



THE COUNTY TREASURY
COUNTY GOVERNMENT OF KIAMBU

**BUDGET IMPLEMENTATION STATUS REPORT FOR THE FIRST
NINE MONTHS OF 2020/2021 FINANCIAL YEAR**

Overview of FY 2020/21 Budget

The County's approved budget for FY 2020/21 is Kshs.17.89 billion, comprising of Kshs.6.29 billion (35.1 percent) and Kshs.11.60 billion (64.9 percent) allocation for development and recurrent programmes respectively. To finance the budget, the County expects to receive Kshs.9.43 billion (52.7 percent) as the equitable share of revenue raised nationally, Kshs.3.17 billion (17.7 percent) as total conditional grants, generate Kshs.3.99 billion (22.3 percent) from own sources of revenue, and a cash balance of Kshs.1.30 billion (7.3 percent) from FY 2019/20.

Revenue Performance

During the first nine months of FY 2020/21, the County received Kshs.4.66 billion as equitable share of the revenue raised nationally, Kshs.1.24 billion as total conditional grants, raised Kshs.1.69 billion from own-source revenue, and had a cash balance of Kshs.1.30 billion from FY 2019/20. The total funds available for budget implementation during the period amounted to Kshs.8.90 billion as shown in table 1.

Table 1: Revenue Performance in the First Nine Months of FY 2020/21

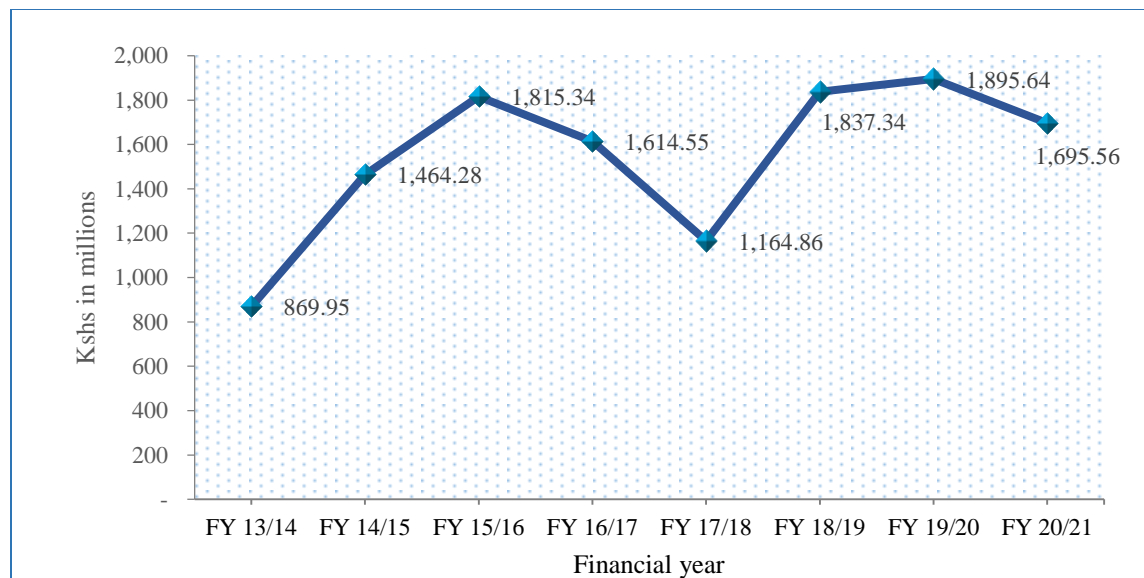
S/No.	Revenue	Revenue Annual CARA, 2019 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share of Revenue Raised Nationally	9,431,700,000	9,431,700,000	4,668,691,500	50%
B.	Conditional Grants from the National Government				
1.	Conditional Grants to Level-5 Hospitals	538,716,763	538,716,763	247,809,711	46%
2.	Compensation for User Fee Foregone	34,671,542	34,671,542	-	0%
3.	Leasing of Medical Equipment	132,021,277	-	-	0%
4.	Road Maintenance Fuel Levy Fund	293,374,561	293,374,561	146,687,280	50%
5.	Development of Polytechnics	61,984,894	61,984,894	30,992,447	50%
	Sub Total	1,060,769,037	928,747,760	425,489,438	46%
C.	Loans and Grants from Development Partners				
1.	Transforming Health systems for Universal care Project (WB)	49,790,789	49,790,789	20,064,393	40%
2.	IDA (WB) Credit (National Agricultural and Rural Inclusive Growth Project NAGRIP)	222,340,320	222,340,320	202,525,924	91%
3.	IDA (WB) Credit: Kenya Devolution Support Project	45,000,000	45,000,000	45,000,000	100%

S/No.	Revenue	Revenue Annual CARA, 2019 Allocation (Kshs)	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
	(KDSP) Level 1 Grant				
4.	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	-	1,885,993,000	537,057,640	28%
5.	DANIDA Grant	26,820,000	26,820,000	-	0%
6.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	13,436,146	13,436,146	10,752,077	80%
	Sub Total	357,387,255	2,243,380,255	815,400,034	36%
D.	Other sources of revenue				
1.	Own Source Revenue	-	3,988,390,833	1,695,568,966	43%
2.	Balance b/f from FY 2019/20	-	1,302,507,988	1,302,507,988	100%
	Sub Total		5,290,898,821	2,998,076,954	57%
	Grand Total	10,849,856,292	17,894,726,836	8,907,657,926	50%

Source: Kiambu County Treasury

Further, figure 1 shows the trend in in own-source revenue collection for the first nine months from financial year 2013/14 to financial year 2020/21.

Figure 1: Trend in Own-Source Revenue Collection for the First Nine Months from FY2013/14 to FY 2020/21



During the first nine months of FY 2020/21, the County generated a total of Kshs1.69 billion as own-source revenue which represented 42.6 percent of the annual target. This amount further

represented a decrease of 10.6 percent when compared to Kshs.1.89 billion realised during the same period in FY 2019/20.

Exchequer Issues

The Controller of Budget approved withdrawal of Kshs.8.70 billion from the CRF account in the reporting period. This withdrawal comprised of Kshs.1.72 billion (19.8 percent) for development programmes and Kshs.6.98 billion (80.2 percent) for recurrent programmes.

Overall Expenditure Review

Table 2 shows the overall expenditure for the first nine months of the financial year 2020/2021. A total of Kshs.10.21 billion was spent on both development and recurrent expenditure which represented an overall absorption rate of 57.1 percent. Development expenditure was Kshs. 2.02 billion representing an absorption rate of 32.2 percent while recurrent expenditure was Kshs. 8.19 billion representing an absorption rate of 70.6 percent.

Table 2: Overall Expenditure for the First Nine Months of FY 2020/21

Expenditure Classification	Budget (Kshs)	Expenditure (Kshs)	Absorption (%)
Recurrent Expenditure	11,606,992,334	8,197,261,577	70.6%
Development Expenditure	6,287,734,502	2,022,478,401	32.2%
Total	17,894,726,836	10,219,739,978	57.1%

Budget Performance by Department

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

Under recurrent expenditure, Administration and Public Service and Health Services departments recorded the highest absorption rate of 82.7 percent and 77.0 percent respectively while County Public Service Board and Land Physical Planning and Housing department recorded the lowest absorption rate of 40.8 percent and 38.4 percent respectively.

Under development expenditure, Agriculture, Crop Production and Irrigation; and Administration and Public Service departments recorded the highest absorption of 62.0 percent and 58.8 percent respectively while Education, Social Services, Gender and Culture department had a low absorption rate of 7.4 percent. Additionally, Youth Affairs and Sports department was yet to absorb its development budget in the first nine months.

Table 3: Budget Performance by Department for the First Nine Months of FY 2020/21

Department	Budget Allocation (Kshs. Million)		Expenditure (Kshs. Million)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	1,232.68	77.2	849.39	17.53	68.9%	22.7%
County Executive	388.36	-	274.48	-	70.7%	
County Public Service Board	78.96	-	32.25	-	40.8%	
Finance, ICT and Economic Planning	1,487.55	375.74	927.97	50.00	62.4%	13.3%
Administration and Public Service	662.04	50	547.35	29.42	82.7%	58.8%
Agriculture, Crop Production and Irrigation	515.8	513.28	291.51	318.05	56.5%	62.0%
Water, Environment, Energy and Natural Resources	340.37	246.94	236.49	81.09	69.5%	32.8%
Health Services	5,055.33	927.26	3,892.63	287.23	77.0%	31.0%
Education, Social Services, Gender and Culture	933.8	161.98	647.39	11.91	69.3%	7.4%
Youth and Sports	140.12	109.5	58.21	0	41.5%	0.0%
Lands, Physical Planning and Housing	214.82	2,022.46	82.59	568.70	38.4%	28.1%
Trade, Tourism, Industry and Cooperatives	143.89	300	66.65	32.31	46.3%	10.8%
Roads, Transport, Public works and Utilities	413.28	1,503.37	290.27	626.19	70.2%	41.7%
Total	11,606.99	6,287.73	8,197.18	2,022.43	70.6%	32.2%

Budget Execution by Programmes and Sub-Programmes

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

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

Programme	Sub- Programme	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Implementation Status (%)
Agriculture, Crop Production and Irrigation					
0101004060 Crop, Livestock and Fisheries development and Management	General administration and support services	486,931,917	291,519,716.70	195,412,200.30	59.9%
	Livestock resource management and development	79,400,000	24,082,570.00	55,317,430.00	30.3%
	Fisheries Development	17,000,000	0	17,000,000	0%
	Crop production and management	445,744,352	293,971,063.90	151,773,288.10	66.0%
Sub Total		1,029,076,269	609,573,350.60	419,502,918.40	59.2%
Lands, Physical Planning and Housing					
0102004060 Land Management and Physical Planning; & Housing Development	Land Management and Physical Planning	260,136,167	80,052,718.00	101,617,625.00	30.8%
	Housing Development	58,000,000	19,095,285.65	38,904,714.35	32.9%
		318,136,167	99,148,003.65	140,522,339.35	31.2%
0105004060 Municipal Administration & Urban Development	Municipal Administration and Urban Development	1,919,145,915	552,149,739.50	1,366,996,175.50	28.8%
		1,919,145,915	552,149,739.50	1,366,996,175.50	28.8%
Sub Total		2,237,282,082	651,297,743	1,507,518,514.85	29.1%
Roads, Transport and Public Works					
0201004060 Maintenance of Roads, Bridges, Land Transport, Construction & Maintenance	Construction of road and civil works	1,503,374,561	626,198,749.80	877,175,811.20	41.7%
0202004060 Administration, planning & support	General Administration and Support services	413,275,910	290,273,687.40	123,002,222.60	70.2%
Sub Total		1,916,650,471	916,472,437.20	1,000,178,033.80	47.8%

Programme	Sub- Programme	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Implementation Status (%)
Trade, Tourism, Industry and Co-operative					
0301004060 Industrial, Investments, Tourism, Trade and Cooperative Development	General administration and support services	100,740,095	52,915,994.55	47,824,100.45	52.5%
	Trade, Industrial Development and Investments	294,800,000	39,666,705.40	255,133,294.60	13.5%
	Tourism Development and Promotion	3,000,000	0	3,000,000.00	0.0%
	Cooperative Development and promotion	38,344,930	6,387,355.80	31,957,574.20	16.7%
	Enterprise Development	7,000,000	0	7,000,000.00	0.0%
Sub Total		443,885,025	98,970,056	344,914,969.25	22.3%
Health Services					
0401004060 Curative and preventive health care services	Health curative services	927,258,512.00	287,239,087.00	640,019,425.00	31.0%
	County Hospital Infrastructure	714,191,973.00	403,603,758.80	310,588,214.20	56.5%
0402004060 Administration, Planning and Support Services	General Administration and Support Services	4,185,081,945	3,434,807,478.10	750,274,466.90	82.1%
0403004060 Preventive Health Services	Community Health Services	81,055,329	25,678,545.00	55,376,784.00	31.7%
0405004060 County Pharmaceutical Services	Pharmaceutical and Non Pharmaceutical supplies	75,000,000	28,549,212.00	46,450,788.00	38.1%
Sub Total		5,982,587,759	4,179,878,080.90	1,802,709,678.10	69.9%
Education, Youth, Sports, Culture and Social Services					
0501004060 Pre-primary education Promotion of Culture; ICT and social Services	Preprimary education and Youth polytechnics services	368,869,558	132,670,359.00	236,199,199.00	36.0%
	Vocational Training centres	23,000,000	10,865,300.00	12,134,700.00	47.2%
0502004060 General Administration and support Services	General Administration and support Services	679,911,538	514,897,052.80	164,914,485.20	75.7%

Programme	Sub- Programme	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Implementation Status (%)
0504004060 Culture Gender and Social Service Development	Culture, Gender & Social Services	24,000,000	878,700.00	23,121,300.00	3.7%
Sub Total		1,095,781,096	659,311,411.80	436,469,684.2	60.2%
County Assembly					
0704004060 General Administration and support services	General Administration and support services	481,493,255	278,293,050	203,200,205	57.8%
0707004060 Representation services	Representation services	178,073,111	113,452,662	64,620,449	63.7%
0701004060 Legislation and Oversight of County Government	Legislation and Oversight services	650,312,178	475,183,319	175,128,859	73.1%
Sub Total		1,309,878,544	866,929,031	442,949,513	66.2%
County Executive					
0702004060 Leadership and Co-ordination of County Administration and Departments	General Administration and support services	326,651,105	239,779,064	86,872,041	73.4%
	Representation Services	61,710,000	34,701,738.40	27,008,261.60	56.2%
Sub Total		388,361,105	274,480,802	113,880,303	70.7%
County Public Service Board					
0703004060 Leadership and Admin of HR management and development in County Public Service	Human Resource development and management services	78,962,096	32,256,981.45	46,705,114.55	40.9%
Sub Total		78,962,096	32,256,981.45	46,705,114.55	40.9%
Finance and Economic Planning					
0704004060 Public Finance Management and Economic Policy and Strategy	General Administration and support services	1,596,242,124	807,837,558.50	788,404,565.50	50.6%
	Financial management services	190,796,121	165,820,550.80	24,975,570.20	86.9%
	Economic planning services	10,000,000	4,314,353.00	5,685,647.00	43.1%
902004060 ICT Services	ICT Services	66,249,021	0	66,249,021	0.0%

Programme	Sub- Programme	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Variance (Kshs.)	Implementation Status (%)
Sub Total		1,863,287,266	977,972,462.30	885,314,803.70	52.5%
Administration, Public Service and Communication					
0705004060 Admin & co-ordination of county affairs, HR Development, Management, Capacity Building	General administration and support services	691,522,259	568,202,169	123,320,090	82.2%
	Human resource development and management	15,521,529	8,582,140.00	6,939,389.00	55.3%
0703004060 Leadership and Admin of HR management and development in County Public Service	Human Resource development and management services	5,000,000	0	5,000,000	0%
Sub Total		712,043,788	576,784,309	135,259,479	81.0%
Youth and Sports					
0901004060 Promotion and development of sports; Youth services	General administration and support services	249,615,300	58,219,794.00	191,395,506.00	23.3%
Sub Total		249,615,300	58,219,794.00	191,395,506.00	23.3%
Water, Energy, Environment and Natural Resources					
1001004060 Water Resources Management, Environment Protection and Conservation	Environmental management	50,944,735	9,000,000.00	41,944,735.00	17.7%
	Water provision and management	176,000,000	72,096,584.00	103,903,416.00	41.0%
	Natural resources conservation and Management	15,000,000	0	15,000,000	0.0%
	Renewable Energy and Climate Change	7,000,000	738,000.00	6,262,000.00	10.5%
1002004060 General Administration Planning and Support Services	General Administration and Support Services	338,371,300	235,758,933.80	102,612,366.20	69.7%
Sub Total		587,316,035	317,593,517.80	269,722,517.20	54.1%
Grand Total		17,894,726,836	10,219,739,977.45	7,674,986,858.55	57.1%

On overall budget execution, Administration and Public Service; County Executive and Health Services departments performed well with an implementation status of 81 percent, 70.7 percent and 69.9 percent respectively while Lands, Physical Planning and Housing; Youth and Sports;

and Trade, Tourism, Industry and Co-operative departments performed relatively low with an implementation status of 29.1 percent, 23.3 percent and 22.3 percent respectively.

The programmes that performed well based on expenditure absorption were: Public Finance Management and Economic Policy and Strategy (Financial management services) at 86.9 per cent; Admin & co-ordination of county affairs, HR Development, Management, Capacity Building (General administration and support services) at 82.2 percent; and Administration, Planning and Support Services under Health services at 82.1 percent.

Key Observations and Recommendations

During the reporting period, the following challenges hampered effective implementation of the budget;

1. Low absorption of development funds in the first nine months of FY 2020/21 as indicated by the expenditure of Kshs.2.02 billion out of the annual development budget allocation of 6.28 billion. This expenditure represented 32.2 percent of annual development budget.
2. A high wage bill of Kshs. 6.117 billion which accounted for 60 percent of the total expenditure in the first nine months of FY 2020/21 thus constraining funding to other programmes.
3. Under performance of own revenue at Kshs.1.69 billion against annual projection of Kshs.3.98 billion. The realised own source revenue represented 43 percent of its annual target.

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

1. The County ought to identify issues causing delays in implementation of development projects and come up with measures to address them.
2. The County Public Service Board should establish an optimal staffing structure in order to ensure a sustainable wage bill.
3. The County should develop and implement strategies aimed at enhancing revenue performance to ensure the approved budget is fully financed.