

## County Government of Vihiga

### 1.1.1 Overview of FY 2022/23 Budget

The County's approved second supplementary budget for the FY 2022/23 was Kshs.6.49 billion, comprising Kshs.1.94 billion (29.85 per cent) and Kshs.4.55 billion (70.15 per cent) allocation for development and recurrent programmes respectively. The approved budget estimate represented an increase of 1.23 per cent compared to the previous financial year when the approved budget was Kshs.6.41 billion and comprised of Kshs.1.83 billion towards development expenditure and Kshs.4.58 billion for recurrent expenditure.

To finance the budget, the County expected to receive Kshs.5.07 billion (78.1 per cent) as the equitable share of revenue raised nationally, generate Kshs.181.5 million (2.8 per cent) from its own sources of revenue, Kshs.102.6 million (1.6 per cent) as Appropriations-in-Aid(A-i-A), Kshs.319.8 million as conditional grants, and a cash balance of Kshs.816.8 million (12.6 per cent) from FY 2021/22. A breakdown of the conditional grants is provided in **Table 1**

The cash balance from the previous financial year comprises Kshs.115.4 million from unspent conditional grants, Kshs.77.9 million not deposited into the CRF at the end of FY 2021/22, and Kshs.88.9 million, which was the balance in the CRF account at the Central Bank of Kenya.

### 1.1.2 Revenue Performance

In FY 2022/23, the County received Kshs.5.47 billion as the equitable share of the revenue raised nationally, raised Kshs.108.34 million as own-source revenue, Kshs.133.0 million as A-i-A, Kshs.146.9 million as conditional grants, and had a cash balance of Kshs.0 million from FY 2021/22. The total funds available for budget implementation during the period amounted to Kshs.5.86 billion, as shown in Table -1.

**Table -1: Vihiga County, Revenue Performance in FY 2022/23**

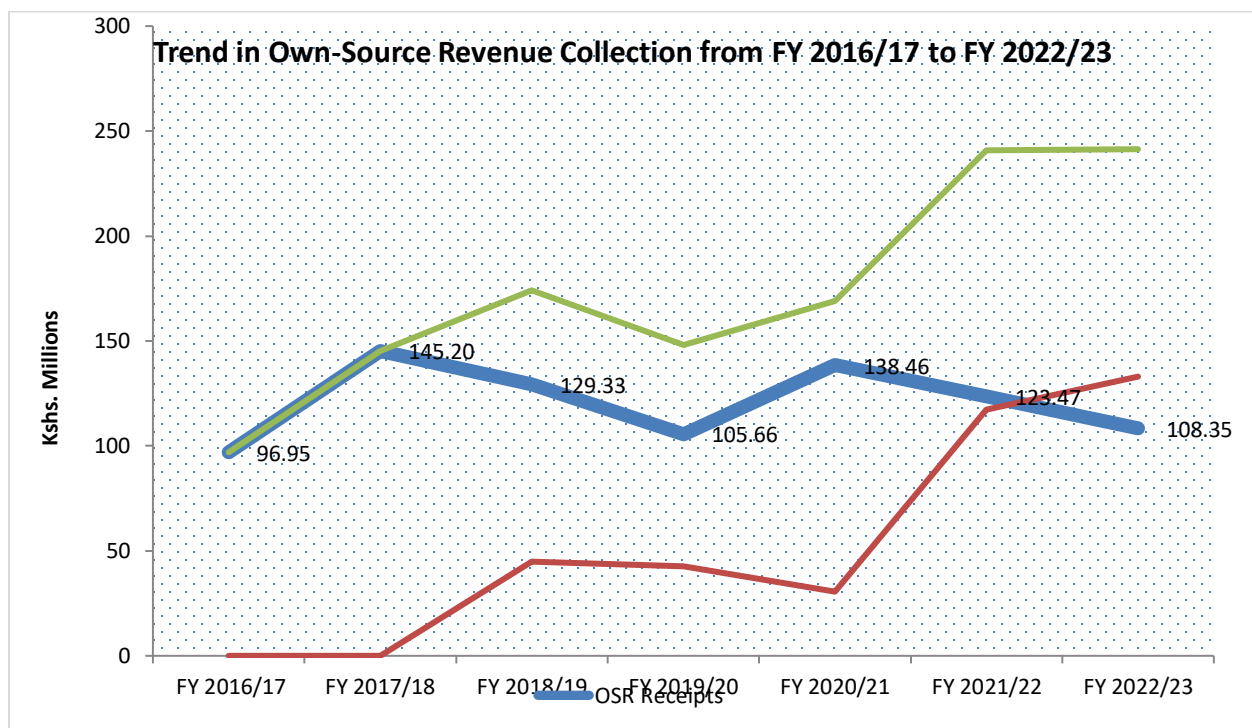
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
<b>A</b>	<b>Equitable Share of Revenue Raised Nationally</b>	<b>5,067,356,827</b>	<b>5,472,745,376</b>	<b>108%</b>
	<b>Subtotal</b>			
<b>B</b>	<b>Conditional Grants</b>			
1.	Nutritional International	10,000,000.00	2,500,000.00	25.0
2.	Road Maintenance Levy Fund	-	-	0.0
3.	Leasing of Medical Equipment	110,638,298.00	-	0.0
4.	DANIDA	14,966,438.00	14,966,438.00	100.0
5.	Conditional Grant for Rehabilitation of Village Polytechnics			0.0
6.	Transforming Health Systems for Universal Care Project-THS-UHC			0.0

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
7.	National Agriculture And Rural Inclusive Growth Project - NARIGP	155,402,308.00	105,120,632.00	67.6
8.	Agriculture Sector Development Support Programme - ASDSP II	4,417,622.00	-	0.0
9.	Kenya Devolution Support Programme - KDSP 1			0.0
10.	Kenya Urban Support Programme - UDG Grant	1,194,559.00	1,194,559.00	100.0
11.	Kenya Urban Support Programme - UIG Grant	1,145,356.00	1,145,356.00	100.0
12.	World Bank Credit to finance Locally-Led Climate Action Program (FLLoCA)	22,000,000.00	22,000,000.00	100.0
<b>Subtotal</b>		<b>319,764,581.00</b>	<b>146,926,985.00</b>	<b>45.9</b>
<b>C</b>	<b>Other Sources of Revenue</b>			
13.	Own Source Revenue	181,484,444.00	108,347,381.50	59.7
14.	Balance b/f from FY2021/22	816,827,096.00		0.0
15.	AIA	102,588,764.00	133,002,807.00	129.6
16.	Other Revenues	-		0.0
17.	Other Revenues ( provide a list)			
<b>Sub Total</b>		<b>1,100,900,304.00</b>	<b>241,350,188.50</b>	<b>21.9</b>
<b>Grand Total</b>		<b>6,488,021,712</b>	<b>5,861,022,550</b>	<b>90.3</b>

*Source: Vihiga County Treasury*

Figure 1 shows the trend in own-source revenue collection from FY 2016/17 to FY 2022/23.

Figure 1: Trend in Own-Source Revenue Collection from FY 2016/17 to FY 2022/23

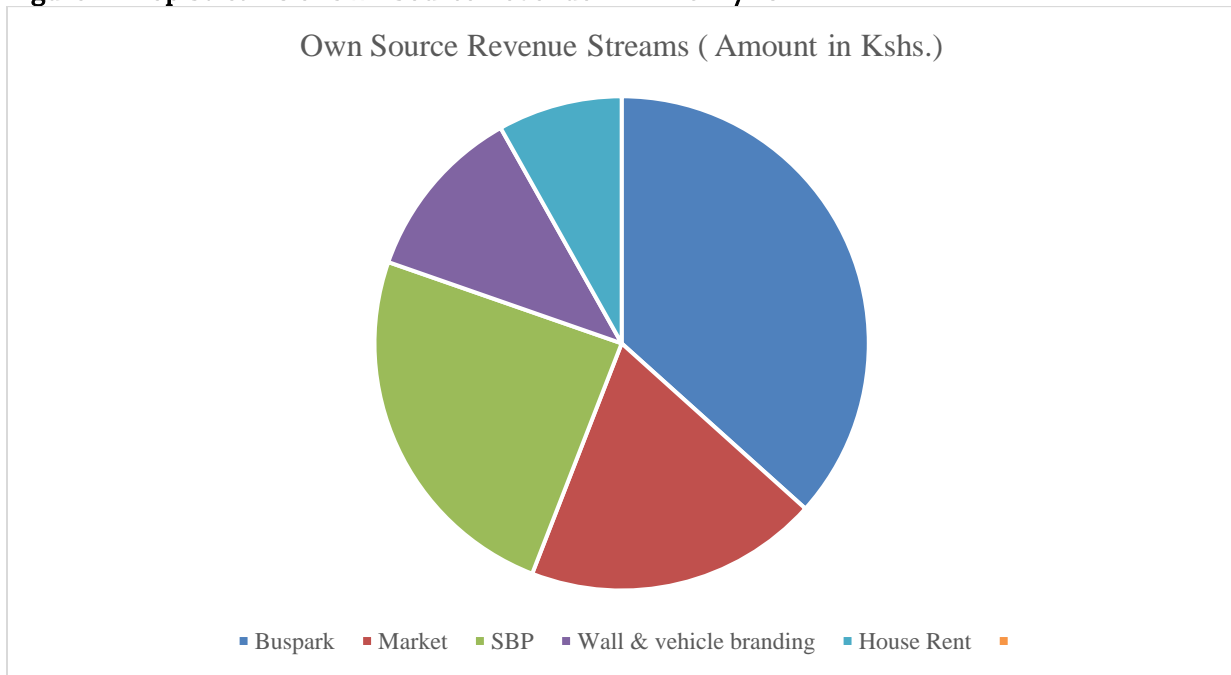


**Source:** Vihiga County Treasury

In FY 2022/23, the County generated a total of Kshs.241.3 million from its own sources of revenue. This amount represented an increase of 0.2 per cent compared to Kshs.240.8 million realised in a similar period in FY 2021/22 and was 84.9 per cent of the annual target and 4.4 per cent of the equitable revenue share disbursed during the period. The OSR includes revenue arrears and penalties charged on the fees and levies from previous financial years of Kshs.0 million (where

applicable). The revenue streams which contributed the highest OSR receipts are shown in Figure 2.

**Figure 2: Top Streams of Own Source Revenue in FY 2022/23**



*Source: Vihiga County Treasury*

The highest revenue stream of Kshs.26.1 million was from Bus Park, contributing to 10.8 per cent of the total OSR receipts during the reporting period. Revenue/A-i-A from the health sector amounted to Kshs.133.0 million representing 55.1 per cent of the overall OSR in FY 2022/23.

### **1.1.3 Exchequer Issues**

The Controller of Budget approved the withdrawal of Kshs.5.6 billion from the CRF account during the reporting period. This amount comprised Kshs.888.7 million (15.9 per cent) for development programmes and Kshs4.72 billion (84.1 per cent) for recurrent programmes. Analysis of the recurrent exchequer released in FY 2022/23 indicates that Kshs. 2.87 billion was released towards employee compensation, and Kshs.1.85 billion was for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of the financial year was Kshs.272.8 million.

### **1.1.4 Borrowing by the County**

There was no borrowing by the County Government of Vihiga during the period ended 30th June 2023.

### 1.1.5 County Expenditure Review

The County spent Kshs.5.95 billion on development and recurrent programmes during the reporting period. This expenditure represented 106.2 per cent of the total funds released by the CoB and comprised of Kshs.1.46 billion and Kshs.4.49 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 24.6 per cent. In contrast, recurrent expenditure represented 75.4 per cent of the annual recurrent expenditure budget.

### 1.1.6 Settlement of Pending Bills

Settlement of Pending Bills

At the beginning of FY 2022/23, the County reported a stock of pending bills amounting to Kshs.1.25 billion, comprising of Kshs.386.1 million for recurrent expenditure and Kshs.868.8 million for development activities. During the year, pending bills amounting to Kshs.740.6 million were settled, consisting of Kshs.289.9 million for recurrent expenditure and Kshs.450.7 million for development programmes. Further, the County accumulated pending bills amounting to Kshs.836.5 in the FY 2022/23 and therefore, as of 30th June 2023, the outstanding amount was Kshs.1.35 billion (inclusive of FY 2022/23 pending bills).

### 1.1.7 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.2.23 billion on employee compensation, Kshs.1.84 billion on operations and maintenance, and Kshs.1.45 billion on development activities. Similarly, the County Assembly spent Kshs.297.03 million on employee compensation, Kshs.112.81 million on operations and maintenance, and Kshs.14.47 million on development activities, as shown in Table 2.

**Table 2: Summary of Budget and Expenditure by Economic Classification**

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
<b>Total Recurrent Expenditure</b>	<b>3,923,895,944</b>	<b>627,128,800</b>	4,072,718,075	409,834,865	<b>103.8</b>	<b>65.4</b>
Compensation to Employees	2,468,110,971	546,620,824	2,227,926,652	297,029,005	90.3	54.3
Operations and Maintenance	1,455,784,973	80,507,976	1,844,791,423	112,805,860	126.7	140.1
<b>Development Expenditure</b>	<b>1,921,996,968</b>	<b>15,000,000</b>	1,450,154,006	14,474,337	75.5	96.5
<b>Total</b>	<b>5,845,892,912</b>	<b>642,128,800</b>	<b>5,522,872,081</b>	<b>424,309,202</b>	94.5	66.1

*Source: Vihiga County Treasury*

### 1.1.8 Expenditure on Employees' Compensation

During the reporting period, expenditure on employee compensation was Kshs.2.52 billion, or 43.0 per cent of the revenue for FY 2022/23 of Kshs.5.86 billion. This expenditure represented an

increase from Kshs.2.40 billion reported in a similar period of FY 2021/22. The wage bill included Kshs.1.13 billion paid to health sector employees, translating to 44.8 per cent of the total wage bill.

Further analysis indicates that PE costs amounting to Kshs.2.29 billion were processed through the (Integrated Personnel and Payroll Database (IPPD) system, while Kshs.235.3 million was processed through manual payrolls. The manual payrolls accounted for 9.3 per cent of the total PE cost.

The County Assembly spent Kshs.20.9 million on committee sitting allowances for the 36 MCAs and the Speaker against the annual budget allocation of Kshs.29.3 million. The average monthly sitting allowance was Kshs.47,153.83 per MCA. The County Assembly has established 24 Committees.

### 1.1.9 County Emergency Fund and County-Established Funds

Section 110 of the PFM Act, 2012 establishes the Emergency Fund, while 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.322.1 million to county-established funds in FY 2022/23, constituting 5 per cent of the County's overall budget. Table 3 summarises each established Fund's budget allocation and performance during the reporting period.

**Table 3: Performance of County Established Funds as of 30<sup>th</sup> June 2023**

S/No.	Name of the Fund	Approved Budget Allocation in FY 2022/23 (Kshs.)	Exchequer Issues FY 2022/23 (Kshs.)	Actual Expenditure for FY 2022/23 (Kshs.)	Submission of Financial Statements as of 30 <sup>th</sup> June 2023 (Yes/No.)
		A	B	C	D
County Executive Established Funds					
1.	Bursary Fund	137,500,270	137,500,270	122,640,270	Yes
2.	Sports Fund	20,000,000	15,000,000	10,547,100	Yes
3.	Trade and Enterprise Fund	2,000,000	0	1,403,010	Yes
4.	Climate Change Fund	82,000,000	82,000,000	29,408,537	Yes
5.	Facility Improvement Fund (FIF)	50,602,719	55,986,191	53,697,294	Yes
6.	Emergency Fund	0	0	0	N/A
7.					
8.	Co-operative Enterprise fund	0	0	0	N/A
9.	Car & Mortgage Fund	30,000,000	30,000,000	0	Yes
County Assembly Established Funds					
10.					
11.					
	<b>Total</b>	<b>322,102,989</b>	<b>320,486,461</b>	<b>217,696,211</b>	

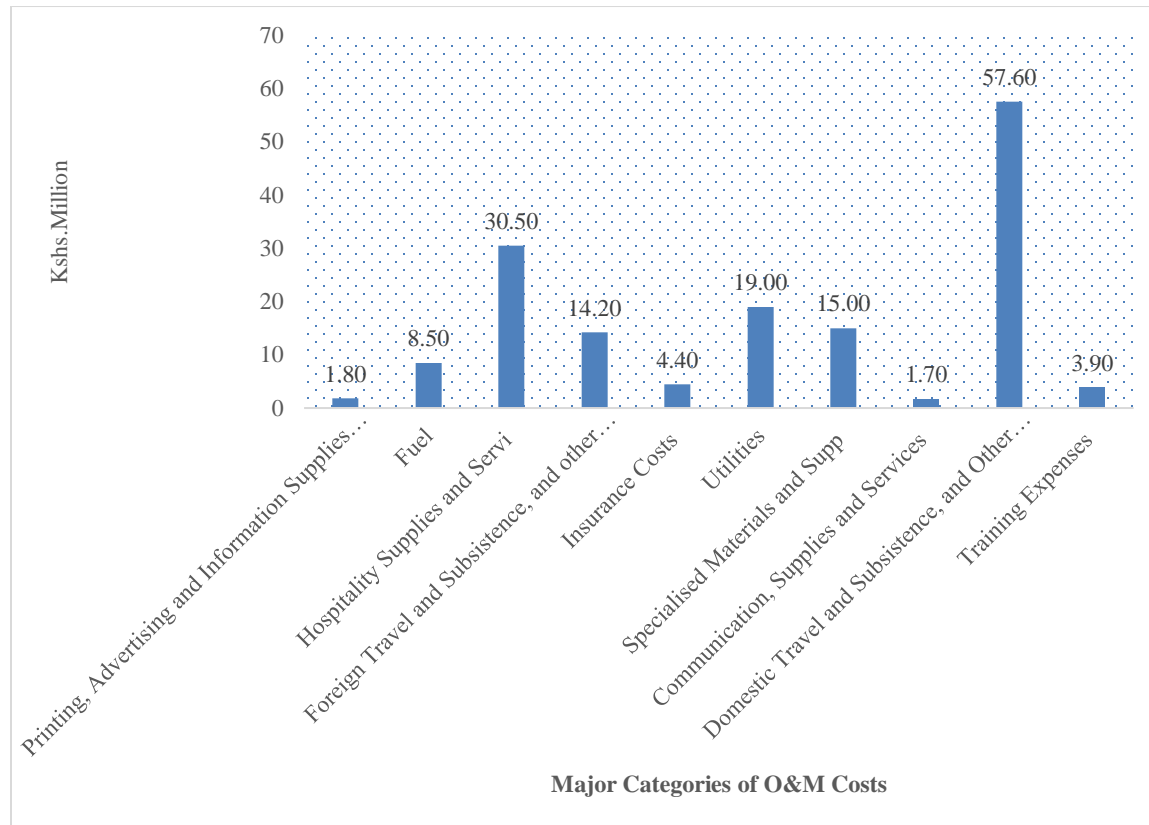
**Source:** *Vihiga County Treasury*

During the reporting period, OCoB received all quarterly financial returns from Fund Administrators of funds as indicated in Table 3 as required of Section 168 of the PFM Act, 2012.

### 1.1.10 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.79.1 million and comprised of Kshs.21.5 million spent by the County Assembly and Kshs.57.6 million by the County Executive. Expenditure on foreign travel amounted to Kshs.14.2 million and comprised of Kshs.0 million by the County Assembly and Kshs.14.2 million by the County Executive.

### 1.1.11 Development Expenditure

In FY 2022/23, the County incurred Kshs.1.46 billion on development programmes, representing an increase of 50.7 per cent compared to a similar period in FY 2021/22 when the County spent Kshs.971.9 million. Table 4 summarises development projects with the highest expenditure in the reporting period.

**Table 4: Vihiga County, List of Development Projects with the Highest Expenditure**

ITEM NO.	ROAD NAME	WARD/SUB-COUNTY	BUDGETTED AMOUNT (KSHS)	CONTRACT SUM (KSHS)	AMOUNT CERTIFIED (KSH)	AMOUNT PAID TODATE (KSHS)	REMARKS
1	Maintenance of Ekamanji Church of God Ekamanji Dispensary Road	Luanda Township	2,000,000.00				Awarded.
2	Maintenance of Majembe Road (Lot 1) and Mumboha Church of God - Ouya Junction Road (Lot 2)	Luanda Township	4,000,000.00	3,879,852.00	3,879,852.00		Works complete. Certified.
3	Maintenance of Musiila - Ebukaya - Esibulo Road (Lot 1); Mwitubwi - Jeraini Road (Lot 2); Sichenga - Mwitubwi Road (Lot 3)	Mwibona	6,000,000.00	5,817,740.00	5,817,740.00	5,817,740.00	Works complete. Certified. Paid.
4	Maintenance of Kima - Hobunaka road (Lot 1); Mwiyeke - Khuluyia Road (Lot2)	Emabungo	6,000,000.00	5,808,795.00	5,808,795.00	5,808,795.00	Works complete. Certified. Paid.
5	Maintenance of Emusenjeli - Habweya Road (Lot 1); Ombisi Road - Chief Ouya (Lot 2); Stage Moffat - Mwinywelo Road (Lot 3)	Wemilabi	6,000,000.00	5,988,551.04	5,988,551.04	5,988,551.04	Works complete. Certified. Paid.
6	Maintenance of Center - Jeshi La Wokovu- Esibembe - Ambumwe Road (Lot 1); Emmaloba Primary - Munungo Road (Lot 2)	Luanda South	6,000,000.00	5,847,540.00	5,847,540.00	5,847,540.00	Works complete. Certified. Paid.
7	Maintenance of Ebunangwe - Emurembe - Emunichia Road (Lot 1); Luanda Best Esibuye - Old Posta Road (Lot 2); Tianyi - Mwilonje Road (Lot 3)	North East Bunyore	6,000,000.00	5,902,633.32	5,706,440.00	5,706,440.00	Works complete. Paid.
8	Maintenance of Ombisi - Kwipanga - Ematsuli Road	Central Bunyore	6,000,000.00	5,865,300.00	5,865,300.00	5,865,300.00	Works complete. Certified. Paid.



9	Maintenance of Emwatsi Gospel - Off Buyangu - Khumusalaba Road (Lot 1); Mandevu - Ebukoolo Secondary Road (Lot 2); Mulwanda - Icheke - Mungoye Junction Road (Lot 3)	West Bunyore	6,000,000.00	5,158,950.00	4,938,949.99		Works complete. Certified.
10	Maintenance of Chandugunyi - Indagalo Road (Lot 1); Mugomate - Chambale Road (Lot 2)	South Maragoli	6,000,000.00	5,886,884.00	5,840,484.00		Works complete. Certified.
11	Maintenance of Chavugami - Lwang'ele Road (Lot 1); Vihiga Police Station - Boyani Road (Lot 2)	Central Maragoli	6,000,000.00	5,817,935.00	5,781,935.00	5,781,935.00	Works complete. Certified. Paid.
12	Maintenance of Chambale - Mugogo Road (Lot 1); Lyamagale - Madeya Road (Lot 2)	Mungoma	3,000,000.00	2,909,310.00	2,909,310.00	2,909,310.00	Works complete. Certified. Paid.

Source: Vihiga County Treasury

### 1.1.12 Budget Performance by Department

Table summarises the approved budget allocation, expenditure and absorption rate by departments in FY 2022/23.

**Table 5: Vihiga County, Budget Allocation and Absorption Rate by Department**

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
Office of The Governor	283,823,544	7,331,089	268,934,987	-	264,532,945	3,173,409	98.4	-	93.2	43.3
Department of Finance and Economic Planning.	369,080,405	277,899,229	487,869,175	64,595,575	422,945,638	251,844,613	86.7	389.9	114.6	90.6
Agriculture, Livestock, Fisheries & Cooperatives	189,362,572	421,891,321	182,493,104	158,162,974	180,474,759	229,437,676	98.9	145.1	95.3	54.4
Health Services	1,457,596,717	268,573,228	1,792,504,891	105,332,658	1,791,436,889	141,253,201	99.9	134.1	122.9	52.6
Education, Science, Technical and Vocational Training	446,433,140	144,852,426	433,030,078	86,878,016	428,715,682	92,391,876	99.0	106.3	96.0	63.8
Gender, Culture, Youth, Sports and Social Services	87,933,186	11,201,656	91,403,904	1,492,920	60,647,116	4,388,220	66.4	293.9	69.0	39.2

Trade, Industry, Tourism and Entrepreneurship.	64,593,512	50,647,574	60,549,836	41,732,877	53,240,834	42,175,558	87.9	101.1	82.4	83.3
County Public Service Board	53,212,114	-	43,804,434	-	43,609,644	-	99.6	-	82.0	-
Environment, Water, Energy & Natural Resources.	121,508,186	226,381,780	109,810,052	99,100,110	114,765,136	163,587,792	104.5	165.1	94.5	72.3
Transport, Infrastructure & Communication	107,279,489	439,130,772	102,592,672	254,312,798	104,232,182	456,437,938	101.6	179.5	97.2	103.9
Physical Planning, Land and Housing	86,864,179	63,587,892	86,071,296	54,909,375	83,096,738	57,963,722	96.5	105.6	95.7	91.2
County Assembly	627,128,800	15,000,000	570,902,877	14,474,337	409,834,865	14,474,337	71.8	100.0	65.4	96.5
Administration and Coordination of County Affairs	656,208,901	10,500,000	486,322,578	7,681,088	534,936,102	7,500,000	110.0	97.6	81.5	71.4
<b>Total</b>	<b>4,551,024,745</b>	<b>1,936,996,967</b>	<b>4,716,289,884</b>	<b>888,672,728</b>	<b>4,492,468,530</b>	<b>1,464,628,342</b>	<b>95.3</b>	<b>164.8</b>	<b>98.7</b>	<b>75.6</b>

*Source: Vihiga County Treasury*

Analysis of expenditure by department shows that the Department of Transport recorded the highest absorption rate of development budget at 103.9 per cent, followed by the County Assembly at 96.5 per cent. The Department of Health had the highest percentage of recurrent expenditure to budget at 122.9 per cent while the Department of Gender had the lowest at 69 per cent.

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

Table 6 summarises the budget execution by programmes and sub-programmes in FY 2022/23.

**Table 6: Vihiga County, Budget Execution by Programmes and Sub-Programmes**

Program	Sub Program	Final Budget	Actual	Budget utilization difference	Absorption Rate (%)
		KShs	KShs	KShs	
		<b>855,692,219.00</b>	<b>815,438,636.45</b>	<b>40,253,582.55</b>	95
<b>Administration, Planning and Support Service</b>	Administrative Service	823,004,087.00	815,438,636.45	7,565,450.55	99
	Research and Development	28,153,959.00	0	28,153,959.00	0
	Formulation of Policies, Regulations and Legal Framework	4,534,173.00	0	4,534,173.00	0
<b>Livestock Development and Management</b>		<b>17,200,000.00</b>	<b>7,166,302.00</b>	<b>10,033,698.00</b>	42
	Veterinary Services and Extension	16,950,000.00	7,166,302.00	9,783,698.00	42
	Livestock Extension	250,000.00	0	250,000.00	0
<b>Fisheries Development and Management</b>		<b>12,020,000.00</b>	<b>2,890,793.00</b>	<b>9,129,207.00</b>	24
	Promotion of Fish Farming	12,020,000.00	2,890,793.00	9,129,207.00	24

<b>Crop Development and Management</b>		<b>17,622,914.00</b>	<b>4,643,020.00</b>	<b>12,979,894.00</b>	26
	Crop Extension	4,300,000.00	999,720.00	3,300,280.00	23
	Farm Input Subsidy	13,322,914.00	3,643,300.00	9,679,614.00	27
		<b>12,327,896.00</b>	<b>7,141,816.00</b>	<b>5,186,080.00</b>	58
<b>Cooperatives Development</b>	Cooperative Development Services	12,327,896.00	7,141,816.00	5,186,080.00	58
		<b>4,250,000.00</b>	<b>3,238,816.00</b>	<b>1,011,184.00</b>	76
<b>Land Survey and Mapping Services</b>	Land Survey and Mapping	4,250,000.00	3,238,816.00	1,011,184.00	76
		<b>28,479,708.00</b>	<b>22,891,168.90</b>	<b>5,588,539.10</b>	80
<b>1 Urban and Physical Planning and Housing Services</b>	Urban and Physical Planning	2,000,000.00	1,007,250.00	992,750.00	50
	Vihiga Municipality {KUSP}	26,479,708.00	21,883,918.90	4,595,789.10	83
		<b>869,971,660.00</b>	<b>869,472,801.10</b>	<b>498,858.90</b>	100
<b>Administration, Planning and Support Service</b>	Administrative Service	869,971,660.00	869,472,801.10	498,858.90	100
		<b>18,422,400.00</b>	<b>8,206,688.60</b>	<b>10,215,711.40</b>	45
<b>Transport Management</b>	Transport System Management	18,422,400.00	8,206,688.60	10,215,711.40	45
		<b>145,000.00</b>	<b>0.00</b>	<b>145,000.00</b>	0
<b>Infrastructure Development</b>	Roads Maintenance	145,000.00	0	145,000.00	0
		<b>86,297,083.00</b>	<b>68,796,818.00</b>	<b>17,500,265.00</b>	80
<b>Administration, Planning and Support Service</b>	Administrative Service	86,297,083.00	68,796,818.00	17,500,265.00	80
		<b>51,328,751.00</b>	<b>40,517,608.50</b>	<b>10,811,142.50</b>	79
<b>Public Finance Management</b>	ICT Printing press	51,328,751.00	40,517,608.50	10,811,142.50	79
		<b>28,944,003.00</b>	<b>26,028,624.00</b>	<b>2,915,379.00</b>	90
<b>Trade Development and Investment</b>	Market Development and Management	27,894,003.00	25,028,624.00	2,865,379.00	90
	Business Support and Consumer Protection	1,050,000.00	1,000,000.00	50,000.00	95
		<b>0</b>	<b>0</b>	<b>0</b>	#DIV/0!
<b>Tourism Development</b>	Tourism Promotion and Branding	0	0	0	#DIV/0!
		<b>1,876,036,117.00</b>	<b>1,795,080,384.95</b>	<b>80,955,732.05</b>	96
<b>Administration, Planning and Support Service</b>	Administrative Service	751,788,285.00	657,894,080.80	93,894,204.20	88
	Human Resource Management and Development	1,107,254,432.00	1,127,863,958.80	-20,609,526.80	102
	Healthcare Financing	16,993,400.00	9,322,345.35	7,671,054.65	55
		<b>7,040,000.00</b>	<b>3,929,100.00</b>	<b>3,110,900.00</b>	56
<b>Promotive and Preventive Healthcare Services</b>	Public Health Services	2,520,000.00	1,200,100.00	1,319,900.00	48
	Community Health Strategy	2,000,000.00	976,500.00	1,023,500.00	49
	Health Promotion	500,000.00	408,000.00	92,000.00	82
	Reproductive Healthcare	2,000,000.00	1,344,500.00	655,500.00	67
	Disease Surveillance and Emergency	20,000.00	0	20,000.00	0

<b>Curative And Rehabilitative Health Services</b>		<b>91,381,800.00</b>	<b>74,871,159.00</b>	<b>16,510,641.00</b>	82
	Medical services	90,881,800.00	74,387,859.00	16,493,941.00	82
	County referral services	500,000.00	483,300.00	16,700.00	97
<b>Child and Maternal Health Care</b>		<b>51,712,028.00</b>	<b>19,221,565.70</b>	<b>32,490,462.30</b>	37
	Antenatal and Post Natal healthcare	2,217,200.00	473,600.00	1,743,600.00	21
	Antenatal and Post Natal Healthcare	10,520,000.00	80,400.00	10,439,600.00	1
	Newborne, Child and Adolescent Health	500,000.00	221,500.00	278,500.00	44
	Nutrition Services	38,474,828.00	18,446,065.70	20,028,762.30	48
<b>Administration, Planning and Support Service</b>		<b>224,773,629.00</b>	<b>196,757,133.55</b>	<b>28,016,495.45</b>	88
	Administrative Service	224,773,629.00	196,757,133.55	28,016,495.45	88
<b>Vocational Education and Training</b>		<b>140,253,952.00</b>	<b>115,816,625.85</b>	<b>24,437,326.15</b>	83
	Youth Polytechnic Development	140,253,952.00	115,816,625.85	24,437,326.15	83
<b>Early Childhood Development</b>		<b>226,257,985.00</b>	<b>178,225,302.70</b>	<b>48,032,682.30</b>	79
	ECD Development	226,257,985.00	178,225,302.70	48,032,682.30	79
<b>Administration, Planning and Support Service</b>		<b>1,401,841,481.00</b>	<b>1,344,596,812.45</b>	<b>57,244,668.55</b>	96
	Administrative Service	1,372,294,268.00	1,328,457,677.45	43,836,590.55	97
	County Administration	9,840,073.00	6,237,335.00	3,602,738.00	63
	County Radio Information Services	19,707,140.00	9,901,800.00	9,805,340.00	50
<b>Coordination of Policy Formulation Implementation of Vision 2030</b>		<b>2,066,000.00</b>	<b>2,355,000.00</b>	<b>-289,000.00</b>	114
	Emergency & Disaster Fund	2,066,000.00	2,355,000.00	-289,000.00	114
<b>Public Finance Management</b>		<b>138,964,475.00</b>	<b>121,484,698.00</b>	<b>17,479,777.00</b>	87
	Public Finance Management	87,952,520.00	75,220,893.00	12,731,627.00	86
	Accounting Services	2,600,000.00	2,127,685.00	472,315.00	82
	Audit Services	6,414,440.00	5,502,620.00	911,820.00	86
	Budget Formulation Coordination	8,777,515.00	7,013,680.00	1,763,835.00	80
	Resource Mobilization	23,110,000.00	22,051,400.00	1,058,600.00	95
	Budget Expenditure Management	10,110,000.00	9,568,420.00	541,580.00	95
<b>County Planning Services</b>		<b>7,866,845.00</b>	<b>4,769,700.00</b>	<b>3,097,145.00</b>	61
	Monitoring and Evaluation	2,666,845.00	499,700.00	2,167,145.00	19
	Coordination of Policy Formulation and Plans	5,200,000.00	4,270,000.00	930,000.00	82
<b>Management and Administration of County Services</b>		<b>53,987,730.00</b>	<b>35,355,965.40</b>	<b>18,631,764.60</b>	65
	County Executive	29,343,999.00	19,435,853.40	9,908,145.60	66
	County Secretary	11,643,731.00	7,553,291.00	4,090,440.00	65
	Legal Services	13,000,000.00	8,366,821.00	4,633,179.00	64
<b>Administration, Planning and Support Service</b>		<b>50,884,842.00</b>	<b>42,554,035.50</b>	<b>8,330,806.50</b>	84
	Administrative	50,884,842.00	42,554,035.50	8,330,806.50	84

	Service				
<b>903004860</b>		<b>40,450,000.00</b>	<b>19,673,240.00</b>	<b>20,776,760.00</b>	49
	Promotion of Sports	27,000,000.00	9,806,100.00	17,193,900.00	36
	Promotion of Culture and Heritage	13,450,000.00	9,867,140.00	3,582,860.00	73
<b>904004860</b>		<b>7,800,000.00</b>	<b>2,295,720.00</b>	<b>5,504,280.00</b>	29
	Social Protection	5,500,000.00	497,000.00	5,003,000.00	9
	Gender, Children, Youth and People with Disability	2,300,000.00	1,798,720.00	501,280.00	78
<b>Administration, Planning and Support Service</b>		<b>56,864,985.00</b>	<b>74,666,285.50</b>	<b>-17,801,300.50</b>	131
	Administrative Service	56,864,985.00	74,666,285.50	-17,801,300.50	131
<b>1003004860</b>		<b>80,496,201.00</b>	<b>40,081,228.85</b>	<b>40,414,972.15</b>	50
	Water Supply Management	42,686,201.00	31,340,828.85	11,345,372.15	73
	Waste Water Management	37,810,000.00	8,740,400.00	29,069,600.00	23
<b>1004004860</b>		<b>10,525,000.00</b>	<b>1,753,527.00</b>	<b>8,771,473.00</b>	17
	Environmental Protection and Conservation	10,525,000.00	1,753,527.00	8,771,473.00	17
<b>1005004860</b>		<b>16,117,008.00</b>	<b>7,176,295.00</b>	<b>8,940,713.00</b>	45
	Farm Forest Management	9,117,000.00	3,502,195.00	5,614,805.00	38
	Natural Resources management	7,000,008.00	3,674,100.00	3,325,908.00	52
<b>Grand Total</b>		<b>6,488,021,712.00</b>	<b>5,957,096,872.00</b>	<b>530,924,840.00</b>	92

*Source: Vihiga County Treasury*

#### 1.1.14 Key Observations and Recommendations

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

1. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected the timely preparation of the budget implementation report.
2. Massive diversion of funds by the County Treasury and poor budgeting practice as shown in Table 5 where the County incurred expenditure over approved exchequer issues in several departments.
3. High level of pending bills which amounted to Kshs.1.35 billion as of 30<sup>th</sup> June 2023. This is despite the availability of cash in the CRF, which stood at Kshs.272 million at the end of the FY 2022/23.
4. Use of manual payroll. Personnel emoluments amounting to Kshs.235.3 million were processed through the manual payroll, accounting for 9.3 per cent of the total payroll cost. The manual payroll is prone to abuse and may lead to the loss of public funds where there is a lack of proper controls.

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

1. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget in line with Section 166 of the PFM Act, 2012.*
2. *The County should address its own-source revenue performance to ensure the approved budget is fully financed.*
3. *The County Treasury should improve the Vote book and budgetary control to ensure expenditure is within the approved budget.*
4. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
5. *The County leadership should take charge of the worsening pending bills situation to ensure genuine bills are paid without delay in the remaining financial year period.*
6. *The Government requires that salaries be processed through the IPPD system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, there should be strict compliance with the approved staff establishment.*

***End***