6. *The County Government should ensure that bank accounts are opened and operated at the Central Bank of Kenya as the law requires. However, imprest bank accounts for petty cash and revenue collection accounts are exempted.*

3.39. County Government of Taita Taveta

3.39.1 Overview of FY 2023/24 Budget

The County's approved Supplementary budget for FY 2023/24 was Kshs.7.50 billion, comprising Kshs.2.32 billion (31.1 per cent) and Kshs.5.17 billion (68.9 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 4.3 per cent compared to the previous financial year when it was Kshs.7.19 billion, comprised of Kshs.2.19 billion for development expenditure and Kshs.4.99 billion for recurrent expenditures.

To finance the budget, the County expected to receive Kshs.5.04 billion (67.2 per cent) as the equitable share of revenue raised nationally, Kshs.1.57 billion (21.0 per cent) as additional allocations/conditional grants, Kshs.51.75 million (0.7 per cent) from other revenue sources, generate Kshs.628.66 million (8.3 per cent) as gross own source revenue and a cash balance of Kshs.206.38 million (2.8 per cent) brought forward from FY 2022/23 The gross own-source revenue includes Kshs.201.68 million (32 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.426.98 million (68 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.265.

3.39.2 Revenue Performance

In the FY 2023/24, the County received Kshs.4.63 billion as an equitable share of the revenue raised nationally, Kshs.690.44 million as additional allocations/conditional grants, a cash balance of Kshs.206.38 million from FY 2022/23 and raised Kshs.461.18 million as own-source revenue (OSR). The raised OSR includes Kshs.210.12 million as FIF and Kshs.251.06 million as ordinary OSR. The total funds available for budget implementation during the period amounted to Kshs.5.99 billion, as shown in Table 3.265.

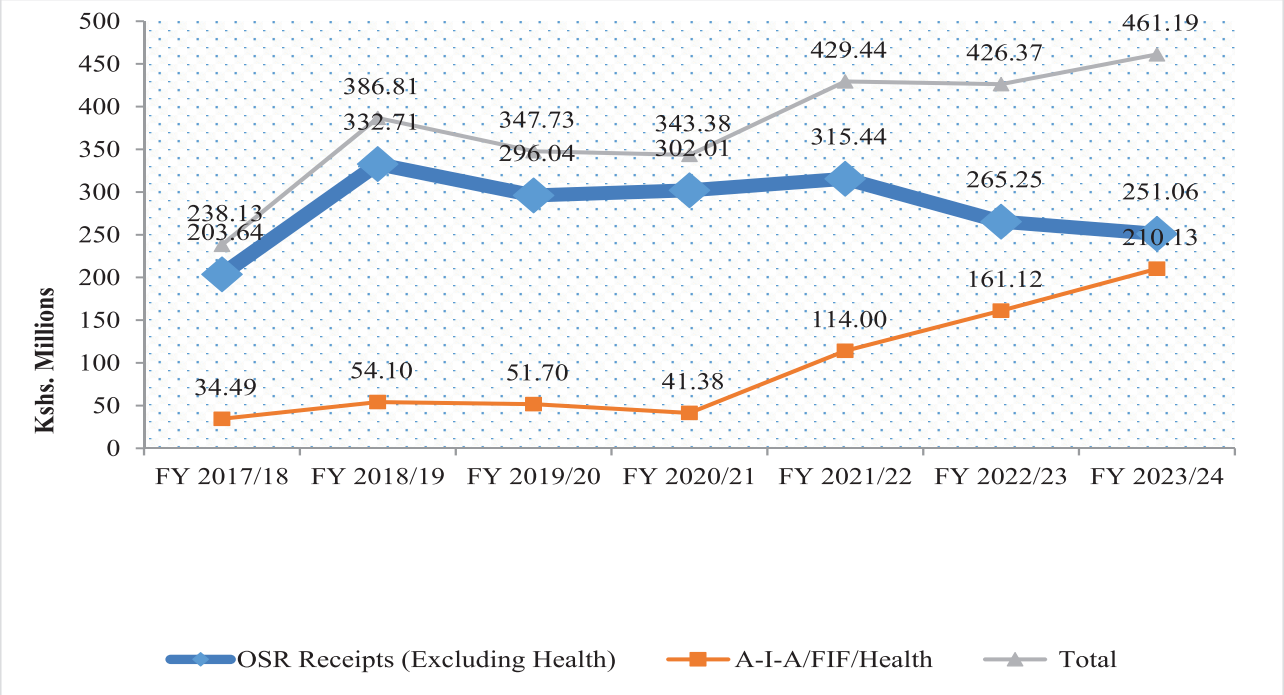
Table 3.265: Taita Taveta County, Revenue Performance in the FY 2023/24

S/ No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	**5,040,427,430**	**4,637,193,237**	**92.00**
Sub Total		**5,040,427,430**	**4,637,193,237**	**92.00**
B	Conditional Grants			
1	Kenya Informal Settlement improvement Project (KISIP-II)-IDA (World Bank)	40,000,000	30,000,000	75.00
2	IDA-WB National Agricultural Value Chain Development Project (NAVCDP)	250,000,000	199,797,856	79.92
3	Kenya Climate Smart Agriculture Program - IDA (World Bank)	90,000,000	-	-
4	Water and Sanitation Development Project (World Bank)	950,000,000	363,103,336	38.22
5	Danida grant for Primary healthcare for devolved system program	7,738,500	-	-
6	Locally Led Climate Action Programme Climate Change Institutional Support (CCIS)	11,000,000	-	-
7	Agricultural Sector Development Support Programme (ASDSP II)-Sweden	1,991,302	2,491,302	125.11
8	Locally Led Climate Action Programme-FLLoCAP- CCIS & CCRI WB grant (B/F 2022-23)	95,053,502	95,053,502	100.00

S/ No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
9	Fertilizer Subsidy Programme	43,540,521	-	-
10	Livestock Value Chain Support Project	21,485,520	-	-
11	De-risking and value enhancement (DRIVE)	63,341,980	-	-
	Sub-Total	**1,574,151,325**	**690,445,996**	**43.86**
D	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	426,985,000	251,061,302	58.80
2	Balance b/f from FY2022/23	206,386,113	206,386,113	100.00%
3	A-I-A (Including FIF/Health)	201,682,445	210,125,350	104.19%
4	Other Revenues	51,756,326	-	
Sub Total		**886,809,884**	**667,572,765**	**75.28%**
Grand Total		**7,501,388,639**	**5,995,211,998**	**79.92%**

Source: *Taita Taveta County Treasury*

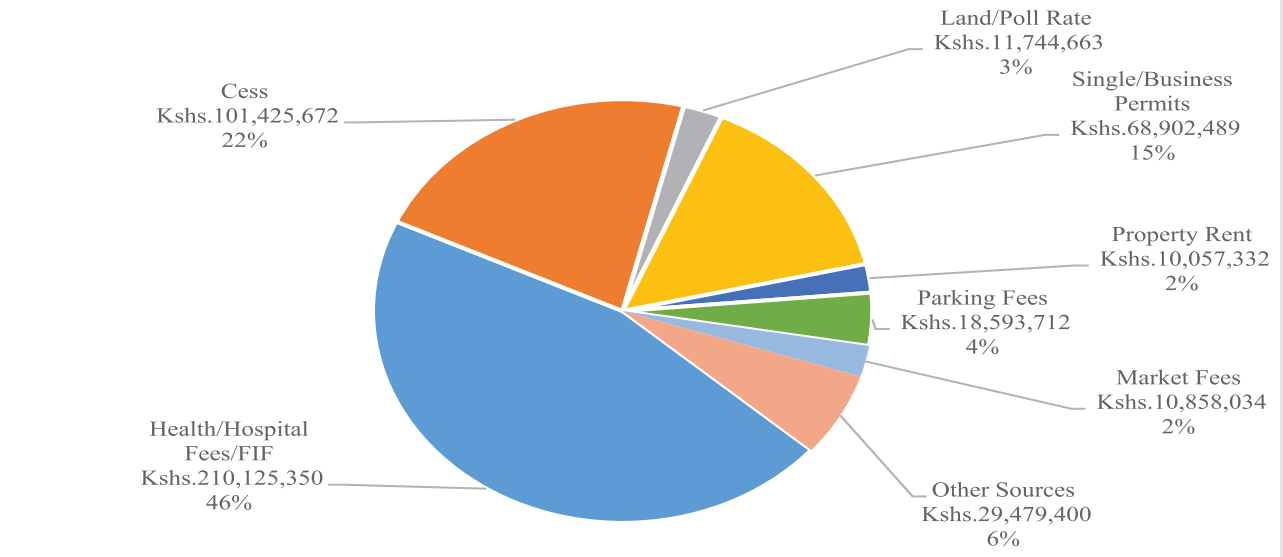
Figure 150: Trend in Own-Source Revenue Collection from the FY 2017/18 to the FY 2023/24



Source: *Taita Taveta County Treasury*

In the FY 2023/24, the County generated a total of Kshs.461.18 million from its sources of revenue, inclusive of FIF and AIA. This amount represented an increase of 8.1 per cent compared to Kshs.426.37 million realized in a similar period in FY 2022/23 and was 73.3 per cent of the annual target and 9.9 per cent of the equitable revenue share disbursed during the period. The revenue streams which contributed the highest OSR receipts are shown in Figure 154.

Figure 151: Top Streams of Own Source Revenue in the FY 2023/24.



Source: Taita Taveta County Treasury

The highest revenue stream of Kshs.210.12 million was from Health/Hospital Fees/FIF, contributing to 46 per cent of the total OSR receipts during the reporting period.

3.39.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.87 billion from the CRF account during the reporting period, which comprised Kshs.1.09 billion (18.6 per cent) for development programmes and Kshs.4.78 billion (81.4 per cent) for recurrent programmes. Analysis of the recurrent exchequers released in the FY 2023/24 indicates that Kshs.3.24 billion was released towards Employee Compensation and Kshs.1.51 billion for Operations and Maintenance expenditure.

The available cash balance in the County Revenue Fund Account at the end of the FY 2023/24 was Kshs.41.0 million.

3.39.4 County Expenditure Review

The County spent Kshs.5.87 billion on development and recurrent programmes in the reporting period. The expenditure represented 100 per cent of the total funds released by the CoB and comprised of Kshs.1.09 billion and Kshs.4.78 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 46.9 per cent, while recurrent expenditure represented 92.5 per cent of the annual recurrent expenditure budget.

3.39.5 Settlement of Pending Bills

At the beginning of FY 2023/24, the County reported a stock of pending bills amounting to Kshs.1.02 billion, comprising of Kshs.584.03 million for recurrent expenditure and Kshs.440.21 million for development activities. In the FY 2023/24, the County settled pending bills amounting to Kshs.285.94 million which consisted of Kshs.60.16 million for recurrent expenditure and Kshs.225.77 million for development programmes.

As at end of the FY 2023/24, the outstanding amount of pending bills by the County Executive was Kshs.1.63 billion which included bills accrued in the FY 2023/24. The County Assembly reported outstanding pending bills of Kshs.126.22 million as of 30th June 2024.

3.39.6 Expenditure by Economic Classification

Analysis of expenditure by economic classification indicates that the County Executive spent Kshs.2.95 billion on employee compensation, Kshs.1.05 billion on operations and maintenance, and Kshs.1.06 billion on development activities. Similarly, the County Assembly spent Kshs.231.43 million on employee compensation, Kshs.545.77 million on operations and maintenance, and Kshs.28.30 million on development activities, as shown in Table 3.266.

Table 3.266: Summary of Budget and Expenditure by Economic Classification

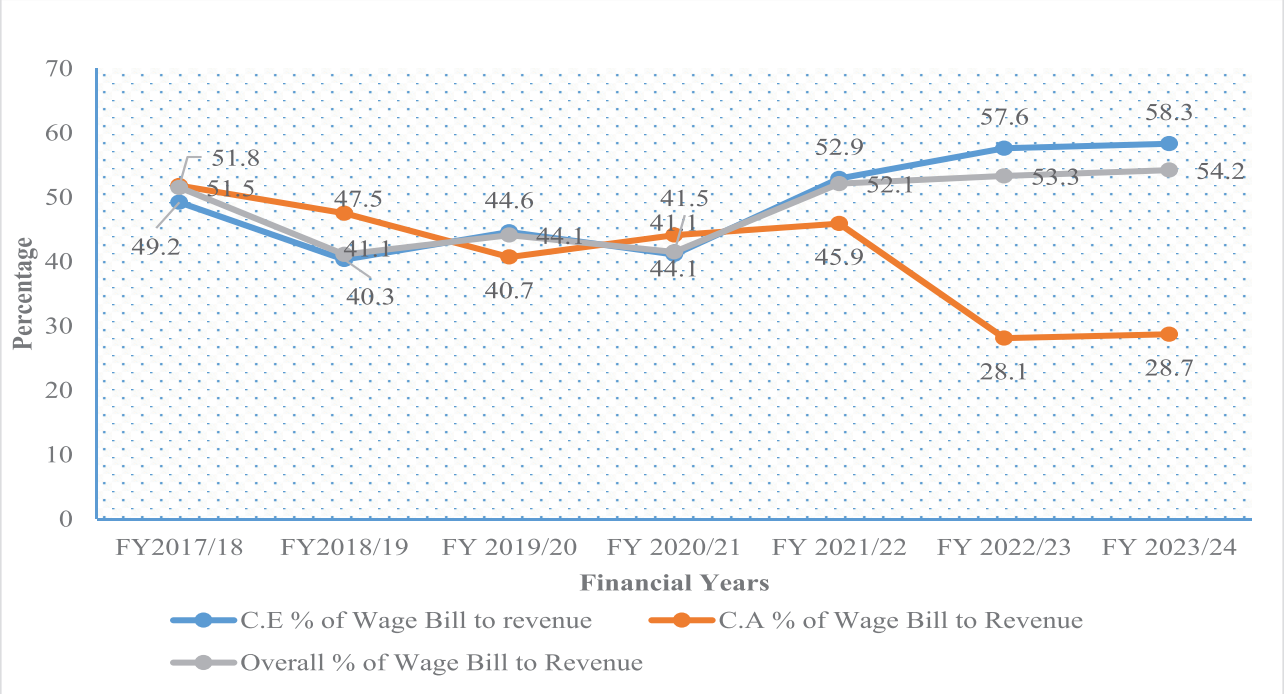
Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,391,514,765**	**780,884,679**	**4,006,125,483**	**777,213,526**	**91.2**	**99.5**
Compensation to Employees	3,043,124,260	235,109,553	2,955,405,282	231,438,400	97.1	98.4
Operations and Maintenance	1,348,390,505	545,775,126	1,050,720,201	545,775,126	77.9	100.0
Development Expenditure	**2,268,980,276**	**60,008,919**	**1,064,098,564**	**28,307,231**	**46.9**	**47.2**
Total	**6,660,495,041**	**840,893,598**	**5,070,224,047**	**805,520,757**	**76.1**	**95.8**

***Source**: Taita Taveta County Treasury*

3.39.7 Expenditure on Employees' Compensation

In the FY 2023/24, expenditure on employee compensation was Kshs.3.18 billion, or 53 per cent of the available revenue, which amounted to Kshs.5.99 billion. This expenditure represented a decrease from Kshs.3.27 billion reported in FY 2022/23. The wage bill included Kshs.1.56 billion paid to health sector employees, translating to 49.1 per cent of the total wage bill. The trend of personnel expenditure as a percentage of total revenue from FY 2017/18 to FY 2023/24 is shown in Figure 155.

Figure 152: Percentage of Wage Bill to Total Revenue from FY 2017/18 to FY 2023/24



Source: Taita Taveta County Treasury

Further analysis indicates that PE costs amounting to Kshs.3.18 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system, while Kshs.49.59 million was processed through manual payrolls. The manual payrolls accounted for 1.6 per cent of the total PE cost.

The County Assembly spent Kshs.40.75 million on committee sitting allowances for the 32 MCAs against the annual budget allocation of Kshs.40 million. The average monthly sitting allowance was Kshs.106,125 per MCA. The County Assembly has established 23 Committees.

3.39.8 County Emergency Fund and County-Established Funds

Section 116 of the PFM Act 2012 allows County governments to establish other public funds with approval from the County Executive Committee and the County Assembly. The County allocated Kshs.336.78 million to county-established funds in FY 2023/24, constituting 4.4 per cent of the County's overall budget. Further, the

County allocated Kshs.20 million to the Emergency Fund in line with Section 110 of the PFM Act, 2012. Table 3.267 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.267: Performance of County Established Funds in the FY 2023/24

S/No.	Name of the Fund	Approved Budget Allocation in FY 2023/24 (KShs.)	Exchequer Issues (Kshs)	Actual Expenditure (Kshs.)	Cumulative disbursements to the fund as of 30th June 2024 (Kshs)	Submission of Financial Statements as of 30th June 2024 (Yes/No.)
County Executive Established Funds						
1	Education Fund	236,000,000	160,000,000	158,514,341	898,764,969	YES
2	County Emergency Fund	20,000,000	8,000,000	8,000,000	107,160,190	YES
3	County Executive Car Loan & Mortgage Fund	42,187,056	32,000,000	32,000,000	181,140,188	YES
County Assembly Established Funds						
4	County Assembly Car Loan& Mortgage Scheme Fund	38,600,000	38,600,000	38,600,000	321,000,000	YES
	Total	**336,787,056**	**238,600,000**	**237,114,341**	**1,508,065,347**	

Source: *Taita Taveta County Treasury*

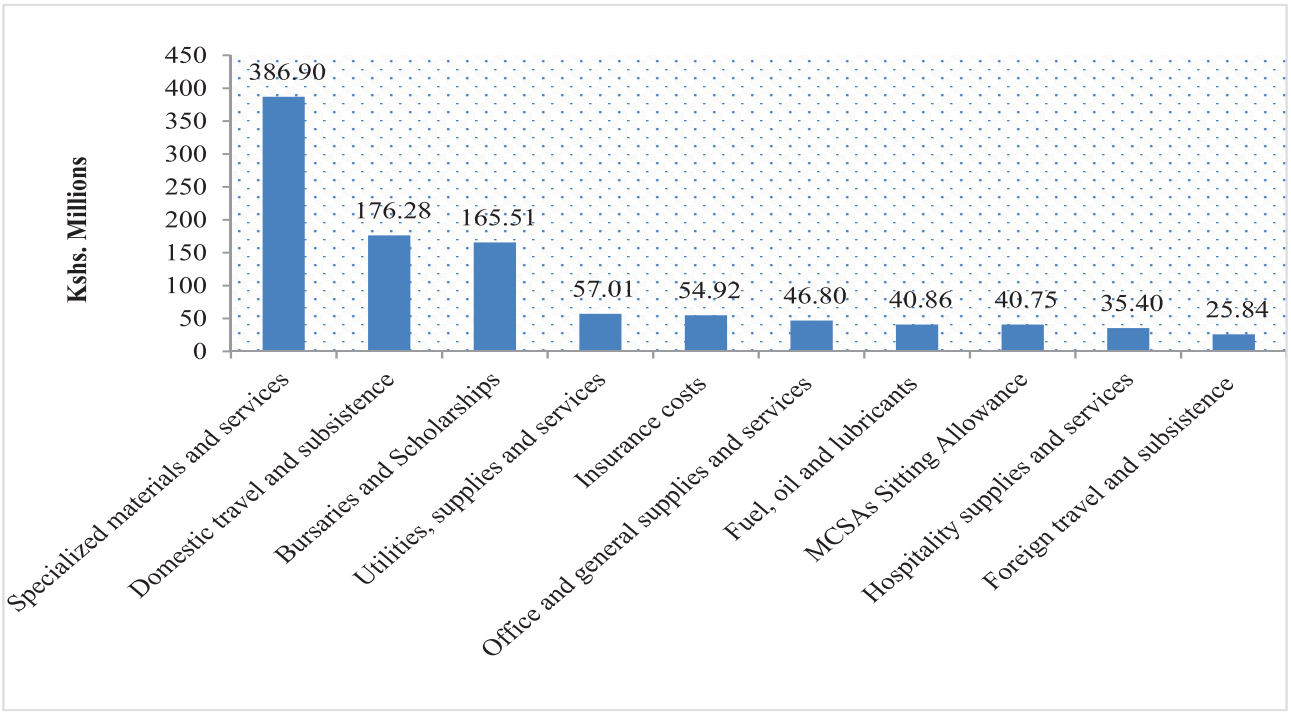
During the reporting period, the OCOB received all the quarterly financial returns from the Fund Administrators of the four funds, as indicated in Table 3.267 above.

The County government uses commercial bank accounts to operate the above-established public funds contrary to Regulations 82(1)(b) of the PFM (County Governments) Regulations, 2015, which require that County government bank accounts must be opened and maintained at the Central Bank of Kenya.

3.39.9 Expenditure on Operations and Maintenance

Figure 156 summarises the Operations and Maintenance expenditure by major categories.

Figure 153: Taita Taveta County, Operations and Maintenance Expenditure by Major Categories



Source: *Taita Taveta County Treasury*

Expenditure on domestic travel amounted to Kshs.176.27 million and comprised Kshs.102.48 million spent by the County Assembly and Kshs.73.79 million by the County Executive. Expenditure on foreign travel amounted

to Kshs.25.83 million and comprised Kshs.21.72 million by the County Assembly and Kshs.4.11 million by the County Executive. Expenditure on foreign travel is summarized in Table 3.268 below; -

Table 3.268: Summary of Highest Expenditure on Foreign Travel as of 30th June 2024

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	6	1st Aug to 10th Aug 2023	WSPU executive committee meeting and 25th world scout jamboree in Korea from 1st to 10th August 2023	S. Korea	3,254,860
County Assembly	8	5th to 10th Aug 2023	Tanzania EALA bench marking trip	TANZANIA	1,600,000
County Assembly	6	5th to 10th Aug 2023	leadership master class	DUBAI	3,042,900
County Assembly	7	5th to 10th Aug 2023	leadership experiential master class	DUBAI	2,798,320
County Assembly	7	29th July to 5th August	Training in Public Administration and management I	ISRAEL	5,254,400
County Assembly	1	27th oct 2023 to 5th November 2023	Performance management systems training	United Kingdom	1,326,756
County Assembly	19	22nd to 28th October 2023	training on legislative process and parliamentary procedures	Uganda	4,451,635
County Executive	1	24th Aug to 7th Sept 2023	Jumuiya Trade, Investments & Education Exchange Mission	USA	1,231,970
County Executive	2	17th-20th Oct 2023	The Hand In Hand Initiative Investment Forum	Italy	1,885,350
County Executive	1	4th-9th Feb 2024	Invest In African Mining Indaba Conference	South Africa	993,260

Source: Taita Taveta County Treasury and Taita Taveta County Assembly

3.39.10 Development Expenditure

In the FY 2023/24, the County reported expenditure of Kshs.1.09 billion on development programmes, representing a decrease of 13.4 per cent compared to FY 2022/23 when the County spent Kshs.1.26 billion.

The table 3.269 summarises development projects with the highest expenditure in the reporting period.

Table 3.269: Taita Taveta County, List of Development Projects with the Highest Expenditure

S/No.	Project Name	Department	Location	Budget (Kshs.)	Expenditure (Kshs.)	Absorption Rate
1	Locally Led Climate Action Programme (Climate Change) WB	Water	County wide	106,053,502	11,115,692	10%
2	Kenya Informal Settlement Improvement Project-World Bank	Lands	County wide	40,000,000	30,000,000	75%
3	WB-National Agricultural Value Chain development Project	Agriculture	County wide	250,000,000	111,690,267	45%
4	Agricultural Sector Development Support Programme	Agriculture	County wide	1,991,302	1,991,302	100%
5	Water and Sanitation Development Project (World Bank)	Agriculture	County wide	650,000,000	169,212,336	26%
6	Pending Bills	Finance	County wide	331,431,501	247,470,562	75%
7	County Assembly Chamber	C Assembly	Wundanyi	48,220,389	28,307,231	59%

Source: Taita Taveta County Treasury

3.39.11 Budget Performance by Department

Table 3.270 summarises the approved budget allocation, expenditure and absorption rate by departments in the FY 2023/24.

Table 3.270: Taita Taveta County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	780.88	60.01	777.21	28.31	777.21	28.31	100.0	100.0	99.53	47.17
Public Service and Administration	3,269.41	-	3,256.56	-	3,256.56	-	100.0	-	99.61	-
The Governor's and Deputy Governor's Office	151.21	-	102.37	-	102.37	-	100.0	-	67.70	-
Finance and Economic Planning	258.88	200.00	240.70	193.70	240.70	193.70	100.0	100.0	92.98	96.85
Agriculture, Livestock and Fisheries	15.25	559.46	10.97	223.35	10.97	223.35	100.0	100.0	71.93	39.92
Water and Irrigation	24.85	1,123.93	10.21	506.47	10.21	506.47	100.0	100.0	41.09	45.06
Education and Libraries	247.39	56.80	164.13	6.88	164.13	6.88	100.0	100.0	66.34	12.11
Health	350.67	72.49	169.59	16.43	169.59	16.43	100.0	100.0	48.36	22.67
Trade, Tourism and Cooperative Development	10.43	8.60	7.22	1.45	7.22	1.45	100.0	100.0	69.23	16.86
County Public Service Board	13.48	-	10.33	-	10.33	-	100.0	-	76.66	-
Infrastructure and Public Works	14.34	98.10	11.38	26.07	11.38	26.07	100.0	100.0	79.39	26.57
Lands, Environment and Natural Resources	20.99	68.00	15.44	46.06	15.44	46.06	100.0	100.0	73.58	67.73
Youth, Gender, Sports, Culture and Social Services	14.63	81.60	7.23	43.69	7.23	43.69	100.0	100.0	49.39	53.54
Total	**5,172.40**	**2,328.99**	**4,783.34**	**1,092.41**	**4,783.34**	**1,092.41**	**100.0**	**100.0**	**92.48**	**46.90**

***Source**: Taita Taveta County Treasury*

Analysis of expenditure by departments shows that the Department of Finance and Economic Planning recorded the highest absorption rate of the development budget at 96.8 per cent, followed by the Department of Lands, Housing, and Urban Planning at 67.7 per cent. The County Assembly had the highest percentage of recurrent expenditure to budget at 99.6 per cent, while the Department of Water and Irrigation had the lowest at 41.1 per cent.

3.39.12 Budget Execution by Programmes and Sub-Programmes

Table 3.271 summarises the budget execution by programmes and sub-programmes in the FY 2023/24.

Table 3.271: Taita Taveta County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
0		**Default Value (Non- Non-Departmental)**	-		
	103003260	Infrastructure Development programme	-	-	-
	701003260	General Administration support services	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
	3260		-	-	-
3261000100		**County Assembly Headquarters**	**840,893,598.00**	**805,520,757.00**	96
	701003260	General Administration support services	780,884,679.00	777,213,526.00	100
	702003260	County Assembly Infrastructure improvement	60,008,919.00	28,307,231.00	47
3262000100		**Headquarters**	**3,253,832,259.00**	**3,209,885,864.80**	99
	3260		-	-	-
	704003260	General Administration and Management of County Affairs	-	-	-
	703003260	Decentralized Infrastructure development programme	-	-	-
	701003260	General Administration support services	3,253,832,259.00	3,209,885,864.80	99
	705003260	Leadership Development Programme	-	-	-
3262000200		**Taveta Sub County Administration**	**1,317,900.00**	**997,861.00**	76
	705003260	Leadership Development Programme	-	-	-

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
	701003260	General Administration support services	1,317,900.00	997,861.00	76
3262000300		**Wundanyi Sub County Administration**	**935,000.00**	**634,673.00**	68
	703003260	Decentralized Infrastructure development programme	-	-	-
	701003260	General Administration support services	935,000.00	634,673.00	68
3262000400		**Mwatate Sub County Administration**	**1,143,000.00**	**735,327.00**	64
	703003260	Decentralized Infrastructure development programme	-	-	-
	701003260	General Administration support services	1,143,000.00	735,327.00	64
3262000500		**Voi Sub County Administration**	**1,500,000.00**	**1,077,065.00**	72
	701003260	General Administration support services	1,500,000.00	1,077,065.00	72
3262000600		**Taveta Town Administration**	-	-	-
	705003260	Leadership Development Programme	-	-	-
	703003260	Decentralized Infrastructure development programme	-	-	-
	701003260	General Administration support services	-	-	-
3262000700		**Voi Town Administration**	-	-	-
	705003260	Leadership Development Programme	-	-	-
	701003260	General Administration support services	-	-	-
	703003260	Decentralized Infrastructure development programme	-	-	-
3262000800		**County Policing Authority**	-	-	-
	701003260	General Administration support services	-	-	-
3262000900		**Human Resource Management**	**4,682,000.00**	**2,283,600.00**	49
	701003260	General Administration support services	4,682,000.00	2,283,600.00	49
3262001000			**4,338,000.00**	**2,886,498.00**	67
	701003260	General Administration support services	4,338,000.00	2,886,498.00	67
3262001100			**1,660,000.00**	**581,510.00**	35
	701003260	General Administration support services	1,660,000.00	581,510.00	35
3263000100		**Headquarters**	**92,900,000.00**	**61,171,295.25**	66
	705003260	Leadership Development Programme	-	-	-
	704003260	General Administration and Management of County Affairs	92,900,000.00	61,171,295.25	66
	703003260	Decentralized Infrastructure development programme	-	-	-
	701003260	General Administration support services	-	-	-
3263000200		**Office of the Deputy Governor**	**19,800,000.00**	**13,844,540.00**	70
	705003260	Leadership Development Programme	-	-	-
	704003260	General Administration and Management of County Affairs	19,800,000.00	13,844,540.00	70
	101003260	Administration Planning and Support Services	-	-	-
3263000300		**Special Programmes Unit**	**7,700,000.00**	**2,296,056.00**	30
	704003260	General Administration and Management of County Affairs	7,700,000.00	2,296,056.00	30
	703003260	Decentralized Infrastructure development programme	-	-	-
	705003260	Leadership Development Programme	-	-	-
3263000400		**Service Delivery Unit**	**950,000.00**	**553,457.00**	58
	704003260	General Administration and Management of County Affairs	950,000.00	553,457.00	58
3263000500		**Industrialization**	**5,500,000.00**	**2,738,010.00**	50
	705003260	Leadership Development Programme	-	-	-
	704003260	General Administration and Management of County Affairs	5,500,000.00	2,738,010.00	50
	703003260	Decentralized Infrastructure development programme	-	-	-
3263000600		**ICT**	**5,900,000.00**	**1,290,786.70**	22
	705003260	Leadership Development Programme	-	-	-
	704003260	General Administration and Management of County Affairs	5,900,000.00	1,290,786.70	22
	703003260	Decentralized Infrastructure development programme	-	-	-
3263000700			**4,770,000.00**	**671,391.00**	14

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
	704003260	General Administration and Management of County Affairs	4,770,000.00	671,391.00	14
3263000800			**2,370,000.00**	**1,052,642.00**	44
	704003260	General Administration and Management of County Affairs	2,370,000.00	1,052,642.00	44
3263000900			**11,320,000.00**	**4,155,267.00**	37
	704003260	General Administration and Management of County Affairs	11,320,000.00	4,155,267.00	37
3264000100		**Headquarters**	**76,172,500.00**	**69,314,621.65**	91
	701003260	General Administration support services	-	-	-
	707003260	Treasury Development Programme	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	76,172,500.00	69,314,621.65	91
3264000200		**County Emergency Fund**	**12,000,000.00**	**8,000,000.00**	67
	701003260	General Administration support services	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	12,000,000.00	8,000,000.00	67
	707003260	Treasury Development Programme	-	-	-
3264000300		**Equalization of Wards Infrastructure**	-	-	-
	707003260	Treasury Development Programme	-	-	-
3264000400		**Planning**	**56,767,597.00**	**40,164,002.00**	71
	707003260	Treasury Development Programme	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	56,767,597.00	40,164,002.00	71
3264000500		**Gratuity Fund**	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	-
3264000700		**County Executive Administration**	**42,187,056.00**	**32,000,000.00**	76
	706003260	General Administration, Planning, Internal Audit & Support Services	42,187,056.00	32,000,000.00	76
	701003260	General Administration support services	-	-	-
3264000800		**Internal Audit Services**	**6,520,000.00**	**5,168,825.00**	79
	706003260	General Administration, Planning, Internal Audit & Support Services	6,520,000.00	5,168,825.00	79
3264000900		**Revenue Management**	**18,550,000.00**	**13,306,655.50**	72
	706003260	General Administration, Planning, Internal Audit & Support Services	18,550,000.00	13,306,655.50	72
	701003260	General Administration support services	-	-	-
3264001000		**Procurement**	**3,307,500.00**	**2,510,600.00**	76
	706003260	General Administration, Planning, Internal Audit & Support Services	3,307,500.00	2,510,600.00	76
3264001100		**Accounting Services**	**20,720,000.00**	**17,104,450.00**	83
	701003260	General Administration support services	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	20,720,000.00	17,104,450.00	83
3264001200		**Kenya Devolution Support Programme**	-	-	-
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	-
	701003260	General Administration support services	-	-	-
3264001300			**222,660,897.00**	**221,755,538.95**	100
	707003260	Treasury Development Programme	200,003,951.00	199,173,340.95	100
	706003260	General Administration, Planning, Internal Audit & Support Services	22,656,946.00	22,582,198.00	100
3265000100		**Headquarters**	**462,068,021.00**	**313,780,938.40**	68
	105003260	Livestock and Fisheries Development	384,568,021.00	294,196,927.40	77
	102003260	Development programme	-	-	-
	101003260	Administration Planning and Support Services	6,100,000.00	2,875,678.00	47
	104003260	Agricultural Development Programme	71,400,000.00	16,708,333.00	23

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
3265000200		**Livestock**	**7,060,000.00**	**1,397,875.00**	20
	104003260	Agricultural Development Programme	3,000,000.00	-	-
	101003260	Administration Planning and Support Services	4,060,000.00	1,397,875.00	34
	105003260	Livestock and Fisheries Development	-	-	-
	102003260	Development programme	-	-	-
3265000300		**Fisheries**	**1,190,000.00**	**592,590.00**	50
	101003260	Administration Planning and Support Services	1,190,000.00	592,590.00	50
	102003260	Development programme	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
3265000400		**Veterinary**	**10,395,272.00**	**1,723,767.00**	17
	102003260	Development programme	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
	104003260	Agricultural Development Programme	6,500,000.00	-	-
	101003260	Administration Planning and Support Services	3,895,272.00	1,723,767.00	44
3265000500		**Agribusiness Project (EU Grant)**	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
	102003260	Development programme	-	-	-
	104003260	Agricultural Development Programme	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
3265000600		**Kenya Climate Smart Agric Program**	**90,000,000.00**	**6,200,000.00**	7
	1001003260	Water and irrigation Development Programme	-	-	-
	104003260	Agricultural Development Programme	-	-	-
	105003260	Livestock and Fisheries Development	90,000,000.00	6,200,000.00	7
3265000700		**Water**	**3,991,302.00**	**2,491,302.00**	62
	104003260	Agricultural Development Programme	-	-	-
	105003260	Livestock and Fisheries Development	3,991,302.00	2,491,302.00	62
3266000100		**Headquarters**	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
3266000300		**Veterinary**	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
3266000400		**Fisheries**	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
	105003260	Livestock and Fisheries Development	-	-	-
3267000100		**Headquarters**	**51,723,780.00**	**14,322,189.00**	28
	1001003260	Water and Irrigation Development Programme	47,050,000.00	11,005,679.00	23
	1002003260	General Administration, Support and Support Services	4,673,780.00	3,316,510.00	71
3267000200		**Water Services**	-	-	-
	1002003260	General Administration, Support and Support Services	-	-	-
	1001003260	Water and Irrigation Development Programme	-	-	-
3267000300		**Bulk Water Project**	-	-	-
	1001003260	Water and Irrigation Development Programme	-	-	-
3267000400		**Ambulance services**	**950,000,000.00**	**363,926,936.00**	38
	1001003260	Water and Irrigation Development Programme	950,000,000.00	363,926,936.00	38
3267000500		**Public Health and Sanitation**	**23,925,000.00**	**13,300,000.00**	56
	1001003260	Water and Irrigation Development Programme	23,925,000.00	13,300,000.00	56
3267000600		**Promotion of primary healthcare**	**123,131,102.00**	**19,781,094.00**	16
	1003003260	Natural Resources Support Programme	5,777,600.00	5,338,261.00	92
	1001003260	Water and Irrigation Development Programme	102,953,502.00	14,371,333.00	14
	1002003260	General Administration, Support and Support Services	11,000,000.00	71,500.00	1
	901003260	General administration, Planning & support	3,400,000.00	-	-
3268000100		**Headquarters**	**59,100,000.00**	**11,707,989.10**	20

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
	1001003260	Water and Irrigation Development Programme	-	-	-
	501003260	General Administration, Planning and Support services	7,300,000.00	2,101,176.15	29
	502003260	Early Childhood Education and Youth Training Development Programme	51,800,000.00	9,606,812.95	19
3268000200		**Polytechnics**	**6,490,000.00**	**4,126,092.35**	64
	501003260	General Administration, Planning and Support services	1,490,000.00	879,183.90	59
	502003260	Early Childhood Education and Youth Training Development Programme	5,000,000.00	3,246,908.45	65
3268000300		**Early Childhood Development**	**1,300,000.00**	**697,833.95**	54
	502003260	Early Childhood Education and Youth Training Development Programme	-	-	-
	301003260	General Administration and Support Services Programme	-	-	-
	501003260	General Administration, Planning and Support services	1,300,000.00	697,833.95	54
3268000400		**Library services**	**1,300,000.00**	**572,945.00**	44
	502003260	Early Childhood Education and Youth Training Development Programme	-	-	-
	501003260	General Administration, Planning and Support services	1,300,000.00	572,945.00	44
3268000500		**Education Fund**	**236,000,000.00**	**180,811,667.00**	77
	501003260	General Administration, Planning and Support services	236,000,000.00	180,811,667.00	77
	502003260	Early childhood Education and Youth Training Development Programme	-	-	-
3268000600		**Energy**	-	-	-
	502003260	Early childhood Education and Youth Training Development Programme	-	-	-
	501003260	General Administration, Planning and Support services	-	-	-
3269000100		**Headquarters**	**221,473,000.00**	**170,395,083.65**	77
	706003260	General Administration, Planning, Internal Audit & Support Services	-	-	-
	704003260	General Administration and Management of County Affairs	-	-	-
	401003260	Administration and Support Services	148,984,500.00	148,984,500.00	100
	402003260	Health Development Programme	72,488,500.00	21,410,583.65	30
3269000200		**Wesu Hospital**	**12,547,260.00**	**5,443,671.00**	43
	401003260	Administration and Support Services	12,547,260.00	5,443,671.00	43
3269000300		**Moi Referral Hospital**	**120,223,373.00**	**36,040,241.00**	30
	401003260	Administration and Support Services	120,223,373.00	36,040,241.00	30
3269000400		**Mwatate Hospital**	-	-	-
	401003260	Administration and Support Services	-	-	-
3269000500			-	-	-
	401003260	Administration and Support Services	-	-	-
3269000600			**18,888,916.00**	**7,966,748.00**	42
	401003260	Administration and Support Services	18,888,916.00	7,966,748.00	42
3269000700			-	-	-
	401003260	Administration and Support Services	-	-	-
3269000800			-	-	-
	401003260	Administration and Support Services	-	-	-
3269000900			**13,689,992.00**	**6,872,663.00**	50
	401003260	Administration and Support Services	13,689,992.00	6,872,663.00	50
3269001000			**28,014,769.00**	**12,604,393.00**	45
	401003260	Administration and Support Services	28,014,769.00	12,604,393.00	45
3269001100			**8,318,135.00**	**3,276,311.00**	39
	401003260	Administration and Support Services	8,318,135.00	3,276,311.00	39
	402003260	Health Development Programme	-	-	-
3270000100		**Headquarters**	**12,035,000.00**	**2,568,701.40**	21
	302003260	Trade Development programme.	8,600,000.00	-	-

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
	301003260	General Administration and support services programme	3,435,000.00	2,568,701.40	75
3270000200		**Trade**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services programme	-	-	-
3270000300		**Sports**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services programme	-	-	-
3270000400		**Gender**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services programme	-	-	-
3270000500		**Cooperative**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services programme	-	-	-
3270000600		**Youth Development**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services programme	-	-	-
3270000700		**Culture**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services programme	-	-	-
3270000800		**Markets**	-	-	-
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services programme	-	-	-
3270000900			**200,000.00**	**134,682.00**	67
	302003260	Trade Development programme.	-	-	-
	301003260	General Administration and support services programme	-	-	-
3270001100		**Weights and Measures**	**200,760.00**	**86,625.00**	43
	301003260	General Administration and support services programme	200,760.00	86,625.00	43
3270001200			-	-	-
	301003260	General Administration and support services programme	-	-	-
	302003260	Trade Development programme.	-	-	-
3270001300		**Liquor Control and Licensing Fund**	-	-	-
	301003260	General Administration and support services programme	2,000,000.00	1,273,860.00	64
3270001400			**1,618,850.00**	**1,001,256.60**	62
	301003260	General Administration and support services programme	1,618,850.00	1,001,256.60	62
	302003260	Trade Development programme.	-	-	-
3271000100		**Headquarters**	-	-	-
	703003260	Decentralized Infrastructure development programme	-	-	-
	701003260	General Administration support services	-	-	-
3272000100		**Headquarters**	**5,390,000.00**	**3,941,920.20**	73
	101003260	Administration Planning and Support Services	5,390,000.00	3,941,920.20	73
3272000200		**ICT**	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
	103003260	Infrastructure Development programme	-	-	-
3272000300		**Roads**	-	-	-
	103003260	Infrastructure Development programme	-	-	-
	102003260	Development programme	-	-	-
	101003260	Administration Planning and Support Services	8,550,000.00	5,569,412.75	65
3272000400		**Housing**	**100,000.00**	**68,748.25**	69
	103003260	Infrastructure Development programme	-	-	-
	102003260	Development programme	-	-	-
	101003260	Administration Planning and Support Services	100,000.00	68,748.25	69
3272000500		**Public Works**	**300,000.00**	**215,957.25**	72
	101003260	Administration Planning and Support Services	300,000.00	215,957.25	72

Program	Sub Programme	Description	Approved Budget	Actual Expenditure	Absorption (%)
	103003260	Infrastructure Development programme	-	-	-
	102003260	Development programme	-	-	-
3272000600		**Defunct Local Authorities**	-	-	-
	302003260	Trade Development programme.	-	-	-
	103003260	Infrastructure Development programme	-	-	-
3273000100		**Headquarters**	-	-	-
	102003260	Development programme	68,000,000.00	47,056,840.00	69
	1003003260	Natural Resources Support Programme	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
	301003260	General Administration and support services programme	-	-	-
3273000200		**Mwatate Municipal Administration**	-	-	-
	1003003260	Natural Resources Support Programme	-	-	-
	102003260	Development programme	-	-	-
	101003260	Administration Planning and Support Services	1,650,000.00	1,369,016.00	83
3273000300			**4,541,169.00**	**2,037,562.50**	45
	102003260	Development programme	-	-	-
	1003003260	Natural Resources Support Programme	-	-	-
	101003260	Administration Planning and Support Services	4,541,169.00	2,037,562.50	45
3273000400			-	-	-
	102003260	Development programme	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
3273000500		**Environment and Natural Resources**	-	-	-
	1003003260	Natural Resources Support Programme	-	-	-
	101003260	Administration Planning and Support Services	-	-	-
3273000600			-	-	-
	301003260	General Administration and support services programme	-	-	-
	102003260	Development programme	-	-	-
	103003260	Infrastructure Development programme	-	-	-
3276000100		**Headquarters**	-	-	-
	1003003260	Natural Resources Support Programme	14,628,600.00	7,225,266.00	49
	1002003260	General Administration,Support and Support Services	81,600,000.00	43,690,600.00	54
	301003260	General Administration and support services programme	-	-	-
		Total	7,501,388,639	5,875,744,804	78

***Source**: Taita Taveta County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Treasury Development programme in the Department of Finance and Economic Planning at 100 per cent, General administration, Planning, Internal audit & Support services in Department of Finance and Economic Planning at 100 per cent, General administration & Support services in the Department of Health Services at 100 per cent and General Administration and Support Services in the County assembly at 100 per cent of budget allocation.

3.39.13 Accounts Operated Commercial Banks

The County government operated a total of 37 accounts with commercial banks. This is contrary to Regulations 82(1)(b) of the PFM (County Governments) Regulations, 2015, which requires that County government bank accounts be opened and maintained at the Central Bank of Kenya. The only exemption is for imprest bank accounts for petty cash and revenue collection bank accounts.

3.39.14 Key Observations and Recommendations

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

1. Under performance of own-source revenue at Kshs.461.18 million against an annual target of Kshs.628.66 million, representing 73.3 per cent of the annual target.
2. High level of pending bills which amounted to Kshs.1.63 billion as of 30th June 2024. This includes bills accrued in FY 2023/24.
3. High wage bills which accounted for 53 per cent of the County total revenue in FY 2023/24 which is above the ceiling provided in law.
4. Law expendire on development programmes which accounted for 18.6 per cent of total expenditure.

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

1. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. The County Treasury should have in place appropriate austerity measures implemented during the financial year to ensure expenditure commitments are aligned with available revenue.*
2. *The county leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the next financial year.*
3. *The County Leadership should develop strategies to ensure the wage bill is within the legal limit of 35 per cent of total revenue as provided under Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.*
4. *The County should prioritise expenditure on development programmes to adhere to the 30 per cent ceiling in law.*

3.40. County Government of Tana River

3.40.1 Overview of FY 2023/24 Budget

The County's approved supplementary budget II for the FY 2023/24 was Kshs.8.87 billion, comprising Kshs.3.55 billion (40.1 per cent) and Kshs.5.31 billion (59.9 per cent) allocation for development and recurrent programmes, respectively. The approved budget estimates represented an increase of 11.1 per cent compared to the previous financial year when the approved budget was Kshs.7.98 billion, comprising Kshs.2.51 billion (31.5 per cent) and Kshs5.47 billion (68.5 per cent) allocation for development and recurrent programmes.

To finance the budget, the County expected to receive Kshs.6.79 billion (76.6 per cent) as the equitable share of revenue raised nationally, Kshs.3.95 million (0.01 per cent) as Facility Improvement Fund (revenue from health facilities), Kshs.872.98 (9.8 per cent) million as conditional grants, a cash balance of Kshs.1.11 billion (12.5 per cent) from FY 2022/23 and generate Kshs.92.67 million (1 per cent) as ordinary own-source revenue. A breakdown of the conditional grants is provided in Table 3.272.

3.40.2 Revenue Performance

During the financial year, the County received Kshs.6.24 billion as an equitable share of the revenue raised nationally, Kshs.333.53 million as additional allocations/conditional grants, had a cash balance of Kshs.1.11 billion from FY 2022/23, and raised Kshs.88.78 million as own-source revenue (OSR). The raised OSR includes Kshs.3.78 million as FIF. The total funds available for budget implementation during the period amounted to Kshs.7.78 billion, as shown in Table 3.272.