THARAKA NITHI COUNTY GOVERNMENT

DEPARTMENT OF FINANCE AND ECONOMIC PLANNING

BUDGET IMPLEMENTATION REVIEW REPORT

FIRST NINE MONTHS OF FY 2025/26

MAY, 2026

PREFACE

I am honoured to present the Third 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 July 2025 to March 2026. 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 practices 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 rigorous 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

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1.0 Overview of FY 2025/26 Budget

Tharaka Nithi County Government approved a Supplementary Budget for FY 2025/26 totalling to Kshs.7.51 billion. This comprises Kshs.2.90 billion (39 per cent) and Kshs.4.62 billion (61 per cent) allocation for development and recurrent programmes, respectively. These budget estimates represent an increase of Kshs.557.66 million (8 per cent) from the FY 2024/25 budget, which comprised a development budget of Kshs.2.52 billion and a recurrent budget of Kshs.4.44 billion. The increase in the budget was primarily attributed to the rise of equitable share and own source revenue.

The revised budget is financed through multiple revenue sources. These include Kshs.5.06 billion (67 per cent) from the equitable share of nationally raised revenue, Kshs.1.60 billion (21 per cent) from additional allocations and conditional grants, Kshs.205.32 million (3 per cent) as cash balances brought forward from FY 2024/25, Kshs.44.01 million (1 per cent) from the Equalisation Fund, and Kshs.598.48 million (8 per cent) from projected own-source revenue collections. The County's own-source revenue target comprises ordinary own-source amounting to Kshs. 293.1 million and revenue generated through the Facility Improvement Fund (FIF) amounting to Kshs. 305.4 million. A breakdown of the additional allocations is shown in Table 1

2.0 Revenue Performance

During the first nine months of FY 2025/26, Tharaka Nithi County Government had a total of Kshs.4.33 billion available to finance recurrent and development programmes. This amount represented an increase of 30 per cent compared to the amount received in a similar period in FY 2024/25 of Kshs.3.32 billion. The available resources comprised equitable share transfers from the National Government amounting to Kshs. 3.36 billion , additional allocations from the National Government and development partners amounting to Kshs. 300.66 million, own-source revenue collections of Kshs 459.76 million. This OSR includes the Facility Improvement Fund (FIF) of Kshs. 270.12 million and ordinary revenue of Kshs. 189.65 million, and cash balances carried forward amounting to Kshs.205.32 million from FY 2024/25. Overall, the County realized 58 per cent of its revised annual revenue estimates during the reporting period.

Analysis of the ordinary own-source revenue indicates that the highest-performing revenue streams included Liquor Licensing Fees, which realised Kshs.16.11 million (64 per cent of the annual target); Miscellaneous Fees, which generated Kshs.13.23 million (94 per cent); Natural Resource Cess, which realised Kshs.53.74 million (90 per cent); and Plot Rent and Land Rates, which exceeded the annual target by collecting Kshs.8.66 million, equivalent to 106 per cent of the budgeted amount. On the other hand, revenue streams such as Administrative Fees, Co-operative Services and Fire Inspection recorded relatively low performance, indicating the need for enhanced revenue administration and enforcement measures.

Revenue generated through the Facility Improvement Fund continued to make a significant contribution to the County's own-source revenue. Hospital fees generated Kshs.267.09 million, representing 89 per cent of the annual target, while Public Health Fees realised Kshs.3.03 million, equivalent to 61 per cent of the target. The strong performance of the Facility Improvement Fund underscores the importance of internally generated health-sector revenue in supporting service delivery and financing county operations.

Despite the commendable improvement in own-source revenue performance, the County is yet to enact legislation governing the management and operation of the ordinary Appropriation-in-Aid (A-in-A) and the Facility Improvement Fund. Finalising the required legal framework would strengthen governance, accountability and sustainability in the management of internally generated revenue.

Table 1. summarises the total revenue available to the county government during the first nine months of FY 2025/26.

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

No	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Receipts (Kshs.)	Receivables in the First Nine Months of FY 2025/26 (Kshs.)	Total Revenues (in accrual basis) in the First Nine Months of FY 2025/26 (Kshs.)	Revenue Performance (%)
		A	B	C	D=B+C	E=A-D

A	Unspent Balance from FY 2024/25					
1	Balance at CRF	203,810,744	203,810,744	-	203,810,744	100
2	County Executive Refunds to CRF	1,511,750	1,511,750	-	1,511,750	100
3	County Assembly Refunds to CRF	1,953	1,953	-	1,953	100
	Sub-Total	**205,324,447**	**205,324,447**	**-**	**205,324,447**	**-**
B	**Equitable Share of Revenue Raised Nationally**					
1	Equitable Share	5,058,286,293	3,363,803,385	-	3,363,803,385	67
	Sub-Total	**5,058,286,293**	**3,363,803,385**	**-**	**3,363,803,385**	67
C	**Transfers from the Equalization Fund**					
1		44,005,716	-	-	-	-
	Sub-Total	**44,005,716**	**-**	**-**	**-**	**-**
D	**Additional Allocations (Including Grants)**					
1	Danida	6,324,000	-	-	-	-
2	Other Conditional Grants/ CHP National Grant	37,950,000	-	-	-	-
3	Other Conditional Grants/ Basic Salary Arrears for CG Health Workers	24,597,481	-	-	-	-
4	Supplement of Construction	30,000,000	-	-	-	-
5	National Agricultural Value Chain Development Project (NAVCDP	231,250,000	98,713,418	98,713,418	98,713,418	43
6	Kenya Informal Settlement Programme	1,000,000	-	-	-	-
7	FLOCCA	197,000,000	80,220,461	80,220,461	80,220,461	41
8	FLOCCA bal b/f	89,133,840	-	-	-	-
9	WB KWASH P for R	350,000,000	-	-	-	-
10	Aquaculture Business Development Programme	10,489,999	7,862,418	7,862,418	7,862,418	75
11	KDSP-II Level II (Investment grant)	352,500,000	-	-	-	-
12	KDSP-II Level I (Institutional grant)	72,909,500	35,253,471	35,253,471	35,253,471	48
13	KUSP II - UIG Grant	36,750,000	-	-	-	-

14	KUSP II- UDG Grant	108,609,811	78,611,813	78,611,813	78,611,813	72
15	Road Maintenance Levy	55,944,250	-	-	-	-
	Sub-Total	**1,604,458,881**	**300,661,581**	**300,661,581**	**300,661,581**	**19**
No	**Revenue Stream**	**Annual Targeted Revenue (Kshs.)**	**Actual Receipts (Kshs.)**	**Receivables in the First Nine Months of FY 2025/26 (Kshs.)**	**Total Revenues (in accrual basis) in the First Nine Months of FY 2025/26 (Kshs.)**	**Revenue Performance (%)**
		A	**B**	**C**	**D=B+C**	**E=A-D**
E	**Ordinary Own Source Revenue (OSR)**					
1	SBP And Advertisement	98,150,000	60,191,102	60,191,102	60,191,102	61
2	Live Stock Sales and Agricultural Cess	3,578,000	647,586	647,586	647,586	18
3	Batter Market/Trade	23,486,000	11,561,712	11,561,712	11,561,712	49
4	Natural Resource Cess	60,522,000	41,098,373	41,098,373	41,098,373	68
5	Parking Fees	22,000,000	18,156,556	18,156,556	18,156,556	83
6	House Rent/Stall	5,314,000	3,795,344	3,795,344	3,795,344	71
7	Plan Approval	16,000,000	9,001,472	9,001,472	9,001,472	56
8	Liquor	25,000,000	16,106,522	16,106,522	16,106,522	64
9	Veterinary Services	9,200,000	4,955,171	4,955,171	4,955,171	54
10	Penalties	400,000	145,040	145,040	145,040	36
11	Administrative Fee	1,750,000	191,986	191,986	191,986	11
12	Plot Rent, Land Rates	8,200,000	8,663,591	8,663,591	8,663,591	106
13	Property Fee (Search/ Transfers/ Sub Division & Repegging)	5,000,000	1,892,016	1,892,016	1,892,016	38
14	Miscellaneous Fee	14,081,692	13,226,014	13,226,014	13,226,014	94
15	Co-Operative Services	200,000	16,940	16,940	16,940	8
16	Fire Inspection	200,000	-	-	-	-
	Sub-Total	**293,081,692**	**189,649,425**	**189,649,425**	**189,649,425**	**65**
F	**Facility Improvement Fund/Financing (FIF)**					
1	Hospital Fees	300,400,000	267,089,409	267,089,409	267,089,409	89
2	Public Health Fees	5,000,000	3,026,008	3,026,008	3,026,008	61
3	Other		-	-	-	-
	Sub-Total	**305,400,000**	**270,115,417**	**270,115,417**	**270,115,417**	**88**

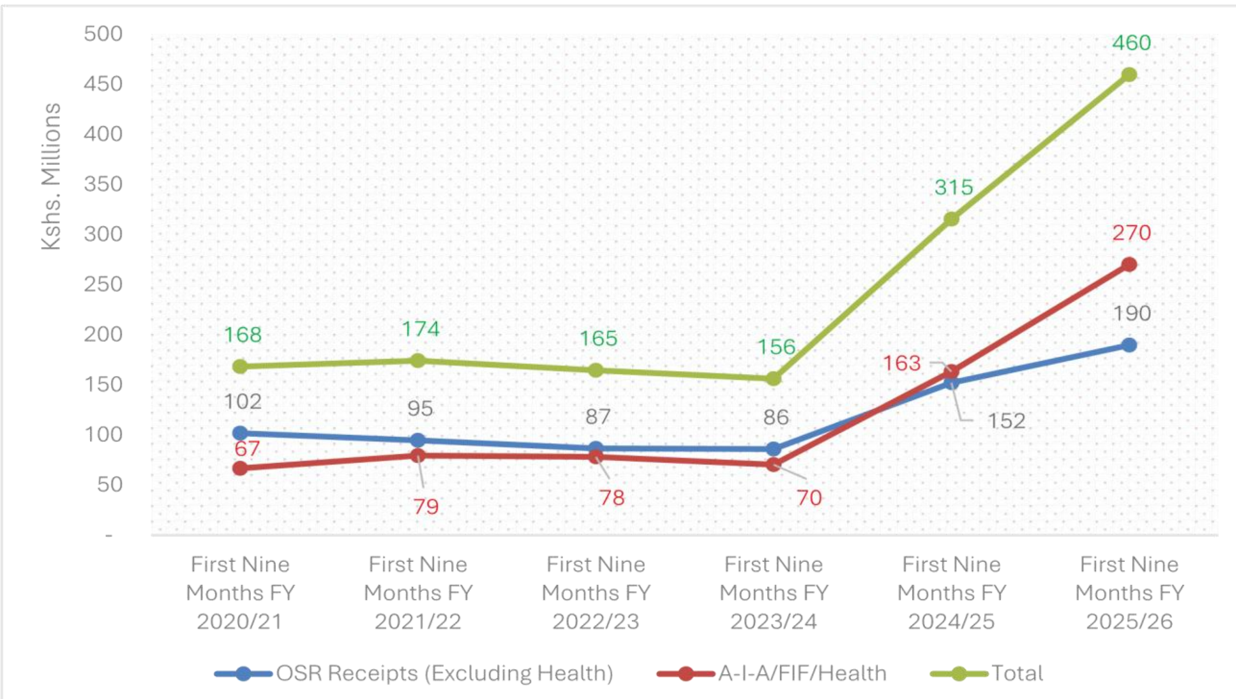
	Grand Total	**7,510,557,029**	**4,329,554,255**	**760,426,423**	**4,329,554,255**	**58**

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 Nine Months of FY 2020/21 to the First Nine Months of FY 2025/26.

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



Source: *Tharaka Nithi County Treasury*

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

No	Revenue Stream	Annual Targeted Revenue (Kshs.)	Actual Receipts (Kshs.) as at 31st March 2026	Revenue Performance (%)
E	**Ordinary Own Source Revenue (OSR)**			
1	SBP And Advertisement	98,150,000	60,191,102	61
2	Live Stock Sales and Agricultural Cess	3,578,000	647,586	18
3	Batter Market/Trade	23,486,000	11,561,712	49
4	Natural Resource Cess	60,522,000	41,098,373	68
5	Parking Fees	22,000,000	18,156,556	83
6	House Rent/Stall	5,314,000	3,795,344	71
7	Plan Approval	16,000,000	9,001,472	56
8	Liquor	25,000,000	16,106,522	64
9	Veterinary Services	9,200,000	4,955,171	54
10	Penalties	400,000	145,040	36
11	Administrative Fee	1,750,000	191,986	11
12	Plot Rent, Land Rates	8,200,000	8,663,591	106
13	Property Fee (Search/ Transfers/ Sub Division & Repegging)	5,000,000	1,892,016	38
14	Miscellaneous Fee	14,081,692	13,226,014	94
15	Co-Operative Services	200,000	16,940	8
16	Fire Inspection	200,000	-	-
	Sub-Total	**293,081,692**	**189,649,425**	**65**
F	**Facility Improvement Fund/Financing (FIF)**			
1	Hospital Fees	300,400,000	267,089,409	89
2	Public Health Fees	5,000,000	3,026,008	61
3	Other		-	-
	Sub-Total	**305,400,000**	**270,115,417**	**88**
	GRAND TOTAL	**598,481,692**	**459,764,842**	**77**

Source: Tharaka Nithi County Treasury

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 amounting to Kshs.4.46 billion from the County Revenue Fund (CRF) during the first nine months of FY 2025/26. Of this amount, Kshs.713.12 million (21 per cent) was allocated to development expenditure, while Kshs.2.74 billion (79 per cent) was for recurrent expenditure. Analysis of the recurrent exchequer releases indicates that Kshs.1.98 billion was utilized for employee compensation and Kshs.767.49 million for operations and maintenance. As at 31st March 2026, the County Government's cash balance in the County Revenue Fund stood at Kshs.727.06 million.

3.0 County Expenditure Review

The County spent Kshs.3.36 billion on development and recurrent programmes. This expenditure represented 97 per cent of the total funds released by the Controller of Budget. It comprised Kshs.677.87 million for development programmes and Kshs.2.68 billion for recurrent programmes. Expenditure on development programmes represented 24 per cent of the annual development expenditure budget, while recurrent expenditure represented 58 per cent of the annual recurrent expenditure budget.

3.1 Settlement of Pending Bills

As of 1st July 2025, the County reported trade payables totalling Kshs.754.52 million. This amount consisted of Kshs.622.91 million from the County Executive and Kshs.131.61 million from the County Assembly. The trade payables from the County Executive comprised Kshs.437.48 million for recurrent expenditure and Kshs.185.44 million for development expenditure. During the reporting period, the County Executive settled trade payables amounting to Kshs.268.37 million, comprising Kshs.192.74 million (44 per cent) for recurrent programmes and Kshs.75.63 million (41per cent) for development programmes. On the other hand, the County Assembly settled trade payables amounting to Kshs.11.21 million, comprising Kshs.1.25 million (1 per cent) for recurrent activities and Kshs.9.96 million (72 per cent) for development activities. The outstanding trade payables as of 31st March 2026 were Kshs.354.54 million for the County Executive and Kshs.105.04 million for County Assembly.

Table 3 Provides additional details of trade payables.

Description		County Entity	Development (Kshs.)	Recurrent (Kshs.)	Total (Kshs.)
As at 1 July 2025 (End of FY 2024/25)	a	County Executive	185,435,237	437,475,073	622,910,310
		County Assembly	13,879,858	102,367,235	116,247,093
		Total	199,315,095	539,842,308	739,157,403
Trade payables scheduled to be settled in the first nine months of FY 2025/26 per the action plan	b	County Executive	141,960,977	417,731,044	559,692,022
		County Assembly	11,922,936	6,757,391	18,680,327
		Total	153,883,913	424,488,435	578,372,349
Amount paid in the first nine months of FY 2025/26	c	County Executive	75,634,702	192,736,216	268,370,917
		County Assembly	9,960,810	1,245,255	11,206,065
		Total	85,595,512	193,981,471	279,576,982
Trade Payables Incurred in the	d	County Executive			

First Nine Months of FY 2025/26		County Assembly			
		Total			
Outstanding trade payables as of 31st March 2026		County Executive	109,800,536	244,738,857	354,539,393
		County Assembly	3,919,048	101,121,980	105,041,028
		Total	113,719,584	345,860,837	459,580,421

Source: Tharaka Nithi County Treasury

3.2 Expenditure by Economic Classification

During the first nine months of FY 2025/26, the County Executive incurred expenditure amounting to Kshs.1.91 billion on compensation of employees, Kshs.442.72 million on operations and maintenance, and Kshs.667.91 million on development programmes. During the same period, the County Assembly spent Kshs.167.06 million on compensation of employees, Kshs.157.22 million on operations and maintenance, and Kshs.9.96 million on development expenditure. Overall, recurrent expenditure continued to account for the larger share of total expenditure, reflecting the County's continued commitment to supporting service delivery and meeting personnel obligations while progressively implementing development programmes.

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 Nine Months of FY 2025/26 (Kshs.) (b)	Expenditure Accrued in the First Nine Months of FY 2025/26 (Kshs.) (c)	Total Expenditure in the First Nine Months of FY 2025/26 (Kshs.) (d=b+c)	Absorption (%) (d/a*100)
County Executive					

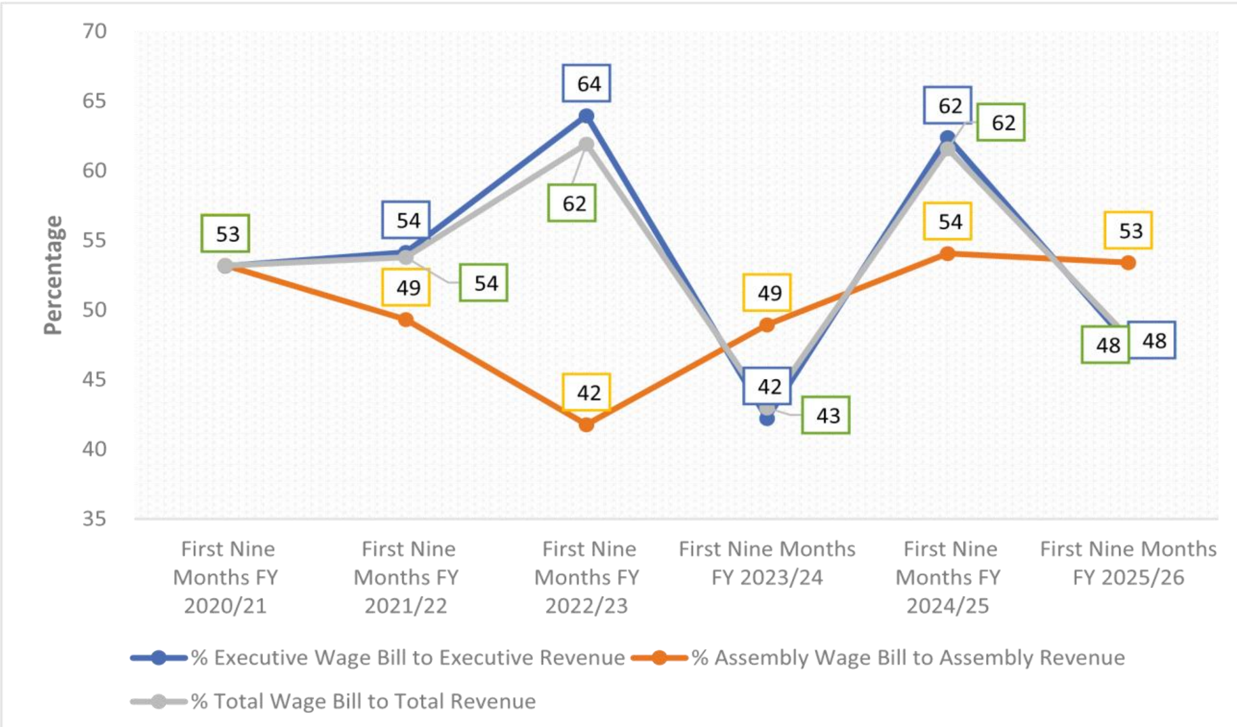
Recurrent	**4,108,895,737**	**2,354,881,134**	**-**	**2,354,881,134**	**57**
Compensation to Employees	2,545,544,603	1,912,157,615	-	1,912,157,615	75
Operations & Maintenance	1,563,351,134	442,723,519	-	442,723,519	28
Development	**2,807,183,437**	**667,906,561**	**-**	667,906,561	**24**
Executive Sub-total	**6,916,079,174**	**3,022,787,695**	**-**	**3,022,787,695**	**44**
County Assembly					
Recurrent	**508,533,605**	**302,856,441**	**21,421,312**	**324,277,753**	**64**
Compensation to Employees	254,453,496	145,633,863	21,421,312	167,055,175	66
Operations & Maintenance	254,080,109	157,222,578	-	157,222,578	62
Sector / Category	**Budget (Kshs)**	**Amount Paid in the First Nine Months of FY 2025/26 (Kshs.) (b)**	**Expenditure Accrued in the First Nine Months of FY 2025/26 (Kshs.) (c)**	**Total Expenditure in the First Nine Months of FY 2025/26 (Kshs.) (d=b+c)**	**Absorption (%) (d/a*100)**
Development	**30,000,000**	**9,960,810**	**-**	**9,960,810**	**33**
Assembly Sub-total	**538,533,605**	**312,817,251**	**21,421,312**	**334,238,563**	**62**
Combined County Totals					
Total Recurrent	**4,617,429,342**	**2,657,737,575**	**21,421,312**	**2,679,158,887**	**58**
Compensation to Employees	2,799,998,099	2,057,791,478	21,421,312	2,079,212,790	74
Operations & Maintenance	1,817,431,243	599,946,097	-	599,946,097	33
Total Development	**2,837,183,437**	**677,867,371**	**-**	**677,867,371**	**24**
Grand Total	**7,454,612,779**	**3,335,604,946**	**21,421,312**	**3,357,026,258**	**45**

Source: Tharaka Nithi County Treasury

3.3 Expenditure on Employees' Compensation

During the first nine months of FY 2025/26, Tharaka Nithi County Government incurred a total expenditure of Kshs.2.08 billion on employee compensation representing 48 per cent of revenue, comprising Kshs.1.91 billion spent by the County Executive and Kshs.167.06 million by the County Assembly. Of this total, Kshs.1.24 billion related to Health Sector employees, accounting for 59 per cent of the overall employees' compensation.

Figure 2 shows the trend in employee compensation as a percentage of total revenue from the first nine months of FY 2020/21 to the first nine months of FY 2025/26.



Source: Tharaka Nithi County Treasury

Further analysis indicated that PE costs totalling Kshs.1.82 billion were processed through the Human Resource Information System (HRIS). In contrast, Kshs.261.18 million was processed through manual payrolls, which accounted for 13 per cent of the total PE cost. The justification for the continued use of manual payroll was the payment of casual staff salaries. Also, PE payments that are done outside the system, such as error corrections, PE payments by the employer, and employer contributions for pensions

The County Assembly spent Kshs.17.97 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.83,200 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(0.15%) 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**	

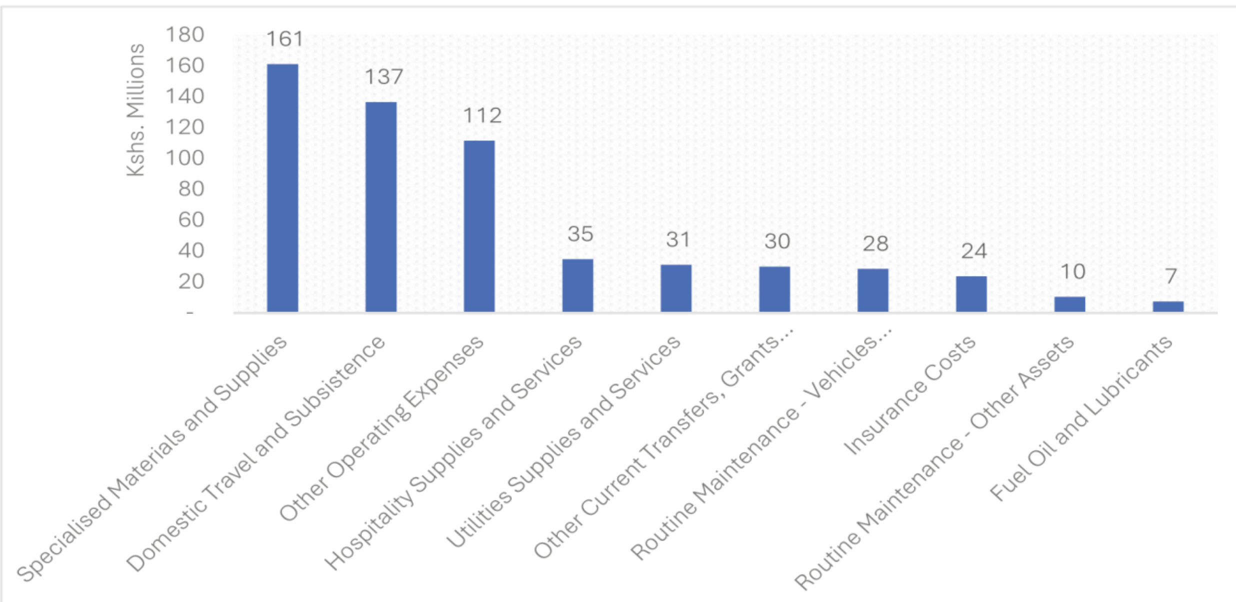
Source: *Tharaka Nithi County Treasury*

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.599.95 million on operations and maintenance, representing a decrease of 7 per cent compared to a similar period in FY 2024/25, when the County spent Kshs.647.95 million. Figure 3 illustrates the distribution of Operations and Maintenance expenditures across the major spending 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.

During the period under review, the County reported collections of Kshs.270.12 million as FIF, which was 88 per cent of the annual target of Kshs.305.40 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.134.41 million, as shown in Table 6

Table 6: Expenditure by Health Facilities

No.	Health Facility	Number of Facilities	Approved Budget (Kshs.)	Actual Expenditure (Kshs.)	Absorption rate (%)
1.	One Level 5 Hospital (Chuka Referral Hospital)	1	148,600,000	118,692,396	79.9
2.	Two Level 4 Hospitals (Magutuni and Marimanti)	2	38,450,000	15,716,670	40.9
	Total		**187,050,000**	**134,409,066**	**71.9**

3.7 Development Expenditure

In the review period, the County reported spending Kshs.677.87 million on development programmes, representing a 25 per cent increase over FY 2024/25, when the County spent Kshs.542.45 million. Table 7 summarises the development projects with the highest expenditure in the reporting period. The increase in development expenditure was attributed to an increase in funding from both own-source revenue and an equitable share.

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

No	Sector	Project Name	Project Location	Project Commencement Date	Expected date of Completion of the Project	Contract sum (Kshs)	Total Funding in FY 2025/26 (Kshs.)	Expenditure (on an accrual basis) in the first nine months of FY 2025/26 (Kshs.)	Cumulative project expenditure (on an accrual basis) as of 31st March 2026 (Kshs.)	Percentage (%) of Com-pletion

County Funded Projects										
1	Agriculture	Crop Subsidy	Countywide	13 October 2025	30 November 2025	72,100,000	72,100,000	72,100,000	72,100,000	100%
2	Roads	Upgrading of Katharaka-Mukui Road to Bitumen Standard (Design and Build)	Ganga	20/01/2025	20/01/2030	685,006,324	56,260,243.60	56,260,243.60	113,609,715.60	26.96
3	Roads	RML	Countywide	01 July 2025	30 June 2026	55,944,250	55,944,250	55,944,250	55,944,250	
4	HEALTH	Count-Part Funding Safaricom Mpesa Foundation (Mpukoni Health Centre)	Magumoni	03 April 2025	30 April 2027	95,890,510	30,310,680	30,310,680	39,173,080	41%
5	Roads	Upgrading of Karandini-Kithioroni Roads to Bitumen Standard	Magumoni	23/12/2020	23/12/2023	450,171,829.80	29,799,309.60	29,799,309.60	415,111,457.57	92.21
6	Roads	Proposed Completion of Ndagani Market	Karingani	07 May 2025	07 May 2026	40,849,000	19,992,691	19,992,691	27,557,271	67.50
7	Roads	Completion of Tharaka Nithi County Headquarters at Kathwana	Igambang'ombe	12-03-25	03-12-26	129,003,938	17,493,240	17,493,240	36,950,865.40	15.08

8	Roads	Upgrading of Kambandi-Cheera-Ruguti Road to Bitumen Standard	Mugwe	21/11/2018	21/11/2021	356,261,151.12	12,637,620	12,637,620	279,713,488.59	75
9	Water and Irrigation	Other Civil Works and trade payables	County wide	-	-	-	11,316,101	11,316,101	11,316,101	-
10	Water, Environment and Natural Resources	FLLoCA - Counter fund	Countywide	01-07-25	30-06-26	-	11,000,000	11,000,000	11,000,000	-
Donor Funded Projects										
1	Agriculture	NAVCDP	Countywide	01 July 2025	30/06/2026	231,250,000	98,713,413	98,713,413	98,713,413	42.7%
2	Water, Environment and Natural Resources	FLLoCA - Conditional Grant	Countywide	01-07-25	30/06/2026	-	89,133,945	89,133,945	89,133,945	-
3	Fisheries and Ecosystem Development	Aquaculture Business Development Programme (ABDP)	Countywide	01 July 2025	30/06/2026	15,810,000	7,862,418	7,862,418	7,862,418	-

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 Nine Months of FY 2025/26

Department	Budget Allocation (Kshs. Millions)		Exchequer Issues (Kshs. Millions)		Expenditure (Kshs. Millions)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor and Deputy	114.82	-	52.69	-	44.90	-	85.2	-	39.1	-
Roads, Infrastructure, Public Works and Urban Dev	237.21	855.05	123.18	283.59	86.27	283.59	70.0	100.0	36.4	33.2
Medical Services	1,961.64	225.29	1,310.77	45.55	1,310.21	45.55	100.0	100.0	66.8	20.2
Agric, Livestock, Vet Services, and Coop Dev	203.92	492.90	119.09	99.35	118.44	198.07	99.5	199.4	58.1	40.2
Public Admin, Intergov Coordination and Devolution Affairs	214.28	367.50	76.22	136.25	57.83	2.28	75.9	1.7	27.0	0.6
Educational and Vocational Training	212.22	40	144.75	10.05	136.14	10.05	94.1	100.0	64.2	25.1
Finance and Economic Planning	250.77	40	114.43	-	111.41	-	97.4	-	44.4	-
Environment, Mining and Natural Resources	48.70	294	16.06	100.13	15.84	100.13	98.7	100.0	32.5	34.1
County Assembly	508.53	30	302.86	9.96	324.28	9.96	107.1	100.0	63.8	33.2
Water Services and Irrigation	64.86	455	37.45	15.30	35.41	15.30	94.6	100.0	54.6	3.4
County Public Service Board	38.86	-	19.07	-	18.90	-	99.1	-	48.6	-
Public Health and Sanitation	361.82	-	206.24	-	204.14	-	99.0	-	56.4	-
Youth and Sports	37.33	43	19.73	8.66	19.28	8.66	97.7	100.0	51.6	20.2
Culture and Tourism	36.47	5	21.66	2.09	21.02	2.09	97.0	100.0	57.6	41.8
Revenue and Resource Mobilisation	117.11	-	68.84	-	67.86	-	98.6	-	57.9	-

Lands, Physical Planning and Housing	64.65	11.90	31.23	-	30.55	-	97.8	-	47.2	-
Fisheries And Ecosystem Dev	19.95	20.49	10.51	2	10.37	2	98.7	100.0	52.0	9.8
Gender, Children and Social Services	30.54	5	17.40	-	16.73	-	96.2	-	54.8	-
Trade, Investment Promotion, Energy and Industry	47.93	8	30.53	0.19	29.80	0.19	97.6	100.0	62.2	2.3
Office of the County Secretary and County Attorney	45.82	-	20.54	-	19.77	-	96.3	-	43.2	-
Total	**4,617.43**	**2,893.13**	**2,743.22**	**713.12**	**2,679.16**	**677.87**				

Source: Tharaka Nithi County Treasury

Analysis of expenditure by departments shows that the Department of Culture and Tourism recorded the highest absorption rate of development budget at 42 per cent, followed by the Department of Agriculture, Livestock, Veterinary Services, and Cooperative Development at 40 per cent. The Department of Medical Service had the highest percentage of recurrent expenditure to budget at 67 per cent, while the Department of Public Administration, Intergovernmental Coordination and Devolution Affairs had the lowest at 27 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 Nine Months of FY 2025/26.

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

Programme	Sub-Programme	Revised Approved Estimates	Actual Expenditure	Absorption Rate (%)
		(Kshs.)	(Kshs.)	

Development				
3628 Youth and Sports				
P: Sports Development and Promotion				
	SP: Talent Search and Promotion	6,000,000	8,664,700	144
3615 Agriculture, Livestock, Veterinary Services, and Cooperative Development				
P: Livestock and Fisheries Resource Management and Development				
	SP: Veterinary Services and Disease Prevention	16,500,000	9,445,950	57
3615 Agriculture, Livestock, Veterinary Services, and Cooperative Development				
P: Crop Development and Management				
	SP: Crops Development, Agribusiness and Market Development	202,650,000	103,713,418	51
3612 Roads, Infrastructure, Public Works and Urban Development				
P: Roads Transport				
	SP: Rural Roads Improvement and Maintenance Services	483,005,716	241,813,498	50
3629 Culture and Tourism				
P: Culture, Arts and Social Services				
	SP: Culture and Arts Promotion	5,000,000	2,089,500	42
Recurrent				
3615 Agriculture, Livestock, Veterinary Services, and Cooperative Development				
P: Livestock and Fisheries Resource Management and Development				
	SP: Livestock Policy Development and Capacity Building	31,998,916	32,345,160	101
Programme	**Sub-Programme**	**Revised Approved Estimates**	**Actual Expenditure**	**Absorption Rate (%)**
		(Kshs.)	**(Kshs.)**	
3612 Roads, Infrastructure, Public Works and Urban Development				
P: General Administration Planning and Support Services				
	SP: General Administration Services	51,400,400	49,003,500	95
3617 Education and Vocational Training				
P: Education and Youth Training				

	SP: Youth Training and Capacity Building	36,169,900	30,173,800	83
3613 Medical Services				
P: General Administration Planning and Support Services				
	SP: General Administration Services	120,508,441	97,367,926	81
3613 Medical Services				
P: General Administration Planning and Support Services				
	SP: Human resource management	1,360,385,959	1,030,404,377	76

***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 Nine Months of FY 2025/26 with the lowest absorption rates.

Programme	Sub-Programme	Revised Approved Estimates	Actual Expenditure	Absorption Rate (%)
		(Kshs.)	(Kshs.)	
3612 Roads, Infrastructure, Public Works and Urban Development				
P: General Administration Planning and Support Services				
	SP: General Administration Services	82,244,250		0
P: ICT Infrastructure Development				
	SP: ICT Infrastructure Development	10,000,000		0
3615 Agriculture, Livestock, Veterinary Services, and Cooperative Development				
P: Livestock and Fisheries Resource Management and Development				
	SP: Livestock Policy Development and Capacity Building	4,000,000		0
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		0

P: Kenya Devolution Support Programme				
	SP: Tharaka Nithi KDSP Capacity Building	362,500,000	-	0
3619 Finance and Economic Planning				
P: General Administration, Planning and Support Services				
	SP: Human Resource Management Services	40,000,000	-	-
3620 Environment, Mining and Natural Resources				
P: General Administration, Planning and Support Services				
Prog	**Sub-Programme**	**Revised Approved Estimates**	**Actual Expenditure**	**Absorption Rate (%)**
		(Kshs.)	**(Kshs.)**	
	SP: General Administration and Support Services	30,000,000	-	-
3622 Water Services and Irrigation				
P: Water Supply Services				
	SP: Domestic Water Services	36,300,000	-	-
	SP: Irrigation and Drainage Services	34,000,000	-	-
3628 Youth and Sports				
P: Sports Development and Promotion				
	SP: Athletics Championships and Other Games	37,000,000	-	-
3631 Lands, Physical Planning and Housing				
P: Land Policy and Planning				
	SP: Physical Planning Services	11,900,000	-	-
3633 Gender, Children and Social Services				
P: Gender and Youth Empowerment				
	SP: Gender, Youth and Women Empowerment	5,000,000	-	-
3634 Trade, Investment Promotion, Energy and Industry				

P: Energy Resource Development & Management				
	SP: Energy Resource Development & Management	8,000,000	-	-
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-Kibung'a	1,300,000	-	-
3615 Agriculture, Livestock, Veterinary Services, and Cooperative Development				
P: Cooperative Development and Management				
	SP: Cooperative Development	2,163,380	-	-
P: Livestock and Fisheries Resource Management and Development				
	SP: Veterinary Services and Disease Prevention	8,507,191	28,700	-
3628 Youth and Sports				
P: Sports Development and Promotion				
	SP: Athletics Championships and Other Games	2,147,750	-	-
3629 Culture and Tourism				
P: Tourism Development and Promotion				
	SP: Tourism Branding and Marketing	2,716,444	-	-
3634 Trade, Investment Promotion, Energy and Industry				
P: Industrial Development and Investment				
	SP: Industrial Development	2,830,000	-	-

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 had not released the funds.

5.0 Observations and Recommendations

The County recorded commendable growth in own-source revenue collection, achieving approximately 77 per cent of the annual target by the end of the third quarter. Revenue generated through the Facility Improvement Fund continued to make a significant contribution to the County's internally generated revenue. 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.