

THARAKA NITHI COUNTY GOVERNMENT



DEPARTMENT OF FINANCE, ECONOMIC PLANNING AND TRADE

BUDGET IMPLEMENTATION REVIEW REPORT

SECOND QUARTER

FY 2021/22

January, 2021

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PREFACE

I am honoured to present the 2^{ns} quarter County Government Budget Implementation Review Report (CBIRR) for FY 2020/21. This report presents the progress made in budget implementation by the County for the period July to December, 2020. The analyses and information presented in this report is based on financial reports submitted by various departments to the County Treasury, the approved County Government budget, and the report generated from the Integrated Financial Management Information System (IFMIS). The analyses and findings are anchored on provisions of the Constitution of Kenya 2010, the Public Finance Management (PFM) Act, 2012, and best practice in public financial management. The report also highlights the achievements and challenges encountered during the reporting period and further contains recommendations to address the challenges.

Preparation of this report has been made possible by the concerted efforts of the staff from the County departments and the County Treasury. As such, I am particularly, grateful to the staff in the Budget office and the County Treasury for their contribution towards the preparation of this report.

This report is intended to inform stakeholders, policy makers, analysts and members of the public on the status of the County budget implementation. I urge all readers to continually take interest in budget implementation, and also implore the County departments to publicly avail information on budget implementation in order to enhance accountability and openness in the use of public resources.

Dorothy I Naivasha

CECM-FINANCE, ECONOMIC PLANNING, TRADE AND REVENUE

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ACRONYMS

ASDSP	Agriculture Sector Development Support Programme
CARA	County Allocation of Revenue Act
CEC	County Executive Committee
CECM-F	County Executive Committee Member Finance
CRF	County Revenue Fund
DANIDA	Danish International Development Agency
EU	European Union
FY	Financial Year
ICT	Information Communication Technology
KDSP	Kenya Devolution Support Programme
Kshs	Kenya Shillings
KUSP	Kenya Urban Support Project
MCA	Member of County Assembly

1.1 Overview of the FY 2020/21 Budget

The County's approved Supplementary budget for FY 2020/21 is Kshs.5.85 billion, comprising of Kshs.2.05 billion (35.1 per cent) and Kshs.3.80 billion (64.9 per cent) allocation for development and recurrent programmes respectively. To finance the budget, the County expects to receive Kshs.4.26 billion (72.8 per cent) as the equitable share of revenue raised nationally, Kshs.993.16 million (17 per cent) as total conditional grants, generate Kshs.350 million (6 per cent) from own sources of revenue, and a cash balance of Kshs.252.55 million (4.3 per cent) from FY 2019/20.

1.2 Revenue Performance

During the first half of FY 2020/21, the County received Kshs.1.63 billion as the equitable share of the revenue raised nationally, Kshs.169.13 million as conditional grants, raised Kshs.96.30 million as own-source revenue, and had a cash balance of Kshs.252.55 million from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.2.15 billion as shown in Table 1

Table 1: Tharaka Nithi County, Revenue Performance in the Six Months of FY 2020/21

S/No	Revenue	Annual CARA, 2020 Allocation (Ksh)	Annual Budget Allocation (Ksh)	Actual receipts in (Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	3,924,600,000	4,262,115,600	1,632,633,600	38.3
B.	Conditional Grants from the National Government Revenue				
1	Supplement for construction of county headquarters	50,000,000	-	-	-
2	Compensation for User Fee Foregone	8,218,119	8,218,119	-	-
3	Leasing of Medical Equipment	132,021,277	132,031,277	-	-
4	Road Maintenance Fuel Levy Fund	115,085,841	115,085,841	28,771,460	25
5	Rehabilitation of Village Polytechnics	60,799,894	60,799,894	-	-
Sub Total		366,125,131	316,135,131	28,771,460	9.1
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	120,546,485	37.7
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	14,238,060	28.5
5	DANIDA Grant	11,160,000	11,160,000	5,580,000	50
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	140,364,545	20.7
D	Other Sources of Revenue				
1	Own Source Revenue	-	350,000,000	96,302,623	28
2	Balance b/f from FY2019/20	-	252,554,178	252,554,178	100
Sub Total		-	602,554,178	348,856,801	58
Grand Total		4,780,512,946	5,857,834,974	2,150,626,406	37

Source: Tharaka Nithi County Treasury

Figure 1 shows the trend in own-source revenue collection for the first nine months from FY 2013/14 to FY 2020/21.

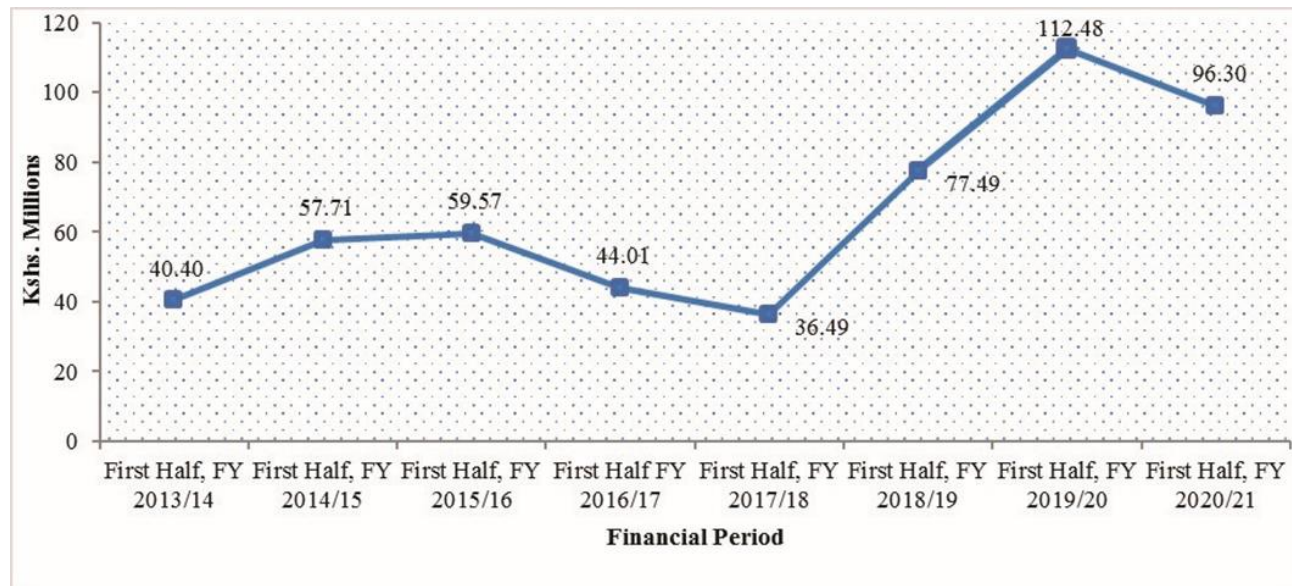


Figure 1: Trend in Own-Source Revenue Collection for the First Nine Months from FY 2013/14 to FY 2020/21

Source: Tharaka Nithi County Treasury

During the first half of FY 2020/21, the County generated a total of Kshs.96.30 million as own-source revenue. This amount represented a decrease of 14.3 per cent compared to Kshs.112.48 million realised during a similar period in FY 2019/20 and was 27.5 per cent of the annual target.

1.2.3 Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.1.88 billion from the CRF account during the reporting period. The amount comprised of Kshs.350.55 million (18.6 per cent) for development programmes and Kshs.1.53 billion (81.4 per cent) for recurrent programmes.

1.3 Overall Expenditure Review

During the reporting period, the County spent a total of Kshs.1.87 billion on development and recurrent programmes. The expenditure represented 99.4 per cent of the total funds released by the COB and comprised of Kshs.343.10 million and Kshs.1.52 billion on development and recurrent programmes respectively. Expenditure on development programmes represented an absorption rate of 16.7 per cent while recurrent expenditure represented 40.2 per cent of the annual recurrent budget.

1.3.1 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.1.10 billion was spent on compensation to employees, Kshs.424.21 million on operations and maintenance, and Kshs.343.10 million on development activities as shown in Table 2

Table 2: Summary of Expenditure by Economic Classification for the First Nine Months of FY 2020/21

Expenditure Classification	Budget (Kshs.)	Exchequer Issues (Kshs.)	Expenditure (Kshs)	Absorption (%)
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Total Recurrent Expenditure	3,801,342,007	1,531,370,434	1,528,261,990	40.2
Compensation to Employees	2,137,951,711	1,104,046,313	1,104,046,313	51.6
Operations and Maintenance	1,663,390,296	427,324,121	424,215,677	25.5
Total Development Expenditure	2,056,492,967	350,553,556	343,104,032	16.7
Development Expenditure	2,056,492,967	350,553,556	343,104,032	16.7
Total	5,857,834,974	1,881,923,990	1,871,366,022	31.9

Source: Tharaka Nithi County Treasury

Expenditure on compensation to employees was 51.6 per cent of total expenditure in the first six months of FY 2020/21 while operations and maintenance took up 25.5 per cent of the budget with development expenditure taking 16.7.

1.3.2 Analysis of Operations and Maintenance Expenditure

Figure 2 shows a summary of operations and maintenance expenditure by major categories.

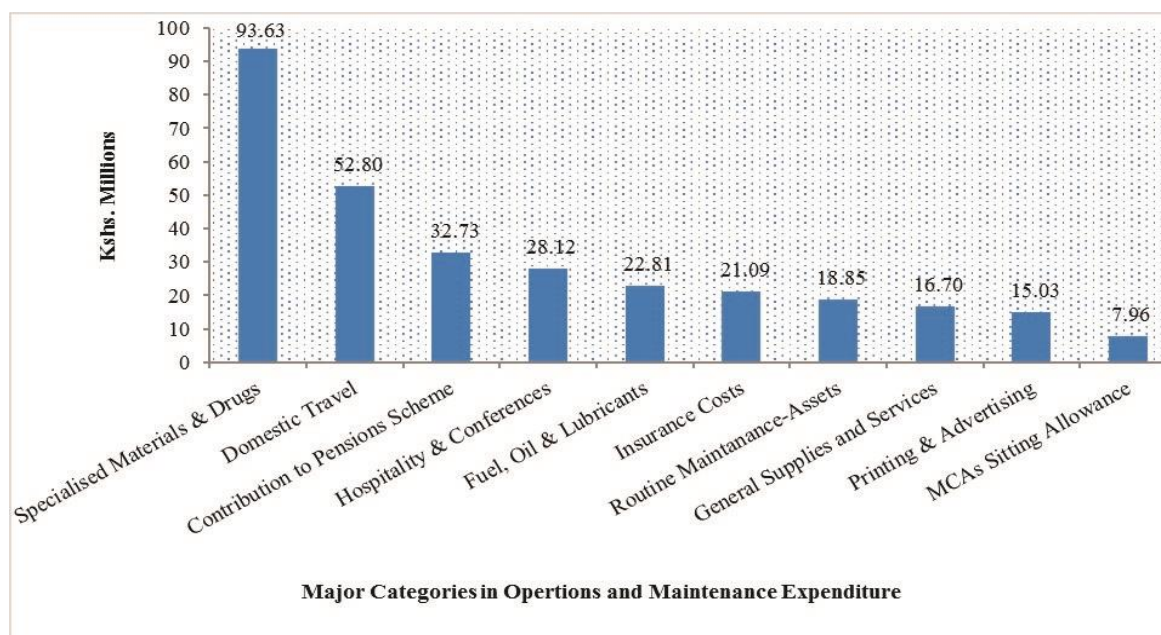


Figure 2: Tharaka Nithi County, Operations and Maintenance Expenditure by Major Categories in the First Nine Months FY 2020/21

Source: Tharaka Nithi County Treasury

Analysis of expenditure reports indicates that the County spent Kshs.7.96 million on committee sitting allowances for the 21 MCAs and Speaker against the annual budget allocation of Kshs.31.24 million. The average monthly sitting allowance was Kshs. 63,206 per MCA against the SRC's recommended monthly ceiling of Kshs. 124,800.

During the period, expenditure on domestic travel amounted to Kshs.52.80 million and comprised of Kshs.25.32 million spent by the County Assembly and Kshs.27.47 million by the County Executive.

1.3.3 COVID-19 Expenditure

In the approved budget for FY 2020/21, the county provided Kshs.40 million to cater for COVID-19 related expenditure while Kshs.84.64 million was brought forward from FY 2019/20. During the period a total of Kshs 98.65 million was spent as shown in Table 3.

Table 3: Covid Expenditure

S/No.	Description	Amount Kshs.
1	Health Workers Covid Allowances	40,470,000
2	Donor Funds for COVID-19(DANIDA)	4,060,000
3	Branding hand wash water Tanks	56,000
4	Supply of County Branded Masks	2,970,000
5	Supply of testing booth and branded umbrellas	1,438,680
6	Supply hospital beds with metallic side drawers	8,436,000
7	Supply hospital linen and uniforms	1,296,000
8	Supply of assorted medical equipment	2,468,400
S/No.	Description	Amount Kshs.
9	Supply of Laundry Machine	528,950
10	Supply of 8 x 10-Seater Tents and Plastic Chairs	870,960
11	Conference facilities Covid meetings	68,400
12	Conference facilities Covid meetings	216,600
13	Fencing isolation wards Chuka Hospital	353,250
14	Repair of Hospital Beds	120,000
15	Isolation areas and accommodation facilities	2,760,000
16	Construction of Water tower at isolation centre	751,180
17	Construction of sluice room at isolation centre	639,080
18	Purchase of latex examination gloves and body bags	2,480,000
19	Purchase of N95 face masks	2,690,000
20	Purchase of Hospital linen	2,751,436
21	Purchase of Patient monitor and c-pap machine	2,845,554
22	Purchase of medical equipment	2,864,136
23	Purchase of assorted isolation ward equipment	2,940,907
24	Bank Charges	10,328
25	Front Line Workers COVID Risk Allowance	3,162,580
26	Supply of PPE complete kits	1,900,000
27	printing of Covid-19 IEC Publications	133,980
28	Supply of tents with seats	152,000
29	Supply of thermo guns thermometers	6,840,000
30	Supply of branded jericans	1,000,000
31	Catering and accommodation for staff manning covid-19 isolation ward	782,000
32	Catering and accommodation for staff manning covid-19 isolation ward	598,000
	Total Expenditure	98,654,421

1.3.4 Development Expenditure Analysis

The County incurred an expenditure of Kshs.343.10 million on development programmes, which represented a decrease of 8.5 per cent compared to a similar period in FY 2019/20 when the County spent Kshs.374.99 million. Table 3.240 provides a summary of development projects with the highest expenditure in the reporting period.

Table 4: Tharaka Nithi County, List of Development Projects with the Highest Expenditure in the Nine Months of FY 2020/21

S/No.	Project Name	Location	Budget (Kshs)	Exchequer issues (Kshs)	Expenditure (Kshs)	Absorption Rate (%)
1	Construction of Mukothima Market	Mukothima	8,000,000	6,155,000	6,155,000	76.9
2	Tarmacking of Kambandi-Chera-Ruguti Road	Mugwe	50,000,000	36,772,085	36,772,085	73.5
3	CHUKA L4 Hospital- Construction of OPD Block [ongoing]	Karingani	27,000,000	26,496,880	26,496,880	98.1
4	Tarmacking of Tunyai - Nthaara- Marimanti Rd	Chiakariga	50,000,000	37,390,418	37,390,418	74.8
5	Construction of Bridget & Footbridges	Countywide	25,000,000	22,430,847	22,430,847	89.7
6	Kenya Climate Smart Agriculture Program(KCSAP)	Countywide	355,088,350	64,802,893	64,802,893	18.2
7	Development of Kathwana Municipality market(KUSP)	Igambang'ombe	50,000,000	14,238,060	14,238,060	28.5
8	Expansion of Executive block	County Headquarters	10,000,000	4,352,500	4,352,500	43.5
9	Maintenance and improvement of various Wards Access roads (7m per ward)	Countywide	105,000,000	27,050,759	27,050,759	25.8
10	Community domestic water projects	Countywide	32,500,000	10,473,145	10,473,145	32.2

Source: *Tharaka Nithi County Treasury*

1.4 Budget Performance

1.4.1 Budget Performance by Department

Table 3.241 shows a summary of the approved budget allocation and performance by departments in the first half of FY 2020/21.

Table 5: *Tharaka Nithi County, Budget Performance by Department for the First Six Months 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	423	40	166.97	2.6	166.83	2.60	99.9	100	39.4	6.5
Office Of The Governor & Deputy Governor	159.28	-	32.23	-	31.85	-	98.8	-	20	-
Finance & Economic Planning	326.94	265.36	77.03	-	77.07	-	100	-	23.6	-
Agriculture & Cooperative Development	116.42	482.96	55.36	65.47	55.43	65.43	100.1	99.9	47.6	13.5
Education & Vocational Training	280.89	68.64	91.29	5.48	90.79	5.48	99.5	100	32.3	8
Medical Services	1,371.9	144.57	664.19	34.01	664.61	33.18	100.1	97.5	48.4	23
Lands, Physical Planning, Urban Development, Housing And Environment	107.42	208.17	36.05	39.39	35.80	37.95	99.3	96.3	33.3	18.2
Roads, Infrastructure, Public Works & Industry	102.49	563.74	21.28	171.74	21.29	168.5	100.1	98.1	20.8	29.9
Administration & Public Service	254.13	-	118.69	-	118.32	-	99.7	-	46.6	-
Trade & Resource Mobilization	115.08	-	48.23	-	48.37	-	100.3	-	42	-
Water Services & Irrigation	51.56	175.24	17.91	29.02	17.41	27.13	97.2	93.5	33.8	15.5
County Public Service Board	22.76	-	7.35	-	5.83	-	79.4	-	25.6	-
Livestock, Veterinary & Fisheries Development	87.09	45.78	40.42	1.46	40.61	1.46	100.5	100	46.6	3.2
Public Health & Sanitation	328.65	-	140.36	-	140.21	-	99.9	-	42.7	-
Energy, Information, Communication & Technology	7.26	-	-	-	-	-	-	-	-	-
Youth, Sports, Culture & Tourism	46.51	62.03	13.99	1.38	13.84	1.38	98.9	100	29.8	2.2
Total	3,801.3	2,056.5	1,531.37	350.55	1,528.26	343.1	99.8	97.9	40.2	16.7

Source: Tharaka Nithi County Treasury

Analysis of expenditure by department shows that the Department of Roads, Infrastructure & Public Works recorded the highest absorption rate of development budget at 29.9 per cent while the Department of Youth, Sports, Culture and Tourism had the lowest at 2.2 per cent. The Department of Medical Services had the highest percentage of recurrent expenditure to recurrent budget at 48.4 per cent while the Department of Energy, Information, Communication and Technology did not report any expenditure on recurrent during the reporting period.

1.4.2 Budget Execution by Programmes and Sub-Programmes

Table 5 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 6 : Tharaka Nithi County, Budget Execution by Programmes and Sub-programmes in the First Nine Months of FY 2020/21

Programme/Sub Programme	Sum of Approved (Kshs)	Sum of Cumulative (Kshs)	Absorption rates (%)
Administration and Devolution Affairs	254,129,734	118,321,288	46.6
P: County Government Advisory Services	3,600,000	625,420	17.4
SP: Disaster Management and Coordination	3,600,000	625,420	17.4
P: General Administration, Planning and Support Services	250,529,734	117,695,868	47
SP: General Administration and Support Services	244,529,734	116,581,128	48
SP: Human Resource Management Services	1,100,000	146,700	13.3
SP: Sub-County Administration and Field Services	4,900,000	968,040	19.8
Agriculture, Industry and Cooperatives	599,380,937	120,854,027	20.2
P: Cooperative Development and Management	3,168,903	26,200	0.8
SP: Cooperative Development	3,168,903	26,200	0.8
P: Crop Development and Management	8,343,351	46,000	0.6
SP: Crops Development, Agribusiness and Market Development	8,343,351	46,000	0.6
P: General Administration Planning and Support Services	587,868,683	120,781,827	20.6
SP: Administration, Policy, Strategy and Management of Agriculture	104,909,024	55,352,972	52.8
SP: General Administration Services	482,959,659	65,428,855	13.6
County Public Service Board	22,762,798	5,833,678	25.6
P: County Government Advisory Services	2,300,000	626,800	27.3
SP: County Public Service Board	2,300,000	626,800	27.3
P: General Administration, Planning and Support Services	18,762,798	4,740,028	25.3
SP: General Administration and Support Services	18,662,798	4,740,028	25.4
SP: Human Resource Management Services	100,000	-	-
P: Human Resource Management and Development	1,700,000	466,850	27.5
SP: County Public Service Board Services	1,700,000	466,850	27.5

Education, Gender, Culture and Social Services	349,526,859	96,271,804	27.5
P: Education and Youth Training	197,680,450	33,490,291	16.9
SP: Promotion of Basic Education (ECDE)	94,004,660	6,920,291	7.4
SP: Youth Training and Capacity Building	103,675,790	26,570,000	25.6
P: General Administration Planning and Support Services	151,846,409	62,781,513	41.4
SP: Administration Planning and Support Services	151,846,409	62,781,513	41.4
Energy and Housing	7,257,500	-	-
P: Energy Resource Development & Management	1,758,000	-	-
SP: Energy Resource Development & Management	1,758,000	-	-
P: General Administration Planning and Support Services	5,499,500	-	-
SP: General Administration Services	5,499,500	-	-
Finance and Economic Planning	592,290,685	77,065,224	13
P: Economic Policy and County Planning	8,290,000	2,267,600	27.4
SP: County Statistics Services	2,540,000	364,947	14.4
SP: Economic Development, Planning and Coordination Services	3,110,000	1,257,703	40.4
SP: Monitoring and Evaluation Services	2,640,000	644,950	24.4
P: Financial Management Services	17,810,000	4,117,035	23.1
SP: Accounting Services	4,400,000	1,696,750	38.6
SP: Audit Services	5,000,000	468,710	9.4
SP: Budget Formulation and Cordination	5,930,000	1,287,675	21.7
SP: Supply Chain Management Services	2,480,000	663,900	26.8
P: General Administration, Planning and Support Services	364,532,742	59,128,009	16.2
SP: Human Resource Management Services	364,532,742	59,128,009	16.2
P: Kenya Devolution Support Programme	201,657,943	11,552,580	5.7
SP: Tharaka Nithi KDSP Capacity Building	201,657,943	11,552,580	5.7
Lands, Physical Planning, Urban Development, Environment and Natural Resources	315,588,712	73,747,136	23.4
P: Environment and Natural Resources Management	23,013,728	8,304,890	36.1
SP: Environment and Natural Resource	23,013,728	8,304,890	36.1
P: Kathwana Municipality Development Programme	12,469,600	-	-
SP: Kathwana Urban Area Support	12,469,600	-	-
P: Land Policy and Planning	269,462,484	64,463,746	23.9
SP: Land administration & management	214,999,174	38,074,535	17.7
SP: Physical Planning Services	54,463,310	26,389,211	48.5
P: Urban Development and Administration	10,642,900	978,500	9.2
SP: Urban Administrative Services	10,642,900	978,500	9.2
Livestock, Veterinary and Fisheries Development	132,870,290	42,075,724	31.7
P: Livestock and Fisheries Resource Management and Development	132,870,290	42,075,724	31.7
SP: Fisheries Development and Promotion	6,664,850	-	-

SP: Livestock Policy Development and Capacity Building	97,124,890	41,890,624	43
SP: Veterinary Services and Disease Prevention	29,080,550	185,100	0.6
Medical Services	1,516,436,351	697,786,199	46
P: Curative and Rehabilitative Services	92,064,480	16,175,760	17.6
SP: Primary Healthcare	92,064,480	16,175,760	17.6
P: General Administration Planning and Support Services	1,424,371,871	681,610,439	47.9
SP: General Administration Services	256,347,846	67,123,714	26.2
SP: HMIS Monitoring and Evaluation	3,149,500	500,120	15.9
SP: Human resource management	929,693,954	541,641,031	58.3
SP: Policy, Planning, Financing and Budgeting	235,180,571	72,345,574	30.8
Office of Governor and Deputy Governor	159,275,922	31,853,322	20
P: County Government Advisory Services	11,860,000	3,753,938	31.7
SP: Communication and Strategy	11,860,000	3,753,938	31.7
P: County Leadership and Coordination of MDAs	26,870,400	2,765,857	10.3
SP: Coordination of CMAs (Office of County Secretary)	18,300,000	2,311,517	12.6
SP: Public Sector Advisory Services (Legal, Political, and Economic Affairs)	8,570,400	454,340	5.3
P: General Administration, Planning and Support Services	120,545,522	25,333,527	21
SP: Coordination and Supervisory Services (Deputy Governor's Office)	11,480,000	1,521,946	13.3
SP: Management of County Affairs (Office of Governor)	109,065,522	23,811,581	21.8
Public Health and Sanitation	328,651,536	140,212,852	42.7
P: Preventive and Promotive Health Services	328,651,536	140,212,852	42.7
SP: Disease Surveillance	1,920,000	150,000	7.8
SP: Environmental Health services	12,732,200	6,623,444	52
SP: Health Promotion and Disease Control	310,999,336	133,011,258	42.8
SP: HIV and AIDS Support Services	1,300,000	234,400	18
SP: Nutrition Services	800,000	-	-
SP: Reproductive Maternal and Childhealth Services	900,000	193,750	21
Roads, Infrastructure, Public Works and ICT	666,238,778	189,789,878	28.5
P: County Government Advisory Services	10,000,000	2,476,670	24.8
SP: Communication and Strategy	10,000,000	2,476,670	24.8
P: General Administration Planning and Support Services	28,840,600	4,175,000	14.5
SP: General Administration Services	28,840,600	4,175,000	14.5
P: ICT Infrastructure Development	28,670,000	8,501,005	29.7
SP: ICT Infrastructure Development	28,670,000	8,501,005	29.7
P: Public Works and Housing Services	2,005,000	484,950	24.2
SP: Public Works Services	2,005,000	484,950	24.2
P: Roads Transport	596,723,178	174,152,253	29.2
SP: Rural Roads Improvement and Maintenance Services	596,723,178	174,152,253	29.2
Trade and Revenue	115,080,802	48,367,193	42

P: General Administration, Planning and Support Services	90,291,802	43,575,113	48.3
SP: General Administration and Support Services	90,291,802	43,575,113	48.3
P: Industrial Development and Investment	12,348,000	3,499,650	28.3
SP: Consumer Protection & Fair Trade Practices	6,875,000	1,962,250	28.5
SP: Promotion of Industrial Products	5,473,000	1,537,400	28.1
P: Resource Mobilization	12,441,000	1,292,430	10.4
SP: Revenue Administration	12,441,000	1,292,430	10.4
Water and Irrigation	226,805,109	44,540,370	19.6
P: Water Supply Services	226,805,109	44,540,370	19.6
SP: Domestic Water Services	211,657,159	38,814,890	18.3
SP: Irrigation and Drainage Services	13,554,950	5,604,180	41
SP: Water Storage Services	1,593,000	121,300	7.6
Youth, Sports, Culture and Tourism	108,538,961	15,213,304	14
P: Culture, Arts and Social Services	6,581,100	2,242,664	34.1
SP: Culture and Arts Promotion	4,945,975	2,100,484	42.5
SP: Gender, PWDs and Social Services	1,635,125	142,180	8.7
P: Sports Development and Promotion	98,151,861	12,791,640	13
SP: Athletics Championships and Other Games	2,976,375	52,900	1.8
SP: County Football League and Clubs Development	5,752,000	138,800	2.4
SP: Talent Search and Promotion	89,423,486	12,599,940	14.1
P: Tourism Development and Promotion	3,806,000	179,000	4.7
SP: Miss Tourism Tharaka Nithi	2,730,500	119,000	4.4
SP: Tourism Branding and Marketing	1,075,500	60,000	5.6
P: County assembly	463,000,000	169,434,023	36.6
SP: County Assembly Services	463,000,000	169,434,023	36.6
Grand Total	5,857,834,974	1,871,366,022	32

Source: Tharaka Nithi County Treasury

Programmes with the highest levels of implementation based on absorption rates were: General administration, Planning & Support Services in the Department of Trade and Revenue at 48.3 per cent, General administration, Planning & Support Services in the Department of Medical Services at 47.9 per cent, General Administration, Planning & Support Services in the Department of Administration and Devolution Affairs at 47 per cent, and Preventive & Promotional Health Services in the Department of Public Health and Sanitation at 42.7 per cent of budget allocation.

1.5 Key Observations and Recommendations

From the above analysis on the budget implementation for the first six months of the FY 2020/21 it can be observed that.

The county however had the following challenges that hampered effective budget implementation during the reporting period;

1. Low absorption of development funds as indicated by the expenditure of Kshs.343.10 million in the first half of FY 2020/21 from the annual development budget allocation of Kshs.2.05 billion. The development expenditure represented 16.7 per cent of the annual development budget.
2. A high wage bill, which accounted for 51.9 per cent of the total expenditure in the first half of FY 2020/21 thus constraining funding to other programmes.
3. Under performance of own revenue at Kshs.96.30 million against annual projection of Kshs.350 million. The realised own source revenue represented 27.5 per cent of its annual target.

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

1. The County will identify and address issues causing delays in the implementation of development projects.
2. The County Public Service Board will undertake staff rationalisation to ensure that in the medium term the expenditure on employee compensation is within the 35 per cent limit.