

COUNTY GOVERNMENT OF VIHIGA



DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

4TH QUARTER BUDGET IMPLEMENTATION REPORT

FY 2019/2020

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ACRONYMS

AIE	Authority to Incur Expenditure
ADP	Annual Development Plan
CA	County Assembly
CARA	County Allocation of Revenue Act
CE	County Executive
CEC	County Executive Committee
CIDP	County Integrated Development Plan
CK	Constitution of Kenya
COB	Controller of Budget
COK	Constitution of Kenya, 2010
CRA FMS	Commission on Revenue Allocation Financial Management System
FY	Financial Year
G-PAY	Government Payment System
IBEC	Intergovernmental Budget and Economic Council
IFMIS	Integrated Financial Management Information System
KNBS	Kenya National Bureau of Statistics
MCA	Members of County Assembly
MDA	Ministries, Departments and Agencies
MTEF	Medium Term Expenditure Framework
OCOB	Office of the Controller of Budget
PBB	Program Based Budget
PFM	Public Finance Management
PFMA	Public Finance Management Act
SRC	Salaries and Remuneration Commission
TA	Transition Authority

FORWARD

The Constitution of Kenya 2010 lays a very strong basis for efficient and effective management of public finances as spelt out under Article 10, the bill of rights and principles of public finance. Since the start of devolution a lot of public resources have been invested in various sectors to support socio-economic development of residents. To effectively accomplish this, the County Government of Vihiga remains committed to the PFM principles.

I am pleased to present the annual Budget Implementation Review Report for the FY 2019/20 period for Government of Vihiga. It presents the fiscal performance of the County for the FY 2019/20. This report will compare the performance of the County Government by analyzing budget estimates, actual expenditure and realized revenue during the period under review. In our drive for improved openness, transparency, accountability and fiscal responsibility in the public sector, the County Government of Vihiga is committed to continuously update County residents on matters of public finance through various media including this report.

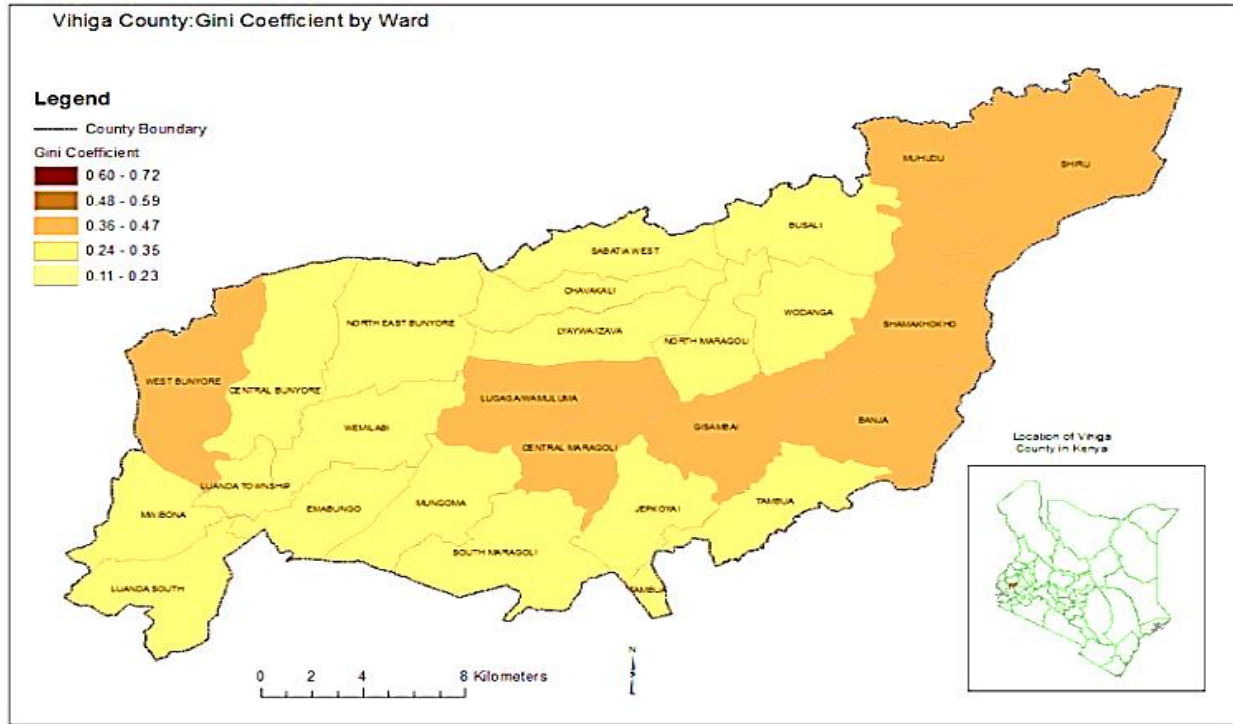
The report discusses revenue and expenditure estimates against actual realized revenues and expenditures. Key challenges observed during the period under review will be highlighted together with possible recommendations on how the same should be addressed. It is our expectation that the evidence provided by this report will be utilized to improve both the allocative and operational efficiency of financial resources across all sectors within the County.

Finally, this report is intended for the consumption of all tax payers in the County. The County citizenry is encouraged to read this report and to continue debating and seeking clarity on all public expenses in order for the Constitution aspirations and Vision 2030 dreams to be actualized. The Public should not shy from seeking information from Government offices and demand for accountability and openness from all public officers.

Hon. Alfred Indeche

CECM, Finance & Economic Planning

MAP OF VIHIGA COUNTY



CHAPTER ONE: INTRODUCTION

The objective of the Budget Implementation report is to provide a review of the budget execution status of the County Government. It assess public spending trends, identifies the challenges and opportunities and makes recommendations for improving public financial and expenditure management. This report covers the performance of County government in the implementation of the budget and is prepared in conformity to Article 228(4) and 228 (6) of the Constitution.

The PFMA provides an elaborate framework for the formulation of budgets and assigns specific responsibilities to each arm of the County Government in the budgeting process. For the budgets to be in compliance with law, strictly adherence to the budgeting framework: Prepared on the Program Based Budgeting (PBB) framework; be aligned to the approved County Integrated Development Plans (CIDP); Annual Development Plans (ADP) and the County Fiscal Strategy Papers (CFSP); be a product of public participation; and be balanced based on realistic local revenue targets among other legal requirements.

The County's FY 2019/20 Approved supplementary 4 Budget was Kshs.6,955,030,777 comprising of Kshs.4,142,556,704 (59.6 per cent) and Kshs. 2,812,474,073 (40.3 per cent) allocation for recurrent and development expenditure respectively.

To finance the budget, the County was expected to receive Kshs.4,652,550,000 (66.9 per cent) as equitable share of revenue raised nationally, Kshs.1,689,156,150 (24.3 per cent) as total conditional grants, generate Kshs.192,521,027 (2.8 per cent) from own source revenue, and Kshs.422,088,829 (6.0 per cent) cash balance brought forward from FY 2018/19.

1.1 ANALYSIS OF CONDITIONAL GRANTS FY 2019/20

During the period under review, the County budgeted for Kshs. 1,689,156,150 comprising allocation for FY 2019/20 and balance brought forward from the previous financial year. Total receipts for conditional grants for the period under review amounted to Kshs. 818,637,383 representing 48.5 per cent performance.

Table 1: Conditional Grants for FY 2019/20

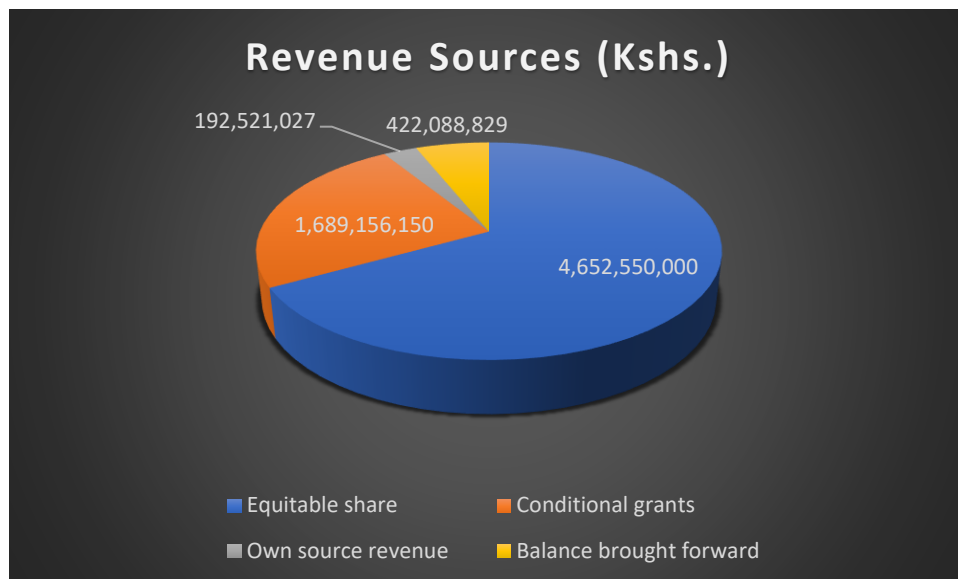
GRANTS	Bal. B/d	Budget for FY 2019/20	Approved Budget	Total Receipts	Actual Receipts as % of Annual Allocation
NARIGP Grant- World Bank	86,795,631	440,356,683	527,152,314	212,034,566	40.2
ASDSP - Grant- Swedish Government	11,630,444	21,767,953	33,398,397	13,268,381	39.7
Kenya Devolution Support Programme - KDSP- world Bank		71,604,116	71,604,116	30,000,000	41.9
Kenya Urban Support Programme- KUSP- UIG- World Bank	41,200,000	8,800,000	50,000,000	8,800,000	17.6
Kenya Urban Support Programme- KUSP- UDG-World Bank	187,410,324	250,950,700	438,361,024	179,489,476	40.9
Transformation of Healthcare Systems- World Bank	3,337,542	89,973,950	93,311,492	52,387,250	56.1
DANIDA Healthcare Financing- Danish Government		13,312,500	13,312,500	18,282,500	137.3
Nutrition International - Canadian Government	0	2,500,000	2,500,000	2,500,000	100.0
Village Polytechnic Development - Grant	3,183,746	81,218,298	84,402,044	67,743,290	80.3
Road Maintenance Levy Fund- KRB	33,479,996	137,062,172	170,542,168	132,065,719	77.4
Compensation of User Fees- MOH	-	12,657,201	12,657,201	12,657,201	100.0
Covid-19 Support Grant- MOH	-	60,000,000	60,000,000	89,409,000	149.0
Leasing of medical equipment	-	131,914,894	131,914,894	-	0.0
Total	367,037,683	1,322,118,467	1,689,156,150	818,637,383	48.5

1.2 Overview of the FY 2019/20 Budget

The County's FY 2019/20 Approved Budget was Kshs. 6,955,030,777 comprising of Kshs. 4,142,556,704 (59.6 per cent) and Kshs. 2,812,474,073 (40.4 per cent) allocation for recurrent and development expenditure respectively.

To finance the budget, the County expected to receive Kshs.4,652,550,000 (66.9 per cent) as equitable share of revenue raised nationally, Kshs.1,689,156,150 (24.3 per cent) as total conditional grants, Kshs. 422,088,829 (6.0 per cent) unspent balances and generate Kshs.192,521,027 (2.8 per cent).

Figure 1: Vihiga Expected Sources of Budget Financing in FY 2019/20(Kshs.)



1.3 Revenue Performance

By the end of financial year 2019/20, total cumulative revenue received by the County amounted to Kshs.5,219,267,219 comprising of Kshs.4,252,430,700 as equitable share of revenue raised nationally, Kshs.818,637,383 as total conditional grants and Kshs.148,199,136 from own source revenue. The local revenue performance per stream is as per table 2.

Table 2: Revenue collection by streams for the financial year 2019/20

No.	STREAMS	1ST QUARTER TOTALS	2ND QUARTER TOTALS	3RD QUARTER TOTALS	4TH QUARTER TOTALS	TOTALS
1	PARKING FEE	10,829,610	9,562,840	9,164,140	264,810	29,821,400
2	MARKET	5,007,400	4,455,130	3,872,260	10,770	13,345,560
3	SBP	4,405,475	1,012,962	13,906,757	2,612,384	21,937,578
4	SBP APPLICATION	166,000	38,705	111,500	41,000	357,205
5	PLOT RENT	104,610	61,793	815,788	172,933	1,155,124

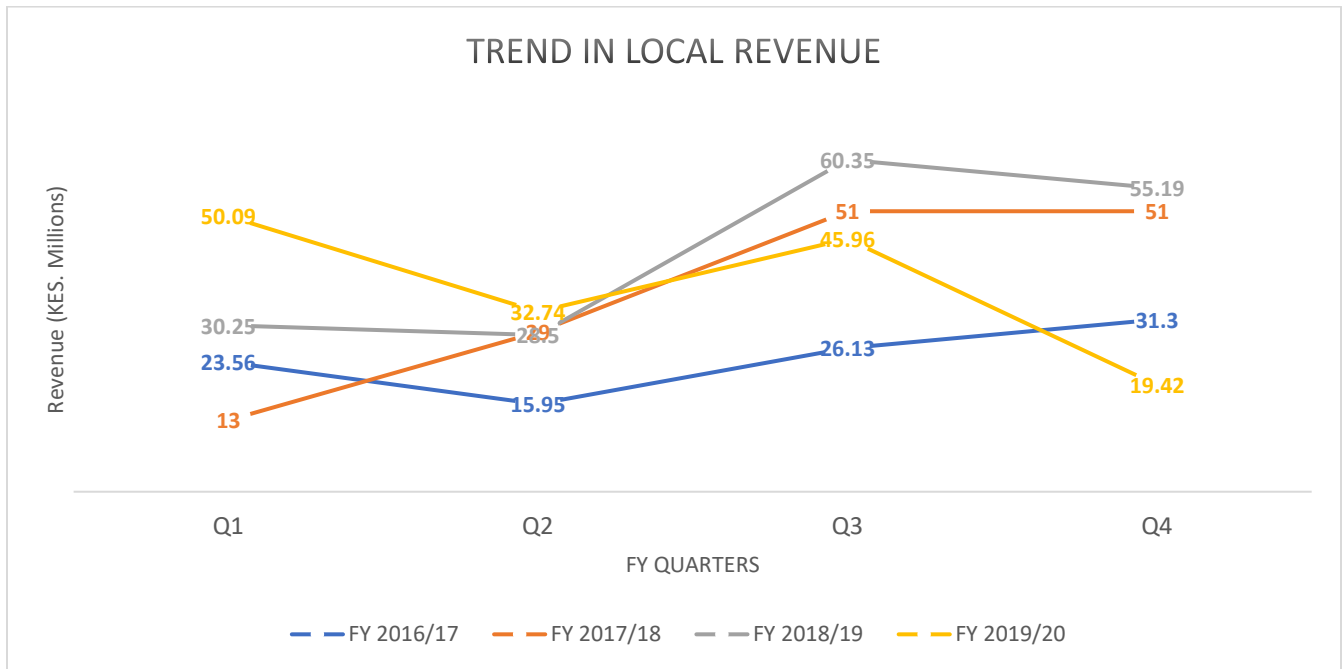
No.	STREAMS	1ST QUARTER TOTALS	2ND QUARTER TOTALS	3RD QUARTER TOTALS	4TH QUARTER TOTALS	TOTALS
6	PLOT RATE	78,438	517,194	145,088	22,160	762,880
7	STALL RENT	598,350	552,880	492,550	164,000	1,807,780
8	HOUSE RENT	658,762	795,212	664,156	1,084,816	3,202,946
9	GROUP REGISTRATION	42,050	13,300	36,850	1,700	93,900
10	FINES& PENALTIES	49,000	48,430	-	-	97,430
11	TENDER DOCUMENTS	-	-	-	-	-
12	PHYSICAL PLANNING	182,000	211,000	165,500	69,000	627,500
13	UNCLUMPING	-	-	-	-	-
14	MISELLANEOUS INC.	1,653,965	-	2,820,201	1,089,529	5,563,695
15	FACILITY IMP.FUND	12,106,324	10,813,547	7,819,436	5,593,710	36,333,017
16	PUBLIC HEALTH	606,550	531,770	875,600	239,150	2,253,070
17	LIQOUR	3,679,500	272,000	297,000	-	4,248,500
18	WATER &ADMIN.	268,600	195,350	363,620	107,660	935,230
19	HIRE OF MACHINES	610,640	300,640	233,080	819,700	1,964,060
20	PLANN APP.& APPROVAL	580,000	400,350	407,500	397,550	1,785,400
21	INSPECTION	233,000	221,500	236,500	300,500	991,500
22	ELECTRICAL SCRUTINY	104,520	106,000	69,000	88,000	367,520
23	MECHANICAL SCRUTINY	80,000	57,000	40,000	43,000	220,000
24	ADVERTS	182,550	139,350	727,000	2,833,000	3,881,900
25	LAND BOUNDARY	121,780	74,000	123,700	-	319,480
26	WEIGHTS &MEASURES	-	8,500	107,450	-	115,950
27	OBSTRUCTION	-	-	-	-	-
28	GROUND RENT	102,238	6,800	64,000	2,500	175,538
29	SLAGHTER MGMNT	95,180	84,100	39,000	8,670	226,950
30	CONSERVANCY	815,000	193,100	1,087,060	254,100	2,349,260
31	VETERINARY	519,870	649,385	550,695	672,980	2,392,930
32	SEARCH FEE	26,400	520	-	-	26,920

No.	STREAMS	1ST QUARTER TOTALS	2ND QUARTER TOTALS	3RD QUARTER TOTALS	4TH QUARTER TOTALS	TOTALS
33	FERTERLIZER	16,800	-	-	26,150	42,950
34	WAY LEAVE	27,300	-	-	-	27,300
35	STOCK SALE	707,380	262,030	480,330	200	1,449,940
36	RENOVATION	3,500	22,750	23,140	6,500	55,890
37	HIRE OF HALL	-	-	-	-	-
38	SAND & MURRAM	60,570	61,440	31,400	1,000	154,410
39	OTHER MI	2,390,357	1,564,320	21,200	-	3,975,877
40	TEA CESS	-	-	-	-	-
41	NOICE EMISSION	-	-	-	-	-
42	VIHIGA FM RECEIPTS	-	-	-	2,556,032	2,556,032
	TOTAL	47,113,719	33,233,898	45,791,501	19,483,504	145,622,622
	TRANSFER TO CRF	50,087,994	32,738,910	45,956,975	19,415,258	148,199,137

Source: County Treasury

From table 2 analysis of revenue by streams indicated that facility improvement fund, Single business permit and parking fee recorded highest revenue collection compared to other streams. While unclamping, tender documents, obstruction, hire of halls, tea cess and noise emission streams did not collect any revenue during the period under review.

Figure 1: Vihiga County, Trend in Local Revenue Collection from FY 2016/17 to FY 2019/20



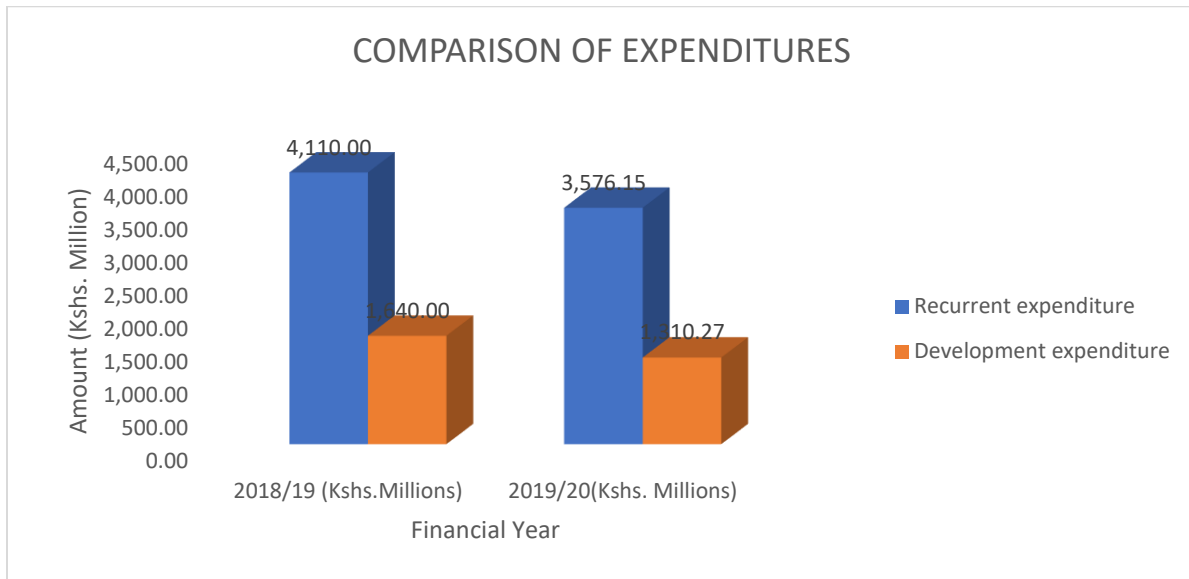
Source: Vihiga County Treasury

Figure 2 shows revenue collection trends for the last four fiscal years. The total local revenue collected in the FY 2019/20 amounted to Kshs. 148,199,137, representing a decline of 17.0 per cent in a similar period of FY 2018/19. Decline in revenue collection particularly in quarter four of last financial year was attributed to Covid-19 pandemic that led to non-collection of revenue in some major streams such as parking fee and Single business permit among others. However, there was a general increase in revenue collection in first quarter of FY 2019/20 compared to the last three fiscal years due enforcing Finance Act 2019 and improvement in reporting.

1.4 Overall Expenditure Review

The County incurred Kshs. 4,886,427,463 of the total funds released for operations during the FY 2019/20. The total expenditure of Kshs. 3,576,154,204 was incurred on recurrent activities and whereas a total of Kshs. 1,310,273,258 was incurred for development activities. From figure 3, there was a decline in expenditures for both recurrent and development. This was attributed to a stalemate on revenue allocation at the start of the financial year and Covid-19 pandemic that led to scale down of activities in third and fourth quarter during the period under review.

Figure 3: Comparison of expenditures in financial year 2017/18 and the year 2018/19



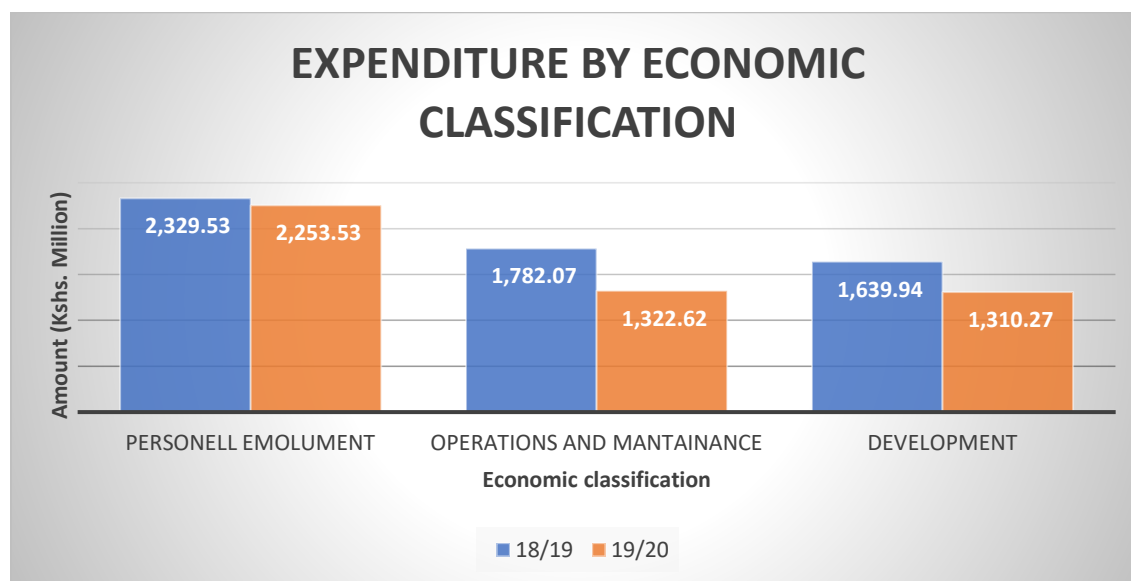
Analysis of Recurrent Expenditure

The total recurrent expenditure of Kshs. 3,576,154,204 consisted of Kshs. 2,253,534,814 (63.0 per cent) incurred on personnel emoluments and Kshs. 1,322,619,390 (37.0 per cent) on operations and maintenance.

Development Expenditure Analysis

The total development expenditure was Kshs. 1,310,273,258 representing 46.6 per cent absorption of the development budget. Whereas during the similar period in FY 2018/19, the total development expenditure was Kshs. 1.64 billion which represented 65.9 per cent of the annual development budget of Kshs.2.49 billion

Figure 4: Vihiga County, Expenditure by Economic Classification in the FY 2018/19 and the FY 2019/20



1.5 Budget and Budget Performance Analysis by Department

Analysis of budget performance by department shows that the Department of Public Service, Administration and Coordination of County Affairs realized the highest recurrent expenditure at 88.8 per cent while Department of Land, Housing and Physical Planning had the lowest percentage of recurrent expenditure to its recurrent budget at 31.5 percent. Under development budget, the County treasury attained the highest absorption rate of development budget at 99.1 per cent while Health Services realized the lowest absorption at 11.5 per cent as indicated in table 3.

Table 3: Vihiga County, Budget Performance by Department in the FY 2019/20

Department	Budget Allocation (Kshs.)		Expenditure for FY 2019/20 (Kshs.)		Absorption rate (%) FY 2019/20	
	Dev	Rec	Dev	Rec	Dev	Rec
Agriculture, Livestock, Fisheries and Co-operatives	581,954,347	160,426,555	251,737,158	137,689,314	43.3	85.8
Land, Housing Physical Planning	489,909,322	113,788,293	56,788,167	35,825,117	11.6	31.5
Transport and Infrastructure	459,302,873	125,095,264	262,850,252	96,815,160	57.2	77.4
Industrialization, Trade and Tourism	48,938,036	89,106,205	28,436,597	73,771,345	58.1	82.8
County Health Service	384,878,617	1,548,826,439	44,150,291	1,089,541,937	11.5	70.3

Education, Science and Technology	205,008,882	340,603,169	135,339,183	302,772,045	66.0	88.9
County Executive	5,000,000	203,270,365	0	213,959,290	0.0	105.3
County Assembly	20,000,000	621,955,167	13,110,156	535,184,701	65.6	86.0
County Treasury	451,000,000	355,091,172	446,780,518	286,027,581	99.1	80.6
County Public Service Board	-	35,271,703	0	25,700,350	-	72.9
Public Service and Administration	3,395,812	655,810,923	0	582,527,342	0.0	88.8
Gender, Culture, Youth and Sport	61,984,335	145,185,257	21,400,041	107,218,052	34.5	73.8
Environment, Natural Resources, Water and Forestry	101,101,849	133,004,810	49,680,895	89,121,970	49.1	67.0
Total	2,812,474,073	4,527,435,322.	1,310,273,258	3,576,154,204	43.3	85.8

1.6 CHAPTER TWO: DEPARTMENTAL EXPENDITURE ANALYSIS

2.1 Agriculture, Livestock, Fisheries and Cooperatives

The Department of Agriculture, Livestock, Fisheries and Cooperatives comprises of four sub sectors which are key drivers in realization of food security and nutrition as one of the big four agenda.

Department strategic priorities

- Strengthen institutional and legal framework for service delivery in the sector
- Promote crop production and development that is sustainable.
- Improve Veterinary services and increase livestock Productivity.
- Increase quality fish production and fish feeds
- Collect, collate, maintain and disseminate information pertinent to the agricultural sector
- Promote research & development and the adoption of technology in agricultural production
- Establishment of a vibrant cooperative movement.

2.1.1 Departments Financing

In the FY 2019/20 budget estimates, the Department was allocated Kshs. 742,380,902 comprising of Kshs. 160,426,555 for recurrent expenditure and Kshs.581,954,347 for development expenditure. The departmental allocation met the Maputo Declaration on Agriculture Food Security to allocate at least 10 per cent of the budget to Agriculture and rural development. During the period under review, the Department received total exchequer issues amounting to Kshs. 409,836,352 representing 55.2 per cent of the total budget estimates as shown in table.

Table 1: Exchequer issues against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	160,426,555	581,954,347	742,380,347
Exchequer issues (Kshs.)	160,426,555	249,409,797	409,836,352
% of exchequer issues to approved budget	100	42.9	55.2

Source: County Treasury

2.1.2 Departments Expenditure

Table 8 shows Departments recurrent and development expenditure verses the approved budget. Total recurrent expenditure during the period under review amounted to Kshs. 137,689,314 representing a performance of 85.8 per cent while the development expenditure amounted to Kshs. 251,737,158 Representing a performance of 43.3 percent.

Table 2: Actual expenditure against approved budget

Details	Approved budget (Kshs. Millions)	Actual expenditure (Kshs. Millions)	Absorption rate (%)
Recurrent	160,426,555	137,689,314	85.8
Development	581,954,347	251,737,158	43.3
Total	742,380,902	389,426,472	52.5

Source: County Treasury

2.1.3 Expenditure by Sub-sector

Table 9 shows analysis of expenditure by sub-sector. Agriculture sub-sector had the highest budget while cooperatives had the least budget. In terms of budget absorption, Livestock sub-sector realized the highest recurrent expenditure at 109.7 per cent while fisheries subsector realized the lowest absorption rate at 40.6 per cent.

In terms of development expenditure, the livestock sub-sector realized the highest absorption rate of 55.4 percent while Agriculture subsector realized the lowest absorption rate of 43.0 percent

Table 3: Actual expenditure against approved budget per sector

	Approved budget (Kshs.)		Actual Expenditure (Kshs)		Absorption rate %	
	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture	137,656,198	571,039,871	119,742,919	245,685,159	87.0	43.0
Livestock	9,770,357	10,914,476	10,716,970	6,051,999	109.7	55.4
Fisheries	8,000,000	0	3,244,365	0	40.6	0.0
Cooperatives	5,000,000	0	3,985,060	0	79.7	0.0
Total	160,426,555	581,954,347	137,689,314	251,737,158	85.8	43.3

2.1.4 Expenditure by Economic Classification

Table 10 indicates expenditure in terms of, Personnel Emoluments, Operation and Maintenance and development expenditure for funds received as at the end of F/Y 2019/20. Personnel emolument (PE) and Operation and Maintenance had an absorption rate of 88.4 per cent and 81.1 per cent respectively based on the annual budget. The absorption rate of development budget was 43.3 percent based on annual estimates.

Table 4: Expenditure by Economics Classification

Details	Recurrent			Development	Total
	Personnel Emoluments	Operations & Maintenance	Total		
Approved budget (Kshs.)	104,394,444	56,032,111	160,426,555	581,954,347	742,380,902
Actual expenditure (Kshs.)	92,238,160	45,451,154	137,689,314	251,737,158	389,426,472
Absorption rate (%)	88.4	81.1	85.8	43.3	52.5

Source: County Treasury

Table 11 shows that the Department spent Kshs. 389,426,472 of its approved budget against exchequer issues of Kshs 409,836,352 which was a performance of 95.0 per cent.

Table 5: Exchequer Issues against actual expenditure

Details	Recurrent	Development	Total
Exchequer issues (Kshs.)	160,426,555	249,409,797	409,836,352
Actual expenditure (Kshs.)	137,689,314	251,737,158	389,426,472

% of actual expenditure to exchequer issues	85.8	100.9	95.0
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Source: County Treasury

2.2 Physical Planning, Land and Housing

The Department of Physical Planning, Land and Housing envisioned to be lead Provider of Urban and Physical Planning services, Prudent Land Management and Decent Housing for Sustainable Development. While its mission was to promote Efficient, Effective and Sustainable Land use, and provide decent and Adequate Housing for all in a Clean and Secure Environment using appropriate technologies during the period under review

Strategic Priorities of the Sector

- To formulate policy, Legislative and Institutional Reforms.
- To Promote modern housing technology in a sustainable environment
- To Promote efficient, sustainable and equitable land use
- To promote an integrated institutions and urban planning management.
- To Streamline and strengthen surveying and mapping systems
- To provide and maintain housing infrastructure for the county government to enhance service delivery

2.2.1 Departments Financing

In the FY 2019/20 budget estimates, the Department was allocated Kshs. 603,697,615 comprising recurrent allocation of Kshs. 113,788,293 and development allocation of Kshs.489,909,322. During the period under review, the Department received total exchequer issues amounting to Kshs 268,579,229 representing 44.5 per cent of the total approved budget as shown in the table below.

Table 6: Exchequer issues against approved budget

Details	Approved budget (Kshs. Million)	Exchequer issues (Kshs. Million)	% of exchequer issues to approved budget
Recurrent	113,788,293	72,588,293	63.8
Development	489,909,322	195,990,936	40.0
Total	603,697,615	268,579,229	44.5

Source: County Treasury

2.2.2 Departments Expenditure

Table 13 compares actual expenditure versus the approved budget. Total recurrent expenditure during the period under review amounted to Kshs. 35,825,117 representing a performance of 31.5 per cent while development expenditure during the period under review amounted to Kshs. 56,788,167 representing an absorption of 11.6 per cent. The overall absorption rate for the Department against approved budget was 15.3 per cent.

Table 7: Actual expenditure against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs. Million)	113,788,293	489,909,322	603,697,615
Actual expenditure (Kshs. Million)	35,825,117	56,788,167	92,613,284
Absorption rate (%)	31.5	11.6	15.3

Source: County Treasury

2.2.3: Expenditure by Sub-Sector

Table 14 shows analysis of expenditure by sub-sector. In terms of budget absorption, Lands sub-sector realized the highest recurrent expenditure with an absorption rate of 54.5 per cent while Housing did not have any expenditure on recurrent.

In terms of development expenditure, the lands sub-sector realized the highest absorption rate of 32.9 percent while physical planning realized the lowest absorption rate of 10.4 percent

Table 8: Actual expenditure against approved budget per sector

	Approved budget (Kshs.)		Actual Expenditure (Kshs)		Absorption rate %	
	Rec	Dev.	Rec	Dev.	Rec	Dev.
Lands	60,773,859	31,548,298	33,110,577	10,370,920	54.5	32.9
Physical Planning	53,014,434	448,361,024	2,714,540	46,417,247	5.1	10.4
Housing	0	10,000,000	0	0	0.0	0.0

2.2.4 Expenditure by Economic Classification

This compares amount allocated in terms of Personnel Emoluments and Operations & Maintenance and development. Personnel emolument (PE) and Operation and Maintenance had an absorption rate of 65.3 per cent and 27.0 per cent respectively based on the approved budget as indicated in table 15.

Table 9: Expenditure by Economics Classification

Details	Recurrent			Development	Total
	Personnel Emoluments	Operations & Maintenance	Total		
Approved budget (Kshs. Million)	13,251,590	100,536,703	113,788,293	489,909,322	603,697,615
Actual expenditure (Kshs. Million)	8,656,910	27,168,207	35,825,117	56,788,167	92,613,284
Absorption rate (%)	65.3	27.0	31.5	11.6	15.3

Source: County Treasury

Table 16 shows that the Department spent Kshs. 92,613,284 against exchequer issues of Kshs. 268,579,229 which was a performance of 34.5 per cent. This implies that the department did not spend 65.5 per cent of money it requested.

Table 10: Exchequer Issues against actual expenditure

Details	Recurrent	Development	Total
Exchequer issues (Kshs.)	72,588,293	195,990,936	268,579,229
Actual expenditure (Kshs.)	35,825,117	56,788,167	92,613,284
% of actual expenditure to exchequer issues	49.4	29.0	34.5

2.3 Transport and Infrastructure

Sector Strategic Objectives

- Institutional reforms
- Develop and maintain an integrated safe and efficient transport system.
- Develop and maintain quality and safe infrastructure.
- Develop and implement policies on roads, infrastructure in the county
- Develop efficient, reliable and affordable mechanical and fire-fighting services.

2.3.1 Departments Financing

In the FY 2019/20 budget estimates, the Department was allocated Kshs. 584,398,117 comprising of Kshs. 125,095,265 for recurrent and Kshs. 459,302,878 for development expenditure. During the period under review, the Department received total exchequer issues amounting to Kshs 363,249,882 representing 62.2 per cent of the total budget estimates as shown in table 17.

Table 11: Exchequer issues against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	125,095,264	459,302,873	584,398,137
Exchequer issues (Kshs.)	125,095,264	238,154,618	363,249,882
% of exchequer issues against approved budget	100	51.9	62.2

Source: County Treasury

2.3.2 Departments Expenditure

Table 18 shows Departments recurrent and development expenditure verses the budget. Total recurrent expenditure during the period under review amounted to Kshs. 96,815,160 representing a performance of 77.4 per cent while the development expenditure incurred was Kshs. 262,850,252 representing a performance of 57.2 per cent.

Table 12: Actual expenditure against approved budget

Details	Approved budget (Kshs. Million)	Actual expenditure (Kshs. Million)	Absorption rate (%)
Recurrent	125,095,264	96,815,160	77.4
Development	459,302,873	262,850,252	57.2
Total	584,398,137	359,665,412	61.5

Source: County Treasury

2.3.3 Expenditure by Sub-Sector

Table 19 shows the sub-sector of Infrastructure realized the highest recurrent expenditure with an absorption rate of 95.0 percent while the transport sub-sector realized the lowest recurrent expenditure with an absorption rate of 77.1 percent.

In development expenditure, Transport sub-sector realized the highest development expenditure with an absorption rate of 57.4 percent while Infrastructure subsector did not spend its development budget despite allocation.

Table 13: Actual expenditure against approved budget per sector

	Approved budget (Kshs.)		Actual Expenditure (Kshs)		Absorption rate %	
	Rec	Dev.	Rec	Dev.	Rec	Dev.
Transport	123,310,264	458,302,873	95,120,160	262,850,252	77.1	57.4
Infrastructure	1,785,000	1,000,000	1,695,000	0	95.0	0.0

2.3.4 Expenditure by Economic Classification

Personnel emolument (PE) and Operation and Maintenance had an absorption rate of 79.0 per cent and 76.9 per cent respectively based on the annual estimates. The absorption rate of development expenditure was 57.2 percent based on annual estimates as outlined in table 20.

Table 14: Expenditure by Economic Classification

Details	Recurrent			Development	Total
	Personnel Emoluments	Operations & Maintenance	Total		
Approved budget (Kshs. Million)	30,953,314	94,141,703	125,095,264	459,302,873	584,398,137
Actual expenditure(Kshs. Million)	24,459,650	72,355,510	96,815,160	262,850,252	359,665
Absorption rate (%).	79.0	76.9	77.4	57.2	61.5

Source: County Treasury

Table 21 shows that the Department spent Kshs. 359,665,412 against exchequer issues of Kshs 363,249,882 which was a performance of 99.0 per cent.

Table 15: Exchequer Issues against actual expenditure

Details	Recurrent	Development	Total
Exchequer issues (Kshs.)	125,095,264	238,154,618	363,249,882
Actual expenditure (Kshs.)	96,815,160	262,850,252	359,665,412
% of actual expenditure to exchequer issues	77.4	110.4	99.0

2.4 Trade, Industry, Tourism and Entrepreneurship

Sector strategic priorities

- Institutional reforms on trade, Industry, tourism and enterprise development
- Increase tourism earnings and product diversification
- Improve supply chain of SMEs operators in retail access to markets
- Promote value addition, standardization and expand market access
- To create a conducive environment for doing Business.
- To collect, process and disseminate Business Information to the Citizens.
- To Provide Financial Support and skills to the entrepreneurs.
- To Promote inter cross boarder and export trade.
- To Promote Tourism Development in the County.
- To Promote Innovation and Creativity to our Citizens for Entrepreneurship growth
- Promote consumer protection in the county

2.4.1 Departments Financing

In the FY 2019/20 budget estimates, the Department was allocated Kshs. 138,044,241 comprising of Kshs. 89,106,205 recurrent and Kshs. 48,938,036 development expenditure. During the period under review, the Department received total exchequer issues amounting to Kshs 118,916,801 representing 86.1 per cent of the total budget estimates as shown in table 22.

Table 16: Exchequer issues against approved budget.

Details	Recurrent	Development	Total
Approved budget (Kshs.)	89,106,205	48,938,036	138,044,241
Exchequer issues (Kshs.)	89,106,205	29,810,596	118,916,801
% of exchequer issues to approved budget	100	60.9	86.1

Source: County Treasury

2.4.2 Departments Expenditure

Table 23 shows Departments recurrent and development expenditure verses the budget. Total recurrent expenditure during the period under review amounted to Kshs. 73,771,345 representing a performance of 82.8 per cent while development expenditure incurred by the department was 28,436,597 representing an absorption rate of 58.1 per cent during the period under review.

Table 17: Actual expenditure against approved budget

Details	Approved budget (Kshs. Million)	Actual expenditure (Kshs. Million)	Absorption rate (%)
Recurrent	89,106,205	73,771,345	82.8
Development	48,938,036	28,436,597	58.1
Total	138,044,241	102,207,942	74.0

Source: County Treasury

2.4.3 Expenditure by Sub-sectors

Table 24 shows Trade sub sector had the highest recurrent expenditure with an absorption rate of 82.8 percent. Tourism sub sector did not spend its development expenditure despite its allocation.

Table 18: Actual expenditure against approved budget per sector

Sub-Sectors	Approved budget (Kshs.)		Actual Expenditure (Kshs)		Absorption rate %	
	Rec	Dev.	Rec	Dev.	Rec	Dev.
Trade	89,106,205	46,960,772	73,771,345	28,436,597	82.8	60.6
Tourism	0	1,977,264	0	0	0	0

2.4.4 Expenditure by Economic Classification

Table 25 compares amount allocated in terms of Personnel Emoluments and Operations & Maintenance and development verses the expenditure. Personnel emolument (PE) and Operation and Maintenance had an absorption rate of 73.4 per cent and 85.6 per cent respectively based on the approved budget while development had and absorption of 58.1 per cent.

Table 19: Expenditure by Economics Classification

Details	Recurrent expenditure			Development	Total
	Personnel Emoluments	Operations & Maintenance	Total		
Approved budget (Kshs. Million)	20,470,960	68,635,245	89,106,205	48,938,036	138,044,241
Actual expenditure (Kshs. Million)	15,027,351	58,743,994	73,771,345	28,436,597	102,207,942
Absorption rate (%)	73.4	85.6	82.8	58.1	74.0

Source: County Treasury

Table 26 shows that the Department spent Kshs. 102,207,942 against exchequer issues of Kshs 102,207,942 which was a performance of 86.0 per cent. This implies that the department did not spend 14 per cent of money released.

Table 20: Exchequer Issues against actual expenditure

Details	Recurrent	Development	Total
Exchequer issues (Kshs.)	89,106,205	29,810,596	118,916,801
Actual expenditure (Kshs.)	73,771,345	28,436,597	102,207,942
% of actual expenditure to exchequer issues	82.8	95.4	86.0

2.5 Health Services

Strategic priorities of the sector

- Institutional reforms
- Scale up of high impact interventions at Level 1 facilities in order to reduce maternal and neonatal mortality and morbidity.
- Strengthen referral system
- Provide a functional and sustainable infrastructure for comprehensive health services
- Provide health care subsidy for social health protection
- Re-engineering human resource for health

2.5.1 Departments Financing

In the FY 2019/20 budget estimates, the Department was allocated Kshs 1,548,826,439 comprising recurrent allocation of Kshs 1,163,947,822 and development allocation of Kshs. 384,878,617. During the period under review, the Department received total exchequer issues amounting to Kshs 1,314,180,209 representing 84.9 per cent of the total budget estimates as shown in table 27.

Table 21: Exchequer issues against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	1,163,947,822	384,878,617	1,548,826,439
Exchequer issues Kshs.)	1,163,947,822	150,232,387	1,314,180,209
% of exchequer issues to approved budget	100	39.0	84.9

Source: County Treasury

2.5.2 Departments Expenditure

Department of Health Services expenditure compares the annual expenditure verses the approved budget. Total recurrent expenditure during the period under review amounted to Kshs. 1,089,541,937 representing a performance of 93.6 per cent while the total development expenditure during the period under review was Kshs. 44,150,291 representing a performance of 11.5 per cent as shown in table 28.

Table 22: Actual expenditure against approved budget

Details	Approved budget (Kshs. Million)	Actual expenditure (Kshs. Million)	Absorption rate (%)
Recurrent	1,163,947,833	1,089,541,937	93.6
Development	384,878,617	44,150,291	11.5
Total	1,548,826,439	1,133,692,228	73.2

Source: County Treasury

2.5.3 Expenditure by Sub sector

Table 29 presents budget and expenditure per sub sectors within the department. Health headquarters had the highest absorption of its recurrent expenditure at 95.7 per cent while public health had the least absorption at 56.8 per cent. In development absorption, health headquarters had the highest absorption rate while Public health had the lowest at 40.7 and 0.7 per cent respectively.

Table 23: Actual expenditure against approved budget per sector

Sub Sector	Approved budget (Kshs.)		Actual Expenditure (Kshs)		Absorption rate %	
	Rec	Dev	Rec	Dev	Rec	Dev
Health Headquarter	1,101,449,365	78,920,945	1,053,628,716	32,112,528	95.7	40.7
County health Services	1,380,000	167,914,894	1,205,700	11,033,380	87.4	6.6
Public Health	61,118,457	138,042,778	34,707,521	1,004,383	56.8	0.7

2.5.4 Expenditure by Economic Classification

Table 30 compares amount allocated in terms of Personnel Emoluments and Operations & Maintenance and development. Personnel emolument (PE) and Operation and Maintenance had an absorption rate of 99.7 per cent and 74.8 per cent respectively based on the approved budget. There was an absorption rate of 11.5 per cent of development expenditure based on approved budget.

Table 24: Expenditure by Economics Classification

Details	Recurrent			Development	Total
	Personnel Emoluments	Operations & Maintenance	Total		
Approved budget (Kshs. Million)	877,875,535	286,072,287	1,163,947,822	384,878,617	1,548,826,439
Actual expenditure (Kshs. Million)	875,661,206	213,880,731	1,089,541,937	44,150,291	1,133,692,228
Absorption rate (%)	99.7	74.8	73.2	11.5	93.6

Source: County Treasury

Table 31 shows that the department of health services spent Kshs. 1,133,692,228 against exchequer issues of Kshs 1,314,180,209 which was a performance of 86.3 per cent. This implies that the Department exceeded money released from the exchequer by 13.7 per cent.

Table 25: Exchequer Issues against actual expenditure

Details	Recurrent	Development	Total
Exchequer issues (Kshs.)	1,163,947,822	150,232,937	1,314,180,209
Actual expenditure (Kshs.)	1,089,541,937	44,150,291	1,133,692,228
% of actual expenditure to exchequer issues	93.6	29.4	86.3

2.6 Education Science and Technical Vocational Training

Strategic Priorities

- To undertake policy, legal and institutional reforms to facilitate implementation of Department's mandate
- To improve access to high quality ECDE, Vocational Education and Training, child care services and home craft/ incubation Centres.
- To guarantee equitable and inclusive provision of Pre-school, Vocational Education and Training, child care services and home craft/ incubation Centres.
- To enhance strategic partnerships towards development of priority programmes

- To strengthen research, innovations and Monitoring & Evaluation for decision making in ECDE and Vocational Education and Training

2.6.1 Departments Financing

In the FY 2019/20 budget estimates, the Department was allocated Kshs. 545,612,051 comprising of Kshs. 340,603,169 for recurrent and kshs. 205,008,882 for development expenditure. During the period under review, the Department received total exchequer issues amounting to Kshs. 469,011,729 representing 86.0 per cent of the total budget estimates as shown in table 32.

Table 26: Exchequer issues against approved budget.

Details	Recurrent	Development	Total
Approved budget (Kshs.)	340,603,169	205,008,882	545,612,051
Exchequer issues (Kshs.)	340,603,169	128,408,560	469,011,729
% of exchequer issues to budget estimates	100.0	62.6	86.0

Source: County Treasury

2.6.2 Departments Expenditure

Table 33 shows Departments recurrent and development expenditure. Total recurrent expenditure during the period under review amounted to Kshs. 302,772,045 representing a performance of 88.9 per cent while the development expenditure incurred by the department amounted to Kshs. 135,339,183 representing performance of 66.0 per cent.

Table 27: Actual expenditure against approved budget

Details	Approved budget (Kshs.)	Actual expenditure (Kshs.)	Absorption rate (%)
Recurrent	340,603,169	302,772,045	88.9
Development	205,008,882	135,339,183	66.0
Total	545,612,051	438,111,228	80.3

Source: County Treasury

2.6.3 Expenditure by Sub-sector

Table 34 presents expenditure per sub sector within the department. ECDE sub sector had the highest recurrent expenditure with an absorption rate of 92.0 percent. The sub-sector of Education realized the highest development expenditure with an absorption rate of 68.1 percent.

Table 28: Actual expenditure against approved budget per sector

Sub Sector	Approved budget (Kshs.)		Actual Expenditure (Kshs)		Absorption rate %	
	Rec	Dev	Rec	Dev	Rec	Dev
Education	175,862,439	192,148,882	153,909,394	130,782,439	87.5	68.1
ECDE	95,159,930	1,400,000	87,500,549	336,137	92.0	24.0
Training centres	69,580,800	11,460,000	61,362,103	4,220,607	88.2	36.8

2.6.4 Expenditure by Economic Classification

Table 35 compares amount allocated in terms of Personnel Emoluments and Operations & Maintenance and development. Personnel emolument (PE) and Operation and Maintenance had an absorption rate of 87.9 per cent and 89.9 per cent respectively based on the annual estimates. The absorption rate of development expenditure was 66.0 percent based on annual estimates.

Table 29: Expenditure by Economic Classification

Details	Recurrent			Development	Total
	Personnel Emoluments	Operations & Maintenance	Total		
Approved budget (Kshs.)	176,810,663	163,792,506	340,603,169	205,008,882	545,612,051
Actual expenditure (Kshs.)	155,483,477	147,288,568	302,772,045	135,339,183	438,111,228
Absorption rate (%)	87.9	89.9	88.9	66.0	80.3

Source: County Treasury

Table 36 shows that the Department spent Kshs. 438,111,228 against exchequer issues of Kshs. 469,011,729 which was a performance of 93.4 per cent.

Table 30: Exchequer Issues against actual expenditure

Details	Recurrent	Development	Total
Exchequer issues (Kshs.)	340,603,169	128,408,560	469,011,729
Actual expenditure (Kshs.)	302,772,045	135,339.183	438,111,228
% of actual expenditure to exchequer issues	88.9	105.4	93.4

2.7 Office of the Governor

The Office of the Governor seeks to coordinate activities of the County Government and ensure effective implementation of County Government policies, projects and programmes. The following units are domiciled in the Office of the Governor; Governor’s Office, Deputy Governor’s Office, County Secretary’s Office, Internal Audit, Protocol, Liaison, Communication, Advisory Services (Legal, Political and Economic Advisors)

Strategic Priorities

- Policy direction and coordination
- Coordination of County Public Service to ensure effective implementation of County Government policies, projects and programmes
- Link the County Government to investors both locally and internationally
- Link the County Government to National Government, other County Governments and Agencies
- Establish and maintain efficient disaster and emergency response systems,
- Promote democracy, cohesion, peace and order in the County
- Promote and facilitate citizen participation in development
- Enhance accountability and transparency
- Develop and implement ICT services in the County
- Facilitation of timely dissemination to County information
- Strengthen legal services in the County

2.7.1 Departments Financing

In the FY 2019/20 budget estimates, the office of the governor was allocated Kshs. 208,270,365 comprising recurrent allocation of Kshs.203, 270,365 and development allocation of Kshs. 25,000,000. During the period under review, the office of the governor received total exchequer issues amounting to

Kshs 203,516,591 representing a performance of 97.7 per cent of the total budget estimates as shown in table 37.

Table 31: Exchequer issues against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	203,270,365	5,000,000	208,270,365
Exchequer issues (Kshs)	202,772,209	744,382	203,516,591
% of exchequer issues to approved budget	99.8	14.9	97.7

Source: County Treasury

2.7.2 Office of the Governors Expenditure

Table 38 compares the annual expenditure versus the budget estimates. Total recurrent expenditure during the period under review amounted to Kshs. 213,959,290 representing a performance of 105.3 per cent while there was no development expenditure during the period under review.

Table 32: Actual expenditure against approved budget

Details	Approved budget (Kshs. Million)	Actual expenditure (Kshs. Million)	Absorption rate (%)
Recurrent	203,270,365	213,959,290	105.3
Development	5,000,000	0	0
Total	208,270,365	213,959,290	102.7

Source: County Treasury

2.7.3 Expenditure by Economic Classification

Table 39 compares amount allocated in terms of Personnel Emoluments and Operations & Maintenance and development. Personnel emolument (PE) and Operation and Maintenance had an absorption rate of 134.0 per cent and 78.3 per cent respectively based on the annual estimates. Office of the Governor did not spend its development budget.

Table 33: Expenditure by Economics Classification

Details	Recurrent			Development	Total
	Personnel Emoluments	Operations & Maintenance	Total		
Approved budget (Kshs. Million)	98,338,950	104,931,415	203,270,365	5,000,000	208,270,365
Actual expenditure (Kshs. Million)	131,760,481	82,198,809	213,959,290	0	213,959,290
Absorption rate (%)	134.0	78.3	76.7	0	102.7

Source: County Treasury

Table 40 shows that Office of the Governor spent Kshs. 213,959,290 against exchequer issues of Kshs. 203,516,591 which was a performance of 105.1 per cent. This implies that the Office of the Governor had and over expenditure against exchequer release of 5.1 per cent.

Table 34: Exchequer Issues against actual expenditure

Details	Recurrent	Development	Total
Exchequer issues (Kshs.)	202,772,209	744,382	203,516,591
Actual expenditure (Kshs.)	213,959,290	0	213,959,290
% of actual expenditure to exchequer issues	105.5	0	105.1

2.8 COUNTY ASSEMBLY

The County Assembly is an arm of the County government responsible for legislation, representation and oversight over the executive. It enacts county laws and superintends over all the affairs of the county including receiving and approving development plans and policies of the county and is also responsible for approval of the county budgets and expenditures.

Strategic Priorities

- To Vet and approve nominees for appointment to county public offices as provided for in the County Government Act No. 17 of 2012.
- To approve the budget and expenditure of the county government in accordance with Article 207 of the Constitution.

- To approve the borrowing of the County government in accordance with article 212 of the Constitution and county development planning.
- To legislate as contemplated in Article 220(2) of the constitution, guided by Articles 201 and 203 of the constitution.
- To Oversight of the county executive committee and any other county executive organs.
- To represent the electorate

2.8.1 County Assembly Financing

In FY 2019/20 budget estimates, as tabulated in table 41, the County Assembly was allocated Kshs. 641,955,167 comprising of Kshs. 621,955,167 for recurrent expenditure and Kshs. 20,000,000 for development expenditure. During the period under review, the County Assembly received total exchequer issues amounting to Kshs 606,507,825 representing 94.5 per cent of the C.A. total budget estimate.

Table 35: Exchequer issues against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	621,955,167	20,000,000	641,955,167
Exchequer issues (Kshs.)	597,001,325	9,506,500	606,507,825
% of exchequer issues to approved budget	96.0	47.5	94.5

2.8.2 County Assembly Expenditure

Table 42 shows County Assembly's recurrent and development expenditure. Total recurrent expenditure during the period under review amounted to Kshs. 535,184,701 representing a performance of 86 percent whereas the development expenditure amounted to Kshs. 13,110,156n Representing performance of 65.6 per cent.

Table 36: Actual expenditure against approved budget

Details	Approved budget (Kshs. Million)	Actual expenditure (Kshs. Million)	Absorption rate (%)
Recurrent	621,955,167	535,184,701	86.0
Development	20,000,000	13,110,156	65.6
Total	641,955,167	548,294,857	85.4

Source: County Treasury

2.8.3 Expenditure by Economic Classification

Table 43 compares amount allocated in terms of Personnel Emoluments and Operations & Maintenance and development. Personnel emolument (PE) and Operation and Maintenance had an absorption rate of 97.3 per cent and 74.0 per cent respectively based on the annual estimates. There was an absorption rate of 65.6 per cent of development expenditure based on annual estimates.

Table 37: Expenditure by Economics Classification

Details	Recurrent			Development	Total
	Personnel Emoluments	Operations & Maintenance	Total		
Approved budget (Kshs. Million)	321,199,548	300,755,619	621,955,167	20,000,000	641,955,167
Actual expenditure (Kshs. Million)	312,629,890	222,554,811	535,184,701	13,110,156	548,294,857
Absorption rate (%)	97.3	74.0	86.0	65.6	85.4

Source: County Treasury

Table 44 shows that the CA spent Kshs. 548,294,857 against exchequer issues of Kshs 606,507,825 which was a performance of 90.4 per cent. This implies that the CA did not spent 9.6 per cent of money released

Table 38: Exchequer Issues against actual expenditure

Details	Recurrent	Development	Total
Exchequer issues (Kshs)	597,001,325	9,506,500	606,507,825
Actual expenditure (Kshs.)	535,184,701	13,110,156	548,294,857
% of actual expenditure to exchequer issues	89.6	137.9	90.4

2.9 Finance and Economic Planning

This sector is responsible for public financial management, formulation of county plans and coordination of monitoring and evaluation of county projects and programmes.

Sector priorities

- To Coordinate and formulate county policies and development plans.
- To coordinate monitoring and evaluation of county government programmes and projects
- To coordinate coalition of county information and statistics
- Capacity building and strengthen of institutional framework
- Administration and collection of county revenues
- Provision of financial services to other departments
- Promote transparency and accountability in financial management
- Coordination of county budgets
- Supplies chain management

2.9.1 Departments Financing

In the FY 2019/20 budget estimates, the County Treasury was allocated Kshs. 806,091,172 comprising of Kshs. 355,091,172 for recurrent expenditure and Kshs. 451,000,000 for development expenditure. During the period under review, the County Treasury received total exchequer issues amounting to Kshs 789,387,021 representing 97.9 per cent of the total budget estimates as shown in table 45.

Table 39: Exchequer issues against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	355,091,172	451,000,000	806,091,172
Exchequer issues (Kshs.)	339,238,145	450,148,876	789,387,021
% of exchequer issues to approved budget	95.5	99.8	97.9

2.9.2 Departments Expenditure

Table 46 shows the Departments expenditure verses the approved budget. Total recurrent expenditure during the period under review amounted to Kshs. 286,027,581 representing a performance of 80.6 per

cent while the development expenditure amounted to Kshs. 446,780,518 representing a performance of 99.1 per cent.

Table 40: Actual expenditure against approved budget

Details	Approved budget (Kshs.)	Actual expenditure (Kshs.)	Absorption rate (%)
Recurrent	355,091,172	286,027,581	80.6
Development	451,000,000	446,780,518	99.1
Total	806,091,172	732,808,099	90.9

Source: County Treasury

2.9.3 Expenditure by Sub Sector

Table 47 compares budget allocation verses expenditure per sub section within the Department. Audit Services realized highest recurrent expenditure with an absorption rate of 98.0 percent while Finance headquarters had the highest development expenditure at 99.1 per cent.

Table 41: Actual expenditure against approved budget per sector

Sub Sector	Approved budget (Kshs.)		Actual Expenditure (Kshs)		Absorption rate %	
	rec	dev	rec	dev	Rec	Dev
Finance HQ	305,608,253	451,000,000	238,961,421	446,780,518	78.2	99.1
Procurement	15,939,787	0	14,652,430	0	91.9	0.0
Audit	7,912,129	0	7,752,055	0	98.0	0.0
Budget	19,581,003	0	18,915,840	0	96.6	0.0
Accounts	6,050,000	0	5,745,835	0	95.0	0.0

2.9.4 Expenditure by Economic Classification

Expenditure by economic classification compares amount allocated in terms of Personnel Emoluments and Operations & Maintenance and development. Personnel emolument (PE) and Operation and Maintenance had an absorption rate of 107.4 per cent and 71.2 per cent respectively based on the annual estimates. The development had an absorption of 99.1 per cent.

Table 42: Expenditure by Economics Classification

Details	Recurrent			Development	Total
	Personnel Emoluments	Operations & Maintenance	Total		
Approved budget (Kshs.)	91,473,246	263,617,926	355,091,172	451,000,000	806,091,172
Actual expenditure (Kshs.)	98,272,254	187,755,327	286,027,581	446,780,518	732,808,099
Absorption rate (%)	107.4	71.2	80.63	99.1	90.9

Source: County Treasury

Table 49 shows that the Department spent Kshs. 732,808,099 against exchequer issues of Kshs 789,387,021 which was a performance of 92.8 per cent.

Table 43: Exchequer Issues against actual expenditure

Details	Recurrent	Development	Total
Exchequer issues (Kshs.)	339,238,145	450,148,876	789,387,021
Actual expenditure (Kshs.)	286,027,581	446,780,518	732,808,099
% of actual expenditure to exchequer issues	84.3	99.3	92.8

2.10 Public Service Board

Strategic Priorities

- To Facilitate recruitment and promotion of staffs in varous County department ,
- To institute organizational framework of departments
- To develop County public service human resource .

2.10.1 Boards Financing

In the FY 2019/20 budget estimates, the Board was allocated Kshs. 35,271,703 all comprising of recurrent expenditure. During the period under review, the Board received total exchequer issues

amounting to Kshs 35,271,703 representing 100.0 per cent of the total budget estimates as shown in table 1.

Table 44: Exchequer issues against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	35,271,703	0	35,271,703
Exchequer issues (Kshs.)	35,271,703	0	35,271,703
% of exchequer issues to approved budget	100.0	-	100.0

2.10.2 Public Service Board Expenditure

Table 51 shows Departments recurrent and development expenditure verses the budget. Total recurrent expenditure during the period under review amounted to Kshs. 25,700,350 representing a performance of 72.9 per cent.

Table 45: Actual expenditure against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	35,271,703	0	35,271,703
Actual expenditure (Kshs.)	25,700,350	0	25,700,350
Absorption rate (%)	72.9	0	72.9

Source: County Treasury

2.10.3 Expenditure by Economic Classification

Table 52 compares amount allocated in terms of Personnel Emoluments and Operations & Maintenance. Personnel emolument (PE) and Operation and Maintenance had an absorption rate of 91.7 per cent and 66.8 per cent respectively based on the annual approved budget.

Table 46: Expenditure by Economics Classification

Details	Recurrent		
	Personnel Emoluments	Operations & Maintenance	Total
Approved budget (Kshs.)	8,641,151	26,630,552	35,271,703
Actual expenditure (Kshs.)	7,919,816	17,780,534	25,700,350
Absorption rate (%)	91.7	66.8	72.9

Source: County Treasury

Table 53 shows that the Board spent Kshs. 25,700,350 against exchequer issues of Kshs 35,271,325 which was a performance of 72.9 per cent. This implies that the department did not spend 7.7 per cent of money realised.

Table 47: Exchequer Issues against actual expenditure

Details	Recurrent	Total
Exchequer issues (Kshs.)	35,271,325	35,271,325
Actual expenditure (Kshs.)	25,700,350	25,700,350
% of actual expenditure to exchequer issues	72.	72.9

2.11 Public Service, Administration and Coordination of County Affairs

Sector Strategic Priorities

- To formulate legal and institutional framework to enhance effective service delivery in public service and administration.
- To enhance Coordination, dissemination and management of information
- To establish and strengthen infrastructure necessary for effective service delivery
- To enhance performance management and development

2.11.1 Departments Financing

In the FY 2019/20 budget estimates, the Department was allocated Kshs. 659,206,735 comprising of Kshs. 655,810,923 for recurrent and Kshs. 3,395,812 for development expenditure. Total exchequer issues during the period under review for the Department amounted to Kshs 658,882,859 representing 99.9 per cent of the total budget estimates as shown in table 54.

Table 48: Exchequer issues against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	655,810,923	3,395,812	659,206,735
Exchequer issues (Kshs.)	655,810,922	3,071,937	658,882,859
% of exchequer issues to approved budget	100.0	90.5	99.9

2.11.2 Departments Financing

Table 55 shows Departments recurrent and development expenditure verses the budget. Total recurrent expenditure during the period under review amounted to Kshs. 582,527,342 representing a performance of 88.8 per cent while the Department did not spend its development budget.

Table 49: Actual expenditure against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	655,810,923	3,395,812	959,206,735
Actual expenditure (Kshs.)	582,527,342	0	582,527,342
Absorption rate (%)	88.8	0	88.4

Source: County Treasury

2.11.3 Expenditure by Economic Classification

Expenditure by economic classification compares amount allocated in terms of Personnel Emoluments and Operations & Maintenance and development. Personnel emolument (PE) and Operation and Maintenance had an absorption rate of 92.2 per cent and 74.5 per cent respectively based on the annual estimates.

Table 50: Expenditure by Economics Classification

Details	Recurrent			Development	Total
	Personnel Emoluments	Operations & Maintenance	Total		
Approved budget (Kshs.)	529,675,907	126,135,016	655,810,923	3,395,812	659,527,342
Actual expenditure (Kshs.)	488,522,768	94,004,574	582,527,342	0	582,527,342
Absorption rate (%)	92.2	74.5	88.8	0	88.4

Source: County Treasury

Table 57 shows that the Department spent Kshs. 582,527,342 against exchequer issues of Kshs. 658,882,859 which was a performance of 88.4 per cent.

Table 51: Exchequer Issues against actual expenditure

Details	Recurrent	Development	Total
Exchequer issues (Kshs.)	655,810,922	3,071,937	658,882,859
Actual expenditure (Kshs.)	582,527,342	0	582,527,342
% of actual expenditure to exchequer issues	88.8	0	88.4

2.12 Gender, Culture, Sports, Youth and Social Services

Sector Strategic Priorities

- Promote, preserve and develop Culture for Sustainable development
- Develop and promote talent and sporting activities in the County
- Youth mainstreaming and empowerment
- Gender Mainstreaming and empowerment
- Child development and protection
- Formulation of Youth, Gender, Sports, Culture and Persons with Disability policies.
- Improve the Social Welfare of vulnerable groups

2.12.1 Departments Financing

In the FY 2019/20 budget estimates, the Department was allocated Kshs. 207,169,592 comprising of Kshs. 145,185,527 recurrent and Kshs. 61,984,335 for development expenditure. The Department received total exchequer issues amounting to Kshs. 172,791,131 representing 83.4 per cent of the total budget estimates as shown in table 58.

Table 52: Exchequer issues against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	145,185,527	61,984,335	207,169,592
Exchequer issues (Kshs.)	145,185,257	27,605,874	172,791,131
% of exchequer issues to approved budget	100.0	44.5	83.4

2.12.2 Departments Expenditure

Table 59 shows Departments recurrent and development expenditure verses the budget. Total recurrent expenditure during the period under review amounted to Kshs. 107,218,052 representing a performance of 73.8 per cent while the development expenditure incurred by the department was kshs. 21,400,041 representing performance of 49.1 per cent.

Table 53: Actual expenditure against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	145,185,257	61,984,335	207,169,592
Actual expenditure (Kshs.)	107,218,052	21,400,041	128,618,093
Absorption rate (%)	73.8	49.1	62.1

Source: County Treasury

2.12.3: Expenditure by Sub-Sector

Table 60 shows the sub-sector of Sports realized the highest recurrent expenditure with an absorption rate of 96.2 percent while the youth subsector realized the lowest recurrent expenditure with an absorption rate of 38.8 percent.

Table 54: Actual expenditure against approved budget per sector

Sub Sector	Approved budget (Kshs.)		Actual Expenditure (Kshs)		Absorption rate %	
	Rec	Dev	Rec	Dev	Rec	Dev
Gender	75,126,500	33,939,480	48,962,482	21,400,041	65.2	63.1
culture	18,920,500	0	13,876,700	0	73.3	0
Youth	8,400,000	0	3,262,000	0	38.8	0
sports	42,738,257	28,044,855	41,116,870	0	96.2	0

2.12.4 Expenditure by Economic Classification

Table 61 compares amount allocated in terms of Personnel Emoluments and Operations & Maintenance and development. Personnel emoluments and operations and maintenance had an absorption rate of 53.0 and 74.5 per cent respectively.

Table 55: Expenditure by Economics Classification

Details	Recurrent			Development	Total
	Personnel Emoluments	Operations & Maintenance	Total		
Approved budget (Kshs.)	32,314,760	112,870,497	145,185,257	61,984,335	207,169,592
Actual expenditure (Kshs.)	17,110,988	90,107,064	107,218,052	21,400,041	128,618,093
Absorption rate (%)	53.0	74.5	73.8	34.5	62.1

Source: County Treasury

Table 62 shows that the Department spent Kshs. 128,618,093 against exchequer issues of Kshs. 172,791,131 which was a performance of 74.4 per cent. This implies that the department did not spend 25.6 per cent of money it requested.

Table 56: Exchequer Issues against actual expenditure

Details	Recurrent	Development	Total
Exchequer issues (Kshs.)	145,185,257	27,605,874	172,791,131
Actual expenditure (Kshs)	107,218,052	21,400,041	128,618,093
% of actual expenditure to exchequer issues	73.8	77.5	74.4

2.13 Environment, Water, Natural Resources and Forestry

Sector strategic priorities

- To rehabilitate the existing water supplies in the County in order to restore optimum production to meet the demand within their service area through County and development partners' funds.
- To expand the major water supplies in the county to serve additional population of approximately 270,000 people through the Belgian funded project.
- To reduce production costs by constructing solar farm for the three major water schemes of Kaimosi, Maseno and Mbale under Belgian funded project
- To improve sanitation in major urban centres of Mbale, Luanda, Chavakali, Hamisi and Kaimosi by setting up an elaborate sewerage system and proper management of solid waste.
- To complete the on-going projects, revive stalled rural water projects, and implement new projects so as to increase water coverage from the current 16.5% to 45% in the next 3years through County funds.

- To restore degraded land and improve social livelihood through reclamation and conservation by the help of strategic partners.
- To conserve water, control flooding and soil erosion through construction of roof water catchments, storm water management, construction of small dams and pans by the help of County government and other partners and donor funding.
- To reduce production costs and increase water coverage to about 90% by implementing a long-term solution of a greater Vihiga gravity scheme with source at Chepsonoi in Nandi County or through exploration of deep wells in the next 10 years. Strategic partners sought (Hydro source International had shown interest in the deep wells)
- To create jobs and improve livelihoods through setting up of a mining (granite) factory in the county.
- To improve the environment through encouragement of use of clean energy and encourage planting of fast growing environment friendly trees on community hill tops and farms. Strategic partners sought.

2.13.1 Departments Financing

In the FY 2019/20 budget estimates, the Department was allocated Kshs. 234,106,659 comprising of Kshs. 133,004,810 for recurrent and Kshs. 101,101,849 for development expenditure. During the period under review, the Department received total exchequer issues amounting to Kshs 176,183,725 representing 75.3 per cent of the total budget estimates as shown in table 63.

Table 57: Exchequer issues against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	133,004,810	101,101,849	234,106,659
Exchequer issues (Kshs.)	133,004,810	43,178,915	176,183,725
% of exchequer issues to approved budget	100.0	42.7	75.3

2.13.2 Departments Expenditure

Table 64 shows Departments recurrent and development expenditure verses the budget. Total recurrent expenditure during the period under review amounted to Kshs. 89,121,970 representing a performance of 67.0 per cent while the development expenditure incurred by the department amounted to Kshs. 49,680,895 representing performance of 49.1 percent.

Table 2. Actual expenditure against approved budget

Details	Recurrent	Development	Total
Approved budget (Kshs.)	133,004,810	101,101,849	234,106,659
Actual expenditure (Kshs.)	89,121,970	49,680,895	138,802,865
Absorption rate (%)	67.0	49.1	59.3

Source: County Treasury

2.13.3 Expenditure by Sub-Sector

Table 64 shows the sub-sector of Water realized a highest development expenditure with an absorption rate of 54 percent compared to Environment at 48 per cent.

Table 58: Actual expenditure against approved budget per sector

Sub Sector	Approved budget (Kshs.)		Actual Expenditure (Kshs)		Absorption rate %	
	Rec	Dev	Rec	Dev	Rec	Dev
Environment	129,504,810	78,601,849	89,121,970	37,468,620	69	48
Forestry	2,000,000	0	0	0	0	0
natural resources	1,500,000	0	0	0	0	0
water	0	22,500,000	0	12,212,275	0	54

2.13.4 Expenditure by Economic Classification

Expenditure by economic classification compares amount allocated in terms of Personnel Emoluments and Operations & Maintenance and development. Personnel emolument (PE) and Operation and Maintenance had an absorption rate of 76.8 per cent and 63.7 per cent respectively based on the annual estimates. The absorption rate of development expenditure was 49.1 percent based on the annual estimates.

Table 59: Expenditure by Economics Classification

Details	Recurrent			Development	Total
	Personnel Emoluments	Operations & Maintenance	Total		
Approved budget (Kshs.)	33,595,534	99,409,276	133,004,810	101,101,849	234,106,659

Actual expenditure (Kshs.)	17,110,988	63,330,107	89,121,970	49,680,895	138,802,865
Absorption rate (%)	76.8	63.7	67.0	49.1	59.3

Source: County Treasury

Table 66 shows that the Department spent Kshs. 138,802,865 against exchequer issues of Kshs 176,183,725 which was a performance of 78.8 per cent. This implies that the department did not spend by 21.2 per cent of money released.

Table 60: Exchequer Issues against actual expenditure

Details	Recurrent	Development	Total
Exchequer issues (Kshs.)	133,004,810	43,178,915	176,183,725
Actual expenditure (Kshs.)	89,121,970	49,680,895	138,802,865
% of actual expenditure to exchequer issues	67.0	115.1	78.8

3.0 Observations and Recommendations

- There was decline in own source revenue collection by 17.0 per cent compared to the previous financial year 2018/19. This was attributed to the Covid-19 pandemic that led to non-collection of revenue is some of the major streams in third and fourth quarter of the period under review.
- Personnel emolument expenditure decreased compared to the similar period of FY 2018/19 by 3.3 per cent due to exiting of staff on contract during the financial year.
- Budget absorption declined across all departments with recurrent and development expenditure having a performance of 86.3 and 46.6 per cent respectively compared to previous financial year where recurrent and development expenditure was 91 and 65.7 per cent. Decline in budget absorption was attributed to stalemate in passage of Division of Revenue Bill by the senate at the start of the financial year and Covid-19 pandemic.