, 2016. The affected County Treasuries are reminded to ensure timely preparation and submission of financial and non-financial reports in line with the law.

4.6 Weak Budgetary Control and Use of Revenue at Source

Article 207(1) of the Constitution states that all money raised by or on behalf of a county government shall be paid into the County Revenue Fund (CRF) account unless reasonably excluded by an Act of Parliament. Further, Section 136(2) of the PFM Act, 2012 requires all unspent cash balances to be refunded into the CRF Account at the close of the financial year.

The Office of the Controller of Budget noted that during the period under review, county governments reported expenditure that exceeded the approved exchequer issues by the Controller of Budget and approved budget ceilings as passed by the respective County Assembly. This indicates weak budgetary control by the County Treasury and possible use of revenue at the source. The Counties in which this weakness was observed were;- Bungoma, Busia, Embu, Isiolo, Bomet, Kajiado, Kiambu, Nyamira, Siaya, Elgeyo Marakwet, Kisii, Kitui, Mombasa, Nakuru, Nandi, Nyeri, Samburu, Turkana, and West Pokot.

It is recommended that county governments should ensure all revenue receipts are banked intact into the County Revenue Fund Account and develop strategies to ensure all unspent cash balance is refunded into the CRF in line with the law.

4.7 High Expenditure on Travel Costs

In order to contain the spread of the COVID-19 disease, the National Government developed guidelines that restricted the movement of persons and promoted the use of virtual meetings and working from home for non-critical government services. This implied that government officers were limited in the number of activities they could undertake, requiring physical meetings such as workshops and seminars.

Despite the protocol to contain the spread of COVID-19 disease, the Office of the Controller of Budget noted high expenditure on local travel and subsistence in the following counties, namely Kajiado at Kshs.333.14 million, Siaya at 332.55 million, Bungoma at 313.15 million, Tana River at Kshs.303.04 million, Nairobi City at Kshs.297.97 million, Machakos at Kshs.283.40 million, Meru at Kshs.264.09 million, Kitui at Kshs.249.63 million, Kiambu at Kshs.245.10 million, Kisii at Kshs.213.69 million, and Nyeri at 202.23 million.

Article 201 of the Constitution requires that public money shall be used in a prudent and responsible way. The OCoB recommends that the County Treasuries should review expenditure on travel and subsistence allowances to ensure the cost is credible and also institute control measures to curtail this expenditure to avoid wasteful spending. Further, spending on non-core activities, such as travelling, should be rationalised to free funds for the implementation of essential development programmes.

4.8 Delay in Disbursement of Equitable Share by the National Treasury

The County Allocation of Revenue Act (CARA), 2020 provides that a county government's allocation shall be transferred to the respective County Revenue Fund in accordance with a Disbursement Schedule approved by the Senate. The Schedule shows that by 30th March 2021, Counties should have received Kshs.235.79 billion, which translated to 74.5 per cent of the annual equitable share allocation of Kshs.316.5 billion.

In the first nine months of FY 2020/21, the National Treasury disbursed a total of Kshs.158.73 billion to the Counties as the equitable share of revenue raised nationally, which accounted for 50.2 per cent of the annual equitable share of revenue raised nationally. The disbursed amount of Kshs.158.73 billion excludes Kshs.26.22 billion outstanding equitable share of revenue raised nationally for FY 2019/20, which was disbursed in August 2020.

It is recommended that the National Treasury should disburse funds to the Counties on a timely basis to ensure that budget implementation is not adversely affected.

4.9 Variances between County Appropriation Act and Budget Implementation Reports generated from IFMIS

The OCoB noted variances in approved budget amounts between County Appropriation Act and reports on Budget Execution by Programmes and Sub-Programmes generated from IFMIS as of 31st December, 2021 as shown in Table 4.1.

Table 4.1: Variances in Approved Budget Amounts – Comparison of County Appropriation Act and Programme and Sub-Programme Reports generated from IFMIS

| No. | County | Approved Budget as per County Appropriation Act (Kshs.) | Approved Budget as per Programme and Sub-Programmes Report (Kshs.) | Variance (Kshs.) |
|-----|-----------------|---|--|------------------|
| 1. | Baringo | 7,912,538,919 | 7,880,851,694 | 31,687,225 |
| 2. | Bungoma | 11,902,328,883 | 11,917,130,203 | (14,801,320) |
| 3. | Elgeyo Marakwet | 5,951,738,490 | 5,977,738,490 | (26,000,000) |
| 4. | Garissa | 10,176,759,490 | 10,165,759,490 | 11,000,000 |
| 5. | Homa Bay | 8,919,095,611 | 8,915,095,611 | 4,000,000 |
| 6. | Isiolo | 5,751,157,218 | 4,694,553,035 | 1,056,604,183 |
| 7. | Kajiado | 10,293,678,295 | 8,335,903,167 | 1,957,775,128 |
| 8. | Laikipia | 7,919,923,421 | 7,827,823,421 | 92,100,000 |
| 9. | Meru | 9,064,975,843 | 11,779,780,235 | (2,714,804,392) |
| 10. | Nakuru | 20,747,308,968 | 19,177,271,055 | 1,570,037,913 |

Source: County Treasuries & IFMIS

We recommend County Treasuries of the above county governments to liaise with the IFMIS Directorate to rectify the anomaly in the Programme Based Performance Report.

5 CONCLUSION

This report provides information on the status of budget implementation during the first nine months of the FY 2019/20 by the County Governments.

The aggregate budget estimates for the 47 County governments in FY 2020/21 amounted to Kshs.500.77 billion and comprised of Kshs.193.3 billion (38.6 per cent) allocated to development expenditure and Kshs.307.47 billion (61.4 per cent) for recurrent expenditure. The aggregate development expenditure allocation conforms to Section 107 (2(b)) of the PFM Act, 2012, requiring that at least 30 per cent of the budget be allocated for development programs.

The total expenditure by County governments in the first nine months of the FY 2020/21 was Kshs.221.39 billion, representing an absorption rate of 44.2 per cent of the aggregated annual County Government's budgets. This was a decrease from an absorption rate of 49.3 per cent reported attained in a similar period in FY 2019/20 where total expenditure was Kshs.241.6 billion. Recurrent expenditure was Kshs.172.93 billion, representing 56.2 per cent of the annual recurrent budget, and a decline from 63.9 per cent reported in a similar period of FY 2019/20. Development expenditure amounted to Kshs.48.45 billion, representing an absorption rate of 25.1 per cent, and a slight improvement from 25 per cent attained in the first nine months of FY 2019/20 when total development expenditure was Kshs.49.78 billion. A review of cumulative expenditure by economic classification showed that Kshs.117.19 billion (52.9 per cent) was spent on Personnel Emoluments, Kshs.55.74 billion (25.2 per cent) on Operations and Maintenance, and Kshs.48.46 billion (21.9 per cent) on Development Expenditure.

In terms of performance of own-source revenue, county governments generated Kshs.25.52 billion, which was 45.6 per cent of the annual target of Kshs.56.02 billion and was a decrease compared to Kshs.28.04 billion generated in a similar period of FY 2019/20.

This report has identified challenges that hampered effective budget execution during the reporting period. They included; high expenditure on personnel emoluments, under-performance of own-source revenue collection, low spending on the development budget, delay in submission of financial and non-financial reports to the Controller of Budget, weak budgetary control and use of revenue at the source, high expenditure on travel costs, and delay in disbursement of the equitable share of revenue raised nationally by the National Treasury. The report has provided appropriate recommendations on addressing these challenges to enhance smooth budget execution in the future. The OCoB encourages the relevant oversight institutions and responsible county government officers to ensure implementation of these recommendations.

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