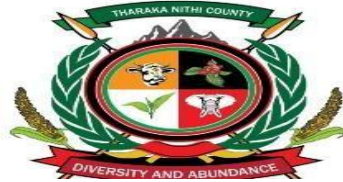


THARAKA NITHI COUNTY GOVERNMENT



DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

BUDGET IMPLEMENTATION REVIEW REPORT

SECOND QUARTER OF FY 2025/26

JANUARY, 2026

PREFACE

I am honoured to present the Second Quarter County Government Budget Implementation Review Report (CBIRR) for FY 2025/26. This report presents the progress made in budget implementation by the County for the period 1st October 2025 to 31st December 2025. The analyses and information presented in this report is based on financial reports submitted by various departments to the County Treasury, the approved County Government budget, and the report generated from the Integrated Financial Management Information System (IFMIS). The analyses and findings are anchored on provisions of the Constitution of Kenya 2010, the Public Finance Management (PFM) Act, 2012, and best practice in public financial management. The report also highlights the achievements and challenges encountered during the reporting period and further contains recommendations to address the challenges.

Preparation of this report has been made possible by the concerted efforts of the staff from the County departments and the County Treasury. As such, I am particularly, grateful to the staff in the Budget office and the County Treasury for their contribution towards the preparation of this report.

This report is intended to inform stakeholders, policy makers, analysts, and members of the public on the status of the County budget implementation. I urge all readers to continually take interest in budget implementation and implore the County departments to publicly avail information on budget implementation to enhance accountability and openness in the use of public resources.

CPA LAWRENCE K. IRERI RWERIA

CECM-FINANCE AND ECONOMIC PLANNING

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1.0 Overview of FY 2025/26 Budget

The Tharaka Nithi County government approved **Ksh. 6.77 billion**. It comprised **Kshs.2.51 billion** (37 per cent) and **Kshs.4.3 billion** (63 per cent) allocations for development and recurrent programmes respectively. These budget estimates represent a 4.5% increase from the FY 2024/25 budget, which comprised a development budget of Kshs.2.38 billion and a recurrent budget of Ksh. 4.10 billion. This increase is attributed to the increase in equitable share as well as own source revenue.

Tharaka Nithi County Government budget is financed from different sources of revenue. These include Kshs.4.59 billion (68 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.59 billion (23.6 per cent) as additional allocations/conditional grants, a cash balance of Kshs.205.3 million brought forward from FY 2024/25, and Kshs.585.4 million (8.6 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.305 million (4.5 per cent) as Appropriations-in-Aid (A-IA)/Facility Improvement Fund (revenue from health facilities) and Kshs.280 million (4.1 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 1

2.0 Revenue Performance

In the first half of FY 2025/26, the County received a total of Kshs.2.53 billion to fund recurrent and development activities. The equitable share from the national government was Kshs.2.1 billion. During the period under review, additional allocations from the government and the development partners received amounted to Kshs. 7.86 million, while its own-source revenue (OSR) collection was Kshs.219.42 million. In addition, the County had a cash balance of Kshs.205.32 million from FY 2024/25.

Analysis of the total OSR collection of Kshs.219.42 million indicates that it included Appropriations in Aid (AIA)/Facilities Improvement Financing (FIF) of Kshs.129.82 million and Kshs.89.6 million as ordinary OSR. Table 1. summarises the total revenue available to the county government during the first half of FY 2025/26.

Tharaka Nithi County Budget Implementation Review Report Q2 FY 2025/26

Table 1. Tharaka Nithi County, Revenue Performance in the First **Half** of FY 2025/26

No	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Receipts (Kshs.) as at 31st December 2025	Actual Receipts as Percentage of Annual Allocation (%)
		B	C	
A	Unspent Balance from FY 2024/245			
1	Balance at CRF	0	205,324,447.00	
2	County Executive Refunds to CRF			
3	County Assembly Refunds to CRF			
	Sub-Total	0	205,324,447.00	
B	Equitable Share of Revenue Raised Nationally			
1	Equitable Share FY 2025/26	4,587,150,462.00	2,099,188,812.00	45.8
	Sub-Total	4,587,150,462.00	2,099,188,812.00	45.8
C	Transfers from Equalisation Fund			
1		0	0	
	Sub-Total	0	0	
D	Additional Allocations (Including Grants)			
1	Danida	6,045,000.00	0	0
2	Other Conditional Grants/CHP National Grant	32,703,317.00	-	0
3	Supplement of Construction	47,981,059.00	-	0
4	National Agricultural Value Chain Development Project (NAVCDP)	231,249,281.00	-	0
5	Kenya Informal Settlement Programme	-	-	
6	FLOCCA	176,000,000.00	-	0
7	WB KWASH PforR	350,000,000.00	-	0
8	Aquaculture Business Development Programme	15,810,384.00	7,862,418.00	49.7
9	Aggregated Industrial Parks Programme	150,000,000.00	-	0
10	KDSP-II Level II (Investment grant)	352,000,000.00	-	0
11	KDSP-II Level I (Institutional grant)	37,500,000.00	-	0
12	KUSP II - UIG Grant	36,750,000.00	-	0
13	Road Maintenance Levy	161,810,687.00	-	0
	Sub-Total	1,597,849,728.00	7,862,418.00	0.5
E	Ordinary Own Source Revenue (OSR)			
1	SBP and Advertisement	90,000,000.00	11,234,048.00	12.5
2	LIVE STOCK SALES AND AGRICULTURAL CESS	9,000,000.00	466,911.00	5.2

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3	BMT	25,000,000.00	7,578,333.00	30.3
4	NATURAL RESOURCE CESS	60,000,000.00	28,383,352.00	47.3
5	PARKING FEES	22,000,000.00	5,172,006.00	23.5
6	HOUSE RENT/STALL	3,000,000.00	2,083,009.00	69.4
7	KINONDONI LODGE	1,000,000.00	402,000.00	40.2
8	PLAN APPROVAL	6,000,000.00	6,064,963.00	101.1
9	LIQOUR	25,000,000.00	3,956,522.00	15.8
10	VETINARY SERVICES	9,200,000.00	3,435,185.00	37.3
11	PENALTIES	400,000.00	130,600.00	32.7
12	ADMINISTRATIVE FEE	5,000,000.00	120,986.00	2.4
13	PLOT RENT, Land rates	8,000,000.00	6,020,960.00	75.3
14	PROPERTY FEE (SEARCH/TRANSFERS/SUB DIVISION & REPPEGING)	15,000,000.00	1,334,830.00	8.9
15	MISLENEOUS FEE	1,000,000.00	13,216,350.00	1321.6
16	Co-operative Services	200,000.00	-	0
17	Fire Inspection	200,000.00	-	0
	Sub-Total	280,000,000.00	89,600,055.00	32.0
F	Facility Improvement Fund/Financing (FIF)			
1	Hospital Fees	300,400,000.00	128,616,550.00	42.8
2	Public Health Fees	5,000,000.00	1,205,802.00	24.1
	Sub-Total	305,400,000.00	129,822,352.00	42.5
	Total	6,770,400,190.00	2,531,798,084.00	37.4

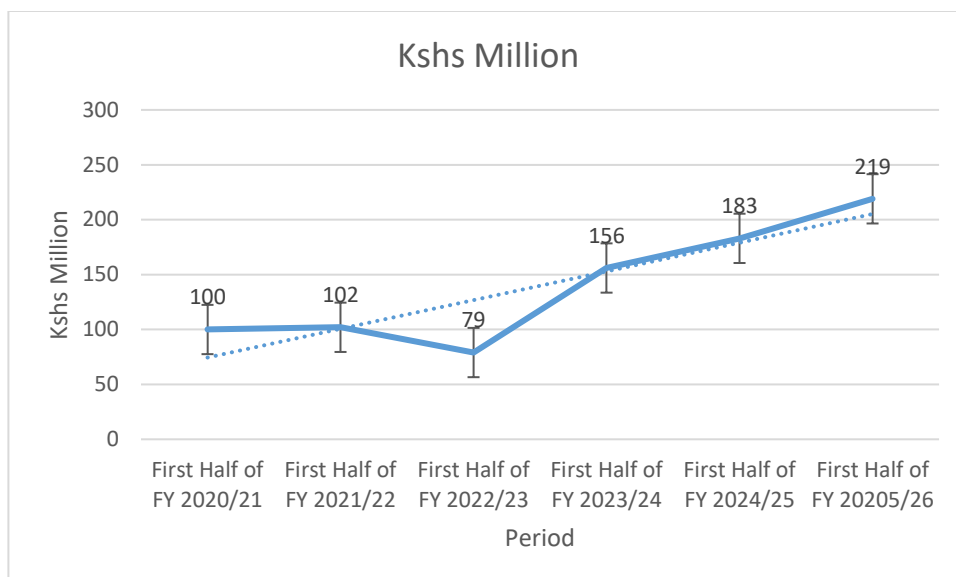
Source: Tharaka Nithi County Treasury

The county does not have governing legislation for operating ordinary A-I-A and FIF.

Figure 1 shows the trend in own-source revenue collection from the First Half of FY 2020/21 to the First Half of FY 2025/26.

Figure 1. Trend in Own-Source Revenue Collection from the First Half of FY 2020/21 to the First Half of FY 2025/26

Tharaka Nithi County Budget Implementation Review Report Q2 FY 2025/26



During the First Half of FY 2025/26, the County generated Kshs.219.42 million in revenue from its sources, including FIF.

This amount was an increase of 20 per cent compared to Kshs.183 realised in a similar period in FY 2024/25, and was 37 per cent of the annual target and 1 per cent of the equitable revenue share disbursed. The increase in OSR was attributed to aggressively addressing the issue of revenue leaks. The following table shows own source revenue per stream.

Table 1: Own source Revenues for the first 6 months of FY 25/26 per revenue stream

No	Revenue Stream	Actual Receipts (Kshs.) as at 31st December 2025
1	SBP and Advertisement	11,234,048.00
2	LIVE STOCK SALES AND AGRICULTURAL CESS	466,911.00
3	BMT	7,578,333.00
4	NATURAL RESOURCE CESS	28,383,352.00
5	PARKING FEES	5,172,006.00
6	HOUSE RENT/STALL	2,083,009.00
7	KINONDONI LODGE	402,000.00
8	PLAN APPROVAL	6,064,963.00
9	LIQOUR	3,956,522.00
10	VETINARY SERVICES	3,435,185.00
11	PENALTIES	130,600.00

12	ADMINISTRATIVE FEE	120,986.00
13	PLOT RENT, Land rates	6,020,960.00
14	PROPERTY FEE (SEARCH/TRANSFERS/SUB DIVISION & REPPEGING)	1,334,830.00
15	MISLENEOUS FEE	13,216,350.00
16	Co-operative Services	-
17	Fire Inspection	-
	Sub-Total	89,600,055.00
F	Facility Improvement Fund/Financing (FIF)	
1	Hospital Fees	128,616,550.00
2	Public Health Fees	1,205,802.00
	Sub-Total	129,822,352.00
	Total	219,422,407

2.1 Borrowing by the County

The county government did not borrow during the reporting period.

2.2 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.2.29 billion from the CRF account during the first half. This figure comprised Kshs.369.68 million (17 per cent) for development expenditure and Kshs.1.92 billion (83 per cent) for recurrent expenditure. Analysis of the recurrent exchequers released shows that Kshs.1.41 billion was towards employee compensation and Kshs.502.72 million for operations and maintenance.

As of December 31st, 2025, the County Government's cash balance in the CRF account was Kshs.225.46 million.

3.0 County Expenditure Review

The County spent Kshs.2.49 billion on development and recurrent programmes. This expenditure represented 109 per cent of the total funds released by the CoB,(the figure exceeded funds approved by Controller of Budget mainly due to rolled-over funds not returned to the CRF at the end of the previous financial year, mainly the additional allocations. It comprised Kshs.369.66 million for development and Kshs.2.12 billion for recurrent programmes.

Expenditure on development programmes represented 15 per cent absorption rate while recurrent expenditure represented 50 per cent of the annual recurrent budget.

3.1 Settlement of Pending Bills

The County reported pending bills amounting to Kshs.754.52 million as of 30th June 2025, comprising pending payments by the County Executive of Kshs.622.91 million and Kshs 131.61 million for the County Assembly.

The County Executive’s pending bills consist of Kshs.437.48 million for recurrent expenditures and Kshs.185.44 million for development expenditures. In the reporting period, the County Executive settled pending bills amounting to Kshs.245.85 million, consisting of Kshs 185.87 million(42 per cent) for recurrent expenditures and Kshs 59.98 million(32 per cent) for development programmes, while the County Assembly settled pending bills worth Kshs.10.14; consisting Kshs 180,255 (0.2 per cent) for recurrent expenditure and Kshs 9.96 million (72 per cent) for development expenditure. As of 31st December 2025 the total pending payables amounted to Kshs. 519.46 million consisting of Kshs. 377.06 million for County Executive and Kshs.142.40 million for County Assembly.

Table 3: Analysis of Pending Bills

	County Entity	Development (Kshs.)	Recurrent (Kshs.)	Total (Kshs.)
As at 1 st July 2025 (Start of FY 2025/26)	County Executive	185,435,237.00	437,475,073.00	622,910,310.00
	County Assembly	13,879,858.00	117,733,304.00	131,613,162.00
	Total	199,315,095.00	555,208,377.00	754,523,472.00
Pending bills scheduled to be settled in Q2 of FY 2025/26 according to the Action Plan	County Executive	314,154,745	69,403,296	383,558,041
	County Assembly	10,584,810	3,289,468	13,874,278
	Total	324,739,555	72,692,764	397,432,319

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Amount paid in FY 2025/26	County Executive	59,982,067	185,871,325	245,853,391
	County Assembly	9,960,810	180,225	10,141,065
	Total	69,942,877	186,051,580	255,994,456
Amount incurred in FY 2025/26	County Executive	-		
	County Assembly	-	20,926,997	20,926,997
	Total	-	20,926,997	20,926,997
Outstanding pending bills as of 31 st December 2025(Kshs.)	County Executive	125,453,171	251,603,748	377,056,919
	County Assembly	3,919,048	138,480,046	142,399,094
	Total	129,372,219	390,083,794	519,456,013

Source: Tharaka Nithi County Treasury

The County Executive and the Assembly submitted a payment plan, committing to pay Kshs.383.56 million and Kshs 13.84 million respectively. However, only Kshs. 245.85 million for the executive and Kshs 10.14 million for the Assembly managed to be paid.

3.2 Expenditure by Economic Classification

During the first half of FY 2025/26, the County Executive incurred Kshs.1.59 billion for compensation of employees, Kshs.335.88 million for operations and maintenance, and Kshs.359.70 million for development activities. Similarly, the County Assembly spent Kshs.103.49 million on compensation of employees, Kshs.96.86 million on operations and maintenance, and Kshs.9.96 million on development expenditure.

Table 4 Shows summary of Budget and Expenditure by Economic Classification.

Table 4: Summary of Budget and Expenditure by Economic Classification

Sector / Category	Budget (Kshs)	Amount Paid in the First Half of FY 2025/26 (Kshs.)	Absorption (%)
County Executive			

Recurrent	3,750,015,558	1,921,591,540	57
Compensation to Employees	2,455,544,603	1,585,714,266	74
Operations & Maintenance	1,294,470,955	335,877,274	26
Development	2,481,851,027	359,698,058	14
Executive Sub-total	6,231,866,585	2,281,289,598	40
County Assembly			
Recurrent	508,533,605	200,346,638	44
Compensation to Employees	275,426,847	103,487,080	45
Operations & Maintenance	233,106,758	96,859,558	42
Development	30,000,000	9,960,810	
County Assembly Subtotal	538,533,605	210,307,448	41
TOTAL	6,770,400,190	2,491,597,046	37

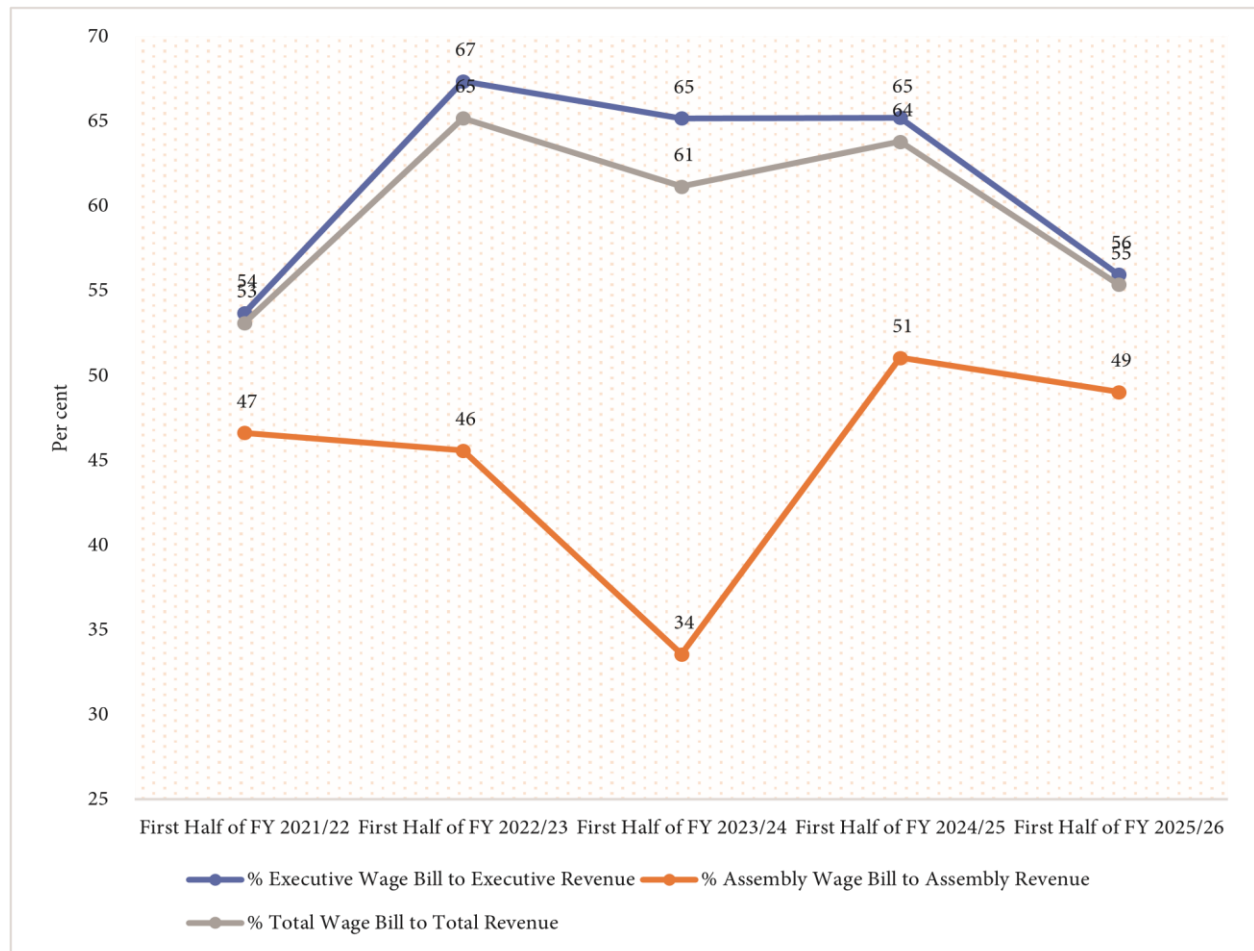
Source: Tharaka Nithi County Treasury

3.3 Expenditure on Employees' Compensation

In the first half of FY 2025/26, expenditure on employee compensation was Kshs.1.69 billion. The percentage of compensation of employees to revenue was 55 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.1.43 billion reported in a similar period in FY 2024/25. Of this total, Kshs.772.20 million related to Health Sector employees, accounting for 40 per cent of the overall employees' compensation.

Figure 3 shows the trend of personnel expenditures as a percentage of total revenue from the first quarter of FY 2020/21 to the first quarter of FY 2025/26.

Figure 2: Percentage of Wage Bill to Total Revenue from the First Half of FY 2020/21 to the First Half of FY 2025/26.



Source: Tharaka Nithi County Treasury

Further analysis on the expenditure indicated that PE costs amounting to Kshs.1.63 billion were processed through the Human Resource Information System (HRIS). In contrast, Kshs.61.54 million was processed through manual payroll, which accounted for 4 per cent of the total PE cost.

The manual payroll comprised salaries for 0 staff not on-boarded into the Human Resource Information System (HRIS), salaries for varied numbers of casual staff casual staff, top-up allowances for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions.

The County Assembly spent Kshs.8.73 million on committee sitting allowances for the 24 MCAs against the annual budget allocation of Kshs.27.90 million. The average monthly sitting allowance was Kshs.606.13 per MCA. The County Assembly has 19 House Committees.

3.4 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.260.0 million to county-established funds in FY 2025/26, or 4 per cent of the County's overall budget. Further, the County allocated Kshs.10 million to the Emergency Fund (less than 1 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 5. summarizes each established Fund budget allocation and performance during the reporting period.

Table 5: Performance of County Established Funds in the First Half of FY 2025/26

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2025/26 (Kshs.)	Exchequer Issues in First Half of FY 2025/26 (Kshs.)	Actual Expenditure in the First Half of FY 2025/26 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Financial Statements (Yes/No.)
Tharaka Nithi County Executive Established Funds							
1	Bursary Development Fund	2019	-	-	-	110,032,667	Yes
2	Emergency Fund	2019	10,000,000	-	-	15,116,817	Yes
3	Youth Fund	2022	-	-	-	25,000,000	Yes
4	Car Loan and Mortgage Fund	2024	-	-	-	70,000,000	Yes
5	Climate Change Fund	2024	252,000,000	8,915,619	8,915,619	195,843,205	Yes
Tharaka Nithi County Assembly Established Funds							
1	Car and Mortgage Fund	-	-	-	-	-	No
Total			262,000,000	8,915,619	8,915,619	415,992,689	

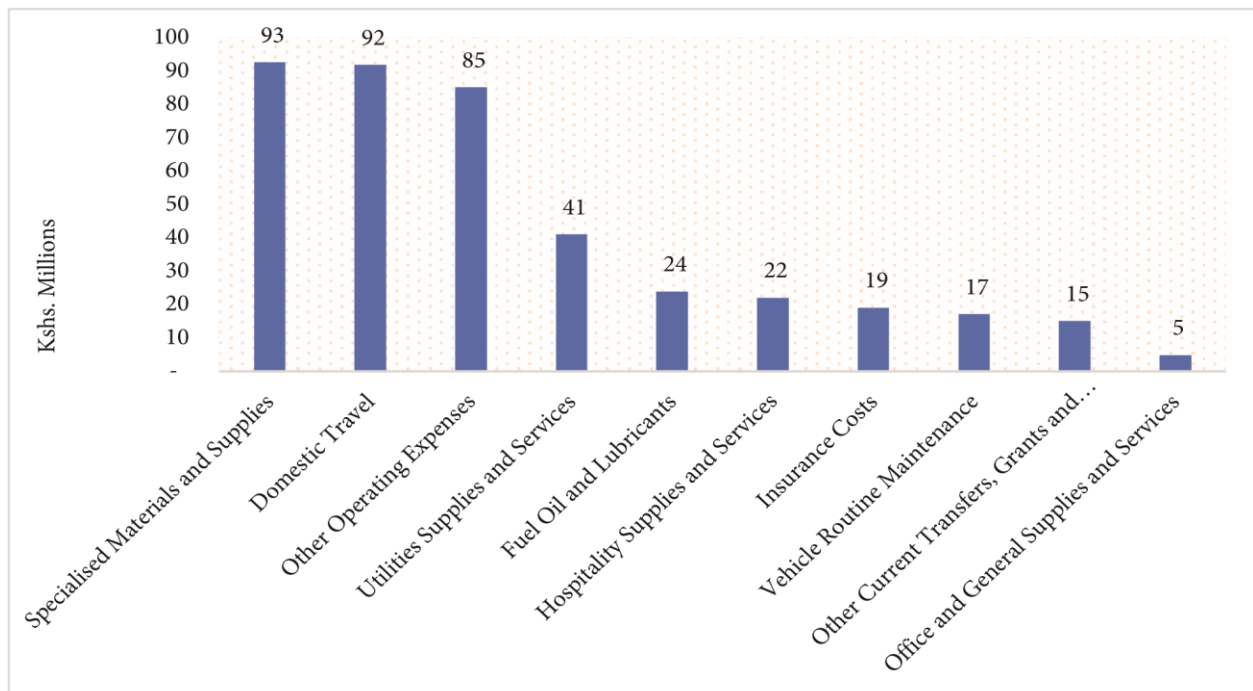
Source: Tharaka Nithi County Treasury

During the reporting period, one Fund Administrator **did not report the** quarterly financial reports, as indicated in Table 4. For the funds whose financial statements were **reported**, the administrative cost ceilings were not breached. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, allows County Governments to establish public funds with a lifespan capped at 10 years unless extended by the County Assembly. In FY 2025/26, **none of the** established **funds’** lifespan had elapsed.

3.5 Expenditure on Operations and Maintenance

During the reporting period, the County spent Kshs.432.74 million on operations and maintenance, representing a decrease of 5 per cent compared to a similar period in FY 2024/25, when the County spent Kshs.455.84 million. Figure 4 summarises the Operations and Maintenance expenditure by major categories.

Figure 3: Operations and Maintenance expenditure by major categories



Source: Tharaka Nithi County Treasury

3.6 Facility Improvement Financing

During the review period, the County reported collections of Kshs.129.82 million as FIF, which was 14 per cent of the annual target of Kshs.305.00 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has, however, not developed regulations to operationalise the FIF Act of 2023. The expenditure by the health facilities amounted to Kshs.35.28 million.

Table 6: Expenditure by Health Facilities

No.	Health Facility	Number of Facilities	Approved Budget(Kshs)	Actual Expenditure(Kshs)	Absorption rate(%)
1	Level 5 Hospital	1-Chuka	100,700,000	31,691,408	31.5
2	Level 4 Hospital	2-Marimanti & Magutuni	42,150,000	3,587,120	8.5
	Total		142,850,000	35,278,528	24.7

3.7 Development Expenditure

In the review period, the County reported spending Kshs.369.66 million on development programmes, representing an increase of 10 per cent compared to FY 2024/25, when the County spent Kshs.337.45 million.

The increase in development expenditure was attributed to increases in revenue from the equitable share and own-source revenue.

Table 7 summarizes development projects with the highest expenditure in the reporting period.

Table 7: Tharaka Nithi County, List of Development Projects with the Highest Expenditure

Tharaka Nithi County Budget Implementation Review Report Q2 FY 2025/26

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in FY 2025/26 (Kshs.)	Cumulative Expenditure as of 31st December 2025	Implementation status (%)
County Funded Projects								
1	Roads	RML	Countywide	30 June 2026	161,810,687	55,944,250	55,944,250	-
2	Agriculture	Crop Subsidy	Countywide	30 November 2025		42,100,000	42,100,000	100%
3	HEALTH	Count-Part Funding Safaricom Mpesa Foundation (Mpukoni Health Centre)	Magumoni	30 April 2027	95,890,510	26,194,690	35,057,090	15%
No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in FY 2025/26 (Kshs.)	Cumulative Expenditure as of 31st December 2025	Implementation status (%)
4	Roads	Upgrading of Karandini-Kithioroni Roads to Bitumen Standard	Magumoni	23/12/2023	450,171,829.80	20,126,069.60	405,438,217.57	82.32

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5	Roads	Completion of Tharaka Nithi County Headquarters at Kathwana	Igamban g'ombe	03-12-26	129,003,938	17,493,240	36,950,865.40	15.08
6	Roads	Upgrading of Kambandi-Cheera - Ruguti Road to Bitumen Standard	Mugwe	21/11/2021	356,261,151.12	12,637,620	279,713,488.59	75
7	Water and Irrigation	Other Civil Works and pending bills	County wide	-	-	11,316,101	11,316,101	-
8	Water, Environment, and Natural Resources	FLLoC A - Counter fund	Countywide	30-06-26	-	11,000,000	11,000,000	-
9	Roads	Proposed Completion of Ndagani Market	Karingani	07 May 2026	40,849,000	10,902,261	18,466,841	18.52
Donor Funded Projects								
1	Water, Environment, and Natural Resources	FLLoC A - Conditional Grant	Countywide	30-06-26	-	8,913,484	8,913,484	-

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2	Fisheries and Ecosystem Development	Aquaculture Business Development Programme (ABDP)	Countywide	30 June 2026	15,810,000	7,862,418	7,862,418	-
3	Agriculture	NAVC DP	Countywide	30 June 2026	231,249,281	-	-	-
4	Water and Irrigation	2640503 Kenya Water and Sanitation Programme	Countywide	30th-June 2026	350,000,000	-	-	-
5	Public administration, intergovernmental coordination, and devolution affairs	Kenya Devolution Support Programme (KDSP II)	Countywide	30th June 2026	352,000,000	-	-	-

Source: Tharaka Nithi County Treasury

4.0 Budget Performance by Department

Table 8 summarizes the approved budget allocation, expenditure and absorption rate by departments over the review period.

Table 8: Tharaka Nithi County, Budget Allocation and Absorption Rate by Department in the First Half of FY 2025/26

Department	Revised Budget Allocation (Kshs. Millions)			Expenditure (Kshs.Millions)				Expenditure (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	

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Office of the Governor & Deputy	109.93	-	40.38	-	39.82	-	99	-	36	-
Roads, Infrastructure, Public Works & Urban Development	220.39	554.79	84.57	152.95	83.61	208.89	99	137	38	38
Medical Services	1,721.35	110	912.95	35.03	852.52	35.03	93	100	50	32
Agric, Livestock, Vet Services, & Coop Dev	211.99	369.25	88.78	67.74	78.93	67.72	89	100	37	18
Public Admin, Intergov Coordination & Devolution Affairs	178.45	357	56.24	0.89	55.98	0.89	100	100	31	-
Educ & Vocational Training	214.62	40	103.74	4.99	90.45	4.99	87	100	42	12
Finance & Economic Planning	206.23	40	84.33	-	83.70	-	99	-	41	-
Environment, Mining & Natural Resources	38.85	241	10.79	11	7.84	19.91	73	181	20	8
County Assembly	508.53	30	200.35	9.96	221.03	9.96	110	100	43	33
Water Services & Irrigation	65.23	450	25.27	11.32	25.03	11.32	99	100	38	3
County Public Service Board	40.13	-	14.80	-	11.28	-	76	-	28	-
Public Health & Sanitation	331.76	-	140.45	-	110.08	-	78	-	33	-
Youth & Sports	38.89	50	15.05	8.66	13.27	8.66	88	100	34	17
Culture & Tourism	31.25	5	17.14	2.09	15.79	2.09	92	100	51	42
Revenue & Resource Mobilization	119.33	-	49.28	-	48.50	-	98	-	41	-
Lands, Physical Planning & Housing	69.97	84	22.72	-	20.84	-	92	-	30	-

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Fisheries & Ecosystem Dev	24.10	25.81	6.37	-	6.12	-	96	-	25	-
Gender, Children & Social Services	31	5	11.01	-	10.97	-	100	-	35	-
Trade, Investment Promotion, Energy & Industry	56.83	150	19.75	0.19	19.02	0.19	96	100	33	-
Office of the County Secretary & County Attorney	39.70	-	12.62	-	11.98	-	95	-	30	-
Total	4,258.55	2,511.851,916.60	304.82	1,806.75	369.66	94	121	42	15	

Source: Tharaka Nithi County Treasury

An analysis of expenditure by departments over the first half of FY 2025/26 indicates that the Department of Culture and Tourism recorded the highest absorption rate of development budget at 42 per cent, followed by the Department of Roads, Infrastructure, Public Works & Urban Development at 38 per cent. The Department of Culture and Tourism had the highest recurrent expenditure-to-budget ratio at 51 per cent, while the Department of Environment, Mining & Natural Resources had the lowest at 20 per cent.

4.1 Budget Execution by Programmes and Sub-Programmes

Table 9 summarizes the budget execution by programmes and sub-programmes in the First Half of FY 2025/26.

Table 9: Tharaka Nithi County, Budget Execution by Programmes and Sub-Programmes in the First Half of FY 2025/26 with the highest absorption rates

Programme	Sub-Programme	Gross Approved Estimates FY 2025/26 (Kshs.)	Expenditure (including accrued expenditure) as of 31st December 2025 (Kshs.)	Absorption Rate (%)
		Dev	Dev	Dev
DEVELOPMENT				

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Agriculture, Livestock, Veterinary Services, and Cooperative Development			
P: Livestock and Fisheries Resource Management and Development			
SP: Veterinary Services and Disease Prevention	15,000,000	13,445,950	90
Culture and Tourism			
P: Culture, Arts and Social Services			
SP: Culture and Arts Promotion	5,000,000	2,089,500	42
Roads, Infrastructure, Public Works, and Urban Development			
P: Roads Transport			
SP: Rural Roads Improvement and Maintenance Service	431,810,687	172,651,968	40
Roads, Infrastructure, Public Works, and Urban Development			
P: Public Works and Housing Services			
SP: Public Works Services	67,981,059	25,336,415	37
County Assembly			
P: General Admin, Planning and Support Services			
SP: Office of the Clerk	30,000,000	9,960,810	33
County Assembly			
P: County Legislation and oversight services			
Sp: Oversight	61,084,919	48,528,233	79
Medical Services			
P: General Administration Planning and Support Services			
SP: Human resource management	1,270,385,959	843,389,596	66
Medical Services			
P: General Administration Planning and Support Services			
SP: General Administration Services	129,250,000	79,971,576	62
Education and Vocational Training			
P: General Administration Planning and Support Services			
SP: Administration Planning and Support Services	153,921,750	75,162,792	49
Roads, Infrastructure, Public Works, and Urban Development			

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P: Roads Transport			
SP: Rural Roads Improvement and Maintenance Services	89,600,000	43,141,097	48

Source: Tharaka Nithi County Treasury

It's worth noting that this high performance recorded in these programs could be attributed to the county's "priority status" accorded to them while other programs benefited from rolled funds that were not swept back to the CRF at the end of the previous financial year.

Table 10: Tharaka Nithi County, Budget Execution by Programmes and Sub-Programmes in the First Half of FY 2025/26 with the lowest absorption rates.

Program Sub Program	Gross Approved Estimates FY 2025/26 (Kshs.)	Expenditure (including accrued expenditure) as of 31st December 2025 (Kshs.)	Absorption Rate (%)
DEVELOPMENT			
3612 Roads, Infrastructure, Public Works, and Urban Development			
P: General Administration Planning and Support Services			
SP: General Administration Services	15,000,000	-	-
3615 Agriculture, Livestock, Veterinary Services, and Cooperative Development			
P: Crop Development and Management			
SP: Crops Development, Agribusiness and Market Development	105,000,000	-	-
P: Livestock and Fisheries Resource Management and Development			
SP: Livestock Policy Development and Capacity Building	3,000,000	-	-
3616 Public Administration, Intergovernmental Coordination and Devolution Affairs			
P: General Administration, Planning and Support Services			
SP: Sub-County Administration and Field Services	5,000,000	-	-
P: Kenya Devolution Support Programme			
SP: Tharaka Nithi KDSP Capacity Building	352,000,000	-	-
3617 Education and Vocational Training			

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P: General Administration, Planning and Support Services			
SP: Human Resource Management Services	40,000,000	-	-
3620 Environment, Mining, and Natural Resources			
P: Environment Management and Natural Resources Conservation			
SP: Climate Change	241,000,000	-	-
3622 Water Services and Irrigation			
P: Water Supply Services			
SP: Domestic Water Services	25,000,000	-	-
SP: Irrigation and Drainage Services	30,000,000	-	-
3628 Youth and Sports			
P: Sports Development and Promotion			
SP: Athletics Championships and Other Games	50,000,000	-	-
P: Land Policy and Planning			
SP: Physical Planning Services	84,000,000	-	-
3634 Trade, Investment Promotion, Energy, and Industry			
P: Energy Resource Development & Management			
SP: Energy Resource Development & Management	15,000,000	-	-
P: Industrial Development and Investment			
SP: Industrial Development	125,000,000	-	-
SP: Consumer Protection & Fair Trade Practices	10,000,000	-	-
Program Sub Program	Gross Approved Estimates FY 2025/26 (Kshs.)	Expenditure (including accrued expenditure) as of 31st December 2025 (Kshs.)	Absorption Rate (%)
RECURRENT			
3612 Roads, Infrastructure, Public Works, and Urban Development			
P: Chuka Municipality Development Programme			
SP: Chuka Municipality Administration and management	6,735,000	-	-
3613 Medical Services			

P: Curative and Rehabilitative Services			
SP: Primary Healthcare-Kibunga	1,570,000	-	-
3615 Agriculture, Livestock, Veterinary Services, and Cooperative Development			
P: Cooperative Development and Management			
SP: Cooperative Development	3,299,380	-	-
3620 Environment, Mining, and Natural Resources			
P: Environment Management and Natural Resources Conservation			
Sp: Climate Change	13,250,000	-	-
3628 Youth and Sports			
P: Sports Development and Promotion			
SP: Athletics Championships and Other Games	2,398,850	-	-
3629 Culture and Tourism			
P: Tourism Development and Promotion			
SP: Tourism Branding and Marketing	2,716,444	-	-
SP: Miss Tourism Tharaka Nithi	1,276,606	-	-
3634 Trade, Investment Promotion, Energy, and Industry			
P: Industrial Development and Investment			
SP: Industrial Development	6,230,000	-	-

Source: Tharaka Nithi County Treasury

The zero or no absorption reported in some programs and sub programs is partly explained by the fact that the respective institutions associated with additional allocations for had not released the funds.

5.0 Observations and Recommendations

The County achieved 99.34% of its own-source revenue target demonstrating effective revenue collection efforts in the FY 2024/25. Moving forward, the County set a revenue target of Kshs. 585 million in the current FY 2025/26 and remains optimistic and committed to realizing these projections. The realization of this target will ensure that budgetary commitments are fully funded, and service delivery remains consistent.

6.0 Recommendations

1. Moving forward, the County will periodically review revenue projections to ensure they align with economic trends while maintaining financial stability. Additionally, efforts will continue to expand revenue sources, ensuring sustainable growth without placing an undue burden on residents.
2. The County Treasury will continue enhancing its reporting processes to ensure compliance with financial timelines while maintaining the quality and accuracy of reports.
3. The County will continue implementing cost-saving strategies and efficiency-enhancing measures to ensure that every shilling is utilized optimally for the benefit of its residents.