

2.4.1 Development Expenditure

The County governments spent Kshs.116.07 billion on development activities, representing an absorption rate of 62.1 per cent of the annual development budget, which is an increase from 55.6 per cent, reported in FY 2019/20 when development expenditure was Kshs.104.51 billion. Analysis of county budgets and expenditure in the FY 2020/21 is provided in Table 2.3.

Table 2.3: County Budget Allocation, Expenditure and Absorption Rate for FY 2020/21

| County | Budget Estimates (Kshs. Million) | | | Expenditure (Kshs. Million) | | | Recurrent Absorption Rate (%) | Development 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 |
| Baringo | 4,651.47 | 3,261.07 | 7,912.54 | 3,708.44 | 887.52 | 4,595.96 | 79.7 | 27.2 | 58.1 |
| Bomet | 4,936.35 | 2,683.35 | 7,619.70 | 4,148.52 | 1,493.68 | 5,642.20 | 84.0 | 55.7 | 74.0 |
| Bungoma | 9,282.88 | 4,720.01 | 14,002.89 | 8,032.87 | 3,360.76 | 11,393.63 | 86.5 | 71.2 | 81.4 |
| Busia | 5,672.19 | 4,746.72 | 10,418.91 | 5,298.97 | 2,175.49 | 7,474.46 | 93.4 | 45.8 | 71.7 |
| Elgeyo Marakwet | 3,502.64 | 2,449.10 | 5,951.74 | 3,315.10 | 1,449.34 | 4,764.44 | 94.6 | 59.2 | 80.1 |
| Embu | 4,752.76 | 2,354.26 | 7,107.02 | 3,944.74 | 1,282.45 | 5,227.19 | 83.0 | 54.5 | 73.5 |
| Garissa | 6,796.48 | 3,380.28 | 10,176.76 | 6,645.04 | 1,821.16 | 8,466.20 | 97.8 | 53.9 | 83.2 |
| Homa Bay | 5,432.24 | 3,552.69 | 8,984.93 | 5,262.57 | 2,193.72 | 7,456.29 | 96.9 | 61.7 | 83.0 |
| Isiolo | 3,724.33 | 2,037.29 | 5,761.62 | 3,359.35 | 1,029.39 | 4,388.74 | 90.2 | 50.5 | 76.2 |
| Kajiado | 6,452.02 | 3,598.61 | 10,050.63 | 6,036.54 | 2,852.18 | 8,888.72 | 93.6 | 79.3 | 88.4 |
| Kakamega | 9,042.46 | 7,031.22 | 16,073.68 | 7,997.84 | 4,612.47 | 12,610.31 | 88.4 | 65.6 | 78.5 |
| Kericho | 4,392.29 | 3,230.54 | 7,622.83 | 4,278.90 | 1,861.39 | 6,140.29 | 97.4 | 57.6 | 80.6 |
| Kiambu | 11,824.58 | 6,053.82 | 17,878.40 | 10,338.39 | 3,297.43 | 13,635.82 | 87.4 | 54.5 | 76.3 |
| Kilifi | 9,254.97 | 5,406.06 | 14,661.03 | 7,404.86 | 4,103.35 | 11,508.21 | 80.0 | 75.9 | 78.5 |
| Kirinyaga | 4,237.42 | 2,558.19 | 6,795.61 | 4,139.33 | 1,457.99 | 5,597.32 | 97.7 | 57.0 | 82.4 |
| Kisii | 8,564.56 | 4,106.72 | 12,671.28 | 7,184.16 | 2,595.11 | 9,779.27 | 83.9 | 63.2 | 77.2 |
| Kisumu | 8,025.44 | 4,754.92 | 12,780.36 | 7,322.45 | 1,930.92 | 9,253.37 | 91.2 | 40.6 | 72.4 |
| Kitui | 7,434.46 | 4,405.35 | 11,839.81 | 7,058.38 | 3,452.09 | 10,510.47 | 94.9 | 78.4 | 88.8 |
| Kwale | 6,322.96 | 5,938.37 | 12,261.33 | 6,075.74 | 3,670.21 | 9,745.95 | 96.1 | 61.8 | 79.5 |
| Laikipia | 4,813.08 | 2,685.54 | 7,498.62 | 4,376.60 | 1,449.93 | 5,826.53 | 90.9 | 54.0 | 77.7 |
| Lamu | 2,761.87 | 1,944.79 | 4,706.66 | 2,263.84 | 854.12 | 3,117.96 | 82.0 | 43.9 | 66.2 |
| Machakos | 8,734.18 | 4,754.39 | 13,488.57 | 8,367.28 | 2,589.41 | 10,956.69 | 95.8 | 54.5 | 81.2 |
| Makueni | 6,673.98 | 5,031.13 | 11,705.11 | 5,925.08 | 3,310.36 | 9,235.44 | 88.8 | 65.8 | 78.9 |
| Mandera | 7,573.66 | 5,637.70 | 13,211.36 | 7,240.02 | 4,432.30 | 11,672.32 | 95.6 | 78.6 | 88.4 |
| Marsabit | 4,152.95 | 4,562.15 | 8,715.10 | 3,764.88 | 3,438.43 | 7,203.31 | 90.7 | 75.4 | 82.7 |
| Meru | 8,053.69 | 3,730.09 | 11,783.78 | 7,447.39 | 2,625.97 | 10,073.36 | 92.5 | 70.4 | 85.5 |
| Migori | 5,447.75 | 3,709.04 | 9,156.79 | 5,144.42 | 2,190.15 | 7,334.57 | 94.4 | 59.0 | 80.1 |
| Mombasa | 10,564.82 | 5,069.76 | 15,634.58 | 6,780.80 | 4,750.47 | 11,531.27 | 64.2 | 93.7 | 73.8 |
| Murang'a | 5,805.86 | 3,079.05 | 8,884.91 | 5,177.35 | 2,540.83 | 7,718.18 | 89.2 | 82.5 | 86.9 |
| Nairobi City | 29,405.67 | 8,476.07 | 37,881.74 | 24,506.42 | 5,629.23 | 30,135.65 | 83.3 | 66.4 | 79.6 |
| Nakuru | 10,864.45 | 10,106.72 | 20,971.17 | 8,996.80 | 4,882.50 | 13,879.30 | 82.8 | 48.3 | 66.2 |
| Nandi | 5,022.02 | 2,589.50 | 7,611.52 | 5,034.26 | 1,922.80 | 6,957.06 | 100.2 | 74.3 | 91.4 |
| Narok | 8,042.74 | 3,622.90 | 11,665.64 | 7,709.74 | 1,163.03 | 8,872.77 | 95.9 | 32.1 | 76.1 |
| Nyamira | 4,657.80 | 2,142.44 | 6,800.24 | 4,347.82 | 1,398.16 | 5,745.98 | 93.3 | 65.3 | 84.5 |
| Nyandarua | 4,925.41 | 2,890.16 | 7,815.57 | 4,617.81 | 2,044.53 | 6,662.34 | 93.8 | 70.7 | 85.2 |
| Nyeri | 5,899.44 | 3,198.58 | 9,098.02 | 5,575.11 | 2,175.81 | 7,750.92 | 94.5 | 68.0 | 85.2 |
| Samburu | 4,262.59 | 2,528.07 | 6,790.66 | 3,856.45 | 1,373.76 | 5,230.21 | 90.5 | 54.3 | 77.0 |
| Siaya | 4,841.03 | 3,380.08 | 8,221.11 | 4,706.01 | 2,245.77 | 6,951.78 | 97.2 | 66.4 | 84.6 |

| County | Budget Estimates (Kshs. Million) | | | Expenditure (Kshs. Million) | | | Recurrent Absorption Rate (%) | Development 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 |
| Taita/Taveta | 4,060.71 | 2,054.02 | 6,114.73 | 3,568.35 | 1,777.00 | 5,345.35 | 87.9 | 86.5 | 87.4 |
| Tana River | 4,720.38 | 3,424.87 | 8,145.25 | 3,387.18 | 1,290.27 | 4,677.45 | 71.8 | 37.7 | 57.4 |
| Tharaka Nithi | 3,882.57 | 1,975.26 | 5,857.83 | 3,675.30 | 1,259.58 | 4,934.88 | 94.7 | 63.8 | 84.2 |
| Trans Nzoia | 4,908.12 | 3,488.09 | 8,396.21 | 4,659.55 | 2,747.97 | 7,407.52 | 94.9 | 78.8 | 88.2 |
| Turkana | 9,131.47 | 5,347.37 | 14,478.84 | 9,439.61 | 2,770.28 | 12,209.89 | 103.4 | 51.8 | 84.3 |
| Uasin Gishu | 6,118.96 | 5,892.97 | 12,011.93 | 5,717.14 | 2,564.11 | 8,281.25 | 93.4 | 43.5 | 68.9 |
| Vihiga | 4,072.61 | 2,511.94 | 6,584.55 | 3,711.20 | 2,002.29 | 5,713.49 | 91.1 | 79.7 | 86.8 |
| Wajir | 6,780.59 | 4,163.51 | 10,944.10 | 6,140.76 | 3,105.19 | 9,245.95 | 90.6 | 74.6 | 84.5 |
| West Pokot | 4,396.86 | 2,593.31 | 6,990.17 | 4,256.39 | 2,007.48 | 6,263.87 | 96.8 | 77.4 | 89.6 |
| Total | 314,877.76 | 186,858.07 | 501,735.83 | 281,945.75 | 116,068.38 | 398,014.13 | 89.5 | 62.1 | 79.3 |

Source: OCoB and County Treasuries

Analysis of development expenditure as a proportion of approved annual development budget shows that Mombasa, Taita Taveta, and Murang'a Counties attained the highest absorption rate at 93.7 per cent, 86.5 per cent, and 82.5 per cent respectively. County governments which recorded below 50 per cent absorption rate of development budget were Baringo at 27.2 per cent, Narok at 32.1 per cent, Tana River at 37.7 per cent, Kisumu at 40.6 per cent, Uasin Gishu at 43.5 per cent, Lamu at 43.9 per cent, Busia at 45.8 per cent and Nakuru at 48.3 per cent. An analysis of the development projects implemented by counties is provided in chapter three.

2.4.2 Recurrent Expenditure

The Counties spent an aggregate of Kshs.281.95 billion or 70.8 per cent of the total expenditure on recurrent activities. This expenditure represents 89.5 per cent of the annual county government's budget for recurrent activities, and a slight decline from 89.6 per cent recorded in the FY 2019/20 when expenditure stood at Kshs.279.27 billion.

The recurrent expenditure comprised of Kshs.176.03 billion (62.4 per cent) on Personnel Emoluments and Kshs.105.92 billion (37.6 per cent) on Operations and Maintenance (O&M) expenditure. An analysis of the recurrent expenditure by counties is provided in chapter three.

2.4.3 Personnel Emoluments

Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015 sets a limit of the County Government's expenditure on wages and benefits at 35 per cent of the County's total revenue. In the FY 2020/21, expenditure on compensation to employees was Kshs.176.03 billion which translated to 44.2 per cent of the total expenditure of Kshs.398.01 billion. As a percentage of available revenue of Kshs.436.61 billion in the reporting period, this expenditure translated to 40.3 per cent.

Expenditure on wages and benefits by 5 Counties were within the ceiling provided in law, namely; Nyandarua, Kwale, Nairobi City, Mandera, and Tana River at 33.7 per cent, 33.3 per cent, 32.4 per cent, 29.4 per cent, and 28.9 per cent respectively. An analysis of the expenditure on personnel emoluments by counties is provided in chapter three.

2.4.4 Review of MCA Sitting Allowances

During the reporting period, the County Assemblies spent Kshs.2.18 billion on MCAs Sitting allowances against an approved budget allocation of Kshs.2.58 billion. This expenditure translates to 84.7 per cent of the approved MCAs sitting allowance budget, and an increase from 82 per cent attained in the FY 2019/20 when Kshs.2.17 billion was spent. Table 2.4 shows the budgetary allocation and expenditure on MCAs and Speakers sitting allowances in the period under review.