

**VIHIGA COUNTY GOVERNMENT
BUDGETIMPLEMENTATIONREVIEW
REPORT**

FIRST QUARTER

FY2021/22

NOVEMBER,2021

County Government of Vihiga

Overview of FY 2021/22 Budget

During the period under review, the County was on 30 per cent of the FY 2020/21 Approved Budget in line with Court Order No.E008 of 2021. The 30 per cent budget amounted to Kshs.1.97 billion and was entirely for recurrent expenditure programmes.

Revenue Performance

In the first quarter of FY 2021/22, the County received Kshs.836.11 million as the equitable share of the revenue raised nationally, raised Kshs.50.53 million as own-source revenue, Kshs.93.31 million as conditional grants. The total funds available for budget implementation during the period amounted to Kshs.979.95 million, as shown in Table 1.

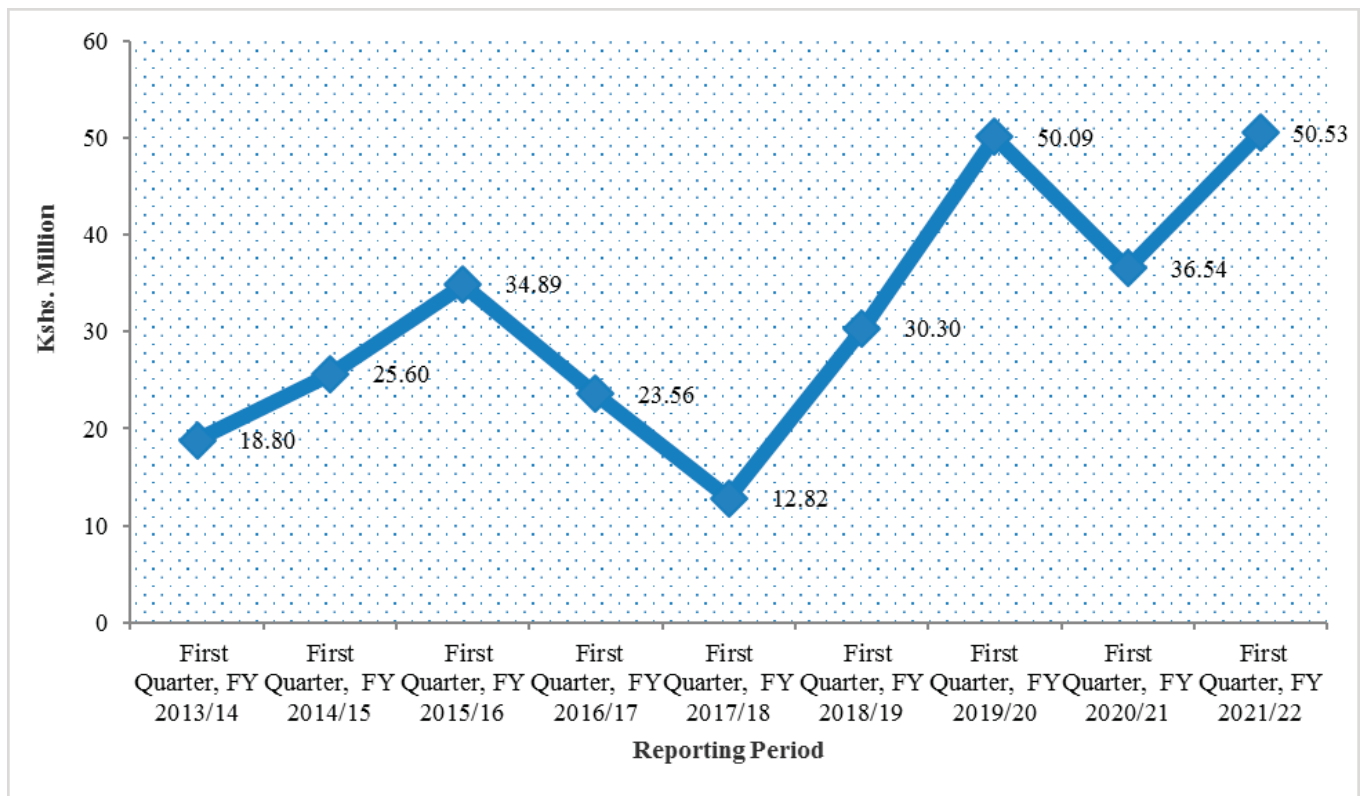
Table 1: Vihiga County, Revenue Performance in the First Quarter of FY 2021/22

S/No	Revenue	Actual Receipts in the FY 2021/22 (in Kshs.)
A.	Equitable Share of Revenue Raised Nationally	836,113,876
Sub Total		836,113,876
B	Other Sources of Revenue	
1	Own Source Revenue	50,526,020
2	Other Revenues	93,307,470
Sub Total		143,833,490
Grand Total		979,947,366

Source: Vihiga County Treasury

Figure 1 shows the trend in own-source revenue collection for the first quarter from FY 2013/14 to FY 2021/22.

Figure 1: Trend in Own-Source Revenue Collection for the First Quarter from FY 2013/14 to FY 2021/22



Source: Vihiga County Treasury

In the first quarter of FY 2021/22, the County generated Kshs.50.53 million as own-source revenue. This amount represented an increase of 38.3 per cent compared to Kshs.36.54 million realised during a similar period in the first quarter of FY 2020/21.

Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.859.54 million from the CRF account during the reporting period for recurrent programmes only.

Overall Expenditure Review

The county spent Kshs.807.10 million on recurrent programmes during the reporting period. This expenditure represented 93.9 per cent of the total funds released by the CoB for recurrent programmes only.

Settlement of Pending Bills

The outstanding pending bills as of 30th June 2021 amounted to Kshs.589.91 and comprised of Kshs.83.26 million for recurrent expenditure and Kshs.506.64 million for development expenditure.

The County did not report any expenditure on pending bills in the reporting period due to the expenditure restrictions imposed by the Court Order.

Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that Kshs.721.90 million was spent on employee compensation, Kshs.85.16 million on operations and maintenance activities as shown in Table 2.

Table 2: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Exchequer Issues (Kshs.)		Expenditure (Kshs)	
	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	726,293,359	133,544,216	702,133,895	104,970,371
Compensation to Employees	608,169,560	84,306,195	622,933,586	99,008,157
Operations and Maintenance	118,123,799	49,238,021	79,200,309	5,962,214
Development Expenditure				
Total	726,293,359	133,544,216	702,133,895	104,970,371

Source: Vihiga County Treasury

Expenditure on Personnel Emoluments

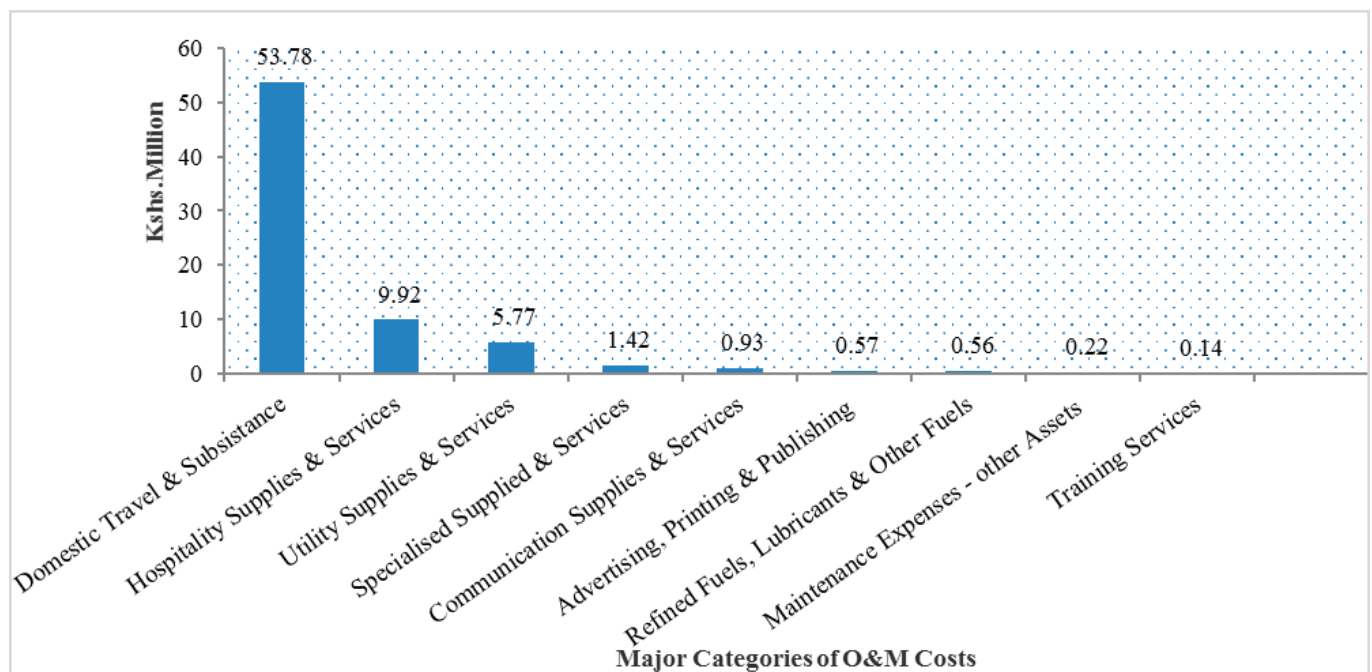
Regulation 25(1)(b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. Expenditure on compensation to employees was 89.4 per cent of the total expenditure for the reporting period.

Expenditure on Operations and Maintenance

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

Figure 2:

Vihiga County, Operations and Maintenance Expenditure by Major Categories



Source: Vihiga County Treasury

During the period, expenditure on domestic travel amounted to Kshs. 53.78 million and comprised Kshs. 1.41 million spent by the County Assembly and Kshs. 52.37 million by the County Executive. The County Assembly did not report any expenditure on MCAs sitting allowance.

Development Expenditure

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

Budget Performance by Department

Table 3 summarises departments' approved budget allocation and performance in the first quarter of FY 2021/22.



Table3: VihigaCounty,BudgetPerformancebyDepartment

Department	30percentBudgetAllo- cation(Kshs.)		ExchequerIssues(Kshs.)		Expenditure(Kshs.)		Expenditure to ExchequerIss ues(%)		Absorptionrate(%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture,L ivestock,Fish eries andCo- operatives	72,639,527	-	32,081,711	-	22,269,405	-	69.4	-	30.7	-
Physical Plan- ning, Lands andHousing	37,217,508	-	12,884,634	-	6,079,449	-	47.2	-	16.3	-
Transport,Infras tructureand Communi- cation	55,237,039	-	18,275,250	-	8,978,541	-	49.1	-	16.3	-
Trade, Industry,Touris m andEntrepre- neurship	28,500,176	-	8,053,245	-	682,110	-	8.5	-	2.4	-
HealthServices	722,504,230	-	310,257,886	-	272,013,837	-	87.7	-	37.6	-
Education, Sci- ence, Technicaland VocationalTrai ning	167,314,001	-	71,653,851	-	55,067,975	-	76.9	-	32.9	-
Office of theGovernor	123,656,397	-	55,099,827	-	36,984,812	-	67.1	-	29.9	-
County Assem- bly	299,900,482	-	133,544,216	-	104,970,371	-	78.6	-	35.0	-
Finance andEconom icPlanning	151,778,481	-	73,499,335	-	55,113,598	-	75.0	-	36.3	-
County PublicService Board	25,645,100	-	11,496,791	-	7,982,364	-	69.4	-	31.1	-
Administration andCoordina- tion of CountyAffairs	178,206,240	-	97,850,815	-	209,541,699	-	214.1	-	117.6	-
Gender, CultureandYou th	56,294,173	-	17,370,391	-	6,190,460	-	35.6	-	11.0	-
Environment, Water andNatural	56,471,121	-	17,769,630	-	21,229,645	-	119.5	-	37.6	-
Total	1,975,364,475	-	859,837,582	-	807,104,266	-	93.9	-	40.9	-

Source: VihigaCountyTreasury

Analysis of expenditure by the departments shows that the Department of Administration and Coordination of County Affairs had the highest percentage of recurrent expenditure to budget at 117.6 per cent. Expenditure excess of the budget is irregular and should be regularised.

Budget Execution by Programmes and Sub-Programmes

Table 4 summarises the budget execution by programmes and sub-programmes in the first quarter of FY 2021/22.

Table4: VihigaCounty, Budget Execution by Programmes and Sub-programmes

Budget Execution by Programmes and Sub-Programmes						
Programme	Sub- gramme	Pro- gramme	Approved Budget by Court (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption (%)

Administration, Planning and Support Service		102,183,513	29,012,524	73,170,989	28.4
	Administrative Services	102,183,513	29,012,524	73,170,989	28.4
Cooperatives Development		4,955,000	3,480,800	1,474,200	70.2



Budget Execution by Programmes and Sub-Programmes					
Programme	Sub-programme	Approved Budget by Court (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Absorption (%)
	Cooperative Development Services	4,955,000	3,480,800	1,474,200	70.2
1 Urban and Physical Planning and Housing Services		2,718,522	-	2,718,522	0.0
	Vihiga Municipality { KUSP }	2,718,522	-	2,718,522	0.0
Administration, Planning and Support Service		55,237,039	5,527,561	49,709,478	10.0
	Administrative Services	55,237,039	5,527,561	49,709,478	10.0
Administration, Planning and Support Service		28,500,176	10,940,535	17,559,641	38.4
	Administrative Services	28,500,176	10,940,535	17,559,641	38.4
Administration, Planning and Support Service		1,020,232,352	454,036,209	566,196,143	44.5
	Administrative Services	1,020,232,352	454,036,209	566,196,143	44.5
Child and Maternal Health Care		2,172,360	-	2,172,360	0.0
	Nutrition Services	2,172,360	-	2,172,360	0.0
Administration, Planning and Support Service		167,314,001	55,067,975	112,246,026	32.9
	Administrative Services	167,314,001	55,067,975	112,246,026	32.9
Administration, Planning and Support Service		479,286,218	222,685,058	256,601,161	46.5
	Administrative Services	479,286,218	222,685,058	256,601,161	46.5
Administration, Planning and Support Service		34,832,923	5,419,160	29,413,763	15.6
	Administrative Services	34,832,923	5,419,160	29,413,763	15.6
Sports Administration and Management		21,461,250	(46,200)	21,507,450	-0.2
	Promotion of Sports	20,491,250	(46,200)	20,537,450	-0.2
	Promotion of Culture and Heritage	970,000	-	970,000	0.0
Social Services		-	(249,000)	249,000	0.0
	Gender, Children, Youth and People with Disability	-	(249,000)	249,000	0.0
Administration, Planning and Support Service		56,471,121	21,229,645	35,241,476	37.6
	Administrative Services	56,471,121	21,229,645	35,241,476	37.6
Grand Total		1,975,364,475	807,353,266	1,168,011,209	40.9

Source: Vihiga County Treasury

The County reported a negative expenditure under the Gender, Children, Youth and People with Disability sub-programme and Promotion of Sports sub-programme. These negative expenditures should be reviewed and be corrected in the IFMIS system.