



THE REPUBLIC OF KENYA

OFFICE OF THE CONTROLLER OF BUDGET

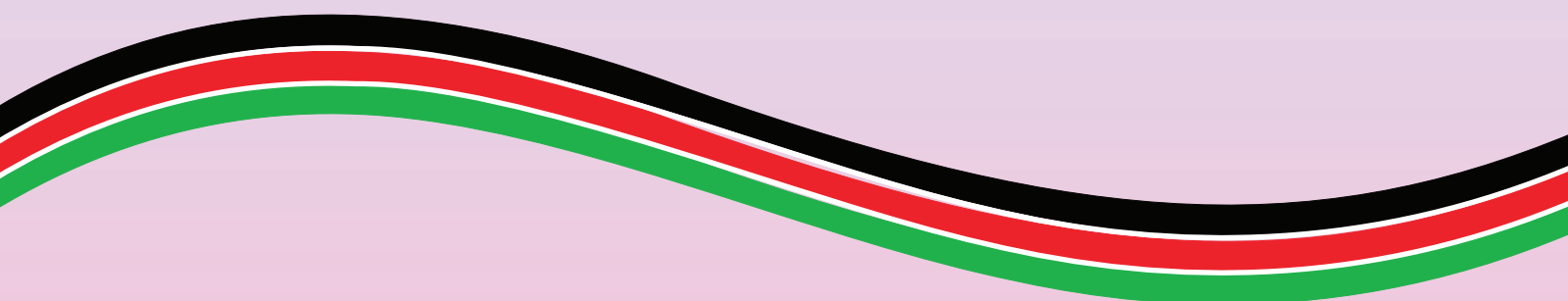


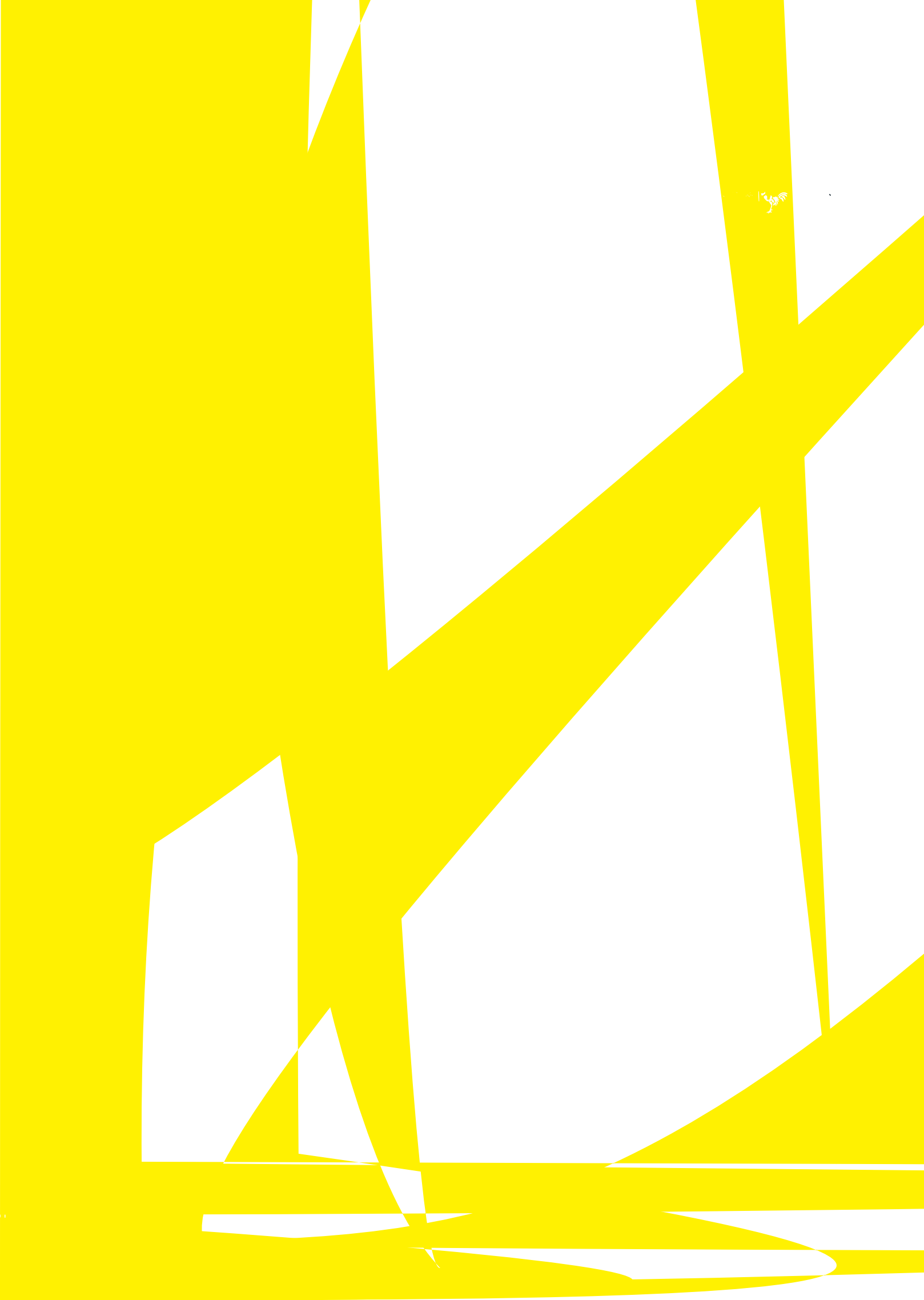
THE REPUBLIC OF KENYA

COUNTY GOVERNMENTS BUDGET IMPLEMENTATION REVIEW REPORT

FOR THE FIRST QUARTER FY 2020/21

NOVEMBER, 2020





FOREWORD

It gives me great pleasure to present the first quarter 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 quarter of the financial year 2020/21. It also seeks to promote openness, transparency and provide information to the public on the management of public resources.

The report provides an analysis of budget implementation by the Counties for the period July to September 2020. It compares implementation of the budgets against the County Appropriation laws that were in force and also highlights revenues and expenditure performance. It is expected that this report will enable the County Governments build on the milestones achieved and initiate corrective mechanisms to address the issues highlighted, forging ahead to realise the aspirations of devolved governance, notwithstanding challenges such as the COVID-19 Pandemic.

The preparation of this report has been made possible through concerted effort of staff from County Treasuries and the OCOB. I am grateful to all staff who were involved in the preparation of this report. The OCOB is looking forward to continued collaboration 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 at 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
B/F	Balance Brought Forward
CA	County Assembly
CARA	County Allocation of Revenue Act
CBEF	County Budget and Economic Forum
CBIRR	County Budget Implementation Review Report
CBK	Central Bank of Kenya
CECM-F	County Executive Committee Member for Finance
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
EU	European Union
FAO	Food and Agriculture Organization
FIF	Facility Improvement Fund
FY	Financial Year
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
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
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
UIB	Urban Integrated Plan
UDG	Urban Development Grant
UIG	Urban Institutional Grants
UNICEF	United Nations Children's Fund
WB	World Bank
WSDP	Water & Sanitation Development Project

EXECUTIVE SUMMARY

This is the First Quarter County Budget Implementation Review Report (CBIRR) for the FY 2020/21 and has been prepared in fulfilment of Article 228(6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act 2016. It covers the period from July to September 2020 and presents information on budget implementation by each of the 47 County Governments by analysing revenue and expenditure performance against the annual budget estimates. Expenditure is based on financial reports submitted by County Governments and those generated from the Integrated Financial Management System (IFMIS).

The approved aggregate budget estimates for the 47 County governments in FY 2020/21 amount to Kshs.436.15 billion and comprised of Kshs.159.33 billion (36.5 per cent) allocated to Development Expenditure and Kshs.276.82 billion (63.5 per cent) for Recurrent Expenditure. The cumulative approved budget estimates exclude Kitui, Mandera, and Wajir Counties which neither had Approved Budgets nor a Vote on Account as of 30th September, 2020. 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 the budget must be allocated for development programs. To finance the budgets, county governments expect to receive Kshs.316.5 billion as the equitable share of the revenue raised nationally, Kshs.23.16 billion as conditional grants from the National Government, Ksh.30.20 billion as loans and grants from Development Partners, generate Kshs.53.02 billion from own revenue sources, and utilize Kshs.37.77 billion cash balance from FY 2019/20.

In the period under review, the total funds available to the County Governments amounted to Kshs.69.84 billion. This amount consisted of Kshs.26.22 billion as equitable share of the revenue raised nationally which was a balance from FY 2019/20 but disbursed in FY 2020/21, Kshs.37.77 billion cash balance from FY 2019/20, and Kshs.5.85 billion raised from own sources. The National Treasury did not disburse any equitable share of revenue for FY 2020/21 due to delay in approval of the County Allocation of Revenue Bill, 2020 by Parliament, which was finally assented to on 8th October, 2020.

County governments generated a total of Kshs.5.85 billion from own source revenue collection, which was 11 per cent of the annual target of Kshs.53.02 billion, a decrease compared to Kshs.7.71 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, Kirinyaga, and Migori achieved the highest proportions at 26.2 per cent, 23 per cent, and 20.6 per cent respectively.

The Controller of Budget authorised withdrawals of Kshs.35.51 billion from the County Revenue Funds to the County Operational Accounts of the County Governments for budget execution. The transfers comprised of Kshs.32.07 billion (90.3 per cent) to the County Executives and Kshs.3.44 billion (9.7 per cent) to the County Assemblies. The total expenditure by County governments in the first quarter of FY 2020/21 was Kshs.38.17 billion, and represented an absorption rate of 8.8 per cent of the total annual County Government's Budgets. The absorption rate was a decline from 10.1 per cent attained in a similar period of FY 2019/20 when total expenditure was Kshs.46.08 billion. Absorption rate is used to measure performance and is computed as a percentage of expenditure against the approved annual budget.

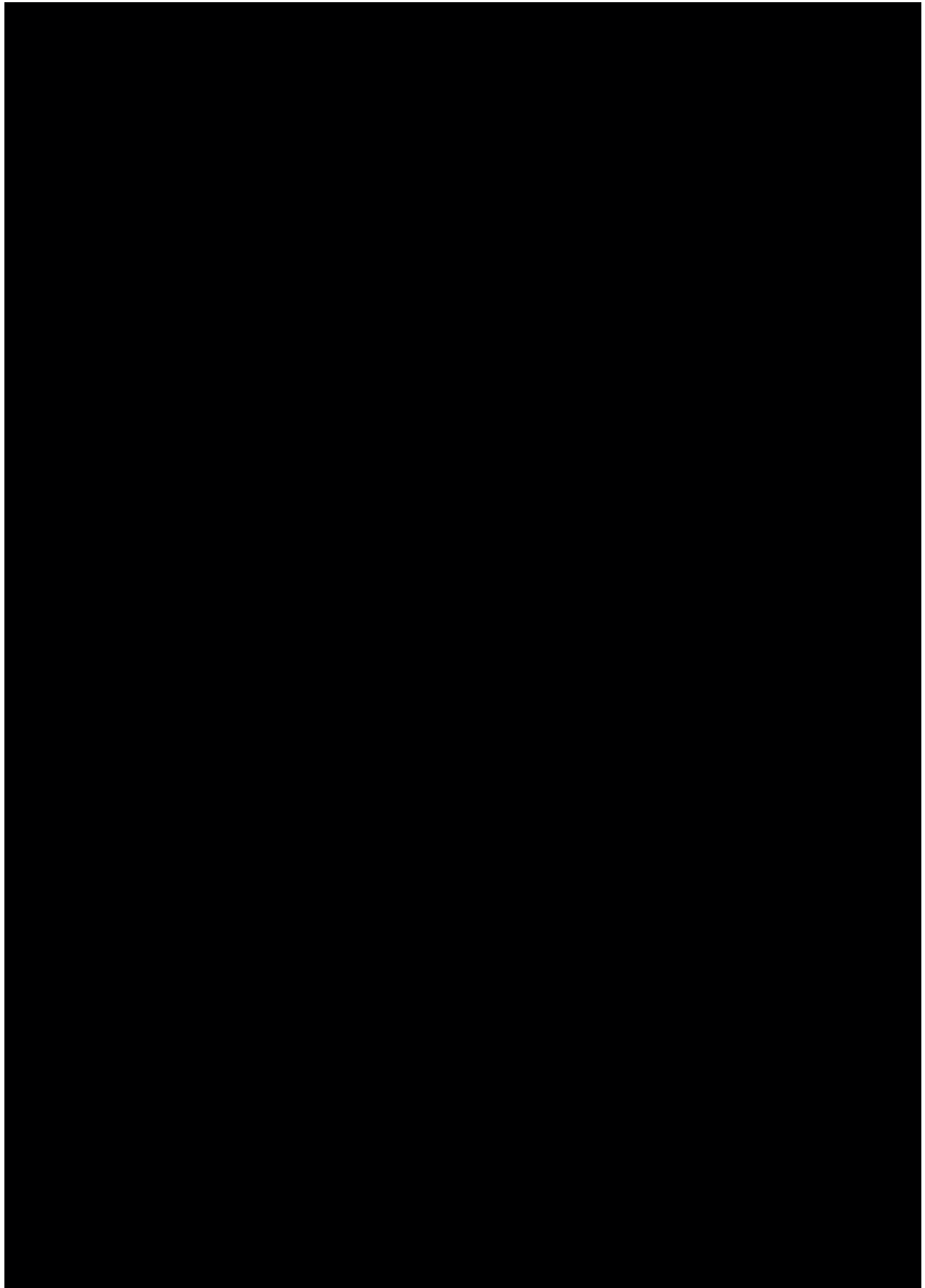
Recurrent expenditure was Kshs.35.87 billion, representing 13 per cent of the annual recurrent budget, and a decline from 15.8 per cent reported in a similar period of FY 2019/20. Development expenditure amounted to Kshs.2.3 billion, representing an absorption rate of 1.4 per cent, and a slight improvement from 1.1 per cent attained in a similar period of FY 2019/20 when total development expenditure was Kshs.1.94 billion. Expenditure by economic classification showed that Kshs.28.65 billion (75.1 per cent) was spent on Personnel Emoluments, Kshs.7.23 billion (18.9 per cent) on Operations and Maintenance, and Kshs.2.3 billion (6 per cent) on development programmes.

Analysis of development expenditure as a proportion of approved annual development budget by county shows that Murang'a, Kisumu and Narok Counties attained the highest absorption rates at 13.5 per cent, 8.3 per cent, and 4.5 per cent respectively. Nonetheless, a total of twenty two counties did not report any expenditure on development activities during the reporting period.

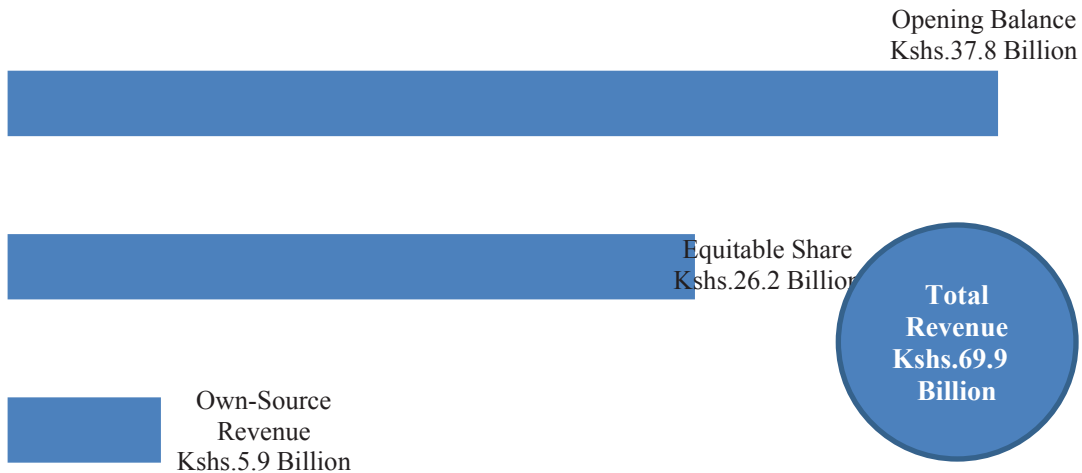
The report identified challenges which hampered effective budget execution during the reporting period. They included; under-performance in own source revenue collection which represented 11 per cent of the annual target, low expenditure on the development programmes which was 1.4 per cent of the annual development budget, delay in submission of financial reports to the OCOB by County Treasuries, weak budgetary controls and non-adherence to the end-of-year closing procedures by the County Treasuries, delay in disbursement of the equitable share of revenue by the National Treasury, delays in the approval of budget documents by County Governments, and delay in approval of the CARA, 2020.

To address these challenges, the OCOB recommends that the County Treasuries should develop and implement measures to enhance own revenue collection for sustainable budget financing while monitoring performance in order to make appropriate interventions during the Supplementary Budget process. To address the low expenditure of development budget, Counties should develop and implement strategies for ensuring effective implementation of development activities. County Treasuries should develop their capacity to ensure reports on financial and non-financial performance are submitted to the Controller of Budget on time. Further, they should enhance vote book and budgetary controls to ensure that expenditure is within the approved budget and approved exchequer issues, ensuring that the end-of-year procedures are strictly adhered to by all county entities. On the delay in disbursement of equitable share of revenue, it is recommended that the National Treasury should devise strategies to ensure timely disbursement of funds. Further, Parliament should enact legislation to facilitate flow of funds to counties in the event of delays in the approval of the annual County Allocation of Revenue Bill. Finally, the OCOB recommends that the Ministry of Devolution through the Intergovernmental Relations Technical Committee should come up with strategies to address the relationship issues between the County Executives and County Assemblies in order to enhance timely approval of budgets.

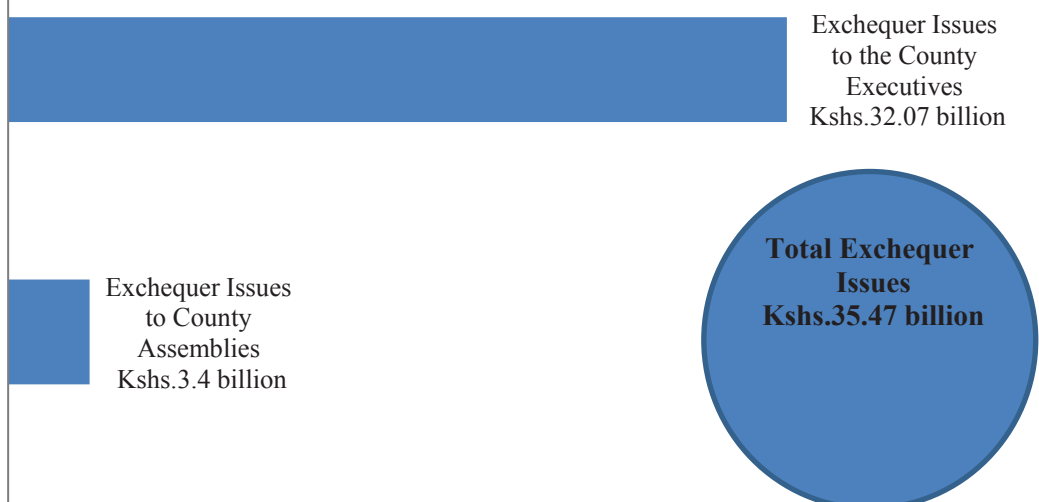
HIGHLIGHTS



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

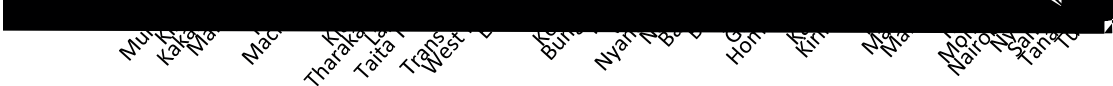


Exchequer Issues in the First Quarter of FY 2020/21



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

Economic Classification	Amount (Kshs. billion)	Percentage
Personnel Emoluments	28.67	75.1%
Operations & Maintenance	7.23	18.9%
Development	2.3	6.0%



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 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 quarter of the FY 2020/21.

The information provided in this report presents the status of budget execution by the 47 County Governments and contains information on budgets, disbursement of equitable share of revenue by the National Treasury, conditional grants from both the National Government and development partners, own source revenues performance and 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 Treasuries 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) is primarily aimed at providing information to Parliament County Assemblies, but is also useful to 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 to ensure that members of the public are provided with information on budget implementation.

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, namely equitable share of revenue raised nationally, 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 presents information on budget financing, budget allocation, exchequer issues, and expenditure performance by Votes and by Programmes. Observations on the COB 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 are presented in Chapter four. Chapter five provides the conclusions.

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

2.1 Introduction

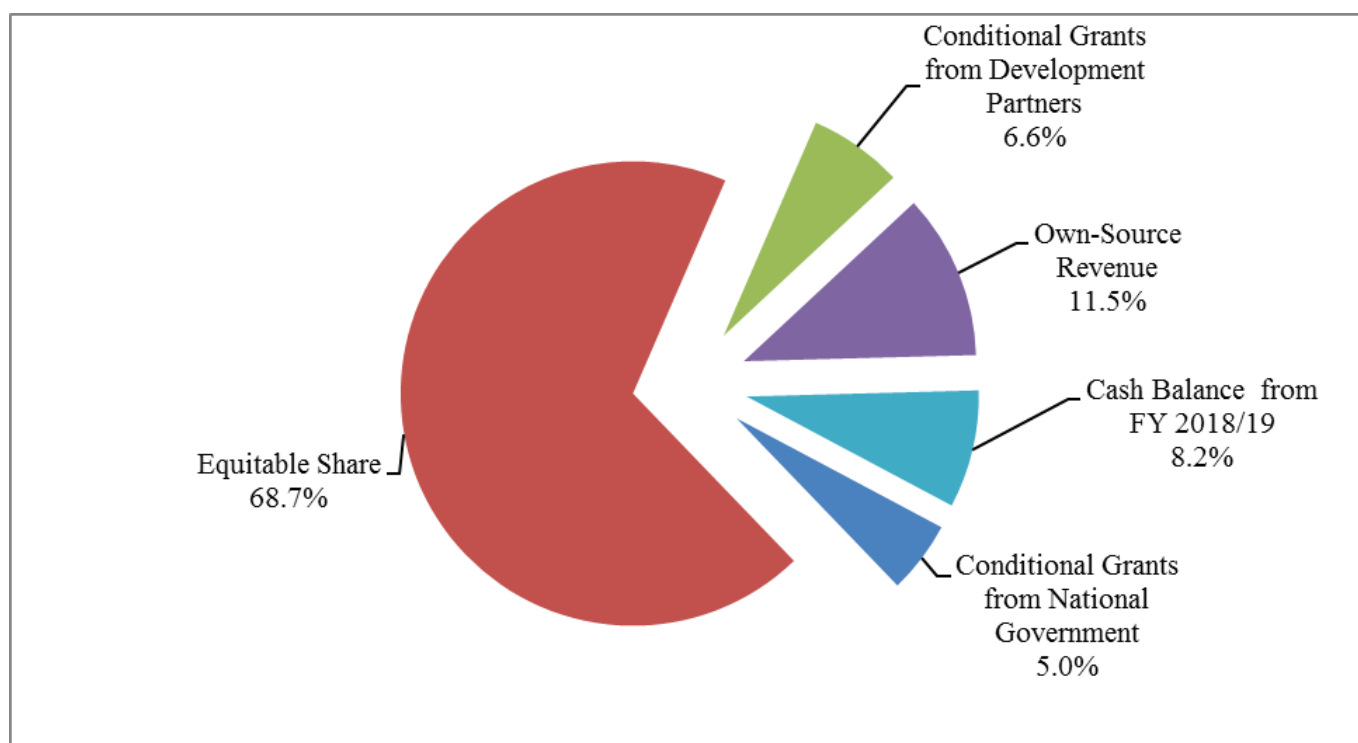
This chapter presents financial analysis of aggregated county budget implementation for the first quarter of FY 2020/21.

2.2 Revenue Analysis

In first quarter of FY 2020/21, the combined County governments' budgets approved by the County Assemblies amounted to Kshs.436.15 billion and comprised of Kshs.159.33 billion (36.5 per cent) allocated to development expenditure and Kshs.276.82 billion (63.5 per cent) for recurrent expenditure. However, the cumulative approved budget estimates excludes Kitui, Mandera and Wajir Counties, which did not have an approved budget nor a Vote on Account as of 30th September, 2020.

In order to finance the budgets, county governments expects 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.53.02 billion from own revenue sources, and utilize Kshs.37.77 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, 2019 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 first quarter FY 2020/21 amounted to Kshs.69.84 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.37.77 billion cash balance from FY 2019/20, and Kshs.5.85 billion raised from own sources.

During the reporting period, the National Treasury did not disburse any equitable share of revenue for FY 2020/21 due to delay in approval of the County Allocation of Revenue Bill, 2020 by Parliament. The Bill was enacted on 8th October, 2020.

2.2.2 Own- Source Revenue

During the reporting period, county governments generated a total of Kshs.5.85 billion, which was 11 per cent of the annual target of Kshs.53.02 billion. This was a decrease compared to Kshs.7.71 billion generated in a similar period of FY 2019/20. Analysis of quarterly own source revenue collection for the period July to September, 2020 is shown in Table 2.2.

Table 2.2: Own Source Revenue Collection for the Period from July to September, 2020 of FY 2020/21

County	Annual Own Source Revenue (OSR) Target for FY 2020/21 (Kshs.)	First Quarter of FY 2020/21 OSR Collection (Kshs.)	% of Collection of OSR Against Annual Target
Baringo	346,088,720	50,282,097	14.5
Bomet	275,922,277	20,313,043	7.4
Bungoma	700,000,000	68,767,405	9.8
Busia	350,000,002	68,414,314	19.5
Elgeyo Marakwet	80,000,000	13,995,148	17.5
Embu	909,000,000	109,115,523	12.0
Garissa	150,000,000	25,768,892	17.2
Homa Bay	385,511,169	15,100,000	3.9
Isiolo	113,686,337	9,921,435	8.7
Kajiado	1,500,000,000	142,293,778	9.5
Kakamega	2,113,000,000	198,240,222	9.4
Kericho	644,058,870	50,730,326	7.9
Kiambu	3,669,554,783	452,331,766	12.3
Kilifi	1,100,000,000	127,059,059	11.6
Kirinyaga	400,000,000	91,952,926	23.0

County	Annual Own Source Revenue (OSR) Target for FY 2020/21 (Kshs.)	First Quarter of FY 2020/21 OSR Collection (Kshs.)	% of Collection of OSR Against Annual Target
Kisii	650,000,000	40,996,500	6.3
Kisumu	1,579,172,106	122,576,876	7.8
Kitui	-	51,885,955	-
Kwale	365,641,316	33,777,380	9.2
Laikipia	1,006,875,000	125,967,881	12.5
Lamu	100,000,000	13,972,830	14.0
Machakos	1,729,798,232	205,984,041	11.9
Makueni	1,065,000,000	105,163,047	9.9
Mandera	-	38,079,175	-
Marsabit	150,000,000	25,999,316	17.3
Meru	600,000,000	96,582,616	16.1
Migori	292,000,000	60,289,703	20.6
Mombasa	5,252,448,363	520,993,878	9.9
Murang'a	900,000,000	125,867,223	14.0
Nairobi City	14,402,000,000	1,540,266,059	10.7
Nakuru	1,800,000,000	294,226,809	16.3
Nandi	405,408,260	4,586,566	1.1
Narok	3,133,923,503	168,187,713	5.4
Nyamira	250,000,000	39,491,859	15.8
Nyandarua	830,000,000	79,250,821	9.5
Nyeri	1,000,000,000	152,688,062	15.3
Samburu	280,312,319	8,193,482	2.9
Siaya	1,100,000,000	127,059,059	11.6
Taita Taveta	363,000,000	58,926,000	16.2
Tana River	72,600,000	19,010,638	26.2
Tharaka Nithi	325,000,000	54,412,468	16.7
Trans Nzoia	500,000,000	68,612,330	13.7
Turkana	150,000,000	17,580,098	11.7
Uasin Gishu	991,000,000	136,018,160	13.7
Vihiga	216,096,587	36,536,225	16.9
Wajir	-	12,581,320	-
West Pokot	168,352,202	21,652,424	12.9
Total	52,415,450,046	5,851,702,448	11.2

Source: County Treasuries

Analysis of own source revenue as a proportion of the annual revenue target indicates that Tana River, Kirinyaga, and Migori achieved the highest proportions at 26.2 per cent, 23 per cent, and 20.6 per cent respectively. Conversely, counties that recorded the lowest proportion of own source revenue against annual targets were Nandi at 1.1 per cent, Samburu at 2.9 per cent, and Homa Bay at 3.9 per cent.

2.3 Funds Released to Counties

2.3.1 Funds released from the Consolidated Fund to Counties

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

The National Treasury was unable to disburse the equitable share of revenue raised nationally to the counties due to a prolonged impasse in the approval of the Third Revenue Allocation Formula by the Senate occasioning delay in

the approval of the County Allocation of Revenue Bill (CARB), 2020 which was assented to on 8th October, 2020. Consequently, counties could not receive the FY 2020/21 equitable share of revenue raised nationally during the first quarter of FY 2020/21 thereby negatively affecting budget implementation. 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.35.51 billion from the County Revenue Funds to County Operational Accounts of the County Governments comprised of Kshs.32.07 billion (90.3 per cent) to the County Executive and Kshs.3.44 billion (9.7 per cent) to the County Assembly. 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 first quarter FY 2020/21 is Kshs.38.17 billion representing an absorption rate of 8.8 per cent of the total annual County Government's Budgets. This was a decrease from an absorption rate of 10.1 per cent reported attained in of FY 2019/20 where total expenditure was Kshs.46.08 billion.

Recurrent expenditure was Kshs.35.87 billion, representing 13 per cent of the annual recurrent budget, and a decline from 15.8 per cent reported in a similar period of FY 2019/20. Development expenditure amounted to Kshs.2.3 billion, representing an absorption rate of 1.4 per cent, and an improvement from 1.1 per cent attained in the first quarter of FY 2019/20 when total development expenditure was Kshs.1.94 billion. The analysis of expenditure by economic classification in first quarter FY 2020/21 is provided in Table 2.2.

Table 2.2: Expenditure by Economic Classification - First Quarter 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	579,177,908	19,673,650	598,851,559	-	598,851,559
Bomet	337,752,636	170,684,840	508,437,476	-	508,437,476
Bungoma	861,710,828	218,949,762	1,080,660,590	24,631,188	1,105,291,778
Busia	613,692,523	183,072,633	796,765,156	48,210,761	844,975,917
Elgeyo Marakwet	674,734,357	45,122,500	719,856,857	35,062,687	754,919,544
Embu	482,034,962	34,940,336	516,975,298	-	516,975,298
Garissa	892,752,199	20,384,050	913,136,249	-	913,136,249
Homa Bay	631,015,827	61,720,991	692,736,818	-	692,736,818
Isiolo	160,125,661	-	160,125,661	-	160,125,661
Kajiado	851,726,275	119,054,399	970,780,674	-	970,780,674
Kakamega	728,925,852	291,979,950	1,020,905,802	274,387,767	1,295,293,569
Kericho	439,341,478	94,305,679	533,647,157	17,358,511	551,005,668
Kiambu	1,466,771,404	546,316,077	2,013,087,480	159,756,990	2,172,844,470
Kilifi	400,203,417	8,887,225	409,090,642	40,885,219	449,975,861
Kirinyaga	484,660,712	6,818,642	491,479,354	-	491,479,354
Kisii	833,025,292	129,840,029	962,865,321	137,555,367	1,100,420,688
Kisumu	1,255,808,631	158,699,198	1,414,507,829	393,791,319	1,808,299,148
Kitui	-	-	-	-	-
Kwale	819,448,449	243,580,351	1,063,028,800	-	1,063,028,800

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
Laikipia	313,346,450	194,330,450	507,676,900	34,431,146	542,108,046
Lamu	372,263,617	46,966,751	419,230,368	16,376,603	435,606,971
Machakos	1,060,797,403	141,714,336	1,202,511,739	138,575,181	1,341,086,920
Makueni	381,373,956	17,450,600	398,824,556	-	398,824,556
Mandera	-	-	-	-	-
Marsabit	414,339,179	138,905,449	553,244,628	117,138,284	670,382,912
Meru	656,623,990	345,543,879	1,002,167,869	-	1,002,167,869
Migori	439,577,289	69,628,755	509,206,044	-	509,206,044
Mombasa	123,175,442	404,178,660	527,354,102	-	527,354,102
Murang'a	403,570,882	126,673,597	530,244,479	426,682,053	956,926,532
Nairobi City	1,239,878,211	70,668,686	1,310,546,897	-	1,310,546,897
Nakuru	1,575,891,452	254,094,663	1,829,986,115	3,850,000	1,833,836,115
Nandi	1,406,070,958	158,026,642	1,564,097,600	23,636,827	1,587,734,427
Narok	216,935,230	1,086,586,263	1,303,521,493	164,351,988	1,467,873,481
Nyamira	578,864,368	10,328,140	589,192,508	-	589,192,508
Nyandarua	391,228,461	205,191,172	596,419,633	3,295,347	599,714,980
Nyeri	1,021,223,285	118,425,032	1,139,648,317	43,165,035	1,182,813,352
Samburu	612,984,678	43,164,435	656,149,113	-	656,149,113
Siaya	400,203,417	8,887,225	409,090,642	40,885,219	449,975,861
Taita Taveta	248,092,403	170,972,309	419,064,712	27,261,624	446,326,336
Tana River	289,334,928	385,275,236	674,610,164	-	674,610,164
Tharaka Nithi	562,071,206	119,026,126	681,097,332	53,604,163	734,701,495
Trans Nzoia	278,565,297	247,214,379	525,779,676	28,868,148	554,647,824
Turkana	1,017,314,740	136,322,000	1,153,636,740	-	1,153,636,740
Uasin Gishu	1,172,523,140	94,368,883	1,266,892,023	-	1,266,892,023
Vihiga	355,845,498	114,157,766	470,003,264	2,771,773	472,775,037
Wajir	-	-	-	-	-
West Pokot	603,854,105	162,989,964	766,844,069	40,000,000	806,844,069
Total	28,648,857,997	7,225,121,711	35,873,979,707	2,296,533,199	38,170,512,907

Source: OCOB and County Treasuries

The Counties that attained the highest expenditure in absolute terms were; Kiambu at Kshs.2.17 billion, Nakuru at Kshs.1.83 billion, and Kisumu at Kshs.1.80 billion. Kitui, Mandera and Wajir Counties did not report any expenditure which is attributed to failure to approve neither the FY 2020/21 Budget Estimates nor a Vote on Account.

A review of cumulative expenditure by economic classification showed that Kshs.28.65 billion (75.1 per cent) was spent on Personnel Emoluments, Kshs.7.23 billion (18.9 per cent) on Operations and Maintenance, and Kshs.2.3 billion (6 per cent) on Development Expenditure.

2.4.1 Development Expenditure

The County governments spent Kshs.2.3 billion on development activities, representing an absorption rate of 1.4 per cent of the annual development budget, which is an increase from 1.1 per cent, reported in a similar period of FY 2019/20 when development expenditure was Kshs.1.94 billion.

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

Table 2.3: County Budget Allocation, Expenditure and Absorption Rate for First Quarter 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*	H=E/B*	I=F/C*
Baringo	4,397.85	1,909.06	6,306.91	598.85	-	598.85	13.6	-	9.5
Bomet	4,824.82	2,118.01	6,942.84	508.44	-	508.44	10.5	-	7.3
Bungoma	8,298.25	3,604.08	11,902.33	1,080.66	24.63	1,105.29	13	0.7	9.3
Busia	4,962.61	2,385.98	7,348.59	796.77	48.21	844.98	16.1	2	11.5
Elgeyo/Marakwet	3,284.02	2,621.53	5,905.55	719.86	35.06	754.92	21.9	1.3	12.8
Embu	4,315.42	2,149.24	6,464.66	516.98	-	516.98	12.0	-	8
Garissa	6,696.48	3,480.28	10,176.76	913.14	-	913.14	13.6	-	9
Homa Bay	5,184.12	2,678.46	7,862.59	692.74	-	692.74	13.4	-	8.8
Isiolo	3,255.96	1,939.95	5,195.91	160.13	-	160.13	4.9	-	3.1
Kajiado	6,107.95	3,334.87	9,442.81	970.78	-	970.78	15.9	-	10.3
Kakamega	8,724.09	6,758.67	15,482.76	1,020.91	274.39	1,295.29	11.7	4.1	8.4
Kericho	4,290.88	3,366.95	7,657.83	533.65	17.36	551.01	12.4	0.5	7.2
Kiambu	11,048.29	5,636.54	16,684.83	2,013.09	159.76	2,172.84	18.2	2.8	13
Kilifi	8,435.04	6,242.74	14,677.78	409.09	40.89	449.98	4.8	0.7	3.1
Kirinyaga	3,729.04	1,950	5,679.04	491.48	-	491.48	13.2	-	8.7
Kisii	8,680.12	3,976.09	12,656.21	962.87	137.56	1,100.43	11.1	3.5	8.7
Kisumu	8,025.44	4,754.92	12,780.36	1,414.51	393.79	1,808.30	17.6	8.3	14.1
Kitui	-	-	-	-	-	-	-	-	-
Kwale	5,479.99	6,447.71	11,927.69	1,063.03	-	1,063.03	19.4	-	8.9
Laikipia	4,812.19	3,107.73	7,919.92	507.68	34.43	542.11	10.5	1.1	6.8
Lamu	2,501.57	1,505.51	4,007.08	419.23	16.38	435.61	16.8	1.1	10.9
Machakos	7,338.06	3,678.89	11,016.95	1,202.51	138.58	1,341.09	16.4	3.8	12.2
Makueni	6,374.44	5,072.17	11,446.61	398.82	-	398.82	6.3	-	3.5
Mandera	-	-	-	-	-	-	-	-	-
Marsabit	4,337.62	3,680.22	8,017.84	553.24	117.14	670.38	12.8	3.2	8.4
Meru	7,218.26	3,182.17	10,400.43	12.17	-	12.17	13.9	-	9.6
Migori	5,268.31	2,856.06	8,124.37	509.21	-	509.21	9.7	-	6.3
Mombasa	9,709.24	4,925.34	14,634.58	527.35	-	527.35	5.4	-	3.6
Murang'a	5,730.89	3,154.16	8,885.06	530.24	426.68	956.93	9.3	13.5	10.8
Nairobi City	253.65	6,430	31,433.65	1,310.55	-	1,310.55	5.2	-	4.2
Nakuru	10,482.05	9,522.43	20,004.48	1,829.99	3.85	1,833.84	17.5	0.0	9.2
Nandi	5,022.02	2,589.50	7,611.52	1,564.10	23.64	1,587.73	31.1	0.9	20.9
Narok	7,636.22	3,619.80	11,256.02	1,303.52	164.35	1,467.87	17.1	4.5	13
Nyamira	4,619.08	2,276.12	6,895.20	589.19	-	589.19	12.8	-	8.5
Nyandarua	4,478.17	2,388.52	6,866.69	596.42	3.30	599.71	13.3	0.1	8.7
Nyeri	5,080.29	2,409.46	7,489.75	1,139.65	43.17	1,182.81	22.4	1.8	15.8
Samburu	3,477.14	1,631.46	5,108.60	656.15	-	656.15	18.9	-	12.8
Siaya	8,435.04	6,242.74	14,677.78	409.09	40.89	449.98	4.8	0.7	3.1

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*	H=E/B*	I=F/C*
Taita/Taveta	3,813.25	1,967.42	5,780.67	419.06	27.26	446.33	11	1.4	7.7
Tana River	4,934.50	2,905.44	7,839.95	674.61	-	674.61	13.7	-	8.6
Tharaka -Nithi	3,462.01	1,717.45	5,179.47	681.10	53.60	734.70	19.7	3.1	14.2
Trans Nzoia	4,861.24	3,284.27	8,145.51	525.78	28.87	554.65	10.8	0.9	6.8
Turkana	9,134.85	5,897.90	15,032.76	1,153.64	-	1,153.64	12.6	-	7.7
Uasin Gishu	5,452.72	6,274.37	11,727.09	1,266.89	-	1,266.89	23.2	-	10.8
Vihiga	3,742.96	1,736.93	5,479.89	470	2.77	472.78	12.6	0.2	8.6
Wajir	-	-	-	-	-	-	-	-	-
West Pokot	4,155.79	1,919.57	6,075.36	766.84	40	806.84	18.5	2.1	13.3
Total	276,821.93	159,330.72	436,152.65	35,873.98	2,296.53	38,170.51	13.0	1.4	8.8

Source: OCOB and County Treasuries

Analysis of development expenditure as a proportion of approved annual development budget shows that Murang'a, Kisumu and Narok Counties attained the highest absorption rate at 13.5 per cent, 8.3 per cent, and 4.5 per cent respectively. A total of 22 counties did not report any expenditure on development activities during the reporting period. 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.35.87 billion or 94 per cent of the total expenditure on recurrent activities. This expenditure represents 13 per cent of the annual county government's budget for recurrent activities, and a decline from 15.8 per cent recorded in FY 2019/20 when expenditure stood at Kshs.44.14 billion.

The recurrent expenditure comprised of Kshs.28.65 billion (79.9 per cent) on Personnel Emoluments and Kshs.7.23 billion (20.1 per cent) on Operations and Maintenance expenditure (O&M). 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.376.68 million on MCAs Sitting allowances against an approved budget allocation of Kshs.2.75 billion. This expenditure translates to 13.7 per cent of the approved MCAs sitting allowance budget, and a decrease from 18.6 per cent attained in a similar period of FY 2019/20 when Kshs.475.41 million was spent. Table 2.4 shows the budgetary allocation and expenditure on MCAs and Speakers sitting allowances in first quarter FY 2020/21.

Table 2.4: MCAs Budget Allocation, Expenditure and Absorption Rate in First Quarter 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	43,308,240	11,143,600	25.7	46	80,751
Bomet	31,630,578	1,719,000	5.4	36	15,917
Bungoma	179,966,216	-	-	61	-
Busia	75,114,363	13,155,600	17.5	54	81,207
Elgeyo Marakwet	37,931,200	13,224,000	34.9	34	129,647
Embu	33,542,577	3,185,047	9.5	35	30,334
Garissa	63,024,000	-	-	46	-
Homa Bay	117,715,200	29,257,844	24.9	61	159,879
Isiolo	24,362,119	-	-	17	-

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
Kajiado	45,000,000	-	-	42	-
Kakamega	133,286,400	17,218,554	12.9	90	63,772
Kericho	68,047,200	6,860,100	10.1	48	47,640
Kiambu	120,000,000	24,839,100	20.7	93	89,029
Kilifi	26,463,480	-	-	55	-
Kirinyaga	70,310,400	10,306,200	14.7	34	101,041
Kisii	115,074,000	18,748,700	16.3	71	88,022
Kisumu	83,440,000	23,425,051	28.1	49	159,354
Kitui	-	-	-	54	-
Kwale	49,242,000	12,824,200	26	34	125,727
Laikipia	39,612,800	8,403,200	21.2	25	112,043
Lamu	19,952,000	3,902,900	19.6	19	68,472
Machakos	50,728,920	22,505,600	44.4	61	122,981
Makueni	74,000,000	15,410,600	20.8	49	104,834
Mandera	-	-	-	49	-
Marsabit	40,000,000	604,800	1.5	31	6,503
Meru	114,075,665	9,407,900	8.2	69	45,449
Migori	115,315,200	4,137,900	3.6	57	24,198
Mombasa	50,000,000	-	-	43	-
Murang'a	72,000,000	4,807,800	6.7	54	29,678
Nairobi City	109,120,000	17,712,500	16.2	124	47,614
Nakuru	100,000,000	-	-	79	-
Nandi	53,557,481	3,364,400	6.3	40	28,037
Narok	15,073,784	5,110,300	33.9	48	35,488
Nyamira	54,637,196	-	-	37	-
Nyandarua	55,773,600	6,993,100	12.5	40	58,276
Nyeri	50,668,800	16,146,000	31.9	45	119,600
Samburu	24,300,000	362,000	1.5	28	4,310
Siaya	48,040,000	12,524,100	26.1	43	97,086
Taita Taveta	26,200,000	5,686,200	21.7	35	54,154
Tana River	49,171,200	5,762,000	11.7	24	80,028
Tharaka Nithi	31,248,000	1,514,000	4.8	21	24,032
Trans Nzoia	62,853,600	2,645,300	4.2	40	22,044
Turkana	36,000,000	5,809,700	16.1	48	40,345
Uasin Gishu	36,689,000	10,672,500	29.1	48	74,115
Vihiga	73,797,200	12,554,900	17.0	39	107,307
Wajir	-	-	-	46	-
West Pokot	31,788,328	-	-	34	-
Total	2,752,060,747	361,944,696	13.2	2,236	53,957

Source: OCOB and County Treasuries

Eleven County Assemblies did not report expenditure on sitting allowances during the reporting period. These were; Bungoma, Isiolo, Kajiado, Kilifi, Kitui, Mandera, Mombasa, Nakuru, Nyamira, Wajir and West Pokot.

3 BUDGET PERFORMANCE BY COUNTY

3.1 County Government of Baringo

3.1.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.6.31 billion, comprising of Kshs.1.91 billion (30.3 per cent) and Kshs.4.40 billion (69.7 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the County expects to receive Kshs.5.17 billion (82 per cent) being equitable share of revenue raised nationally, Kshs.788.54 million (12.5 per cent) as total conditional grants, and generate Kshs.346.09 million (5.5 per cent) from own sources of revenue. The County did not factor in the cash balance of Kshs.1.51 billion from the FY 2019/20 in the budget, which includes Kshs.373.01 million for conditional grants and loans.

3.1.2 Revenue Performance

During the first quarter of FY2020/21, the County raised Kshs.50.28 million as own-source revenue and had a cash balance of Kshs.1.51 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.56 billion as shown in Table 3.1.

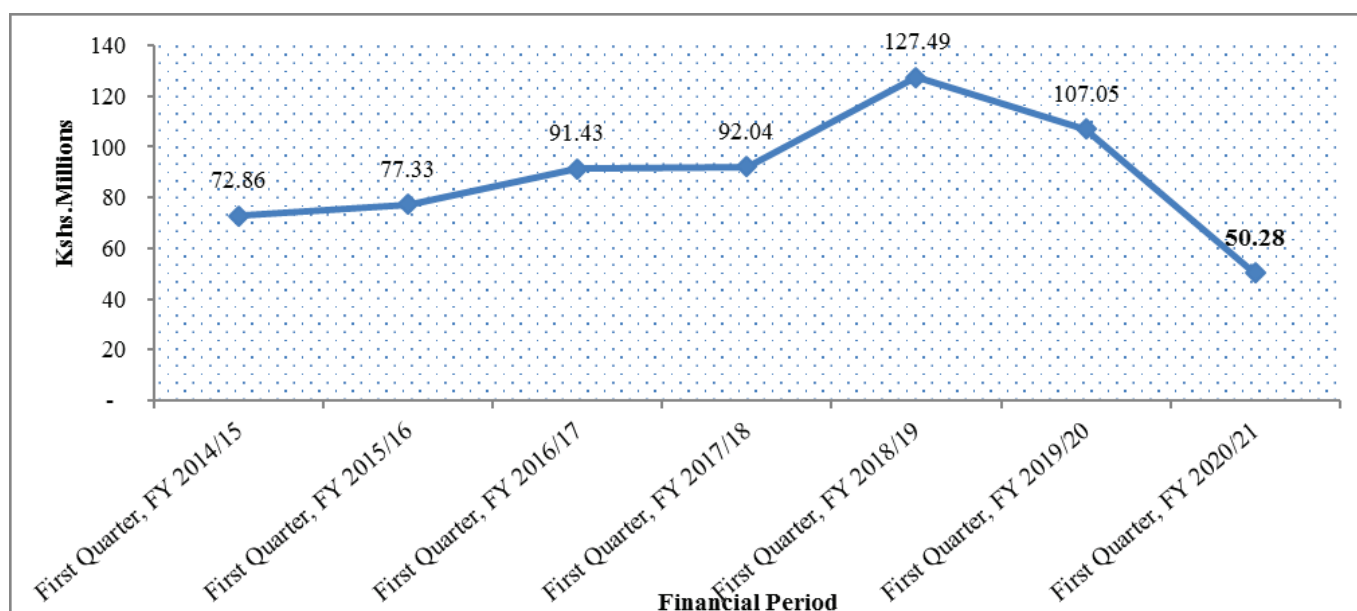
Table 3.1: Baringo County, Revenue Performance in the First Quarter of FY 2020/21

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	5,095,650,000	5,172,285,000	-	-
B.	Conditional Grants from the National Government				
1.	Compensation for User Fee Foregone	13,1910	13,191,000	-	-
2.	Leasing of Medical Equipment	132,021,277	132,021,277	-	-
3.	Road Maintenance Fuel Levy Fund	152,818,903	152,818,903	-	-
4.	Rehabilitation of Village Polytechnics	20,494,894	20,494,894	-	-
	Sub Total	318,526,074	318,526,074	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	98,424,470	104,094,470	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	-	-	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level I Grant	45,000,000	75,000,000	-	-
4.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) – Urban Development Grant (UDG)	-	-	-	-
5.	DANIDA Grant	14,490,000	14,490,000	-	-
6.	IDA World Bank (Kenya Climate Smart Agriculture Project)	247,240,980	247,240,980	-	-
7.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	13,557,645	13,557,645	-	-
8.	EU Grant (Instruments for Devolution Advice and Support IDEAS)	15,626,168	15,626,168	-	-
	Sub Total	434,339,263	470,009,263	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	346,088,720	50,282,097	14.5
2.	Balance b/f from FY 2019/20	-	-	1,507,199,749	-
	Sub Total	-	346,088,720	1,557,481,846	450
	Grand Total	5,848,515,337	6,306,909,057	1,557,481,846	24.7

Source: Baringo County Treasury

Figure 3.1 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-1: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Baringo County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.50.28 million as own-source revenue. This amount represented a decrease of 53 per cent when compared to Kshs.107.05 million realised during the same period in FY 2019/20, and represented 14.5 per cent of the annual target. The significant decrease is attributed to adverse effects occasioned by COVID-19 pandemic on business activities and economic productivity.

3.1.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.710.95 million from the CRF account during the reporting period. This amount comprised of Kshs.73.81 million (10.4 per cent) for development programmes and Kshs.637.14 million (89.6 per cent) for recurrent programmes.

3.1.4 Overall Expenditure Review

A total of Kshs.598.85 million was spent on recurrent programmes and represented 84.2 per cent of the total funds released from the CRF account. The expenditure on recurrent activities represented an absorption rate of 13.6 per cent.

3.1.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.579.18 million was spent on Compensation to Employees and Kshs.19.67 million on Operations and Maintenance. The County did not report expenditure on development activities.

Table 3.2: Summary of Expenditure by Economic Classification

	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	4,397,849,564	637,141,303	598,851,559	13.6
Compensation to Employees	3,451,693,684	611,889,269	579,177,908	16.8
Operations and Maintenance	946,155,880	25,252,034	19,673,650	2.1
Total Development Expenditure	1,909,059,493	73,808,664	-	0.0
Development Expenditure	1,909,059,493	73,808,664	-	-
Total	6,306,909,057	710,949,967	598,851,559	9.5

Source: Baringo County Treasury

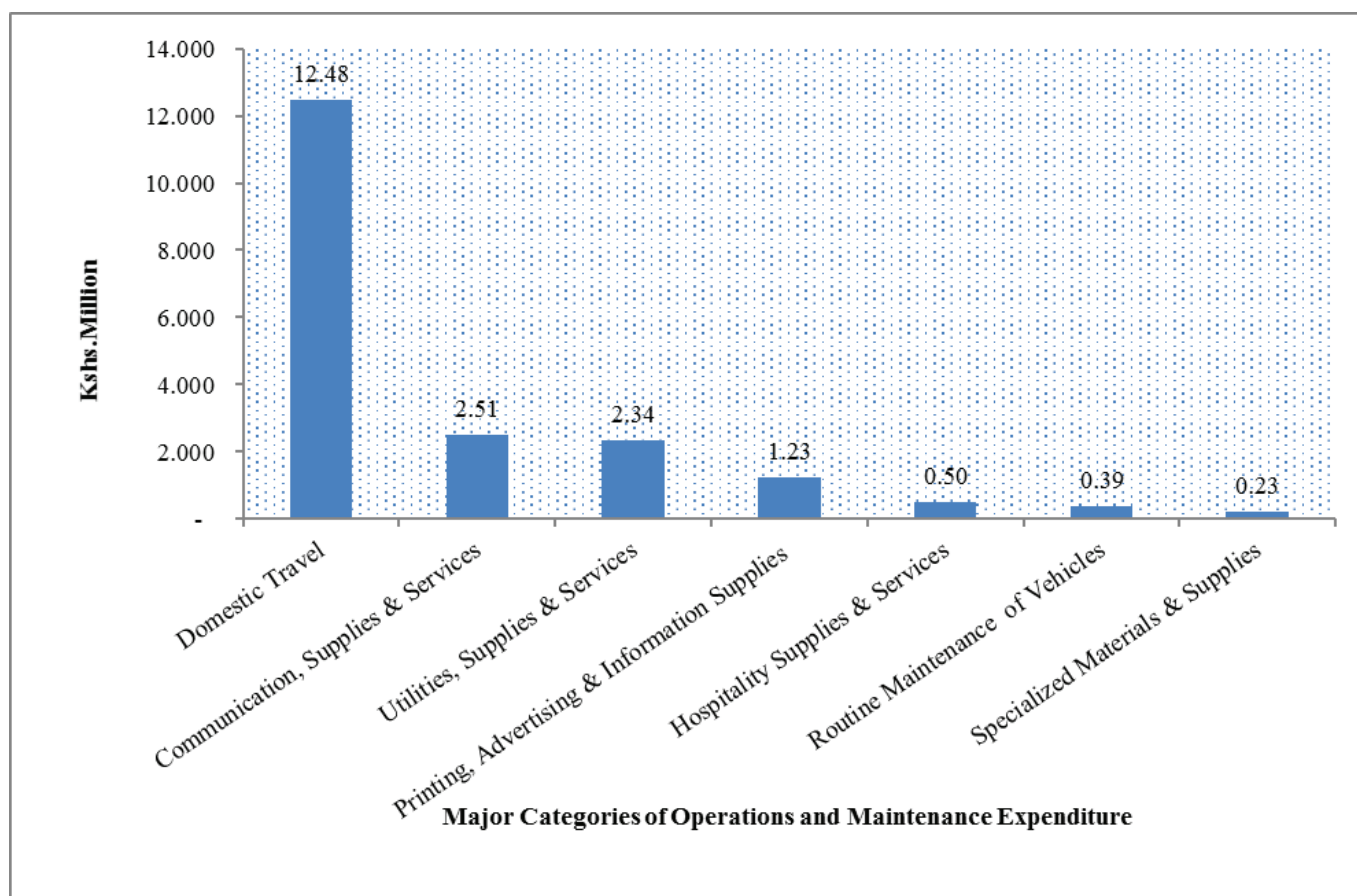
3.1.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.579.18 million and represented 37.2 per cent of the total revenue of Kshs.1.56 billion in the first quarter of the financial year. The expenditure on personnel emoluments was for the months of July and August, 2020 for the County Executive staff and July to September, 2020 for County Assembly staff.

3.1.7 Analysis of Operations and Maintenance Expenditure

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 in the First Quarter of FY 2020/21



Source: Baringo County Treasury

The County spent Kshs.11.14 million on Committee Sitting Allowances for the 45 MCAs and Speaker against the annual budget allocation of Kshs.43.31 million. The average monthly sitting allowance was Kshs.80,751 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.12.48 million and comprised of Kshs.11.96 million spent by the County Assembly and Kshs.511,400 by the County Executive.

3.1.8 Development Expenditure Analysis

The County did not report any expenditure on development programme in the reporting period

3.1.9 Budget Performance by Department

Table 3.3 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.3: Baringo County, Budget Performance by Department in the First Quarter of FY 2020/21

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	648.47	62.70	112.94	-	84.90	-	75.2	-	13.1	-
Governor/County Executive services	478.11	11.55	48.45	-	47.73	-	98.5	-	10.0	-
County Treasury Services	300.07	54	29.43	-	28.47	-	96.8	-	9.5	-
Lands, Housing & Urban Development	87.79	62.31	11.09	-	10.99	-	99.1	-	12.5	-
Education and ICT	286.29	62.31	46.52	-	46.45	-	99.9	-	16.2	-
Industrialization, Commerce and Tourism	75.50	73.90	11.58	-	11.52	-	99.5	-	15.3	-
Water & Irrigation	122	332.90	13	-	12.94	-	99.5	-	10.6	-
Environment & Natural Resources	37.31	21.91	4.73	-	4.71	-	99.4	-	12.6	-
Health Services	2,006.20	341.54	306.78	-	299.41	-	97.6	-	14.9	-
Agriculture, Livestock, Fisheries & Marketing	257.09	394.40	40.27	73.81	40.27	-	100.0	-	15.7	-
Transport and Infrastructure	63.37	435.73	8.63	-	8.60	-	99.7	-	13.6	-
Youth, Gender & Social Security Services	35.64	55.81	3.70	-	2.85	-	77.0	-	8.0	-
Total	4,397.85	1,909.06	637.14	73.81	598.85	-	94.0	-	13.6	-

Source: Baringo County Treasury

Analysis of expenditure by department shows that the Department of Education and Vocational Training had the highest absorption of recurrent budget at 16.2 per cent while the Department of Youth, Gender and Social Security Services had the lowest at 8 per cent.

3.1.10 Budget Execution by Programmes and Sub-Programmes

Table 3.4 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.4 : Baringo County, Budget Execution by Programmes and Sub-programmes in the First Quarter of FY 2020/21

Programmes	Sub- Programmes	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption Rate (%)
Default - Non Programmatic		-	3,126,845	(3,126,845)	-
	Default - Non Programmatic	-	3,126,845	(3,126,845)	-
General administration		344,877,497	23,126,923	321,750,574	6.7
	General administration, planning & support services	344,877,497	23,126,923	321,750,574	6.7
Crop Production & Management		394,397,761	-	394,397,761	-
	Agribusiness Infrastructure Development	394,397,761	-	394,397,761	-
Fisheries Development & Management		-	-	-	-
	Aquaculture Development	-	-	-	-
Urban Development-Kabarnet		62,307,412	-	62,307,412	-
	General Administrative Services	62,307,412	-	62,307,412	-
Land Use Planning		-	-	-	-
	Land Planning and Development	-	-	-	-
General administration		63,374,451	24,657,125	38,717,326	38.9
	General administration ,planning & support services	63,374,451	24,657,125	38,717,326	38.9

Programmes	Sub- Programmes	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption Rate (%)
Rural Infrastructure Development		-	-	-	-
	Rural road development and management	-	-	-	-
Development & Rehabilitation of rural roads & structures		435,729,510	-	435,729,510	-
	Roads opening and rehabilitation	435,729,510	-	435,729,510	-
General administration		75,500,712	26,425,877	49,074,835	35.0
	General administration ,planning & support services	75,500,712	26,425,877	49,074,835	35.0
Tourism Development & Marketing		-	64,000	(64,000)	-
	General administration, planning & support services	-	64,000	(64,000)	-
Trade Development		73,900,000	-	73,900,000	-
	Trade Development	73,900,000	-	73,900,000	-
Industrial Development services		-	-	-	-
	Industrial Development services	-	-	-	-
	General administration, planning & support services	-	-	-	-
General administration		2,006,200,472	497,053,653	1,509,146,819	24.8
	General administration ,planning & support services	2,006,200,472	497,053,653	1,509,146,819	24.8
Health/preventive services		-	-	-	-
	General administration, planning & support services	-	-	-	-
	Support service	-	-	-	-
Curative and Rehabilitative Services		341,543,725	9,080,688	332,463,037	2.7
	General administration, planning & support services	341,543,725	9,080,688	332,463,037	2.7
	Support service	-	-	-	-
	Support to County Hospitals (FIF)	-	-	-	-
Preventive and Promotive Health Services		-	-	-	-
	Infrastructure Development	-	-	-	-
	Compensation for User fees Forgone	-	-	-	-
	Primary Health Care	-	-	-	-
General administration services		286,287,098	84,351,252	201,935,846	29.5
	General administration, planning & support services	286,287,098	84,351,252	201,935,846	29.5
Early Childhood Development Education		62,314,754	-	62,314,754	-
	Early Childhood Development Education	-	-	-	-
	General administration, planning & support services	62,314,754	-	62,314,754	-
	Support service	-	-	-	-
General Administration, Planning & Support Services		371,344,511	46,877,324	324,467,188	12.6
	Support service	308,640,495	46,877,324	261,763,172	15.2
	General administrative services	62,704,016	-	62,704,016	-
General administration		268,573,985	102,765,908	165,808,077	38.3
	General administration	-	-	-	-
	General administration, planning & support services	268,573,985	102,765,908	165,808,077	38.3
	Support service	-	-	-	-
	Internal Audit Services	-	-	-	-
	Emergency Fund	-	-	-	-
Treasury Accounts		-	-	-	-
	General administration, planning & support services	-	-	-	-

Programmes	Sub- Programmes	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption Rate (%)
KDS Programme		31,500,000	-	31,500,000	-
	General administration, planning & support services	31,500,000	-	31,500,000	-
Economic Planning, Budget, Monitoring and Evaluation Services		-	-	-	-
	Support service	-	-	-	-
	Monitoring and Evaluation Services	-	-	-	-
	Budget process and public participation services	-	-	-	-
Revenue Services Development Services		54,000,000	-	54,000,000	-
	General administration, planning & support services	-	-	-	-
	Support service	-	-	-	-
	Infrastructural Development	54,000,000	-	54,000,000	-
Civic Education Development Services		-	-	-	-
	Civic Education Development Services	-	-	-	-
Inter and intra -governmental Relations services		-	-	-	-
	General administration planning & support services	-	-	-	-
		478,113,057	36,190,406	441,922,651	7.6
	General administrative services	75,301,675	16,606,959	58,694,716	22.1
	County Secretary	125,600,222	2,063,885	123,536,338	1.6
	Deputy Governor	24,886,380	1,022,357	23,864,023	4.1
	Legal services	-	-	-	-
	Public Administration and devolution Services	101,483,219	3,374,435	98,108,784	3.3
	Communication Services	-	-	-	-
	Mogotio Sub County Administration Services	16,963,759	3,570,120	13,393,639	21.0
	Baringo Central Sub County Administration Services	15,390,615	383,870	15,006,745	2.5
	Baringo North Sub County Administration Services	17,815,385	1,595,759	16,219,626	9.0
	Baringo South Sub County Administration Services	19,733,854	844,929	18,888,925	4.3
	Tiaty Sub County Administration Services	18,986,295	718,000	18,268,295	3.8
	County Public Service Board Services	44,582,329	5,253,693	39,328,636	11.8
	Eldama Ravine Sub County Administration Services	17,369,324	756,400	16,612,924	4.4
		339,831,100	74,742,954	265,088,146	22.0
	Legislative Representation and Oversight services	339,831,100	74,742,954	265,088,146	22.0
		-	-	-	-
	General administrative services	-	-	-	-
		11,549,860	-	11,549,860	-
	ICT Development	-	-	-	-
	Infrastructure development	11,549,860	-	11,549,860	-
		35,635,986	2,828,928	32,807,058	7.9
	General administration, planning & support services	35,635,986	2,828,928	32,807,058	7.9
		55,808,854	-	55,808,854	-
	General administration ,planning & support services	55,808,854	-	55,808,854	-
	Support service	-	-	-	-
	Gender mainstreaming	-	-	-	-

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from the FY 2019/20 in order to ensure smooth budget execution.

5. The County Treasury should enhance vote book and budgetary controls to ensure that expenditure is within the approved budget.

3.2 County Government of Bomet

3.2.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.7.36 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 expects to receive Kshs.5.51 billion (74.9 per cent) being equitable share of revenue raised nationally, Kshs.1.16 billion (15.7 per cent) as total conditional grants, generate Kshs.275.92 million (3.8 per cent) from own sources of revenue, and the cash balance of Kshs.409.11 million (5.6 per cent) from FY 2019/20..

3.2.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.560.80 million as equitable share of the revenue raised nationally which was a balance from FY2019/20, raised Kshs.20.31 million as own-source revenue, and had a cash balance of Kshs.4.04 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.581.11 million as shown in Table 3.5.

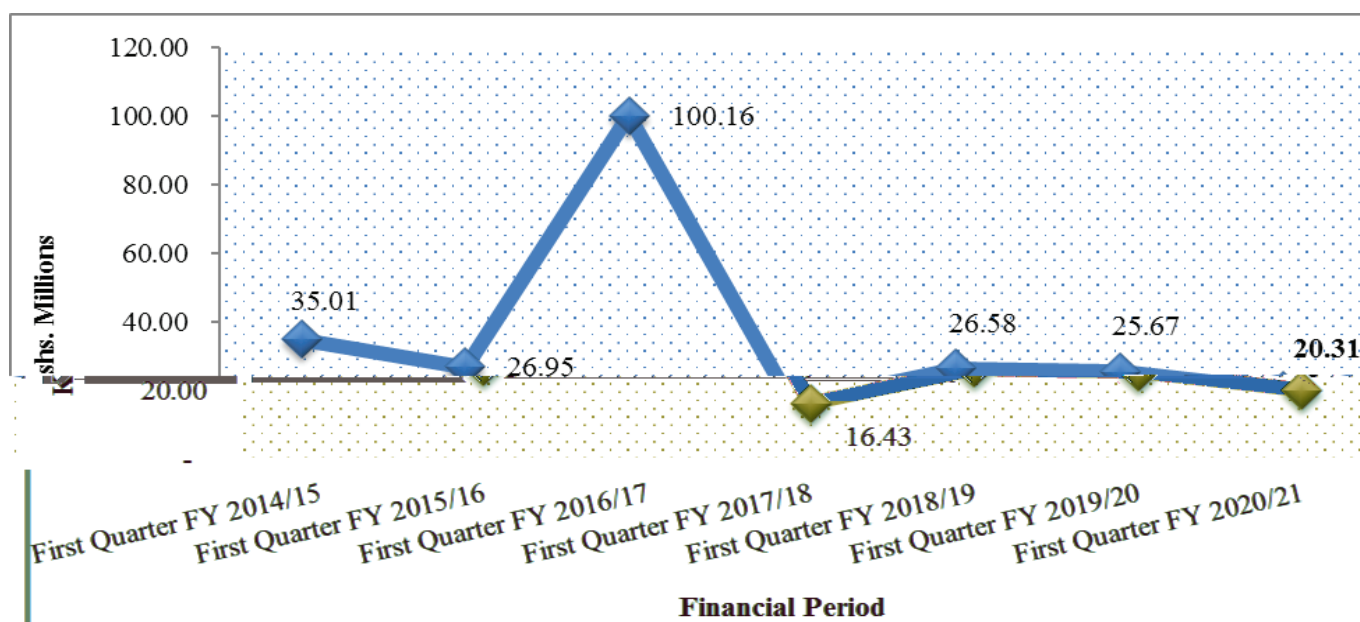
Table 3.5: Bomet County, Revenue Performance in the First Quarter of FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual receipts (Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	5,507,100,000	5,507,100,000	560,798,695	10.2
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	-	-
4.	Rehabilitation of Village Polytechnics	48,499,894	48,499,894	-	-
	Sub Total	361,373,349	361,373,349	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	186,727,125	186,727,125	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	182,000,000	182,000,000	-	-
3.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	168,000,000	168,000,000	-	-
4.	DANIDA Grant	15,660,000	15,660,000	-	-
5.	Nutritional International	10,000,000	10,000,000	-	-
6.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant	212,353,974	212,353,974	-	-
7.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	19,658,274	19,658,274	-	-
	Sub Total	794,399,373	794,399,373	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue		275,922,277	20,313,043	7.4
2.	Balance b/f from FY 2019/20		409,110,277	409,110,277	100
	Sub Total		685,032,554	429,423,320	62.7
	Grand Total	6,662,872,722	6,942,838,037	581,111,738	8.4

Source: Bomet County Treasury

Figure 3-3 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-3: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Bomet County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.20.31 million as own-source revenue. This amount represented a decrease of 20 per cent when compared to Kshs.25.45 million realised during the same period in FY 2019/20, and was 7.4 per cent of the annual target.

The significant decrease was attributed to slow down in revenue collection due COVID-19 pandemic that affected business performance and consequently revenue collection.

3.2.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.581.11 million from the CRF account to fund recurrent programmes during the reporting period.

3.2.4 Overall Expenditure Review

A total of Kshs.508.44 million was spent on recurrent programmes and represented 87.5 per cent of the total funds released from the CRF account and an absorption rate of 10.5 per cent of the recurrent budget.

3.2.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.337.75 million was spent on Compensation to Employees and Kshs.170.68 million on Operations and Maintenance.

Table 3.6: Summary of First Quarter of FY 2020/21 Expenditure by Economic Classification

	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	4,824,824,088	581,111,738	508,437,476	10.5
Compensation to Employees	2,557,830,374	300,378,596	337,752,636	13.2
Operations and Maintenance	2,266,993,714	280,733,142	170,684,840	7.5
Total Development Expenditure	2,118,013,949	-	-	-
Development Expenditure	2,118,013,949	-	-	-
Total	6,942,838,037	581,111,738	508,437,476	7.3

Source: Bomet County Treasury

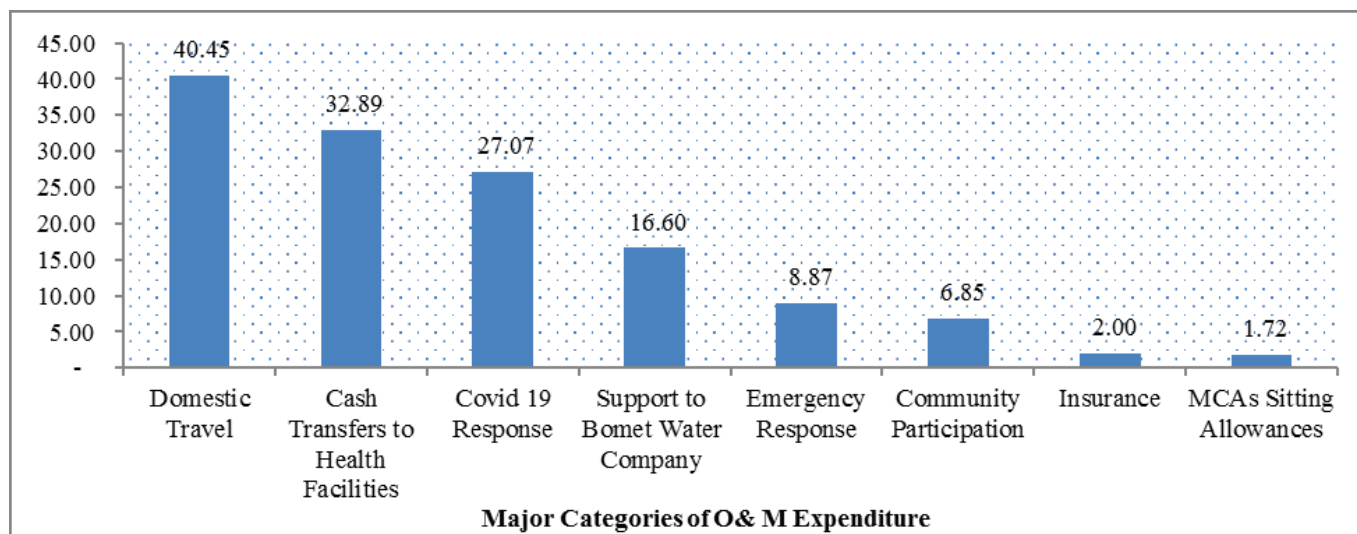
3.2.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.337.75 million and represented 58.1 per cent of the total revenue of Kshs.581.11 million in the first quarter of the financial year.

3.2.7 Analysis of Operations and Maintenance Expenditure

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 in the First Quarter of FY 2020/21



Source: Bomet County Treasury

The County spent Kshs.1.72 million on Committee Sitting Allowances for the 36 MCAs and Speaker against the annual budget allocation of Kshs.31.63 million. The average monthly sitting allowance was Kshs.15,917 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.40.45 million and comprised of Kshs.3.89 million spent by the County Assembly and Kshs.36.55 million by the County Executive.

3.2.8 Development Expenditure Analysis

The County did not report expenditure on development programmes during the reporting period

3.2.9 Budget Performance by Department

Table 3.7 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.7: Bomet County, Budget Performance by Department for First Quarter of FY 2020/21

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	40.99	-	40.99	-	100	-	6.5	-
County Executives	1,703.11	-	189.85	-	251.23	-	132.3	-	14.8	-
Public Service Board	48.53	-	5.32	-	0.94	-	17.7	-	1.9	-
administration	47	56	4.87	-	1.62	-	33.3	-	3.5	-
Information Communication Technology	24.21	17	0.06	-	-	-	0.0	-	-	-
fnance	129.70	232.35	33.04	-	38.77	-	117.4	-	29.9	-
Economic Planning	117.68	-	15.32	-	44.68	-	291.7	-	38	-
Lands, Housing and Urban Planning	40	193	1.15	-	0.55	-	47.3	-	1.4	-
Youth, Sports, Gender and Culture	74.02	21	1.26	-	0.44	-	35.1	-	0.6	-
Medical Services & Public Health	1,640.85	279.76	270.01	-	111.14	-	41.2	-	6.8	-

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 and Vocational Training	151.47	142.80	0.14	-	0.15	-	111.1	-	0.1	-
Water Sanitation and Environment	104.25	372.18	18.68	-	17.48	-	93.6	-	16.8	-
Agriculture Cooperatives and Marketing	25.16	344.76	-	-	0.01	-	-	-	-	-
Roads, Public Works & Transport	66.88	662.18	0.23	-	0.33	-	142.6	-	0.5	-
Trade, Energy, Tourism, Industry and Investment	20.65	62	0.19	-	0.09	-	49.1	-	0.4	-
Total	4,824.82	2,523.03	581.11	-	508.44	-	87.5	-	10.5	-

Source: Bomet County Treasury

The Department of Economic Planning had the highest absorption of recurrent budget at 38 per cent while the

Department	Programmes	Sub Programmes	Approved Budget (Kshs)	Actual Payment (Kshs)	Variance (Kshs)	Absorption (%)
Water Sanitation and Environment		Policy planning and administrative services				
		Support to Bomet Water Company (Grants)	80,000,000	16,600,000	63,400,000	21
	Operation and maintenance	Use of Goods and Services	17,300,000	883,780	16,416,220	5
Sub-Total			97,300,000	17,483,780	79,816,220	18
Education And Vocational Trainings						
	Operations and Maintenance	Use of Goods and Services	10,839,269	150,000	10,689,269	1
Roads Public Works And Transport						
	Policy planning and administrative services	Use of goods and services	66,882,125	334,000	66,548,125	0.5
	Policy Development (Roads)		2,500,000	1,995,500	504,500	80
		Sub-Total	69,382,125	2,329,500	67,052,625	3
Trade Energy Tourism Industry And Investment	Operations and Maintenance	Used of Goods and services	22,700,000	102,500	22,597,500	0
County Assembly						-
	P1 County Assembly Legislative Services	SP 1.2: Committee Services	31,630,578	1,719,000	29,911,578	5
		SP 2.2: Public Participation	30,000,000	1,439,500	28,560,500	5
	P2 Oversight Presentation	SP 2.1: Decentralization of Services	56,200,000	8,564,997	47,635,003	15
		SP 3.2: Administrative Services	298,121,526	15,613,693	282,507,833	5
		Sub-Total	415,952,104	27,337,190	388,614,914	7
County Summary			4,824,824,088	508,437,476	4,316,386,612	10.5

Source: Bomet County Treasury

The programs with the highest absorption rates were: policy development (under the Roads Department) at 80 per cent, and operation and maintenance (under the Finance Department) at 30 per cent and COVID- 19 Response (under the Medical Services and Public Health Department) at 24 per cent of annual allocation.

3.2.11 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. Failure to implement the development budget during the period under review despite carrying forward a cash balance of Kshs.2.99 billion from FY 2019/20
3. Data inconsistencies in financial reporting, whereby the report on budget execution by programmes shows approved budget as Kshs.4.82 billion which varies significantly with the Appropriation Act of Kshs.7.36 billion.

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

1. The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Treasury should ensure financial reports are reconciled regularly and verified before submission to external bodies in order to enhance credibility in budget implementation.

3.3 County Government of Bungoma

3.3.1 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) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.8.99 billion (75.6 per cent) being equitable share of revenue raised nationally, Kshs.1.65 billion (13.8 per cent) as total conditional grants, and generate Kshs.700 million (5.9 per cent) from own sources of revenue.. The County also expects to receive Kshs.592.45 million (4.9 per cent) as "other revenues" not contained in the CARA, 2020.

3.3.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.1.11 billion as equitable share of the revenue raised nationally, which was a balance from FY 2019/20, Kshs.224.07 million as total conditional grants, and raised Kshs.158.56 million as own source revenue. The total funds available for budget implementation during the period amounted to Kshs.1.49 billion as shown in Table 3.9.

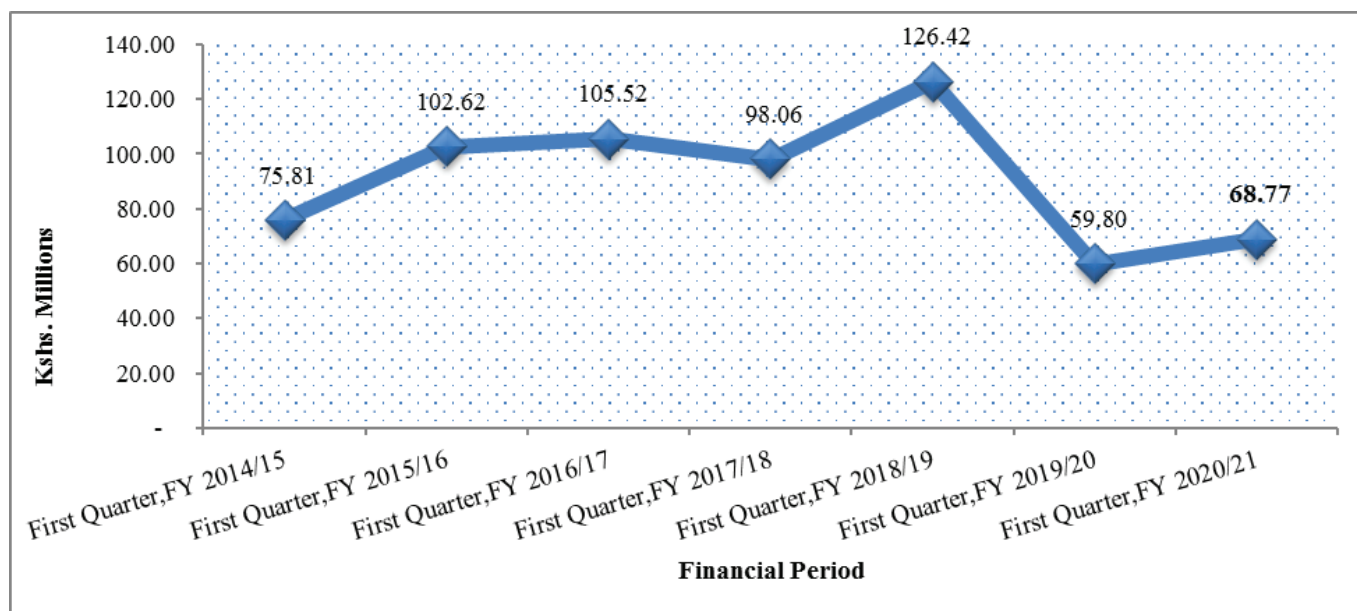
Table 3.9: Bungoma County, Revenue Performance in the First Quarter of FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	8,956,950,000	8,993,740,000	1,106,432,040	12.3
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	-	-
4.	Rehabilitation of Village Polytechnics	67,849,894	67,849,894	-	-
	Sub Total	499,669,895	499,669,895	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	38,480,000	38,480,000	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	201,210,550	350,000,000	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	8,800,000	19.6
4.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	-	311,977,100	215,270,498.0	69
5.	DANIDA Grant	25,290,000	25,290,000	-	-
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	-	-
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	224,070,498	19.6
D	Other Sources of Revenue				
1.	Own Source Revenue	-	700,000,000	68,767,405	9.8
2.	A-I-A	-	563,357,039	89,791,003	15.9
	Sub Total	-	1,263,357,039	158,558,408	12.6
	Grand Total	9,833,542,421	11,902,328,883	1,489,060,946	12.5

Source: Bungoma County Treasury

Figure 3-5 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-5: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Bungoma County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.158.56 million comprising of Kshs.69.77 million as ordinary revenue and Kshs.89.79 million as Appropriations In Aid (AIA). This amount represented an increase of 12.6 per cent when compared to Kshs.59.80 million realised during the same period in FY 2019/20, and represented 12.6 per cent of the annual target.

3.3.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.1.33 billion from the CRF account during the reporting period. This amount comprised of Kshs.215.27 million (16.2 per cent) for development programmes and Kshs.1.12 billion (83.8 per cent) for recurrent programmes.

3.3.4 Overall Expenditure Review

A total of Kshs.1.11billion was spent on development and recurrent programmes and represented 96.9 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.24.6 million and Kshs.1.08 billion on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 0.7 per cent while that incurred on recurrent programmes represented an absorption rate of 13 per cent.

3.3.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.861.71 billion was spent on Compensation to Employees, Kshs.218.95 million on Operations and Maintenance, and Kshs.24.63 million on development activities.

Table 3.10: Summary of Expenditure by Economic Classification

	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	8,298,250,996	1,115,232,041	1,080,660,590	13
Compensation to Employees	4,667,225,784	925,973,696	861,710,828	18.5
Operations and Maintenance	3,631,025,212	189,258,345	218,949,762	6
Total Development Expenditure	3,604,077,887	215,270,498	24,631,188	0.7
Development Expenditure	3,604,077,887	215,270,498	24,631,188	0.7
Total	11,902,328,883	1,330,502,539	1,105,291,778	9.3

Source: Bungoma County Treasury

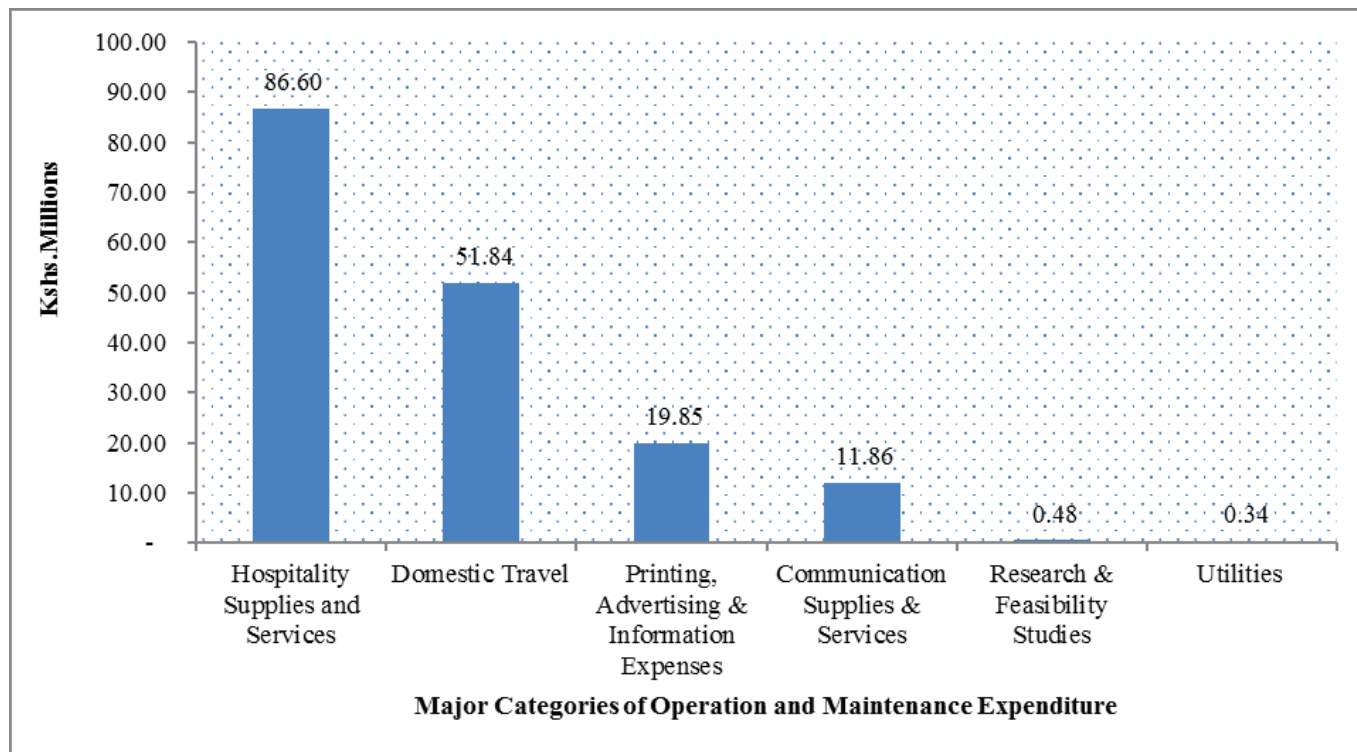
3.3.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.861.71 million and represented 57.9 per cent of the total revenue of Kshs.1.49 billion in the first quarter of the financial year.

3.3.7 Analysis of Operations and Maintenance Expenditure

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 Categories



Source: Bungoma County Treasury

During the period, expenditure on domestic travel amounted to Kshs.51.83

million and comprised of Kshs.2.03 million spent by the County Assembly and Kshs.49.80 million by the County Executive.

3.3.8 Development Expenditure Analysis

The Development expenditure of Kshs.24.63 million represented 0.7 cent of the annual development budget of Kshs.3.60 billion.

3.3.9 Budget Performance by Department

Table 3.11 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.11: 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	52.87	-	51.50		97.4	-	14.8	-
Tourism, Forestry, Environment, Water and Natural Resources	260.94	293.28	48.84	-	48.51		99.3	-	18.6	-
Roads and Public Works	169.55	1,286.87	14.77	-	14.03	24.63	95.0	-	8.3	1.9
Education, Science	1,167.65	326.34	149.04	-	136.99		91.9	-	11.7	-
Health and Sanitation	3,197.20	265.01	430.09	-	426.59		99.2	-	13.3	-
Trade, Energy and Industrialization	56.88	68.50	2.30	-	2.22		96.3	-	3.9	-
Land ,Urban ,Physical Planning and Housing	106.26	334.40	14.79	215.27	11.22		75.8	-	10.6	-
Gender, Culture, Youth and Sports	135.11	189.39	7.29	-	6.98		95.8	-	5.2	-
Finance and Planning	1,008.08	-	150.57	-	139.83		92.9	-	13.9	-
County Public Service	47.10	-	6.36	-	6.01		94.5	-	12.8	-
Governor/Deputy Governors	441	-	56.77	-	56.07		98.8	-	12.7	-
Public Administration	508.70	230.43	50.38	-	49.71		98.7	-	9.8	-
County Assembly	852.70	15	131.15	-	131		99.9	-	15.4	-
TOTAL	8,298.25	3,604.08	1,115	215	1,080.66	24.63	96.9	0.11	13.0	0.7

Source: Bungoma County Treasury

Analysis of expenditure by department shows that the Department of Roads recorded the highest absorption rate of development budget at 1.9 per cent while the rest of the Departments did not report expenditure on development activities. The Department of Tourism, Forestry, Environment, Water and Natural Resources had the highest percentage of recurrent expenditure to the recurrent budget at 18.6 per cent while the Department of Trade, Energy and Industrialization had the lowest at 3.9 per cent.

3.3.10 Budget Execution by Programmes and Sub-Programmes

Table 3.12 shows a summary of the budget execution by programmes and sub-programmes in first quarter of FY 2020/21.

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

Budget Execution by Programmes and Sub-Programmes							
Programme	Sub- Programme	Approved (Kshs.)	Budget	Actual (Kshs.)	Payments	Variance	Absorption (%)
Agriculture, Livestock and Cooperative Development							

Budget Execution by Programmes and Sub-Programmes							
Programme	Sub- Programme	Approved (Kshs.)	Budget	Actual (Kshs.)	Payments	Variance	Absorption (%)
General Administration, planning and support services	Administrative and Support Services	8,811,476		5,415,420		3,396,056	61.5
	Human Resource Management and Development.	289,172,958		42,127,066		247,045,892	14.6
	Policy, Legal and Regulatory Framework	2,000,000		-		2,000,000	-
	Planning and fnancial Man-agement	2,615,043		1,959,886		655,157	74.9
	Sector Coordination	1,500,000		-		1,500,000	-
	Leadership and Governance	1,000,000		-		1,000,000	-
Land and Crop Develop-ment and Management	Agricultural extension and training services	2,340,000		-		2,340,000	-
	Crop production and produc-tivity	62,631,411		-		62,631,411	-
	Soil rehabilitation, protection and conservation	600,000		-		600,000	-
	Value addition and Agro pro-cessing	700,000		-		700,000	-
	Agri nutrition and food utili-zation	500,000		-		500,000	-
	Irrigation Extension and train-ing	600,000		-		600,000	-
	Irrigation infrastructure devel-opment and agricultural water storage	10,000,000		-		10,000,000	-
Livestock development and management	Livestock production exten-sion, Training and Information Services	2,896,991		-		2,896,991	-
	Value addition and processing	80,000,000		-		80,000,000	-
	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	-
	Food Safety And Quality Con-trol	7,000,000		-		7,000,000	-
	Veterinary Extension Services	1,000,000		-		1,000,000	-
	Breeding and AI Subsidy pro-gramme	5,000,000		-		5,000,000	-
Fisheries development and management	Fisheries extension service and training	2,500,000		-		2,500,000	-
	Fisheries product value-chain development	4,904,380		-		4,904,380	-
Cooperatives Develop-ment and Management	Cooperatives extension ser-vice and training (Co-operative Governance (Training))	1,950,069		-		1,950,069	-
	Cooperatives Audit Services	250,000		-		250,000	-
	Production, Agro processing, value addition & Marketing (Input and Infrastructural Sup-port to Cooperatives)	28,000,000		-		28,000,000	-

Budget Execution by Programmes and Sub-Programmes							
Programme	Sub- Programme	Approved (Kshs.)	Budget	Actual (Kshs.)	Payments	Variance	Absorption (%)
Institutional Development and Management	Mabanga ATC Administration management services	2,000,000		-		2,000,000	-
	Agricultural Enterprise Development (ATC)	2,500,000		-		2,500,000	-
	Infrastructural development (ATC)	30,600,000		-		30,600,000	-
	Agricultural mechanization extension	500,000		-		500,000	-
	Tractor hire services	8,000,000		-		8,000,000	-
	General administrative services (CFF)	100,000		-		100,000	-
	Technology transfer (CFF)	400,000		-		400,000	-
	Operational development (CFF)	500,000		-		500,000	-
	Infrastructural development (CFF)	-		-		-	-
NARIGP	NARIGP	350,000,010		-		350,000,010	-
ASDSP II	ASDSP II	19,861,959		-		19,861,959	-
		941,934,297		51,495,703		890,438,594	5.5
Roads and Public Works							
Transport infrastructure development and management	Transport infrastructure development and management	1,320,000,470		24,631,188		1,295,369,282	1.9
Public safety and transport operations	Public safety and transport operations	18,668,115		-		18,668,115	-
Building standards and other civil works	Building standards and other civil works	3,999,534		-		3,999,534	-
General administration, planning and support services	General administration, planning and support services	113,754,758		14,033,692		99,721,065	12.3
		1,456,422,877		38,664,881		1,417,757,996	2.7
Health & Sanitation							
General Administration and Planning, and Support Services	Health Administration Planning and support services	501,607,010		6,360,167		495,246,843	1.3
	Human resources	2,027,711,289		420,227,625		1,607,483,664	20.7
	Health Infrastructure	172,032,460		-		172,032,460	-
Preventive Promotive and Rehabilitative	Communicable and non-communicable	42,676,050		-		42,676,050	-
	Health Promotion services	5,000,000		-		5,000,000	-
	Disease surveillance	1,576,051		-		1,576,051	-
	Community health services	76,800,000		-		76,800,000	-
	Nutrition Management	10,000,000		-		10,000,000	-
	HIV/AIDS awareness.	2,000,000		-		2,000,000	-
Curative and Rehabilitative Health Services	Routine Medical Services	551,556,410		-		551,556,410	-
	Blood Bank Services	10,000,000		-		10,000,000	-
Reproductive, Maternal, New Born and Child Health	Family planning	-		-		-	-
	Maternity Services	61,252,101		-		61,252,101	-
	Immunization Services	-		-		-	-
		3,462,211,371		426,587,792		3,035,623,579	12.3
EDUCATION & STATISTICS							
General Administration, Planning and Support Services	Salaries and allowances	955,040,802		136,985,732		818,055,070	14.3
	Policy formulation	3,000,000		-		3,000,000	-
	Monitoring and evaluation	2,000,000		-		2,000,000	-
	Administration and support services	53,502,973		-		53,502,973	-
	Capacity building and stakeholders forum	4,000,000		-		4,000,000	-
	Planning and fnancial management	3,000,000		-		3,000,000	-

Budget Execution by Programmes and Sub-Programmes							
Programme	Sub- Programme	Approved (Kshs.)	Budget	Actual (Kshs.)	Payments	Variance	Absorption (%)
Early Childhood Education Development	Quality Assurance and Standards	1,000,000		-		1,000,000	-
	Promotion of good governance	500,000		-		500,000	-
	Capitation for ECDE schools	-		-		-	-
	Curriculum implementation	1,000,000		-		1,000,000	-
	Capacity building of ECDE teachers	1,269,142		-		1,269,142	-
	Special needs assessment	1,000,000		-		1,000,000	-
	learning materials	3,000,000		-		3,000,000	-
	Infrastructure development	229,389,000		-		229,389,000	-
Vocational Education and Training	Assessment of curriculum	1,000,000		-		1,000,000	-
	Tuition support grant	67,849,894		-		67,849,894	-
	Promotion of governance	1,000,000		-		1,000,000	-
	Quality assurance and standards	1,000,000		-		1,000,000	-
	Special needs assessment	1,000,000		-		1,000,000	-
	Capacity building for VTC managers	1,000,000		-		1,000,000	-
	Centre of excellence	29,104,858		-		29,104,858	-
Education Support Programme	Education support and bursary scheme	124,336,685		-		124,336,685	-
	Mentorship and launch of scholarship	10,000,000		-		10,000,000	-
		1,493,993,354		136,985,732		1,357,007,622	9.2
WATER							
General Administration Planning and support Services	Administration services	69,582,437		-		69,582,437	-
	Human Resources Management	23,491,552		-		23,491,552	-
	Policy and Legal Framework formulation	5,000,000		4,398,328		601,672	88
Water and Sewerage Services Management	Water Services Provision	240,991,104		-		240,991,104	-
		339,065,093		4,398,328		334,666,765	1.3
	Tourism						
General Administration Planning and support Services	Administration & Human Resources Management	54,275,801		4,306,062		49,969,739	7.9
Integrated Solid Waste Management	Dumpsite Management	16,882,637		-		16,882,637	-
	Garbage collection and transportation	144,000,000		39,808,449		104,191,551	27.6
		215,158,438		44,114,510		171,043,928	20.5
TRADE & INDUSTRIALISATION							
Trade and Enterprise Development	Trade and Enterprise Development	4,180,000		-		4,180,000	-
Market Infrastructure Development	Market Infrastructure Development	25,000,000		-		25,000,000	-
Energy Development and Management	Energy Development and Management	21,555,632		-		21,555,632	-
Industrial Development and Investment	Industrial Development and Investment	15,000,000		-		15,000,000	-
General Administration, Planning and Support Services	General Administration, Planning and Support Services	52,696,228		2,319,560		50,376,668	4.4
WBP	WBP	6,945,000		-		6,945,000	-
		125,376,860		2,319,560		123,057,300	1.9
LANDS & URBAN PLANNING							
General Administration, Planning and Support services	Human resource development and management	50,447,791		4,101,773		46,346,018	8.1
	Institutional accountability, efficiency and effectiveness in service delivery	1,595,694		-		1,595,694	-

Budget Execution by Programmes and Sub-Programmes							
Programme	Sub- Programme	Approved (Kshs.)	Budget	Actual (Kshs.)	Payments	Variance	Absorption (%)
Land Resource Survey/ Mapping and Management	Land acquisition	10,469,160		-		10,469,160	-
	Survey of government land quality control of survey activities	18,643,612		-		18,643,612	-
County Physical Planning and Infrastructure	Physical Planning and Urban Development	6,841,464		-		6,841,464	-
	Infrastructural development	-		-		-	
		87,997,721		4,101,773		83,895,948	4.7
	Housing						
General Administration, Planning and Support services	Human Resource Management	12,851,403		1,615,686		11,235,717	12.6
	Administrative Services	4,670,000				4,670,000	0.0
	Research and Development	2,400,000		-		2,400,000	-
	Capacity Development	380,228		-		380,228	-
Housing development and Human Settlement	Estate Management	1,906,521		-		1,906,521	-
	Housing Development	1,813,042		-		1,813,042	-
		24,021,194		1,615,686		22,405,508	6.7
BUNGOMA MUNICIPALITY							
Urban Economy, General Administration, Planning and Support services	Human Resource Development and Management	25,000		-		25,000	-
	General Administration and Support Services	7,741,584		2,750,000		4,991,584	35.5
	Institutional Accountability, Efficiency and Effectiveness	1,564,574		-		1,564,574	-
	Leadership and Coordination of Municipal Board Operations	2,640,000		-		2,640,000	-
	Capacity Development	1,500,000		-		1,500,000	-
	Public Participation and Outreach Services	1,360,000		-		1,360,000	-
Land Use, Urban Infrastructure Development and Management	Urban Transport and Infrastructure	109,887,700		-		109,887,700	-
	Urban Facilities and Amenities	-		-		-	-
Urban Environment, Water, Public Health and Human Social Services	Sanitation Services	-		-		-	-
	Waste Management Services	-		-		-	-
		124,718,858		2,750,000		121,968,858	2.2
Kimilili Municipality							
General Administration, Planning and Support services	General Administration planning and support services	5,500,000		2,750,000		2,750,000	50
	Administration and HR Services	7,331,159				7,331,159	-
Urban Infrastructure Development and management	Infrastructure. Housing and public works	191,089,400				191,089,400	-
		203,920,559		2,750,000		201,170,559	1.3
Finance & Economic planning							
Economic development planning and coordination services	Economic development planning and coordination services	49,065,088		9,762,360		39,302,728	19.9
Monitoring and evaluation services	Monitoring and evaluation services	46,204,160		4,375,400		41,828,760	9.5
Public finance management	Public finance management	96,319,698				96,319,698	0.0
General administration, planning, policy coordination and support services	General administration, planning, policy coordination and support services	816,488,849		125,691,588		690,797,261	15.4
		1,008,077,795		139,829,348		868,248,447	13.9
PUBLIC ADMINISTRATION & COUNTY SECRETARY							
General administration, planning and support services	General administration, planning and support services	334,976,577		45,136,031		289,840,546	13.5

Budget Execution by Programmes and Sub-Programmes							
Programme	Sub- Programme	Approved (Kshs.)	Budget	Actual (Kshs.)	Payments	Variance	Absorption (%)
Public Participation, Civic Education and outreach services	Public Participation, Civic Education and outreach services		5,000,000		-	5,000,000	-
Service Delivery And Organizational Transformation	Service Delivery And Organizational Transformation		-		-	-	-
			339,976,577		45,136,031	294,840,546	13.3
General administration, planning and support services	General administration, planning and support services		123,726,057		7,767,809	115,958,248	6.3
Kenya Devolution Support Programme	Kenya Devolution Support Programme		257,537,789		17,805,000	239,732,789	6.9
ICT and information management services	ICT and information management services		17,890,473		-	17,890,473	-
			399,154,319		25,572,809	373,581,510	6.4
GENDER & YOUTH SPORT							
Cultural Development and Management	Administrative services		23,270,614		1,828,000	21,442,614	7.9
	Payment of utilities		1,040,000		-	1,040,000	-
	Human Resource Management		46,696,748		5,155,304	41,541,445	11
	Staff training		2,000,000		-	2,000,000	-
	DHRC Meeting		1,000,000		-	1,000,000	-
	Staff bonding		1,200,000		-	1,200,000	-
	policy formulation		-		-	-	-
	Planning and Budgeting		2,500,000		-	2,500,000	-
	Development Historical and cultural sites		5,925,672		-	5,925,672	-
	Promotion of communities culture		14,700,000		-	14,700,000	-
	Sports and cultural association		17,000,000		-	17,000,000	-
	Liquor and Licensing		2,500,000		-	2,500,000	-
Gender Equality And Empowerment Of Vulnerable Groups	Gender equality framework		6,500,000		-	6,500,000	-
	Gender empowerment		4,000,000		-	4,000,000	-
	Gender mainstreaming		2,000,000		-	2,000,000	-
	Disability mainstreaming		2,000,000		-	2,000,000	-
Sports Facility Development and Management	Development of sports facility		178,616,377		-	178,616,377	-
Sports talent development and management	Sports and talent development established		4,850,004		-	4,850,004	-
Youth Development and Management	Youth development services		8,700,000		-	8,700,000	-
	Youth employment scheme		-		-	-	-
	Youth Infrastructure development		-		-	-	-
			324,499,415		6,983,304	317,516,112	2.2
PUBLIC SERVICE							
General administration and support services	Administrative services		39,204,986		5,775,266	33,429,720	14.7
Human Resource Management and Development	Human Resource Management & Development		5,000,000		1,236,600	3,763,400	24.7
Governors and National Values	Quality Assurance		500,000		-	500,000	-
	Ethics governors and national		2,397,854		-	2,397,854	-
			47,102,840		7,011,866	40,090,974	14.9
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		40,930,472	210,331,394	16.3
	Administrative services		153,241,950		36,141,250	117,100,700	23.6
County Executive Committee Affairs	Leadership and Coordination of County Departments and Agencies		10,500,000		-	10,500,000	-

Budget Execution by Programmes and Sub-Programmes							
Programme	Sub- Programme	Approved (Kshs.)	Budget	Actual (Kshs.)	Payments	Variance	Absorption (%)
County Strategic and Service Delivery	Staff Management Services.		24,996,184		-	24,996,184	-
			441,000,000		77,071,722	363,928,278	17.5
COUNTY ASSEMBLY							
General Administration Planning and Support Services	General Administration Planning and Support Services		594,372,529		94,768,293	499,604,236	15.9
Legislation	Legislation		16,153,646		-	16,153,646	-
Representation and outreach services	Representation and outreach services		48,533,200		6,263,285	42,269,915	12.9
Oversight	Oversight		193,637,940		29,971,154	163,666,787	15.5
General infrastructure	General infrastructure		15,000,000		-	15,000,000	-
			867,697,315		131,002,732	736,694,584	15.1
Grand Total			11,902,328,883		1,148,391,778	10,753,937,105	9.6

Source: Bungoma County Treasury

The programs with the highest absorption rates were: General Administration, Planning and Support services at 88 per cent, Human Resource Management & Development at 24.7 per cent of budget allocation.

3.3.11 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 quarter of FY 2020/21 whereby the County spent Kshs.24.63 million out of the annual development budget of Kshs.3.60 billion. The development expenditure represented less than 1 per cent of the annual budget for development programmes.
2. Under performance of own source revenue collection at Kshs.68.77 million against annual projection of Kshs.700 million. The realised own source revenue represented 9.8per cent of its annual target.
3. Based on financial reports from the county treasury, we note high outstanding amount of imprest at Kshs.110.76 million.

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

1. The County should identify and address issues causing delays in the implementation of development budget.
2. The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.
3. The County Treasury should ensure strict adherence to financial regulations on management of imprest.

3.4 County Government of Busia

3.4.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.7.35 billion, comprising of Kshs.4.96 billion (67.5 per cent) and Kshs.2.39 billion (32.5 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.6.11 billion (83.1 per cent) being equitable share of revenue raised nationally, Kshs.783.68 million (10.7 per cent) as total conditional grants, generate Kshs.350 million (4.8 per cent) from own sources of revenue. The County also expects to receive Kshs.106.46 million (1.4 per cent) as "other revenues" not contained in the CARA, 2020.

3.4.2 Revenue Performance

During the first quarter of FY 2020/21, the County received Kshs.517.16 million as a balance from FY 2019/20 equitable share of the revenue raised nationally, raised Kshs.68.41 million as own-source revenue, and had a cash balance of Kshs.662.14 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.25 billion million as shown in Table 3.13.

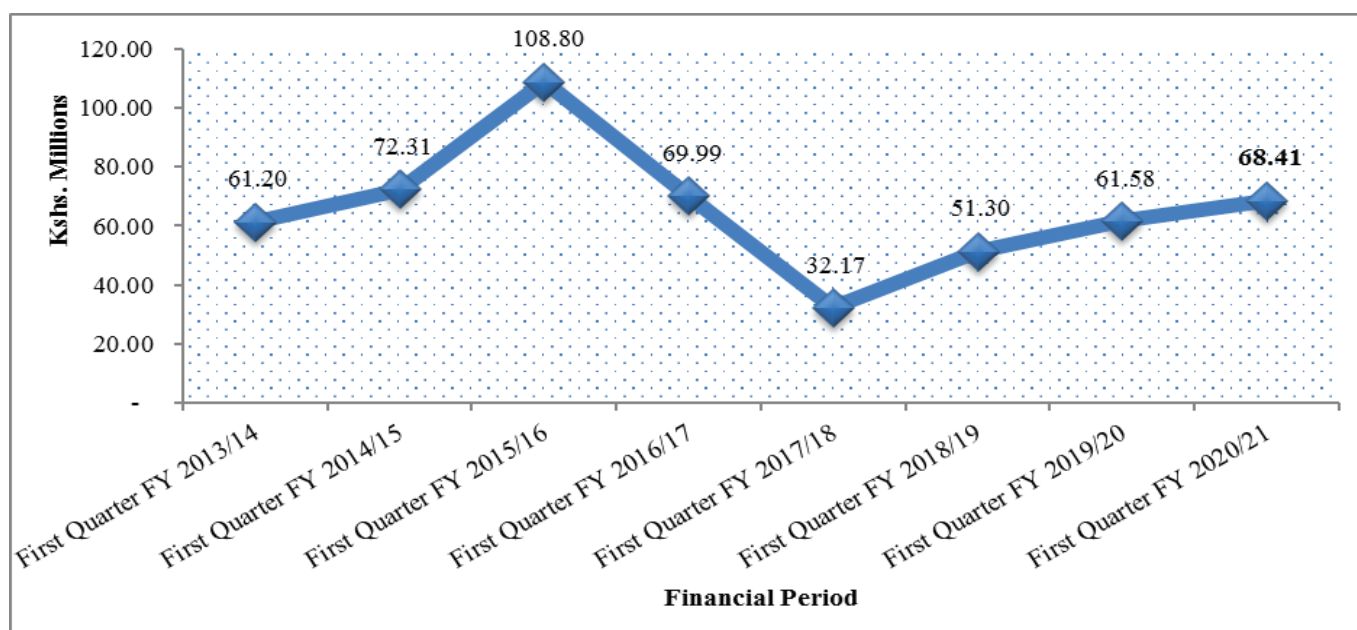
Table 3.13: Busia County, Revenue Performance in the First Quarter of FY 2020/21

No.	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	6,013,500,000	6,108,450,000	517,161,000	8.5
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	-	-
	Sub Total	388,217,283	256,196,006	-	-
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	-	-
3	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4	DANIDA Grant	17,100,000	17,100,000	-	-
5	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant	-	69,825,044	-	-
6	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	14,004,970.	14,004,970	-	-
7	EU – Water Tower Protection and Climate Change Mitigation and Adaptation Programme (waTER)	30,127,734	30,127,734	-	-
	Sub Total	457,658,804	527,483,848	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	350,000,000	68,414,314	19.6
2.	Balance b/f from FY 2019/20	-	-	662,138,526	-
3.	Other Revenues	-	106,464,000	-	-
	Sub Total	-	456,464,002	730,552,839	160
Grand Total		6,859,376,087	7,348,593,856	1,247,713,839	17

Source: Busia County Treasury

Figure 2.7 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-7: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Busia County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.68.41 million as own-source revenue. This amount represented an increase of 9.9 per cent when compared to Kshs.61.58 million realised during the same period in FY 2019/20, and represented 19.6 per cent of the annual target.

3.4.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.1.13 billion from the CRF account during the reporting period. This amount comprised of Kshs.15.60 million (1.4 per cent) for development programmes and Kshs.1.11 billion (98.6 per cent) for recurrent programmes.

3.4.4 Overall Expenditure Review

A total of Kshs.844.98 million was spent on development and recurrent programmes and represented 74.9 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.48.21 million and Kshs.796.76 million on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 2 per cent while that incurred on recurrent programmes represented an absorption rate of 16.1 per cent.

3.4.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.613.69 million was spent on Compensation to Employees, Kshs.183.07 million on Operations and Maintenance, and Kshs.48.21 million on development activities.

Table 3.14: Summary of Expenditure by Economic Classification

	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	4,962,612,304	1,112,785,702	796,765,156	16.1
Compensation to Employees	3,211,371,848	734,887,172	613,692,523	19.1
Operations and Maintenance	1,751,240,456	377,898,530	183,072,633	10.5
Total Development Expenditure	2,385,981,551	15,598,740	48,210,762	2.0
Development Expenditure	2,385,981,551	15,598,740	48,210,761	2.0
Total	7,348,593,855	1,128,384,442	844,975,918	11.5

Source: Busia County Treasury

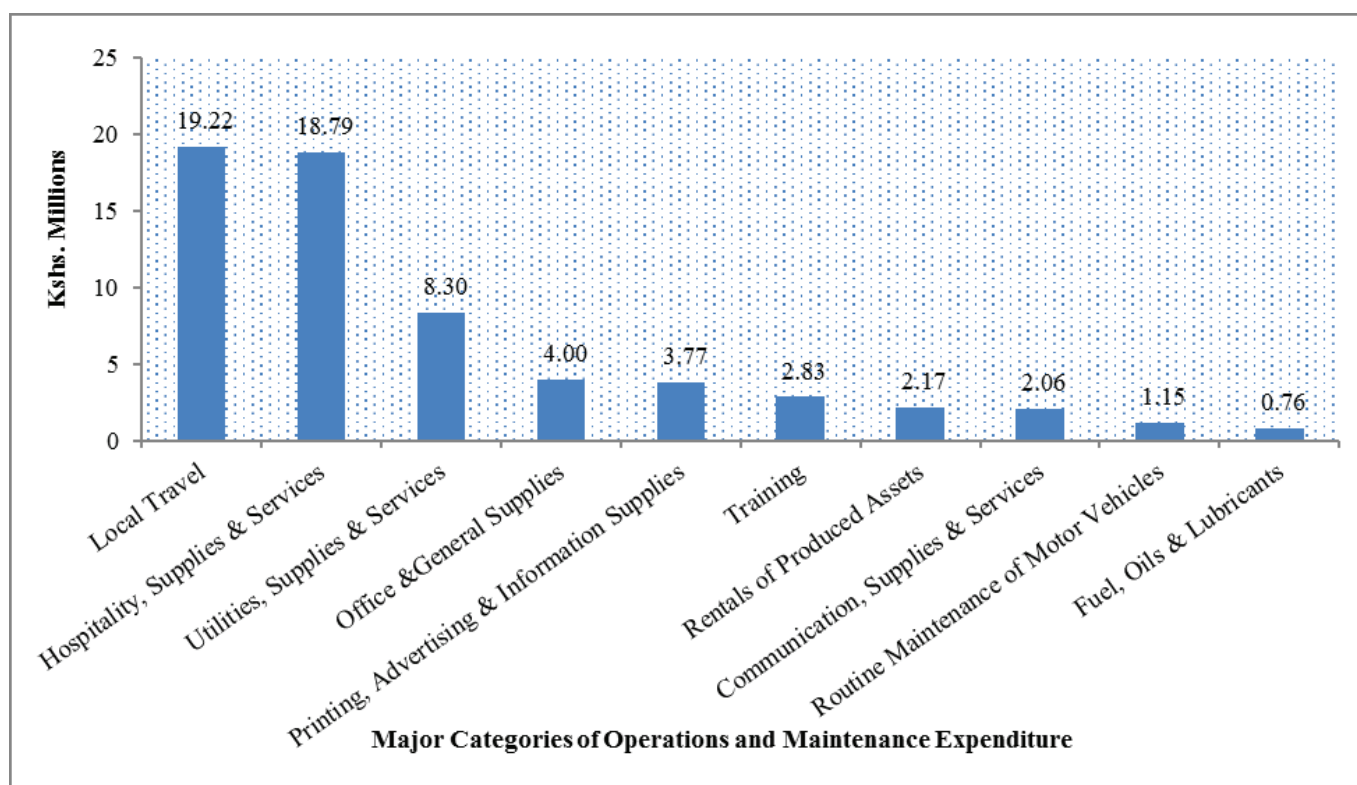
3.4.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.613.69 million and represented 49.2 per cent of the total revenue of Kshs.1.25 billion in the first quarter of the financial year.

3.4.7 Analysis of Operations and Maintenance Expenditure

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

The County spent Kshs.13.15 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.81,207 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.18.81 million and comprised of Kshs.9.91 million spent by the County Assembly and Kshs.9.31 million by the County Executive. Expenditure on foreign travel amounted to Kshs.929,835.

3.4.8 Development Expenditure Analysis

The Development expenditure of Kshs.48.21 million represented 2 per cent of the annual development budget of Kshs.2.39 billion. Table 3.15 provides a summary of development projects with the highest expenditure in the first quarter of financial year.

Table 3.15: Busia County, List of Development Projects with the Highest Expenditure

S/No.	Project Name	Location	Budget (Kshs.)	Expenditure (Kshs.)	Absorption Rate (%)
1	Grants to Amaase Youth Polytechnic	Head Quarters	114,399,788	2,181,319	1.9
2	Grants to Amagoro Vocational Training Centre	Head Quarters		1,869,702	1.6
3	Grants to Igara Ade Vocational Training Centre	Head Quarters		1,454,212	1.3
4	Grants to Butunyi Vocational Training Centre	Head Quarters		1,447,720	1.3
5	Grants to Other Vocational Training Centres	Across county		15,335,174	13.4

S/No.	Project Name	Location	Budget (Kshs.)	Expenditure (Kshs.)	Absorption Rate (%)
6	Routine Maintenance of Fuel Levy Funded Roads	Teso South	182,062,027	7,762,579	4.3
7	Routine Maintenance and Spot Improvement Of Angorom Hostel- Alupe Hospital- Alupe University	Teso South		3,200,000	1.8
8	Routine Maintenance of Bukhalire- Murumba Road	Butula		4,298,713	2.4
9	Routine Maintenance of Rapondo Road	Bunyala		4,126,560	2.3
10	TB Control-Undertake Complaints At Sub-County Level For Awareness Creation	Head Quarter	31,200,000	6,534,782	20.9

Source: Busia County Treasury

3.4.9 Budget Performance by Department

Table 3.16 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.16: Busia County, Budget Performance by Department for the First Quarter of FY 2020/21

Department	Budget Allocation (Kshs.)		Exchequer Issues		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture and Animal Resources	224.77	502.88	43.42	15.59	1.31	-	3	-	0.6	-
Trade, Cooperatives and Industrialization	52.30	89.40	12.05	-	233.06	-	1.9	-	0.4	-
Education and Vocational Training	390.98	171.89	71.22	-	-	22.29	0.0	-	-	13.0
Finance, Economic Planning and ICT	741.09	14.40	128.44	-	30.86	-	236.6	-	41	-
Youth, Culture, sports, Tourism and Social Services	60.52	62.35	13.25	-	603.15	-	4.6	-	1	-
Roads, Public Works, Energy and Transport	104.22	837.42	25.14	-	481.27	19.39	1.9	-	0.5	2.3
Public Service Management	275.39	-	13.71	-	70.02	-	510.9	-	25.4	-
Lands, Housing and urban Development	65.94	72.76	13.12	-	500	-	3.8	-	0.8	-
Water Environment and Natural Resources	112.08	257.76	23.15	-	8.05	-	34.8	-	7.2	-
Health and Sanitation	1,804.98	232.01	532.89	-	307.91	6.53	57.8	-	17.1	2.8
County Public Service Board	65.22	-	13.24	-	577.25	-	4.4	-	0.9	-
The Governorship	326.14	79.10	54.97	-	3.93	-	7.1	-	1.2	-
County Assembly	738.97	66	168.17	-	98.15	-	58.4	-	13.3	-
TOTAL	4,962.61	2,385.98	1,112.78	15.59	795.62	48.21	71.5	309.1	16.1	2.0

Source: Busia County Treasury

Analysis of expenditure by department shows that the Department of Education recorded the highest absorption rate of development budget at 13 per cent. The Department of Finance and Economic Planning had the highest percentage of recurrent expenditure to recurrent budget at 41 per cent while the Department of Education and Vocational Training did not report expenditure on recurrent activities.

3.4.10 Budget Execution by Programmes and Sub-Programmes

Table 3.17 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.17: Busia County, Budget Execution by Programmes and Sub-programmes

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
AGRICULTURE					
CP 1: General Administration and support services	Administrative support service	224,770,355	1,375,496	223,394,859	0.6
CP 3: Land Use and Management	CSP 2.1: Agricultural mechanization	3,300,000	-	3,300,000	--

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
CP 4: Agricultural Training and Extension services	CSP 4.2: Agricultural Training services	6,704,970	-	6,704,970	-
	CSP 5.1: Value addition	15,400,000	-	15,400,000	-
CP 5: Agribusiness and agricultural value chain Development	CSP 6.1: Agricultural credit support services	7,700,000	-	7,700,000	-
CP 6: Agricultural financial support services	CSP 7.1: Kenya Climate SMART	320,226,100	-	320,226,100	-
CP 7: Kenya Climate Smart Agriculture Programme	CSP 8.1: Aquaculture development	15,000,000	-	15,000,000	-
	CSP 8.2: Fisheries training infrastructure development	2,000,000	-	2,000,000	-
CP 8: Fisheries and Aquaculture Resources Development	CSP 10.1: Veterinary Disease control	4,201,841	-	4,201,841	-
	CSP 10.4 Veterinary Extension	2,000,000	-	2,000,000	-
	CSP 11.1: Other Development projects	126,350,000	-	126,350,000	-
Sub-totals		727,653,266	1,375,496	726,277,770	0.2
TRADE	CSP 12.1: Administrative support service	52,301,463	233,063	52,068,400	0.5
CP 12: General Administration and Support services	CSP 13.1: Busia county trade development fund	10,400,000	-	10,400,000	-
	CSP 13.2: Market modernization and development	38,900,000	-	38,900,000	-
CP 13: Trade Developments and Investment	CSP 14.1: Weights and measures.	3,500,000	-	3,500,000	-
	CSP 15.2: Revitalization of cotton ginneries	5,000,000	-	5,000,000	-
CP 15: Cooperative development	CSP 15.3: value addition	7,700,000	-	7,700,000	-
	CSP 16.1: Other Development projects	23,900,000	-	23,900,000	-
Sub-totals		141,701,463	233,063	141,468,400	0.2
FINANCE	CSP 22.1: Administrative support service	741,093,761	303,856,885	437,236,876	41.0
CP 22: General Administration and Support services	CSP 23.1: Revenue generation services	5,000,000	-	5,000,000	-
CP 23: Financial management, Control and Development services	CSP 24.1: ICT support services	6,000,000	-	6,000,000	-
CP 24: Information and Communication Services	CSP 25.1: Other Development projects	3,400,000	-	3,400,000	-
Sub-totals		755,493,761	303,856,885	451,636,876	40.2
EDUCATION	CSP 17.1: Administrative support service	390,986,154	-	390,986,154	-
	CSP 19.1: Infrastructure development	24,500,000	-	24,500,000	-
CP 19: Tertiary/Vocational Training Development	CSP 20.1: Education support scheme	114,399,788	22,288,128	92,111,660	19.5
CP 20: Education support	CSP 21.1 Other Development Projects	33,000,000	-	33,000,000	-
Sub-totals		562,885,942	22,288,128	540,597,815	3.9
CULTURE	CSP 26.1: Administrative support service	60,522,480	603,148	59,919,332	1.0
	CSP 28.1 Equipping and Operationalization of youth empowerment	6,400,000	-	6,400,000	-
CP 28: Youth and Empowerment Development	CSP 29.1: Infrastructural development	5,000,000	-	5,000,000	-
CP 30: Child care and protection	CSP 31.1: Cultural infrastructural development	21,400,000	-	21,400,000	-
CP 33: Alcoholic Drinks and Drugs control	CSP 34.1: Other Development projects	29,550,000	-	29,550,000	-
Sub-totals		122,872,480	603,148	122,269,332	0.5
PUBLIC WORKS	CSP 35.1: Administrative support service	104,221,960	481,268	103,740,693	0.5
CP 35: General Administration and support services	CSP 36.1: Routine maintenance of roads	429,462,027	19,387,852	410,074,175	4.5
CP 37: Building Infrastructure Development	CSP 38.1 Energy Services	1,200,000	-	1,200,000	-
CP 38: Energy Development	CSP 38.2: Solar Energy Exploration	7,510,000	-	7,510,000	-
CP 39: Alternative Transport infrastructure Development	CSP 40.1: Other Development Projects	399,250,000	-	399,250,000	-
CP 40: Other Development Projects		941,643,987	19,869,119	921,774,868	2.1
PUBLIC SERVICE MANAGEMENT	CSP 41.1: Administrative support services	275,387,209	71,093,003	204,294,205	25.8
CP 41: General Administration and support services		275,387,209	71,093,003	204,294,205	25.8

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
PUBLIC SERVICE BOARD	CSP 41.1: Administrative support services	65,215,844	577,252	64,638,592	0.8
CP 41: General Administration and support services		65,215,844	577,252	64,638,592	0.8
LANDS	CSP 42.1: Administrative support services	65,943,621	500,000	65,443,621	0.7
CP 42: General Administration and support services	CSP 43.1: Land use planning	6,540,000	-	6,540,000	-
CP 44: Housing development and management	CSP 45.1: Urban management	40,720,006	-	40,720,006	-
CP 45: County Urban management and Development	CSP 45.2: Urban Development	9,200,000	-	9,200,000	-
	CSP 46.1: Other Development Projects	16,300,000	-	16,300,000	-
Sub-totals		138,703,627	500,000	138,203,627	0.4
WATER	CSP 47.1: Administrative support services	112,082,727	8,049,270	104,033,457	7.1
CP 47: General Administration and support services	CSP 48.1: Urban water supply and sewerage	73,100,000	-	73,100,000	-
CP 49: Environment Management and Protection	CSP 50.1: Irrigation infrastructure development	2,310,000	-	2,310,000	-
CP 50: Small Holder Irrigation and Drainage	CSP 51.1: Rehabilitation and Restoration degraded landscape	6,770,000	-	6,770,000	-
CP 51: Forest development and management	CSP 52.1: Water Tower Protection and Climate Change Mitigation	30,127,734	-	30,127,734	-
CP 52: Water Tower Protection and Climate Change Mitigation	CSP 53.1 Other Development Projects	145,450,000	-	145,450,000	-
Sub-totals		369,840,461	8,049,270	361,791,191	2.1
HEALTH	CSP 54.1: Administrative support service	1,804,975,637	307,912,934	1,497,062,703	17.0
CP 54: General Administration and support services	CSP 55.1: Infrastructure development	52,600,000	-	52,600,000	-
CP 55: Curative Health Services	CSP 55.2: Hospital equipment	32,775,000	-	32,775,000	-
	CSP 56.1: Infrastructure development	14,000,000	-	14,000,000	-
CP 56: Preventive and Promotive Health services	CSP 56.2: Lower level hospital equipment	1,000,000	-	1,000,000	-
	CSP 56.3: Preventive Services	9,000,000	-	9,000,000	-
	CSP 56.4: Health promotion unit	72,434,085	6,534,782	65,899,303	9.0
	CSP 57.1: Other Development projects	50,200,000	-	50,200,000	-
Sub-totals		2,036,984,722	314,447,716	1,722,537,006	15.4
GOVERNORS	CSP 59.1: Administrative support service	326,138,441	3,928,264	322,210,177	1.2
CP 59: General Administration and support services	CSP 60.1: Disaster preparedness	67,940,000	-	67,940,000	-
CP 60: Disaster Risk Management	CSP 60.1: Communication Services	9,160,000	-	9,160,000	-
CP 61: Information dissemination and knowledge management	CSP 62.1: Other Development projects	2,000,000	-	2,000,000	-
Sub-totals		405,238,441	3,928,264	401,310,177	0.97
THE COUNTY ASSEMBLY					
CP 63: Administrative support service	CSP 63.1: Administrative support service	738,972,659	98,154,573	640,818,086	13.3
CP 64: County Assembly Infrastructural Development	ICSP 64.1: Infrastructural Development	66,000,000	-	66,000,000	-
Sub-totals		804,972,659	98,154,573	706,818,086	-
Grand Total		7,348,593,861	844,975,918	5,796,799,857	11.5

Source: Busia County Treasury

The programs with the highest absorption rates were: General Administration and Support Services at 41 per cent (Under the Finance Department) and Education Support Scheme at 19.5 per cent (Under the Education Department) of budget allocation.

3.4.11 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. 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 in the first quarter of FY 2020/21 whereby the County spent Kshs.48.21 million out of the annual development budget of Kshs.2.39 billion. The development expenditure represented

2 per cent of the annual development budget. The low absorption of development funds is despite the County despite carrying unspent cash balance of Kshs.662.14 million from FY 2019/20 which was available in the CRF.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.*
2. *The County should identify and address issues causing delays in the implementation of development projects.*

3.5 County Government of Elgeyo Marakwet

3.5.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.5.91 billion, comprising of Kshs.2.62 billion (44.4 per cent) and Kshs.3.28 billion (55.6 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.3.86 billion (65.4 per cent) being equitable share of revenue raised nationally, Kshs.656.10 million (11.1 per cent) as total conditional grants, generate Kshs.144 million (2.4 per cent) from own sources of revenue, and the cash balance of Kshs.1.15 billion (19.5 per cent) from FY 2019/20. The County also expects to receive Kshs.94.10 million (1.6 per cent) as "other revenues" not contained in the CARA, 2020.

3.5.2 Revenue Performance

During the first quarter of FY2020/21, the County raised Kshs.27.82 million as own-source revenue, had a cash balance of Kshs.941.70 million from FY 2019/20, and other revenues (COVID-19 grant) of Kshs.90 million. The total funds available for budget implementation during the period amounted to Kshs.1.06 billion as shown in Table 3.18.

Table 3.18: Elgeyo Marakwet County, Revenue Performance in the First Quarter of FY 2020/21

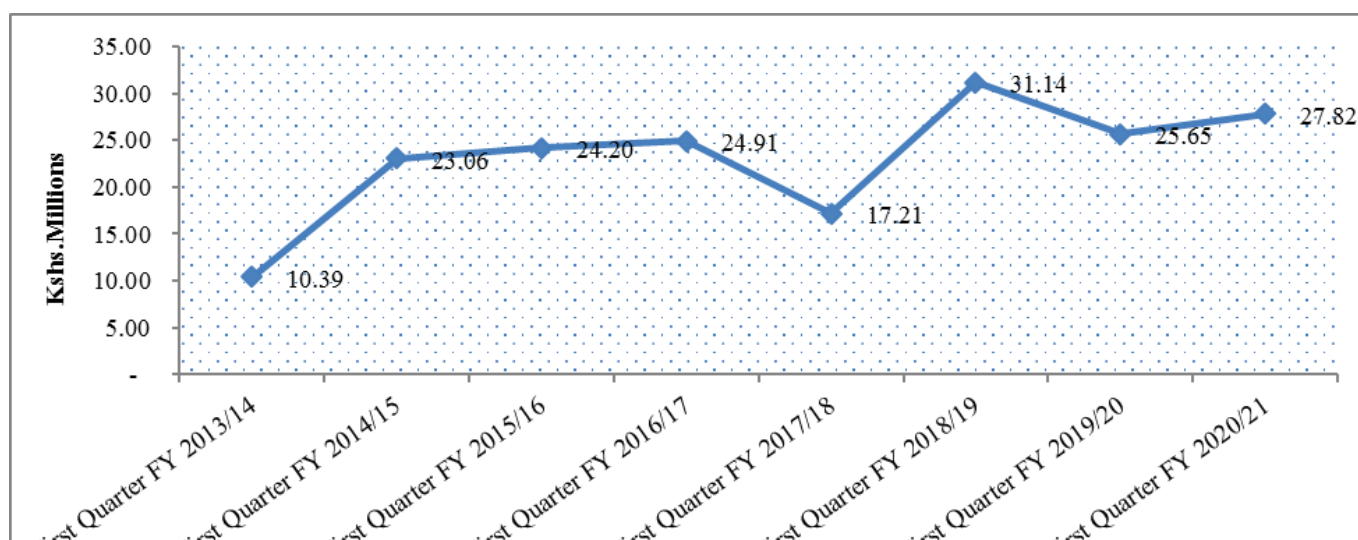
S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	3,861,300,000	3,861,300,000	-	-
B.	Conditional Grants from the National Government				
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	-	-
4.	Rehabilitation of Village Polytechnics	27,904,894	27,904,894	-	-
	Sub Total	283,800,931	151,779,654	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	33,340,400	33,340,400	-	-
2.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	280,000,045	280,000,045	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level I Grant	45,000,000	45,000,000	-	-
4.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	-	89,802,100	-	-
5.	DANIDA Grant	10,980,000	10,980,000	-	-
6.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	12,921,815	12,921,815	-	-
7.	EU – Water Tower Protection and Climate Change Mitigation and Adaptation Programme (waTER)	69,163,856	69,163,856	-	-
	Sub Total	451,406,116	541,208,216	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	144,000,000	27,816,590	19.3

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
2.	Balance b/f from FY 2019/20	-	1,150,053,927	941,696,967	81.9
3.	Other Revenues – COVID 19 Grant	-	57,212,000	89,997,000	157.3
Sub Total		-	1,351,265,927	1,063,610,557	47.2
Grand Total		4,596,507,047	5,905,553,797	1,063,610,557	17.9

Source: Elgeyo Marakwet County Treasury

Figure 3.9 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-9: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Elgeyo Marakwet County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.27.82 million as own-source revenue. This amount represented an increase of 9.7 per cent when compared to Kshs.25.36 million realised during the same period in FY 2019/20, and was 19.3 per cent of the annual target.

3.5.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.468.08 million from the CRF account for recurrent programmes during the reporting period.

3.5.4 Overall Expenditure Review

A total of Kshs.754.92 million was spent on development and recurrent programmes and represented 161.3 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.35.06 million and Kshs.719.86 million on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 1.3 per cent while that incurred on recurrent programmes represented an absorption rate of 21.9 per cent.

3.5.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.674.73 million was spent on Compensation to Employees, Kshs.45.12 million on Operations and Maintenance, and Kshs.35.06 million on development activities.

Table 3.19: Summary of Expenditure by Economic Classification

	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	3,284,021,050	468,077,665	719,856,857	21.9
Compensation to Employees	2,641,734,492	465,804,758	674,734,357	25.5
Operations and Maintenance	642,286,558	2,272,907	45,122,500	7.0
Total Development Expenditure	2,621,532,747	-	35,062,687	1.3
Development Expenditure	2,621,532,747	-	35,062,687	1.3
Total	5,905,553,797	468,077,665	754,919,544	12.8

Source: Elgeyo Marakwet County Treasury

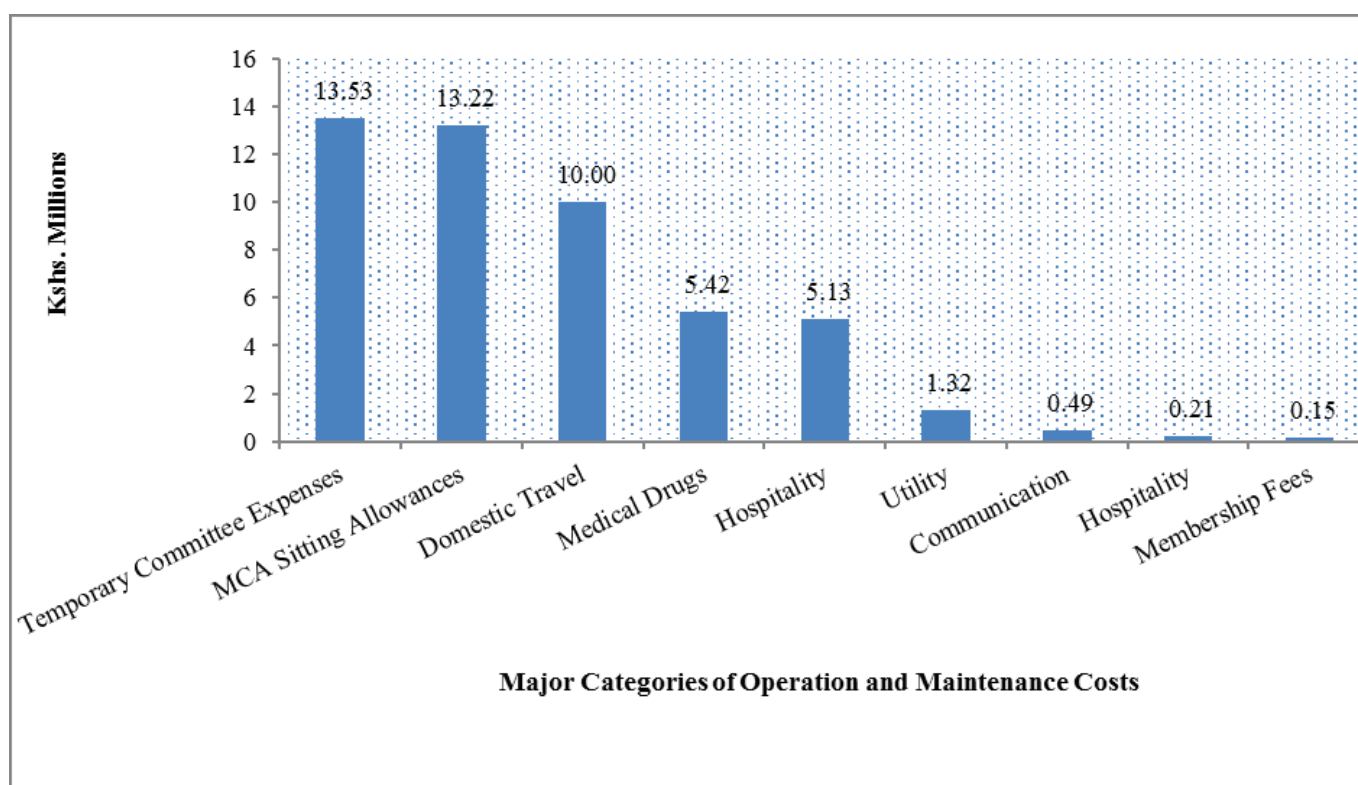
3.5.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.674.73 million and represented 63.7 per cent of the total revenue of Kshs.1.06 billion in the first quarter of the financial year.

3.5.7 Analysis of Operations and Maintenance Expenditure

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

The County spent Kshs.13.22 million on Committee Sitting Allowances for the 34 MCAs and Speaker against the annual budget allocation of Kshs.37.93 million. The average monthly sitting allowance was Kshs.129,647 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.10 million and comprised of Kshs.5.73 million spent by the County Assembly and Kshs.4.27 million by the County Executive.

3.5.8 Development Expenditure Analysis

The Development expenditure of Kshs.35.06 million represented 1.3 per cent of the annual development budget of Kshs.2.62 billion and represented an increase of 523.8 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.5.62 million. Table 3.20 provides a summary of development projects with the highest expenditure in the first quarter of financial year.

Table 3.20: 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	Micro Grants Disbursement	Countywide	91,939,070	10,929,252	11.9
2	Maintenance of Maron-Mungw'o-Chemisto	Embobut	2,942,000	2,942,000	100
3	Maintenance of Koitilial-Katkok	Arror	2,897,700	2,897,700	100
4	Maintenance of Kaptum jncn-Sach 4-Kimuron-D 329	Emsoo	2,000,000	2,000,000	100
5	Maintenance of Kerionge-Yatiane-Cherota	Chepkorio	1,997,550	1,997,550	100
6	Maintenance of Chepsirgen- Seret-Nukio	Moiben	1,991,000	1,991,000	100
	Maintenance of Kapchelal-Kaptaragon(kendur jnc)	Emsoo	1,973,000	1,973,000	100
7	Public Awareness/Public participation	Iten Municipality	3,000,000	1,408,950	47.0
8	Baseline Survey Enumerators	Hqs	1,310,000	1,133,560	86.5
9	Training/capacity building for urban areas/municipality staff and CPCT	Iten municipality	3,300,000	1,112,200	33.7
10	Maintenance of Koilel-Kamurto- Corner	Lelan	886,400	886,400	100

Source: Elgeyo Marakwet County Treasury

3.5.9 Budget Performance by Department

Table 3.21 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.21: 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	557.72	15.25	37.21	-	96.78	-	260.1	-	17.4	-
Office of the Governor	143.88	-	20.12	-	30.39	-	150.5	-	21.1	-
Finance and Economic planning	223.85	-	27.52	-	41.79	-	151.8	-	18.7	-
Agriculture and Irrigation	100.78	751.25	14.10	-	21.88	12.64	155.2	-	21.7	1.7
Education and Tech. Training	196.39	280.61	25.87	-	41.12	-	158.9	-	20.9	-
Health and Sanitation	1,545.88	299.10	283.68	-	397.32	4.31	140.1	-	25.7	1.4
Water, Lands, Environment & Climate Change	78.06	518.71	10.63	-	16.53	3.09	155.5	-	21.2	0.6
Roads, Public Works and Transport	66.97	499.07	9.48	-	13.93	15.02	146.9	-	20.8	3.0
Tourism, Culture, Wildlife, Trade & Industry	35.61	15.68	4.83	-	7.59	-	157.1	-	21.3	-
Youth Affairs, Sports, ICT & Social Services	38.37	111.44	4.49	-	7.04	-	156.7	-	18.4	-
Public Service Management & County Administration	152.26	31.97	11.12	-	16.88	-	151.7	-	11.1	-
County Public Service Board	46.74	-	5.53	-	8.65	-	156.3	-	18.5	-
Livestock Production, Fisheries & Cooperative Development	97.52	98.45	13.42	-	19.97	-	148.8	-	20.5	-
	3,284.02	2,621.53	468.08	-	719.86	35.06	153.8	-	21.9	1.3

Source: Elgeyo Marakwet County Treasury

The variance of Kshs.35.06 million on development expenditure against exchequer issues represents conditional grants payments validated, and paid in IFMIS which had been requisitioned by the close of the FY 2019/20 but reported in the first quarter of FY 2020/21. Equally, on the payment side of recurrent activities, Kshs.719.86 million was paid against an exchequer issues of Kshs.468.08 million which was occasioned by payments posted as expenditure in IFMIS yet there was no actual cash outflow, as the expenditures were being processed to enable exchequer requisition to the COB.

Analysis of expenditure by department shows that Department of Roads, Public Works and Transport reported the highest absorption rate of development budget at 3 per cent while the rest of the Departments did not report expenditure

on development activities. The Department of Health and Sanitation had the highest absorption of recurrent budget at 25.7 per cent while the Department of Public Service Management and County Administration had the lowest at 11.1 per cent.

3.5.10 Budget Execution by Programmes and Sub-Programmes

Table 3.22 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.22: 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		229,035,560	10,716,465	263,319,095	4.7
	General administration, planning and support services	229,035,561	10,716,465	263,319,095	4.7
Legislation and representation		297,659,817	72,532,953	225,126,864	24.4
	Legislation and representation	297,659,817	72,532,953	225,126,864	24.4
Legislative oversight		46,279,404	13,526,600	32,752,804	29.2
	Legislative oversight	46,279,404	13,526,600	32,752,804	29.2
	Sub-Total	572,974,781	96,776,018	521,198,763	16.9
General administration and support services		127,513,712	28,911,597	135,444,555	22.7
	General administration and support services	127,513,713	28,911,597	135,444,555	22.7
Open Governance, Transparency and Accountability		16,367,800	1,475,590	14,892,210	9.0
	Governance	16,367,800	1,475,590	14,892,210	9.0
		143,881,512	30,387,187	150,336,765	21.1
Finance and Economic Planning					
General administration and support services		68,476,851	25,988,760	42,488,091	38.0
	General administration and support services	68,476,851	25,988,760	42,488,091	38.0
Financial Management		110,370,018	15,779,568	94,790,450	14.3
	Monitoring, Evaluation and reporting	514,641	132,250	382,391	25.7
	Economic Planning & Budgeting	104,748,027	15,063,940	89,684,087	14.4
	Accounting services	1,544,061	562,153	981,908	36.4
	Supply Chain Management	1,180,110	198,775	1,378,885	16.8
	Revenue Management Services	2,383,179	220,000	2,363,179	9.2
General administration, Planning, and support services		45,000,000	-	45,000,000	-
	General administration, Planning, and support services	45,000,000	-	45,000,000	-
	Sub-Total	223,846,869	41,768,328	287,615,306	18.7
Agriculture and Irrigation					
General administration and support services		100,777,147	21,917,924	78,859,223	21.7
	General administration and support services	100,777,147	21,917,924	78,859,223	21.7
Crop Development		556,795,213	12,638,362	544,156,851	2.3
	Cash Crops Development	32,009,209	-	32,009,209	-
	Food Crops Development	500,000	-	500,000	-
	Agricultural Extension and Training Services	524,286,004	12,638,362	511,647,642	2.4
Soil Conservation		1,294,590	-	1,294,590	-
	Soil Conservation	1,294,590	-	1,294,590	-
Irrigation Development		193,159,535	-	193,159,535	-
	Irrigation Development	193,159,535	-	193,159,535	-
	Sub-Total	852,026,485	34,556,287	817,470,198	4.1
Education and Technical Training					

Program	Sub Program	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption %
General administration and support services		196,390,607	41,115,300	155,275,307	20.9
	General administration and support services	196,390,607	41,115,300	155,275,307	20.9
Technical and Vocational Education and Training (TVET)		41,624,894	-	41,624,894	-
	Technical Vocational Education & Training	41,624,894	-	41,624,894	-
Pre-Primary Education		238,988,640	-	238,988,640	-
	Pre-Primary Education	238,988,640	-	238,988,640	-
	Sub-Total	477,004,141	41,115,300	435,888,841	8.6
Health and Sanitation					
General administration and support services		1,545,876,304	397,321,102	1,148,555,202	25.7
	Default - Non Programmatic	1,545,876,304	397,321,102	1,148,555,202	25.7
Preventive and Pro motive health		31,169,784	4,241,532	26,928,252	13.6
	Community and Environmental Health	25,754,114	4,241,532	21,512,582	16.5
	Communicable & Non-Communicable Disease Prevention & Control	5,415,670	-	5,415,670	-
Curative and Rehabilitative Health		267,932,682	73,043	267,859,639	0.0
	Commodity management	1,800,000	-	1,800,000	-
	County Hospitals	41,240,958	-	41,240,958	-
	Primary Care Units	202,736,504	73,043	202,663,461	0.0
	Emergency Medical Services	22,155,220	-	22,155,220	-
	Sub-Total	1,844,978,770	401,635,677	1,443,343,093	21.8
Water, Lands, Environment and Climate Change					
General administration and support services		78,059,121	16,533,305	61,525,816	21.2
	General administration and support services	78,059,121	16,533,305	61,525,816	21.2
Water and Sanitation Management		211,921,855	58,925	211,862,930	0.0
	Water Services	211,921,855	58,925	211,862,930	0.0
Environmental Management and Protection		71,563,856	-	71,563,856	-
	Environmental conservation	71,563,856	-	71,563,856	-
Solid Waste Management		1,200,000	-	1,200,000	-
	Solid waste management	1,200,000	-	1,200,000	-
		234,024,252	3,033,175	230,991,077	1.3
	Sub-Total	596,769,084	19,625,405	577,143,679	3.3
Roads, Public Works and Transport					
General administration and support services		61,478,217	13,103,506	48,374,712	21.3
	General administration and support services	61,478,217	13,103,506	48,374,712	21.3
Road Improvement		491,184,257	15,017,650	476,166,607	3.1
	Rural road Works	491,184,257	15,017,650	476,166,607	3.1
Public works		6,643,600	6,900	6,636,700	0.1
	Public Works	6,643,600	6,900	6,636,700	0.1
Energy		6,728,000	814,876	5,913,124	12.1
	Energy	6,728,000	814,876	5,913,124	12.1
	Sub-Total	566,034,074	28,942,932	537,091,143	5.1
Tourism, Culture, Wildlife, Trade and Industry					
General administration and support services		35,609,808	7,041,323	28,020,416	19.8
	General administration and support services	35,609,808	7,041,323	28,020,416	19.8
Tourism Development		6,124,128	-	6,124,128	-
	Tourism Development	6,124,128	-	6,124,128	-
Trade and Enterprise Development		3,794,640	-	3,794,640	-
	Trade and enterprise development	3,794,640	-	3,794,640	-
Culture and Heritage Preservation		5,759,550	-	5,759,550	-
	Culture and Heritage Preservation	5,759,550	-	5,759,550	-
	Sub-Total	51,288,126	7,041,323	43,698,734	13.7
Youth Affairs, Sports, ICT and Social Services					
General administration and support services		38,369,182	7,041,323	31,327,859	18.4

Program	Sub Program	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption %
	General administration and support services	38,369,182	7,041,323	31,327,859	18.4
Sports Development		63,362,475	-	63,362,475	-
	Sports Infrastructure Development	9,920,000	-	9,920,000	-
		53,442,475	-	53,442,475	-
Social Empowerment		37,328,731	-	37,328,731	-
	Social Empowerment	37,328,731	-	37,328,731	-
Social Protection.		9,300,000	-	9,300,000	-
	Social Protection	9,300,000	-	9,300,000	-
ICT Services		1,451,000	-	1,451,000	-
	ICT Services	1,451,000	-	1,451,000	-
	Sub-Total	149,811,388	7,041,323	142,770,065	4.7
Public Service Management and County Administration					
General administration and support services		151,885,578	16,875,833	135,009,745	11.1
	General administration and support services	151,885,578	16,875,833	135,009,745	11.1
Public Service Management		32,346,009	-	32,346,009	-
	Coordination of government functions	31,971,009	-	31,971,009	-
	Citizen participation and Civic Education	375,000	-	375,000	-
	Sub-Total	184,231,587	16,875,833	167,355,754	9.2
County Public Service Board					
General administration and support services		46,738,274	8,648,732	38,089,542	18.5
	General administration and support services	46,738,274	8,648,732	38,089,542	18.5
		46,738,274	8,648,732	38,089,542	18.5
	Sub-Total	46,738,274	8,648,732	38,089,542	18.5
Livestock Production, Fisheries and Cooperative Development					
General administration and support services		97,522,268	19,970,283	77,551,985	20.5
	General administration and support services	97,522,268	19,970,283	77,551,985	20.5
Livestock Development		55,686,396	-	55,686,396	-
	Livestock Production	48,600,931	-	48,600,931	-
	Livestock Extension and Training Services	7,085,465	-	7,085,465	-
Cooperative Development		9,079,272	-	9,079,272	-
	Cooperatives development	9,079,272	-	9,079,272	-
Veterinary Services		33,680,770	-	33,680,770	-
	Disease Surveillance and control	23,379,570	-	23,379,570	-
	A I Services	10,301,200	-	10,301,200	-
	Sub-Total	195,968,706	19,970,283	175,998,423	10.2
	Grand Total	5,905,553,797	754,919,544	5,338,000,306	12.8

Source: Elgeyo Marakwet County Treasury

The programs with the highest absorption rates were: General Administration and Support Services at 38 per cent, and Legislative Oversight at 29.2 per cent of the budget allocation.

3.5.11 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. Failure to implement development activities during the first quarter of FY 2020/21 despite carrying unspent cash balance of Kshs.941.70 million from FY 2019/20 which was available in the CRF.
3. Under performance in own source revenue collection at Kshs.26.44 million against annual projection of Kshs.144 million. The realised own-source revenue represented 18.4 per cent of annual target.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.*
2. *The County should identify and address issues causing delays in implementation of development projects.*
3. *The County should address devise and implement strategies to ensure the approved budget is fully financed.*

3.6 County Government of Embu

3.6.1 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) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.4.56 billion (70.5 per cent) being equitable share of revenue raised nationally, Kshs.998.06 million (15.4 per cent) as total conditional grants and generate Kshs.909 million (14.1 per cent) from own sources of revenue. The budget did not include the cash balance of Kshs.483.92 million from FY 2019/20.

3.6.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.370.18 million as equitable share of the revenue raised nationally which was a balance from FY 2019/20, raised Kshs.109.12 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.963.21 million as shown in Table 3.23.

Table 3.23: Embu County, Revenue Performance in the First Quarter of FY 2020/21

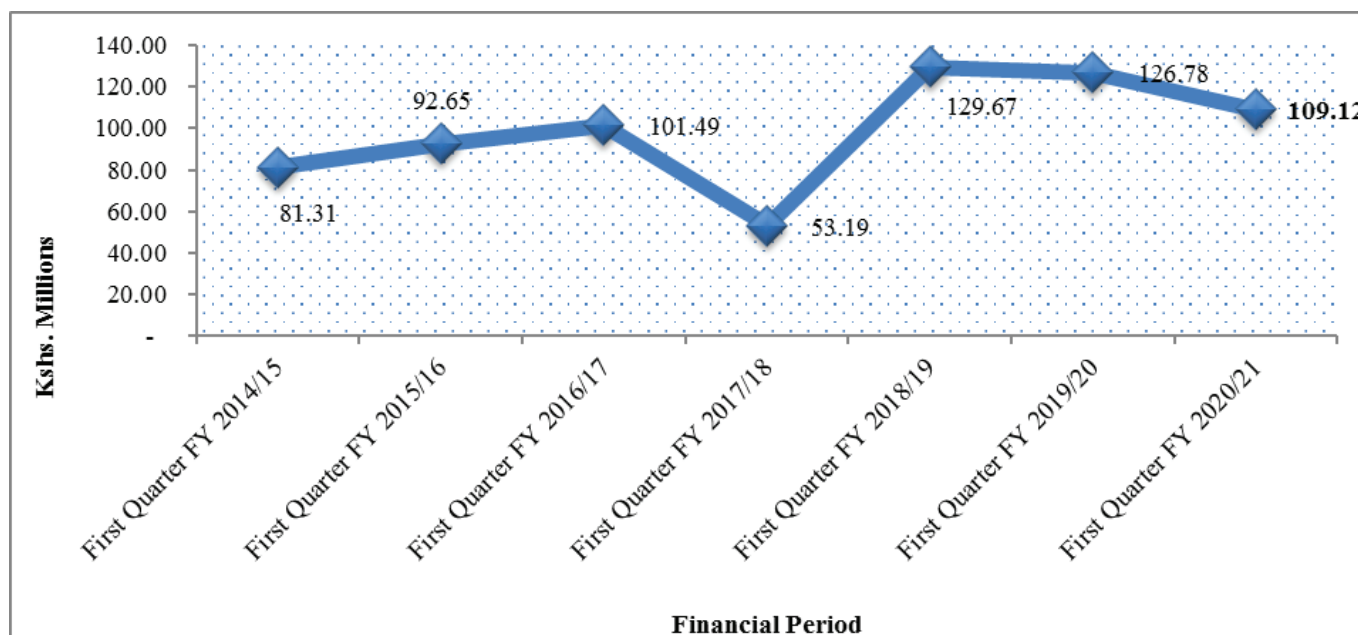
No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	4,304,400,000	4,557,600,000	370,178,400	8.1
B.	Conditional Grants from the National Government Revenue				
1.	Rehabilitation of Village Polytechnics	34,249,894	34,249,894	-	-
2.	Conditional Grants to Level-5 Hospitals	301,040,462	301,040,462	-	-
3.	Road Maintenance Fuel Levy Fund	135,839,025	135,839,025	-	-
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	-	-
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	-	-
2.	Transforming Health systems for Universal care Project (WB)	112,736,973	112,736,973	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	12,240,000	12,240,000	-	-
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	12,112,312	12,112,312	-	-
	Sub Total	384,183,435	384,183,435	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	909,000,000	109,115,522	12
2.	Balance b/f from FY 2019/20	-	-	483,916,664	Above 100%

No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
	Sub Total	-	909,000,000	593,032,186	65.2
	Grand Total	5,302,458,318	6,464,660,318	963,210,586	14.9

Source: Embu County Treasury

Figure 3.11 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-11: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Embu County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.109.12 million as own-source revenue. This amount represented a decrease of 13.9 per cent when compared to Kshs.126.78 million realised during the same period in FY 2019/20, and was 12 per cent of the annual OSR target.

3.6.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.478.70 million from the CRF account during the reporting period which was entirely for recurrent programmes.

3.6.4 Overall Expenditure Review

A total of Kshs.516.98 million was spent on recurrent programmes and represented 108 per cent of the total funds released from the CRF account which represented an absorption rate of 12 per cent.

3.6.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.482.03 million was spent on Compensation to Employees and Kshs.34.94 million on Operations and Maintenance activities.

Table 3.24: Summary of Expenditure by Economic Classification

	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	4,315,419,007	478,700,000	516,975,298	12
Compensation to Employees	3,049,557,975	447,288,998	482,034,962	15.8

Operations and Maintenance	1,265,861,032	31,411,002	34,940,336	2.8
Total Development Expenditure	2,149,239,311	-	-	-
Development Expenditure	2,149,239,311	-	-	-
Total	6,464,658,318	478,700,000	516,975,298	8

Source: Embu County Treasury

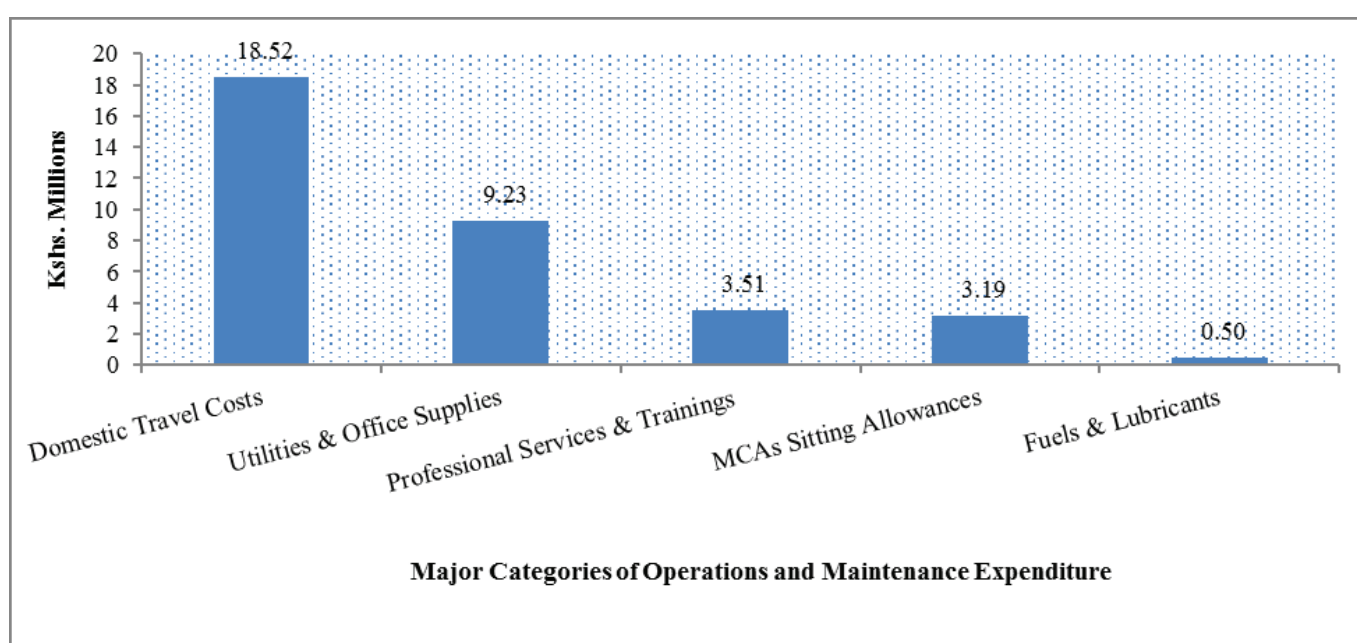
3.6.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.482.03 million and represented 50.0 per cent of the total revenue of Kshs.963.21 million in the first quarter of the financial year. The County had not paid the September 2020 salaries by the end of the reporting period.

3.6.7 Analysis of Operations and Maintenance Expenditure

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

The County spent Kshs.3.19 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.30,334 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.18.52 million and comprised of Kshs.16.37 million spent by the County Assembly and Kshs.2.16 million by the County Executive.

3.6.8 Development Expenditure Analysis

The county did not report expenditure on development programmes during the reporting period.

3.6.9 Budget Performance by Department

Table 3.25 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.25: Embu County, Budget Performance by Department in the First Quarter of FY 2020/21

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	234.80	-	19.49	-	22.23	-	114.0	-	9.5	-
County Public Service Board	43.06	-	3.76	-	4.10	-	109.1	-	9.5	-
Public Service and Administration	397.72	20	56.50	-	62.29	-	110.3	-	15.7	-
Gender, Culture, Children and Social Services	8.05	44.15	0.70	-	0.74	-	105.2	-	9.1	-
Finance and Economic Planning	141.90	29.07	7.95	-	12.74	-	160.3	-	9.0	-
Trade Tourism Investment and Industrialization	23.08	44	2.54	-	2.74	-	108.0	-	11.9	-
Agriculture, Livestock, Fisheries and Co-Operative Development	265.86	229.42	35.52	-	39.26	-	110.5	-	14.8	-
Health	1,901.06	179.75	230.22	-	241.15	-	104.7	-	12.7	-
Embu Level 5 Hospital	222.09	154.13	13.01	-	8.69	-	66.8	-	3.9	-
Infrastructure, Public Works and Housing.	51.41	1,137.32	4.53	-	4.25	-	93.8	-	8.3	-
Education, Science and Technology	296.25	48	34.88	-	57.62	-	165.2	-	19.5	-
Lands, Physical Planning and Urban Development & Water	86.43	107.56	8.04	-	-	-	0.0	-	-	-
Youth Empowerment and Sports	7.84	33.35	0.65	-	0.47	-	73.1	-	6.1	-
Embu County Revenue Authority (ECRA)	25.81	-	0.22	-	-	-	0.0	-	-	-
County Assembly	610.06	122.50	60.70	-	60.70	-	100.0	-	9.9	-
TOTAL	4,315.42	2,149.24	478.70	-	516.98	-	108.0	-	12.0	-

Source: Embu County Treasury

Analysis of expenditure by department shows that the Department of Education, Science and Technology recorded the highest percentage of recurrent expenditure to recurrent budget at 19.5 per cent while the Department of Lands, Physical Planning and Urban Development & Water and the Embu County Revenue Authority (ECRA) did not report expenditure on recurrent activities.

3.6.10 Budget Execution by Programmes and Sub-Programmes

Table 3.26 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.26 : Embu County, Budget Execution by Programmes and Sub-programmes

Name of the Programme	Sub-Programme	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs)	Absorption (Kshs.)
OFFICE OF GOVERNOR					
General Administration Planning and Support Services	Management of County Affairs (Office of Governor)	140,881,939	13,336,720	127,545,220	9.5
County Leadership and Coordination	Sub-County Administration and Field Services	46,960,646	4,445,573	42,515,073	9.5
	Management of County Executive Services (Office of County Secretary)	28,176,388	2,667,344	25,509,044	9.5
County Leadership and Coordination	Public Sector Advisory Services (Legal, Political, and Economic Advisors)	18,784,259	1,778,229	17,006,029	9.5
Sub Total		234,803,232	22,227,866	212,575,366	9.5
COUNTY PUBLIC SERVICE BOARD					

Name of the Programme	Sub-Programme	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs)	Absorption (Kshs.)
Administration of Human Resources in Public Service	Performance Management & Discipline	7,319,914	696,502	6,623,412	9.5
	Administration of board programmes	10,764,579	1,024,268	9,740,311	9.5
	Recruitment and Selection, Career Management, HR Policy & Audit	15,070,411	1,433,976	13,636,435	9.5
	Quality service delivery in the County Public Service that is effective and efficient	9,903,413	942,327	8,961,086	9.5
Sub Total		43,058,317	4,097,073	38,961,244	9.5
PUBLIC SERVICE AND ADMINISTRATION					
General Administration Planning and Support Services	Service Delivery and Management of County Affairs	179,974,839	26,839,541	153,135,298	14.9
Public Service	Human Resource Development and Culture Change Management	143,202,653	21,355,727	121,846,926	14.9
	Office Infrastructure Expansion	94,544,373	14,099,347	80,445,026	14.9
Sub Total		417,721,865	62,294,615	355,427,250	14.9
GENDER, CHILDREN, CULTURE & SOCIAL SERVICES					
Policy and General Administrative Services	General Administrative Unit	7,829,601	110,266	7,719,335	1.4
Gender and Social Development	Communication Mobilization and Development	10,439,468	147,021	10,292,447	1.4
	Social Welfare Services	7,829,601	110,266	7,719,335	1.4
	Vocational Rehabilitation and Training	5,219,734	73,511	5,146,223	1.4
	Gender Mainstreaming and Development	7,829,601	110,266	7,719,335	1.4
Children Services	Child Rehabilitation and Custody	7,829,601	110,266	7,719,335	1.4
Culture and Cultural Preservation	Cultural Preservation	5,219,734	73,511	5,146,223	1.4
Sub Total		52,197,340	735,107	51,462,233	1.4
FINANCE AND ECONOMIC PLANNING					
General Administration Planning and Support Services	Administration, Planning and Support Services	30,356,197	2,261,954	28,094,243	7.5
Economic Policy and County Planning	Economic Development Planning and Coordination	42,498,676	3,166,735	39,331,941	7.5
Financial Management Services	Control and Management of Public Finances	19,719,387	1,469,365	18,250,022	7.5
Monitoring and Evaluation	Monitoring and Evaluation of projects	18,213,718	1,357,172	16,856,546	7.5
Research and Statistics	County database and profile	15,178,099	1,130,977	14,047,122	7.5
Kenya Devolution Support Programme	Kenya Devolution Support Programme	45,000,000	3,353,118	41,646,882	7.5
Sub Total		170,966,077	12,739,322	158,226,755	7.5
TRADE, TOURISM, INVESTMENT AND INDUSTRIALIZATION					
Administrative Support Services	Administrative Support Services	7,970,283	325,586	7,644,697	4.1
Trade development and Promotion	Trade development and Promotion	32,276,212	1,318,483	30,957,729	4.1
Industrial Development and Investment	Industrial Development and Investment	14,757,048	602,825	14,154,223	4.1
Tourism Development	Tourism Development	12,073,948	493,221	11,580,727	4.1
Sub Total		67,077,491	2,740,115	64,337,376	4.1
AGRICULTURE, LIVESTOCK, FISHERIES AND CO-OPERATIVE DEVELOPMENT					
Administrative Support Services	Administrative Support Services	64,643,215	5,123,980	59,519,235	7.9
Crop Development and Management	Crop Development and Management	230,960,274	18,307,195	212,653,079	7.9
Agribusiness and Information Management	Agribusiness and Information Management	64,386,592	5,103,639	59,282,953	7.9
Livestock Resources Management and Development	Livestock Resources Management and Development	85,763,248	6,798,072	78,965,176	7.9
Fisheries Development	Fisheries Development	49,528,148	3,925,876	45,602,272	7.9
Sub Total		495,281,477	39,258,762	456,022,715	7.9
HEALTH					
Curative Health Services	Primary Health Care	1,198,371,306	138,882,053	1,059,489,253	11.6
Preventive and Promotive Health Services	Health Promotion & Disease Control	493,240,945	57,162,846	436,078,098	11.6
General Administration Planning and Support Services	General Administration services	389,200,317	45,105,335	344,094,982	11.6

Name of the Programme	Sub-Programme	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs)	Absorption (Kshs.)
Sub Total		2,080,812,567	241,150,234	1,839,662,333	11.6
EMBU LEVEL 5 HOSPITAL					
Curative Health Services	Primary Health Care	253,156,973	5,847,253	247,309,720	2.3
Preventive and Promotive Health Services	Health Promotion & Disease Control	70,934,873	1,638,407	69,296,466	2.3
General Administration Planning and Support Services	General Administration services	52,124,077	1,203,928	50,920,149	2.3
Sub Total		376,215,923	8,689,587	367,526,336	2.3
INFRASTRUCTURE, PUBLIC WORKS AND HOUSING					
General Administration Planning and Support Services	General Administration Services	118,873,336	424,586	118,448,751	0.4
Roads Transport	Road Infrastructure and Public Works	891,550,021	3,184,391	888,365,630	0.4
Energy and housing	Energy and Housing	178,310,004	636,878	177,673,126	0.4
Sub Total		1,188,733,361	4,245,855	1,184,487,506	0.4
EDUCATION, SCIENCE AND TECHNOLOGY					
General Administration, Planning and Support Services	General Administration and Support Services	137,698,237	23,049,513	114,648,724	16.7
Quality Assurance and Standards	Quality Assurance and standards	68,849,118	11,524,757	57,324,362	16.7
ECDE and Tertiary Education (Polytechnics)	ECDE and Tertiary Education (Polytechnics)	137,698,237	23,049,513	114,648,724	16.7
Sub Total		344,245,592	57,623,783	286,621,809	16.7
LANDS, PHYSICAL PLANNING AND URBAN DEVELOPMENT					
Land Policy and Planning	Spatial planning and urban Planning	9,699,190	-	9,699,190	-
	Survey and land Planning	13,578,865	-	13,578,865	-
General Administration, Planning and Support Services	General Administration and support Services	19,398,379	-	19,398,379	-
Water Supply and sewerage Services	Domestic water supply	87,292,706	-	87,292,706	-
Environment Management and Natural Resources Conservation	Environmental conservation	9,699,190	-	9,699,190	-
Expansion and provision of Irrigation water	Supply of Irrigation water	54,315,462	-	54,315,462	-
Sub Total		193,983,792	-	193,983,792	-
YOUTH EMPOWERMENT AND SPORTS					
Youth Development and Empowerment Services	Youth Development and Empowerment Services	20,594,375	237,300	20,357,075	1.2
Management and development of Sport and Sport facilities	Community Sports programme	16,475,500	189,840	16,285,660	1.2
General Administration Planning and Support Services	General Administration services	4,118,875	47,460	4,071,415	1.2
Sub Total		41,188,750	474,600	40,714,150	1.2
EMBU COUNTY REVENUE AUTHORITY (ECRA)					
Financial Management Services	Revenue Management Services	4,708,689	-	4,708,689	-
	Revenue Management Services	21,106,221	-	21,106,221	-
Sub Total		25,814,910	-	25,814,910	-
COUNTY ASSEMBLY					
General Administration Planning and Support Services	General Administration Planning and Support Services	280,650,931	40,162,275	272,781,731	14.3
Legislation	Legislation	451,906,693	20,536,104	439,235,636	4.5
Sub Total		732,557,624	60,698,379	671,859,245	8.3
Grand Total		6,464,658,318	516,975,298	5,947,683,020	8.0

Source: Embu County Treasury

The programs with the highest absorption rates were: 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 16.7 per cent, General Administration Planning and Support Services and Public Service programs in Public Service and Administration department at 14.9 per cent, General Administration Planning and Support Services in County Assembly at 14.3 per cent, and Curative Health Services, Preventive and Promotive Health Services and General Administration Planning and Support Services in Health department at 11.6 per cent of budget allocation.

3.6.11 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. Failure to implement the development budget during the period under review despite carrying forward a cash balance of Kshs.483.92 million from FY 2019/20
3. Under performance of own revenue at Kshs.109.12 million against annual projection of Kshs.909 million. The realised own source revenue represented 12 per cent of its annual target.
4. Failure to budget for unspent balance in Special Purpose Accounts from previous financial year 2019/20. This resulted in expenditure exceeding budgetary allocation and exchequer issues during the reporting period.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.*
2. *The County should identify and address issues causing delays in the implementation of development projects.*
3. *The County should address own source revenue performance so as to ensure the approved budget is fully financed. Further, all revenues should be banked intact into the CRF in line with Section 109 (2) of the PFM Act, 2012.*
4. *The County Treasury should prepare a supplementary budget and ensure cash balances from the FY 2019/20 are captured appropriately.*

3.7 County Government of Garissa

3.7.1 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) allocations for Development and Recurrent programmes respectively.

To finance the budget, the County expects to receive Kshs.7.03 billion (69 per cent) being equitable share of revenue raised nationally, Kshs.1.65 billion (16.2 per cent) as total conditional grants, generate Kshs.150 million (1.5 per cent) from own sources of revenue, and the 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.

3.7.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.604.26 million as equitable share of the revenue raised nationally which was a balance from FY 2019/20, raised Kshs.25.77 million as own-source revenue, and had a cash balance of Kshs.692.47 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.37 billion as shown in Table 3.27.

Table 3.27: Garissa County, Revenue Performance in the First Quarter of FY 2020/21

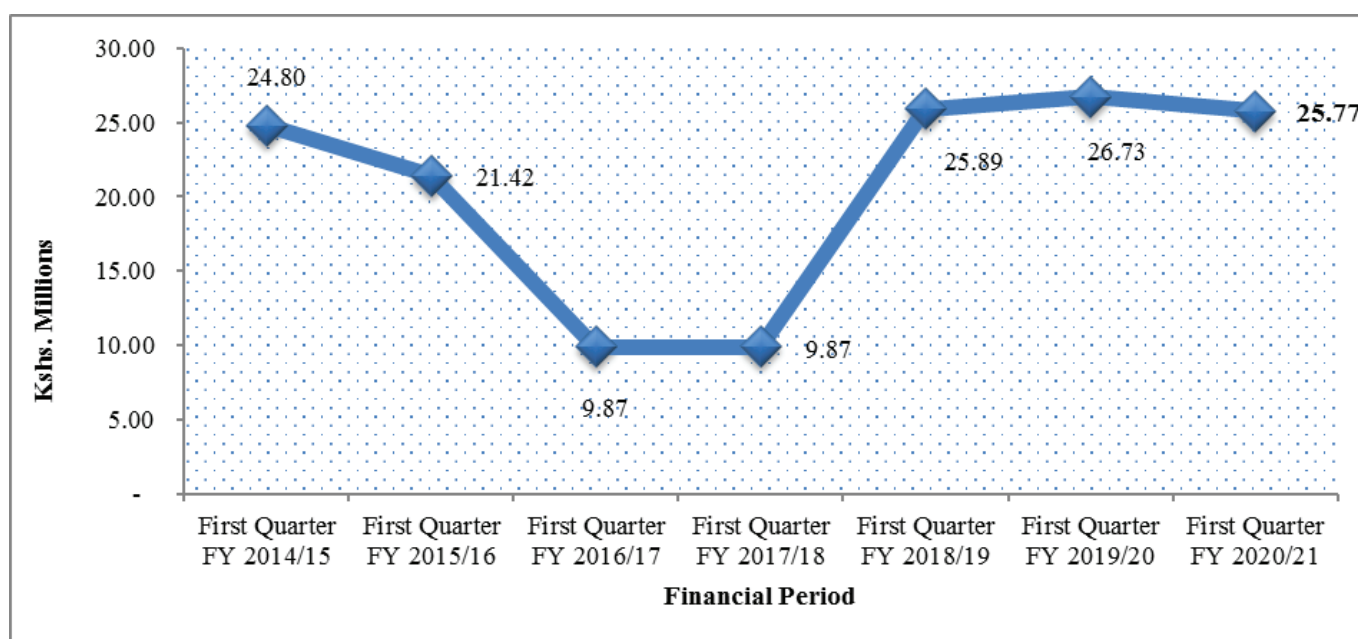
S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	7,026,300,000	7,026,300,000	604,261,800	8.6
B.	Conditional Grants from the National Government				
1.	Compensation for User Fee Foregone	344,739,884	344,739,884	-	-
2.	Leasing of Medical Equipment	12,964,636	12,964,636	-	-
3.	Road Maintenance Fuel Levy Fund	132,021,277	132,021,277	-	-
4.	Rehabilitation of Village Polytechnics	209,418,497	209,418,497	-	-
	Sub Total	717,044,188	717,044,188	-	-
C	Loans and Grants from Development Partners				

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
1.	Transforming Health systems for Universal care Project (WB)	33,760,000	33,760,000	-	-
2.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	320,528,195	320,528,195	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	19,980,000	19,980,000	-	-
5.	IDA (WB) Credit: Water & Sanitation Development Project (WSDP)	500,000,000	500,000,000	-	-
6.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	15,513,345	15,513,345	-	-
Sub Total		934,781,540	934,781,540	-	-
D Other Sources of Revenue					
1.	Own Source Revenue	-	150,000,000	25,768,892	17.2
2.	Balance b/f from FY 2019/20	-	1,296,733,762	692,471,962	53.4
3.	Other Revenues	-	51,900,000	51,900,000	100
Sub Total		-	1,498,633,762	770,140,854	51.4
Grand Total		8,678,125,728	10,176,759,490	1,374,402,654	13.5

Source: Garissa County Treasury

Figure 3.13 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-13: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Garissa County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.25.77 million as own-source revenue. This amount represented a decrease of 3.6 per cent when compared to Kshs.26.73 million realised during the same period in FY 2019/20, and represented 17.2 per cent of the annual target.

3.7.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.903.55 million from the CRF account during the reporting period. This amount comprised of Kshs.167.01 million (18.5per cent) for development programmes and Kshs.736.54 million (81.5 per cent) for recurrent programmes.

3.7.4 Overall Expenditure Review

A total of Kshs.913.14 million was spent on recurrent programmes and represented 101.1 per cent of the total funds released from the CRF account. The County did not report expenditure on development programmes. Expenditure on recurrent programmes represented an absorption rate of 13.6 per cent of the annual recurrent budget.

3.7.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.892.75 million was spent on Compensation to Employees and Kshs.20.38 million on Operations and Maintenance.

Table 3.28: Summary of Expenditure by Economic Classification in the First Quarter of FY 2020/21

	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	6,696,475,196	736,535,000	913,136,249	13.6
Compensation to Employees	4,416,368,994	716,150,950	892,752,199	20.2
Operations and Maintenance	2,280,106,202	20,384,050	20,384,050	0.9
Total Development Expenditure	3,480,284,294	167,012,550	-	-
Development Expenditure	3,480,284,294	-	-	-
Total	10,176,759,490	903,547,550	913,136,249	9.0

Source: Garissa County Treasury

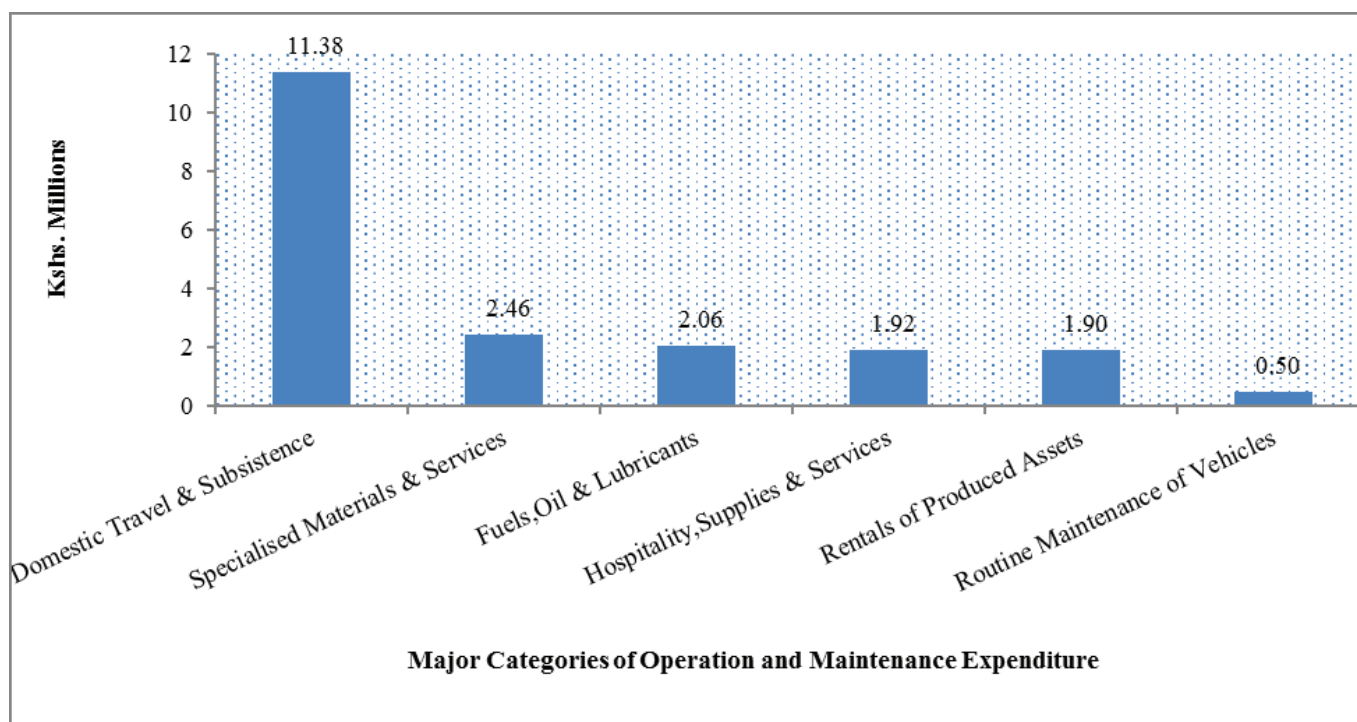
3.7.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.892.75 million and represented 65 per cent of the total revenue of Kshs.1.37 billion in the first quarter of the financial year.

3.7.7 Analysis of Operations and Maintenance Expenditure

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 in First Quarter of FY 2020/21



Source: Garissa County Treasury

The County Assembly did not report expenditure on MCAs Sitting Allowances during the reporting period. The County Executive spent Kshs.11.38 million on domestic travel.

3.7.8 Development Expenditure Analysis

The County did not report expenditure on development programmes during the report period.

3.7.9 Budget Performance by Department

Table 3.29 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.29: Garissa County, Budget Performance by Department in the First Quarter of FY 2020/21

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	204.22	452.95	-	-	29.95	-	-	-	14.7	-
Gender, Social Services and Sport	76.20	70	-	-	20.81	-	-	-	27.3	-
Roads and Transport	40.32	508.86	-	-	9.24	-	-	-	22.9	-
Education and Labour	724.18	67.94	41.45	-	41.45	-	-	-	5.7	-
Environment, Energy and Natural Resources	63.16	-	3	-	13.60	-	453.3	-	21.5	-
Lands, Housing, Works and Urban Development	281.59	20	12.40	-	40	-	-	-	-	-
Finance and Economic Planning	1,295.34	640	393.20	-	456.04	-	-	-	-	-
Health and Sanitation	2,453.85	332.02	152.34	-	207.95	-	136.5	-	8.5	-
Trade, Enterprises Development and Tourism	90	100	-	-	-	-	-	-	-	-
Water and Irrigation Services	199.56	905	22.60	-	22.60	-	-	-	11.3	-
Executives Services	393.79	-	22.70	-	22.70	-	100	-	5.8	-
County Public Services Board	37.07	-	-	-	-	-	-	-	-	-
Town Management Board	80.80	233.51	8.80	167.01	8.80	-	-	-	10.9	-
County Assembly	756.40	150	40	-	40	-	100	-	5.3	-
Total	6,696.48	3,480.28	696.49	167.01	913.14	-	131.1	-	13.6	-

Source: Garissa County Treasury

Analysis of expenditure by department shows that the Department of Gender, Social Services and Sport had the highest absorption of recurrent budget at 27.3 per cent while the Department of Trade, Enterprise and Tourism and the County Public Services Board did not report expenditure during the reporting period.

3.7.10 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of the budget implementation report. Further, the County failed to provide a report on budget implementation on programmes and sub-programmes.
2. Failure to implement the development budget during the period under review despite carrying forward a cash balance of Kshs.692.47 million from FY 2019/20
3. Under performance of own revenue at Kshs.25.77 million against annual projection of Kshs.150 million. The realised own source revenue represented 17.2 per cent of its annual target.

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

1. *The County Treasury should ensure timely preparation and submission of financial and non-financial reports in line with Section 166 of PFM Act, 2012. Further, the County should build its capacity in preparation of reports on*

budget implementation.

2. *The County leadership should identify and address issues causing delays in the implementation of development programmes.*
3. *The County Treasury should devise and implement strategies to mobilise revenue collection to .*

3.8 County Government of Homa Bay

3.8.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.7.86 billion, comprising of Kshs.2.68 billion (34.1 per cent) and Kshs.5.18 billion (65.9 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.6.74 billion (85.7 per cent) being equitable share of revenue raised nationally, Kshs.704.95 million (9 per cent) as total conditional grants, generate Kshs.385.51 million (4.9 per cent) from own sources of revenue, and the cash balance of Kshs.30.68 million (0.4 per cent) from FY 2019/20.

3.8.2 Revenue Performance

During the first quarter of FY2020/21, the County raised Kshs.15.1 million as own-source revenue, and had a cash balance of Kshs.687.74 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.702.84 million as shown in Table 3.30.

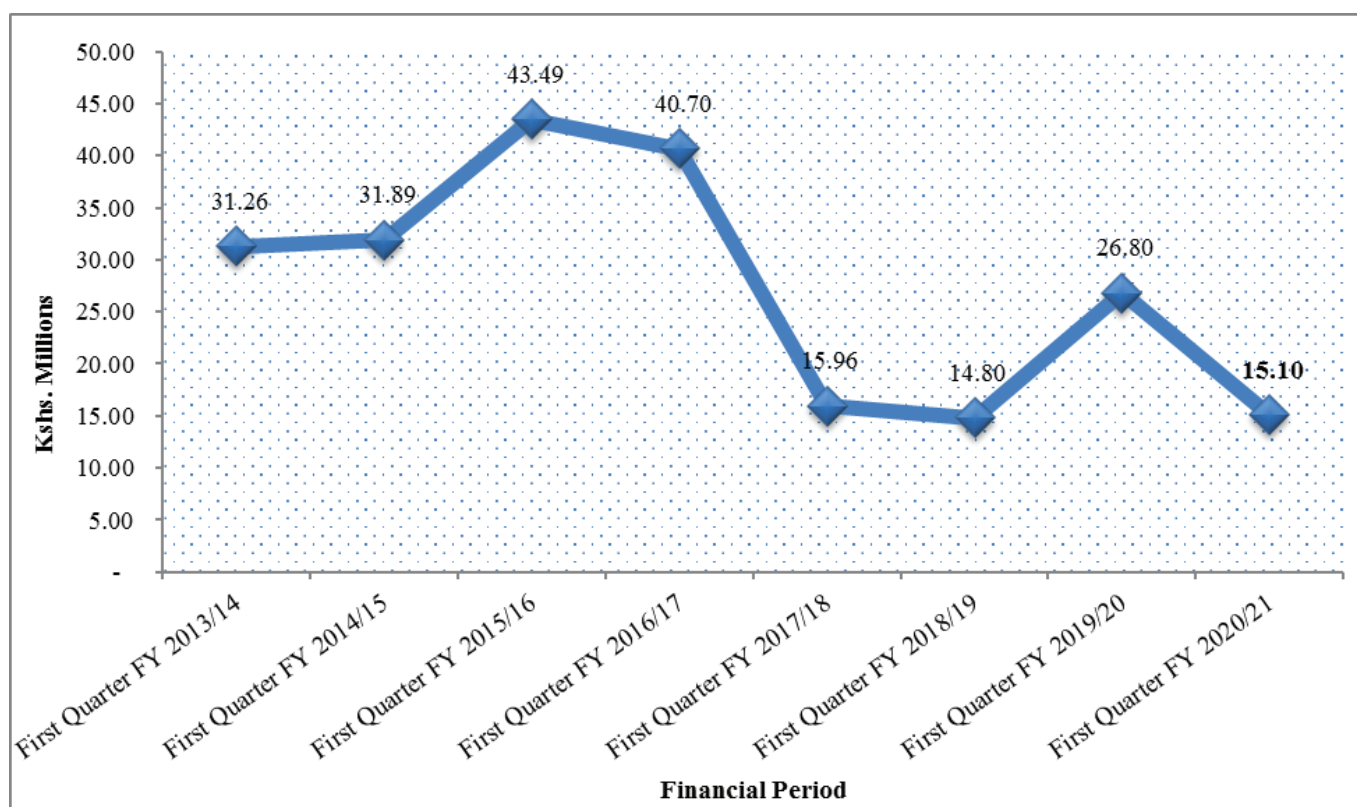
Table 3.30: Homa Bay County, Revenue Performance in the First Quarter of FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	6,741,450,000	6,741,450,000	-	-
B.	Conditional Grants from the National Government Revenue				
1.	Compensation for User Fee Foregone	22,185,346	22,185,346	-	-
2.	Leasing of Medical Equipment	132,021,277	132,021,277	-	-
3.	Road Maintenance Fuel Levy Fund	200,928,558	200,928,558	-	-
4.	Rehabilitation of Village Polytechnics	40,399,894	40,399,894	-	-
	Sub Total	395,535,075	395,535,075	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	33,040,000	33,040,000	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	198,467,950	198,467,950	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	19,170,000	19,170,000	-	-
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	13,738,669	13,738,669	-	-
	Sub Total	309,416,619	309,416,619	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	296,163,284	15,100,000.	5.1
2.	Balance b/f from FY 2019/20	-	30,676,139	687,743,382	2,241.9
3.	A-I-A	-	89,347,885	-	-
	Sub Total	-	416,187,308	702,843,382	168.9
	Grand Total	7,446,401,694	7,862,589,002	702,843,382	8.9

Source: Homa Bay County Treasury

Figure 3.15 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-15: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Homa Bay County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.15.1 million as own-source revenue. This amount represented a decrease of 43.7 per cent when compared to Kshs.26.80 million realised during the same period in FY 2019/20, and was 5.1 per cent of the annual target. The significant decrease was attributed to closure of business and other restrictions meant to curb the spread of COVID -19 pandemic.

3.8.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.700 million from the CRF account during the reporting period. This amount was entirely for recurrent programmes.

3.8.4 Overall Expenditure Review

A total of Kshs.692.74 million was spent on recurrent programmes which represented 99 per cent of the total funds released from the CRF account. Expenditure on Recurrent programmes was 13.4 per cent of the annual recurrent budget.

3.8.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.631.02 million was spent on Compensation to Employees and Kshs.61.72 million on Operations and Maintenance.

Table 3.31: Summary of Expenditure by Economic Classification

	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	5,184,124,376	700,000,000	692,736,818	13.4
Compensation to Employees	3,333,831,092	603,940,017	631,015,827	18.9
Operations and Maintenance	1,850,293,284	96,059,983	61,720,991	3.3
Total Development Expenditure	2,678,464,626	-	-	-
Development Expenditure	2,678,464,626	-	-	-
Total	7,862,589,002	700,000,000	692,736,818	8.8

Source: Homa Bay County Treasury

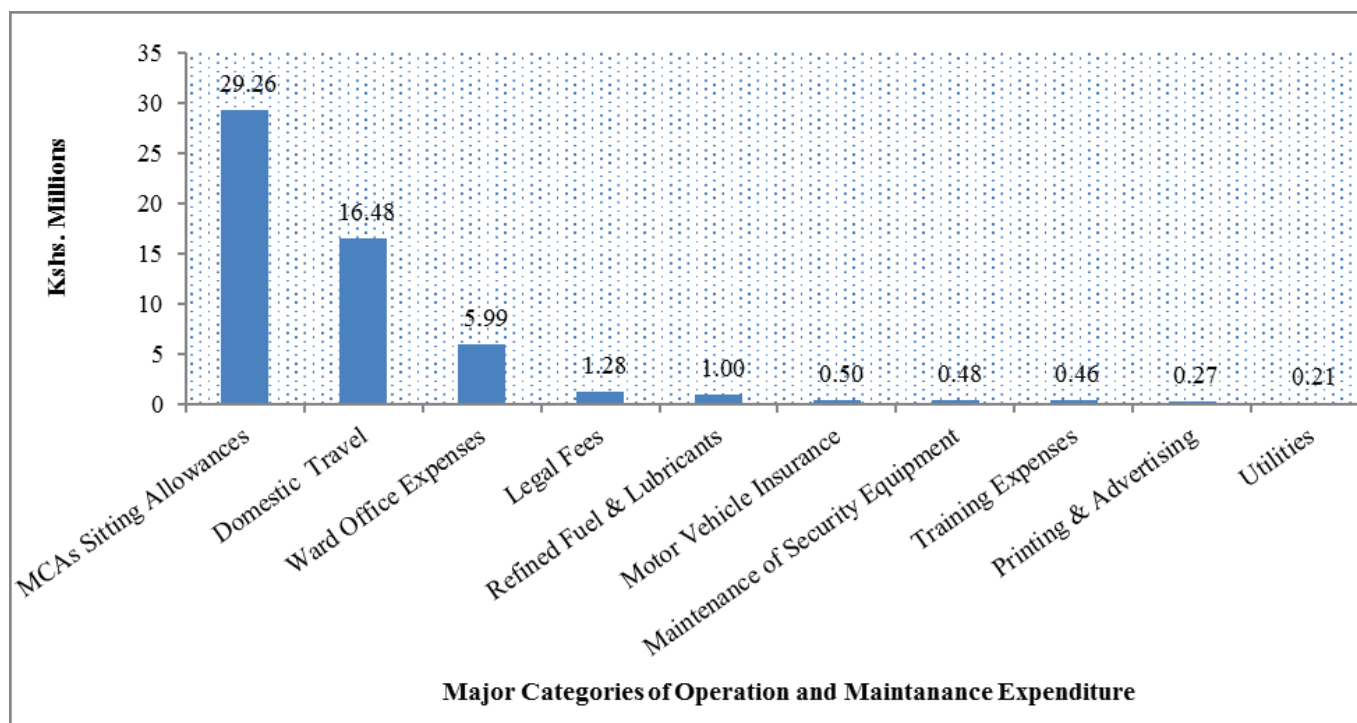
3.8.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.631.02 million and represented 89.8 per cent of the total revenue of Kshs.702.84 million in the first quarter of the financial year. Salaries for the Month of August and September 2020 were not paid due to insufficient funds in the CRF account occasioned by delay in enactment of County Allocation of Revenue Act, 2020.

3.8.7 Analysis of Operations and Maintenance Expenditure

Figure 3.16 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-16: Homa Bay County, Operations and Maintenance Expenditure by Major Categories in First Quarter of FY 2020/21



Source: Homa Bay County Treasury

The County spent Kshs.29.26 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.159,879 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.16.48 million and comprised of Kshs.12.02 million spent by the County Assembly and Kshs.4.45 million by the County Executive.

3.8.8 Development Expenditure Analysis

The County did not report expenditure on development programmes during the period under review.

3.8.9 Budget Performance by Department

Table 3.32 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.32: Homa Bay County, Budget Performance by Department in the First Quarter of FY 2020/21

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	178.97	359.42	42	-	30.23	-	72	-	16.9	-
Tourism, Sports, Youth Gender, Culture and Social Services	51.58	112	2	-	2	-	0	-	3.9	-
Roads, Transport and Public Works	74.92	781.59	7	-	-	-	-	-	-	-
Energy and Mining	35.78	70	2	-	-	-	-	-	-	-
Education and ICT	534.23	120	67	-	66.80	-	99.7	-	12.5	-
Health Services	2,080.87	360.32	307	-	343	-	111.7	-	16.5	-
Lands, Housing, Urban Development and Physical Planning	51.16	72.70	2	-	2	-	0	-	3.9	-
Trade, Industry, Cooperatives and Enterprise Development	192.95	.94	62	-	60.68	-	97.9	-	31.5	-
Water, Environment and Natural Resources	119.35	280	27	-	20.93	-	77.5	-	17.5	-
Finance, Economic Planning and Service Delivery	227.48	121.22	24	-	20.73	-	86.4	-	9.1	-
Office of the Governor	600.30	46	45.34	-	44.64	-	98.4	-	7.4	-
County Public Service Board	77.69	2	10.66	-	1.71	-	16.1	-	2.2	-
County Assembly	932.23	122.28	100	-	-	-	0	-	10.7	-
Municipal Board	26.60	130	2	-	-	-	-	-	-	-
Total	5,184.12	2,678.46		-	692.74	-	99	-	13.4	-

Source: Homa Bay County Treasury

Analysis of expenditure by department shows that the Department of Trade, Industry, Cooperatives and Enterprise Development had the highest percentage of expenditure to recurrent budget at 31.5 per cent while the Departments of Roads, Transport and Public Works, Energy and Mining and Municipal Board did not report any expenditure on recurrent programmes during the reporting period.

3.8.10 Budget Execution by Programmes and Sub-Programmes

Table 3.33 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.33 : Homa Bay County, Budget Execution by Programmes and Sub-programmes in the First Quarter of FY 2020/21

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	-	4,000,000	-
	General Administration and Support Services	184,973,123	30,231,128	154,741,995	16.3
	Sub total	188,973,123	30,231,128	158,741,995	16.0
Crop, Land and Agribusiness Development Services	Crop Development Services	8,543,000	-	8,543,000	-
	Agribusiness Development Services	6,974,850	-	6,974,850	-
	Land Development Services	10,556,000	-	10,556,000	-
	National Agriculture Rural Inclusive Growth	204,967,950	-	204,967,950	-
	Agriculture Sector Development Support Programme	19,238,669	-	19,238,669	-
	Sub total	250,280,469	-	250,280,469	-
Food Security Enhancement Services	Farm Input Access Services	10,419,950	-	10,419,950	-
	Sub Sector Infrastructure Development Services	25,001,000	-	25,001,000	-
	Sub total	35,420,950	-	35,420,950	-
Fisheries Resources Development Services	Capture Fisheries	16,397,700	-	16,397,700	-
	Farmed Fish Production	12,317,500	-	12,317,500	-
	Sub total	28,715,200	-	28,715,200	-
Livestock Development Programme	Livestock Improvement and Development	6,265,000	-	6,265,000	-
	Livestock Products Value Addition and Marketing	16,925,708	-	16,925,708	-
	Livestock Health and Disease Management	11,809,292	-	11,809,292	-
	Sub total	35,000,000	-	35,000,000	-
Department of Tourism, Sports, Youth Gender, Culture and Social Services					
Policy, Planning and General Administration services	General Administration and Support Services	32,430,246	2,000,000	30,430,246	6.2
	Policy and Planning Services	5,434,000	-	5,434,000	-
	Sub total	37,864,246	2,000,000	35,864,246	5.3
Tourism and Culture Development Promotion Services	Tourism Development and Promotion Services	7,000,000	-	7,000,000	-
	Cultural Development and Promotion Services	6,500,000	-	6,500,000	-
	Sub total	13,500,000	-	13,500,000	-
Social Development and Empowerment Services	Gender and Women Empowerment	2,000,000	-	2,000,000	-
	Social Development and Support Services	-	-	-	-
	Youth Empowerment	2,017,423	-	2,017,423	-
	Disability Mainstreaming	3,000,000	-	3,000,000	-
	Sub total	7,017,423	-	7,017,423	-
Management and Development of Sports and Sports Facilities	Sports Infrastructure Development Services	100,000,000	-	100,000,000	-
	Sports Management and Talent Development	5,200,000	-	5,200,000	-
	Sub total	105,200,000	-	105,200,000	-
Department of Roads, Transport and Public Works					

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	Human Resource and Support Services	51,815,944	-	51,815,944	-
	Roads and Transport Services Operations	13,301,105	-	13,301,105	-
	Sub total	65,117,049	-	65,117,049	-
Public Works and Maintenance Services	Quality control	868,450	-	868,450	-
	Plant and Machinery maintenance	8,363,300	-	8,363,300	-
	Enforcement Services	570,000	-	570,000	-
	Sub total	9,801,750	-	9,801,750	-
Road Development and Maintenance Services	Road Development and Rehabilitation services	480,000,000	-	480,000,000	-
	Road maintenance	236,589,735	-	236,589,735	-
	Plant and Machinery Purchase and maintenance	65,000,000	-	-	-
	Sub total	781,589,735	-	781,589,735	-
Transport Services	Bus Park Improvement Services	-	-	-	-
	Sub total	-	-	-	-
Department of Energy and Mining					
Energy Services	Electrical Power Services	28,000,000	-	28,000,000	-
	Solar Power Services	22,000,000	-	22,000,000	-
	Low Cost energy Technologies promotion Services	16,000,000	-	16,000,000	-
	Sub total	66,000,000	-	66,000,000	-
Mineral Resource Development and Marketing Services	Construction mineral development and marketing services	4,000,000	-	4,000,000	-
	Sub total	4,000,000	-	4,000,000	-
General Administration, Planning and Support Services	Administrative Support Services	35,222,955	-	35,222,955	-
	Development of Policies, Plans, Regulations and Legislations	559,600	-	559,600	-
	Sub total	35,782,555	-	35,782,555	-
Department of Education and ICT					
General Administration and Quality Assurance Service	General administration Services	26,590,773	-	26,590,773	-
	Quality Assurance Services	487,338,835	66,804,078	420,534,757	13.7
	Sub total	513,929,608	66,804,078	447,125,530	13.0
ECDE and Vocational Training Services	ECDE Services	62,000,000	-	62,000,000	-
	Vocational Training Services	69,270,000	-	69,270,000	-
	Sub total	131,270,000	-	131,270,000	-
ICT Services	Information Services	1,030,700	-	1,030,700	-
	ICT Infrastructure Development	8,000,000	-	8,000,000	-
	Sub total	9,030,700	-	9,030,700	-
Department of Health Services					
Policy planning and administrative support service	Policy, Planning and Monitoring Services	8,991,000	-	8,991,000	-
	Administrative Support Services	1,809,112,446	343,002,811	1,466,109,635	19.0
	Sub total	1,818,103,446	343,002,811	1,475,100,635	18.9

Budget Execution by Programmes and Sub-Programmes						
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)	
Preventive and promotional health services	Community health services	54,500,000	-	54,500,000	-	
	Disease control services	5,400,000	-	5,400,000	-	
	Facility infrastructure improvement services	164,500,000	-	-	-	
	Sub total	224,400,000	-	59,900,000	-	
Curative and rehabilitative health services	Routine medical health services	172,676,139	-	172,676,139	-	
	Medical emergency response services	20,687,192	-	20,687,192	-	
	Facility infrastructure improvement services	200,320,190	-	200,320,190	-	
	Sub total	393,683,521	-	393,683,521	-	
Research and development Service	Research and surveillance services	2,000,000	-	2,000,000	-	
	Capacity development services	3,000,000	-	3,000,000	-	
	Sub total	5,000,000	-	5,000,000	-	
Department of Lands, Housing, Urban Development and Physical Planning						
General Administration Services	General administrative support services	33,768,444	2,000,000	31,768,444	5.9	
	Policy development	2,100,000	-	2,100,000	-	
	Monitoring and Evaluation	350,000	-	350,000	-	
	General office operations	14,944,955	-	14,944,955	-	
	Sub total	51,163,399	2,000,000	49,163,399	3.9	
Lands and Physical planning	County Spatial planning	16,502,000	-	16,502,000	-	
	Survey, Demarcation and upgrading of markets	6,165,000	-	6,165,000	-	
	Symbio-City Change Project	5,249,600	-	-	-	
	Land Banking	2,500,000	-	-	-	
	Inventorization and Security of public lands	1,000,000	-	-	-	
	Preparation of Valuation Roll	4,000,000	-	-	-	
	Sub total	35,416,600	-	22,667,000	-	
Housing and Urban Development	Housing improvement services	7,006,000	-	7,006,000	-	
	Smart settlement services (Equipping of Ndhwa ABTC)	7,177,230	-	7,177,230	-	
	Delineation and Establishment of urban institutions	10,063,000	-	10,063,000	-	
	Affordable Housing Programme	5,023,440	-	-	-	
	Slum Upgrading Programme	2,015,960	-	-	-	
	Urban Lakefront Planning and Development	3,000,000	-	-	-	
	Human Settlements and Sustainable Urbanization Forums	2,000,000	-	-	-	
	Climate Resilience for Urban Poor	1,000,000	-	-	-	
	Sub total	37,285,630	-	24,246,230	-	
Department of Trade, Industrialization, Cooperatives and Enterprise Development						
Planning and Administrative services	Administrative and Support Services	162,826,059	60,684,262	102,141,797	37.3	
	Policy Development and Implementation Services	30,123,140	-	30,123,140	-	
	Sub total	192,949,199	60,684,262	132,264,937	31.5	

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
Trade, Cooperative and Entrepreneurship Development Service	Cooperative Development Services	-	-	-	-
	Enterprise Development and Promotion Services	10,000,000	-	10,000,000	-
	Trade Infrastructure Development Services	60,000,000	-	60,000,000	-
	Sub total	70,000,000	-	70,000,000	
Industrial Development and Investment Services	Value Chain Development Services	30,935,404	-	30,935,404	-
	Financial and Investment Services	-	-	-	-
	Sub total	30,935,404	-	30,935,404	-
Department of Water, Environment and Natural Resources					
General Administrative services	Administrative Support Services	115,848,105	20,931,281	94,916,824	18.1
	Policy and Planning Services	3,500,000	-	3,500,000	-
	Sub total	119,348,105	20,931,281	98,416,824	17.5
Water Supply and Management Services	Urban Water Supply Services	11,000,000	-	11,000,000	-
	Ward Based Projects	200,000,000	-	200,000,000	-
	Other Water Projects	14,000,000	-		-
	Industrial water Supply	5,000,000	-		-
	Sub total	230,000,000	-	211,000,000	-
Environmental Protection and Management Services	Pollution and Waste Management services	24,000,000	-	24,000,000	-
	Forestry Development Services	13,000,000	-	13,000,000	-
	Climate Change Services	13,000,000	-	13,000,000	-
	Sub total	50,000,000	-	50,000,000	-
Department of Finance, Economic Planning and Service Delivery					
General administration and support services	Staff Remuneration and Welfare Support Services	112,375,703	20,729,322	91,646,381	18.4
	General Logistics, Coordination and Asset Management Services	16,177,298	-	16,177,298	-
	Devolution and Service Delivery Support Services	30,532,068	-	30,532,068	-
	Sub total	159,085,069	20,729,322	138,355,747	13.0
Planning, budgeting and development coordination services	Economic planning and development services	5,600,200	-	5,600,200	-
	Resource Allocation Services	10,129,000	-	10,129,000	-
	Community Development Participation Services	15,146,874	-	15,146,874	-
	Sub total	30,876,074	-	30,876,074	-
Strategy and service delivery management services	Monitoring and evaluation services	2,987,200	-	2,987,200	-
	Strategy and service delivery improvement services	14,085,993	-	14,085,993	-
	Sub total	17,073,193	-	17,073,193	-
Resource mobilization services	External Resources Mobilization Services	1,934,248	-	1,934,248	-
	Internal Revenue Generation Services	4,221,280	-	4,221,280	-
	Sub total	6,155,528	-	6,155,528	

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
Financial management services	Accounting and Financial Reporting Services	12,554,530	-	12,554,530	-
	Audit and Advisory Services	4,956,997	-	4,956,997	-
	Emergency Management Services	120,000,000	-	120,000,000	-
	Sub total	135,511,527	-	137,511,527	-
Public service administration support services	Human resource management and development services	260,167,019	44,640,207	215,526,812	17.2
	supply chain management services	5,159,541	-	5,159,541	-
	Legal Services	16,000,000	-	16,000,000	-
	Logistics, security and asset management services	34,174,728	-	34,174,728	-
	Performance contracting and appraisal services	7,500,000	-	7,500,000	-
	Sub total	323,001,288	44,640,207	278,361,081	13.8
Governance and coordination services	Executive management and liaison services	74,568,410	-	74,568,410	-
	Field coordination and administration services	133,266,000	-	133,266,000	-
	Sub total	207,834,410	-	207,834,410	-
Strategy and service delivery improvement services	Strategy and advisory services	20,399,120	-	20,399,120	-
	Efficiency monitoring services	22,953,000	-	22,953,000	-
	Information and communication services	6,250,000	-	6,250,000	-
	Disaster management services	11,860,600	-	11,860,600	-
	Compliance and Enforcement services	54,000,000			-
	Sub total	115,462,720	-	61,462,720	-
County Public Service Board					
Policy, Planning and Administration Services	Policy and Planning Services	2,124,900	-	2,124,900	-
	Administrative Support Services	51,444,305	1,713,729	49,730,576	3.3
	Facility Improvement & Capacity Strengthening Services	2,000,000	-	2,000,000	-
	Sub total	55,569,205	1,713,729	53,855,476	3.1
Personnel Sourcing and Management Services	Recruitment, Selection and Deployment Services	11,817,000		11,817,000	-
	Human Resource Advisory Services	8,230,000	-	8,230,000	-
	Capacity Development Services	3,295,500	-	3,295,500	-
	Sub total	23,342,500	-	23,342,500	-
Performance Management Services	Performance Contracting and Appraisal Services	783,000	-	783,000	-
	Sub total	783,000	-	783,000	-
County Assembly Service Board					
Legislative Services	Members welfare Support services	291,765,464	26,144,815	291,765,464	9.0
	Legislative development and approval services	79,570,958	29,257,844	79,570,958	36.8
	Sub total	371,336,422	55,402,659	371,336,422	14.9

Budget Execution by Programmes and Sub-Programmes						
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)	
Oversight and Control Services	Capacity building services	3,500,000	-	3,500,000	-	
	Report writing services	5,300,000	-	5,300,000	-	
	Public participation and education services	6,533,554	-	6,533,554	-	
	Sub total	15,333,554	-	15,333,554	-	
Ward Representation Services	Staff welfare support services	53,168,048	-	53,168,048	-	
	Ward operations and maintenance	84,000,000	5,986,922	84,000,000	7.1	
	Sub total	137,168,048	5,986,922	137,168,048	4.4	
Policy, Planning and Administrative support services	Administrative support services	245,896,952	26,095,145	245,896,952	10.6	
	Financial management Services	162,497,600	12,515,274	162,497,600	7.7	
	Assembly infrastructure development Services	122,283,800	-	122,283,800	-	
	Sub total	530,678,352	38,610,419	530,678,352	7.3	
Homa Bay Municipal Board						
Policy, Planning, General Administration and Support Services	Policy and Planning Services	3,613,000	-	3,613,000	-	
	Administration and Support Services	22,987,000	-	22,987,000	-	
	Sub total	26,600,000	-	26,600,000	-	
Urban development services	Land Use Planning and Management	31,256,000	-	31,256,000	-	
	Infrastructure Development Services	45,824,000	-	-	-	
	Environmental Management Services	52,920,000	-	-	-	
	Sub total	130,000,000	-	4,250,000	-	
Grand Total		7,862,589,002	692,736,818	6,882,813,184	8.8	

Source: Homa Bay County Treasury

The programs with the highest absorption rates were: Planning and Administrative services at 31.5 per cent, Policy planning and administrative support service at 18.9 per cent, General Administrative services at 17.5 per cent, and Legislative Services at 14.9 per cent of budget allocation.

3.8.11 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. Under performance in own source revenue collection at Kshs.15.10 million against annual projection of Kshs.296.16 million. The realised own source revenue represented 5.1 per cent of its annual target.
2. Failure to implement the development budget during the period under review despite carrying forward a cash balance of Kshs.687.47 million from FY 2019/20
3. Delay by the Fund Administrators to submit reports for the first quarter of FY 2020/21 of the Car Loan and Mortgage Fund and Bursary Fund contrary to Section 168 of the PFM Act, 2012.

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

1. The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.
2. The County should identify and address issues causing delays in the implementation of development funds.
3. The CECM-F should ensure that Fund Administrators submit quarterly financial statements for established County Funds in line with Section 168 of the PFM Act, 2012.

3.9 County Government of Isiolo

3.9.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.5.2 billion, comprising of Kshs.1.94 billion (37.3 per cent) and Kshs.3.26 billion (62.7 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.4.18 billion (80.4 per cent) being equitable share of revenue raised nationally, Kshs.904.42 million (17.4 per cent) as total conditional grants, and generate Kshs.113.69 million (2.2 per cent) from own sources of revenue.

3.9.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.699.78 million as equitable share of the revenue raised nationally which a balance from FY 2019/20 and raised Kshs.9.92 million as own-source revenue. The total funds available for budget implementation during the period amounted to Kshs.709.7 million as shown in Table 3.34.

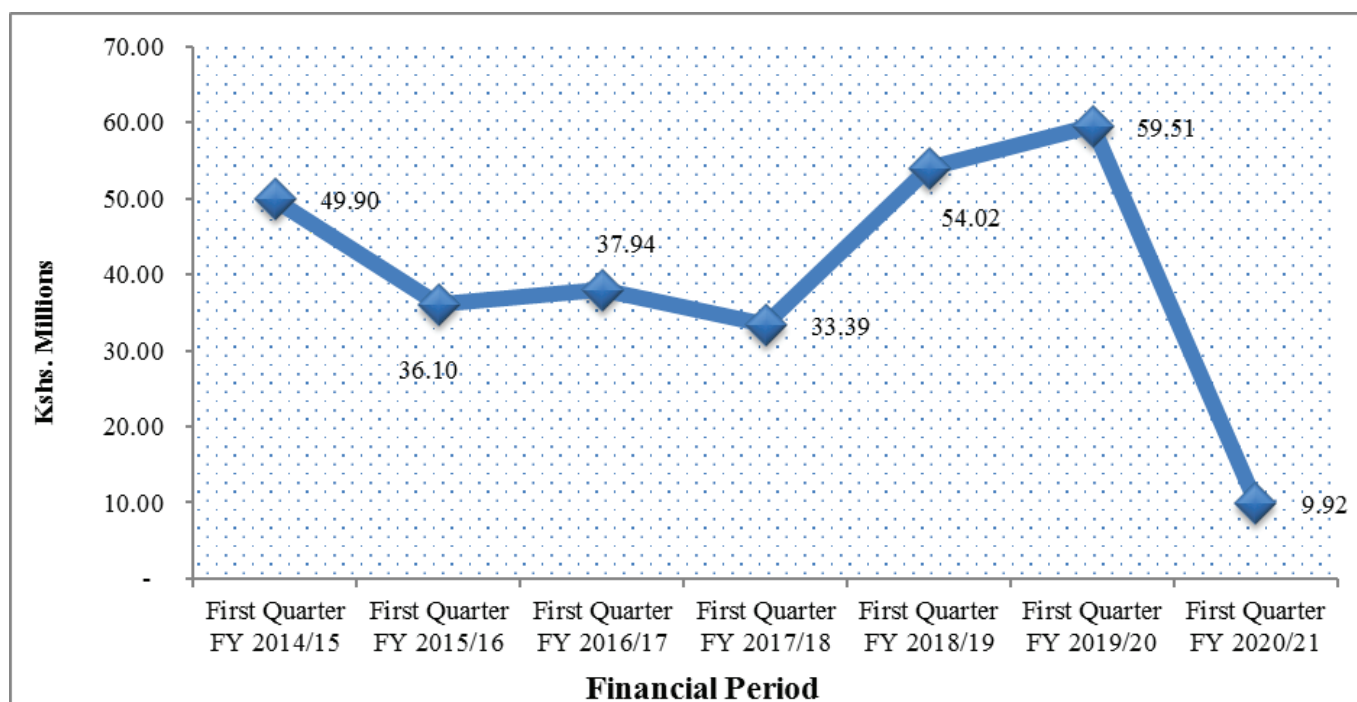
Table 3.34: Isiolo County, Revenue Performance in the First Quarter of FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	4,241,100,000	4,177,800,000	699,781,500	16.5
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	-	-
	Leasing of Medical Equipment	132,021,277	-	-	-
3.	Road Maintenance Fuel Levy Fund	124,519,106	124,519,106	-	-
4.	Rehabilitation of Village Polytechnics	5,344,894	5,344,894	-	-
	Sub Total	365,357,738	233,336,461	-	-
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	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	12,060,000	12,060,000	-	-
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	14,193,675	14,193,675	-	-
6.	Urban Support Project Development	-	93,968,100	-	-
	Sub Total	577,117,295	671,085,395	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	113,686,337	9,921,435	8.7
	Sub Total	-	319,336,981	9,921,435	8.7
	Grand Total	5,183,575,033	5,195,908,193	709,702,935	13.7

Source: Isiolo County Treasury

Figure 3.17 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-17: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Isiolo County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.9.92 million as own-source revenue. This amount represented a decrease of 83.3 per cent when compared to Kshs.59.51 million realised during the same period in FY 2019/20, and was 8.7 per cent of the annual target.

The significant decrease was attributed to disruption in business activities as a result of the measures put in place by the government to contain the spread of COVID 19.

3.9.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.169.92 million from the CRF account during the reporting period. This amount was entirely for recurrent programmes.

3.9.4 Overall Expenditure Review

A total of Kshs.160.13 million was spent on recurrent programmes and represented 94.2 per cent of the total funds released from the CRF account. Expenditure on Recurrent programmes represented an absorption rate of 4.9 per cent. The County did not report any development expenditure.

3.9.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.169.92 million was spent on Compensation to Employees.

Table 3.35: Summary of Expenditure by Economic Classification the First Quarter of FY 2020/21

	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	3,255,955,913	169,917,069	160,125,661	4.9
Compensation to Employees	1,764,816,503	169,917,069	160,125,661	9.1
Operations and Maintenance	1,491,139,410	-	-	-
Total Development Expenditure	1,939,952,280	-	-	-
Development Expenditure	1,939,952,280	-	-	-
Total	5,195,908,193	169,917,069	160,125,661	3.1

Source: Isiolo County Treasury

3.9.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.160.13 million and represented 22.6 per cent of the total revenue of Kshs.709.7 million in the first quarter of the financial year.

3.9.7 Analysis of Operations and Maintenance Expenditure

The County did not report expenditure on operations and maintenance during the period.

3.9.8 Budget Performance by Department

Table 3.36 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.36: Isiolo County, Budget Performance by Department for the First Quarter FY 2020/21

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	80	34.52	-	34.24	-	99.2	-	8.1	-
Office of the Governor	348.21	-	15	-	14.80	-	-	-	-	-
County Public Service Board	61.01	-	-	-	-	-	-	-	-	-
County Secretary	21.94	-	-	-	-	-	-	-	-	-
Administration and PSM	147.64	4	-	-	-	-	-	-	-	-
Delivery Unit	27.99	-	-	-	-	-	-	-	-	-
Cohesion, Intergovernmental Relations, Aid coordination, Disaster Management	50.36	-	-	-	-	-	-	-	-	-
Finance and Economic Planning	202.06	317.13	15.39	-	10	-	-	-	-	-
Special Programmes and ICT	45.82	103.92	0.50	-	0.50	-	-	-	-	-
Economic Planning	53.88	-	1	-	1	-	-	-	-	-
Lands and Physical Planning	27.55	29.50	-	-	-	-	-	-	-	-
Roads and Infrastructure	15.40	159.91	-	-	-	-	-	-	-	-
Public Works and Housing	21.88	3.50	-	-	-	-	-	-	-	-
Municipal Administration	51.12	228.98	-	-	3.65	-	-	-	7.1	-
Agriculture	53.64	493.34	6	-	6	-	100.0	-	11.2	-
Livestock, Veterinary and Fisheries	116.24	35.24	6	-	6	-	100.0	-	5.2	-
Education and Vocational Training	203.42	33.34	10	-	10	-	100.0	-	4.9	-
Youth and Sports	29.46	160	1	-	1	-	100.0	-	3.4	-
Culture and Social Services	24.61	21	0.50	-	0.50	-	100.0	-	2.0	-
Tourism and Wildlife Management	134.18	19.40	12.30	-	12.30	-	100.0	-	9.2	-
Trade, Industries, Cooperatives	19.76	18	2.50	-	2.50	-	100.0	-	12.6	-
Water and Irrigation	59.44	87.90	3	-	3	-	100.0	-	5.0	-
Environment and Natural Resources	21.05	36	-	-	-	-	-	-	0.0	-
Health Services	1,097.93	108.78	62.20	-	62.20	-	100.0	-	5.7	-
TOTAL	3,255.96	1,939.95	169.92	-	167.69	-	98.7	-	5.2	-

Source: Isiolo County Treasury

The Department of Trade, Industries, and Cooperatives had the highest percentage of recurrent expenditure to recurrent budget at 12.6 per cent followed by the Department of Agriculture at 11.2 per cent. The County did not report expenditure on development activities.

3.9.9 Budget Execution by Programmes and Sub-Programmes

Table 3.37 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.37 : Isiolo County, Budget Execution by Programmes and Sub-programmes in the First Quarter of FY 2020/21

Programme	Sub- Programme	Programme Description	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption %
101003510						
	3100000	Non-financial assets	80,000,000	-	-	-
		Current expenditure	421,355,158	-	-	-
101003000			104,240,813	22,700,000	81,540,813	21.8
	101023510	Livestock Production	104,240,813	22,700,000	81,540,813	21.8
102003000			2,000,000	-	2,000,000	-
	102033510	capacity building	2,000,000	-	2,000,000	-
103003000			53,641,138	16,000,000	37,641,138	29.8
	103013510	Administration and Support Services	53,641,138	16,000,000	37,641,138	29.8
104003000			493,337,295	-	493,337,295	-
	104043510	Establishment of Demo Farms	14,193,675	-	14,193,675	-
	104053510	Administration Climate Change Mitigation	479,143,620	-	479,143,620	-
105003000			45,244,423	-	45,244,423	-
	105013510	Veterinary Support Services	45,244,423	-	45,244,423	-
107003000			25,376,220	4,000,000	21,376,220	15.8
	107013510	Administration and Planning Services	25,376,220	4,000,000	21,376,220	15.8
109003000			57,045,199	2,000,000	55,045,199	3.5
	109013510	County land planning and spatial development	27,545,199	2,000,000	25,545,199	7.3
	109023510	County Land Survey and Mapping	29,500,000	-	29,500,000	0.0
204003000			175,313,038	900,000	174,413,038	0.5
	204013510	Road Improvement	15,400,000	900,000	14,500,000	5.8
	204023510	Estate Flood lighting facilities.	159,913,038	-	159,913,038	0.0
206003000			93,968,100	3,840,000	90,128,100	4.1
	206023510	Urban Development	93,968,100	3,840,000	90,128,100	4.1
207003000			186,139,706	8,791,392	177,348,314	4.7
	207013510	General Administration and Planning	51,124,196	8,791,392	42,332,804	17.2
	207023510	Infrastructural Development	135,015,510	-	135,015,510	0.0
301003000			37,764,553	5,062,000	32,702,553	13.4
	301013510	Entrepreneurship and business management training	37,764,553	5,062,000	32,702,553	13.4
304003000			153,581,330	33,950,000	119,631,330	22.1
	304023510	Tourism Development	134,181,330	33,950,000	100,231,330	25.3
	304033510	Protection of endangered wildlife animals.	19,400,000	-	19,400,000	-
401003000			160,475,943	-	160,475,943	-
	401023510	Preventive and Promotive Health Services	148,415,943	-	148,415,943	-
	401033510	Disease Surveillance And Epidemic preparedness	12,060,000	-	12,060,000	-

Programme	Sub- Programme	Programme Description	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption %
402003000			907,725,151	144,607,491	763,117,660	15.9
	402033510	Administration Support Services	907,725,151	144,607,491	763,117,660	15.9
403003000			138,511,350	-	138,511,350	-
	403013510	Curative and Rehabilitative Health Services	138,511,350	-	138,511,350	-
501003000			203,424,167	36,000,000	167,424,167	17.7
	501013510	Administration	168,424,167	36,000,000	132,424,167	21.4
	501033510	Contracted Services	35,000,000	-	35,000,000	-
502003000			28,000,000	-	28,000,000	-
	502013510	ECDE Classroom Infrastructure	24,000,000	-	24,000,000	-
	502043510	Promotion of Quality Youth empowerment	4,000,000	-	4,000,000	-
503003000			5,344,894	-	5,344,894	-
	503053510	Sport Youth and Gender	5,344,894	-	5,344,894	-
504003000			189,462,905	3,240,000	186,222,905	1.7
	504013510	Sports Academy Centre	152,000,000	-	152,000,000	-
	504023510	Youth and Women Empowerment	37,462,905	3,240,000	34,222,905	8.6
505003000			28,607,914	1,500,000	27,107,914	5.2
	505013510	Culture Development	28,607,914	1,500,000	27,107,914	5.2
708003000			27,988,848	3,646,800	24,342,048	13.0
	708013510	Governors Delivery Unit	27,988,848	3,646,800	24,342,048	13.0
709003000			432,869,826	34,300,000	398,569,826	7.9
	709013510	Personnel Services	90,735,450	22,560,000	68,175,450	24.9
	709043510	Purchase of Pool Transport	10,000,000	-	10,000,000	0.0
	709083510	Administrative Infrastructure support	332,134,376	11,740,000	320,394,376	3.5
710003000			66,322,351	4,994,100	61,328,251	7.5
	710013510	Administrative Services	66,322,351	4,994,100	61,328,251	7.5
711003000			53,881,766	3,000,000	50,881,766	5.6
	711013510	Monitoring and Evaluation	28,135,515	3,000,000	25,135,515	10.7
	711023510	Economic Policy and County Development Plans	10,046,251	-	10,046,251	-
	711043510	County Development Stakeholders Forums	6,900,000	-	6,900,000	-
	711053510	County Baseline Surveys on County Development Indicators	7,000,000	-	7,000,000	-
	711073510	Capacity building and Support to Departments	1,800,000	-	1,800,000	-
712003000			40,361,199	400,000	39,961,199	1.0
	712013510	Administrative and Civic Education Services	40,361,199	400,000	39,961,199	1.0
	712023510	Conflict Management and Resolution	-	-	-	0.0
713003000			348,212,151	51,976,700	296,235,451	14.9

Programme	Sub- Programme	Programme Description	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption %
	713013510	County Governance	348,212,151	51,976,700	296,235,451	14.9
716003000			21,939,807	1,500,000	20,439,807	6.8
	716013510	Devolved Administrative Affairs	21,939,807	1,500,000	20,439,807	6.8
719003000			136,634,784	-	136,634,784	-
	719023510	General Administration Support Services	136,634,784	-	136,634,784	-
723003000			61,013,600	10,400,000	50,613,600	17.0
	723023510	Administration Support Services	61,013,600	10,400,000	50,613,600	17.0
725003000			149,740,136	1,000,000	148,740,136	0.7
	725013510	Administration & Planning	29,834,514	1,000,000	28,834,514	3.4
	725023510	Disaster management	119,905,622	-	119,905,622	-
726003000			45,000,000	-	45,000,000	-
	726013510	Kenya Devolution Support	45,000,000	-	45,000,000	-
902003000			17,000,000	-	17,000,000	-
	902023510	Marginalized Group Empowerment support services	8,000,000	-	8,000,000	-
	902033510	Empowerment Support Services	9,000,000	-	9,000,000	-
1001003000			59,435,400	9,400,000	50,035,400	15.8
	1001013510	Administration and Planning Support Services	59,435,400	9,400,000	50,035,400	15.8
1002003000			87,900,000	-	87,900,000	-
	1002023510	Water Supply and Storage	85,900,000	-	85,900,000	-
	1002043510	Civil Works-Establishment of Dams & Pans	2,000,000	-	2,000,000	-
1003003000			57,049,028	2,500,000	54,549,028	4.4
	1003013510	Administration and Support Services	21,049,028	2,500,000	18,549,028	11.9
	1003023510	Environmental Conservation	36,000,000	-	36,000,000	-
		Grand Total	5,196,908,193	439,802,424	4,288,844,552	8.6

Source: Isiolo County Treasury

The programs with the highest absorption rates were; Tourism Development at 25.3 per cent, County Governance at 14.9 per cent, and Entrepreneurship and Business Management Training at 13.4 of budget allocation.

3.9.10 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. Failure to implement the development budget during the period under review despite carrying forward a cash balance of Kshs. million from FY 2019/20.
3. Under performance in own revenue at Kshs.9.92 million against annual projection of Kshs.113.69 million. The realised own source revenue represented 8.7 per cent of its annual target.
4. Data inconsistencies in financial reporting, whereby the report on budget execution by programmes shows total expenditure as Kshs.439.8 million which varies significantly with the report on budget implementation by

department which shows expenditure of Kshs.167.69 million.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.*
2. *The County should identify and address issues causing delays in the implementation of development projects.*
3. *The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.*
4. *The County Treasury should ensure financial reports are reconciled regularly and verified before submission to external bodies in order to enhance credibility in budget implementation*

3.10 County Government of Kajiado

3.10.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.9.44 billion, comprising of Kshs.3.33 billion (35.3 per cent) and Kshs.6.11 billion (64.7 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.6.41 billion (67.9 per cent) being equitable share of revenue raised nationally, Kshs.961.81 million (10.2 per cent) as total conditional grants, generate Kshs.1.50 billion (15.9 per cent) from own sources of revenue, and the cash balance of Kshs.574 million (6.1 per cent) from FY 2019/20.

3.10.2 Revenue Performance

During the first quarter of FY2020/21, the County raised Kshs.142.29 million as own-source revenue, and had a cash balance of Kshs.552.55 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.694.85 million as shown in Table 3.38.

Table 3.38: Kajiado County, Revenue Performance in the First Quarter of FY 2020/21

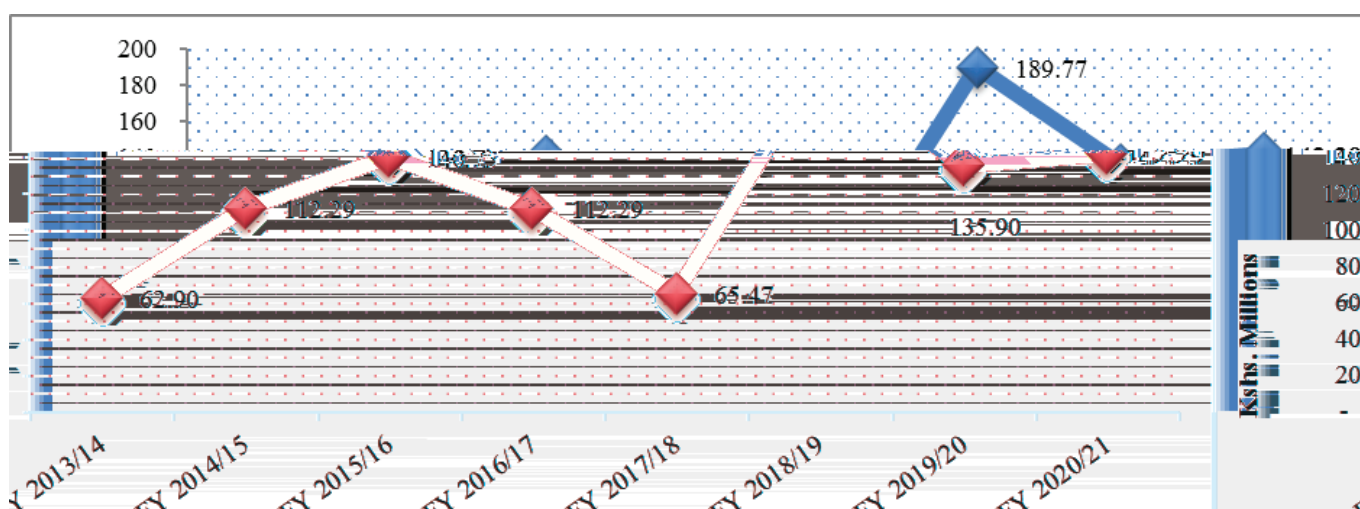
S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	6,424,950,000	6,407,000,000	-	-
B.	Conditional Grants from the National Government Revenue				
1	Compensation for User Fee Foregone	16,955,365	16,955,365	-	-
2.	Leasing of Medical Equipment	132,021,277	-	-	-
3	Road Maintenance Fuel Levy Fund	190,551,966	190,551,966	-	-
4	Rehabilitation of Village Polytechnics	28,504,894	28,926,170	-	-
	Sub Total	368,033,502	236,433,501	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	203,253,802	135,621,176	-	-
2	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	279,821,200	143,531,050	-	-
3	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	30,000,000	-	-
4	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	-	265,950,300	-	-
5	DANIDA Grant	18,270,000	24,844,848	-	-
6	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant	-	99,347,298	-	-

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
7	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	13,357,272	17,285,908	-	-
8	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Institutional Grants (UIG)	-	8,800,000	-	-
Sub Total		559,702,274	725,380,580	-	-
D Other Sources of Revenue					
1.	Own Source Revenue	-	1,500,000,000	142,293,778	9.5
2.	Balance b/f from FY 2019/20	-	574,000,000	552,545,700	96.3
Sub Total		-	2,074,000,000	694,839,478	33.5
Grand Total		7,352,685,276	9,442,814,081	694,839,478	7.4

Source: Kajiado County Treasury

Figure 3-18 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-18: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Kajiado County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.142.29 million as own-source revenue. This amount represented an increase of 4.5 per cent when compared to Kshs.135.90 million realised during the same period in FY 2019/20, and was 9.5 per cent of the annual target.

3.10.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.637 million from the CRF account to fund recurrent programmes during the reporting period.

3.10.4 Overall Expenditure Review

A total of Kshs.970.78 million was spent on recurrent programmes and represented 152.4 per cent of the total funds released from the CRF account. The expenditure represented an absorption rate of 10.3 per cent.

3.10.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.851.73 million was spent on Compensation to Employees and Kshs.119.05 million on Operations and Maintenance. The County did not report expenditure on development activities.

Table 3.39: Summary of Expenditure by Economic Classification

	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	6,107,948,172	637,002,912	970,780,674	15.9
Compensation to Employees	3,645,543,607	517,948,513	851,726,275	23.4
Operations and Maintenance	2,462,404,565	119,054,399	119,054,399	4.8
Total Development Expenditure	3,334,865,909	-	-	-
Development Expenditure	3,334,865,909	-	-	-
Total	9,442,814,081	637,002,912	970,780,674	10.3

Source: Kajiado County Treasury

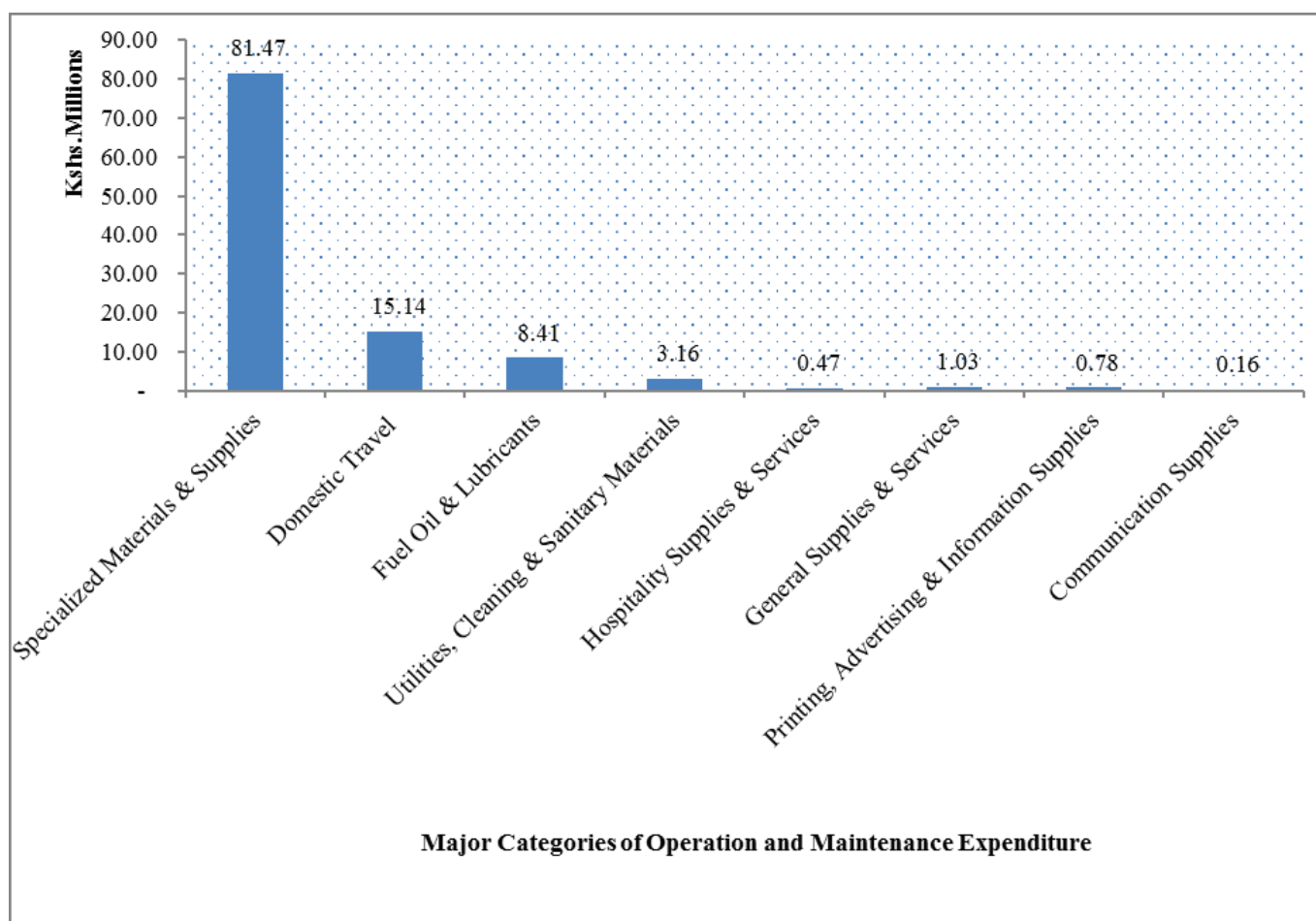
3.10.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.851.73 million and represented 123 per cent of the total revenue of Kshs.694.85 million in the first quarter of the financial year.

3.10.7 Analysis of Operations and Maintenance Expenditure

Figure 3-19 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-19: Kajiado County, Operations and Maintenance Expenditure by Major Categories



Source: Kajiado County Treasury

During the period, expenditure on domestic travel amounted to Kshs.15.14 million and comprised of Kshs.12.38 million spent by the County Assembly and Kshs.2.76 million by the County Executive.

3.10.8 Development Expenditure Analysis

The County did not report expenditure on development programmes in the first quarter of FY 2020/21.

3.10.9 Budget Performance by Department

Table 3.40 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.40: 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	237.11	-	16.94	-	29.43	-	173.7	-	12.4	-
County Public Service Board	94.81	-	7.24	-	10.86	-	150.0	-	11.5	-
Medical Services, Public Health and Sanitation	2229.72	204.50	315.85	-	510.22	-	161.5	-	22.9	-
Water, Irrigation, Environment & Natural Resources	216.09	398.50	12.96	-	20.71	-	159.7	-	9.6	-
Public Works Energy Roads & Transport	160.80	714.05	15.05	-	22.03	-	146.4	-	13.7	-
Public Service , Administration and Citizen Participation	600.16	-	48.94	-	72.05	-	147.2	-	12.0	-
Finance, Economic Planning and ICT	567	1071.66	49.31	-	79.05	-	160.3	-	13.9	-
Lands, Physical Planning & Urban Development	95.13	7.20	8.03	-	11.89	-	147.9	-	12.5	-
Education and Vocational Training	552.84	301.98	65.04	-	97.82	-	150.4	-	17.7	-
Gender, Social Services, Culture, Tourism and Wildlife	143.79	10	8.63	-	13.27	-	153.8	-	9.2	-
Agriculture, Livestock & Fisheries	312.30	178.03	26.14	-	46.26	-	177.0	-	14.8	-
Trade, Investment and Cooperative Development	117.23	123	10.41	-	17.32	-	166.3	-	14.8	-
Kajiado Municipality	41.86	50	4.55	-	-	-	-	-	-	-
Ngong Municipality	73.34	215.95	8.02	-	-	-	-	-	-	-
County Assembly	665.76	60	39.88	-	39.88	-	100.0	-	6.0	-
TOTAL	6,107.95	3,334.87	637	-	970.78	-	152.4	-	15.9	-

Source: Kajiado County Treasury

Analysis of expenditure by department shows that the Department of Medical Services, Public Health and Sanitation recorded the highest percentage of recurrent expenditure to the recurrent budget at 22.9 per cent while the Kajiado and Ngong Municipalities did not report any expenditure during the period under review. The County did not report expenditure on development programmes in the reporting period.

3.10.10 Budget Execution by Programmes and Sub-Programmes

Table 3.41 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.41 : Kajiado 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, Veterinary Services and Fisheries						
General Administration, Planning and Support Services	General Administration, Planning and Support Services	191,209,133	46,068,454	145,140,679	24.1	
Livestock Resources Management and Development	Veterinary Services	2,821,682	-	2,821,682	0.0	
Fisheries Development and Management	Fisheries	2,145,714	-	2,145,714	0.0	

Budget Execution by Programmes and Sub-Programmes						
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)	
Land Policy and Planning	Land Policy and Planning	39,333,900	-	39,333,900	0.0	
	Physical Planning	14,423,900	-	14,423,900	0.0	
	Land Survey and Mapping	6,890,000	-	6,890,000	0.0	
Animal Husbandry Livestock Resource Management and Development	Animal Husbandry Livestock Resource Management and Development	55,691,095	192,000	55,499,095	0.3	
	Animal Husbandry	7,714,079	-	7,714,079	-	
	County Abattoirs	1,223,171	-	1,223,171	-	
	Animal Disease Control	47,575,889	-	47,575,889	-	
	Livestock Sale Yards	732,426	-	732,426	-	
Agricultural Development	Agricultural Development	14,670,585	-	14,670,585	-	
	Crop Husbandry	5,577,143	-	5,577,143	-	
	Plant Disease Control	3,100,018	-	3,100,018	-	
	Agricultural Mechanization Services	4,433,658	-	4,433,658	-	
	Demonstration Farm	622,144	-	622,144	-	
	Agricultural Training Centre	937,622	-	937,622	-	
Environment Management	Environment Management	49,838,231	-	49,838,231	-	
	Environmental Protection	37,918,231	-	37,918,231	-	
	Noise Pollution Management	2,600,000	-	2,600,000	-	
	Control of Air Pollution	870,000	-	870,000	-	
	Total	490,328,621	46,260,454	444,068,167	9.4	
Public Works, Energy, Roads and Transport						
General Administration, Planning and Support Services	Headquarters Administrative Services	398,802,248	22,029,255	376,772,993	5.5	
	Roads	334,000,000	-	334,000,000	0.0	
	Energy	20,000,000	-	20,000,000	0.0	
	Fire Fighting	16,000,000	-	16,000,000	0.0	
	Transport	30,000,000	-	30,000,000	0.0	
Energy and Infrastructure	Energy and Infrastructure	8,232,000	-	8,232,000	0.0	
	Housing	8,232,000	-	8,232,000	0.0	
Roads and Public Works	Public Works	59,586,770	-	59,586,770	0.0	
	Total	874,853,018	22,029,255	852,823,763	2.5	
Trade, Cooperatives and Enterprise Development						
General Administration, Planning and Support Services	General Administration, Planning and Support Services	96,074,295	16,010,342	80,063,953	16.7	
Trade Development	Trade Development	90,798,401	-	90,798,401	0.0	
	Trade Licensing	11,802,400	204,000	11,598,400	1.7	
	Trade Development	12,168,234	450,000	11,718,234	3.7	
	Cooperative Services and Development	23,532,866	425,000	23,107,866	1.8	
	Enterprise Development	3,294,901	230,000	3,064,901	7.0	
Culture And Local Tourism Promotion	Culture And Local Tourism Promotion	2,563,644	0	2,563,644	0.0	
	Total	240,234,741	17,319,342	222,915,399	7.2	
Medical Services, Public Health and Sanitation						
General Administration, Planning and Support Services	General Administration, Planning and Support Services	1,680,197,968	420,706,206	1,259,491,762	25.0	
Curative Health Services	Curative Health Services	316,340,196	81,904,167	234,436,030	25.9	
Curative and Rehabilitative	Curative and Rehabilitative	7,940,000	1,150,000	6,790,000	14.5	
Public Health and Sanitation	Public Health and Sanitation	214,870,069	3,227,912	211,642,157	1.5	
	Preventive and Promotive	198,577,149	1,961,912	196,615,237	1.0	
	Licensing and control of undertaking	8,015,000	416,000	7,599,000	5.2	
	Sanitation	4,627,920	450,000	4,177,920	9.7	
	Mobile Clinics	3,650,000	400,000	3,250,000	11.0	
	Total	2,434,218,302	510,216,197	1,924,002,105	21.0	
Lands, Physical Planning and Urban Development						

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	Headquarters Administrative Services	38,200,345	11,885,108	26,315,237	31.1
Land Policy and Planning	Physical Planning	32,000,000	0	32,000,000	-
	Land Survey and Mapping	25,300,000	0	25,300,000	-
	Land Administration	6,828,663	0	6,828,663	-
Urban Management and Development	Urban Development	-	-	-	-
	Total	102,329,008	11,885,108	90,443,900	11.6
Education, Youth and Sports					
General Administration, Planning and Support Services	Headquarters Administrative Services	489,183,357	97,819,464	391,363,894	20.0
Social Protection, Culture and Recreation	Social Protection, Culture and Recreation	2,820,000		2,820,000	-
Education Support	Education Support	168,831,484		168,831,484	-
	Pre-Primary Education	172,836,000		172,836,000	-
	Home Craft Centres	9,150,000		9,150,000	-
Social Protection and Recreation	Social Protection and Recreation	7,500,000		7,500,000	-
	Control of Drugs and Ponography	3,000,000		3,000,000	-
	Betting and Casinos	1,500,000		1,500,000	-
	Total	854,820,841	97,819,463	757,001,377	11.4
General Administration and Policy Coordination	General Administration and Policy Coordination	111,285,383	29,432,803	81,852,580	26.4
Devolution Services	Coordination Of Devolution Services	63,179,937		63,179,937	-
	County Executive Committee	27,440,000	-	27,440,000	-
	County Inspectorate	35,209,570	-	35,209,570	-
	Total	237,114,890	29,432,803	207,682,087	12.4
County Public Service Board					
Public Services Coordination and Management	Human Resource Management	94,806,209	10,861,903	83,944,306	11.5
		94,806,209	10,861,903	83,944,306	11.5
Finance, Economic Planning and ICT					
Public Financial Management	Public Financial Management	1,207,682,523	73,244,981	1,134,437,542	6.1
	Supply Chain Management Services	72,061,000	67,200	71,993,800	0.1
	Fiscal and Economic Planning	32,250,000	500,000	31,750,000	1.6
	Budget	35,753,000	-	35,753,000	0.0
	Accounting	33,877,000	1,045,000	32,832,000	3.1
	Internal Audit	26,492,050	-	26,492,050	0.0
	Revenue Collection	133,338,434	-	133,338,434	0.0
Economic Policy Coordination and Supervision	Economic Policy Coordination and Supervision	10,638,000	502,400	10,135,600	4.7
Devolution Services	Devolution Services	43,284,000	1,845,000	41,439,000	4.3
	Coordination Of Devolution Services	21,266,000	750,000	20,516,000	3.5
	Intergovernmental Relations	12,488,000	1,095,000	11,393,000	8.8
	County Government Advisory Service	9,530,000	-	9,530,000	0.0
	Total	1,638,660,007	79,049,581	1,559,610,426	4.8
Public Service, Administration and Citizen Participation					
Public Service, Administration and Citizen Participation	Public Service, Administration and Citizen Participation	90,350,000	31,745,721	58,604,279	35.1
	County administration	130,450,000	40,000,000	90,450,000	30.7
	Citizen participation	67,533,466	-	67,533,466	0.0
ICT, Special Programmes and Service Delivery	ICT, Special Programmes and Service Delivery	186,468,934	300,000	186,168,934	0.2
	Information, Communication and Technology	125,355,334	-	125,355,334	0.0
	Special Programmes	21,178,862	300,000	20,878,862	1.4
	Total	600,157,734	72,045,721	528,112,013	12.0
Gender and Social Services, Culture, Tourism and Wildlife					

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
Cultural Service and Tourism	Museum	1,300,000	-	1,300,000	0.0
	Cultural Activities	8,265,262	-	8,265,262	0.0
	County Parks	1,708,664	-	1,708,664	0.0
Social Protection and Recreation	Gender	107,560,050	13,272,271	94,287,779	12.3
	Sports Training and Competitions	18,854,980	-	18,854,980	-
	Gender Mainstreaming	4,096,908	-	4,096,908	-
	Disability Mainstreaming	12,000,000	-	12,000,000	-
	Total	153,785,864	13,272,271	140,513,593	8.6
Water, Environment and Natural Resources					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	168,338,231	20,706,111	147,632,120	12.3
	Storm Water Management Services	87,596,709	-	87,596,709	-
	General Administration, Policy and Coordination	105,966,632	-	105,966,632	-
Water, Services and Irrigation	Water	193,410,000	-	193,410,000	-
	Irrigation	59,282,360	-	59,282,360	-
	Total	614,593,932	20,706,111	593,887,821	3.4
Kajiado Municipality					
General Administration, Planning and support services	General Administration, Planning and support services	91,863,208	-	91,863,208	-
	Total	91,863,208	-	91,863,208	-
Ngong Municipality					
General Administration, Planning and support services	General Administration, Planning and support services	289,288,300	-	289,288,300	-
	Total	289,288,300	-	289,288,300	-
County Assembly					
General Administration, Policy and coordination	Office of the Clerk	44,920,000	-	44,920,000	-
	Directorate of Finance & Compliance	15,338,000	-	15,338,000	-
	Directorate of Administration Liaison & Support Services	118,070,000	-	118,070,000	-
Legislation, Representation and Oversight	Legislation, Representation and Oversight	547,431,406	39,882,464	507,548,942	7.3
	Total	725,759,406	39,882,464	685,876,942	5.5
Grand Total		9,442,814,081	970,780,673	7,792,755,913	10.3

Source: Kajiado County Treasury

The programs with the highest absorption rates were: Public Service, Administration & Citizen Participation at 35.1 per cent, General Administration, Planning & Support Services (Department of Lands, Physical Planning & Urban Development) at 31.1 per cent; County Administration at 30.7 per cent, and Curative Health Services at 25.9 per cent of budget allocation.

3.10.11 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. Failure to implement the development budget during the period under review despite carrying forward a cash balance of Kshs. 142.29 million from FY 2019/20.
3. Under performance in own source revenue collection at Kshs.142.29 million which represented 9.5 per cent of the county's annual target of Kshs.1.50 billion.
4. Weak budgetary control practice by the County Treasury as evidenced by some departments that incurred expenditure in excess of approved cheque issues.

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

1. The County Treasury should ensure timely preparation and submission of financial reports line with Section 166 of PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.
4. The County Treasury should improve 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.

3.11 County Government of Kakamega

3.11.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.15.48 billion, comprising of Kshs.6.76 billion (43.7 per cent) and Kshs.8.72 billion (56.3 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.10.57 billion (68.3 per cent) being equitable share of revenue raised nationally, Kshs.1.77 billion (11.4 per cent) as total conditional grants, generate Kshs.2.11 billion (13.6 per cent) from own sources of revenue, and the cash balance of Kshs.1.03 billion (6.7 per cent) from FY 2019/20.

3.11.2 Revenue Performance

During the first quarter of FY2020/21, the County raised Kshs.228.68 million as own-source revenue, and had a cash balance of Kshs.1.24 billion from FY 2019/20. The County did not receive equitable share of revenue raised nationally and conditional grants during the reporting period. The total funds available for budget implementation during the period amounted to Kshs.1.43 billion as shown in Table 3.42.

Table 3.42: Kakamega County, Revenue Performance in the First Quarter of FY 2020/21

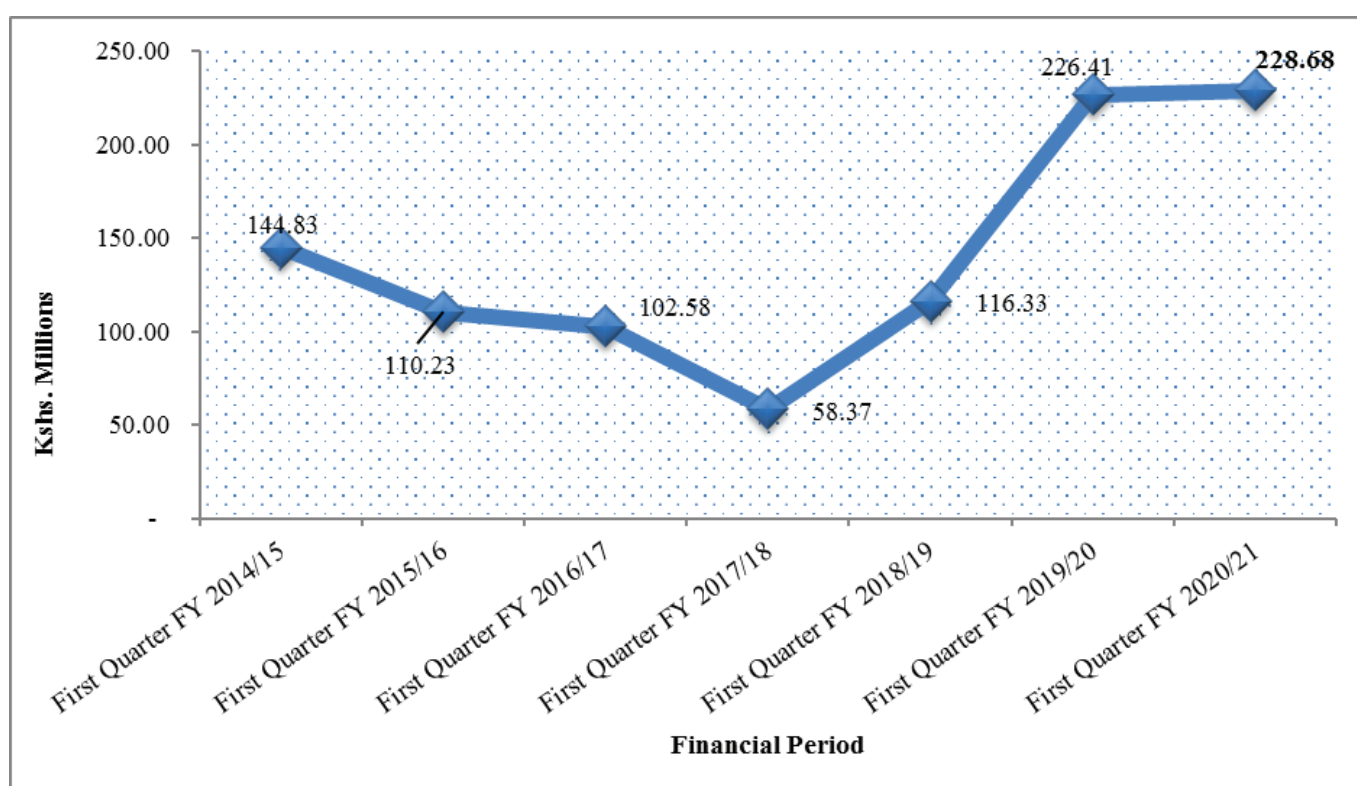
S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	10,412,850,000	10,571,100,000	-	-
B.	Conditional Grants from the National Government				
1.	Conditional Grants to Level-5 Hospitals	427,283,237	427,283,237	-	-
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	-	-
5.	Rehabilitation of Village Polytechnics	102,349,894	102,340,894	-	-
	Sub Total	1,014,514,770	882,484,493	-	-
C	Loans and Grants from Development Partners			-	-
1.	Transforming Health systems for Universal care Project (WB)	50,214,024	50,214,024	-	-
2.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	302,964,820	302,964,820	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	-	389,118,800	-	-
5.	DANIDA Grant	29,610,000	29,610,000	-	-
6.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	15,041,144	23,041,144	-	-
7.	EU – Water Tower Protection and Climate Change Mitigation and Adaptation Programme (waTER)	42,632,067	42,632,067	-	-
	Sub Total	485,462,055	882,580,855	-	-

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
D	Other Sources of Revenue				
1.	Own Source Revenue	-	2,113,000,000	228,679,006	10.8
2.	Balance b/f from FY 2019/20	-	1,033,587,342	1,235,080,589	119.5
Sub Total		-	3,146,587,342	1,463,759,595	46.5
Grand Total		11,912,826,825	15,482,752,690	1,463,759,595	9.5

Source: Kakamega County Treasury

Figure 3-20 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-20: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Kakamega County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.228.68 million as own-source revenue. This amount represented a marginal increase of 1.0 per cent when compared to Kshs.226.41 million realised during the same period in FY 2019/20, and represented 10.8 per cent of the annual target.

3.11.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.1.42 billion from the CRF account during the reporting period. This amount comprised of Kshs.292.51 million (20.6 per cent) for development programmes and Kshs.1.13 billion (79.4 per cent) for recurrent programmes.

3.11.4 Overall Expenditure Review

A total of Kshs.1.30 billion was spent on development and recurrent programmes and represented 91.2 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.274.39 million and Kshs.1.13 billion on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 4.1 per cent while that incurred on recurrent programmes represented an absorption rate of 11.7 per cent.

3.11.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.728.93 million was spent on Compensation to Employees, Kshs.291.98 million on Operations and Maintenance, and Kshs.274.39 million on development activities.

Table 3.43: Summary of Expenditure by Economic Classification in the First Quarter of FY 2020/21

	Budget (Kshs.)	Exchequer (Kshs.)	Issues	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	8,724,087,342	1,127,976,300		1,020,905,802	11.7
Compensation to Employees	4,998,795,001	890,655,799		728,925,852	14.6
Operations and Maintenance	3,725,292,341	237,320,501		291,979,950	7.8
Total Development Expenditure	6,758,674,348	292,512,163		274,387,767	4.1
Development Expenditure	6,758,674,348	292,512,163		274,387,767	4.1
Total	15,482,761,690	1,420,488,463		1,295,293,569	8.4

Source: Kakamega County Treasury

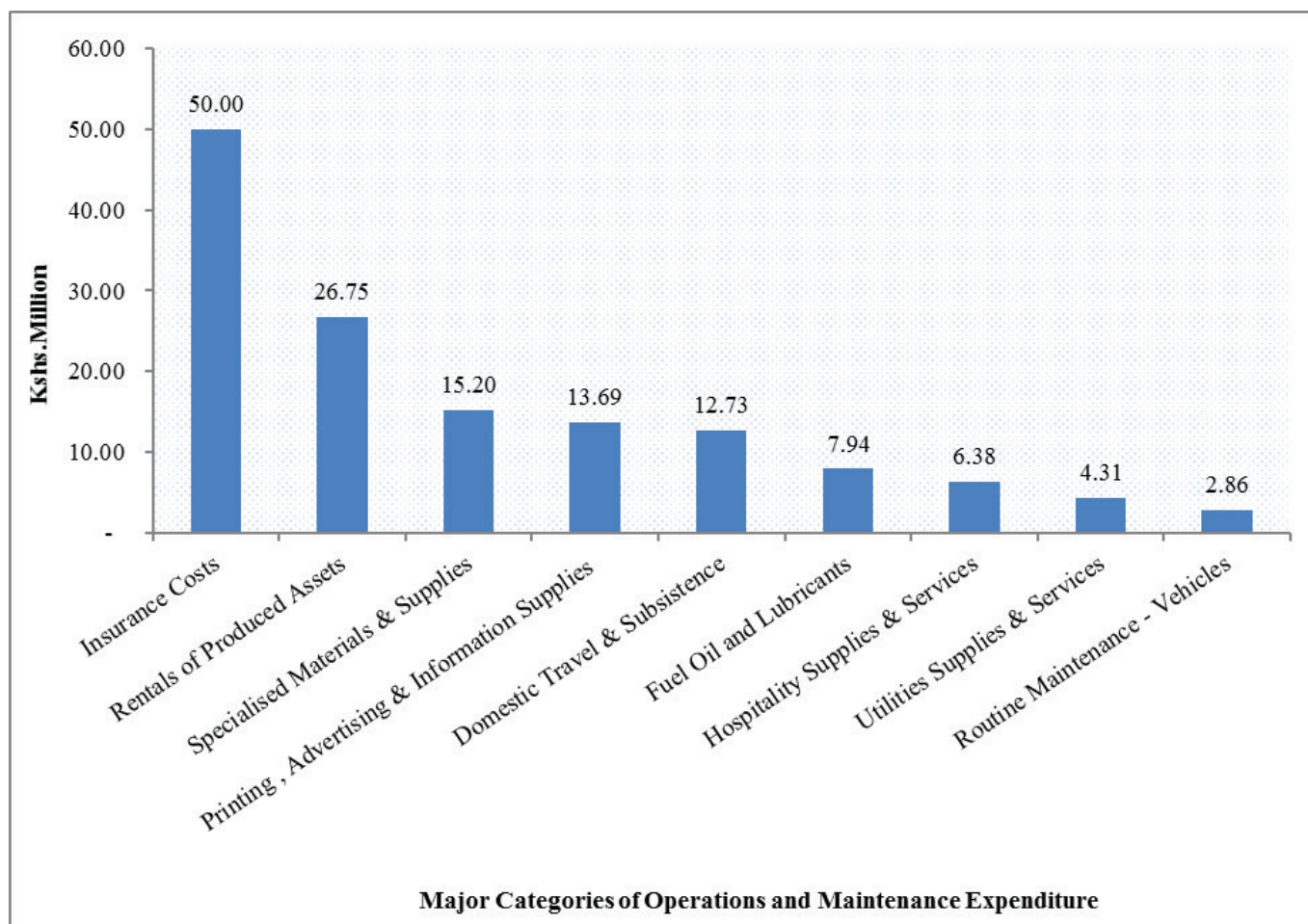
3.11.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.728.93 million and represented 51.3 per cent of the total revenue of Kshs.1.42 billion in the first quarter of the financial year.

3.11.7 Analysis of Operations and Maintenance Expenditure

Figure 3-21 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-21: Kakamega County, Operations and Maintenance Expenditure by Major Categories in the First Quarter of FY 2020/21



Source: Kakamega County Treasury

The County Assembly spent Kshs.17.22 million on Committee Sitting Allowances for the 89 MCAs and Speaker against the annual budget allocation of Kshs.133.27 million. The average monthly sitting allowance was Kshs.63,772 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.12.73 million and comprised of Kshs.1.20 million spent by the County Assembly and Kshs.11.53 million by the County Executive. Expenditure on foreign travel amounted to Kshs.129,400 by the County Executive.

3.11.8 Development Expenditure Analysis

The Development expenditure of Kshs.274.39 million represented 4.1 per cent of the annual development budget of Kshs.6.76 billion and represented an increase of 23.5 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.222.24 million. Table 3.147 Table 3.44 provides a summary of development projects with the highest expenditure in the first quarter of financial year.

Table 3.44: Kakamega County, List of Development Projects with the Highest Expenditure in the First Quarter of FY 2020/21

S/No	Project Name/Description	Project Budget (Kshs.)	Project Actual Expenditure (Kshs.)	Absorption Rate (%)
1	County youth Services-ward based	350,000,000	100,353,581	28.7
2	Bitumen road	500,000,000	94,085,137	18.8
3	Road levy fund	315,071,072	38,870,347	12.3
4	10km per ward roads-Ward based	300,000,000	15,082,627	5.0
5	Other Capital Grants and Trans	29,610,000	11,564,953	39.1
6	Construction of sub county offices	15,000,000	6,852,822	45.7
7	Universal Health Care	50,214,024	2,615,666	5.2
8	Non-Residential Buildings (offices, schools, hospitals, etc.)	-	1,975,676	-
9	Projects design and development	2,500,000	1,469,000	58.8
10	Re-budgeted ongoing Works	12,500,000	923,400	7.4

Source: Kakamega County Treasury

3.11.9 Budget Performance by Department

Table 3.45 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.45: Kakamega County, Budget Performance by Department in the First Quarter of FY 2020/21

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, Live-stock, Fisheries and Cooperatives	56.21	1,071.01	-	-	-	-	-	-	-	-
Health Services	826.35	1,064.90	64.23	101.68	127.64	14.18	198.7	13.9	15.4	1.3
Education, Science & Technology & ICT	206.99	649.35	-	38.46	2.35	-	-	-	1.1	-
Transport, Infrastructure, Public Works & Energy	30.18	1,640.07	3.83	128.06	5.96	248.99	155.9	194.4	19.8	15.2
Lands, Housing, Urban Areas and Physical Planning	169.61	512.72	32.54	-	22.98	-	70.6	-	13.5	-
Social Services, Youth & Sports	83.03	646	-	-	1.71	-	-	-	2.1	-

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, Industrialization and Tourism	56.61	330	-	-	0.24	-	-	-	0.4	-
Water, Environment & Natural Resources	39.46	319.13	-	-	0.11	2.39	-	-	0.3	0.7
Public Service & Administration	5,510.75	165	910.09	-	751.72	8.83	82.6	-	13.6	5.4
Office of the Governor	209.44	35.50	7.17	-	21.31	-	297.2	-	10.2	-
Finance and Economic Planning	394.07	105	7.30	-	-	-	-	-	-	-
County Public Service Board	32.98	-	1.75	-	2.61	-	149.3	-	7.9	-
ICT, E-government & Communication	41.50	170	3.95	24.31	-	-	0.0	-	-	-
County Assembly	1,066.94	50	97.12	-	84.26	-	86.8	-	7.9	-
Total	8,724.09	6,758.67	1,127.98	292.51	1,020.91	274.39	90.5	93.8	11.7	4.1

Source: Kakamega County Treasury

Analysis of expenditure by department shows that the Department of Transport, Infrastructure, Public Works and Energy recorded the highest absorption rate of development budget at 15.2 per cent while six departments did not report expenditure on development activities. Similarly, the Department of Transport, Infrastructure, Public Works and Energy had the highest percentage of recurrent expenditure to recurrent budget at 19.8 per cent while two departments namely ICT, E-government and Communication and the Finance and Economic Planning did not report expenditure during the reporting period.

3.11.10 Budget Execution by Programmes and Sub-Programmes

Table 3.46 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.46 : Kakamega County, Budget Execution by Programmes and Sub-programmes in the First Quarter of FY 2020/21

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Ksh)	Actual Payments (Ksh)	Variance	Absorption (%)
Default - Non Programmatic		-	21,781	(21,781)	-
	Default - Non Programmatic	-	21,781	(21,781)	-
Livestock Resource Management and Development		77,253,104	770,000	76,483,104	1.0
	Livestock resource management and development	41,782,482	-	41,782,482	-
	Livestock Value Chains Development	2,500,000	-	2,500,000	-
	Livestock disease and pest prevention	18,220,622	770,000	17,450,622	4.2
	Livestock Market infrastructure Improvement	14,750,000	-	14,750,000	-
Fisheries Development		14,661,486	2,287,764	12,373,722	15.6
	Promotion of Fish Farming	14,661,486	2,287,764	12,373,722	15.6
Crop Production and Management Services		671,956,343	3,082,717	668,873,627	0.5
	Crop production and management services	30,000,000	-	30,000,000	-
	Horticulture Promotion and Development	476,453,361	3,082,717	473,370,645	0.6
	Farm Input Support and Subsidies	2,500,000	-	2,500,000	-

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Ksh)	Actual Payments (Ksh)	Variance	Absorption (%)
	Agricultural Extension and Research	163,002,982	-	163,002,982	-
Agricultural training services		9,136,282	-	9,136,282	-
	Agricultural training services	9,136,282	-	9,136,282	-
Cooperative development and marketing		14,678,192	-	14,678,192	-
	Cooperative development and marketing	14,678,192	-	14,678,192	-
Land use policy and planning		41,329,252	705,231	40,624,021	1.7
	Land use policy and planning	23,156,412	-	23,156,412	-
	Land Administration and Planning	12,078,838	637,231	11,441,607	5.3
	Survey Services	6,094,002	68,000	6,026,002	1.1
Housing development and management		2,906,122	107,000	2,799,122	3.7
	Housing development and management	2,906,122	107,000	2,799,122	3.7
Urban Development Service		296,926,799	22,569,218	274,357,581	7.6
	Urban Transport management	211,359,400	-	211,359,400	-
	Urban Areas Landscape Improvement	85,567,399	22,569,218	62,998,181	26.4
Irrigation and Drainage Development		920,859	-	920,859	-
	Small Holder Irrigation and Drainage	920,859	-	920,859	-
Infrastructure, roads and transport services		774,639,065	253,605,015	521,034,050	32.7
	Infrastructure , roads and transport services	332,535,536	45,678,206	286,857,330	13.7
	Infrastructure Development	30,000,000	4,753,100	25,246,900	15.8
	Road construction	412,103,529	203,173,709	208,929,820	49.3
Energy Reticulation		50,000,000	43,082,029	6,917,971	86.2
	Rural Electrification	50,000,000	43,082,029	6,917,971	86.2
Public works Management		10,485,886	1,303,910	9,181,976	12.4
	Public works Management	10,485,886	1,303,910	9,181,976	12.4
Promotion of tourism and marketing		-	(229,000)	229,000	-
	Promotion of tourism and marketing	-	(229,000)	229,000	-
Administration, Planning and support services		11,322,500	(343,257)	11,665,757	-3.0
	Administration Support Services	8,822,500	(343,257)	9,165,757	-3.9
	Quality Assurance	2,500,000	-	2,500,000	-
Trade Development and Investment		105,355,000	29,495,249	75,859,751	28.0
	Morden Market Infrastructure	78,355,000	29,495,249	48,859,751	37.6
	Trade Financing	27,000,000	-	27,000,000	-
Tourism Development and Marketing		8,700,000	426,000	8,274,000	4.9
	Development of Local Content Niche Tourism	8,700,000	426,000	8,274,000	4.9
Industrial development and investment		67,925,000	7,752,674	60,172,326	11.4
	Industrial Development and Promotion	62,925,000	7,752,674	55,172,326	12.3
	SME and Cottage industry development	5,000,000	-	5,000,000	-
Preventive and promotive services		101,500,000	-	101,500,000	-
	Community Health Strategy	37,250,000	-	37,250,000	-
	Diseases surveillance & Emergency response	5,500,000	-	5,500,000	-
	Nutrition service Promotion	1,000,000	-	1,000,000	-

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Ksh)	Actual Payments (Ksh)	Variance	Absorption (%)
	HIV /AIDS Control	1,000,000	-	1,000,000	-
	Maternal and child healthcare promotion	53,000,000	-	53,000,000	-
	TB Control	1,000,000	-	1,000,000	-
	Malaria control	750,000	-	750,000	-
	Promotion of family planning	2,000,000	-	2,000,000	-
Curative services		812,214,633	142,227,418	669,987,215	17.5
	Curative services	387,641,619	-	387,641,619	-
	Community Health Strategy	417,073,015	142,227,418	274,845,596	34.1
	Disease Surveillance and Response	7,500,000	-	7,500,000	-
Administrative, planning and support services		31,906,750	5,050	31,901,700	-
	Administrative, planning and support services	21,406,750	5,050	21,401,700	-
	Disability mainstreaming	500,000	-	500,000	-
	Health Data and Information Management	10,000,000	-	10,000,000	-
Vocational Education and Training Development		77,035,695	39,150,047	37,885,648	50.8
	Polytechnic Support and Development	77,035,695	39,150,047	37,885,648	50.8
Early Childhood Development Education (ECDE)		189,837,384	15,759,391	174,077,993	8.3
	ECD Infrastructure Development	118,500,000	-	118,500,000	-
	SP2 ECD education improvement and Support	71,337,384	15,759,391	55,577,993	22.1
Education Support Programme		126,295,319	20,646,582	105,648,737	16.3
	Education Financial Support	126,295,319	20,646,582	105,648,737	16.3
Polytechnic Improvement		60,000,000	7,032,279	52,967,721	11.7
	Polytechnic Tuition Subsidy	60,000,000	7,032,279	52,967,721	11.7
Management of county affairs		74,250,000	18,729,425	55,520,576	25.2
	County executive services	74,250,000	18,729,425	55,520,576	25.2
Information and communication services		6,460,000	391,409	6,068,591	6.1
	Coordination and supervisory services	6,460,000	391,409	6,068,591	6.1
Information and communication services		122,247,961	47,208,544	75,039,417	38.6
	Information and communication services	122,247,961	47,208,544	75,039,417	38.6
	Library services	428,185	-	428,185	-
Economic and policy formulation and management planning		20,975,206	6,952,910	14,022,296	33.1
	Economic and policy formulation and management planning	20,975,206	6,952,910	14,022,296	33.1
		122,357,100	5,369,153	116,987,947	4.4
	Public finance management	37,284,500	3,661,666	33,622,834	9.8
	Financial Accounting and Reporting	62,315,625	955,946	61,359,679	1.5
	Budget Formulation and management	18,212,250	721,600	17,490,650	4.0
	Revenue Mobilization	4,544,725	29,941	4,514,784	0.7
Coordination and supervisory services		41,758,716	2,562,291	39,196,425	6.1
	Coordination and supervisory services	33,396,495	2,475,541	30,920,954	7.4
	County Internal Audit services	8,362,222	86,750	8,275,472	1.0
County Public service and Administrative services		2,923,658,825	580,380,276	2,343,278,549	19.9

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Ksh)	Actual Payments (Ksh)	Variance	Absorption (%)
	County Administration	286,528,469	47,668,598	238,859,870	16.6
	Human Resource Management	2,637,130,357	532,711,678	2,104,418,679	20.2
General Administration and Support services		35,830,375	661,532	35,168,843	1.8
	Administrative Services	35,830,375	661,532	35,168,843	1.8
	Administrative Services	15,267,546	2,433,241	12,834,306	15.9
Alcoholics and Drinks Control		3,568,050	1,011,800	2,556,250	28.4
	Alcohol and Drug Rehabilitation Program	3,568,050	1,011,800	2,556,250	28.4
Investment promotion		70,372,645	1,369,098	69,003,547	1.9
	Investment promotion	70,372,645	1,369,098	69,003,547	1.9
0902004810		26,319,228	1,963,863	24,355,365	7.5
	Culture and Heritage Conservation	26,319,228	1,963,863	24,355,365	7.5
0903004810		519,885,107	62,827,458	457,057,649	12.1
	Development of Sports facilities	500,000,000	62,456,021	437,543,979	12.5
	Promotion and Development of Sports and Talent	19,885,107	371,437	19,513,670	1.9
0904004810		18,157,743	32,500	18,125,243	0.2
	Youth Disability and Gender Empowerment	18,157,743	32,500	18,125,243	0.2
0906004810		34,458,660	20,905,098	13,553,562	60.7
	Social Development and Protection	31,421,066	20,879,660	10,541,406	66.5
	Child welfare Services	3,037,594	25,438	3,012,156	0.8
1005004810		47,706,905	432,954	47,273,951	0.9
	Farm Forest Resource Management	27,295,341	150,220	27,145,121	0.6
	Mineral Resource Management	20,411,564	282,734	20,128,830	1.4
1006004810		121,699,826	57,828,387	63,871,439	47.5
	Water Resource Supply and management	121,699,826	57,828,387	63,871,439	47.5
1007004810		9,889,089	3,415,315	6,473,774	34.5
	Environmental Protection	9,889,089	3,415,315	6,473,774	34.5
Grand Total		7,772,276,832	1,403,932,348	6,368,344,483	18.1

Source: Kakamega County Treasury

The report on budget execution by programmes is based on the half year budget which was available in IFMIS for expenditure during the reporting period. The programmes with the highest absorption rates were: Rural Electrification at 86.2 per cent, Social Development and Protection at 66.7 per cent, Polytechnic Support and Development at 50.8 per cent, Water Resource Supply and Management at 47.5 per cent, and Information and communication services at 38.6 per cent of budget allocation.

3.11.11 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The County Assembly's report was received on the 9th November 2020.
2. Low expenditure on development budget. The County spent Kshs.274.39 million out of the annual development budget of Kshs.6.76 billion. The development expenditure represented 4.1 per cent of the annual development.
3. Weak budgeting practice by the County Treasury where some departments incurred expenditure in excess of approved exchequer issues.

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

1. The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Treasury should improve Vote book and budgetary control to ensure that expenditure is within exchequer approvals and within the approved budget.

3.12 County Government of Kericho

3.12.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.7.65 billion, comprising of Kshs.3.36 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) being equitable share of revenue raised nationally, Kshs.1 billion (13.1 per cent) as total conditional grants, generate Kshs.644.09 million (8.4 per cent) from own sources of revenue, and the cash balance of Kshs.565.38 million (7.4 per cent) from FY 2019/20.

3.12.2 Revenue Performance

During the first quarter of FY2020/21, raised Kshs.50.73 million as own-source revenue, and had a cash balance of Kshs.565.38 million from FY 2019/20 which includes Kshs.462.72 million June 2020 balance of equitable share of revenue released in FY 2020/21. The total funds available for budget implementation during the period amounted to Kshs.616.11 million as shown in Table 3.47.

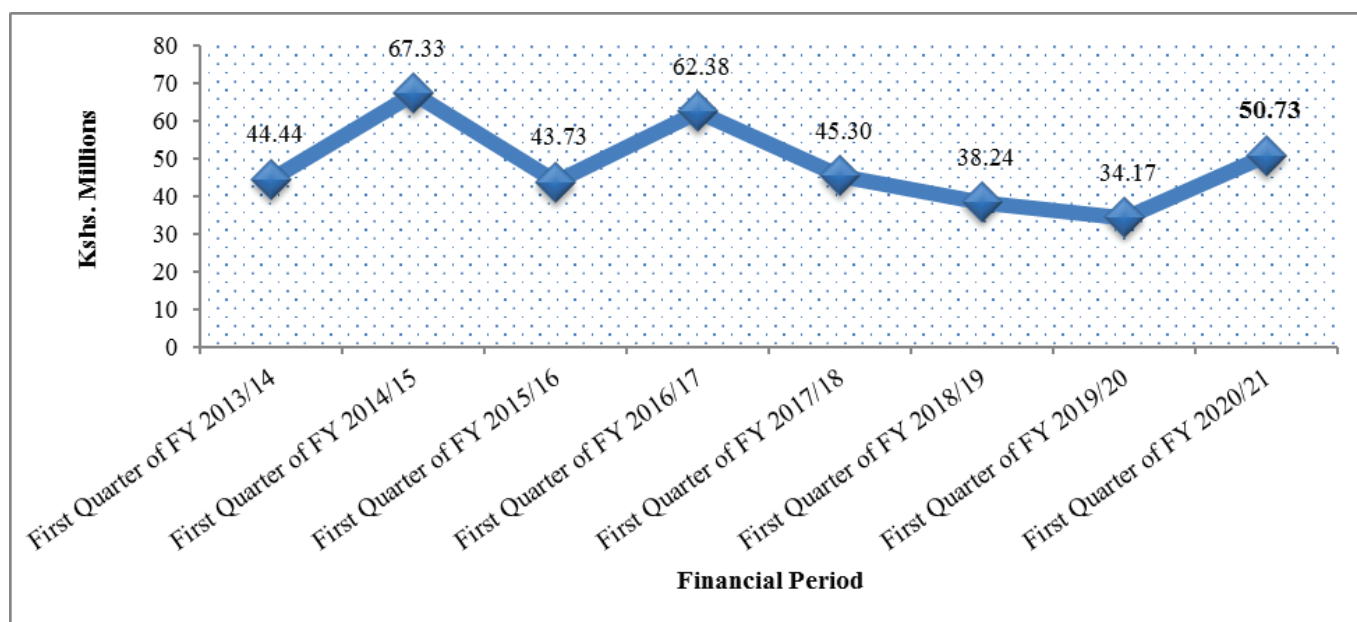
Table 3.47: Kericho County, Revenue Performance in the First Quarter of FY 2020/21

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	5,443,800,000	5,443,800,000	-	-
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	-	-
4.	Rehabilitation of Village Polytechnics	22,866,170	22,866,170	-	-
5.	Other Donor Funds -Covid-19 Allowances	36,180,000	36,180,000	-	-
	Sub Total	482,525,992	350,504,715	-	-
C.	Loans and Grants from Development Partners				
6.	Transforming Health systems for Universal care Project (WB)	82,748,619	82,748,619	-	-
7.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	277,000,000	277,000,000	-	-
8.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level I Grant	132,491,953	132,491,953	-	-
9.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	103,228,166	103,228,166	-	-
10.	DANIDA Grant	17,062,500	17,062,500	-	-
11.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	41,557,771	41,557,771	-	-
	Sub Total	654,089,009	654,089,009	-	-
D.	Other Sources of Revenue				
13.	Own Source Revenue	644,058,870	644,058,870	50,730,326	7.9
14.	Balance b/f from FY 2019/20	-	565,380,551	565,380,551	100
	Sub Total	644,058,870	1,209,439,421	153,387,877	50.9
	Grand Total	7,224,473,870	7,657,833,144	616,110,877	8

Source: Kericho County Treasury

Figure 3-22 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-22: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Kericho County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.50.73 million as own-source revenue. This amount represented an increase of 48.5 per cent when compared to Kshs.34.17 million realised during the same period in FY 2019/20, and represented 7.9 per cent of the annual target.

The significant increase in own source revenue was attributed to adjustment in cut-off date for the payment of Single Business Permits and enhanced enforcement coupled with timely remission of hospital revenue as compared to a similar period in FY 2019/20.

3.12.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.647.68 million from the CRF account during the reporting period. This amount comprised of Kshs.111.16 million (17.2 per cent) for development programmes and Kshs.536.52 million (82.8 per cent) for recurrent programmes.

3.12.4 Overall Expenditure Review

A total of Kshs.551 million was spent on development and recurrent programmes and represented 85.1 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.17.36 million and Kshs.533.65 million on development and recurrent activities respectively. Expenditure on development programmes represented an absorption rate of 0.5 per cent while that incurred on Recurrent programmes represented an absorption rate of 12.4 per cent.

3.12.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.439.34 million was spent on Compensation to Employees, Kshs.94.31 million on operations and maintenance, and Kshs.17.36 million on development activities.

Table 3.48: Summary of Expenditure by Economic Classification

	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	4,290,881,684	536,521,489	533,647,157	12.4
Compensation to Employees	2,819,745,677	439,341,478	439,341,478	15.6
Operations and Maintenance	1,471,136,007	97,180,011	94,305,679	6.4
Total Development Expenditure	3,366,951,461	111,157,587	17,358,511	0.5
Development Expenditure	3,366,951,461	111,157,587	17,358,511	0.5
Total	7,657,833,145	647,679,076	551,005,668	7.2

Source: Kericho County Treasury

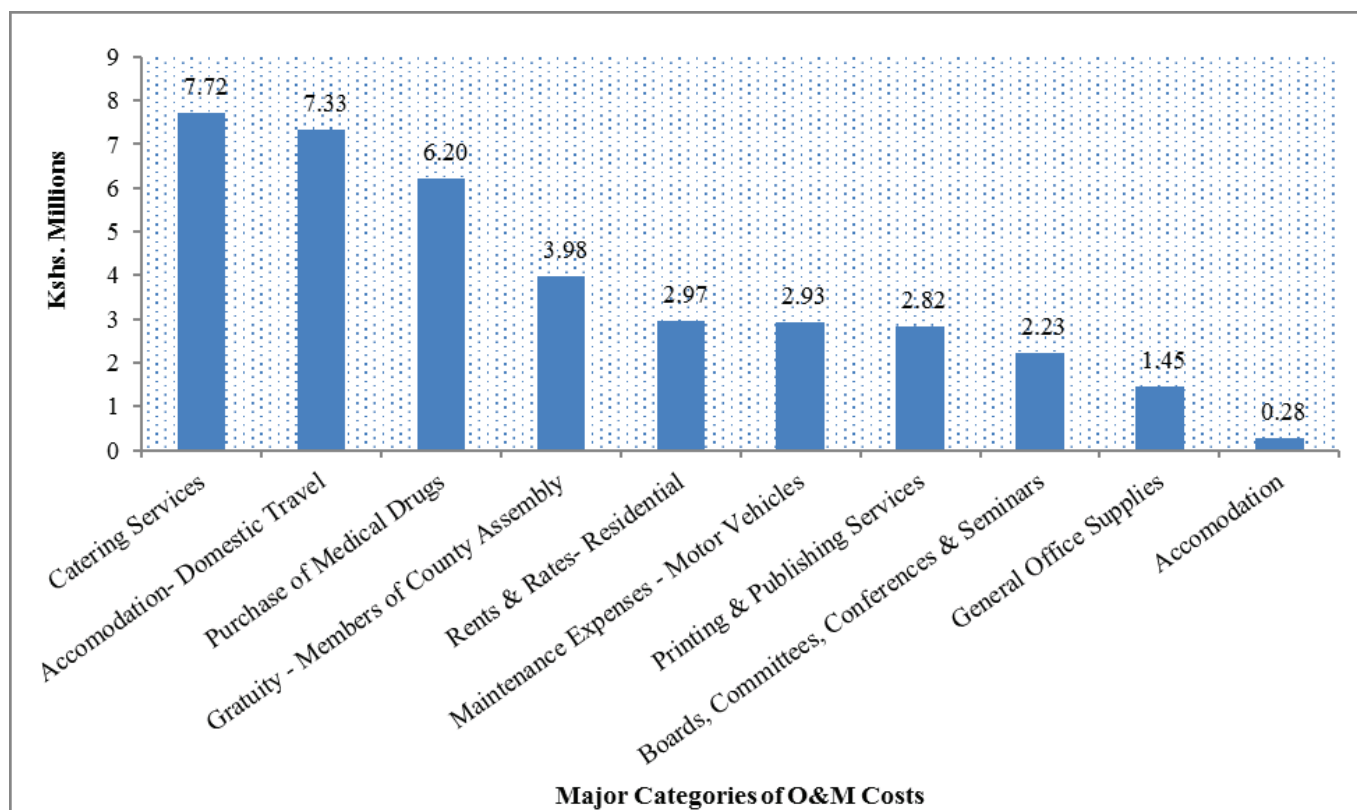
3.12.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.439.34 million and represented 71.3 per cent of the total revenue of Kshs. 616.11 million in the first quarter of the financial year.

3.12.7 Analysis of Operations and Maintenance Expenditure

Figure 3-23 shows a summary of operations and maintenance expenditure by major categories.

Figure 3-23: Kericho County, Operations and Maintenance Expenditure by Major Categories



Source: Kericho County Treasury

The County spent Kshs.6.86 million on committee sitting allowances for the 48 MCAs and Speaker against the annual budget allocation of Kshs.68.05 million. The average monthly sitting allowance was Kshs.47,639 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.7.33 million and which was incurred by the County Executive.

3.12.8 Development Expenditure Analysis

The Development expenditure of Kshs.17.35 million represented 0.5 per cent of the annual development budget of Kshs.3.36 billion. Table 3.147 Table 3.49 provides a summary of development projects with the highest expenditure in the first quarter of financial year.

Table 3.49: Kericho 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	Road maintenance of Nyitnyitwet-Kapkwon-Koita road	Ainamoi	1,110,013	1,110,013	100
2	Road maintenance of Kapchelogoi- Soet Pry- Kipsereti River- Ps Cheruiyot- Maria Joy- Kap Than You Road	Chemosot	1,505,055	1,505,055	100
3	Road maintenance of Cherote-Lelsotet road	Kedowa / Kimugul	2,052,000	2,052,000	100

S/No.	Project Name/Description	Project Location	Project Budget (Kshs.)	Project Actual Expenditure (Kshs.)	Absorption Rate (%)
4	Road maintenance of Chemitan- Chebwagan- Litein Motuary road	Litein	2,432,423	2,432,423	100
5	Road maintenance of Offe254-Kamuingi-Kichagi-Gwitu road	Tendeno	2,490,900	2,490,900	100
6	Road maintenance of Butiik - Kitait/Kimonjokut road	Cheplanget	2,850,000	2,850,000	100
7	Road maintenance of Itibet - Bagao- Deliverance Church Road	Ainamoi	2,859,120	2,859,120	100
8	Road maintenance of Kenene Dispensary-Tiritap Moita-Chebinyiny Junction road	Cheplanget	2,059,000	2,059,000	100

Source: Kericho County Treasury

3.12.9 Budget Performance by Department

Table 3.50 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.50: Kericho County, Budget Performance by Department in the first quarter of FY 2020/21

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	60.06	-	60.05	-	100.0	-	9.6	-
Public Service Management	331.32	17.52	33.23	-	37.02	-	111.4	-	11.2	-
Agriculture, Livestock Development and Fisheries	143.85	388.71	23.62	-	21.08	-	89.2	-	14.7	-
Education, Youth Affairs, Children, Culture and Social Services	353.11	276.17	33.14	-	34.79	-	105.0	-	9.9	-
Health	1,999.28	495.4	297.07	-	295.47	-	99.5	-	14.8	-
Trade, Industrialisation, Tourism, Wildlife And Cooperative Management	59.37	10.33	9.22	-	7.45	-	80.8	-	12.5	-
Public Works, Roads, Transport And ICT	98.77	1,258.49	12.35	111.16	12.63	17.36	102.3	15.6	12.8	1.4
Water, Energy, Natural Resources and Environment	113.89	436.61	13.77	-	11.52	-	83.7	-	10.1	-
Lands, Housing and Physical Planning	98.08	192.23	10.27	-	7.89	-	76.8	-	8.0	-
Finance And Economic Planning	240.69	262.27	17.73	-	19.62	-	110.7	-	8.2	-
Office of the Governor	98.3	-	12.85	-	17.48	-	136.0	-	17.8	-
ICT	71.79	15.43	8.25	-	4.52	-	54.8	-	6.3	-
County Public Service Board	54.2	-	4.97	-	4.12	-	82.9	-	7.6	-
Total	4,290.9	3,367	536.5	111.2	533.7	17.4	99.5	15.6	12.4	0.5

Source: Kericho County Treasury

Analysis of expenditure by department shows that the Department of Roads and Public Works recorded the highest absorption rate of development budget at 1.4 per cent while the rest of the departments did not report any development expenditure during the period under review. The Office of Governor had the highest percentage of recurrent expenditure to recurrent budget at 17.8 per cent while the Department of ICT had the lowest at 6.3 per cent.

3.12.10 Budget Execution by Programmes and Sub-Programmes

Table 3.51 shows a summary of the budget execution by programmes and sub-programmes for the first quarter of FY 2020/21.

Table 3.51 : Kericho County, Budget Execution by Programmes and Sub-programmes in FY 2020/21

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Pay-ments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
		A	B	C=A-B	D=B/A*100
DEPUTY GOVERNOR					
County Coordination Services	County Coordination Services	98,301,145	17,477,716	80,823,429	17.8
Public sector advisory services	Economic and Social Advisory Service		-		
	Programme Total	98,301,145	17,477,716	80,823,429	17.3
DEPARTMENT: FINANCE AND ECONOMIC PLANNING					
Administration, Planning and Support Services.	Administration Services.	358,493,218	13,293,277	345,199,941	3.7
Administration, Planning and Support Services.	Monitoring Budget Implementation and Reporting	12,461,851	4,264,984	8,196,867	34.2
Public Finance Management	Budget Formulation co-odination and management	129,142,332	1,306,300	127,836,032	1
Audit Services	County Audit	2,866,483	754,730	2,111,753	26.3
	Programme Total	502,963,884	19,619,291	483,344,593	3.9
DEPARTMENT: AGRICULTURE, LIVESTOCK AND FISHERIES					
Policy, Strategy and Management of Agriculture	Development of Agricultural Policy, Legal & Regulatory framework.	29,037,959	680,850	28,357,109	2.3
Crop Development and Management	Agriculture Extension Services	420,071,834	11,737,644	408,334,190	2.8
Livestock Resource Management and Development	Livestock Disease Management and Control.	10,760,397	394,800	10,365,597	3.7
Livestock Resource Management and Development	Livestock Production and Extension Services	65,095,995	8,167,078	56,928,917	12.6
Fisheries development	Management and Development of Capture Fisheries	7,595,177	100,000	7,495,177	1.3
	Programme Total	532,561,362	21,080,372	511,480,990	4
DEPARTMENT: WATER, ENERGY, NATURAL RESOURCES AND ENVIRONMENT					
Environment policy development and coordination	Planning Coordination Policy and Administrative Services	113,073,653	10,640,724	102,432,929	9.4
Water supply services	Rural Water Supply	437,426,643	874,450	436,552,193	0.2
	Programme Total	550,500,296	11,515,174	538,985,122	2.1
DEPARTMENT: EDUCATION, YOUTH AFFAIRS, CULTURE AND SOCIAL SERVICES					
General Administration & planning services.	Policy Development and Administration	274,980,529	34,573,761	240,406,768	12.6
Basic Education	Early Childhood Development Education	272,491,184	219,600	272,271,584	0.1
Gender and Social Development	Social Welfare Services/Social Infrastructure Development	24,899,378	-	24,899,378	-
Youth development and empowerment services	Youth development (YP) Training	56,907,040	-	56,907,040	-
	Programme Total	629,278,131	34,793,361	594,484,770	5.5
DEPARTMENT: HEALTH SERVICES					
Curative Health	Administration and Planning	1,213,146,245	82,016,122	1,131,130,124	6.8
Curative Health	Hospital(curative)Services	-	-	-	-
Preventive and Promotive Health	Preventive Medicine and Promotive Health	1,281,534,216	213,455,632	1,068,078,584	16.7
	Programme Total	2,494,680,461	295,471,754	2,199,208,707	11.8
DEPARTMENT: LANDS, HOUSING AND PHYSICAL PLANNING					
Administration and support services	General Administration and Planning	61,128,784	207,500	60,921,284	0.3
Housing Development and Human Resource	Housing Development	50,808,299	-	50,808,299	-
Land policy and planning	Development Planning and Land Reforms	172,021,347	7,682,411	164,338,936	4.5
Land policy and planning	Land Use Planning	6,352,443	-	6,352,443	0
	Programme Total	290,310,873	7,889,911	282,420,962	2.7
DEPARTMENT: PUBLIC WORKS, ROADS AND TRANSPORT					
Transport Management and safety	General Administration Planning and Support Services	78,843,520	12,626,064	66,217,456	16

Infrastructure, Roads and Transport	Rehabilitation of Road	1,262,094,286	17,358,511	1,244,735,775	1.4
Infrastructure, Roads and Transport	Maintenance of Roads and Bridges/Periodic Maintenance	16,330,335	-	16,330,335	0
	Programme Total	1,357,268,141	29,984,575	1,327,283,566	2.2
DEPARTMENT: TRADE, INDUSTRIALISATION, TOURISM, WILDLIFE AND COOPERATIVE MANAGEMENT					
Trade development and investment	Fair trade Practices and Consumer Protection (weight & measures)	40,283,406	4,030,505	36,252,901	10.01
Trade development and investment	Administrative and Support Services.	8,840,976	822,526	8,018,450	9.3
Cooperative development and management	Cooperative Advisory & Extension Services.	20,574,770	2,600,759	17,974,011	12.64
Tourism development and marketing	Local Tourism Development.	-	-	-	0
	Programme Total	69,699,152	7,453,790	62,245,362	10.69
DEPARTMENT: ICT AND E-GOVERNMENT					
Information & Communication Service	News and Information Services	71,791,149	4,524,381	67,266,768	6.3
Information & Communication Service	ICT and BPO development services	15,432,683	-	15,432,683	0
	Programme Total	87,223,832	4,524,381	82,699,451	5.19
DEPARTMENT: COUNTY PUBLIC SERVICE BOARD					
Administration of Human Resources and Public Service	Establishment, Appointment, Discipline and Board Management.	54,200,321	4,122,405	50,077,916	7.61
	Programme Total	54,200,321	4,122,405	50,077,916	7.61
DEPARTMENT: PUBLIC SERVICE MANAGEMENT					
Administration of Human Resources and Public Service	General Administration, Planning and Support Services	253,093,364	36,024,891	217,068,473	14.23
Administration of Human Resources and Public Service	Human Resource Development	95,747,770	997,286	94,750,484	1.04
	Programme Total	348,841,134	37,022,177	311,818,957	10.61
DEPARTMENT: ASSEMBLY					
Administration of Human Resources and Public Service	General Administration, Planning and Support Services	275,170,145	20,789,782	254,380,363	7.6
Legislative Services		354,511,272	38,684,980	315,826,292	10.9
Administration of Human Resources and Public Service	Establishment, Appointment, Discipline and Board Management.	12,322,996	576,000	11,746,996	4.7
		642,004,413	60,050,762	581,953,651	9.4
County Executive Grand Total -Excluding Conditional Grants(Transfers)		7,657,883,145	551,005,668	7,109,592,476	7.2

Source: Kericho County Treasury

The programs with the highest absorption rates were: Monitoring Budget Implementation and Reporting at 34.2 per cent and County Audit Services at 26.3 per cent of budget allocation, in the Department of Finance and Economic Planning.

3.12.11 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. 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 in the first quarter of FY 2020/21. The County spent Kshs.17.35 million which represented 0.5 per cent of the annual development budget of Kshs.3.36 billion.
3. Use of revenue at source and weak budgeting practice by the County Treasury where the County incurred expenditure in excess of approved exchequer issues and budgetary allocations.

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

1. The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166

of PFM Act, 2012.

2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Treasury should improve Vote book and budgetary control to ensure that expenditure is within the approved budget. Further, all revenues should be banked intact into the CRF Account in line with Section 109 (2) of the PFM Act, 2012.

3.13 County Government of Kiambu

3.13.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.16.68 billion, comprising of Kshs.5.64 billion (33.8 per cent) and Kshs.11.05 billion (66.2 per cent) allocations for development and recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.9.84 billion (59 per cent) as equitable share of revenue raised nationally, Kshs.3.17 billion (19.0 per cent) as total conditional grants, generate Kshs.3.67 billion (22 per cent) and from own sources of revenue. The cash balance from FY 2019/20 was not included in the approved revenue estimates.

3.13.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.811.13 million as equitable share of the revenue raised nationally, which was a balance from FY 2019/20, Kshs.452.33 million as own-source revenue, and had a cash balance of Kshs.498.31 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.75 billion as shown in Table 3.52.

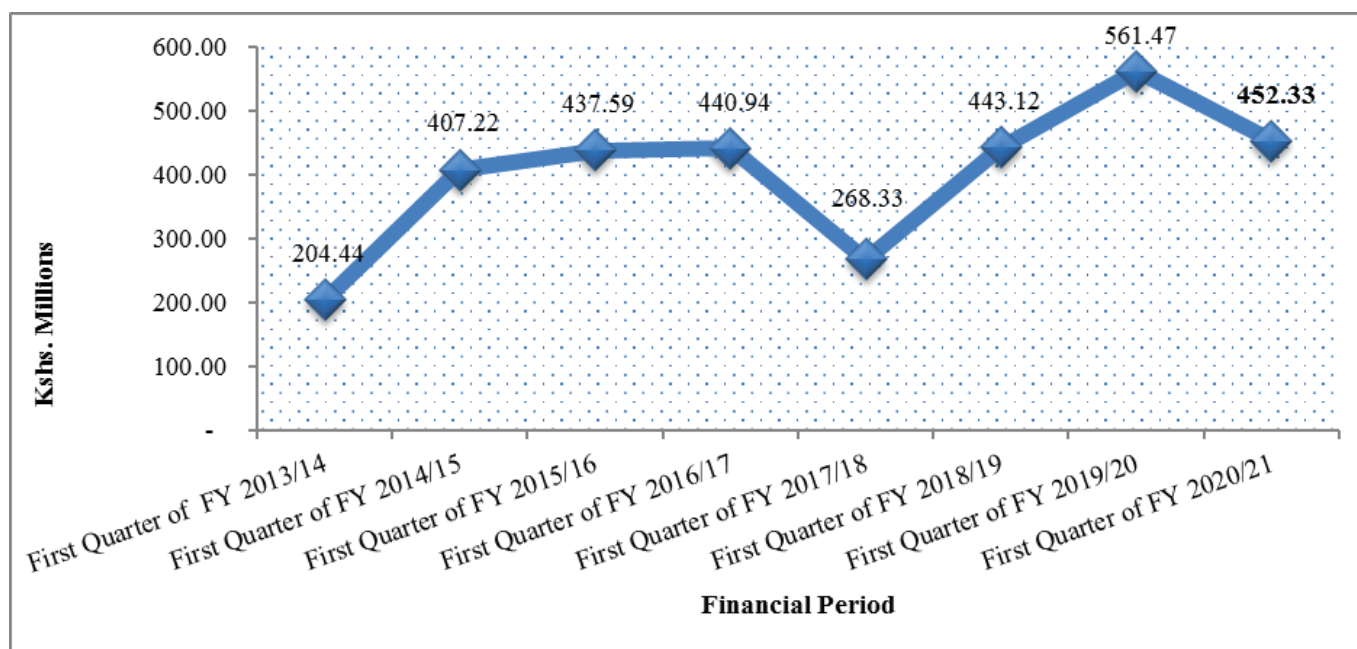
Table 3.52: Kiambu County, Revenue Performance in FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	9,431,700,000	9,843,150,000	811,126,200	8.2
B.	Conditional Grants from the National Government Revenue				
1.	Conditional Grants to Level-5 Hospitals	538,716,763	538,716,763	-	-
2.	Compensation for User Fee Foregone	34,671,542	34,671,542	-	-
3.	Leasing of Medical Equipment	132,021,277	-	-	-
4.	Road Maintenance Fuel Levy Fund	293,374,561	293,374,561	-	-
	Rehabilitation of Village Polytechnics	61,984,894	61,984,894	-	-
	Sub Total	1,060,769,037	928,747,760	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	49,790,789	49,790,789	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	222,340,320	222,340,320	--	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	-	1,885,993,000	-	-
5.	DANIDA Grant	26,820,000	26,820,000	-	-
6.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	13,436,146	13,436,146	-	-
	Sub Total	357,387,255	2,243,380,255	-	-
D	Other Sources of Revenue				
1	Own Source Revenue	-	3,669,554,783	452,331,766	12.3
2	Balance b/f from FY2019/20	-	-	491,381,788	-
	Sub Total	-	3,669,554,783	943,713,554	25.7
	Grand Total	10,849,856,292	16,684,832,798	1,754,839,754	10.5

Source: Kiambu County Treasury

Figure 3-24 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-24: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Kiambu County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.452.33 million as own-source revenue. This amount represented a decrease of 19.4 per cent when compared to Kshs.561.47 million realised during the same period in FY 2019/20, and was 12.3 per cent of the annual target.

3.13.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.1.59 billion from the CRF account during the reporting period. This amount comprised of Kshs.216.66 million (13.6 per cent) for development programmes and Kshs.1.38 billion (86.4 per cent) for recurrent programmes.

3.13.4 Overall Expenditure Review

A total of Kshs.2.17 billion was spent on development and recurrent programmes and represented 136.5 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.159.76 million and Kshs.2.01 billion on development and recurrent activities respectively. Expenditure on development programmes represented an absorption rate of 2.8 per cent while that incurred on recurrent programmes represented an absorption rate of 18.2 per cent.

The high percentage of expenditure to the total funds released from the CRF is as a result of inclusion of financial commitments as part of expenditures during the period under review.

3.13.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.47 billion was spent on Compensation to Employees, Kshs.546.32 million on Operations and Maintenance, and Kshs.159.76 million on development activities.

Table 3.53: Summary of Expenditure by Economic Classification

	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	11,048,293,356	1,375,232,917	2,013,087,480	18.2
Compensation to Employees	7,212,367,946	947,867,326	1,466,771,404	20.3
Operations and Maintenance	3,835,925,410	427,365,591	546,316,077	14.2
Total Development Expenditure	5,636,539,442	216,656,261	159,756,990	2.8
Development Expenditure	5,636,539,442	216,656,261	159,756,990	2.8
Total	16,684,832,798	1,591,889,178	2,172,844,470	13

Source: Kiambu County Treasury

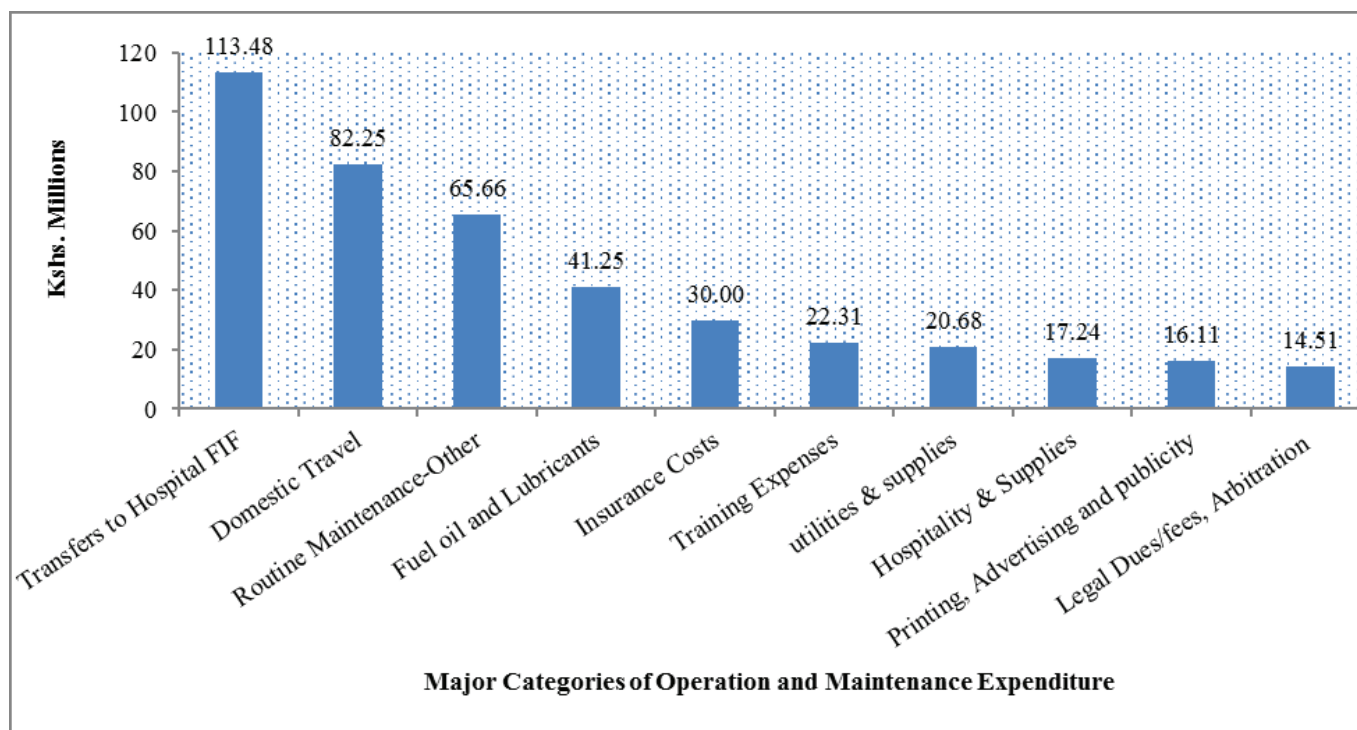
3.13.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.1.47 billion and represented 83.6 per cent of the total revenue of Kshs.1.75 billion in the first quarter of the financial year.

3.13.7 Analysis of Operations and Maintenance Expenditure

Figure 3-25 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-25: Kiambu County, Operations and Maintenance Expenditure by Major Categories



Source: Kiambu County Treasury

The County spent Kshs.24.84 million on committee sitting allowances for the 93 MCAs and Speaker against the annual budget allocation of Kshs.120 million. The average monthly sitting allowance was Kshs.89,029 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.82.25 million and comprised of Kshs.23.23 million spent by the County Assembly and Kshs.59.02 million by the County Executive. Expenditure on foreign travel amounted to Kshs.2.49 million which was spent by the County Executive.

3.13.8 Development Expenditure Analysis

The development expenditure of Kshs.159.76 million represented 2.8 per cent of the annual development budget of Kshs.5.64 billion and represented an increase of 5.1 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.151.96 million. Table 3.54 provides a summary of development projects with the highest expenditure in the first quarter of financial year.

Table 3.54: 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	Construction of juja sub county offices	Juja	49,459,500	25,355,890	51.3
2	Supply of Tigoni-Gachororo 10km 4" water HDPE pipes	Kiambaa sub- county	19,916,460	19,916,460	100
3	Agricultural inputs and Financing and Provision of subsidized farm inputs	All Wards	15,000,000	13,215,800	88.1
4	Proposed construction of office at Red Nova Kiambu	Kiambu, Red Nova	30,000,000	8,962,226	29.9

S/No.	Project Name/Description	Project Location	Project Budget (Kshs.)	Project Actual Expenditure (Kshs.)	Absorption Rate (%)
5	Construction of Kiambu sub county	Kiambu	15,356,330	8,736,586	56.9
6	Partitioning of specially elected MCAS offices	Bishop Ranji Plaza Kiambu Town	6,779,219	6,779,219	100
7	Water tank construction in Uthiru Primary	Kabete subcounty	3,969,864	3,969,864	100

Source: Kiambu County Treasury

3.13.9 Budget Performance by Department

Table 3.55 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.55: Kiambu County, Budget Performance by Department in the First Quarter of FY 2020/21

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	1,105.53	70	91.59	6.78	91.59	6.78	100	100	8.3	9.7
County Executive	373.36	-	32.51	-	96.04	-	295.4	-	25.7	-
County Public Service Board	78.96	-	4.61	-	9.01	-	195.5	-	11.4	-
Finance, Economic Planning and ICT	1,275.42	106.25	203.54	15.86	282.15	-	138.6	-	22.1	-
Administration, Public Service & Communication	647.15	50	77.46	4.75	107.63	4.75	139.0	100.0	16.6	9.5
Agriculture, Crop Production and Irrigation	500.80	435.78	52.33	13.22	54.74	13.22	104.6	100.0	10.9	3.0
Water, Energy, Environment and Natural Resources	342.37	204.94	40.28	-	33.29	41.02	82.6	-	9.7	20.0
Health Services	4,913.59	838.72	717.13	14.39	1,136.18	-	158.4	-	23.1	-
Education, Youth, Sports, Culture and Social Services	883.30	161.98	48.92	-	84.87	-	173.5	-	9.6	-
Youth and Sports	132.12	109.50	6.54	-	14.26	-	217.9	-	10.8	-
Lands, Physical Planning and Housing	223.53	2,005.99	21.15	8.96	24.97	8.96	118.0	100.0	11.2	0.4
Trade, Tourism, Industry and Co-operative	148.89	250	11.60	-	14.97	-	129.0	-	10.1	-
Roads, Transport and Public Works	423.28	1,403.37	67.57	152.70	63.39	85.02	93.8	55.7	15.0	6.1
TOTAL	11,048.29	5,636.54	1,375.23	216.66	2,013.09	159.76	146.4	73.7	18.2	2.8

Source: Kiambu County Treasury

Analysis of expenditure by department shows that the Department of Water, Energy, Environment and Natural Resources recorded the highest absorption rate of development budget at 20 per cent. The Department of County Executive had the highest percentage of recurrent expenditure to recurrent budget at 25.7 per cent while the Department of Education, Youth, Sports, Culture and Social Services had the lowest at 9.6 per cent.

3.13.10 Budget Execution by Programmes and Sub-Programmes

Table 3.56 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.56 : Kiambu County, Budget Execution by Programmes and Sub-programmes in the First Quarter of FY 2020/21

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
Agriculture, Crop Production and Irrigation					
	General administration and support services	499,103,282	54,737,772	444,365,510	11.0
	Livestock resource management and development	67,000,000	-	67,000,000	-
Crop, Livestock and Fisheries development and Management	Fisheries Development	11,000,000	-	11,000,000	-
	Crop production and management	359,472,984	13,215,800	346,257,184	3.7
		936,576,266	67,953,572	868,622,694	7.3
		936,576,266	67,953,572	868,622,694	7.3
Sub Total					
Lands, Physical Planning and Housing					
	Planning & Housing Administration	222,534,698	24,967,182	197,567,516	11.2
	Housing Development	38,000,000	8,962,226	29,037,774	
Land Management and Physical Planning; & Housing Development	Land Management and Physical Planning	68,000,000	-	68,000,000	-
		328,534,698	33,929,408	294,605,290	
Municipal Administration & Urban Development	Municipal Administration and Urban Development	1,900,993,000	-	1,900,993,000	-
		1,900,993,000	-	1,900,993,000	
		2,229,527,698	33,929,408	2,195,598,290	1.5
Sub Total					
Roads, Transport and Public Works					
Maintenance of Roads, Bridges, Land Transport, Construction & Maintenance	Construction of road and civil works	1,403,374,561	85,023,095	1,318,351,466	6.1
		1,403,374,561	85,023,095	1,318,351,466	
Administration, planning & support	General Administration and Support services	423,275,912	63,388,980	359,886,932	15.0
		423,275,912	63,388,980	359,886,932	
		1,826,650,473	148,412,075	1,678,238,398	8.1
Sub Total					
Trade, Tourism, Industry and Co-operative					
	General administration and support services	94,659,248	10,543,227	84,116,021	11.1
	Trade, Industrial Development and Investments	259,175,000	1,974,151	257,200,849	0.8
Industrial, Investments, Tourism, Trade and Cooperative Development	Cooperative Development and promotion	38,050,778	2,452,168	35,598,610	6.4
	Enterprise Development	7,000,000	-	7,000,000	-
		398,885,026	14,969,546	383,915,480	3.8
		398,885,026	14,969,546	383,915,480	3.8
Sub Total					
Health Services					
Curative and preventive health care services	Health curative services	1,552,908,739	115,890,569	1,437,018,170	7.5
		1,552,908,739	115,890,569	1,437,018,170	7.5
Administration, Planning and Support Services	General Administration and Support Services	4,043,345,402	1,000,127,282	3,043,218,120	24.7
		4,043,345,402	1,000,127,282	3,043,218,120	24.7
Preventive Health Services	Community Health Services	81,055,328	20,159,980	60,895,348	24.9
		81,055,328	20,159,980	60,895,348	24.9
County Pharmaceutical Services	Pharmaceutical and Non Pharmaceutical supplies	75,000,000	-	75,000,000	-
		75,000,000	-	75,000,000	-

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
		5,752,309,469	1,136,177,831	4,616,131,638	19.8
Sub Total					
Education, Youth, Sports, Culture and Social Services					
Pre-primary education, Promotion of Culture; ICT and social Services	Pre-primary education and youth polytechnics services	367,752,558	754,500	366,998,058	0.2
		367,752,558	754,500	366,998,058	0.2
General Administration and support Services	General Administration and support Services	667,528,538	84,116,652	583,411,886	12.6
		667,528,538	84,116,652	583,411,886	12.6
Culture Gender and Social Service Development	Culture, Gender & Social Services	10,000,000	-	10,000,000	-
		10,000,000	-	10,000,000	-
		1,045,281,096	84,871,152	960,409,944	8.1
Sub Total					
County Assembly					
General Administration and support services	General Administration and support services	411,446,708	31,966,674	379,480,034	7.8
		411,446,708	31,966,674	379,480,034	
Representation services	Representation services	125,700,000	14,365,659	111,334,341	11.4
		125,700,000	14,365,659	111,334,341	
Legislation and Oversight of county Government	Legislation and Oversight services	638,381,228	52,041,878	586,339,350	8.2
		638,381,228	52,041,878	586,339,350	8.2
		1,175,527,936	98,374,211	1,077,153,725	8.4
Sub Total					
County Executive					
	General Administration and support services	306,651,106	83,189,783	223,461,323	27.1
Leadership and Co-ord. of County Administration and Departments	Representation Services	66,710,000	12,847,292	53,862,708	19.3
		373,361,106	96,037,075	277,324,031	25.7
		373,361,106	96,037,075	277,324,031	25.7
Sub Total					
County Public Service Board					
Leadership and Admin of HR management and development in County Public Service	Human Resource development and management services	78,962,096	9,006,065	69,956,031	11.4
		78,962,096	9,006,065	69,956,031	11.4
Sub Total					
Finance and Economic Planning					
	General Administration and support services	1,114,625,156	185,510,767	929,114,389	16.6
	financial management services	190,796,120	94,593,266	96,202,854	49.6
Public Finance Management and Economic Policy and Strategy	Economic planning services	10,000,000	2,050,000	7,950,000	20.5
		1,315,421,276	282,154,033	1,033,267,243	21.4
ICT Services	ICT Services	66,249,021		66,249,021	-
		66,249,021	-	66,249,021	-
		1,381,670,297	282,154,033	1,099,516,264	20.4
Sub Total					
Administration, and Public Service and Communication					
Admin & co-ord of county affairs, HR Dev, Management, Capacity Building	General administration and support services	673,028,472	109,223,993	563,804,479	16.2
	Human resource development and management	5,000,000	-	5,000,000	-
		678,028,472	109,223,993	568,804,479	16.1

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
Leadership and Admin of HR mgnt and dev in County Public Service	Leadership and Admin of HR mgnt and dev in County Public Service	19,121,528	3,163,230	15,958,298	16.5
		19,121,528	3,163,230	15,958,298	16.5
Sub Total		697,150,000	112,387,223	584,762,777	16.1
Youth and Sports					
Promotion and development of sports; Youth services	General administration and support services	241,615,300	14,258,124	227,357,176	5.9
		241,615,300	14,258,124	227,357,176	5.9
Sub Total					
Water, Energy, Environment and Natural Resources					
	Environmental management	50,944,735	-	50,944,735	-
Water Resources Management, Environment Protection and Conservation	Water provision and management	134,000,000	41,023,564	92,976,436	30.6
	Natural resources conservation and Management	15,000,000	-	15,000,000	-
	Renewable Energy and Climate Change	7,000,000	-	7,000,000	-
		206,944,735	41,023,564	165,921,171	19.8
1002004060 General Administration Planning and Support Services	General Administration and Support Services	340,371,300	33,290,591	307,080,709	9.8
		340,371,300	33,290,591	307,080,709	9.8
		547,316,035	74,314,155	473,001,880	13.6
Sub Total					
Grand Total		16,684,832,798	2,172,844,470	14,511,988,328	13.0

Source: Kiambu County Treasury

The programmes with the highest absorption rates were: Leadership and Co-ordination of County Administration and Departments at 25.7 per cent, Preventive Health Services at 24.9 per cent, Administration, Planning and Support Services at 24.9 per cent, and Public Finance Management and Economic Policy and Strategy at 21.4 per cent of budget allocation.

3.13.11 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. 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 in the first quarter of FY 2020/21 whereby the County spent Kshs.159.76 million out of the annual development budget of Kshs.5.64 billion, representing 2.8 per cent of the annual development budget.
3. Under performance in own revenue at Kshs.452.33 million against annual projection of Kshs.3.67 billion. The realised own source revenue represented 12.3 per cent of its annual target.
4. Weak budgetary control by the County Treasury where the County incurred expenditure in excess of approved exchequer issues.

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

1. The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County should develop and implement strategies to enhance own source revenue collection to ensure the approved budget is fully financed.
4. The County Treasury should improve Vote book control and work plan linkage to ensure that expenditure is within the exchequer issues.

3.14 County Government of Kilifi

3.14.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.14.68 billion, comprising of Kshs.6.24 billion (42.5 per cent) and Kshs.8.44 billion (57.5 per cent) allocations for development and recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.10.6 billion (71.3 per cent) being equitable share of revenue raised nationally, Kshs.1.81 billion (12.1 per cent) as total conditional grants, generate Kshs.1.1 billion (7.4 per cent) from own sources of revenue, and a cash balance of Kshs.1.37 billion (9.2 per cent) from FY 2019/20 as contained in the CARA, 2020.

3.14.2 Revenue Performance

During the first quarter of FY2020/21, the County raised Kshs.127.06 million as own-source revenue, and had a cash balance of Kshs.1.31 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.44 billion as shown in Table 3.57.

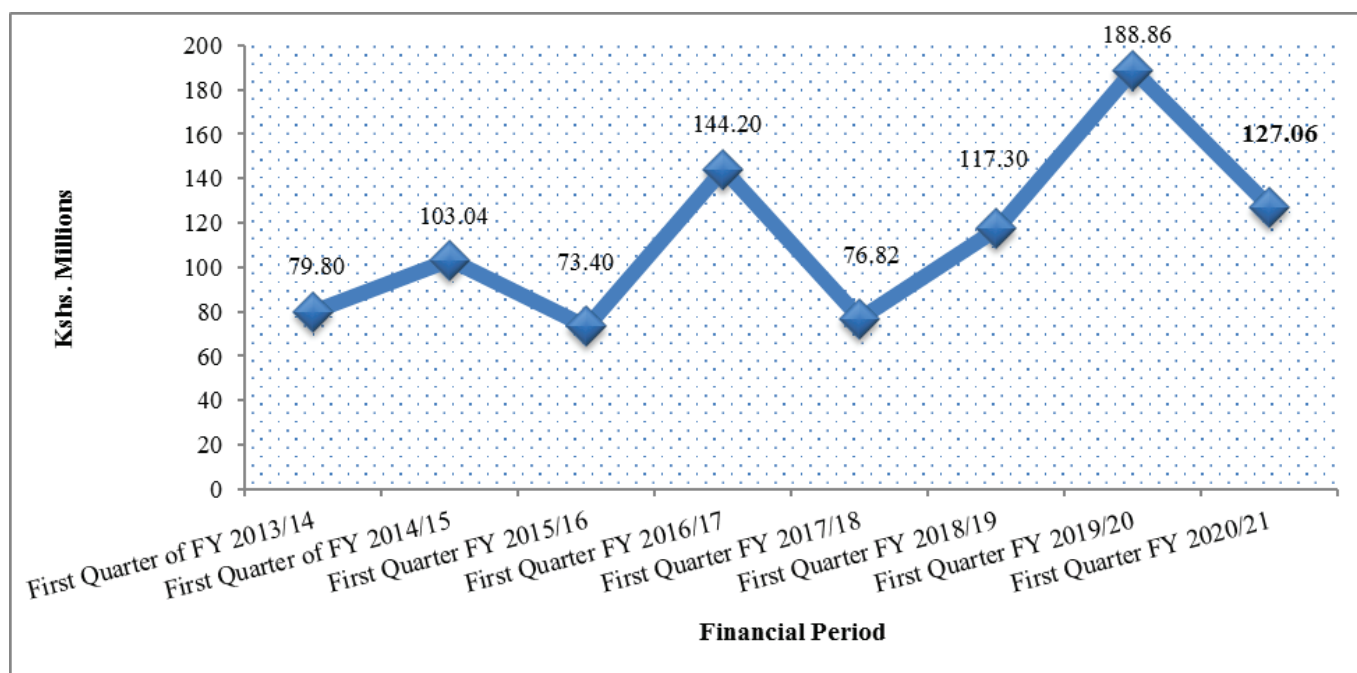
Table 3.57: Kilifi County, Revenue Performance in the First Quarter of FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual Receipts in (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	10,602,750,000	10,602,750,000	-	-
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	-	-
4	Rehabilitation of Village Polytechnics	79,999,894	79,999,894	-	-
	Sub Total	554,005,433	554,005,433	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	265,111,481	265,111,481	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	198,440,766	198,440,766	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	236,411,097	-	-	-
5.	DANIDA Grant	29,700,000	29,700,000	-	-
6.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant	700,000,000	700,000,000	-	-
7.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Institutional Grants (UIG)	14,982,463	14,982,463	-	-
8.	Kenya Urban Support Programme (KUSP)-Urban Institutional Grant	8,800,000	-	-	-
	Sub Total	1,498,445,807	1,253,234,710	-	-
D	Other Sources of Revenue				
	Own Source Revenue	-	1,100,000,000	127,059,059	11.6
	Balance b/f from FY 2019/20	-	1,367,787,241	1,314,237,297	96.1
	Sub Total	-	2,467,787,241	1,441,296,356	58.4
Total		12,655,201,240	14,677,777,384	1,441,296,356	9.7

Source: Kilifi County Treasury

Figure 3-26 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-26: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Kilifi County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.127.06 million as own-source revenue. This amount represented a decrease of 32.7 per cent when compared to Kshs.188.86 million realised during the same period in FY 2019/20, and represented 11.6 per cent of the annual target.

3.14.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.930.53 million from the CRF account during the reporting period. This amount comprised of Kshs.40.89 million (4.4 per cent) for development programmes and Kshs.889.65 million (95.6 per cent) for recurrent programmes.

3.14.4 Overall Expenditure Review

A total of Kshs.449.98 million was spent on development and recurrent programmes and represented 48.4 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.40.88 million and Kshs.409.09 million on development and recurrent activities respectively. Expenditure on development programmes represented an absorption rate of 0.7 per cent while that incurred on recurrent programmes represented an absorption rate of 4.8 per cent.

3.14.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.400.2 million was spent on Compensation to Employees, Kshs.8.89 million on Operations and Maintenance, and Kshs.40.89 million on development activities.

Table 3.58: Summary of Expenditure by Economic Classification

	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	8,435,037,503	889,648,717	409,090,642	4.8
Compensation to Employees	4,322,405,873	824,344,057	400,203,417	9.3
Operations and Maintenance	4,112,631,630	65,304,660	8,887,225	0.2
Total Development Expenditure	6,242,739,881	40,885,219	40,885,219	0.7
Development Expenditure	6,242,739,881	40,885,219	40,885,219	0.7
Total	14,677,777,384	930,533,936	449,975,861	3.1

Source: Kilifi County Treasury

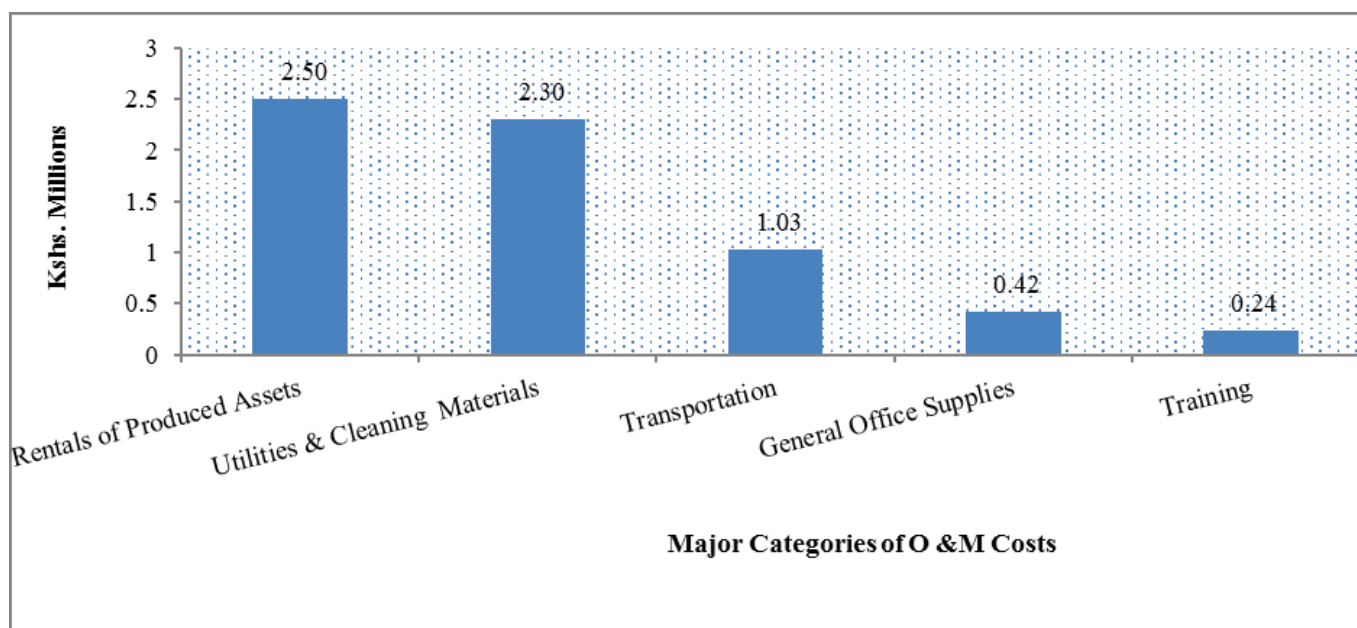
3.14.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.400.2 million and represented 27.8 per cent of the total revenue of Kshs.1.44 billion in the first quarter of the financial year.

3.14.7 Analysis of Operations and Maintenance Expenditure

Figure 3-27 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-27: Kilifi County, Operations and Maintenance Expenditure by Major Categories



Source: Kilifi County Treasury

3.14.8 Development Expenditure Analysis

The development expenditure of Kshs.40.89 million represented 0.7 per cent of the annual development budget of Kshs.6.24 billion and represented an increase of 14.4 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.35 million. The County Treasury did not submit a report on development projects implemented during the reporting period.

3.14.9 Budget Performance by Department

Table 3.59 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.59: Kilifi County, Budget Performance by Department for FY 2020/21

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	817.59	118.50	127.30	-	56.21	-	44.2	-	6.9	-
Office of the Governor	280.40	-	26.54	-	24.63	-	92.8	-	8.8	-
County Attorney	90	-	-	-	0.06	-	-	-	0.1	-
Finance	639.39	66.03	60.52	-	4.21	-	7.0	-	0.7	-
Economic Planning	87.42	-	-	-	0.04	-	-	-	0.1	-
Agriculture	362.08	376.09	33.60	-	5.15	-	15.3	-	1.4	-
Livestock	51.42	157.43	-	-	1.87	-	-	-	3.6	-
Fisheries	51.01	101.03	-	-	-	-	-	-	-	-
Water And Sanitation	193.08	1,255.26	33.32	-	24.17	-	72.6	-	12.5	-
Environment & Natural Resources	117.27	55.76	-	-	-	-	-	-	-	-
Education (Sports & Youth Affairs)	1,018.11	665.27	78.17	-	88.40	-	113.1	-	8.7	-
ICT	81.86	-	-	-	-	-	-	-	-	-
Medical Services	2,728.13	1,187.74	414.63	40.89	154.86	40.89	37.3	100.0	5.7	3.4
Public Health	496.78	33	-	-	-	-	-	-	-	-
Roads & Public Works	299.03	1,114.26	21.76	-	7.50	-	34.5	-	2.5	-
Lands and Energy	149.26	337.16	7.26	-	0.22	-	3.0	-	0.1	-
Physical Planning & Urban Development	38.22	173	-	-	-	-	-	-	-	-
Gender, Culture & Social Services	131.22	183.10	4.40	-	7.93	-	180.2	-	6.0	-
Trade And Tourism	129.80	303.14	8.33	-	0.43	-	5.2	-	0.3	-
Cooperatives Development	14.35	-	-	-	-	-	-	-	-	-
Public Service Board	65.16	-	5.21	-	4.28	-	82.0	-	6.6	-
Devolution & Public Service	144.33	79.96	26.76	-	25.42	-	95.0	-	17.6	-
Disaster Management	389.15	-	39.82	-	-	-	-	-	-	-
Kilif Municipality	25	-	0.99	-	1.21	-	122.3	-	4.8	-
Malindi Municipality	35	36	1.04	-	2.52	-	242.0	-	7.2	-
TOTAL	8,435.04	6,242.74	889.65	40.89	409.09	-	46.0	-	4.8	0.7

Source: Kilifi County Treasury

Analysis of expenditure by department shows that the Department of Medical Service recorded the highest absorption rate of development budget at 3.4 per cent while all other departments did not report expenditure on development activities. The Department of Devolution & Public Service had the highest percentage of recurrent expenditure to recurrent budget at 17.6 per cent while the Department of Disaster Management did not report any expenditure.

3.14.10 Budget Execution by Programmes and Sub-Programmes

Table 3.60 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.60 : Kilifi County, Budget Execution by Programmes and Sub-programmes

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance	Absorption (%)
County Attorney	Administration Planning and Support Services	90,000,000	55,500	89,944,500	0.1
	Sub total	90,000,000	55,500	89,944,500	0.1
Agriculture	Administration, Planning and Support services	547,264,356	5,145,767	542,118,589	0.9
	Food Sufficiency Initiatives	54,063,600	-	54,063,600	-
	Agribusiness and Information Management	61,653,432	-	61,653,432	-
	Irrigation and Drainage Infrastructure	75,194,574	-	75,194,574	-
	Sub total	738,175,962	5,145,767	733,030,195	0.7

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance	Absorption (%)
Devolution, Public service and Disaster management	County Secretary	5,450,000	-	5,450,000	-
	Enforcement	5,250,000	-	5,250,000	-
	Administration, Planning and Support Services	593,589,152	25,415,769	568,173,383	4.3
	Human resource Management	3,400,000	-	3,400,000	-
	Strategic Human Resource Management	5,750,000	-	5,750,000	-
	Sub total	613,439,152	25,415,769	588,023,383	4.1
Education	General Administration, Planning and Support Services	638,564,598	88,167,804	550,396,794	13.8
	Early Childhood development education	521,095,209	235,000	520,860,209	-
	Education support services	350,000,000	-	350,000,000	-
	Vocation Education and training	173,714,638	-	173,714,638	-
	Sub total	1,683,374,445	88,402,804	1,594,971,641	5.3
Environment, Forestry, Natural Resources & Wildlife	Environment management and protection	173,033,265	-	173,033,265	-
	Sub total	173,033,265	-	173,033,265	-
Economic Planning	County Fiscal Planning	66,910,250	41,000	66,869,250	0.1
	Statistical Information services /Monitoring	20,514,532	-	20,514,532	-
	Sub total	87,424,782	41,000	87,383,782	0.0
Finance	Administration, Planning and Support Services	577,494,892	4,142,238	573,352,654	0.7
	Kenya devolution support programme	22,500,000	-	22,500,000	-
	Budget Formulation, Coordination and Management	14,031,000	-	14,031,000	-
	Audit Services	3,065,000	-	3,065,000	-
	Accounting Services	5,812,500	70,000	5,742,500	1.2
	Supply Chain Management Services	4,650,000	-	4,650,000	-
	Development	66,033,455	-	66,033,455	-
	Resource Mobilisation/Debt Management	11,835,260	-	11,835,260	-
	Sub total	705,422,107	4,212,238	701,209,869	0.6
Gender	General Administration, Planning and Support Services	70,092,915	7,929,637	62,163,278	11.3
	Conservation of Culture	9,700,000	-	9,700,000	-
	Sports Development	85,703,440	-	85,703,440	-
	Gender Mainstreaming	19,000,000	-	19,000,000	-
	Betting control and licensing	4,036,809	-	4,036,809	-
	Social Development	125,788,722	-	125,788,722	-
	Sub total	314,321,886	7,929,637	306,392,249	2.5
Health	Curative and rehabilitative	529,781,345	-	529,781,345	-
	General Administration, Planning & Support Services	2,728,128,585	154,857,709	2,573,270,876	5.7
	Development	1,187,744,033	40,885,219	1,146,858,814	3.4
	Sub total	4,445,653,963	195,742,928	4,249,911,035	4.4
Lands & Energy	General Administration Planning and Support services	310,338,666	215,955	310,122,711	0.1
	Land policy and planning	97,674,381	-	97,674,381	-
	Alternative Energy Technologies	78,404,074	-	78,404,074	-
	Sub total	486,417,121	215,955	486,201,166	0.0
Livestock	Administration, Planning and Support services	26,793,000	1,031,000	25,762,000	3.8
	Livestock Production and Management	73,515,001	110,920	73,404,081	0.2
	Livestock Value Addition and Marketing	56,864,834	-	56,864,834	-
	Food Safety and Animal Products Development	20,792,038	375,000	20,417,038	1.8
	Livestock Disease Management and Control	30,876,628	350,000	30,526,628	1.1
	Sub total	208,841,501	1,866,920	206,974,581	0.9
Fisheries	Fisheries Policy and Capacity Development	94,254,847	-	94,254,847	-
	Assurance of Fish Safety, Value Addition and Marketing	57,787,508	-	57,787,508	-
	Sub total	152,042,355	-	152,042,355	-

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance	Absorption (%)
Office of the Governor	Intergovernmental relations	5,500,000	-	5,500,000	-
	Administration, planning and support services	274,895,858	24,629,704	250,266,154	9.0
	Sub total	280,395,858	24,629,704	255,766,154	8.8
County Assembly	General administration	936,088,616	56,211,668	879,876,948	6.0
	Sub total	936,088,616	56,211,668	879,876,948	6.0
Public Works	General administration, planning and support services	149,514,147	7,496,772	142,017,375	5.0
	Road Transport	1,263,777,408	-	1,263,777,408	-
	Sub total	1,413,291,555	7,496,772	1,405,794,783	0.5
Trade & Tourism	General Administration, Planning and Support services	99,433,235	429,380	99,003,855	0.4
	Trade Development and Promotion	314,020,414	-	314,020,414	-
	Co-operative Development and Promotion	14,350,000	-	14,350,000	-
	Tourism Development and Promotion	19,490,000	-	19,490,000	-
	Sub total	447,293,649	429,380	446,864,269	0.1
Public Service Board	General Administration, Planning and Support Services	52,582,963	4,276,589	48,306,374	8.1
	Coordination and Supervision	2,922,200	-	2,922,200	-
	Human Resource Development	5,100,000	-	5,100,000	-
	Performance Management	4,553,038	-	4,553,038	-
	Sub total	65,158,201	4,276,589	60,881,612	6.6
Kilifi Municipality	General Administration	25,000,000	1,207,216	23,792,784	4.8
	Sub total	25,000,000	1,207,216	23,792,784	4.8
Malindi Municipality	General Administration	71,000,000	2,522,212	68,477,788	3.6
	Sub total	71,000,000	2,522,212	68,477,788	3.6
Physical Planning & Urban Development	General Administration	211,211,458	-	211,211,458	-
	Sub total	211,211,458	-	211,211,458	-
ICT	General Administration	81,855,754	-	81,855,754	-
	Sub total	81,855,754	-	81,855,754	-
Water & Sanitation	General Administration, Planning and Support Services	193,077,617	24,173,802	168,903,815	12.5
	Water Resource management	1,255,258,137	-	1,255,258,137	-
	Sub total	1,448,335,754	24,173,802	1,424,161,952	1.7
Grand Total		14,677,777,384	449,975,860	14,227,801,524	3.1

Source: Kilifi County Treasury

The programmes with the highest absorption rates were: General Administration, Planning and Support Services in the Department of Water and Sanitation at 12.5 per cent and General Administration, Planning and Support Services in the Department of Gender at 11.3 per cent of budget allocation.

3.14.11 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. Further, the County did not submit a report on projects implemented during the reporting period.
2. Under performance in own source of revenue collection at Kshs.127.06 million, which represented 11.6 per cent of its annual target of Kshs.1.1 billion.

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

1. The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012. Further, the County Treasury should build its capacity to ensure reports on budget execution are complete and submitted in a timely manner.
2. The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed

3.15 County Government of Kirinyaga

The county's approved budget for FY 2020/21 is Kshs.5.68 billion, comprising of Kshs.1.95 billion (34.3 per cent) and Kshs.3.73 billion (65.7 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.4.27 billion (75.2 per cent) as equitable share of revenue raised nationally, Kshs.460.56 million (8.1 per cent) as total conditional grants, generate Kshs.400 million (7 per cent) from own sources of revenue, and had a cash balance of Kshs.429.36 million (7.6 per cent) from FY 2019/20. The County also expects to receive Kshs.116.35 million (2 per cent) as "other revenues" not contained in the CARA, 2020.

3.15.1 Revenue Performance

During the first quarter of FY2020/21, the County raised Kshs.91.95 million as own-source revenue and had a cash balance of Kshs.429.36 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.521.31 million as shown in Table 3.61.

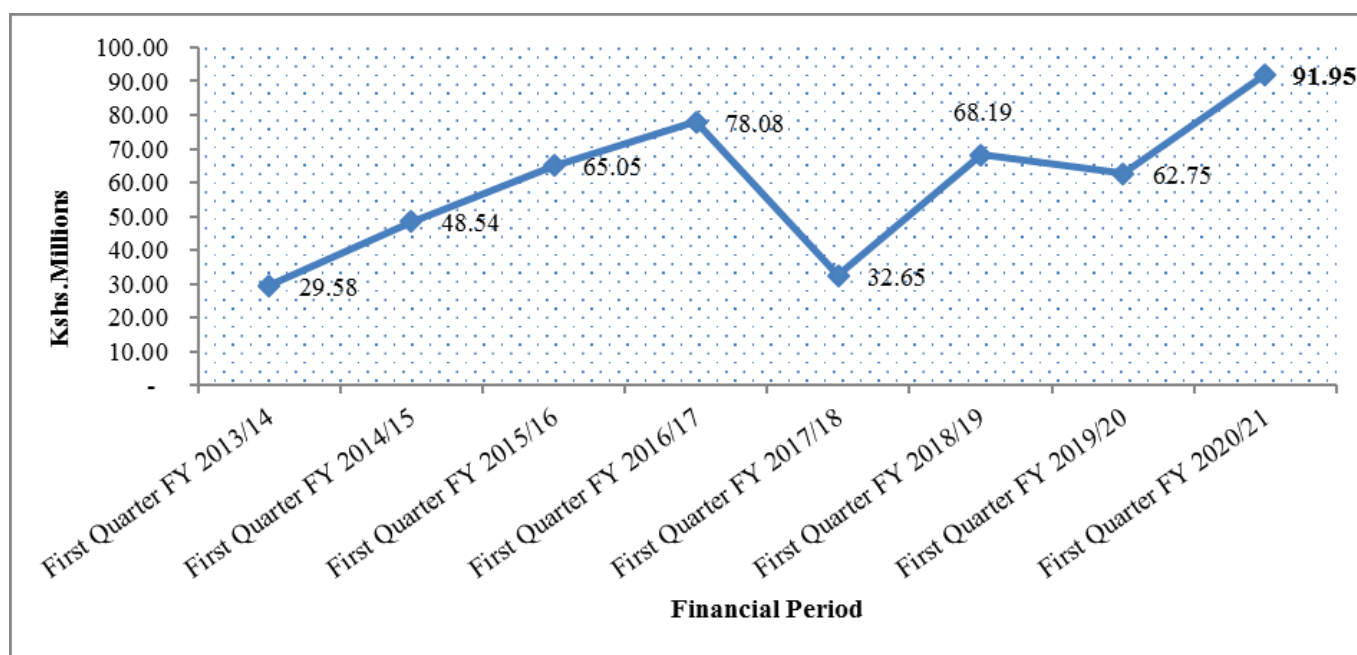
Table 3.61: Kirinyaga County, Revenue Performance in the First Quarter of FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	4,272,750,000	4,272,750,000	-	-
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	-	-
4.	Rehabilitation of Village Polytechnics	26,899,894	26,899,894	-	-
	Sub Total	297,552,827	165,531,550	-	-
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) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	199,748,243	199,748,243	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	12,060,000	12,060,000	-	-
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	11,509,004	11,509,004	-	-
	Sub Total	295,037,247	295,037,247	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	400,000,000	91,952,926	23.0
2.	Balance b/f from FY 2019/20	-	429,360,717	429,360,717	100.0
3.	Other Revenues	-	116,356,000	-	-
	Sub Total	-	945,716,717	521,313,643	55.1
	Grand Total	4,865,340,074	5,679,035,514	521,313,643	9.2

Source: Kirinyaga County Treasury

Figure 3-28 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-28: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Kirinyaga County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.91.95 million as own-source revenue. This amount represented an increase of 31.8 per cent when compared to Kshs.62.74 million realised during the same period in FY 2019/20, and represented 23 per cent of the annual target.

3.15.2 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.491.47 million from the CRF account during the reporting period. This amount comprised Kshs.491.47 million entirely for recurrent programmes.

3.15.3 Overall Expenditure Review

A total of Kshs.491.48 million was spent on development and recurrent programmes and represented 100 per cent of the total funds released from the CRF account. The expenditure was entirely on recurrent activities and represented an absorption rate of 13.2 per cent.

3.15.4 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.484.66 million was spent on Compensation to Employees and Kshs.6.81 million on Operations and Maintenance.

Table 3.62: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	3,729,037,553	491,479,354	491,479,354	13.2
Compensation to Employees	2,600,162,240	484,660,712	484,660,712	18.6
Operations and Maintenance	1,128,875,313	6,818,642	6,818,642	0.6
Total Development Expenditure	1,949,997,961	-	-	-
Development Expenditure	1,949,997,961	-	-	-
Total	5,679,035,514	491,479,354	491,479,354	8.7

Source: Kirinyaga County Treasury

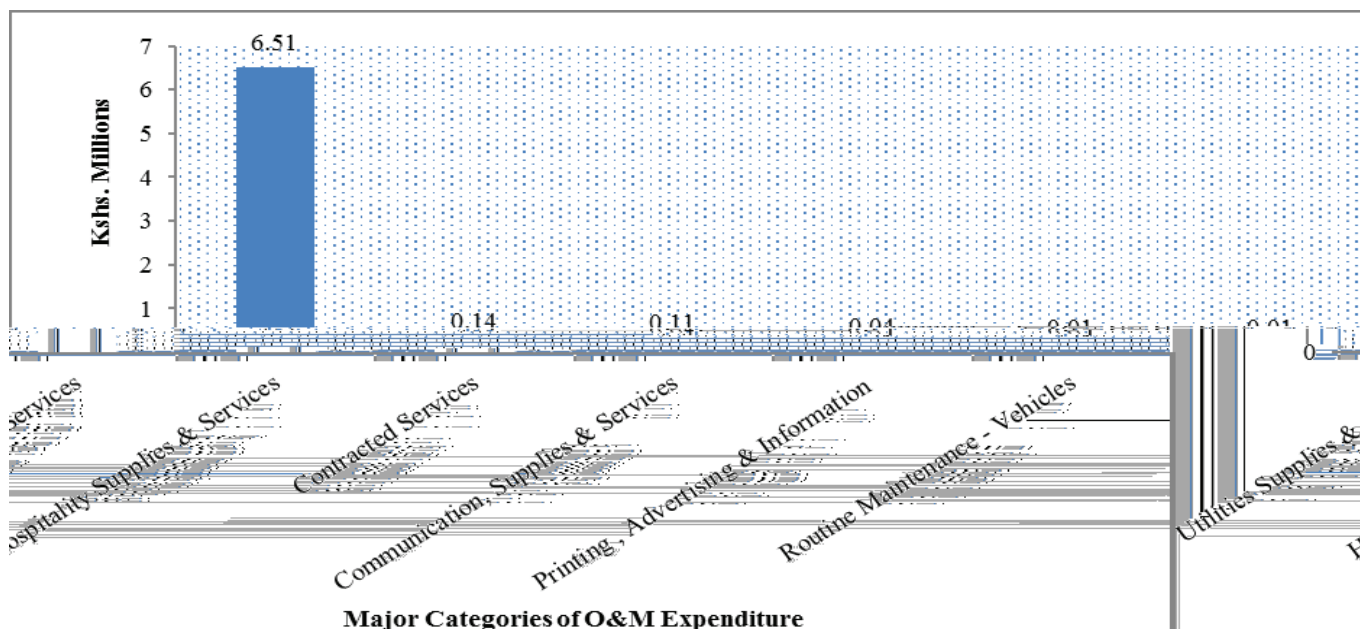
3.15.5 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.484.66 million and represented 93 per cent of the total revenue of Kshs.521.31 million in the first quarter of the financial year.

3.15.6 Analysis of Operations and Maintenance Expenditure

Figure 3-29 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-29: Kirinyaga County, Operations and Maintenance Expenditure by Major Categories



Source: Kirinyaga County Treasury

The County spent Kshs.10.31 million on committee sitting allowances for the 34 MCAs and Speaker against the annual budget allocation of Kshs.70.31 million. The average monthly sitting allowance was Kshs.101,041 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

3.15.7 Development Expenditure Analysis

The County did not report expenditure on development activities during the period under review.

3.15.8 Budget Performance by Department

Table 3.63 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.63: 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	182.0	202.7	24.0	-	24.0	-	100	-	13.2	-
Cooperative Development Trade and Tourism	27.4	17.2	2.6	-	2.6	-	100	-	9.4	-
County Assembly	569.4	631.1	63.5	-	63.5	-	100	-	11.1	-
County Executive	333.7	85.0	27.7	-	27.7	-	100	-	8.3	-
Education	281.9	56.1	24.3	-	24.3	-	100	-	8.6	-
Environment and Natural Resources	91.1	120.0	14.3	-	14.3	-	100	-	15.7	-
Finance and Economic Planning	400.3	70.0	34.2	-	34.2	-	100	-	8.5	-
Gender and Youth	35.8	78.1	4.5	-	4.5	-	100	-	12.6	-
Medical Services and Public Health	1,677.3	264.4	282.1	-	282.1	-	100	-	16.8	-
Physical Planning and Housing	28.0	13.7	4.3	-	4.3	-	100	-	15.2	-
Sports Culture and Social Services	30.6	24.9	1.7	-	1.7	-	100	-	5.6	-
Transport and Infrastructure	71.7	386.7	8.3	-	8.3	-	100	-	11.6	-
Total	3,729.0	1,950.0	491.5	-	491.5	-	100	-	13.2	-

Source: Kirinyaga County Treasury

Analysis of expenditure by department shows that the Department of Medical Services and Public Health had the highest percentage of recurrent expenditure to recurrent budget at 16.8 per cent while the Department of Sports, Culture and Social Services had the lowest at 5.6 per cent.

3.15.9 Budget Execution by Programmes and Sub-Programmes

Table 3.64 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.64 : 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 (Kshs)	Absorption (%)
Legislation and Oversight	Legislation and Oversight	1,200,538,071	63,481,365	1,137,056,706	5.3
Sub Total		1,200,538,071	63,481,365	1,137,056,706	5.3
Office of the Governor and Deputy Governor	070601 County Executive Services	289,282,693	27,659,475	261,623,218	9.6
County Executive Administration	070701 County Executive Services	85,000,000	-	85,000,000	0.0
Management of County Affairs	070801 Coordination of County Functions	1,000,000	-	1,000,000	-
County Executive Committee Affairs	070901 Organization of County Business	3,200,000	-	3,200,000	-
County Public Service Board	071001 Human Resource Management	13,053,640	-	13,053,640	-
Administrative Support Services	020701 Government Buildings Services	2,567,000	-	2,567,000	-
	070411 Audit Committee	1,919,000	-	1,919,000	-
	070412 County Enforcement Activities	3,185,000	-	3,185,000	-
	070413 ICT Infrastructure Development Management	2,158,800	-	2,158,800	-
	070414 ICT Systems Development Management	17,314,717	-	17,314,717	-
Sub Total		418,680,850	27,659,475	391,021,375	6.6
Public Finance Management	070401 Finance Services	432,571,139	34,155,161	398,415,978	7.9
	070402 Revenue Services	14,600,000	-	14,600,000	0.0
	070404 Procurement and Supply Services	6,446,500	-	6,446,500	-
	070405 Internal Audit Services	1,318,200	-	1,318,200	-
	070408 Budget Formulation, Coordination and Management	7,382,200	-	7,382,200	-
	070409 Accounting Services	5,477,500	-	5,477,500	-
County Planning and Economic Policy Management	070501 Economic Planning Services	2,499,000	-	2,499,000	-
Sub Total		470,294,539	34,155,161	436,139,378	7.3
Curative and Rehabilitative Services	040301 Curative and Rehabilitative Services	1,941,638,757	282,111,997	1,659,526,760	14.5
Sub Total		1,941,638,757	282,111,997	1,659,526,760	14.5
Basic Education	050101 General Administration	274,696,229	24,348,784	250,347,445	8.9
	050102 Free Pre- Primary Education	6,570,000	-	6,570,000	-
State Education Function Support	050203 Tertiary Education	56,099,894	-	56,099,894	-
Technical and Vocational Training	050301 Village Polytechnic	678,500	-	678,500	-
Sub Total		338,044,623	24,348,784	313,695,839	7.2

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
Livestock Resource Management and Development	010102 Livestock Extension and Capacity Building Services	305,000	-	305,000	-
	010105 Livestock Production Management	2,180,000	-	2,180,000	-
	010106 Livestock Disease Management & Control	1,200,000	-	1,200,000	-
Crop Development and Management	010202 Agricultural Extension Services	1,500,000	-	1,500,000	-
	010203 Agribusiness and Market Development	320,000	-	320,000	-
	010206 Land and Crop Development	1,331,000	-	1,331,000	-
	010207 Food Security Initiatives	400,000	-	400,000	-
Kamweti Agricultural Training Centre	Extension and Training		-	-	-
Fisheries Development	010402 Aquaculture Development	200,000	-	200,000	-
Policy Strategy and Management of Agriculture	010801 Development of Agricultural Policy	243,000	-	243,000	-
	010601 General Administration and Planning	377,073,182	24,038,039	353,035,143	6.4
Sub Total		384,752,182	24,038,039	360,714,143	6.2
Culture	Social Welfare Services	2,687,000	-	2,687,000	0.0
	091201 Gender Administration Services	30,921,210	-	30,921,210	0.0
	091301 Gender and Social Development	79,574,000	4,509,577	75,064,423	5.7
Youth	090901 Youth Development and Empowerment Services	670,000	-	670,000	0.0
Sub Total		113,852,210	4,509,577	109,342,633	4.0
Sports	09701 General Administration	12,221,217	1,725,607	10,495,610	14.1
	090801 Development of Sports and Sports Facilities	24,900,000	0	24,900,000	-
	091401 Management & Development of Sports and Sports Facilities	10,825,000	-	10,825,000	-
Social Services	090702 Social Services		-	-	-
	091601 Control & Campaign Against Drug & Substance Abuse	2,029,000	-	2,029,000	-
	091701 Preservation & Promotion of Heritage and Culture	248,800	-	248,800	-
Children Services	091101 Child Community Support Services	5,284,000	-	5,284,000	-
Sub Total		55,508,017	1,725,607	53,782,410	3.1
Trade Development and Investment	030401 General Administration and Planning	17,200,000	-	17,200,000	-
	030103 Capacity Building for Traders and SME's	1,027,000	-	1,027,000	-
	030104 promotion, Development & Growth of Trade	354,000	-	354,000	-
	030105 Fair Trade Practices and Consumer Protection	205,000	-	205,000	-

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
Tourism Development and Marketing	030302 Tourism promotion and Marketing	195,500	-	195,500	-
	030304 International Tourism Promotion and Marketing	310,000	-	310,000	-
	030305 Promotion of Industrial Development	1,268,500	-	1,268,500	-
	030306 Provision of Industrial Training	140,000	-	140,000	-
Cooperative Development and Marketing	030101 General Administration & Planning	22,777,427	2,570,898	20,206,529	11.3
	030405 Cooperative Advisory and Extension Services	395,000	-	395,000	-
	030406 Cooperative Education and Training	372,000	-	372,000	-
	030407 Cooperative Governance and Accountability	229,000	-	229,000	-
Cooperative Audit Services	030603 Inspections and Investigations for Cooperatives	80,200	-	80,200	-
Sub Total		44,553,627	2,570,898	41,982,729	5.8
Water Supply Services	090101 Water and Irrigation	120,000,000	14,303,470	105,696,530	11.9
Energy Programme	090301 Energy Services	405,000	-	405,000	-
Cleaning and Waste Management	090502 Environment Management and Protection	90,008,439	-	90,008,439	-
Nema	090502 Environment Management and Protection	675,800	-	675,800	-
Sub Total		211,089,239	14,303,470	196,785,769	6.8
Land and Physical Planning	010601 General Administration and Planning	26,533,028	4,258,194	22,274,835	16.0
	010604 County Spatial Planning	510,000	-	510,000	-
	010605 Town Zonings and Mapping	13,700,000	-	13,700,000	-
	010607 Survey and Mapping	505,000	-	505,000	-
Housing Development	010701 Improvement and Development of Human Settlements	420,000	-	420,000	-
Sub Total		41,668,028	4,258,194	37,409,835	10.2
Transport Management	020301 General Administration and Planning	60,271,285	8,316,788	51,954,497	13.8
Disaster Management	020401 Fire Fighting and Emergency Services	1,395,000	-	1,395,000	-
Roads Development Maintenance and Management	020601 Construction and Maintenance of Roads and Bridges	387,049,086	-	387,049,086	-
Government Building Services	020701 Government Building Services		-	-	-
Infrastructure Development, Maintenance and Management	020801 Infrastructure Development Services	9,700,000	-	9,700,000	-
Sub Total		458,415,371	8,316,788	450,098,583	1.8
Grand Total		5,679,035,514	491,479,354	5,187,556,160	8.7

Source: Kirinyaga County Treasury

The programmes with the highest absorption rates were: General Administration and Planning in the Department of Land and Physical Planning at 16.0 per cent, Curative and Rehabilitative Services at 14.5 per cent, General Administration in the Department of Sports at 14.1 per cent, and General Administration and Planning in the Department of Transport Management at 13.8 per cent of budget allocation.

3.15.10 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. Failure to implement the development budget during the period under review despite carrying forward a cash balance of Kshs.429.36 million from FY 2019/20
2. Under performance in own source revenue collection at Kshs.91.95 million which represented 23 per cent of the County's annual target of 400 million.
3. Disagreement in the approval process of the FY 2020/21 budget between the County Executive and the County Assembly which delayed access of funds to implement the budget during the reporting period.

The County should implement the following recommendations in order 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 develop and implement strategies to mobilise revenue collection to ensure the approved budget is fully financed.*
3. *The County leadership should engage the Intergovernmental Relations Technical Committee (IGRTC) for capacity building and to resolve the disagreements which caused delays in the budget approval process.*

3.16 County Government of Kisii

3.16.1 Overview of FY 2020/21 Budget

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

To finance the budget, the county expects to receive Kshs.7.82 billion (61.8 per cent) being 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.1.81 billion (14.3 per cent) from FY 2019/20.

3.16.2 Revenue Performance

During the first quarter of FY 2020/21, the County received Kshs.84.17 million as conditional grants, raised Kshs.41 million as own-source revenue, and had a cash balance of Kshs.1.11 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.24 billion as shown in Table 3.65.

Table 3.65: Kisii County, Revenue Performance in the First Quarter of FY 2020/21

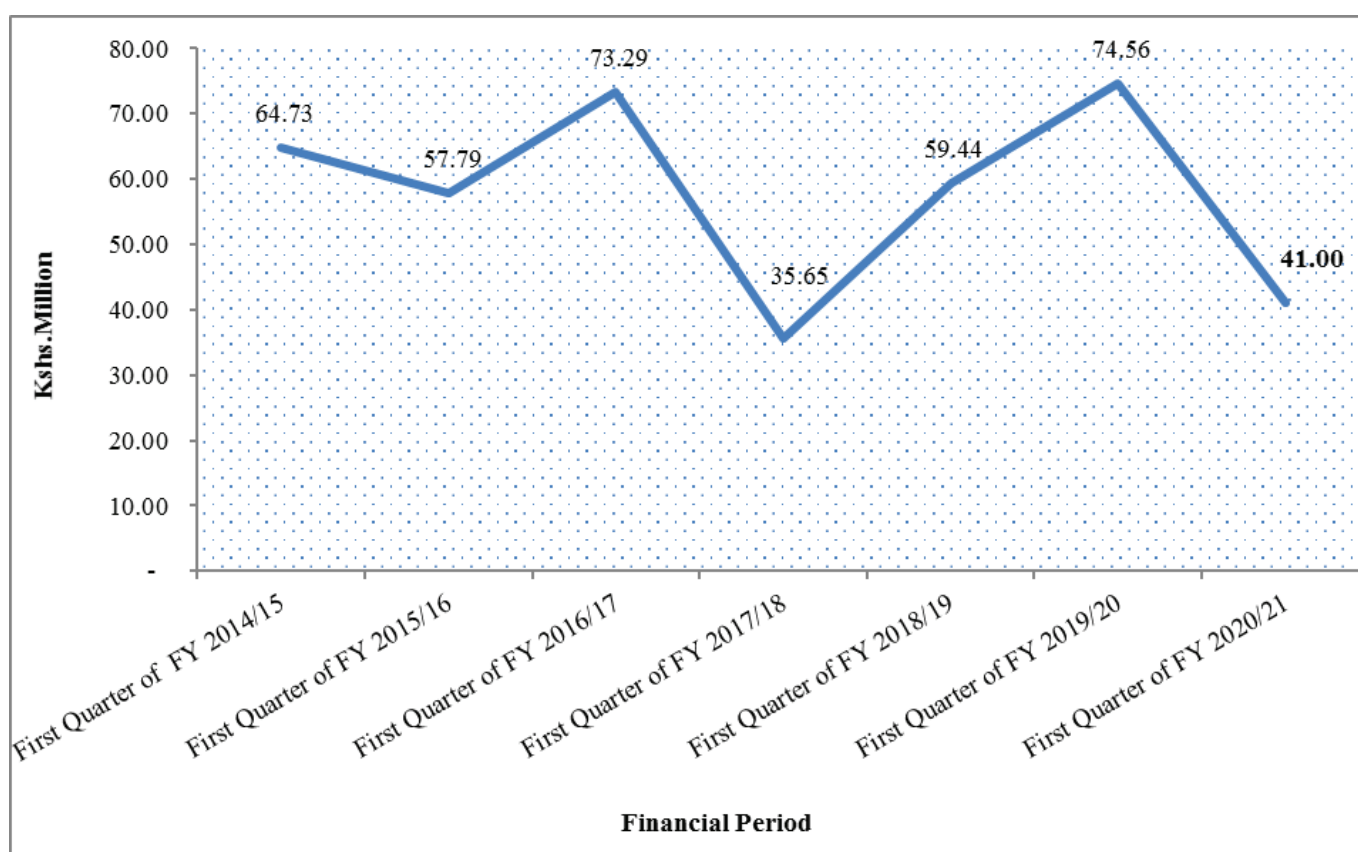
S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	7,785,900,000	7,817,550,000	-	-
B.	Conditional Grants from the National Government				
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	-	-
4.	Rehabilitation of Village Polytechnics	70,549,894	70,549,894	-	-
5.	Conditional Share for Kisii Level Five	417,572,254	417,572,254	-	-
	Sub Total	879,284,083	879,284,083	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	68,638,638	68,638,638	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	198,615,016	198,615,016	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 11 Grant	-	128,507,146	-	-

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
5.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	-	117,337,642	-	-
6.	DANIDA Grant	22,140,000	22,140,000	-	-
7.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	14,185,102	14,185,102	-	-
8.	EU Grant (Instruments for Devolution Advice and Support IDEAS)	16,140,145	16,140,145	-	-
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	84,165,000	11.7
D	Other Sources of Revenue				
1.	Own Source Revenue		650,000,000	40,996,500	6.3
2.	Balance b/f from FY 2019/20		2,590,952,010	1,112,874,351	42.9
Sub Total			3,240,952,010	1,153,870,851	35.6
Grand Total		9,029,902,984	12,656,214,782	1,238,035,851	9.8

Source: Kisii County Treasury

Figure 3-30 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-30: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Kisii County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.41 million as own-source revenue. This amount represented a decrease of 45 per cent when compared to Kshs.74.56 million realised during the same period in FY 2019/20, and represented 6.3 per cent of the annual target.

The significant decrease was attributed to the COVID 19 pandemic which affected revenue collection during the period.

3.16.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.1.09 billion from the CRF account during the reporting period. This amount was entirely for recurrent programmes.

3.16.4 Overall Expenditure Review

A total of Kshs.1.10 billion was spent on development and recurrent programmes and represented 101.2 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.137.56 million and Kshs.962.87 million on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 3.5 per cent while that incurred on Recurrent programmes represented an absorption rate of 11.1 per cent.

3.16.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.833.03 million was spent on Compensation to Employees, Kshs.129.84 million on Operations and Maintenance, and Kshs.137.56 million on development activities.

Table 3.66: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	8,680,123,767	1,087,431,936	962,865,321	11.1
Compensation to Employees	5,853,638,238	840,324,311	833,025,292	14.2
Operations and Maintenance	2,826,485,529	247,107,625	129,840,029	4.6
Total Development Expenditure	3,976,091,015	-	137,555,367	3.5
Development Expenditure	3,976,091,015	-	137,555,367	3.5
Total	12,656,214,782	1,087,431,936	1,100,420,688	8.7

Source: Kisii County Treasury

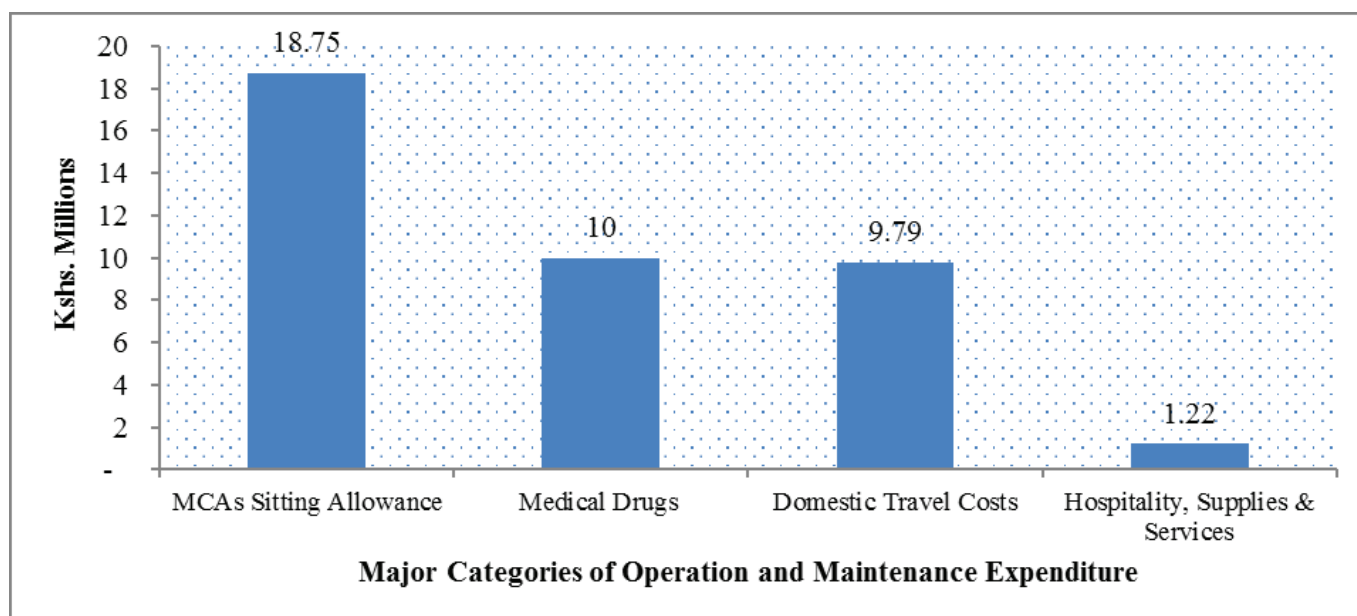
3.16.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.833.03 million and represented 67.3 per cent of the total revenue of Kshs.1.24 billion in the first quarter of the financial year.

3.16.7 Analysis of Operations and Maintenance Expenditure

Figure 3-31 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-31: Kisii County, Operations and Maintenance Expenditure by Major Categories in the First Quarter of FY 2020/21



Source: Kisii County Treasury

The County spent Kshs.18.75 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.88,022 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.9.79 million and comprised of Kshs.213,409 spent by the County Assembly and Kshs.9.58 million by the County Executive.

3.16.8 Development Expenditure Analysis

The Development expenditure of Kshs.137.56 million represented 3.5 per cent of the annual development budget of Kshs.3.98 billion and represented a decrease of 16.2 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.164.20 million. Table 3.67 provides a summary of development projects with the highest expenditure in the first quarter of financial year.

Table 3.67: Kisii County, List of Development Projects with the Highest Expenditure in the First Quarter of FY 2020/21

S/No.	Project Name/Description	Project Location	Project Budget (Kshs.)	Project Actual Expenditure (Kshs.)	Absorption Rate (%)
1	Rianyakiana-Nyabirundu-Nyoera Road	Bassi Central	4,229,012	4,225,300	99.9
2	Gesero- Sigisi- Saye- Kerina Road	Riana	4,167,880	4,160,108	99.8
3	Kegogi Mkt -Engoto Road	Kegogi	3,991,500	3,987,800	99.9
4	Etoro- Sameta Mkt- Rianyanchoka- Mosemi TC - Nyamokenye Road	Sameta Mokwerero	3,886,200	3,886,200	100
5	Ekebuse- Ebate- Rianyariki- Itogotera Road	Bomariba	3,656,600	3,624,907	99.1
6	Bumburia Mkt- Mogumo Pry - Charachani Road	Kegogi	4,272,512	3,274,170	76.6
7	Masongo -Nyagoto- Nyamarianyi Road	Sensi	3,245,700	3,216,461	99.1
8	Rianyansera-Nyamakerako- Kiaruta- Matongo Road	Bogiakumu	3,295,000	3,170,373	96.2
9	Gakero Footbridge- Tunta 1- Nyamiobo Junction Road	Majoge Bassi	3,085,400	2,952,249	95.7
10	Ichuni Tarmac -Riokari TBC - Rianyanchabera TBC, Riage-takwa- Iyenga Tarmac- Kiango mkt Road	Bombaba	3,834,011	2,906,019	75.8

Source: Kisii County Treasury

3.16.9 Budget Performance by Department

Table 3.68 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.68: Kisii County, Budget Performance by Department in the First Quarter of FY 2020/21

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	94.56	-	91.54	-	96.8	-	9.2	-
Office of the Governor and Deputy Governor	465.69	20	50.1	-	35.49	-	70.8	-	7.6	-
Administration, corporate services and Stakeholder management	675.51	36.45	87.67	-	83.11	-	94.8	-	12.3	-
Finance & Economic planning	1124.48	70	136.89	-	119.21	-	87.1	-	10.6	-
Agriculture, Livestock, Veterinary & Fisheries and Co-operative development	405.91	615.51	45.58	-	43.69	83.22	95.9	-	10.8	13.5
Energy, Environment and Natural Resources	197.24	209.27	15.24	-	13.61	-	89.3	-	6.9	-
Education, Youth Affairs & Social Development	619.28	142.34	72.51	-	64.13	-	88.4	-	10.4	-
County Health Services	3608.62	1050.5	538.29	-	456.23	-	84.8	-	12.6	-
Lands, Physical Planning and Urban Development	89.51	92.38	4.98	-	2.43	-	48.8	-	2.7	-

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
Roads, public works, Transport and Housing	208.85	1077.27	20.96	-	15.67	44.52	74.8	-	7.5	4.1
Trade	87.59	114.15	7.15	-	9.18	-	128.4	-	10.5	-
Culture and Social Services	77.01	133.66	6.2	-	8.75	-	141.1	-	11.4	-
Kisii town	127.91	234	7.32	-	19.82	9.81	270.8	-	15.5	4.2
Total	8,680.12	3,976.09	1,087.43	-	962.87	137.56	88.5	-	11.1	3.5

Source: Kisii County Treasury

Analysis of expenditure by department shows that the Department of Agriculture, Livestock, Veterinary & Fisheries and Co-operative development recorded the highest absorption rate of development budget at 13.5 per cent. The Department of Kisii Town had the highest percentage of recurrent expenditure to budget at 15.5 per cent while the Department of Lands, Physical Planning and Urban Development had the lowest at 2.7 per cent.

3.16.10 Budget Execution by Programmes and Sub-Programmes

Table 3.69 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.69 : Kisii County, Budget Execution by Programmes and Sub-programmes in the First Quarter of FY 2020/21

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption (%)
County Assembly	Office Of The Speaker	18,090,000	313,409	17,776,591	1.7
	Representation, Legislative and Oversight Services	185,071,420	4,117,500	180,953,920	2.2
	County Assembly Service Board	969,920,620	87,107,087	882,813,533	9
	Sub Total	1,173,082,040	91,537,996	1,081,544,044	7.80
County Executive	Administration, Planning and Support Services	388,699,172	35,268,347	353,430,825	9.1
	Office Of The County Secretary	29,520,000	-	29,520,000	-
	Legal Services	14,500,000	-	14,500,000	-
	Communication Services	9,250,000	224,000	9,026,000	2.4
	Special Programmes	6,950,000	-	6,950,000	-
	Public Private Partnership	3,400,000	-	3,400,000	-
	Advisory Services	3,250,000	-	3,250,000	-
	County Public Service Board	30,120,200	-	30,120,200	-
	Sub Total	485,689,372	35,492,347	450,197,025	7.31
Administration, corporate services and Stakeholder management	Administration, Planning and Support Services	579,211,277	80,855,496	498,355,781	13.96
	Devolved Units Services	45,144,044	-	45,144,044	-
	Human Resource Development	8,000,000	-	8,000,000	-
	Enforcement Services	12,800,000	-	12,800,000	-
	Stakeholder Management	14,925,000	160,000	14,765,000	1.1
	Public Participation and Civic Education	15,075,000	-	15,075,000	-
	Disaster Management	14,804,282	-	14,804,282	-
	Fleet Management	22,000,000	-	22,000,000	-
	Sub Total	711,959,603	81,015,496	630,944,107	11.4
Finance & Economic planning	Administration, Coordination and Support Services	924,750,533	112,720,982	812,029,551	12.2
	Public Financial Management Services	77,075,000	67,200	77,007,800	0.09
	County Planning Services	192,656,938	6,424,800	186,232,138	3.33
	Sub Total	1,194,482,471	119,212,982	1,075,269,489	10

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption (%)
Agriculture, Livestock, Veterinary & Fisheries	Administrative and Support Services	315,066,818	75,519,932	239,546,886	24
	Crop Development and Value Addition	423,255,789	51,392,846	371,862,943	12.1
	Livestock Development	46,300,000	-	46,300,000	-
	Veterinary Services	175,500,000	-	175,500,000	-
	Co-operative Development and Management	3,350,000	-	3,350,000	-
	Fisheries Development	48,050,000	-	48,050,000	-
	Kisii Agricultural Training Centre	9,900,000	-	9,900,000	-
	Sub Total	1,021,422,607	126,912,778	894,509,829	12.43
Energy, Environment and Natural Resources	Administration and Planning Services	115,394,842	13,609,800	101,785,042	11.79
	Water and Sanitation Services	270,312,875	-	270,312,875	-
	Environment Management	17,000,000	-	17,000,000	-
	Energy Services	3,810,500	-	3,810,500	-
	Sub Total	406,518,217	13,609,800	392,908,417	3.4
Education, Youth Affairs & Social Development	General Administration and Planning Services	619,277,713	64,128,414	555,149,299	10.4
	Early Childhood Development Education	60,793,940	-	60,793,940	-
	Vocational Training	81,549,094	-	81,549,094	-
	Sub Total	761,620,747	64,128,414	697,492,333	8.4
County Health Services	Medical Services	4,567,670,274	456,232,086	4,111,438,188	910
	Public Health	91,450,000	-	91,450,000	-
	Sub Total	4,659,120,274	456,232,086	4,202,888,188	9.8
Lands, Physical Planning and Urban Development	Administration, Planning and Support Services	70,507,240	2,429,597	68,077,643	3.5
	Land Use Services	54,800,000	-	54,800,000	-
	Urban Development	56,583,915	-	56,583,915	-
	Sub Total	181,891,155	2,429,597	179,461,558	1.3
Roads, Public Works, Transport and Housing	General Administration and Planning Services	125,540,000	15,072,965	110,467,035	12
	Roads Development	1,052,778,254	44,522,571	1,008,255,683	4.2
	Public Works	102,305,555	600,000	101,705,555	0.6
	Housing Services	5,500,000	-	5,500,000	-
	Sub Total	1,286,123,809	60,195,536	1,225,928,273	4.7
Trade, Tourism, Co-operatives and Enterprise Development	Administration and Planning Services	186,085,479	8,604,328	177,481,151	4.6
	Tourism Development	8,750,000	395,000	8,355,000	4.5
	Weights and Measures	1,700,000	107,000	1,593,000	6.3
	Liquor Licensing	1,200,000	-	1,200,000	-
	Betting and Gaming	4,000,000	74,000	3,926,000	1.9
	Sub Total	201,735,479	9,180,328	192,555,151	4.6
Culture and Social Services	Administration and Planning Services	59,206,460	8,748,979	50,457,481	14.8
	Sports Development	127,595,581	-	127,595,581	-
	Cultural Services	20,559,921	-	20,559,921	-
	Social Development	3,300,000	-	3,300,000	-
	Sub Total	210,661,962	8,748,979	201,912,983	4.15
Kisii town	General Administration, Planning and Support Services	127,905,459	19,815,636	108,089,823	15.5
	Infrastructure Development	234,001,587	9,811,993	224,189,594	4.2
	Sub Total	361,907,046	29,627,629	332,279,417	8.2
Grand total		12,656,214,782	1,098,323,968	11,557,890,814	8.9

Source: Kisii County Treasury

The programmes with the highest absorption rates were: Administrative and support services at 24.0 per cent, General Administration, Planning and Support Services at 15.5 per cent, and Administration and Planning Services at 14.8 per cent of budget allocation.

3.16.11 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 quarter of FY 2020/21, where the County spent Kshs.137.56 million out of the annual development budget of Kshs.3.98 billion. The development expenditure represented 3.46 per cent of the annual development despite the County carrying unspent cash balance of Kshs.1.11 billion from FY 2019/20 which was available in the CRF
2. Under performance in own source revenue collection at Kshs.41 million which represented 6.31 per cent of the county's annual target of Kshs.650 million.

The County should implement the following recommendations in order 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 devise and implement strategies to mobilise revenue collection to ensure the approved budget is fully financed.*

3.17 County Government of Kisumu

3.17.1 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) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.6.84 billion (53.5 per cent) being 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 the 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 (2.0 per cent) as "other revenues" not contained in the CARA, 2020.

3.17.2 Revenue Performance

During the first quarter of FY2020/21, the county raised Kshs.122.58 million as own-source revenue, and had a cash balance of Kshs.657.56 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.780.14 million as shown in Table 3.70.

Table 3.70: Kisumu County, Revenue Performance in the First Quarter of FY 2020/21

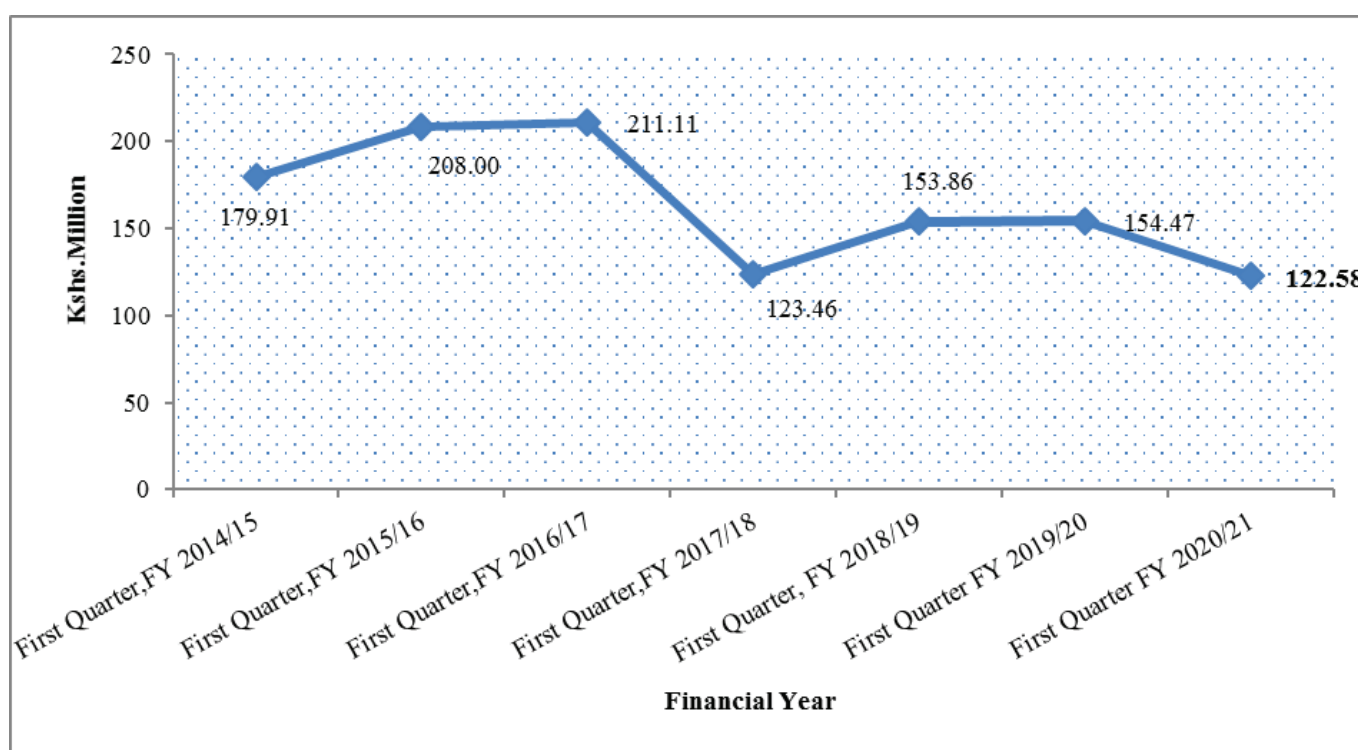
S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	6,836,400,000	6,838,321,494	-	-
B.	Conditional Grants from the National Government				
1.	Compensation for User Fee Foregone	21,299,489	21,299,489	-	-
2.	Level '5' hospital	369,017,341	408,193,262	-	-
3.	Leasing of Medical Equipment	132,021,277	-	-	-
4.	Road Maintenance Fuel Levy Fund	203,758,538	305,104,656	-	-
5.	Rehabilitation of Village Polytechnics	45,349,894	70,323,192	-	-
	Sub Total	771,446,539	804,920,599	-	-
C	Loans and Grants from Development Partners				
3.	Transforming Health systems for Universal care Project (WB)	57,625,645	135,297,510	-	-
4.	IDA (WB) Kenya Climate Smart Agriculture Project	240,035,100	323,159,500	-	-
5.	Covid - 19 fund	-	278,220,000	-	-
6.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	75,545,790	-	-
7.	EU Grant- Instruments for Devolution Advice & Support	15,626,168	87,14,812	-	-
8.	IDA (WB) Credit: (KUSP) -Urban Development Grant (UDG)	-	1,351,803,512	-	-
9.	DANIDA Grant	19,440,000	19,440,000	-	-
10.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	13,186,151	20,407,439	-	-
11.	EU- WaTER Protection & climate change mitigation	34,868,974	34,868,974	-	-

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
12.	IDA (WB) Credit: (KUSP) –Urban Institutional Grants (UIG)	-	8,800,000	-	-
13.406 mm		425,782,038	2,335,357,537	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	1,579,172, 106	122,576,876	7.8
2.	Balance b/f from FY 2019/20	-	968,038,494	657,564,585	67.9
3.	Other Revenues	-	254, 545,521	-	-
Sub Total		-	2,801,756,121	780,141,461	27.8
Grand Total		8,033,628,577	12,780,355,751	780,141,461	6.1

Source: Kisumu County Treasury

Figure 3-32 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-32: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Kisumu County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.122.58 million as own-source revenue. This amount represented a decrease of 14.2 per cent when compared to Kshs.154.47 million realised during the same period in FY 2019/20, and was 7.8 per cent of the annual target.

3.17.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.707.15 million from the CRF account during the reporting period which was entirely for recurrent programmes.

3.17.4 Overall Expenditure Review

A total of Kshs.1.81 billion was spent on development and recurrent programmes and represented 258.2 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.393.79 million and Kshs.1.41

billion on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 8.3 per cent while that incurred on recurrent programmes represented an absorption rate of 17.6 per cent.

3.17.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.26 billion was spent on compensation to employees, Kshs.158.70 million on operations and maintenance, and Kshs.393.79 million on development activities.

Table 3.71: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer (Kshs.)	Issues	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	8,025,436,66	701,149,507		1,414,507,829	8,025,436,66
Compensation to Employees	5,081,619,645	707,149,507		1,255,808,631	5,081,619,645
Operations and Maintenance	2,943,816,721	-		158,699,198	2,943,816,721
Total Development Expenditure	4,754,919,385	-		393,791,319	4,754,919,385
Development Expenditure	4,754,919,385	-		393,791,319	4,754,919,385
Total	12,780,355,751	707,149,507		1,808,299,148	12,780,355,751

Source: Kisumu County Treasury

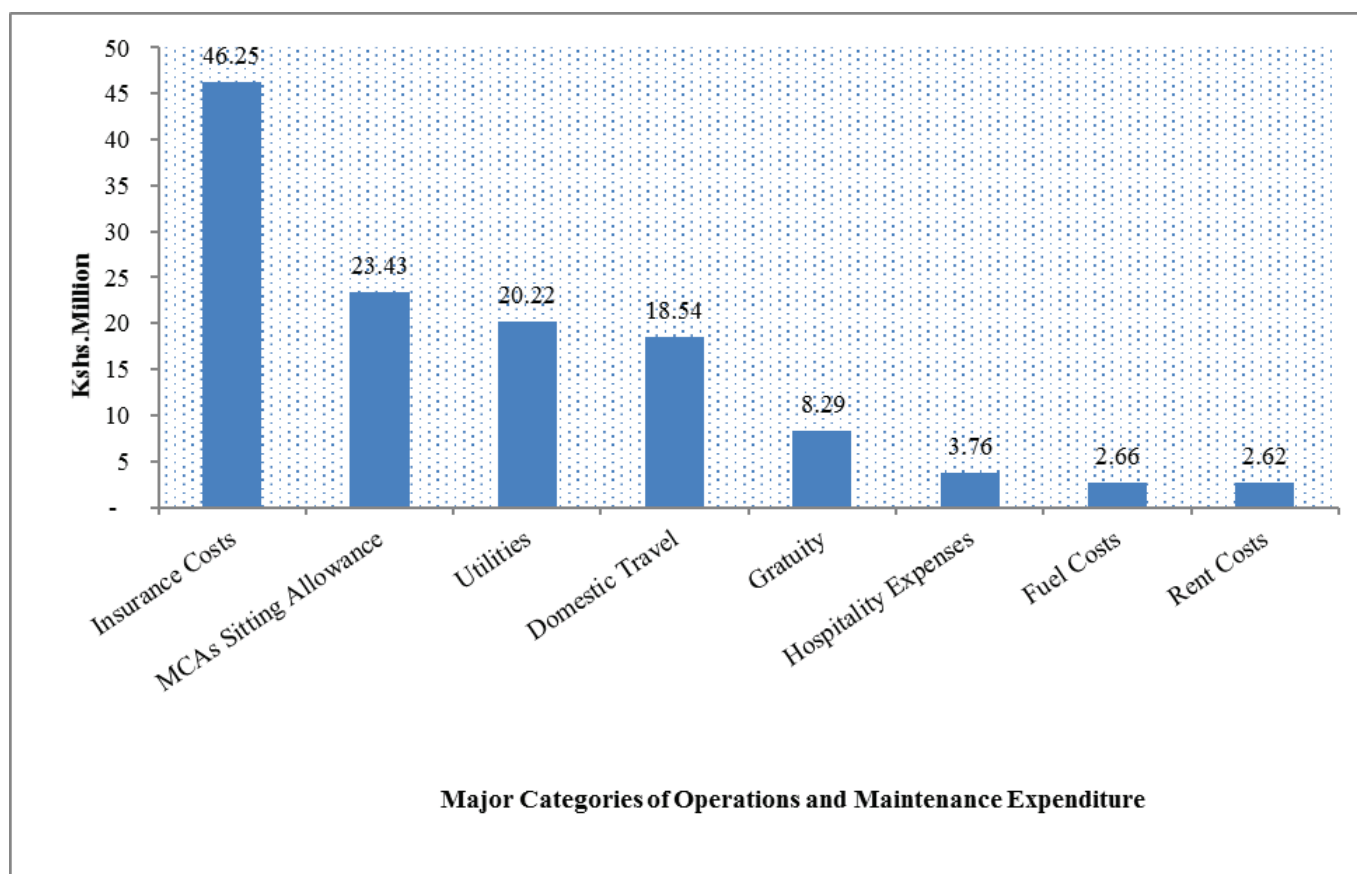
3.17.6 Expenditure on Personnel Emoluments

Expenditure on compensation to employees was Kshs.1.26 billion and represented 179.1 per cent of the total revenue of Kshs.701.15 million in the first quarter of the financial year. The expenditure includes salaries of September, 2020 which had not been paid due inadequate funds in the CRF account.

3.17.7 Analysis of Operations and Maintenance Expenditure

Figure 3-33 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-33: Kisumu County, Operations and Maintenance Expenditure by Major Categories in FY 2020/21



Source: Kisumu County Treasury

The County spent Kshs.23.43 million on Committee Sitting Allowances for the 48 MCAs and Speaker against the annual budget allocation of Kshs.83.44 million. The average monthly sitting allowance was Kshs.159,354 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.18.54 million and comprised of Kshs.14.44 million spent by the County Assembly and Kshs.4.1 million by the County Executive. Expenditure on foreign travel amounted to Kshs.0.13 million which was spent by the County Executive.

3.17.8 Development Expenditure Analysis

The Development expenditure of Kshs.393.79 million represented 8.3 per cent of the annual development budget of Kshs.4.75 billion. The County Treasury did not submit a report on development projects implemented during the period under review.

3.17.9 Budget Performance by Department

Table 3.72 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.72: Kisumu County, Budget Performance by Department for FY 2020/21

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 County Administration	552.28	95	15.78	-	26.70	-	169.20	-	4.8	-
Finance and Economic Planning	1,062.18	458.50	10	-	69.50	-	695	-	6.5	-
Agriculture, Livestock and Fisheries	245.34	504.20	38.60	-	0.09	73	0.20	-	-	14.5
Education, Human Resource Development & ICT	544.55	361.57	40	-	-	-	-	-	-	-
Tourism, Culture, Arts and Sports	82.68	133.75	10	-	0.17	-	1.70	-	0.2	-
Physical Planning, Lands, Housing & Urban Development	81.34	127	-	-	0.15	-	-	-	0.2	-
Public Works, Roads and Transport	321.64	518.10	15	-	14.38	30.21	95.90	-	4.5	5.8
Health Services	3,734.61	318.40	504.90	-	1,165.29	-	230.80	-	31.2	-
Water, Environment and Natural Resources	106.61	378.37	-	-	0.07	-	-	-	-	-
Business, Co-Operatives and Markets	76.12	161.26	-	-	-	9.54	-	-	-	5.9
Energy and Industry	48.77	131.65	-	-	0.04	-	-	-	-	-
County Assembly	701.92	110	52.88	-	116.04	-	219.40	-	16.5	-
City of Kisumu	390.62	1,457.10	20	-	21.94	281.04	109.70	-	5.6	19.2
County Public Service Board	76.78	-	-	-	0.15	-	-	-	-	-
Total	8,025.44	4,754.92	707.15	-	1,414.51	393.79	95.80	117.80	17.6	8.3

Source: Kisumu County Treasury

Analysis of expenditure by department shows that the City of Kisumu recorded the highest absorption rate of development budget at 19.2 per cent, followed by the Department of Agriculture, Livestock and Fisheries at 14.5 per cent. The Department of Health Services had the highest percentage of recurrent expenditure recurrent budget at 31.2 per cent.

3.17.10 Budget Execution by Programmes and Sub-Programmes

Table 3.73 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.73: Kisumu County, Budget Execution by Programmes and Sub-programmes in the First Nine Months of FY 2019/20

Code	Programmes	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
Department of Office of The Governor and County Administration					
51500	Pre-primary policy and legislation	21,868,878	-	21,686,878	-
71100	County planning & development coordination services	22,490,969	- 30,000	22,790,969	-
70400	County public service board	481,461,106	26,704,260	454,756,846	5.5
20600	Mining efficiency	29,868,417	-	29,868,417	-
70300	Inter-governmental relations, communication & protocol	22,555,443	102,720	22,452,723	0.5
70200	Management of county affairs & special programmes	2,572,417	- 28,000	2,572,417	-
70100	General administration and planning services	66,467,458	-	66,467,458	-
	Sub total	647,284,688	26,698,980	620,585,708	4.1
Department of Health Services					
40500	Health Sector Support Program [DANIDA]	202,341,389	21,193,250	181,148,139	10.5
40800	Kisumu County Referral hospital	26,740,133	-	26,740,133	-
40200	Health curative services	141,297,510	22,878,102	118,419,408	16.2
40100	Preventive & promotive health services	2,550,000	-	2,550,000	-
40700	Jaramogi Oginga Odinga Teaching & Referral Hospital	369,070,349	-	369,070,349	-
40300	General administration, operational research and planning	2,972,163,895	1,121,214,192	1,850,949,703	37.7
40900	Medical and Bio – Medical services	338,848,000	-	338,848,000	-
	Sub total	4,053,011,276	1,165,285,544	2,887,725,732	28.8
Department of Tourism, Trade and Heritage					
50700	County communication & ICT Services	2,288,600	-	2,288,600	-
30300	Tourism development and management	20,273,860	-	20,273,860	-
10100	General administration and planning services	68,082,932	166,000	67,916,932	0.2
50600	Sports management and development	114,329,971	-	114,329,971	-
20900	Communication services	2,335,000	-	2,335,000	-
90700		9,120,100	-	9,120,100	-
	Sub total	216,430,463	166,000	216,264,463	0.1
Department of Transport and Infrastructure					
30400	Administration and planning support	106,996,863	14,376,523	92,620,340	13.4
20100	County roads and public works management	506,104,656	30,209,148	475,895,508	6.0
20700	Roads general administration and planning	226,641,161	-	226,641,161	-
	Sub total	839,742,680	44,585,671	795,157,011	5.3
Department of Lands, Housing and Physical Planning					
10300	Physical planning and housing	3,180,000	-	3,180,000	-
30400	Administration and planning	1,500,000	-	1,500,000	-
20100	County roads and public works management	181,107,787	-	181,107,787	-
10200	County survey services	2,520,000	-	2,520,000	-
10900	Urban planning and development control	20,030,000	145,000	1,858,000	0.7
	Sub total	208,337,787	145,000	208,192,787	0.1
Department of Agriculture, Livestock and Fisheries					
70700	Management information system	963,750	-	963,750	-
10700	Promotion of market access and product development	1,456,700	-	1,456,700	-
70100	General administration and planning services	810,550	-	810,550	-
10100	General and planning services	647,049,308	70,085,516	576,963,792	10.8
10500	Agriculture productivity improvement	52,853,697	-	52,853,697	-
10400	Promotion of sustainable land use	38,765,150	-	38,765,150	-
10600	Agriculture productivity improvement	7,647,500	2,997,000	4,650,000	39.2
	Sub total	749,546,655	73,082,516	676,464,139	9.8
Department of Education, Gender, Culture and Sports					
51700	Youth training and legislation	124,823,192	-	124,823,192	-
50500	Early childhood education management	428,750,000	-	428,750,000	-
70100	General administration and planning services	2,521,067	-	2,521,067	-
20800	ICT services	32,852,339	-	32,852,339	-
50200	Youth training and development	1,700,000	-	1,700,000	-
10100	General administration and planning services	311,717,719	-	311,717,719	-
50400	Gender and social development	3,755,000	-	3,755,000	-
	Sub total	906,119,317	-	906,119,317	-

Code	Programmes	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
Department of Water, Environment and Natural Resources					
20600	Mining efficiency	2,259,677	5,250	2,254,427	0.2
90200	Conservation and management of natural eco-system	324,179,792	46,600	324,133,192	-
70400	County public service board	50,000	-	50,000	-
30100	General administration and planning services	6,355,446	-	6,355,446	-
90600	Pollution control	1,172,840	-	1,172,840	-
10100	General administration and planning services	145,402,856	19,315	145,383,541	-
20500	Energy production	1,173,000	-	1,173,000	-
90400	Environment planning and management	4,380,998	-	4,380,998	-
	Sub total	484,974,609	71,165	484,903,444	-
Department of City of Kisumu					
40100	Preventive and Promotive health services	1,598,454,802	286,197,268	1,312,257,534	17.9
10800	Revenue generation and management	30,649,231	7,813,673	22,835,558	25.5
70400	County public service board	48,828,909	-	48,828,909	-
10900	Urban planning and development control	118,517,609	1,479,191	117,038,418	1.2
50100	Early childhood development	51,274,053	7,495,050	43,779,003	14.6
	Sub total	1,847,724,604	302,985,182	1,544,739,422	16.4
Department of County Assembly					
70500	Public finance management	11,090,800	1,209,419	9,881,381	10.9
70800	Legislation and oversight services	195,281,489	35,982,870	159,298,619	18.4
71000	County assembly service board	338,540,574	42,573,777	295,966,797	12.6
70100	General administration and planning services	231,360,771	33,298,981	198,061,790	14.4
20300	Administration, planning and support services	35,647,860	2,976,013	32,671,847	8.3
	Sub total	811,921,494	116,041,061	695,880,433	14.3
Department of County Public Service Board					
70400	County public service board	76,784,043	153,727	76,630,316	0.2
	Sub total	76,784,043	153,727	76,630,316	0
Department of Finance and Economic Planning					
20300	Administration, planning and support services	1,147,659,492	67,397,252	1,080,262,240	5.9
70600	County planning & development coordination services	11,160,000	-	11,160,000	-
10900	Urban planning & development control	47,000,000	307,605	46,692,395	0.7
20100	County roads & public works management	35,250,000	-	35,250,000	-
70300	Intergovernmental relations, communication and protocol	15,000,000	-	15,000,000	-
70500	Public financial management	204,819,146	1,798,590	203,020,556	0.9
70600	County planning & development coordination services	44,346,674	-	44,346,674	-
70900	Representation services and public participation	15,440,000	-	15,440,000	-
	Sub total	1,520,675,312	69,503,447	1,451,171,865	4.6
Department of Business, Co – operatives and Marketing					
30500	Co-operative development and management	51,528,231	-	51,528,231	-
70400	County public service board	163,434,701	9,540,353	153,894,348	5.8
30100	General administration and policy making services	11,550,000	-	11,550,000	-
30200	Regulation and verification of weights	1,347,500	-	1,347,500	-
50400	Gender and social development	925,000	-	925,000	-
30600	Industrial development	7,250,000	-	7,250,000	-
50800	Alcoholic drinks	1,350,000	-	1,350,000	-
	Sub total	237,385,432	9,540,353	227,845,079	4.0
Department Energy and Industry					
20300	Administration, planning and support services	3,450,000	-	3,450,000	-
20500	Energy production	15,605,924	-	15,605,924	-
70400	County public service board	40,276,467	500	40,275,967	-
20600	Mining efficiency	121,085,000	40,000	121,045,000	-
	Sub total	180,417,391	40,500	180,376,891	-
Grand Total		12,780,355,751	1,808,299,148	10,972,056,603	14.1

Source: Kisumu County Treasury

The programs with the highest absorption rates were: Agriculture Productivity Improvement at 39.2 per cent, General Administration, Operational Research and Planning at 37.7 per cent, Revenue generation and management at 25.5 per cent, and Legislation and Oversight Services at 25.5 per cent of budget allocation.

3.17.11 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 quarter of FY 2020/21 whereby the county spent Kshs.393.79 million out of the annual development budget of Kshs.4.75 billion. The development expenditure represented 8.3 per cent of the annual development budget. Further, the County Treasury failed to provide a report on development projects implemented during the period.
2. Under performance in own-source revenue collection at Kshs.122.5 million which represented 14.2 per cent of the county's annual target of Kshs.1.58 billion.

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

1. *The County should identify and address issues causing delays in the implementation of development projects. Further, the County Treasury should build internal capacity to ensure reporting on development programmes is timely and accurate as provided in law.*
2. *The County Treasury should devise and implement strategies to mobilise revenue collection to ensure the approved budget is fully financed.*

3.18 County Government of Kitui

3.18.1 Overview of FY 2020/21 Budget

During the reporting period, the County Government of Kitui neither had an approved budget nor an approved vote on account due to a budget impasse.

3.18.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.759.41 million as equitable share of the revenue raised nationally, which was the balance from FY 2019/20, and raised Kshs.51.89 million as own-source revenue. The total funds available for budget implementation during the period amounted to Kshs.811.30 million as shown in Table 3.74.

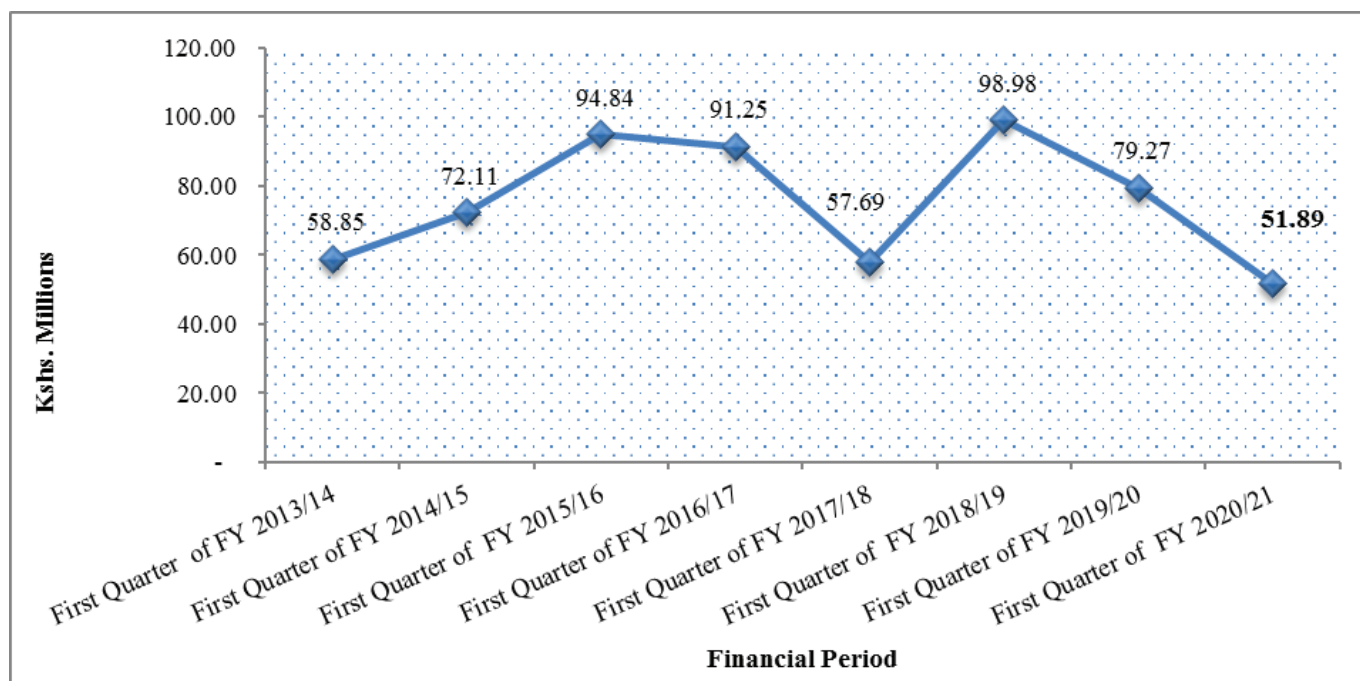
Table 3.74: Kitui County, Revenue Performance in the First Quarter of FY 2020/21

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	8,830,350,000	759,410,100	8.6
B.	Conditional Grants from the National Government			
1.	Compensation for User Fee Foregone	22,499,906	-	-
2.	Leasing of Medical Equipment	132,021,277	-	-
3.	Road Maintenance Fuel Levy Fund	264,131,438	-	-
4.	Rehabilitation of Village Polytechnics	92,149,894	-	-
	Sub Total	510,802,515	-	-
C	Loans and Grants from Development Partners			
1.	Transforming Health systems for Universal care Project (WB)	38,320,000	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	199,218,200	-	-
3.	DANIDA Grant	25,110,000	-	-
4.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant	45,000,000	-	-
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	15,428,645	-	-
	Sub Total	323,076,845	-	-
D	Other Sources of Revenue			
1.	Own Source Revenue	-	51,885,955	8.6
	Sub Total		51,885,955	3.1
	Grand Total	9,664,229,360	811,296,055	6.8

Source: Kitui County Treasury

Figure 3-34 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-34: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Kitui County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.51.89 million as own-source revenue. This amount represented a decrease of 34.5 per cent when compared to Kshs.79.27 million realised during the same period in FY 2019/20, and represented 8.6 per cent of the annual target.

3.18.3 Exchequer Issues

Due to absence of operational budget, the Controller of Budget did not approve any withdrawal of funds from the CRF account during the reporting period.

3.18.4 Overall Expenditure Review

The County did not report any expenditure in the period under review due to absence of an operational budget.

3.18.5 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. The County was not able to access funding during the reporting period due to failure to pass either the FY 2020/21 budget estimates or a Vote on Account as provided under Section 134 of the PFM Act, 2012. The FY 2020/21 budget was approved on 2nd October, 2020.

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

1. *The delay in approval of the budget was occasioned by frosty relationship between the County Assembly and the County Executive. The County Leadership should therefore resolve the relationship challenges and ensure planning and budget documents are prepared and approved within the legal timelines.*

3.19 County Government of Kwale

3.19.1 Overview of FY 2020/21 Budget

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

To finance the budget, the county expects to receive Kshs.7.66 billion (64.2 per cent) as 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.

3.19.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.669.59 million as equitable share of the revenue raised nationally, which was a balance from FY 2019/20, raised Kshs.33.78 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.3.44 billion as shown in Table 3.75.

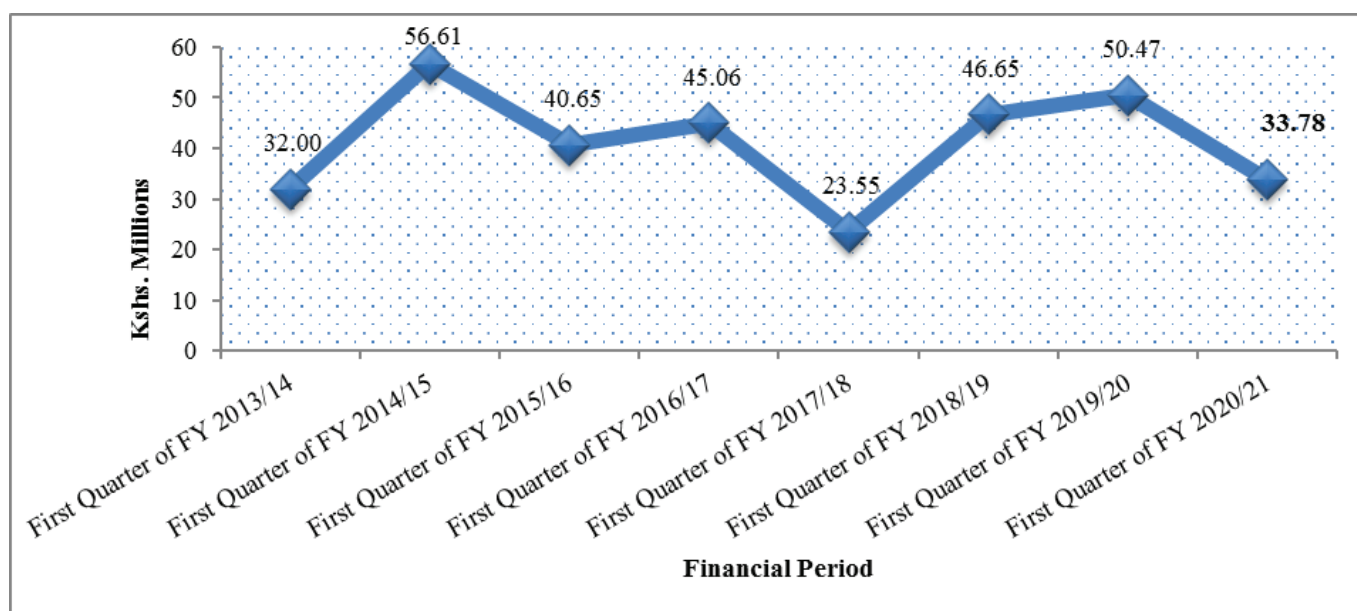
Table 3.75: Kwale County, Revenue Performance in the First Quarter of FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	7,785,900,000	7,659,300,000	669,587,400	8.7
B.	Conditional Grants from the National Government Revenue				
1.	Compensation for User Fee Foregone	15,209,593	15,209,593	-	-
2.	Road Maintenance Fuel Levy Fund	228,285,028	228,285,028	-	-
3.	Rehabilitation of Village Polytechnics	56,299,894	56,299,894	-	-
4.	COVID-19 Conditional Grant balance	-	106,569,000	-	-
	Sub-Total	431,815,792	406,363,515	-	-
	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	35,200,000	35,200,000	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	199,640,546	199,640,546	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	75,000,000	-	-
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	-	-
6.	IDA (WB) Credit: Water & Sanitation Development Project (WSDP)	400,000,000	400,000,000	-	-
7.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	14,732,422	14,732,422	-	-
	Sub Total	732,337,859	762,337,859	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	365,641,316	33,777,380	9.2
2.	Balance b/f from FY 2019/20	-	2,734,050,576	2,734,050,576	100
	Sub Total	-	3,099,691,892	2,767,827,956	89.3
	Grand Total	8,950,053,651	11,927,693,266	3,437,415,356	28.8

Source: Kwale County Treasury

Figure 3-35 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-35: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Kwale County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.33.78 million as own-source revenue. This amount represented a decrease of 33.1 per cent when compared to Kshs.50.47 million realised during the same period in FY 2019/20, and was 9.2 per cent of the annual target.

The significant decrease was attributed to unfavourable socioeconomic conditions caused by the measures taken to contain the corona virus pandemic.

3.19.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.1.37 billion from the CRF account during the reporting period which was entirely for recurrent programmes.

3.19.4 Overall Expenditure Review

A total of Kshs.1.06 billion was spent on recurrent programmes and represented 77.8 per cent of the total funds released from the CRF account. The expenditure of Ksh.1.06 billion was entirely recurrent activities and represented an absorption rate of 19.4 per cent. There was no expenditure on Development activities.

3.19.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.819.45 million was spent on compensation to Employees and Kshs.243.58 million on operations and maintenance.

Table 3.76: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	5,479,986,482	1,367,198,175	1,063,028,800	19.4
Compensation to Employees	2,989,752,626	810,460,038	819,448,449	27.4
Operations and Maintenance	2,490,233,856	556,738,137	243,580,351	9.8
Total Development Expenditure	6,447,706,784	-	-	-
Development Expenditure	6,447,706,784	-	-	-
Total	11,927,693,266	1,367,198,175	1,063,028,800	8.9

Source: Kwale County Treasury

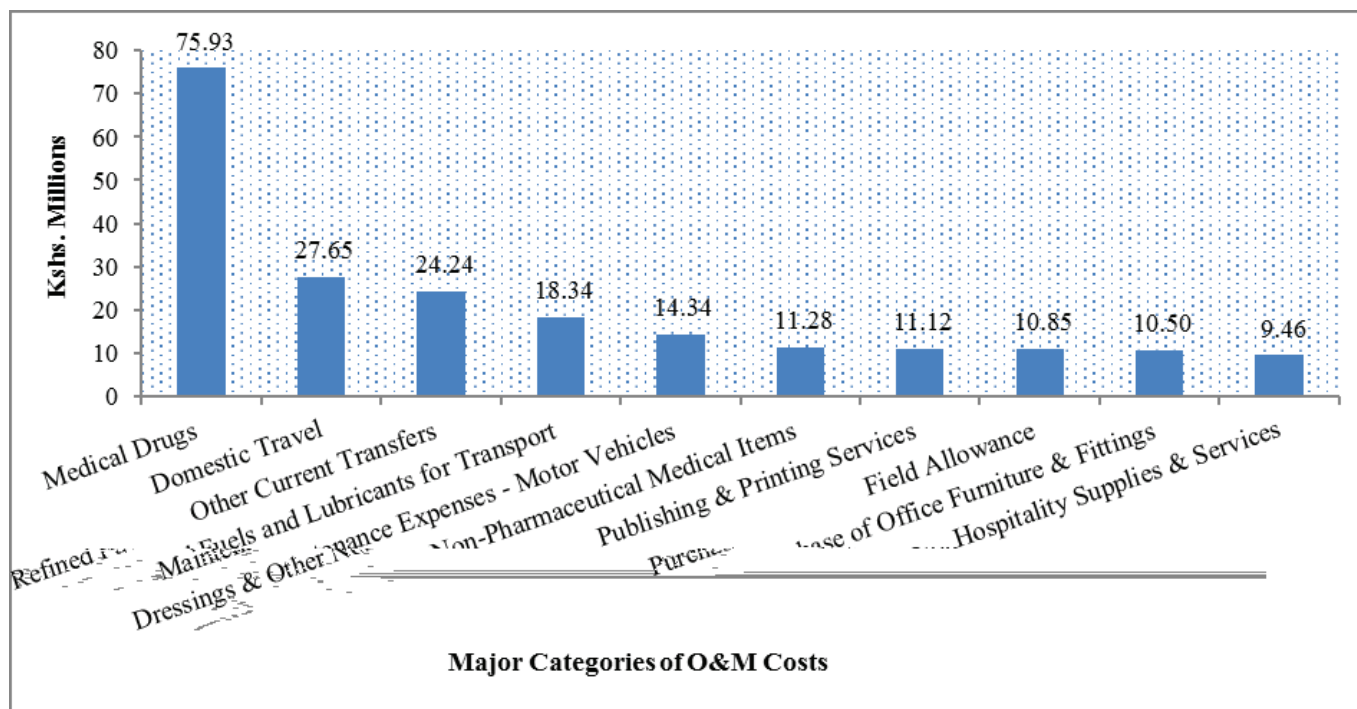
3.19.6 Expenditure on Personnel Emoluments

Expenditure on compensation to employees was Kshs.819.45 million and represented 23.8 per cent of the total revenue of Kshs.3.44 billion in the first quarter of the financial year.

3.19.7 Analysis of Operations and Maintenance Expenditure

Figure 3-36 shows a summary of operations and maintenance expenditure by major categories.

Figure 3-36: Kwale County, Operations and Maintenance Expenditure by Major Categories



Source: Kwale County Treasury

The County spent Kshs.12.82 million on committee sitting allowances for the 33 MCAs and Speaker against the annual budget allocation of Kshs.49.24 million. The average monthly sitting allowance was Kshs.125,727 per MCA against the SRC's recommended monthly ceiling of Kshs.124, 800.

During the period, expenditure on domestic travel amounted to Kshs.27.65 million and comprised of Kshs.2.91 million spent by the County Assembly and Kshs.24.74 million by the County Executive.

3.19.8 Budget Performance by Department

Table 3.77 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.77: Kwale County, Budget Performance by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Expenditure (Kshs. Million		Expenditure to Ex-chequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Finance and Economic Planning	513.22	30.59	309.74	-	73.79	-	23.82	-	14.38	-
Agriculture, Livestock and Fisheries	196.69	642.48	45.98	-	36.52	-	79.43	-	18.57	-
Land, Environment, Mining and natural resources	141.69	161.13	30.44	-	14.75	-	48.46	-	10.41	-
Medical and Public Health Services	1,982.62	976.92	570.33	-	588.34	-	103.16	-	29.67	-
County Assembly	589.35	234.85	111.06	-	94.36	-	84.96	-	16.01	-
Trade, Investment and Co-operative Development	80.31	265.89	8.63	-	8.17	-	94.67	-	10.17	-

[illegible]

Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
0104013060 (Physical development plans)	10,740,000	-	10,740,000	-
0105013060 (Establishment of squatter settlement schemes)	15,281,207	4,157,782	11,123,425	27.2
0105033060 (identification and acquisition of land for development)	6,450,000	-	6,450,000	-
0106023060 (County Environmental Awareness Initiative)	24,510,000	-	24,510,000	-
0901023060 ()	160,000	-	160,000	-
TOTAL	194,691,919	14,745,016	179,946,903	7.6
Medical and Public Health Services				
General Administration(0403013060)	656,452,903	10,915,354	645,537,549	1.7
Medical Drugs(0402043060))	110,000,000	87,208,510	22,791,490	79.3
Hmis(0403043060))	4,530,000	-	4,530,000	-
Personnel Services(0403053060)	651,638,807	449,614,661	202,024,146	69
Msambweni Hospital (0405013060)	35,816,733	6,467,638	29,349,095	18.1
Kinango Hospital(0406013060)	24,750,055	4,404,220	20,345,835	17.8
Kwale Hospital(0407013060)	32,475,000	1,214,048	31,260,952	3.7
Tiwi Rural Health Facility(0408013060)	4,673,000	50,000	4,623,000	1.1
Samburu Hospital(0409013060)	12,205,200	1,691,360	10,513,840	13.9
Lungalunga Hospital(0410013060)	10,994,100	2,399,768	8,594,332	21.8
Public Health(0401053060)	2,900,000	137,505	2,762,495	4.7
Rural Health Facilities(0412013060)	181,405,081	24,241,029	157,164,052	13.4
TOTAL	1,727,840,878	588,344,092	1,139,496,785	34.1
County Assembly				
Total	458,027,644	94,357,746	363,669,898	20.6
Trade, Investment and Co-operative Development				
Availing Affordable credit to entrepreneurs for wealth creation (301023060)	-1,875,000	-	-1,875,000	-
Personnel Services (305013060)	14,350,503	6,358,106	7,992,397	44.3
Administration services(0305023060)	134,551,577	724,028	133,827,549	0.5
Building capacity of traders for better markets access(0301013060)	5,209,494	328,200	4,881,294	6.3
Enforcement of weights and measures act(0301043060)	9,255,912	446,050	8,809,862	4.8
Investment Publicity and Promotion(0302023060)	2,065,174	-	2,065,174	-
Rehabilitation of Existing markets(0306013060)	2,631,750	229,110	2,402,640	8.70
Construction of new markets(0306023060)	20,187,738	-	20,187,738	-
Investment Promotions Services (030701060)	38,392,000	84,029	38,307,971	0.20
TOTAL	224,769,148	8,169,523	216,599,625	3.60
Social Services and Talent Management				
0906023060 Administration	140,670,668	12,444,701	128,225,967	8.80
0903023060 Community Development	44,393,528	73,000	44,320,528	0.20
0904013060 Culture And Heritage	15,207,472	-	15,207,472	-
0905023060 Sports And Talent Development	73,761,079	-	73,761,079	-
TOTALS	274,032,747	12,517,701	261,515,046	4.6
Executive Services				
Audit Services704013060	38,398,843	15,546,162	22,852,681	40.5
General Administration704043060	85,922,723	1,230,409	84,692,314	1.40
Legal Advisory Services707013060	1,193,000	-	1,193,000	-
Media and Communication Services707033060	5,493,230	-	5,493,230	-
TOTAL	131,007,796	16,776,571	114,231,225	12.8
Education				
Personnel Services (0502023060)	258,163,012	105,641,808	152,521,204	40.9
Scholarship and Bursary (0504013060)	204,500,000	-	204,500,000	-
Administration Planning support service (0502013060)	564,425,856	212,560	564,213,296	-
Infrastructure development (0503023060) & (0501043060)	271,117,892	-	271,117,892	-
Youth Training Development(0503013060)	11,400,000	-	11,400,000	-
Early Childhood Development (0501013060)	36,625,000	10,500,000	26,125,000	28.7
TOTAL	1,346,231,760	116,354,368	1,229,877,392	8.6
Water Services				
Construction & Maintenance of water pipeline supply systems (1001023060)	50,750,000	-	50,750,000	-
Development of Borehole water supply system (1001033060)	42,425,331	-	42,425,331	-
Development/Construction of surface water supply systems (1001043060)	119,813,021	-	119,813,021	-
Community Water Project (1001063060)	8,522,132	-	8,522,132	-

Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
Personnel Services (1002013060)	20,496,208	6,834,124	13,662,084	-
Administration Services (1002023060)	582,522,258	4,070,587	578,451,671	0.70
TOTAL	824,528,949	10,904,711	813,624,238	1.30
Roads and public Works				
Administration Services (0305023060)	459,499,110	-	459,499,110	-
Rehabilitations of Roads, Drainage and bridges (0202013060)	361,131,168		361,131,168	-
Personnel Services (0305013060)	38,055,069	28,253,231	9,801,838	74.2
Installation of Street Lighting Facilities (0203013060)	21,508,438		21,508,438	-
TOTAL	880,193,785	28,253,231	851,940,554	3.2
Tourism and ICT				
Personnel services {0305013060}	10,801,008	5,567,646	5,233,362	51.5
Administration services {0305023060}	24,738,430	746,800	23,991,630	3
Local area network installation and ICT support {0308013060}	23,203,031	382,350	22,820,681	1.6
Tourism Promotion {0304013060}	26,692,669	895,288	25,797,381	3.4
TOTAL	85,435,138	7,592,084	77,843,054	8.9
County Public Service Board				
Human Resource Planning (706013060)	8,360,428	548,340	7,812,088	6.6
Transformation Of Service Delivery In Public Service (706023060)	850,000	14,000	836,000	1.6
HR Management And Skill Development (706033060)	-	-	-	-
Compensation To Employees (706043060)	14,640,968	6,003,070	8,637,898	41
Human Resource Planning (706053060)	700,000	-	700,000	-
Staff Rationalization (706063060)	650,000	-	650,000	-
TOTAL	25,201,396	6,565,410	18,635,986	26.1
Public Service & Administration				
Audit Services 0704013060	83,974,502	46,186,153	37,788,349	55
General Administration 0704043060	95,297,770	1,731,066	93,566,704	1.8
Compensation to employees 0706043060	600,000		600,000	-
County compliance and enforcement 0708033060	9,361,100		9,361,100	-
Sub County Admin Msambweni 0712013060	5,378,000		5,378,000	-
sub County Admin lungalunga 0712023060	6,343,000	8,325	6,334,675	0.10
sub County Admin Matuga 0712033060	5,452,000	-	5,452,000	-
sub County Admin Kinango 0712043060	6,793,514	-	6,793,514	-
county garbage and cleaning services 0713013060	7,620,784	209,100	7,411,684	2.7
Human Resource and Planning, 0714013060	11,009,000		11,009,000	-
TOTAL	231,829,670	48,134,644	183,695,026	20.8
Kwale Municipality				
0102063060 (Personnel)	1,000,000	-	1,000,000	-
0111013060 (kwale municipality)	32,047,544	-	32,047,544	-
TOTAL	33,047,544	-	33,047,544	-
Diani Municipality				
0102063060 (Personnel)	1,200,000	-	1,200,000	-
0112013060 (Diani municipality)	23,790,000	-	23,790,000	-
Total	24,990,000	-	24,990,000	-
Grand Total	7,324,454,300	1,063,028,802	6,261,425,498	14.5

Source: Kwale County Treasury

The programs with the highest absorption rates were: medical drugs at 79.3 per cent, personnel services at 74.2 per cent, Budget formulation at 71.4 per cent, and risk assurance at 62.4 per cent of budget allocation.

3.19.10 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. Failure to implement the development budget during the period under review despite carrying unspent cash balance of Kshs.2.73 billion from FY 2019/20.
2. Under performance in own-source revenue collection at Kshs.33.78 million that represented 9.2 per cent of the county's annual target of Kshs.365.64 million.

3. Inconsistency in financial reporting by the County Treasury to the Controller of Budget whereby, expenditure reports by departments do not tally with expenditure by programs and sub programs.

The County should implement the following recommendations in order 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 devise and implement strategies to mobilise revenue collection to ensure the approved budget is fully financed.
3. The County Treasury should identify and liaise with the IFMIS Directorate address them to enhance for credibility in budget implementation reporting.

3.20 County Government of Laikipia

3.20.1 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) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.4.83 billion (65.5 per cent) being equitable share of revenue raised nationally, Kshs.811.76 billion (11 per cent) as total conditional grants, generate Kshs.1.01 billion (13.6 per cent) from own sources of revenue, and the cash balance of Kshs.728.59 million (9.9 per cent) from FY 2019/20. The county budget has a deficit of Kshs.542.13 million.

3.20.2 Revenue Performance

During the first quarter of FY 2020/21, the County received Kshs.359.29 million as equitable share of revenue raised nationally, which was a balance from FY 2019/20, raised Kshs.125.97 million as own-source revenue, and had a cash balance of Kshs.728.59 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.21 billion as shown in Table 3.79.

Table 3.79: Laikipia County, Revenue Performance in the First Quarter of FY 2020/21

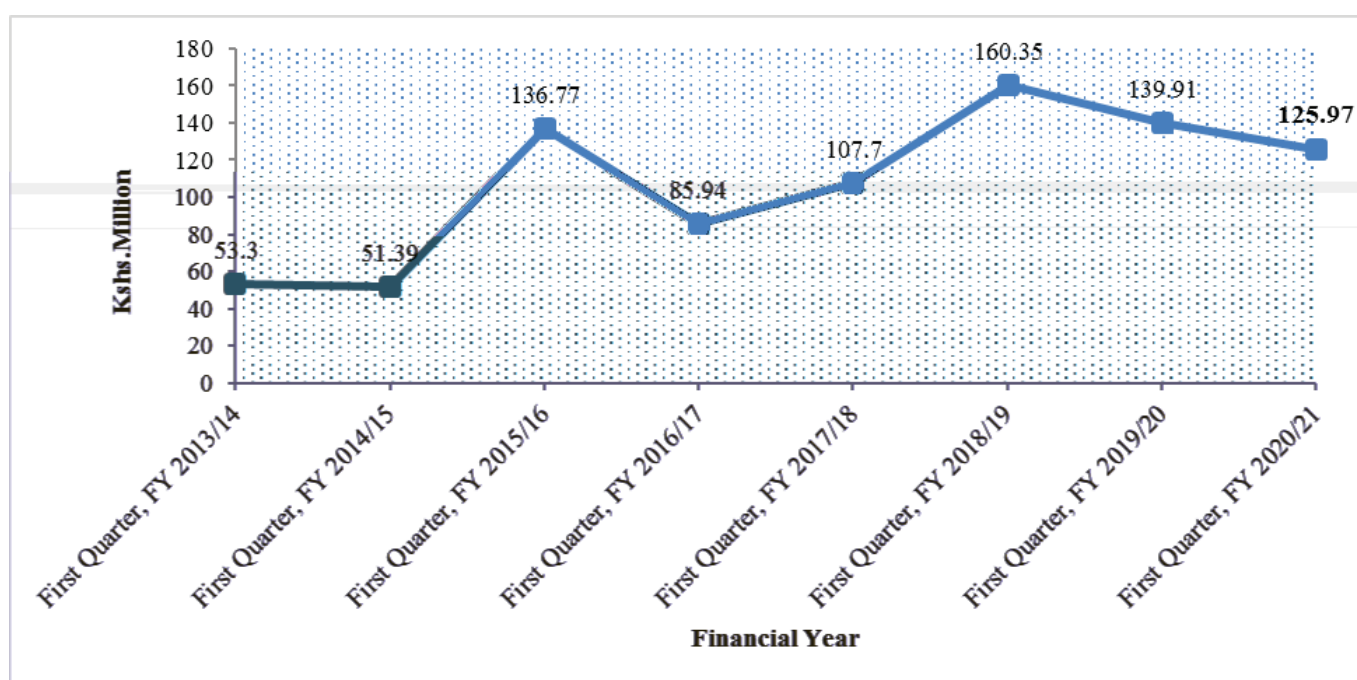
S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as % of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	4,177,800,000	4,830,560,000	359,290,800	7.4
B.	Conditional Grants from the National Government				
1.	Compensation for User Fee Foregone	9,968,208	9,968,208	-	-
2.	Leasing of Medical Equipment	132,021,277	132,021,277	-	-
3.	Road Maintenance Fuel Levy Fund	143,385,638	143,385,638	-	-
4.	Rehabilitation of Village Polytechnics	18,319,894	18,319,894	-	-
5.	Ministry of Health COVID Emergency Grant	-	54,654,000	-	-
6.	Ministry of Health COVID Emergency Grant	-	36,690,000	-	-
	Sub Total	303,695,017	395,039,017	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	90,610,649	90,610,649	-	-
2.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	236,105,200	236,105,200	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	11,880,000	11,880,000	-	-
5.	DANIDA COVID Grant		4,585,000	-	-
6.	EU Grant (Instrument for Devolution Advise and Support (IDEAS)	15,626,168	15,626,168	-	-
7.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	12,916,815	12,916,815	-	-
	Sub Total	412,138,832	416,723,832		
D	Other Sources of Revenue				
1.	Own Source Revenue	-	1,006,875,000	125,967,881	12.5
2.	Balance b/f from FY 2019/20	-	728,598,998	728,598,998	100
	Sub Total	-	1,735,473,998	854,566,879	49.2

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as % of Annual Budget Allocation (%)
Grand Total		4,893,633,849	7,377,796,847	1,213,857,679	16.5

Source: Laikipia County Treasury

Figure 3-37 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-37: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Laikipia County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.125.97 million as own-source revenue. This amount represented a decrease of 9.9 per cent when compared to Kshs.139.91 million realised during the same period in FY 2019/20, and was 12.5 per cent of the annual target.

3.20.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.466.51 million from the CRF account during the reporting period. This amount was entirely for recurrent activities.

3.20.4 Overall Expenditure Review

A total of Kshs.542.11 million was spent on development and recurrent programmes and represented 116.2 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.34.43 million and Kshs.507.68 million on development and recurrent activities respectively. Expenditure on development programmes represented an absorption rate of 1.1 per cent while that incurred on recurrent programmes represented an absorption rate of 10.5 per cent.

3.20.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.313.35 million was spent on Compensation to Employees, Kshs.194.33 million on Operations and Maintenance, and Kshs.34.43 million on development activities.

Table 3.80: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget	Exchequer Issues	Expenditure (Kshs)	Absorption (%)
	(Kshs.)	(Kshs.)		
Total Recurrent Expenditure	4,812,193,378	466,514,709	507,676,900	10.5
Compensation to Employees	3,036,810,460	349,346,772	313,346,450	10.3
Operations and Maintenance	1,775,382,918	117,167,937	194,330,450	10.9
Total Development Expenditure	3,107,730,043	-	34,431,146	1.10
Development Expenditure	3,107,730,043	-	34,431,146	1.10
Total	7,919,923,421	466,514,709	542,108,046	6.80

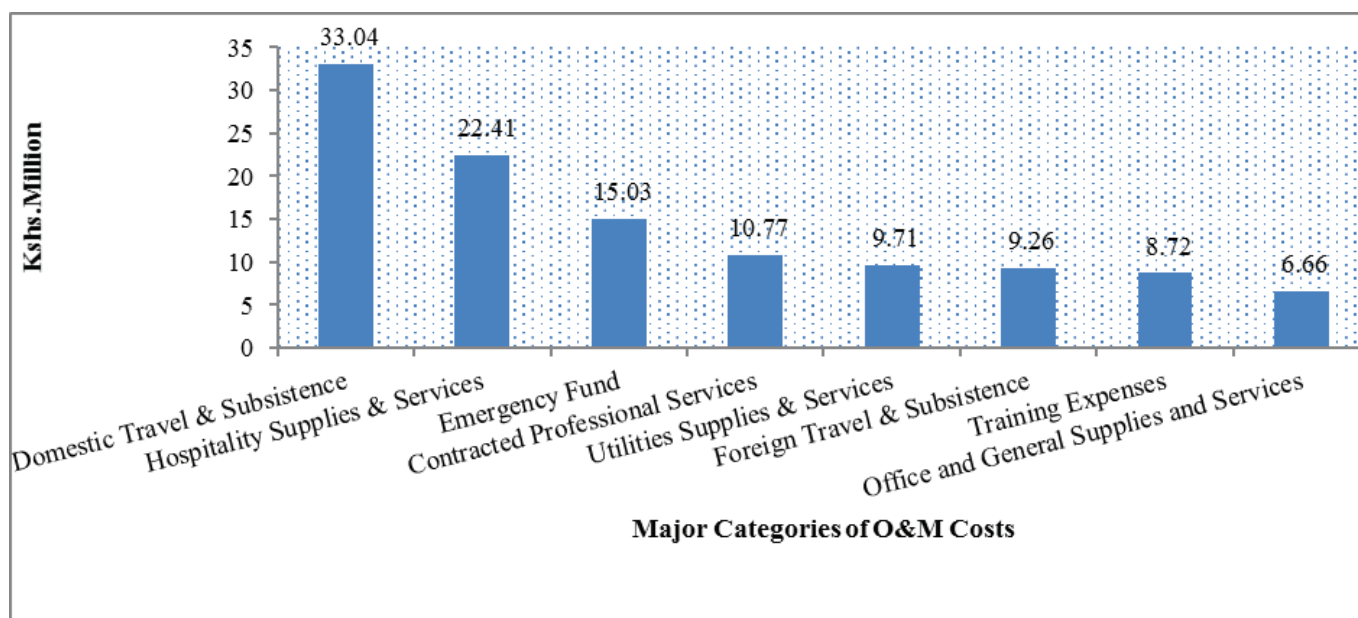
Source: Laikipia County Treasury

3.20.6 Expenditure on Personnel Emoluments

Expenditure on compensation to employees was Kshs.313.35 million and represented 25.8 per cent of the total revenue of Kshs.1.21 billion in the first quarter of the financial year.

3.20.7 Analysis of Operations and Maintenance Expenditure

Figure 3-38 shows a summary of operations and maintenance expenditure by major categories.

Figure 3-38: Laikipia County, Operations and Maintenance Expenditure by Major Categories

Source: Laikipia County Treasury

The County spent Kshs.8.4 million on committee sitting allowances for the 25 MCAs and Speaker against the annual budget allocation of Kshs.37.72 million. The average monthly sitting allowance was Kshs.112,043 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.33.04 million and comprised of Kshs.0.92 million spent by the County Assembly and Kshs.32.12 million by the County Executive. Expenditure on foreign travel amounted to Kshs.9.36 million and comprised of Kshs.9.26 million spent by the County Assembly and Kshs.0.1 million by the County Executive.

3.20.8 Development Expenditure Analysis

The development expenditure of Kshs.34.43 million represented 1.1 per cent of the annual development budget of Kshs.3.11 billion. Table 3.81 provides a summary of development projects with the highest expenditure in the first quarter of financial year.

Table 3.81: Laikipia County, List of Development Projects

S/No.	Project Name/Description	Project Location	Project Budget (Kshs.)	Project Actual Expenditure (Kshs.)	Abs. Rate (%)
1	Construction of Storm water drainage, paving, water tanks and Electricals at the old market	Nanyuki	39,016,747	19,000,000	48.7
2	Additional works on various selected roads in Nanyuki Ward	Nanyuki	3,936,033	3,921,702	99.6

Source: Laikipia County Treasury

Expenditure on development activities was drawn from balances from conditional grants which remained unspent in the Special Purpose Accounts.

3.20.9 Budget Performance by Department

Table 3.82 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.82: 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	319.97	-	326.49	-	102.04	-	9.8	-
Finance and Economic Planning	182.13	861.02	37.93	-	49.58	19.0	130.71	-	27.2	2.2
County Health & Sanitation	560.99	200.09	41.74	-	29.97	-	71.80	-	5.3	-
Agriculture, Livestock & Fisheries	66.25	554.06	-	-	1.87	11.5	-	-	2.8	2.1
Infrastructure, Physical Planning & Lands	34.84	817.74	2.89	-	2.9	3.9	100.35	-	8.3	0.5
Education, Sports & Social Services	91.18	146.88	6.97	-	8.06	-	115.64	-	8.8	-
Trade & Industrialization	23.22	123.84	4.53	-	4.54	-	100.22	-	19.6	-
Water Services	18.02	241.62	1.19	-	1.22	-	102.52	-	6.8	-
County Assembly	495.69	101.09	51.3	-	83.06	-	161.91	-	16.8	-
Total	4,812.19	3,107.73	466.51	-	507.68	34.4	108.83	-	10.6	1.1

Source: Laikipia County Treasury

Analysis of expenditure by department shows that the Department of Finance & Economic Planning recorded the highest absorption rate of development budget at 2.2 per cent, followed by the Department of Agriculture, Livestock & Fisheries at 2.1 per cent. The Department of Finance and Economic Planning recorded the highest percentage of recurrent expenditure to recurrent budget at 27.2 per cent while the Department of Agriculture, Livestock & Fisheries had the lowest at 2.8 per cent.

3.20.10 Budget Execution by Programmes and Sub-Programmes

Table 3.83 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.83 : Laikipia County, Budget Execution by Programmes and Sub-programmes

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Implementation status (%)
Education, Youth & Sports					
General Administration & Planning services	Personnel services	1,800,000	274,300	1,525,700	15.2
	Administration Services	5,777,793	984,700	4,793,093	17.0

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Implementation status (%)
Sports, Arts and Social Services	Talent Development Services	500,000	-	500,000	-
	Sport Development and Promotion	7,500,000	-	7,500,000	-
	Child care services	2,500,000	35,000	2,465,000	-
	Social and Cultural Development	7,200,000	-	7,200,000	-
Education and Training	Vocational Education and Training	97,680,795	6,761,102	90,919,693	6.9
	Collaboration And Partnership on Skills and Technology Transfer	3,500,000	-	3,500,000	-
	Early Childhood Education Development	49,500,000	-	49,500,000	-
	Basic Education School Infrastructure	12,102,193	-	12,102,193	-
	Education Empowerment	50,000,000	-	50,000,000	-
Sub-total		238,060,781	8,055,102	230,005,679	0.03
County Assembly					
General Administration & Planning Services	Administration services	298,068,250	83,062,033	282,800,648	28
Legislative & Oversight	Legislation & Oversight Services	197,625,500	-	189,587,406	-
Infrastructure improvement services	County Assembly Infrastructure improvement	70,000,000	-	49,038,832	-
Sub-total		565,693,750	83,062,033	482,631,717	14.68
County Health Services					
Sub-total		761,084,274	29,968,107		
Infrastructure, Physical Planning & Lands					
Administration, Planning and Support Services	Administration Services	3,314,000	798,901	2,515,099	24.1
	Planning & Financial Management	2,790,000	998,700	1,791,300	35.8
Land & Housing Management	Housing Policy Development	4,000,000	-	4,000,000	-
Physical Planning & Survey	Land Management	10,000,000	-	10,000,000	-
	Survey & Planning Services	17,696,000	452,300	17,243,700	2.6
Public Works Service delivery Improvement	County Building Construction Standard	4,200,000	647,400	3,552,600	15.4
Roads Network Improvement and Urban Development	Roads Network Improvement and Bridges	329,149,511	-	329,149,511	-
	Urban Development	40,000,000	-	40,000,000	-
	Road Network Maintenance	192,592,783	3,921,702	188,671,081	2.0
	Heavy Equipment Maintenance	15,000,000	-	15,000,000	-
	Road Reserve Maintenance	10,000,000	-	10,000,000	-
Critical Infrastructure Rehabilitation	Inter-ward bridge construction	16,000,000	-	16,000,000	-
	Managed Specialized Equipment	120,000,000	-	120,000,000	-
Renewable Energy Services	County Renewable/Green Energy Services	1,036,268	-	1,036,268	-
Sub-total		765,778,562	6,819,003	758,959,559	0.0
Trade, Tourism & Cooperatives					
General Administration & Planning services	Administration Services	9,316,496	828,120	8,488,376	8.9
	Personnel Services	1,500,000	424,000	1,076,000	28.3
	Policy Development	500,000	77,000	423,000	15.4
Co-operative Development and promotion	Co-operative Development and promotion	19,500,000	476,060	19,023,940	2.4
	Research & Development	4,506,679	491,780	4,014,899	10.9
	Market Infrastructure Development	1,000,000	332,100	667,900	33.2
	Lab weights & Measures	2,500,000	-	2,500,000	-
Home Craft Industrialization & Enterprise	Industrial Development & Investment Promotion	5,800,000	315,880	5,484,120	5.4
	Enterprise Development	75,000,000	-	75,000,000	-
	Industrial mapping & promotion initiative	8,000,000	-	8,000,000	-
Trade and Investment	Trade promotion Services	2,500,000	434,800	2,065,200	17.4
	Market Infrastructure Development	5,840,271	-	5,840,271	-
Tourism Development & Promotion	Tourism Promotion & Marketing	5,300,000	87,400	5,212,600	1.6
	Tourism Infrastructural Development	5,792,275	1,067,900	4,724,375	18.4
Sub-total		147,055,721	4,535,040	142,520,681	3.1
County Administration Services					

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Implementation status (%)
Human Capital Management & Development	Compensation to employees	3,029,507,605	251,173,454	2,778,334,151	8.3
	County Public Service Board	14,500,000	2,309,130		
Security & Administration Services	Headquarter Administration Services	7,296,931	1,264,473	6,032,458	17.3
	ICT Infrastructure & Connectivity	12,400,000	1,027,650	11,372,350	8.3
	County Administration Services	10,000,000	2,260,270	7,739,730	22.6
	County services delivery and result reporting	290,000,000	4,759,913	285,240,087	1.6
	Car & Mortgage	15,000,000		15,000,000	-
	Decentralized Services	3,000,000			

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Implementation status (%)
Development Planning Services	Monitoring and Evaluation Services	9,580,000	1,886,350	7,693,650	19.7
	Strategic Partnership & Collaboration	13,663,022	1,900,000	11,763,022	13.9
	Research, Statistics & Documentation	10,120,000	1,239,718	8,880,282	12.3
	Participatory Budgeting	14,033,899	1,860,800	12,173,099	13.3
	Intergovernmental Relations	39,016,747	19,000,000	20,016,747	48.7
Sub-total		1,043,145,773	68,578,601	974,567,172	6.6
GRAND TOTAL		7,740,649,969	542,108,046	7,198,541,923	6.8

Source: Laikipia County Treasury

The programs with the highest absorption rates were: Intergovernmental Relations at 48.7 per cent, Planning & Financial Services at 35.8 per cent and Executive support services at 29.6 per cent of budget allocation.

3.20.11 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. The County budget for FY 2020/21 is not balanced. Expenditure estimates exceeded the revenue estimates by Kshs.542,126,574.
2. Under performance in own source revenue collection at Kshs.125.97 million that represented 12.5 per cent of the county's annual target of Kshs.1.01 billion.
3. Use of revenue at source and weak budgetary control by the County Treasury where the County incurred expenditure in excess of approved exchequer issues.

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

1. *The County Treasury should ensure that the budget is balanced and this could be done through the supplementary budget process.*
2. *The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.*
3. *The County Treasury should improve 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.*

3.21 County Government of Lamu

3.21.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.4.01 billion, comprising of Kshs.1.51 billion (37.6 per cent) and Kshs.2.5 billion (62.4 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the County expects to receive Kshs.2.75 billion (68.7 per cent) being equitable share of revenue raised nationally, Kshs.638.18 million (15.9 per cent) as total conditional grants, generate Kshs.100 million (2.5 per cent) from own sources of revenue, and the cash balance of Kshs.515.35 million (12.9 per cent) from FY 2019/20.

3.21.2 Revenue Performance

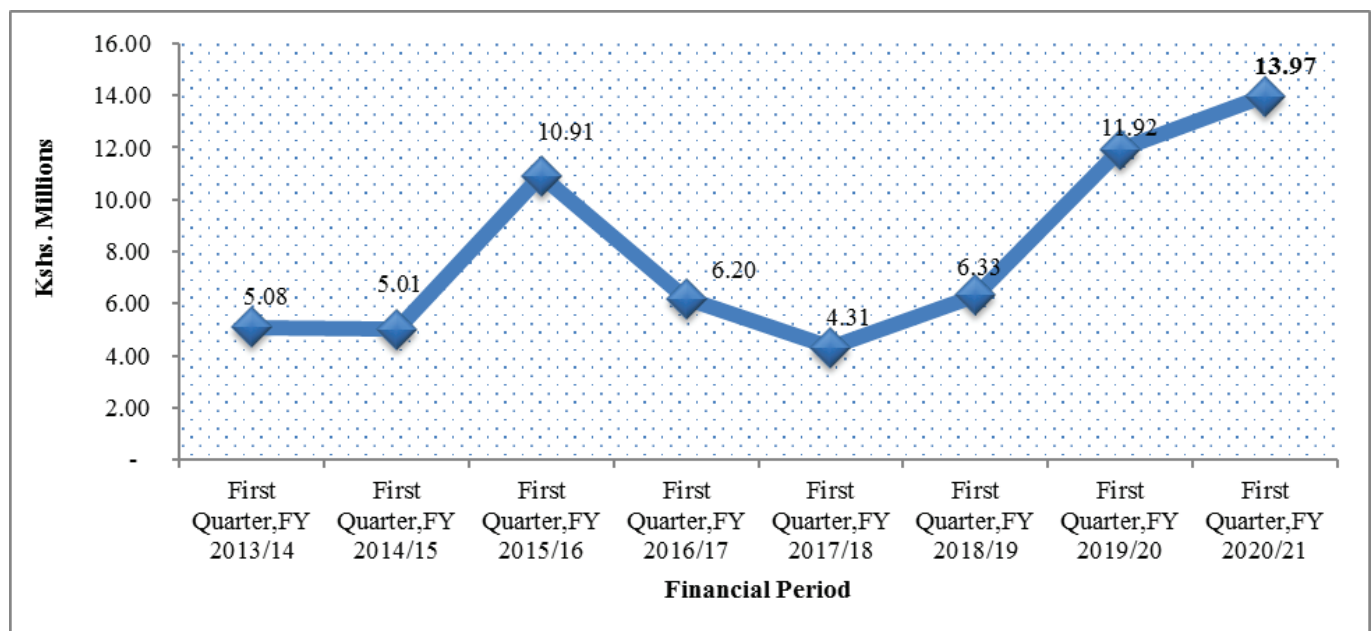
During the first quarter of FY 2020/21, the County raised Kshs.13.97 million as own-source revenue, and had a cash balance of Kshs.1.35 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.37 billion as shown in Table 3.84.

Table 3.84: Lamu County, Revenue Performance in the First Quarter of FY 2020/21

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	2,595,300,000	2,753,550,000	-	-
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	-	-
5.	Rehabilitation of Village Polytechnics	50,299,894	50,299,894	-	-
	Sub Total	316,841,616	184,820,339	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	131,761,634	131,761,634	-	-
2.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	257,872,086	257,872,086	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	7,380,000	7,380,000	-	-
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	11,343,998	11,343,998	-	-
	Sub Total	453,357,718	453,357,718	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	100,000,000	13,972,829	14
2.	Balance b/f from FY 2019/20	-	515,348,678	1,354,453,684	262.8
	Sub Total		615,348,678	1,368,426,513	222.4
	Grand Total	3,365,499,334	4,007,076,735	1,368,426,513	34.2

Source: Lamu County Treasury

Figure 3-39 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-39: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21

Source: Lamu County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.13.97 million as own-source revenue. This amount represented an increase of 17.2 per cent when compared to Kshs.11.92 million realised during the same period in FY 2019/20, and represented 14 per cent of the annual target.

3.21.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.457.33 million from the CRF account during the reporting period. This amount comprised of Kshs.29.87 million (6.5 per cent) for development programmes and Kshs.427.46 million (93.5 per cent) for recurrent programmes.

3.21.4 Overall Expenditure Review

A total of Kshs.435.61 million was spent on development and recurrent programmes and represented 95.2 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.16.38 million and Kshs.419.23 million on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 1.1 per cent while that incurred on Recurrent programmes represented an absorption rate of 16.8 per cent.

3.21.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.372.26 million was spent on Compensation to Employees, Kshs.46.97 million on Operations and Maintenance, and Kshs.16.38 million on development activities.

Table 3.85: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget	Exchequer Issues	Expenditure (Kshs.)	Absorption (%)
	(Kshs.)	(Kshs.)		
Total Recurrent Expenditure	2,501,568,526	427,459,371	419,230,368	16.8
Compensation to Employees	1,429,187,423	380,772,657	372,263,617	26
Operations and Maintenance	1,072,381,103	46,686,714	46,966,751	4.4
Total Development Expenditure	1,505,508,209	29,872,756	16,376,603	1.1
Development Expenditure	1,505,508,209	29,872,756	16,376,603	1.1
Total	4,007,076,735	457,332,126	435,606,971	10.9

Source: Lamu County Treasury

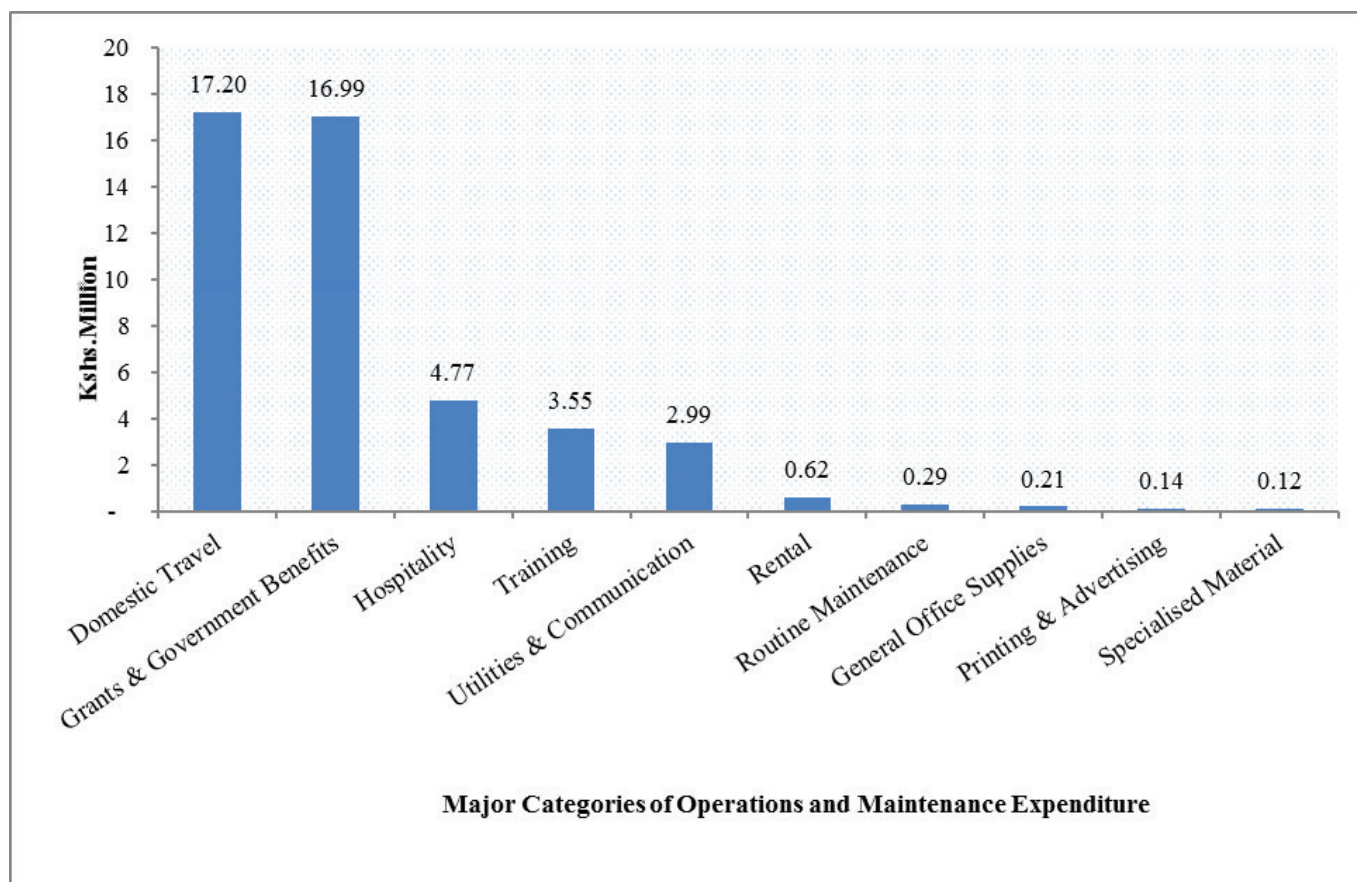
3.21.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.372.26 million and represented 30.6 per cent of the total revenue of Kshs.1.37 billion in the first quarter of the financial year.

3.21.7 Analysis of Operations and Maintenance Expenditure

Figure 3-40 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-40: Lamu County, Operations and Maintenance Expenditure by Major Categories in FY 2020/21



Source: Lamu County Treasury

The County spent Kshs.3.9 million on Committee Sitting Allowances for the 18 MCAs and Speaker against the annual budget allocation of Kshs.19.95 million. The average monthly sitting allowance was Kshs.68,472 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.17.2 million and comprised of Kshs.4.76 million spent by the County Assembly and Kshs.12.44 million by the County Executive.

3.21.8 Development Expenditure Analysis

The Development expenditure of Kshs.16.38 million represented 1.1 per cent of the annual development budget of Kshs.1.51 billion. Table 3.86 provides a summary of development projects.

Table 3.86: Lamu County, List of Development Projects

S/No.	Project Name/Description	Project Location	Project Budget (Kshs.)	Project Actual Expenditure (Kshs.)	Absorption Rate (%)
1	Construction of Out-Patient Department	Mpeketoni	51,000,000	16,190,755	31.7
2	Other Capital Grants and Transfers	Countywide	8,291,499	185,847	2.2

Source: Lamu County Treasury

3.21.9 Budget Performance by Department

Table 3.87 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.87: Lamu County, Budget Performance by Department

Department	Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Ex-chequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	400	120	52.82	-	46.65	-	88.3	-	11.7	-
County Executive & PSM	332.68	111	58.74	-	56.24	-	95.7	-	16.9	-
Finance	118.12	0	19.26	-	19.13	-	99.4	-	16.2	-
Agriculture & Irrigation	108.72	260.58	11.36	-	11.36	0.19	100.0	-	10.4	0.1
Land and Physical Planning	26.14	96.63	3.81	-	3.39	-	89.0	-	13.0	-
Education and Village Polytechnic	211.42	112.79	16.58	-	17.05	-	102.9	-	8.1	-
Medical Services	990.95	295.44	204.17	29.87	206.24	16.19	101.0	54.2	20.8	5.5
Trade, Tourism & Investment Development	20.29	17.50	3.24	-	2.83	-	87.2	-	13.9	-
Livestock, Veterinary & Cooperative Development	38.11	14.99	8.56	-	8.49	-	99.1	-	22.3	-
Public Service Board	45.16	0	6.89	-	7.92	-	115.0	-	17.5	-
Water Management & Conservation	24.83	204	7.76	-	7.23	-	93.1	-	29.1	-
Gender, Sports, Youth, Culture, & Social services	23.76	69.50	2.66	-	2.11	-	79.2	-	8.9	-
Sanitation and Environment	62.32	6	16.85	-	15.37	-	91.2	-	24.7	-
Fisheries Development	32.88	12	6.54	-	5.94	-	90.9	-	18.1	-
Infrastructure and Energy	34.12	180.07	4.15	-	5.16	-	124.2	-	15.1	-
Lamu Municipality	32.08	5	4.10	-	4.15	-	101.3	-	12.9	-
	2,501.57	1,505.51	427.46	29.87	419.23	16.38	98.1	54.8	16.8	1.1

Source: Lamu County Treasury

Analysis of expenditure by department shows the Department of Medical Services recorded the highest absorption rate of development budget at 5.5 per cent, followed by the Department of Agriculture & Irrigation at 0.1 per cent. The rest of Departments did not report expenditure on development activities. The Department of Water Management & Conservation had the highest percentage of recurrent expenditure to recurrent budget at 29.1 per cent while the Department of Education and Village Polytechnic had the lowest at 8.1 per cent.

3.21.10 Budget Execution by Programmes and Sub-Programmes

Table 3.88 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.88 : Lamu County, Budget Execution by Programmes and Sub-programmes

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
County Assembly					
County Assembly	P1 Administration, planning and support services.	206,989,120	21,433,865	206,989,120	10.4
County Assembly	P2 Legislation and Oversight	313,010,880	25,213,530	313,010,880	8.1
	Sub total	520,000,000	46,647,395	520,000,000	9.0
County Executive					
County Executive	P 1: Executive Services	141,662,000	52,516,298	89,145,702	37.1
County Executive	P2 Administration, planning and support services.	302,022,123	3,719,600	298,302,523	1.2
County Executive	P 3: Coordination & Policy formulation	-	-	-	-
	Sub total	443,684,123	56,235,898	387,448,225	12.7
Department Finance					

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
Finance	P 1: Administration, planning support services	91,400,556	18,581,140	72,819,416	20.3
Finance	P 2: Public Finance Management	12,190,000		12,190,000	-
Finance	P 3: Budget and Economic Planning	14,529,080	551,100	13,977,980	3.8
	Sub total	118,119,636	19,132,240	98,987,396	16.2
Department Agriculture & Irrigation					
Agriculture & Irrigation	P 1: Administration and planning support services	44,850,000	185,847	44,664,153	0.4
Agriculture & Irrigation	P 2: Extension services	47,000,000	11,284,206	35,715,794	24.0
Agriculture & Irrigation	P 3: Crop Productivity	3,000,000	71,060	2,928,940	2.4
Agriculture & Irrigation	P 4: (KCSAP and ASDSP11)	274,455,084		274,455,084	0.0
	Sub total	369,305,084	11,541,113	357,763,971	3.1
Land, Physical Planning					
	P 1: Administration, planning & support Services	20,841,947	3,386,984	17,454,963	16.3
	P 2: Land Management	101,928,158		101,928,158	0.0
	Sub total	122,770,105	3,386,984	119,383,121	2.8
Education					
	P 1: General Administration, Planning and Support services	24,408,790	17,049,543	7,359,247	69.9
	P 2: Education and Training Programme	299,797,398		299,797,398	0.0
	Sub total	324,206,188	17,049,543	307,156,645	5.3
Medical Services					
	P 1: General Administration, Planning and Support Services	809,510,000	199,603,704	609,906,296	24.7
	P 2: Curative Services	144,392,668	1,958,686	142,433,982	1.4
	P 3: Preventive & Promotive Services	332,492,841	4,674,928	327,817,913	1.4
	Sub total	1,286,395,509	206,237,318	1,080,158,191	16.0
Trade, Investment, Culture & Tourism					
	P 1: Administration, planning & support Services	8,765,893	2,374,574	6,391,319	27.1
	P 2: Tourism Promotion	7,184,072	31,500	7,152,572	0.4
	P 3: Trade & Industrialization	21,838,341	419,660	21,418,681	1.9
	Sub total	37,788,306	2,825,734	34,962,572	7.5
Livestock, Veterinary & Co-Operative Development					
	P1 Administration, planning and support services.	9,237,921	8,477,970	759,951	91.8
	P 3: Livestock	9,980,092		9,980,092	0.0
	P 4: Veterinary	16,977,331	7,900	16,969,431	0.0
	P 5: Cooperative	16,904,430		16,904,430	0.0
	Sub total	53,099,774	8,485,870	44,613,904	16.0
Public Service Board					
Public Service Board	P1 Administration, planning and support services.	38,925,596	7,315,798	31,609,798	18.8

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
Public Service Board	P 2: Human Resource Management & Development	6,229,500	604,515	5,624,985	9.7
	Sub total	45,155,096	7,920,313	37,234,783	17.5
Water					
	P 1: Administration and planning support services	17,373,210	2,225,681	15,147,529	12.8
	P 2: Water Management and Provision	211,461,360	5,000,000	206,461,360	2.4
	Sub total	228,834,570	7,225,681	221,608,889	3.2
Gender, Youth Affairs, Sports & Social Services					
	P 1. General Administration, Planning and Support services	12,950,400	2,106,227	10,844,173	16.3
	P 2. Sports & Youth Development	8,183,800		8,183,800	0.0
	P 3. Social Services	72,123,200		72,123,200	0.0
	Sub total	93,257,400	2,106,227	91,151,173	2.3
Sanitation & Environment					
Sanitation & Environment	P 1: General Administration, Planning and Support Services	56,955,296	15,374,958	41,580,338	27.0
Sanitation & Environment	P 2: Public Health and Sanitation	9,020,260		9,020,260	0.0
Sanitation & Environment	P 4: Environment and Natural Resources	2,339,740		2,339,740	0.0
	Sub total	68,315,296	15,374,958	52,940,338	22.5%
Department Fisheries					
Fisheries	P 1. General Administration, Planning and Support services	32,882,174	5,938,278	26,943,896	18.1
Fisheries	P 2. Fisheries Development	12,000,000		12,000,000	0.0
	Sub total	44,882,174	5,938,278	38,943,896	13.2
Infrastructure, Urban Development & Energy					
	P 1: Administration, planning & support Services	33,321,205	5,156,051	28,165,154	15.5
	P 4: Infrastructure Development	180,864,411		180,864,411	0.0
	Sub total	214,185,616	5,156,051	209,029,565	2.4
Lamu Municipality					
	P 1: Administration, planning & support Services	25,397,378	4,152,612	21,244,766	16.4
	P 1: Urban Development	11,680,480		11,680,480	0.0
	Sub total	37,077,858	4,152,612	32,925,246	11.2
Grand Total		4,007,076,735	419,416,215	3,634,307,915	9.3

Source: Lamu County Treasury

The programs with the highest absorption rates were: Sanitation & Environment at 22.5 per cent, Public Service Board at 17.5 per cent, Finance at 16.2 per cent, and Livestock, Veterinary & Co-Operative Development at 16 per cent of budget allocation.

3.21.11 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. 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 in the first quarter of FY 2020/21 where the County spent Kshs.16.38 million out of the annual development budget of Kshs.1.51 billion which represented 1.1 per cent of the annual development.
3. Under performance in own-source revenue collection at Kshs.13.97 million that represented 14 per cent of the county's annual target of Kshs.100 million.

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

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

3.22 County Government Machakos

3.22.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.11.02 billion, comprising of Kshs.3.68 billion (33.4 per cent) and Kshs.7.34 billion (66.6 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.8.04 billion (73 per cent) being equitable share of revenue raised nationally, Kshs.1.25 billion (11.3 per cent) as total conditional grants and loans, and generate Kshs.1.73 billion (15.7 per cent) from own sources of revenue.

3.22.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.666.87 million as equitable share of revenue raised nationally which was a balance from FY 2019/20, raised Kshs.205.98 million as own-source revenue, and had a cash balance of Kshs.521.76 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.39 billion as shown in Table 3.89.

Table 3.89: Machakos County, Revenue Performance in the First Quarter FY 2020/21

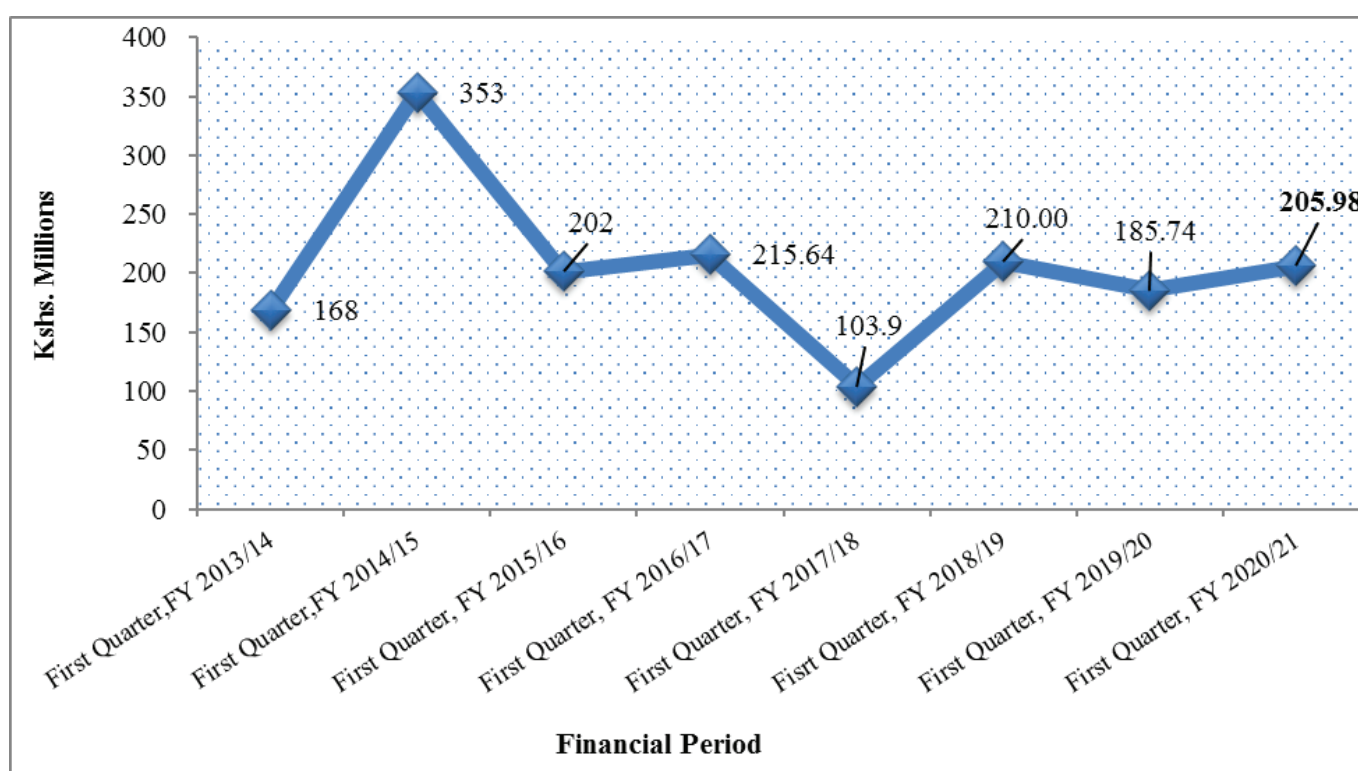
S/No	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual receipts (Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	7,754,250,000	8,039,100,000	666,865,500	8.3
B.	Conditional Grants from the National Government Revenue				
1.	Conditional Grants to Level-5 Hospitals	383,583,815	383,583,815	-	-
2.	Compensation for User Fee Foregone	24,129,039	24,129,039	-	-
3.	Leasing of Medical Equipment	132,021,277	132,021,277	-	-
4.	Road Maintenance Fuel Levy Fund	239,604,947	239,604,947	-	-
5.	Rehabilitation of Village Polytechnics	62,749,894	62,749,894	-	-
	Sub Total	842,088,972	842,088,972	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	45,165,352	45,165,352	-	-
2.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	279,999,640	279,999,640	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	22,050,000	22,050,000	-	-

S/No	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual receipts (Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	13,746,442	13,746,442	-	-
Sub Total		405,961,434	405,961,434	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	1,729,798,232	205,984,041	11.9
2.	Balance b/f from FY 2019/20	-	-	433,461,904	
3.	Returned CRF Issues	-	-	88,294,902	
Sub Total		-	1,729,798,232	727,740,847	42.1
Grand Total		9,002,300,406	11,016,948,638	1,394,606,347	12.7

Source: Machakos County Treasury

Figure 3-41 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-41: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Machakos County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.205.98 million as own-source revenue. This amount represented an increase of 10.9 per cent when compared to Kshs.185.74 million realised during the same period in FY 2019/20, and represented 11.9 per cent of the annual target.

3.22.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.1.33 billion from the CRF account during the reporting period. This amount comprised of Kshs.138.58 million (10.5 per cent) for development programmes and Kshs.1.19 billion (89.5 per cent) for recurrent programmes.

3.22.4 Overall Expenditure Review

A total of Kshs.1.34 billion was spent and represented 101.2 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.138.58 million (10.3 per cent) and Kshs.1.2 billion (89.7 per cent) for development

and recurrent activities respectively. Expenditure on recurrent programmes represented an absorption rate of 3.8 per cent of recurrent budget while expenditure on development represented an absorption rate of 16.4 per cent of the development budget.

3.22.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.06 billion was spent on Compensation to Employees, Kshs.141.71 million on Operations and Maintenance, and Kshs.138.58 million on development activities.

Table 3.90: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	7,338,055,006	1,186,657,245	1,202,511,739	16.4
Compensation to Employees	5,367,511,305	1,114,197,683	1,060,797,403	19.8
Operations and Maintenance	1,970,543,701	72,459,562	141,714,336	

3.22.8 Development Expenditure Analysis

The Development expenditure of Kshs.138.58 million represented 3.8 per cent of the annual development budget of Kshs.3.68 billion and represented an increase of 64.6 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.84.18 million. Table 3.91 provides a summary of development projects with the highest expenditure in the first quarter of financial year.

Table 3.91: Machakos County, List of Development Projects with the Highest Expenditure in First Quarter of FY 2020/21

Project Description/Name	Department	Sub Head	Approved Budget (Kshs.)	First Quarter Expenditure (Kshs.)	Absorption Rate (%)
Non-Residential Buildings	Department of Roads, Transport And Public Works	County Government Buildings Services	198,725,949	89,714,588	45.1
Other infrastructure & civil works Construction of Dams & Water Pans.	Department of Water, Irrigation, Environment and Natural Resources	Irrigation Schemes Development and Promotion	202,210,851	26,277,430	13
Refined fuels & Lubricants	Department of Roads, Transport and Public Works	County Fleet management	55,000,000	13,000,000	23.6
Major Roads	Department of Roads, Transport and Public Works	Road Development & Management	190,000,000	9,583,163	5

Source: Machakos County Treasury

The County Treasury did not provide a detailed list of actual projects undertaken during the first quarter of FY 2020/21.

3.22.9 Budget Performance by Department

Table 3.92 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.92: 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	3.68	29.37	-	41.82	-	142.4	-	7.5	-
Public Service, Labour and ICT	395.75	20.36	78.39	-	1.37	-	1.8	-	0.3	-
Trade, Investment, Economic Planning and Industrialization	83.19	147	10.98	-	1.47	-	13.4	-	1.8	-
Finance and Revenue Management	422.55	41.62	54.73	-	8.12	-	14.8	-	1.9	-
Decentralized Units, County Administration, Water and Irrigation	393.51	44.16	79.36	-	1.76	-	2.2	-	0.4	-
Agriculture, Food Security and Co-operative Development	260.16	311.09	39.18	-	18.74	-	47.8	-	7.2	-
Water, irrigation, Environment and Natural Resources	49.78	589.47	8.20	26.28	8.33	26.28	101.5	100	16.7	4.5
Health and Emergency Services	3,551.24	546.37	625.64	-	916.72	-	146.5	-	25.8	-
Transport, Roads, Public Works and Housing	172.34	1,109.88	17.29	112.30	12.33	112.3	71.3	100	7.2	10.1
Education, Youth and Social Welfare	334.17	261.09	46.24	-	0.87	-	1.9	-	0.3	-
Lands, Urban Development, Energy & Natural Resources	70.77	98.15	7.25	-	0.05	-	0.7	-	0.1	-
Tourism Sports and Culture	97.65	135.05	14.48	-	0.15	-	1.0	-	0.2	-
County Public Service Board	41.68	5.98	5.17	-	4.03	-	78.0	-	9.7	-
County Assembly	911.15	365	170.36	-	186.75	-	109.6	-	20.5	-
TOTAL	7,338.06	3,678.89	1,186.66	138.58	1,202.51	138.58	101.3	100	16.4	3.8

Source: Machakos County Treasury

Analysis of expenditure by department shows that the Department of Transport, Roads, Public Works and Housing recorded the highest absorption rate of development budget at 10.1 per cent, followed by the Department Water,

irrigation, Environment and Natural Resources at 4.5 per cent. The County Assembly had the highest percentage of recurrent expenditure to recurrent budget at 20.5 per cent while the Department of Tourism Sports and Culture had the lowest at 0.2 per cent.

3.22.10 Budget Execution by Programmes and Sub-Programmes

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

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

Description	Approved Budget FY 2020/21 (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
Department of Education, Skills Training and Social Welfare	595,261,896	866,650	594,395,246	0.1
Basic Education	7,000,000	-	7,000,000	-
Gender and Social Services	10,000,000	-	10,000,000	-
Youth Development Services	100,192,410	-	100,192,410	-
Headquarters Administrative Services	478,069,486	866,650	477,202,836	0.2
County Assembly	1,276,145,156	-	1,276,145,156	-
Audit Committee Services	4,000,000	-	4,000,000	-
Budget Office services	4,000,000	-	4,000,000	-
Car Loans and Mortgage	50,000,000	-	50,000,000	-
County Assembly Service Board Services	39,600,000	-	39,600,000	-
Financial Management Services	21,355,281	-	21,355,281	-
Hr, Administration and Coordination Services	295,480,155	-	295,480,155	-
Legal, Library and Research Services	10,500,000	-	10,500,000	-
Legislative Services	628,269,720	-	628,269,720	-
Procedure and Committee Services	141,600,000	-	141,600,000	-
Ward Office Services	81,340,000	-	81,340,000	-
County Public Service Board	47,658,601	4,033,275	43,625,327	8.5
Human Resource and Administration	47,658,601	4,033,275	43,625,327	8.5
Department of Energy, Lands, Housing and Urban Development	70,770,524	52,850	70,717,674	0.1
Headquarters Administrative Services	48,903,860	52,850	48,851,010	0.1
Energy & Natural Resources	11,238,842	-	11,238,842	-
Housing and Urban Development	10,627,822	-	10,627,822	-
Department of Trade, Industrialization and Innovation	230,192,185	1,468,980	228,723,205	0.6
Business and Enterprise Development	16,771,939	-	16,771,939	-
Headquarters Administrative Services	55,466,852	288,980	55,177,872	0.5
Hygiene & Sanitation	5,808,080	150,000	5,658,080	2.6
Industrialization and Innovation	35,000,000	-	35,000,000	-
Investment Facilitation and Support	4,660,890	530,000	4,130,890	11.4
Investment Promotion	6,750,000	-	6,750,000	-
Legal Services	11,756,150	-	11,756,150	-
Trade Development	93,978,274	500,000	93,478,274	0.5
General Administration and Support Services and Support Service		-		
Department of Agriculture, Food Security and Co-Operative Development	571,250,956	18,744,165	552,506,791	3.3
Agriculture Training Centre	2,000,000	-	2,000,000	-
Crop Development and Management	70,405,627	-	70,405,627	-
Fisheries Development	10,734,848	-	10,734,848	-
Livestock Resources Management and Development	51,831,291	-	51,831,291	-
Veterinary Services	27,901,008	-	27,901,008	-
Co-Operative Audit Support Services		-	-	
Co-Operative Development and Marketing	4,700,000	-	4,700,000	-
Co-Operative Financial Services		-	-	
General Administration and Support Services	401,278,182	18,744,165	382,534,017	4.7
Promotion of Co-Operative Marketing and Value Chain	2,400,000	-	2,400,000	-
Department of County Administration and Decentralized Units	437,673,174	1,755,764	435,917,410	0.4
Administration and Coordination Services		-	-	
Forensic and Inspectorate Services	2,000,000	-	2,000,000	-
General Administration and Support Services	412,173,174	1,755,764	410,417,410	0.4
Inspectorate Services and Management	5,000,000	-	5,000,000	-
Sanitation Management	5,000,000	-	5,000,000	-

Description	Approved Budget FY 2020/21 (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
Solid Waste Management	11,000,000	-	11,000,000	-
Civic Engagement	2,500,000	-	2,500,000	-
Department Of land &Urban Development	98,149,569	-	98,149,569	-
County Electrification	64,000,000	-	64,000,000	-
Housing and Urban Development	19,149,569	-	19,149,569	-
Physical Planning and Development	15,000,000	-	15,000,000	-
Department of Finance and Economic Planning	464,164,515	8,120,012	456,044,503	1.7
Budget Formulation, Coordination and Implementation Section	3,642,059	-	3,642,059	-
Accounts Services	2,748,771	1,000,000	1,748,771	36.4
Audit Section	2,700,000	-	2,700,000	-
Economic Planning and Statistical Services	11,597,030	1,150,400	10,446,630	9.9
External and Resource Mobilization	37,077,803	-	37,077,803	-
Human Resource Management and Support Services	376,084,863	360,820	375,724,043	0.1
Revenue Management	29,413,986	5,608,792	23,805,194	19.1
Supply Chain Management Section	-	-	-	-
External and Resource Mobilization2	900,003	-	900,003	-
Department of Health and Emergency Services	4,097,613,214	916,724,659	2,634,515,951	22.4
Curative	370,732,995	-	-	-
Emergency Services	17,984,435	-	7,723,310	-
General Administration and Support Services	3,225,931,956	916,724,659	2,239,169,020	28.4
Kangundo Level 4	40,790,822	-	36,967,617	-
Kathiani Level 4	22,749,302	-	22,749,302	-
Kathiani Level 4	2,352,742	-	-	-
Machakos Level 5	275,046,711	-	275,046,711	-
Matuu Level 4	37,653,066	-	34,123,954	-
Mwala Level 4	12,551,022	-	11,374,651	-
Public Health and Community Outreach	91,820,163	-	7,361,386	-
Department of Public Service, Quality Management and ICT	416,105,966	1,372,588	413,971,149	0.3
Closed Circuit Television (Cctv)	8,125,500	-	8,125,500	-
General Administration and Support Services	329,202,369	1,372,588	327,067,552	0.4
ICT General Administration and Support Services	4,875,011	-	4,875,011	-
ICT Infrastructure	23,268,549	-	23,268,549	-
Quality Management	625,000	-	625,000	-
Training, Research and Development	50,009,537	-	50,009,537	-
Department of Roads, Transport and Public Works	1,282,217,310	124,623,138	1,157,594,172	9.7
Headquarters Administrative Services	145,278,414	12,325,387	132,953,027	8.5
County Fleet Management	65,000,000	13,000,000	52,000,000	20
County Government Buildings Services	213,725,949	89,714,588	124,011,361	42
General Administration and Support Services	111,964,142	-	111,964,142	-
Road Development and Management	746,248,805	9,583,163	736,665,642	1.3
Department of Tourism, Culture, Youth and Sports	232,699,755	151,070	232,548,685	0.1
County Image Directorate	1,800,000	-	1,800,000	-
General Administration and Support Services	94,000,072	151,070	93,849,002	0.2
Heritage & Culture	553,986	-	553,986	-
Liquor Management	159,695	-	159,695	-
Machawood	2,790,873	-	2,790,873	-
Management of Recreational Facilities	2,375,000	-	2,375,000	-
Sports	475,000	-	475,000	-
Stadia	105,000,000	-	105,000,000	-
Tourism Development and Marketing	344,449	-	344,449	-
Youth Empowerment	1,250,000	-	1,250,000	-
Tourism Development and Marketing	23,950,680	-	23,950,680	-
Department of Water, Irrigation, Environment and Natural Resources	639,248,259	34,605,892	604,642,367	5.4
Development and Promotion of Irrigation Schemes	-	-	-	-
Environment and Natural Resources	33,700,000	-	33,700,000	-
General Administrative and Support Services	39,782,480	8,328,462	31,454,018	20.9
Irrigation Schemes Development and Promotion	206,466,851	26,277,430	180,189,421	12.7
Water Supply and Sewerage	355,300,909	-	355,300,909	-

Description	Approved Budget FY 2020/21 (Kshs.)	Actual Expenditure (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
General Administrative and Support Services-Environment and Natural Resources	3,998,019	-	3,998,019	-
Office of The Governor	557,797,558	41,822,535	512,293,291	7.5
Cabinet Office.	6,493,175	-	6,493,175	-
Co-Ordination and Supervisory Services	3,681,732	-	-	-
Headquarters Administrative Services	9,759,080	-	9,759,080	-
Hospitality Services Section	14,580,000	1,278,628	13,301,372	8.8
Human Resource and Administration Services	86,840,760	-	86,840,760	-
ICT Section	13,387,204	100,755	13,286,449	0.8
Office of The County Advisors	8,954,060	-	8,954,060	-
Office of The County Secretary	13,466,246	-	13,466,246	-
Office of The Deputy Governor	36,000,000	2,791,050	33,208,950	7.8
Office of The Governor- Headquarters	337,499,625	35,293,482	302,206,143	10.5
Transport Services	27,135,676	2,358,621	24,777,055	8.7
Grand Total	11,016,948,638	1,154,341,576	9,311,790,497	10.5

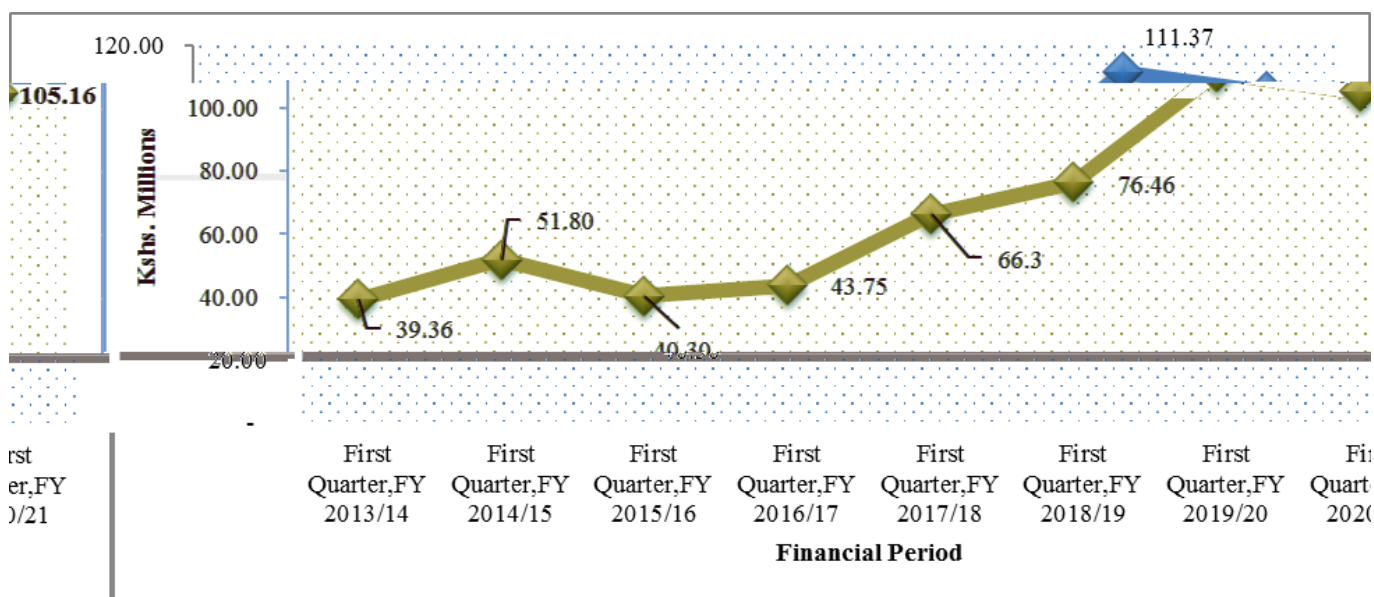
Source: Machakos County Treasury

The programs with the highest absorption rates were: County Government Buildings Services at 42 per cent, Accounts

3.23.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.636.92 million as equitable share of the revenue raised nationally which was a balance from FY 2019/20, raised Kshs.105.16 million as own-source revenue, received Kshs.5 million for “other revenues” not contained in the CARA 2020, and had a cash balance of Kshs.1.06 billion

Figure 3-43: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Makeni County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.105.16 million as own-source revenue. This amount represented a decrease of 5.9 per cent when compared to Kshs.111.37 million realised during the same period in FY 2019/20, and was 9.9 per cent of the annual target.

3.23.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.837.35 million from the CRF account during the reporting period. This amount comprised of Kshs.132.66 million (15.8 per cent) for development programmes and Kshs.704.69 billion (84.2 per cent) for recurrent programmes.

3.23.4 Overall Expenditure Review

A total of Kshs.401.27 million was spent and represented 47.9 per cent of the total funds released from the CRF account. The reported expenditure of Kshs.401.27 million was entirely for recurrent activities and represented an absorption rate of 6.3 per cent of recurrent budget.

3.23.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.389.14 million was spent on Compensation to Employees, and Kshs.12.14 million on Operations and Maintenance.

Table 3.95: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	6,374,441,516	704,689,035	401,277,487	6.3
Compensation to Employees	3,905,551,049	656,351,941	389,142,487	10
Operations and Maintenance	2,468,890,466	48,337,094	12,135,000	0.5
Total Development Expenditure	5,072,168,338	132,660,000	-	-
Development Expenditure	5,072,168,338	132,660,000	-	-
Total	11,446,609,853	837,349,035	401,277,487	3.5

Source: Makeni County Treasury

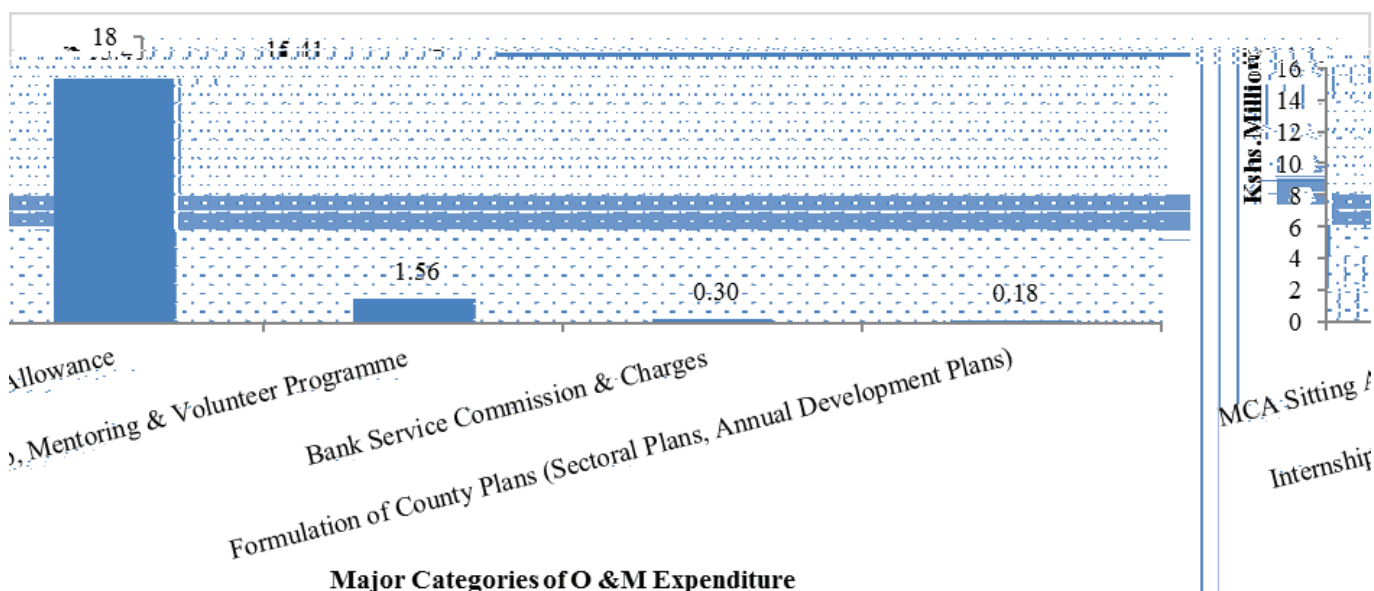
3.23.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.389.14 million and represented 21.4 per cent of the total revenue of Kshs.1.8 billion in the first quarter of the financial year.

3.23.7 Analysis of Operations and Maintenance Expenditure

Figure 3-44 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-44: Makueni County, Operations and Maintenance Expenditure by Major Categories in the First Quarter of FY 2020/21



Source: Makueni County Treasury

The County Assembly spent Kshs.15.4 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.104,834 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

3.23.8 Development Expenditure Analysis

There was no reported expenditure on development activities during the period under review despite having an annual development budget of Kshs.5.07 billion. In a similar period in FY 2019/20 the County spent Kshs.17.4 million for development activities.

3.23.9 Budget Performance by Department

Table 3.96 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.96: Makueni County, Budget Performance by Department for the First Quarter of FY 2020/21

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	108.91	63.35	-	65.78	-	103.8	-	9.3	-
Office of the Governor & Deputy Governor	206.49	-	17.34	-	5.37	-	31.0	-	2.6	-
County Attorney's Office	46.13	-	0.72	-	0.29	-	41.0	-	0.6	-
County Public Service Board	50.68	15	9.53	-	2.16	-	22.6	-	4.3	-
Office of the County Secretary	431.92	-	18.75	-	6.74	-	36.0	-	1.6	-
Devolution, County Administration, Participatory Development, Youth & Public Service	266.97	67.45	27.99	-	17.35	-	62.0	-	6.5	-
Finance and Socio-Economic Planning	518.28	570.74	42.12	-	24.09	-	57.2	-	4.6	-
Agriculture, Irrigation, Livestock & Fisheries development	267.42	925.40	37.38	-	15.12	-	40.4	-	5.7	-
Water and Sanitation	149.02	833.21	18.08	-	7.32	-	40.5	-	4.9	-
Sand Authority	42.12	83	2.79	-	-	-	-	-	-	-

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, Sports and ICT	381.40	286.24	50.08	-	22.93	-	45.8		6.0	-
Health Services	2,841.88	879.39	370.33	132.66	218.10	-	58.9		7.7	-
Lands, Urban Development, Environment and Climate Change	94.77	372.14	15.09	-	1.98	-	13.1		2.1	-
Transport and Infrastructure	222.16	762.33	12.98	-	4.73	-	36.4		2.1	-
Trade, Tourism & Cooperatives	48.12	125.07	5.96	-	4.40	-	73.8		9.1	-
Gender, Culture and Social Services	103.08	43.30	12.19	-	4.91	-	40.3		4.8	-
TOTAL	6,374.44	5,072.17	704.69	132.66	401.28	-	56.9		6.3	-

Source: Makueni County Treasury

Analysis of expenditure by department shows that the County Assembly recorded the highest percentage of recurrent expenditure to recurrent budget at 9.3 per cent while the Sand Authority did not report any expenditure during the period.

3.23.10 Budget Execution by Programmes and Sub-Programmes

Table 3.97 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.97 : Makueni County, Budget Execution by Programmes and Sub-programmes in the First Quarter of FY 2020/21

Department	Programme/ Sub Programme	FY 2020/21 Budget (Kshs.)	Actual on comparable basis (Kshs.)	Budget utilization difference (Kshs.)	Absorption rate (%)
The Department of Agriculture, Irrigation, Livestock & Fisheries development	Programme 1: General administration & planning			-	-
	SP1. 1 General administration & planning	913,038,527	15,120,738	897,917,789	1.7
	Programme 2: Land, Crop development & productivity			-	
	SP2. 1 Land, Crop development & productivity	42,764,019		42,764,019	-
	P3; Agribusiness and information management			-	-
	SP3. 1 Agribusiness and information management	161,332,097		161,332,097	-
	Programme 4: Livestock Production, Management and Development			-	-
	SP4. 1 Livestock Production, Management and Development	75,682,578		75,682,578	-
	Total Budget	1,192,817,222	15,120,738	1,177,696,484	1.3
Transport and Infrastructure	Programme 1: General administration & planning			-	
	SP1. 1 General administration & planning	198,214,540	4,728,324	193,486,217	2.4
	Programme 2: Road transport			-	
	SP2. 1 Road transport	705,223,302		705,223,302	-
	P3; Infrastructure development			-	
	SP3. 1 Infrastructure development	31,402,590		31,402,590	-
	Programme 2: Energy Infrastructure & development			-	-
	SP4. 1 Energy Infrastructure & development	49,653,630		49,653,630	-
	Total Budget	984,494,062	4,728,324	979,765,738	0.5

Department	Programme/ Sub Programme	FY 2020/21 Budget (Kshs.)	Actual on comparable basis (Kshs.)	Budget utilization difference (Kshs.)	Absorption rate (%)
Trade, Tourism & Cooperatives	Programme 1: General administration & planning			-	
	SP1. 1 General administration & planning	64,903,177	4,401,132	60,502,045	6.8
	Programme 2: Trade development & promotion			-	-
	SP2.1; Entrepreneurial development and training			-	-
	SP2.2; Fair trade and consumer protection			-	-
	SP2.3; Local markets development			-	-
	SP2.4; Trade marketing & promotion	62,248,943		62,248,943	-
	P3; Industrial development and promotion			-	
	SP3. 1 Industrial development and promotion	10,699,473		10,699,473	-
	Programme 4: Tourism development & promotion			-	
	SP4. 1 Tourism development & promotion	6,376,371		6,376,371	-
	Programme 5: Cooperative development and management			-	
	SP4. 1 Cooperative development and management	28,956,552		28,956,552	-
	Total Budget	173,184,516	4,401,132	168,783,383	2.5
Lands, Urban Development, Environment and Climate change	Programme 1: General administration & planning			-	
	SP1. 1 General administration & planning	45,987,484	1,981,379	44,006,105	4.3
	Programme 2: Land Survey & Mapping			-	-
	SP2. 1: Land Survey & Mapping	66,374,155		66,374,155	-
	P3; Urban planning			-	-
	SP3. 1 Urban planning	226,012,928		226,012,928	-
	Programme 2: Mining mapping & development			-	-
	SP4. 1 Mining mapping & development	1,422,500		1,422,500	-
	Programme 4: Environment management and protection			-	
	SP4. 1 Environment management and protection	127,116,159		127,116,159	-
	Total Budget	466,913,226	1,981,379	464,931,848	0.4
Water and Sanitation	Programme 1: General administration & planning			-	
	SP1. 1 General administration & planning	125,110,304	7,319,573	117,790,731	5.9
	Programme 2: Water infrastructure Development			-	-
	SP 2.1 Water harvesting and storage	321,915,135		321,915,135	-
	SP 2.2. Piped water supply infrastructure	375,563,054		375,563,054	-
	SP2.3 Ground water development	157,791,158		157,791,158	-
	P3; Irrigation infrastructure development			-	-
	SP3. 1 Irrigation infrastructure development			-	-
	Programme 4: Environment management and protection			-	-
	SP4. 1 Environment management and protection	1,847,298		1,847,298	-
	Total Budget	982,226,949	7,319,573	974,907,376	0.7
Sand Authority	Programme 1: General administration & planning			-	-
	SP1. 1 General administration & planning	125,124,271		125,124,271	-
	Total Budget	125,124,271	-	125,124,271	-

Department	Programme/ Sub Programme	FY 2020/21 Budget (Kshs.)	Actual on comparable basis (Kshs.)	Budget utilization difference (Kshs.)	Absorption rate (%)
Education, Sports and ICT	Programme 1: General administration & planning			-	
	SP1. 1 General administration & planning	273,157,282	22,926,445	250,230,837	8.4
	Programme 2: Early childhood education			-	
	SP1. 1 Early childhood education	86,729,410		86,729,410	0.0
	Programme 3: Technical training & non formal education			-	
	SP1. 1 Technical training & non formal education	104,752,013		104,752,013	0.0
	Programme 4: Support to education			-	
	SP1. 1 Support to education	71,579,242		71,579,242	0.0
	Programme 5; ICT Infrastructure & Systems Development			-	
	SP3. 1 ICT Infrastructure & Systems Development	41,825,683		41,825,683	0.0
	Programme 6; Youth Development support& Empowerment			-	
	SP6. 1 Youth Development	-		-	
	Programme 7: Sports Development			-	
	SP7. 1 Sports Development	89,603,212		89,603,212	0.0
	Total Budget	667,646,841	22,926,445	644,720,396	3.4
The Health Services	Programme 1: General administration & planning			-	
	SP1. 1 General administration & planning	3,392,768,045	218,100,935	3,174,667,110	6.4
	Programme 2: Curative health care services			-	
	SP2. 1: Curative health care services	207,000,000		207,000,000	0.0
	Programme 3; Preventive and promotive health care services			-	
	SP3. 1 Preventive and promotive health care services	121,500,001		121,500,001	0.0
	Total Expenditure of Vote	3,721,268,046	218,100,935	3,503,167,111	5.9
Gender, Culture and Social Services	Programme 1: General administration & planning			-	
	SP1. 1 General administration & planning	98,494,075	4,913,023	93,581,052	5.0
	Programme 2: Gender & Social Development			-	
	SP2. 1 Gender & Social Development	47,889,068		47,889,068	0.0
	P3; Youth Development support& Empowerment			-	
	SP3. 1 Youth Development			-	
	Programme 2: Sports Development			-	
	SP4. 1 Sports Development			-	
	Total Budget	146,383,143	4,913,023	141,470,120	3.4
County Attorney's Office	Programme 1: Legal & advisory services			-	
	SP1. 1 Legal & advisory services	46,131,942	293,860	45,838,082	0.6
	Total Budget	46,131,942	293,860	45,838,082	0.6
Office of the County Secretary	Programme 1: Leadership and coordination of departments.			-	
	SP1. 1 Leadership and coordination of departments.	431,922,813	6,743,591	425,179,222	1.6
	Total Budget	431,922,813	6,743,591	425,179,222	1.6
Office of the Governor & Deputy Governor	Programme 1: General administration & planning			-	
	SP1. 1 General administration & planning	206,491,641	5,371,787	201,119,854	2.6
	Total Budget	206,491,641	5,371,787	201,119,854	2.6

Department	Programme/ Sub Programme	FY 2020/21 Budget (Kshs.)	Actual on comparable basis (Kshs.)	Budget utilization difference (Kshs.)	Absorption rate (%)
Devolution, County Administration, Participatory Development, Youth & Public Service	Programme 1: General administration & planning			-	
	SP1. 1 General administration & planning	200,109,016	17,350,677	182,758,339	8.7
	Programme 2: Public Participation & Civic Education			-	
	SP2. 1: Public Participation & Civic Education	39,590,000		39,590,000	0.0
	Programme 3: Information and communication			-	
	SP3. 1 Information and communication	5,070,000		5,070,000	0.0
	Programme 4: Enforcement and compliance			-	
	SP4. 1 Enforcement and compliance	41,950,000		41,950,000	0.0
	Programme 5: Volunteerism & mentorship			-	
	SP5. 1 Volunteerism & mentorship	-		-	
	Programme 6: Youth Development support & Empowerment			-	
	SP6. 1 Youth Development	47,696,344		47,696,344	0.0
	Total Budget	334,415,360	17,350,677	317,064,683	5.2
County Public Service Board	Programme 1: General Administration and Planning			-	
	SP1.1: General Administration and Planning	65,677,869	2,157,737	63,520,132	3.3
	Total Budget	65,677,869	2,157,737	63,520,132	3.3
Finance and Socio-Economic Planning	Programme 1: General administration & planning			-	
	SP1. 1 General administration & planning	937,276,067	23,906,536	913,369,531	2.6
	Programme 2: Public financial management			-	
	SP2.1 Accounting services	7,955,000		7,955,000	0.0
	SP2.2: Budget formulation, coordination and management	29,139,550		29,139,550	0.0
	SP2.3: Internal audit services	9,567,453		9,567,453	0.0
	SP2.4: Resource mobilization	58,905,000		58,905,000	0.0
	SP2.5: Supply chain management services	6,065,465		6,065,465	0.0
	SP2.6: Economic planning	40,110,194	180,000	39,930,194	0.4
	Total Budget	1,089,018,729	24,086,536	1,064,932,193	2.2
County Assembly	Legislation & Oversight	812,893,224	65,781,751	747,111,473	0.0
	TOTAL COUNTY BUDGET	11,446,609,854	401,277,487	11,045,332,367	2.9

Source: Makueni County Treasury

The programs with the highest absorption rates were: General administration & planning programme under the Department of Devolution, County Administration, Participatory Development, Youth & Public Service at 8.7 per cent, general administration & planning programme under the Department of Education, Sports and ICT at 8.4 per cent, and general administration & planning under the Department of Trade, Tourism & Cooperatives at 6.8 per cent of budget allocation.

3.23.11 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. The approved revenue estimates for FY 2020/21 for equitable share of revenue raised nationally was Kshs.7.28 billion that differed with CARA 2020 allocation of Kshs.7.41 billion.
2. Under performance in own revenue at Kshs.105.16 million against first quarter projection of Kshs.159.45 million (and annual estimate of Kshs.1.07 billion). The realised own source revenue represented 9.9 per cent of its annual target.
3. The County did not record any development expenditure in the first quarter of FY 2020/21 despite carrying unspent cash of Kshs.1.06 billion from FY 2019/20.

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

1. County should consider doing a supplementary budget and revise their equitable share of revenue raised nationally to the CARA, 2020 allocation of Kshs.7.41 billion.

2. *Though COVID-19 pandemic has been attributed to have influenced the low revenue performance, the County should devise and implement strategies on how to increase own source revenue performance in the remaining period of the financial year 2020/21.*
3. *Delay in disbursement of equitable share of revenue raised nationally contributed towards the non – performance*

3.24.4 Overall Expenditure Review

The County Government of Mandera did not report any expenditure in the reporting period

3.24.5 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. The County was not able to access funding during the reporting period due to failure to pass neither the FY 2020/21 budget estimates nor the Vote on Account as provided under Section 134 of the PFM Act, 2012. The County Appropriation Bill for FY 2020/21 was assented to on 1st October, 2020.

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

1. *The County Government should ensure budget estimates are approved within set timelines to allow for timely implementation of programmes. Further, the County leadership should engage the Intergovernmental Relations Technical Committee (IGRTC) for capacity building and to resolve the disagreements which caused delays in the budget approval process.*

3.25 County Government of Marsabit

3.25.1 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) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.6.87 billion (85.7 per cent) being 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.

3.25.2 Revenue Performance

During the first quarter of FY 2020/21, the County received Kshs.59.24 million as total Conditional Grants, raised Kshs.26 million as own-source revenue, and had cash balance of Kshs.583.12 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.668.36 million as shown in Table 3.98.

Table 3.98: Marsabit County, Revenue Performance in the First Quarter FY 2020/21

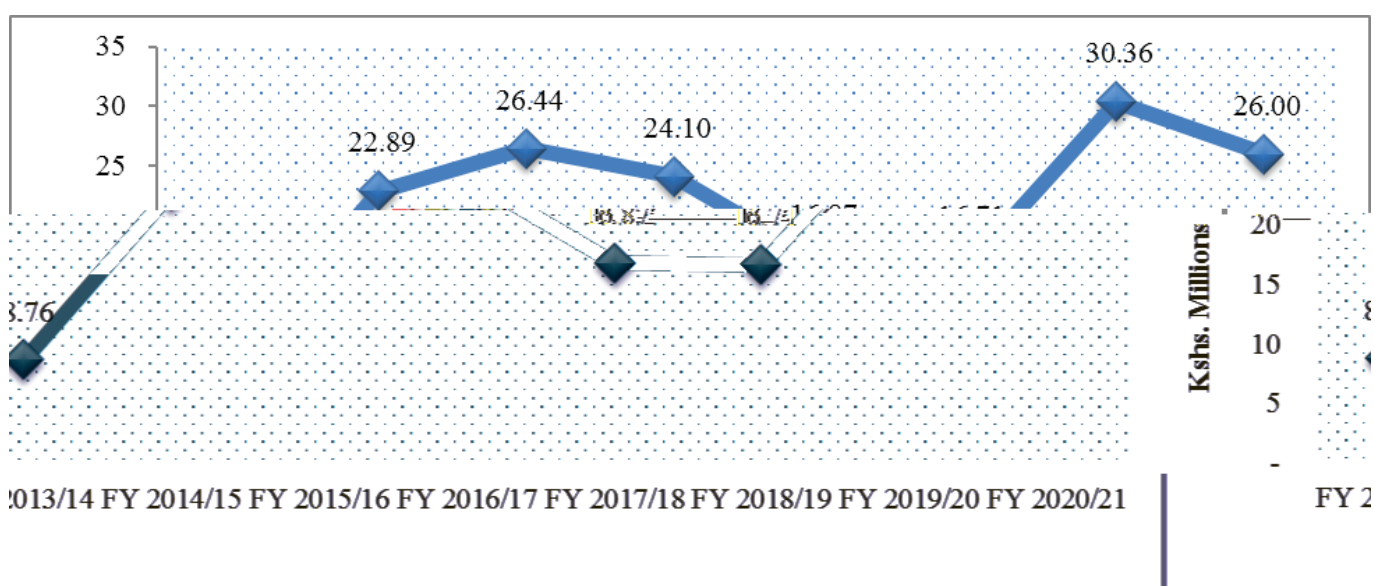
S/No	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual receipts (Kshs)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	6,773,100,000	6,868,050,000	-	-
B.	Conditional Grants from the National Government Revenue				
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.	Grant for COVID-19	-	28,819,000	59,239,000	205.6
	Sub Total	354,066,749	382,885,749	59,239,000	15.5
C.	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	99,759,979	99,759,979	-	-
2.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	319,933,840	319,933,840	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	19,260,000	19,260,000	-	-

S/No	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual receipts (Kshs)	Actual Receipts as Percentage of Annual Allocation (%)
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	-	-
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	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	150,000,000	25,999,316	17.3
2.	Balance b/f from FY 2019/20	-	-	583,124,498	-
Sub Total		-	150,000,000	609,123,814	406.1
Grand Total		7,744,071,408	8,017,840,408	668,362,814	8.3

Source: Marsabit County Treasury

Figure 3-46 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-46: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Marsabit County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.26 million as own-source revenue. This amount represented a decrease of 14.4 per cent when compared to Kshs.30.36 million realised during the same period in FY 2019/20, and was 17.3 per cent of the annual target.

3.25.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.648.36 million from the CRF account during the reporting period. This amount comprised of Kshs.152.15 million (23.5 per cent) for development programmes and Kshs.496.21 million (76.5 per cent) for recurrent programmes.

3.25.4 Overall Expenditure Review

A total of Kshs.680.32 million was spent on development and recurrent programmes and represented 103.4 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.117.24 million and Kshs.553.24

million on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 3.2 per cent while that incurred on recurrent programmes represented an absorption rate of 12.8 per cent.

3.25.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.414.24 million was spent on Compensation to Employees, Kshs.138.91 million on Operations and Maintenance, and Kshs.117.14 million on development activities.

Table 3.99: Summary Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	4,337,619,992	496,208,786	553,244,629	12.8
Compensation to Employees	2,050,743,466	415,000,000	414,339,179	20.2
Operations and Maintenance	2,286,876,526	81,208,786	138,905,449	6.1
Total Development Expenditure	3,680,220,417	152,147,032	117,138,284	3.2
Development Expenditure	3,680,220,417	152,147,032	117,138,284	3.2
Total	8,017,840,408	648,355,818	670,382,912	8.4

Source: Marsabit County Treasury

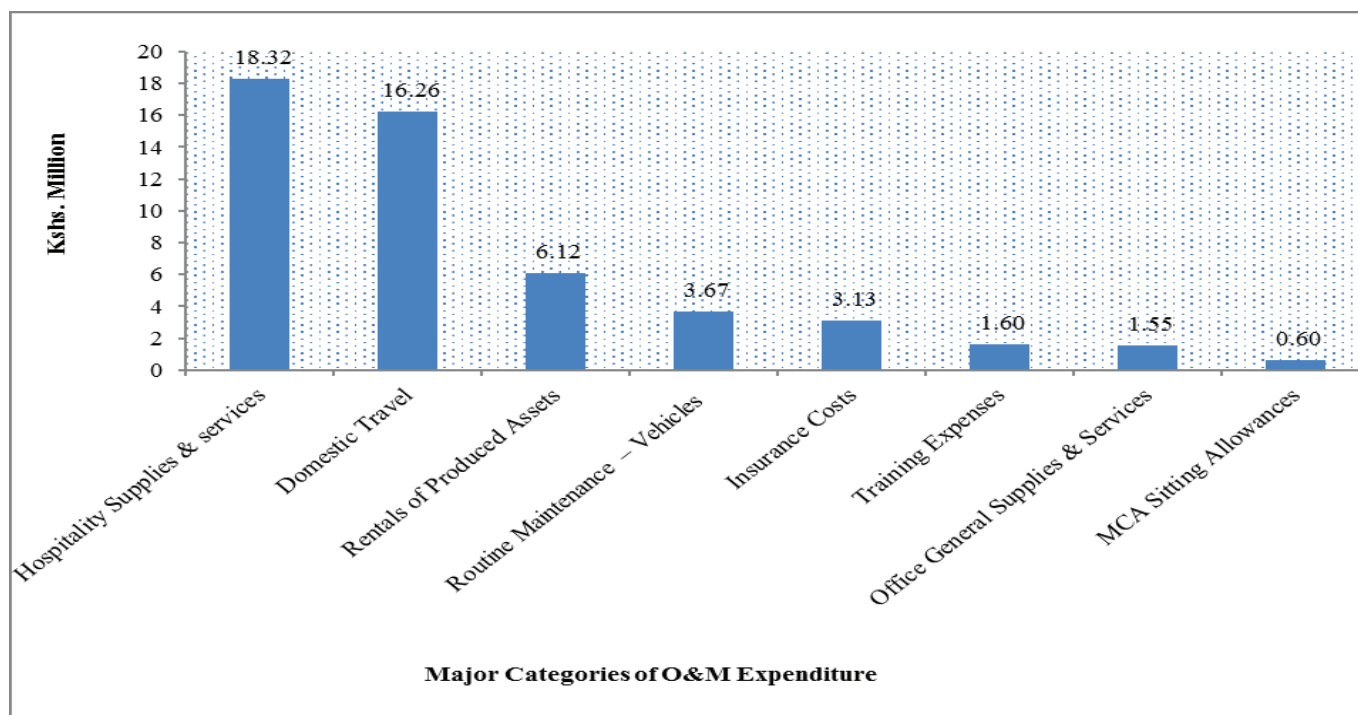
3.25.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.414.34 million and represented 63.9 per cent of the total revenue of Kshs.648.35 million in the first quarter of the financial year.

3.25.7 Analysis of Operations and Maintenance Expenditure

Figure 3-47 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-47: Marsabit County, Operations and Maintenance Expenditure by Major Categories in the First Quarter of FY 2020/21



Source: Marsabit County Treasury

The County spent Kshs.604,800 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.6,503 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.16.26 million and comprised of Kshs.410,063 spent by the County Assembly and Kshs.15.85 million by the County Executive.

3.25.8 Development Expenditure Analysis

The Development expenditure of Kshs.117.14 million represented 3.2 per cent of the annual development budget of Kshs.3.68 billion and represented a decrease of 54.7 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.258.66 million. Table 3.100 provides a summary of development projects with the highest expenditure in the first quarter of FY 2020/21.

Table 3.100: Marsabit 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	Completion of Sololo level IV	Sololo	90,000,000	50,071,699	55.5
2	COVID-19 National Government Emergency Response Fund	All Wards	28,819,000	28,819,000	100

Source: Marsabit County Treasury

3.25.9 Budget Performance by Department

Table 3.101 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.101: Marsabit County, Budget Performance by Department for First Quarter of FY 2020/21

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	49.50	-	39.62	-	80	-	5.8	-
County Executive Services	535	460	39.55	-	87.75	-	221.9	-	16.4	-
Finance Management Services	348	139.28	32.91	-	27.27	-	82.9	-	7.8	-
Agriculture, Livestock, Fisheries	200	554.98	24.73	44.56	25.75	-	104.1	-	12.9	-
County Public Service	90	5	7.70	-	9.71	-	126.2	-	10.8	-
Education Youth Affairs	324	290.80	34.57	-	26.93	-	77.9	-	8.3	-
County Health Services	1,278.44	937.29	223.12	107.59	265.71	117.14	119.1	108.9	20.8	12.5
Administration and ICT	330	16.15	30.05	-	28.48	-	94.8	-	8.6	-
Physical Planning and Development, Energy, Lands	143	93.35	17.64	-	12.95	-	73.4%	-	9.1	-
Public Works, Roads	93	413.14	4.56	-	10.01	-	219.5	-	10.8	-
Water and Environment	135	557.46	16.61	-	-	-	-	-	-	-
Trade and Industry	81	107.40	9.13	-	10.55	-	115.6	-	13	-
Tourism, Social Services	100	55.35	6.13	-	8.51	-	138.7	-	8.5	-
TOTAL	4,337.62	3,680.22	496.21	152.15	553.24	117.14	111.5	77	12.8	3.2

Source: Marsabit County Treasury

Analysis of expenditure by department shows that the Department of Health Services recorded the highest absorption rate of development budget at 12.5 per cent. The Department of Health had the highest percentage of recurrent expenditure to recurrent budget at 20.8 per cent while the Department of Water & Environment did not report any recurrent expenditure

3.25.10 Budget Execution by Programmes and Sub-Programmes

Table 3.102 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.102 : 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 (Kshs.)	Absorption (%)
County Assembly Of Marsabit Operational And Oversight	Operations and Oversight	730,182,991	39,623,355	690,559,636	5.4
Physical Planning And Development	Urban Development Services	118,750,000		118,750,000	-
	Lands and Physical Planning Services	95,000,000		95,000,000	-
	General administration planning and Support Services	142,597,500	17,960,964.09	124,636,535.91	12.6
	Sub total	356,347,500	17,960,964.09	338,386,535.91	5
Education	General Administration, Planning and Support Services	324,000,000	26,925,690	297,074,310	8.3
	Pre – Primary Education	290,803,724	-	290,803,724	-
	Youth Development	-	-	-	-
	Vocational Education and Training	-	-	-	-
	Sports	-	-	-	-
	Sub total	614,803,724	26,925,690	587,878,034	4.4
Executive Services	General Administration, Planning and Support Services	360,000,000	87,747,564	272,252,436	24.4
	Management of County Affairs	635,000,000	-	635,000,000	-
	Public Sector Advisory Services	-	-	-	-
	Inter/Intra Governmental	-	-	-	-
	County Legal Services	-	-	-	-
	Sub total	995,000,000	87,747,564	907,252,436	8.8
Administration And ICT	General administration planning and Support Services	330,000,000	28,477,982	301,522,018	8.6
	ICT infrastructure	16,150,000	2,000,000	14,150,000	12.4
	Coordination of functions of devolved Units	-	-	-	-
	Public Participation and Civic Education	-	-	-	-
	Sub total	346,150,000	30,477,982	315,672,018	8.8
Agriculture And Livestock Development	General Administration, Planning and Support Services	90,116,158	12,564,334	77,551,824	13.9
	Livestock Resources Management and Development	88,652,172	11,962,330	76,689,842	13.5
	Fisheries Development and Management	21,231,666	1,226,500	20,005,166	5.8
	Crop Development and Management	554,984,816	-	554,984,816	
	Sub total	754,984,812	25,753,164	729,231,648	3.4
Health Services	Curative Health Services	-	-	-	
	General Administration, Planning and Support Services	2,215,731,868	382,844,953	1,832,886,915	17.3
	Maternal and child health	-	-	-	
	Sub total	2,215,731,868	382,844,953	1,832,886,915	17.3
County Public Service Board	General administration planning and Support Services	95,000,000	9,713,082	85,286,918	10.2
	Human Resource Management and Development	-	-	-	
	Sub total	95,000,000	9,713,082	85,286,918	10.2

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption (%)
Culture And Social Services	Youth Development	-	-	-	-
	Culture Services	55,350,000	3,100,000	52,250,000	-
	Social Services	-	-	-	-
	General administration, planning and support services	100,000,000	8,506,354	91,493,646	8.5
	Sub total	155,350,000	11,606,354	143,743,646	7.5
Finance And Economic Planning	General administration planning and Support Services	347,999,998	27,272,241	320,727,757	7.8
	Public Finance Management	94,284,992	-	94,284,992	-
	Economic and financial policy Formulation	45,000,000	-	45,000,000	-
	Sub total	487,284,990	27,272,241	460,012,749	5.6
Roads, Housing And Public Works	Road Transport Infrastructure Development	413,138,928	-	413,138,928	-
	Housing Development	-	-	-	-
	General administration planning and Support Services	92,999,998	10,012,322	82,987,676	10.8
	Sub total	506,138,926	10,012,322	496,126,604	2
Trade, Industry & Enterprise Development	General administration planning and Support Services	81,000,000	10,551,576	70,448,424	13
	Trade and Industrial Development	-	-	-	-
	Enterprise Development	107,400,000	-	107,400,000	-
	Sub total	188,400,000	10,551,576	177,848,424	5.6
Water	Water Resources Management	557,463,092	-	54,624,098.60	-
	General administration planning and Support Services	92,728,212	16,479,999	209,600	17.8
	Natural Resources Conservation and Management	42,271,788	-	475,900	-
	Sub total	692,463,092	16,479,999	55,309,598.60	2.4
Grand Total		8,017,840,903	696,969,246	6,820,195,163	8.6

Source: Marsabit County Treasury

General administration planning and Support Services sub-programme had the highest absorption rate across all the programmes.

3.25.11 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. Delay in 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 in the first quarter of FY 2020/21 whereby the County spent Kshs.117.14 million out of the annual development budget of Kshs.3.68 billion. The development expenditure represented 3.2 per cent of the annual development.
3. Failure by the County to budget for the balances brought forward from FY 2019/20 of Kshs.583.12 million.
4. Weak budgetary control by the County Treasuries whereby the County incurred expenditure in excess of approved exchequer issues and budgetary allocations.

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

1. The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.

3. The County Government should prepare a Supplementary Budget to capture unspent cash balances from the previous financial year.
4. The County Treasury should improve 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.

3.26 County Government of Meru

3.26.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.10.4 billion, comprising of Kshs.3.18 billion (30.6 per cent) and Kshs.7.22 billion (69.4 per cent) allocation for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.8.10 billion (77.9 per cent) being equitable share of revenue raised nationally, Kshs.1.48 billion (14.2 per cent) as total conditional grants, generate Kshs.600 million (5.8 per cent) from own sources of revenue, and Kshs.220 million (2.1 per cent) as Appropriation in Aid.

3.26.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.691.36 million as equitable share of the revenue raised nationally which was a balance from FY 2019/20, Kshs.161.81 million as total Conditional Grants, raised Kshs.96.58 million as own-source revenue, and had a cash balance of Kshs.238.94 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.19 billion as shown in Table 3.103.

Table 3.103: Meru County, Revenue Performance in the First Quarter of FY 2020/21

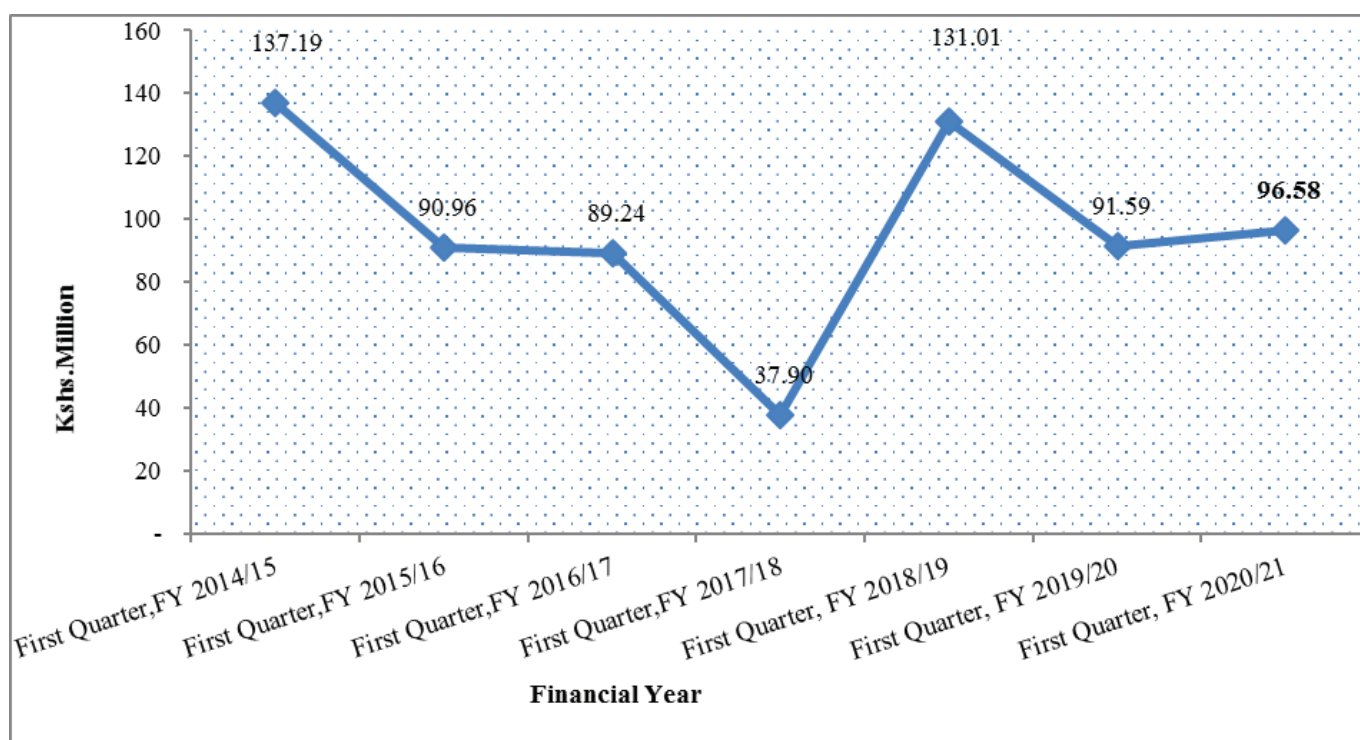
S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts in the FY 2020/21 (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	8,039,100,000	8,102,400,000	691,362,600	8.5
B.	Conditional Grants from the National Government Revenue				
1.	Conditional Grants to Level-5 Hospitals	373,872,832	373,872,832	-	-
2.	Compensation for User Fee Foregone	31,648,428	31,648,848	-	-
3.	Road Maintenance Fuel Levy Fund	241,491,600	241,491,600	-	-
4.	Rehabilitation of Village Polytechnics	58,249,894	58,249,984	-	-
5.	Conditional Grants-Management of COVID 19		102,886,000	152,886,000	148.6
	Sub Total	705,262,754	808,149,264	152,886,000	18.9
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	36,400,000	36,400,000	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	202,802,950	202,802,950	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	-	232,216,740	-	-
4.	DANIDA Grant	22,860,000	22,860,000	8,925,000	39.04
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	13,550,139	13,703,648	-	-
6.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) -Urban Institutional Grants (UIG)		116,890,200	-	-
7.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant FY 2018-19	45,000,000	45,000,000	-	-
	Sub Total	320,613,089	669,873,538	8,925,000	1.33
D	Other Sources of Revenue				
1	Own Source Revenue	-	600,000,000	96,582,616	16.1
2	Balance b/f from FY 2019/20	-		238,943,083	-

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts in the FY 2020/21 (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
3	A-I-A	-	220,000,000	-	-
Sub Total		-	820,000,000	335,525,699	40.9
Grand Total		9,064,975,843	10,400,422,802	1,188,699,299	11.4

Source: Meru County Treasury

Figure 3-48 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-48: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Meru County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.96.58 million as own-source revenue. This amount represented an increase of 5.5 per cent when compared to Kshs.91.59 million realised during the same period in FY 2019/20, and was 16.1 per cent of the annual target.

3.26.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.1 billion from the CRF account during the reporting period, which was entirely for recurrent programmes.

3.26.4 Overall Expenditure Review

A total of Kshs.1 billion was spent recurrent programmes and represented 100 per cent of the total funds released from the CRF account. The expenditure represented an absorption rate of 13.9 per cent.

3.26.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.656.62 million was spent on Compensation to Employees and Kshs.345.54 million on Operations and Maintenance, and zero shilling on development activities.

Table 3.104: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	7,218,256,935	1,002,167,870	1,002,167,869	13.9
Compensation to Employees	4,871,830,115	666,031,890	656,623,990	13.5
Operations and Maintenance	2,346,426,820	336,135,980	345,543,879	14.7
Total Development Expenditure	3,182,165,867	-	-	-
Development Expenditure	3,182,165,867	-	-	-
Total	10,400,422,802	1,002,167,870	1,002,167,869	9.6

Source: Meru County Treasury

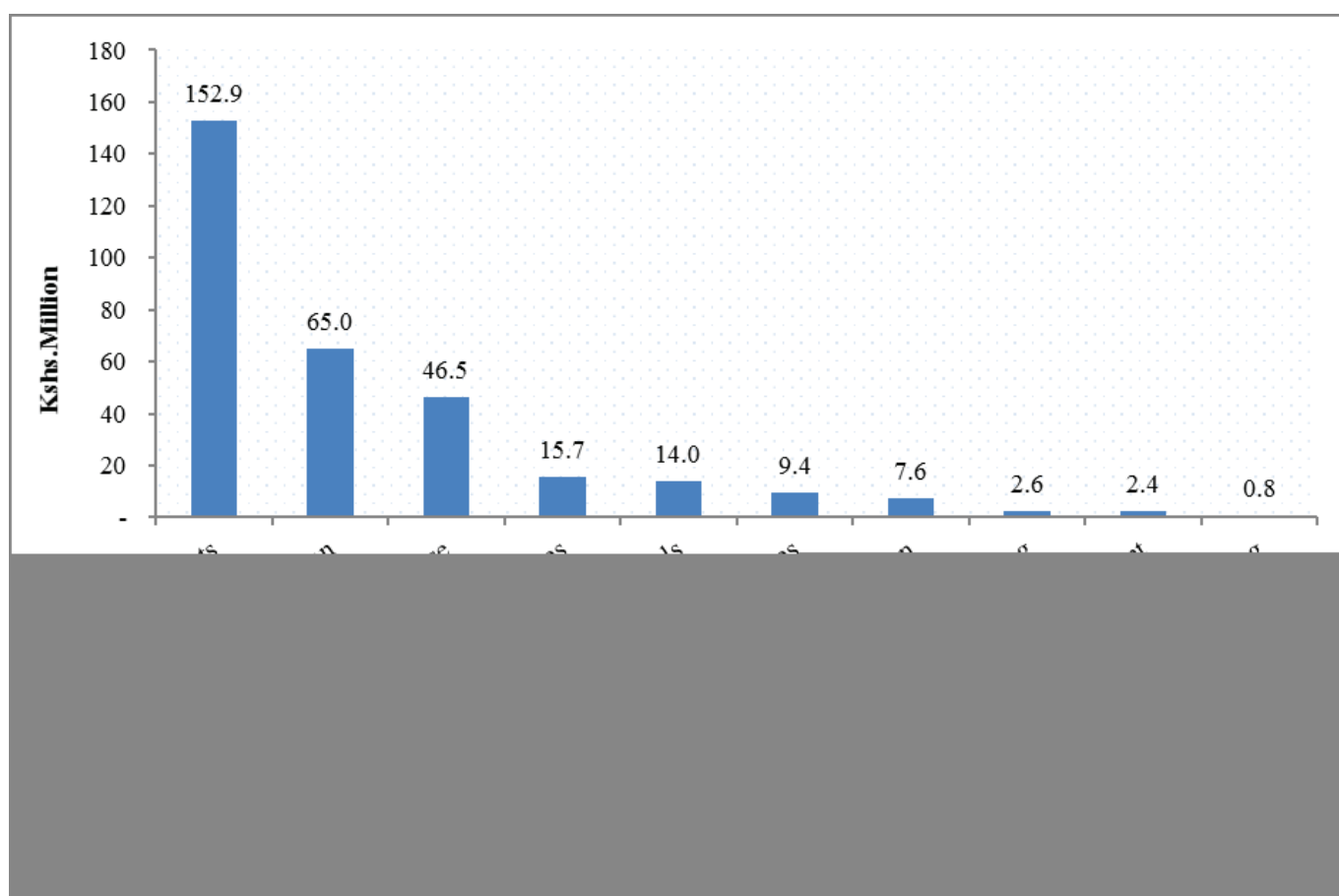
3.26.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.656.62 million and represented 66.5 per cent of the total revenue of Kshs.1 billion in the first quarter of the financial year.

3.26.7 Analysis of Operations and Maintenance Expenditure

Figure 3-49 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-49: Meru County, Operations and Maintenance Expenditure by Major Categories



Source: Meru County Treasury

The County spent Kshs.9.41 million on Committee Sitting Allowances for the 69 MCAs and Speaker against the annual budget allocation of Kshs.114.08 million. The average monthly sitting allowance was Kshs.45,449 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

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3.26.9 Budget Performance by Department

Table 3.105 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.105: 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	925.22	20	75	-	75	-	100	-	8.1	-
Office of the Governor	272.50	4	27.7	-	27.70	-	100	-	10.2	-
Finance, Economic Planning and ICT	895.78	28.13	145.24	-	145.24	-	100	-	16.2	-
Agriculture, Livestock and Fisheries Development	301.03	341.17	30.29	-	30.29	-	100	-	10.1	-
Water Service and Irrigation	117.49	332.11	14.20	-	14.20	-	100	-	12.1	-
Education, Technology, Gender, Culture and Social Development	605.09	150.24	215.92	-	63.04	-	29.2	-	10.4	-
Health Service	2,952.82	566.98	439.23	-	592.17	-	134.8	-	20.1	-
Land, Physical Planning, Public Works and Urban Development	100.57	324.29	10.21	-	10.21	-	100	-	10.2	-
Public Service Administration and Legal Affairs	660.61	232.22	22.19	-	22.19	-	100	-	3.4	-
Road, Transport and Energy	83.13	953.74	7.29	-	7.29	-	100	-	8.8	-
Trade, Industrialization, Tourism and Cooperative Development	83.77	131.51	7.10	-	7.10	-	100	-	8.5	-
Youth Affairs and Sport	134.66	60.55	4.14	-	4.14	-	100	-	3.1	-
County Public Service Board	41.39	-	1.53	-	1.53	-	100	-	3.7	-
Environment, Wildlife and Natural Resources	44.20	37.24	2.13	-	2.13	-	100	-	4.8	-
Total	7,218.26	3,182.17	1,002.17	-	1,002.17	-	100	-	13.9	-

Source: Meru County Treasury

Analysis of expenditure by department shows that the Department of Health Service had the highest percentage of recurrent expenditure to recurrent budget at 20.1 per cent while the Department of Youth Affairs and Sport had the lowest at 3.1 per cent.

3.26.10 Budget Execution by Programmes and Sub-Programmes

Table 3.106 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.106 : Meru 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 Assembly						
General Administration, Planning and Support Services	General Administration, Planning & Support Services	279,345,206	18,935,037	260,410,169	6.8	
Legislative and Representation	Legislative & Representation	462,641,129	35,436,422	427,204,707	7.7	

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
Legislative Oversight	Legislative Oversight	203,233,665	20,628,541	182,605,124	10.2
Sub Total		945,220,000	75,000,000	870,220,000	7.9
Office of the Governor					
Efficiency, Monitoring & Evaluation	Efficient, Monitoring & Evaluation	16,006,077	1,100,000	14,906,077	6.9
	Performance management and Appraisal	-	-	-	-
	Sub Total	-	-	-	-
Communication and Events	Communication and Events	14,774,149	-	14,774,149	-
Disaster Management, Rescue and Emergency	Disaster Management, Rescue and Emergency	16,232,403	500,000	15,732,403	3.1
Human Resource Management	Human Resource Management	-	-	-	-
General Administration, Planning and Support Services	General Administration, Planning and Support Services	205,188,384	23,430,342	181,758,042	11.4
Research and Strategy	Research and Public Participation	13,700,000	2,370,000	11,330,000	17.3
Office of the County Secretary	County Secretary	10,600,000	300,000	10,300,000	2.8
Partnership Development and External Linkages	Partnership Development and External Linkages	-	-	-	-
Sub Total		276,501,013	27,700,342	248,800,671	10
Finance, Economic Planning and ICT					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	705,910,224	132,949,569	572,960,655	18.8
	Accounts and Reporting	9,200,000	1,495,800		
Public Finance Management	Budget Coordination & Management	24,984,304	1,713,000	23,271,304	6.9
	Internal Audit	7,700,000	335,000	7,365,000	4.4
	Procurement Service	6,100,000	1,457,500	4,642,500	23.9
	Sub Total	-	-	-	-
ICT Development	ICT Development	21,975,408	4,478,291	17,497,117	20.4
Economic Planning & Coordination Services	Economic Planning & Co-ordination Services	10,300,000	400,000	9,900,000	3.9
Fleet Management	Fleet Management	137,736,001	2,406,419	135,329,582	1.7
Sub Total		923,905,937	145,235,579	770,966,158	15.7

Budget Execution by Programmes and Sub-Programmes							
Programme	Sub- Programme	Approved (Kshs)	Budget	Actual (Kshs)	Payments	Variance (Kshs)	Absorption (%)
Agriculture, Livestock and Fisheries							
General Administration, Planning and Support Services	General Administration, Planning and Support Services	577,114,504		30,136,866		546,977,638	5.2
Agriculture Development	Agriculture Development	17,881,111		-		17,881,111	-
Aquaculture Development	Aquaculture Development	7,015,000		-		7,015,000	-
Livestock Development	Livestock Development	10,549,389		150,000		10,399,389	1.4
Animal Disease Management	Animal Disease Management	15,855,000		-		15,855,000	-
County Owned Enterprise	Agricultural Training Centre	12,647,461		-		12,647,461	-
	Agricultural Mechanization Services	1,134,625		-		1,134,625	-
Sub Total		642,197,090		30,286,866		611,910,224	4.7
Water and Irrigation							
General Administration, Planning and Support Services	General Administration, Planning and Support Services	117,491,212		14,196,285		103,294,927	12.1
Water Resource Management	Water Resource Management	332,105,902		-		332,105,902	-
Irrigation and drainage Infrastructure	Irrigation and drainage Infrastructure	-		-		-	-
Sub Total		449,597,114		14,196,285		435,400,829	3.2
Education, Technology, Gender and Social Development							
General Administration, Planning and Support Services	General Administration, Planning and Support Services	562,892,295		62,937,871		499,954,424	

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
Curative Health	Curative health care services	946,173,644	111,811,000	834,362,644	11.8
	Sub total	-	-	-	
General Administration and Planning	General Administration and Planning	2,477,859,689	430,005,425	2,047,854,264	17.4
	Sub total	-	-	-	-
COVID 19	COVID 19	-	-	-	-
Sub Total		3,519,807,245	592,116,425	2,927,690,820	16.8
Lands, Physical Planning, Urban Development and Public Works					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	73,772,012	8,726,584	65,045,428	11.8
Meru Town Municipality	Meru Town Municipality	166,703,709	972,000	165,731,709	0.6
Spatial, Planning, Survey and Mapping	Spatial, Planning, Survey and Mapping	29,600,000	512,000	29,088,000	1.7
Public Works	Public Works	154,785,149	-	154,785,149	-
Sub Total		424,860,870	10,210,584	414,650,286	2.4
Public Service Administration and Legal Affairs					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	19,524,181	788,346	18,735,835	4.0
Coordination of County Government Function	Coordination of County Government Function	11,685,270	-	11,685,270	-
County Enforcement Services	County Law Enforcement Service	37,508,250	200,000	37,308,250	0.5
	Conservancy Ranger Service	-	-	-	-
Human Resource Management	Human Resource Management	771,665,499	21,202,314	750,463,185	2.7
Legal Representation and Advisory Services	Legal Representation and Advisory Services	46,279,250	-	46,279,250	-
Town Management & Administration	Town Management & Administration	6,160,000	-	6,160,000	-
Sub Total		892,822,450	22,190,660	870,631,790	2.5
Road, Transport and Energy					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	61,321,925	6,367,398	54,954,527	10.4

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption (%)
Electrification and Street Lighting	Electrification and Street Lighting	31,811,122	924,000	30,887,122	2.9
Road Transport	Road Transport	943,738,831	-	943,738,831	-
Sub Total		1,036,871,878	7,291,398	1,029,580,480	0.7
Trade, Investment, Industrialization, Tourism and Cooperative Development					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	52,465,103	6,801,368	45,663,735	13.0
Trade Development & Promotion	Trade Development & Promotion	124,812,142	100,000	124,712,142	0.1
Cooperative Development	Cooperative Development	18,000,000	100,000	17,900,000	0.6
Tourism Development and Promotion	Tourism Development and Promotion	20,000,000	100,000	19,900,000	0.5
Industrial Development and Investment	Industrial Development and Investment	-	-	-	-
Sub Total		215,277,245	7,101,368	208,175,877	3.3
Youth, Affairs and Sport					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	30,676,932	3,638,331	27,038,601	11.9
Youth Affairs	Youth Affairs	90,200,001	-	90,200,001	-
Sport Development	Sport Development	52,962,440	284,000	52,678,440	0.5
Arts & Culture Development	Arts & Culture Development	21,371,131	217,800	21,153,331	1.0
Sub Total		195,210,504	4,140,131	191,070,373	2.1
County Public Service Board					
Human Resource Management & Development	Human Resource Management & Development	41,388,806	1,527,000	39,861,806	3.7
Sub Total		41,388,806	1,527,000	39,861,806	3.7
Environment, Wildlife and Natural Resource					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	44,200,885	2,133,360	42,067,525	4.8
Environmental Management and Protection	Environmental Management and Protection	37,238,300	-	37,238,300	-
Sub Total		81,439,185	2,133,360	79,305,825	2.6
	Grand Total	10,400,422,802	1,002,167,868	9,390,550,734	9.6

Source: Meru County Treasury

The programs with the highest absorption rates were: Preventive and promotive Services at 52.5 per cent , the ICT development at 20.4 per cent and General Administration, Planning and Support Service at 18.8 per cent of budget allocation.

3.26.11 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. Failure to implement the development budget during the period under review despite carrying forward a cash balance of Kshs.96.58 million from FY 2019/20
2. Under performance in own source revenue collection at Kshs.96.58 million that represented 16.1 per cent of its annual target of Kshs.600 million.
3. Spending of revenue at source in contravention of Section 109 of the PFM Act, 2012. The COB has noted, from the analysis of the bank statement and expenditure returns, that the Department of Health did not bank all its revenue receipts into the CRF account.

The County should implement the following recommendations in order 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 devise and implement strategies to mobilise revenue collection to ensure the approved budget is fully financed.*
3. *The County should ensure all departments adhere to Section 109(2) of the PFM Act, 2012 and bank all revenue receipts intact into the CRF account.*

3.27 County Government of Migori

3.27.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.8.12 billion, comprising of Kshs.2.86 billion (35 per cent) and Kshs.5.26 billion (65 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.6.87 billion (84.5 per cent) being equitable share of revenue raised nationally, Kshs.964.32 million (11.9 per cent) as total conditional grants, generate Kshs.292 million (3.6 per cent) from own sources of revenue.

3.27.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.582.48 million as equitable share of the revenue raised nationally which was a balance from FY 2019/20, raised Kshs.60.28 million as own-source revenue. The total funds available for budget implementation during the period amounted to Kshs.642.77 million as shown in Table 3.107.

Table 3.107: Migori County, Revenue Performance in the First Quarter of FY 2020/21

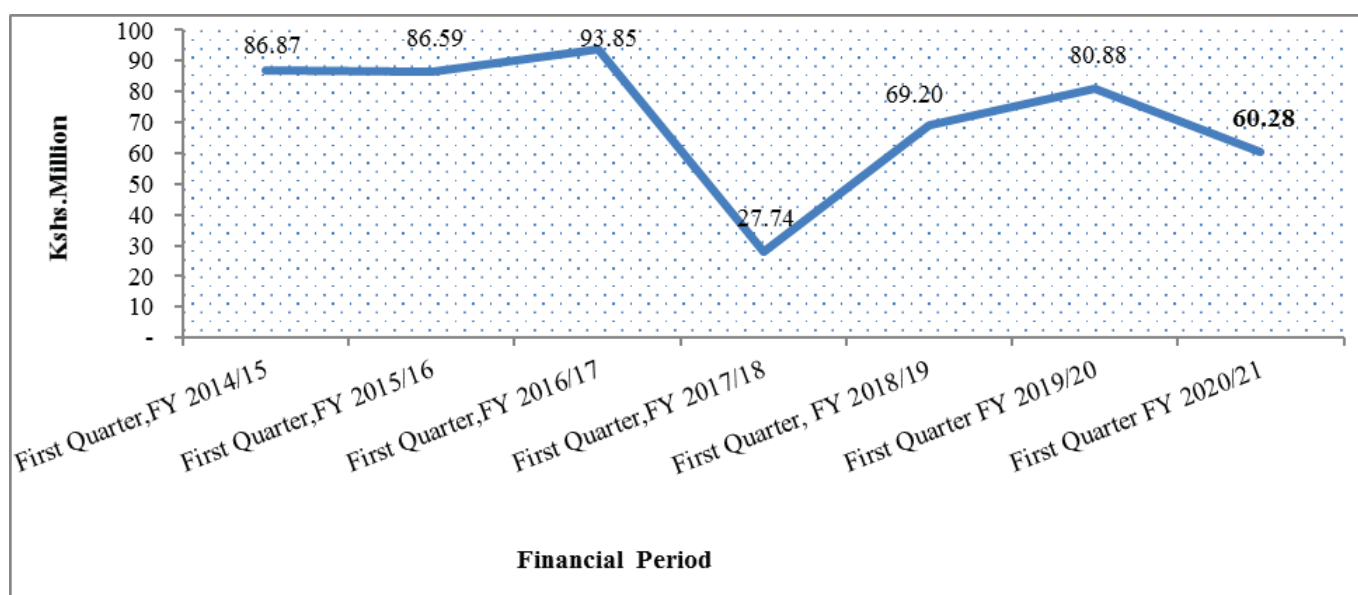
AS/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	6,773,100,000	6,868,050,000	582,486,600	8.5
B.	Conditional Grants from the National Government				
1.	Compensation for User Fee Foregone	21,655,884	21,655,884	-	-
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	36,439,894	36,439,894	-	-

AS/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
Sub Total		394,818,919	394,818,919	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	40,295,580	40,295,580	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	198,500,002	198,500,002	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	-	237,116,882	-	-
5.	DANIDA Grant	19,260,000	19,260,000	-	-
6.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	13,703,648	13,703,648	-	-
7.	EU Grant (Instruments for Devolution Advise and Support IDEAS)	15,626,168	15,626,168	-	-
Sub Total		332,385,398	569,502,280	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	292,000,000	60,289,703	20.6
Sub Total		-	292,000,000	60,289,703	20.6
Grand Total		7,500,304,317	8,124,371,199	642,776,303	7.9

Source: Migori County Treasury

Figure 3.50 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-50: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Migori County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.60.28 million as own-source revenue. This amount represented a decrease of 25.4 per cent when compared to Kshs.80.88 million realised during the same period in FY 2019/20, and was 20.6 per cent of the annual target.

3.27.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs522.56 million from the CRF account during the reporting period. This amount was entirely for recurrent programmes.

3.27.4 Overall Expenditure Review

A total of Kshs.509.20 million was spent on recurrent programmes and represented 97.4 per cent of the total funds released from the CRF account and represented an absorption rate of 9.7 per cent. The County did not report expenditure on development expenditure.

3.27.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.439.57 million was spent on Compensation to Employees and Kshs.69.62 million on Operations and Maintenance.

Table 3.108: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	5,268,313,671	522,565,726	509,206,044	9.7
Compensation to Employees	2,918,987,224	489,597,623	439,577,289	15.1
Operations and Maintenance	2,349,326,447	32,968,103	69,628,755	3.0
Total Development Expenditure	2,856,057,527	-	-	-
Development Expenditure	2,856,057,527	-	-	-
Total	8,124,371,198	522,565,726	509,206,044	6.3

Source: Migori County Treasury

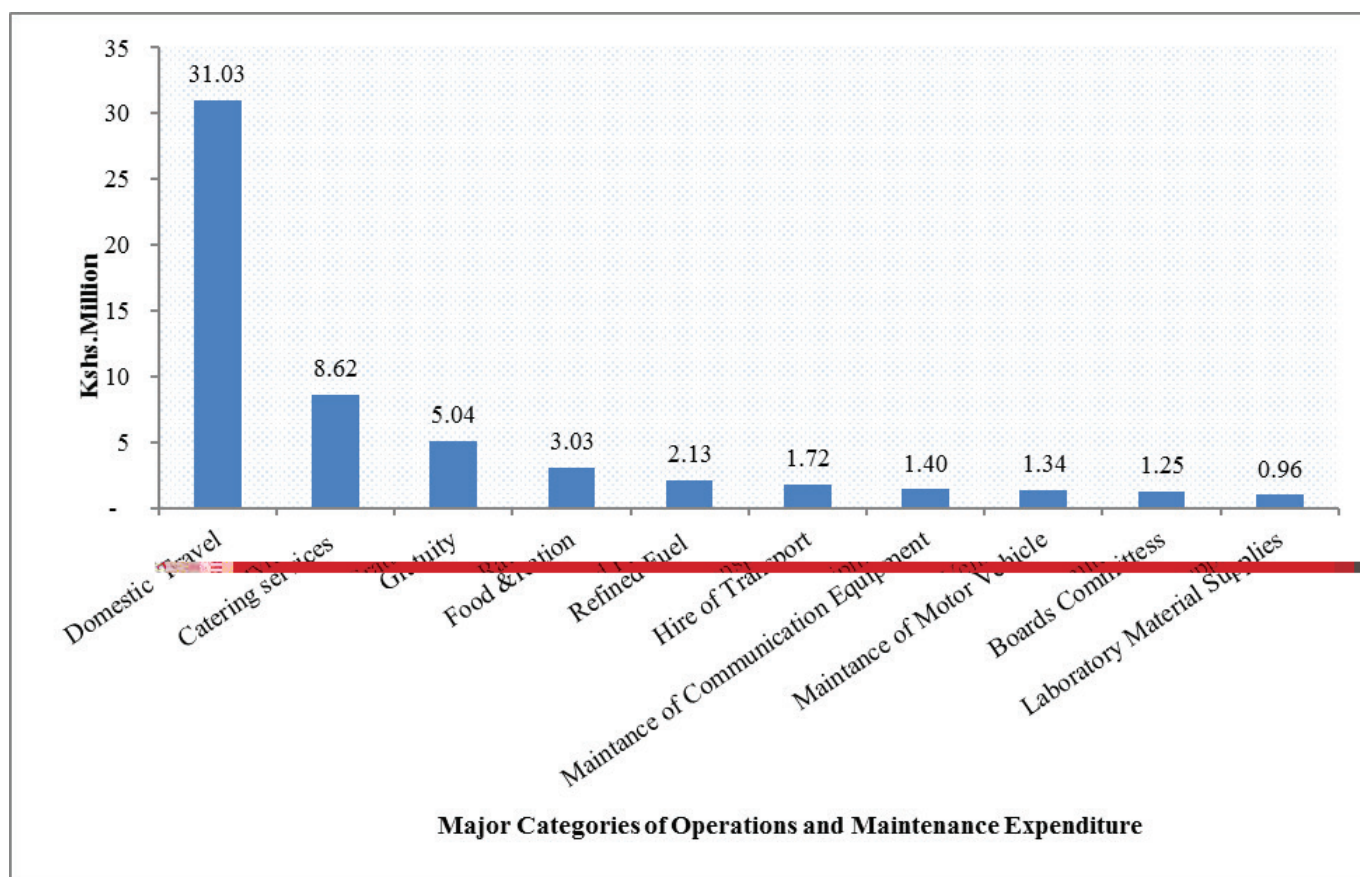
3.27.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.439.57 million and represented 68.4 per cent of the total revenue of Kshs.642.77 million in the first quarter of the financial year.

3.27.7 Analysis of Operations and Maintenance Expenditure

Figure 3-51 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-51: Migori County, Operations and Maintenance Expenditure by Major Categories



Source: Migori County Treasury

The County spent Kshs.4.14 million on Committee Sitting Allowances for the 57 MCAs and Speaker against the annual budget allocation of Kshs.115.32 million. The average monthly sitting allowance was Kshs.24,198 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.31.03 million by the County Executive.

3.27.8 Budget Performance by Department

Table 3.109 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.109: Migori County, Budget Performance by Department for the First Quarter FY 2020/21

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	206.33	273.95	29.30	-	23.93	-	81.7	-	11.6	-
County Assembly	836.83	50	20	-	20	-	100	-	2.4	-
County Executive	244.25	170	11.24	-	19.55	-	173.9	-	8	-
Education, Youth, Sports, Culture, Gender & Social Service	326.99	167.96	35.02	-	32.46	-	92.7	-	9.9	-
Finance Economic planning	586.67	70.4	52.60	-	49.5	-	93.5	-	8.4	-
Health	1,737.10	434.64	281.46	-	228.86	-	81.3	-	13.2	-
Lands, Physical Planning and Housing	360.97	110	11.75	-	8.74	-	74.5	-	2.4	-
Management Environment, Natural Resources and Disaster Management	79.09	16.92	6.87	-	10.32	-	150.3	-	13.1	-
Public Service Management	627.02	123.10	51.44	-	94.62	-	183.9	-	15.1	-
Roads, Transport, & Public works	105.09	1,108.85	8.02	-	8.01	-	99.8	-	7.6	-
Trade, Tourism & co-operatives	64.69	140.25	10.04	-	9.54	-	95	-	14.8	-
Water and Energy	93.22	180.96	4.78	-	3.94	-	82.5	-	4.2	-
Total	5,268.31	2,856.05	522.56	-	509.20	-	97.4	-	9.7	-

Source: Migori County Treasury

Analysis of expenditure by department shows that The Department of Public Service had the highest Percentage of recurrent expenditure to recurrent budget at 15.1 per cent while the Department of Lands, Physical Planning and Housing had the lowest absorption of recurrent budget at 2.4 per cent.

3.27.9 Budget Execution by Programmes and Sub-Programmes

Table 3.110 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.110 : Migori County, Budget Execution by Programmes and Sub-programmes in

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
Policy, Planning, General Administration and Support Services (Agriculture development)	General administration	161,444,161	23,929,617	137,514,543	14.8
	Field Extension Services and support programme	10,570,000	-	10,570,000	-
	Subtotal	172,014,161	23,929,617	148,084,543	13.9
Crop Development and management	Field Extension Services and support programme	2,400,000	-	2,400,000	-
	Donor Funds	242,329,818	-	242,329,818	-
	Subtotal	244,729,818		244,729,818	-
Policy, Planning, General Administration and Support Services (Livestock Development)	General administration	5,606,000	-	5,606,000	-
	Subtotal	5,606,000	-	5,606,000	-
Livestock production and management	Enterprise Development And Value Addition	4,720,000	-	4,720,000	-
	Subtotal	4,720,000	-	4,720,000	-
Livestock production and management(development)	Enterprise Development and Value Addition	10,000,218	-	10,000,218	-
	Breeds Improvement	2,000,000	-	2,000,000	-
	Subtotal	12,000,218.00	-	12,000,218	-
Policy, Planning, General Administration and Support Services (Fisheries Development)	General administration	6,534,500	-	6,534,500	-
	Field Extension Services and support programme	4,310,500	-	4,310,500	-
	Subtotal	10,845,000	-	10,845,000	-
Fisheries Development	Aquaculture Development and Extension Services	4,520,000	-	4,520,000	-
	Fish Safely Assurance, Value Addition and Marketing	500,000	-	500,000	-
	Subtotal	5,020,000	-	5,020,000	-
Policy, Planning, General Administration and Support Services(Veterinary Services Department)	General administration	6,884,000	-	6,884,000	-
	Field Extension Services and support programme	1,700,000	-	1,700,000	-
	Subtotal	8,584,000	-	8,584,000	-
Veterinary services	Livestock disease control & management	1,950,000	-	1,950,000	-
	Veterinary public health management	1,186,000	-	1,186,000	-
	Livestock breeding services	1,430,000	-	1,430,000	-
	Subtotal	4,566,000	-	4,566,000	-
Veterinary services (development)	Veterinary public health management	12,200,000	-	12,200,000	-
	Subtotal	12,200,000	-	12,200,000	-
Governance and Executive Management (Governor's Office)	Coordination of Devolved Ministries and Departments	13,085,405	2,550,510	10,534,895	19.4
	Subtotal	13,085,405	2,550,510	10,534,895	19.4
Strategy and service delivery(Governor's Office)	Legal Services	33,269,839	1,552,090	31,717,749	4.6
	Efficiency monitoring services	4,626,000	577,436	4,048,564	12.4
	Subtotal	37,895,839	2,129,526	35,766,313	5.6
Strategy and service delivery	Conflict Management And Resolution	1,441,000	80,300	1,360,700	5.5
	Subtotal	1,441,000	80,300	1,360,700	5.5

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
General Administration and Support Services (Governor's Office)	General Administration Services	115,132,000	6,577,370	108,554,630	5.7
	Subtotal	115,132,000	6,577,370	108,554,630	5.7
Cohesion And Peace Building(Deputy Governor's Office)	Peace Building, Education, Advocacy And Research	3,700,000	513,100	3,186,900	13.8
	Subtotal	3,700,000	513,100	3,186,900	13.8
General Administration and Support Services(Deputy Governor's Office)	General Administration Services	14,999,800	2,869,400	12,130,400	19.1
	Subtotal	14,999,800	2,869,400	12,130,400	19.1
Governance and Executive Management (County Secretary)	Citizen Delivery services	1,000,000	-	1,000,000	-
	Subtotal	1,000,000	-	1,000,000	-
General Administration and Support Services(County Secretary)	General Administration Services	12,000,000	4,834,560	7,165,440	40.2
	Subtotal	12,000,000	4,834,560	7,165,440	40.2
Kenya Devolution Support Programme	Key Result Area1: Public Finance Management	5,450,642	-	5,450,642	-
	Key Result Area2: Planning , Monitoring And Evaluation	10,499,276	-	10,499,276	-
	Key Result Area3: Performance Contracting And Human Resources Management	16,180,647	-	16,180,647	-
	Key Result Area4: Civic Education And Public Participation	7,482,039	-	7,482,039	-
	Key Result Area5: Environment And Social Safeguard	5,387,397	-	5,387,397	-
	Subtotal	45,000,000	-	45,000,000	-
Governance and Executive Management	Citizen Delivery services	170,000,000	-	170,000,000	-
	Coordination of Devolved Ministries and Departments	8,500,000	-	8,500,000	-
	Subtotal	178,500,000	-	178,500,000	-
General Administration and Support Services (Public Service Management)	General Administration and Support Services	523,771,618	84,392,135	439,379,482	16.1
	Subtotal	523,771,618	84,392,135	439,379,482	16.1
Human Capital Management And Development (Public Service Management)	Human Capital Strategy	2,020,000	-	2,020,000	-
	Information And Records Management	720,000	-	720,000	-
	Subtotal	2,740,000	-	2,740,000	-
Sub County Administration Services	Devolved units Development services	9,600,000	-	9,600,000	-
	Subtotal	9,600,000	-	9,600,000	-
Civic Education And Public Participation	Civic Education	400,000	-	400,000	-
	Subtotal	400,000	-	400,000	-
County Security and Compliance Enforcement Services	Support and Administration Services	3,966,037	-	3,966,037	-
	Subtotal	3,966,037	-	3,966,037	-
General Administration and Support Services (Public Service Board)	General Administration and Support Services	54,800,000	7,832,698	46,967,302	14.2
	Subtotal	54,800,000	7,832,698	46,967,302	14.2

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
Human Capital Management And Development	Human Capital Strategy	3,600,000	-	3,600,000	-
	Public Service Board Services	5,500,000	-	5,500,000	-
	Information And Records Management	1,650,000	-	1,650,000	-
	Subtotal	10,750,000	-	10,750,000	-
General Administration and Support Services (Information Communication Technology)	General Administration Services	21,000,000	2,397,400	18,602,600	11.4
	Subtotal	21,000,000	2,397,400	18,602,600	11.4
General Administration and Support Services (development)	General Administration and Support Services	18,500,000	-	18,500,000	-
	Subtotal	18,500,000	-	18,500,000	-
Sub County Administration Services	Devolved units Development services	83,600,000	-	83,600,000	-
	Subtotal	83,600,000	-	83,600,000	-
General Administration and Support Services (ICT)	ICT	30,000,000	-	30,000,000	-
	Subtotal	30,000,000	-	30,000,000	-
General Administration and supportive Services(Education)	Personal Emolument	150,613,568	31,456,413	119,157,155	20.8
	General Administration Services	13,284,334	952,000	12,332,334	7.1
	Staff trainings and Empowerment	2,000,000	-	2,000,000	-
	Subtotal	165,897,902	32,408,413	133,489,489	19.5
Education Support Services	Bursary and Scholarship	127,398,360	-	127,398,360	-
	Subtotal	127,398,360	-	127,398,360	-
Child Care Support Services	ECDE Staffing	5,000,000	-	5,000,000	-
	Subtotal	5,000,000	-	5,000,000	-
Quality Management Services	Quality Assurance And Standards Services	6,500,000	-	6,500,000	-
	Quality Assurance And Standards Services	500,000	-	500,000	-
	Sub County Education Office Services	1,000,000	-	1,000,000	-
	Subtotal	8,000,000	-	8,000,000	-
General Administration and supportive Services(Sports)	General Administration Services	9,200,000	52,000	9,148,000	0.5
	Subtotal	9,200,000	52,000	9,148,000	0.5
Sports and Culture Development	Sports And Talent Development	3,000,000	-	3,000,000	-
	Talent Development Services	3,000,000	-	3,000,000	-
	Subtotal	6,000,000	-	6,000,000	-
Sports and Culture Development	Promotion of indigenous knowledge	3,000,000	-	3,000,000	-
	Subtotal	3,000,000	-	3,000,000	-
Gender and Equality Services	Women Empowerment Enterprises And Support Services	1,000,000	-	1,000,000	-
	PWDs Enterprises And Support Services	1,500,000	-	1,500,000	-
	Subtotal	2,500,000	-	2,500,000	-
Child Care Support Services	Infrastructure Development and Sanitation Improvement	64,023,750	-	64,023,750	-
	Subtotal	64,023,750	-	64,023,750	-
Youth Development & Empowerment	Youth Development & Empowerment	54,500,000	-	54,500,000	-
	Subtotal	54,500,000	-	54,500,000	-
External Funding	Conditional Grants	36,439,894	-	36,439,894	-
	Subtotal	36,439,894	-	36,439,894	-

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
Sports and Culture Development	Sports and Talent Development	10,000,000	-	10,000,000	-
	Culture and Heritage Conservation	3,000,000	-	3,000,000	-
	Subtotal	13,000,000	-	13,000,000	-
Policy, Planning and Administrative Support Services (Trade)	Administrative Support Services	60,612,925	9,543,583.80	51,069,341.20	15.7
	Subtotal	60,612,925	9,543,583.80	51,069,341.20	15.7
Investment promotion, trade and enterprise development services	Investment promotion, trade and enterprise development services	575,661	-	575,661	-
	Subtotal	575,661	-	575,661	-
Cooperative development services	Cooperative development services	376,000	-	376,000	-
	Subtotal	376,000	-	376,000	-
Tourism Development	Tourism Promotion and Marketing	2,100,000	-	2,100,000	-
	Subtotal	2,100,000	-	2,100,000	-
Legal Metrology Services	Verification	100,000	-	100,000	-
	Inspection	100,000	-	100,000	-
	Calibration of Standards	140,000	-	140,000	-
	Standards and Instrumentation Equipment	692,268	-	692,268	-
	Subtotal	1,032,268	-	1,032,268	-
Trade and Market Development	Trade development and promotion of SMEs services	77,251,061	-	77,251,061	-
	Trade Infrastructure Development Services	63,000,000	-	63,000,000	-
	Subtotal	140,251,061	-	140,251,061	-
General Administration planning and support services (Lands)	Administration support services	33,547,854.50	8,246,330	25,301,524.50	24.8
	Subtotal	33,547,854.50	8,246,330	25,301,524.50	24.5
General Administration planning and support services (Physical Planning)	Administration support services	30,314,508	502,666	29,811,842	1.6
	Migori Municipality	20,000,000	-	20,000,000	-
	Rongo Municipality	20,000,000	-	20,000,000	-
	Awendo Municipality	20,000,000	-	20,000,000	-
	Subtotal	90,314,508	502,666	89,811,842	0.5
External Funding	Donor Funds	237,116,882	-	237,116,882	-
	Subtotal	237,116,882	-	237,116,882	-
General Administration planning and support services	Physical and Urban Planning Services	110,000,000	-	110,000,000	-
	Subtotal	110,000,000	-	110,000,000	-
General Administrative and supportive service (Accounts)	General administration planning and support services	96,677,854	6,694,524	89,983,329	6.9
	Subtotal	96,677,854	6,694,524.30	89,983,329.70	6.9
	General administration planning and support services(development)	15,000,000	-	15,000,000	-
	Subtotal	15,000,000	-	15,000,000	-
Public Financial Management	Accounting services	308,779,313	42,061,494	266,717,818	13.6
	Subtotal	308,779,313	42,061,494	266,717,818	13.6

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
General Administrative and supportive service	General administration planning and support services	24,432,498	-	24,432,498	-
	Subtotal	24,432,498	-	24,432,498	-
Public Financial Management	Procurement services	18,207,569	-	18,207,569	-
	Subtotal	18,207,569	-	18,207,569	-
General Administrative and supportive service (Revenue)	General administration planning and support services	2,402,966	-	2,402,966	-
	Subtotal	2,402,966	-	2,402,966	-
Public Financial Management	Resource mobilization	42,264,082	-	42,264,082	-
	Subtotal	42,264,082	-	42,264,082	-
	Resource mobilization (development)	14,500,000	-	14,500,000	-
	Subtotal	14,500,000	-	14,500,000	-
General Administrative and supportive service	General administration planning and support services	20,939,617	441,740	20,497,877	2.1
	Subtotal	20,939,617	441,740	20,497,877	2.1
Economic policy and county planning	Budget coordination and management	54,304,908	9,654,890	44,650,018	17.7
	Policy and plans developments	10,936,704	-	10,936,704	-
	County statistical information services	4,789,015	-	4,789,015	-
	Community development	2,936,704	-	2,936,704	-
	Subtotal	72,967,333	9,654,890	63,312,443	13.2
	General administration planning and support services(development)	5,000,000	-	5,000,000	-
	Budget coordination and management (development)	35,900,000	-	35,900,000	-
	Subtotal	40,900,000	-	40,900,000	-
Planning and administrative support service (Medical services)	Health Management Informative System(Medical services)	338,053	-	338,053.70	-
	Administrative And Support Services(Medical services)	1,324,807,783	223,559,998	1,101,247,784	16.8
	Subtotal	1,325,145,837	223,559,998	1,101,585,838	16.8
Planning and administrative support service (Public health)	Health Management Informative System(Public Health)	338,053	-	338,053	-
	Administrative And Support Services(Public Health)	13,325,164	3,133,872	10,191,292	23.5
	Subtotal	13,663,218	3,133,872	10,529,346	22.9

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
Preventive And Promotive Health Services (Medical services)	Human Nutrition And Dietetics(Medical services)	507,080	-	507,080	-
	HIV And Aids Management(- Medical services)	236,637	-	236,637	-
	Emergency Preparedness And Response(medical services)	1,690,268	-	1,690,268	-
	Family& Reproductive Health Medical services)	30,684,604	-	30,684,604	-
	Subtotal	33,118,590	-	33,118,590	-
Preventive And Promotive Health Services (Public health)	Community Health Services(- Public health)	338,053	-	338,053	-
	Sanitation And Environmental Health Services(Public health)	338,054	-	338,054	-
	Human Nutrition And Dietetics(Public health)	507,081	-	507,081	-
	Communicable Disease Control(Public health)	253,540	-	253,540	-
	Hiv And Aids Management(- Public health)	709,913	-	709,913	-
	Disease Surveillance/(Public health)	102,205,134	150,000	102,055,134	0.1
	Emergency Preparedness And Response(Public health)	1,690,268	-	1,690,268	-
	Health Promotion(Public health)	338,054	-	338,054	-
	Family& Reproductive Health(- Public health)	13,884,604	-	13,884,604	-
	Subtotal	120,264,701	150,000	120,114,701	0.1
Curative , Rehabilitative and Referral services (Medical services)	Pharmaceutical And Non –Pharmaceutical Commodities(Medical services)	131,115,840	2,023,898	129,091,942	1.54
	Diagnostic Services(Medical services)	507,080.54	-	507,080	-
	Subtotal	131,622,920	2,023,897	129,599,022	1.5
Curative , Rehabilitative and Referral services (Public health)	Pharmaceutical And Non –Pharmaceutical Commodities(Public health)	72,376,581	-	72,376,581	-
	Subtotal	72,376,581	-	72,376,581	-
External Funding	Donor Funds	19,260,000	-	19,260,000	-
	Conditional Grants	21,655,884	-	21,655,884	-
	Subtotal	40,915,884	-	40,915,884	-

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
Infrastructure Development	Administrative And Support Services	35,855,352	-	35,855,352	-
	Infrastructure Development	110,500,000	-	110,500,000	-
	Dispensaries and Health Centres	5,340,681	-	5,340,681	-
	Face lifting of Health Centres and Dispensaries (Community Projects)	110,738,690	-	110,738,690	-
	Subtotal	262,434,723	-	262,434,723	-
External Funding(development)	Capital Grant Transfer	40,295,580	-	40,295,580	-
	Subtotal	40,295,580	-	40,295,580	-
General administration and supportive services (Environment)	General administration support-ive services	61,452,490	10,298,224	51,154,266	16.7
	Subtotal	61,452,490	10,298,224	51,154,266	16.7
Environment Management And Protection	Solid Waste Management Services	11,600,000	27,000	11,573,000	0.2
	Subtotal	11,600,000	27,000	11,573,000	0.2
Environmental And Natural Resource Conservation And Management	Climate Change Adoption And Mitigation	100,000	-	100,000	-
	Subtotal	100,000	-	100,000	-
Disaster Management	Disaster Management Services	1,740,000	-	1,740,000	-
	Fire Fighting and rescue services	4,200,000	-	4,200,000	-
	Subtotal	5,940,000	-	5,940,000	-
Environment Management and Protection	Solid waste Management	3,800,000	-	3,800,000	-
	Subtotal	3,800,000	-	3,800,000	-
Environment and Natural Resource Conservation and Management	Climate Change	2,500,000	-	2,500,000	-
	Forestry Conservation and development	3,126,681	-	3,126,681	-
	Subtotal	5,626,681	-	5,626,681	-
Disaster Management(development)	Disaster Management	7,000,000	-	7,000,000	-
	Fire and Rescue services	500,000	-	500,000	-
	Subtotal	7,500,000	-	7,500,000	-
Policy, General administration, planning & support Service	General administration, planning & support service	65,094,494	7,705,393	57,389,100	-
	Subtotal	65,094,494	7,705,393	57,389,100	-
Road Development, Maintenance And Management	Road Network Improvement	40,000,000	301,724	39,698,276	-
	Subtotal	40,000,000	301,724	39,698,276	-
Road Development, Maintenance And Management (development)	Road Network Improvement	908,056,981	-	908,056,981	-
	Construction Of Bridges And Maintenance	168,000,000	-	168,000,000	-
	Rural Access Roads	32,801,088	-	32,801,088	-
	Subtotal	1,108,858,069	-	1,108,858,069	-
Water supply and management services	Urban water Supply and Management Services	26,600,000	-	26,600,000	-
	Rural Water Services	2,000,000	-	2,000,000	-
	Subtotal	28,600,000	-	28,600,000	-

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
General administration, planning & support Service	General Administration, Policies and Legal Framework	60,319,476	3,948,565	56,370,910	6.5
	Subtotal	60,319,476.00	3,948,565	56,370,910	6.5
Alternative Energy Services	Green Energy Development	4,304,800	-	4,304,800	-
	Subtotal	4,304,800	-	4,304,800	-
Water supply and management services(development)	Rural water Services	32,076,000	-	32,076,000	-
	Subtotal	32,076,000	-	32,076,000	-
General administration, planning & support Service(development)	Rural Water Services	98,375,747	-	98,375,747	-
	Operation And Maintenance Of Rural Water Services	50,511,092	-	50,511,092	-
	Subtotal	148,886,839	-	148,886,839	-
Oversight Management services (Speaker Department)	Committees Management Services	95,850,000	-	95,850,000	-
	Subtotal	95,850,000	-	95,850,000	-
Legislative services	Representation	40,000,000	-	40,000,000	-
	Subtotal	40,000,000	-	40,000,000	-
General administration and supportive service (Clerk Department)	Administrative Services	617,272,225	20,000,000	597,272,225	3.24
	Citizen Engagement	83,712,000	-	83,712,000	-
	Subtotal	700,984,225	20,000,000	680,984,225	2.8
General administration and supportive service(development)	Administrative Services	50,000,000	-	50,000,000	-
	Subtotal	50,000,000	-	50,000,000	-
Grand Total		8,124,371,198	509,206,044	7,615,165,154	6.3

Source: Migori County Treasury

The programs with the highest absorption rates were: General administration and support services (county secretary) at 40.2 per cent, General administration and support services (Lands) at 24.5 per cent, planning and administration support (Public Health) at 23.5 per cent, and General administration and support services Education at 19.5 per cent of budget allocation.

3.27.10 Key Observations and Recommendations

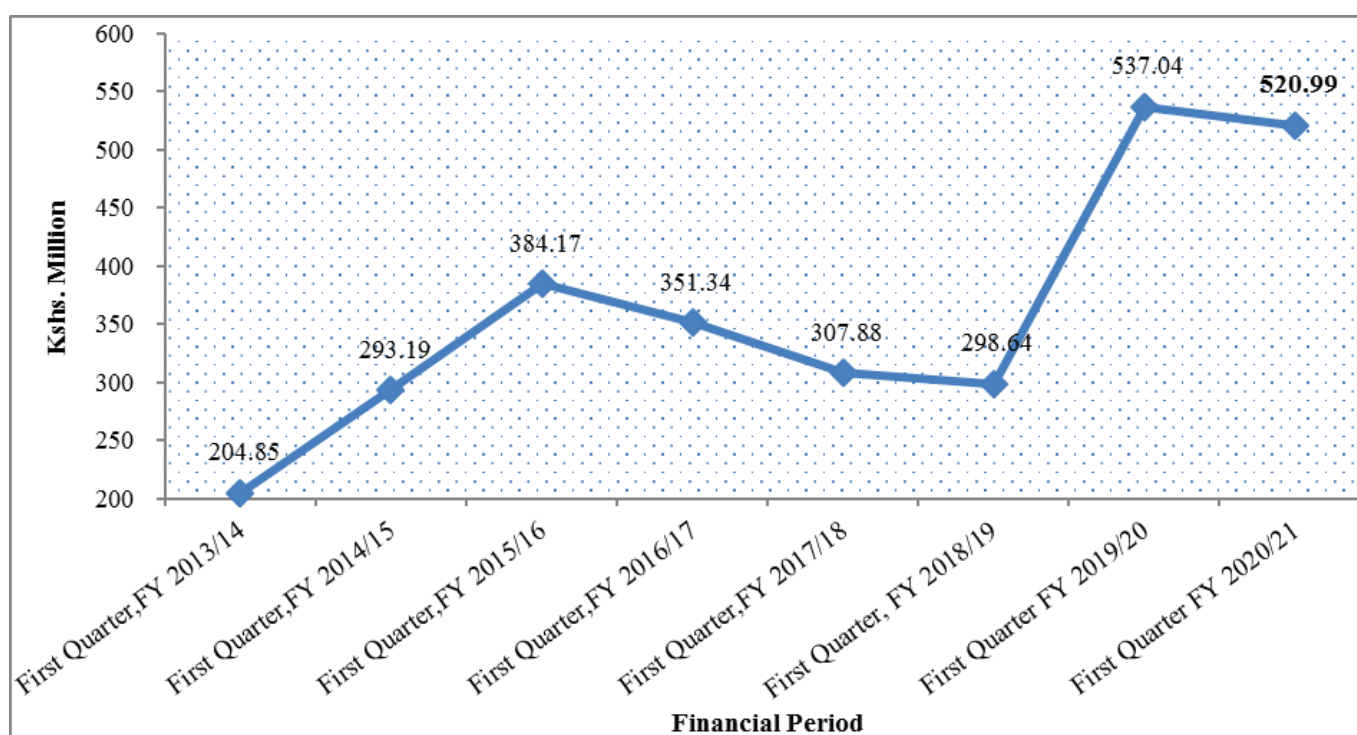
In the course of overseeing and reporting on implementation of the County budget, the OCOB identified the following challenges which hampered effective implementation;

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. Failure to implement the development budget during the period under review despite carrying forward a cash balance of Kshs.60.29 million from FY 2019/20
3. Under performance in own source revenue collection at Kshs.60.28 million which represented 20.5 per cent of its annual target of Kshs.292 million.

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

1. The County Treasury should ensure timely preparation and submission of financial reports to in line with Section 166 of PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Treasury should devise and implement strategies to mobilise revenue collection to ensure the approved budget is fully financed.

Figure 3-52: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Mombasa County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.520.99 million as own-source revenue. This amount represented a decrease of 3 per cent when compared to Kshs.537.04 million realised during the same period in FY 2019/20, and was 9.9 per cent of the annual target.

3.28.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.168.17 million from the CRF account during the reporting period which was entirely for recurrent programmes.

3.28.4 Overall Expenditure Review

A total of Kshs.527.35 million was spent on recurrent programmes and represented 313.6 per cent of the total funds released from the CRF account. The expenditure was entirely for recurrent activities and represented an absorption rate of 5.4 per cent.

3.28.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.123.17 million was spent on Compensation to Employees and Kshs.404.18 million on Operations and Maintenance.

Table 3.112: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	9,709,238,107	168,170,000	527,354,102	5.4
Compensation to Employees	5,332,449,008	122,000,000	123,175,442	2.3
Operations and Maintenance	4,376,789,099	46,170,000	404,178,660	9.2
Total Development Expenditure	4,925,341,580	-	-	-
Development Expenditure	4,925,341,580	-	-	-
Total	14,634,579,687	168,170,000	527,354,102	3.6

Source: Mombasa County Treasury

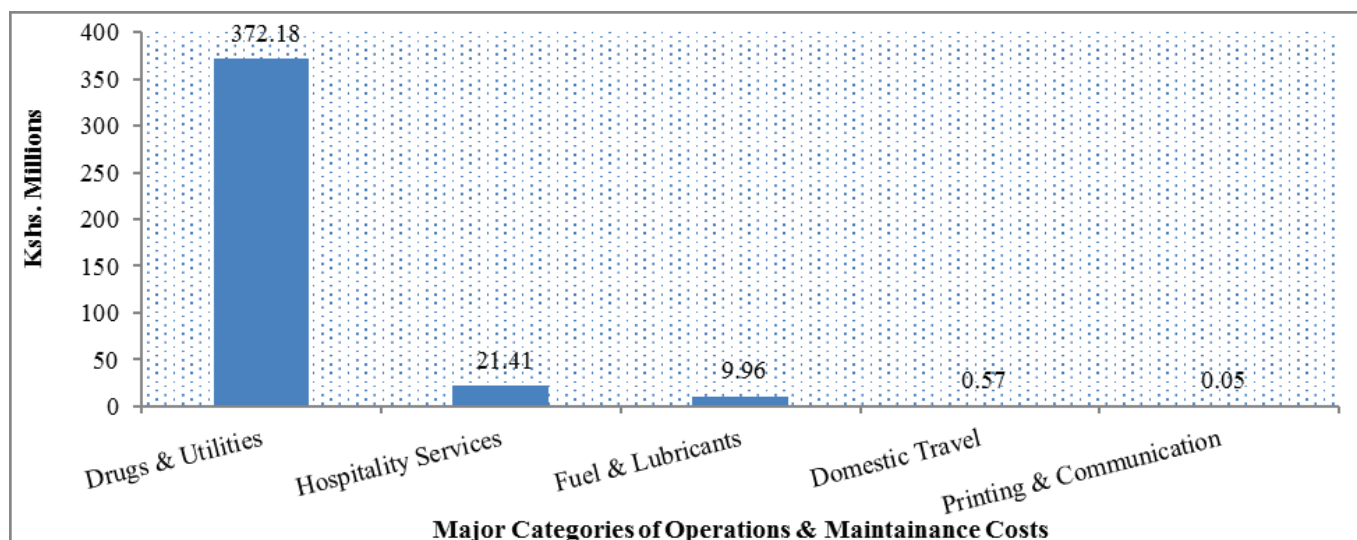
3.28.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.123.17 million and represented 17 per cent of the total revenue of Kshs.723.25 million in the first quarter of the financial year.

3.28.7 Analysis of Operations and Maintenance Expenditure

Figure 3-53 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-53: Mombasa County, Operations and Maintenance Expenditure by Major Categories



Source: Mombasa County Treasury

During the period, expenditure on domestic travel amounted to Kshs.0.57 million and was spent by the County Executive.

3.28.8 Budget Performance by Department

Table 3.113 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.113: Mombasa County, Budget Performance by Department for the First Quarter of FY 2020/21

Department	Budget Allocation (Kshs. Million)		Exchequer Issues in FY 2019/20 (Kshs.Million)		Expenditure FY 2020/21 (Kshs.Million)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
The Executive	355.39	20.42	3	-	-	-	-	-	-	-
Public Service Board	121.38	11.64	-	-	0.88	-	-	-	0.7	-
Finance and Economic Planning	1,014	415.54	69	-	88.58	-	128.4	-	8.7	-
Energy, Environment and Waste Management	612.51	365.37	-	-	4.71	-	-	-	0.8	-
Education, Information Technology and Mv 2035	661.16	311.33	-	-	3.69	-	-	-	0.6	-
Health	3,240.70	436.64	9.17	-	405.22	-	4418.9	-	12.5	-
Water, Environment and Natural Resources	128.86	1,350.20	-	-	0.43	-	-	-	0.3	-
Youth, Gender, Sports and Cultural Affairs	430.38	485.6	-	-	1.43	-	-	-	0.3	-
Trade, Tourism and Investments	458.88	350.06	-	-	7.75	-	-	-	1.7	-
County Planning, Land and Housing	346.78	171.33	-	-	1.65	-	-	-	0.5	-
Transport, Infrastructure and Public Works	558.55	668.86	16	-	3.58	-	22.4	-	0.6	-
Agriculture, Fisheries, Livestock and Co-Operatives	282.93	200.02	-	-	1.78	-	-	-	0.6	-
Devolution and Public Service Administration	856.16	95.55	71	-	7.65	-	10.8	-	0.9	-
County Assembly	684.38	-	-	-	-	-	-	-	-	-
Total	9,752	4,882.60	168.17	-	527.35	-	313.6	-	5.4	-

Analysis of expenditure by department shows that the Department of Health recorded the highest percentage of recurrent expenditure to recurrent budget at 12.5 per cent while the County Assembly and the County Executive did not report any expenditure. The County did not report expenditure on development activities during the period under review.

3.28.9 Budget Execution by Programmes and Sub-Programmes

Table 3.114 shows a summary of the budget execution by programmes and sub-programmes in first quarter of FY 2020/21.

Table 3.114 : Mombasa County, Budget Execution by Programmes and Sub-programmes

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption Rate (%)
3011 The Executive	Governor's Affairs & Advisory Services	140,500,000		140,500,000	-
	Deputy Governor's Affairs & External Relations	66,575,327		66,575,327	-
	Cabinet Affairs, Policy Research and Legal Services	110,300,000		110,300,000	-
	MV 2035 & E-Government	31,624,673		31,624,673	-
	Strategic Delivery Unit	26,816,961		26,816,961	-
3013 County Public Service Board	Administration Unit	133,015,169	880,780	132,134,389	0.7
3014 Finance and Economic Planning	Administration Unit	1,207,919,840	74,148,955	1,133,770,885	6.1
	Accounting Unit	97,050,000	5,364,587	91,685,413	5.5
	Planning and Monitoring Unit	124,574,896	9,070,560	115,504,336	7.3
3015 Energy, Environment & Waste Management	Administration, Planning and Support Services	491,856,186	4,707,095	487,149,091	1.0
	Waste Management	125,000,000		125,000,000	-
	Environmental Compliance and Monitoring	330,372,081		330,372,081	-
	Climate Change	14,650,963		14,650,963	-
	Energy	16,000,000		16,000,000	-
3016 Education, Information Technology & MV 2035	General Administration, Planning and Support Services	365,848,451	3,694,893	362,153,557	1.0
	Education headquarters	190,589,894		190,589,894	-
	Childcare	17,500,000		17,500,000	-
	Elimu Fund	211,890,000		211,890,000	-
	Information Technology Headquarters	186,659,356		186,659,356	-
3017 Health Services	Administration Unit	2,695,470,096	405,216,063	2,290,254,033	15.0
	Curative/Clinical Health Services	200,016,500		200,016,500	-
	Preventive and Promotive Services Unit	703,691,515		703,691,515	-
	Special Programs	78,123,400		78,123,400	-
3018 Water, Sanitation & Natural Resources	Administration unit	313,331,433	431,930	312,899,503	0.1
	Sanitation/Sewerage Services Headquarters	463,581,812		463,581,812	-
	Water Supply Headquarters	697,453,892		697,453,892	-
	Natural Resources	4,720,000		4,720,000	-
3019 Youth, Gender, Sports and Cultural Affairs	Administration Unit	214,379,042	1,429,623	212,949,419	0.7
	Youth Empowerment	95,480,000		95,480,000	-
	Gender Affairs and Disability Mainstreaming	50,000,000		50,000,000	-

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs)	Absorption Rate (%)
	Sports development	495,595,266		495,595,266	-
	Cultural Affairs	40,900,000		40,900,000	-
	Public Recreation and Entertainment	19,620,000		19,620,000	-
3020 Trade, Tourism & Investment	Administration Unit	325,174,295	4,655,405	320,518,890	1.4
	Trade Development	172,153,810	3,091,000	169,062,810	1.8
	Development of Tourism	25,158,933		25,158,933	-
	Investment Promotion and Products Headquarters	211,840,000		211,840,000	-
	Ease of Doing Business-Headquarters	74,605,082		74,605,082	-
3021 Lands, Housing and Physical Planning	Administration Unit	225,915,432	1,651,405	224,264,027	0.7
	Physical planning	104,930,000			
	Land Management Unit	71,390,963		71,390,963	-
	Housing Development Unit	59,600,000		59,600,000	-
	Urban Renewal	56,270,000			
3022 Transport, Infrastructure & Public Works	Administration Unit	396,043,439	3,576,880	392,466,559	0.9
	Road and Transport Unit	507,255,896		507,255,896	-
	Works Unit	40,780,298		40,780,298	-
	Transport Planning, Management and Safety	77,750,000		77,750,000	-
	Mechanical Services	69,375,001		69,375,001	-
	Safety, Risk Management and Rescue Services	136,200,000		136,200,000	-
3023 Agriculture, Fisheries, Livestock and Co-operatives	Administration Unit-Headquarters	192,009,875	1,782,108	190,227,767	0.9
	Crop Management Unit	59,407,105		59,407,105	-
	Livestock Unit	39,427,979		39,427,979	-
	Fisheries Unit-Headquarters	157,376,831		157,376,831	-
	Veterinary Services	21,060,547		21,060,547	-
	Cooperatives	13,663,512		13,663,512	-
3026 Devolution & Public Service Administration	Administration	615,238,749	7,652,818	607,585,931	1.2
	Devolution and Public Service Administration	111,358,237		111,358,237	-
	Public Service Reforms and Delivery	26,929,118		26,929,118	-
	Compliance and Enforcement	105,672,976		105,672,976	-
	County Administration and decentralized services	92,501,914		92,501,914	-
3012 County Assembly	Administration and Legal Services	684,382,942		684,382,942	-
Grand Total		14,634,579,688	527,354,102	13,946,025,586	3.6

Source: Mombasa County Treasury

The programs with the highest absorption rates were: Department of Health Administration Unit at 15 per cent and Department of Economic Planning Monitoring Unit at 7.5 per cent.

3.28.10 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The financial report was received on 3rd November, 2020.
2. Use of revenue at source and weak budgetary control by the Department of Health and the Department of Finance and Economic Planning whereby they incurred expenditure above the approved exchequer issues.

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

1. The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012. Further, the County is advised to enhance internal capacity in report preparation in order to

ensure compliance with its reporting role as provide in law.

2. The County Treasury should improve Vote book and budgetary control to ensure that expenditure is within the approved exchequer issues. Further, all revenues should be banked intact into the CRF in line with Section 109 (2) of the PFM Act, 2012.

3.29 County Government of Murang'a

3.29.1 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 expects 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.

3.29.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.541.66 million as equitable share of the revenue raised nationally which was a balance from FY 2019/20, raised Kshs.125.87 million as own-source revenue, Kshs.107.18 million as other revenues 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.1.32 billion as shown in Table 3.1.

Table 3.115: Murang'a County, Revenue Performance in the First Quarter of FY 2020/21

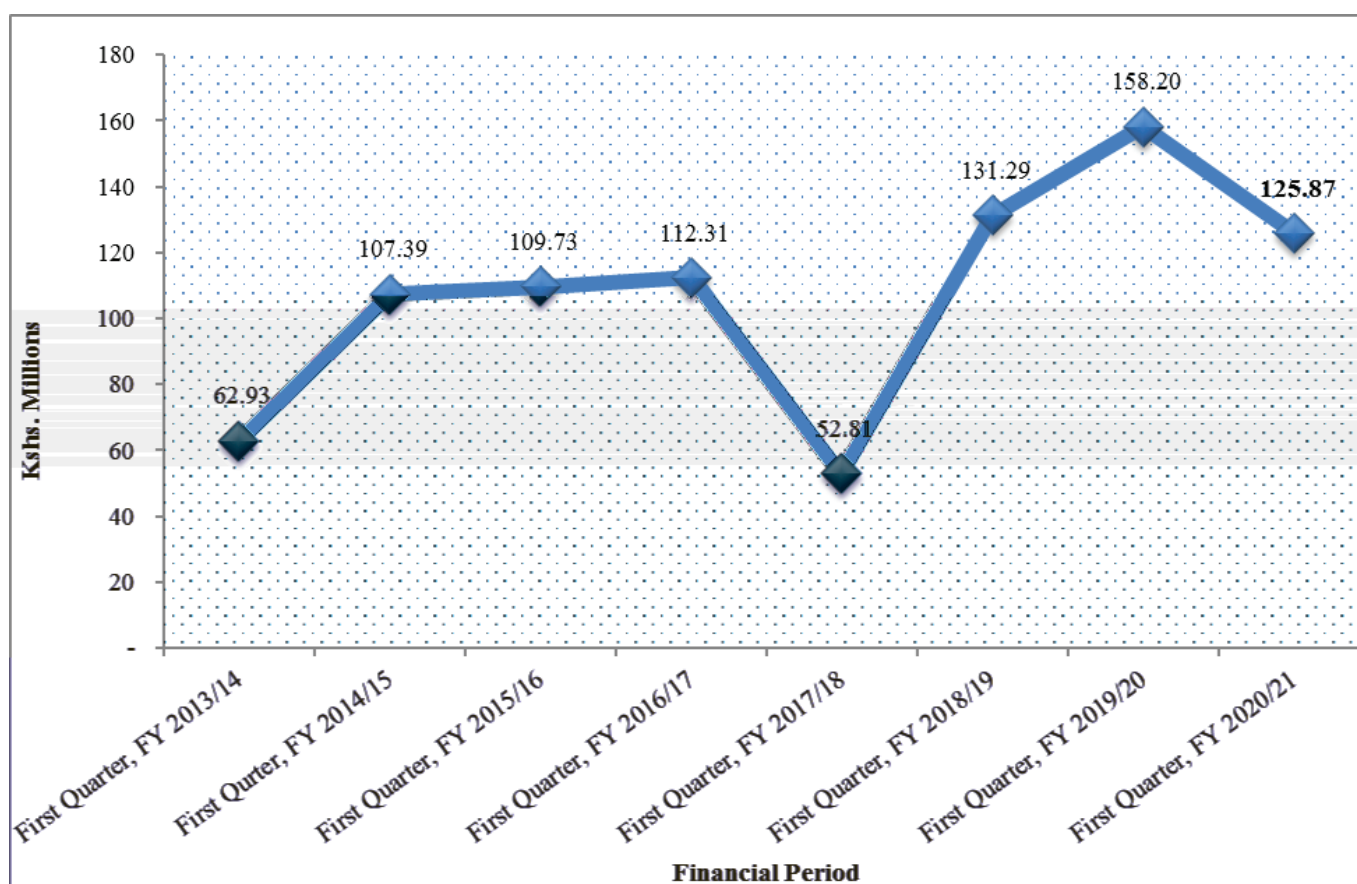
S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	6,298,350,000	6,456,600,000	541,658,100	8.4
B.	Conditional Grants from the National Government				
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	-	-
4.	Rehabilitation of Village Polytechnics	97,999,894	97,999,894	-	-
	Sub Total	442,598,481	310,577,204	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health Systems for Universal Care Project (WB)	149,093,840	149,093,840	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	198,485,140	198,485,140	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	124,800,000	124,800,000	-	-
5.	DANIDA Grant	17,910,000	17,910,000	-	-
6.	Sweden - Agricultural Sector Development Support Programme (ASD-SP) II	12,746,035	12,746,035	-	-
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	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	900,000,000	125,867,223	13.9

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	773,710,039	49.9
Grand Total		7,310,983,496	8,885,055,035	1,315,368,139	14.8

Source: Murang'a County Treasury

Figure 3-54 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-54: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Murang'a County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.125.87 million as own-source revenue. This amount represented a decrease of 20.4 per cent when compared to Kshs.158.20 million realised during the same period in FY 2019/20, and was 13.9 per cent of the annual target.

3.29.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.964.08 million from the CRF account during the reporting period. This amount comprised of Kshs.433.54 million (45 per cent) for development programmes and Kshs.530.53 million (55 per cent) for recurrent programmes.

3.29.4 Overall Expenditure Review

A total of Kshs.956.93 million was spent on development and recurrent programmes and represented 99.3 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.426.68 million and Kshs.530.24 million on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 13.5 per cent while that incurred on recurrent programmes represented an absorption rate of 9.3 per cent.

3.29.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.403.57 million was spent on Compensation to Employees, Kshs.126.67 million on Operations and Maintenance, and Kshs.426.68 million on development activities.

Table 3.116: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	5,730,893,283	530,533,883	530,244,479	9.3
Compensation to Employees	4,072,478,560	-	403,570,882	9.9
Operations and Maintenance	1,658,414,723	-	126,673,597	7.6
Total Development Expenditure	3,154,161,752	433,544,028	426,682,053	13.5
Development Expenditure	3,154,161,752	433,544,028	426,682,053	13.5
Total	8,885,055,035	964,077,911	956,926,532	10.8

Source: Murang'a County Treasury

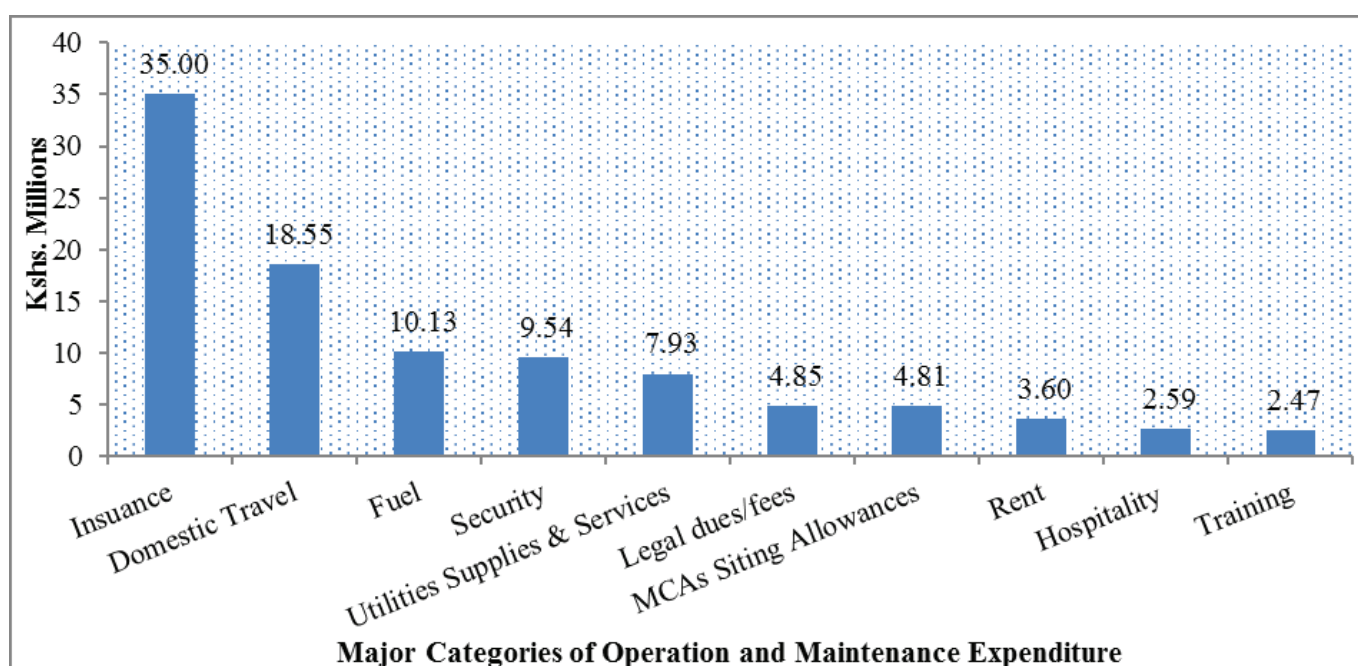
3.29.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.403.57 million and represented 40.3 per cent of the total revenue of Kshs.1.32 billion in the first quarter of the financial year. Salaries for the months of August and September were not paid due to delay in disbursement of sharable revenue by the National Treasury.

3.29.7 Analysis of Operations and Maintenance Expenditure

Figure 3-55 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-55: Murang'a County, Operations and Maintenance Expenditure by Major Categories



Source: Murang'a County Treasury

The County spent Kshs.4.81 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.29,678 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.18.55 million and comprised of Kshs.8.07 million spent by the County Assembly and Kshs.10.49 million by the County Executive.

3.29.8 Development Expenditure Analysis

The Development expenditure of Kshs.426.68 million represented 13.5 per cent of the annual development budget of Kshs.3.15 billion and was an increase of 33.3 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.320.17 million. Table 3.117 provides a summary of development projects with the highest expenditure in the first quarter of financial year.

Table 3.117: Murang'a County, List of Development Projects with the Highest Expenditure in FY 2020/21

S/No.	Project Name/Description	Project Location	Project Budget (Kshs.)	Project Actual Expenditure (Kshs.)	Absorption Rate (%)
1.	Health Pharmaceuticals and Commodities	Murang'a Level V Hospital	500,000,000	106,430,790	21.3
2.	Non-pharmaceutical	Murang'a Level V Hospitals	80,000,000	41,260,260	51.6
3.	Grading and graveling of access roads	Kimorori, Mbiri, Makuyu, Murarandia, Kihumbu-ini, Kamahuha, Kamacharia,	200,000,000	37,255,516	18.6
4.	Murang'a county creameries -new production line	MCC – Maragua County Creameries	200,000,000	36,637,975	18.3
5.	Development and improvement of Other Health Facilities	Kirwara Level IV, Kaharo dispensary, Muranga Level V, Gikoe	100,000,000	15,369,970	15.4
6.	Avocado upgrading	County wide	33,000,000	10,224,354	31
7.	Level 5 - Referral Hospital -Cancer Centre	Murang'a Level V Hospitals	300,000,000	6,016,500	2
8.	Lab Reagents	Murang'a Level V Hospitals	20,000,000	3,000,000	15
9.	Street lighting	Kinyona	5,000,000	1,847,600	37
10.	Teaching/Learning materials	ECDE centres County wide	5,000,000	1,793,399	35.9

Source: Murang'a County Treasury

3.29.9 Budget Performance by Department

Table 3.118 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.118: 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 Co-ordination And Administration	270.32	-	18.59	-	18.59		100	-	6.9	-
Finance, Information Technology And Economic Planning	325	21	24.07	-	24.07		100	-	7.4	-
Agriculture, Livestock And Fisheries	250.24	566.41	12.71	61.78	12.71	61.78	100	100	5.1	10.9
Energy Transport And Roads	32.14	510.439	1.5	81.52	1.5	81.52	100	100	4.7	16
Commerce, Trade, Industry And Tourism	24.65	266	2.10	43.70	2.10	36.84	100	84.3	8.5	13.8
Health And Sanitation	2,607.63	1,120.71	339.96	208.13	339.96	208.13	100	100	13	18.6
Lands, Housing & Physical Planning	151.68	179.80	0.071	-	0.071		100	-	-	-
Education & Technical Training	443.41	186.81	4.46	21.22	4.46	21.22	100	100	1	11.4
Public Service	587.91	-	79.50	-	79.50		100	-	13.5	-
Youth, Culture, Gender, Social Services & Special Programs	103.71	22	1.25	6.93	1.25	6.93	100	100	1.2	31.5
Environment & Natural Resources	47.06	31	1.96	-	1.96		100	-	4.2	-
County Public Service Board	44.64	-	1.54	-	1.55		-	-	3.5	-
Water & Irrigation	57.35	200	2.79	10.26	2.79	10.26		100	4.9	5.1

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	785.14	50	40		39.71		99.3	-	5.1	-
Total	5,730.89	3,154.16	530.53	433.54	530.24	426.68	99.9	98.4	9.3	13.5

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 31.5 per cent. The Department of Public Service had the highest percentage of recurrent expenditure to the recurrent budget at 13.5 per cent while the Department of Lands, Housing & Physical Planning did not report any expenditure.

3.29.10 Budget Execution by Programmes and Sub-Programmes

Table 3.119 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.119 : Murang'a County, Budget Execution by Programmes and Sub-programmes

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption (%)
Cash Crop Development and Management	Land and Crops Development	2,700,000	-	2,700,000	-
	Promotion Food Security	569,911,735	12,714,906	557,196,829	2.2
	Sub Total	572,611,735	12,714,906	559,896,829	2.2
Livestock and fisheries Development	Value addition and marketing of fish products	108,499,487	-	108,499,487	-
	Sub Total	108,499,487	-	108,499,487	-
Stalled and new Government buildings	Stalled and new Government buildings	33,000,000	-	33,000,000	-
	Sub Total	33,000,000	-	33,000,000	-
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	-
Crop Development and Management	Quality Assurance and Monitoring of Outreach Services	4,300,000	543,020	3,756,980	12.6
	Sub Total	4,300,000	543,020	3,756,980	12.6
Agribusiness and Information Management	Agribusiness and Market Development	4,200,000	100,000	4,100,000	2.4
	Sub Total	4,200,000	100,000	4,100,000	2.4
Livestock Resources Management and Development	Livestock Policy Development and capacity building Programme	3,500,000	988,000	2,512,000	28.2
	Livestock Diseases Management and Control	5,000,000	129,200	4,870,800	2.6
	Sub Total	8,500,000	1,117,200	7,382,800	13.1
Land Administration and Management	Land Administration and Management	4,319,000	124,740	4,194,260	2.9
	Sub Total	4,319,000	124,740	4,194,260	2.9
Road Transport	Construction of Roads and Bridges	27,823,060	-	27,823,060	-
	General Administration, Planning and Support Services	511,938,619	81,518,940	430,419,679	15.9
	Sub Total	539,761,679	81,518,940	458,242,739	15.1
ICT Infrastructure Development	ICT Infrastructure Connectivity	13,000,000	-	13,000,000	-
	Sub Total	13,000,000	-	13,000,000	-
Tourism Development and Promotion	Tourism Promotion and Marketing	2,000,000	181,250	1,818,750	9.1
	Sub Total	2,000,000	181,250	1,818,750	9.1
Trade Promotion and marketing	Domestic Trade Development	266,000,000	36,839,947	229,160,053	13.8
	Sub Total	266,000,000	36,839,947	229,160,053	13.8
Cooperative Development and Management	Governance and Accountability	3,100,000	30,000	3,070,000	1
	Co-operative Advisory Services	16,299,950	-	16,299,950	-
	Sub Total	19,399,950	30,000	19,369,950	0.2
Trade Development and Promotion	Domestic Trade Development	3,500,000	145,000	3,355,000	4.1
	Fair Trade and Consumer Protection	3,100,000	552,000	2,548,000	17.8
	Sub Total	6,600,000	697,000	5,903,000	10.6

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption (%)
Curative Health Services	Forensic and Diagnostics	3,000,000	100,000	2,900,000	3.3
	Free Primary Healthcare	551,706,290	49,485,544	502,220,746	9
	Sub Total	554,706,290	49,585,544	505,120,746	8.9
Education	Early Childhood Development Education	92,158,100	-	92,158,100	-
	Motivation of Primary and Secondary School	94,000,000	913,167	93,086,833	1
	Sub Total	186,158,100	913,167	185,244,933	0.5
Technical Vocational Education and Training	Infrastructure Development and Expansion	51,920,000	-	51,920,000	-
	Sub Total	51,920,000	-	51,920,000	-
Youth Training and Development	Revitalization of Youth Polytechnics	123,147,008	19,147,114	103,999,894	15.5
	Sub Total	123,147,008	19,147,114	103,999,894	15.5
General Administration, Planning and Support Services	County Administrative Services	194,172,371	-	194,172,371	-
	Sub Total	194,172,371	-	194,172,371	-
Public Trusts and Estates Management	Public Trusts and Estates Management	11,000,000	-	11,000,000	-
	Sub Total	11,000,000	-	11,000,000	-
Human Resource Management	Human Resource Management	13,800,000	1,516,500	12,283,500	11
	Sub Total	13,800,000	1,516,500	12,283,500	11
Budget Formulation Coordination and Management	Default - Non Programmatic	33,300,000	3,947,410	29,352,590	11.9
	Budget Formulation Coordination and Management	3,900,000	660,400	3,239,600	16.9
	Economic Planning and CIDP Review	7,000,000	572,400	6,427,600	8.2
	Sub Total	44,200,000	5,180,210	39,019,790	11.7
Public Participation	Public Participation	163,000,129	15,361,603	147,638,526	9.4
	Sub Total	163,000,129	15,361,603	147,638,526	9.4
General Administration Planning and support Services	General Administration Planning and support Services	4,665,058,180	666,950,680	3,998,107,500	14.3
	Sub Total	4,665,058,180	666,950,680	3,998,107,500	14.3
Gender & Youth Empowerment	Youth Development Services	4,200,000	1,400,000	2,800,000	33.3
	Sub Total	4,200,000	1,400,000	2,800,000	33.3
Public Financial Management	Audit Services	5,000,000	589,571	4,410,429	11.8
	Public Financial Management Reforms	9,900,000	660,400	9,239,600	6.7
	Sub Total	14,900,000	1,249,971	13,650,029	8.4
Audit Services	County Governments Audit	4,999,999	441,000	4,558,999	8.8
	Sub Total	4,999,999	441,000	4,558,999	8.8
Control and Management of Public finances	Budget implementation and Monitoring	3,200,000	50,000	3,150,000	1.6
	Sub Total	3,200,000	50,000	3,150,000	1.6
Social Assistance to vulnerable groups	Social Assistance to vulnerable groups	66,253,038	500,000	65,753,038	0.8
	Persons Living With Disabilities	22,000,000	6,927,034	15,072,966	31.5
	Disaster Fund Management	9,500,000	802,475	8,697,525	8.4
	Sub Total	97,753,038	8,229,509	89,523,529	8.4
Legislation and representation	Legislation and representation	302,400,000	19,121,260	283,278,740	6.3
	Sub Total	302,400,000	19,121,260	283,278,740	6.3
Oversight	Oversight	226,750,000	9,477,321	217,272,679	4.2
	Sub Total	226,750,000	9,477,321	217,272,679	4.2
General administration and planning support	General administration and planning support	305,993,240	11,112,015	294,881,225	3.6
	Sub Total	305,993,240	11,112,015	294,881,225	3.6
Development and Management of Sports Facilities	Development and Management of Sports Facilities	9,902,096	264,500	9,637,596	2.7
	Sub Total	9,902,096	264,500	9,637,596	2.7
Development And Promotion of Culture	Development And Promotion of Culture	3,251,520	-	3,251,520	-
	Sub Total	3,251,520	-	3,251,520	-
Environmental Leadership and Governance	Environmental Leadership and Governance	18,600,000	-	18,600,000	-
	Sub Total	18,600,000	-	18,600,000	-
Hazardous Waste	Hazardous Waste	21,400,000	-	21,400,000	-
	Sub Total	21,400,000	-	21,400,000	-

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption (%)
Water Resources Management	Water Supply Infrastructure	257,351,213	13,059,135	244,292,078	5.1
	Sub Total	257,351,213	13,059,135	244,292,078	5.1
Grand Total		8,885,055,035	956,926,532	7,928,128,503	10.8

Source: Murang'a County Treasury

The Sub- programme with the highest absorption rates were: Youth development services at 33.3 per cent, Person Living with Disabilities at 31.5 per cent and Livestock policy Development and Capacity Building at 28.2 per cent.

3.29.11 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. Under performance in own source revenue collection at Kshs.125.87 million against annual projection of Kshs.900 million. The realised own source revenue represented 14 per cent of its annual target.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.*
2. *The County Treasury should devise and implement strategies to mobilise own source revenue collection improve own-source collection to ensure the approved budget is fully financed.*

3.30 County Government of Nairobi City

3.30.1 Overview of FY 2020/21 Budget

The county's did not have an approved budget in the reporting period and relied on a Vote on Account to access funds.

3.30.2 Revenue Performance

During the first quarter of FY2020/21, the County raised Kshs.1.60 billion as own-source revenue, and had unspent cash balance of Kshs.155.60 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.76 billion as shown in Table 3.120.

Table 3.120: Nairobi City County, Revenue Performance in the First Quarter of FY 2020/21

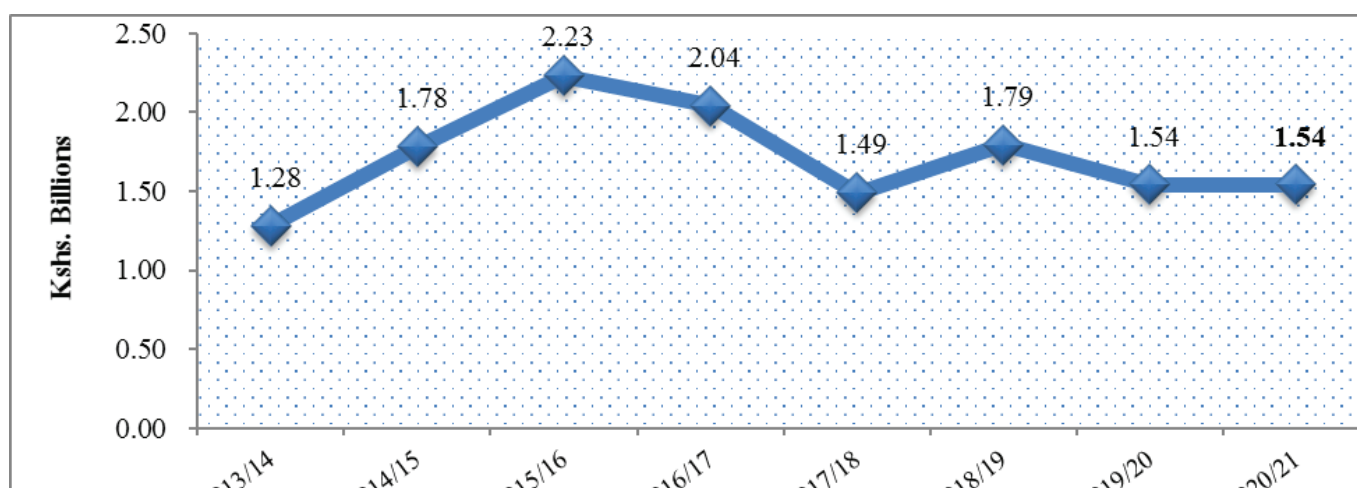
S/No	Revenue	Annual CARA, 2020 Allocation (Kshs)	Actual receipts (Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	15,919,950,000	-	-
B.	Conditional Grants from the National Government Revenue			
1.	Compensation for User Fee Foregone	79,423,251	-	-
2.	Leasing of Medical Equipment	132,021,277	-	-
3.	Road Maintenance Fuel Levy Fund	475,436,588	-	-
4.	Rehabilitation of Village Polytechnics	16,009,894	-	-
	Sub Total	702,891,010	-	-
C	Loans and Grants from Development Partners			
1.	Transforming Health systems for Universal care Project (WB)	60,494,430	-	-
2.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	-	-
3.	DANIDA Grant	45,270,000	-	-
4.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	15,955,893	-	-
	Sub Total	166,720,323	-	-

S/No	Revenue	Annual CARA, 2020 Allocation (Kshs)	Actual receipts (Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
D	Other Sources of Revenue			
1.	Own Source Revenue	-	1,540,266,059	-
2.	Balance b/f from FY 2019/20	-	155,593,956	-
3.	A-I-A	-	61,668,686	-
Sub Total		-	1,757,528,701	-
Grand Total		16,789,561,333	1,757,528,701	5.6

Source: Nairobi City County Treasury

Figure 3-56 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-56: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Nairobi City County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.1.54 billion as own-source revenue. This amount represented a slight increase of 0.01 per cent when compared to Kshs.1.54 billion realised during the same period in FY 2019/20 (increase of Kshs.1.17 million), and was 10.7 per cent of the annual target.

3.30.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs1.25 billion from the CRF account during the reporting period. This entire amount was for recurrent programmes.

3.30.4 Overall Expenditure Review

A total of Kshs.1.31 billion was spent on recurrent programmes and represented 104.9 per cent of the total funds released from the CRF account. Expenditure on Recurrent programmes represented an absorption rate of 5.2 per cent.

3.30.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.24 billion was spent on Compensation to Employees and Kshs.70.67 million on Operations and Maintenance.

Table 3.121: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	25,003,645,196	1,248,878,211	1,310,546,897	5.2
Compensation to Employees	14,922,295,472	1,239,878,211	1,239,878,211	8.3
Operations and Maintenance	10,081,349,724	9,000,000	70,668,686	0.7
Total Development Expenditure	6,430,000,000	-	-	-
Development Expenditure	6,430,000,000	-	-	-
Total	31,433,645,196	1,248,878,211	1,310,546,898	4.2

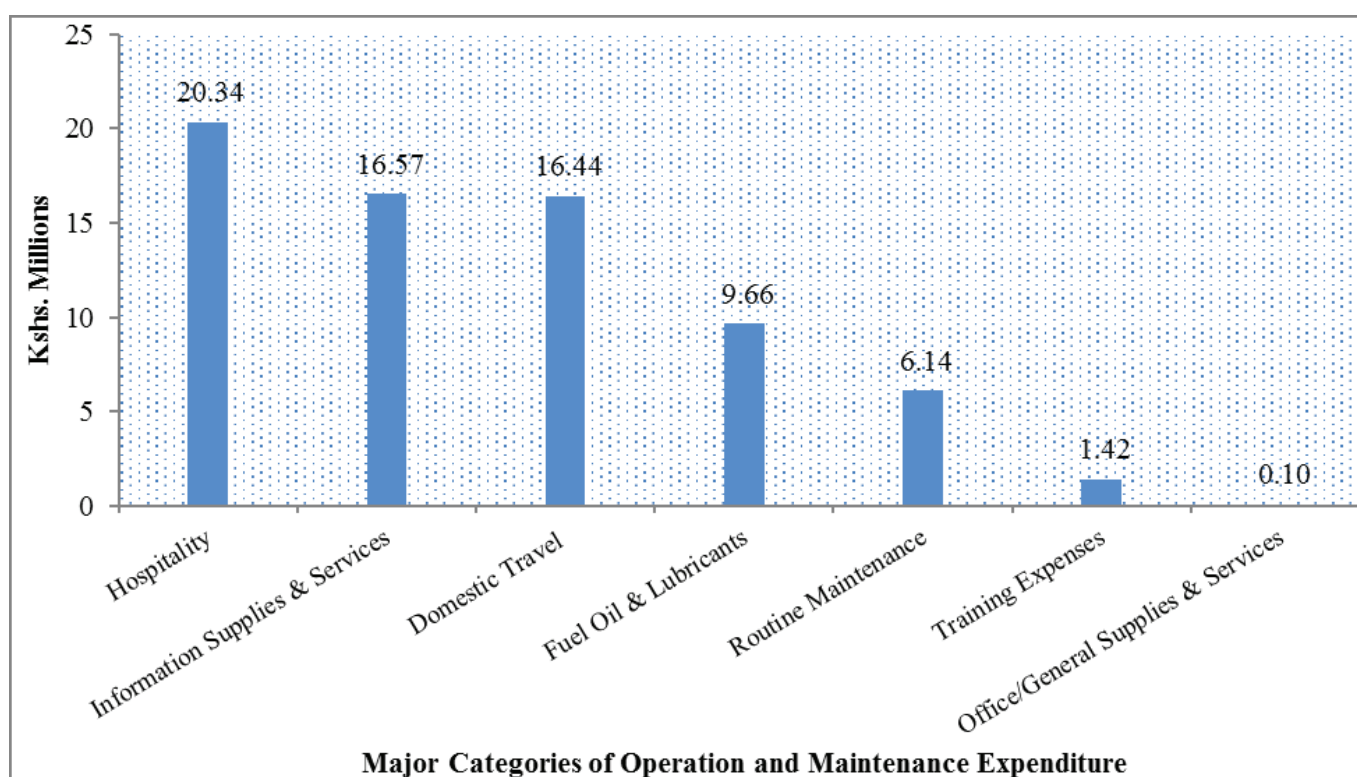
Source: Nairobi City County Treasury

3.30.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.1.24 billion and represented 70.5 per cent of the total revenue of Kshs.1.76 billion in the first quarter of the financial year.

3.30.7 Analysis of Operations and Maintenance Expenditure

Figure 3-57 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-57: Nairobi City County, Operations and Maintenance Expenditure by Major Categories

Source: Nairobi City County Treasury

The County spent Kshs.17.71 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.47,614 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.16.44 million spent by the County Executive.

3.30.8 Budget Performance by Department

Table 3.122 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.122: Nairobi City County, Budget Performance by Department for the First Quarter of FY 2020/21

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	68.49	5	4.79	-	4.79	-	100	-	7	-
Office Of Governor & Deputy Governor	4,974.47	145	449.72	-	449.72	-	100	-	9	-
ICT, E-Govt & Public Communications	208.34	270	9.52	-	9.52	-	100	-	4.6	-
Finance & Economic Planning	4,945.32	-	84.78	-	84.78	-	100	-	1.7	-
Health	6,468.48	748	300.67	-	300.7	-	100	-	4.6	-
Urban Planning and Lands	419.84	20	20.50	-	20.50	-	100	-	4.9	-
Public Works ,Transport & Infrastructure	1,146.88	2,890	46.89	-	46.89	-	100	-	4.1	-
Education, Youth Affairs, Sports, Culture & Social Services	1,389.64	100	115.35	-	115.35	-	100	-	8.3	-
Trade, Commerce, Tourism & Cooperatives	501.58	178	29.36	-	29.36	-	100	-	5.9	-
Public Service Management	999.09	-	22.01	-	22.01	-	100	-	2.2	-
Agriculture, Livestock Development, Fisheries & Forestry	297.96	20	14.03	-	14.03	-	100	-	4.7	-
County Assembly	1,480	500	120.72	-	120.72	-	100	-	8.2	-
Environment, Water, Energy & Natural Resources	1,633.77	150	24.31	-	24.31	-	100	-	1.5	-
Urban Renewal and Housing	139.77	50	6.23	-	6.23	-	100	-	4.5	-
Ward Development Programmes	30	1,304	-	-	-	-	-	-	-	-
Emergency Fund	100	-	-	-	-	-	-	-	-	-
Liquor Licensing Board	200	50	-	-	61.67	-	104.9	-	30.8	-
TOTAL	25,003.7	6,430	1,248.9	-	1,310.6	-	104.9	-	5.2	-

Source: Nairobi City County Treasury

Analysis of expenditure by department shows that the Department of Liquor Licensing Board had the highest percentage of recurrent expenditure to recurrent budget at 30.8 per cent while the Ward Development Programmes and Emergency Fund did not report any expenditure.

3.30.9 Budget Execution by Programmes and Sub-Programmes

Table 3.123 shows a summary of the budget execution by programmes and sub-programmes in first quarter of FY 2020/21.

Table 3.123 : Nairobi City County, Budget Execution by Programmes and Sub-programmes

Vote Code Title	Programme	Programme Code And Title	Budget Total (Kshs)	Total Payments (Kshs)	Total Variance (Kshs)	Absorption Rate (%)
	0701000 P1 General Administration Planning and Support Services	0701010 SP1.1 General Administration Planning and Support Services	73,487,609	4,793,180.35	68,694,429	7
		Total 5311000000 COUNTY PUBLIC SERVICE BOARD	73,487,609	4,793,180	68,694,429	
Office Of Governor & Deputy Governor	0718005310 General Administrative Services	0718015310 Sp1 General Administration & Support Services	436,197,498	36,714,517	399,482,982	8
		0718025310 Sp2 Sub County Administration	1,866,320,708	255,701,681	1,610,619,027	14
		0718075310 Sp7 County Executive	194,849,468	8,740,468	186,108,999	4
		0718095310 Sp9 Audit	91,633,731	7,598,444	84,035,287	8

Vote Code Title	Programme	Programme Code And Title	Budget Total (Kshs)	Total Payments (Kshs)	Total Variance (Kshs)	Absorption Rate (%)
	0724005310 P 24	0724055310 Inspectorate	1,848,328,213	107,172,816	1,741,155,397	6
	Security and Safety Management	0724015310 sp 24.1 investigative Services	68,403,974	3,775,178	64,628,796	6
	P; 0726005310:Disaster Management Coordination	072601510: Fire & Disaster Management	299,417,406	19,144,876	280,272,530	6
	0725005310 P 25	0725015310 sp 25.1 legal services	314,317,289	10,869,662	303,447,627	3
		Total 5312000000 OFFICE OF GOVERNOR & DEPUTY GOVERNOR	5,119,468,287	449,717,641	4,669,750,646	
ICT, E-Govt & Public Communications	0207000 P1: General Administration Planning and Support Services	0207010 SP 1: General Administration, Planning And Support Services	103,866,253	9,516,605	94,349,648	9
		0208010 SP 2.1: News And Information Services	71,504,300	-	71,504,300	-
	0208000 P2: Information And Communication Services	0208030 SP 2.3: ICT and Media Regulatory Services	8,901,300	-	8,901,300	-
		0208040 SP 2.4 E-Government Services	222,277,100	-	222,277,100	-
	0210005310 ICT Infrastructure Development	0210010 SP1: ICT Infrastructure Connectivity	66,347,600	-	66,347,600	-
		0210035310 sp 3:Information Security	5,447,600	-	5,447,600	-
		Total 5313000000 ICT, E-GOVT & PUBLIC COMMUNICATIONS	478,344,153	9,516,605	468,827,548	
Finance & Economic Planning		0701015310 Assets Management Services	275,415,800	-	275,415,800	-
		0701065310 sp1.6 Accounting Services	539,891,600	-	539,891,600	-
		0701075310 sp1.7 Budget Formulation Coordination and mgt	152,230,100	-	152,230,100	-
	0701005310 Public Financial Management	0701085310 sp1.8 Resource Mobilisation	232,716,200	-	232,716,200	-
		070115310 Debt Management Services	2,511,693,300	-	2,511,693,300	-
		0718085310 Sp8 Supply Chain Management	112,383,572	11,364,846	101,018,726	10
		5314001101 County Budget & Economic Forum		-	-	
	0718005310 General Administrative Services	0718015310 Sp1 General Administration & Support Services	1,016,229,103	73,415,336	942,813,767	7
		5314001001 KDSP		-	-	
	0719000 P3: Economic and Financial Policy Formulation and Management	0719010 SP 3.1 Fiscal Policy Formulation, Development and Management	104,763,900	-	104,763,900	-
		Total 5314000000 FINANCE & ECONOMIC PLANNING	4,945,323,575	84,780,182	4,860,543,393	

Vote Code Title	Programme	Programme Code And Title	Budget Total (Kshs)	Total Payments (Kshs)	Total Variance (Kshs)	Absorption Rate (%)
Health	0401000 P.1 Preventive & Promotive Health Services	0401115310 HIV/AIDS Prevention & Control Unit	1,857,000	-	1,857,000	-
		0401125310 TB Control	919,900	-	919,900	-
		0401135310 Malaria Control & Other Communicable Diseases	585,200	-	585,200	-
		0401145310 Reproductive Health & Maternal Health (RMNCAH)	224,522,700	-	224,522,700	-
		0401155310 Environmental / Public Health	44,940,700	-	44,940,700	-
	0402005310 Curative care		557,745,091	-	557,745,091	-
		0402065310 sp.2.6 County Referral Hospitals		-	-	-
				-	-	-
				-	-	-
	0404005310 General administration, planning and support services	0402075310 sp.2.7 Health Centres & dispensaries	283,611,700	-	283,611,700	-
		0404015310 Sp4.1 Administration/Human Resource for Health	5,420,867,301	300,670,827	5,120,196,474	6
		0404025310 Sp4.2 Health Policy, Planning & Financing	42,266,400	-	42,266,400	-
		0404035310 sp 4.3 Health Commodities	600,000,000	-	600,000,000	-
		0404045310 sp 4.4 Research, Quality assurance & standards unit	18,411,500	-	18,411,500	-
		0404055310 sp 4.5 Coroner services unit	20,751,600	-	20,751,600	-
		Total 5315000000 HEALTH	7,216,479,092	300,670,827	6,915,808,265	
Urban Planning And Lands	0106000 P 6 General Administration Planning and Support Services	0106010 SP.6.1 Administration, Planning & Support Services	224,502,262	12,811,656	211,690,605	6
	0114005310 P.8:Urban planning	0114015310 sp 8.1 Urban planning	23,310,400	-	23,310,400	-
	0114025310 P.8:Urban Planning, compliance & enforcement	0114025310 sp 8.2 Enforcement and compliance	16,843,500	-	16,843,500	-
	0115005310 P.9:Land management	0115015310 sp 9.1 valuation services	19,662,400	-	19,662,400	-
		0115025310 sp 9.2 land survey	150,616,395	7,687,441	142,928,953.36	5
		0115035310 sp 9.3 Administrative services	4,906,100	-	4,906,100	-
		Total 5316000000 URBAN PLANNING AND LANDS	439,841,057	20,499,098	419,341,959	
Public Works ,Transport & Infrastructure	0207000 P1: General Administration Planning and Support Services	0207010 SP 1: General Administration, Planning And Support Services	1,108,973,228	46,892,582	1,062,080,645	4
	0 2 1 1 0 0 5 3 1 0	0211015310 sp 5.1 Construction Roads & Drainages & Maintenance	2,660,851,866	-	2,660,851,866	-
	P5:Roads,Drainage & Bridges			-	-	

Vote Code Title	Programme	Programme Code And Title	Budget Total (Kshs)	Total Payments (Kshs)	Total Variance (Kshs)	Absorption Rate (%)
	0212005310 P6:Road Safety Interventions	0212015310 sp 6.1 Transport Facilities & Traffic Management	104,878,433	-	104,878,433	-
		0213015310 sp 7.1 Public street lighting Installations & Maintenances	154,200,000	-	154,200,000	-
	0213005310 P7: Institutional Buildings & Maintenance	0213025310 sp 7.2 Motor Vehicle, Machinery & Plant Maintenance	4,080,100	-	4,080,100	-
		0213035310 sp 7.3 Institutional Buildings Maintenance	3,900,000	-	3,900,000	-
		Total 5317000000 PUBLIC WORKS ,TRANSPORT & INFRASTRUCTURE	4,036,883,628	46,892,582	3,989,991,046	
Education, Youth Affairs, Sports, Culture & Social Services	0508005310 General administration, planning and support services	0508025310 sp 8.2 General Administration & Support Services	1,112,406,603	95,253,816	1,017,152,787	9
		0509015310 sp 9.1 Quality Assurance and Co-curriculum	597,000	-	597,000	-
	0509005310 P9 Education services	0509025310 sp 9.2 Early Childhood Development Centres	28,206,000	-	28,206,000	-
		0509035310 sp 9.3 Technical and Vocational Training	31,853,300	-	31,853,300	-
		0902015310 General Administration & Support Services	181,613,869	20,096,749	161,517,120	11
		0902025310 Sp.2.2 Gender and Community Empowerment	8,335,700	-	8,335,700	-
		0902035310 Sp.2.3 Development and promotion of culture/ heritage	9,591,300	-	9,591,300	-
		0902045310 Sp.2.4 Development and promotion of sports	67,326,600	-	67,326,600	-
	0902005310 2.1 Social Services	0902055310 Sp.2.5 Youth Empowerment and Promotion	13,982,000	-	13,982,000	-
		0902065310 Sp 2.6 Social welfare and care for the Aged	14,331,000	-	14,331,000	-
		0902075310 Sp 2.7 Promotion of Library and Information Services	2,347,600	-	2,347,600	-
		0902085310 Sp.2 8 Rescue and Rehabilitation of Children Services	19,051,000	-	19,051,000	-
		Total 5318000000 EDUCATION, YOUTH AFFAIRS, SPORTS, CULTURE & SOCIAL SERVICES	1,489,641,972	115,350,565	1,374,291,407	

Vote Code Title	Programme	Programme Code And Title	Budget Total (Kshs)	Total Payments (Kshs)	Total Variance (Kshs)	Absorption Rate (%)
Trade, Commerce, Tourism & Cooperatives	0301000 P.1 General Administration Planning and Support Services	0301010 SP1 General Administration Planning and Support Services	417,022,568	29,361,498	387,661,070	7
	0310005310 P.10 Co-operative Development and Audit Services	0310015310 sp 10.1 Co-operative Development Services	12,016,200	-	12,016,200	-
		0310025310 sp 10.2 Co-operative Audit Services	3,977,000	-	3,977,000	-
	0311005310 P.11 Tourism Promotion and Marketing	0311015310 sp 11.1 Tourism Development	13,427,500	-	13,427,500	-
	0312005310 P.12 Trade development and Market Services	0312015310 sp 12.1 Trade Development	97,779,500	-	97,779,500	-
		0312025310 sp 12.2 Market Services	85,887,300	-	85,887,300	-
	0313005310 P.13 Licensing and Fair Trade Practices	0313015310 sp 13.1 Liquor Licensing & Regulation	-	-	-	-
		0313025310 sp 13.2 Weights & Measures Services	31,004,100	-	31,004,100	-
		0313035310 sp 13.3 Trade Licensing Services	10,740,200	-	10,740,200	-
		0313045310 sp 13.4 Betting & Gaming Services	7,726,000	-	7,726,000	-
		Total 5319000000 TRADE, COMMERCE, TOURISM & COOPERATIVES	679,580,368	29,361,498	650,218,870.24	
Public Service Management	0701000 P1 General Administration Planning and Support Services	0701010 SP.1.1 General Administration Planning and Support Services	280,986,060	22,010,665	258,975,395	8
	0710000 P 5: Public Service Transformation	0710010 S.P.5.1 Human Resource Management	657,920,000	-	657,920,000	-
		0710020 S.P.5.2 Human Resource Development	45,850,300	-	45,850,300	-
	0723005310 P 23 Performance Management and Public Service Delivery	0723015310 sp 23.1 Performance Contracting management	5,083,900	-	5,083,900	-
		0723025310 sp 23.2 Governance Monitoring and Evaluation	4,867,900	-	4,867,900	-
		0723035310 sp 23.3 Quality Management Systems and ISO certification	4,385,700	-	4,385,700	-
		Total 5320000000 PUBLIC SERVICE MANAGEMENT	999,093,860	22,010,665	977,083,195	
Agriculture, Livestock Development, Fisheries & Forestry	0106000 P 6 General Administration Planning and Support Services	0106010 SP.6.1 Administration, Planning & Support Services	226,852,254	14,027,448	212,824,806	6

Vote Code Title	Programme	Programme Code And Title	Budget Total (Kshs)	Total Payments (Kshs)	Total Variance (Kshs)	Absorption Rate (%)
	P;0119005310:Urban Agriculture Promotion & Regulation	019015310: Crop Development and Management	42,302,300	-	42,302,300	-
		0119025310: Fisheries Development and management	5,983,900	-	5,983,900	-
		0119035310: Livestock Resources management and development	9,374,200	-	9,374,200	-
	0116005310 P.10:Animal Health, Safety and Quality Assurance	0116015310 sp 10.1 Animal Research, Diseases, Pest Control & Quality Assurance	18,173,200	-	18,173,200	-
	0117005310 P.11:Afforestation	0117015310 sp 11.1 Forestry Services	7,946,600	-	7,946,600	-
	0118015310 Food Systems and Surveillance	0118015310 sp18:1 Food Systems and Surveillance Services	7,330,400	-	7,330,400	-
	5321000801 Agricultural Development Support Project	5321000801 Agricultural Development Support Project		-	-	-
		Total 5321000000 AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY	317,962,854	14,027,448	303,935,406	
Environment, Water, Energy & Natural Resources	1001005310 P1 General Administration & Support Services	1001015310 Sp1 General Administration & Support Services	548,124,922	24,309,150	523,815,771	4
	1002005310 P2 Environment Management and Protection.	1002035310 sp 2.3 Solid waste management	1,103,442,000	-	1,103,442,000	-
		1002045310 sp 2.4 Beautification, Recreation and Greening Services	7,153,400	-	7,153,400	-
		1002055310 sp 2.5 Environment planning Management Services	8,145,900	-	8,145,900	-
	1004005310 P4 Water Resources Management	1004055310 sp 4.5 Energy & Natural resources	116,905,100	-	116,905,100	-
		Total 5323000000 ENVIRONMENT, WATER, ENERGY & NATURAL RESOURCES	1,783,771,322	24,309,150	1,759,462,171	
5324000000 Urban Renewal And Housing	0102000 P.2 Housing Development and Human Settlement	0102045310 SP4 Urban Renewal	39,854,300	-	39,854,300	-
		0102055310 SP5 Management of Rental Housing	18,551,100	-	18,551,100	-
	0106000 P 6 General Administration Planning and Support Services	0106010 SP.6.1 Administration, Planning & Support Services	119,592,718	6,225,075	113,367,643	5
	0113005310 P.7: Building Services	0113015310 sp 7.1 Building services research and information	11,769,300	-	11,769,300	-
		Total 5324000000 URBAN RENEWAL AND HOUSING	189,767,418	6,225,075	183,542,343	

Vote Code Title	Programme	Programme Code And Title	Budget Total (Kshs)	Total Payments (Kshs)	Total Variance (Kshs)	Absorption Rate (%)
Ward Development Programmes	0214005310 P8:Ward Development	0214015310 sp 8.1 Ward Development & Administration	1,334,000,000	-	1,334,000,000	-
		Total 5325000000 WARD DEVELOPMENT FUND	1,334,000,000	-	1,334,000,000	
Emergency Fund	0718005310 General Administrative Services	0718015310 Sp1 General Administration & Support Services	100,000,000	-	100,000,000	-
		5326000000 EMERGENCY FUND	100,000,000	-	100,000,000	
Liquor Licensing Board	0313015310 sp 13.1 Liquor Licensing & Regulation	0313015310 sp 13.1 Liquor Licensing & Regulation	250,000,000	61,668,686	188,331,314	25
		Total 5327000000 LIQUOR LICENSING BOARD	250,000,000	61,668,686	188,331,314	
County Assembly	07220001 Legislation, Oversight and Representation	07220001 Legislation, Oversight and Representation	1,980,000,000	120,723,695	1,859,276,305	12
		Total COUNTY ASSEMBLY	1,980,000,000	120,723,695	1,859,276,305	
		Total Voted Expenditure.... Kshs.	31,433,645,196	1,310,546,897	30,123,098,299	4.2

Source: Nairobi City County Treasury

The programs with the highest absorption rates were Liquor Licensing & Regulation at 25 per cent, followed by General Administrative Services of the County Executive at 14 per cent, Legislation, Oversight and Representation at 12 per cent, and Public Financial Management at 10 per cent of budget allocation.

3.30.10 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. Under performance in own source revenue collection at Kshs.1.54 billion which represented 10.7 per cent of the county's annual target of Kshs.14.40 billion.
2. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
3. Delay in approval of budget. The County was running on Vote on Account in the reporting period which affected implementation of the development programmes.
4. In the Draft Budget Estimates for FY 2020/21, the County had allocated 20.5 per cent to development budget which contravened the provision of Section 107 of the PFM, Act 2012 which requires a minimum allocation of 30 per cent be allocated for development activities.

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

1. The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.
2. The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.
3. The County should fast-track approval of the FY 2020/21 budget in order to execute development programmes. The County leadership should engage the Intergovernmental Relations Technical Committee (IGRTC) for capacity building and to resolve the disagreements which caused delays in the budget approval process.
4. The County should ensure allocation towards development expenditure is in line with the law.

3.31 County Government of Nakuru

3.31.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.20.0 billion, comprising of Kshs.9.52 billion (47.6 per cent) and Kshs.10.48 billion (52.4 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.9.75 billion (48.7 per cent) being equitable share of revenue raised nationally, Kshs.1.23 billion (6.1 per cent) as total conditional grants, generate Kshs.1.8 billion (9 per cent) from own sources of revenue, Kshs.1.4 billion as Appropriations In Aid (A-I-A), and had a cash balance of Kshs.5.62 billion (28.1 per cent) from FY 2019/20. The County also had retained A-I-A balances of Kshs.202.94 million from FY 2019/20.

3.31.2 Revenue Performance

During the first quarter of FY2020/21, the County raised Kshs.294.23 million as own-source revenue and generated Kshs.294.27 million from A-I-A. The County cumulatively had a total of Kshs.5.83 billion cash balances from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.6.42 billion as shown in Table 3.124.

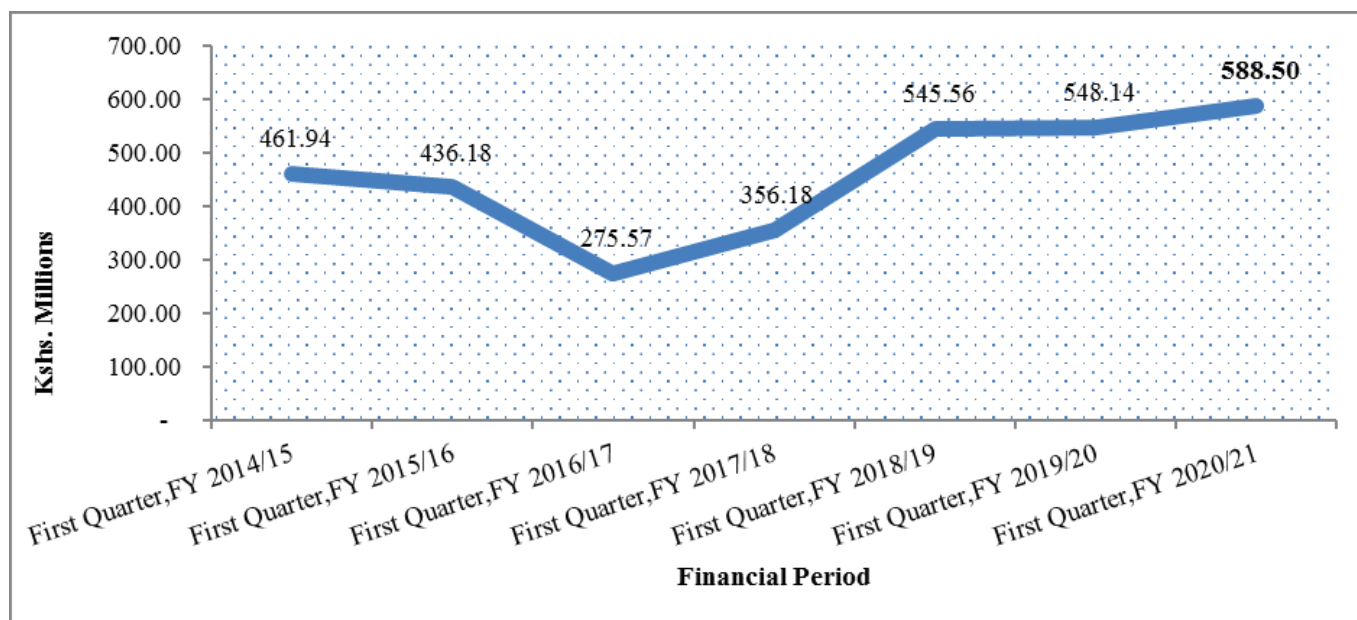
Table 3.124: Nakuru County, Revenue Performance in the First Quarter of FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	10,476,150,000	9,748,200,000	-	-
B.	Conditional Grants from the National Government Revenue				
1.	Conditional Grants to Level-5 Hospitals	373,872,832	373,872,832	-	-
2.	Compensation for User Fee Foregone	38,723,265	38,723,265	-	-
3.	Leasing of Medical Equipment	132,021,277	132,021,277	-	-
4.	Road Maintenance Fuel Levy Fund	290,544,581	290,544,581	-	-
5.	Rehabilitation of Village Polytechnics	66,289,894	66,289,894	-	-
	Sub Total	901,451,849	901,451,849	-	-
C.	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	40,080,000	40,080,000	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	198,441,600	198,441,600	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level I Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	29,790,000	29,790,000	-	-
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	14,171,667	14,171,667	-	-
	Sub Total	327,483,267	327,483,267	-	-
D.	Other Sources of Revenue				
1.	Own Source Revenue	-	1,800,000,000	294,226,809	16.3
2.	Balance b/f from FY 2019/20	-	5,624,403,839	5,624,403,839	100.0
3.	Other Revenues (A-I-A Balance)	-	202,942,308	202,942,308	100.0
4.	A-I-A	-	1,400,000,000	294,272,034	21.0
	Sub Total	-	9,027,346,147	6,415,844,990	71.1
	Sub Total	11,705,085,116	20,004,481,263	6,415,844,990	32.1

Source: Nakuru County Treasury

Figure 3-58 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-58: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Nakuru County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.588.5 million from local revenue sources which comprises of Kshs.294.27 million as A-I-A and Kshs.294.23 million as OSR. This amount represented an increase of 7.4 per cent when compared to Kshs.548.14 million realised during the same period in FY 2019/20, and was 18.4 per cent of the annual target.

3.31.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.1.93 billion from the CRF account during the reporting period. This amount comprised of Kshs.100.97 million (1.05 per cent) for development programmes and Kshs.1.83 billion (17.5 per cent) for recurrent programmes.

3.31.4 Overall Expenditure Review

A total of Kshs.1.83 billion was spent on development and recurrent programmes and represented 95 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.3.85 million and Kshs.1.83 billion on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 0.04 per cent while that incurred on recurrent programmes represented an absorption rate of 17.5 per cent.

3.31.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.58 billion was spent on Compensation to Employees, Kshs.254.1 million on Operations and Maintenance, and Kshs.3.85 million on development activities.

Table 3.125: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget(Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	10,482,048,690	1,825,503,391	1,829,986,115	17.5
Compensation to Employees	6,928,317,971	1,544,294,659	1,575,891,452	22.8
Operations and Maintenance	3,553,730,719	281,208,732	254,094,663	7.2
Total Development Expenditure	9,522,432,574	100,974,396	3,850,000	0.04

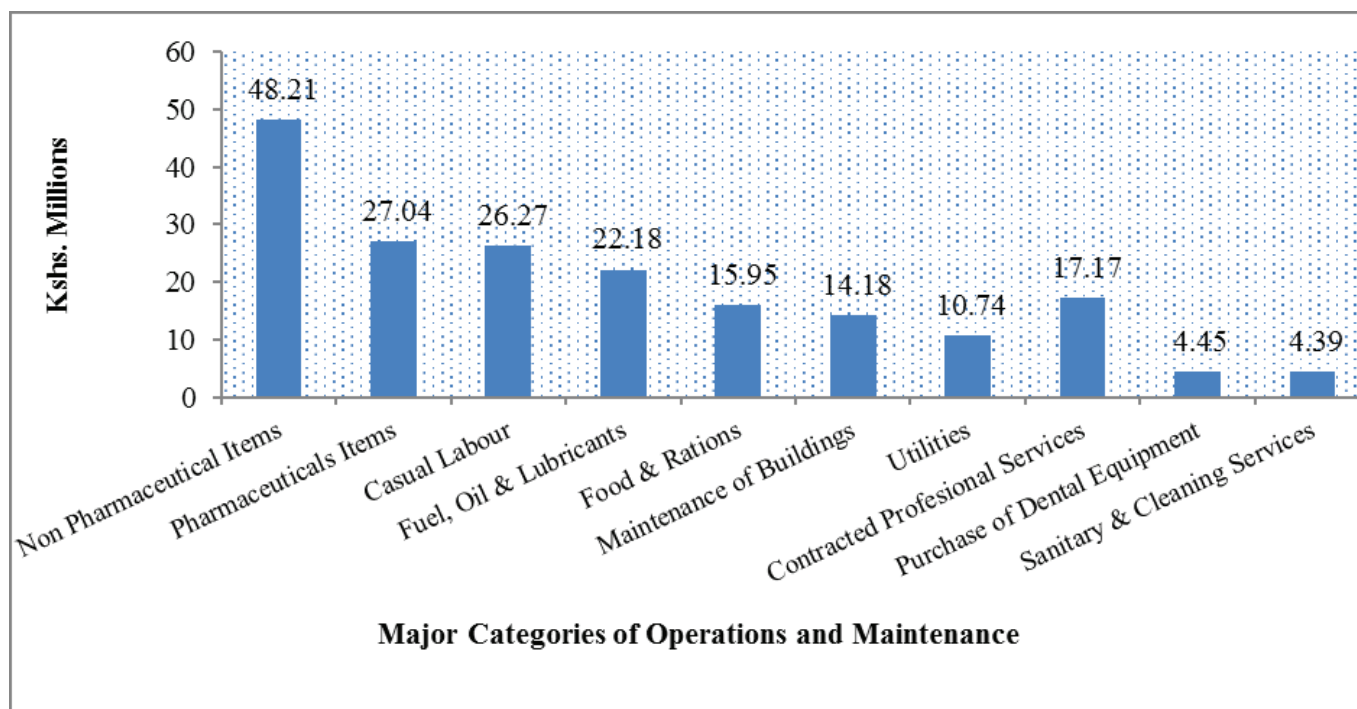
3.31.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.1.58 billion and represented 24.6 per cent of the total revenue of Kshs.6.42 billion in the first quarter of the financial year.

3.31.7 Analysis of Operations and Maintenance Expenditure

Figure 3-59 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-59: Nakuru County, Operations and Maintenance Expenditure by Major Categories



Source: Nakuru County Treasury

During the period, expenditure on domestic travel amounted to Kshs.500,400 which was spent by the County Executive.

3.31.8 Development Expenditure Analysis

The Development expenditure of Kshs.3.85 million represented 0.04 per cent of the annual development budget of Kshs.9.52 billion and was a decrease compared to a similar period in FY 2019/20 when the County spent Kshs.35.4 million.

3.31.9 Budget Performance by Department

Table 3.126 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.126: Nakuru County, Budget Performance by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	983.22	271.19	168.24	-	86.75	-	51.6	-	8.8	-
Finance and Economic Planning	876.15	667.05	168.53	100.97	131.10	-	77.8	-	15.0	-
Public Service Training and Devolution	705.20	51.89	129.80	-	127.86	-	98.5	-	18.1	-
Agriculture, Livestock and Fisheries	541.12	469.40	82.70	-	80.03	-	96.8	-	14.8	-
Lands, Physical Planning and Housing	135.44	1,162.84	27.33	-	23.01	-	84.2	-	17.0	-

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of The Governor and Deputy Governor	314.91	98.95	81.12	-	28.88	-	35.6	-	9.2	-
Education Vocational training, ICT and E-Government	504.73	720.74	67.44	-	47.92	-	71.0	-	9.5	-
Trade, Industry Marketing and Tourism	137.28	225.59	13.76	-	13.43	-	97.6	-	9.8	-
Youth, Culture, Sports and Social Services	241.23	167.05	11.04	-	28.62	-	259.3	-	11.9	-
Infrastructure	365.04	2,240.63	62.05	-	28.86	-	46.5	-	7.9	-
Environment, Water, Energy and Natural Resources	279.46	1,125.33	57.06	-	42.84	-	75.1	-	15.3	-
Health Services	5,278.85	1,544.03	947.42	-	1,179.96	3.85	124.5	0.41	22.4	0.25
County Public Service Board	68.14	1.81	5.15	-	5.15	-	100.0	-	7.6	-
Nakuru Municipality	27.41	529.83	2.22	-	-	-	0.0	-	0.0	-
Naivasha Municipality	23.88	246.10	1.63	-	5.59	-	343.3	-	23.4	-
Total	10,482.05	9,522.43	1,825.50	100.97	1,829.99	3.85	1561.7	0.41	190.6	0.25

Source: Nakuru County Treasury

Analysis of expenditure by department shows that the Health Department recorded the highest absorption rate of development budget at 0.25per cent while the other Department did not report any expenditure on development activities. The Naivasha Municipality recorded the highest percentage of recurrent expenditure to recurrent budget at 23.4 per cent while the Nakuru Municipality did not report expenditure during the period.

3.31.10 Budget Execution by Programmes and Sub-Programmes

Table 3.127 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.127 : Nakuru County, Budget Execution by Programmes and Sub-programmes in the First Quarter of FY 2020/21

	Program	Approved Budget	Actual Payments	Variance	Expenditure %
		(Kshs.)	(Kshs.)	(Kshs.)	
Department of Agriculture, Livestock and Fisheries		86,792,994	39,434,975	47,358,019	45.4
101014560	Promotion of Dairy Production, Breeding and Disease Control	78,792,994	39,434,975	39,358,019	50
101024560	Promotion of Value Addition of Livestock and Livestock Products	8,000,000	-	8,000,000	0
101034560	Promotion of Non-ruminants and Emerging live-stock Enterprises	-	-	-	
101044560	Promotion of Apiculture	-	-	-	
		4,343,115	187,100	4,156,015	4.3
102014560	Aquaculture development	4,343,115	187,100	4,156,015	4.3
102024560	Development of capture fisheries resources	-	-	-	
102034560	Fish quality assurance, value addition and market-ing	-	-	-	
		479,778,843	21,519,617	458,259,226	4.5
103014560	Extension, Research and Training	-	-	-	
103024560	Crop Production and Food Security	479,778,843	21,519,617	458,259,226	4.5
103034560	Farm land utilization, Conservation and Mecha-nization	-	-	-	
103044560	Agribusiness Development and Marketing	-	-	-	
Department of Lands, Physical Planning and Housing		1,699,878,933	6,520,905	1,693,358,028	0.4
104014560	Administration Services	557,686,294	6,520,905	551,165,389	1.2
104054560	Infrastructure for Land	1,142,192,639	-	1,142,192,639	0

	Program	Approved Budget	Actual Payments	Variance	Expenditure %
		(Kshs.)	(Kshs.)	(Kshs.)	
		12,440,000	614,997	11,825,003	4.9
105014560	Develop County Spatial Plan	7,050,000	352,265	6,697,735	5
105024560	GIS Data Base creation	-	-	-	
105034560	Survey and Mapping	5,390,000	262,732	5,127,268	4.9
Infrastructure		2,299,393,628	42,043,456	2,257,350,172	1.8
201014560	Rehabilitation of Roads, Drainage and Bridges	2,291,793,628	41,890,956	2,249,902,672	1.8
201024560	Rehabilitation and construction of Transport terminals	100,000	-	100,000	0
201034560	Design, Supervision and Rehabilitation of County Buildings	2,750,000	-	2,750,000	0
201044560	Firefighting and Emergency Services	4,750,000	152,500	4,597,500	3.2
		95,050,000	47,500,000	47,550,000	50
202014560	Installation, Maintenance and Rehabilitation of lighting	95,050,000	47,500,000	47,550,000	50
		492,269,093	12,628,965	479,640,128	2.6
203014560	Administration & Personnel	492,269,093	12,628,965	479,640,128	2.6
203024560	System Support	-	-	-	
		14,892,500	172,800	14,719,700	1.2
204024560	Functional & Technical Support Centre-Help Desk	14,892,500	172,800	14,719,700	1.2
		16,600,000	-	16,600,000	0
205014560	Networking Infrastructure	16,600,000	-	16,600,000	0
205024560	Hardware & Software Platforms	-	-	-	
		-	-	-	
206014560	Administration and Support Services	-	-	-	
		10,000,000	-	10,000,000	0
207034560	Construction & Maintenance of Non Residential County Buildings	10,000,000	-	10,000,000	0
207044560	Installation, Rehabilitation & Maintenance of Lighting Facilities	-	-	-	
		10,000,000	-	10,000,000	0
208014560	Fire Fighting	10,000,000	-	10,000,000	0
		-	-	-	
209034560	E-Government Services	-	-	-	
		10,000,000	-	10,000,000	0
210034560	Education Developments	10,000,000	-	10,000,000	0
		85,152,126	-	85,152,126	0
211024560	Revitalization of Youth Programme	85,152,126	-	85,152,126	0
		96,307,999	1,646,600	94,661,399	1.7
301014560	Administration Services	96,307,999	1,646,600	94,661,399	1.7
Trade, Cooperatives and Tourism		13,840,000	735,000	13,105,000	5.3
302014560	Enhance Marketing Co-operatives	13,840,000	735,000	13,105,000	5.3
302024560	SACCO members' empowerment	-	-	-	
		12,410,000	100,000	12,310,000	0.8
303014560	Business Development Services for MSE's	10,980,000	-	10,980,000	0
303024560	Producer Business Groups	-	-	-	
303034560	Consumer protection	1,430,000	100,000	1,330,000	7
		239,590,748	14,859,250	224,731,498	6.2
304014560	Rehabilitation of existing markets	239,590,748	14,859,250	224,731,498	6.2
304024560	Development of Retail and Wholesale Market in Nakuru	-	-	-	

	Program	Approved Budget	Actual Payments	Variance	Expenditure %
		(Kshs.)	(Kshs.)	(Kshs.)	
		720,000	-	720,000	0
305014560	Establish & Management of County Tourism Information Centre	720,000	-	720,000	0
Department of Health Services		451,484,867	-	451,484,867	0
401014560	Community Health Strategy	-	-	-	
401024560	Environmental Health and Sanitation Program	2,300,000	-	2,300,000	0
401044560	Health Promotive Services	449,184,867	-	449,184,867	0
		2,602,690,878	102,470,595	2,500,220,283	3.9
402014560	Provision of Essential Health Services in all the Levels.	2,602,690,878	102,470,595	2,500,220,283	3.9
		3,768,702,475	9,235,578	3,759,466,897	0.2
403014560	Health Infrastructure Development	2,000,000	-	2,000,000	0
403044560	Human Resources for health	3,766,702,475	9,235,578	3,757,466,897	0.2
403054560	Research and Development	-	-	-	
		900,568,153	4,488,203	896,079,950	0.5
501014560	Administration	900,568,153	4,488,203	896,079,950	0.5
Department of Education Culture ICT and		117,308,408	222,450	117,085,958	0.2
502014560	Promotion of Early Childhood Education	92,361,886	123,050	92,238,836	0.1
502024560	Bursaries	-	-	-	
502034560	Promotion of Quality Youth Empowerment	24,946,522	99,400	24,847,122	0.4
		10,414,075	-	10,414,075	0
503054560	Education Emergency Kitty	10,414,075	-	10,414,075	0
		20,000,000	-	20,000,000	0
504014560	Infrastructure Improvement	20,000,000	-	20,000,000	0
		79,835,808	70,200	79,765,608	0.1
505014560	ICT Infrastructure and Connectivity	79,835,808	70,200	79,765,608	0.1
Department of Finance and Economic Planning		544,683,611	13,759,290	530,924,321	2.5
701014560	Budget Formulation Coordination and management	45,431,751	6,439,200	38,992,551	14.2
701024560	Resource Mobilization	68,979,717	2,380,890	66,598,827	3.5
701034560	Internal Audit	35,189,523	3,203,900	31,985,623	9.1
701044560	Procurement	13,610,497	1,072,700	12,537,797	7.9
701054560	Public finance and Accounting	16,669,300	473,600	16,195,700	2.8
701064560	Debt Management	364,802,823	189,000	364,613,823	0.1
		198,711,833	1,786,400	196,925,433	0.9
702014560	Fiscal Planning	192,256,477	1,286,400	190,970,077	0.7
702024560	Monitoring & Evaluation /Statistical Data Management	6,455,356	500,000	5,955,356	7.7
Public Service Management		1,533,429,096	45,660,804	1,487,768,292	3
704014560	Administration Services	1,533,429,096	45,660,804	1,487,768,292	3
704034560	Financial Services	-	-	-	
704044560	Co-Ordination of Public and Special Community Programmes	-	-	-	
704064560	ICT Support Services	-	-	-	
		72,176,746	4,110,500	68,066,246	5.7
705014560	Legal Service to County Government & Public	20,288,457	4,110,500	16,177,957	20.3
705024560	Rehabilitation of Sub-County Offices	51,888,289	-	51,888,289	0
County Assembly		21,250,000	606,971	20,643,030	2.9
707014560	Public Sector Management	21,250,000	606,971	20,643,030	2.9

	Program	Approved Budget	Actual Payments	Variance	Expenditure %
		(Kshs.)	(Kshs.)	(Kshs.)	
		654,569,247	61,178,129	593,391,118	9.3
708014560	Procedures and Committee Services	654,569,247	61,178,129	593,391,118	9.3
708024560	County Ward Offices	-	-	-	
708034560	Hansard Services	-	-	-	
		599,839,279	15,021,552	584,817,727	2.5
709014560	Finance and Budget	599,839,279	15,021,552	584,817,727	2.5
Office of the Governor and Deputy Governor		299,361,442	1,522,300	297,839,142	0.5
710014560	Administration and Coordination of County Affairs	299,361,442	1,522,300	297,839,142	0.5
		33,522,400	-	33,522,400	0
711005060	County Planning and Development Coordination Services	-	-	-	
711014560	Organisation of County Business	33,522,400	-	33,522,400	0
		80,976,716	-	80,976,716	0
712014560	Economic, Social and Political Advisory Services	80,976,716	-	80,976,716	0
Environment, Water Energy and Natural Resources		252,071,636	17,315,391	234,756,245	6.9
901014560	Administration	252,071,636	17,315,391	234,756,245	6.9
		14,457,014	786,226	13,670,788	5.4
902014560	Pollution Control & Monitoring	14,457,014	786,226	13,670,788	5.4
		4,450,000	203,280	4,246,720	4.6
903014560	Forest Resources Management & Climate Change	4,450,000	203,280	4,246,720	4.6
		1,123,805,502	67,204,296	1,056,601,206	6
904014560	Water Provision & Drilling of Boreholes	1,123,805,502	67,204,296	1,056,601,206	6
904024560	Water Resources & Sewerage Services	-	-	-	
		25,561,890	284,100	25,277,790	1.1
905014560	Rehabilitation of Council Houses	15,561,890	284,100	15,277,790	1.8
905024560	Housing Technology Transfer	10,000,000	-	10,000,000	0
Culture, Youth, Gender and Social services		77,940,000	1,440,759	76,499,241	1.8
906014560	Cultural Development Services	-	-	-	
906024560	Promotion of Culture, Arts and Talents	11,180,000	1,073,860	10,106,140	9.6
906034560	Social Development Programs	33,880,000	262,400	33,617,600	0.8
906054560	Rehabilitation of Social Halls, Libraries, Parks and Academies	32,880,000	104,499	32,775,501	0.3
		-	-	-	
907014560	Rehabilitation of Stadia	-	-	-	
		10,000,000	-	10,000,000	0
13E+09	Strategic Project Monitoring and intervention(Ending Drought Emergency)	10,000,000	-	10,000,000	0
		-	-	-	
14E+09	Electric Fence Installation Initiative	-	-	-	
Grand Total		19,177,271,055	535,330,688	18,641,940,367	2.8

Source: Nakuru County Treasury

The programs with the highest absorption rates were: Promotion of Dairy Production, Breeding and Disease Control at 50 per cent, Installation maintenance and rehabilitation of street lighting at 50 per cent, and Promotion of Value Addition of Livestock and Livestock Products at 45 per cent of budget allocation.

3.31.11 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. 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 at Kshs.3.8 million that represented 0.04 per cent of the annual development budget of kshs.9.52 billion.
3. Use of revenue at source and poor budgeting practice by the County Treasuries as shown in Table 3.126 where the County incurred expenditure in excess of approved exchequer issues.
4. Discrepancies in expenditure returns between expenditure by programmes and other expenditure returns by individual County Departments.
5. Delay in approval of annual budget estimates which affected implementation of programmes. The County Appropriation Bill was assented to on 27th August, 2020.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.*
2. *The County should identify and address issues causing delays in the implementation of development projects.*
3. *The County Treasury should improve 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 Treasury should ensure reporting on budget execution is accurate and complete. Regular reconciliations of financial reports should be undertaken to ensure the integrity of the financial reports.*
5. *The County leadership should put in place measures to ensure that budget estimates are approved within timelines to facilitate program implementation and service delivery.*

3.32 County Government of Nandi

3.32.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.7.61 billion, comprising of Kshs.2.59 billion (34 per cent) and Kshs.5.02 billion (66 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects 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.

3.32.2 Revenue Performance

During the first quarter of FY 2020/21, the County raised Kshs.4.59 million as own-source revenue, and had a cash balance of Kshs.460 million from FY 2019/20, being the release of exchequer for the month of June 2020. The County also received Kshs.135.56 million from other revenues and Kshs.35.99 million from conditional grants. The total funds available for budget implementation during the period amounted to Kshs.636.13 million as shown in Table 3.128.

Table 3.128: Nandi County, Revenue Performance in First Quarter of FY 2020/21

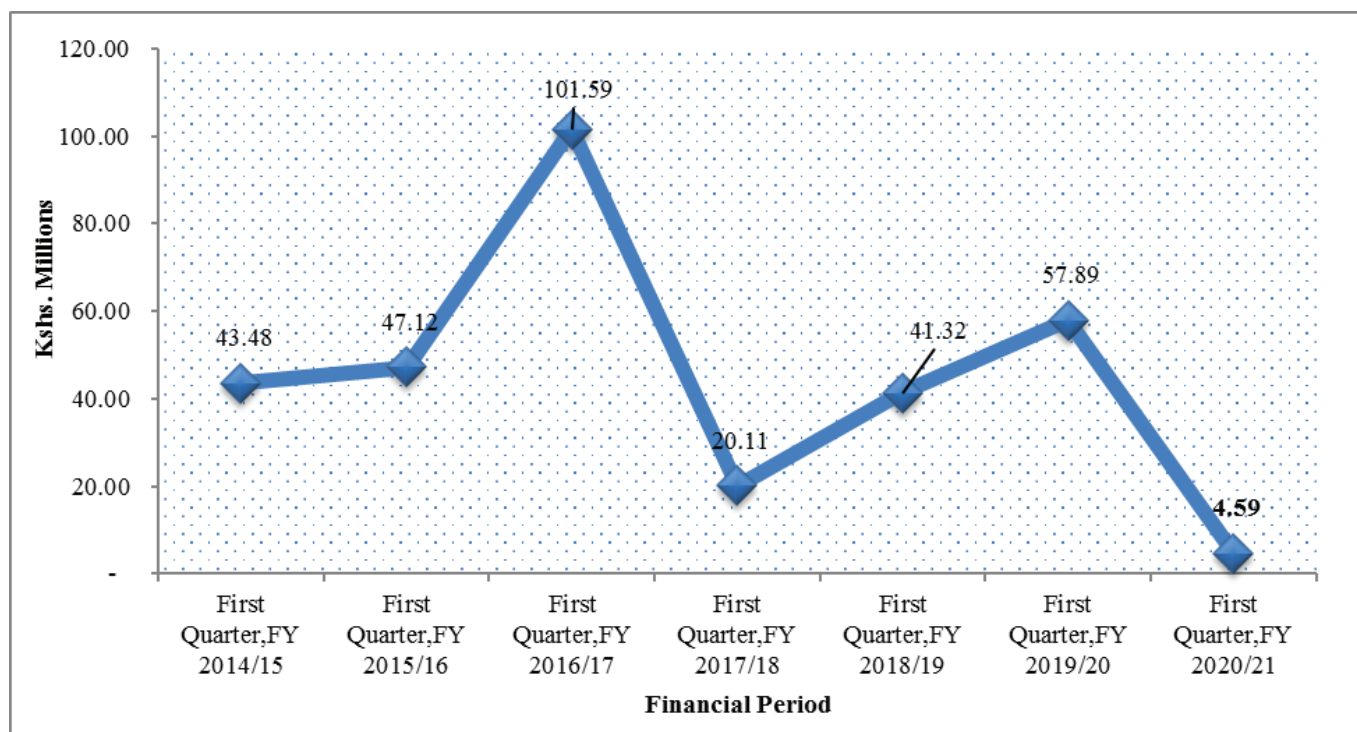
S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	5,348,850,000	5,380,500,000	-	-
B.	Conditional Grants from the National Government				
1.	Compensation for User Fee Foregone	18,086,363	18,086,363	-	-
2.	Leasing of Medical Equipment	132,021,277	-	-	-
3.	Road Maintenance Fuel Levy Fund	160,365,516	160,365,516	-	-
4.	Rehabilitation of Village Polytechnics	27,919,894	27,919,894	-	-

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
Sub Total		338,393,050	206,371,773	-	
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	102,150,272	102,150,272	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	197,907,900	197,907,900	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	75,000,000	30,000,000	40.0
4.	DANIDA Grant	15,210,000	21,195,000	5,985,000	46.6
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	12,838,123	12,838,123	-	-
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	35,985,000	7.7
D	Other Sources of Revenue				
1.	Own Source Revenue	-	405,408,260	4,586,566	1.1
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	600,150,654	38.6
Grand Total		6,121,018,439	7,611,517,868	636,135,654	8.4

Source: Nandi County Treasury

Figure 3-60 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-60: Trend in Own-Source Revenue Collection from the First Quarter of FY2014/15 to the First Quarter of FY 2020/21



Source: Nandi County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.4.59 million as own-source revenue. This amount represented a decrease of 92 per cent when compared to Kshs.57.89 million realised during the same period in FY 2019/20, and was 1.1 per cent of the annual target.

The significant decrease was attributed to COVID-19 Pandemic which led to a general reduction in economic activities. In addition, the County gave a 50 per cent waiver on parking fees.

3.32.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.560.62 million from the CRF account during the reporting period. This amount comprised of Kshs.2.5 million (0.4 per cent) for development programmes and Kshs.558.12 billion (99.6 per cent) for recurrent programmes.

3.32.4 Overall Expenditure Review

A total of Kshs.1.59 billion was spent on development and recurrent programmes and represented 283.2 per cent of the total funds released from the CRF account. The reported expenditure included commitments which had been processed up to the Internet Banking Platform. The expenditure comprised of Kshs.23.64 million and Kshs.1.56 billion on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 0.9 per cent while that incurred on Recurrent programmes represented an absorption rate of 31.1 per cent.

3.32.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.41 billion was spent on Compensation to Employees, Kshs.158.03 million on Operations and Maintenance, and Kshs.23.6 million on development activities.

Table 3.129: Summary Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	5,022,021,592	558,115,470	1,564,097,600	31.1
Compensation to Employees	3,845,956,683	485,541,947	1,406,070,958	36.6
Operations and Maintenance	1,176,064,909	72,573,523	158,026,642	13.4
Total Development Expenditure	2,589,496,276	2,500,000	23,636,827	0.9

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Development Expenditure	2,589,496,276	2,500,000	23,636,827	0.9
Total	7,611,517,868	560,615,470	1,587,734,427	20.9

Source: Nandi County Treasury

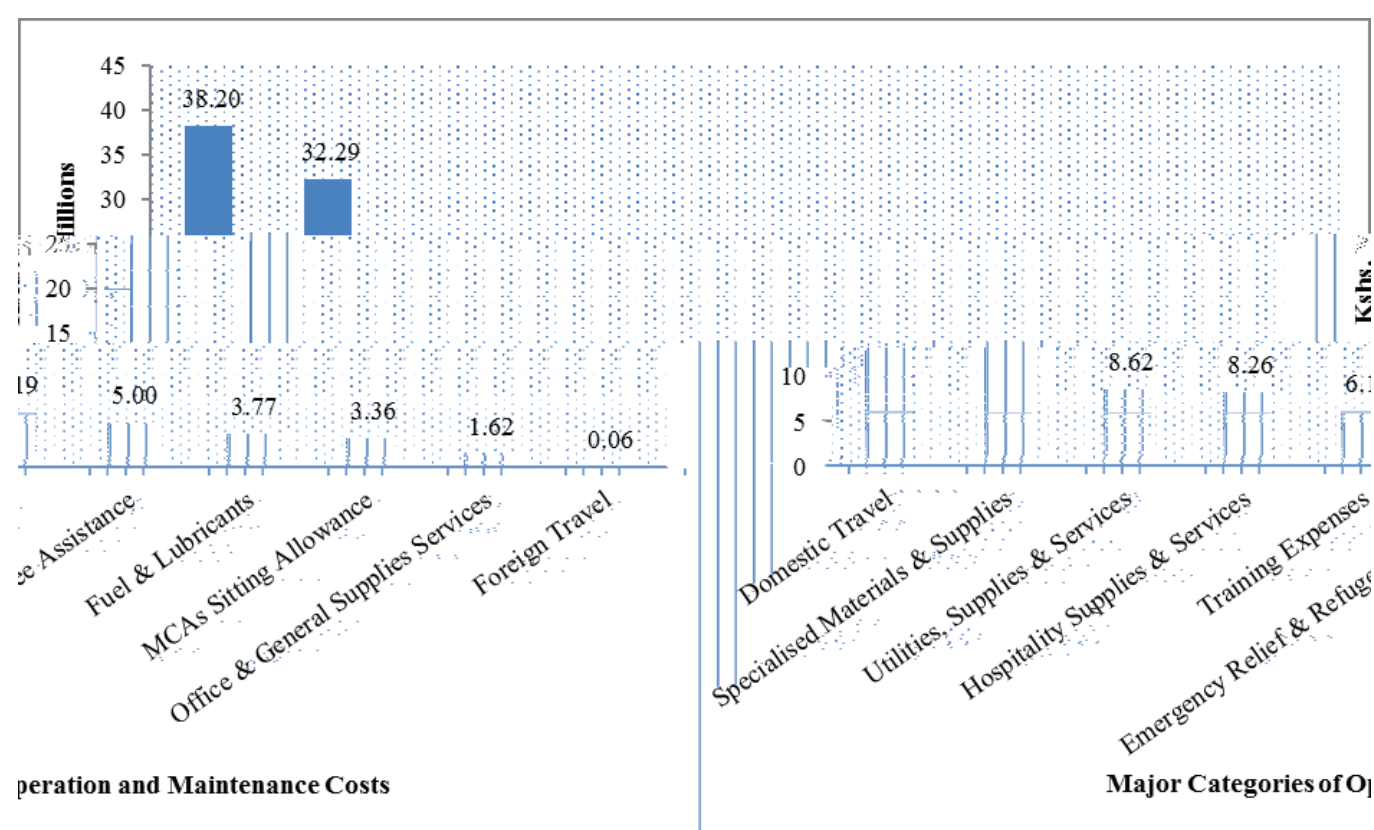
3.32.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.1.41 billion and represented 221 per cent of the total revenue of Kshs.636.14 million in the first quarter of the financial year. The expenditure included unpaid commitments which were outstanding in the financial system.

3.32.7 Analysis of Operations and Maintenance Expenditure

Figure 3-61 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-61: Nandi County, Operations and Maintenance Expenditure by Major Categories



Source: Nandi County Treasury

The County spent Kshs.3.36 million on Committee Sitting Allowances for the 40 MCAs and the Speaker against the annual budget allocation of Kshs.53.56 million. The average monthly sitting allowance was Kshs.28,037 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.38.20 million and comprised of Kshs.25.10 million spent by the County Assembly and Kshs.13.10 million by the County Executive. Expenditure on foreign travel amounted to Kshs.56,000 by the County Executive.

3.32.8 Development Expenditure Analysis

The Development expenditure of Kshs.23.64 million represented 0.9 per cent of the annual development budget of Kshs.2.59 billion. Expenditure on development activities include Kshs.21.14 million which was spent on construction on County Assembly Office complex.

3.32.9 Budget Performance by Department

Table 3.130 provided a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.130: Nandi County, Budget Performance by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Ex-chequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	332.98	30	23.60	-	140.54	-	595.5	-	42.2	-
Finance and Economic Planning	407.38	10	24.77	-	46.56	-	187.9	-	11.4	-
Devolved Units and Special programmes	474.47	191.35	36	-	206.40	-	573.3	-	43.5	-
Health and Sanitation	2,307.86	462.77	359.84	-	798.30	-	221.8	-	34.6	-
Agriculture, Livestock and Fisheries	287.32	521.46	22.42	-	112.47	-	501.6	-	39.1	-
Tourism, Culture and Co-operative Development	32.57	32.90	2.21	-	2.38	-	107.9	-	7.3	-
Youth, Gender and Social Services	86.43	73.90	6.58	-	4.65	-	70.8	-	5.4	-
Education Research and Vocational Training	213.67	196.29	14.50	-	48.98	-	337.8	-	22.9	-
Lands, Environment and Natural Resources	68.19	423.44	4.60	2.50	15.92	2.50	342.0	100.0	23.3	0.6
Roads, Transport and Public Works	95.09	443.99	4.41	-	15.11	-	342.8	-	15.9	-
Trade and Industrial Development	39.95	103.40	2.85	-	4.98	-	175.0	-	12.5	-
Public Service and Labour	26.34	-	1.69	-	7.37	-	436.4	-	28.0	-
County Assembly	649.76	100	54.60	-	160.44	21.14	293.9	-	24.7	21.1
Grand Total	5,022.02	2,589.50	558.12	2.50	1,564.10	23.64	280.2	945.5	31.1	0.9

Source: Nandi County Treasury

Analysis of expenditure by department shows that the County Assembly recorded the highest absorption rate of development budget at 21.1 per cent while the other County Departments did not report expenditure on development activities. The County Executive had the highest percentage of recurrent expenditure to the recurrent budget at 42.2 per cent while the Department of Youth, Gender and Social Services had the lowest at 5.4 per cent.

3.32.10 Budget Execution by Programmes and Sub-Programmes

Table 3.131 shows a summary of the budget execution by programmes and sub-programmes in the first quarter FY 2020/21.

Table 3.131 : Nandi County, Budget Execution by Programmes and Sub-programmes

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Ksh)	Actual Payments (Ksh)	Variance (Kshs.)	Absorption (%)
County Executive					
General Administration and Planning	General Administration and Planning	332,983,927	140,536,633	192,447,294	42.2
	Sub total	332,983,927	140,536,633	192,447,294	42.2
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	46,556,481	360,824,906	11.4
	Sub total	407,381,387	46,556,481	360,824,906	11.4

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Ksh)	Actual Payments (Ksh)	Variance (Kshs.)	Absorption (%)
Revenue Enhancement and Infrastructure	Revenue Collection and Management Phase 1	10,000,000	-	10,000,000	0.0
	Sub total	10,000,000	-	10,000,000	0.0
Devolved Units and Special Programmes					
Administration and Support of Human Resources	Administrative Support Services	460,971,378	206,388,206	254,583,172	44.8
	ICT Support Services	13,500,000	-	13,500,000	0.0
	Sub total	474,471,378	206,388,206	268,083,172	43.5
County Administrative Services	Urban Planning, Investment and Research	191,346,920	-	191,346,920	0.0
	Sub total	191,346,920	-	191,346,920	0.0
Health and Sanitation					
Health Service Delivery Administration Services	Health Service Delivery Administration Services	1,897,509,456	756,415,605	1,141,093,851	39.9
	Construction of building	335,976,629	-	335,976,629	0.0
	Sub total	2,233,486,085	756,415,605	1,477,070,480	33.9
Preventive & Promotive Health Services	Community Health Services	391,537,664	36,270,485	355,267,179	9.3
	Sub total	391,537,664	36,270,485	355,267,179	9.3
Curative Health Services	Curative Health Management Services	126,796,289	-	126,796,289	0.0
	Sub total	126,796,289	-	126,796,289	0.0
Health Sector Programme Support (DANIDA FUNDS)	County Health Facilities Support (DANIDA)	18,808,500	5,616,150	13,192,350	29.9
	Sub total	18,808,500	5,616,150	13,192,350	29.9
Agriculture, Livestock and Fisheries					
Administration and general support services	Administration and support services	287,319,034	112,467,441	174,851,593	39.1
	Sub total	287,319,034	112,467,441	174,851,593	39.1
Crop Development and Management	Land and Crops Development	232,246,023	-	232,246,023	0.0
	Value addition to Agricultural Products	-	-	-	0.0
	Sub total	232,246,023	-	232,246,023	0.0
Livestock Resources Management and Development	Livestock Production and Management	289,214,130	-	289,214,130	0.0
	Sub total	289,214,130	-	289,214,130	0.0
Tourism, Culture and Co-operative Development					
General Administration and Planning	General Administration and Planning	32,574,072	2,383,565	30,190,507	7.3
	Sub total	32,574,072	2,383,565	30,190,507	7.3
Culture	Development and Promotion of Culture	32,898,000	-	32,898,000	0.0
	Sub total	32,898,000	-	32,898,000	0.0
Youth, Gender and Social Services					
General Administration and Planning	General Administration and Planning	86,425,001	4,654,261	81,770,740	5.4
	Sub total	86,425,001	4,654,261	81,770,740	5.4
Sports Development	Sports Activities and Programs	73,902,912	-	73,902,912	0.0
	Sub total	73,902,912	-	73,902,912	0.0
Education, Research and Vocational Training					
General Administration and Planning	General Administration and Planning	213,674,617	48,980,581	164,694,036	22.9
	Sub total	213,674,617	48,980,581	164,694,036	22.9
Education	Early Child Development and Education.	161,868,483	-	161,868,483	0.0
	Sub total	161,868,483	-	161,868,483	0.0

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Ksh)	Actual Payments (Ksh)	Variance (Kshs.)	Absorption (%)
Youth Training and Development	Revitalization of Youth Polytechnics	34,419,894	-	34,419,894	0.0
	Sub total	34,419,894	-	34,419,894	0.0
Lands, Environment and Natural Resources					
General Administration and Planning	General Administration and Planning	68,189,811	15,921,945	52,267,866	23.3
	Sub total	68,189,811	15,921,945	52,267,866	23.3
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	2,500,000	403,196,934	0.6
	Sub total	405,696,934	2,500,000	403,196,934	0.6
Roads, Transport and Public Works					
General Administration and Planning	General Administration and Planning	95,094,019	15,109,768	79,984,251	15.9
	Sub total	95,094,019	15,109,768	79,984,251	15.9
Road Transport	Bridges and Foot Bridges	-	-	-	0.0
	Road-Works	443,993,552	-	443,993,552	0.0
	Sub total	443,993,552	-	443,993,552	0.0
Trade and Industrial Development					
General Administration and Planning	General Administration and Planning	39,948,285	4,983,142	34,965,143	12.5
	Sub total	39,948,285	4,983,142	34,965,143	12.5
Trade Development	Trade Development and Promotion	103,397,232	-	103,397,232	0.0
	Sub total	103,397,232	-	103,397,232	0.0
Public Service and Labour					
General Administration and Planning	General Administration and Planning	26,344,189	7,374,970	18,969,219	28.0
	Sub total	26,344,189	7,374,970	18,969,219	28.0
County Assembly					
General Administration and Support Services	Administration and support Services	100,000,000	21,136,827	78,863,173	21.1
	Sub total	100,000,000	21,136,827	78,863,173	21.1
County Assembly Service Board	Personnel services	649,760,252	160,438,367	489,321,885	24.7
	Sub total	649,760,252	160,438,367	489,321,885	24.7
Grand Total		7,611,517,868	1,587,734,427	6,023,783,441	20.9

Source: Nandi County Treasury

The programs with the highest absorption rates were: Administrative Support Services under Department of Devolved Unit at 44.4 per cent and General Administration and Planning under Department of County Executive at 42.2 per of budget allocation.

3.32.11 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. 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 in the first quarter of FY 2020/21 whereby the County spent Kshs.23.64

million out of the annual development budget of Kshs.2.59 billion. The development expenditure represented 0.9 per cent of the annual development.

- Under performance in own source revenue collection at Kshs.4.59 million that represented 1.1 per cent of the County's annual target of Kshs.405.51 million.

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

- The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.*
- The County should identify and address issues causing delays in the implementation of development projects.*
- The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.*

3.33 County Government of Narok

3.33.1 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) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.7.12 billion (57.6 per cent) being equitable share of revenue raised nationally, Kshs.1.0 billion (8.1 per cent) as total conditional grants, and generate Kshs.3.13 billion (25.4 per cent) from own sources of revenue. The County did not budget for the cash balance of Kshs.1.1 billion (8.9 per cent) from FY 2019/20.

3.33.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.691.36 million as equitable share of the revenue raised nationally, raised Kshs.168.19 million as own-source revenue, and had a cash balance of Kshs.1.1 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.96 billion as shown in Table 3.132.

Table 3.132: Narok County, Revenue Performance in the First Quarter of FY 2020/21

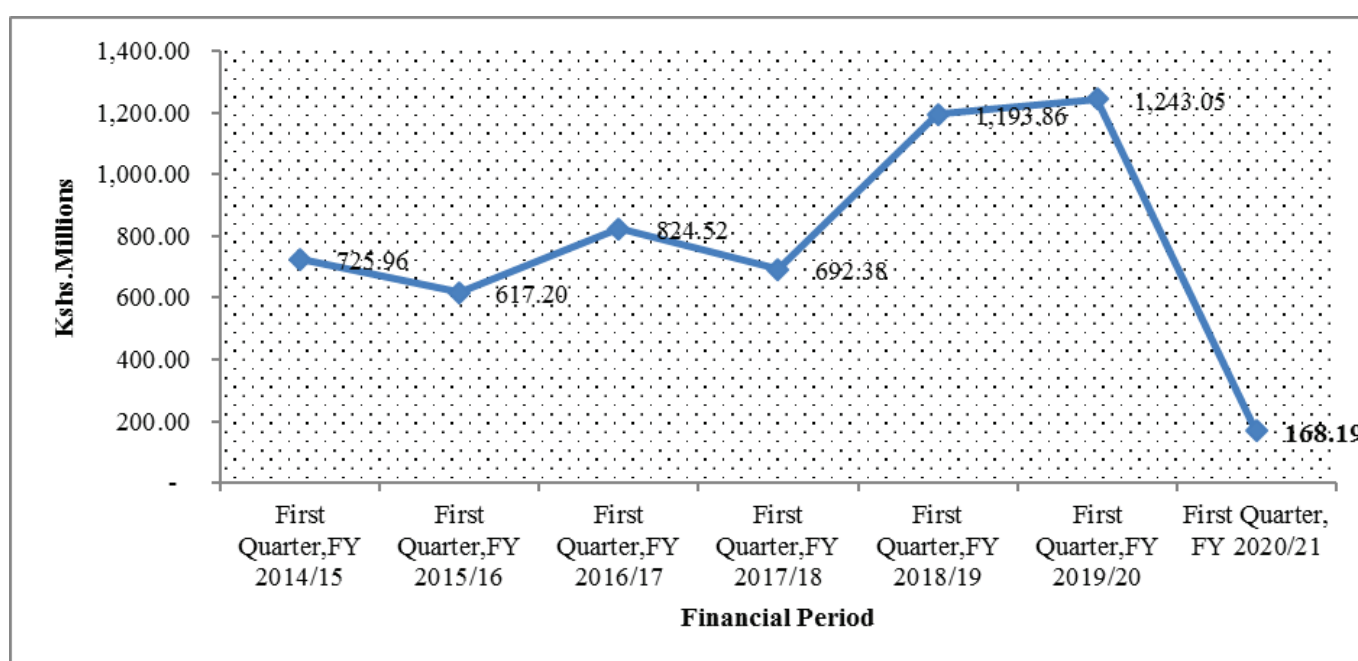
S/No	Revenue	Annual CARRA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	7,121,250,000	7,121,250,000	691,362,600	9.7
B.	Conditional Grants from the National 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	-	-
4	Rehabilitation of Village Polytechnics	16,084,894	16,084,894	-	-
	Sub Total	380,949,945	380,949,945	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal Care Project (WB)	104,265,416	104,265,416	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	218,575,646	218,575,646	-	-
4.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
5.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	74,500,000	74,500,000	-	-
6.	DANIDA Grant	22,860,000	22,860,000	-	-

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
7.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant	141,000,000	141,000,000	-	-
8.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	13,695,490	13,695,490	-	-
	Sub Total	619,896,552	619,896,552	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	3,133,923,503	168,187,713	5.4
2.	Balance b/f from FY 2019/20	-	-	1,100,639,851	-
	Sub Total	-	3,133,923,503	1,268,827,564	40.5
	Grand Total	8,122,096,497	11,256,020,000	1,960,190,164	17.4

Source: Narok County Treasury

Figure 3-62 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the First Quarter of FY 2020/21.

Figure 3-62: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Narok County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.168.19 million as own-source revenue. This amount represented a decrease of 86.5 per cent when compared to Kshs.1.24 billion realised during the same period in FY 2019/20, and was 5.4 per cent of the annual target.

The significant decrease was attributed to the global COVID-19 Pandemic that largely affected the tourism sector which is the county's major revenue stream. The pandemic impacted all other revenue streams due to the travel restrictions put to contain the spread of the virus.

3.33.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.801 million from the CRF account during the reporting period. This amount comprised of Kshs.152 million (19 per cent) for development programmes and Kshs.649 million (81 per cent) for recurrent programmes.

3.33.4 Overall Expenditure Review

A total of Kshs.678.96 million was spent on development and recurrent programmes and represented 84.76 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.133.98 million and Kshs.544.98

million on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 3.7 per cent while that incurred on recurrent programmes represented an absorption rate of 7.1 per cent of the total budget respectively.

3.33.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.216.93million was spent on Compensation to Employees, Kshs.328.05 million on Operations and Maintenance, and Kshs.133.98 million on development activities.

Table 3.133: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer (Kshs.)	Issues	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	7,636,220,000	649,000,000		544,981,977	7.1
Compensation to Employees	3,930,844,895	216,935,230		216,935,230	5.5
Operations and Maintenance	3,705,375,105	432,064,770		328,046,747	8.9
Total Development Expenditure	3,619,800,000	152,000,000		133,976,434	3.7
Development Expenditure	3,619,800,000	152,000,000		133,976,434	3.7
Total	11,256,020,000	801,000,000		678,958,411	6.0

Source: Narok County Treasury

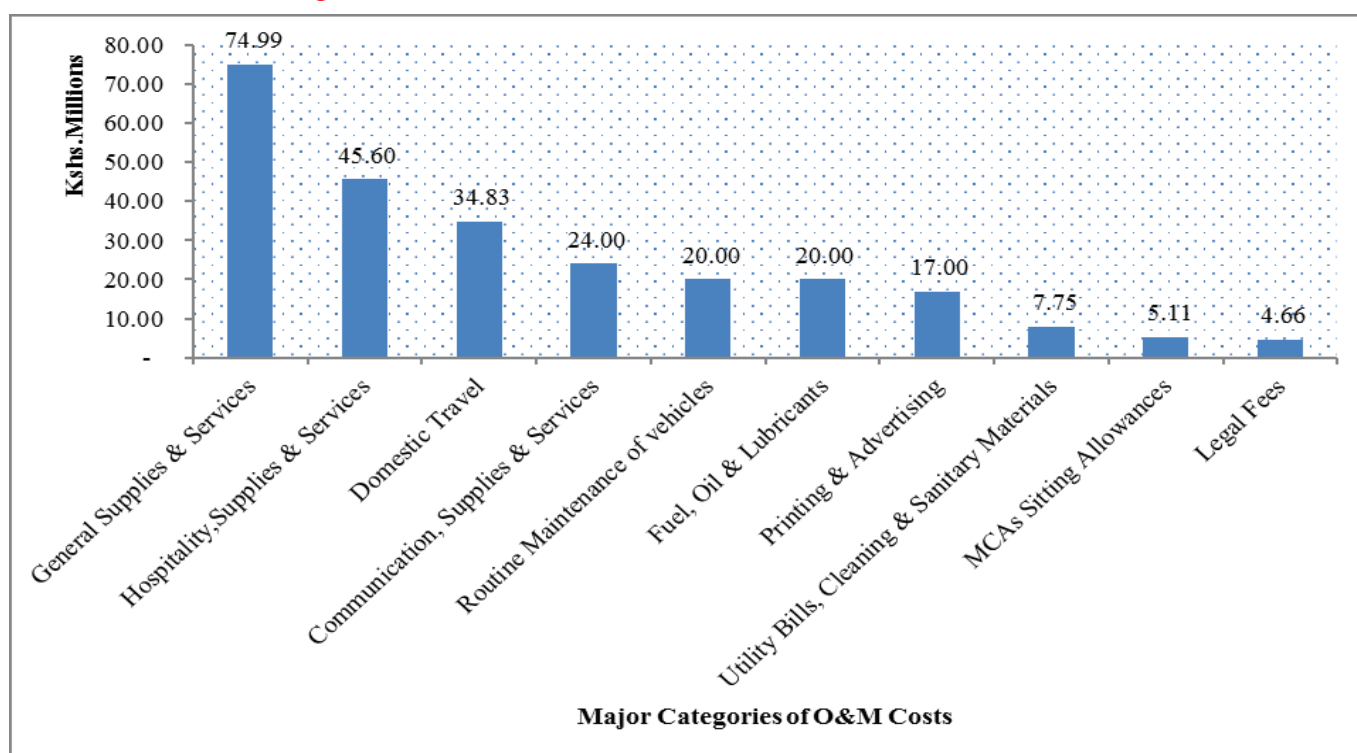
3.33.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.216.94 million and represented 11.1 per cent of the total revenue of Kshs.1.96 billion in the first quarter of the financial year. However, this expenditure is in relation to July, 2020 Personnel Emoluments. The August and September, 2020 salaries were not paid due to late disbursement by of the equitable share of revenue by the National Treasury.

3.33.7 Analysis of Operations and Maintenance Expenditure

Figure 3-63 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-63: Narok County, Operations and Maintenance Expenditure by Major Categories



Source: Narok County Treasury

The County spent Kshs.5.11 million on Committee Sitting Allowances for the 47 MCAs and Speaker against the annual budget allocation of Kshs.15.07 million. The average monthly sitting allowance was Kshs.35,488 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.34.83 million and comprised of Kshs.7.12 million spent by the County Assembly and Kshs.27.71 million by the County Executive.

3.33.8 Development Expenditure Analysis

The Development expenditure of Kshs.133.98 million represented 3.7 per cent of the annual development budget of Ksh.3.62 billion and represented a decrease of 53.8 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.289.97 million. Table 3.134 provides a summary of development projects with the highest expenditure in the first quarter of financial year.

Table 3.134: Narok County, List of Development Projects with the Highest Expenditure

S/No.	Project Name	Budget (Kshs.)	Exchequer issues (Kshs.)	Expenditure (Kshs.)	Absorption Rate (%)
1	Routine Maintenance N/Enkare St Anthony Road	7,650,000	7,288,603	7,288,603	95.3
2	Routine Maintenance of Olpukoti -Rigat-Seneto Road	10,600,000	10,099,241	10,099,241	95.3
3	Upgrading of Lolgorian Health Centre	160,383,602	16,553,780	16,553,780	10.3
4	Routine Maintenance Katakala -Ewaso Nyiro Roads	17,450,000	16,955,383	16,955,383	97.2
5	Supply of Drilling Machines	59,729,328	18,430,357	18,430,357	30.9
6	Supply of Earthmoving Vehicle Equipment	153,000,000	10,000,000	10,000,000	6.5
7	Routine Maintenance Mogoywet-Marinwa Rd	5,689,000	3,413,400	3,413,400	60.0
8	Routine Maintenance Olgos- Kikior Road	18,850,000	11,310,000	11,310,000	60.0
9	Gravelling of Ololaimutia Gate- Keekorok Lodge Road	14,977,750	1,024,513	1,024,513	6.8
10	Upgrading of Emurua Dikirr Health Centre to Level 4 Hospital	128,295,605	5,000,000	5,000,000	3.9
11	Upgrading of Health facilities (Ngendalel, Enkoperriai, Oldonyo Orok,Emurutoto And Soilal Dispensaries)	12,773,784	2,906,305	2,906,305	22.8
12	N/Enkare Health Center 100 Beds Ward Construction	48,678,281	4,763,793	4,763,793	9.8

Source: Narok County Treasury

3.33.9 Budget Performance by Department

Table 3.135 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.135: Narok 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
County Assembly	709.60	215.27	50	-	50	-	100.0	-	7.0	-
County Executive	155.23	-	11.90	-	11.90	-	100.0	-	7.7	-
Finance and Economic Planning	771.76	442.40	53.02	-	52.81	-	99.6	-	6.8	-
Transport, Public Works and Infrastructure	291.87	800.77	38.78	60	39.02	59.99	100.6	100.0	13.4	7.5
Education, Youth Affairs, Sports, Culture and Social Services	1,124.04	450.92	54.70	50	54.22	50	99.1	100.0	4.8	11.1
Environment and Natural Resources	210.01	124.21	28.30	-	27.81	-	98.3	-	13.2	-

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
County Public Service Board	86.64	-	0.60	-	0.59	-	98.3	-	0.7	-
Agriculture, Livestock and Fisheries	317.51	334.26	26.40	-	26.40	-	100.0	-	8.3	-
Health and Sanitation	2,527	864.72	254.10	15	254.01	14.99	100.0	99.9	10.1	1.7
Lands, Housing, Physical Planning and Urban Development	153.25	146.50	38.20	10	38.19	9.80	100.0	98.0	24.9	6.7
Tourism and Wildlife	391.05	99.37	35.30	15	35.29	14.96	100.0	99.7	9.0	15.1
Administration and Public Service Management	788.59	100.83	37.70	-	37.70	-	100.0	-	4.8	-
Trade and Industrialization	109.67	40.55	20	2	19.86	2	99.3	100.0	18.1	4.9
TOTAL	7,636.22	3,619.80	649	152	647.77	151.73	99.8	99.8	8.5	4.2

Source: Narok County Treasury

Analysis of expenditure by department shows that the Department of Tourism and Wildlife recorded the highest absorption rate of development budget at 15.1 per cent, followed by the Department of Education, Youth Affairs, Sports, Culture and Social Services at 11.1 per cent. The Department of Lands, Housing, and Physical Planning & Urban Development had the highest percentage of recurrent expenditure to recurrent budget at 24.9 per cent while the County Public Service Board had the lowest at 0.7 per cent.

3.33.10 Budget Execution by Programmes and Sub-Programmes

Table 3.136 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.136 : Narok County, Budget Execution by Programmes and Sub-programmes

Program	Sub Program	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
102004610		Crop Development and management	416,346,682	26,399,500	389,947,182	6.3
	102024610	Crop Productivity Improvement	416,346,682	26,399,500	389,947,182	6.3
103004610		Livestock Resources management and development	204,917,623	-	204,917,623	-
	103014610	Livestock Pests & Disease Management & Control	72,802,607	-	72,802,607	-
	103074610	Livestock Information Management	132,115,016	-	132,115,016	-
104004610		Fisheries development and management	30,505,695	-	30,505,695	-
	104014610	Fish Products Production	30,505,695	-	30,505,695	-
105004610		Land Policy and Planning	41,413,459	-	41,413,459	-
	105014610	Development Planning and Land Reforms	41,413,459	-	41,413,459	-
106004610		Housing Development and Human Settlement	100,366,687	-	100,366,687	-
	106014610	Housing Development	100,366,687	-	100,366,687	-

Program	Sub Program	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
107004610		Urban Mobility and Transport	157,969,854	47,991,147	157,969,854	30.4
	107014610	Metropolitan Planning & Infrastructure Development	157,969,854	47,991,147	157,969,854	30.4
201004610		Roads Transport and Public Works	1,092,636,745	99,001,469	993,635,276	9.1
	201014610	General Administration, Planning and Support Services	61,549,884	-	61,549,884	-
	201024610	Construction of Roads and Bridges	943,589,270	99,001,469	844,587,801	10.5
	201034610	Maintenance of Roads	87,497,592	-	87,497,592	-
202004610		ICT Services	52,744,534	-	52,744,534	-
	202014610	ICT Infrastructure Development	52,744,534	-	52,744,534	-
301004610		General Administration and Support Services	150,220,000	21,855,978	128,364,022	14.5
	301014610	Administrative Services	3,908,004	-	3,908,004	-
	301024610	Cooperative Development & Management	23,845,870	-	23,845,870	-
	301034610	Trade Development and Promotion	122,466,126	21,855,978	100,610,148	17.8
303004610		Tourism Development and Promotion	490,420,000	50,249,247	440,170,753	10.2
	303014610	Tourism Promotion and Marketing	490,420,000	50,249,247	440,170,753	10.2
401004610		Preventive & Promotive Health Services	864,720,000	49,012,825	815,707,175	5.7
	401014610	Health Promotion	864,720,000	49,012,825	815,707,175	5.7
402004610		Curative Health Services	325,874,301	97,500	325,776,801	0.0
	402014610	Referral Services	325,874,301	97,500	325,776,801	0.0
403004610		General Administration, Planning & Support Services	2,201,127,501	231,701,396	1,969,426,106	10.5
	403014610	Health Policy, Planning and Financing	2,201,127,501	231,701,396	1,969,426,106	10.5
502004610		Manpower Development, Employment and Productivity Management	1,275,802,307	102,401,000	1,173,401,307	8.0
	502014610	Early Child Development and Education	1,015,802,307	102,401,000	913,401,307	10.1
	502024610	Infrastructure Development and Expansion	260,000,000	-	260,000,000	-
701004610		General Administration, Planning and Support Services	1,455,268,548	39,194,839	1,416,073,708	2.7
	701014610	Administrative Services	550,596,129	22,964,289	527,631,840	4.2
	701044610	Coordination and Administrative Services	317,438,631	7,000,000	310,438,631	2.2
	701054610	Public service and Field Administrative Services	430,601,788	-	430,601,788	-
	701084610	Board Management Services	156,632,000	9,230,550	147,401,450	5.9
702004610		Public Finance Management	369,377,906	47,800,100	321,577,806	12.9
	702014610	Accounting services	36,697,725	705,600	35,992,125	1.9
	702024610	Resource Mobilization	164,004,654	47,094,500	116,910,154	28.7
	702034610	Budget Formulation, Coordination and Management	43,685,860	-	43,685,860	-
	702044610	Supply Chain Management Services	71,061,565	-	71,061,565	-

Program	Sub Program	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
	702054610	Internal Audit Services	53,928,102	-	53,928,102	-
703004610		Economic Policy and County Planning	792,041,032	6,000,000	786,041,032	0.8
	703014610	Economic Planning Coordination	760,515,691	6,000,000	754,515,691	0.8
	703024610	Monitoring and Evaluation Services	31,525,341	-	31,525,341	-
704004610		Legislation and Representation	600,891,577	49,997,119	550,894,458	8.3
	704014610	Legislative Oversight	463,101,034	46,873,069	416,227,965	10.1
	704024610	County Co-ordination Services	131,190,000	2,076,050	129,113,950	1.6
	704034610	Research and Policy	6,600,543	1,048,000	5,552,543	15.9
901004610		Social Development and Children Services	299,157,353	-	299,157,353	-
	901014610	Gender and Youth Development	18,927,420	-	18,927,420	-
	901024610	Social Assistance to Vulnerable Groups	21,136,920	-	21,136,920	-
	901034610	Development and Promotion of culture	8,770,391	-	8,770,391	-
	901044610	Development and Management of sports facilities	150,000,000	-	150,000,000	-
	901064610	Voluntary Training Services	100,322,622	-	100,322,622	-
1002004610		Environment Management and Protection	334,218,198	27,806,000	306,412,198	8.3
	1002014610	Forests Conservation and Management	334,218,198	27,806,000	306,412,198	8.3
1003000000		Natural Resources Conservation and Management	-	-	-	-
	1003039999	Wildlife Conservation and Security	-	-	-	-
		Grand Total	11,256,020,000	799,508,120	10,504,503,027	7.1

Source: Narok County Treasury

The programs with the highest absorption rates were: Metropolitan Planning & Infrastructure Development at 30.4 per cent, Resource Mobilization at 28.7 per cent, Trade Development and Promotion at 17.8 per cent and Research and Policy at 15.9 per cent of budget allocation.

3.33.11 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. 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 in the first quarter of FY 2020/21 where the County spent Kshs.133.98 million out of the annual development budget of Kshs.3.62 billion. The development expenditure represented 3.7 per cent of the annual development.
3. Under performance in own source revenue collection at Kshs.168.19 million against annual projection of Kshs.3.13 billion. The realised own source revenue represented 5.37 per cent of its annual target.
4. Inconsistency in financial reporting by the County Treasury to the Controller of Budget: Expenditure reports by departments do not tally with expenditure by programs and sub programs.

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

1. The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.
4. The County Treasury should identify the gaps in financial reporting and address them for credibility of budget implementation to be ascertained.

3.34 County Government of Nyamira

3.34.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.6.90 billion, comprising of Kshs 2.28 billion (33.0 per cent) and Kshs.4.62 billion (67.0 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.4.91 billion (71.1 per cent) being equitable share of revenue raised nationally, Kshs.883.68 million (12.8 per cent) as total conditional grants, generate Kshs.250 million (3.6 per cent) from own sources of revenue, and the cash balance of Kshs.855.78 million (12.4 per cent) from FY 2019/20.

Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.413.73 billion as equitable share of the revenue raised nationally which was a balance from FY 2019/20, raised Kshs.39.49 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.1.31 billion as shown in Table 3.137.

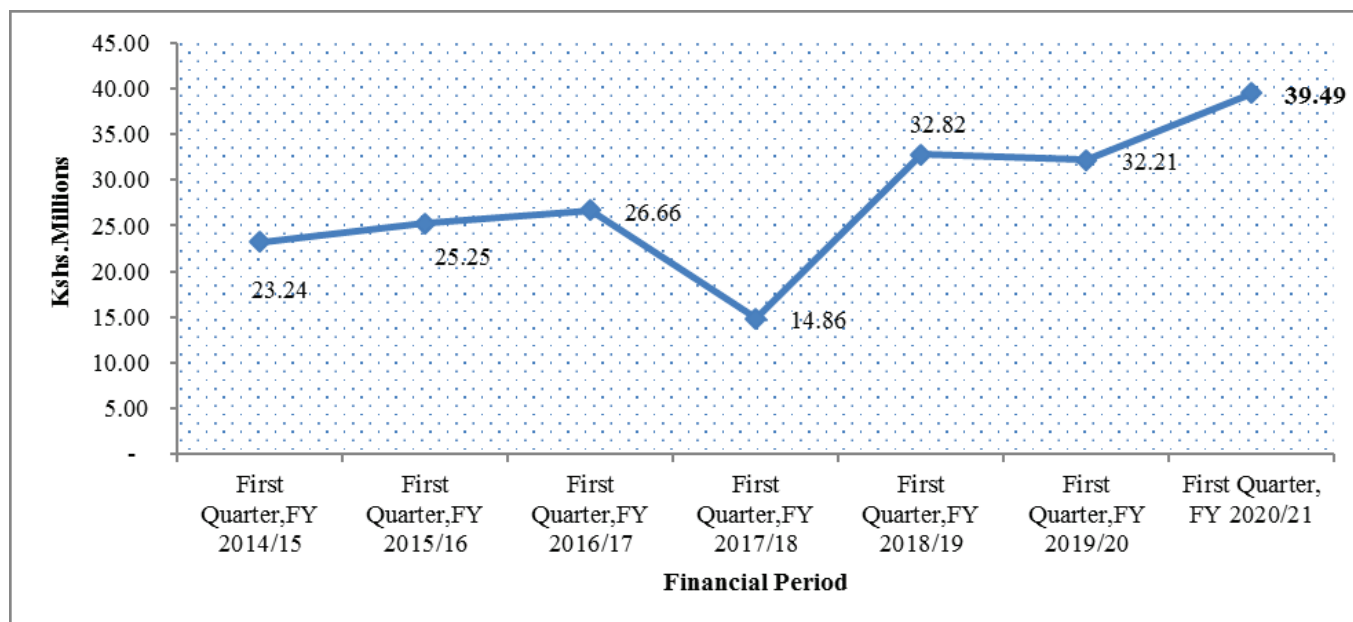
Table 3.137: Nyamira County, Revenue Performance in the First Quarter of FY 2020/21

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	4,905,750,000	4,905,750,000	413,728,800	8.4
B.	Conditional Grants from the National Government				
1.	Compensation for User Fee Foregone	13,175,221	13,175,221	-	-
2	Road Maintenance Fuel Levy Fund	146,215,617	146,215,617	-	-
3	Rehabilitation of Village Polytechnics	60,409,894	60,409,894	-	-
	Sub Total	219,800,732	219,800,732	-	-
C	Loans and Grants from Development Partners				
1	Transforming Health systems for Universal care Project (WB)	287,847,760	278,847,760	-	-
2	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	198,509,110	198,509,110	-	-
3	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	114,705,300	114,705,300	-	-
5	DANIDA Grant	13,680,000	13,680,000	-	-
6	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	13,125,036	13,125,036	-	-
	Sub Total	672,867,206	663,867,206		-
D	Other Sources of Revenue				
1	Own Source Revenue	-	250,000,000	39,491,859	15.8
2	Balance b/f from FY 2019/20	-	855,779,664	855,779,664	100.0
	Sub Total	-	1,105,779,664	895,271,523	81.0
	Grand Total	5,798,417,938	6,895,197,602	1,309,000,323	19.0

Source: Nyamira County Treasury

Figure 3-1 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-64: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Nyamira County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.39.49 million as own-source revenue. This amount represented an increase of 26.1 per cent when compared to Kshs.32.21 million realised during the same period in FY 2019/20, and was 15.8 per cent of the annual target.

3.34.2 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.423.92 million from the CRF account during the reporting period. This amount comprised of Kshs.82.04 million (19.4 per cent) for development programmes and Kshs.341.87 million (80.6 per cent) for recurrent programmes.

3.34.3 Overall Expenditure Review

The County spent Kshs.589.19 million was spent on recurrent expenditure programmes which represent 139 per cent of the total funds released from the CRF account. Expenditure on Recurrent programmes represented an absorption rate of 12.8 per cent. There was no development expenditure recorded during the period under review.

3.34.4 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.578.86 million was spent on Compensation to Employees and Kshs.10.33 million on Operations and Maintenance.

Table 3.138: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	4,619,075,596	341,876,220	589,192,508	12.8
Compensation to Employees	3,252,812,015	331,548,080	578,864,368	17.8
Operations and Maintenance	1,366,263,581	10,328,140	10,328,140	0.8
Total Development Expenditure	2,276,122,006	82,041,681	-	-
Development Expenditure	2,276,122,006	82,041,681	-	-
Total	6,895,197,602	423,917,901	589,192,508	8.5

Source: Nyamira County Treasury

3.34.5 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.578.86 million and represented 44.2 per cent of the total revenue of Kshs.1.31billion in the first quarter of the financial year.

3.34.6 Analysis of Operations and Maintenance Expenditure

During the period, expenditure on domestic travel amounted to Kshs.2.78 million and comprised of Kshs.1.20 million spent by the County Assembly and Kshs.1.58 million by the County Executive. The County spent Kshs.4.05 million on Utility bills, Cleaning & Sanitary Materials.

3.34.7 Budget Performance by Department

Table 3.139 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.139: 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	37.96	-	37.96	-	100	-	6.3	-
Office of Governor	469.16	-	21.26	-	42.99	-	202.19	-	9.2	-
Finance and Planning	473.08	24.97	17.85	-	37.57	-	210.50	-	7.9	-
Agriculture, Livestock and Fisheries	160.75	306.10	12.11	-	24.58	-	203.01	-	15.3	-
Environment and Water	116.13	196.35	5.70	-	11.12	-	195.04	-	9.6	-
Education & ICT	278.73	223.34	24.76	-	46.88	-	189.36	-	16.8	-
Health Services	1,757.99	410.86	170.34	-	287.11	-	168.55	-	16.3	-
Lands and Urban Planning	85.78	124.55	10.68	-	19.48	-	182.41	-	22.7	-
Roads and Public Works	138.20	426.97	7.44	-	14.77	-	198.48	-	10.7	-
Trade and Tourism	37.93	56.78	2.51	-	4.86	-	193.83	-	12.8	-
Youth and Gender	64.19	51.84	4.02	-	7.81	-	194.26	-	12.2	-
Public Service Board	66.11	-	4.26	-	6.41	-	150.42	-	9.7	-
Public Service Management	308.40	-	22.99	-	44.79	-	194.79	-	14.5	-
Municipality	56.50	325.69	-	82.04	2.86	-	-	-	5.1	-
Total	4,619.08	2,276.12	341.88	82.04	589.19	-	172.34	-	12.8	-

Source: Nyamira County Treasury

The Department of Education and ICT had the highest percentage of recurrent expenditure to recurrent budget at 16.8 per cent while the Municipality had the lowest at 5.1 per cent.

3.34.8 Budget Execution by Programmes and Sub-Programmes

Table 3.140 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.140 : Nyamira 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 (%)	
OFFICE OF GOVERNOR						
General Administration and Support Services	General administration support services	247,287,605	18,292,082	228,995,523	7.4	
	Policy development and support services	181,024,920	7,283,800	173,741,120	4.0	

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption (%)
	Executive management and liaison services	20,850,000	-	20,850,000	0.0
	TOTAL	449,162,525	25,575,882	423,586,643	
FINANCE AND PLANNING					
Information and Communication Technology Services	Information and communication services	-	-	-	
	ICT infrastructural services	86,008,375	2,085,000	83,923,375	2.4
General Administration and Support Services	General administration support services	21,415,297	640,460	20,774,837	3.0
	Policy development and support services	3,276,000	-	3,276,000	-
	Supply chain management	24,311,548	(380,000)	24,691,548	-1.6
Economic Planning, Budgeting and Coordination Services	Economic planning and coordination	39,970,852	-	39,970,852	-
	Budget formulation and management	19,293,755	(276,600)	19,570,355	-1.4
County Financial Management and Control	Accounting and financial services	72,323,155	-	72,323,155	-
	Audit services	15,335,487	-	15,335,487	-
Resource Mobilization	external Resource mobilization	75,000,000	-	75,000,000	-
	internal Resource mobilization	141,116,623	18,295,629	122,820,994	13.0
TOTAL		498,051,092	20,364,489	477,686,603	4.1
AGRICULTURE, LIVESTOCK AND FISHERIES					
Policy Planning, General Administration and Support Services	General administration and support services	44,437,664	-	44,437,664	-
	Policy and planning	5,978,614	-	5,978,614	-
Crop, Agribusiness and Land Management Services	Crop Development Services	275,015,735	48,300,228	226,715,507	17.6
	Agribusiness				
Fisheries Development and Promotion Services	Aquaculture Promotion Services	25,001,616	-	25,001,616	-
Livestock Promotion and Development	Livestock Products Value Addition and Marketing	81,192,304	-	81,192,304	
	Animal Health Disease and Management	35,227,884	3,170,057	32,057,827	9.0
TOTAL		466,853,817	51,470,285	415,383,532	11.0
ENVIRONMENT AND WATER					
Policy Planning, General Administration and Support Services	General administration and support services	73,149,946	228,754	72,921,192	0.3
	Policy and planning	8,109,590	-	8,109,590	-
Energy and Mineral Resources Services	Other energy sources promotion	13,275,460	-	13,275,460	-
Water Supply and Management Services	Major towns water services				
	Rural water services	201,423,520	-	201,423,520	-
Environmental Protection and Management Services	Pollution and waste management				
	Agroforestry promotion	16,520,089	5,417,537	11,102,552	32.8
TOTAL		312,478,605	5,646,291	306,832,314	1.8

Budget Execution by Programmes and Sub-Programmes						
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption (%)	
EDUCATION & ICT						
General Administration, Policy Planning and Support Services	General administration	34,876,832	-	34,876,832	-	
	Planning policy	6,762,500	-	6,762,500	-	
ECDE and CCC Development Services	ECDE and CCC management services	252,728,241	22,123,093	230,605,148	8.8	
Vocational Development and Training Services	Vocational management services	207,710,343	-	207,710,343	-	
	TOTAL	502,077,916	22,123,093	479,954,823	4.4	
HEALTH SERVICES						
Preventive and Promotive Health Services	Health Promotion	532,504,808	61,530,320	470,974,488	11.6	
	Communicable Disease Control	7,720,514	-	7,720,514	-	
General Administration, Planning and Support Services	Administration support services	141,936,735	84,824	141,851,911	0.1	
Curative Health Services	Medical services	1,486,693,579	61,041,142	1,425,652,437	4.1	
	Facility infrastructural services					
	TOTAL	2,168,855,636	122,656,285	2,046,199,351	5.7	
LAND, HOUSING, PHYSICAL PLANNING & URBAN						
Policy Planning, General Administration and Support Services	General administration and support services	78,872,158	8,800,028	70,072,130	11.2	
	Policy and planning	1,679,441	-	1,679,441	-	
Physical Planning and Surveying Services	Physical Planning	4,610,898	-	4,610,898	-	
	Surveying services	5,000,000	-	5,000,000	-	
Housing Improvement Development	Housing Improvement Services	73,617,082	-	73,617,082	-	
Management and Development of Towns	Town Management and Coordination	46,554,823	-	46,554,823	-	
	TOTAL	210,334,402	8,800,028	201,534,374	4.2	
TRANSPORT AND ROADS						
General Administration, Planning and Support Services	Administration and support services	87,829,966	86,037,693	1,792,273	98.0	
	Policy and planning	2,210,853	1,641,837	569,016	74.3	
Roads Development and Management	Construction of roads and bridges	142,502,698	118,810,579	23,692,119	83.4	
	Rehabilitation and maintenance of Roads	317,612,187	221,993,096	95,619,091	69.9	
		550,155,704	428,483,205	121,672,499	77.9	
TRADE & TOURISM						
Policy Planning, General Administration and Support Services	General administration and support services	25,736,185	-	25,736,185	-	
	Policy and planning services	1,729,652	-	1,729,652	0.0	
Trade, Cooperative and Investment Development and Promotion	Cooperative promotion	16,899,606	2,352,035	14,547,571	13.9	
	Trade promotion	48,448,279	-	48,448,279	-	
Tourism Development and Promotion	Tourism promotion and management	1,889,000	-	1,889,000	-	
	TOTAL	94,702,722	2,352,035	92,350,687	2.5	
YOUTH, SPORTS						

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption (%)
General Administration and Support Services	General administration support services	42,165,960	3,791,108	38,374,852	9.0
	Policy development and support services	2,306,545	-	2,306,545	-
Promotion and Management of Sports	Community Development	50,190,056	-	50,190,056	
	Cultural promotion heritage	21,367,737	-	21,367,737	-
TOTAL		116,030,298	3,791,108	112,239,190	3.3
PUBLIC SERVICE BOARD					
General administration and support services	General administration and support services	53,025,390	2,920,356	50,105,034	5.5
Policy and planning	Policy and planning	13,087,700	-	13,087,700	-
	TOTAL	66,113,090	2,920,356	63,192,734	4.4
PUBLIC SERVICE MANAGEMENT					
Policy Planning, General Administration and Support Services	General administration and support services	233,342,675	21,224,140	212,118,535	9.1
	Policy and planning	4,783,300	-	4,783,300	-
General Administration and Support Services	Communication services	2,037,000	-	2,037,000	-
Coordination, Strategy and Human Resource Services	Field coordination and administration	28,660,718	-	28,660,718	-
	Strategy and Advisory Services	8,600,000	-	8,600,000	-
	Human resource management	30,805,628	-	30,805,628	-
	Human resource development	166,000	-	166,000	-
	TOTAL	308,395,321	21,224,140	287,171,181	6.9
MUNICIPALITY					
General Administration and Support Services	General administration and support services	364,812,114	77,000,000	287,812,114	21.1
	Policy and planning	17,378,019	-	17,378,019	-
	TOTAL	382,190,133	77,000,000	305,190,133	20.1
COUNTY ASSEMBLY					
General Administration & Support Services, Policy Planning	General Administration & Support Services	313,647,208	16,940,038	296,707,170	5.4
	Policy Planning	34,768,280	1,382,040	33,386,240	4.0
	Oversight	23,089,000	-	23,089,000	-
Legislation And Representation	Legislation And Representation	264,603,021	19,634,142	244,968,879	7.4
		636,107,509	37,956,220	598,151,289	6.0
GRAND TOTAL		6,761,508,770	830,363,418	5,931,145,352	12.3

Source: Nyamira County Treasury

The report on budget performance by programmes includes commitments incurred which had not been paid. The programs with the highest absorption rates were: General Administration, Planning and Support Services at 98 per cent, Construction of Roads and Bridges at 83.4 per cent, and Policy and Planning at 74.3 per cent of budget allocation. These programmes are under the Transport and Roads Department.

3.34.9 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report
2. Failure by the County to implement the development budget in the reporting period despite carrying unspent cash balance of Kshs.855.78 million from FY 2019/20.
3. Use of revenue at source and poor budgeting practice by the County Treasury whereby the County incurred expenditure in excess of approved exchequer issues and budgetary allocations.
4. Data inconsistencies in financial reporting, whereby the report on budget execution by programmes shows approved budget as Kshs.6.76 billion which varies significantly with the Appropriation Act of Kshs.6.90 billion.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.*
2. *The County should identify and address issues causing delays in the implementation of development projects.*
3. *The County Treasury should improve 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 Treasury should ensure financial reports are reconciled regularly and verified before submission to external bodies in order to enhance credibility in budget implementation.*

3.35 County Government of Nyandarua

3.35.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is 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 expects 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.

3.35.2 Revenue Performance

During the first quarter of FY2020/21, the County received raised Kshs.79.25 million as own-source revenue, and had a cash balance of Kshs.583.53 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.662.78 million as shown in Table 3.141.

Table 3.141: Nyandarua County, Revenue Performance in the First Quarter of FY 2020/21

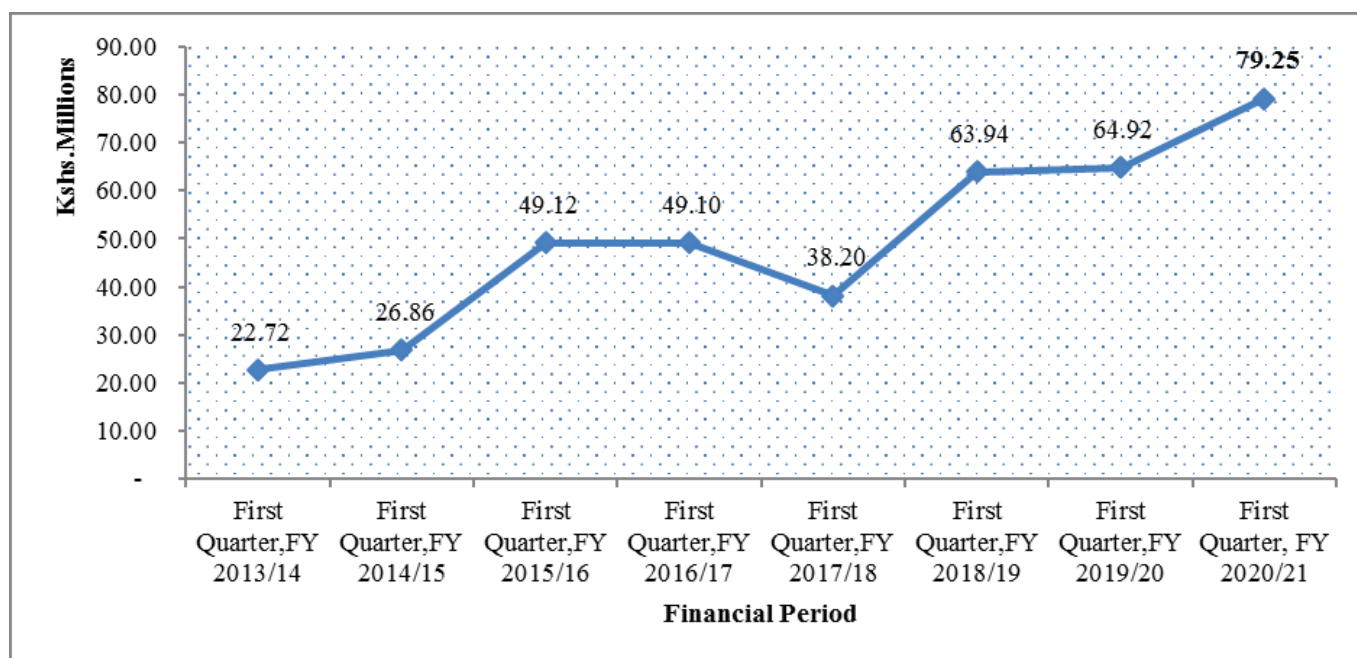
S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	4,874,100,000	4,905,750,000	-	-
B.	Conditional Grants from the National Government Revenue				
1	Supplement for construction of county head-quarters	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	-	-
5	Rehabilitation of Village Polytechnics	30,949,894	30,949,894	-	-
Sub Total		371,922,710	371,922,710	-	-

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
C	Loans and Grants from Development Partners				
1	Transforming Health systems for Universal care Project (WB)	163,357,834	163,357,834	-	-
2	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	239,157,250	239,157,250	-	-
3	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4	DANIDA Grant	13,860,000	13,860,000	-	-
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	-	-
7	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	12,491,573	12,491,573	-	-
	Sub Total	484,866,657	669,662,340	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	830,000,000	79,250,821	9.5
2.	Balance b/f from FY 2019/20	-	-	494,181,456	-
3.	Other Revenues	-	89,354,000	89,354,000	100.0
	Sub Total	-	919,354,000	662,786,276	72.1
	Grand Total	5,730,889,367	6,866,689,050	662,786,276	9.7

Source: Nyandarua County Treasury

Figure 3-65 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-65: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Nyandarua County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.79.25 million as own-source revenue. This amount represented an increase of 18.1 per cent when compared to Kshs.64.92 million realised during the same period in FY 2019/20, and was 9.5 per cent of the annual target.

3.35.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.599.79 million from the CRF account during the reporting period. This amount comprised of Kshs.3.29 million (0.5 per cent) for development programmes and Kshs.596.49 million (99.5 per cent) for recurrent programmes.

3.35.4 Overall Expenditure Review

A total of Kshs.599.71 million was spent on development and recurrent programmes and represented 99.9 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.3.29 million and Kshs.596.41 million on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 0.1 per cent while that incurred on recurrent programmes represented an absorption rate of 13.3 per cent.

3.35.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.391.22 million was spent on Compensation to Employees, Kshs.205.19 million on Operations and Maintenance, and Kshs.3.29 million on development activities.

Table 3.142: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	4,478,165,182	596,499,898	596,419,633	13.3
Compensation to Employees	2,304,306,775	391,054,461	391,228,461	17.0
Operations and Maintenance	2,173,858,407	205,445,437	205,191,172	9.4
Total Development Expenditure	2,388,523,868	3,295,347	3,295,347	0.1
Development Expenditure	2,388,523,868	3,295,347	3,295,347	0.1
Total	6,866,689,050	599,795,245	599,714,980	8.7

Source: Nyandarua County Treasury

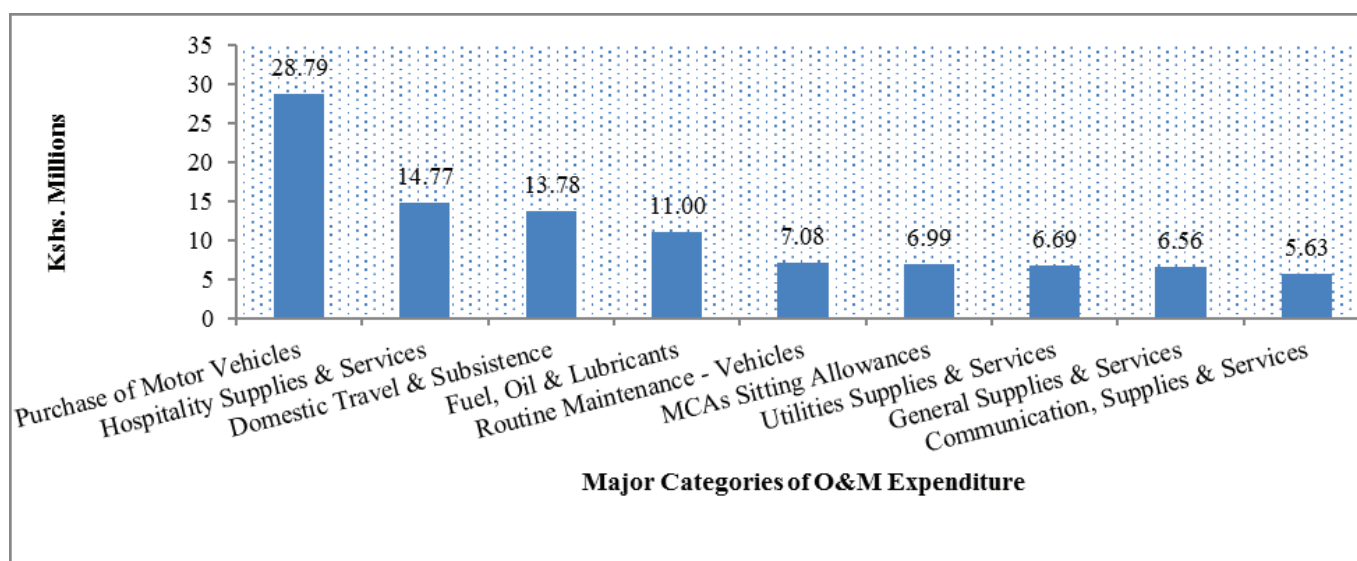
3.35.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.391.22 million and represented 59 per cent of the total revenue of Kshs.662.78 million in the first quarter of the financial year.

3.35.7 Analysis of Operations and Maintenance Expenditure

Figure 3-66 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-66: Nyandarua County, Operations and Maintenance Expenditure by Major Categories



Source: Nyandarua County Treasury

The County spent Kshs.6.99 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.58,276 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.13.78 million and was incurred by the County Assembly, while expenditure on foreign travel amounted to Kshs.1.37 million which was also spent by the County Assembly.

3.35.8 Development Expenditure Analysis

The Development expenditure of Kshs.3.29 million represented 0.1 per cent of the annual development budget of Kshs.2.38 billion. The expenditure on development was on road maintenance using County Road Machinery & Equipment.

3.35.9 Budget Performance by Department

Table 3.143 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.143: Nyandarua County, Budget Performance by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Governor's Office & Service Delivery	119.89	2	11.12	-	11.12	-	100.0	-	9.3	-
The County Secretary	2,026.34	-	340.46	-	340.46	-	100.0	-	16.8	-
County Attorney	33.33	-	0.80	-	0.80	-	100.0	-	2.4	-
Public Administration & ICT	36.37	10	5.30	-	5.30	-	100.0	-	14.6	-
County Public Service Board	18.40	-	0.51	-	0.51	-	100.0	-	2.8	-
Finance & Economic Development	439.69	102.11	43.83	-	43.83	-	100.0	-	10.0	-
Health Services	689.31	301.77	92.26	-	92.26	-	100.0	-	13.4	-
Education, Gender, Youth, Culture and Social Services	127.44	76.45	4.09	-	4.09	-	100.0	-	3.2	-
Industrialization Cooperatives, Trade & Enterprise Development	38.31	270.60	2.34	-	2.34	-	100.0	-	6.1	-
Youth, Sports and Arts	49.45	57.30	1.57	-	1.57	-	100.0	-	3.2	-
Water, Environment, Tourism & Natural resources	51.06	224.38	2.76	-	2.76	-	100.0	-	5.4	-
Transport, Energy & Public Works	41.10	899.91	8.53	3.30	8.53	3.30	100.0	100.0	20.7	0.4
Lands, Housing & Physical Planning	30.51	77.99	1.34	-	1.34	-	100.0	-	4.4	-
Agriculture Livestock & Fisheries	113.01	274.99	4.60	-	4.60	-	100.0	-	4.1	-
County Assembly	663.97	91.03	76.99	-	76.90	-	99.9	-	11.6	-
TOTAL	4,478.17	2,388.52	596.50	3.30	596.42	3.30	100.0	100.0	13.3	0.1

Source: Nyandarua County Treasury

Analysis of expenditure by department shows that only the Department of Roads, Transport & Energy and Public Works reported an absorption rate of development budget at 0.4 per cent while the other Departments did not report any expenditure on development activities. The Department of Roads, Transport & Energy and Public Works had the highest percentage of recurrent expenditure to recurrent budget at 20.7 per cent while the County Public Service Board had the lowest at 2.8 per cent.

3.35.10 Budget Execution by Programmes and Sub-Programmes

Table 3.144 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.144 : Nyandarua County, Budget Execution by Programmes and Sub-programmes

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Ksh)	Actual Payments (Ksh)	Variance (Kshs.)	Absorption (%)
General administration, planning and support services	Service Delivery Unit	18,200,000	2,746,400	15,453,600	15.1
	Governor's Office & Investment Promotion	81,335,058	6,014,770	75,320,288	7.4
	Liaison and Intergovernmental Relations	13,750,000	401,530	13,348,470	2.9
	Civic Education and Public Participation	8,600,000	1,961,000	6,639,000	22.8
Sub Total		121,885,058	11,123,700	110,761,358	9.1
County Secretary	County Secretary-Administration	15,655,000	1,000,560	14,654,440	6.4
	Communication and Public Relations	2,400,000	263,100	2,136,900	11.0
	Cabinet Affairs	700,000	67,940	632,060	9.7
Human Resource Management	Payroll (Including Compensation to employees)	1,906,050,000	338,951,409	1,567,098,591	17.8
	Human Resource Management (Including employee gratuity, pension and medical insurance)	101,530,000	177,060	101,352,940	0.2
Sub Total		2,026,335,000	340,460,069	1,685,874,931	16.8
County Attorney Services	legal and public affairs	33,332,655	801,190	32,531,465	2.4
Sub Total		33,332,655	801,190	32,531,465	2.4
Public administration	Public Administration	3,920,000	832,994	3,087,006	21.2
	sub-county and ward administration	25,450,000	1,985,239	23,464,761	7.8
	Enforcement and Compliance	6,000,000	1,590,035	4,409,965	26.5
ICT and E-government Services	ICT and E-government Services	11,000,000	895,775	10,104,225	8.1
Sub Total		46,370,000	5,304,043	41,065,957	11.4
County Public Service Board	County Public Service Board	18,400,000	512,000	17,888,000	2.8
Sub Total		18,400,000	512,000	17,888,000	2.8
Public Finance Management	County Funds	246,000,000	-	246,000,000	0.0
	County Pending Bills	98,747,429	-	98,747,429	0.0
	treasury services	71,872,978	34,561,328	37,311,650	48.1
	Financial reporting	5,096,300	567,530	4,528,770	11.1
	Revenue Collection and Administration (Including automation)	20,642,085	4,303,084	16,339,001	20.8
	Revenue Enhancement and Monitoring	300,000		300,000	0.0
	Supply Chain Management	6,828,407	506,828	6,321,579	7.4
	Internal Audit and Risk Management	11,320,000	1,528,420	9,791,580	13.5
Economic planning and development	County Budgeting	13,600,000	546,400	13,053,600	4.0
	County Statistics and Data Bank	5,850,000	75,600	5,774,400	1.3
	Monitoring and Evaluation	3,750,000	242,390	3,507,610	6.5
	Economic Modelling and Research	3,700,000	304,100	3,395,900	8.2
	Economic Development Planning (Including CEKEB)	54,093,305	1,198,590	52,894,715	2.2
Sub Total		541,800,503	43,834,270	497,966,233	8.1
Preventive and Promotive Services	Preventive and Promotive Services	6,271,274	926,777	5,344,497	14.8
Curative Services	Curative Services (including universal health care and grants)	678,821,034	90,627,960	588,193,074	13.4
General administration, planning and support services	Solid Waste and Cemeteries	5,219,915	700,900	4,519,015	13.4
	Infrastructure and Equipment	300,774,687	-	300,774,687	0.0
Sub total		991,086,910	92,255,637	898,831,273	9.3
Primary education	ECDE	77,040,000	1,963,465	75,076,535	2.5
Youth training and development	Revitization of youth polytechnics	61,934,894	334,020	61,600,874	0.5
Gender Affairs and Social Services & youth empowerment	Gender Affairs and Social Services	54,770,000	1,003,190	53,766,810	1.8
General administration, planning and support services	Alcohol Drinks Control and Civic Education	3,500,000	516,234	2,983,766	14.7

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Ksh)	Actual Payments (Ksh)	Variance (Kshs.)	Absorption (%)
Culture	development and promotion of culture	6,644,999	270,635	6,374,364	4.1
Sub Total		203,889,893	4,087,544	199,802,349	2.0
Trade development and promotion	Financial and Trade Services	59,320,000	617,760	58,702,240	1.0
Industrial development and investment	Industrial and Enterprise Development	225,430,000	37,650	225,392,350	0.0
	Weights & Measures	2,620,000	348,237	2,271,763	13.3
Cooperative development and management	Cooperative advisory services	17,530,000	993,838	16,536,162	5.7
	cooperative audit extension services	4,308,700	340,074		7.9
Sub Total		309,208,700	2,337,559	302,902,515	0.8
Sports	Sports Development	77,553,800	679,290	76,874,510	0.9
Youth Affairs	Youth Affairs	23,295,000	632,960	22,662,040	2.7
Arts & Theater	Arts & Theater	5,900,000	260,400	5,639,600	4.4
Sub Total		106,748,800	1,572,650	105,176,150	1.5
Water Resource Development.	water resource conservation and protection, infrastructure and flood control	218,305,000	2,111,184	216,193,816	1.0
Environment	environmental support and management	27,865,000	361,063	27,503,937	1.3
	climate change resilience	3,500,000			0.0
Tourism development and promotion	tourism infrastructure development	15,310,000	203,702	15,106,298	1.3
Irrigation and Drainage infrastructure	promotion of irrigation and drainage development and management	10,455,000	80,970	10,374,030	0.8
Sub Total		275,435,000	2,756,919	269,178,081	1.0
Road transport	Transport (Including fuel level, General Administration & Support Services)	783,180,617	6,171,187	777,009,430	0.8
	Public Works	114,389,000	997,470	113,391,530	0.9
Alternative energy technologies	alternative energy technologies	40,084,000	4,652,935	35,431,065	11.6
General administration, planning and support services	Emergency Response & Preparedness	3,350,000		3,350,000	0.0
Sub Total		941,003,617	11,821,592	929,182,025	1.3
Land policy and planning	Physical Planning	26,294,798	165,450	26,129,348	0.6
	Survey and Mapping	7,655,000	540,450	7,114,550	7.1
	Land Administration and Management	35,570,000	321,090	35,248,910	0.9
Housing & Urban Development	Housing & Urban Development (Kenya Urban Support Programme)	38,978,642	313,610	38,665,032	0.8
Sub Total		108,498,440	1,340,600	107,157,840	1.2
Crop development and management	land and crop development	335,817,671	1,122,729	334,694,942	0.3
Livestock resources management and development	livestock production and management	7,941,204	535,970	7,405,234	6.7
	Veterinary Services	12,117,621	556,670	11,560,951	4.6
Fisheries Development and management	fisheries policy, strategy and capacity building	3,961,871	173,700	3,788,171	4.4
General administration, planning and support services	Institution Support (ATCs)	10,195,000	525,300	9,669,700	5.2
	Agriculture Mechanization Services	7,265,044	68,600	7,196,444	0.9
	General administration and Extension Services	5,174,382	1,365,318	3,809,064	26.
	Subsidized Artificial Insemination	5,221,681	254,000	4,967,681	4.9
Sub Total		387,694,474	4,602,287	383,092,187	1.2
County Assembly	legislative, oversight and representation	755,000,000	76,904,921	678,095,079	10.2
Sub Total		755,000,000	76,904,921	678,095,079	10.2
Grand Total		6,866,689,050	599,714,980	6,259,505,444	8.7

Source: Nyandarua County Treasury

The programs with the highest absorption rates were: Treasury Services at 48.1 per cent, Enforcement and Compliance at 26.5 per cent, General Administration and Extension Services at 26.4 per cent, and Civic Education and Public Participation at 22.8 per cent of budget allocation.

3.35.11 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 quarter of FY 2020/21 where the County spent Kshs.3.29 million out of the annual development budget of Kshs.2.38 billion. The development expenditure represented 0.1 per cent of the annual development.
2. Under performance in own source revenue collection at Kshs.79.25 million which represented 9.5 per cent of the county's annual target of kshs.830 million.

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

1. *The County should identify and address issues causing delays in the implementation of development projects.*
2. *The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.*

3.36 County Government of Nyeri

3.36.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.7.49 billion, comprising of Kshs.2.41 billion (32.2 per cent) and Kshs.5.01 billion (67.8 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.5.01 billion (68 per cent) being equitable share of revenue raised nationally, Kshs.1.39 billion (18.6 per cent) as total conditional grants, generate Kshs.1.0 billion (13.4 per cent) from own sources of revenue. The County did not budget for the cash balance of Kshs.1.11 billion from FY 2019/20.

3.36.2 Revenue Performance

During the first quarter of FY2020/21, the County raised Kshs.152.69 million as own-source revenue, and had a cash balance of Kshs.1.11 billion from FY 2019/20 which includes Kshs.465.44 million released in FY 2020/21 which was a balance of equitable share from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.27 billion as shown in Table 3.145.

Table 3.145: Nyeri County, Revenue Performance in the First Quarter of FY 2020/21

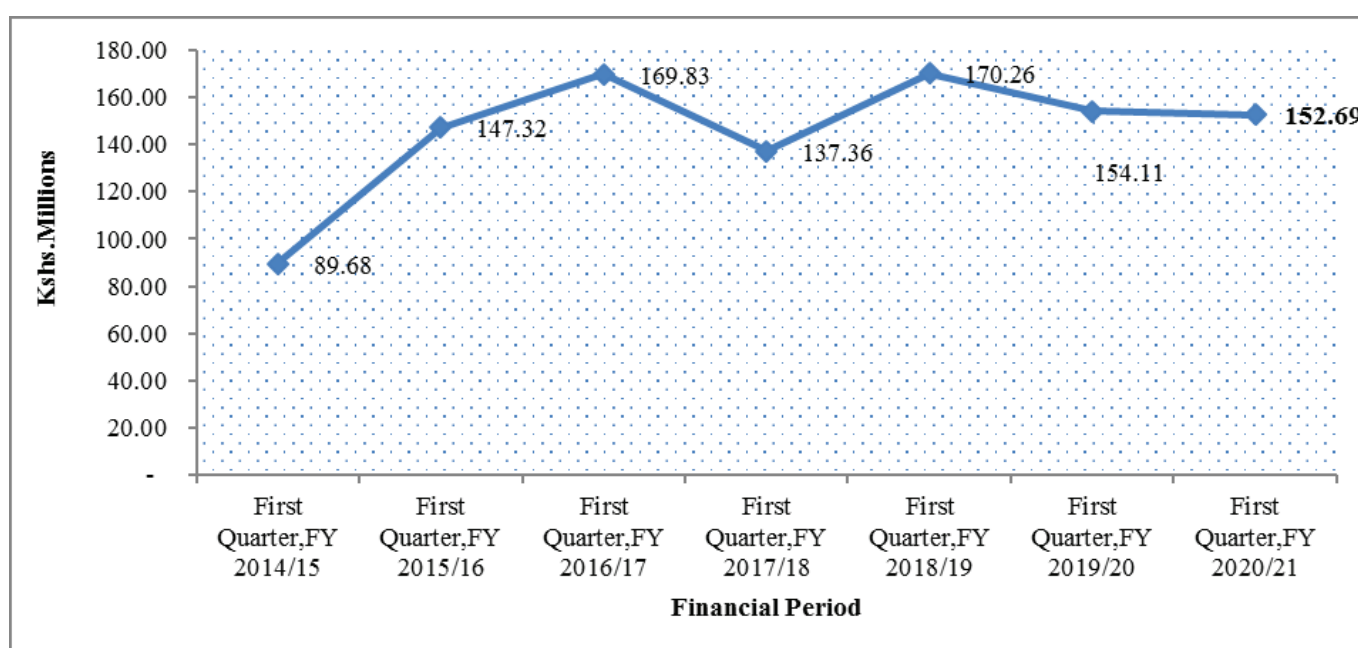
S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	5,095,650,000	5,095,650,000	-	-
B.	Conditional Grants from the National Government				
1.	Conditional Grants to Level-5 Hospitals	407,861,272	407,861,272	-	-
2.	Covid- 19 Funds from National Government	124,390,000	124,390,000	-	-
3.	Compensation for User Fee Foregone	13,701,379	13,701,379	-	-
4.	Leasing of Medical Equipment	132,021,277	-	-	-
5.	Road Maintenance Fuel Levy Fund	151,875,577	151,875,577	-	-
6.	Rehabilitation of Village Polytechnics	48,949,894	48,949,894	-	-
	Sub Total	878,799,399	746,778,122	-	-
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: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
3.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	234,000,000	234,000,000	-	-
4.	DANIDA Grant	15,390,000	15,390,000	-	-

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	11,958,572	11,958,572	-	-
Sub Total		647,326,122	647,326,122	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	1,000,000,000	152,688,062	15.3
2.	Balance b/f from FY 2019/20	-		1,114,964,470	-
Sub Total		-	1,000,000,000	1,267,652,532	80.2
Grand Total		6,621,775,521	7,489,754,244	1,267,652,532	16.9

Source: Nyeri County Treasury

Figure 3-67 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-67: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Nyeri County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.152.69 million as own-source revenue. This amount represented a decrease of 0.9 per cent when compared to Kshs.154.11 million realised during the same period in FY 2019/20, and was 15.3 per cent of the annual target.

3.36.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.577.7 million from the CRF account during the reporting period. This amount was for recurrent programmes.

3.36.4 Overall Expenditure Review

A total of Kshs.1.18 billion was spent on development and recurrent programmes and represented 204.7 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.43.16 million and Kshs.1.14 billion on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 1.8 per cent while that incurred on recurrent programmes represented an absorption rate of 22.4 per cent.

3.36.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.02 billion was spent on Compensation to Employees, Kshs.118.43 million on Operations and Maintenance, and Kshs.43.16 million on development activities.

Table 3.146: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	5,080,293,621	577,702,920	1,139,648,317	22.4
Compensation to Employees	3,255,059,989	556,942,920	1,021,223,285	31.4
Operations and Maintenance	1,825,233,632	20,760,000	118,425,032	6.5
Total Development Expenditure	2,409,460,623	-	43,165,035	1.8
Development Expenditure	2,409,460,623	-	43,165,035	1.8
Total	7,489,754,244	577,702,920	1,182,813,352	15.8

Source: Nyeri County Treasury

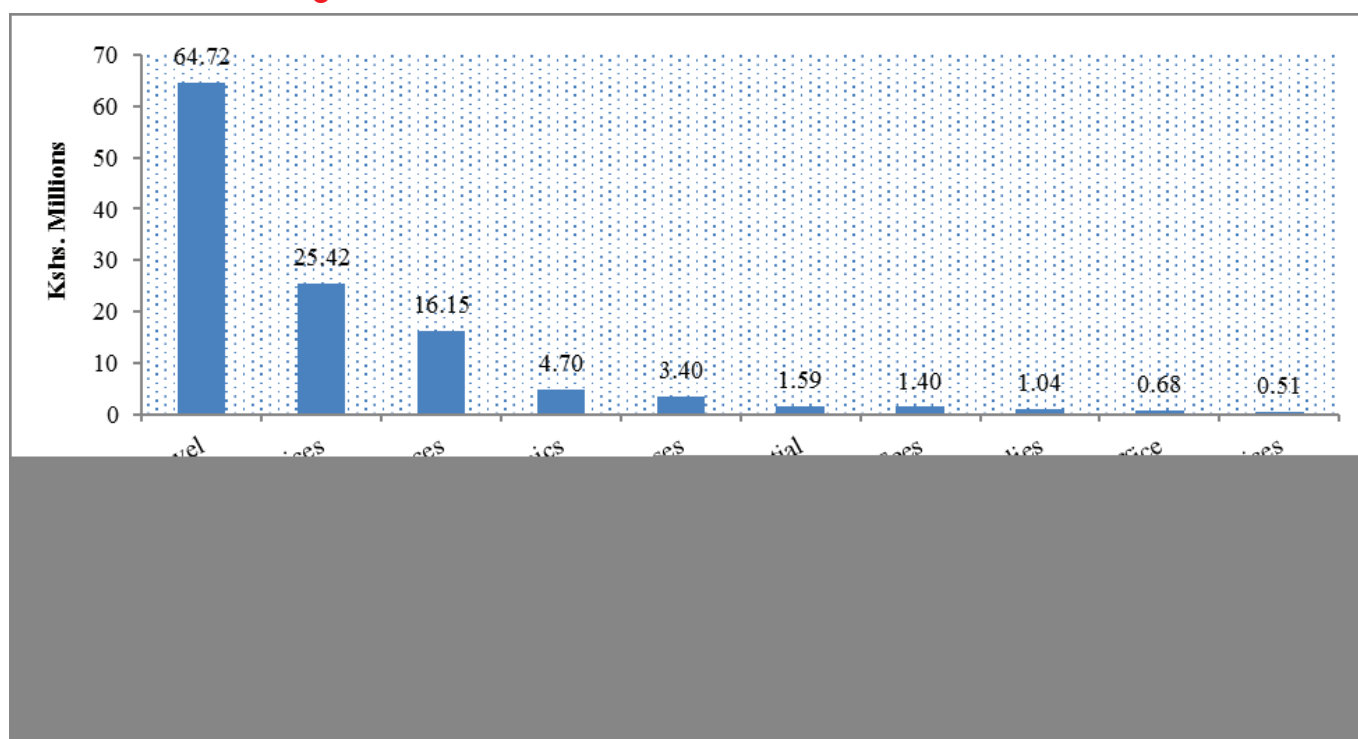
3.36.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.1.02 billion and represented 80.6 per cent of the total revenue of Kshs.1.27 billion in the first quarter of the financial year.

3.36.7 Analysis of Operations and Maintenance Expenditure

Figure 3-68 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-68: Nyeri County, Operations and Maintenance Expenditure by Major Categories



Source: Nyeri County Treasury

The County spent Kshs.16.15 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.119,600 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.64.72 million and comprised of Kshs.47.23 million spent by the County Assembly and Kshs.17.48 million by the County Executive. Expenditure on foreign travel amounted to Kshs.224,000 spent by the County Assembly.

3.36.8 Development Expenditure Analysis

The Development expenditure of Kshs.43.16 million represented 1.8 per cent of the annual development budget of Kshs.2.41 billion. Table 3.147 provides a summary of development projects with the highest expenditure in the first quarter of financial year.

Table 3.147: 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 clearance Roads construction and main works	Rware	234,000,000	19,569,271	8.3
2	Proposed completion of Classic- Ngangarithi Muthaiga Estate road to Bitumen Standard	Rware	21,000,000	7,239,560	34.4
3	Maintenance and Repair Works at Kibaki Road	Karatina Town	16,356,204	16,356,204	100.0

Source: Nyeri County Treasury

3.36.9 Budget Performance by Department

Table 3.148 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.148: 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 & Deputy Governor	124.75	20	7.71	-	17.13	-	222.2	-	13.7	-
Office of the County Secretary	283.35	26	13.84	-	29.80	-	215.3	-	10.5	-
Finance and Economic Planning	520.87	72	22.79	-	67	-	294.0	-	12.9	-
Lands, Physical Planning, Housing and Urbanization	43.12	342.30	6.90	-	13.39	19.57	194.1	-	31.0	5.7
Health Services	2,500.49	361.22	372.50	-	659.39	-	177.0	-	26.4	-
Gender and Social Services	64.91	52.70	4.30	-	10.21	-	237.3	-	15.7	-
County Public Service & Environment	110.73	64.50	20.99	-	37.13	-	176.9	-	33.5	-
Agriculture, Livestock and Fisheries	201.27	352.30	32.10	-	65.49	-	204.0	-	32.5	-
Trade, Culture, Tourism & Co-operative Development	51.54	75.15	4.45	-	9.90	-	222.6	-	19.2	-
Education & Sports	280.50	86.90	31.10	-	60.09	-	193.2	-	21.4	-
Water & Irrigation	76.41	45.15	6.73	-	12.55	-	186.6	-	16.4	-
County Assembly	706.09	50	43.98	-	135.40	-	307.9	-	19.2	-
County Public Service Board	42.55	5	3.67	-	8.49	-	231.2	-	20.0	-
Transport, Public Works & Infrastructure	73.71	856.24	6.64	-	13.69	23.60	206.0	-	18.6	2.8
TOTAL	5,080.29	2,409.46	577.70	-	1,139.65	43.17	197.3	-	22.4	1.8

Source: Nyeri County Treasury

Analysis of expenditure by department shows that the Department of Lands, Physical Planning, Housing and Urbanization recorded the highest absorption rate of development budget at 5.7 per cent followed by the Department of Transport, Public Works and Infrastructure at 2.8 per cent. All the other departments did not report expenditure on development activities. The Department of County Public Service & Environment had the highest percentage of recurrent expenditure to the recurrent budget at 33.5 per cent while the Office of the County Secretary had the lowest at 10.5 per cent.

3.36.10 Budget Execution by Programmes and Sub-Programmes

Table 3.149 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.149 : Nyeri County, Budget Execution by Programmes and Sub-programmes

[illegible]

County Department	Name of the Programme	Sub-Programme	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption (%)
Agriculture, Live-stock and Fisheries	Agricultural Management	Administration and planning services	485,991,602	64,582,114	421,409,488	13.29
	Crop Management	Administrative Support Services	15,775,000	339,400	15,435,600	2.15
Office of the County Secretary	Coordination of County Functions and Public Service Management	ICT Development	6,000,000	0	6,000,000	16.4
		Coordination of County Functions and Public Service Management	287,746,360	29,293,963	258,452,397	11.8
		Community sensitization, education and public participation	2,380,000	140,100	2,239,900	16.5
		ICT services	12,456,906	212,460	12,244,446	11.8
		Legal Services	770,000	149,900	620,100	0.0
	Sub-total		309,353,266	29,796,423	279,556,843	10.2
Finance and Economic Planning	Executive services	Administration and personnel services	534,855,530	60,444,457	474,411,073	5.9
	Economic Planning and Policy Formulation	Economic Planning and Policy Formulation	10,194,046	907,471	9,286,575	1.7
	Public Finance Management	Financial Accounting	9,451,688	1,720,063	7,731,625	19.5
		Procurement Compliance and Reporting	6,887,868	484,300	6,403,568	9.6
		Internal Audit	7,637,881	900,300	6,737,581	11.3
	Revenue Mobilization	Revenue Mobilization	18,746,483	1,852,827	16,893,656	8.9
	Economic Planning and Policy Formulation	Monitoring and Evaluation	5,100,000	693,000	4,407,000	18.2
	Sub-total		592,873,496	67,002,418	525,871,078	7.0
County Assembly	General administration, Policy Development and implementation	Administration and planning services	706,085,232	135,402,639	570,682,593	11.8
		County Assembly Development Services	50,000,000	0	50,000,000	9.9
	Sub-total		756,085,232	135,402,639	620,682,593	13.6
County Public Service and Environment	Human resources Management	Administration Planning and Support Services	63,777,026	17,912,000	45,865,026	11.3
	Environmental Management	Environment Conservation, Protection and Management	27,105,028	9,485,540	17,619,488	19.2
	Sanitation management	Administrative Support Services	84,345,754	9,732,337	74,613,417	0.0
	Sub-total		175,227,808	37,129,877	138,097,931	17.9
County Public Service Board		Administration and Personnel Services	47,546,848	8,489,924	39,056,924	28.1
Gender, Youth and Social Services	General Administration and Planning services	Administration and personnel services	52,893,436	9,277,865	43,615,571	35.0
	Social development	Administration and planning services	61,106,538	720,774	60,385,764	11.5
	Disaster Management	Administration and planning services	3,610,000	213,700	3,396,300	21.2
	Sub-total		117,609,974	10,212,339	107,397,635	17.9
Water and Irrigation Services	Water Management	Administrative Support Services	121,560,161	12,554,373	109,005,788	17.5
Grand Total			7,489,754,246	1,182,813,351	6,306,940,895	15.8

Source: Nyeri County Treasury

The programs with the highest absorption rates were: General Administration and Planning Services at 35.0 per cent and 34.7 per cent of budget allocation, under the Departments of Gender and Social Services and Transport, Public Works and Infrastructure respectively.

3.36.11 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 quarter of FY 2020/21 where the County spent Kshs.43.16 million out of the annual development budget of Kshs.2.41 billion. The development expenditure represented 1.8 per cent of the annual development.
2. Under performance in own source revenue collection at Kshs.152.69 million against annual projection of Kshs.1.0 billion. The realised own source revenue represented 15.3 per cent of its annual target.

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

1. *The County should identify and address issues causing delays in the implementation of development projects.*
2. *The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.*

3.37 County Government of Samburu

3.37.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.5.11 billion, comprising of Kshs.1.63 billion (31.9 per cent) and Kshs.3.48 billion (68.1 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.3.99 billion (78.1 per cent) being equitable share of revenue raised nationally, Kshs.602.39 million (11.8 per cent) as total conditional grants, generate Kshs.280.31 million (5.5 per cent) from own sources of revenue, and the cash balance of Kshs.237.99 million (4.7 per cent) from FY 2019/20.

3.37.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.396.72 million as equitable share of the revenue raised nationally which was a balance from FY 2019/20 and raised Kshs.8.19 million as own-source revenue. The total funds available for budget implementation during the period amounted to Kshs.404.92 million as shown in Table 3.150.

Table 3.150: Samburu County, Revenue Performance in the First Quarter of FY 2020/21

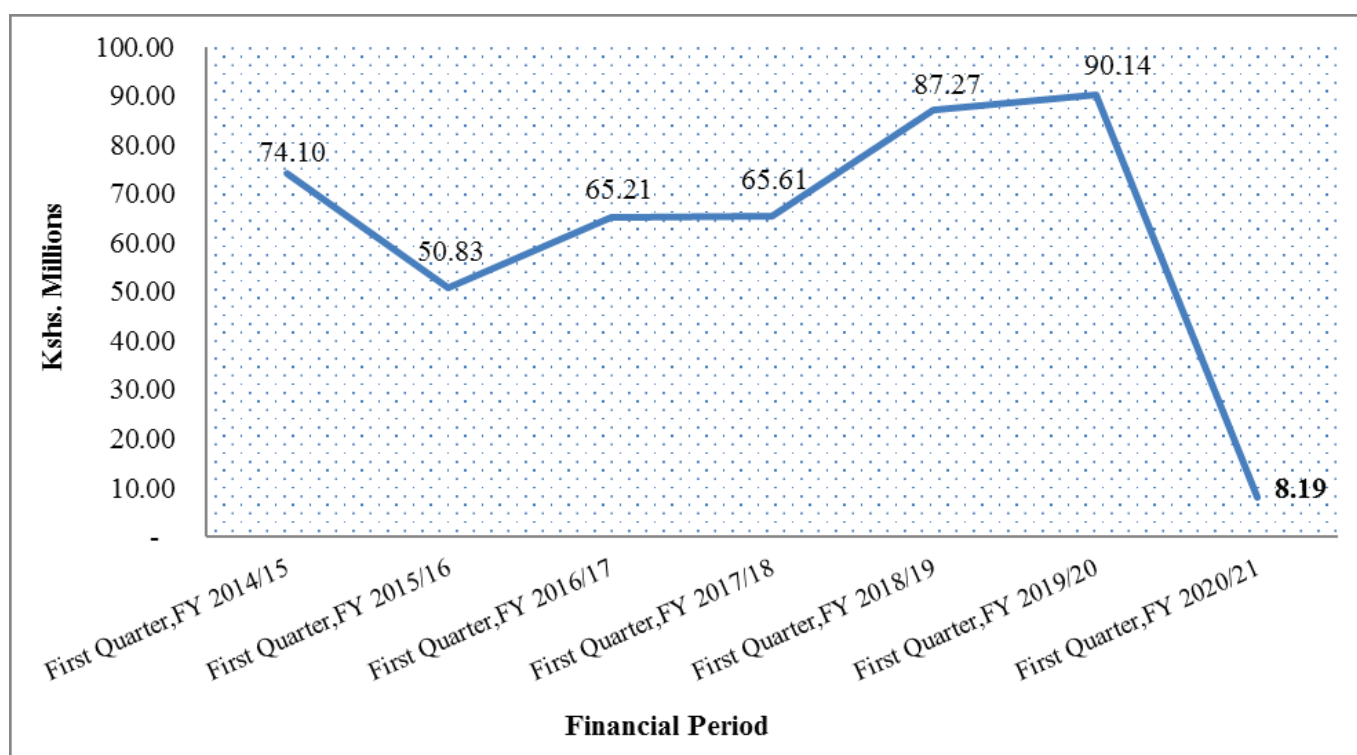
S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	4,620,900,000	3,987,900,000	396,722,902	9.9
B.	Conditional Grants from the National Government				
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	118,859,147	-	-
4.	Rehabilitation of Village Polytechnics	10,549,894	10,549,894	-	-
	Sub Total	266,665,896	266,665,896	-	-
C	Loans and Grants from Development Partners			-	
1.	Transforming Health systems for Universal care Project (WB)	31,320,789	31,320,789	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	216,145,500	216,145,500	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	13,140,000	13,140,000	-	-
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	14,496,213	14,496,213	-	-
6.	EU Grant (Instruments for Devolution Advise and Support IDEAS)	15,626,168	15,626,168	-	-
	Sub Total	335,728,670	335,728,670	-	-

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
D	Other Sources of Revenue				
1.	Own Source Revenue	-	280,312,319	8,193,482	2.9
2.	Balance b/f from FY 2019/20	-	237,994,506	-	-
Sub Total		-	518,306,825	8,193,482	1.6
Grand Total		5,223,294,566	5,108,601,391	404,916,384	7.9

Source: Samburu County Treasury

Figure 3-69 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-69: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Samburu County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.8.19 million as own-source revenue. This amount represented a decrease of 90.9 per cent when compared to Kshs.90.14 million realised during the same period in FY 2019/20, and was 2.9 per cent of the annual target.

The significant decrease was attributed to the adverse effect COVID-19 pandemic has had on the tourism sector that contributed 89.6 per cent (Kshs.80.78 million) of the own source revenue during the first quarter of the last financial year.

3.37.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.396.72 million from the CRF account during the reporting period which was entirely for recurrent programmes.

3.37.4 Overall Expenditure Review

A total of Kshs.656.15 million was spent on recurrent programmes and represented 162.0 per cent of the total funds released from the CRF account. This expenditure was entirely for recurrent activities and represented an absorption

rate of 18.9 per cent. The high expenditure compared to funds released was as a result processing payments through the IFMIS system and loading in the Internet Banking Platform while exchequer approvals had not been granted. The reported expenditure therefore includes unpaid commitments.

3.37.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.612.98 million was spent on Compensation to Employees and Kshs.43.16 million on Operations and Maintenance activities.

Table 3.151: Summary Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	3,477,144,186	396,722,902	656,149,113	18.9
Compensation to Employees	2,159,589,106	331,856,756	612,984,678	28.4
Operations and Maintenance	1,317,555,080	64,866,146	43,164,435	3.3
Total Development Expenditure	1,631,457,205	-	-	0.0
Development Expenditure	1,631,457,205	-	-	0.0
Total	5,108,601,391	396,722,902	656,149,113	12.8

Source: Samburu County Treasury

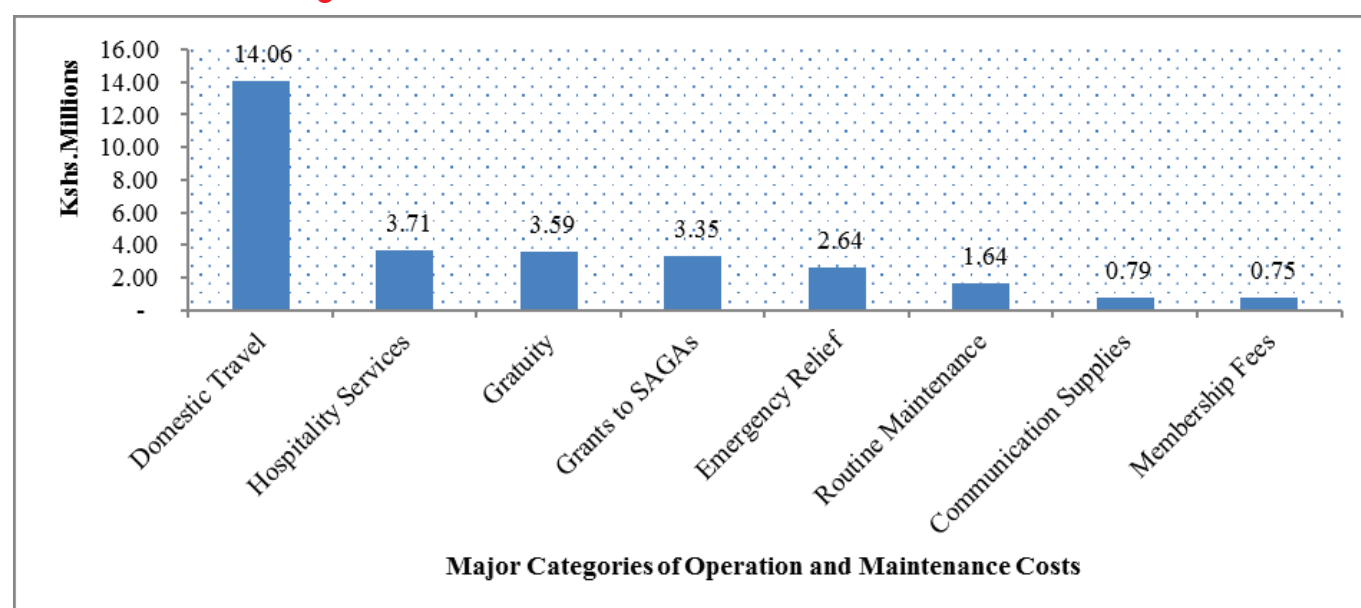
3.37.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.612.98 million and represented 151.4 per cent of the total revenue of Kshs.396.72 million in the first quarter of the financial year.

3.37.7 Analysis of Operations and Maintenance Expenditure

Figure 3-70 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-70: Samburu County, Operations and Maintenance Expenditure by Major Categories



Source: Samburu County Treasury

The County spent Kshs.362,000 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.4,310 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.14.06 million and comprised of Kshs.6.90 million spent by the County Assembly and Kshs.7.16 million by the County Executive. Expenditure on foreign travel amounted to Kshs.671,300 spent by the County Assembly.

3.37.8 Development Expenditure Analysis

The County did not report expenditure on development programmes during the period under review.

3.37.9 Budget Performance by Department

Table 3.152 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.152: 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	450.60	45	55.85	-	99.46	-	178.1	-	22.1	-
County Executive	404.50	13	46.24	-	87.64	-	189.5	-	21.7	-
Finance, Economic Planning & ICT	448.94	20	51.21	-	71.92	-	140.4	-	16.0	-
Agriculture, Livestock Development, Veterinary Services & Fisheries	344.17	248.92	39.42	-	14.34	-	36.4	-	4.2	-
Water, Environment, Natural Resources & Energy	119.94	296.10	13.25	-	9.92	-	74.8	-	8.3	-
Education and Vocational Training	383.47	106.80	43.22	-	123.01	-	284.6	-	32.1	-
Medical Services, Public Health & Sanitation	933.44	243.63	104.18	-	215.52	-	206.9	-	23.1	-
Lands, Housing, Physical Planning & Urban Development	81.57	80	8.95	-	12.79	-	143.0	-	15.7	-
Roads, Transport & Public Works	66.25	377.41	7.04	-	3.14	-	44.6	-	4.7	-
Tourism, Trade, Enterprise Development & Cooperatives	154.29	162.60	17.24	-	6.41	-	37.2	-	4.2	-
Culture, Social Services, Gender, Sports & Youth Affairs	89.97	38	10.13	-	12.01	-	118.6	-	13.4	-
TOTAL	3,477.14	1,631.46	396.72	-	656.15	-	165.4	-	18.9	-

Source: Samburu County Treasury

The Department of Education and Vocational Training had the highest percentage of recurrent expenditure to the recurrent budget at 32.1 per cent while the Department of Agriculture, Livestock Development, Veterinary Services & Fisheries and the Department of Tourism, Trade, Enterprise Development & Cooperatives had the lowest at 4.2 per cent.

3.37.10 Budget Execution by Programmes and Sub-Programmes

Table 3.153 shows a summary of the budget execution by programmes and sub-programmes in the first quarter FY 2020/21.

Table 3.153 : Samburu County, Budget Execution by Programmes and Sub-programmes

Programme	Sub- Programme Approved Budget (Kshs)	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Implementation Status (%)
COUNTY EXECUTIVE					
0701004210 P1 Management of County Affairs	0701014210 SP1 General Administration and Support Services (Governor, Deputy Governor)	161,556,290	48,763,152	112,793,138	30.2
	0704014210 SP2 Administration of Human Resources in County Public Service	48,446,625	2,107,484	46,339,142	4.4
	0701034210 SP3 Sub County Administration	169,202,094	33,279,722	135,922,372	19.7
	0701044210 SP4 Coordination, Supervision and Human Resource Services (C S)	38,294,586	3,490,232	34,804,354	9.1
	Sub total	417,499,596	87,640,590	329,859,006	21.0
FINANCE, ECONOMIC PLANNING & ICT					

Programme	Sub- Programme Approved Budget (Kshs)	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Implementa- tion Status (%)
0705004210 P1 General Admin- istration Planning and Support Services	0705014210 SP1 Administration Ser- vices	220,638,488	12,397,559	208,240,929	5.6
	0705024210 SP2 ICT Services	24,801,716	2,494,869	22,306,847	10.1
	Sub total	245,440,204	14,892,428	230,547,777	6.1
0706004210 P2 Public Finance Management	0706054210 SP5 Accounting Services	29,654,458	9,776,547	19,877,911	33.0
	0706024210 SP2 Resource Mobilization	71,484,818	25,271,268	46,213,550	35.4
	0706034210 SP3 Internal Audit	14,486,714	3,972,421	10,514,293	27.4
	0706044210 SP4 Supply Chain Manage- ment	18,654,266	4,381,470	14,272,796	23.5
	0706014210 SP1 Budget Formulation Coordination and Management	9,481,050	2,510,310	6,970,740	26.5
	0706064210 SP6 Fiscal Planning	60,451,670	5,303,272	55,148,398	8.8
	Sub total	204,212,976	51,215,288	152,997,688	25.1
0713004210 P3 General Admin- istration Planning and Support Services	0713014210 SP1 General Administra- tion Planning and Support Services	5,523,997	863,874	4,660,123	15.6
	Sub total	5,523,997	863,874	4,660,123	15.6
0712004210 P4 Special Pro- grams	0712014210 SP 1 Special Programs	13,763,776	4,944,611	9,791,355	28.9%
	Sub total	13,763,776	4,944,611	9,791,355	35.9
AGRICULTURE, LIVESTOCK DEVELOPMENT, VETERINARY SERVICES & FISHERIES					
0101004210 P1 General Admin- istration Planning and Support Services	0101014210 SP1 Administration, Plan- ning and Support Services	267,439,655	6,629,609	260,810,046	2.5
	Sub total	267,439,655	6,629,609	260,810,046	2.5
0103004210 P2 Livestock Re- source Management and Devel- opment	0103014210 SP1 Livestock Policy Devel- opment and Capacity Building	10,505,622	2,568,649	7,936,974	24.5
	0103024210 SP2 Livestock Production and Management	42,773,504	985,589	41,787,915	2.3
	0103034210 SP3 Livestock Diseases Management and Control	39,349,902	823,222	38,526,681	2.1
	0103044210 SP4 Livestock Marketing and Rangeland Management	133,690,955	-	133,690,955	0.0
	Sub total	226,319,983	4,377,459	221,942,524	1.9
0104004210 P4 Fisheries Devel- opment and Management	0104014210 SP1 Management and De- velopment of Fisheries	6,468,596	91,088	6,377,508	1.4
	Sub total	6,468,596	91,088	6,377,508	1.4
0105004210 P3 Crop Develop- ment and Management	0105014210 SP1 Lands and Crops De- velopment	77,644,401	2,346,340	75,298,061	3.0
	0105024210 SP2 Food Security Initia- tives	15,216,436	892,056	14,324,380	5.9
	Sub total	92,860,837	3,238,396	89,622,441	3.5
WATER, ENVIRONMENT, NATURAL RESOURCES & ENERGY					
1001004210 P1 General Admin- istration Planning and Support Services	1001014210 SP1 General Administra- tion Planning and Support Services	88,430,668	4,349,718	84,080,950	4.9
	Sub total	88,430,668	4,349,718	84,080,950	4.9
1002004210 P2 Environmental Management and Protection	1002014210 SP1 County Environment Management	7,818,420	-	7,818,420	0.0
	1002024210 SP2 Forests Conservation and Management	1,455,494	-	1,455,494	0.0
	Sub total	9,273,914	-	9,273,914	0.0
1003004210 P3 Natural Re- sources Services	1003024210 SP2 Soil Conservation Management	5,796,174	30,000	5,766,174	0.5
	1003034210 SP3 Mining Services	1,756,600	18,000	1,738,600	1.0
	1003044210 SP4 Water Catchment and Protection Services	50,203,486	30,000	50,173,486	0.1
	Sub total	57,756,260	78,000	57,678,260	0.1
1004004210 P4 Water and Sani- tation Infrastructure	1004014210 SP1 Storm Water Manage- ment	5,145,059	34,800	5,110,259	0.7
	1004024210 SP2 Water and Sanitation Services	255,435,121	5,453,008	249,982,113	2.1
	Sub total	260,580,180	5,487,808	255,092,372	2.1
EDUCATION AND VOCATIONAL TRAINING					
0501004210 P1 General Admin- istration Planning and Support Services	0501014210 SP1 General Administra- tion Planning and Support Services	153,518,314	7,921,033	145,597,281	5.2
	Sub total	153,518,314	7,921,033	145,597,281	5.2
0502004210 P3 Youth Training and Development	SP 0504014210 Revitalization of Youth Polytechnics	26,921,336	1,391,434	25,529,902	5.2
	Sub total	26,921,336	1,391,434	25,529,902	5.2

Programme	Sub- Programme Approved Budget (Kshs)	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Implementa- tion Status (%)
0502004210 P2 Early childhood Development and Education	0502014210 SP1 Early Childhood De- velopment and Education	309,826,838	113,695,495	196,131,343	36.7
	Sub total	309,826,838	113,695,495	196,131,343	36.7
MEDICAL SERVICES, PUBLIC HEALTH & SANITATION					
0401004210 P1 Preventive and Promotive Health Services	0401044210 SP2 Environmental & Health Promotion	71,490,325	13,934,110	58,403,520	18.3
	0402014210 SP1 Nutrition	13,898,410	2,108,260	11,790,150	15.2
	0401054210 SP3 Communicable Dis- ease Control	86,203,050	18,549,602	61,904,786	28.2
	0401064210 SP4 Non-communicable Disease Prevention & Control	37,877,350	7,221,254	34,991,950	7.6
	0401074210 SP5 Reproductive, Mater- nal, Neonatal, Child and Adolescent Health	50,307,630	13,086,805	43,086,377	14.4
	Sub total	259,776,765	54,900,031	210,176,783	21.1
0402004210 P2 Curative Health	0402044210 SP1 County Hospital and Referral Services	415,462,117	104,478,384	310,983,733	25.1
	0402054210 SP2 Free Primary Health Services	109,362,174	447,290	83,350,933	23.8
	Sub total	524,824,291	104,925,674	394,334,666	20.0
0403004210 P3 General Admin- istration Planning and Support Services	0403014210 SP1 Health Infrastructure Development	40,879,776	2,885,400	40,432,486	1.1
	0403034210 SP2 Human Resource Management and Development	75,155,826	24,298,264	61,221,716	18.5
	0403044210 SP3 Monitoring and Evalu- ation, Research and Development	4,934,656	-	4,934,656	0.0
	0403054210 SP4 Health Policy, Plan- ning & Financing	180,156,398	2,503,460	177,652,938	1.4
	0403064210 SP5 Health Standards and Quality Assurance Services	91,340,244	26,011,241	72,790,641	20.3
	Sub total	392,466,900	55,698,365	357,032,437	14.2
LANDS, HOUSING, PHYSICAL PLANNING & URBAN DEVELOPMENT					
0101004210 P1 General Admin- istration Planning and Support Services	0101014210 SP1 Administration, Plan- ning and Support Services	33,721,711	6,642,589	27,079,122	19.7
	Sub total	33,721,711	6,642,589	27,079,122	19.7
0102004210 P2 Land policy Planning and Housing	0102014210 SP1 Land Use Planning	36,007,344	75,600	35,931,744	0.2
	0102034210 SP2 Land Survey and Map- ping	8,571,690	1,000,000	7,571,690	11.7
	0102044210 SP3 Housing Management Services	853,340	74,700	778,640	8.8
	Sub total	45,432,374	1,150,300	44,282,074	2.5
0106004210 P3 Urban Centres Administration	0106014210 SP1 Urban Centre Manage- ment	82,417,925	5,000,000	77,417,925	6.1
	Sub total	82,417,925	5,000,000	77,417,925	6.1
ROADS, TRANSPORT & PUBLIC WORKS					
0201004210 P1 General Admin- istration Planning and Support Services	0201014210 SP1 General Administra- tion Planning and Support Services	302,081,428	1,831,984	300,249,444	0.6
	0201034210 SP2 Firefighting Services	31,957,137	-	31,957,137	0.0
	0201044210 SP3 Design, Implementa- tion and Supervision of Public Buildings	10,751,858	590,028	10,161,830	5.5
	Sub total	344,790,423	2,422,012	342,368,411	0.7
0202004210 P2 Roads and pub- lic Infrastructure Development	0202014210 SP1 Construction, Rehabil- itation and Maintenance of Roads and Bridges	73,069,024	-	73,069,024	0.0
	0202024210 SP2 Design, Supervision and Rehabilitation of County Buildings	6,931,654	-	6,931,654	0.0
	0202034210 SP3 Street lights Manage- ment	11,608,766	580,051	11,028,715	5.0
	0202044210 SP4 Public Road Transport and Parking	7,261,449	137,659	7,123,790	1.9
	Sub total	98,870,893	717,710	98,153,183	0.7
TOURISM, TRADE, ENTERPRISE DEVELOPMENT & COOPERATIVES					
0301004210 P1 General Admin- istration Planning and Support Services	0301014210 SP1 General Administra- tion Planning and Support Services	16,202,722	194,885	16,007,837	1.2
	Sub total	16,202,722	194,885	16,007,837	1.2

Programme	Sub- Programme Approved Budget (Kshs)	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Implementa- tion Status (%)
0302004210 P2 Cooperatives Development and Management	0302014210 SP1 Governance and Accountability	24,071,610	245,800	23,825,810	1.0
	Sub total	24,071,610	245,800	23,825,810	1.0
0304004210 P4 Tourism Development and Promotion	0304014210 SP1 Tourism Promotion and Marketing	223,956,108	1,982,900	221,973,208	0.9
	Sub total	223,956,108	1,982,900	221,973,208	0.9
0305004210 P5 Trade Development and Promotion	0305014210 SP1 Domestic Trade Development	31,577,473	135,282	31,442,191	0.4
	Sub total	31,577,473	135,282	31,442,191	0.4
0306004210 P6 P1 General Administration Planning and Support Services	0306014210 SP6 SP1 General Administration Planning and Support Services	21,081,110	3,846,590	17,234,520	18.2
	Sub total	21,081,110	3,846,590	17,234,520	18.2
CULTURE, SOCIAL SERVICES, GENDER, SPORTS & YOUTH AFFAIRS					
0901004210 P1 General Administration Planning and Support Services	0901014210 SP1 General Administration Planning and Support Services	44,115,890	6,809,160	37,306,730	15.4
	Sub total	44,115,890	6,809,160	37,306,730	15.4
0902004210 P2 Culture and Social Services Development	0902014210 SP1 Conservation of Heritage	978,000	53,950	924,050	5.5
	0902024210 SP2 Development and Promotion of Culture	5,328,170	188,600	5,139,570	3.5
	0902034210 SP3 Social Welfare and Gender	16,438,000		16,438,000	0.0
	0902044210 SP4 Community Mobilization and Development	6,106,692		6,106,692	0.0
	Sub total	28,850,862	242,550	28,608,312	0.8
0903004210 P3 Promotion of Other Sports Activities	0903014210 SP1 Development and Management of Sports Facilities	1,085,000		1,085,000	0.0
	Sub total	1,085,000	-	1,085,000	0.0
0503004210 P3 Sports Development	0503034210 SP3 Sports Development, Training and Competition	39,373,600	2,733,200	36,640,400	6.9
	Sub total	39,373,600	2,733,200	36,640,400	6.9
0904014210 P1 General Administration Planning and Support Services	0904004210 SP1 General Administration Planning and Support Services	14,546,383	2,226,651	12,319,732	15.3
	Sub total	14,546,383	2,226,651	12,319,732	15.3
COUNTY ASSEMBLY					
0707004210 P1 County Assembly Administration	0707014210 SP1 Legislative and Oversight	48,997,492	10,962,654	38,034,838	22.4
	0707024210 SP2 County Assembly Administration	243,308,595	60,312,164	215,124,830	11.6
	0707034210 SP3 Representation	203,296,132	28,183,765	142,983,968	29.7
	Sub total	495,602,219	99,458,583	396,143,636	20.1
Grand Total		5,108,601,391	656,149,113	4,452,452,278	12.8

Source: Samburu County Treasury

The programs with the highest absorption rates were: Early childhood Development & Education and Special Programs at 36.7 per cent and 35.9 per cent of budget allocation respectively.

3.37.11 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. Failure to implement the development budget in the first quarter of FY 2020/21.
2. Under performance in own source revenue collection at Kshs.8.19 million against annual projection of Kshs.280.31 million. The realised own source revenue represented 2.9 per cent of its annual target.

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

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

3.38 County Government of Siaya

3.38.1 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) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.5.86 billion (65.4 per cent) being equitable share of revenue raised nationally, Kshs.1.04 billion (11.6 per cent) as total conditional grants, generate Kshs.351 million (3.9 per cent) from own sources of revenue, and the cash balance of Kshs.1.71 billion (19.1 per cent) from FY 2019/20.

3.38.2 Revenue Performance

During the first quarter of FY2020/21, the County raised Kshs.35.68 million as own-source revenue, and had a cash balance of Kshs.1.71 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.74 billion as shown in Table 3.154.

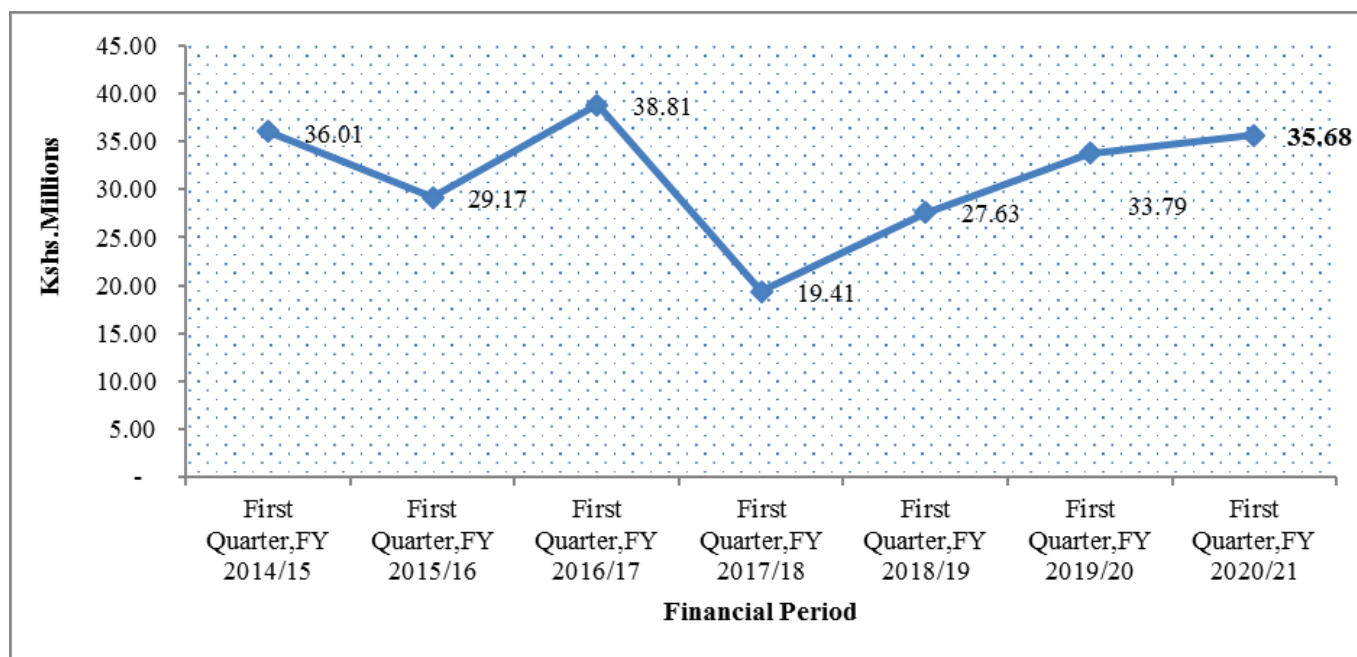
Table 3.154: Siaya County, Revenue Performance in First Quarter of FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	5,855,250,000	5,855,250,000	-	-
B.	Conditional Grants from the National Government Revenue				
1	COVID 19 grant	-	133,561,000	-	-
2	Compensation for User Fee Foregone	18,194,808	18,194,808	-	-
3	Leasing of Medical Equipment	132,021,277	132,021,277	-	-
4	Road Maintenance Fuel Levy Fund	174,515,414	174,515,414	-	-
5	Rehabilitation of Village Polytechnics	48,199,894	48,199,894	-	-
	Sub Total	372,931,393	506,492,393	-	-
C	Loans and Grants from Development Partners				
1	Transforming Health systems for Universal care Project (WB)	50,199,253	50,199,253	-	-
2	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	319,185,080	319,185,080	-	-
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	-	-
5	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant	45,000,000	45,000,000	-	-
6	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	12,874,560	12,874,560	-	-
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	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	351,000,000	35,681,626	10.2
2.	Balance b/f from FY 2019/20	-	1,706,558,055	1,706,558,055	100
	Sub Total	-	2,057,558,055	1,742,239,681	84.7
	Grand Total	6,760,440,950	8,951,560,005	1,742,239,681	19.5

Source: Siaya County Treasury

Figure 3-71 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-71: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Siaya County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.35.68 million as own-source revenue. This amount represented an increase of 5.6 per cent when compared to Kshs.33.79 million realised during the same period in FY 2019/20, and was 10.2 per cent of the annual target.

3.38.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.981.41 million from the CRF account during the reporting period. This amount was entirely for recurrent programmes.

3.38.4 Overall Expenditure Review

A total of Kshs.772.48 million was spent on recurrent programmes and represented 78.1 per cent of the total funds released from the CRF account. The expenditure was on recurrent programmes and represented an absorption rate of 15.2 per cent.

3.38.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.648.05 million was spent on Compensation to Employees, and Kshs.108.06 million on Operations and Maintenance.

Table 3.155: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	5,078,327,048	989,413,885	772,476,454	15.2
Compensation to Employees	3,006,817,934	778,474,441	648,047,267	21.6
Operations and Maintenance	2,071,509,114	210,939,444	124,429,187	6.0
Total Development Expenditure	3,873,232,957	-	-	-
Development Expenditure	3,873,232,957	-	-	-
Total	8,951,560,005	989,413,885	772,476,454	8.6

Source: Siaya County Treasury

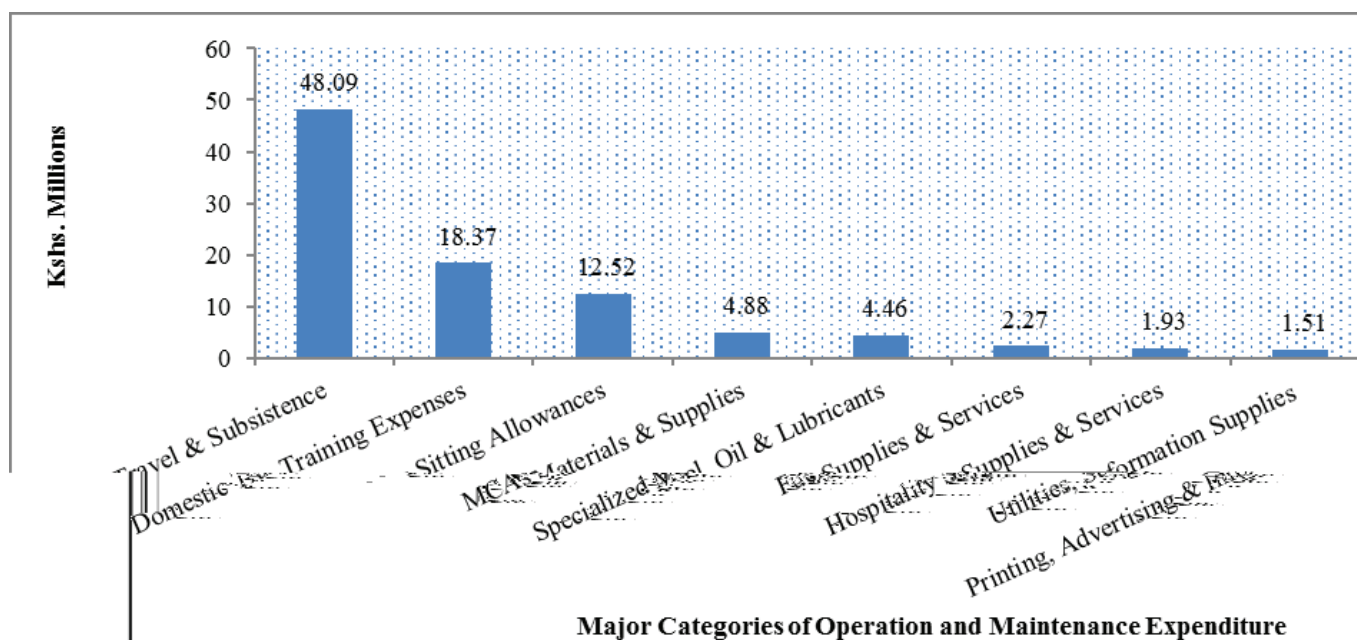
3.38.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.648.05 million and represented 37.2 per cent of the total revenue of Kshs.1.74 billion in the first quarter of the financial year.

3.38.7 Analysis of Operations and Maintenance Expenditure

Figure 3-72 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-72: Siaya County, Operations and Maintenance Expenditure by Major Categories



Source: Siaya County Treasury

The County spent Kshs.12.52 million on Committee Sitting Allowances for the 42 MCAs and the Speaker against the annual budget allocation of Kshs.48.04 million. The average monthly sitting allowance was Kshs.97,086 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.48.09 million and comprised of Kshs.17.53 million spent by the County Assembly and Kshs.30.56 million by the County Executive.

3.38.8 Budget Performance by Department

Table 3.156 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.156: 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	115.50	-	108.06	-	93.6	-	14.5	-
Governance and Administration	569.79	31.22	109.72	-	87.97	-	80.2	-	15.4	-
Finance and Economic Planning	658.52	5	75.77	-	95.36	-	125.8	-	14.5	-
Agriculture, Food, Livestock & Fisheries	250.69	465.91	47.26	-	28.29	-	59.9	-	11.3	-
Water, Irrigation, Environment & Natural Resources	51.14	369.14	9.53	-	8.43	-	88.4	-	16.5	-
Education, Youth Affairs, Gender & Social Services	339.37	439.85	53.54	-	49.17	-	91.8	-	14.5	-
County Health Services	2,123.58	396.91	528.84	-	361.27	-	68.3	-	17.0	-
Lands, Physical Planning, Urban Development and Housing	74.75	179.50	8.51	-	7.12	-	83.6	-	9.5	-
Roads, Public Works, Energy and Transport	88.25	976.09	11.73	-	7.13	-	60.7	-	8.1	-
Enterprise and Industrial Development	99.30	177.47	18.91	-	11.79	-	62.3	-	11.9	-
Tourism, Culture, Sports and Arts	76.63	190.38	10.10	-	7.90	-	78.2	-	10.3	-
Total	5,078	3,873	989	-	772	-	78.1	-	15.2	-

Source: Siaya County Treasury

Analysis of expenditure by department shows that the Department of County Health Services had the highest percentage of recurrent expenditure to the recurrent budget at 17 per cent while the Department of Roads, Public Works, Energy and Transport had the lowest at 8.1 per cent.

3.38.9 Budget Execution by Programmes and Sub-Programmes

Table 3.157 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.157: Siaya County, Budget Execution by Programmes and Sub-programmes

Budget Execution by Programmes and Sub-Programmes						
Programme	Sub- Programme	FY 2020/21 Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption rate (%)	
COUNTY ASSEMBLY						
Legislative and Representation	Legislative and Representation		942,053,219	43,868,465	898,184,754	4.7
	Sub total		942,053,219	43,868,465	898,184,754	4.7
Legislative Oversight	Legislative Oversight		76,657,200	21,074,976	55,582,224	27.5
	Sub total		76,657,200	21,074,976	55,582,224	27.5
General administration and planning support services	General administration and planning support services		369,361,691	43,116,038	326,245,653	11.7
	Sub total		369,361,691	43,116,038	326,245,653	11.7
GOVERNANCE AND ADMINISTRATION						
Office of the Governor and Deputy Governor	General administration and planning support services		193,559,985	32,507,284	161,052,701	16.8
	Sub total		193,559,985	32,507,284	161,052,701	16.8
County Executive Administration	County Executive Administration		288,832,165	50,265,500	238,566,665	17.4
	Sub total		288,832,165	50,265,500	238,566,665	17.4
County Public Service Board	County Public Service Board		118,609,934	5,194,900	113,415,034	4.4
	Sub total		118,609,934	5,194,900	113,415,034	4.4
FINANCE AND ECONOMIC PLANNING						
General Administration	General Administration		574,688,739	77,958,740	496,729,999	13.6
	Sub total		574,688,739	77,958,740	496,729,999	13.6
Financial Services	Budget formulation, coordination and management		33,456,466	11,212,737	22,243,729	33.5
	Accounting Services		24,648,655	-	24,648,655	0.0
	Supply chain management services		5,843,344	1,555,700	4,287,644	26.6
	Audit and assurance services		8,213,672	1,129,150	7,084,522	13.7
	Sub total		72,162,137	13,897,587	58,264,550	19.3
Economic Planning Services	Economic Planning Services		16,671,189	3,500,700	13,170,489	21.0
	Sub total		16,671,189	3,500,700	13,170,489	21.0
AGRICULTURE, FOOD, LIVESTOCK AND FISHERIES						
General Administration and Planning	General Administration and Planning		523,572,888	23,733,204	499,839,684	4.5
	Sub total		523,572,888	23,733,204	499,839,684	4.5
Livestock Management and Development	Livestock Management and Development		43,181,268	805,467	42,375,801	1.9
	Sub total		43,181,268	805,467	42,375,801	1.9
Crop and Land Development	Crop and Land Development		93,928,277	1,118,750	92,809,527	1.2
	Sub total		93,928,277	1,118,750	92,809,527	1.2
Fisheries Management and Development	Fisheries Management and Development		27,801,271	932,393	26,868,878	3.4
	Sub total		27,801,271	932,393	26,868,878	3.4
Veterinary Services	Veterinary Services		28,117,196	1,699,775	26,417,421	6.0
	Sub total		28,117,196	1,699,775	26,417,421	6.0
WATER, IRRIGATION, ENVIRONMENT AND NATURAL RESOURCES						
Water Resources Development and Management	Water Resources Development and Management		11,222,441	338,200	10,884,241	3.0
	Sub total		11,222,441	338,200	10,884,241	3.0

General Administration, Planning and Support Services	General Administration, Planning and Support Services	405,949,147	7,917,355	398,031,792	2.0
	Sub total	405,949,147	7,917,355	398,031,792	2.0
Environment and Natural Resources Conservation and Management	Environment and Natural Resources Conservation and Management	3,110,930	170,000	2,940,930	5.5
	Sub total	3,110,930	170,000	2,940,930	5.5
EDUCATION, YOUTH AFFAIRS, GENDER AND SOCIAL SERVICES					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	745,858,530	48,223,540	697,634,990	6.5
	Sub total	745,858,530	48,223,540	697,634,990	6.5
County Pre Primary Education	County Pre Primary Education	5,271,760	159,000	5,112,760	3.0
	Sub total	5,271,760	159,000	5,112,760	3.0
Vocational Education and Training Development	Vocational Education and Training Development	2,608,458	687,900	1,920,558	26.4
	Sub total	2,608,458	687,900	1,920,558	26.4
County Social Security and Services	County Social Security and Services	25,480,871	100,000	25,380,871	0.4
	Sub total	25,480,871	100,000	25,380,871	0.4
COUNTY HEALTH SERVICES					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	2,275,592,713	345,037,533	1,930,555,180	15.2
	Sub total	2,275,592,713	345,037,533	1,930,555,180	15.2
Curative and Rehabilitative Health Care Services	Curative and Rehabilitative Health Care Services	127,047,600	15,541,857	111,505,743	12.2
	Sub total	127,047,600	15,541,857	111,505,743	12.2
Preventive and Promotive Health Services	Preventive and Promotive Health Services	117,850,000	694,200	117,155,800	0.6
	Sub total	117,850,000	694,200	117,155,800	0.6
LANDS, PHYSICAL PLANNING, URBAN DEVELOPMENT AND HOUSING					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	230,527,256	6,111,998	224,415,258	2.7
	Sub total	230,527,256	6,111,998	224,415,258	2.7
Land Use Planning	Land Use Planning	1,960,000	362,500	1,597,500	18.5
	Sub total	1,960,000	362,500	1,597,500	18.5
County Land Administration and Surveying	County Land Administration and Surveying	2,385,000	354,100	2,030,900	14.8
	Sub total	2,385,000	354,100	2,030,900	14.8
Housing and Urban Development	Housing and Urban Development	2,650,000	288,200	2,361,800	10.9
	Sub total	2,650,000	288,200	2,361,800	10.9
Siaya Municipal Board	Siaya Municipal Board	16,718,000	-	16,718,000	0.0
	Sub total	16,718,000	-	16,718,000	0.0
ROADS, PUBLIC WORKS, ENERGY AND TRANSPORT					
Transport Infrastructure Development	Transport Infrastructure Development	1,062,561,322	7,126,697	1,055,434,625	0.7
	Sub total	1,062,561,322	7,126,697	1,055,434,625	0.7
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	-	1,159,795	0.0
	Sub total	1,159,795	-	1,159,795	0.0
ENTERPRISES AND INDUSTRIAL DEVELOPMENT					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	268,760,131	11,431,597	257,328,534	4.3
	Sub total	268,760,131	11,431,597	257,328,534	4.3
Trade Development and Promotion	Trade Development and Promotion	1,970,000	-	1,970,000	0.0
	Sub total	1,970,000	-	1,970,000	0.0

Fair Trade Practices and Consumer Protection Services	Fair Trade Practices and Consumer Protection Services	2,360,000	65,600	2,294,400	2.8
	Sub total	2,360,000	65,600	2,294,400	2.8
Alcoholic Drinks Control	Alcoholic Drinks Control	1,490,000	-	1,490,000	0.0
	Sub total	1,490,000	-	1,490,000	0.0
Co-operatives Development and Management	Co-operatives Development and Management	2,190,000	290,000	1,900,000	13.2
	Sub total	2,190,000	290,000	1,900,000	13.2
TOURISM, CULTURE SPORTS AND ARTS					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	247,172,143	2,451,888	244,720,255	1.0
	Sub total	247,172,143	2,451,888	244,720,255	1.0
Sports and Arts	Sports and Arts	7,085,000	-	7,085,000	0.0
	Sub total	7,085,000	-	7,085,000	0.0
Information, Communication Technology	Information, Communication Technology	5,890,000	243,310	5,646,690	4.1
	Sub total	5,890,000	243,310	5,646,690	4.1
Tourism development and Promotion	Tourism development and Promotion	6,864,508	5,207,200	1,657,308	75.9
	Sub total	6,864,508	5,207,200	1,657,308	75.9
Grand Total		8,951,560,005	772,476,454	8,179,083,551	8.6

Source: Siaya County Treasury

The programs with the highest absorption rates were: Legislative Oversight at 27.5 per cent, and Vocational Education and Training Development at 26.5 per cent of budget allocation.

3.38.10 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. Failure to implement the development budget in the first quarter of FY 2020/21 despite the county carrying a cash balance of Kshs.1.71 billion from FY 2019/20.
3. Under performance in own-source revenue collection at Kshs.35.68 million which represented 10.2 per cent of the county's annual target of Kshs.351 million.
4. Weak budgeting practice by the County Treasury as shown in Table 3.156 where the County incurred expenditure in excess of approved exchequer issues.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.*
2. *The County should identify and address issues causing delays in the implementation of development projects.*
3. *The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.*
4. *The County Treasury should improve 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.*

3.39 County Government of Taita Taveta

3.39.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.5.78 billion, comprising of Kshs.1.97 billion (34 per cent) and Kshs.3.81 billion (66 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.4.4 billion (76.1 per cent) being equitable share of revenue raised nationally, Kshs.1.02 billion (17.6 per cent) as total conditional grants and generate Kshs.363 million (6.3 per cent) from own sources of revenue, The County did not budget for cash balance from FY 2019/20.

3.39.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.364.73 million as equitable share of the revenue raised nationally which was a balance from FY 2019/20, raised Kshs.58.93 million as own-source revenue, and Kshs.34.76 million from “other revenues”. The total funds available for budget implementation during the period amounted to Kshs.458.24 million as shown in Table 3.158.

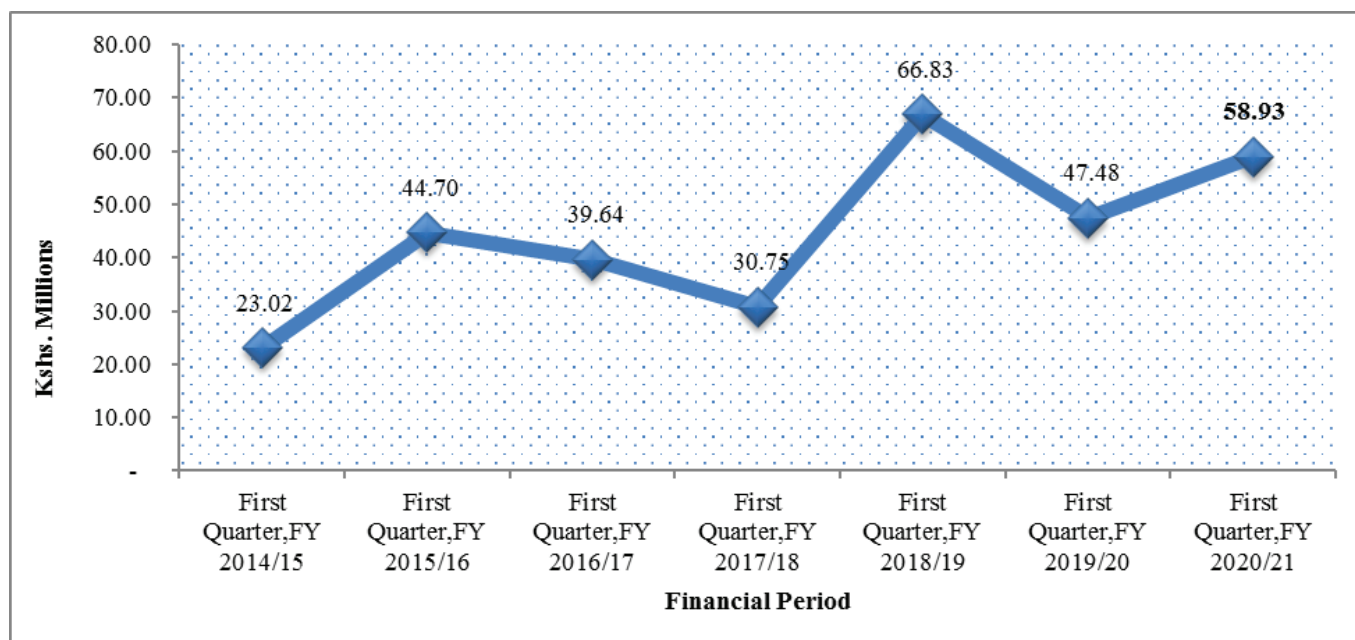
Table 3.158: Taita Taveta County, Revenue Performance in the First Quarter of FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	4,241,100,000	4,399,350,000	364,734,600	8.3
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	-	-
	Sub Total	326,074,868	224,150,200	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	40,679,150	40,679,150	-	-
2.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	317,598,320	317,598,320	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	12,060,000	12,060,000	-	-
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	-	-
7.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	13,206,924	13,206,924	-	-
	Sub Total	794,169,323	794,169,323	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue		363,000,000	58,926,000	16.2
2.	Other Revenues	-	-	34,575,000	-
	Sub Total	-	363,000,000	93,501,000	25.8
	Grand Total	5,361,344,191	5,780,669,523	458,235,600	7.9

Source: Taita Taveta County Treasury

Figure 3-73 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-73: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Taita Taveta County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.58.93 million as own-source revenue. This amount represented an increase of 24.1 per cent when compared to Kshs.47.48 million realised during the same period in FY 2019/20, and was 16.2 per cent of the annual target.

3.39.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.450.61 million from the CRF account during the reporting period. This entire amount was for recurrent programmes.

3.39.4 Overall Expenditure Review

A total of Kshs.446.33 million was spent on development and recurrent programmes and represented 99.1 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.27.26 million and Kshs.419.06 million on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 1.4 per cent while that incurred on recurrent programmes represented an absorption rate of 11.0 per cent.

3.39.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.248.1 million was spent on Compensation to Employees, Kshs.170.97 million on Operations and Maintenance, and Kshs.27.26 million on development activities.

Table 3.159: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	3,813,253,525	450,606,677	419,064,712	11.0
Compensation to Employees	2,413,398,325	306,474,500	248,092,403	10.3
Operations and Maintenance	1,399,855,200	144,132,177	170,972,309	12.2
Total Development Expenditure	1,967,415,998	-	27,261,624	1.4
Development Expenditure	1,967,415,998	-	27,261,624	1.4
Total	5,780,669,523	450,606,677	446,326,336	7.72

Source: Taita Taveta County Treasury

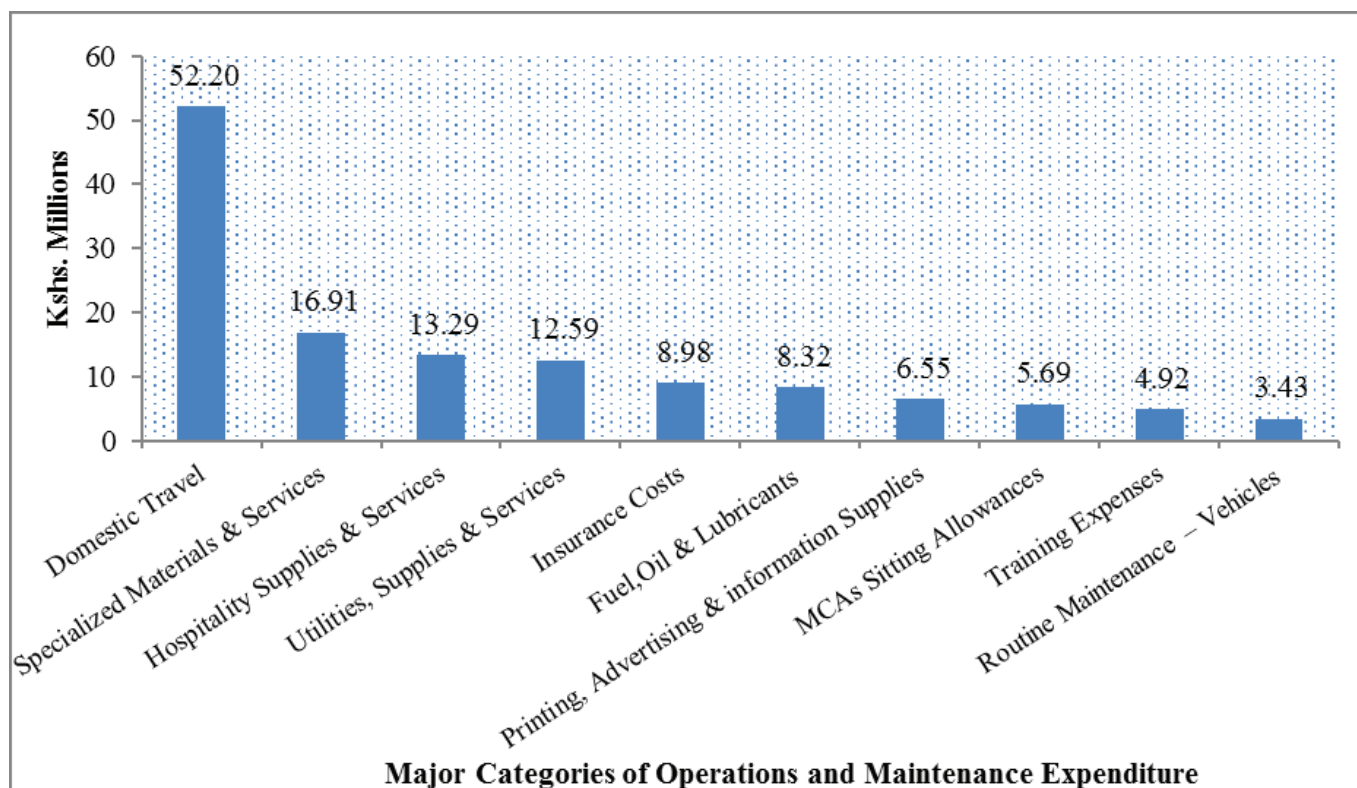
3.39.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.248.1 million and represented 54.1 per cent of the total revenue of Kshs.458.24 million in the first quarter of the financial year.

3.39.7 Analysis of Operations and Maintenance Expenditure

Figure 3-74 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-74: Taita Taveta County, Operations and Maintenance Expenditure by Major Categories



Source: Taita Taveta County Treasury

The County spent Kshs.5.69 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.54,154 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.52.2 million and comprised of Kshs.28.26 million spent by the County Assembly and Kshs.23.94 million by the County Executive.

3.39.8 Development Expenditure Analysis

The Development expenditure of Kshs.27.26 million represented 1.4 per cent of the annual development budget of Kshs.1.97 billion. The County Treasury however did not provide a schedule of development projects implemented in the reporting period.

3.39.9 Budget Performance by Department

Table 3.160 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.160: Taita Taveta 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
County Assembly	601	52	68	-	69.81	2	102.7	-	11.6	3.8
Public Service and Administration	2,165.63	5	250.12	-	224.66	-	89.8	-	10.4	-
The Governor's and Deputy Governor's Office	115.11	12	23.45	-	10.43	-	44.5	-	9.1	-
Finance and Economic Planning	325.14	123.65	59.12	-	54.24	6.73	91.8	-	16.7	5.4
Agriculture, Livestock and Fisheries	27.86	412.93	2.25	-	1.41	0.14	63.0	-	5.1	-
Water and Irrigation	27.25	485.55	0.61	-	2.32	-	380.9	-	8.5	-
Education and Libraries	172.57	54.35	0.80	-	5.70	-	712.1	-	3.3	-
Health	275.05	216.49	39.48	-	36.06	-	91.3	-	13.1	-
Trade, Tourism and Cooperative Development	29.71	59.74	0.41	-	2.69	-	656.8	-	9.1	-
County Public Service Board	12.88	5	2	-	3.67	-	183.3	-	28.5	-
Infrastructure and Public Works	23.65	266.12	3.71	-	3.09	17.14	83.4	-	13.1	6.4
Lands, Environment and Natural Resources	14.82	8	0.67	-	3.73	-	557.2	-	25.2	-
Youth, Gender, sports, Culture and Social Services	22.57	266.58	-	-	1.25	1.25	-	-	5.6	-
TOTAL	3,813.25	1,967.42	450.61	-	419.06	27.26	93.0	-	11.0	1.4

Source: Taita Taveta County Treasury

Analysis of expenditure by department shows that the Department of Infrastructure and Public Works recorded the highest absorption rate of development budget at 6.4 per cent followed by the Department of Finance and Economic Planning at 5.4 per cent. The other departments did not report expenditure on development programmes. The County Public Service Board had the highest percentage of recurrent expenditure to the recurrent budget at 28.5 per cent while the Department of Education and Libraries had the lowest at 3.3 per cent.

3.39.10 Budget Execution by Programmes and Sub-Programmes

Table 3.161 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.161 : Taita Taveta County, Budget Execution by Programmes and Sub-programmes in the First Quarter of FY 2020/21

Budget Execution by Programmes and Sub-Programmes					
Programme	Sub- Programme	Approved Budget (Ksh)	Actual Payments (Ksh)	Variance (Kshs.)	Absorption (%)
		-	-	-	
0	Default - Non Programmatic	-	-	-	
	Administration Planning and Support Services	66,338,247	10,407,570	55,930,677	15.7
101013260	Administration Planning and Support Services	66,338,247	10,407,570	55,930,677	15.7
	Development programme	274,119,001	27,375,396	246,743,605	10
102013260	Development programme	274,119,001	27,375,396	246,743,605	10
	Agricultural Development Programme	408,542,953	136,000	408,406,953	0.03
104013260	Agricultural Development Programme	408,542,953	136,000	408,406,953	0.03
	Livestock and Fisheries Development	24,740,000	-	24,740,000	-
105013260	Livestock and Fisheries Development	24,740,000	-	24,740,000	-

	General Administration and support services programme	29,712,921	2,692,714	27,020,207	9.1
301013260	General Administration and support services programme	29,712,921	2,692,714	27,020,207	9.1
	Trade Development programme.	59,740,000	-	59,740,000	-
302013260	Trade Development programme.	59,740,000	-	59,740,000	-
	Administration and Support Services	270,418,630	41,126,987	229,291,643	15.2
401013260	Administration and Support Services	270,418,630	41,126,987	229,291,643	15.2
	Health Development Programme	221,125,301	1,271,780	219,853,521	0.6
402013260	Health Development Programme	221,125,301	1,271,780	219,853,521	0.6
	General Administration, Planning and Support services	172,569,828	7,947,800	164,622,028	4.61
501013260	General Administration, Planning and Support services	172,569,828	7,947,800	164,622,028	4.61
	Early childhood Education and Youth Training Development Programme	54,350,000	-	54,350,000	-
502013260	Early childhood Education & Youth Training Development Programme	54,350,000	-	54,350,000	-
	General Administration support services	2,779,507,306	216,661,128	2,562,846,178	7.8
701013260	General Administration support services	2,779,507,306	216,661,128	2,562,846,178	7.8
	County Assembly Infrastructure improvement	52,000,000	-	52,000,000	-
702013260	County Assembly Infrastructure improvement	52,000,000	-	52,000,000	-
	Decentralized Infrastructure development programme	5,000,000	-	5,000,000	-
703013260	Decentralized Infrastructure development programme	5,000,000	-	5,000,000	-
	General Administration and Management of County Affairs	115,112,105	37,692,059	77,420,046	32.7
704013260	General Administration and Management of County Affairs	115,112,105	37,692,059	77,420,046	32.7
	Leadership Development Programme	17,000,000	-	17,000,000	-
705013260	Leadership Development Programme	17,000,000	-	17,000,000	-
	General Administration, Planning, Internal Audit & Support Services	325,142,917	45,836,888	279,306,029	14.1
706013260	General Administration, Planning, Internal Audit & Support Services	325,142,917	45,836,888	279,306,029	14.1
	Treasury Development Programme	103,300,000	49,121,060	54,178,940	47.6
707013260	Treasury Development Programme	103,300,000	49,121,060	54,178,940	47.5
	Water and irrigation Development Programme	485,550,000	-	485,550,000	-
1001013260	Water and irrigation Development Programme	485,550,000	-	485,550,000	-
	General Administration, Support and Support Services	27,249,225	2,247,900	25,001,325	8.3
1002013260	General Administration, Support and Support Services	27,249,225	2,247,900	25,001,325	8.3
	Natural Resources Support Programme	289,151,089	-	289,151,089	-
1003013260	Natural Resources Support Programme	289,151,089	-	289,151,089	-
	Grand Total	5,780,669,523	442,517,281	5,338,152,242	7.7

Source: Taita Taveta County Treasury

The programs with the highest absorption rates were: Treasury Development Programme at 47.5 per cent and General Administration and Management of County Affairs at 32.7 per cent of budget allocation.

3.39.11 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report. The County did not submit a report on projects implemented in

the first quarter of FY 2020/21.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012. Further, the County should ensure complete financial and non-financial reports are provided as per the prescribed templates.*

3.40 County Government of Tana River

3.40.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.7.84 billion, comprising of Kshs.2.91 billion (37.1 per cent) and Kshs.4.93 billion (62.9 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.5.60 billion (71.5 per cent) being equitable share of revenue raised nationally, Kshs.788.99 million (10 per cent) as total conditional grants, generate Kshs.72.60 million (0.9 per cent) from own sources of revenue, and the cash balance of Kshs.1.38 billion (17.6 per cent) from FY 2019/20.

3.40.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.47.75 million as total Conditional Grants, raised Kshs.19.01 million as own-source revenue, and had a cash balance of Kshs.488.61 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.555.37 million as shown in Table 3.162.

Table 3.162: Tana River County, Revenue Performance in the First Quarter of FY 2020/21

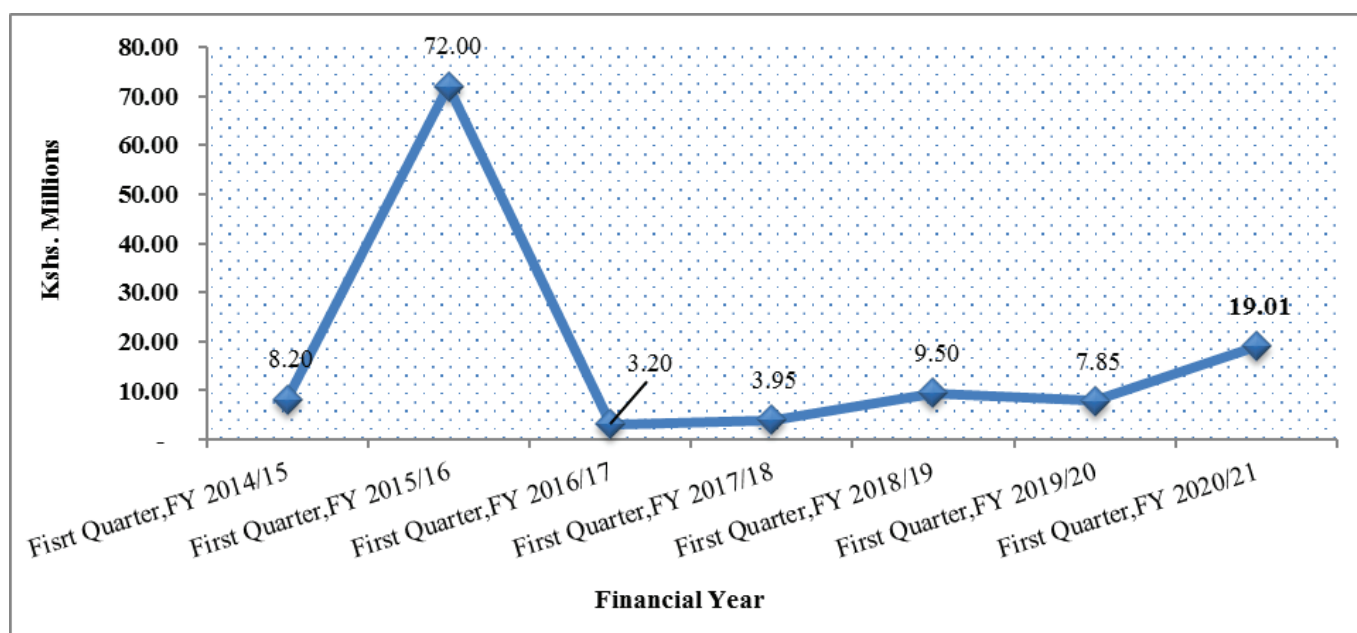
S/No.	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	5,855,250,000	5,602,050,000	-	-
B.	Conditional Grants from the National Government 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.	Leasing of Medical Equipment	132,021,277	-	-	-
4.	Road Maintenance Fuel Levy Fund	166,968,802	166,968,802	41,555,289	24.8
5.	Rehabilitation of Village Polytechnics-VTCSP	14,674,894	14,674,894	-	-
Sub Total		369,347,510	237,326,233	41,555,289	17.5
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal Care Project (WB)	138,012,263	138,012,263	-	-
2.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	320,630,200	320,630,200	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	16,650,000	16,650,000	6,195,000	37.2
5.	EU Grant (Instruments for Devolution Advise and Support IDEAS)	14,727,370	14,727,370	-	-
6.	Sweden - Agricultural Sector Development Support Programme (ASD-SP) II	15,405,911	15,405,911	-	-
7.	Food and Agriculture Organization (FAO)	-	1,245,700	-	-
Sub Total		550,425,744	551,671,444	6,195,000	1.1
D	Other Sources of Revenue				

S/No.	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
1.	Own Source Revenue	-	72,600,000	19,010,638	26.2
2.	Balance b/f from FY 2019/20	-	1,376,297,697	488,606,759	35.5
Sub Total		-	1,448,897,697	507,617,397	35.0
Grand Total		6,775,023,254	7,839,945,374	555,367,686	7.1

Source: Tana River County Treasury

Figure 3-75 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-75: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Tana River County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.19.01 million as own-source revenue. This amount represented an increase of 242.2 per cent when compared to Kshs.7.85 million realised during the same period in FY 2019/20, and was 26.2 per cent of the annual target. This increment in own source revenue collection is attributed to tighter measures to seal off revenue leakages at revenue collection points.

3.40.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.555.37 million from the CRF account during the reporting period. This amount comprised of Kshs.137.52 million (24.8 per cent) for development programmes and Kshs.417.85 million 75.2 per cent) for recurrent programmes.

3.40.4 Overall Expenditure Review

A total of Kshs.674.61 million was spent on recurrent programmes and represented 121.5 per cent of the total funds released from the CRF account. The County did not report any development expenditure. Expenditure on recurrent programmes represented an absorption rate of 13.7 per cent.

3.40.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.289.33 million was spent on Compensation to Employees, and Kshs.385.27 million on Operations and Maintenance.

Table 3.163: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	4,934,503,603	417,845,274	674,610,164	13.7
Compensation to Employees	2,108,704,525	348,836,395	289,334,928	13.7
Operations and Maintenance	2,825,799,078	69,008,879	385,275,236	13.6
Total Development Expenditure	2,905,441,771	137,522,412	-	-
Development Expenditure	2,905,441,771	137,522,412	-	-
Total	7,839,945,374	555,367,686	674,610,164	8.6

Source: Tana River County Treasury

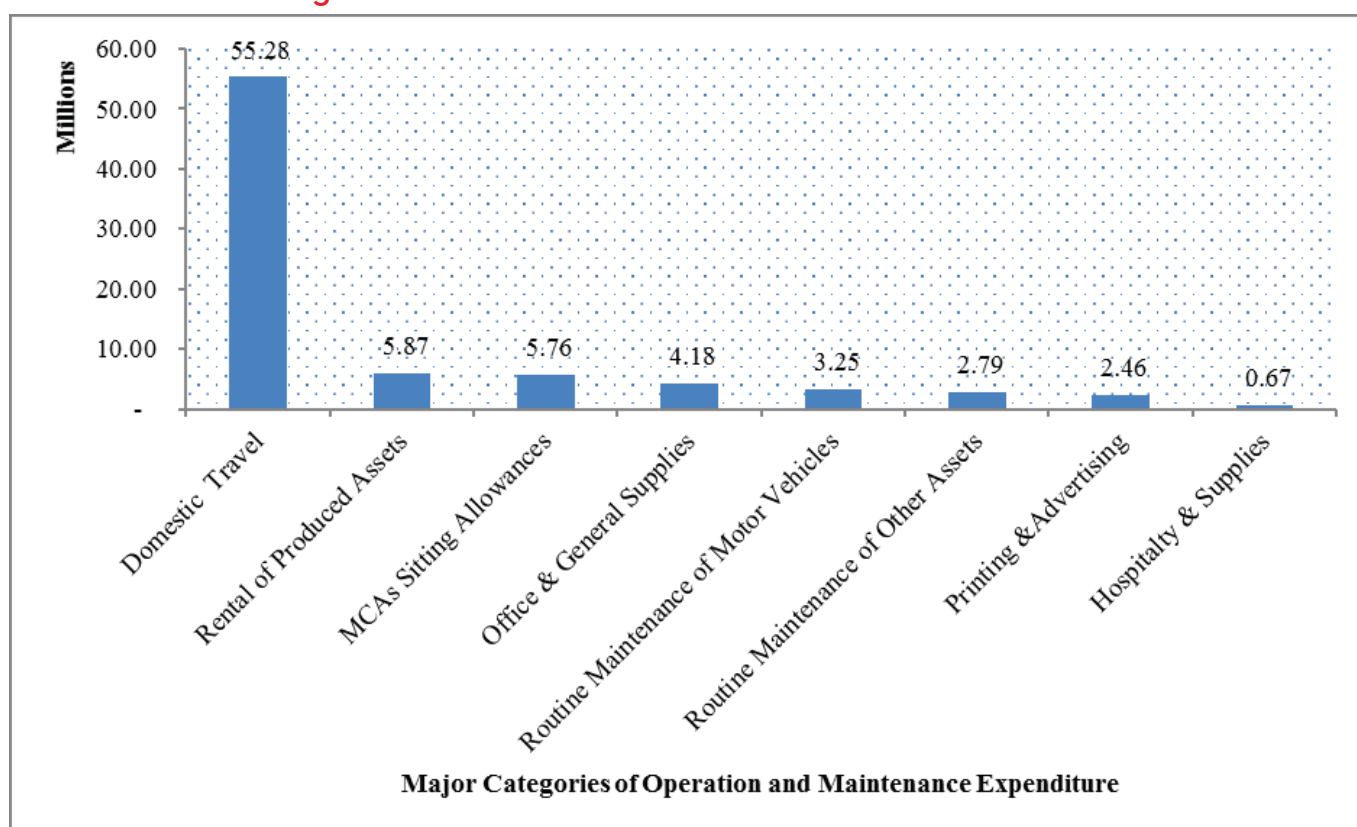
3.40.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.289.33 million and represented 52.1 per cent of the total revenue of Kshs.555.37 million in the first quarter of the financial year.

3.40.7 Analysis of Operations and Maintenance Expenditure

Figure 3-76 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-76: Tana River County, Operations and Maintenance Expenditure by Major Categories



Source: Tana River County Treasury

The County Assembly spent Kshs.5.76 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.80, 027 per MCA against the SRC's recommended monthly ceiling of Kshs.124, 800.

During the period, expenditure on domestic travel amounted to Kshs.55.28 million and comprised of Kshs.53.77 million spent by the County Assembly and Kshs.1.51 million by the County Executive.

3.40.8 Development Expenditure Analysis

The County did not report any development expenditure in this reporting period.

3.40.9 Budget Performance by Department

Table 3.164 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.164: Tana River County, Budget Performance by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Ex-chequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	486.49	135	102.67	-	121.83	-	118.7		25.0	-
Office of the Governor	367.53		17.64	-	15.24	-	86.4		4.1	-
Finance and Planning	748.87	755.95	52.69	-	217.04	-	411.9		29.0	-
Public Service Board	61.31		6.05	-	6.64	-	109.8		10.8	-
Trade, Tourism and Industry	72.41	39.50	4.67	-	3.15	-	67.5		4.4	-
Agriculture and Rural Development	745.53	128.88	18.37	-	18.37	-	100.0		2.5	-
Gender, Social Services and Youth Development	34.57	85.20	2.42	-	1.99	-	82.2		5.8	-
Education, Vocational Training and Sports	378.39	175.66	28.89	-	32.90	-	113.9		8.7	-
Health Services and Sanitation	1,291.47	122.50	121.99	-	209.11	-	171.4		16.2	-
Special Program and Cohesion	83.15		3.88	-	4.13	-	106.5		5.0	-
Roads and Public Works	98.98	1,124.24	4.37	137.52	6.42	-	147.0		6.5	-
Water, Environment and Natural Resources	122.87	153.50	10.58	-	1.37	-	12.9		1.1	-
Public Service, Administration and Citizen Participation	395.04	30	40.51	-	34.39	-	84.9	-	8.7	-
Lands and Physical Planning	34.16	55	3.08	-	2.03	-	65.9	-	5.9	-
Hola Municipality	13.80	100	-	-		-		-	-	-
Total	4,934.57	2,905.43	417.81	137.52	674.61	-	161.5	-	13.7	-

Source: Tana River County Treasury

Analysis of expenditure by department shows that the Department of Finance and Economic Planning had the highest percentage of recurrent expenditure to recurrent budget at 29.0 per cent while the Hola Municipality did not reported expenditure.

3.40.10 Budget Execution by Programmes and Sub-Programmes

Table 3.165 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.165: Tana River County, Budget Execution by Programmes and Sub-programmes

Programme/ Sub-Programme	Budget (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption (%)
Office of the Governor	36,118,213			
General Administration, Support and Support Services	36,118,213	12,212,629	23,905,584	33.8
Agricultural Development project	166,412,209	-	166,412,209	-
Agricultural Mechanization Services (AMS Garsen station).	1,821,125	-	1,821,125	-
Minor/Village irrigation schemes	15,000,000	-	15,000,000	-
Supplies for food production	15,830,914	-	15,830,914	-
Fungicides insects sides and sprays	150,000	-	150,000	-
Animals sales yard	112,227,844	-	112,227,845	-
Agriculture Sector Development Support Project (ASDSP)	21,070,900	-	21,070,900	-
Food and Agriculture Organization	311,425	-	311,425	-
Veterinary Development	2,896,705	-	2,896,705	-
Veterinary extension services	279,625	-	279,625	-
Artificial insemination (Pilot scheme)	171,250	-	171,250	-
Buy Tsetse fly traps/Targets (Kipini, Tarasaa)	617,218	-	617,218	-

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Programme/ Sub-Programme	Budget (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption (%)
Medical Services	19,950,000	-	19,950,000	-
Ambulance Services	14,512,500	-	14,512,500	-
Preventive and Promotive	3,973,950	-	3,973,950	-
Preventive and Promotive	2,375,000	-	2,375,000	-
Licensing and Control of Undertaking	973,950	-	973,950	-
Mobile Clinics	625,000	-	625,000	-
General Administration, Planning and Support services	82,010,773	54,857,710	27,153,064	66.8
General operation, Planning and support services	82,010,773	54,857,710	27,153,064	66.8
Quality and Standard Assurance in EYE Canter	38,462,500	-	38,462,500	-
ECDE Learning/Teaching Materials	13,436,250	-	13,436,250	-
ECDE Furniture and Equipment Support	26,250	-	26,250	-
ECDE Infrastructure	25,000,000	-	25,000,000	-
Vocational Training Canters and Adult Education	18,041,224	-	18,041,224	-
Youth Polytechnic Publicity Campaigns	530,000	-	530,000	-
Provision of Modern Tools and Equipment	95,000	-	95,000	-
Subsidized Youth Polytechnic Tuition Fund (SYPT)	17,416,224	-	17,416,224	-
Administration, planning support services	63,238,416	48,133,186	15,105,230	76.1
Coordination and Supervisory Services	63,238,416	48,133,186	15,105,230	76.1
Administration, planning support services	230,355,813	152,457,440	77,898,373	66.2
Administration, planning support services	230,355,813	152,457,440	77,898,373	66.2
Financial Management	204,973,720	333,200	204,640,520	0.2
Financial management	2,060,739	-	2,060,739	-
Supply Chain Managements	2,776,250	-	2,776,250	-
Own Source Revenue Collection	4,312,500	-	4,312,500	-
Budget and Economic Planning	2,087,327	-	2,087,327	-
Accounting & Finance	189,164,752	333,200	188,831,552	0.2
Internal Audit	1,632,892	-	1,632,892	-
Monitoring and Evaluation	2,939,261	-	2,939,261	-
Board Administration, Planning and Governance	13,219,887	192,703	13,027,184	1.4
Board Operations & Governance	13,219,887	192,703	13,027,184	1.4
	2,108,000	-	2,108,000	-
Ethics Governance and Compliance	783,000	-	783,000	-
Human Resource Management & Development	725,000	-	725,000	-
Skills and Competence Development	600,000	-	600,000	-
	37,467,354	-	37,467,354	-
Performance Management System	717,354	-	717,354	-
Human Resource Development	36,750,000	-	36,750,000	-
	8,712,500	-	8,712,500	-
County Administration	8,712,500	-	8,712,500	-
	955,644	-	955,644	-
Citizen Participation	955,644	-	955,644	-
	28,643,841	842,800	27,801,041	2.9
County Leadership & Coordination of CDAs	9,000,000	842,800	8,157,200	9.3
County Government Advisory Service	14,518,841	-	14,518,841	-
Coordination of Peace and Cohesion	5,125,000	-	5,125,000	-
Administration, planning support services	11,407,314	7,755,595	3,651,719	67.9
Administration, planning support services	11,407,314	7,755,595	3,651,719	67.9
Social development	1,125,000	-	1,125,000	-
Social development	1,125,000	-	1,125,000	-
Culture	8,375,000	-	8,375,000	-
County women, Youth and PWDs empowerment and development fund	8,375,000	-	8,375,000	-

Programme/ Sub-Programme	Budget (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption (%)
Natural Disaster mitigation programme	13,531,250	-	13,531,250	-
Drought management (Preparedness, Response and Recovery)	906,419	-	906,419	-
Emergency Relief (food, medicine, blankets, cash grant)	12,624,831	-	12,624,831	-
	2,850,000	-	2,850,000	-
Culture Promotion and Development	2,487,500	-	2,487,500	-
Empowerment/Capacity Building of Cultural Practitioners	362,500	-	362,500	-
	605,000	-	605,000	-
Baseline Survey for OVC	175,000	-	175,000	-
Community Awareness Creation on Child Rights and Child Protection	330,000	-	330,000	-
Enhanced Child Participation	100,000	-	100,000	-
General Administration, Support and Support Services	317,500	-	317,500	-
Women Empowerment	187,500	-	187,500	-
Gender and Leadership	130,000	-	130,000	-
County Social Protection Scheme	-	-	-	-
	12,520,000	-	12,520,000	-
County Sports Leagues	335,000	-	335,000	-
Sports Equipment Support	12,185,000	-	12,185,000	-
General Administration, Support and Support Services	18,932,514	12,621,676	6,310,838	66.6
General Administration, Support and Support Services	18,932,514	12,621,676	6,310,838	66.6
Environmental Management Programme	13,297,456	-	13,297,456	-
General Administration, Support and Support Services	4,500,000	-	4,500,000	-
Environmental Protection	8,739,660	-	8,739,660	-
Control of Air Pollution	57,796	-	57,796	-
	36,864,250	-	36,864,250	-
Water Management Services	36,864,250	-	36,864,250	-
County Assembly	486,497,243		486,497,243	-
Legislative and procedural services(County Assembly)	275,000,000	166,841,292	108,158,708	60.6
Grand Total	4,934,503,603	617,005,475	4,317,498,128	12.5

Source: Tana River County Treasury

The programs with the highest absorption rates were: Coordination and Supervisory Services at 76.1 per cent, health at 70.1 per cent, Legislative and procedural Services at 60.6 per cent of budget allocation.

3.40.11 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. Inconsistency in financial reporting by the County Treasury to the Controller of Budget whereby expenditure reports by departments do not tally with expenditure by programs and sub programs.
2. Failure to implement the development budget in the first quarter of FY 2020/21 despite carrying forward a cash balance of Kshs. 488.61 million from FY 2019/20.
3. Use of revenue at source and weak budgeting practice by the County Treasury where the County incurred expenditure in excess of approved exchequer issues and budgetary allocations.
4. Delay in the approval of budget by the County Assembly which affected implementation of planned programmes. The Budget was approved on 27th August, 2020.

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

1. The County Treasury should identify the gaps in financial reporting and address them for credibility of budget implementation to be ascertained.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Treasury should improve 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 leadership should engage the Intergovernmental Relations Technical Committee (IGRTC) for capacity building and to resolve the disagreements which caused delays in the budget approval process.

3.41 County Government of Tharaka Nithi

3.41.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.5.17 billion, comprising of Kshs.1.71 billion (33.2 per cent) and Kshs.3.46 billion (66.8 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.3.86 billion (74.6 per cent) being equitable share of revenue raised nationally, Kshs.993.16 million (19.2 per cent) as total conditional grants, generate Kshs.325 million (6.3 per cent) from own sources of revenue.

3.41.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.337.52 million as equitable share of the revenue raised nationally which was a balance from FY 2019/20, raised Kshs.54.41 million as own-source revenue, and had a cash balance of Kshs.345.39 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.737.31 million as shown in Table 3.166.

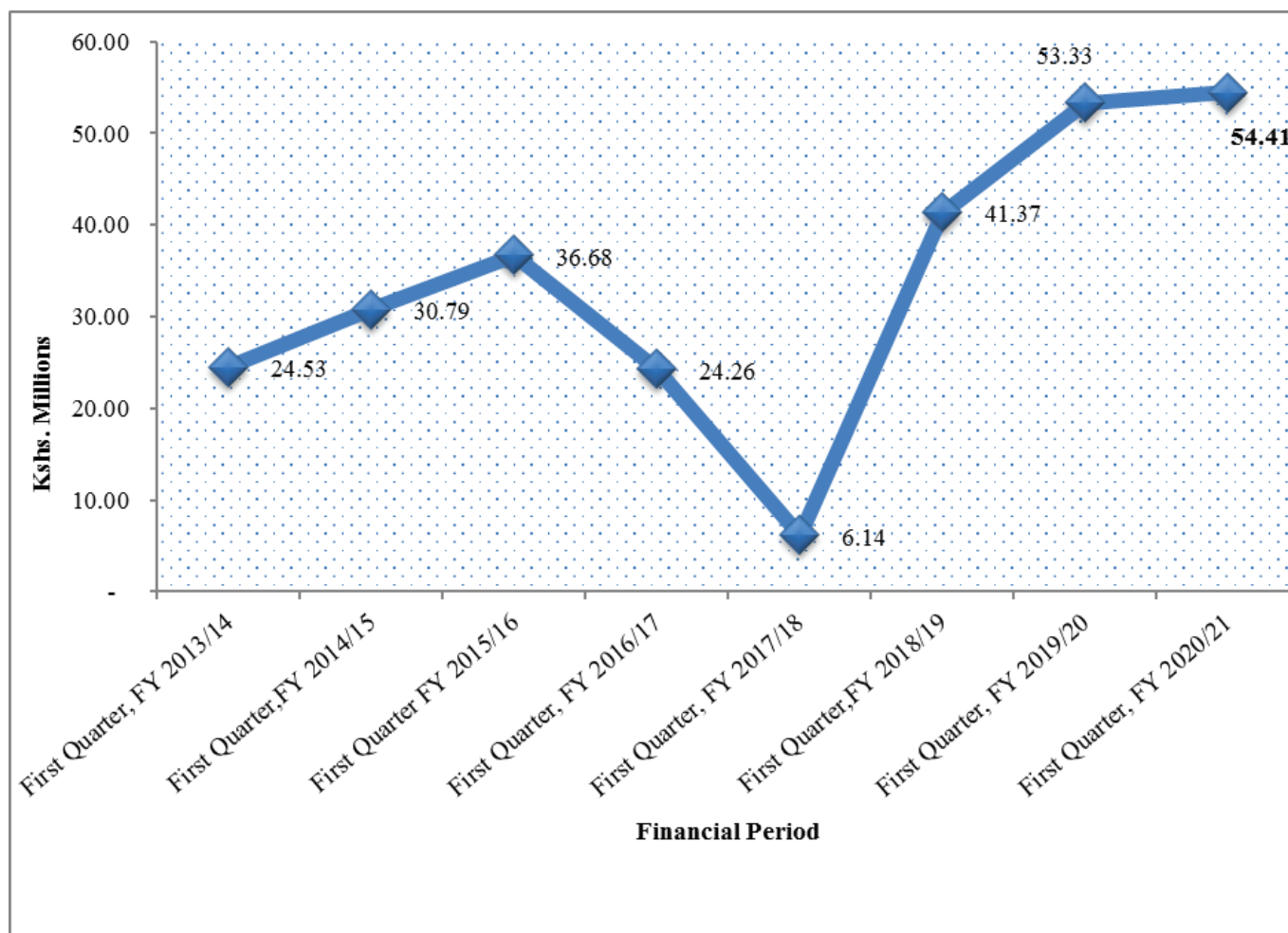
Table 3.166: Tharaka Nithi County, Revenue Performance in the First Quarter of FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	3,924,600	3,861,300,000	337,515,600	8.7
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	-	-
5.	Rehabilitation of Village Polytechnics	60,799,894	60,799,894	-	-
	Sub Total	366,125,131	316,135,131	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	101,448,239	101,448,239	-	-
2.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	320,000,850	320,000,850	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	-	50,000,000	-	-
5.	DANIDA Grant	11,160,000	11,160,000	-	-
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	-	-
	Sub Total	489,787,815	677,030,065	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	325,000,000	54,412,468	16.7
2.	Balance b/f from FY 2019/20	-	-	345,391,694	-
	Sub Total	-	325,000,000	399,804,162	123.0
	Grand Total	859,837,546	5,179,465,196	737,319,762	14.2

Source: Tharaka Nithi County Treasury

Figure 3-77 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-77: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Tharaka Nithi County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.54.41 million as own-source revenue. This amount represented an increase of 2 per cent when compared to Kshs.53.32 million realised during the same period in FY 2019/20, and was 16.7 per cent of the annual target.

3.41.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.527.11 million from the CRF account during the reporting period. This amount comprised of Kshs.53.47 million (10.1 per cent) for development programmes and Kshs.473.64 million (89.9 per cent) for recurrent programmes.

3.41.4 Overall Expenditure Review

A total of Kshs.734.70 million was spent on development and recurrent programmes and represented 139.4 per cent of the total funds released from the CRF account. The expenditure to exchequer issues above 100 per cent is as a result of monies retained in Special purpose Accounts and County established funds as at end of FY 2019/20 which were thereafter spent in the reporting period.

The expenditure comprised of Kshs.53.60 million and Kshs.697.97 million on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 3.1 per cent while that incurred on recurrent programmes represented an absorption rate of 19.7 per cent.

3.41.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.562.07 million was spent on Compensation to Employees, Kshs.119.02 million on Operations and Maintenance, and Kshs.53.60 million on development activities.

Table 3.167: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	3,462,014,388	473,640,732	681,097,332	19.7
Compensation to Employees	1,950,306,906	422,653,845	562,071,206	28.8
Operations and Maintenance	1,511,707,482	50,986,887	119,026,126	7.9
Total Development Expenditure	1,717,450,808	53,474,930	53,604,163	3.1
Development Expenditure	1,717,450,808	53,474,930	53,604,163	3.1
Total	5,179,465,196	527,115,662	734,701,495	14.2

Source: Tharaka Nithi County Treasury

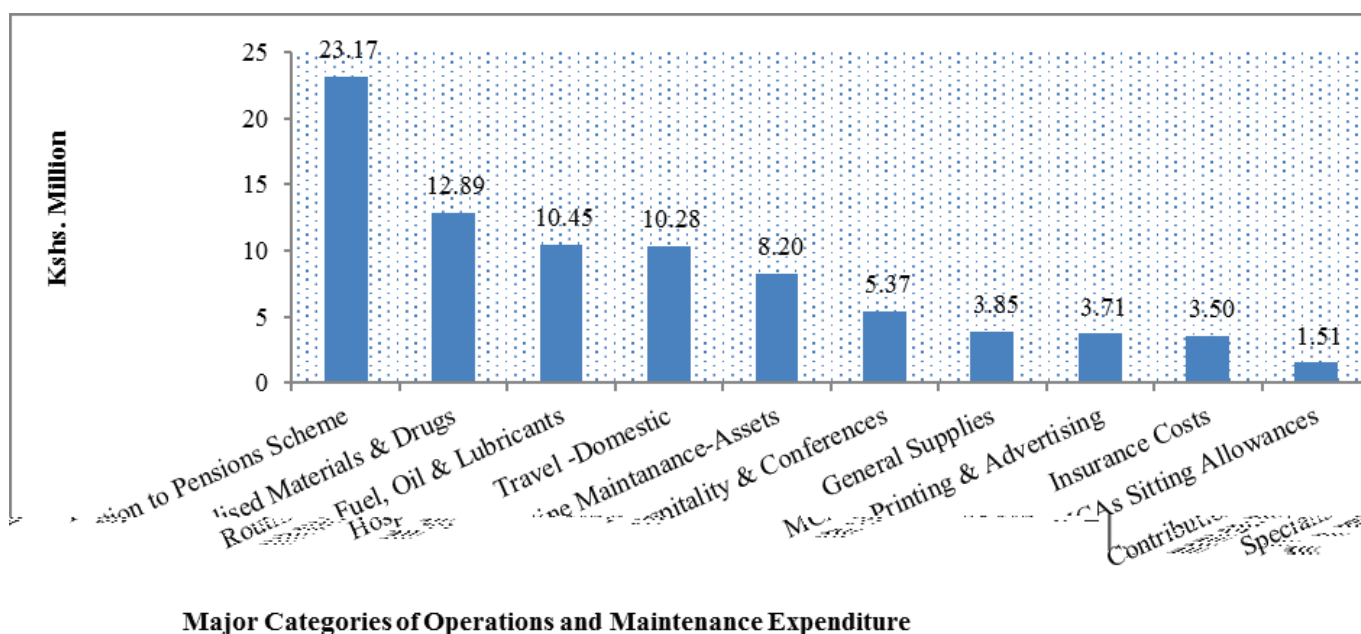
3.41.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.562.07 million and represented 76.2 per cent of the total revenue of Kshs.737.31 million in the first quarter of the financial year. The salary for the month of September 2020 was not paid as at the end of the first quarter of the financial year 2020/21.

3.41.7 Analysis of Operations and Maintenance Expenditure

Figure 3-78 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-78: Tharaka Nithi County, Operations and Maintenance Expenditure by Major Categories in the First Quarter of FY 2020/21



Source: Tharaka Nithi County Treasury

The County Assembly spent Kshs.1.51 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.24,031 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.10.28 million and comprised of Kshs.1.65 million spent by the County Assembly and Kshs.8.62 million by the County Executive.

3.41.8 Development Expenditure Analysis

The Development expenditure of Kshs.53.60 million represented 3.1 per cent of the annual development budget of Kshs.1.71 billion and represented an increase of 30.2 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.41.16million. Table 3.147 Table 3.168 provides a summary of development projects with the highest expenditure in the first quarter of the financial year.

Table 3.168: Tharaka Nithi County, List of Development Projects with the Highest Expenditure

S/No.	Project Name	Department	Location	Budget (Kshs.)	Exchequer issues (Kshs.)	Expenditure (Kshs.)	Absorption Rate (%)
1	Tarmacking of Kam-bandi-Cheera-Ruguti Road	Roads, Public Works & Infrastructure	Mugwe	50,000,000	18,345,225	18,345,225	36.7
2	CHUKA L4 Hosp-Construction of OPD Block [ongoing]	Medical Services	Karingani	27,000,000	7,420,000	7,420,000	27.5
3	Drilling and Equip-ping of boreholes	Water, Services & Irrigation	Countywide	39,000,000	6,064,000	6,064,000	15.5
4	Community domes-tic water projects	Water Services & Irrigation	Countywide	32,500,000	4,498,205	4,498,205	13.8
5	Expansion of Execu-tive block	Roads, Public works & Infrastructure	Headquarters	10,000,000	4,352,500	4,352,500	43.5

Source: Tharaka Nithi County Treasury.

3.41.9 Budget Performance by Department

Table 3.169 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.169: Tharaka Nithi 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
County Assembly	400.0	20.0	36.8	-	36.7	-	99.9	-	9.2	-
Office Of The Governor And Deputy Governor	132.8	-	11.2	-	20.2	-	180.4	-	15.2	-
Finance And Economic Planning	239.4	137.2	22.2	-	33.2	-	149.7	-	13.9	-
Agriculture And Cooperative Development	116.4	458.0	20.8	-	16.7	-	80.1	-	14.3	-
Education And Vocational Training	242.2	68.6	37.2	-	60.3	-	162.3	-	24.9	-
Medical Services	1,275.9	81.1	209.5	7.4	344.7	7.4	164.5	99.9	27.0	9.1
Lands, Physical Planning, Urban Development, Housing And Environment	107.4	208.2	8.3	-	12.9	-	156.4	-	12.0	-
Roads, Infrastructure, Public Works And Industry	73.5	495.1	4.8	35.5	5.0	35.6	104.9	100.3	6.9	7.2
Administration And Public Service	269.5	-	27.1	-	50.6	-	186.9	-	18.8	-
Trade and Resource Mobilization	115.1	-	19.4	-	21.7	-	112.0	-	18.9	-
Water Services and Irrigation	51.2	143.2	5.3	10.6	2.0	10.6	37.0	100	3.8	7.4
County Public Service Board	22.8	-	2.2	-	2.5	-	112.6	-	10.9	-
Livestock, Veterinary and Fisheries Develop-ment	87.1	43.0	11.5	-	4.1	-	35.7	-	4.7	-
Public Health and Sanitation	280.9	-	54.4	-	68.4	-	125.8	-	24.4	-
Energy, Information, Communication and Technology	4.3	15.0	-	-	-	-	-	-	-	-
Youth, Sports, Culture And Tourism	43.5	48.0	3.1	-	2.0	-	64.0	-	4.5	-
Total	3,462.0	1,717.5	473.6	53.5	681.1	53.6	143.8	100.2	19.7	3.1

Source: Tharaka Nithi County Treasury

P: Economic Policy and County Planning	8,290,000	1,165,070	14.1
SP: County Statistics Services	2,540,000	84,300	3.3
SP: Economic Development, Planning and Coordination Services	3,110,000	632,970	20.4
SP: Monitoring and Evaluation Services	2,640,000	447,800	17.0
P: Financial Management Services	17,810,000	2,193,100	12.3
SP: Accounting Services	4,400,000	627,100	14.3
SP: Audit Services	5,000,000	61,300	1.2
SP: Budget Formulation and Coordination	5,930,000	1,184,800	20.0
SP: Supply Chain Management Services	2,480,000	319,900	12.9
P: General Administration, Planning and Support Services	168,319,880	29,889,645	17.8
SP: Human Resource Management Services	168,319,880	29,889,645	17.8
P: Kenya Devolution Support Programme	182,242,250	-	-
SP: Tharaka Nithi KDSP Capacity Building	182,242,250	-	-
Lands, Physical Planning, Urban Development, Environment and Natural Resources	315,588,712	12,929,131	4.1
P: Environment and Natural Resources Management	23,013,728	114,940	0.5
SP: Environment and Natural Resource	23,013,728	114,940	0.5
P: Kathwana Municipality Development Programme	12,469,600	-	-
SP: Kathwana Urban Area Support	12,469,600	-	-
P: Land Policy and Planning	269,462,484	12,814,191	4.8
SP: Land administration & management	214,999,174	127,615	0.1
SP: Physical Planning Services	54,463,310	12,686,576	23.3
P: Urban Development and Administration	10,642,900	-	-
SP: Urban Administrative Services	10,642,900	-	-
Livestock, Veterinary and Fisheries Development	130,055,800	4,098,410	3.2
P: Livestock and Fisheries Resource Management and Development	130,055,800	4,098,410	3.2
SP: Fisheries Development and Promotion	6,664,850	-	-
SP: Livestock Policy Development and Capacity Building	94,310,400	4,050,810	4.3
SP: Veterinary Services and Disease Prevention	29,080,550	47,600	0.2
Medical Services	1,356,980,248	354,435,842	26.1
P: Curative and Rehabilitative Services	74,064,480	2,835,400	3.8
SP: Primary Healthcare	74,064,480	2,835,400	3.8
P: General Administration Planning and Support Services	1,282,915,768	351,600,442	27.4
SP: General Administration Services	175,891,742	19,428,396	11.0
SP: HMIS Monitoring and Evaluation	3,149,500	500,120	15.9
SP: Human resource management	929,693,954	321,020,676	34.5
SP: Policy, Planning, Financing and Budgeting	174,180,572	10,651,250	6.1
Office of Governor and Deputy Governor	132,803,042	20,247,312	15.2
P: County Government Advisory Services	4,050,000	267,500	6.6
SP: Communication and Strategy	4,050,000	267,500	6.6
P: County Leadership and Coordination of MDAs	23,570,400	-	-
SP: Coordination of CMAs (Office of County Secretary)	17,550,000	-	-
SP: Public Sector Advisory Services (Legal, Political, and Economic Affairs)	6,020,400	-	-
P: General Administration, Planning and Support Services	105,182,642	19,979,812	19.0
SP: Coordination and Supervisory Services (Deputy Governor's Office)	13,290,000	459,295	3.5
SP: Management of County Affairs (Office of Governor)	91,892,642	19,520,517	21.2
Public Health and Sanitation	280,946,519	68,434,412	24.4
P: Preventive and Promotive Health Services	280,946,519	68,434,412	24.4
SP: Disease Surveillance	1,920,000	75,000	3.9
SP: Environmental Health services	9,562,200	217,000	2.3
SP: Health Promotion and Disease Control	266,464,319	68,097,412	25.6
SP: HIV and AIDS Support Services	1,300,000	-	-
SP: Nutrition Services	800,000	-	-

SP: Reproductive Maternal and Child health Services	900,000	45,000	5.0
Roads, Infrastructure, Public Works and ICT	568,606,440	40,664,398	7.2
P: County Government Advisory Services	11,000,000	423,000	3.8
SP: Communication and Strategy	11,000,000	423,000	3.8
P: General Administration Planning and Support Services	28,840,600	3,906,390	13.5
SP: General Administration Services	28,840,600	3,906,390	13.5
P: ICT Infrastructure Development	25,050,000	81,000	0.3
SP: ICT Infrastructure Development	25,050,000	81,000	0.3
P: Public Works and Housing Services	2,815,000	100,500	3.6
SP: Public Works Services	2,815,000	100,500	3.6
P: Roads Transport	500,900,840	36,153,508	7.2
SP: Rural Roads Improvement and Maintenance Services	500,900,840	36,153,508	7.2
Trade and Revenue	115,080,804	21,738,823	18.9
P: General Administration, Planning and Support Services	89,891,804	20,502,823	22.8
SP: General Administration and Support Services	89,891,804	20,502,823	22.8
P: Industrial Development and Investment	12,748,000	637,500	5.0
SP: Consumer Protection & Fair Trade Practices	2,975,000	4,000	0.1
SP: Promotion of Industrial Products	9,773,000	633,500	6.5
P: Resource Mobilization	12,441,000	598,500	4.8
SP: Revenue Administration	12,441,000	598,500	4.8
Water and Irrigation	194,460,108	10,208,685	5.2
P: Water Supply Services	194,460,108	10,208,685	5.2
SP: Domestic Water Services	188,762,658	10,175,185	5.4
SP: Irrigation and Drainage Services	4,404,450	-	-
SP: Water Storage Services	1,293,000	33,500	2.6
Youth, Sports, Culture and Tourism	91,538,960	1,956,020	2.1
P: Culture, Arts and Social Services	6,581,098	142,220	2.2
SP: Culture and Arts Promotion	5,945,974	142,220	2.4
SP: Gender, PWDs and Social Services	635,124	-	-
P: Sports Development and Promotion	81,151,862	1,753,800	2.2
SP: Athletics Championships and Other Games	1,976,376	-	-
SP: County Football League and Clubs Development	3,752,000	-	-
SP: Talent Search and Promotion	75,423,486	1,753,800	2.3
P: Tourism Development and Promotion	3,806,000	60,000	1.6
SP: Miss Tourism Tharaka Nithi	2,730,500	-	-
SP: Tourism Branding and Marketing	1,075,500	60,000	5.6
P: County Assembly	420,000,000	36,722,761	8.7
SP: County Assembly Services	420,000,000	36,722,761	8.7
Grand Total	5,179,465,199	734,701,495	14.2

Source: Tharaka Nithi County Treasury

The programs with the highest absorption rates were: General administration, Planning and Support Services at 27 per cent, Preventive and Promotive Health Services at 24 per cent and County Government Advisory Services at 19 per cent of Budget allocation.

3.41.11 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 quarter of FY 2020/21 whereby the County spent Kshs.53.60 million out of the annual development budget of Kshs.1.71 billion. The development expenditure represented 3.1 per cent of the annual development.
2. Under performance in own source revenue collection at Kshs.54.41 million against annual projection of Kshs.325 million. The realised own source revenue represented 16.7 per cent of annual target.

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

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

3.42 County Government of Trans Nzoia

3.42.1 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 (40.3 per cent) and Kshs.4.86 billion (59.7 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.5.79 billion (75.6 per cent) being equitable share of revenue raised nationally, Kshs.714.79 billion (9.3 per cent) as total conditional grants, generate Kshs.500 million (6.5 per cent) from own sources of revenue, and the 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.

3.42.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.111.75 million as total Conditional Grants, raised Kshs.68.61 million as own-source revenue, had a cash balance of Kshs.495.39 million from FY 2019/20, and Kshs.160.9 million as other revenues. The total funds available for budget implementation during the period amounted to Kshs.836.67 million as shown in Table 3.171.

Table 3.171: Trans Nzoia County, Revenue Performance in the First Quarter of FY 2020/21

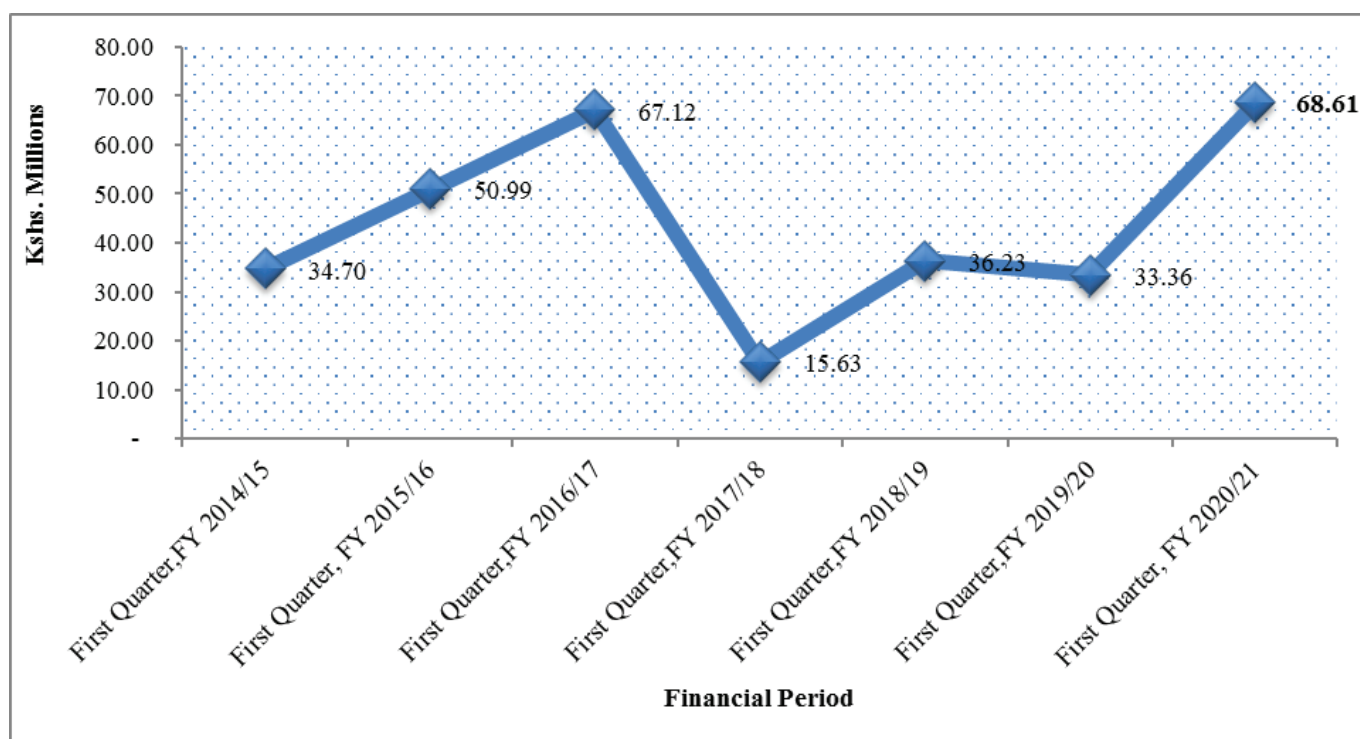
S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs.)	Annual Budget Allocation (in Kshs.)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	5,760,300,000	5,791,950,000	-	-
B.	Conditional Grants from the National Government 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	81,754,969	32.1
4.	Rehabilitation of Village Polytechnics	43,909,894	74,768,711	-	-
	Sub Total	369,864,847	482,478,633	81,754,969	16.9
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	44,386,749	44,386,749	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	199,332,120	199,332,120	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	75,000,000	30,000,000	40.0
4.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)		299,106,900	-	-
5.	DANIDA Grant	16,380,000	22,645,000	-	-
6.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	13,012,542	29,158,844	-	-
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	30,000,000	4.2
D	Other Sources of Revenue				
1.	Own Source Revenue	-	500,000,000	68,612,330	13.7
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	724,901,130	62.7
Grand Total		6,493,439,185	8,145,509,973	836,656,099	10.3

Source: Trans Nzoia County Treasury

Figure 3-79 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-79: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Trans Nzoia County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.68.61 million as own-source revenue. This amount represented an increase of 51.4 per cent when compared to Kshs.33 million realised during the same period in FY 2019/20, and was 13.7 per cent of the annual target.

3.42.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.848.95 million from the CRF account during the reporting period. This amount comprised of Kshs.294.37 million (34.7 per cent) for development programmes and Kshs.554.58 million (65.3 per cent) for recurrent programmes.

3.42.4 Overall Expenditure Review

A total of Kshs.554.65 million was spent on development and recurrent programmes and represented 65.3 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.28.87 million and Kshs.525.78 million on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 0.9 per cent while that incurred on recurrent programmes represented an absorption rate of 10.8 per cent.

3.42.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.278.66 million was spent on Compensation to Employees, Kshs.247.21 million on Operations and Maintenance, and Kshs.28.87 million on development activities.

Table 3.172: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
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Total Recurrent Expenditure	4,861,244,685	554,577,897	525,779,676	10.8
Compensation to Employees	2,785,777,459	469,041,274	278,565,297	10.0
Operations and Maintenance	2,075,467,226	85,536,623	247,214,379	11.9
Total Development Expenditure	3,284,265,288	294,368,205	28,868,148	0.9
Development Expenditure	3,284,265,288	294,368,205	28,868,148	0.9
Total	8,145,509,973	848,946,102	554,647,824	6.8

Source: Trans Nzoia County Treasury

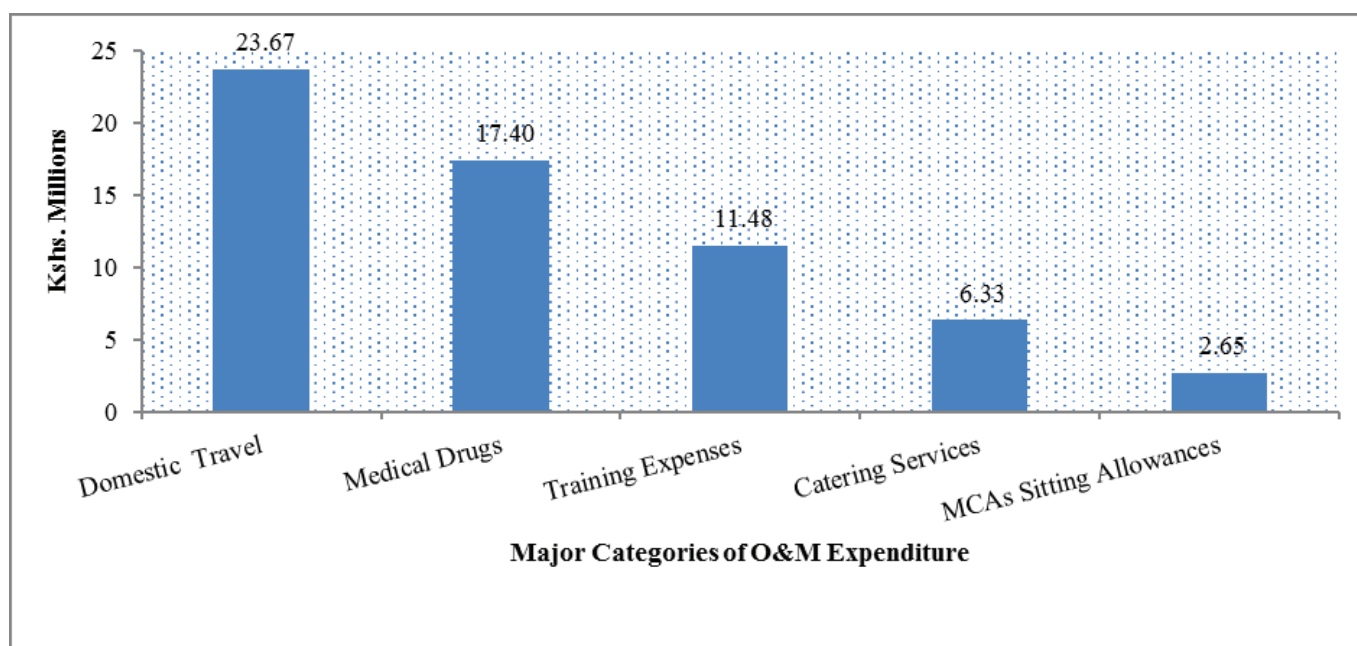
3.42.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.278.66 million and represented 33.3 per cent of the total revenue of Kshs.836.67 million in the first quarter of the financial year.

3.42.7 Analysis of Operations and Maintenance Expenditure

Figure 3-80 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-80: Trans Nzoia County, Operations and Maintenance Expenditure by Major Categories



Source: Trans Nzoia County Treasury

The County spent Kshs.2.65 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.22,044 per MCA against the SRC's recommended monthly ceiling of Kshs.124, 800.

During the period, expenditure on domestic travel amounted to Kshs.23.67 million and comprised of Kshs.9.02 million spent by the County Assembly and Kshs.14.64 million by the County Executive. Expenditure on Foreign Travel amounted to Kshs.0.85 million spent by the County Assembly.

3.42.8 Development Expenditure Analysis

The Development expenditure of Kshs.28.87 million represented 0.9 per cent of the annual development budget of Kshs.3.28 billion. Table 3.173 Table 3.147 provides a summary of development projects with the highest expenditure.

Table 3.173: Trans Nzoia County, List of Development Projects in the First Quarter of FY 2020/21

S/No.	Project Name	Project Location	Amount (Kshs.)
1.	Road maintenance of B2 – Bishop Muge – Chebarus Road, 5.6Km	Chebarus	3,982,950

2.	Road maintenance of Leting - Chebukaka – Muroki Road, 4Km	Muroki	3,612,000
3.	Road maintenance of AI – Muungano C44 Road, 2Km	Muungano C44	4,030,244
4.	Road maintenance of Makhonge – Maliki Road	Makhonge	2,015,666
5.	Road maintenance of Box Culvert Bridge at Nabiswa – Muyundo	Nabiswa – Muyundo	1,340,165
6.	Road maintenance of St. Paul – Surungai – Hututu Centre Road, 3.7Km	Surungai – Hututu	3,239,400
S/No.	Project Name	Project Location	Amount (Kshs.)
7.	Road maintenance of Amuka – Sarura Road (1), 2.72Km	Amuka – Sarura	2,872,032
8.	Road maintenance of Marinda ECD – Namanjalala Rd (1), 5.14Km	Namanjalala	2,590,828
9.	Road maintenance of Box Culvert Bridge at Iyadi	Iyadi	1,281,100
10.	Counter Part funding for Agricultural Sector Development Support Programme	County wide	3,903,763

Source: Trans Nzoia County Treasury

3.42.9 Budget Performance by Department

Table 3.174 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.174: 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	35.28	0.08	17.21	3.90	48.8	4,974.5	6.5	0.8
Trade, Commerce and Industry	60.44	246.25	5.22	95.27	3.05	-	58.5	-	5.0	-
Water, Environment and Natural Resources	97.52	268.22	9.20	-	9.21	-	100.0	-	9.4	-
Public Works, Transport and Infrastructure	199.94	480.39	15.89	81.75	14.30	24.96	90.0	30.5	7.2	5.2
Health Services and Corporate Health	1,707.57	519.80	249.11	117.27	227.62	-	91.4	-	13.3	-
Lands, Housing and Physical Planning	76.77	349.37	6.45	-	4.60	-	71.3	-	6.0	-
Gender, Youth ,Sports, Culture, Social Services ,Children & Tourism	53.06	151.73	4.28	-	15.79	-	368.8	-	29.8	-
Governance and Public Service Management	573.41	20.45	66.57	-	40.54	-	60.9	-	7.1	-
County Public Service Board	62.85	3.82	7.78	-	10.65	-	136.9	-	16.9	-
Education ,ECDE and Vocational Training	373.03	200.23	50.28	-	23.89	-	47.5	-	6.4	-
Finance and Economic Planning	712.75	464.10	51.68	-	107.85	-	208.7	-	15.1	-
County Assembly	680.84	100	52.84	-	51.07	-	96.7	-	7.5	-
TOTAL	4,861.24	3,284.27	554.58	294.37	525.78	28.87	94.8	9.8	11.4	0.9

Source: Trans Nzoia County Treasury

Analysis of expenditure by department shows that the Department of Public Works, Transport and Infrastructure recorded the highest absorption rate of development budget at 5.2 per cent. The Department of Gender, Youth, Sports, Culture, Social Services, Children and Tourism had the highest percentage of recurrent expenditure to recurrent budget at 29.8 per cent while the Department of Trade, Commerce and Industry had the lowest at 5.0 per cent.

3.42.10 Budget Execution by Programmes and Sub-Programmes

Table 3.175 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.175 : Trans Nzoia 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 and Livestock					
Land Policy and Planning	Development Planning and Land Re-forms	329,851,149	21,808,155	308,042,994	6.6
	Land Information Management	248,649,781	3,903,763	244,746,019	1.6
Crop Development and Management	Crop Development and Management	40,258,730	0	40,258,730	0.0
Irrigation and Drainage Infrastructure	Irrigation and Drainage Infrastruc-ture	2,398,923	0	2,398,923	0.0
Sub total	621,158,583	25,711,918	595,446,665	4.1	
Physical Planning and Housing					
Land Policy and Planning Housing Development and Human Set-tlement Stalled and new Government buildings Urban and Metropolitan Development Sub total Health Services and Corporate Health	Development Planning and Land Re-forms	329,851,149	21,808,155	308,042,994	6.6
	Land Information Management	248,649,781	3,903,763	244,746,019	1.6
	Housing Development and Human Settlement	52,316,056	0	52,316,056	0.0
	Stalled and new Government build-ings	175,896,949	0	175,896,949	0.0
	Urban Mobility and Transport	648,882	0	648,882	0.0
	807,362,817	25,711,918	781,650,899	3.2	
Preventive & Promotive Health Services	Communicable Disease Control	1,707,565,996	227,624,397	1,479,941,600	13.3
Health Research and Development	Capacity Building & Training	519,802,191	256,800	519,545,391	0.0
Sub total	2,227,368,187	227,881,197	1,999,486,991	10.2	
Trade, Commerce and Industry					
General Administration Planning and Support Services	General Administration Planning and Support Services	60,444,644	3,051,032	57,393,612	5.0
Industrial Development and Investments	Industrial Development and Invest-ments	246,248,317	-	246,248,317	0.0
Sub total	306,692,961	3,051,032	303,641,929	1.0	
Education ,ECDE and Vocational Train-ing					
Primary Education	Free Primary Education	373,026,371	23,753,334	349,273,037	6.4
	Special Needs Education	106,300,000	0	106,300,000	0.0
Secondary Education	Secondary Teachers In-Service	84,768,711		84,768,711	0.0
	Special Needs education	7,000,000		7,000,000	0.0
Sub total	571,095,082	23,753,334	547,341,748	4.2	
Water, Environment and Natural Re-sources					
General Administration, Planning and Support Services	General Administration, Planning and Support Services	104,537,772	9,206,825	95,330,947	8.8
	Environment Management and Pro-tection	70,000,000	0	70,000,000	0.0
	Natural Resources Conservation and Management	191,201,401	0	191,201,401	0.0
Sub total	365,739,173	9,206,825	356,532,348	2.5	
Gender, m5 T3225 (N)30					

1. The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.
2. The County should identify and address issues causing delays in the implementation of development projects.
3. The County Treasury should devise and implement strategies to mobilise revenue collection to ensure the budget is fully financed.

3.43 County Government of Turkana

3.43.1 Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.15.03 billion, comprising of Kshs.9.13 billion (60.8 per cent) and Kshs.5.90 billion (39.2 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.10.57 billion (70.3 per cent) being equitable share of revenue raised nationally, Kshs.1.32 billion (8.8 per cent) as total conditional grants, generate Kshs.150 million (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.

3.43.2 Revenue Performance

During the first quarter of FY 2020/21, the County received 906.39 million equitable share of the revenue raised nationally which was a balance from FY 2019/20, raised Kshs.17.58 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.3.01 billion as shown in Table 3.176.

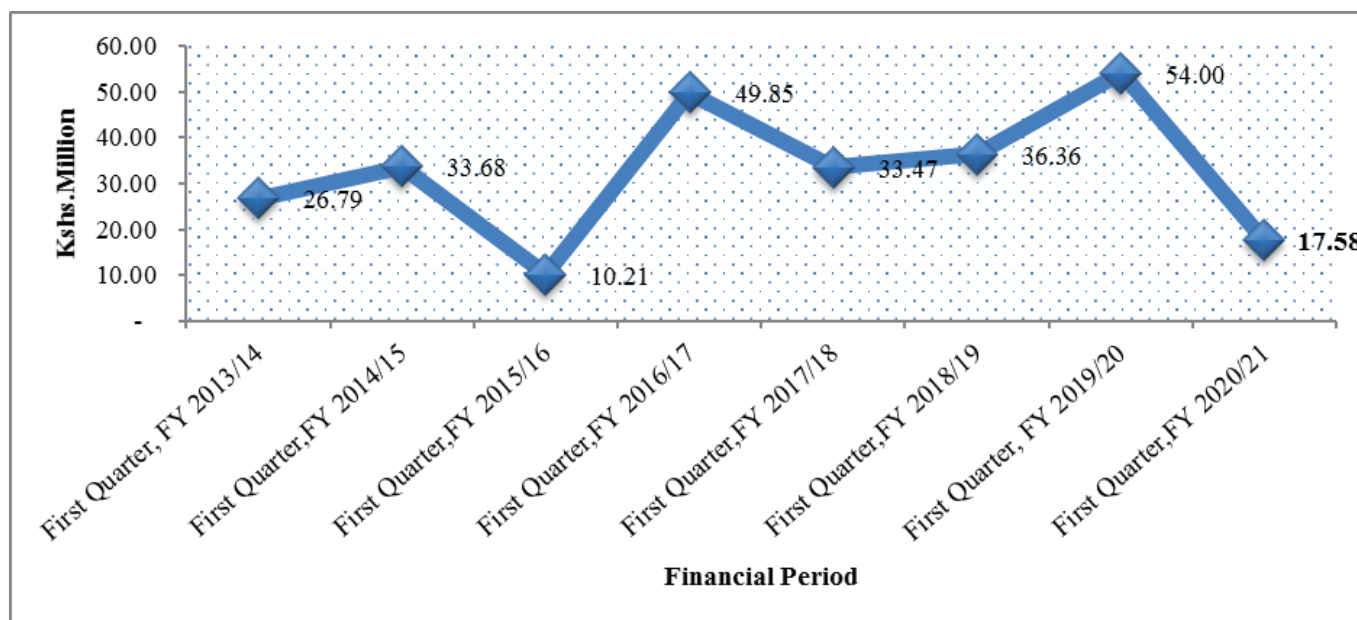
Table 3.176: Turkana County, Revenue Performance in the First Quarter of FY 2020/21

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	10,571,100,000	10,571,100,000	906,392,700	8.6
B.	Conditional Grants from the National Government				
1.	Compensation for User Fee Foregone	25,634,941	25,634,941	-	-
2.	Leasing of Medical Equipment	132,021,277	-	-	-
3.	Road Maintenance Fuel Levy Fund	315,071,072	458,530,704	-	-
4.	Rehabilitation of Village Polytechnics	1,209,894	12,709,894	-	-
	Sub Total	473,937,184	496,875,539	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	300,000,000	300,000,000	-	-
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	216,213,300	216,213,300	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant	29,970,000	41,975,000	-	-
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	18,731,177	18,731,177	-	-
6.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) -Urban Institutional Grants (UIG)	200,000,000	200,000,000	-	-
	Sub Total	809,914,477	821,919,477	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	150,000,000	17,580,098	11.7
2.	Balance b/f from FY 2019/20	-	2,992,862,368	2,992,862,368	100.0
	Sub Total		3,142,862,368	3,010,442,466	95.8
	Grand Total	11,854,951,661	15,032,757,384	3,010,442,466	20.0

Source: Turkana County Treasury

Figure 3-81 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-81: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Turkana County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.17.58 million as own-source revenue. This amount represented a decrease of 68.5 per cent when compared to Kshs.54.0 million realised during the same period in FY 2019/20, and was 11.7 per cent of the annual target.

3.43.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.1.16 billion from the CRF account during the reporting period which was entirely for recurrent programmes.

3.43.4 Overall Expenditure Review

A total of Kshs.1.15 billion was spent on recurrent programmes and represented 99.6 per cent of the total funds released from the CRF account. The entire expenditure was on recurrent activities and represented an absorption rate of 12.6 per cent of the total budget.

3.43.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.02 billion was spent on Compensation to Employees and Kshs.136.3 million on Operations and Maintenance.

Table 3.177: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	9,134,853,541	1,158,473,691	1,158,473,691	12.6
Compensation to Employees	4,948,748,055	1,017,314,740	1,017,314,740	24.4
Operations and Maintenance	4,186,105,486	136,322,000	136,322,000	2.8
Total Development Expenditure	5,897,903,743	-	-	-
Development Expenditure	5,897,903,743	-	-	-
Total	15,032,757,284	1,158,473,691	1,153,636,740	7.7

Source: Turkana County Treasury

3.43.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.1.02 billion and represented 33.8 per cent of the total revenue of Kshs.3.01 billion in the first quarter of the financial year.

3.43.7 Analysis of Operations and Maintenance Expenditure

The entire expenditure on Operations and Maintenance expenditure of Kshs.136.32 million was spent on Non-Pharmaceutical Items & Hospital Supplies.

The County Assembly spent Kshs.5.81 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.40,345 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

3.43.8 Development Expenditure Analysis

The County did not report expenditure on development programmes during the reporting period.

3.43.9 Budget Performance by Department

Table 3.178 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.178: Turkana County, Budget Performance by Department in the First Quarter of FY 2020/21

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	297.09	-	-	-	-	-	-	-	-
Office of the Deputy Governor	25.95	31.11	-	-	-	-	-	-	-	-
County Attorney	138.98		-	-	-	-	-	-	-	-
Finance and Economic Planning	746.71	436.57	136.32		136.32		100		18.3	
Water Services, Environment and Mineral Resources	257.79	597.81	-	-	-	-	-	-	-	-
Health & Sanitation Services	780.01	694.31	-	-	-	-	-	-	-	-
Trade, Gender and Youth Affairs	199.80	241.98	-	-	-	-	-	-	-	-
Education, Sports and Social Protection	546.05	702.62	-	-	-	-	-	-	-	-
Public Service, Administration. & Disaster Mgt	4,513.3	39.15	891.89		891.89		100	-	19.8	-
Infrastructure Transport & Public Works	107.91	616.80	-	-	-	-	-	-	-	-
Agriculture, Pastoral Economy & Fisheries	198.26	1,164.4	-	-	-	-	-	-	-	-
Tourism, Culture and Natural Resources	118.91	204.16	-	-	-	-	-	-	-	-
Lands, Energy, Housing & Urban Areas Mgt.	169.96	489.27	-	-	-	-	-	-	-	-
Turkana County Assembly	875.65	349.34	130.26		130.26		100	-	14.9	-
Turkana County Public Service Board	115.30	2.34	-	-	-	-	-	-	-	-
Lodwar Municipality Board	37.69	30.89	-	-	-	-	-	-	-	-
TOTAL	9,134.85	5,897.9	1,158	-	1,153	-	99.6	-	12.6	-

Source: Turkana County Treasury

Analysis of expenditure by department shows that only the Department of Public Service, Administration. & Disaster Management had the highest percentage of recurrent expenditure to recurrent budget at 19.8 per cent, followed by the Department of Finance and Economic Planning, at 18.3 per cent.

3.43.10 Budget Execution by Programmes and Sub-Programmes

Table 3.179 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.179 : Turkana County, Budget Execution by Programmes and Sub-programmes in

Program Codes	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
		30,655,100	1,376,600	29,278,500	4.5
102014110	Delineation & adjudication of community land	30,655,100	1,376,600	29,278,500	4.5
		44,804,913	-	44,804,913	-
103044110		44,804,913	-	44,804,913	-
		62,415,161	-	62,415,161	-
104024110		14,500,000	-	14,500,000	-
104064110	Transport Parks	22,405,000	-	22,405,000	-
104074110	Urban Centre Mgt	25,510,161	-	25,510,161	-
		4,185,867	100,000	4,085,867	2.4
105014110	Land acquisition for public utilities	4,185,867	100,000	4,085,867	2.4
		98,283,302	420,000	97,863,302	0.4
109014110	Improvement of Moi Garden Stadia	52,783,302	420,000	52,363,302	0.8
109024110	completion of recreational park	37,500,000	-	37,500,000	-
109034110	setting up of dumping site in Lodwar	8,000,000	-	8,000,000	-
		440,697,982	-	440,697,982	-
110044110		158,875,747	-	158,875,747	-
110054110		112,357,235	-	112,357,235	-
110064110		77,000,000	-	77,000,000	-
110074110	Sparte Irrigation Technology	61,350,000	-	61,350,000	-
110084110	Rehabilitation	8,170,000	-	8,170,000	-
110094110	Soil & Water Conservation	22,945,000	-	22,945,000	-
		36,434,905	790,980	35,643,925	2.2
111014110	Fish market infrastructure/ fish value addition	2,778,795	-	2,778,795	-
111024110	Fisheries livelihood support	2,704,680	495,700	2,208,980	18.3
111034110	Fisheries Extension Services	3,121,280	-	3,121,280	-
111044110	Fisheries resource management	7,278,949	190,400	7,088,549	2.6
111054110		13,343,252	104,880	13,238,372	0.8
111064110		4,258,735	-	4,258,735	-
111084110	Fish Farming & Aquaculture	2,949,214	-	2,949,214	-
		75,858,148	664,500	75,193,648	0.9
115014110	Frame survey	65,924,148	633,500	65,290,648	1.0
115024110	Fish Stock assessment	2,880,000	-	2,880,000	-
115034110	Monitoring, Control and Surveillance	4,992,000	-	4,992,000	-
115044110	Resource monitoring facilities	2,062,000	31,000	2,031,000	1.5
		98,663,187	-	98,663,187	-
117014110	Establish livestock Multiplication and breeding Centre.	3,240,000	-	3,240,000	-
117034110	Provision of Livestock Extension services	6,624,000	-	6,624,000	-
117054110	Livestock multiplication and breeding Centre	5,940,000	-	5,940,000	-
117064110	Livestock Risk Mgt	1,440,000	-	1,440,000	-
117074110	Livestock Value Chain	55,339,187	-	55,339,187	-
117084110	Skills Devt	26,080,000	-	26,080,000	-
		599,201,103	4,827,823	594,373,280	0.8
125014110	General Administration	99,779,055	589,500	99,189,555	0.6

Program Codes	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
125024110	General Administration and Support Services- Pastoral Economy and	128,177,406	71,880	128,105,526	0.1
125034110	General Administration, Planning and Support Services – Lands General Administration, Planning and Support Services - Lands	371,244,642	4,166,443	367,078,199	1.1
		50,875,177	162,480	50,712,697	0.3
126044110	Agri-nutrition/Urban & peri-urban agriculture	324,000	-	324,000	-
126064110	Smart agriculture practices (Innovations/ technologies to mitigate	5,000,000	-	5,000,000	-
126084110	Agricultural Sector Development Support Programme (ASDSP)	23,981,177	-	23,981,177	-
126104110	Agricultural Mechanization	9,250,000	-	9,250,000	-
126114110	Agric market Access	720,000	-	720,000	-
126124110	Agric Extension & Devt	1,440,000	-	1,440,000	-
126134110	Subsidy & Support	6,440,000	-	6,440,000	-
126144110	Pest Control & Mgt	3,720,000	162,480	3,557,520	4.4
		17,640,280	-	17,640,280	-
127054110	Land Policies	17,640,280	-	17,640,280	-
		222,213,200	-	222,213,200	-
129014110	NARIGP	222,213,200	-	222,213,200	-
		210,000,000	-	210,000,000	-
130014110	DRNKP/KfW	210,000,000	-	210,000,000	-
		30,000,000	-	30,000,000	-
131014110	Land Devt	30,000,000	-	30,000,000	-
		499,397,989	-	499,397,989	-
201024110	Gravel rural roads	5,000,000	-	5,000,000	-
201044110	Road Designs system and software	2,850,547	-	2,850,547	-
201054110	Annual Roads Inventory and Conditional Survey (ARICS)	3,016,738	-	3,016,738	-
201064110	Roads Safety initiatives	3,500,000	-	3,500,000	-
201074110	Roads maintenance levy fund(RMLF)	458,530,704	-	458,530,704	-
201094110	Roads	26,500,000	-	26,500,000	-
		53,398,455	-	53,398,455	-
203134110	Machinery	3,500,000	-	3,500,000	-
203144110	Machinery	27,898,455	-	27,898,455	-
203154110	Feasibility & Consultancy	14,000,000	-	14,000,000	-
203164110	Capacity Building	5,600,000	-	5,600,000	-
203184110	Professional Capacity Building	2,400,000	-	2,400,000	-
		155,468,861	-	155,468,861	-
205014110	General Administration	128,764,604	-	128,764,604	-
205024110	General Administration- Public works	26,704,257	-	26,704,257	-
		4,100,000	-	4,100,000	-
206014110	Mechanical Services	4,100,000	-	4,100,000	-
		4,900,000	-	4,900,000	-
207014110	Structural Services	4,900,000	-	4,900,000	-
		3,100,000	-	3,100,000	-
208014110	Electrical Services	3,100,000	-	3,100,000	-
		1,700,000	-	1,700,000	-
209014110	Building Inspectorate	1,700,000	-	1,700,000	-
		2,640,000	-	2,640,000	-
210014110	Architectural Services	2,640,000	-	2,640,000	-
		160,627,387	2,714,680	157,912,707	1.7
302014110	Cooperatives Development Fund	9,359,600	209,880	9,149,720	2.2

Program Codes	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
302024110	Value Addition Initiatives	6,512,000	654,500	5,857,500	10.1
302034110	Business Development and Training Services	2,196,000	-	2,196,000	-
302044110	Liquor control Programme	2,268,000	-	2,268,000	-
302054110	Cooperative societies development and revival programmes	6,134,000	928,000	5,206,000	15.1
302064110	Legal Metrology Services	2,934,000	-	2,934,000	-
302074110	Verification of traders equipment	2,214,000	-	2,214,000	-
302084110	Consumer rights education	1,134,000	-	1,134,000	-
302104110	Standards and Anti-Counterfeit Services	756,000	-	756,000	-
302114110	Market Infrastructure Development	17,000,000	-	17,000,000	-
302124110	Industrial Development and Investments	6,057,000	-	6,057,000	-
302134110	Biashara Fund	20,325,320	-	20,325,320	-
302144110	Completion of Biashara Centre	70,000,000	-	70,000,000	-
302154110	North Rift Economic & FCDC Blocs	6,237,467	922,300	5,315,167	14.8
302164110	Standardization and Metrology	3,000,000	-	3,000,000	-
302174110	Mgt of Kakuma Biashara Centre	4,500,000	-	4,500,000	-
		54,679,975	1,875,600	52,804,375	3.4
303014110	Construction & Development of Modern Physical Market	7,701,510	-	7,701,510	-
303024110	Co-operative Marketing, Value Addition, Surveys & Research	6,866,400	-	6,866,400	-
303034110	Co-operative Education, Training, Exchange and Ushirika Day Celebration	7,151,420	1,875,600	5,275,820	26.2
303044110	Strengthening of Key Dormant Co-operative Societies	7,623,000	-	7,623,000	-
303054110	Formulation of Cooperative Policy and Legal Frame Work	4,408,400	-	4,408,400	-
303064110	Cooperative Development Fund	20,929,245	-	20,929,245	-
		130,026,817	2,612,436	127,414,381	2.0
307014110	General Administration	130,026,817	2,612,436	127,414,381	2.0
		21,331,000	1,756,800	19,574,200	8.2
308014110	Gender Empowerment and advocacy	9,966,000	1,756,800	8,209,200	17.6
308024110	Gender Mainstreaming and Coordination	4,187,000	-	4,187,000	-
308034110	Legal Compliance and Redress	3,098,000	-	3,098,000	-
308044110	Promotion of Gender Equality and Empowerment	4,080,000	-	4,080,000	-
		75,120,000	-	75,120,000	-
309014110	Youth Coordination and Representation	17,860,000	-	17,860,000	-
309024110	Youth Employment Scheme	20,420,000	-	20,420,000	-
309034110	Youth Rare skills	14,840,000	-	14,840,000	-
309044110	Youth and Women Fund	22,000,000	-	22,000,000	-
		748,622,804	42,340,442	706,282,362	5.7
401014110	General Administration, Planning and support services	464,607,836	42,340,442	422,267,394	9.1
401074110	Health Facilities	284,014,968	-	284,014,968	-
		332,280,000	7,261,400	325,018,600	2.2
402114110	Health promotion	300,000,000	-	300,000,000	-
402134110	Emergency preparedness & disaster response	30,480,000	7,261,400	23,218,600	23.8
402164110	mainstreaming	1,800,000	-	1,800,000	-
		95,920,000	952,720	94,967,280	1.0
410024110	Blood Transfusion Services	1,800,000	-	1,800,000	-
410044110	Referrals & Emergency Services	3,600,000	-	3,600,000	-
410094110	Rural Health Facility Support	45,000,000	-	45,000,000	-
410104110	Sub county Health Facilities Support	45,520,000	952,720	44,567,280	2.1
		16,200,000	-	16,200,000	-

Program Codes	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
411014110		7,200,000	-	7,200,000	-
411024110	LCRH Devt	9,000,000	-	9,000,000	-
		244,440,000	-	244,440,000	-
412014110	Medical Supplies	243,000,000	-	243,000,000	-
412024110	Health mgt	1,440,000	-	1,440,000	-
		31,410,000	-	31,410,000	-
413014110	Health Information & Mgt	1,440,000	-	1,440,000	-
413034110	Universal Health Care	29,970,000	-	29,970,000	-
		5,458,000	-	5,458,000	-
414014110	Rehabilitation & Treatment	4,000,000	-	4,000,000	-
414034110	Liquor Licensing	1,458,000	-	1,458,000	-
		60,402,535	303,100	60,099,435	0.5
503024110	Construction of PWDs multi-purpose resource centre	22,900,000	118,500	22,781,500	0.5
503074110	Marginalized and Minority groups support	3,160,000	-	3,160,000	-
503084110	Child Rescue Centres	12,000,000	-	12,000,000	-
503094110	Child Care & Protection	22,342,535	184,600	22,157,935	0.8
		20,281,224	-	20,281,224	-
504014110	Construction of sport Stadia	14,282,668	-	14,282,668	-
504044110	Stadia	5,998,556	-	5,998,556	-
		691,720,440	2,243,680	689,476,760	0.3
506014110	General Administration	362,720,440	2,243,680	360,476,760	0.6
506024110	Turkana Education and Skill Development Fund	279,000,000	-	279,000,000	-
506044110	Turkana Higher Education Loans	50,000,000	-	50,000,000	-
		43,376,413	-	43,376,413	-
508014110	Youth Polytechnic Infrastructure	17,903,732	-	17,903,732	-
508024110	Training and Development	9,467,999	-	9,467,999	-
508034110	Co-Curricular Activities	3,294,788	-	3,294,788	-
508044110	Youth Polytechnics- Conditional	12,709,894	-	12,709,894	-
		3,528,000	-	3,528,000	-
509014110	Publicity	1,620,000	-	1,620,000	-
509024110	Research and Sensitization	1,908,000	-	1,908,000	-
		429,362,417	840,000	428,522,417	0.2
510014110	School Feeding	116,620,000	840,000	115,780,000	0.7
510024110	Quality Improvement	7,008,595	-	7,008,595	-
510034110	Infrastructure Development	297,803,822	-	297,803,822	-
510044110	Support to Pre-Primary Training	7,930,000	-	7,930,000	-
		5,593,874,421	923,242,128	4,670,632,293	16.5
701014110	General Administration Services	370,245,357	4,157,332	366,088,025	1.1
701044110	Infrastructure Development Support Services	208,807,608	-	208,807,608	-
701064110	Office of the Speaker	15,614,807	-	15,614,807	-
701074110	County Assembly service Board	8,700,000	-	8,700,000	-
701094110	General Administration - Economic planning	118,444,157	1,008,000	117,436,157	0.9
701154110	General Admin Planning & Support	46,539,350	1,589,932	44,949,418	3.4
701164110	General Administration, Planning and Support Services-Public Services	4,083,338,567	894,127,757	3,189,210,810	21.9
701174110	General Administration, Planning and Support Services	108,543,628	1,572,000	106,971,628	1.4
701194110	General Administration, Planning and Support Services- Office of	349,622,773	19,136,471	330,486,302	5.5
701204110	General Administration, Planning and Support Services- Liaison O	20,340,000	-	20,340,000	-

Program Codes	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
701214110	General Admin Planning & Support	26,994,000	1,650,636	25,343,364	6.1
701224110	Covid-19 Emergency Response Fund	236,684,174	-	236,684,174	-
		11,781,879	186,070	11,595,809	1.6
702014110	Construction of Governor's residence	2,268,591	81,070	2,187,521	3.6
702024110	Documentation, communication policy and strategy	3,024,789	105,000	2,919,789	3.5
702034110	Civic Education and Public Sensitization	4,663,182	-	4,663,182	-
702044110	Production of County Newspaper and Newsletter	1,825,317	-	1,825,317	-
		14,400,000	-	14,400,000	-
703014110	Public-Private Partnership Initiatives (PPPs)	1,440,000	-	1,440,000	-
703024110	Political and Intergovernmental Advisory Services	1,440,000	-	1,440,000	-
703034110	Legal Advisory Services	1,440,000	-	1,440,000	-
703044110	Security and cross border Advisory Services	1,440,000	-	1,440,000	-
703054110	Oil And Gas Advisory Service	1,440,000	-	1,440,000	-
703064110	Gender and Partnership Advisory Services	1,440,000	-	1,440,000	-
703074110	Special Interest groups	1,440,000	-	1,440,000	-
703084110	Climate Change advisory services	1,440,000	-	1,440,000	-
703094110	Education and youth Advisory services	1,440,000	-	1,440,000	-
703104110	Culture, Arts and Heritage advisory services	1,440,000	-	1,440,000	-
		105,975,274	7,404,230	98,571,044	7.0
704014110	Community Cohesion and Resettlement	10,288,800	3,340,260	6,948,540	32.5
704024110	Operationalization of peace building structures and institutions	24,660,986	4,063,970	20,597,016	16.5
704034110	Resettlement Infrastructural Programme	44,000,000	-	44,000,000	-
704044110	Cross Border peace dividends programme	27,025,488	-	27,025,488	-
		22,442,394	4,881,723	17,560,671	21.8
705014110	Acquiring & development of communication systems/equipment	2,935,394	-	2,935,394	-
705024110	Bills	3,000,000	-	3,000,000	-
705034110	Policies	12,370,240	4,881,723	7,488,517	39.5
705044110	Development and Implementation of ICT Policy and Regulations	2,136,760	-	2,136,760	-
705054110	Acquisition of Information Systems and Equipment	2,000,000	-	2,000,000	-
		31,345,724	1,030,910	30,314,814	3.3
706014110	Automated Revenue Collection	4,404,393	-	4,404,393	-
706024110	Feasibility Study on Revenue Base	2,192,833	-	2,192,833	-
706034110	Awareness and Campaigns on Revenue.	3,249,094	-	3,249,094	-
706044110	Motorbikes for Revenue Officers 30 No.	5,615,105	-	5,615,105	-
706054110	Strengthening Revenue Systems	14,775,499	1,030,910	13,744,589	7.0
706064110	Revenue Forecast and Revenue Budget Preparation	1,108,800	-	1,108,800	-
		133,457,961	1,895,700	131,562,261	1.4
707014110	Internal Audit	6,455,340	-	6,455,340	-
707024110	Procurement systems	6,117,694	-	6,117,694	-
707044110	IFMIS training	6,993,681	651,000	6,342,681	9.3
707054110	Consultancy Services	4,896,808	-	4,896,808	-
707064110	Financial Reporting/Research and Development	8,994,438	1,244,700	7,749,738	13.8
707074110	Modern Fencing, Gate and Parking Yards for County Treasury Office	100,000,000	-	100,000,000	-
		15,679,182	587,050	15,092,132	3.7
708014110	Assurance and Insurance of Govt. Assets	3,061,182	163,200	2,897,982	5.3

Program Codes	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
708024110	Liability and Debt Management	3,978,000	-	3,978,000	-
708034110	Turkana SACCO Seed Capital	8,640,000	423,850	8,216,150	4.9
		129,603,680	1,174,670	128,429,010	0.9
709014110	Economic Policy formulation and Dissemination	11,564,183	1,174,670	10,389,513	10.2
709024110	CIDP review and Dissemination	3,644,246	-	3,644,246	-
709034110	Budget preparation and Dissemination	45,000,000	-	45,000,000	-
709054110	County Budget and Economic Forums	54,000,000	-	54,000,000	-
709064110	Public Participation and Access to Information	8,196,591	-	8,196,591	-
709074110	Waste Management	3,569,500	-	3,569,500	-
709104110	Sector Plans Devt	3,629,160	-	3,629,160	-
		4,638,340	-	4,638,340	-
710014110	Donor scan/Mapping	1,775,487	-	1,775,487	-
710024110	Establishment of development committees	1,141,022	-	1,141,022	-
710034110	Training of the development committees	854,110	-	854,110	-
710044110	Formulation and Development of TCPSB Boardroom ICT Infrastructure	867,721	-	867,721	-
		8,503,582	-	8,503,582	-
711014110	Soft wares(E-ProMIS, GIS e.t.c)	2,123,067	-	2,123,067	-
711024110	Field visits, data collection and Reporting	2,402,600	-	2,402,600	-
711034110	Training and Knowledge management	2,442,063	-	2,442,063	-
711044110	Devolved Monitoring and Evaluation Committees	1,535,852	-	1,535,852	-
		36,336,526	4,739,930	31,596,596	13.0
712014110	Construction of Citizen Resource Centre	5,600,000	-	5,600,000	-
712024110	Website Development	10,655,443	3,570,640	7,084,803	33.5
712034110	Social Budgeting and Generation of SIR Reports	3,024,000	-	3,024,000	-
712044110	Intergovernmental Relation	14,870,366	1,169,290	13,701,076	7.9
712054110	Strategy Development, Review, Support and Operationalization	2,186,717	-	2,186,717	-
		37,154,747	2,235,090	34,919,657	6.0
713014110	Soft wares, databases and tools	24,521,794	2,235,090	22,286,704	9.1
713024110	Capacity Development	6,710,953	-	6,710,953	-
713044110	Project Mgt Information System	5,922,000	-	5,922,000	-
		11,662,651	1,522,080	10,140,571	13.1
714014110	Service Charter	2,232,000	-	2,232,000	-
714024110	Development of County Filing Systems	6,653,958	1,522,080	5,131,878	22.9
714034110	Procedure Manual and Training	2,776,693	-	2,776,693	-
		36,897,246	-	36,897,246	-
715014110	County Internship Programme	36,897,246	-	36,897,246	-
		88,659,324	-	88,659,324	-
717014110	Operationalization of Decentralized Units	10,890,000	-	10,890,000	-
717024110	Decentralized County Policy	33,912,000	-	33,912,000	-
717034110	Coordinated development	13,320,000	-	13,320,000	-
717044110	Policy sensitization and dissemination	8,190,000	-	8,190,000	-
717084110	Completion of Kibish Sub County Office	22,347,324	-	22,347,324	-
		5,772,328	-	5,772,328	-
718014110	Mainstream Public Sector Integrity programme & Accountability	1,358,825	-	1,358,825	-
718024110	Public Evaluation on County Public Service Board Performance	1,563,640	-	1,563,640	-
718034110	Human Resource Conference & Symposium	1,424,709	-	1,424,709	-
718044110	Exit Meetings Per Department	1,425,154	-	1,425,154	-

Program Codes	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
		2,959,577	-	2,959,577	-
719034110	Assessment and stake holder capacity mapping	1,420,059	-	1,420,059	-
719044110	Regular Assessments of Food, Flood and Conflict Security	1,539,518	-	1,539,518	-
		12,914,068	-	12,914,068	-
720014110	Scheme of service	1,397,226	-	1,397,226	-
720024110	Performance Appraisal	3,072,467	-	3,072,467	-
720034110	Enhancing Leadership In County Public Service	1,285,407	-	1,285,407	-
720044110	Review and Development of HR Policies	1,563,171	-	1,563,171	-
720054110	Human Resource Development/Career Progression	1,351,206	-	1,351,206	-
720064110	Performance Management Monitoring	870,096	-	870,096	-
720074110	Development of Database Filing System	1,146,421	-	1,146,421	-
720084110	County Public Service Pre-Retirement Sensitization	1,158,775	-	1,158,775	-
720094110	Evaluation of Different Cadres of Employees (Promotion-Designation	1,069,299	-	1,069,299	-
		7,900,000	-	7,900,000	-
721014110	Construction of New Assembly Building	7,900,000	-	7,900,000	-
		35,500,000	-	35,500,000	-
722014110	Construction of Speaker's Residence	35,000,000	-	35,000,000	-
722024110	Purchase of land for construction of speaker's residence	500,000	-	500,000	-
		3,278,395	-	3,278,395	-
723014110	Quality Management Systems Development & Establishment	910,999	-	910,999	-
723024110	QMS Audit /Routine Inspection	1,062,281	-	1,062,281	-
723034110	Documentation/Record Management For QMS	1,305,115	-	1,305,115	-
		89,207,651	1,896,300	87,311,351	2.1
724014110	Budget Formulation, Co-ordination and Management	60,100,000	1,896,300	58,203,700	3.2
724024110	Public Participation in Budgeting	17,100,000	-	17,100,000	-
724034110	County Budget and Economic Forum	12,007,651	-	12,007,651	-
		6,188,053	-	6,188,053	-
725014110	Resource Mobilization	6,188,053	-	6,188,053	-
		948,469,292	128,182,513	820,286,780	13.5
726014110	Finance and Shared Services	941,669,292	128,182,513	813,486,780	13.6
726024110	Hansard Research and information services	6,800,000	-	6,800,000	-
		6,859,281	-	6,859,281	-
727014110	Governors Press support	6,859,281	-	6,859,281	-
		12,150,000	-	12,150,000	-
728014110	Civic education Programme	1,440,000	-	1,440,000	-
728024110	Public Participation and access to information	2,970,000	-	2,970,000	-
728034110	County Dialogue Forum	1,440,000	-	1,440,000	-
728044110	National & County Holidays	5,130,000	-	5,130,000	-
728054110	Policies Design	1,170,000	-	1,170,000	-
		279,489,180	2,713,622	276,775,558	1.0
729014110	Disaster Preparedness Programmes	2,160,000	-	2,160,000	-
729024110	Disaster Mitigation Programmes	2,160,000	-	2,160,000	-
729034110	Stakeholders coordination and Support Programme	2,160,000	-	2,160,000	-
729044110	Humanitarian Relief Food Programme	272,289,180	2,713,622	269,575,558	1.0
729064110	Disaster Risk Management	720,000	-	720,000	-

Program Codes	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
		10,620,000	-	10,620,000	-
730054110	Dispute Resolution	720,000	-	720,000	-
730074110	Capacity Building	3,600,000	-	3,600,000	-
730084110	Inspectorate Services	2,880,000	-	2,880,000	-
730094110	Inspectorate Services Equip	3,420,000	-	3,420,000	-
		20,862,000	-	20,862,000	-
731014110	Payroll and record management	1,440,000	-	1,440,000	-
731024110	Human Resource Development	4,410,000	-	4,410,000	-
731034110	GHRIS Leave & Performance Module Implementation	2,160,000	-	2,160,000	-
731044110	Digitization and Automation of Human Resource Registry	3,960,000	-	3,960,000	-
731054110	Mainstreaming Public Sector Integrity Programme	3,600,000	-	3,600,000	-
731074110	Public Service Week	1,692,000	-	1,692,000	-
731094110	Records Management	1,440,000	-	1,440,000	-
731104110	Humana Resource Management	2,160,000	-	2,160,000	-
		10,524,741	1,618,100	8,906,641	15.4
735014110	Govt Programming	4,720,557	1,246,800	3,473,757	26.4
735024110	Community Engagement	1,800,000	150,000	1,650,000	8.3
735034110	Govt Stakeholder Engagement	1,944,000	-	1,944,000	-
735044110	Govt Transformation	2,060,184	221,300	1,838,884	10.7
		80,319,842	2,336,789	77,983,053	2.9
901014110	General Administration, Planning and Support Services	80,319,842	2,336,789	77,983,053	2.9
		13,083,772	592,890	12,490,882	4.5
902014110	Tourism expos, incentives, conferences and exhibition program	4,724,203	274,050	4,450,153	5.8
902024110	Community Based Tourism products	1,953,284	273,840	1,679,444	14.0
902054110	Media Campaign and Promotion of Tourism Products and Programmes	6,406,285	45,000	6,361,285	0.7
		58,509,221	-	58,509,221	-
903014110	Completion and Furnishing of Eco-Lodges	52,035,000	-	52,035,000	-
903024110	Phase II of Renovation of Tourism Infrastructure	4,184,000	-	4,184,000	-
903034110	Tourism Products	2,290,221	-	2,290,221	-
		133,321,943	112,200	133,209,743	0.1
904014110	Ushanga Initiative	20,100,000	-	20,100,000	-
904024110	Culture Promotion and Preservation	83,186,000	112,200	83,073,800	0.1
904034110	Arts and Creativity Development	1,872,000	-	1,872,000	-
904044110	Heritage Promotion	3,863,943	-	3,863,943	-
904054110	Annual tourism and cultural festival	24,300,000	-	24,300,000	-
		10,400,000	-	10,400,000	-
905014110	Equipment and Infrastructure Development at Ekalees Centre	10,400,000	-	10,400,000	-
		27,442,352	171,600	27,270,752	0.6
906014110	Forestry Management and Conservation	3,773,952	171,600	3,602,352	4.5
906024110	Community Wildlife Conservation	3,956,400	-	3,956,400	-
906054110	Forestry Development Infrastructure	15,032,000	-	15,032,000	-
906084110	Forestry Protection	2,250,000	-	2,250,000	-
906094110	Prosopis Management	2,430,000	-	2,430,000	-
		339,205,368	651,500	338,553,868	0.2
1001014110	General Administration, Planning and support services	45,000,000	-	45,000,000	-
1001024110	Construction and Desilting of Water Pans/ Rock Catchment	45,605,050	-	45,605,050	-
1001034110	Rehabilitation of Water Infrastructure	112,644,212	651,500	111,992,712	0.6

Program Codes	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
1001044110	Drilling and Equipping of Boreholes	118,409,736	-	118,409,736	-
1001084110	Equipment of Quality Analysis Laboratory	13,000,000	-	13,000,000	-
1001094110	Project Coordination and Management	4,546,370	-	4,546,370	-
		3,600,000	-	3,600,000	-
1002014110	Technical planning and design	3,600,000	-	3,600,000	-
		12,940,000	-	12,940,000	-
1003014110	Feasibility studies for irrigation systems development	10,440,000	-	10,440,000	-
1003024110	Construction of 2 new irrigation schemes	2,500,000	-	2,500,000	-
		20,708,000	-	20,708,000	-
1004014110	Farmers training	5,850,000	-	5,850,000	-
1004024110	Establishment of farm demonstrations and trials	3,168,000	-	3,168,000	-
1004034110	Organizing field days show and exhibitions	8,000,000	-	8,000,000	-
1004124110	Climate Change & Adaptation	3,690,000	-	3,690,000	-
		17,800,007	200,000	17,600,007	1.1
1005014110	Construction of trapezoidal bunds, contours & micro catchment	2,718,000	-	2,718,000	-
1005024110	Construction of rock catchments and sand dams	1,728,000	-	1,728,000	-
1005034110	Sinking of shallow wells	7,056,007	200,000	6,856,007	2.8
1005064110	Artisanal Mining Equipment	2,500,000	-	2,500,000	-
1005074110	Extractive Bills & Policies	3,798,000	-	3,798,000	-
		449,824,189	1,564,802	448,259,387	0.3
1012014110	General Administration and Support	449,824,189	1,564,802	448,259,387	0.3
		11,520,000	-	11,520,000	-
1013014110	Oil & gas	7,740,000	-	7,740,000	-
1013024110	Extractive Regulations & Strategies	3,780,000	-	3,780,000	-
Total		14,825,202,833	1,160,183,138	13,665,019,695	7.8

Source: Turkana County Treasury

The programs with the highest absorption rates were: Website Development at 33.5 per cent, Community Cohesion and Resettlement 32.5 per cent, Co-operative Education, Training, Exchange and Ushirika Day Celebration at 26.2 per cent and Emergency preparedness & disaster response at 23.8 per cent of annual allocation.

3.43.11 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. Under performance in own source revenue collection at Kshs.17.58 million which represented 11.7 per cent of the County's annual target of Kshs.150 million.
3. Failure to implement the development budget during the period under review despite carrying forward a cash balance of Kshs.2.99 billion from FY 2019/20.
4. Discrepancy between the report on budget execution by programmes and sub programmes which indicates approved budget as Kshs.14.83 billion compared to Kshs.15.03 billion captured in the County's financial reports and approved budget.

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

1. The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.
2. The County Treasury should develop and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.

3. The County should identify and address issues causing delays in the implementation of development projects.
4. The County Treasury should regularly reconcile the budget documents with the IFMIS generated reports to ensure budget implementation reports are credible.

3.44 County Government of Uasin Gishu

3.44.1 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 (46.5 per cent) and Kshs.5.45 billion (53.5 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.6.05 billion (51.6 per cent) being 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 the cash balance of Kshs.3.27 billion (27.9 per cent) from FY 2019/20.

3.44.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.544.38 million as equitable share of the revenue raised nationally which was a balance from FY 2019/20, Kshs.46.40 million as total Conditional Grants, raised Kshs.136.02 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.3.99 billion as shown in Table 3.180.

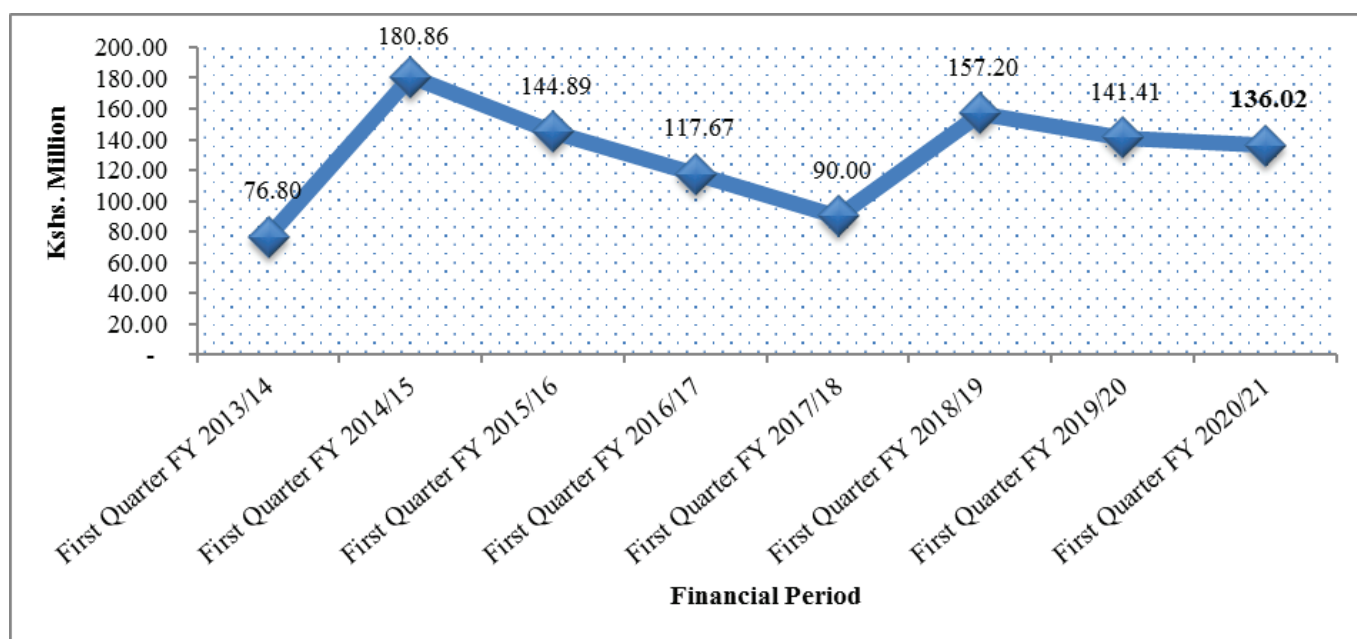
Table 3.180: Uasin Gishu County, Revenue Performance in the First Quarter of FY 2020/21

S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	6,330,000,000	6,045,150,000	544,380,000	9.0
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	-	-
4.	Rehabilitation of Village Polytechnics	40,129,894	40,129,894	-	-
	Sub Total	373,139,609	241,118,332	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	114,973,599	114,973,599	-	-
2.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
3.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	-	630,147,800	-	-
4.	DANIDA Grant	18,000,000	18,000,000	-	-
5.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	12,720,859	12,720,859	-	-
6.	COVID 19 Grant	-	46,395,000	46,395,000	100.0
	Sub Total	504,253,916	1,180,796,716	46,395,000	3.93
D	Other Sources of Revenue				
1.	Own Source Revenue	-	991,000,000	136,018,160	13.7
2.	Balance b/f from FY 2019/20	-	3,269,022,050	3,269,022,050	100.0
	Sub Total	-	4,260,022,050	3,405,040,210	79.8
	Grand Total	7,207,393,525	11,727,087,098	3,991,815,210	34.1

Source: Uasin Gishu County Treasury

Figure 3-82 shows the trend in own-source revenue collection from the first quarter of FY 2013/14 to the first quarter of FY 2020/21.

Figure 3-82: Trend in Own-Source Revenue Collection from the First Quarter of FY 2013/14 to the First Quarter of FY 2020/21



Source: Uasin Gishu County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.136.02 million as own-source revenue. This amount represented a decrease of 4 per cent when compared to Kshs.141.41 million realised during the same period in FY 2019/20, and was 13.7 per cent of the annual target. The decrease was attributed to reduced collection of own source revenue as a result of COVID-19 pandemic.

3.44.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.1.28 billion from the CRF account during the reporting period which was entirely for recurrent programmes.

3.44.4 Overall Expenditure Review

A total of Kshs.1.27 billion was spent on recurrent programmes and represented 99.2 per cent of the total funds released from the CRF account which was on recurrent activities respectively. Expenditure on Recurrent programmes represented an absorption rate of 23.3 per cent.

3.44.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.17 billion was spent on Compensation to Employees and Kshs.94.37 million on Operations and Maintenance.

Table 3.181: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	5,452,717,885	1,282,000,037	1,266,892,023	23.2
Compensation to Employees	3,771,850,852	1,172,683,140	1,172,523,140	31.1
Operations and Maintenance	1,680,867,033	109,316,897	94,368,883	5.6
Total Development Expenditure	6,274,369,213	-	-	-
Development Expenditure	6,274,369,213	-	-	-
Total	11,727,087,098	1,282,000,037	1,266,892,023	10.8

Source: Uasin Gishu County Treasury

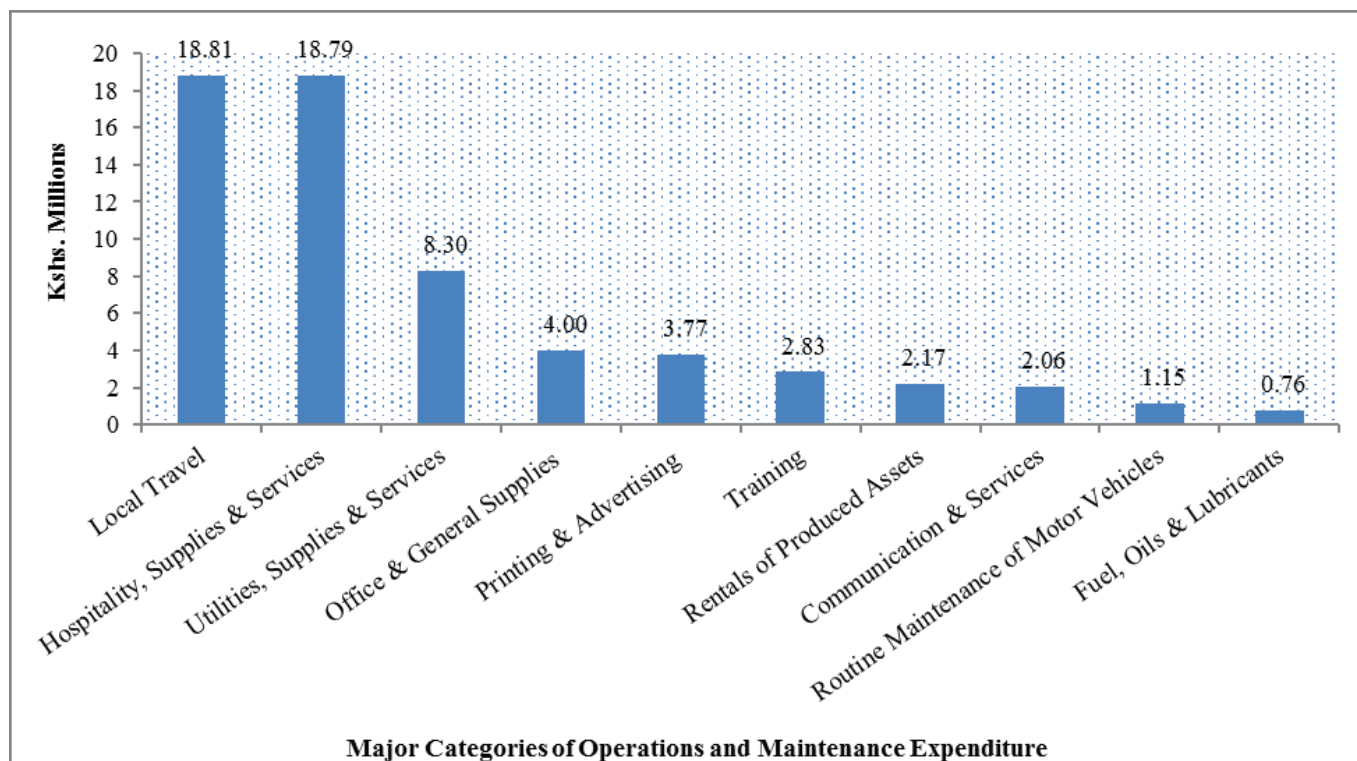
3.44.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.1.17 billion and represented 29.4 per cent of the total revenue of Kshs.3.99 billion in the first quarter of the financial year.

3.44.7 Analysis of Operations and Maintenance Expenditure

Figure 3-83 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-83: Uasin Gishu County, Operations and Maintenance Expenditure by Major Categories



Source: Uasin Gishu County Treasury

The County spent Kshs.10.67 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.74,115 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.18.81 million and comprised of Kshs.3.73 million spent by the County Assembly and Kshs.15.09 million by the County Executive. Expenditure on foreign travel amounted to Kshs.1.78 million and comprised of Kshs.0.57 million spent by the County Assembly and Kshs.1.21 million by the County Executive.

3.44.8 Development Expenditure Analysis

The County did not report expenditure on development activities during the period under review.

3.44.9 Budget Performance by Department

Table 3.182 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.182: Uasin Gishu 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	0	21.63	0	24.51	-	113.3	-	29.5	-
Finance	404.61	0	71.68	0	39.28	-	54.8	-	9.7	-
Public Service Management	546.3	11.83	187.23	-	165.55	-	88.4	-	30.3	-
ICT & E-Government	41.85	38.31	10.90	-	0.36	-	3.3	-	0.9	-
Roads, Transport, Energy & Public Works	408.09	935.23	90.42	-	84.39	-	93.3	-	20.7	-
Lands and Housing	76.37	690.22	23.55	-	16.78	-	71.3	-	22.0	-
Water, Environment, Natural Resources, Tourism and Wildlife	118.2	599.69	41.49	-	1.19	-	2.9	-	1.0	-
Health Services	2,236.59	900.48	445	-	656.76	-	147.6	-	29.4	-
Agriculture	234.16	528.94	80.96	-	0.8	-	1.0	-	0.3	-
Trade, Investment and Industrialization	13.01	218.99	1.24	-	0.4	-	32.3	-	3.1	-
Education, Culture and Social Services	406.5	147.63	129.17	-	107.39	-	83.1	-	26.4	-
County Public Service Board	45.61	-	12.98	-	17.62	-	135.7	-	38.6	-
County Assembly	686.01	120	137.56	-	132.89	-	96.6	-	19.4	-
Economic Planning	68.61	-	16.61	-	13.4	-	80.7	-	19.5	-
Devolution and Public Administration	38.05	98.36	5.75	-	1.02	-	17.7	-	2.7	-
Youth Affairs, Gender and Sports Development	16.02	197.17	4.02	-	1.31	-	32.6	-	8.2	-
Cooperatives and Enterprise Development	4.15	32.39	0.58	-	0.69	-	119.0	-	16.6	-
Livestock Development and Fisheries	4.37	155.72	0.36	-	0.44	-	122.2	-	10.1	-
Physical Planning and Urban Development	4.65	50.58	0.38	-	0.39	-	102.6	-	8.4	-
Eldoret Municipality	16.52	1,548.85	0.48	-	1.72	-	358.3	-	10.4	-
Total	5,452.72	6,274.37	1,282	-	1,266.89	-	98.8	-	23.2	-

Source: Uasin Gishu County Treasury

Analysis of expenditure by department shows that the department of the County Public Service Board had the highest percentage of recurrent expenditure to recurrent budget at 38.6 per cent while the Department of Agriculture had the lowest at 0.3 per cent.

3.44.10 Budget Execution by Programmes and Sub-Programmes

Table 3.183 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.183 : Uasin Gishu County, Budget Execution by Programmes and Sub-programmes in FY 2020/21

Programme	Sub- Programme	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
Default Value (Non- Departmental)		-	16,340,689	(16,340,689)	-
		-	16,340,689	(16,340,689)	-
Administration - Governor's Office	Administration and Support Services	73,953,462	22,739,530	51,213,932	30.7
		73,953,462	22,739,530	51,213,932	30.7
Inter-Governmental Committee	Administration and Support Services	1,543,128	-	1,543,128	-
		1,543,128	-	1,543,128	-
	Administration and Support Services	7,550,000	1,773,841	5,776,159	23.5
		7,550,000	1,773,841	5,776,159	23.5
Administration - Finance and Economic Planning	Public Finance Management	370,484,906	31,054,308	339,430,598	8.4
		370,484,906	31,054,308	339,430,598	8.4
Revenue Section	Public Finance Management	22,840,000	4,425,680	18,414,320	19.4
		22,840,000	4,425,680	18,414,320	19.4
Accounts Section	Public Finance Management	1,884,862	709,490	1,175,372	37.6
		1,884,862	709,490	1,175,372	37.6
Procurement and Supplies Section	Public Finance Management	2,250,000	470,200	1,779,800	20.9
		2,250,000	470,200	1,779,800	20.9
Internal Audit Section	Public Finance Management	7,150,000	2,622,700	4,527,300	36.7
		7,150,000	2,622,700	4,527,300	36.7
Administration- Public Service Management	County Governance Support Services	11,830,079	-	11,830,079	-
	Administration And Support Services	532,108,561	164,802,966	367,305,595	31.0
		543,938,640	164,802,966	379,135,674	30.3
Communication Section	Administration And Support Services	1,380,000	190,000	1,190,000	13.8
		1,380,000	190,000	1,190,000	13.8
Legal Section	Administration And Support Services	11,743,860	395,655	11,348,205	3.4
		11,743,860	395,655	11,348,205	3.4
Registry Section	Administration And Support Services	320,000	-	320,000	-
		320,000	-	320,000	-
Human Resource Section	Administration And Support Services	750,000	158,600	591,400	21.1
		750,000	158,600	591,400	21.1
Administration- ICT and E-Government	Administrative Support Services	48,088,768	361,000	47,727,768	0.8
	Ict Infrastructure Development	32,068,723	-	32,068,723	-
		80,157,491	361,000	79,796,491	0.5
Administration - Roads, Transport and Infrastructure	Roads Infrastructure Development	224,553,901	75,000,000	149,553,901	33.4
		224,553,901	75,000,000	149,553,901	33.4
Roads Department	Roads Infrastructure Development	1,022,672,757	9,362,049	1,013,310,708	0.9
		1,022,672,757	9,362,049	1,013,310,708	0.9
Fire and Emergency Respond Department	Disaster Management	3,795,011	-	3,795,011	-
	Roads Infrastructure Development	50,000	25,000	25,000	50.0
		3,845,011	25,000	3,820,011	0.7
Public Works Department	Roads Infrastructure Development	1,050,000	-	1,050,000	-
		1,050,000	-	1,050,000	-
Transport Department	Disaster Management	5,714,000	-	5,714,000	-
		5,714,000	-	5,714,000	-
	Street Lighting Services	85,487,430	-	85,487,430	-
		85,487,430	-	85,487,430	-
Administration- Lands, Housing and Physical Planning	Land Policy And Management	134,693,395	16,773,720	117,919,675	12.5
		134,693,395	16,773,720	117,919,675	12.5

Programme	Sub- Programme	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
Physical Planning Section	Land Policy And Management	16,410,725	3,200	16,407,525	0.0
		16,410,725	3,200	16,407,525	0.0
Survey Section	Land Policy And Management	14,342,039	-	14,342,039	-
		14,342,039	-	14,342,039	-
Housing Section	Land Policy And Management	601,140,095	-	601,140,095	-
		601,140,095	-	601,140,095	-
Administration- Water, Environment, Energy and Natural resources	Water Supply Services	118,201,759	1,194,047	117,007,712	1.0
		118,201,759	1,194,047	117,007,712	1.0
Environment Section		160,790,000	-	160,790,000	-
		160,790,000	-	160,790,000	-
Water Section	Water Supply Services	425,307,241	-	425,307,241	-
		425,307,241	-	425,307,241	-
Energy Section	Tourism Development And Marketing	13,591,390	-	13,591,390	-
		13,591,390	-	13,591,390	-
Administration- Health Services	Administration And Support Services	2,394,083,995	656,713,093	1,737,370,902	27.4
	Health Infrastructure	230,494,706	-	230,494,706	-
	Curative Health Services	124,200,000	-	124,200,000	-
		2,748,778,701	656,713,093	2,092,065,608	23.9
Clinical Services	Administration And Support Services	125,653,176	42,500	125,610,676	0.0
	Health Infrastructure	13,700,000	-	13,700,000	-
	Clinical Services	248,183,873	-	248,183,873	-
		387,537,049	42,500	387,494,549	0.0
Prevention and Health Promotion	Administration and Support Services	749,785	-	749,785	-
		749,785	-	749,785	-
Administration- Agriculture, Livestock and Fisheries	Administration Support Services	229,555,060	707,930	228,847,130	0.3
		229,555,060	707,930	228,847,130	0.3
Agriculture	Crop Development and Management	467,476,539	61,238,035	406,238,504	13.1
		467,476,539	61,238,035	406,238,504	13.1
Chebororwa Training Center	Agricultural Training Services - Chebororwa	23,645,443	-	23,645,443	-
		23,645,443	-	23,645,443	-
Agricultural Machinery Service	Agricultural Mechanization Services	42,422,968	90,000	42,332,968	0.2
		42,422,968	90,000	42,332,968	0.2
Administration- Trade, Cooperatives, Tourism and Wildlife	Administration and Support Services	13,006,144	400,000	12,606,144	3.1
		13,006,144	400,000	12,606,144	3.1
Trade Department	Market Services	92,400,000	-	92,400,000	-
	Trade Development and Investment	126,587,187	30,000	126,557,187	0.0
		218,987,187	30,000	218,957,187	0.0
Administration - Education, Social Cultural, Youth and Sports	Administration and Support Services	384,976,008	102,526,108	282,449,900	26.6
		384,976,008	102,526,108	282,449,900	26.6
Education Department	Administration and Support Services	1,548,772	-	1,548,772	-
	Basic Education	110,026,679	-	110,026,679	-
		111,575,451	-	111,575,451	-
Department of Culture	Administration and Support Services	15,300,000	4,862,480	10,437,520	31.8
		15,300,000	4,862,480	10,437,520	31.8

Programme	Sub- Programme	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
Social Service Department	Administration and Support Services	4,670,702	-	4,670,702	-
	Social Development Services	1,000,000	-	1,000,000	-
	Community Development Services	30,000,000	-	30,000,000	-
	Youth Training and Development	6,600,839	-	6,600,839	-
		42,271,541	-	42,271,541	-
Headquarters - County Public Service Board	Administration and Support Services	45,614,234	17,624,820	27,989,414	38.6
		45,614,234	17,624,820	27,989,414	38.6
Headquarters	County Planning And Economic Policy Management	806,014,946	132,888,455	673,126,491	16.5
		806,014,946	132,888,455	673,126,491	16.5
	County Planning and Economic Policy Management	58,605,271	13,402,040	45,203,231	22.9
		58,605,271	13,402,040	45,203,231	22.9
	County Planning and Economic Policy Management	10,000,000	-	10,000,000	-
		10,000,000	-	10,000,000	-
	Administration and Support Services	38,052,103	1,021,340	37,030,763	2.7
	Public Works Services	28,358,355	-	28,358,355	-
	Administration Support Services	70,000,000	-	70,000,000	-
		136,410,458	1,021,340	135,389,118	0.7
	Administration and Support Services	7,176,915	250,000	6,926,915	3.5
	Administration And Support Services	14,973,807	-	14,973,807	-
		22,150,722	250,000	21,900,722	1.1
	Administration and Support Services	8,240,000	1,060,000	7,180,000	12.9
	Youth Training And Development	62,439,724	-	62,439,724	-
Youth and Gender Affairs Department		70,679,724	1,060,000	69,619,724	1.5
	Tourism Development And Marketing	46,655,799	-	46,655,799	-
	Management and Development of Sports And Sports Facilities	73,100,000	-	73,100,000	-
	Administration and Support Services	600,000	-	600,000	-
		120,355,799	-	120,355,799	-
	Cooperatives Development and Marketing	18,539,098	938,280	17,600,818	5.1
		18,539,098	938,280	17,600,818	5.1
	Weights and Measurements	18,000,000	-	18,000,000	-
		18,000,000	-	18,000,000	-
	Livestock Resource Management and Development	68,542,258	-	68,542,258	-
	Crop Development and Management	4,374,227	439,091	3,935,136	10.0
		72,916,485	439,091	72,477,394	0.6
	Fisheries Development	11,028,960	-	11,028,960	-
		11,028,960	-	11,028,960	-
	Livestock Resource Management and Development	76,145,950	-	76,145,950	-
		76,145,950	-	76,145,950	-
	Housing Development	4,654,065	387,240	4,266,825	8.3
		4,654,065	387,240	4,266,825	8.3
	Housing Development	50,578,104	-	50,578,104	-
		50,578,104	-	50,578,104	-

Programme	Sub- Programme	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
Eldoret Municipality	Roads Infrastructure Development	1,188,700,900	-	1,188,700,900	-
	Rural Electrification	37,573,900	-	37,573,900	-
	Housing Development	339,090,514	1,723,660	337,366,854	0.5
		1,565,365,314	1,723,660	1,563,641,654	0.1
	Grand Total	11,727,087,098	1,344,747,747	10,382,339,351	11.5

Source: Uasin Gishu County Treasury

The programs with the highest absorption rates were: County Public Service Board at 38.6 per cent, Accounts Section at 37.6 per cent, Internal Audit Section at 36.7 per cent and Roads, Transport and Infrastructure at 33.4 per cent of the budget allocation.

The County spent Kshs.16.34 million on “Default Value (Non- Departmental)” which implies that this expenditure was undertaken without a budget allocation. This should be regularised before the close of the financial year.

3.44.11 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. Failure to implement the development budget in the first quarter of FY 2020/21. The County did not report any development expenditure during the period under review.
3. Under performance in own source revenue collection at Kshs.136.02 million against annual projection of Kshs.991 million. The realised own source revenue represented 13.7 per cent of its annual target.
4. Delay in the approval of budget by the County which affected timely utilisation of funds and implementation of planned programmes. The Budget was approved on 5th August, 2020.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.*
2. *The County should identify and address issues causing delays in the implementation of development projects.*
3. *The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.*
4. *The County leadership should engage the Intergovernmental Relations Technical Committee (IGRTC) for capacity building and to resolve any issues which caused delay in the budget approval process.*

3.45 County Government of Vihiga

3.45.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.5.48 billion, comprising of Kshs.3.74 billion (68.3 per cent) and Kshs.1.74 billion (31.7 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.4.53 billion (82.6 per cent) being equitable share of revenue raised nationally, Kshs.737.84 million (13.5 per cent) as total conditional grants, generate Kshs.216.10 million (3.9 per cent) from own sources of revenue.

3.45.2 Revenue Performance

During the first quarter of FY2020/21, the County received Kshs.400.12 million as equitable share of the revenue raised nationally which was a balance from the FY 2019/20, and raised Kshs.36.54 million as own-source revenue. The total funds available for budget implementation during the period amounted to Kshs.436.66 million as shown in Table 3.184.

During the first quarter of FY 2020/21, the County generated a total of Kshs.36.54 million as own-source revenue. This amount represented a decrease of 27 per cent when compared to Kshs.50.09 million realised during the same period in FY 2019/20, and was 16.9 per cent of the annual target.

3.45.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.771.33 million from the CRF account during the reporting period. This amount comprised of Kshs.1.06 million (0.1 per cent) for development programmes and Kshs.770.27 million (99.9 per cent) for recurrent programmes.

3.45.4 Overall Expenditure Review

A total of Kshs.472.78 million was spent on development and recurrent programmes and represented 61.3 per cent of the total funds released from the CRF account. The expenditure comprised of Kshs.2.77 million and Kshs.470 million on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 0.2 per cent while that incurred on Recurrent programmes represented an absorption rate of 12.6 per cent.

3.45.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.355.84 million was spent on Compensation to Employees, Kshs.114.16 million on Operations and Maintenance, and Kshs.2.77 million on development activities.

Table 3.185: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
Total Recurrent Expenditure	3,742,956,634	770,268,381	470,003,264	12.6
Compensation to Employees	2,126,725,490	573,786,951	355,845,498	16.7
Operations and Maintenance	1,616,231,144	196,481,430	114,157,766	7.1
Total Development Expenditure	1,736,930,953	1,061,239	2,771,773	0.2
Development Expenditure	1,736,930,953	1,061,239	2,771,773	0.2
Total	5,479,887,587	771,329,620	472,775,037	8.6

Source: Vihiga County Treasury

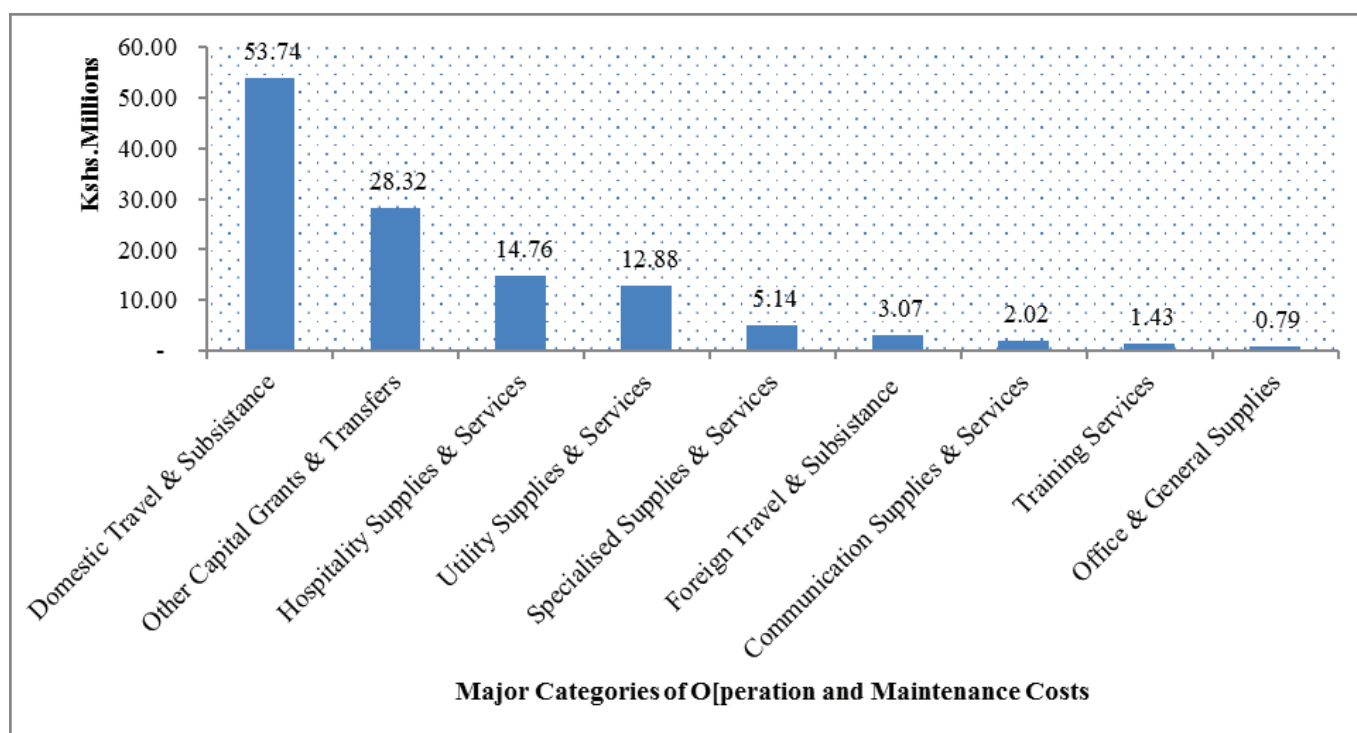
3.45.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.355.85 million and represented 81.5 per cent of the total revenue of Kshs.436.66 million in the first quarter of the financial year.

3.45.7 Analysis of Operations and Maintenance Expenditure

Figure 3-2 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-85: Vihiga County, Operations and Maintenance Expenditure by Major Categories in the First Quarter of FY 2020/21



Source: Vihiga County Treasury

The County spent Kshs.12.55 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.107,307 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.53.74 million and comprised of Kshs.25.08 million spent by the County Assembly and Kshs.28.66 million by the County Executive. Expenditure on foreign travel amounted to Kshs.3.07 million and comprised of Kshs.3.07 million spent by the County Executive.

3.45.8 Development Expenditure Analysis

The Development expenditure of Kshs.2.77 million represented 0.2 per cent of the annual development budget of Kshs.1.74 billion and represented a decrease of 78.4 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.12.81 million.

3.45.9 Budget Performance by Department

Table 3.186 shows a summary of the approved budget allocation and performance by Department in the first quarter of FY 2020/21.

Table 3.186: 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	257.97	3	49.60	-	40.82	-	82.3	-	15.8	-
Finance and Economic Planning	245.02	116.42	52.44	-	28.93	-	55.2	-	11.8	-
Agriculture, Livestock, Fisheries and Co-operatives	165.03	123.77	35.36	1.06	23.50	-	66.5	-	14.2	-
Health Services	1,224.97	349.98	248.82	-	219.53	2.77	88.2	-	17.9	0.8
Education, Science, Technical and Vocational Training	339.75	196.96	60.86	-	8.13	-	13.4	-	2.4	-
Gender, Culture, Youth, Sports and Social Services	115.31	78	29.55	-	4.77	-	16.1	-	4.1	-

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 and Entrepreneurship	77.19	59.81	11.04	-	5.54	-	50.2	-	7.2	-
County Public Service Board	39.13	-	9.06	-	7.30	-	80.6	-	18.7	-
Environment, Water, Energy and Natural Resources	115.67	132.12	26.66	-	16.33	-	61.2	-	14.1	-
Transport, Infrastructure and Communication	182.48	285.80	38.83	-	7.83	-	20.2	-	4.3	-
Physical Planning, Lands and Housing	92.65	334.95	18.02	-	7.40	-	41.1	-	8.0	-
County Assembly	621.96	30	132.51	-	96.26	-	72.6	-	15.5	-
Administration and Coordination of County Affairs	265.85	26.13	57.53	-	3.67	-	6.4	-	1.4	-
Total	3,742.96	1,736.93	770.27	1.06	470	2.77	61.0	261.2	12.6	0.2

Source: Vihiga County Treasury

Analysis of expenditure by department shows that the Department of Health Services recorded the highest absorption rate of development budget at 0.8 per cent while the other Departments did not report expenditure on development activities. The County Public Service Board had the highest percentage of recurrent expenditure to recurrent budget at 18.7 per cent while the Department of Administration and Coordination of County Affairs had the lowest at 1.4 per cent.

3.45.10 Budget Execution by Programmes and Sub-Programmes

Table 3.187 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.187 : Vihiga County, Budget Execution by Programmes and Sub-programmes in FY 2020/21

Program	Sub Program	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption Rate (%)
Administration, Planning and Support Service Livestock Development and Management Fisheries Development and Management		197,362,665	28,858,354	168,504,311	14.6
	Administrative Service	197,362,665	28,858,354	168,504,311	14.6
		11,060,179	970,200	10,089,979	8.8
	Veterinary Services and Extension	7,960,179	-	7,960,179	0.0
	Livestock Extension	3,100,000	970,200	2,129,800	31.3
		4,925,000	305,600	4,619,400	6.2
	Promotion of Fish Farming	4,925,000	305,600	4,619,400	6.2
Crop Development and Management		4,600,000	418,100	4,181,900	9.1
	Crop Extension	1,100,000	180,100	919,900	16.4
	Farm Input Subsidy	3,500,000	238,000	3,262,000	6.8
Cooperatives Development		4,775,000	793,000	3,982,000	16.6
	Cooperative Development Services	4,775,000	793,000	3,982,000	16.6
Urban and Physical Planning and Housing Services		135,475,350	-	135,475,350	-
	Urban and Physical Planning	125,475,350	-	125,475,350	-
	Housing Development	10,000,000	-	10,000,000	-
Administration, Planning and Support Service		218,084,473	7,780,010	210,304,463	3.6
	Administrative Service	218,084,473	7,780,010	210,304,463	3.6
Public Finance Management		1,500,000	-	1,500,000	-
	Purchase of a trailer	1,500,000	-	1,500,000	-

Transport Management		12,651,200	49,200	12,602,000	0.4
	Transport System Management	3,950,000	-	3,950,000	-
	Mechanical Services	8,701,200	49,200	8,652,000	0.6
Infrastructure Development		1,900,000	-	1,900,000	-
	Roads Maintenance	1,900,000	-	1,900,000	-
Administration, Planning and Support Service		67,510,751	5,540,066	61,970,685	8.2
	Administrative Service	67,510,751	5,540,066	61,970,685	8.2
Tourism Development		988,632	-	988,632	-
	Tourism Promotion and Branding	988,632	-	988,632	-
Administration, Planning and Support Service		643,701,796	213,166,189	430,535,607	33.1
	Administrative Service	159,461,018	27,745,750	131,715,268	17.4
	Human Resource Management and Development	475,937,178	181,520,797	294,416,381	38.1
	Healthcare Financing	8,303,601	3,899,642	4,403,959	47.0
Promotive and Preventive Healthcare Services		7,852,642	-	7,852,642	-
	Public Health Services	3,160,000	-	3,160,000	-
	Community Health Strategy	3,160,000	-	3,160,000	-
	Health Promotion	1,087,642	-	1,087,642	-
	Reproductive Healthcare	160,000	-	160,000	-
	Disease Surveillance and Emergency	285,000	-	285,000	-
Curative And Rehabilitative Health Services		114,210,000	7,628,773	106,581,227	6.7
	Medical services	112,620,000	7,628,773	104,991,227	6.8
	County referral services	70,000	-	70,000	-
	Drugs and Other Medical Supplies	1,520,000	-	1,520,000	-
Child and Maternal Health Care		21,708,477	1,504,200	20,204,277	6.9
	Antenatal and Post Natal healthcare	800,000	-	800,000	-
	Antenatal and Post Natal Healthcare	13,243,500	-	13,243,500	-
	Maternity Services	2,360,000	-	2,360,000	-
	New borne, Child and Adolescent Health	20,000	-	20,000	-
	Nutrition Services	5,284,977	1,504,200	3,780,777	28.5
Administration, Planning and Support Service		179,681,306	6,267,180	173,414,126	3.5
	Administrative Service	179,681,306	6,267,180	173,414,126	3.5
Vocational Education and Training		26,608,000	838,000	25,770,000	3.2
	Youth Polytechnic Development	26,608,000	838,000	25,770,000	3.2
Early Childhood Development		62,063,403	1,020,850	61,042,553	1.6
	ECD Development	62,063,403	1,020,850	61,042,553	1.6
Administration, Planning and Support Service		419,470,274	65,579,726	353,890,548	15.6
	Administrative Service	400,200,274	63,692,026	336,508,248	15.9
	County Administration	6,795,000	1,527,700	5,267,300	22.5
	County Radio Information Services	12,475,000	360,000	12,115,000	2.9

Public Finance Management		33,035,000	10,159,070	22,875,930	30.8
	Public Finance Management	6,300,000	1,314,800	4,985,200	20.9
	Accounting Services	3,700,000	344,000	3,356,000	9.3
	Audit Services	5,925,000	3,045,970	2,879,030	51.4
	Budget Formulation Coordination	4,000,000	2,124,400	1,875,600	53.1
	Resource Mobilization	6,505,000	1,245,900	5,259,100	19.2
	Budget Expenditure Management	6,605,000	2,084,000	4,521,000	31.6
County Planning Services		7,600,000	1,777,870	5,822,130	23.4
	Monitoring and Evaluation	3,700,000	1,140,670	2,559,330	30.8
	Coordination of Policy Formulation and Plans	3,900,000	637,200	3,262,800	16.3
Management and Administration of County Services		16,655,000	2,468,600	14,186,400	14.8
	County Secretary	9,855,000	2,468,600	7,386,400	25.1
	Legal Services	6,800,000	-	6,800,000	-
Administration, Planning and Support Service		71,256,490	3,450,539	67,805,951	4.8
	Administrative Service	71,031,490	3,331,539	67,699,951	4.7
	Technical Conferences	125,000	119,000	6,000	95.2
	Elderly Fund	100,000	-	100,000	-
Sports Management		20,125,000	1,015,600	19,109,400	5.1
	Promotion of Sports	18,700,000	-	18,700,000	-
	Promotion of Culture and Heritage	1,425,000	1,015,600	409,400	71.3
Social Services		5,275,000	302,200	4,972,800	5.7
	Social Protection	75,000	-	75,000	-
	Gender, Children, Youth and People with Disability	5,200,000	302,200	4,897,800	5.8
Administration, Planning and Support Service		83,340,575	16,620,211	67,015,262	19.9
	Administrative Service	83,340,575	16,620,211	67,015,262	19.9
Water and Sewerage Services		35,000,000	-	35,000,000	-
	Water Supply Management	35,000,000	-	35,000,000	-
Environment Management Services		5,550,000	-	5,550,000	-
	Environmental Protection and Conservation	5,550,000	-	5,550,000	-
	Grand Total	2,413,966,210	376,513,538	2,037,747,570	15.6

Source: Vihiga County Treasury

The programs with the highest absorption rates were: Administration, Planning and Support Service at 33.13 per cent, Public Finance Management at 30.75 per cent, County Planning Services at 23.39 per cent and Management and Administration of County Services at 14.82 per cent of budget allocation.

3.45.11 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. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected timely preparation of budget implementation report.
2. High outstanding pending bills of Kshs.1.26 billion have affected the implementation of the budget as planned due to scarce resources in the county for both current and historical bills.
3. Data inconsistencies in financial reporting, whereby the report on budget execution by programmes shows approved budget as Kshs.2.41 billion which varies significantly with the Appropriation Act of Kshs.5.48 billion.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports in line with Section 166 of PFM Act, 2012.*
2. *Settlement of the outstanding pending bills should be prioritized in this financial FY 2020/21 in line with the law. Further, the County should limit entering into new financial commitments before ascertaining of availability of funds.*
3. *The County Treasury should ensure financial reports are reconciled regularly and verified before submission to external bodies in order to enhance credibility in budget implementation.*

3.46 County Government of Wajir

3.46.1 Overview of FY 2020/21 Budget

During the reporting period, the County had neither the approved budget nor an approved Vote on Account.

3.46.2 Revenue Performance

In the first quarter of FY2020/21, the County received Kshs.736.58 million as equitable share of the revenue raised nationally which was the balance from FY 2019/20, raised Kshs.12.58 million as own-source revenue, and had a cash balance of Kshs.734.91million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.1.48 billion as shown in Table 3.188.

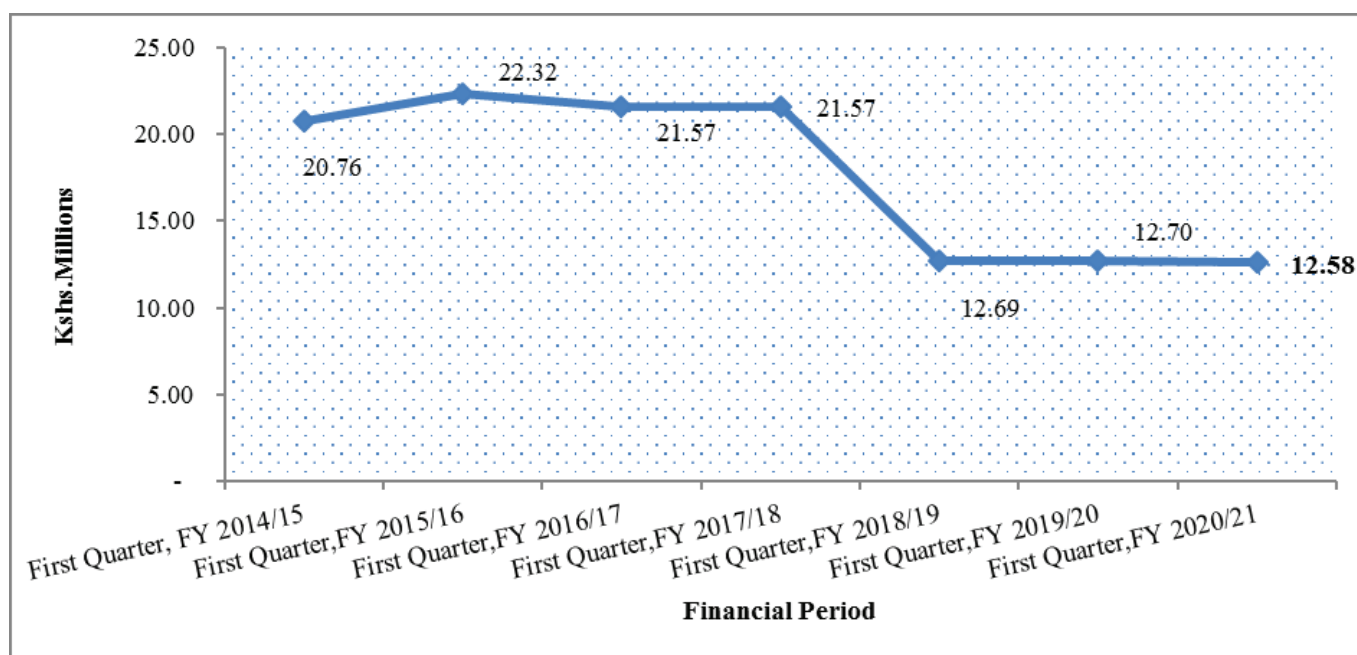
Table 3.188: Wajir County, Revenue Performance in FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (in Kshs)	Annual Draft Budget Allocation (in Kshs)	Actual receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	8,545,500,000	8,545,500,000	736,583,280	8.6
B.	Conditional Grants from the National Government Revenue				
1.	Compensation for User Fee Foregone	15,784,997	15,784,997	-	-
2.	Road Maintenance Fuel Levy Fund and b/f 2019/20	497,267,860	497,267,860	-	-
3.	Rehabilitation of Village Polytechnics	14,074,894	14,074,894	-	-
	Sub Total	527,127,751	527,127,751	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	98,763,532	98,763,532	-	-
2.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	320,674,320	320,674,320	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	DANIDA Grant FY 2019/20 and FY 2020/21	33,750,000	33,750,000	-	-
5.	EU Grant (Instruments for Devolution Advise and Support IDEAS)	15,626,168	15,626,168	-	-
6.	IDA (WB) Credit: Water & Sanitation Development Project (WSDP)	350,000,000	350,000,000	-	-
7.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant	84,169,093	84,169,093	-	-
8.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	38,580,823	38,580,823	-	-
	Sub Total	986,563,936	986,563,936	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	150,000,000	12,581,320	8.4
2.	Balance b/f from FY 2019/20	-	734,913,000	734,913,000	100
	Sub Total	-	884,913,000	747,494,320	84.5
	Grand Total	10,059,191,687	10,944,104,687	1,484,077,600	13.6

Source: Wajir County Treasury

Figure 3-86 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-86: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: Wajir County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.12.58 million as own-source revenue. This amount represented a decrease of 1 per cent when compared to Kshs.12.70 million realised during the same period in FY 2019/20, and was 8.4 per cent of the annual target.

3.46.3 Exchequer Issues

Due to absence of legal instruments and an approved Budget, the Controller of Budget did not approve any withdrawal of funds from the CRF account during the reporting period.

3.46.4 Overall Expenditure Review

The County did not report any expenditure in the period under review due to absence of an operational budget.

3.46.5 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. Under performance in own revenue at Kshs.12.58 million against annual projection of Kshs.150 million. The realised own source revenue represented 8.39 per cent of its annual target.
2. Failure to approve a budget and a Vote on Account within the timelines provided in law which led to funding challenges for implementation of County programmes. This was caused by frosty relationship between the County Assembly and the County Executive.

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

1. The County should address own source revenue performance so as to ensure the approved budget is fully financed.
2. The County leadership should engage the Intergovernmental Relations Technical Committee (IGRTC) for capacity building and to resolve the disagreements which caused delays in the budget approval process.

3.47 County Government of West Pokot

3.47.1 Overview of FY 2020/21 Budget

The county's approved budget for FY 2020/21 is Kshs.6.08 billion, comprising of Kshs.1.92 billion (31.6 per cent) and Kshs.4.16 billion (68.4 per cent) allocations for Development and Recurrent programmes respectively.

To finance the budget, the county expects to receive Kshs.5.0 billion (82.3 per cent) being equitable share of revenue raised nationally, Kshs.754.56 million (12.6 per cent) as total conditional grants, generate Kshs.168.35 million (2.8 per cent) from own sources of revenue, and the cash balance of Kshs.151.75 million (2.8 per cent) from FY 2019/20.

3.47.2 Revenue Performance

During the first quarter of FY 2020/21, the County raised Kshs.21.65 million as own-source revenue and had a cash balance of Kshs.975.47 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.997.13 million as shown in Table 3.189.

Table 3.189: West Pokot County, Revenue Performance in the First Quarter of FY 2020/21

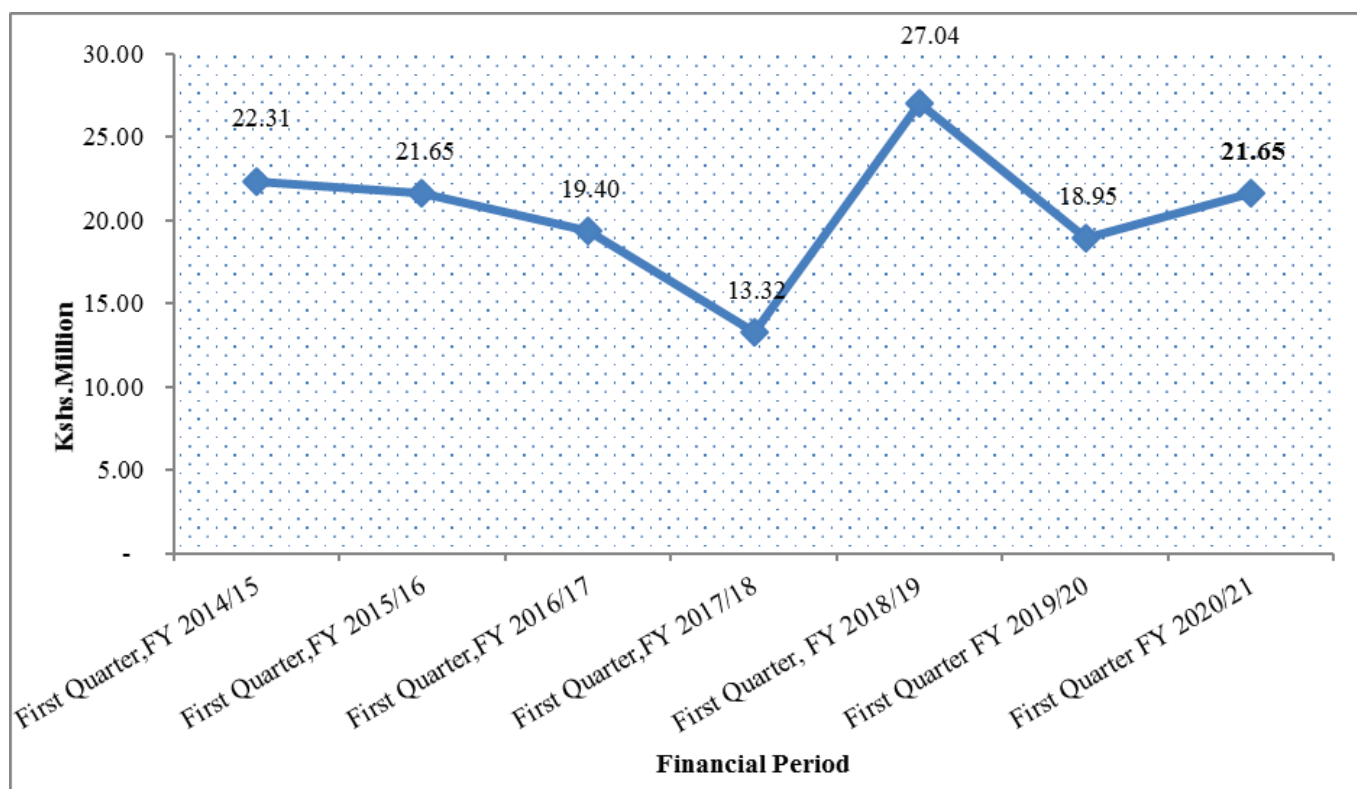
S/No.	Revenue	Annual CARA, 2020 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	5,000,700,000	5,000,700,000	-	-
B.	Conditional Grants from the National Government				
1.	Compensation for User Fee Foregone	12,128,484	12,128,484	-	-
2.	Leasing of Medical Equipment	132,021,277	-	-	-
3.	Road Maintenance Fuel Levy Fund	149,045,597	149,045,597	-	-
4.	Rehabilitation of Village Polytechnics	17,749,894	17,749,894	-	-
	Sub Total	310,945,252	178,923,975	-	-
C	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	32,237,369	32,237,367	-	-
2.	IDA (WB) Kenya Climate Smart Agriculture Project (KCSAP)	320,000,420	320,000,420	-	-
3.	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 1 Grant	45,000,000	45,000,000	-	-
4.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	-	73,000,000	-	-
5.	DANIDA Grant	14,220,000	14,220,000	-	-
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	14,224,205	14,224,205	-	-
8.	EU – Water Tower Protection and Climate Change Mitigation and Adaptation Programme (WATER)	65,952,437	65,952,437	-	-
	Sub Total	502,634,431	575,634,429	-	-
D	Other Sources of Revenue				
1.	Own Source Revenue	-	168,352,202	21,652,424	12.9
2.	Balance b/f from FY 2019/20	-	151,749,345	975,472,756	642.8
	Sub Total	-	320,101,547	997,125,180	311.5
	Grand Total	5,814,279,683	6,075,359,951	997,125,180	16.4

Source: West Pokot County Treasury

The balance brought forward from FY 2019/20 of Kshs.975.47 million includes Kshs.430.06 million equitable share of revenue for June, 2020 which was disbursed to the County on 4th August, 2020.

Figure 3-87 shows the trend in own-source revenue collection from the first quarter of FY 2014/15 to the first quarter of FY 2020/21.

Figure 3-87: Trend in Own-Source Revenue Collection from the First Quarter of FY 2014/15 to the First Quarter of FY 2020/21



Source: West Pokot County Treasury

During the first quarter of FY 2020/21, the County generated a total of Kshs.21.65 million as own-source revenue. This amount represented an increase of 14.3 per cent when compared to Kshs.18.95 million realised during the same period in FY 2019/20, and was 12.9 per cent of the annual target.

3.47.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.708.19 million from the CRF account during the reporting period. This amount comprised of Kshs.115.29 million (16.3 per cent) for development programmes and Kshs.592.90 million (83.7 per cent) for recurrent programmes.

3.47.4 Overall Expenditure Review

A total of Kshs.878.08 million was spent on development and recurrent programmes and represented 124 per cent of the total funds released from the CRF account. The County had processed payments in IFMIS in anticipation of receiving equitable share of revenue from the National Treasury which was delayed due to late approval of CARA, 2020 hence reflecting expenditure above exchequer issues during the period under review.

The expenditure comprised of Kshs.40 million and Kshs.838.08 million on development and recurrent activities respectively. Expenditure on Development programmes represented an absorption rate of 2.1 per cent while that incurred on recurrent programmes represented an absorption rate of 20.2 per cent.

3.47.5 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.675.09 million was spent on Compensation to Employees, Kshs.162.99 million on Operations and Maintenance, and Kshs.40 million on development activities.

Table 3.190: Summary of Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs.)	Absorption (%)
Total Recurrent Expenditure	4,155,791,582	592,898,911	766,844,069	20.2
Compensation to Employees	2,699,660,508	463,704,617	675,087,839	25.0
Operations and Maintenance	1,456,131,074	129,194,294	162,989,964	11.2

Total Development Expenditure	1,919,568,371	115,290,000	40,000,000	2.1
Development Expenditure	1,919,568,371	115,290,000	40,000,000	2.1
Total	6,075,359,953	708,188,911	878,077,803	14.5

Source: West Pokot County Treasury

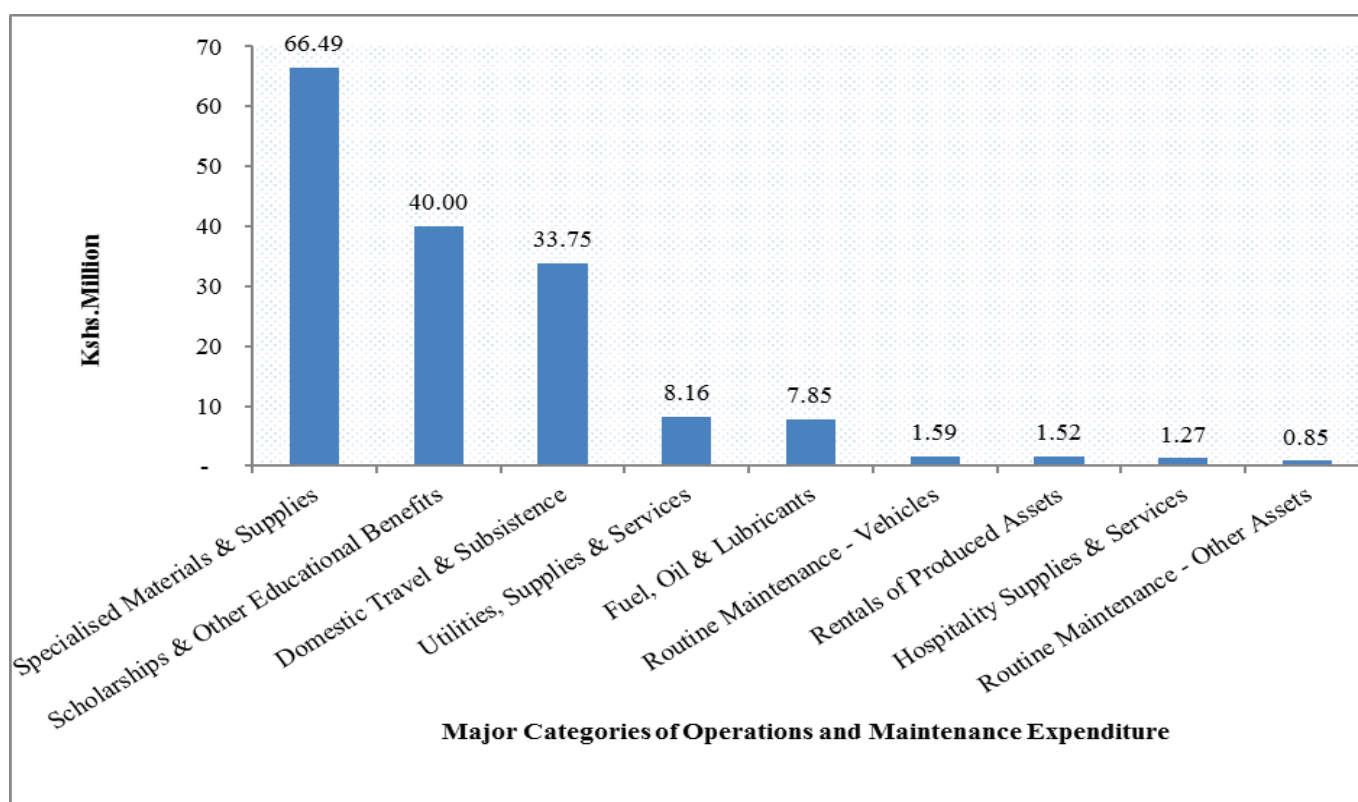
3.47.6 Expenditure on Personnel Emoluments

Expenditure on Compensation to Employees was Kshs.675.09 million and represented 67.7 per cent of the total revenue of Kshs.997.13 million in the first quarter of the financial year.

3.47.7 Analysis of Operations and Maintenance Expenditure

Figure 3-88 shows a summary of Operations and Maintenance expenditure by major categories.

Figure 3-88: West Pokot County, Operations and Maintenance Expenditure by Major Categories



Source: West Pokot County Treasury

Expenditure on domestic travel amounted to Kshs.33.75 million and was spent by the County Executive.

3.47.8 Development Expenditure Analysis

The Development expenditure of Kshs.40 million represented 2.1 per cent of the annual development budget of Kshs.1.92 billion and represented an increase of 255.2 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.11.26 million. Table 3.191 Table 3.147 provides a summary of development projects with the highest expenditure.

Table 3.191: West Pokot County, List of Development Projects Expenditure in the First Quarter of FY 2020/21

S/No.	Project Name/De-scription	Project Location	Project Budget (Kshs.)	Project Actual Expenditure (Kshs.)	Absorption Rate (%)
1	Infrastructure Development in primary Schools throughout the County	Countywide	40,000,000	20,000,000	50.0

2	Infrastructure Development in Secondary Schools thought the County	Countywide	40,000,000	20,000,000	50.0
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Source: West Pokot County Treasury

3.47.9 Budget Performance by Department

Table 3.192 shows a summary of the approved budget allocation and performance by department in the first quarter of FY 2020/21.

Table 3.192: 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	413.27	65	43.96	-	68.12	-	155.0	-	16.5	-
Finance and Economic Planning	280.67	5	18.23	-	45.01	-	246.9	-	16.0	-
Public Works , Transport and Infrastructure	71.93	249.55	7.49	-	16.56	-	221.0	-	23.0	-
Health, Sanitation and Emergencies	1,492.98	257.15	296.75	75.29	400.80	-	135.1	-	26.8	-
Education and Technical Training	517.37	240.65	68.59	40	103.38	40	150.7	100.0	20.0	16.6
Agriculture and Irrigation	107.60	371.80	16.11	-	19.82	-	123.0	-	18.4	-
Pastoral Economy	99.88	127.52	26.36	-	16.85	-	63.9	-	16.9	-
Trade, Industrialization, Investment and Cooperative Development	130.14	163.44	11.53	-	19.12	-	165.9	-	14.7	-
Land, Housing ,Physical Planning and Urban Development	100.87	94.20	11.77	-	22.64	-	192.4	-	22.4	-
Water development, Environment and Natural Resources	67.83	190.05	9.35	-	15.97	-	170.8	-	23.5	-
Youths, Sports, Tourism, Gender and Social services	57.03	15.20	9.20	-	9.91	-	107.7	-	17.4	-
Public Service ,ICT and Decentralized Units	195.77	50	13.55	-	23.73	-	175.2	-	12.1	-
Special programmes and Directorates	36.15	-	11.87	-	4.94	-	41.6	-	13.7	-
County Assembly	584.30	90	48.14	-	71.23	-	148.0	-	12.2	-
Total	4,155.79	1,919.57	592.90	115.29	838.08	40	141.4	34.7	20.2	2.1

Source: West Pokot County Treasury

Analysis of expenditure by department shows that the Department of Education and Technical training recorded the highest absorption rate of development budget at 16.6 per cent while the other departments did not report expenditure on development activities. The Department of Health, Sanitation and Emergencies had the highest percentage of recurrent expenditure to recurrent budget at 26.8 per cent while the Department of Public Service, ICT and Decentralized Units had the lowest at 12.1 per cent.

3.47.10 Budget Execution by Programmes and Sub-Programmes

Table 3.193 shows a summary of the budget execution by programmes and sub-programmes in the first quarter of FY 2020/21.

Table 3.193 : West Pokot County, Budget Execution by Programmes and Sub-programmes

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
County Executive					
	SP 1 - (General Administration ,planning and Support Services)	431,090,892	64,441,311	366,649,581	14.9
	SP 2 -(County Executive affairs)	31,157,400	600,680	30,556,720	1.9
	SP 3 -(County Public service Board	5,291,520	1,239,990	4,051,530	23.4
	SP 4 -(Field Administration service)	-	-	-	-
	SP 5-(Liaison and Intergovernmental service)	10,733,816	1,841,498	8,892,318	17.2
	Sub total	478,273,628	68,123,479	410,150,149	14.2
Finance and Economic Planning					
	SP 1(General Administration ,planning and Support Services	185,130,194	39,295,532	145,834,662	21.2
	SP 2-(Treasury Accounting Services)	1,373,440	195,600	1,177,840	14.2
	SP 3-(Supply Chain Management services)	2,142,816	759,648	1,383,168	35.5
	SP 4-(Resource Mobilization)	5,142,000	1,130,900	4,011,100	22.0
	SP 5-(Internal Audit services)	3,133,600	326,100	2,807,500	10.4
	SP 6-(Budget Formulation services)	8,207,480	1,415,800	6,791,680	17.3
	SP 7-(Economic Planning)	78,458,118	1,201,142	77,256,976	1.5
	SP 8-(Project Management	-	-	-	-
	SP 9-(Monitoring and Evaluation)	2,087,000	681,400	1,405,600	32.6
	Sub total	285,674,648	45,006,122	240,668,526	15.8
Public Works , Transport and Infrastructure					
	SP 1 (General Administration ,planning and Support Services	69,009,408	16,176,504	52,832,904	23.4
	SP 2 (Road Transport)	1,887,840	88,160	1,799,680	4.7
	SP 3 (Kenya Roads Board)	149,045,596	-	149,045,596	0.0
	SP 4 (Public works)	6,037,600	291,600	5,746,000	4.8
	SP 5-(Ward Specific Projects)	95,500,000	-	95,500,000	0.0
	Sub total	321,480,444	16,556,264	304,924,180	5.2
Health, Sanitation and Emergencies					
	SP 1(General Administration ,planning and Support Services	1,271,456,244	331,776,253	939,679,991	26.1
	SP 2-(Preventive Health Services)	71,394,288	33,701,520	37,692,768	47.2
	SP 3-(Kapenguria Referral Hospital)	236,772,368	18,051,795	218,720,573	7.6
	SP 4-(Kacheliba Sub county hospital)	12,860,000	5,749,152	7,110,848	44.7
	SP 5-(Sigor Sub county hospital)	12,860,000	5,753,162	7,106,838	44.7
	SP 6-(Chepareria Sub county hospital)	12,890,000	5,764,152	7,125,848	44.7
	SP 7(Facility Improvement Fund)	72,300,000	-	72,300,000	0.0
	SP 8(Ward Specific)	59,600,000	-	59,600,000	0.0
	Sub total	1,750,132,900	400,796,034	1,349,336,866	22.9
Education and Technical training					
	SP 1(General Administration ,planning and Support Services	373,568,056	62,970,815	310,597,241	16.9
	SP 2 -(ECD Services)	13,997,252	-	13,997,252	0.0
	SP 3-(Youth Vocational training)	36,805,196	413,400	36,391,796	1.1
	SP 4-(Bursary Fund)	242,000,000	80,000,000	162,000,000	33.1
	SP 5 - (Ward specific)	91,650,000	-	91,650,000	0.0
	Sub total	758,020,504	143,384,215	614,636,289	18.9
Agriculture and Irrigation					
	SP 1-(General Administration, Planning and Support Services)	101,114,966	19,273,564	81,841,402	19.1
	SP 2-(Crop Development and Management)	365,646,420	541,800	365,104,620	0.1
	SP 3-(Cash Crop Production(Special Programs)	7,042,000	-	7,042,000	0.0
	SP 4 -(Ward specific)	5,600,000	-	5,600,000	0.0
	Sub total	479,403,386	19,815,364	459,588,022	4.1
Pastoral Economy					
	SP 1-(General Administration, Planning and Support Services)	85,662,776	16,851,354	68,811,422	19.7
	SP 2 - (Livestock production and Range Management)	34,613,804	-	34,613,804	0.0

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
	SP 3-(Livestock Disease management)	5,718,400	-	5,718,400	0.0
	SP 4-(Fisheries Development)	434,400	-	434,400	0.0
	SP 5-(Nasukuta Livestock Improvement Centre)	54,128,000	-	54,128,000	0.0
	SP 6 -(Ward specific)	38,800,000	-	38,800,000	0.0
	SP 7 -(Dairy Development(Special Programmes)	8,042,000	-	8,042,000	0.0
	Sub total	227,399,380	16,851,354	210,548,026	7.4
Trade, Industrialization, Investment and Cooperative Development					
	SP 1-(General Administration, Planning and Support Services)	80,898,878	17,560,636	63,338,242	21.7
	SP 2-(Cooperative Development)	203,273,230	780,100	179,993,130	0.4
	SP 3 -(Trade, License and Market Development)	2,310,000	780,850	1,529,150	33.8
	SP 4-(Ward specific)	7,100,000	-	7,100,000	0.0
	Sub total	293,582,108	19,121,586	251,960,522	6.5
Land, Housing ,Physical Planning and Urban Development					
	SP 1-(General Administration, Planning and Support Services)	76,439,440	17,589,424	58,850,016	23.0
	SP 2 -(Land Policy and Physical Planning)	1,348,800	588,000	760,800	43.6
	SP 3-(Housing Development)	912,000	210,600	701,400	23.1
	SP 4-(Urban Development)	20,185,400	592,000	19,593,400	2.9
	SP 5-(Kapenguria Municipality)	94,984,000	3,659,866	91,324,134	3.9
	SP 6-(Ward specific)	1,200,000	-	1,200,000	0.0
	Sub total	195,069,640	22,639,890	172,429,750	11.6
Water development, Environment and Natural Resources					
	SP 1-(General Administration, Planning and Support Services)	52,549,892	13,549,027	39,000,865	25.8
	SP 2 -(Water Supply Services)	41,159,200	2,420,600	38,738,600	5.9
	SP 3 -(Environment & Natural Resource Development)	75,069,716	-	75,069,716	0.0
	SP 4 -(Ward Specific)	89,100,000	-	89,100,000	0.0
	Sub total	257,878,808	15,969,627	241,909,181	6.2
Youths, Sports, tourism, Gender and Social services					
	SP 1-(General Administration, Planning and Support Services)	34,966,788	8,111,615	26,855,173	23.2
	SP 2-(Tourism Development)	3,451,212	920,100	2,531,112	26.7
	SP 3-(Gender, Youths and sports Development)	26,668,772	730,700	25,938,072	2.7
	SP 4(Culture and Social Development)	1,939,716	142,700	1,797,016	7.4
	SP 5-(Ward Specific)	5,200,000	-	5,200,000	0.0
	Sub total	72,226,488	9,905,115	62,321,373	13.7
Public Service ,ICT and Decentralized Units					
	SP 1-(General Administration, Planning and Support Services)	229,694,466	21,311,567	208,382,899	9.3
	SP 2-(Human Resource)	1,304,000	-	1,304,000	0.0
	SP 3-(Legal Services)	1,336,000	484,180	851,820	36.2
	SP 4 -(Records Management)	384,000	-	384,000	0.0
	SP 5- (Communication Services)	720,000	-	720,000	0.0
	SP 6 -(ICT Infrastructure Connectivity)	1,616,422	-	1,616,422	0.0
	SP 7 -(Field Administration)	10,715,680	1,938,300	8,777,380	18.1
	Sub total	245,770,568	23,734,047	222,036,521	9.7
Special programmes and Directorates					
	SP 1-(General Administration, Planning and Support Services)	18,821,548	1,461,272	17,360,276	7.8
	SP 2 -(Dairy Development)	-	-	-	-
	SP 3-(Cash crop production)	-	-	-	-
	SP 4-(Investment and Cooperative development)	575,900	163,800	412,100	28.4
	SP 5 -(Emergency and disaster response)	942,000	50,000	892,000	5.3
	SP 6 -(Peace building and reconciliation)	5,818,000	1,501,300	4,316,700	25.8
	SP 7- (Resource mobilization and Coordination)	1,350,000	319,400	1,030,600	23.7
	SP 8(Gender and special needs)	8,640,000	1,445,200	7,194,800	16.7
	Sub total	36,147,448	4,940,972	31,206,476	13.7
County Assembly					

Programme	Sub- Programme	Approved Budget (Kshs)	Actual Payments (Kshs)	Variance (Kshs.)	Absorption Rate (%)
	SP 1-(General Administration, Planning and Support Services)	467,120,946	64,473,734	402,647,212	13.8
	SP 2 -(Legislation and Representation)	160,379,054	6,760,000	153,619,054	4.2
	SP 3-(Staff Affairs and development)	46,800,000	-	46,800,000	-
	Sub total	674,300,000	71,233,734	603,066,266	-
Grand Total		6,075,359,950	878,077,803	5,174,782,147	14.5

Source: West Pokot County Treasury

The programs with the highest absorption rates were: Preventive Health Services at 47.2 per cent, followed by Kacheliba Sub County Hospital, Sigor Sub County Hospital, and Chepareria Sub County Hospital At 44.7 per cent respectively.

3.47.11 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 where the County spent Kshs.40 million out of the annual development budget of Kshs.1.92 billion in the first quarter of FY 2020/21. The development expenditure represented 2.1 per cent of the annual development.
2. Under performance in own source revenue collection at Kshs.21.65 million against annual projection of Kshs.168.35 million. The realised own source revenue represented 12.9 per cent of annual target.

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

1. *The County should identify and address issues causing delays in the implementation of development projects.*
2. *The County should devise and implement strategies to mobilise own-source revenue to ensure the approved budget is fully financed.*

4 KEY CHALLENGES AND RECOMMENDATIONS

4.0 Introduction

This section highlights the cross-cutting issues that affected budget implementation in the first quarter of FY 2020/21. It also contains appropriate recommendations aimed at addressing the challenges in order to enhance effective budget execution. The cross-cutting challenges included:

4.1 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 impose by an Act of Parliament.

In the reporting period, the County Governments generated a total of Kshs.5.85 billion, which was 11 per cent of the annual target of Kshs.53.02 billion. This was a decrease compared to Kshs.7.71 billion generated in a similar period of FY 2018/19.

We recommend that counties should develop and implement strategies to enhance own- source revenue collection in order to ensure the budget is fully financed. Further, counties are urged to monitor the performance of own source revenue mobilisation with a view of making budget adjustments during the supplementary budget process.

4.2 Delay in Disbursement of the Equitable Share of Revenue

During the reporting period, the National Treasury was unable to disburse the equitable share of revenue raised nationally to the counties due to a prolonged impasse in the approval of the Third Revenue Allocation Formula by the Senate occasioning delay in the approval of the County Allocation of Revenue Bill (CARB), 2020 which was assented to on 8th October, 2020. Consequently, counties could not receive the FY 2020/21 equitable share of revenue raised nationally during the first quarter of FY 2020/21 thereby negatively affecting budget implementation.

We recommend that the Commission on Revenue Allocation, the National Treasury, and Parliament should devise and implement strategies to ensure the yearly County Allocation of Revenue Bill is approved within the legal timelines. Further, there is need to develop legislation to facilitate flow of funds to counties in case of delay in the approval of County Allocation of Revenue Bill.

4.3 Low Expenditures 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 development programmes.

During the reporting period, County Governments incurred a total of Kshs.2.3 billion representing an absorption rate of 1.4 per cent of the County Governments' cumulative annual development expenditure budget of Kshs.159.33 billion. This performance was a decline from Kshs.1.94 billion reported in a similar period of FY 2019/20.

We recommend that counties prioritize implementation of development projects in order to improve the standard of living for their citizens. Further, county governments should put measures in place to ensure that expenditure on development activities meets the minimum set ceiling of 30 per cent of their budgets.

4.4 Delays in the Submission of Financial Reports to the Controller of Budget

County Governments are required to prepare and submit 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.

In the reporting period, we noted delays in submission of quarterly financial and non-financial reports by County Treasuries, while others submitted incomplete reports, which led to late preparation of this County Budget Implementation Review Report. Quarterly financial reports should be prepared in compliance with the reporting templates prescribed by the Public Sector Accounting Standards Board and those provided by the Controller of Budget in line with the COB Act, 2016.

We recommend that County Treasuries ensure timely preparation and submission of financial reports in line with the Law. Further, County Treasuries should build capacity in the area of reporting on budget implementation to improve quality of reports.

4.5 Delay in the Approval of Budget Documents by County Governments

The PFM Act, 2012 presupposes that there shall be an Approved Budget and Appropriation Act by 30th June of each financial year. The law further provides that in case of delays in enacting the County Appropriation Bill, the County Assembly may approve a Vote on Account which authorises the withdrawal of money from the County Revenue Fund for the purpose of meeting expenditure necessary to carry on the services of the County during the financial year until such a time when the relevant appropriation law is passed.

We noted prolonged delay in approval of the FY 2020/21 Budget Estimates of the County Governments of Mandera, Uasin Gishu, Tana River, Kirinyaga, Nakuru, Wajir, and ,Kitui. These delays affected release of funds for carrying out key services.

The stalemate in the approval of budgets was mainly due to frosty relationships between the County Executive and the County Assembly. This was also attributed to capacity challenges in the understanding of the roles of the two arms of government in the budget making process.

We recommend that the Ministry of Devolution, and Semi-Arid Lands through the Intergovernmental Relations Technical Committee should come up with strategies to address the relationship issues between the County Executives and Assemblies and for continuous capacity building of County Governments on the role of the two arms of county government on the budget process.

4.6 Weak Budgetary Control by County Treasuries and Non-Adherence with End-of-year Closing Procedures

The County Treasury is required to ensure that provisions of the Public Finance management (PFM) Act, 2012 on year end closing procedures are strictly complied with. In particular, Section 104 (n) of the PFM Act, 2012 allows the County Treasury to issue Circulars on financial matters, which include year- end closing procedures.

The OCOB noted instances where Counties incurred expenditure above approved exchequer issues during the period under review. This was occasioned by failure to clear outstanding payments in the Internet Banking platform as of 30th June, 2020, non-adherence with the requirement to refund unspent funds to the CRF at the close of the financial year as required by Section 136(2) of the PFM Act, 2012, and use of revenue collected at source contrary to Article 207 of the Constitution.

We recommend that County Treasuries should enhance vote book and budgetary controls to ensure that expenditure is within the approved budget and approved exchequer issues. County entities should ensure all own source revenue collections are banked intact into the CRF in line with the law. Further, strict adherence to end-of-year closing procedures should be enforced by both the County Treasuries and the National Treasury.

5 CONCLUSION

This report sought to provide information on the progress made in budget implementation during the first quarter of the FY 2020/21 by the County Governments and is prepared in fulfilment of Article 228(6) of the Constitution of Kenya 2010, and Section 9 of the Controller of Budget Act, 2016.

The aggregate budget estimate for the 47 County governments in FY 2020/21 was Kshs.436.15 billion and comprised of Kshs.276.82 billion (63.5 per cent) allocation for recurrent expenditure and Kshs.159.33 billion (36.5 per cent) for development expenditure. The 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. The cumulative approved budget estimates, however, exclude Kitui, Mandera and Wajir Counties which did not have an Approved Budget a Vote on Account as of 30th September, 2020.

The total funds available to the County Governments during the reporting period amounted to Kshs.69.84 billion and consisted of Kshs.26.22 billion balance from the FY 2019/20 equitable share of revenue raised nationally which was disbursed in August, 2020, Kshs.37.77 billion cash balance from FY 2019/20, and Kshs.5.85 billion raised from own sources. The National Treasury did not disburse any equitable share of revenue for the FY 2020/21 due to delay in approval of the County Allocation of Revenue Bill, 2020 by Parliament. The bill was assented to on 8th October, 2020.

During the first quarter of FY 2020/21, County Governments spent a total of Kshs.38.17 billion which translates to an overall absorption of 8.8 per cent of the total annual County Governments' Budgets. This was a decrease from an absorption rate of 10.1 per cent reported attained in a similar period of FY 2019/20 where total expenditure was Kshs.46.08 billion. A total of Kshs.35.87 billion was spent on recurrent expenditure and Kshs.2.3 billion on development activities. Development expenditure translated to an absorption rate of 1.4 per cent while recurrent expenditure was 13 per cent of the annual budget for recurrent expenditure.

This report has identified challenges which hampered effective budget execution. These include; under-performance in own source revenue collection, low expenditure on the development budget, late submission of financial reports to the Controller of Budget, weak budgetary control by county treasuries and non-adherence to end-of-year closing procedures, delay in disbursement of equitable share, and delays in the approval of key budget documents by County Governments. The report contains appropriate recommendations on how to address the identified challenges in order to enhance smooth execution of the budget in the future.

The Controller is of budget committed to ensuring prudent and effective use of public resources by County Governments. To this end, we will continue to provide regular reports on budget implementation as required by law, with the aim of promoting openness and accountability in budget execution.

