

# **THARAKA NITHI COUNTY GOVERNMENT**



**DEPARTMENT OF FINANCE, ECONOMIC PLANNING AND TRADE**

**BUDGET IMPLEMENTATION REVIEW REPORT**

**SECOND QUARTER**

**FY 2021/22**

**November, 2021**

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## **PREFACE**

I am honoured to present the first quarter County Government Budget Implementation Review Report (CBIRR) for FY 2021/22. This report presents the progress made in budget implementation by the County for the period July to December, 2021. 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

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

## 1.1 Overview of the FY 2020/21 Budget

The County's approved budget for FY 2021/22 is Kshs.5.53 billion, comprising Kshs.1.99 billion (36.1 per cent) and Kshs.3.53 billion (63.9 per cent) allocation for development and recurrent programmes, respectively. To finance the budget, the County expects to receive Kshs.4.21 billion (76.2 per cent) as the equitable share of revenue raised nationally and generate Kshs.350 million (6.3 per cent) from its sources of revenue. The County also expects to receive Kshs.965.87 million (17.5 per cent) as conditional grants. The County did not budget for unspent cash balance from FY 2020/21, which amounted to Kshs.333.97 million.

## 2.0 Revenue Performance

In the first quarter of FY 2021/22, the County received Kshs.695.34 million as the equitable share of the revenue raised nationally, raised Kshs.57.58 million as own-source revenue and had a cash balance of Kshs.333.97 million from FY 2020/21. The total funds available for budget implementation during the period amounted to Kshs.1.08 billion, as shown in Table 1

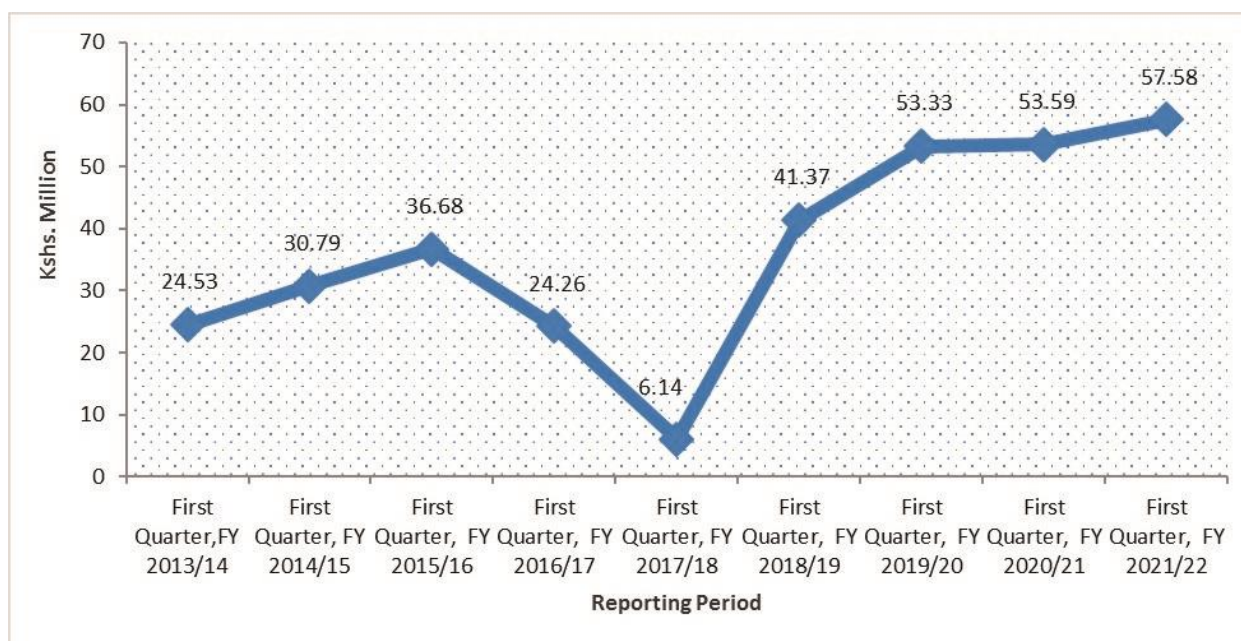
Table 1 Tharaka Nithi County, Revenue Performance in the First Quarter of FY 2021/22

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised nationally	4,214,198,393	695,342,767	16.5
<b>Sub Total</b>		<b>4,214,198,393</b>	<b>695,342,767</b>	<b>16.5</b>
<b>B</b>	<b>Other Sources of Revenue</b>			
1.	Own Source Revenue	350,000,000	57,578,567	16.5
2.	Balance b/f from FY 2020/21	-	333,973,893	-
3.	Other Revenues (Conditional Grants)	965,878,611	-	-
<b>Sub Total</b>		<b>1,315,878,611</b>	<b>391,552,460</b>	<b>29.8</b>
<b>Grand Total</b>		<b>5,530,077,004</b>	<b>1,086,895,227</b>	<b>19.7</b>

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

In the first quarter of FY 2021/22, the County generated Kshs.57.58 million as own-source revenue. This amount represented an increase of 5.4 per cent compared to Kshs.53.59 million realised during a similar period in the first quarter of FY 2020/21 and was 16 per cent of the annual target.

### 2.1 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.973.72 million from the CRF account during the reporting period. The amount comprised Kshs.214.0 million (22 per cent) for development programmes and Kshs.759.72 million (78 per cent) for recurrent programmes.

### 3.0 Overall Expenditure Review

The County spent Kshs.979.11 million on development and recurrent programmes during the reporting period. This expenditure represented 100.6 per cent of the total funds released by the CoB and comprised of Kshs.122.10 million and Kshs.857.01 million on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 6.1 per cent while recurrent expenditure represented 24.2 per cent of the annual recurrent expenditure budget.

### 3.1 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.663.69 million was spent on employee compensation, Kshs.193.31 million on operations and maintenance, and Kshs.122.10 million on development activities, as shown in Table 2.

Table 2: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
<b>Total Recurrent Expenditure</b>	<b>3,111,549,207</b>	<b>423,000,000</b>	<b>798,914,764</b>	<b>58,099,393</b>	<b>25.7</b>	<b>13.7</b>
Compensation to Employees	1,848,166,187	219,991,687	633,982,512	29,715,720	34.3	13.5
Operations and Maintenance	1,263,383,020	203,008,313	164,932,252	28,383,673	13.1	14.0
<b>Development Expenditure</b>	<b>1,945,527,797</b>	<b>50,000,000</b>	<b>122,104,219</b>	<b>-</b>	<b>6.3</b>	<b>-</b>
<b>Total</b>	<b>5,057,077,004</b>	<b>473,000,000</b>	<b>921,018,983</b>	<b>58,099,393</b>	<b>18.2</b>	<b>12.3</b>

Source: Tharaka Nithi County Treasury

### 3.2 Expenditure on Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 67.8 per cent of the total expenditure for the reporting period and 24 per cent of the first quarter proportional revenue of Kshs.2.77 billion.

### 3.3 County Established Funds

Section 116 of the PFM Act, 2012 allows County Governments to establish other public funds with approval from the County Executive Committee and the County Assembly. The County allocated Kshs.25 million to county established funds in FY 2021/22, which constituted 0.4 per cent of the County's overall budget for the year. Table 3.238 below summarises each established fund's budget allocation and performance during the reporting period.

Table 3: County Established funds

S/No.	Name of the Fund	Approved Budget Allocation in FY 2021/22 (Kshs.)		Actual Expenditure as of 31 <sup>st</sup> December 2021 (Kshs.)		Submission of quarterly financial statements	
		County Executive	County Assembly	County Executive	County Assembly	Yes	No
1.	Tharaka Nithi Bursary Fund	10,000,000	-	10,000,000	-	Yes	



2.	Tharaka Nithi Youth Empowerment Fund	-	-	-	-	Yes	-
3.	Tharaka Nithi Emergency Fund	15,000,000	-	-	-	Yes	-
	<b>Total</b>	<b>25,000,000</b>	-	<b>10,000,000</b>	-		

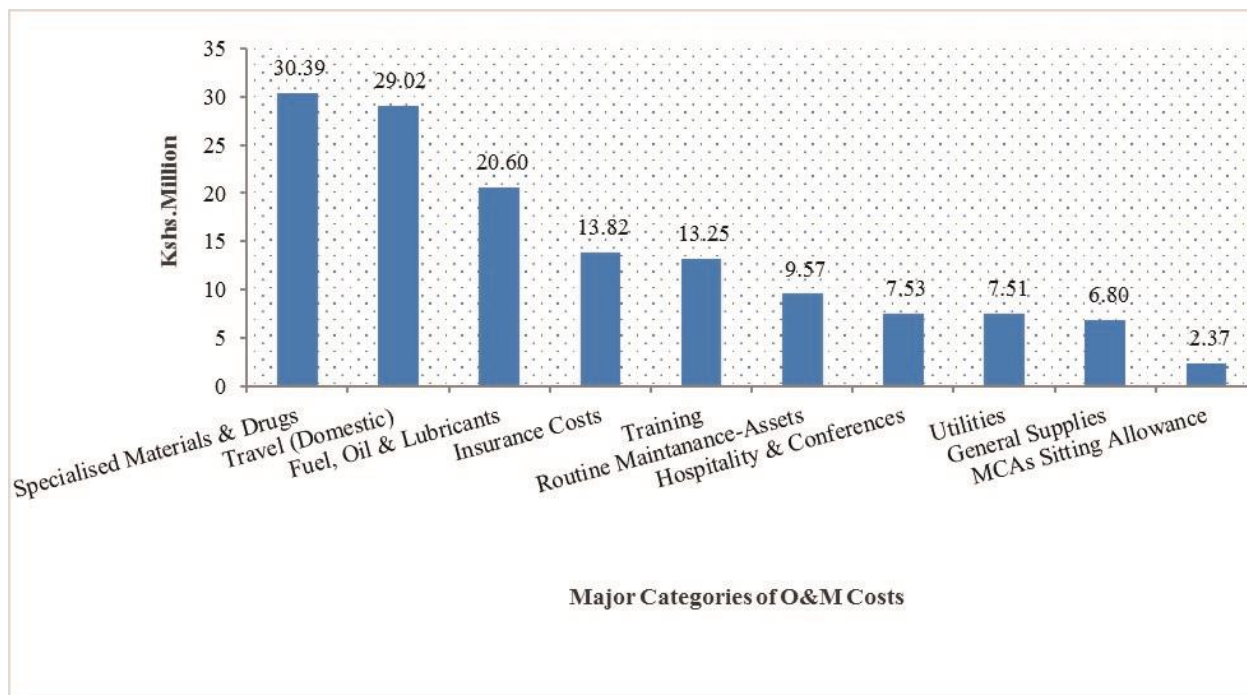
Source: Tharaka Nithi County Treasury

Expenditure on compensation to employees was 63.3 per cent of total expenditure in the first six months of FY 2020/21 and represented an increase of 23.8 per cent compared to a similar period in FY2018/19 when the County spent Kshs.1.34 billion.

### 3.4 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

The County spent Kshs.2.37 million on committee sitting allowances for the 21 MCAs and Speaker against the annual budget allocation of Kshs.28.64 million. The average monthly sitting allowance was Kshs. 37,598 per MCA against the SRC's recommended monthly ceiling of Kshs. 124,800.

During the period, expenditure on domestic travel amounted to Kshs.29.02 million and comprised Kshs.17.66 million spent by the County Assembly and Kshs.11.35 million by the County Executive

### 3.5 Development Expenditure Analysis

The County incurred an expenditure of Kshs.122.10 million on development programmes, which represented an increase of 56.1 per cent compared to a similar period in FY 2020/21 when the County spent Kshs.53.60 million. Table summarises development projects with the highest expenditure in the reporting period.

Table 4: Tharaka Nithi County, List of Development Projects with the Highest Expenditure

S/No.	Project Name	Location	Budget (Kshs.)	Expenditure (Kshs.)	Absorption Rate
1	Tarmacking of Major Roads	Countywide	158,000,000	67,035,613	42.4
2	Youth Polytechnics Development Grant	Countywide	46,615,030	21,650,989	46.4
3	Crop Subsidy	Countywide	35,000,000	19,700,000	56.3

4	Kathwana Municipality market	Igambang'ombe	16,800,000	13,717,617	81.7
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Source: *Tharaka Nithi County Treasury*

#### 4.0 Budget performance

##### 4.1 Budget Performance by Department

Table 5 summarises the approved budget allocation and performance by departments in the first quarter of FY 2021/22.

Table 5: *Tharaka Nithi County, Budget Performance by Department*

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	423.00	50.00	58.21	-	58.10	-	99.8	-	13.7	-
Office of The Governor and Deputy Governor	144.28	-	14.55	-	14.46	-	99.4	-	10.0	-
Finance and Economic Planning	261.13	250.54	48.41	137.24	78.70	-	162.6	-	30.1	-
Agriculture, Cooperatives and Industry	122.24	449.17	25.19	19.70	25.08	19.70	99.6	100.0	20.5	4.4
Education and Vocational Training	223.15	55.07	50.11	-	61.49	21.65	122.7	-	27.6	39.3
Medical Services	1,376.26	169.45	357.26	-	411.73	-	115.2	-	29.9	-
Lands, Physical Planning, Urban Development, Environment and Natural Resources	103.45	190.00	14.03	-	17.38	13.72	123.9	-	16.8	7.2
Roads, Infrastructure, Public Works and ICT	106.42	375.61	16.01	57.06	16.72	67.04	104.4	117.5	15.7	17.8
Public Service, Urban Development and Disaster Management	137.95	-	31.53	-	31.33	-	99.4	-	22.7	-
Trade and Revenue	99.00	-	21.90	-	21.76	-	99.4	-	22.0	-
Water Services and Irrigation	52.20	110.20	7.56	-	7.72	-	102.1	-	14.8	-
County Public Service Board	23.93	-	2.98	-	2.47	-	82.9	-	10.3	-
Livestock, Veterinary and Fisheries Development	91.44	53.00	16.40	-	15.69	-	95.7	-	17.2	-
Public Health and Sanitation	277.90	153.30	82.48	-	82.16	-	99.6	-	29.6	-
Energy and Housing	35.36	111.00	7.27	-	7.22	-	99.3	-	20.4	-
Youth, Sports, Culture and Tourism	56.83	28.20	5.82	-	5.02	-	86.3	-	8.8	-
<b>Total</b>	<b>3,534.55</b>	<b>1,995.53</b>	<b>759.73</b>	<b>214.00</b>	<b>857.01</b>	<b>122.10</b>	<b>112.8</b>	<b>57.1</b>	<b>24.2</b>	<b>6.1</b>

Source: *Tharaka Nithi County Treasury*

Analysis of expenditure by the departments shows that the Department of Education & Vocational Training recorded the highest absorption rate of development budget at 39.3 per cent followed by the Department of Roads, Infrastructure, Public Works and ICT at 17.8 per cent. The Department of Finance and Economic Planning had the highest percentage of recurrent expenditure to budget at 30.1 per cent, while the Department of Youth, Sports, Culture and Tourism had the lowest at 8.8 per cent.

##### 1.4.2 Budget Execution by Programmes and Sub-Programmes

Table 6 summarises the budget execution by programmes and sub-programmes in the first quarter of FY 2021/22.

Table 6: *Tharaka Nithi County, Budget Execution by Programmes and Sub programmes*

Row Labels	Sum of Approved Estimates (Net)	Sum of Cumulative Expenditure	Sum of Variance	Sum of Absorption Rate (%)
<b>Agriculture, Cooperatives and Industry</b>	<b>571,409,822</b>	<b>44,781,474</b>	<b>526,628,348</b>	<b>8%</b>
<b>P: Cooperative Development and Management</b>	<b>3,327,317</b>	-	<b>3,327,317</b>	<b>0%</b>
SP: Cooperative Development	3,327,317	-	3,327,317	0%
<b>P: Crop Development and Management</b>	<b>69,613,329</b>	<b>19,742,750</b>	<b>49,870,579</b>	<b>28%</b>
SP: Crops Development, Agribusiness and Market Development	69,613,329	19,742,750	49,870,579	28%
<b>P: General Administration Planning and Support Services</b>	<b>498,469,176</b>	<b>25,038,724</b>	<b>473,430,452</b>	<b>5%</b>
SP: Administration, Policy, Strategy and Management of Agriculture	498,469,176	25,038,724	473,430,452	5%
<b>County Public Service Board</b>	<b>23,933,364</b>	<b>2,465,600</b>	<b>21,467,764</b>	<b>10%</b>
<b>P: Financial Management Services</b>	<b>1,550,000</b>	<b>18,800</b>	<b>1,531,200</b>	<b>1%</b>
SP: Monitoring and Evaluation Services	1,550,000	18,800	1,531,200	1%
<b>P: General Administration, Planning and Support Services</b>	<b>17,408,364</b>	<b>2,446,800</b>	<b>14,961,564</b>	<b>14%</b>
SP: General Administration and Support Services	17,408,364	2,446,800	14,961,564	14%
<b>P: Human Resource Management and Development</b>	<b>4,975,000</b>	-	<b>4,975,000</b>	<b>0%</b>
SP: County Public Service Board Services	4,975,000	-	4,975,000	0%
<b>Education and Vocational Training</b>	<b>278,215,947</b>	<b>83,137,289</b>	<b>195,078,658</b>	<b>30%</b>
<b>P: Education and Youth Training</b>	<b>133,771,192</b>	<b>41,137,289</b>	<b>92,633,903</b>	<b>31%</b>
SP: Promotion of Basic Education (ECDE)	83,569,585	27,565,551	56,004,034	33%
SP: Youth Training and Capacity Building	50,201,607	13,571,738	36,629,869	27%
<b>P: General Administration Planning and Support Services</b>	<b>144,444,755</b>	<b>42,000,000</b>	<b>102,444,755</b>	<b>29%</b>
SP: Administration Planning and Support Services	144,444,755	42,000,000	102,444,755	29%
<b>Energy and Housing</b>	<b>146,358,980</b>	<b>7,221,400</b>	<b>139,137,580</b>	<b>5%</b>
<b>P: Energy Resource Development &amp; Management</b>	<b>111,700,000</b>	-	<b>111,700,000</b>	<b>0%</b>
SP: Energy Resource Development & Management	111,700,000	-	111,700,000	0%
<b>P: General Administration Planning and Support Services</b>	<b>34,658,980</b>	<b>7,221,400</b>	<b>27,437,580</b>	<b>21%</b>
SP: General Administration Services	34,658,980	7,221,400	27,437,580	21%
<b>Finance and Economic Planning</b>	<b>511,669,470</b>	<b>78,697,666</b>	<b>432,971,804</b>	<b>15%</b>
<b>P: Economic Policy and County Planning</b>	<b>7,900,000</b>	<b>1,232,700</b>	<b>6,667,300</b>	<b>16%</b>
SP: County Statistics Services	2,400,000	666,900	1,733,100	28%
SP: Economic Development, Planning and Coordination Services	3,100,000	565,800	2,534,200	18%
SP: Monitoring and Evaluation Services	2,400,000	-	2,400,000	0%
<b>P: Financial Management Services</b>	<b>15,270,000</b>	<b>2,701,300</b>	<b>12,568,700</b>	<b>18%</b>
SP: Accounting Services	4,250,000	298,900	3,951,100	7%
SP: Audit Services	4,300,000	1,593,750	2,706,250	37%
SP: Budget Formulation and Coordination	4,350,000	522,000	3,828,000	12%
SP: Supply Chain Management Services	2,370,000	286,650	2,083,350	12%
<b>P: General Administration, Planning and Support Services</b>	<b>297,647,920</b>	<b>49,308,421</b>	<b>248,339,499</b>	<b>17%</b>
SP: Human Resource Management Services	297,647,920	49,308,421	248,339,499	17%
<b>P: Kenya Devolution Support Programme</b>	<b>172,242,250</b>	<b>23,346,750</b>	<b>148,895,500</b>	<b>14%</b>
SP: Tharaka Nithi KDSP Capacity Building	172,242,250	23,346,750	148,895,500	14%
<b>P: Resource mobilisation</b>	<b>18,609,300</b>	<b>2,108,495</b>	<b>16,500,805</b>	<b>11%</b>
SP: Revenue Administration	18,609,300	2,108,495	16,500,805	11%
<b>Lands, Physical Planning, Urban Development, Environment and Natural Resources</b>	<b>293,446,836</b>	<b>31,094,278</b>	<b>262,352,558</b>	<b>11%</b>
<b>P: Environment and Natural Resources Management</b>	<b>6,500,000</b>	-	<b>6,500,000</b>	<b>0%</b>
SP: Environment and Natural Resource	6,500,000	-	6,500,000	0%
<b>P: General Administration Planning and Support Services</b>	<b>25,000,000</b>	-	<b>25,000,000</b>	<b>0%</b>
SP: General Administration Services	25,000,000	-	25,000,000	0%
<b>P: Kathwana Municipality Development Programme</b>	<b>87,996,660</b>	<b>13,717,617</b>	<b>74,279,043</b>	<b>16%</b>
SP: Kathwana Urban Area Support	87,996,660	13,717,617	74,279,043	16%

<b>P: Land Policy and Planning</b>	<b>90,773,988</b>	<b>17,376,661</b>	<b>73,397,327</b>	<b>19%</b>
SP: Land administration & management	15,015,688	165,961	14,849,727	1%
SP: Physical Planning Services	75,758,300	17,210,700	58,547,600	23%
<b>P: Urban Development and Administration</b>	<b>83,176,188</b>	-	<b>83,176,188</b>	<b>0%</b>
SP: Urban Administrative Services	83,176,188	-	83,176,188	0%
<b>Livestock, Veterinary and Fisheries Development</b>	<b>144,442,716</b>	<b>15,690,286</b>	<b>128,752,430</b>	<b>11%</b>
<b>P: Livestock and Fisheries Resource Management and Development</b>	<b>144,442,716</b>	<b>15,690,286</b>	<b>128,752,430</b>	<b>11%</b>
SP: Fisheries Development and Promotion	21,938,915	-	21,938,915	0%
SP: Livestock Policy Development and Capacity Building	92,749,205	15,272,986	77,476,219	16%
SP: Veterinary Services and Disease Prevention	29,754,596	417,300	29,337,296	1%
<b>Medical Services</b>	<b>1,545,710,207</b>	<b>411,728,179</b>	<b>1,133,982,028</b>	<b>27%</b>
<b>P: Curative and Rehabilitative Services</b>	<b>164,000,000</b>	<b>30,394,295</b>	<b>133,605,705</b>	<b>19%</b>
SP: Laboratory Services	37,000,000	-	37,000,000	0%
SP: Medical Supplies	127,000,000	30,394,295	96,605,705	24%
<b>P: General Administration Planning and Support Services</b>	<b>1,381,710,207</b>	<b>381,333,884</b>	<b>1,000,376,323</b>	<b>28%</b>
SP: General Administration Services	302,114,207	18,166,957	283,947,250	6%
SP: Health sector planning, budgeting Monitoring and Evaluation	11,196,000	-	11,196,000	0%
SP: Human resource management	1,068,400,000	363,166,927	705,233,073	34%
<b>Office of Governor and Deputy Governor</b>	<b>144,275,972</b>	<b>14,455,789</b>	<b>129,820,183</b>	<b>10%</b>
<b>P: County Government Advisory Services</b>	<b>8,158,661</b>	<b>1,022,700</b>	<b>7,135,961</b>	<b>13%</b>
SP: Communication and Strategy	8,158,661	1,022,700	7,135,961	13%
<b>P: County Leadership and Coordination of MDAs</b>	<b>33,070,400</b>	<b>2,905,540</b>	<b>30,164,860</b>	<b>9%</b>
SP: Coordination of CMAs (Office of County Secretary)	21,250,000	2,720,540	18,529,460	13%
SP: Public Sector Advisory Services (Legal, Political, and Economic Affairs)	11,820,400	185,000	11,635,400	2%
<b>P: General Administration, Planning and Support Services</b>	<b>103,046,911</b>	<b>10,527,549</b>	<b>92,519,362</b>	<b>10%</b>
SP: Coordination and Supervisory Services (Deputy Governor's Office)	16,480,000	648,700	15,831,300	4%
SP: Management of County Affairs (Office of Governor)	86,566,911	9,878,849	76,688,062	11%
<b>Public Administration and Devolution Affairs</b>	<b>137,954,880</b>	<b>31,325,973</b>	<b>106,628,907</b>	<b>23%</b>
<b>P: County Government Advisory Services</b>	<b>2,400,000</b>	<b>61,700</b>	<b>2,338,300</b>	<b>3%</b>
SP: Disaster Management and Coordination	2,400,000	61,700	2,338,300	3%
<b>P: General Administration, Planning and Support Services</b>	<b>135,554,880</b>	<b>31,264,273</b>	<b>104,290,607</b>	<b>23%</b>
SP: General Administration and Support Services	125,094,880	30,058,673	95,036,207	24%
SP: Human Resource Management Services	4,100,000	-	4,100,000	0%
SP: Sub-County Administration and Field Services	6,360,000	1,205,600	5,154,400	19%
<b>Public Health and Sanitation</b>	<b>431,202,402</b>	<b>82,161,490</b>	<b>349,040,912</b>	<b>19%</b>
<b>P: Preventive and Promotive Health Services</b>	<b>431,202,402</b>	<b>82,161,490</b>	<b>349,040,912</b>	<b>19%</b>
SP: Disease Surveillance	1,981,115	-	1,981,115	0%
SP: Environmental Health services	33,638,000	-	33,638,000	0%
SP: Health Promotion and Disease Control	390,583,287	82,161,490	308,421,797	21%
SP: HIV and AIDS Support Services	3,200,000	-	3,200,000	0%
SP: Reproductive Maternal and Child Health Services	1,800,000	-	1,800,000	0%
<b>Roads, Infrastructure, Public Works and ICT</b>	<b>482,028,324</b>	<b>83,760,516</b>	<b>398,267,808</b>	<b>17%</b>
<b>P: General Administration Planning and Support Services</b>	<b>27,439,324</b>	-	<b>27,439,324</b>	<b>0%</b>
SP: General Administration Services	27,439,324	-	27,439,324	0%
<b>P: ICT Infrastructure Development</b>	<b>19,500,000</b>	<b>2,544,453</b>	<b>16,955,547</b>	<b>13%</b>
SP: ICT Infrastructure Development	19,500,000	2,544,453	16,955,547	13%
<b>P: Public Works and Housing Services</b>	<b>1,890,750</b>	<b>142,500</b>	<b>1,748,250</b>	<b>8%</b>
SP: Public Works Services	1,890,750	142,500	1,748,250	8%
<b>P: Roads Transport</b>	<b>433,198,250</b>	<b>81,073,563</b>	<b>352,124,687</b>	<b>19%</b>
SP: Rural Roads Improvement and Maintenance Services	433,198,250	81,073,563	352,124,687	19%

<b>Trade and Revenue</b>	<b>99,002,200</b>	<b>21,757,173</b>	<b>77,245,027</b>	<b>22%</b>
<b>P: General Administration, Planning and Support Services</b>	<b>90,802,200</b>	<b>21,431,923</b>	<b>69,370,277</b>	<b>24%</b>
SP: General Administration and Support Services	90,802,200	21,431,923	69,370,277	24%
<b>P: Industrial Development and Investment</b>	<b>4,500,000</b>	<b>280,850</b>	<b>4,219,150</b>	<b>6%</b>
SP: Industrial Development	4,500,000	280,850	4,219,150	6%
<b>P: Trade Development and promotion</b>	<b>3,700,000</b>	<b>44,400</b>	<b>3,655,600</b>	<b>1%</b>
SP: Consumer Protection & Fair Trade Practices	3,700,000	44,400	3,655,600	1%
<b>Water Services and Irrigation</b>	<b>162,399,756</b>	<b>7,717,470</b>	<b>154,682,286</b>	<b>5%</b>
<b>P: Water Supply Services</b>	<b>162,399,756</b>	<b>7,717,470</b>	<b>154,682,286</b>	<b>5%</b>
SP: Domestic Water Services	150,320,800	7,454,270	142,866,530	5%
SP: Irrigation and Drainage Services	10,781,650	250,600	10,531,050	2%
SP: Water Storage Services	1,297,306	12,600	1,284,706	1%
<b>Youth, Sports, Culture and Tourism</b>	<b>85,026,128</b>	<b>5,024,400</b>	<b>80,001,728</b>	<b>6%</b>
<b>P: Culture, Arts and Social Services</b>	<b>22,246,900</b>	<b>24,400</b>	<b>22,222,500</b>	<b>0%</b>
SP: Culture and Arts Promotion	11,580,000	24,400	11,555,600	0%
SP: Gender, PWDs and Social Services	10,666,900	-	10,666,900	0%
<b>P: General Administration Planning and Support Services</b>	<b>20,200,000</b>	<b>-</b>	<b>20,200,000</b>	<b>0%</b>
SP: Administration, Policy, Strategy and Management of Agriculture	20,200,000	-	20,200,000	0%
<b>P: Sports Development and Promotion</b>	<b>38,382,953</b>	<b>5,000,000</b>	<b>33,382,953</b>	<b>13%</b>
SP: Athletics Championships and Other Games	6,110,550	-	6,110,550	0%
SP: County Football League and Clubs Development	2,654,550	-	2,654,550	0%
SP: Talent Search and Promotion	29,617,853	5,000,000	24,617,853	17%
<b>P: Tourism Development and Promotion</b>	<b>4,196,275</b>	<b>-</b>	<b>4,196,275</b>	<b>0%</b>
SP: Miss Tourism Tharaka Nithi	2,477,000	-	2,477,000	0%
SP: Tourism Branding and Marketing	1,719,275	-	1,719,275	0%
<b>P: County Assembly</b>	<b>473,000,000</b>	<b>58,099,393</b>	<b>414,900,607</b>	<b>12%</b>
SP: County Assembly Services	473,000,000	58,099,393	414,900,607	12%
<b>Grand Total</b>	<b>5,530,077,004</b>	<b>979,118,376</b>	<b>4,550,958,628</b>	<b>18%</b>

*Source: Tharaka Nithi County Treasury*

Programmes with high levels of implementation based on absorption rates were: Education and Youth Training in the Department of Education and Vocational Training at 31 per cent, General Administration, Planning, and Support Services in the Department of Education and Vocational Training at 29 per cent, Crop Development and Management in the Department of Agriculture, Cooperatives and Industry at 28 per cent and General Administration, Planning & Support Services in the Department of Medical services at 28 per cent of Budget Allocation.

## 5.0 Key Observations and Recommendations

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

1. The underperformance of own-source revenue at Kshs.57.58 million against an annual projection of Kshs.350 million, representing 16.5 per cent of the annual target.
2. The County did not budget for unspent cash balance from FY 2020/21, which amounted to Kshs.333.97 million.

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

1. *The County should address its revenue performance to ensure the approved budget is fully financed.*

- 2. The County Treasury should cause preparation a supplementary budget to capture the unspent balance from the previous financial year.*