

Counties that attained the highest expenditure in absolute terms were; Nairobi City at Kshs.23.35 billion, Kiambu at Kshs.14.97 billion, and Nakuru at Kshs.14.08 billion. The lowest expenditure was recorded by Elgeyo Marakwet, Tharaka Nithi and Lamu counties at Kshs.4.34 billion, Kshs.4.21 billion, and Kshs.3.05 billion respectively.

A review of cumulative expenditure by economic classification showed that Kshs.17.83 billion (44.8 per cent) was spent on Personnel Emoluments, Kshs.107.44 billion (28 per cent) on Operations and Maintenance, and Kshs.104.51 billion (27.2 per cent) on Development Expenditure.

2.3.1 Development Expenditure

The County governments spent Kshs.104.51 billion on development activities, representing an absorption rate 55.6 per cent of the annual development budget, which is a decline from 57.8 per cent, reported in FY 2018/19 when development expenditure was Kshs.107.44 billion. The Analysis of county budgets and expenditure in FY 2019/20 is provided in Table 2-4.

Table 2-4: Budget Allocation, Expenditure and Absorption Rate for FY 2018/19

County	Budget Estimates (Kshs. Million)			Expenditure (Kshs. Million)			Rec Exp. Absorption Rate (%) G=D/A*100	Dev. Exp. Absorption Rate (%) H=E/B*100	Overall Absorption Rate I=F/C*100
	Rec	Dev	Total	Rec	Dev	Total			
	A	B	C=A+B	D	E	F=D+E			
Baringo	4,883.87	3,501.47	8,385.35	4,593.59	1,730.08	6,323.67	94.1	49.4	75.4
Bomet	4,888.71	2,623.99	7,512.70	4,505.16	1,707.43	6,212.60	92.2	65.1	82.7
Bungoma	9,239.49	4,596.64	13,836.13	8,161.42	2,654.44	10,815.86	88.3	57.7	78.2
Busia	5,490.02	3,785.97	9,275.98	5,060.86	1,690.39	6,751.25	92.2	44.6	72.8
Elgeyo / Marakwet	3,363.64	2,409.88	5,773.52	3,236.51	1,106.74	4,343.25	96.2	45.9	75.2
Embu	4,493.62	2,286.60	6,780.22	4,077.74	1,085.73	5,163.47	90.7	47.5	76.2
Garissa	6,416.89	4,451.49	10,868.38	6,370.06	2,015.26	8,385.32	99.3	45.3	77.2
Homa Bay	5,460.29	3,509.29	8,969.58	4,994.06	2,194.20	7,188.26	91.5	62.5	80.1
Isiolo	3,318.58	2,414.52	5,733.10	3,128.91	1,923.38	5,052.30	94.3	79.7	88.1
Kajiado	6,331.75	3,920.57	10,252.32	5,370.33	1,859.24	7,229.57	84.8	47.4	70.5
Kakamega	8,353.66	7,053.40	15,407.06	7,600.15	4,924.45	12,524.60	91.0	69.8	81.3
Kericho	4,888.74	3,857.39	8,746.13	4,728.46	1,771.43	6,499.89	96.7	45.9	74.3
Kiambu	11,651.49	6,210.35	17,861.84	10,563.32	4,411.33	14,974.64	90.7	71.0	83.8
Kilifi	9,254.12	5,780.50	15,034.62	7,653.15	3,671.47	11,324.63	82.7	63.5	75.3
Kirinyaga	4,295.81	1,835.80	6,131.62	3,620.65	1,149.07	4,769.72	84.3	62.6	77.8
Kisii	8,573.55	4,352.01	12,925.56	6,900.61	2,543.62	9,444.23	80.5	58.4	73.1
Kisumu	8,129.21	4,086.75	12,215.96	6,740.83	2,379.77	9,120.60	82.9	58.2	74.7
Kitui	7,404.76	4,390.49	11,795.25	7,092.24	2,918.84	10,011.08	95.8	66.5	84.9
Kwale	6,172.38	7,073.64	13,246.02	5,394.43	3,505.08	8,899.51	87.4	49.6	67.2
Laikipia	4,567.69	2,605.42	7,173.11	4,378.95	1,024.66	5,403.61	95.9	39.3	75.3
Lamu	2,655.94	2,080.38	4,736.32	2,208.88	843.61	3,052.50	83.2	40.6	64.4
Machakos	8,634.98	4,694.67	13,329.65	7,503.62	1,958.24	9,461.87	86.9	41.7	71.0
Makueni	6,379.12	4,807.16	11,186.28	5,954.62	2,648.69	8,603.31	93.3	55.1	76.9
Mandera	6,822.77	6,295.54	13,118.31	6,535.53	5,014.79	11,550.32	95.8	79.7	88.0
Marsabit	4,347.47	4,001.05	8,348.53	4,004.93	3,161.42	7,166.35	92.1	79.0	85.8
Meru	7,897.65	3,346.00	11,243.65	7,291.56	2,170.58	9,462.14	92.3	64.9	84.2
Migori	5,696.28	4,031.04	9,727.33	4,937.32	1,662.82	6,600.15	86.7	41.3	67.9
Mombasa	9,388.96	4,281.04	13,670.00	7,645.90	3,149.57	10,795.46	81.4	73.6	79.0
Murang'a	5,549.94	3,273.48	8,823.42	4,606.13	2,804.47	7,410.60	83.0	85.7	84.0
Nairobi City	28,896.56	8,084.83	36,981.39	21,373.49	1,979.95	23,353.44	74.0	24.5	63.1
Nakuru	10,970.31	10,980.87	21,951.18	9,969.07	4,109.73	14,078.80	90.9	37.4	64.1
Nandi	5,369.54	3,350.91	8,720.45	4,778.88	1,305.21	6,084.09	89.0	39.0	69.8

County	Budget Estimates (Kshs. Million)			Expenditure (Kshs. Million)			Rec Exp. Absorption Rate (%)	Dev. Exp. Absorption Rate (%)	Overall Absorption Rate
	Rec	Dev	Total	Rec	Dev	Total			
	A	B	C=A+B	D	E	F=D+E	G=D/A*100	H=E/B*100	I=F/C*100
Narok	8,046.49	3,951.64	11,998.13	7,707.33	2,924.04	10,631.37	95.8	74.0	88.6
Nyamira	5,045.48	1,956.50	7,001.98	4,568.97	1,203.21	5,772.17	90.6	61.5	82.4
Nyandarua	5,102.09	2,881.62	7,983.71	4,679.18	1,893.61	6,572.79	91.7	65.7	82.3
Nyeri	5,911.03	3,063.89	8,974.92	5,735.44	1,646.21	7,381.65	97.0	53.7	82.2
Samburu	4,732.65	2,235.96	6,968.61	4,116.68	947.4	5,064.08	87.0	42.4	72.7
Siaya	4,899.62	3,982.16	8,881.77	4,747.68	2,122.80	6,870.49	96.9	53.3	77.4
Taita/Taveta	3,961.66	1,702.86	5,664.53	3,634.47	805.53	4,440.00	91.7	47.3	78.4
Tana River	5,333.27	2,702.05	8,035.32	6,661.93	1,497.42	8,159.35	124.9	55.4	101.5
Tharaka-Nithi	3,448.70	1,670.37	5,119.07	3,097.21	1,116.27	4,213.48	89.8	66.8	82.3
Trans Nzoia	4,718.60	3,255.79	7,974.39	4,123.44	2,194.79	6,318.23	87.4	67.4	79.2
Turkana	10,115.90	4,726.73	14,842.63	9,840.61	2,511.09	12,351.69	97.3	53.1	83.2
Uasin Gishu	5,770.95	5,796.66	11,567.61	5,424.42	2,675.35	8,099.77	94.0	46.2	70.0
Vihiga	4,142.56	2,812.47	6,955.03	3,576.15	1,310.27	4,886.43	86.3	46.6	70.3
Wajir	6,224.00	5,244.33	11,468.33	6,130.32	3,488.08	9,618.41	98.5	66.5	83.9
West Pokot	4,393.04	2,028.76	6,421.80	4,247.98	1,103.21	5,351.18	96.7	54.4	83.3
Total	311,633.82	187,984.96	499,618.78	279,273.17	104,514.97	383,788.18	89.6	55.6	76.8

Source: OCOB and County Treasuries

Analysis of development expenditure as a proportion of the approved annual development budget shows that Murang'a, Isiolo, Mandera and Marsabit Counties attained the highest absorption rate at 85.7 per cent, 79.7 per cent, 79.7 per cent and 79 per cent respectively. Laikipia, Nandi, Nakuru and Nairobi City Counties reported the lowest absorption rate of their development budget at 39.3 per cent, 39 per cent, 37.4 per cent, and 6.9 per cent respectively. Analysis of the development projects implemented by counties is provided in chapter three.

2.3.2 Recurrent Expenditure

The Counties spent an aggregate of Kshs.279.27 billion or 72.8 per cent of the total expenditure on recurrent activities. This expenditure represents 89.6 per cent of the annual county government's budget for recurrent activities, and a decline from 90.4 per cent recorded in FY 2018/19 when expenditure stood at Kshs.269 billion.

Analysis of expenditure in absolute terms shows that Nairobi City County attained the highest expenditure on recurrent activities at Kshs.21.37 billion, followed by Kiambu and Nakuru Counties at Kshs.10.56 billion and Kshs.9.97 billion respectively. Counties with the lowest expenditure on recurrent activities included Isiolo at Kshs.3.13 billion, Tharaka Nithi at Kshs.3.1 billion, and Lamu at Kshs.2.21 billion.

2.3.3 Personnel Emoluments

In the period July 2019 to June 2020, County Governments spent Kshs.171.83 billion on personnel emoluments, representing 61.5 per cent of the total recurrent expenditure and 44.8 per cent of total expenditure, an increase from the Kshs.162.77 billion spent in FY 2018/19 when expenditure on Personnel Emoluments translated to 43.2 per cent of the total expenditure.

Expenditure on personal emoluments represented 41.7 per cent of total available revenue of Kshs.411.96 billion. Only eleven Counties, namely; Mandera, Kwale, Nakuru, Lamu, Narok, Tana River, Uasin Gishu, Kilifi, Nyandarua, Marsabit and Kericho reported Personnel Emoluments expenditure that was within the maximum allowed limit of 35 per cent of their total revenue in FY 2019/20.

2.3.4 Operations and Maintenance Expenditure

A total of Kshs.106.23 billion was spent on Operations and Maintenance (O&M) during the reporting period, which translated to 28.2 per cent of the total expenditure. Counties that reported the highest expenditure on operations and