

THARAKA NITHI COUNTY GOVERNMENT



DEPARTMENT OF FINANCE, ECONOMIC PLANNING AND TRADE

BUDGET IMPLEMENTATION REVIEW REPORT

SECOND QUARTER

FY 2021/22 j

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 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 Naiveté

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 Budget for FY 2021/22 was Kshs.5.802 billion, comprising of Kshs.2.04 billion (35.1 per cent) and Kshs.3.77 billion (64.9 per cent) allocation for development and recurrent programmes respectively.

To finance the budget, the County expects to receive Kshs.4.214 billion (72.63 per cent) as equitable share of revenue raised nationally, Kshs 863.9 million (14.89 per cent) as total conditional grants, generate Kshs. 350 million (6.0 per cent) from own sources of revenue, and had Kshs.373.8 million (6.44 per cent) as cash balance from FY 2020/21.

2.0 Revenue Performance

In the first half of FY 2021/22, the County received Kshs.2.10 billion as the equitable share of the revenue raised nationally, raised Kshs.121.84 million as own-source revenue, Kshs.75.82 million as conditional grants, and had a cash balance of Kshs.2.50 million from FY 2020/21. The total funds available for budget implementation during the period amounted to Kshs.4.80 billion, as shown in Table 1.

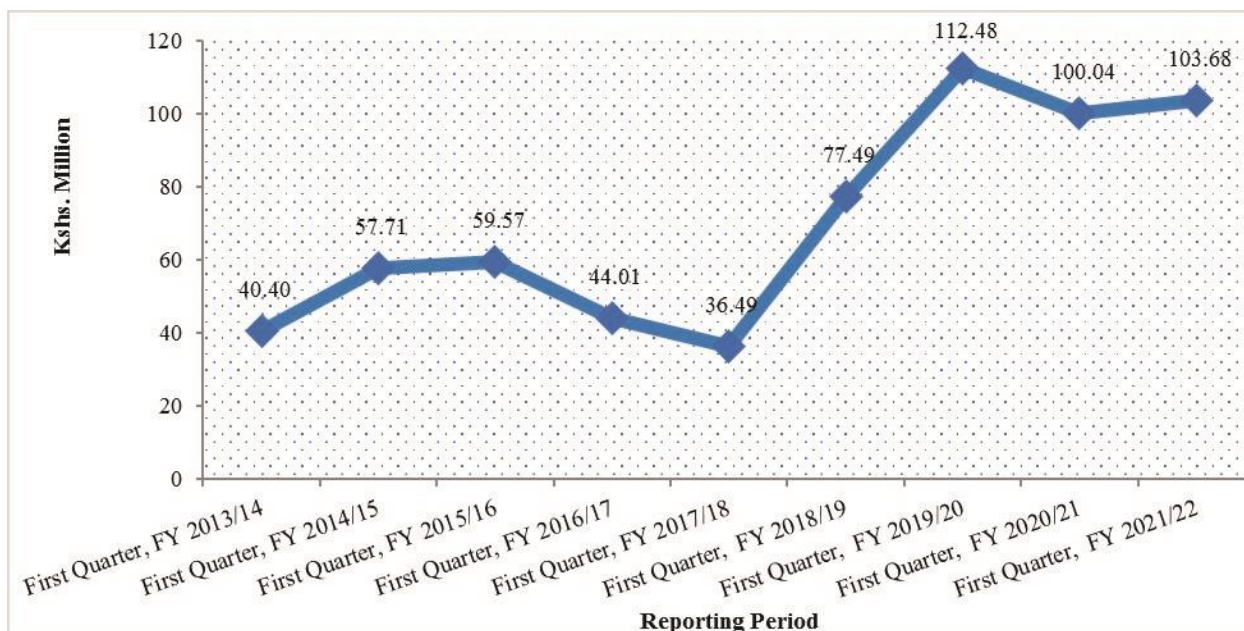
Table 1 Tharaka Nithi County, Revenue Performance in the Six Months of FY 2020/21

S/No	Revenue	Annual 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	1,748,892,415	41.2
Sub Total		4,214,198,393	1,748,892,415	41.2
B	Other Sources of Revenue			
1.	Own Source Revenue	350,000,000	103,683,338	29.6
2.	Conditional Grants	863,892,956	2,500,000	0.3
3.	Balance b/f from FY2020/21	373,811,941	373,811,941	100.0
Sub Total		1,587,704,897	479,995,279	30.2
Grand Total		5,801,903,290	2,228,887,694	38.4

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 six nine months of FY 2020/21, the County generated a total of Kshs..... million as own source revenue. This amount represented an increase of 7.8 per cent when compared to Kshs.190.35 million realised during the same period in FY 2018/19, and translates to 76.8 per cent of the annual target.

2.1 Exchequer Issues

The Controller of Budget approved Kshs.2.20 billion withdrawals from the CRF account during the reporting period. The amount comprised Kshs.495.13 million (22.5 per cent) for development programmes and Kshs.1.70 billion (77.5 per cent) for recurrent programmes.

3.0 Overall Expenditure Review

The County spent Kshs.2.05 billion on development and recurrent programmes during the reporting period. This expenditure represented 93.3 per cent of the total funds released by the CoB and comprised of Kshs.357.94 million and Kshs.1.69 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 17.6 per cent, while recurrent expenditure represented 45.1 per cent of the annual recurrent expenditure budget.

3.1 Expenditure by Economic Classification

Analysis of recurrent expenditure indicated that Kshs.1.66 billion was spent on compensation to employees, Kshs.813.73 million on operations and maintenance, and Kshs.147.37 million on development expenditure.

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

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly

Total Recurrent Expenditure	3,343,161,282	423,000,000	1,518,133,083	180,098,957	45.4	42.6
Compensation to Employees	2,155,622,424	191,347,687	1,079,138,028	85,768,835	50.1	44.8
Operations and Maintenance	1,187,538,858	231,652,313	438,995,055	94,330,122	37.0	40.7
Development Expenditure	2,010,742,007	25,000,000	354,134,332	3,808,032	17.6	15.2
Total	5,353,903,289	448,000,000	1,872,267,415	183,906,989	35.0	0.4

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 40.1 per cent of the first half proportional revenue of Kshs.2.90 billion. The wage bill of Kshs.1.16 billion includes Kshs.730 million attributable to the health sector, which translates to 62.7 per cent of the total wage bill in the reporting period.

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.

S/No.	Name of the Fund	Approved Budget Allocation in FY 2021/22 (Kshs.)		Actual Expenditure as of 31 st 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	-
	Total	25,000,000	-	10,000,000	-		

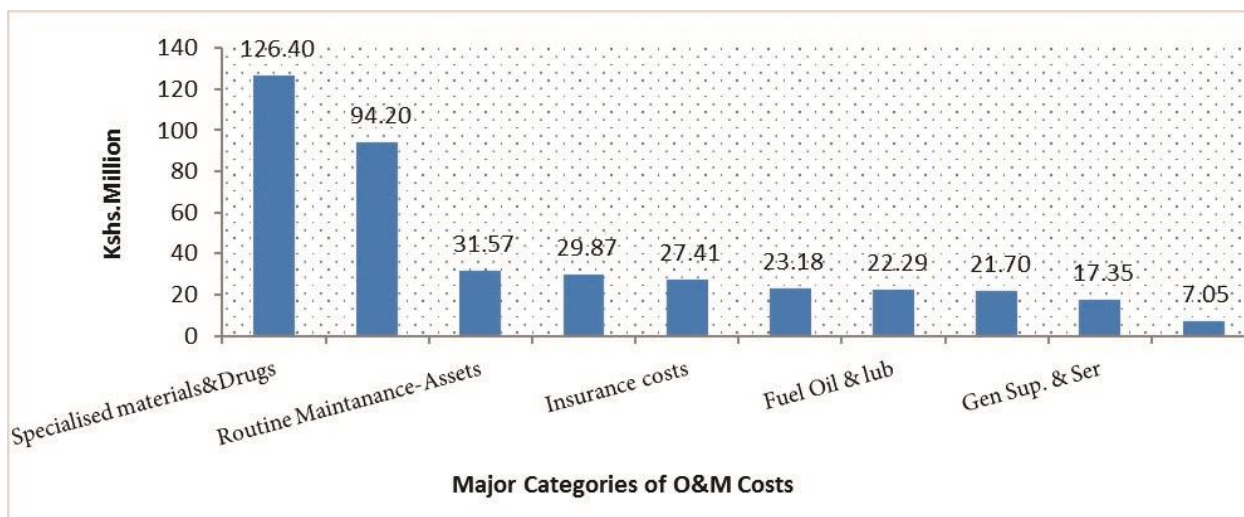
Source: Tharaka Nithi County Treasury

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.5.12 million on committee sitting allowances for the 28 MCAs and Speaker against the revised annual budget allocation of Kshs.10.88 million in the first nine months of FY 2020/21. The average monthly sitting allowance translated to Kshs. 20,316.67 per MCA against the SRC's recommended monthly ceiling of Kshs.124,800.

During the period, expenditure on domestic travel amounted to Kshs.103.45 million and comprised of Kshs.18.41 million spent by the County Assembly and Kshs.85.04 million spent by the County Executive. Expenditure on foreign travel amounted to Kshs.22.81 million and comprised of Kshs.9.32 million spent by the County Assembly and Kshs.13.48 million spent by the County Executive.

3.5 Development Expenditure Analysis

The total commitments on development expenditure of Kshs.147.37 million represented 6.0 per cent of the annual development budget of Kshs.2.44 billion and represented a decrease of 66.6 per cent compared to a similar period in FY2018/19 when the County spent Kshs.441.07 billion. Table 3 provides a summary of the development projects with the highest expenditure in the first nine months of the financial year.

Table 2 Tharaka Nithi County, List of Development Projects with the Highest Expenditure in the First Nine Months of FY 2020/21

S/No.	Project Name	Location	Budget (kshs.)	Expenditure (Kshs.)	Absorption Rate (%)
1	Tarmacking of Major Roads (Tunyai - Nthaara - Marimanti, Cheera - Ruguti, Mitheru-Kaanwa, Karandini- Kithioroni, Mukothima Town & Katharaka Road)	Countywide	258,000,000	124,260,180	48.2
2	Youth Polytechnics Development Grant	Countywide	46,615,032	41,650,989	89.4
3	Crop Subsidy	Countywide	97,000,000	21,701,125	22.4
4	Development of Kathwana Municipality market	Igambang'ombe	16,800,000	16,717,617	99.5
5	Maintenance and improvement of various Wards Access roads (7m per ward)	Countywide	109,000,000	63,533,107	58.3
6	Construction of Bridges & Footbridges	Countywide	33,000,000	13,708,454	41.5
7	Support to Kathwana Infrastructure Development	Igambang'ombe	50,000,000	42,924,056	85.8
8	Wards and small markets improvement	Countywide	41,000,000	13,739,005	33.5
9	Construction of ECDE Classes	Countywide	34,069,585	8,842,814	26.0
10	Maintenance and improvement of various Wards Access roads (7m per ward)	Countywide	109,000,000	63,533,107	58.3

Source: Tharaka Nithi County Treasury

4.0 Budget performance

4.1 Budget Performance by Department

Table 3 shows a summary of the approved budget allocation and performance by department in the first six months of FY 2020/21.

Table 3: Tharaka Nithi County, Budget Performance by Department for the First Six Months of 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	423.00	25.00	180.17	3.81	180.10	3.81	100.0	100.0	42.6	15.2
Office of The Governor and Deputy Governor	152.28	-	59.30	-	58.32	-	98.4	0.0	38.3	0.0
Finance and Economic Planning	306.93	148.55	92.94	137.24	92.86	3.99	99.9	2.9	30.3	2.7
Agriculture, Cooperatives and Industry	103.01	525.17	52.37	26.68	52.37	26.24	100.0	98.4	50.8	5.0
Education and Vocational Training	197.10	53.07	92.82	21.35	92.71	20.84	99.9	97.6	47.0	39.3
Medical Services	1,576.47	198.25	766.76	17.12	765.88	16.63	99.9	97.1	48.6	8.4
Lands, Physical Planning, Urban Development, Environment and Natural Resources	88.27	248.00	37.14	58.68	37.45	57.30	100.8	97.6	42.4	23.1
Roads, Infrastructure, Public Works and ICT	194.89	486.61	52.86	217.92	51.18	216.90	96.8	99.5	26.3	44.6
Public Service, Urban Development and Disaster Management	139.35	-	68.87	-	67.09	-	97.4	-	48.1	0.0
Trade and Revenue	94.10	-	50.47	-	49.71	-	98.5	-	52.8	0.0
Water Services and Irrigation	37.06	110.20	15.13	3.45	14.85	3.35	98.2	96.9	40.1	3.0
County Public Service Board	23.93	-	7.73	-	7.78	-	100.7	0.0	32.5	-
Livestock, Veterinary and Fisheries Dev't	79.18	40.50	36.18	3.84	35.59	3.84	98.4	100.0	44.9	9.5
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
Public Health and Sanitation	257.37	153.30	168.13	-	167.24	-	99.5	-	65.0	-
Energy and Housing	30.71	30.90	15.05	3.20	14.33	3.20	95.2	100.0	46.7	10.4
Youth, Sports, Culture and Tourism	62.51	16.20	11.64	1.84	10.76	1.84	92.4	100.0	17.2	11.4

TOTAL	3,766.16	2,035.74	1,707.55	495.14	1,698.23	357.94	99.5	72.3	45.1	17.6
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Source: Tharaka Nithi County Treasury

Analysis of expenditure by department shows that the department of Tourism, Trade, Enterprise Development and Cooperatives recorded the highest absorption rate of development budget at 29.9 per cent while four Departments and the County Assembly did not report expenditure on development activities as shown in the above table. It's worth noting however that the releases/requests for development activities were only Kshs. 47.74 million while the difference in expenditure of approximately Kshs. 100 million are commitments pending settlement.

The Department of Education and Vocational Training had the highest absorption of recurrent budget at 80.2 per cent while the Department of Lands, Housing, Physical Planning and Urban Development had the lowest at 24.6 per cent.

4.2 Budget Execution by Programmes and Sub-Programmes

Table 4 shows a summary of the budget execution by programmes and sub-programmes in the first nine months of FY 2020/21.

Table 4 : Tharaka Nithi County, Budget Execution by Programmes and Sub-programmes in the First Nine Months of FY 2020/21

Row Labels	Sum of Printed Estimates (Kshs)	Sum of Approved Estimates (Net)	Sum of Cumulative expenditure (Ksh)	Sum of Variance (Kshs.)	Absorption rate (%)
Agriculture, Cooperatives and Industry	571,409,822	628,178,602	78,615,341	549,563,261	12.51%
P: Cooperative Development and Management	3,327,317	1,473,037	-	1,473,037	0.00%
SP: Cooperative Development	3,327,317	1,473,037	-	1,473,037	0.00%
P: Crop Development and Management	69,613,329	114,134,929	18,344,854	95,790,075	16.07%
SP: Crops Development, Agribusiness and Market Development	69,613,329	114,134,929	18,344,854	95,790,075	16.07%
P: General Administration Planning and Support Services	498,469,176	512,570,636	60,270,487	452,300,149	11.76%
SP: Administration, Policy, Strategy and Management of Agriculture	498,469,176	512,570,636	60,270,487	452,300,149	11.76%
County Public Service Board	23,933,364	23,933,364	7,781,599	16,151,765	32.51%
P: Financial Management Services	1,550,000	1,300,000	400,600	899,400	30.82%
SP: Monitoring and Evaluation Services	1,550,000	1,300,000	400,600	899,400	30.82%
P: General Administration, Planning and Support Services	17,408,364	20,058,364	6,738,110	13,320,254	33.59%
SP: General Administration and Support Services	17,408,364	20,058,364	6,738,110	13,320,254	33.59%
P: Human Resource Management and Development	4,975,000	2,575,000	642,889	1,932,111	24.97%
SP: County Public Service Board Services	4,975,000	2,575,000	642,889	1,932,111	24.97%
Education and Vocational Training	278,215,947	250,165,947	113,554,582	136,611,365	45.39%
P: Education and Youth Training	133,771,192	105,721,192	44,440,675	61,280,517	42.04%
SP: Promotion of Basic Education (ECDE)	83,569,585	64,669,585	21,993,091	42,676,494	34.01%

SP: Youth Training and Capacity Building	50,201,607	41,051,607	22,447,584	18,604,023	54.68%
P: General Administration Planning and Support Services	144,444,755	144,444,755	69,113,907	75,330,848	47.85%
SP: Administration Planning and Support Services	144,444,755	144,444,755	69,113,907	75,330,848	47.85%
Energy and Housing	146,358,980	61,608,845	17,535,099	44,073,746	28.46%
P: Energy Resource Development & Management	111,700,000	31,099,865	3,200,796	27,899,069	10.29%
SP: Energy Resource Development & Management	111,700,000	31,099,865	3,200,796	27,899,069	10.29%
P: General Administration Planning and Support Services	34,658,980	30,508,980	14,334,303	16,174,677	46.98%
SP: General Administration Services	34,658,980	30,508,980	14,334,303	16,174,677	46.98%
Finance and Economic Planning	511,669,470	455,483,815	96,848,246	358,635,569	21.26%
P: Economic Policy and County Planning	7,900,000	15,200,000	2,452,500	12,747,500	16.13%
SP: County Statistics Services	2,400,000	5,300,000	1,030,900	4,269,100	19.45%
SP: Economic Development, Planning and Coordination Services	3,100,000	5,100,000	731,000	4,369,000	14.33%
SP: Monitoring and Evaluation Services	2,400,000	4,800,000	690,600	4,109,400	14.39%
P: Financial Management Services	15,270,000	24,620,000	7,879,180	16,740,820	32.00%
SP: Accounting Services	4,250,000	7,250,000	1,980,700	5,269,300	27.32%
SP: Audit Services	4,300,000	7,650,000	3,208,780	4,441,220	41.94%
SP: Budget Formulation and Coordination	4,350,000	6,650,000	2,003,800	4,646,200	30.13%
SP: Supply Chain Management Services	2,370,000	3,070,000	685,900	2,384,100	22.34%
P: General Administration, Planning and Support Services	297,647,920	222,312,265	77,886,921	144,425,344	35.03%
SP: Human Resource Management Services	297,647,920	222,312,265	77,886,921	144,425,344	35.03%
P: Kenya Devolution Support Programme	172,242,250	172,242,250	2,803,150	169,439,100	1.63%
SP: Tharaka Nithi KDSP Capacity Building	172,242,250	172,242,250	2,803,150	169,439,100	1.63%
P: Resource mobilisation	18,609,300	21,109,300	5,826,495	15,282,805	27.60%
SP: Revenue Administration	18,609,300	21,109,300	5,826,495	15,282,805	27.60%
Lands, Physical Planning, Urban Development, Environment and Natural Resources	293,446,836	336,272,521	94,744,639	241,527,882	28.17%
P: Environment and Natural Resources Management	6,500,000	4,150,000	292,408	3,857,592	7.05%
SP: Environment and Natural Resource	6,500,000	4,150,000	292,408	3,857,592	7.05%
P: General Administration Planning and Support Services	25,000,000	40,000,000	-	40,000,000	0.00%
SP: General Administration Services	25,000,000	40,000,000	-	40,000,000	0.00%
P: Kathwana Municipality Development Programme	87,996,660	127,396,660	981,000	126,415,660	0.77%
SP: Kathwana Urban Area Support	87,996,660	127,396,660	981,000	126,415,660	0.77%
P: Land Policy and Planning	90,773,988	83,338,838	33,480,776	49,858,062	40.17%
SP: Land administration & management	15,015,688	11,156,938	1,956,161	9,200,777	17.53%
SP: Physical Planning Services	75,758,300	72,181,900	31,524,615	40,657,285	43.67%
P: Urban Development and Administration	83,176,188	81,387,023	59,990,455	21,396,568	73.71%
SP: Urban Administrative Services	83,176,188	81,387,023	59,990,455	21,396,568	73.71%

Livestock, Veterinary and Fisheries Development	144,442,716	119,682,676	39,429,565	80,253,111	32.95%
P: Livestock and Fisheries Resource Management and Development	144,442,716	119,682,676	39,429,565	80,253,111	32.95%
SP: Fisheries Development and Promotion	21,938,915	13,938,915	-	13,938,915	0.00%
SP: Livestock Policy Development and Capacity Building	92,749,205	83,578,820	37,706,815	45,872,005	45.12%
SP: Veterinary Services and Disease Prevention	29,754,596	22,164,941	1,722,750	20,442,191	7.77%
Medical Services	1,545,710,207	1,774,714,757	782,516,119	992,198,638	44.09%
P: Curative and Rehabilitative Services	164,000,000	254,000,000	105,175,484	148,824,516	41.41%
SP: Laboratory Services	37,000,000	47,000,000	14,569,860	32,430,140	31.00%
SP: Medical Supplies	127,000,000	207,000,000	90,605,624	116,394,376	43.77%
P: General Administration Planning and Support Services	1,381,710,207	1,520,714,757	677,340,635	843,374,122	44.54%
SP: General Administration Services	302,114,207	347,654,207	108,373,764	239,280,443	31.17%
SP: Health sector planning, budgeting Monitoring and Evaluation	11,196,000	11,196,000	-	11,196,000	0.00%
SP: Human resource management	1,068,400,000	1,161,864,550	568,966,871	592,897,679	48.97%
Office of Governor and Deputy Governor	144,275,972	152,275,972	58,317,762	93,958,210	38.30%
P: County Government Advisory Services	8,158,661	9,158,661	6,067,200	3,091,461	66.25%
SP: Communication and Strategy	8,158,661	9,158,661	6,067,200	3,091,461	66.25%
P: County Leadership and Coordination of MDAs	33,070,400	39,020,400	22,501,225	16,519,175	57.67%
SP: Coordination of CMAs (Office of County Secretary)	21,250,000	29,250,000	21,720,925	7,529,075	74.26%
SP: Public Sector Advisory Services (Legal, Political, and Economic Affairs)	11,820,400	9,770,400	780,300	8,990,100	7.99%
P: General Administration, Planning and Support Services	103,046,911	104,096,911	29,749,337	74,347,574	28.58%
SP: Coordination and Supervisory Services (Deputy Governor's Office)	16,480,000	16,480,000	2,060,600	14,419,400	12.50%
SP: Management of County Affairs (Office of Governor)	86,566,911	87,616,911	27,688,737	59,928,174	31.60%
Public Administration and Devolution Affairs	137,954,880	139,354,880	67,088,173	72,266,707	48.14%
P: County Government Advisory Services	2,400,000	1,200,000	61,700	1,138,300	5.14%
SP: Disaster Management and Coordination	2,400,000	1,200,000	61,700	1,138,300	5.14%
P: General Administration, Planning and Support Services	135,554,880	138,154,880	67,026,473	71,128,407	48.52%
SP: General Administration and Support Services	125,094,880	132,894,880	65,604,273	67,290,607	49.37%
SP: Human Resource Management Services	4,100,000	1,700,000	216,600	1,483,400	12.74%
SP: Sub-County Administration and Field Services	6,360,000	3,560,000	1,205,600	2,354,400	33.87%
Public Health and Sanitation	431,202,402	410,664,402	167,240,154	243,424,248	40.72%
P: Preventive and Promotive Health Services	431,202,402	410,664,402	167,240,154	243,424,248	40.72%
SP: Disease Surveillance	1,981,115	1,281,115	-	1,281,115	0.00%
SP: Environmental Health services	33,638,000	15,300,000	6,198,575	9,101,425	40.51%
SP: Health Promotion and Disease Control	390,583,287	389,883,287	161,041,579	228,841,708	41.31%

SP: HIV and AIDS Support Services	3,200,000	2,700,000	-	2,700,000	0.00%
SP: Reproductive Maternal and Childhealth Services	1,800,000	1,500,000	-	1,500,000	0.00%
Roads, Infrastructure, Public Works and ICT	482,028,324	681,498,324	268,083,511	413,414,813	39.34%
P: General Administration Planning and Support Services	27,439,324	27,439,324	1,447,942	25,991,382	5.28%
SP: General Administration Services	27,439,324	27,439,324	1,447,942	25,991,382	5.28%
P: ICT Infrastructure Development	19,500,000	16,600,000	10,872,183	5,727,817	65.50%
SP: ICT Infrastructure Development	19,500,000	16,600,000	10,872,183	5,727,817	65.50%
P: Public Works and Housing Services	1,890,750	16,335,500	11,048,386	5,287,114	67.63%
SP: Public Works Services	1,890,750	16,335,500	11,048,386	5,287,114	67.63%
P: Roads Transport	433,198,250	621,123,500	244,715,000	376,408,500	39.40%
Row Labels	Sum of Printed	Sum of Approved Estimates (Net)	Sum of Cumulative Expenditure (Kshs.)	Sum of Variance (Kshs.)	Sum of
	Estimate				Absorption
	(Kshs.)				Rate (%)
SP: Rural Roads Improvement and Maintenance Services	433,198,250	621,123,500	244,715,000	376,408,500	39.40%
Trade and Revenue	99,002,200	94,102,200	49,710,510	44,391,690	52.83%
P: General Administration, Planning and Support Services	90,802,200	87,402,200	49,385,260	38,016,940	56.50%
SP: General Administration and Support Services	90,802,200	87,402,200	49,385,260	38,016,940	56.50%
P: Industrial Development and Investment	4,500,000	3,300,000	280,850	3,019,150	8.51%
SP: Industrial Development	4,500,000	3,300,000	280,850	3,019,150	8.51%
P: Trade Development and promotion	3,700,000	3,400,000	44,400	3,355,600	1.31%
SP: Consumer Protection & Fair Trade Practices	3,700,000	3,400,000	44,400	3,355,600	1.31%
Water Services and Irrigation	162,399,756	147,259,656	18,197,994	129,061,662	12.36%
P: Water Supply Services	162,399,756	147,259,656	18,197,994	129,061,662	12.36%
SP: Domestic Water Services	150,320,800	143,820,800	14,888,794	128,932,006	10.35%
SP: Irrigation and Drainage Services	10,781,650	2,199,350	3,238,600	-1,039,250	147.25%
SP: Water Storage Services	1,297,306	1,239,506	70,600	1,168,906	5.70%
Youth,Sports,Culture and Tourism	85,026,128	78,707,328	12,604,121	66,103,207	16.01%
P: Culture, Arts and Social Services	22,246,900	27,735,200	1,516,652	26,218,548	5.47%
SP: Culture and Arts Promotion	11,580,000	13,478,000	620,900	12,857,100	4.61%
SP: Gender,PWDs and Social Services	10,666,900	14,257,200	895,752	13,361,448	6.28%
P: General Administration Planning and Support Services	20,200,000	3,200,000	-	3,200,000	0.00%
SP: Administration, Policy, Strategy and Management of Agriculture	20,200,000	3,200,000	-	3,200,000	0.00%
P: Sports Development and Promotion	38,382,953	36,941,353	10,980,229	25,961,124	29.72%
SP: Athletics Championships and Other Games	6,110,550	5,012,050	103,200	4,908,850	2.06%
SP: County Football League and Clubs Development	2,654,550	2,433,000	-	2,433,000	0.00%
SP: Talent Search and Promotion	29,617,853	29,496,303	10,877,029	18,619,274	36.88%
P: Tourism Development and Promotion	4,196,275	10,830,775	107,240	10,723,535	0.99%

SP: Miss Tourism Tharaka Nithi	2,477,000	10,277,000	107,240	10,169,760	1.04%
SP: Tourism Branding and Marketing	1,719,275	553,775	-	553,775	0.00%
P: County Assembly	473,000,000	448,000,000	183,906,989	264,093,011	41%
SP: County Assembly Services	473,000,000	448,000,000	183,906,989	264,093,011	41%
Grand Total	5,530,077,004	5,801,903,289	2,056,174,404	3,745,728,885	35.44%

Source: Tharaka Nithi County Treasury

The best performing programs across the County were: Preventive and Promotive Health Services at 86.1 per cent, Special Programs at 80.3 per cent, Education's Administrative Services at 71.7 per cent, and Management of County Affairs at 67.4 per cent of budget allocation.

5.0 Key Observations and Recommendations

The County has improved in its own source revenue performance for the period under review and managed to collect Kshs. 205.21 million representing a 7.8 per cent growth as compared to the Kshs. 190.35 million realised during the nine months of the previous year. The nine months' collection for the 2020/21 financial year also represents 76.8 per cent against the annual revenue target of Kshs.267.03 million.

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

1. Low absorption of development funds in the first nine months of FY 2020/21. The County requested for Kshs.57.74 million out of annual development budget of Kshs.2.44 billion. Additionally, total commitments on development activities were Kshs. 147.37 million representing 6.0 per cent of the annual development.
2. A high wage bill, which accounted for 63.3 per cent of the total expenditure in the First Nine Months of FY 2020/21 thus constraining funding to other programmes.

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 Public Service Board should establish an optimal staffing structure in order to ensure a sustainable wage bill.*