OFFICE OF THE CONTROLLER OF BUDGET

COUNTY ASSEMBLIES FORUM (CAF)
P. O. Box 75352 - 00200,
NAIROBI, KENYA

REPUBLIC OF KENYA

COUNTY GOVERNMENTS
BUDGET IMPLEMENTATION REVIEW REPORT

THE FIRST NINE MONTHS OF
FY 2024/25

MAY, 2025

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FOREWORD

The Office of the Controller of Budget (OCoB) was established under Article 228 of the Constitution of Kenya to oversee the implementation of budgets for the National and County Governments by authorising withdrawals from Public Funds and reporting to each House of Parliament every four months. According to Article 228 (6) of the Constitution and Section 9 of the Controller of Budget Act, 2016, the Controller of Budget (CoB) is required to submit quarterly budget implementation reports for the National and County Governments within thirty days after the end of each quarter.

In line with these requirements, I am pleased to present this County Budget Implementation Review Report for the first nine months of the Financial Year 2024/25, covering 1st July 2024 to 31st March 2025. The report is based on data from the approved county budgets for FY 2024/25, as well as financial and non-financial performance reports submitted to the CoB in accordance with Sections 166 and 168 of the Public Financial Management (PFM) Act, 2012. The data also includes exchequer requisition records and information from the Integrated Financial Management Information System (IFMIS).

This report examines budget implementation across the forty-seven County Governments, presenting an analysis of budget performance, including approved budgets, receipts into the County Revenue Fund, exchequer issues, and expenditures categorised by major classifications: Personnel Emoluments, Operations and Maintenance, and Development Expenditure. Additionally, it assesses expenditures by programs and the absorption of funds relative to the approved budget.

The report provides a comprehensive analysis of how County Governments have implemented their budgets during the reporting period. It highlights key challenges that have affected the efficiency and effectiveness of budget execution and includes recommendations to address these issues. The OCoB remains committed to promoting transparency, accountability, and the prudent use of public resources. We encourage all stakeholders, particularly Parliament, County Executives, County Assemblies, and the National Treasury, to consider the observations made in this report and implement the recommendations provided to strengthen public financial management and enhance the welfare of citizens.

Finally, I would like to express my sincere gratitude to my staff for their tireless efforts, dedication, and commitment in preparing this report. I also extend my appreciation to the County Treasury staff who submitted quarterly reports and provided clarifications that facilitated the preparation of this document. My office will always continue to promote prudent financial management in the public sector.



FCPA Dr Margaret Nyakang'o, CBS

CONTROLLER OF BUDGET

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ACRONYMS

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AIA	Appropriation in Aid
ASDSP	Agriculture Sector Development Support Programme
CAIP	County Aggregation and Industrial Parks
CARA	County Allocation Revenue Act
CBIRR	County Budget Implementation Review Report
CGAAB	County Governments Additional Allocation Billl
CHP/V	Community Health Promoters/ Volunteers
CoB	Controller of Budget
CPF	County Pension Fund
CRF	County Revenue Fund
DANIDA	Danish International Development Agency
Dev	Development
DRPNK	Drought Resilience Programme in Northern Kenya
ELRP	Emergency Locust Response Project
FIF	Facility Improvement Fund/ Financing
FLLoCA	Financing Locally – Led Climate Action Programme
FSRP	Food System Resilience Project
FY	Financial Year
GHRIS	Government Human Resources Information System
IB	Internet Banking
IDA	International Development Association
IDEAs	Instrument for Devolution Advice and Support
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management System
IPPD	Integrated Payroll and Personnel Database
KABDP	Kenya Agricultural Business Development Project
KDSP	Kenya Devolution Support Programme
KeLCoP	Kenya Livestock Commercialisation Project
KUSP	Kenya Urban Support Project
MCA	Member of County Assembly
NAVCDP	National Agricultural Value Chain Development Project
O&M	Operational and Maintenance
OCoB	Office of the Controller of Budget
OSR	Own Source Revenue
PBB	Programme-Based Budget
PE	Personnel Emoluments
PFM	Public Finance Management
Rec	Recurrent
SPA	Special Purpose Account
UNFPA	United Nationals Funds for Population Activities

EXECUTIVE SUMMARY

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This County Budget Implementation Review Report (CBIRR) for the first nine months of FY 2024/25 covers the period from July 2024 to March 2025. The report is prepared in compliance with Article 228(6) of the Constitution of Kenya, 2010 and Section 9 of the Controller of Budget Act, 2016. It provides the budget implementation status of each of the 47 County Governments during the review period by evaluating revenue and expenditure performance and, at the same time, highlighting the challenges faced by the County Governments during budget implementation and offers recommendations to address them moving forward.

The combined County Governments' budgets for FY 2024/25, as approved by the County Assemblies, amounted to Kshs.600.69 billion, with Kshs.222.20 billion (37 per cent) being allocated to development expenditure and Kshs.378.49 billion (63 per cent) allocated to recurrent expenditure. The allocation for development expenditure conforms to section 107(2)(b) of the PFM Act, 2012, which states that at least 30 per cent of the budget shall be allocated for development expenditure.

To finance the FY 2024/25 budget, the County Governments budgeted to receive Kshs.387.43 billion as the equitable share of revenue raised nationally; receive arrears of the equitable share of revenue raised nationally for June 2024 relating to FY 2023/24 of Kshs.30.83 billion; raise Kshs.87.11 billion from ordinary own sources of revenue, including Facility Improvement Financing and Appropriation in Aid of Kshs.21.88 billion. The County Governments also budgeted to utilise Kshs.28.98 billion of unspent funds carried forward from FY 2023/24 and Kshs.66.35 billion as County additional allocations from the National Government and Development Partners. It is important to note that the County Governments Additional Allocations Bill, 2024, which provides the framework for additional conditional allocations to counties, had not yet been adopted by Parliament as of 31st March, 2025.

The total available funds to the County Governments in the first nine months of FY 2024/25 amounted to Kshs.330.83 billion. This amount consisted of Kshs.224.71 billion as equitable share of revenue raised nationally authorised for withdrawal from Consolidated Fund to respective County Revenue Funds accounts by the Controller of Budget (CoB) in line with Article 206(4) of the constitution; equitable share of revenue raised nationally arrears for June, 2024 relating to FY 2023/24 of Kshs.30.83 billion; Kshs.2.17 billion as additional allocations; Kshs.27.21 billion as cash balances brought forward from FY 2023/24; and Kshs.45.91 billion as revenue generated from own source revenue, which includes Facility Improvement Financing and Appropriations in Aid of Kshs.15.39 billion.

In the first nine months of the year, the County Governments were able to raise Kshs.45.91 billion from local revenue sources, which accounted for 53 per cent of the annual local revenue target of Kshs.87.11 billion. This represented an increase of 11 per cent compared to Kshs.41.40 billion realised in a similar period in FY 2023/24. Some counties, such as Tana River, Garissa, Narok, Samburu, Kirinyaga, Elgeyo Marakwet achieved higher percentages of local revenue collection annual targets at 172 per cent, 104 per cent, 99 per cent, 85 per cent, 78 per cent and 74 per cent respectively, while others, including Kisii, Bomet, Taita Taveta, Kisumu, Bungoma, and Machakos had lower percentages of their respective local revenue collection annual targets at 41 per cent, 40 per cent, 37 per cent, 36 per cent, 35 per cent and 34 per cent respectively.

During the reporting period, the Controller of Budget authorised withdrawals of Kshs.254.54 billion as the equitable share of revenue raised nationally from the Consolidated Fund to the various County Revenue Funds (CRFs), as mandated by Article 206(4) of the Constitution of Kenya, 2010. This amount included an equitable share of revenue raised nationally, arrears for June 2024, relating to FY 2023/24 of Kshs.30.83 billion.

During the reporting period, the Controller of Budget authorised withdrawals of Kshs.285.58 billion from the county revenue funds accounts to the county operational accounts for the county governments, which is in line with Article 207(3) of the Constitution of Kenya, 2010. Of this amount, Kshs.229.24 billion (80 per cent) was for recurrent expenditure and Kshs.56.33 billion (20 per cent) was for development expenditure. This was an increase of 8 per cent from Kshs.263.60 billion authorised in a similar period of FY 2023/24.

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In the reporting period, the County Governments incurred a total expenditure of Kshs.286.49 billion which included Kshs.229.62 billion (80 per cent) for recurrent activities and Kshs.56.87 billion (20 per cent) for development activities. The expenditure reflected an absorption rate of 48 per cent of the annual County Governments' budget, a decline compared to an absorption rate of 49 per cent realised in a similar period of FY 2023/24, when the cumulative expenditure was Kshs.274.08 billion. The Counties that achieved higher overall absorption rates of their respective approved annual County Governments budgets were Narok at 67 per cent, Nandi at 58 per cent, Kitui at 57 per cent, Machakos at 55 per cent, Busia at 55 per cent, and Nyeri at 54 per cent. Conversely, Counties like Garissa and Kilifi recorded the lowest aggregate absorption rates at 40 per cent and 39 per cent, respectively. Kisumu, Kisii and Embu each recorded absorption rates of 38 per cent, while Nakuru had the lowest at 36 per cent.

The County Governments' recurrent expenditure during the period amounted to Kshs.229.62 billion, accounting for 61 per cent of the annual County governments' budget for recurrent activities, a decline from 64 per cent recorded in a similar period in FY 2023/24, when the expenditure for recurrent activities was Kshs.229.18 billion. The expenditure included Kshs.154.94 billion (67 per cent) for personnel emoluments and Kshs.74.68 billion (33 per cent) for operations and maintenance. Moreover, the County Assemblies incurred Kshs.1.08 billion on MCAs' sitting allowances against an approved annual FY 2024/25 budget allocation of Kshs.1.96 billion, translating to 55 per cent of the approved MCAs sitting allowance budget, an increase from 54 per cent realised in the first nine months of FY 2023/24.

The development expenditure for the County Governments in the first nine months of FY 2024/25 amounted to Kshs.56.87 billion, translating to an absorption rate of 26 per cent of the cumulative annual FY 2023/24 development budget of Kshs.222.20 billion, showing an improvement from an absorption rate of 22 per cent realised in a similar period of FY 2023/24, when development expenditure was Kshs.44.89 billion. Busia County achieved a high absorption rate of its approved development budgets at 45 per cent, Garissa County and Mandera County attained 41 per cent each, Narok County attained 39 per cent, while Siaya and Nandi Counties attained 36 per cent. In contrast, the Counties that had the lowest absorption rates of their respective approved development budgets included Nairobi City at 17 per cent, Embu at 16 per cent, Taita Taveta at 14 per cent, Lamu at 13 per cent and Nakuru and Kisumu each at 10 per cent.

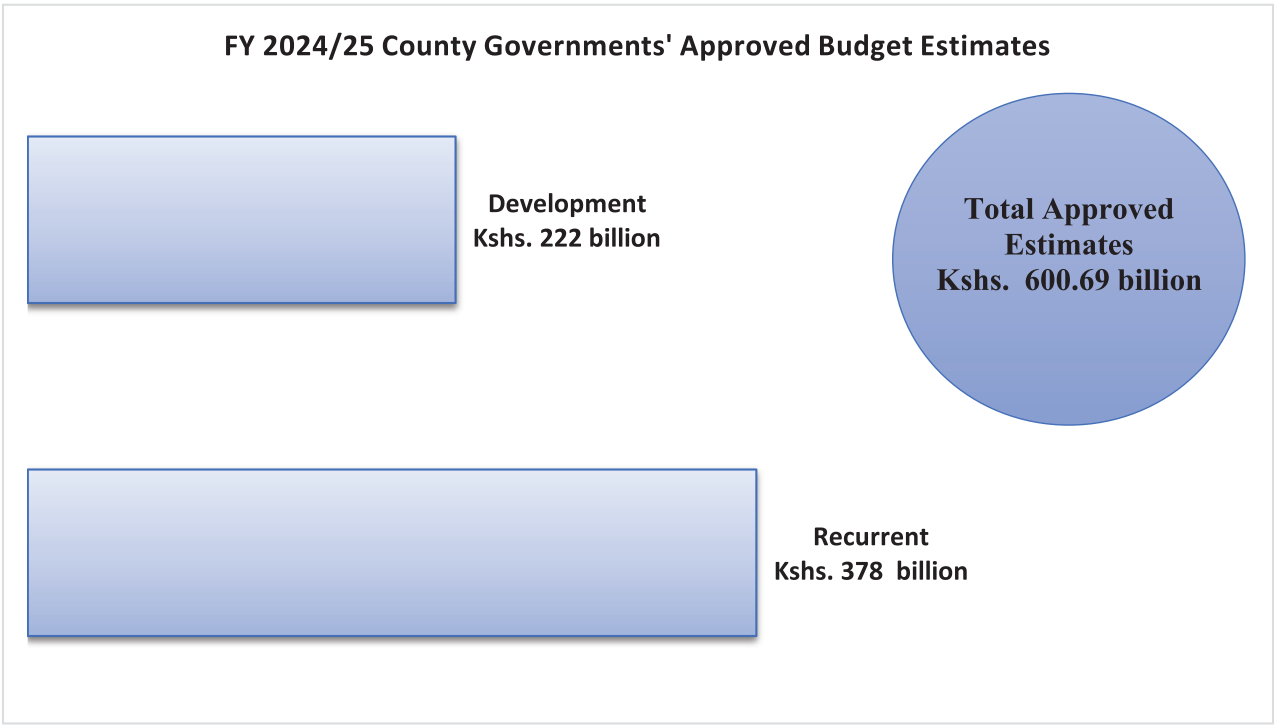
During the reporting period, the County Governments reported outstanding pending bills stock of Kshs.172.51 billion, comprising Kshs.139.88 billion for recurrent activities and Kshs.32.63 billion for development activities. The Counties with significant pending bills stock included Nairobi City at Kshs.115.69 billion, Kiambu at Kshs.5.60 billion, Machakos at Kshs.4.63 billion, Mombasa at Kshs.3.43 billion, Garissa at Kshs.2.62 billion, Kisii at Kshs.2.56 billion, Bungoma at Kshs.2.50 billion, Kisumu at Kshs.2.24 billion and Busia at Kshs.2.04 billion.

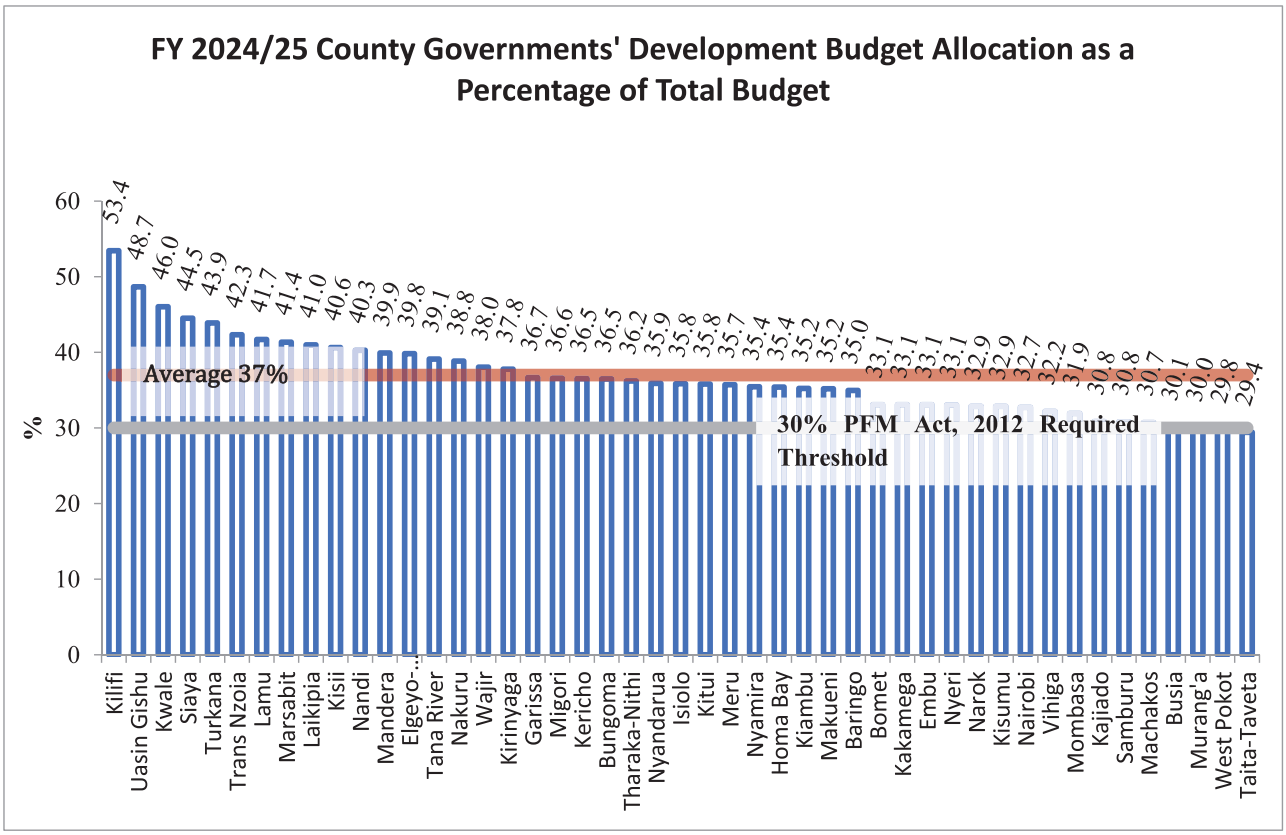
In the first nine months of FY 2024/25, the Controller of Budget identified several challenges that hindered effective budget execution, including (i) Delay by the National Treasury to disburse the Equitable Share of Revenue raised nationally, (ii) Delay by the Parliament to enact the County Government Additional Allocations Bill 2024, (iii) Under-performance in Own Source revenue collection, (iv) Disparity in Budget Implementation by County Votes and Programs, (v) Non-Compliance with Legislation on Account Opening by County Governments (vi) Non-Adherence to Pending Bills Payment Plans (vii) Low Expenditure on Development programmes, (viii) High Wage Bill to Revenue ratio and (viii) Delay in submission of Financial and Non-Financial Reports to the Controller of Budget.

Based on these findings, the Controller of Budget recommends the following actions to improve budget implementation moving forward: (i)The National Treasury to disburse the remaining equitable share of revenue, totaling Kshs.162.72 billion, to County Governments by the end of FY 2024/25; (ii) With the County Governments Additional Allocations Bill enacted, we request the expedited disbursement of additional funds during the remainder of FY 2024/25; (iii) County governments that underperform in Own Source Revenue (OSR) should revise their revenue estimates downward and work with other stakeholders to enhance revenue forecasting; (iv) Funds must be equitably disbursed to all programmes and sub-programmes in FY 2024/25; (v) County Treasuries to submit account opening authorisation letters to the Controller of Budget as required by Regulation 82 of the Public Finance Management (County Governments) Regulations; (vi) Counties should adhere to their pending bills payment plans for the remaining period of FY 2024/25; (viii) County Governments to focus on settling completed development projects in the remaining period of the financial year (viii) County Governments to develop actionable strategies to reduce their wage bill to revenue ration to 35 per cent by June 2028, and (viii) Lastly, counties to ensure compliance with legal requirements for submitting quarterly financial and non-financial reports.

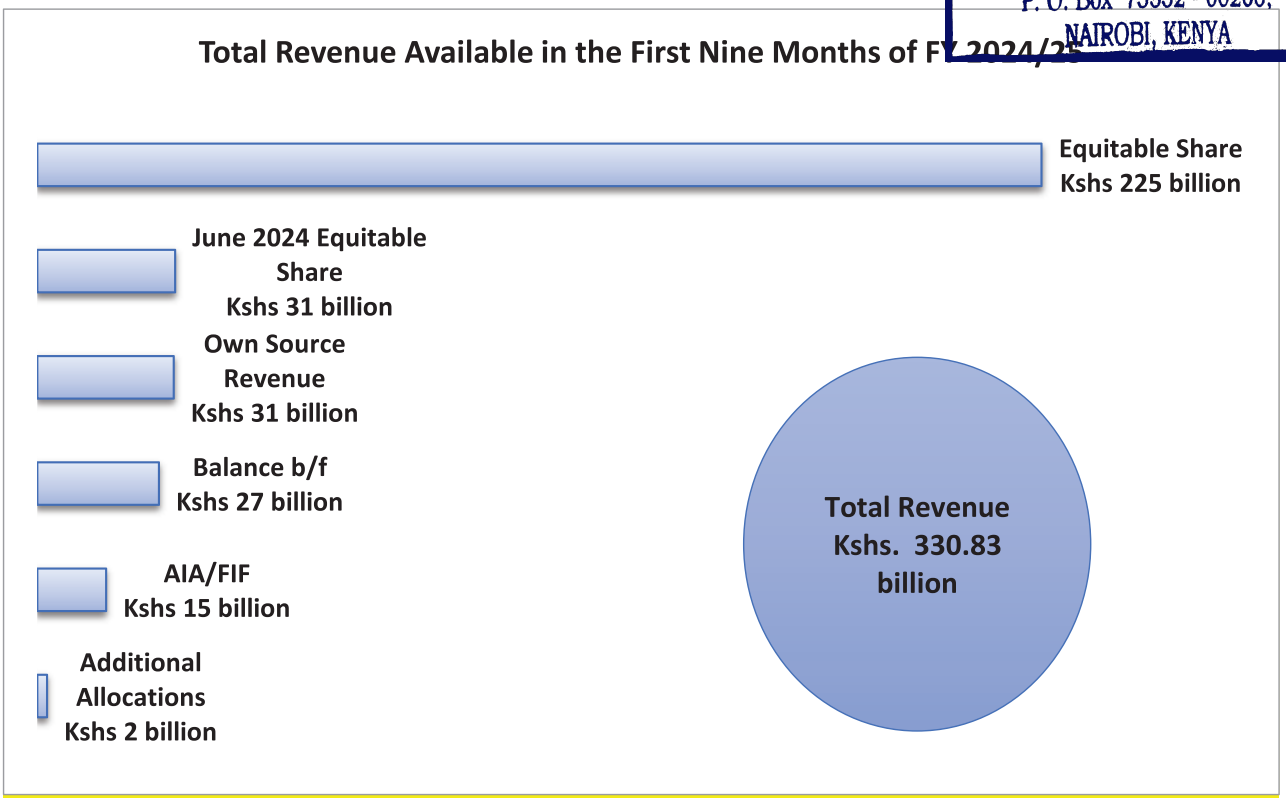
KEY HIGHLIGHTS

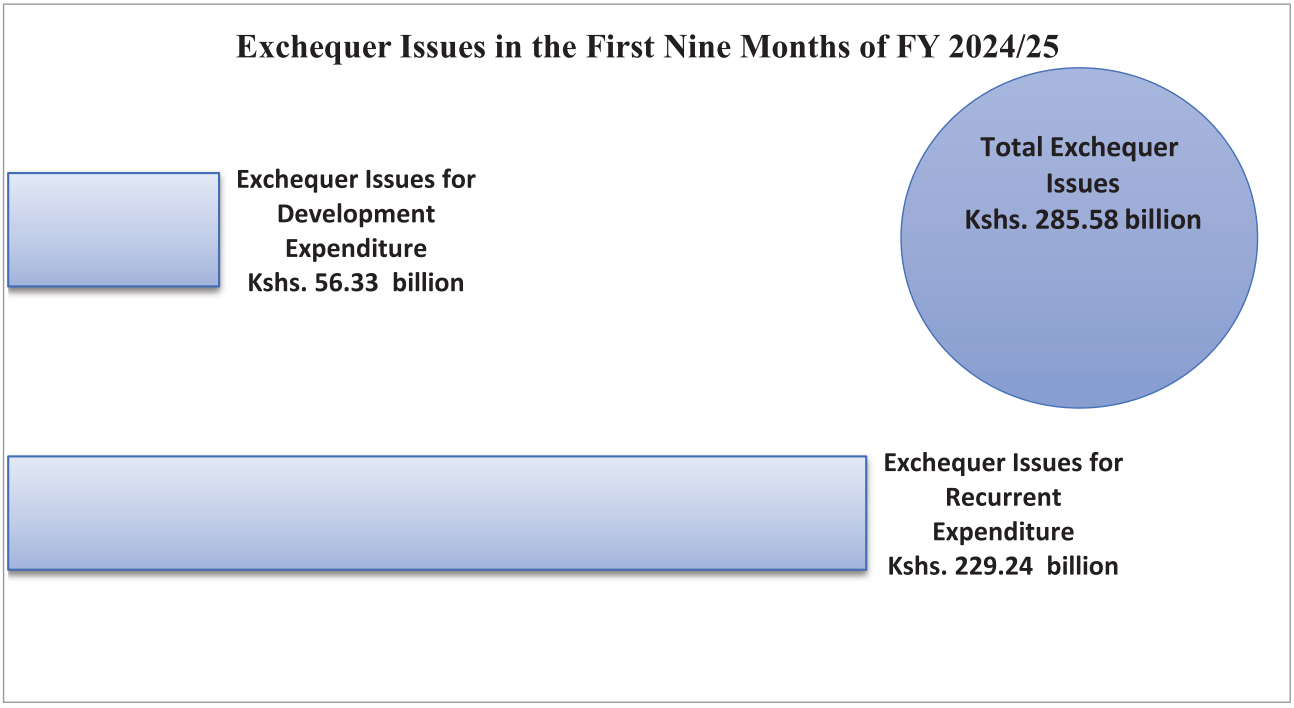
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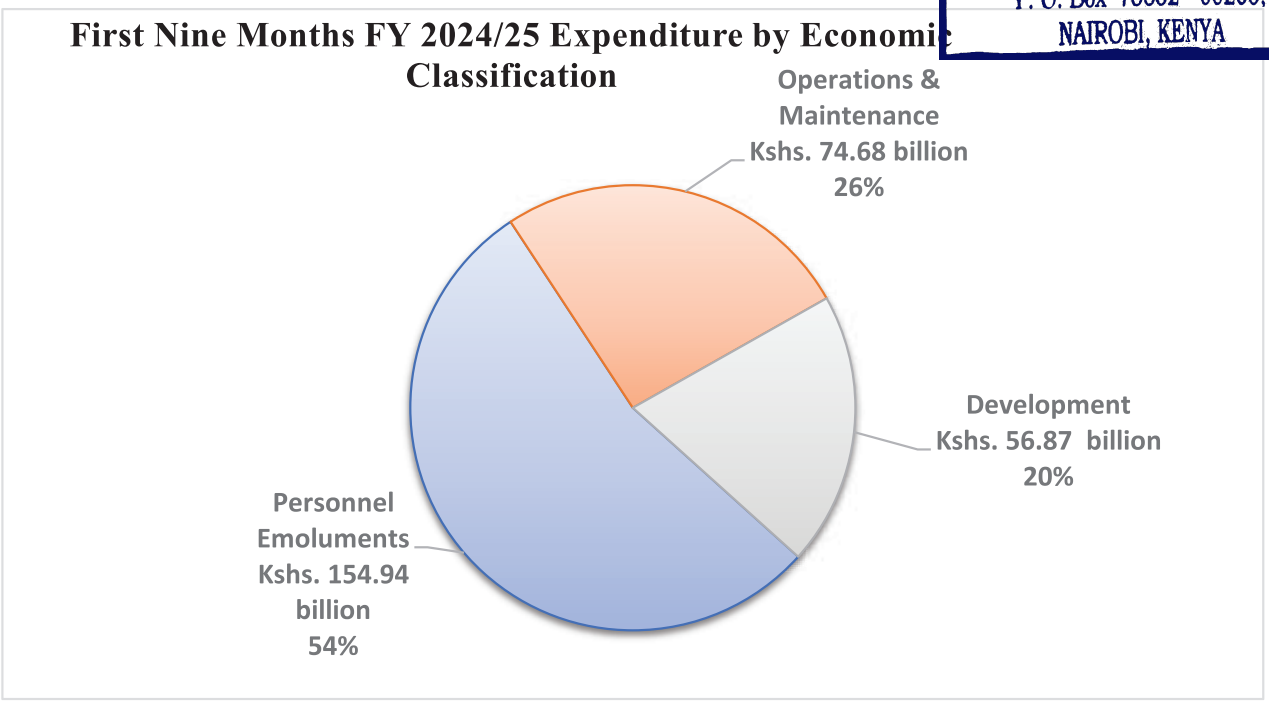


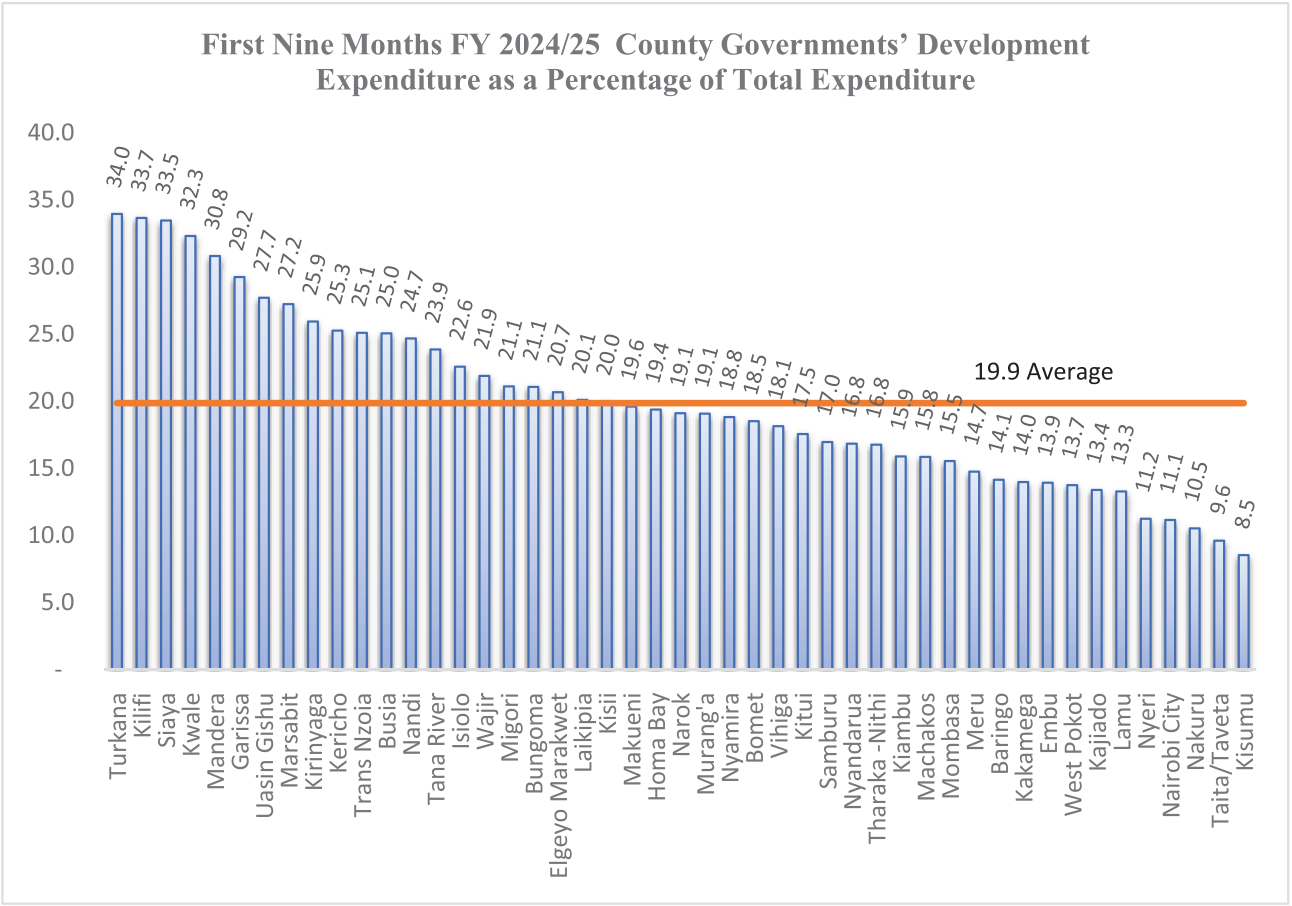
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1. INTRODUCTION

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The Office of the Controller of Budget (OCoB) is an oversight institution established under Article 228 of the Constitution of Kenya. Its role is to oversee and report on the implementation of budgets for the National and County Governments. According to Article 228 (6) of the Constitution and Section 9 of the Controller of Budget (CoB) Act, 2016, the Controller of Budget must submit a report to each house of Parliament on budget implementation every four months. This County Budget Implementation Review Report (CBIRR) covers the first nine months of the fiscal year 2024/25, from July 2024 to March 2025.

The CBIRR presents an overview of budget execution by County governments. It analyses data on counties' own source revenue collected, transfers received from the National Government and development partners, and total expenditures during the first nine months of the FY 2024/25. The report is based on quarterly financial reports submitted to the OCoB by County Treasuries, as outlined in Sections 166 and 168 of the Public Finance Management (PFM) Act of 2012, as well as data generated from the Integrated Financial Management System (IFMIS) and information gathered by the OCoB while overseeing budget implementation.

The structure of this report is as follows: Chapter One provides an introduction, and Chapter Two analyses the budget performance of counties during the first nine months of FY 2024/25. In Chapter Two, the performance of county governments in generating own-source revenue is discussed, along with actual expenditures compared to the budget estimates for recurrent and development expenditure. Recurrent expenditure is categorised into Compensation of Employees and Operations and Maintenance. A summary of the pending bills for the forty-seven county governments as of 31 March 2025 is also included in this chapter. The absorption rate, which measures performance, is calculated as a percentage of actual expenditure relative to the approved annual budget estimates.

Chapter Three provides a detailed report by individual Counties. It discusses budget performance across recurrent and development expenditures, exchequer issues, and actual spending, categorised into Compensation of Employees, Operations and Maintenance, and Development Expenditure. Additionally, this Chapter analyses the execution of the budget by programmes and sub-programmes for each department, along with information on development projects undertaken in the first nine months of FY 2024/25.

Chapter Four summarises the key challenges identified by the CoB in budget implementation in counties during the first nine months of FY 2024/25. The report also recommends enhancing effective and efficient budget implementation and promoting best practices. The conclusion of the report is presented in the final chapter.

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2. FINANCIAL ANALYSIS OF COUNTY BUDGET IMPLEMENTATION IN THE FIRST NINE MONTHS OF FY 2024/25

2.1. Introduction

This chapter presents the financial analysis of aggregated County budget implementation for the first nine months of FY 2024/25, covering the period from July 2024 to March 2025.

2.2. Revenue Analysis

The combined budgets of the County Governments, approved by the County Assemblies, amounted to Kshs.600.69 billion, comprising Kshs.222.20 billion (37 per cent) allocated to development expenditure and Kshs.378.49 billion (63 per cent) to recurrent expenditure.

Aggregately, County Governments expect to receive an equitable share of nationally raised revenue for FY 2024/25, amounting to Kshs.387.43 billion. Additionally, they expect arrears for the equitable share for FY 2023/24 (for June 2024), totalling Kshs.30.83 billion. Own Source Revenue is estimated at Kshs.87.11 billion, which includes Appropriations in Aid (A-i-A) and the Facility Improvement Financing (FIF) of Kshs.21.88 billion. County Governments projected Additional Allocations of Kshs.66.35 billion, while the unspent balance from FY 2023/24 is projected at Kshs.28.98 billion. Notably, the County Governments Additional Allocations Bill, 2024, had not yet been considered by Parliament as of 31 March 2025.

2.2.1 Revenue Outturn

The total funds available to the County Governments in the first nine months of FY 2024/25 amounted to Kshs.330.83 billion. This includes Kshs.224.71 billion in equitable shares of revenue raised nationally for FY 2024/25 and equitable share arrears for FY 2023/24 (as of June 2024) of Kshs.30.83 billion; additional allocations of Kshs.2.17 billion; own-source revenue collection of Kshs.45.91 billion, which includes A-i-A/FIF of Kshs.15.39 billion, and the available balance brought forward was Kshs.27.21 billion.

2.2.2 Own-Source Revenue

During the reporting period, County Governments generated a total of Kshs.45.91 billion from their own-source revenue (OSR), which was 53 per cent of the annual target of Kshs.87.11 billion. The realised OSR is an increase compared to Kshs.41.40 billion generated in a similar period in FY 2023/24. Analysis of own-source revenue collection for July 2024 to March 2025 is shown in Table 2.1

Table 2.1: Own Source Revenue Collection in the First Nine Months of FY 2024/25

County	Ordinary OSR Target (Kshs. Million)	FIF/ AIA Target (Kshs. Million)	Total OSR Revenue Target (Kshs.Million)	Ordinary OSR Actual Realised (Kshs.Million)	FIF/AIA Actual (Kshs.Million)	Total OSR Revenue (Kshs.Million)	Performance (%)
	A	B	C=A+B	D	E	F=D+E	G=F/C100
Baringo	450.72	149.38	600.10	190.86	108.05	298.91	50
Bomet	280.03	175.72	455.75	102.33	80.27	182.60	40
Bungoma	1,193.25	1,063.65	2,256.89	352.70	441.40	794.10	35
Busia	442.26	204.74	647.01	170.76	128.36	299.12	46
Elgeyo-Marakwet	107.43	245.00	352.43	56.45	203.46	259.91	74
Embu	827.38	476.05	1,303.42	244.99	324.73	569.73	44
Garissa	140.00	160.00	300.00	73.40	238.81	312.20	104
Homa Bay	501.74	981.07	1,482.81	285.54	753.15	1,038.69	70
Isiolo	271.21	100.00	371.21	122.28	42.74	165.02	44
Kajiado	1,200.00	370.00	1,570.00	427.11	247.42	674.53	43
Kakamega	1,359.00	841.00	2,200.00	640.55	593.75	1,234.30	56
Kericho	576.24	646.36	1,222.60	264.10	498.88	762.98	62
Kiambu	5,580.14	2,400.00	7,980.14	2,083.51	1,247.27	3,330.78	42
Kilifi	1,570.80	400.00	1,970.80	577.34	336.44	913.78	46

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County	Ordinary OSR Target (Kshs. Million)	FIF/ AIA Target (Kshs. Million)	Total OSR Revenue Target (Kshs.Million)	Ordinary OSR Actual Realised (Kshs.Million)	FIF/AIA Actual (Kshs.Million)	Total OSR Revenue (Kshs.Million)	Performance (%)
	A	B	C=A+B	D	E	F=D+E	G=F/C100
Kirinyaga	430.45	218.00	648.45	258.57	244.11	502.68	78
Kisii	865.00	1,561.00	2,426.00	347.00	658.76	1,005.76	41
Kisumu	2,877.95	926.12	3,804.07	611.96	752.11	1,364.07	36
Kitui	390.64	598.01	988.65	171.88	363.43	535.31	54
Kwale	350.00	300.00	650.00	186.78	84.25	271.04	42
Laikipia	842.50	602.50	1,445.00	369.40	501.12	870.53	60
Lamu	160.00	130.00	290.00	66.77	98.11	164.88	57
Machakos	2,788.96	687.00	3,475.96	1,008.17	170.39	1,178.56	34
Makueni	905.18	176.43	1,081.61	350.75	210.08	560.82	52
Mandera	278.61	57.92	336.53	143.47	59.36	202.83	60
Marsabit	110.00	141.16	251.16	52.04	76.89	128.94	51
Meru	500.00	550.00	1,050.00	275.29	498.92	774.21	74
Migori	550.00	140.00	690.00	226.42	161.41	387.83	56
Mombasa	4,746.92	1,250.00	5,996.91	2,279.67	937.79	3,217.46	54
Murang'a	850.00	750.00	1,600.00	481.13	351.29	832.42	52
Nairobi City	20,060.93	0.00	20,060.93	8,711.69	1,246.69	9,958.38	50
Nakuru	2,448.76	1,997.21	4,445.97	1,270.59	1,278.75	2,549.35	57
Nandi	508.94	335.23	844.17	234.61	133.59	368.20	44
Narok	4,859.05	120.95	4,980.00	4,878.99	75.03	4,954.02	99
Nyamira	400.00	450.00	850.00	77.14	322.30	399.44	47
Nyandarua	600.00	250.00	850.00	242.04	178.83	420.87	50
Nyeri	800.00	836.30	1,636.30	461.33	497.56	958.89	59
Samburu	262.93	18.70	281.63	232.87	7.54	240.41	85
Siaya	849.36	194.70	1,044.06	136.08	340.20	476.28	46
Taita-Taveta	600.00	250.00	850.00	186.90	130.88	317.78	37
Tana River	92.67	3.96	96.63	163.18	2.96	166.13	172
Tharaka-Nithi	285.00	200.00	485.00	152.18	163.20	315.38	65
Trans Nzoia	368.30	311.70	680.00	205.91	175.30	381.22	56
Turkana	241.00	79.00	320.00	120.52	109.96	230.48	72
Uasin Gishu	1,318.20	76.80	1,395.00	760.32	31.09	791.41	57
Vihiga	200.00	140.00	340.00	123.30	115.65	238.95	70
Wajir	90.00	180.00	270.00	87.93	79.37	167.30	62
West Pokot	97.20	132.80	230.00	54.36	90.79	145.15	63
Total	**65,228.74**	**21,878.45**	**87,107.19**	**30,521.19**	**15,392.43**	**45,913.62**	**53**

***Source**: County Treasuries*

An analysis of own-source revenue (OSR) as a proportion of the annual revenue target revealed that five counties exceeded 75 per cent of their annual targets. These counties are Tana River County (172 per cent), Garissa County (104 per cent), Narok County (99 per cent), Samburu County (85 per cent), and Kirinyaga County (78 per cent). Tana River County's exceptional performance during this review period is attributed to revenue from the significant gypsum extraction.

Garissa County's positive OSR results are linked to revenue collection from the FIF, which exceeded its target following the enactment of the FIF Act. The timely supply of drugs facilitated smooth operations in health facilities, thus increasing revenue from user charges and public health fees.

Conversely, the counties with OSR performance below 50 percent include Nyamira County (47 per cent), Kilifi County (46 per cent), Busia County (46 per cent), Siaya County (44 per cent), Embu County (44 per cent), Nandi County (44 per cent), Kajiado County (43 per cent), Kiambu County (42 per cent), Kwale County (42 per cent), Kisii County (41 per cent), Bomet County (40 per cent), and Taita Taveta, Kisumu, Bungoma, and Machakos counties (all below 40 per cent).

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For County Governments whose OSR performance in the review period fell short of their projected targets for the first nine months of FY 2024/25, the Controller of Budget recommends implementing strategies to collect the remaining balance within the available timeframe. Additionally, these counties should consider revising their OSR projections for the next period to align with realistic and achievable targets, which can be achieved by using an objective revenue forecasting model. Chapter Three provides a detailed analysis of own-source revenue by stream for each county.

2.3. Funds Released to the Counties

2.3.1 Funds Released from the Consolidated Fund to the Counties

In the first nine months of FY 2024/25, the CoB approved the transfer of Kshs.255.54 billion as the equitable share of revenue raised nationally from the Consolidated Fund to the various County Revenue Funds (CRFs) per Article 206(4) of the Constitution of Kenya, 2010. The transferred amounts included Kshs.30.83 billion, which was in arrears from FY 2023/24. Chapter Three provides a detailed analysis of the released equitable share to each County.

2.3.2 Funds Released to the County Operational Accounts

The CoB authorised the withdrawal of Kshs.285.58 billion from the County Revenue Funds to the County Operational Accounts, comprising Kshs.229.24 billion (80 per cent) for recurrent expenditure and Kshs.56.33 billion (20 per cent) for development expenditure. This was an increase from the Kshs.263.60 billion authorised in a similar period in FY 2023/24. Chapter Three provides a detailed analysis of the funds released to each County.

2.4. Expenditure Analysis

The total expenditure by County Governments in the first nine months of FY 2024/25 was Kshs.286.49 billion, representing an overall absorption rate of 48 per cent of the total Annual County government's budget of Kshs.600.69 billion. This is a decrease from an absorption rate of 49 per cent reported in a similar period in FY 2023/24 when the total expenditure was Kshs.274.08 billion against a budget of Kshs.564.53 billion.

Recurrent expenditure was Kshs.229.62 billion, representing 61 per cent of the annual recurrent budget, a decrease from an absorption rate of 64 per cent reported in the first nine months of FY 2023/24. Development expenditure amounted to Kshs.56.87 billion, representing an absorption rate of 26 per cent and an increase from 22 per cent in the first nine months of FY 2023/23. The analysis of expenditure by economic classification in the first nine months of FY 2024/25 is provided in Table 2.2.

Table 2.2: Expenditure by Major Economic Classification in the first nine months of FY 2024/25

County	Recurrent Expenditure (Kshs.Millions)			Development Expenditure (Kshs. Millions)	Total Expenditure (Kshs.Millions)
	Compensation to Employees	Operations & Maintenance	Total Recurrent Expenditure		
	A	B	C=A+B	D	E=C+D
Baringo	2,580.98	1,009.19	3,590.17	591.20	4,181.37
Bomet	2,591.62	1,272.19	3,863.81	877.39	4,741.20
Bungoma	4,702.67	1,417.60	6,120.27	1,632.76	7,753.02
Busia	2,567.95	1,183.27	3,751.22	1,253.70	5,004.92
Elgeyo-Marakwet	2,015.22	802.05	2,817.27	733.85	3,551.11
Embu	2,156.36	646.14	2,802.50	453.13	3,255.63
Garissa	3,096.49	1,054.83	4,151.32	1,715.91	5,867.23
Homa Bay	3,915.81	900.15	4,815.96	1,156.93	5,972.89
Isiolo	1,861.27	799.80	2,661.07	775.53	3,436.59
Kajiado	3,310.90	1,586.68	4,897.58	756.59	5,654.17
Kakamega	4,984.21	2,411.38	7,395.59	1,200.86	8,596.45
Kericho	2,433.74	1,039.44	3,473.18	1,173.48	4,646.67
Kiambu	6,384.12	3,244.82	9,628.94	1,817.38	11,446.33
Kilifi	3,684.61	1,930.74	5,615.35	2,848.12	8,463.47
Kirinyaga	1,928.48	905.52	2,834.00	992.23	3,826.23
Kisii	3,844.48	812.00	4,656.48	1,160.98	5,817.46

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County	Recurrent Expenditure (Kshs.Millions)			Development Expenditure (Kshs. Millions)	Total Expenditure (Kshs.Millions)
	Compensation to Employees	Operations & Maintenance	Total Recurrent Expenditure		
	A	B	C=A+B	D	E=C+D
Kisumu	4,185.18	1,093.65	5,278.82	491.86	5,770.69
Kitui	4,430.72	2,499.24	6,929.96	1,474.81	8,404.77
Kwale	2,784.68	1,844.05	4,628.73	2,208.94	6,837.67
Laikipia	2,333.53	629.12	2,962.65	744.95	3,707.60
Lamu	1,436.38	495.76	1,932.14	295.60	2,227.74
Machakos	5,288.92	1,899.96	7,188.88	1,353.30	8,542.18
Makueni	3,247.16	1,982.19	5,229.35	1,274.29	6,503.64
Mandera	3,105.18	2,340.71	5,445.90	2,425.26	7,871.16
Marsabit	2,736.41	1,128.61	3,865.02	1,445.98	5,311.01
Meru	3,885.75	1,953.33	5,839.09	1,009.86	6,848.95
Migori	2,368.37	2,191.75	4,560.12	1,219.34	5,779.46
Mombasa	3,935.57	2,560.46	6,496.03	1,194.73	7,690.77
Murang'a	3,173.97	1,265.74	4,439.72	1,045.79	5,485.51
Nairobi	12,839.89	6,539.40	19,379.30	2,429.93	21,809.23
Nakuru	4,807.23	2,885.68	7,692.91	904.07	8,596.98
Nandi	2,256.73	2,425.51	4,682.24	1,533.50	6,215.74
Narok	4,540.29	3,946.45	8,486.73	2,003.48	10,490.21
Nyamira	2,258.69	558.97	2,817.66	652.80	3,470.46
Nyandarua	1,728.86	1,382.64	3,111.50	629.57	3,741.07
Nyeri	3,348.00	851.12	4,199.12	531.40	4,730.53
Samburu	1,868.34	1,310.71	3,179.05	648.97	3,828.02
Siaya	1,940.79	1,592.72	3,533.51	1,776.78	5,310.29
Taita-Taveta	2,236.95	976.35	3,213.30	341.18	3,554.48
Tana River	1,568.90	1,869.27	3,438.18	1,076.89	4,515.07
Tharaka-Nithi	2,047.19	647.95	2,695.14	542.45	3,237.60
Trans Nzoia	2,741.45	903.10	3,644.55	1,220.73	4,865.29
Turkana	4,390.38	680.57	5,070.94	2,606.58	7,677.52
Uasin Gishu	3,649.63	1,939.94	5,589.56	2,141.89	7,731.45
Vihiga	1,984.57	734.09	2,718.66	602.16	3,320.82
Wajir	3,298.47	1,536.85	4,835.32	1,354.18	6,189.51
West Pokot	2,459.95	1,000.32	3,460.26	551.07	4,011.34
Total	**154,937.04**	**74,682.01**	**229,619.05**	**56,872.42**	**286,491.46**

Source: *OCoB and County Treasuries*

A review of cumulative expenditures by economic classification revealed that Kshs.154.94 billion (54 per cent) was spent on Compensation to Employees, Kshs.74.68 billion (26 per cent) on Operations and Maintenance, and Kshs.56.87 billion (20 per cent) on Development Expenditures.

2.4.1 Development Expenditure

The County Governments spent Kshs.56.87 billion on development activities, representing an absorption rate of 26 per cent of the annual development budget of Kshs.222.20 billion. This is an increase from the absorption rate of 22 per cent reported in the first nine months of FY 2023/24, when development expenditure was Kshs.44.89 billion. Table 2.3 analyses County budget allocations, expenditures, and absorption rates during the period under review.

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Table 2.3: County Budget Allocation, Expenditure, and Absorption Rate for the First Nine Months of FY 2024/25

County	Budget Estimates (Kshs.Million			Expenditure (Kshs.Million)			Rec. Absorption Rate (%)	Dev. 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	5,979.93	3,213.62	**9,193.55**	3,590.17	591.20	**4,181.37**	60	18	**45**
Bomet	6,544.32	3,235.81	**9,780.13**	3,863.81	877.39	**4,741.20**	59	27	**48**
Bungoma	9,827.06	5,643.04	**15,470.10**	6,120.27	1,632.76	**7,753.02**	62	29	**50**
Busia	6,510.52	2,803.20	**9,313.72**	3,751.22	1,253.70	**5,004.92**	58	45	**54**
Elgeyo-Marakwet	4,752.78	3,147.09	**7,899.87**	2,817.27	733.85	**3,551.11**	59	23	**45**
Embu	5,711.81	2,821.73	**8,533.54**	2,802.50	453.13	**3,255.63**	49	16	**38**
Garissa	7,259.24	4,200.99	**11,460.23**	4,151.32	1,715.91	**5,867.23**	57	41	**51**
Homa Bay	7,670.90	4,206.08	**11,876.98**	4,815.96	1,156.93	**5,972.89**	63	28	**50**
Isiolo	4,320.77	2,412.43	**6,733.20**	2,661.07	775.53	**3,436.59**	62	32	**51**
Kajiado	9,123.91	4,068.55	**13,192.46**	4,897.58	756.59	**5,654.17**	54	19	**43**
Kakamega	12,003.18	5,931.24	**17,934.42**	7,395.59	1,200.86	**8,596.45**	62	20	**48**
Kericho	6,195.65	3,561.28	**9,756.94**	3,473.18	1,173.48	**4,646.67**	56	33	**48**
Kiambu	15,897.94	8,644.86	**24,542.80**	9,628.94	1,817.38	**11,446.33**	61	21	**47**
Kilifi	9,966.39	11,440.10	**21,406.50**	5,615.35	2,848.12	**8,463.47**	56	25	**40**
Kirinyaga	4,931.59	2,994.12	**7,925.71**	2,834.00	992.23	**3,826.23**	57	33	**48**
Kisii	8,998.56	6,156.80	**15,155.35**	4,656.48	1,160.98	**5,817.46**	52	19	**38**
Kisumu	10,272.07	5,029.53	**15,301.60**	5,278.82	491.86	**5,770.69**	51	10	**38**
Kitui	9,524.05	5,315.96	**14,840.02**	6,929.96	1,474.81	**8,404.77**	73	28	**57**
Kwale	8,114.81	6,924.41	**15,039.22**	4,628.73	2,208.94	**6,837.67**	57	32	**45**
Laikipia	5,003.70	3,475.84	**8,479.54**	2,962.65	744.95	**3,707.60**	59	21	**44**
Lamu	3,082.74	2,206.03	**5,288.78**	1,932.14	295.60	**2,227.74**	63	13	**42**
Machakos	10,825.82	4,799.58	**15,625.40**	7,188.88	1,353.30	**8,542.18**	66	28	**55**
Makueni	7,928.82	4,299.67	**12,228.49**	5,229.35	1,274.29	**6,503.64**	66	30	**53**
Mandera	8,948.80	5,942.16	**14,890.96**	5,445.90	2,425.26	**7,871.16**	61	41	**53**
Marsabit	6,044.95	4,263.66	**10,308.61**	3,865.02	1,445.98	**5,311.01**	64	34	**52**
Meru	8,949.96	4,972.43	**13,922.40**	5,839.09	1,009.86	**6,848.95**	65	20	**49**
Migori	7,411.69	4,275.61	**11,687.30**	4,560.12	1,219.34	**5,779.46**	62	29	**49**
Mombasa	11,066.29	5,193.71	**16,260.00**	6,496.03	1,194.73	**7,690.77**	59	23	**47**
Murang'a	7,525.45	3,218.20	**10,743.65**	4,439.72	1,045.79	**5,485.51**	59	32	**51**
Nairobi	29,304.73	14,259.54	**43,564.27**	19,379.30	2,429.93	**21,809.23**	66	17	**50**
Nakuru	14,670.26	9,310.14	**23,980.40**	7,692.91	904.07	**8,596.98**	52	10	**36**
Nandi	6,346.94	4,281.30	**10,628.24**	4,682.24	1,533.50	**6,215.74**	74	36	**58**
Narok	10,526.98	5,155.56	**15,682.54**	8,486.73	2,003.48	**10,490.21**	81	39	**67**
Nyamira	5,232.29	2,870.61	**8,102.90**	2,817.66	652.80	**3,470.46**	54	23	**43**
Nyandarua	5,439.11	3,047.36	**8,486.47**	3,111.50	629.57	**3,741.07**	57	21	**44**
Nyeri	5,858.56	2,892.44	**8,751.00**	4,199.12	531.40	**4,730.53**	72	18	**54**
Samburu	5,068.47	2,257.20	**7,325.67**	3,179.05	648.97	**3,828.02**	63	29	**52**
Siaya	6,073.31	4,874.83	**10,948.13**	3,533.51	1,776.78	**5,310.29**	58	36	**49**
Taita-Taveta	5,773.50	2,406.20	**8,179.70**	3,213.30	341.18	**3,554.48**	56	14	**43**
Tana River	5,669.16	3,640.34	**9,309.51**	3,438.18	1,076.89	**4,515.07**	61	30	**48**
Tharaka-Nithi	4,436.10	2,516.79	**6,952.89**	2,695.14	542.45	**3,237.60**	61	22	**47**
Trans Nzoia	6,070.19	4,451.57	**10,521.76**	3,644.55	1,220.73	**4,865.29**	60	27	**46**
Turkana	11,085.00	8,675.26	**19,760.26**	5,070.94	2,606.58	**7,677.52**	46	30	**39**
Uasin Gishu	7,785.58	7,378.54	**15,164.12**	5,589.56	2,141.89	**7,731.45**	72	29	**51**
Vihiga	4,819.13	2,286.77	**7,105.90**	2,718.66	602.16	**3,320.82**	56	26	**47**
Wajir	8,377.48	5,140.14	**13,517.62**	4,835.32	1,354.18	**6,189.51**	58	26	**46**

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County	Budget Estimates (Kshs.Million			Expenditure (Kshs.Million)			Rec. Absorption Rate (%)	Dev. 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
West Pokot	5,562.09	2,358.45	**7,920.54**	3,460.26	551.07	**4,011.34**	62	23	**51**
Total	**378,492.62**	**222,200.77**	**600,693.39**	**229,619.05**	**56,872.42**	**286,491.46**	**61**	**26**	**48**

Source: OCoB and County Treasuries

The analysis of development expenditures reveals that the counties with the lowest absorption rates were as follows: Nakuru and Kisumu Counties at 10 per cent, Lamu at 13 per cent, Taita-Taveta County at 14 per cent, Embu County at 16 per cent, Nairobi County at 17 per cent, and Nyeri and Baringo Counties at 18 per cent. Kajiado and Kisii County had an absorption rate of 19 per cent.

In contrast, Buisa County had the highest absorption rate for development expenditures, at 45 per cent, followed by Garissa and Mandera Counties, at 41 per cent, and Narok County, at 39 per cent. Chapter Three provides a detailed analysis of the implementation of development expenditures in the counties.

2.4.2 Recurrent Expenditure

The Counties spent an aggregate of Kshs.229.62 billion, or 80 per cent of the total expenditure, on recurrent activities. This expenditure represented 61 per cent of the annual County Government's budget for recurrent activities, a decrease from 64 per cent represented in a similar period in FY 2023/24.

The recurrent expenditure comprised Kshs.154.94 billion (54 per cent) on Compensation to Employees and Kshs.74.68 billion (26 per cent) on Operations and Maintenance (O&M) expenditure. Chapter Three provides an analysis of the recurrent expenditure by Counties.

2.4.3 Review of MCA Sitting Allowances

The County Assemblies spent Kshs.1.08 billion on MCA's sitting allowances against an approved budget allocation of Kshs.1.96 billion during the reporting period. This expenditure translates to 55 per cent of the approved MCA sitting allowance budget, an increase from 54 per cent in the first nine months of FY 2023/24. Table 2.4 shows the budgetary allocation and expenditure on MCAs' and Speakers' sitting allowances in the first nine months of FY 2024/25.

Table 2.4: MCA's Budget Allocation, Expenditure and Absorption Rate in the First Nine Months of FY 2024/25

County	Budget (Kshs.)	Expenditure (Kshs.)	Absorption (%)	No. of MCAs	Average monthly sitting allowances per MCA (Kshs.)
	A	B	C=B/A100	D	E=B/D/6
Baringo	50,784,000	34,388,562	68	45	84,910
Bomet	33,475,564	18,700,573	56	39	53,278
Bungoma	56,352,000	38,082,990	68	63	67,166
Busia	14,780,168	4,748,696	32	53	9,955
Elgeyo-Marakwet	30,221,100	19,740,800	65	34	64,512
Embu	30,603,200	16,460,400	54	31	58,998
Garissa	30,971,000	20,399,549	66	48	47,221
Homa Bay	45,052,800	41,299,302	92	54	84,978
Isiolo	10,503,758	8,151,588	78	19	47,670
Kajiado	51,244,800	11,685,165	23	42	30,913
Kakamega	131,153,160	58,279,000	44	89	72,758
Kericho	47,432,074	25,416,943	54	48	58,836
Kiambu	75,000,000	58,384,300	78	87	74,565
Kilifi	36,000,000	18,488,600	51	56	36,684
Kirinyaga	68,232,685	19,614,800	29	34	64,101
Kisii	65,000,710	51,001,300	78	71	79,814
Kisumu	60,748,000	30,165,496	50	48	69,828
Kitui	31,832,900	15,468,892	49	61	28,176

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County	Budget (Kshs.)	Expenditure (Kshs.)	Absorption (%)	No. of MCAs	Average monthly sitting allowance per MCA (Kshs.)
	A	B	C=B/A100	D	E=B/D/6
Kwale	36,419,322	14,472,300	40	31	51,872
Laikipia	22,968,000	4,124,900	18	22	20,833
Lamu	25,040,000	11,556,900	46	20	64,205
Machakos	50,000,000	26,343,216	53	61	47,984
Makueni	44,451,014	35,054,800	79	48	81,145
Mandera	41,212,400	7,137,100	17	51	15,549
Marsabit	36,100,000	17,598,100	49	33	59,253
Meru	72,243,600	41,281,300	57	70	65,526
Migori	43,524,000	25,077,100	58	60	46,439
Mombasa	30,000,000	24,652,500	82	43	63,702
Murang'a	38,937,600	26,020,752	67	48	60,233
Nairobi	27,560,000	27,335,400	99	124	24,494
Nakuru	53,000,000	29,077,010	55	76	42,510
Nandi	27,456,000	27,235,201	99	45	67,247
Narok	34,813,760	28,316,900	81	50	62,926
Nyamira	41,184,012	14,244,301	35	36	43,964
Nyandarua	39,487,500	19,631,800	50	42	51,936
Nyeri	20,200,000	13,010,400	64	43	33,619
Samburu	69,149,466	13,190,345	19	25	58,624
Siaya	31,635,119	22,483,000	71	42	59,479
Taita-Taveta	36,000,000	17,052,900	47	32	59,211
Tana River	34,611,200	14,596,900	42	27	60,070
Tharaka-Nithi	31,200,000	14,422,618	46	24	66,771
Trans Nzoia	42,432,000	14,925,600	35	34	48,776
Turkana	30,160,850	9,153,800	30	48	21,189
Uasin Gishu	39,918,400	7,454,700	19	44	18,825
Vihiga	27,000,000	31,584,500	117	38	92,352
Wajir	31,715,300	31,715,300	100	46	76,607
West Pokot	34,184,000	20,741,300	61	33	69,836
Total	**1,961,991,462**	**1,079,967,899**	**55**	**2,218**	**54,101**

Source: OCoB and County Treasuries

The County Assemblies with the highest absorption rates for their sitting allowance budgets include Vihiga County Assembly (117 per cent), Wajir County Assembly (100 per cent), and Nandi and Nairobi County Assemblies, at 99 per cent. Vihiga County Assembly should regularise the expenditure on MCAs' sitting allowances before the closure of the financial year.

2.4.4 Pending Bills as of 31 March 2025

A pending bill is an unsettled financial obligation at the end of a financial year. It arises when an entity fails to settle invoiced amounts for goods and services that were adequately procured, delivered, or rendered at the end of the financial year.

As of 31 March 2025, Counties reported outstanding pending bills, which amounted to Kshs.172.51 billion, comprising Kshs.139.88 billion for recurrent expenditure and Kshs.32.63 billion for development expenditure, as shown in Table 2.5.

Table 2.5: Pending Bills for the Counties as of 31 March 2025

County	County Executive (Kshs. Million)			County Assembly (Kshs. Million)			Grand Total (Kshs. Million)
	Recurrent	Development	Sub-Total	Recurrent	Develop-ment	Sub-Total	
Baringo	100.12	133.83	233.95	0.00	0.00	0.00	233.95
Bomet	42.15	675.83	717.98	1.27	82.44	83.71	801.70
Bungoma	1,318.05	1,166.55	2,484.60	14.70	0.00	14.70	2,499.30

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County	County Executive (Kshs. Million)			County Assembly (Kshs. Million)			Grand Total (Kshs. Million)
	Recurrent	Development	Sub-Total	Recurrent	Development	Sub-Total	
Busia	1,464.28	563.68	2,027.96	0.00	15.00	15.00	2,042.96
Elgeyo-Marakwet	3.65	2.52	6.17	0.00	0.00	0.00	6.17
Embu	804.67	942.92	1,747.59	0.00	0.00	0.00	1,747.59
Garissa	691.84	1,906.54	2,598.38	12.34	12.28	24.62	2,623.00
Homa Bay	0.00	40.08	40.08	63.00	89.23	152.22	192.30
Isiolo	472.94	219.51	692.46	5.81	8.09	13.91	706.36
Kajiado	304.24	1,199.26	1,503.50	15.39	20.77	36.17	1,539.66
Kakamega	331.42	542.00	873.42	398.50	0.00	398.50	1,271.92
Kericho	114.18	452.92	567.10	0.00	0.00	0.00	567.10
Kiambu	3,582.85	1,871.52	5,454.37	115.69	30.56	146.25	5,600.62
Kilifi	502.07	219.87	721.94	68.18	0.00	68.18	790.12
Kirinyaga	298.88	686.72	985.60	0.00	0.00	0.00	985.60
Kisii	767.93	1,747.03	2,514.96	1.56	39.68	41.23	2,556.19
Kisumu	1,096.77	1,139.95	2,236.72	2.92	2.10	5.02	2,241.74
Kitui	176.51	460.23	636.74	0.00	0.00	0.00	636.74
Kwale	508.46	269.11	777.57	63.46	14.22	77.68	855.25
Laikipia	676.32	802.64	1,478.96	10.39	0.00	10.39	1,489.35
Lamu	23.82	25.31	49.12	0.00	0.00	0.00	49.12
Machakos	2,941.24	1,567.87	4,509.10	123.96	0.00	123.96	4,633.06
Makueni	102.47	49.95	152.42	19.57	2.03	21.60	174.02
Mandera	366.34	1,018.58	1,384.92	0.00	0.00	0.00	1,384.92
Marsabit	0.00	255.50	255.50	0.00	215.30	215.30	470.79
Meru	145.09	426.96	572.05	0.00	0.00	0.00	572.05
Migori	188.41	326.41	514.81	111.12	57.46	168.57	683.39
Mombasa	1,952.82	1,464.78	3,417.60	9.63	0.00	9.63	3,427.23
Murang'a	1,348.43	241.34	1,589.77	2.84	0.00	2.84	1,592.61
Nairobi	110,900.00	4,420.76	115,320.76	371.19	2.00	373.19	115,693.95
Nakuru	1,204.50	166.89	1,371.38	36.26	0.00	36.26	1,407.65
Nandi	16.39	5.36	21.75	0.00	0.00	0.00	21.75
Narok	128.62	207.90	336.53	17.92	0.00	17.92	354.44
Nyamira	303.25	166.62	469.87	0.00	8.18	8.18	478.05
Nyandarua	288.82	658.75	947.58	94.91	0.00	94.91	1,042.49
Nyeri	46.88	55.79	102.67	4.07	0.00	4.07	106.74
Samburu	107.56	147.51	255.07	0.00	18.60	18.60	273.67
Siaya	351.49	248.10	599.59	0.00	0.00	0.00	599.59
Taita-Taveta	1,004.56	747.39	1,751.94	35.32	0.00	35.32	1,787.26
Tana River	893.68	939.39	1,833.07	0.00	0.00	0.00	1,833.07
Tharaka-Nithi	209.49	113.74	323.23	127.12	3.92	131.04	454.27
Trans Nzoia	738.48	498.39	1,236.87	0.00	0.00	0.00	1,236.87
Turkana	138.39	1,738.98	1,877.37	18.00	0.00	18.00	1,895.37
Uasin Gishu	128.64	133.77	262.41	18.90	0.00	18.90	281.31
Vihiga	495.64	785.81	1,281.45	0.00	0.00	0.00	1,281.45
Wajir	440.50	519.94	960.44	126.59	0.00	126.59	1,087.04
West Pokot	258.54	23.54	282.08	4.10	14.49	18.59	300.67
Total	**137,981.37**	**31,998.01**	**169,979.39**	**1,894.71**	**636.35**	**2,531.06**	**172,510.45**

Source: *County Treasuries*

Several County Governments have not followed their scheduled payment plans for these outstanding bills (for more details, refer to Chapter Three). According to Regulation 55(2)(b) of the Public Finance Management (County Governments) Regulations, 2015, it is recommended that county governments prioritise the settlement of all eligible pending bills in the budget as a first charge. Furthermore, counties should comply with their pending bills payment plan for FY 2024/25.

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3. BUDGET PERFORMANCE BY COUNTY GOVERNMENT

3.1. County Government of Baringo

3.1.1 Overview of FY 2024/25 Budget

The Baringo County Gross Approved Supplementary Budget for FY 2024/25 was Kshs.9.20 billion. It comprised Kshs.3.20 billion (35 per cent) and Kshs.6 billion (65 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.0.35 billion (3.7 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.4.45 billion and a recurrent budget of Kshs.5.10 billion. The county government budget decreased due to a decrease in own-source revenue and an incorrect capture of the balance carried forward.

The budget will be financed from different sources of revenue. These include Kshs.7.45 billion (81 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.14 billion as additional allocations, a cash balance brought forward from FY 2023/24, which was not indicated, and Kshs.600.10 million (6.5 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.149.38 million (1.6 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.450.72 million (4.9 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.1

3.1.2 Revenue Performance

In the first nine months of FY 2024/25, the County had Kshs.4.76 billion to fund its development and recurrent activities. This amount consisted of Kshs.4.45 billion from the equitable share of revenue raised nationally, Kshs.11.90 billion from additional allocations from the government and development partners, and Kshs.298.91 million from its own source revenue (OSR) collection. The County did not indicate a cash balance from FY 2023/24.

The total OSR collection of Kshs.298.91 million includes Facilities Improvement Financing (FIF) of Kshs.108.05 million and Kshs.190.86 million as ordinary OSR, with no Appropriations in Aid (AIA). Table 3.1 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.1: Baringo County, Revenue Performance in the First Nine Months of FY 2024/25

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**	7,449,711,948	4,450,227,809	59.7
Sub Total		**7,449,711,948**	**4,450,227,809**	**59.7**
B	**Conditional Grants**			
1	County Aggregation and Industrial Parks (CAIP) Programme	250,000,000		0.0
2	Community Health Promoters (CHPs) Project	63,810,000		0.0
3	DANIDA Grant to finance Primary Healthcare in Devolved Context	7,848,750		0.0
4	IDA (World Bank) Emergency Locust Response Project-ELRP	121,025,000		0.0
5	IDA (World Bank) Loan for the Food Systems Resilience Project (FSRP)	173,076,923		0.0
6	IDA (World Bank) Kenya Devolution Support Program-II (KDSP II)	37,500,000		0.0
7	IDA (World Bank) Credit Kenya Urban Support Project (KUSP) Urban Institutional Grant (UIG)	35,000,000		0.0
8	IDA (World Bank) Credit Kenya Urban Support Project (KUSP) Urban Development Grant (UDG)	18,190,995		0.0
9	SWEDEN - Kenya Agricultural Business Development Project (KABDP)	10,918,919		0.0
10	International Fund for Agricultural Development (IFAD) Loan for Kenya Livestock Commercialisation Project (KeLCoP)	40,150,000		0.0
11	United Nations Fund for Population Activities (UNFPA)	9,620,000		0.0
12	County Aggregation and Industrial Parks (CAIP) Programme	21,782,624		0.0

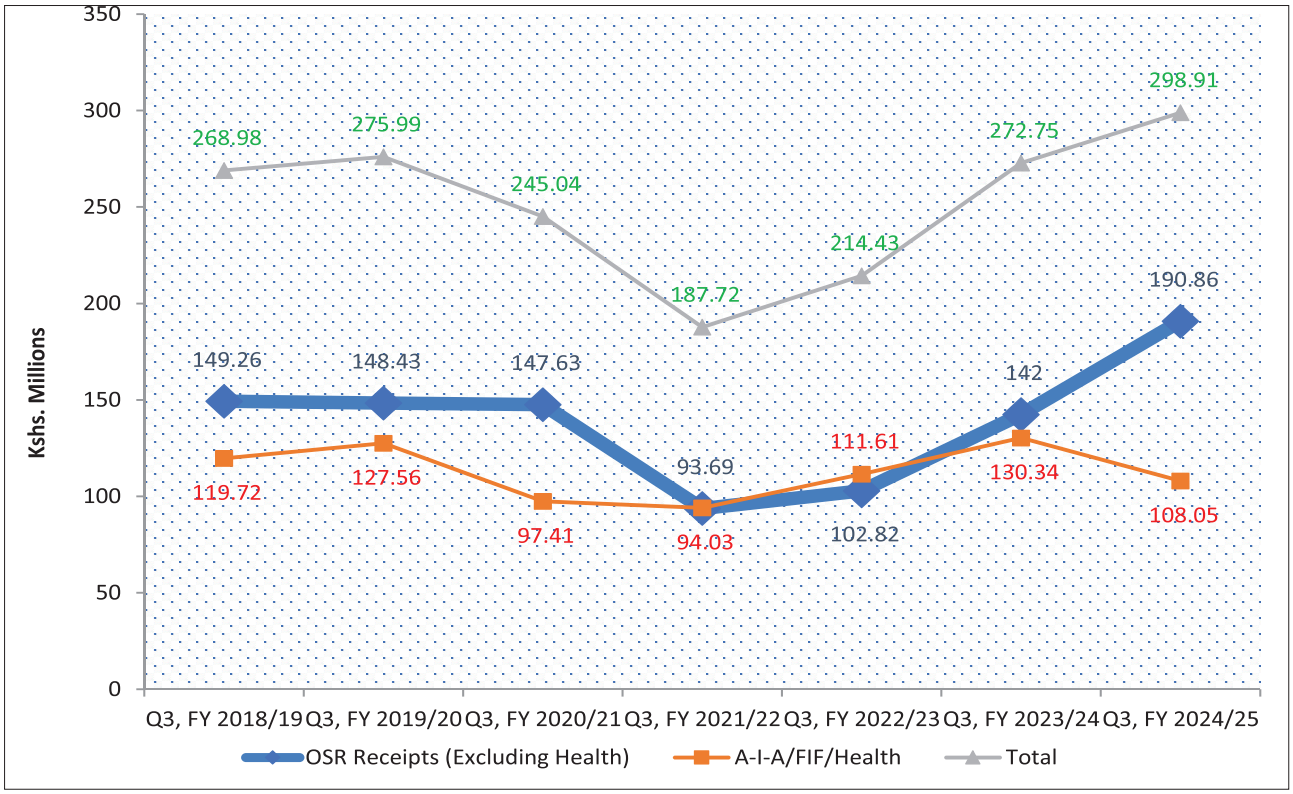
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S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
13	Road Maintenance Fuel Levy- Roll Over	844,546		0.0
14	Rehabilitation of Youth Polytechnics	2,054,766		0.0
15	Universal Care Project - THS	407,379		0.0
16	SWEDEN: Agricultural Sector Development Support Programme (ASDSP) II	4,645		0.0
17	World Bank Emergency Locusts Project	35,056,838		0.0
18	Livestock Value Chain Support Project	11,402,752		0.0
19	KDSP Grant Phase II	272,234		0.0
20	DANIDA Grant Primary Health Care	9,709,060		0.0
21	FIF	29,708,459		0.0
22	COVID Emergency - Roll over	4,220,366		0.0
23	IDA (World Bank) credit (FLLoCA) climate-SPA-Recurrent	11,132,220	11,913,344	107.0
24	IDA (World Bank) credit (FLLoCA) climate-SPA-Development	239,003,641		0.0
15	IDA (World Bank) credit (FLLoCA) climate-2024/2025	11,000,000		0.0
Sub-Total		1,143,740,117	11,913,3440	**1.0**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	450,719,215	190,855,127	42.3
2	Balance b/f from FY2023/24	0	0	0.0
3	Facility Improvement Fund (FIF)	149,378,181	108,051,804	72.3
4	IDA (World Bank) credit (FLLoCA) climate-2024/2025	0		0.0
5	Appropriation in Aid (AIA)	0	0	0.0
Sub Total		600,097,396	298,906,931	49.8
Grand Total		**9,193,549,461**	4,761,048,084	**51.7**

Source: *Baringo County Treasury*

Figure 1 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 1: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



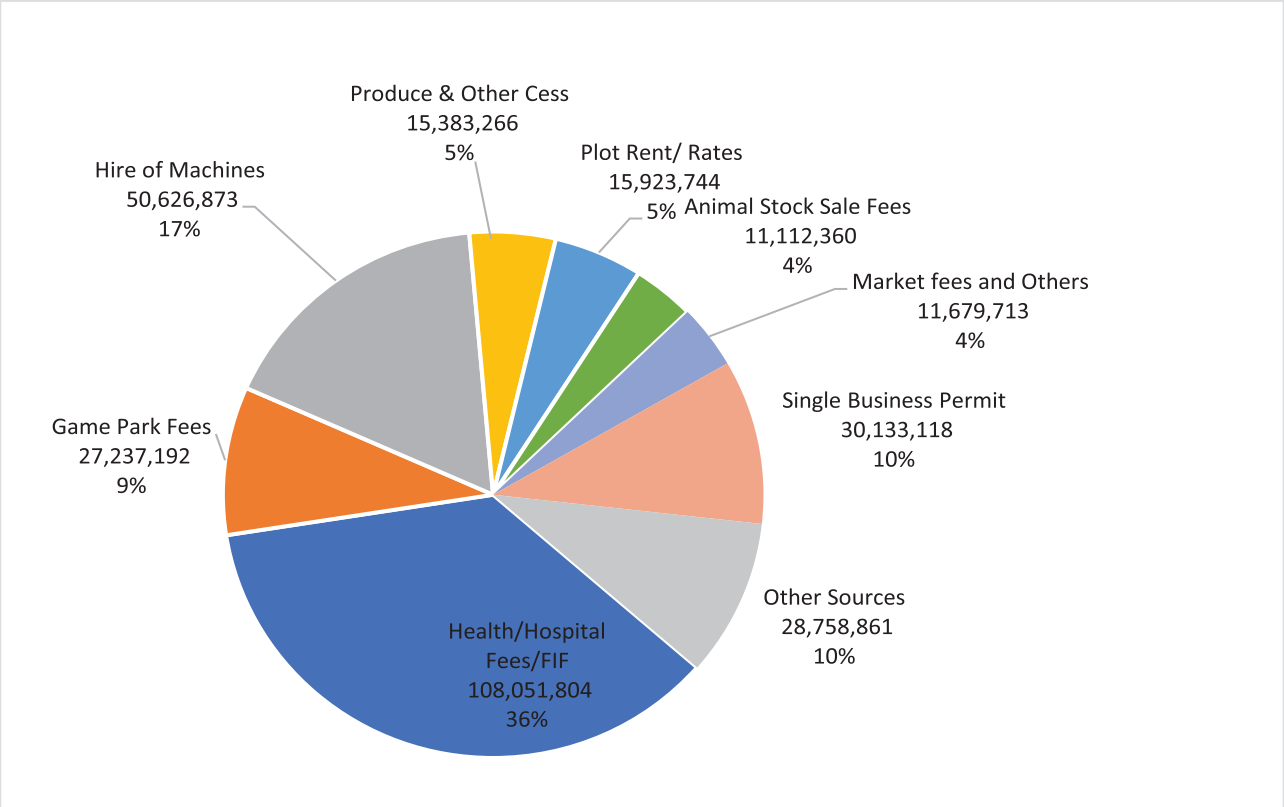
Source: *Baringo County Treasury*

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During the review period, the County generated Kshs.298.91 million from its own revenue sources, including AIA and FIF. This amount was an increase of 10 per cent compared to Kshs.272.75 million realised realised in a similar period in FY 2023/24, and was 50 per cent of the annual target and 7 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 2.

Figure 2: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source: *Baringo County Treasury*

As shown in Figure 2, the highest revenue stream of Kshs.108.05 million was from Health/Hospital Fees, contributing to 36 per cent of the total OSR receipts.. The County Government has automated all revenue streams.

3.1.3 Borrowing by the County

The County Government did not borrow any money from any institution during the period under review.

3.1.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.4.76 billion from the CRF account comprised Kshs.750.12 million (15.6 per cent) for development programmes and Kshs.4.01 billion (84.2 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.58 million was released towards compensation to employees and Kshs.2.18 million for operations and maintenance expenditure. Exchequer approved towards compensation to employees in the first nine months of FY 2024/25, do not include the March 2025 exchequer request for the County Executive and County Assembly due to delay in the disbursement of exchequer.

Analysis of the operations and maintenance exchequer releases indicates that 8.9 per cent was for domestic travel and 0.9 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.193.04 million and included Kshs.90.03 million for the County Executive and Kshs.103.01 million for the County Assembly. The foreign exchequer totalled Kshs.19.11 million, comprising none for the County Executive and Kshs.19.11 million for the County Assembly as shown in Table 3.2

Table 3.2: Baringo County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	880.13	34.10	551.45	-	63	0
The Governors Office	3,973.83	21.44	2,985.24	-	75.1	0

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Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Re-vised Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Finance and Economic Planning	135.10	35.22	79.15	21.77	58.6	62
Roads, Transport, Energy and Public Works	57.75	463.23	45.57	171.68	79	37
Trade, Cooperatives and Industrialisation	25.25	391.36	17.30	74.24	69	19
Education and Vocational Training	62.69	304.70	14.03	38.84	22	13
Health Services	569.43	259.29	230.37	62.64	41	24
Lands, Housing & Urban Development	76.40	63.74	10.42	-	14	0
Agriculture, Livestock, and Fisheries Management	37.78	613.26	17.70	64.60	47	11
Youth Affairs, Sports, Culture, Gender and Social Services	49.49	120.18	34.14	21.12	69	18
Water and Irrigation	36.68	657.24	18.75	272.31	51	41
Environment, Tourism, Wildlife Management, Natural Resources and Mining	39.59	267.75	5.75	11	15	4
County Public Service Board	17.92	-	1.05	-	6	0
Total	**5,962.04**	**3,231.51**	**4,010.93**	**750.12**	81	16

***Source**: Baringo County Treasury*

As of 31st March, 2025, the County Government's cash balance in the CRF account was Kshs 461.50 million.

3.1.5 County Expenditure Review

The County spent Kshs.4.18 billion on development and recurrent programmes in the reporting period. The expenditure represented 88 per cent of the total funds released by the CoB and comprised Kshs.3.60 billion and Kshs.591.20 million on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 18 per cent, while recurrent expenditure represented 60 per cent of the annual recurrent expenditure budget.

3.1.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.589.49 million as of 30th June 2024. This amount included Kshs.475.03 million from the County Executive and Kshs.114.46 million from the County Assembly. The pending bills from the County Executive consist of Kshs.234.64 million for recurrent expenditures and Kshs.240.39 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.241.08 million, comprising Kshs.134.52 million for recurrent programmes and Kshs.106.56 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.114.46 million, which included Kshs.11.45 million for recurrent activities and Kshs.103.01 million for development activities.

The County Executive and the Assembly submitted a pending bills payment plan at the beginning of FY 2024/25, committing to pay Kshs.475.03 million and Kshs.114.46 million, respectively, within the first nine months of that financial year. The County Executive fulfilled its payment commitment by clearing Kshs.475.03 million, while the County Assembly also met its plan by settling Kshs.114.46 million.

As of 31 March 2025, the outstanding bills amounted to Kshs.233.95 million, comprising all for the County Executive and none for the County Assembly.

3.1.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.29 billion on employee compensation, Kshs.745.97 million on operations and maintenance, and Kshs.591.20 million on development activities. Similarly, the County Assembly spent Kshs.288.23 million on employee compensation, Kshs.263.22 million on operations and maintenance, and none on development activities, as shown in Table 3.3

Table 3.3: 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	**5,081,901,719**	**880,134,270**	3,038,726,247	551,446,215	**60**	**63**
Compensation to Employees	3,118,551,466	464,355,142	2,292,755,870	288,228,159	74	62
Operations and Maintenance	1,963,350,253	415,779,128	745,970,377	263,218,056	38	63

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Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Development Expenditure	3,163,322,241	34,095,616	**591,196,510**	-	**19**	**0**
Total	**8,245,223,960**	**914,229,886**	**3,629,922,757**	**551,446,215**	**44**	**60**

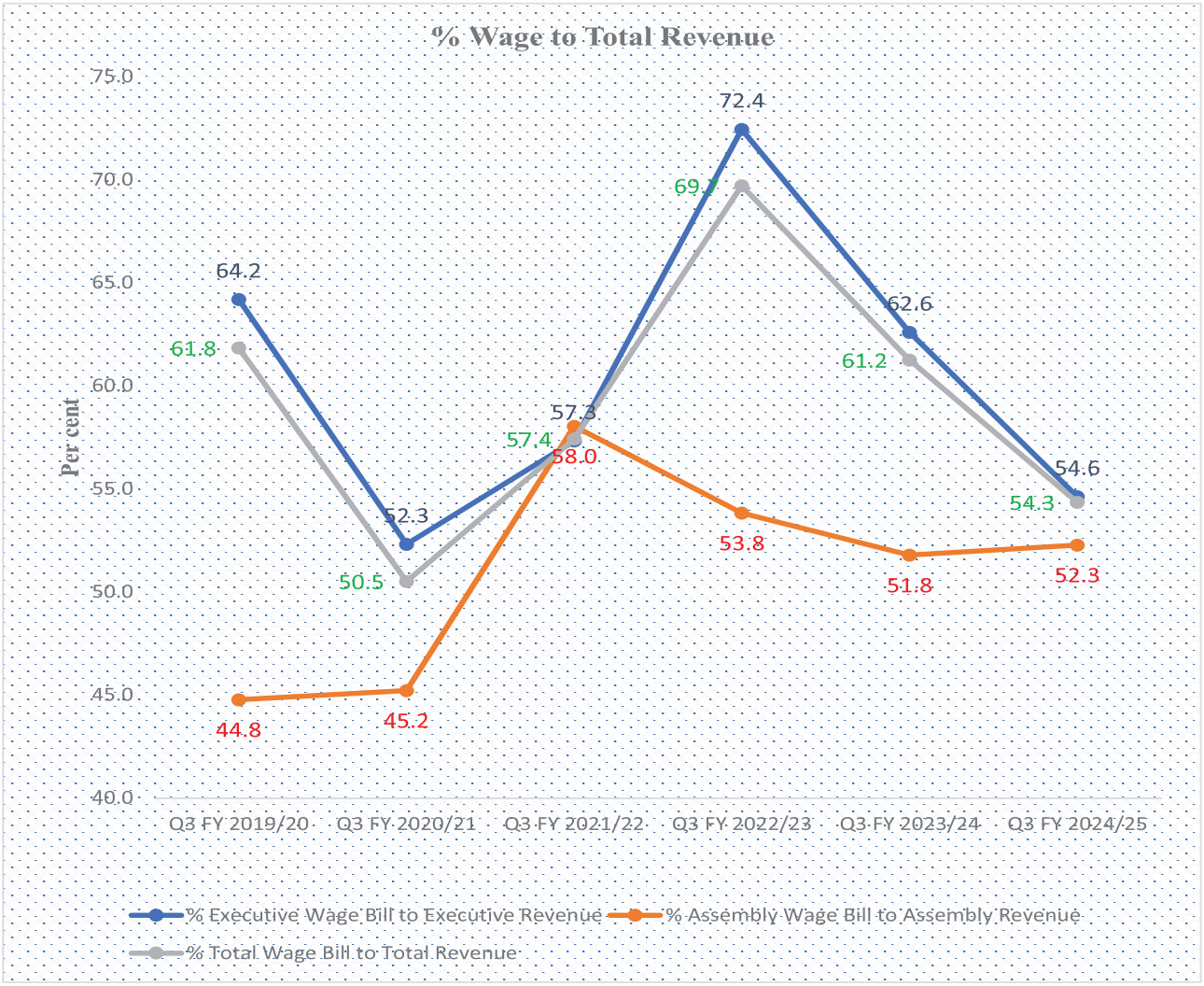
***Source**: Baringo County Treasury*

3.1.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation totalled Kshs.2.58 billion. This expenditure on employee compensation shows a decrease compared to the Kshs.2.69 billion was reported during the same period in FY 2023/24. Of this total, Kshs.1.71 billion was allocated to Health Sector employees, which accounts for 66 per cent of the overall employees' compensation.

Figure 3 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 3: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



***Source**: Baringo County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.58 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.2.73 million was processed through manual payrolls, which accounted for less than 1 per cent of the total PE cost.

The manual payrolls comprised salaries for one staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 22 casual staff, contracted ward staff, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.4

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Table 3.4: Breakdown of Baringo County Manual Payroll

Serial No.	Category	County Executive (Kshs.)	County Assembly (Kshs.)	Total (Kshs.)
1	Salaries for 22 casual staff (Contracted Ward staff)	-	2,730,400	**2,730,400.0**
2	Top-up Allowances for XX security officers	-	-	-
3	LAPTRUST/LAPFUND Pension Contributions	46,754,665	-	**46,754,664.7**
4	Gratuity for contract staff	51,496,734	669,600	**52,166,334.2**
5	Salaries for one staff (MCA)	-	1,168,368	**1,168,368.0**
6	Gratuity for contract staff MCAs	-	114,934.36	**114,934.4**
	Total	**98,251,399**	**4,683,302**	**102,934,701**

***Source**: Baringo County Treasury*

The County Assembly spent Kshs.34.38 million on committee sitting allowances for the 45 MCAs against the annual budget allocation of Kshs.50.78 million. The average monthly sitting allowance was Kshs.127,365.04 per MCA. The County Assembly has 25 House Committees.

3.1.9 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.139.50 million to County-Established funds in FY 2024/25. Further, the County allocated Kshs.20 million to the Emergency Fund (0.22 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.5 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.5: Performance of County Established Funds in the First Nine Months of FY 2024/25

	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues as at 31 March 2025 (Kshs.)	Actual Expenditure as at 31 March 2025 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
1.	Baringo Executive Car Scheme Fund	12,500,000	-	-	-	Yes
2.	Youth and Women Fund	Not Budgeted	-	-	17,147,507	Yes
3.	Baringo Executive Mortgage Scheme fund	Not Budgeted	-	-	-	Yes
4.	Baringo County Emergency Fund	20,000,000	-	-	-	Yes
5.	Bursary and Scholarship Fund	94,750,000	-	-	-	Yes
6.	Community Conservancy Fund	Not Budgeted				Yes
7.	Baringo County Lake Bogoria Community Grant	Not Budgeted	-	-	-	Yes
8	Baringo County Older persons and Persons with serve Disability Fund	Not budgeted	-	-	-	Yes
9	County Assembly Car and Mortgage Fund	12,000,000	6,000,000	-	6,000,000	Yes
	Total	**139,250,000**			**23,147,507**	

***Source**: Baringo County Treasury*

During the reporting period, the CoB received quarterly financial reports from all Fund Administrators, as indicated in Table 3.5, as per the requirement of Section 168 of the PFM Act, 2012. The administration costs of all Funds were within the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

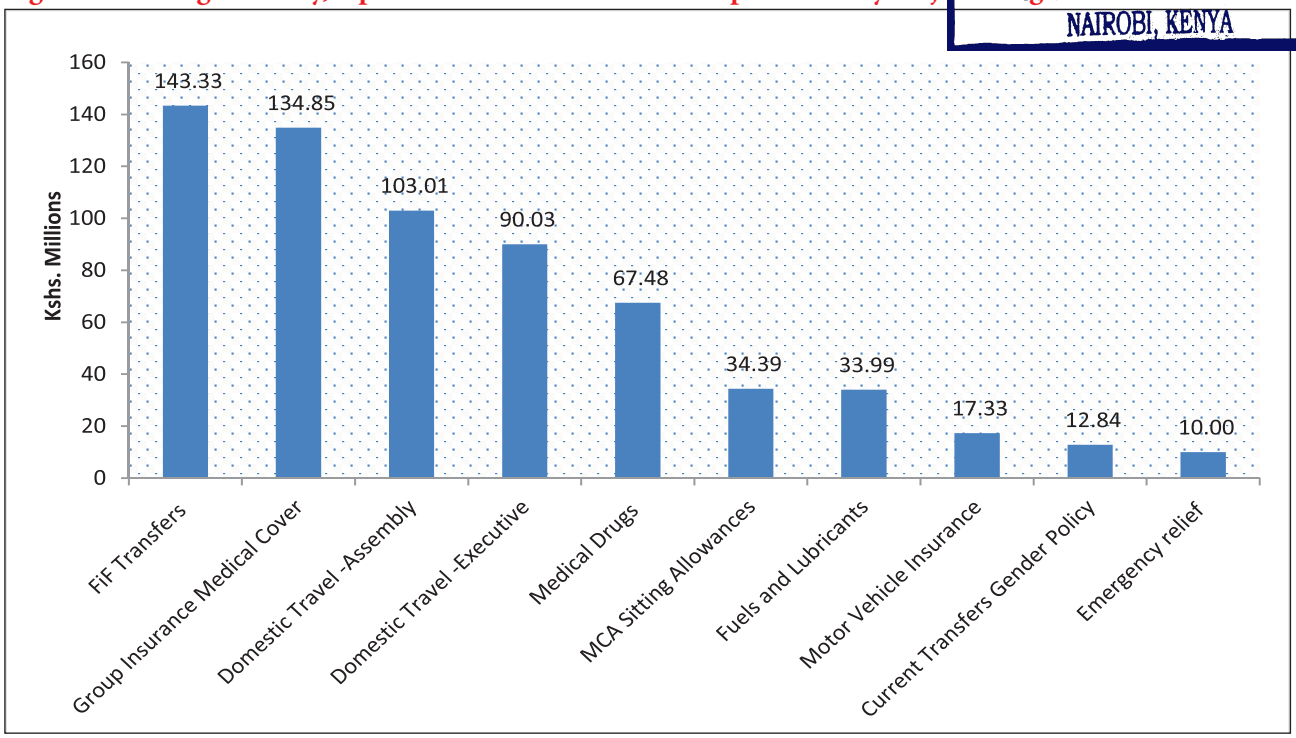
Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, allows County Governments to establish public funds with a lifespan capped at 10 years unless extended by the County Assembly. During the reporting period, the CoB established that the lifespan of the **Bursary Fund** and **Emergency Fund** had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.1.10 Expenditure on Operations and Maintenance

Figure 4 summarises the Operations and Maintenance expenditure by major categories.

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Figure 4: Baringo County, Operations and Maintenance Expenditure by Major Categories



Source: *Baringo County Treasury*

Expenditure on domestic travel amounted to Kshs.190.04 million and comprised Kshs.103.01 million spent by the County Assembly and Kshs.90.03 million by the County Executive. Expenditure on foreign travel amounted to Kshs.19.11 million by the County Assembly and none by the County Executive. Expenditure on foreign travel is summarised in Table 3.6

Table 3.6: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	2	14-24/10/2023	Benchmarking Exercise	Tanzania	760,552
County Assembly	6	21-27/9/2024	Training on smart Governance, harnessing technology for transparent	Dubai	3,815,968
County Assembly	3	10-16/11/2024	Training on empowering excellence in public Finance	Dubai	1,628,065
County Assembly	7	3-10/11/2024	Training on leadership and integrity workshop	Arusha	2,724,085
County Assembly	7	17-23/09/2024	Training on strengthening regional integration for peace and security	Arusha	1,921,192
County Assembly	7	30-4/09/2024	Training on strategic leadership in a political environment	Arusha	2,354,072
County Assembly	7	3-10/11/2024	Training on a peace and conflict resolution workshop	Rwanda	2,478,000
County Assembly	8	18-24/09/2024	Digital conference	Rwanda	2,424,741
County Assembly	3	2-10/11/2024	Training on a peace and conflict resolution workshop	Rwanda	1,002,000
			Total		19,108,675

Source: *Baringo County Treasury and Baringo County Assembly*

The operations and maintenance costs did not include garbage collection expenses. Conversely, Kshs.2.61 million was reported for legal fees, arbitration, and compensation payments.

3.1.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.108.05 million as FIF, which was 72.3 per cent of the annual target of Kshs.149.38 million. The collected amount was retained and utilised at source in accordance with the Facility Improvement Financing Act, 2023. The County developed regulations in 2023 to operationalise the FIF Act of 2023.

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The expenditure by the health facilities amounted to Kshs.98.82, as shown in Table 3.7

Table 3.7: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Kabarnet Referral Hospital	**83,228,802**	80,736,565	97
2	E/Ravine District Hospital	**42,929,578**	39,107,889	91
3	Kabartonjo District Hospital	**4,988,649**	4,757,564	95
4	Marigat District Hospital	**6,979,648**	6,482,628	93
5	Chemolingot District Hospital	**5,536,752**	5,432,114	98
6	Mogotio Distrct Hospital	**5,714,752**	5,281,989	92
	TOTAL	**149,378,181**	**96,820,519**	65

Source: *Baringo County Treasury*

The Health Facility with the highest absorption rate was Kabarnet Referral Hospital.

3.1.12 Development Expenditure

In the review period, the County reported spending Kshs.591.20 million on development programmes, representing an increase of 25.6 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.794.33 million. Table 3.8 summarises development projects with the highest expenditure in the reporting period.

Table 3.8: Baringo County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Imple-mentation status (%)
1	Water and Irrigation	Lake Baringo Matching Funds	Lake Baringo	Complete	22,437,511	22,437,511	22,437,511	100
2	Health Services	Completion of the BCRH surgical block	HQ	ongoing	220,000,000	Ongoing (PV raised of 25,856,602 and is at treasury)	171,152,787	70
3	County Finance and Economic Planning	Supply Of Four Reve-nue Vehicles	Kabarnet Towb	Paid	21,500,000	21,500,000	21,500,000	100
4	Agriculture, live-stock & and fisheries	Transfer of Kenya livestock commerciali-sation project funds	Various Wards	Paid and Supplied	17,244,608	17,244,608	17,244,608	100
5	Water and Irrigation	Electricity Subsidy for Kirandich	Ewalel Ward	Paid	14,500,000	14,500,000	14,500,000	100
6	Water and Irrigation	Kirandich water supply electricity bill	Ewalel Ward	Complete	6,566,724	6,566,724	6,566,724	100
7	Agriculture, live-stock & and fisheries	Maoi cabro works	Maoi	Paid	5,578,731.55	5,578,731.55	5,578,731.55	100
8	Lands	Kabarnet Town, cabro repairs & replacement of utility hole covers	Kabarnet Towb	Paid	4,256,948	4,256,948	4,256,948	100
9	Education	Supply of ECD fur-niture	Various Wards	Paid and Supplied	3,520,000	3,520,000	3,520,000	100
10	Roads, Transport, Public works and infrastructure	Maintenance of Soko-nin primary feeder Roads	Ravine	Paid	2,154,470	2,154,470	2,154,470	100

Source: *Baringo County Treasury*

The County has reported two stalled development projects, with an estimated value of Kshs.18 million, of which Kshs.19.5 million has already been paid.

3.1.13 Budget Performance by Department

Table 3.9 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

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Table 3.9: Baringo County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	880.13	34.10	551.45	-	551.45	-		-	-	-
The Governors Office	3,973.83	21.44	2,985.24	-	2,555.35	-	85.6	-	64.3	-
County Finance and Economic Planning	135.10	35.22	79.15	21.77	98.18	21.50	124.0	98.7	72.7	61.0
Roads, Transport, Energy and Public Works	57.75	463.23	45.57	171.68	23.37	63.83	51.3	37.2	40.5	13.8
Trade, Cooperatives and Industrialisation	25.25	391.36	17.30	74.24	10.27	87.51	59.4	117.9	40.7	22.4
Education and Vocational Training	62.69	304.70	14.03	38.84	10.58	43.92	75.4	113.1	16.9	14.4
Health Services	569.43	259.29	230.37	62.64	241.39	22.85	-	36.5	42.4	8.8
Lands, Housing & Urban Development	76.40	63.74	10.42	-	13.12	5.95	125.9	-	17.2	9.3
Agriculture, Livestock, and Fisheries Management	37.78	613.26	17.70	64.60	18.76	91.69	106.0	141.9	49.6	15.0
Youth Affairs, Sports, Culture, Gender and Social Services	49.49	120.18	34.14	21.12	40	22.35	117.2	105.8	80.8	18.6
Water and Irrigation	36.68	657.24	18.75	272.31	15.07	155.67	80.4	57.2	41.1	23.7
Environment, Tourism, Wildlife Management, Natural Resources and Mining	39.59	267.75	5.75	11	12.64	75.93	219.8	690.3	31.9	28.4
County Public Service Board	17.92	-	1.05	-	-	-	-	-	-	-
Total	**5,962.04**	**3,231.51**	**4,010.93**	**738.21**	**3,590.17**	**591.20**	**89.5**	**80.1**	**60.2**	**18.3**

Source: *Baringo County Treasury*

Analysis of expenditure by departments shows that the Department of Finance and Economic Planning recorded the highest absorption rate of development budget at 61.0 per cent, followed by the Department of Environment, Tourism, Wildlife Management, Natural Resources and Mining at 28.4 per cent. The Department of Youth Affairs, Sports, Culture, Gender and Social Services had the highest percentage of recurrent expenditure to budget at 80.8 per cent. In comparison, the Department of Education and Vocational Training had the lowest at 16.9 per cent.

3.1.14 Budget Execution by Programmes and Sub-Programmes

Table 3.10 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.10: Baringo County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.)		Actual Expenditure as of 31 March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Assembly		**-**	-	**-**	-	-	-
Office of the clerk		-	-	**-**	-	-	-
	General administration- Salaries	464,355,142	-	288,228,159	-	40	-
	General Administration, / Support Services	415,779,128	-	263,218,055.80	-	63	-
	Landscaping and beautification of the Speaker's residential buildings	-	-	-	-	-	-
	Drilling and equipping of 2No. Water boreholes at the County Assembly and the Speaker's residence	-	-	-	-	-	-
	Proposed Construction of Office Block II	-	24,395,616	-	-	-	-
	Equipping the Speaker's residence with furniture and other equipment	-	9,700,000	-	-	-	-

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Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.)		Actual Expenditure as of 31st March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Sub Total	880,134,270	34,095,616	551,446,215	-	63	
Office of the Governor and Deputy Governor	**General Administration**	**-**	-	**-**	-	-	-
	Office of the Governor	58,729,600	-	9,660,990		16	
	Office of the Deputy Governor	19,659,339		13,178,908	-	67	-
	SP 3: Office of County Secretary Services	168,230,000	-	146,550,573	-	87.1%	-
	County Attorney Services	14,000,000	-	3,001,096	-	21.4%	-
	Intergovernmental and Liaison Office	7,250,000	-	5,182,750	-	71.5%	-
	External Resource Mobilisation, Partnership and linkages	3,200,000	-	112,000	-	3.5%	-
	Disaster Risk Management	6,900,000	-	7,930,193	-	114.9%	-
	Civic Education	2,000,000		72,800		3.6%	
	KDSP II Programme	44,500,000	-	15,899,421	-	35.7%	-
	Systems and Application development	-	21,436,761	-	-	-	-
	Research and Public Policy	1,800,000	-	764,400	-	42.5%	-
Public Services, Administration, Devolution, & ICT	General Administration, salaries and Operations	3,587,801,129	-	2,292,755,870	-	63.9%	-
	SP 5: Human Resource Management	4,900,000	-	7,803,378	-	159.3%	-
	P2: ICT Development and Management Services	9,400,000	2,000,000	5,509,361	-	58.6%	-
	SP 6: Devolution Support Services-Sub-County Offices	15,925,000	15,600,000	22,492,145		141.2%	
	Communication Services	2,100,000	-	6,397,450	-	304.6%	-
	Baringo North Sub-County	4,986,222	-	2,754,427	-	55.	-
	Baringo Central Sub-County	5,218,027	-	2,076,603	-	40	-
	Baringo South Sub-County	4,984,000	-	1,396,300	-	28.	-
	Baringo Mogotio Sub-county	5,012,377	-	2,406,000	-	48	-
	Eldama Ravine Sub-County	4,984,000	-	1,744,000	-	35	-
	Tiaty Sub-County(TIATY WEST)	5,029,000	-	989,500	-	20	-
	Tiaty Sub-County(Tiaty East Sub-County)	4,751,000	-	2,123,074	-	45	-
Finance & Economic Planning	SP 1: General Administrative Services	**41,825,000**	-	**44,176,663**	-	106	-
	Accounting Services	1,800,000	-	1,745,300	-	97	-
	Supply Chain Services	1,800,000	-	1,628,000	-	90	-
	Internal Audit Services	1,800,000	-	2,427,300	-	135	-
	Emergency Relief (food, medicine, blankets, cash grant, tents and other temporary shelter, etc.)	20,000,000	-	10,000,000	-	-	-
	SP 1: Revenue Administration Services	18,800,000	-	**11,088,756**	-	2.4	-
	Pending Bills	4,061,168	-	**-**	-	-	-
	P2: Economic Planning Services		-	-	-	-	-
	Revenue Infrastructure Services		35,219,759	**-**	21,500,000	-	61
P2: Economic Planning Services	**P2: Economic Planning Services**	**20,989,477**	-	**10,162,065**	-	48	-
	Budget Supply Services	5,000,000	-	**3,545,500**	-	71	-
	Resource Mobilisation: Mobilisation and Investment Promotion	2,000,000	-	**2,998,900**	-	-	-

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Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.)		Actual Expenditure as of 31st March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Monitoring and Evaluation Services	1,500,000	-	**2,260,900**	-	151	-
P. Roads, Transport and Infrastructure	SP 1: General Administrative Services	47,750,173	-	**23,305,408**	-	49	-
	SP 2 Public Works Development	10,000,000	-	**66,000**	-	0.7	-
	Rural Infrastructure Development and Foot Bridges	-	432,228,604	**-**	53,256,909.95	-	12
	Rural road development and management	-	8,703,557	**-**	-	-	0.0
	Installation of Floodlights	-	3,800,000	**-**	10,576,255.50	-	278
	Construction of Public Works	-	18,500,000	**-**	-	-	-
	RMLF Funds	-	-	**-**	-	-	-
	Culverts and Bridges	-	-	**-**	-	-	-
Industry, Commerce, Tourism, Cooperatives and Enterprise Development	SP 1: General Administrative Services	**5,248,989**	-	**7,293,156**	-	139	-
	P 2: Trade Development and Marketing Services	1,500,000	-	**172,600**	-	12	-
	P 4: Industrial Development and Investment	800,000	240,654,132	**24,400**	21,782,306	3	9
	P 5: Cooperative and Tourism Development and Services	6,500,000	100,902,798	**442,400**	65,731,127	9	7
	Infrastructure development	-	4,500,000	**-**	-	-	-
	P 6: Weight and Measures, Legal Metrology	1,000,000	-	-	-	0.0	-
Tourism Development Services	SP 1: Tourism Development Services	**9,000,000**	-	**1,888,410**	-	21	-
	SP 2: Wildlife Management Services	1,200,000	-	**454,000**	-	38	-
	Industrial Development and Investment Services	-	-	**-**	-	-	-
	Revenue Infrastructure Services		45,302,798				
Education	SP 1: General Administrative Services	19,490,000	-	**8,241,762**	-	42.	-
	Sp2 Library Services	800,000	-	**90,600**	-	11	-
		-	-	**-**	-	-	-
	Bursary and Scholarship Programme	-	-	**-**	-	-	-
	VTC Capitation/ Development	15,000,000	8,300,000	-	-	0.0	-
P 3:Vocational Training Development	SP 1:Bursary and Scholarship	7,000,000	94,750,000	**-**	43,915,725.80	0.0	46.3%
P 2: Early Childhood Development	**SP 1: School Feeding Programme**	**20,400,000**	-	**2,242,799**	-	-	-
	Infrastructure development	-	96,512,246	**-**	-	-	-
COUNTY HEALTH SERVICES	**SP 1: General Administrative Services**	**33,329,999**	-	**18,266,845**	-	55	-
P 2: PREVENTIVE AND PROMOTIVE HEALTH SERVICES	SP 1: Primary Health Care Services	177,388,595	125,291,232	**12,313,133**	22,847,526	7	18.2%
P 2: CURATIVE AND REHABILITATIVE SERVICES	SP 1: Curative and Rehabilitative Services	358,708,459	-	**210,810,039**	-	59	-
		-	-	**-**	-	-	-
	Infrastructural development		134,000,000				
Lands and Physical Planning	**SP 1: General Administrative Services**	**25,132,632**	-	**5,626,666**	-	22	-
Housing and Urban Development	SP 2: General Administrative Services	5,160,000	-	**1,541,800**	-	30	-

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Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.)		Actual Expenditure as of 31st March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Land use planning and Information management	Land Policy and Planning Services	-	17,650,000	-	-	-	-
Land use planning and Information management	Land Survey Services	-	6,200,000	-	-	-	-
Eldamaravine Town-Urban Development	SP 1: General Administration Planning and Support Services	4,544,000	15,169,093	**2,671,343**	-	59	-
Kabarnet Municipality Services	Infrastructure development	-	-	-	-	-	-
Housing Development and Management	SP 1: General Administrative Services	5,160,000	-	**2,056,300**	-	40	-
Land use planning and Information management	**Land Adjudication Services**	-	-	-	-	-	-
Land use planning and Information management	Land adjudication and demarcation	-	15,500,000	-	960,000	-	-
Land use planning and Information management	Cabro parking Kabarnet Hospital Road for Waenta Enterprises Limited	-	1,724,000	-	4,991,973	-	-
General Administration, Planning and Support Services	General Administration Planning and Support Services	-	-	-	-	-	-
Kabarnet Municipality Services	Sanitation & waste management	-	-	-	-	-	-
	Urban Safety and Disaster Control Services	-	-	-	-	-	-
	Infrastructure development	-	-	-	-	-	-
	Urban Infrastructure development and management	-	-	-	-	-	-
Eldama Ravine Town Services	Sanitation and waste management	-	2,500,000	-	-	-	-
Eldama Ravine Town Services	Infrastructure development	-	5,000,000	-	-	-	-
Agricultural Services	SP !: General administration and Planning	37,779,781	-	18,757,371	-	-	-
Livestock resources management and development	Livestock upgrading	-	61,649,800	-	-	-	-
Milk Processing Plant-Eldama Ravine	Completion of Milk Processing Plant	-	-	-	-	-	-
Kabartonjo Milk Cooling Plant	Construction of Ossen Milk Cooling Plant	-	-	-	-	-	-
Livestock Saleyards	Maintenance of Livestock Sale Yards- Emining, Loruk and Loitip	-	-	-	-	-	-
Slaughter houses Maintenance	Maintenance of slaughter houses and slabs	-	-	-	-	-	-
Livestock resources management and development	Livestock market and value addition	-	4,500,000	-	-	-	-
Livestock Resources management and development	Livestock disease management and control	-	25,100,000	-	-	-	-
Barwessa Slaughter House	Apiculture development	-	3,998,125	-	-	-	-
Livestock Resources management and development	Pasture Development	-	4,533,730	-	-	-	-
Crop production and management	Agriculture Training Centre Koibatek	-	36,000,000	-	-	-	-

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Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.)		Actual Expenditure as of 31st March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Crop production and management	Food security initiatives	-	326,120,842.08	-	91,690,553	-	28.
Crop Production & Management	Affruitation	-	19,250,000	-	-	-	-
Support for ATC Services	Support for ATC Services	-	-	-	-	-	-
Agricultural Machinery	Purchase of Tractor	-	-	-	-	-	-
Conditional Grants for the provision of Fertiliser Subsidy Programme	Conditional Grants for the provision of Fertiliser Subsidy Programme	-	-	-	-	-	-
IDA World Bank (KCSAP)	IDA World Bank (KCSAP)	-	132,111,505.92	-	-		-
Matching fund to IDA World Bank (KCSAP)	Matching fund to IDA World Bank (KCSAP)	-	-	-	-	-	-
SWEDEN: Agricultural Sector Development Support Programme (ASDSP) II	SWEDEN: Agricultural Sector Development Support Programme (ASDSP) II	-	61,841,793	-	-	-	-
World Bank Emergency Locusts Project	World Bank Emergency Locusts Project						
Certified pasture and maise	Provision of pastures and maise seeds	-	-	-	-	-	-
Purchase of Mangoes, Macadamia and Coffee Seedlings	Purchase of Mangoes, Macadamia and Coffee Seedlings for Mochongoi	-	-	-	-	-	-
Cattle Dips and Animal Vaccinations	Renovations of Cattle Dips	-	-	-	-	-	-
Cooperative stores	Construction of Cooperative stores	-	-	-	-	-	-
Motor Boats	Purchase of Motor Boats	-	-	-	-	-	-
Fisheries development and management	Fish breeding cages at Lake Baringo and Kirandich dam	-	-	-	-	-	-
Culture, Youth and Gender	**P1: General Administration, Planning and Support Services**	**20,941,000**	-	**11,759,926**	-	-	-
Social Services and Safety Nets	Affirmative Action Initiatives	-	44,525,739	-	-	-	-
Social Services and Safety Nets	Infrastructure Development	-	-	-	-	-	-
Cultural and Creative Arts Development	Culture, Heritage and Social Activities	4,000,000	-	**3,066,160**	-	-	-
Gender development and management	Gender Development	4,100,000	-	**16,128,134**	-	-	-
Youth, Sports and Gender Development	SP 1: General Administrative Services	7,310,000	-	**8,608,189**	-	-	-
Sports Development and Management	Sports Development	11,641,453	17,850,000	**436,800**	-	-	-
Culture and Creative Arts Development	Infrastructural development	-	4,000,000	-	-	-	0.0
Culture and Creative Arts Development	Infrastructural development-social Halls	-	-	-	-	-	-
Gender development and management	Gender Initiatives-Women Empowerment	-	28,260,956	-	-	-	-
Youth Development and Management	Youth Development	1,500,000	25,547,187		22,345,238.68		
Youth Development and Management	Infrastructural development-Playing Grounds	-	-	-	-	-	-
		-	-	-	-	-	-
Water and Irrigation Department	SP 1: General Administrative Services	29,875,512	-	6,363,037	-	2.5	-

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Programme	Sub-Programme	Approved Estimates 2024-25 (Kshs.)		Actual Expenditure as of 31st March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Water resource development and supplies management	**Water resource management and storage**	6,500,000	628,126,052	7,811,139	-	2.5	0.0
Irrigation infrastructure development	Irrigation Infrastructure	300,000	29,112,511	893,360	155,669,034.50	-	535
Environment, Tourism, Wildlife Management, Natural Resources and Mining	SP 1: General Administrative Services	**8,604,819**	-	**2,411,150**	-	-	-
Environmental Conservation and Management	SP1: Environmental conservation and protection	**30,282,312**	5,000,000	**9,549,460**	-	-	-
Natural Resources Conservation, Exploitation and Management	SP1: Forestry and wildlife conservation, Mining and Management	**700,000**	-	**684,260**	-	-	-
Environmental conservation and management	Solid Waste Management	-	-	**-**	-	-	-
Environmental Conservation and Management	County climate change fund -Matching fund	**-**	55,000,000	**-**	-	-	0.0
Natural Resources Conservation, Exploitation and Management	Forestry, wildlife conservation, and Management	-	-	**-**	-	-	-
Climate Change Fund Projects	Water resource/ pasture development and supplies management	**-**	207,753,641	**6,527,719**	75,929,861	-	-
P1: Kabarnet Municipality Services	SP 1: General Administration Planning and Support Services	**41,559,157**	-	**2,763,056**	-	6.6	-
	Infrastructure development	**-**	7,500,000	**-**	-	-	-
	Infrastructure development- IDA World Bank	-	18,190,995	**-**	-	-	-
County Public Service Board	**Administration and Planning**	17,222,030	-	**4,624,203**	-	27	-
	Grand Total	**5,958,498,520**	**3,231,513,473**	**3,590,172,462**	**591,196,510**	60.	18

Source: *Baringo County Treasury*

Based on absorption rates, the sub-programmes with the highest implementation levels were Communication Services in the Department of Public Services, Administration, Devolution, & ICT at 304.6 per cent, Internal Audit Services in the Department of Finance and Economic Planning at 134.9 per cent, Monitoring and Evaluation in the Department of Economic Planning at 150.7 per cent, and Devolution Support Services at 141.2 per cent of budget allocation.

3.1.15 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 282 accounts with commercial banks, including 231 accounts for Health Facilities, 23 accounts for Vocational Training Centers, 9 accounts for Established Funds, 5 revenue accounts, 11 special purpose accounts (additional allocations), one imprest account, one recurrent operational account and one development operational account.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening all commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

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3.1.16 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;

i. The county Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 25 April 2025.
ii. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

3.2. County Government of Bomet

3.2.1 Overview of FY 2024/25 Budget

The Bomet County Approved FY 2024/25 budget is Kshs.9.78 billion. It comprises Kshs.3.24 billion (33 per cent) and Kshs.6.54 billion (67 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.26 billion (15 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.2.39 billion and a recurrent budget of Kshs.6.13 billion. The increase in the budget was attributed to the anticipated growth in CARA at the beginning of the 2024/25 FY and the rise in the Additional Allocations of Kshs.273.20 million and Kshs.777.37 million respectively, in addition to the enhanced OSR target by Kshs.123.71 million. The County's Net Approved Budget is Kshs.9.78 billion, which consists of Kshs.6.54 billion for recurrent and Kshs.3.24 billion for development.

The budget will be financed from different sources of revenue. These include Kshs.7.25 billion (74 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.35 billion (14 per cent) as additional allocations or conditional grants, a cash balance of Kshs.725.62 million (7 per cent) brought forward from FY 2023/24, and Kshs.455.75 million (5 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.175.72 million (2 per cent) as the Facility Improvement Fund (revenue from health facilities) and Kshs.280.03 million (3 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.11.

3.2.2 Revenue Performance

During the review period, the County received Kshs.5.51 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.388.36 million from Kshs.5.07 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.50 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.83.56 million, and its own-source revenue (OSR) collection of Kshs.182.60 million. In addition, the County had a cash balance of Kshs.736.22 million from FY 2023/24.

The total OSR collection of Kshs.182.60 million comprises Facilities Improvement Financing (FIF) of Kshs.80.27 million and Kshs.102.33 million from other OSR sources. OSR collections from the FIF were received from Longisa County Referral Hospital and other Level III Hospitals, where the FIF is collected. Table 3.11 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.11: Bomet County, Revenue Performance in the First Nine Months ofFY 2024/25

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**	7,251,128,230	4,504,634,020	62
Sub Total		**7,251,128,230**	**4,504,634,020**	**62**
B	**Conditional Grants**			
1	Road Maintenance Fuel Levy (KRB)	163,685,211	-	-
2	Community Health Promoters	74,070,000	-	-

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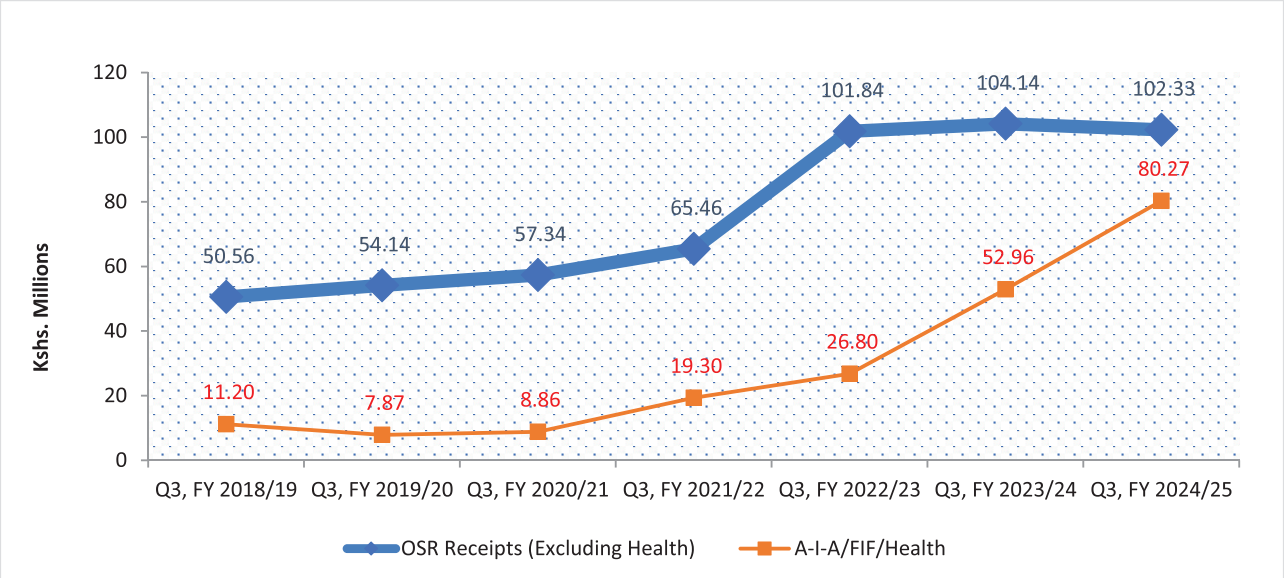
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as % of Annual Allocation (%)
3	Conditional Allocation for Libraries	950,259	-	-
4	Primary Healthcare in a Devolved Context	8,482,500	-	-
5	Kenya Urban Support Programme (KUSP) - UIG	35,000,000	-	-
6	IDA Kenya Urban Development Grant (UDG)	18,278,289	-	-
7	KDSP (Level 1)	37,500,000	-	-
8	KDSP (Level 1 Grant) B/F-Recurrent	3,300,000	-	-
9	WASH - Health & Water- DIG DEEP	80,000,000	-	-
10	Kenya Water, Sanitation and Hygiene (K-WASH) Program	197,903,000	-	-
11	Nutritional International	15,000,000	7,500,000	50
12	HSSF Danida	20,056,500	-	-
13	IDA Kenya/Climate Change Resilience Invest (CCRI) - BAL C/F	65,063,344	65,063,344	100
14	Balance c/f County Contribution to FloCCA	60,000,000	-	-
15	IDA Kenya/Climate Change Resilience Invest (CCRI) Kfw	85,000,000	-	-
16	IDA Kenya/Climate Change Resilience Invest (CCRI)	130,126,688	-	-
17	IDA Kenya/Climate Change Institutional Support (CCIS)	11,000,000	11,000,000	100
18	Fertiliser Subsidy Program	131,684,382	-	-
19	Agriculture Sector Development Support Programme (ASDSP)	1,716,655	-	-
20	Livestock Value Chain Support Project - GRANTS	57,294,720	-	-
21	IDA World Bank-Value Chain NAVCDP	151,515,152	-	-
Sub-Total		**1,347,626,700**	**83,563,344**	**6**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	280,032,929	102,330,566	37
2	Balance B/F from FY2023/24	725,624,018	736,215,351	102
3	Facility Improvement Fund (FIF)	175,718,000	80,270,418	26
Sub Total		**1,181,374,947**	**918,816,334**	**78**
Grand Total		**9,780,129,877**	**5,507,013,698**	**56**

Source: *Bomet County Treasury*

The County Treasury has not fully budgeted for the balance from the previous financial year. Thus, more than 100 per cent performance in the unspent balances from FY 2023/24, as shown in the table above. The County is yet to finalise the approval process for the governing legislation to operationalise the Facility Improvement Fund (FIF).

Figure 5 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 5: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



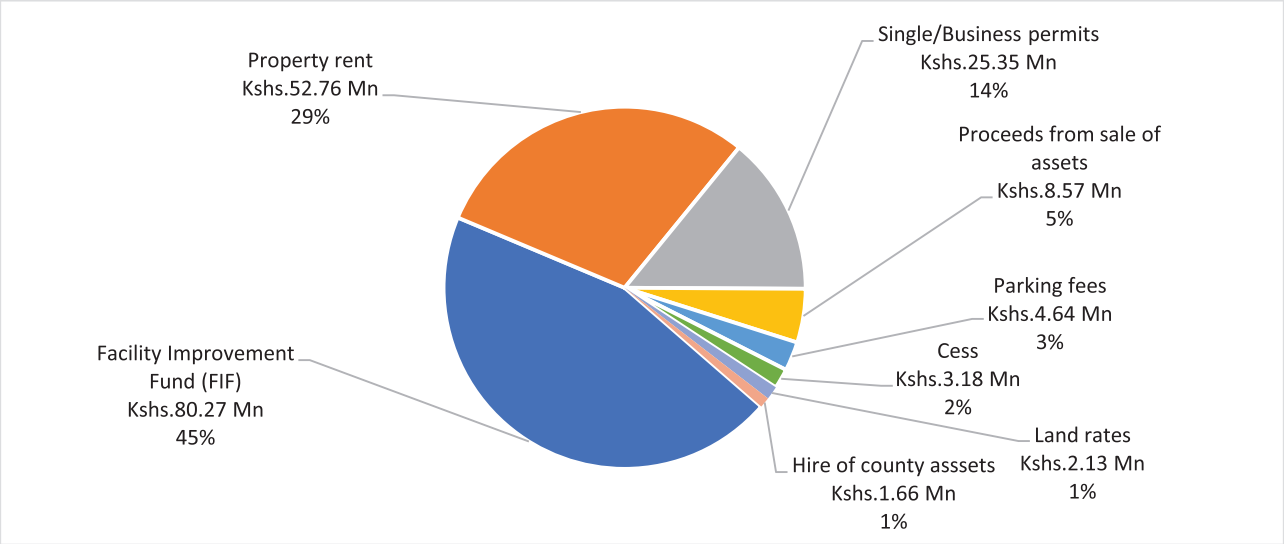
Source: *Bomet County Treasury*

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During the review period, the County generated Kshs.182.60 million from its revenue sources, including AIA and FIF. This amount was an increase of 16.3 per cent compared to Kshs.157.10 million realised in a similar period in FY 2023/24 which was 39.6 per cent of the annual target and 4 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 6.

Figure 6: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



***Source**: Bomet County Treasury*

As shown in Figure 6, the highest revenue stream, at Kshs.80.27 million, was from the Facility Improvement Fund, accounting for 45 per cent of the total OSR receipts. The County Government has not automated revenue collection.

3.2.3 Borrowing by the County

The County Government did not report any borrowing from a financial institution as of 31st March 2025.

3.2.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.73 billion during the reporting period, from the CRF account comprising Kshs.1.04 billion (22.1 per cent) for development programmes and Kshs.3.68 billion (77.9 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.41 billion was released towards compensation of employees and Kshs.1.27 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25 does not include the March 2025 exchequer request for the County Executive and County Assembly due to delays in the disbursement of the shareable revenue from the National Government.

Analysis of the operations and maintenance exchequer releases indicates that 12.8 per cent was for domestic travel and 2 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.167.3 million, comprising Kshs.75.4 million for the County Executive and Kshs.91.9 million for the County Assembly. The foreign exchequer totalled Kshs.25.02 million, comprising Kshs.6.32 million for the County Executive and Kshs.18.7 million for the County Assembly.

Table 3.12: Bomet County, Budeget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure to Exchequer Issues (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Administration and Public Service	2,540.55	56	1,485.46	7.33	58	13
Finance, Economic Planning & ICT	260.29	240	157.42	27.38	60	11
Lands, Housing and Urban Planning	184.02	131.40	50.90	30.15	28	23
Gender, Culture and Social Services	45.65	6.97	14.71	2.95	32	42
Medical Services and Public Health	2,222.51	165	1,177.82	14.28	53	9
Agriculture, Livestock and Cooperatives	36.57	510.01	11.09	66.22	30	13
Water, Sanitation, and Environment	133.79	889.99	121.81	345.36	91	39
Education, Vocational Training, Youth & Sports	235.32	280.62	113.02	66.83	48	24

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure to Exchequer Issues (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Roads, Public Works and Transport	75.79	646.19	29.95	344.40	40	53
Trade, Energy, Tourism and Industry	11.37	58.80	6.61	22.92	58	39
County Assembly	798.46	250.82	514.30	116.47	64	46
Total	**6,544.32**	**3,235.81**	**3,683.10**	**1,044.30**	**56**	**32**

***Source**: Bomet County Treasury*

As of March 31, 2025, the County Government's cash balance in the CRF account was Kshs.58.87 million.

3.2.5 County Expenditure Review

The County spent Kshs.4.74 billion on development and recurrent programmes during the reporting period. The expenditure represented 100.2 per cent of the total funds released by the CoB and comprised Kshs.877.42 million and Kshs.3.86 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 46 per cent, while recurrent expenditures represented 64 per cent of the annual recurrent expenditure budget.

3.2.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.1 billion as of 30th June 2024. This amount included Kshs1.02 billion from the County Executive and Kshs.86.96 million from the County Assembly. The pending bills from the County Executive consist of Kshs.193.12 million for recurrent expenditures and Kshs.830.77 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.305.92 million, comprising Kshs.150.97 million for recurrent programmes and Kshs.154.94 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.3.24 million, which were for recurrent activities. The County Assembly did not report any payment of development pending bills in the period under review.

The County Executive and the Assembly submitted payment plans for pending bills at the commencement of FY 2024/25, committing to pay Kshs 615 million and Kshs 3 million, respectively, in the first nine months of FY 2024/25. The County Assembly adhered to this payment plan, clearing Kshs.3.24 million, while the County Executive's settlement fell short by approximately Kshs.309.08 million.

The returns shared by the County Executive on actual payments made during the period under review differed from those shared as of the Half Year. During the first half of FY 2024/25, the County Executive reported paying off pending bills amounting to Kshs.313.89 million, comprising Kshs.117.45 million for recurrent programmes and Kshs.196.45 million for development programmes.

As of 31st March 2025, the outstanding pending bills totalled Kshs.801.69 million, comprising Kshs.717.98 million for the County Executive and Kshs.83.71 million for the County Assembly.

3.2.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.31 billion on employee compensation, Kshs.1.04 billion on operations and maintenance, and Kshs.760.96 million on development activities. Similarly, the County Assembly spent Kshs.277.65 million on employee compensation, Kshs.236.63 million on operations and maintenance, and Kshs.116.46 million on development activities, as shown in Table 3.13

Table 3.13: 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	**5,745,862,285**	**748,458,555**	**3,349,524,937**	**514,286,252**	**58**	**69**
Compensation to Employees	3,491,268,219	400,387,231	2,313,967,386	277,654,178	66	69
Operations and Maintenance	2,254,594,066	348,071,324	1,035,557,551	236,632,074	46	68
Development Expenditure	**2,984,985,019**	**250,824,018**	**760,960,678**	**116,455,406**	**25**	**46**
Total	**8,730,847,304**	**999,282,573**	**4,110,485,615**	**630,741,658**	**47**	**63**

***Source**: Bomet County Treasury*

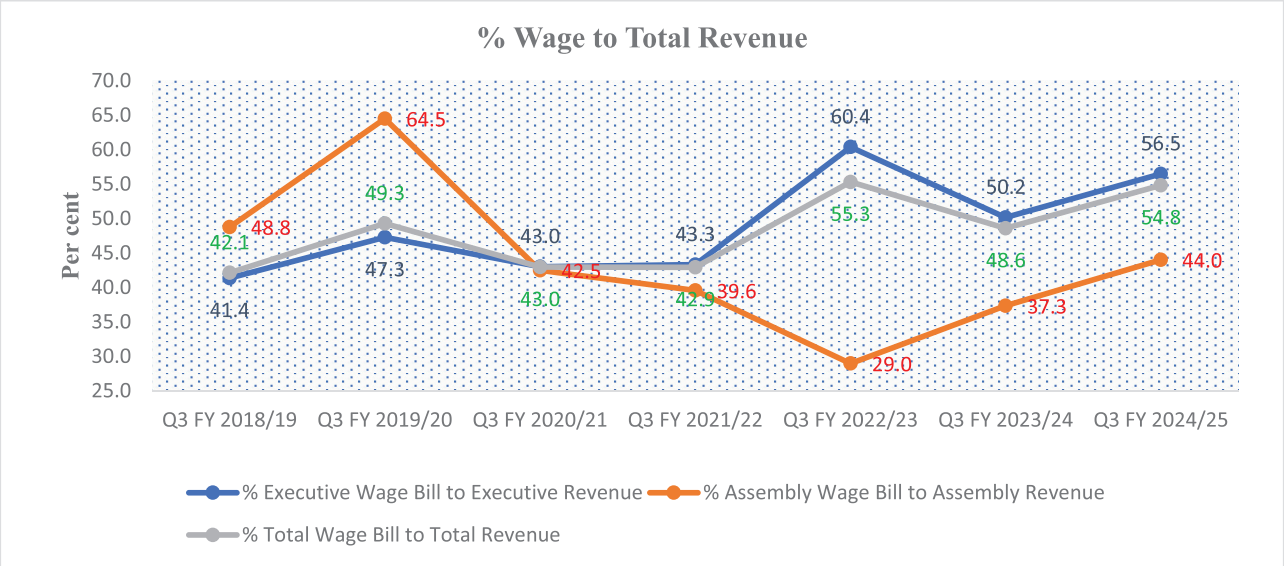
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3.2.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.2.521 billion. The total revenue, with employee compensation as a percentage of revenue, is 42.1 per cent. This expenditure on employee compensation shows a decrease compared to the Kshs.2.44 billion was reported during the same period in FY 2023/24. Of this total, Kshs.1.1 billion was allocated to Health Sector employees, which accounts for 47.7 per cent of the overall employees' compensation.

Figure 7 shows the compensation trend to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 7: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



Source: *Bomet County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.49 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.104.54 million was processed through manual payrolls, which accounted for 4.0 per cent of the total PE cost.

The manual payrolls comprised salaries for staff and MCAs yet to be onboarded into the Government Human Resource Information System (GHRIS), Ward staff salaries and sitting allowances for MCAs and members of the County Assembly Service Board gratuity remittances to pension schemes for staff on contract, and LAPTRUST/ LAPFUND Pension Contributions, as shown in Table 3.14

Table 3.14: Breakdown of Bomet County Manuall Payroll

Manual Expenditure Item	Total Expenditure
Manual Payroll (Staff)	25,422,265
MCA's (Not in IPPD)	7,394,665
Ward Staff Salaries	27,664,000
Gratuity (MCA)	9,591,703.98
Pension (Employer)	4,796,336
CASB Sittings	6,226,200
Sitting Allowances	21,784,400
Total	**104,535,500**

Source: *Bomet County Treasury*

The County Assembly spent Kshs.18.7 million on committee sitting allowances for the 39 MCAS against the annual budget allocation of Kshs.33.48 million. The average monthly sitting allowance was Kshs.53,278 per MCA. The County Assembly has 21 House Committees.

3.2.9 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.130 million to County-Established

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funds in FY 2024/25, or 1 per cent of the County's overall budget. Furthermore, the County allocated Kshs.2.5 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 3.15 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.15: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25(Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
County Executive Established Funds							
	Bursary	2014	130,000,000	64,700,000	64,700,000	543,285,040	Yes
	Car and Mortgage	2014	-	-	-	124,813,880	Yes
County Assembly Established Funds							
	Car and Mortgage	2014	-	-	22,307,071	483,307,071	Yes
Total			**130,000,000**	**64,700,000**	**87,007,071**	**1,151,405,991**	

Source: Bomet *County Treasury*

During the reporting period, the CoB received the quarterly financial reports from the three Fund Administrators, as indicated in Table 3.15, as per the requirement of Section 168 of the PFM Act, 2012. The funds' administration costs were within the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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. During the reporting period, the CoB established that the lifespan of the County Assembly Car Loan and Mortgage **Fund** had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.2.10 County Corporations

The County has established two county corporations. During the financial year, it allocated Kshs.128.40 million to these corporations through their parent departments. Their total expenditure in the first nine months amounted to Kshs.49.3 million, as shown in Table 3.16

Table 3.16: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Bomet Municipality	Lands, Housing, Urban Development and Municipalities	73,898,289	Nil	Nil
2	Sotik municipality	Lands, Housing, Urban Development And Municipalities	4,500,000	Nil	Nil
3	Bomet Water Company	Water	50,000,000	**49,300,000**	**49,300,000**
	Total		128,398,289	49,300,000	49,300,000

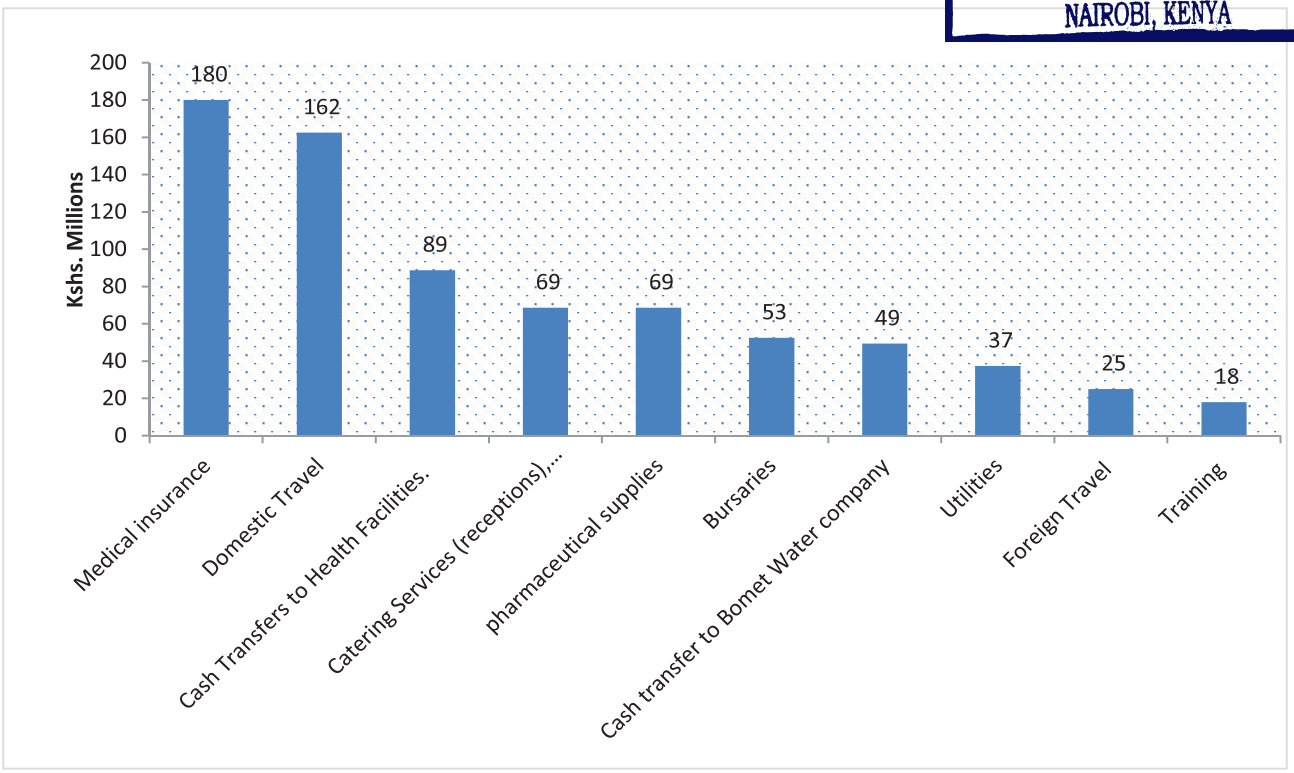
Source: Bomet *County Treasury*

3.2.11 Expenditure on Operations and Maintenance

Figure 8 summarises the Operations and Maintenance expenditure by major categories.

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Figure 8: Bomet County, Operations and Maintenance Expenditure by Major Categories



Source: Bomet County *Treasury*

Expenditure on domestic travel amounted to Kshs.162.45 million, comprising Kshs.87.05 million spent by the County Assembly and Kshs.75.40 million by the County Executive. Expenditure on foreign travel amounted to Kshs.25.02 million and comprised Kshs.18.72 million by the County Assembly and Kshs.6.32 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.17

Table 3.17: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/24

Arm of County Government	No. of officers travelled	Dates Travelled	Purpose of the Travel	Destination	Total Cost of the Travel (Kshs)
County Executive	1	1st October- 8th October 2024	Facilitation to Attend IPAC Meeting	Canada	711,916.35
County Executive	1	8th September- 17th September 2024	Facilitation to Attend Meeting on Pyre-thrum Revival	Uk	992,662.50
County Executive	1	1st October- 8th October 2024	Facilitation to Attend IPAC Meeting	Canada	822,747.90
County Executive		1st-8th October 2024	Training Fees in Canada for the IPAC Annual Leadership Conference	Canada	478,848
County Executive	1	9th -13th September 2024	Induction Training ICPAK Members	Singapore	690,900
County Executive	1	4th - 8th Nov 2024	Facilitation to Attend The 12th World Urban Forum 2024	Egypt	403,899
County Executive	1	1st October- 8th October 2024	Facilitation to Attend IPAC Meeting	Canada	264,395.35
County Executive	1	24th June 2024	Attend Official Meeting	Dubai	221,364
County Assembly	12	01st November - 9th November, 2024	The UN-Habitat Twelfth Session of The World Urban Forum in Cairo	Egypt	7,296,050
County Assembly	1	1st November 2024 – 9th No-vember 2024	Attending the Regional International	Spain	569,660
County Assembly	17	7th February 2025 - 14th Feb-ruary 2025	Attending the 38th Edition of Surakund International Crafts Mela (Fair)	India	10,834,863
Pending Bills - Foreign Travel					
Arm of County Government	**No. of officers travelled**	**Dates Travelled**	**Purpose of the Travel**	**Destination**	**Total Cost of the Travel (Kshs)**
County Executive	1	28th April- 3rd May 2024	Red Cross Partnership Meeting Held	Qatar	358,150

Source: *Bomet County Treasury and Bomet County Assembly*

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The operations and maintenance costs include Kshs.33.56 million for garbage collection and Kshs.5.0 million for Legal Fees/ Dues, arbitration, and compensation payments.

3.2.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.80.27 million as FIF, which was 45.7 per cent of the annual target of Kshs.175.72 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County, however, has not developed regulations to operationalise the FIF Act of 2023.

The expenditure by the health facilities amounted to Kshs.80.27 million as shown in Table 3.18

Table 3.18: Financial Performance of Bomet County Health Facilities

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1.	Longisa County Referral Hospital	90,000,000	50,854,427	57
4.	Ndanai Sub County Hospital	22,600,000	15,791,371	70
3.	Sigor Sub-County Hospital	15,100,000	7,655,739	51
5.	Kapkoros Sub-County Hospital	10,700,000	2,902,529	27
2.	Cheptalal Sub County Hospital	16,300,000	2,232,468	14
6.	Siongiroi Health Centre	2,300,000	733,117	32
7.	Other Health Facilities	201,608	100,766.50	50
	Total	**157,201,608**	**80,270,417.50**	51

Source: *Bomet County Treasury*

The Health Facility with the highest absorption rate was Longisa County Referral Hospital with Ksh.50.85 million.

3.2.13 Development Expenditure

In the review period, the County reported spending Kshs.877.3 million on development programmes, a decrease of 24 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.1.16 billion. Table 3.19 summarises the development projects with the highest expenditure in the reporting period.

Table 3.19: Bomet County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31st March 2025	Implementation status (%)
1	Lands	Acquisition of Land for Ict Hub -Mulot	Mulot	30-Jun-25	31,974,000	31,974,000	31,974,000	100
2	Roads	Routine Maintenance of Masindoni - Lutan - Chepwosuiyet Road	Siongiroi Ward	30-Jun-25	9,802,962.80	9,802,962.80	9,802,962.80	100
3	Roads	Routine Maintanance of Kaptebengwet Chebutusto Road	Boito Ward	30-Jun-25	9,200,360	9,200,360	9,200,360	100
4	Roads	Routine Maintanance of Kagawet Ngocho Road	Mutarakwa	30-Jun-25	9,160,800	9,160,800	9,160,800	100
5	Roads	Routine Maintenance of Kembu-Kaboruso Road	Kembu Ward	30-Jun-25	9,117,100	9,117,100	9,117,100	100
6	Roads	Routine Maintenance of C24-Kabusare-Sonokwek Rd	Ndarawetta Ward	30-Jun-25	8,840,200	8,840,200	8,840,200	100
7	Water	Pipeline Distribution for Tinet Water Kembu Ward	Kembu Ward	30-Jun-25	7,768,520	7,768,520	7,768,520	100
8	Roads	Routine Maintenance Togomin Primary Road	Kapletundo Ward	30-Jun-25	6,800,000	6,800,000	6,800,000	100
9	Roads	Routine Maintenance of Mengichik - Ilyo Road	Merigi Ward	30-Jun-25	6,510,778.40	6,510,778.40	6,510,778.40	100
10	Roads	Routine Maintenance of KCC - Chebilat Road	Chemagel Ward	30-Jun-25	6,425,472	6,425,472	6,425,472	100

Source: *Bomet County Treasury*

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3.2.14 Budget Performance by Department

Table 3.20 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.20: Bomet County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Administration and Public Service	2,540.55	56	1,485.46	7.33	1,402.99	7.29	94.4	99.5	55.2	13.0
Finance, Economic Planning & ICT	260.29	240	157.42	27.38	175.06	27.76	111.2	102.1	67.3	11.6
Lands, Housing and Urban Planning	184.02	131.40	50.90	30.15	50.90	0.51	100.0	1.7	27.7	0.4
Gender, Culture and Social Services	45.65	6.97	14.71	2.95	14.71	2.85	100.0	96.6	32.2	40.9
Medical Services and Public Health	2,222.51	165	1,177.82	14.28	1,177.86	14.22	100.0	99.6	53.0	8.6
Agriculture, Livestock and Cooperatives	36.57	510.01	11.09	66.22	11.05	62.15	99.6	93.9	30.2	12.2
Water, Sanitation, and Environment	133.79	889.99	121.81	345.36	121.81	232.35	100.0	67.3	91.0	26.1
Education, Vocational Training, Youth & Sports	235.32	280.62	113.02	66.83	113.02	68.67	100.0	102.7	48.0	24.5
Roads, Public Works and Transport	75.79	646.19	29.95	344.40	29.33	344.40	97.9	100.0	38.7	53.3
Trade, Energy, Tourism and Industry	11.37	58.80	6.61	22.92	6.69	0.73	101.2	3.2	58.9	1.2
County Assembly	798.46	250.82	514.30	116.47	514.29	116.46	100.0	100.0	64.4	46.4
Total	**6,544.32**	**3,235.81**	**3,683.10**	**1,044.30**	**3,863.52**	**877.39**	**104.9**	**84.0**	**59.0**	**27.1**

***Source**: Bomet County Treasury*

Analysis of expenditure by departments shows that the Department of Roads, Public Works and Transport recorded the highest absorption rate of development budget at 53 per cent, followed by the County Assembly at 46 per cent. The Department of Finance, Economic Planning and ICT had the highest percentage of recurrent expenditure to budget at 91 per cent. In contrast, the Department of Lands, Housing and Urban Planning had the lowest at 27.7 per cent.

3.2.15 Budget Execution by Programmes and Sub-Programmes

Table 3.21 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.21: Bomet County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Budget Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Policy, Planning & General Administrative Services	Policy, Planning & General Administrative Services	2,014,648,000	1,206,002,365	60
	Policy, Planning & General Administrative Services	2,014,648,000	1,206,002,365	60
General Administrative Services	General Administrative Services	442,425,926	139,701,148	32
	General Administrative Services	442,425,926	139,701,148	32
Administration, Planning and Support Service	Administration, Planning and Support Service	83,473,432	71,189,724	85
	Administrative Services	83,473,432	71,189,724	85
Flagship Projects	Flagship Projects	56,000,000	7,288,563	13
	Infrastructure Development and Equipment	56,000,000	7,288,563	13

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Programme	Sub-Programme	Budget Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Crop Development and Management	Crop Development and Management	325,156,189	9,619,245	3
	Policy, Planning & General Administrative Services	16,040,000	5,849,520	36
	Cash Crop Development	309,116,189	3,769,725	1
	Food Security and Nutrition	46,600,000	23,240,459	50
	BIDP	19,500,000	3,790,420	19
	Food Security and Nutrition	27,100,000	19,450,039	72
Livestock Development & Management	Livestock Development & Management	101,694,720	26,620,979	26
	Livestock & Fisheries Development	57,694,720	3,446,716	6
	Veterinary Services Development	44,000,000	23,174,263	53
	Cooperatives, Value Addition, and Marketing	73,130,000	16,463,588	23
	Policy, Planning & General Administrative Services	20,530,000	7,939,755	39
	Cooperatives, Value Addition, and Marketing	52,600,000	8,523,833	16
Land Policy and Planning	Land Policy and Planning	236,022,000	70,314,059	30
	Policy, Planning & General Administrative Services	184,022,000	48,466,514	26
	Land Use Planning and Management	52,000,000	21,847,546	42
Housing Development and Human Settlement	Housing Development and Human Settlement	7,000,000	3,314,041	47
	Housing Development	7,000,000	3,314,041	47
Urban Development	Urban Development	72,398,289	7,378,284	10
	Urban Infrastructure and Market Development	44,620,000	7,378,284	17
	Bomet Municipality	25,278,289	-	0
	Sotik Municipality	2,500,000	-	0
Road Construction and Maintenance	Road Construction and Maintenance	613,977,376	340,264,380	55
	Policy, Planning & General Administrative Services	75,792,165	24,537,879	32
	Design and construction of roads	538,185,211	315,726,501	59
Bridges and Culverts	Bridges and Culverts	105,000,000	23,296,240	22
	Bridges and Culverts	105,000,000	23,296,240	22
Vehicle Maintenance and Fleet Management	Vehicle Maintenance and Fleet Management	3,000,000	879,393	29
	Transport Management Services	3,000,000	879,393	29
Energy Development	Energy Development	38,865,000	15,529,975	40
Policy, Planning & General Administrative Services	Policy, Planning & General Administrative Services	11,365,000	7,389,746	65
Low-Cost Energy Services	Low-Cost Energy Services	27,500,000	8,140,229	30
Tourism Development	Tourism Development	2,000,000	132,583	7
	Tourism Development and Promotion	2,000,000	132,583	7
Trade Development	Trade Development	25,800,000	13,206,239	51
	Domestic and International Trade Development	25,800,000	13,206,239	51
Industrial Development	Industrial Development	2,000,000	44,938	2
	Industrial Development and Support	2,000,000	44,938	2
Investment Promotion	Investment Promotion	1,500,000	725,000	48
	Promote investments in the county	1,500,000	725,000	48
Policy and Administration	Policy and Administration	1,648,123,854	1,197,912,345	73
	Policy, Planning & General Administrative Services	1,463,397,433	1,108,823,197	76
	Support to health facilities(11.6M/month)	184,726,421	89,089,148	48
Preventive and Promotive Health Services	Preventive and Promotive Health Services	308,100,782	1,110,000	0
	Health promotion: Nutrition interventions	148,140,000	-	0
	Communicable disease prevention & control	159,960,782	1,110,000	1

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Programme	Sub-Programme	Budget Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption (%)
Curative Health Services	Curative Health Services	256,287,510	77,817,046	30
	Commodities, Pharmaceutical, non-pharmaceutical, reagents, linen	247,037,510	75,129,116	30
	Emergency Response Services	9,250,000	2,687,930	29
	Reproductive Health Services	10,000,000	1,017,000	10
	Immunisation, Mother and Child Services	10,000,000	1,017,000	10
	Health Infrastructure	165,000,000	16,404,842	10
	Construction of Buildings	145,000,000	11,855,042	8
	Medical equipment	20,000,000	4,549,800	23
Early Childhood Development and Education	Early Childhood Development and Education	371,237,070	130,970,868	35
	Policy, Planning & General Administrative Services	206,614,159	99,960,355	48
	Furniture in ECD	4,500,000	-	0
	Development of ECD Infrastructure/ Refurbishment	149,000,000	31,010,513	21
	Support to ECD Centres	11,122,911	-	0
Technical Vocational Educational and Training	Technical Vocational Educational and Training	108,000,000	34,531,470	32
	Early Childhood Development and Education	108,000,000	34,531,470	32
Youth Training and Development	Youth Training and Development	36,706,245	19,399,743	53
	Policy, Planning & General Administrative Services	28,706,245	16,274,051	57
	Revitalisation of Youth Programs	8,000,000	3,125,693	39
Social Development and Social Services	Social Development and Social Services	48,651,628	16,493,873	34
	Policy, Planning & General Administrative Services	45,651,628	13,975,634	31
	Gender, Children's Services and Social Protection	3,000,000	2,518,239	84
Culture and library services	Culture and library services	3,973,556	-	0
	Cultural Development and Library Services	3,973,556	-	0
	PWDS, Women and Youth Empowerment	-	-	
Economic Policy and Planning	Economic Policy and Planning	95,736,569	74,979,008	78
	Policy, Planning & General Administrative Services	59,187,995	49,840,058	84
	Economic Planning and Coordination Services	7,200,000	4,604,900	64
	Monitoring and Evaluation	6,548,574	2,928,000	45
	Development of county statistics	22,800,000	17,606,050	77
	Financial Management	-	-	
	Flagship Projects	170,000,000	12,900,399	8
	Flagship Projects	170,000,000	12,900,399	8
Finance Management	Finance Management	234,555,173	118,119,602	50
	Administrative Services	116,663,546	68,268,944	59
	Resource Mobilization	500,000	-	0
	Budget Coordination and Management	7,200,000	5,100,000	71
	Audit Services	10,521,627	1,605,400	15
	ICT Services	29,670,000	13,085,866	44
	ICT Infrastructure	11,000,000	-	0
	Other Development	59,000,000	30,059,392	51
Water and Climate Change	Water and Climate Change	469,843,953	177,694,783	38
	Policy, Planning & General Administrative Services	27,073,100	18,213,363	67
	Sanitation, Water supply and Irrigation development services	257,500,800	159,481,420	62
	Waste Management	5,000,000		0
	WASH Programme	180,270,053	-	0

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Programme	Sub-Programme	Budget Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
Environment and Climate Change	Environment and Climate Change	453,940,032	65,620,571	14
	Climate change program (FLLoCCA)	56,716,742	2,754,315	5
	Environment and Natural Resource Protection	397,223,290	62,866,256	16
Bomet Water Company	Bomet Water Company	100,000,000	49,300,000	49
	SP2 Transfer to Bomet Water Company	100,000,000	49,300,000	49
Total County Executive		**8,730,847,304**	**4,110,485,615**	**45**
Legislative Services	1:1 Legislative Services	227,058,444	148,462,278	65
	1:2 Committee Services and House Proceedings	96,206,540	70,230,447	73
	1:3 Office of the Speaker	9,547,600	7,017,486	74
Oversight and Representation	2:1 Decentralisation of Services	108,050,555	77,796,400	72
	2:2 Public Participation	6,700,000	3,637,980	54
	2:3 Site Visits	1,400,000	-	0
General Administration, Human Resources and Administrative Services	3:1 County Assembly Service Board	79,448,000	55,613,600	70
	3:2 Human Resource and Administrative Services	253,992,611	140,494,458	55
	3:3 Financial Management Services	2,850,000	2,130,000	75
	3:4 Information Services and E-Assembly	13,204,805	8,903,604	67
	3:5 Infrastructure Development	250,824,018	116,455,406	46
Total County Assembly		**1,049,282,573**	**630,741,659**	**60**
Grand Total		**9,780,129,877**	**4,741,227,273**	**47**

***Source**: Bomet County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Administration, Planning and Support Services in the Department of Administration and Public Service at 85 per cent, Gender, Children Services and Social Protection in the Department of Gender, Culture and Social Services at 84 per cent, Policy, Planning & General Administrative Services in the Department of Finance, Economic Planning & ICT at 84 per cent, and Policy, Planning & General Administrative Services in the department of Health at 78 per cent of budget allocation. It is important to note that there are significant disparities in programme absorption rates, which may indicate discriminatory allocation of resources or a shortage of staff in the relevant departments.

3.2.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 148 accounts with commercial banks, including 131 accounts for Health Facilities, four accounts for Established Funds, one revenue account, seven special-purpose accounts (additional allocations), four imprest accounts, one recurrent operational account, and one development operational account.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 148 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.2.17 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;

i. A high level of pending bills, amounting to Kshs.793.72 billion as of 31st December 2024. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.

ii. Use of manual payroll. Personnel emoluments amounting to Kshs.170.25 million were processed through manual payroll, accounting for 9 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

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iii. The County Government irregularly opened and operated commercial bank accounts 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.

iv. The County Treasury did not fully budget for the Unspent Balances from FY 2023/24, resulting in more than 100 per cent of receipts exceeding the budgeted figures.

v. Inconsistent expenditure returns shared with the CoB. The returns shared by the County Executive on actual payments made in the period under review differed from those shared at the half-year. During the first half of FY 2024/25, the County Executive reported paying off pending bills amounting to Kshs.313.89 million, comprising of Kshs.117.45 million for recurrent programmes and Kshs.196.45 million for development programmes.

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

i. The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining period of the financial year. Further, compliance with the payment plan should be enforced.

ii. The Government requires that salaries be processed through the IPPD system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.

iii. The County Government should ensure that bank accounts are opened and operated at the Central Bank of Kenya as required. However, imprest bank accounts for petty cash and revenue collection accounts are exempted. Further, copies of all account opening letters must be submitted to the CoB and the Auditor General

iv. The County Treasury should thoroughly budget for all unspent balances from the previous Financial Years.

v. The County Treasury to ensure the expenditure returns shared with OCoB are accurate and consistent.

3.3. County Government of Bungoma

3.3.1 Overview of FY 2024/25 Budget

The Bungoma County Gross Approved FY 2024/25 budget is Kshs.15.59 billion. It comprises Kshs.4.97 billion (32 per cent) and Kshs.10.62 billion (68 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.56 billion (11 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.4.76 billion and a recurrent budget of Kshs.9.27 billion. The increase in the budget was attributed to a rise in its own-source revenue projection and equitable share of revenue raised nationally. The County's Net Approved Budget (gross budget less AIA estimates) is Kshs.15.15 billion.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.11.54 billion (74 per cent), additional allocations of Kshs.1.79 billion (12 per cent) and Kshs.2.25 billion (15 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.1.06 billion (47 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.1.19 billion (53 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.22.

3.3.2 Revenue Performance

During the review period, the county received Kshs.9.12 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.2.13 billion from Kshs.6.99 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.7.37 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.65.13 million, Facility Improvement Fund of Kshs.441.39 million and its own-source revenue (OSR) collection of Kshs.352.7 million. In addition, the County had a cash balance of Kshs.888.96 million from FY 2023/24.

The total OSR collection of Kshs.794.09 million includes Facilities Improvement Financing (FIF) of Kshs.441.39 million, and Kshs.352.7 million from other OSR sources. OSR collections from the FIF were received from (Bungoma County Referral Hospital, Webuye County Hospital, Kimilili Sub-County Hospital, Cheptais Sub-County Hospital, Bokoli Sub-County Hospital, Mt. Elgon Sub-County Hospital, Bumula Sub-County Hospital, Naitiri Sub-County Hospital, Sinoko Sub-County Hospital, Sirisia Sub-County Hospital and Chwele Sub-County Hospital), where FIF is collected. Table 3.22 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

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Table 3.22: Bungoma County, Revenue Performance in the First Nine Months of FY 2024/25

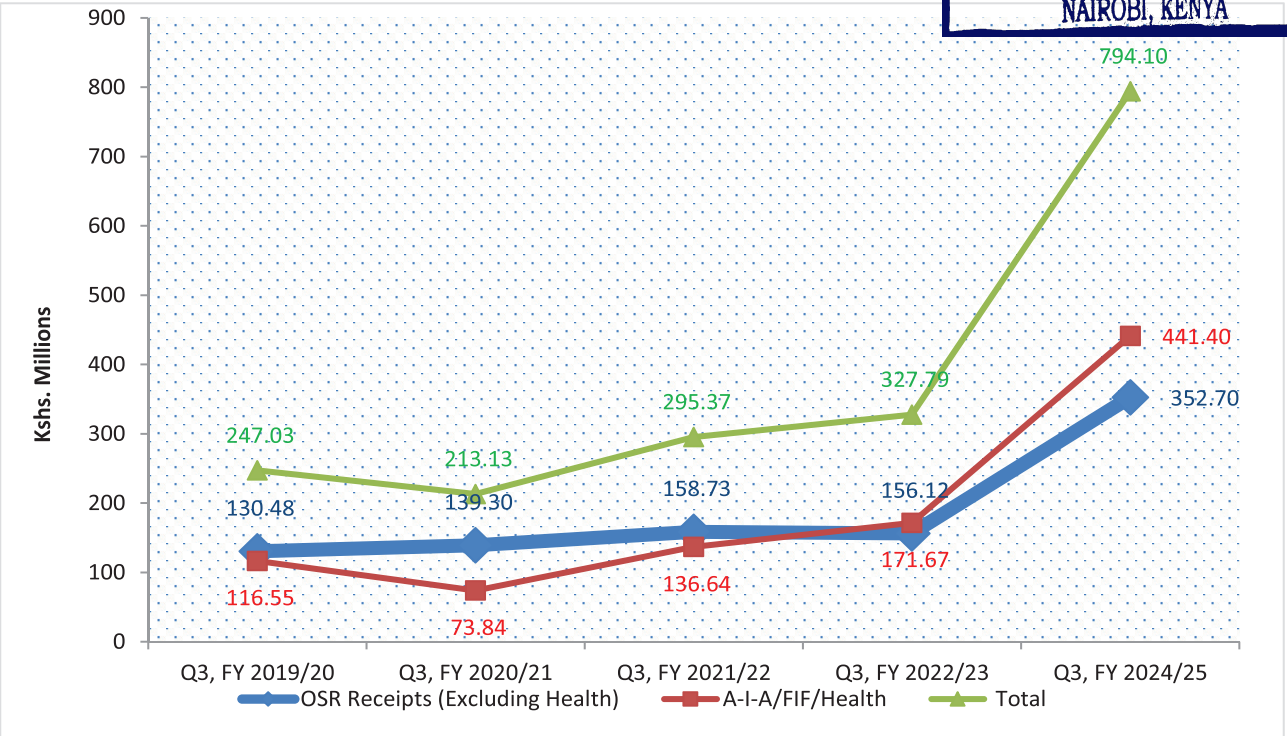
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	11,543,041,769	7,367,948,891	64
Sub Total		**11,543,041,769**	**7,367,948,891**	**64**
B	**Conditional Grants**			
1	SHIF Reimbursement	105,600,000	-	-
2	UNFPA	7,400,000	-	-
3	Community Health Promoters	107,400,000	-	-
4	Rural Electrification and Renewable Energy Corporation (REREC)	45,000,000	-	-
5	Kenya Livestock Commercialisation Project (KELCLOP)	37,950,000	-	-
6	Roads: (I) Fuel Levy Fund	184,554,999	-	-
7	UNICEF	1,571,000	-	-
8	Danish International Development Agency (DANIDA)	13,698,750	-	-
9	National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	-	-
10	Kenya Devolution Support Programme- Level 1	37,500,000	-	-
11	Lands: (I) Urban Support Programme (Development)	100,434,139	-	-
12	(II) Urban Support Programme (Recurrent)	35,000,000	-	-
13	III) KISP II (Kenya Informal Settlement Improvement Project)	297,400,190	-	-
14	Finance Locally Led Climate Action Program (FLLoCA)- Water	11,000,000	11,000,000	100
15	Industrial Park		54,131,579	-
16	Climate Change Grant	153,488,888	-	-
17	Water and Natural Resources(I) WATER KOICA	500,000,000	-	-
Sub-Total		**1,789,513,118**	**65,131,579**	**4**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	1,193,245,421	352,701,863	30
2	Balance b/f from FY2023/24	-	888,958,688	-
3	Facility Improvement Fund (FIF)	1,063,647,395	441,396,218	42
Sub Total		2,256,892,816	1,683,056,769	75
Grand Total		**15,589,447,703**	**9,116,137,239**	**59**

Source: *Bungoma County Treasury*

Figure 9 shows the collection trend in own-source revenue from the first nine months of FY 2019/20 to FY 2024/25.

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Figure 9: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2019/20 to FY 2024/25

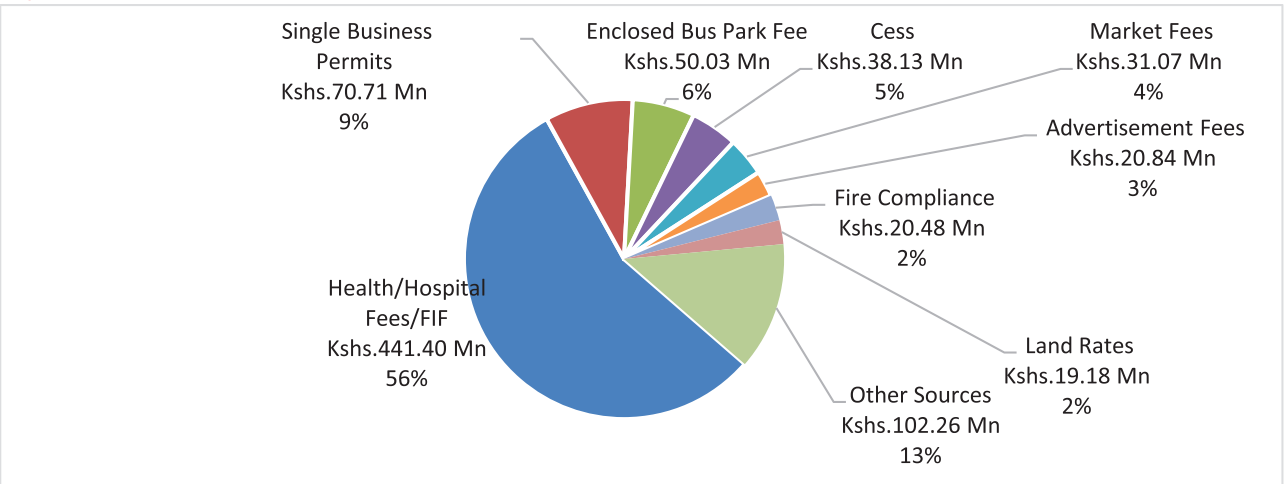


Source: *Bungoma County Treasury*

During the review period, the County generated Kshs.794.09 million from its own revenue sources, including AIA and FIF. This amount was an increase of 7 per cent compared to Kshs.742.34 million realised in a similar period in FY 2023/24 and was 35 per cent of the annual target and 11 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 10.

Figure 10: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source*: Bungoma County Treasury*

As shown in Figure 10, the highest revenue stream of Kshs.441.4 million was from Health /Hospital -FIF, contributing to 56 per cent of the total OSR receipts. The County Government has automated 48 revenue streams out of 52 streams.

3.3.3 Borrowing by the County

The County Government borrowed Kshs.556.13 million from a commercial bank, the County Executive (Kshs.516.21 million), and the County Assembly (Kshs.39.92 million) to support its operations. As of 31st March 2025, the County had a short-term arrangement with the Kenya Commercial Bank, Bungoma Branch, to facilitate salary payments and avoid delays.

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3.3.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.7.67 billion from the CRF account during the reporting period, which comprised Kshs.1.55 billion (20 per cent) for development programmes and Kshs.6.12 billion (80 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.4.7 billion was released towards employee compensation and Kshs.1.42 billion for operations and maintenance expenditure.

Analysis of the operations and maintenance exchequer releases indicates that 18 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.260 million, including Kshs.162.2 million for the County Executive and Kshs.97.43 million for the County Assembly. The foreign exchequer totalled Kshs.12.9 million, comprising Kshs.9.84 million for the County Executive and Kshs.3.06 million for the County Assembly.

Table 3.23: Bungoma County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock, Fisheries and Cooperative Development	383.58	677.77	274.00	344.96	71	51
Tourism, Forestry, Environment	67.17	572.59	33.13	252.53	49	44
Water and Natural Resources	75.51	680.89	40.56	25.44	54	4
Roads and Public Works	129.14	1,226.75	83.21	238.71	64	19
Education, Science and ICT	1,470.53	161.15	1,014.36	50.30	69	31
Health and Sanitation	4,285.72	156.75	2,242.97	88.63	52	57
Trade, Energy and Industrialisation	88.61	328.42	50.42	161.05	57	49
Gender, Culture, Youth and Sports	98.13	76.98	70.49	55.24	72	72
Land, Urban and Physical Planning	53.38	125.57	30.63	8.65	57	7
Bungoma Municipality	55.95	99.07	28.56	41.50	51	42
Kimilili Municipality	42.70	59.20	17.07	5.97	40	10
Housing	52.66	427.30	45.80	96.99	87	23
Finance and Planning	1,139.37	155.72	718.34	80.30	63	52
County Public Service	49.91	16.02	26.74	8.00	54	50
Governor's	700.72	14.19	292.10	-	42	-
D/Governor's Office	61.58	-	11.22	-	18	-
Public Administration	699.49	-	536.73	3.58	77	-
County Assembly	1,166.95	190.00	599.68	92.71	51	49
Total	**10,621.09**	**4,968.36**	**6,116.01**	**1,554.56**	**58**	**31**

Source: *Bungoma County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.63 million.

3.3.5 County Expenditure Review

The County spent Kshs.7.75 billion on development and recurrent programmes in the reporting period. The expenditure represented 101 per cent of the total funds released by the CoB and comprised of Kshs.1.63 billion and Kshs.6.12 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 33 per cent, while recurrent expenditure represented 58 per cent of the annual recurrent expenditure budget.

3.3.6 Settlement of Pending Bills

As of 30th June 2024, the county reported pending bills totalling Kshs.4.51 billion. This amount included Kshs.4.48 billion from the County Executive and Kshs.27.16 million from the County Assembly. The pending bills from the County Executive consist of Kshs.2.48 billion for recurrent expenditures and Kshs.2.03 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.2 billion, comprising Kshs.1.13 billion for recurrent programmes and Kshs.863.96 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.12.46 million, for recurrent activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.3.36 billion and Kshs.20.37 million, respectively, in the first nine months of FY 2024/25. However,

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the County did not adhere to this payment plan, as it cleared Kshs.2 billion for the Executive and Kshs.1.46 million for the Assembly.

As of 31st March 2025, the outstanding bills amounted to Kshs.2.49 billion, comprising Kshs.2.48 for the County Executive and Kshs.14.7 million for the County Assembly.

3.3.7 Expenditure by Economic Classification

The County Executive spent Kshs.4.37 billion on employee compensation, Kshs.1.18 billion on operations and maintenance, and Kshs.1.54 billion on development activities. Similarly, the County Assembly spent Kshs.330.27 million on employee compensation, Kshs.241.53 million on operations and maintenance, and Kshs.92.72 million on development activities, as shown in Table 3.24

Table 3.24: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**9,454,136,600**	**1,166,950,433**	**5,548,469,580**	**571,796,591**	**59**	**49**
Compensation to Employees	6,326,673,271	505,377,748	4,372,399,764	330,267,782	69	65
Operations and Maintenance	3,127,463,329	661,572,685	1,176,069,816	241,528,809	38	37
Development Expenditure	**4,778,360,669**	**190,000,000**	**1,540,035,112**	**92,720,462**	**32**	**49**
Total	**14,232,497,269**	**1,356,950,433**	**7,088,504,692**	**664,517,053**	**50**	**49**

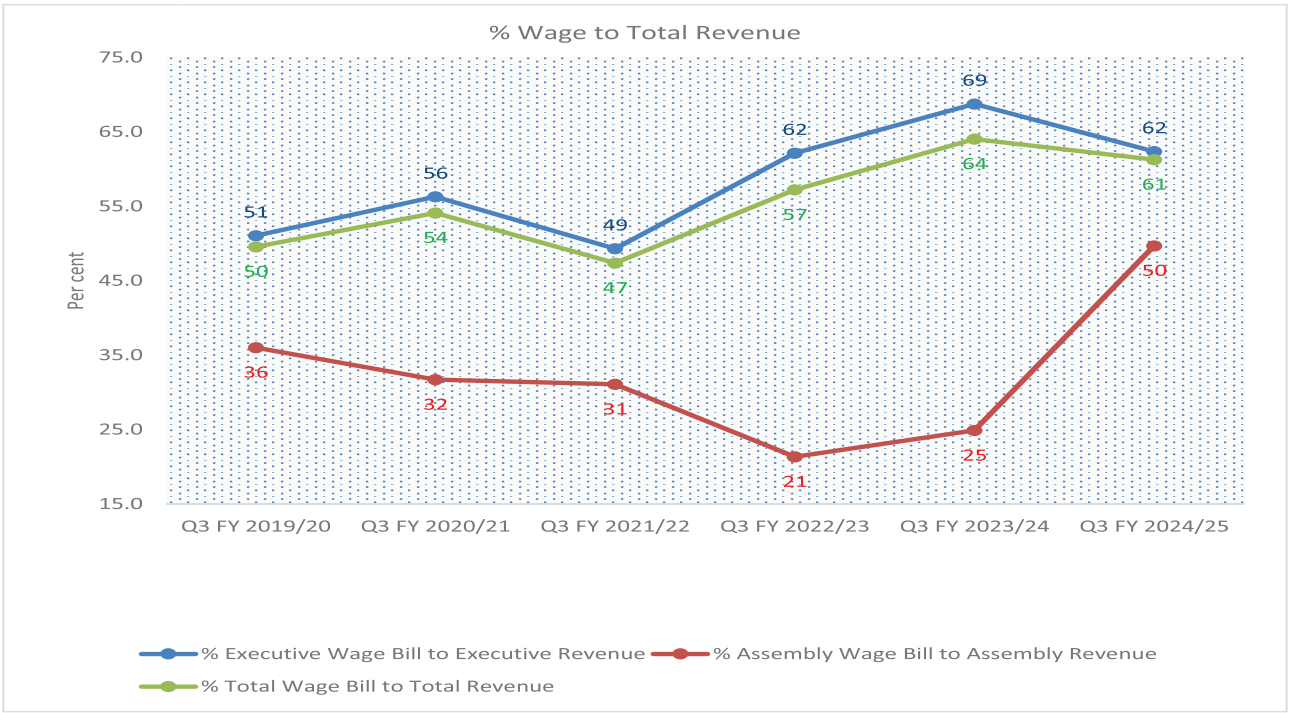
***Source**: Bungoma County Treasury*

3.3.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.4.70 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 52 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.3.68 billion reported during the same period in FY 2023/24. Of this total, Kshs.2.08 billion was allocated to Health Sector employees, accounting for 44 per cent of the overall employee compensation. The Increase in PE expenditure in the reporting period compared to a similar period in FY 2023/24 is attributable to the employment of nurses and other staff cadres, annual salary increments and promotion of staff.

Figure 11 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 11: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



***Source**: Bungoma County Treasury*

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Further analysis indicates that PE costs amounting to Kshs.4.45 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.250.69 million was processed through manual payrolls, which accounted for 5 per cent of the total PE cost.

The manual payrolls comprised salaries for 699 casual staff, salaries for 3,850 Community Health Promoters,135 wards staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for board members and sitting allowances, one staff member on top-up allowance for security personnel, three staff members on Speakers partisan and 15 staff members on casual terms in the County Assembly, as shown in Table 3.25

Table 3.25: Breakdown of Bungoma County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1.	Salaries for 699 Casual staff	153,028,682
2.	Salaries for 3850 Casual staff (The amounts relate to Community Health Promoters paid as a stipend of Kshs.2,500)-	71,600,000
3.	Salaries for 135 ward staff paid outside the Human Resource Information System (HRIS)	21,060,000
4.	Salary for 1 Board member and Sitting Allowances	2,079,000
5.	Top-up Allowances for 1 Security Officer	349,650
6.	Speaker's 3 Partisan Staff	581,535
7.	Salaries for 15 Casual Staff	1,989,630
	Total	**250,688,497**

***Source**: Bungoma County Treasury and Bungoma County Assembly*

The County Assembly spent Kshs.38.08 million on committee sitting allowances for the 63 MCAs against the annual budget allocation of Kshs.56.35 million. The average monthly sitting allowance was Kshs.67,166 per MCA. The County Assembly has 24 House Committees.

3.3.9 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.395 million to County-Established funds in FY 2024/25, or 3 per cent of the County's overall budget. Further, the County allocated Kshs.100.00 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 3.26 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.26: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
County Executive Established Funds							
1	Trade Loan	2014	30,000,000	10,000,000	457,755	138,890,287	Yes
2	Education Support Scheme	2014	255,000,000	-	219,495,495	1,865,000,000	Yes
3	Disability Fund	2016	5,000,000	-	150,000	5,191,614	Yes
4	Youth and Women Fund	2015	5,000,000	-	150,000	51,294,092	Yes
5	Emergency Fund	2019	100,000,000	-	1,443	279,298,000	Yes
County Assembly Established Funds							
1	Members' Car Loan and Mortgage-Loan	2014	-	-	2,869,373	318,681,889	Yes
2	Employee's Car Loan and Mortgage- Fund	2017	-	-	3,299,471	255,071,946	Yes
	Total		**395,000,000**	-	**226,423,537**	**2,913,427,828**	

***Source**: Bungoma County Treasury*

During the reporting period, the CoB did receive quarterly financial returns from the Fund Administrators of Trade Loan, Youth and Women, Disability, Education Support Scheme, Members Car Loan and Mortgage, Employees Car loan and mortgage funds, as indicated in Table 3.26, as per the requirement of Section 168 of the PFM Act, 2012. The administration

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costs of the Funds were within the 3 per cent limit of the Fund budget set in Regulation 197(1)(b) of the Public Finance Management (County Governments) Regulations, 2015.

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. During the reporting period, the CoB established that the lifespan of the Trade Loan Fund, Education Support Scheme, and Youth and Women Fund had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.3.10 County Corporations

The County has one county corporation. In FY 2024/25, the County had yet to provide financial support to this corporation and thus depended fully on its collections. The County has not reported any expenditure in the first nine months, as shown in Table 3.27

Table 3.27: Performance of County Corporations

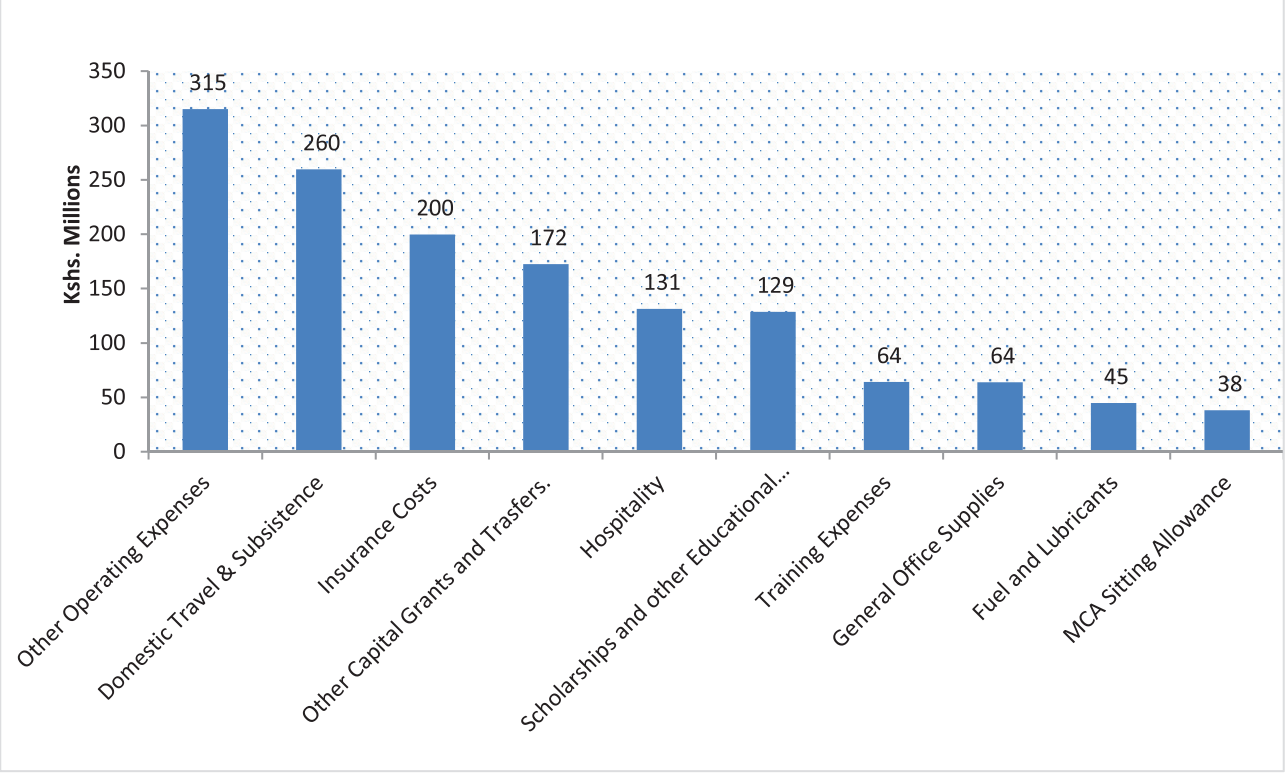
S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Bungoma Water and Sewerage Company (BWASCO)	Water and Natural Resources	-	-	-
Total		-	-	-	-

Source: *Bungoma County Treasury*

3.3.11 Expenditure on Operations and Maintenance

Figure 12 summarises the Operations and Maintenance expenditure by major categories.

Figure 12: Bungoma County, Operations and Maintenance Expenditure by Major Categories



Source: *Bungoma County Treasury*

Expenditure on domestic travel amounted to Kshs.259.63 million and comprised Kshs.97.43 million spent by the County Assembly and Kshs.162.20 million by the County Executive. Expenditure on foreign travel amounted to Kshs.12.90 million and comprised Kshs.3.06 million by the County Assembly and Kshs.9.84 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.28

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Table 3.28: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	of the Travel (Kshs.)
County Executive	2	21 October 2024	Capacity Building Programme Organised by the Eastern & Southern African Management Institute (ESAMI)	Dubai	2,616,440
	53	23 th February 2025	EALASCA Games	Uganda- Kampala	5,895,495
	2	10 th February 2025	Corporate Governance and Board Competence Programme	Hilton Garden-Dubai	1,327,290
County Assembly	1	23 rd July to 28 th July 2024	Attendance at the 1st Africa Health Summit.	Ghana	356,229
	5	25 th September to 27 September 2024	Attendance at the East African Law Society construction Law Conference and the FIDIC conditions of contract workshop.	Rwanda	1,683,135
	1	8 th December to 13 th December 2024	Attendance of Leadership Masterclass Committee Meeting	Singapore	679,056
	2	22 th February to 1 st March 2025	Attendance of Corporate Leadership for Effective Governance for Board Members of County Assemblies	Tanzania	342,624

***Source**: Bungoma County Treasury and Bungoma County Assembly*

Items included under Other Operating Expenses are; - Routine Maintenance and Others (Kshs.37.28 million), Other Operating Expenses-Other (Kshs.124.76 million), Membership Fees, Dues and Foreign Travel and Subsistence (Kshs.13.72 million), Printing and Advertisement (Kshs.13.22 million), Utilities (Kshs.8.54 million), purchase of office equipment (Kshs.0.96 million) and Research (Kshs.5.85 million).

The operations and maintenance costs exclude an expenditure of Kshs.207.18 million on garbage collection and include Kshs.2.73 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.3.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.441.40 million as FIF, which was 42 per cent of the annual target of Kshs.1.06 billion. 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 health facilities reported using the FIF during the reporting period. The expenditure by the health facilities amounted to Kshs.454.09 million, as shown in Table 3.29

Table 3.29: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility (a)	Actual AIA of the Facility (b)	Actual Expenditure of the Facility (c)	Absorption rate (d)= c/a x100 (%)
1.	Bungoma County Referral Hospital	375,328,308	196,153,617	210,261,030	56
2.	Webuye County Hospital	356,313,803	103,883,467	101,190,166	28
3.	Kimilili Sub-County Hospital	34,719,019	31,848,563	33,701,158	97
4.	Naitiri Sub-County Hospital	29,537,736	7,649,306	10,535,959	36
5	Chwele Sub-County Hospital	26,494,123	9,278,326	13,052,022	49
6	Cheptais Sub-County Hospital	30,936,198	33,226,589	31,911,733	103
7	Bokoli Sub-County Hospital	12,706,253	7,496,397	8,285,064	65
8	Mt.Elgon Sub-County Hospital	21,555,383	14,774,291	13,910,480	65
9	Bumula Sub-County Hospital	21,225,958	10,944,181	13,338,487	63
10	Sirisia Sub-County Hospital	39,972,313	15,291,742	15,630,400	39
11	Sinoko Sub-County Hospital	7,458,313	1,392,767	2,282,776	31
Total		**956,247,407**	**431,939,246**	**454,099,275**	**47**

***Source:** Bungoma County Treasury*

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The Health Facility with the highest absorption rate was Cheptais Sub County Hospital which was 93 per cent of the budget.

3.3.13 Development Expenditure

In the review period, the County reported spending Kshs1.63 billion on development programmes, representing an increase of 152 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.660.01 million. Table 3.30 summarises development projects with the highest expenditure in the reporting period.

The increase in development expenditure was attributed to the payment of pending bills for the FY 2023/24.

Table 3.30: Bungoma County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Agriculture, Livestock, Fisheries and Cooperative Development	Farm Input Support – Fertiliser for 500 Beneficiaries per Ward	45 Wards	75% by 31 March 2025 and wholly 100% by 31 May 2025	270,000,000	252,736,550	252,736,550	94
2	Roads and Public Works	Upgrading of Rural Roads - Misikhu Brigadier Road	Tongaren	26 th March 2026	120,000,000	128,099,206	128,099,206	95
3	Roads and Public Works	Upgrading of Urban Roads - Salmond – Khalaba River	Khalaba	10 th May 2026	74,500,000	66,400,795	66,400,795	89
4	County Assembly of Bungoma	Debating Chambers	Bungoma County Assembly	13 th March 2026	399,734,190	64,959,188	64,959,188	30
5	Agriculture, Livestock, Fisheries and Cooperative Development	Farm Input Support – Maise Seed for 500 Beneficiaries per Ward	45 Wards	31 March 2025	56,000,000	55,811,950	55,811,950	100
6	Trade, Energy and Industrialisation	Completion of Kamukuywa Market	Kamukuywa	26 June 2025	70,000,000	44,326,424	44,326,424	63
7	Finance and Planning	Purchase of ICT networking communication equipment	County Headquarters	30 June 2025	37,467,365	26,427,000	26,427,000	71
8	Housing	Construction of the Governor's residence	Kanduyi	26 July 2026	30,120,200	24,094,342	24,094,342	80
9	Gender, Culture, Youth and Sports	Construction and Modernisation of Masinde Muliro Stadium	Township	16 December 2025	23,386,388	23,386,388	23,386,388	100
10	Education, Science and ICT	Supply and Delivery of ECDE Learning Materials	45 Wards	31 May 2025	23,000,000	12,675,832	12,675,832	55

Source: *Bungoma County Treasury*

The County has not reported any stalled development projects to date.

3.3.14 Budget Performance by Department

Table 3.31 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

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Table 3.31: Bungoma County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure as % of Exchequer plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock, Fisheries and Cooperative Development	383.58	677.77	274.00	344.96	263.56	349.46	96	101	71	52
Tourism, Forestry, Environment	67.17	572.59	33.13	252.53	48.37	358.30	146	142	49	63
Water and Natural Resources	75.51	680.89	40.56	25.44	41.96	8.63	103	34	54	1
Roads and Public Works	129.14	1,226.75	83.21	238.71	81.62	315.86	98	132	64	26
Education, Science and ICT	1,470.53	161.15	1,014.36	50.30	1,016.29	48.05	100	96	69	30
Health and Sanitation	4,285.72	156.75	2,242.97	88.63	2,227.15	40.87	99	46	52	26
Trade, Energy and Industrialisation	88.61	328.42	50.42	161.05	47.82	122.11	95	76	57	37
Gender, Culture, Youth and Sports	98.13	76.98	70.49	55.24	67.26	55.24	95	100	72	72
Land, Urban and Physical Planning	53.38	125.57	30.63	8.65	31.72	8.65	104	100	57	7
Bungoma Municipality	55.95	99.07	28.56	41.50	30.66	41.95	107	101	51	42
Kimilili Municipality	42.70	59.20	17.07	5.97	19.59	2.94	115	49	40	5
Housing	52.66	427.30	45.80	96.99	46.11	96.11	101	99	87	22
Finance and Planning	1,139.37	155.72	718.34	80.30	718.24	80.30	100	100	63	52
County Public Service	49.91	16.02	26.74	8.00	24.14	8.00	90	100	54	50
Governor's	700.72	14.19	292.10	-	397.60	-	136	-	42	-
D/Governor's Office	61.58	-	11.22	-	13.99	-	125	-	18	-
Public Administration	699.49	-	536.73	3.58	472.38	3.58	88	100	77	-
County Assembly	1,166.95	190.00	599.68	92.71	571.80	92.72	95	100	51	49
Total	**10,621.09**	**4,968.36**	**6,116.01**	**1,554.56**	**6,120.27**	**1,632.76**	**100**	**105**	**58**	**33**

***Source**: Bungoma County Treasury*

Analysis of expenditure by departments shows that the Department of Gender, Culture, Youth and Sports recorded the highest absorption rate of development budget at 72 per cent, followed by the Department of Tourism, Forestry, Environment at 63 per cent. The Department of Housing had the highest percentage of recurrent expenditure to budget at 87 per cent, while the Department of D/Governor's Office had the lowest at 18 per cent.

The absorption of funds above the approved exchequers was due to some funds carried forward from the 2023/24 financial year in special purpose accounts for additional allocations in the Department of Tourism, Forestry, Agriculture, Livestock, Fisheries and Cooperative Development, Bungoma Municipality, Kimilili Municipality, Road and Public Works, Environment, Water and Natural Resources. The Governor's Office and the Deputy Governor's Office had overcommitted funds in the system.

3.3.15 Budget Execution by Programmes and Sub-Programmes

Table 3.32 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.32: Bungoma County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
Agriculture, Livestock, Fisheries and Cooperative Development							
Programme 1: General Administration, Planning and Support Services		**369.28**	-	**258.09**	**4.50**	70	-
	S. P 1.1 Human Resource Management and Development	344.66	-	235.83	-	68	-
	S.P. 1.2 Administrative and Support Services	24.62	-	22.26	4.50	90	-
Programme 2: Crop Development and Management		**1.70**	**580.70**	-	**327.80**	-	56
	Crop Extension and Training Services	1.20	-	-	-	-	-

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Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
	Crop Production and Productivity (Food, Industrial and Horticultural Crops)	-	326.00	-	296.36	-	91
	Agricultural Value Addition and Agro Processing	-	10.00	-	2.38		24
	Food Safety	0.50	-	-	-	-	-
	Agribusiness, Marketing and Information Management	-	6.00	-	-		-
	National Agricultural Value Chain Development Programme (NAVCDP)/NARIGP	-	151.52	-	15.31	-	10
	Co-Funding NAVCDP&NARIGP	-	5.00	-	5.00		100
	Ward-Based Projects	-	82.18	-	8.76		11
Programme 3: Irrigation and Drainage Development and Management		**0.25**	**12.50**	-	-	-	-
	Household Irrigation Technologies	0.25	-	-	-	-	
	Agricultural Water Storage and Management	-	12.50	-	-		-
Programme 4: Livestock Development and Management		**7.50**	**57.14**	**1.27**	**15.55**	17	27
	Livestock and Veterinary Extension and Training Services	3.00	-	1.27	-	42	
	Food Safety and Quality Control	4.50	4.34	-	-	-	-
	Pending Bill	-	6.35	-	-		-
	Disease and Vector Control	-	5.00	-	-		-
	Animal Breeding	-	3.50	-	-		-
	Kenya Livestock Commercialisation Project (KeLCoP)	-	37.95	-	15.55		41
Programme 5: Fisheries Development and Management		**0.35**	**4.70**	-	-	-	-
	Fisheries Extension and Training Services	0.35	-	-	-	-	-
	Fisheries Production and Productivity	-	4.70	-	-		-
Programme 6: Agricultural Institutions Development and Management		**-**	**14.91**	-	-		-
	Development and Management of Mabanga Agricultural Training Centre (ATC)	-	3.62	-	-		-
	Development and Management of Mabanga Agricultural Mechanisation Centre (AMC)	-	3.29	-	-		-
	Development and Management of Chwele Fish Farm (CFF)	-	8.00	-	-		-
Programme 7: Cooperatives Development and Management		**4.50**	**7.83**	**4.21**	**1.60**	93	20
	Cooperative Governance, Advisory and Training Services	4.50	-	4.21	-	93	
	Pending Bills	-	3.83	-	1.60		42
	Cooperative Infrastructural/Financial Support Services	-	4.00	-	-		-
Sub Total		**383.58**	**677.77**	**263.56**	**349.46**	**69**	**52**
Public Administration							
Programme 1: General Administration, Planning and Support Services		**570.28**	-	**445.96**	-	78	-
	S.P. 1: Administration Services	70.03	-	36.06	-	51	-
	S.P. 2: Human Resource Management and Development	223.07	-	223.07	-	100	-
	SP 3: Security and Cleaning Services	67.18	-	36.83	-	55	-
	S.P. 4: Medical Insurance	200.00	-	150.00	-	75	-

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Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
	S.P. 5: Information Communication Technology	10.00	-	-	-	-	-
Programme 2: Stakeholder Engagement, Civic Education and Outreach Services		**18.00**	**-**	**4.24**	**-**	24	-
	S.P. 1: Civic Education	7.00	-	-	-	-	-
	S.P. 2: Public Participation	1.00	-	-	-	-	-
	S.P. 3: Commemoration of National Events	10.00	-	4.24	-	42	-
Programme 3: Service Delivery and Organisational Transformation		**37.50**	**14.19**	**-**	**3.58**	-	25
	Sp3.1 Service Delivery and Organisational Transformation	-	14.19	-	3.58		25
	Sp3.2 Kenya Devolution Support Programme	37.50	-	-	-	-	-
Sub Total		**625.78**	**14.19**	**450.20**	**3.58**	**72**	**25**
County Secretary and Head of Public Service							
General Administration, Planning and Support Services	S.P. 1: Administration Services	52.83	-	15.55	-	29	-
Pending Bills for Legal Dues/ Fees, Arbitration and Compensation Payments	legal Dues	20.87	-	6.63	-	32	-
Sub Total		**73.70**	**-**	**22.18**	**-**	30	-
Governor's and Deputy Governor's							
Programme 1: General Administration, Planning and Support Services		**661.80**	**-**	**411.59**	**-**	62	-
	Sp1.1:Employee Compensation	531.45	-	306.92	-	58	-
	S.P. 2: Administrative Costs	130.35	-	104.67	-	80	-
Programme 2: Governance and public relations		**100.50**	**-**	**-**	**-**	-	-
	S.P. 1: County Strategic Management	32.86	-	-	-	-	-
	S.P. 2: Leadership and Governance	26.60	-	-	-	-	-
	S.P. 6: Special Programme	41.05	-	-	-	-	-
Sub Total		**762.30**	**-**	**411.59**	**-**	**54**	-
Health and Sanitation							
PROGRAMME 1: General Administration Planning and Support Services		**3,024.94**	**146.32**	**2,198.11**	**40.87**	73	28
	S.P. 1. 1 Health Administrative and Support Services	145.37	-	74.73	-	51	-
	S.P. 1. 2. Leadership and Governance.	7.74	-	-	-	-	-
	S.P. 1. 6 Human Resource Management	2,871.84	-	2,123.39	-	74	-
	S.P. 1. 7 Infrastructural Development	-	146.32	-	40.87		28
Programme 2: Preventive and Promotive		**1,260.78**	**10.43**	**29.03**	**-**	2	-
	SP 2.1 Communicable and Non-communicable Disease Control	20.00	-	-	-	-	-
	SP 2.2 Community Health Strategy	5.60	-	-	-	-	-
	SP 2.3 Health Promotion	3.00	-	-	-	-	-
	SP 2.6 Reproductive, Maternal, Newborn, Child, And Adolescent Health.	5.00	-	-	-	-	-
	SP 2.7 Public Health and Sanitation	8.00	10.43	2.03	-	25	-
	Specialised Materials and Supplies	49.94	-	27.00	-	54	-
	Hospital Facilities	1,169.25	-	-	-	-	-
Sub Total		**4,285.72**	**156.75**	**2,227.15**	**40.87**	**52**	**26**

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Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
Roads and Public Works							
Programme 1: General Administration, Planning, and Support Services		**129.14**	-	**81.62**	-	63	-
	SP1.1: Human Resource Management	88.27	-	64.83	-	73	-
	SP1.3: Administration Services	29.11	-	16.80	-	58	-
	SP1.4: Financial Services, Planning and Stewardship	11.76	-	-	-	-	-
Programme 2: Transport Infrastructure Development and Management		-	**1,226.75**	-	**315.86**		26
	SP2.1: Construction of Roads, Bridges, and Drainage Works	-	1,003.70	-	287.12		29
	SP2.3: Rehabilitation of Roads, Bridges and Drainage Works RMLF	-	184.55	-	-		-
	Pending Bill	-	38.49	-	28.74		75
Sub Total		**129.14**	**1,226.75**	**81.62**	**315.86**	**63**	**26**
Environment, Tourism and Climate Change							
Programme 1: General Administration Planning and Support Services		**45.17**	-	**33.03**	-	73	-
	S.P. Human Resources Management	39.86	-	32.08	-	80	-
	Sp. Planning and Support Services	5.30	-	0.95	-	18	-
Programme 2: Protection and Conservation of the Environment		-	**339.10**	-	**207.18**		61
	S.P. Dumpsite Management	-	3.10	-	-		-
	S.P. Waste Management and Control	-	336.00	-	207.18		62
Programme 3: Climate Change Coordination and Management		**22.00**	**233.49**	**15.34**	**151.11**	70	65
	Sp. Climate Change Resilience Investment Grant	-	153.49	-	151.11		98
	Sp. Climate Change Fund	-	80.00	-	-		-
	S.P. Climate Change Institutional Support Grant	22.00	-	15.34	-	70	-
Programme 5: Tourism Product Promotion, Marketing and Branding		-	**0.50**	-	-		-
	S.P. County Tourism, Art and Cultural Festival	-	0.50	-	-		-
Sub Total		**67.17**	**573.09**	**48.37**	**358.30**	**72**	**63**
Water and Natural Resources							
Programme 1: General Administration Planning and Support Services		**55.5**	-	**42.0**	-	76	-
	S.P. Human Resources Management	46.1	-	33.1	-	72	-
	Sp. Planning and Support Services	9.4	-	8.8	-	94	-
Programme 2: Water and Sanitation development and management		**20.0**	**680.9**	-	**8.6**	-	1
	S.P. Borehole Development	-	26.1	-	2.9		11
	S.P. KOICA Counterpart Funding	20.0	-	-	-	-	-
	KOICA Grant	-	500.0	-	-		-
	Ward-Based Projects	-	144.1	-	-		-
	Pending Bills Water Projects	-	10.7	-	5.7		53
Sub Total		**75.5**	**680.9**	**42.0**	**8.6**	**56**	**1**
Finance and Economic Planning							
Programme 1: General Administration, Planning and Support Services		**947.12**	-	**607.43**	-	64	-
	S.P. Human Resource Management and Development	803.37	-	472.54	-	59	-
	S.P.: Administration Support Services	131.62	-	126.89	-	96	-
	S.P.: Staff Training and Development	12.13	-	8.00	-	66	-

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Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
Programme 2: County Planning Management		**76.29**	-	**29.79**	-	39	-
	S.P.: Economic Policy and County Planning Services	19.40	-	4.46	-	23	-
	S.P.: Budgeting	36.47	-	15.00	-	41	-
	S.P.: Monitoring and Evaluation	10.42	-	8.23	-	79	-
	S.P.: Statistics	10.00	-	2.09	-	21	-
Programme 3: County Financial Service Management		**91.67**	-	**67.25**	-	73	-
	SP: Revenue Mobilisation	40.19	-	34.67	-	86	-
	S.P.: Accounting Services	18.34	-	13.06	-	71	-
	S.P.: Audit Services	16.61	-	7.74	-	47	-
	S.P.: Supply Chain Services	16.52	-	11.78	-	71	-
Programme 4: Service Delivery and Organisational Transformation		**24.29**	**155.72**	**13.77**	**80.30**	**57**	**52**
	S.P.: Special Coordination Unit	24.29	-	13.77	-	57	-
	S.P.: Emergency Fund	-	100.00	-	53.87		54
	ICT Development	-	37.47	-	26.43		71
	Health Management System	-	18.25	-	-		-
Sub Total		**1,139.37**	**155.72**	**718.24**	**80.30**	**63**	**52**
Education and Vocational Training							
Programme 1: General Administration, Planning and Support Services		**1,207.03**	-	886.37	-	73	-
	S.P. Human Resource Management and Development	1,197.26	-	881.67	-	74	-
	S.P.: Administrative and Support Services	9.78	-	4.71	-	48	-
Programme 2: Education improvement support services		**255.00**	-	**128.69**	-	50	-
	S.P.: Bursary and Scholarship Support Program	225.00	-	128.69	-	57	-
	S.P.: School Feeding Initiative	30.00	-	-	-	-	-
Programme 3: Early Childhood Development Education		-	**121.15**	-	**38.90**		32
	S.P.: Educational Materials and Library Supplies	-	23.00	-	12.68		55
	S.P.: Infrastructure Development	-	98.15	-	26.22		27
Programme 4: Vocational Training and Development		**8.50**	**40.00**	**1.23**	**9.15**	14	23
	S.P.: Administration Support Services	8.50	-	1.23	-	14	-
	S.P.: Tuition Support Initiative	-	15.00	-	-		-
	S.P.: Infrastructure Development	-	25.00	-	9.15		37
Sub Total		**1,470.53**	**161.15**	**1,016.29**	**48.05**	**69**	**30**
County Public Service Board							
Programme 1: General Administration, Planning and Support Services		**29.03**	**16.02**	**14.73**	**8.00**	51	50
	S.P.: Administrative Services	29.03	-	14.73	-	51	
	S.P.: Infrastructure Development	-	16.02	-	8.00		50
Programme 2: Human Resource Management and Development		**15.10**	-	**9.41**	-	62	-
	S.P.: Personnel Remuneration	11.71	-	8.43	-	72	-
	S.P.: Human Resource Development	3.39	-	0.98	-	29	-
Programme 3: Governance and National values		**5.78**	-	-	-	-	-
	S.P.: Quality Assurance	2.06	-	-	-	-	-
	S.P.: Ethics Governors and National	3.72	-	-	-	-	-
Sub Total		**49.91**	**16.02**	**24.14**	**8.00**	**48**	**50**

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Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
Trade, Energy and Industrialisation							
Programme 1: General Administration, Planning and Support Services		**88.61**	-	**47.82**	-	54	-
	S.P.: Human Resource Development and Management	23.42	-	19.02	-	81	-
	S.P.: Administrative, Planning and Support Services	65.19	-	28.81	-	44	-
Programme 2: Trade and Enterprise Development		-	**30.00**	-	**20.82**		69
	S.P.: Business Loan	-	30.00	-	20.82		69
Programme 3: Market Infrastructure Development and Management		-	**153.38**	-	**51.28**		33
	SP 3.1. Market Infrastructure	-	80.00	-	44.33		55
	SP 3.2. Ward-Based Projects	-	59.47	-	-		-
	SP 3.3. Supplier Credit	-	13.92	-	6.96		50
Programme 4: Energy Development and Management		-	**65.03**	-	**10.00**		15
	S.P.: Energy access	-	20.03	-	10.00		50
	REREC	-	45.00	-	-		-
Programme 5: Industrial Investment and Development		-	**80.00**	-	**40.00**		50
	S.P.: Industrial Development	-	80.00	-	40.00		50
Sub Total		**88.61**	**328.42**	**47.82**	**122.11**	**54**	**37**
Gender and Culture							
Programme 1: General Administration, Planning and Support Services		**68.62**	-	**54.91**	-	80	-
	S.P.: Human Resource Development and Management	51.29	-	38.32	-	75	-
	S.P.: Administrative, Planning and Support Services	17.33	-	16.60	-	96	-
Programme 2: Cultural Development and Management		**4.00**	**18.16**	-	**11.00**	-	61
	Communities Cultural Festivals	2.00	-	-	-	-	-
	Liquor and Licensing Enforcement Exercise	2.00	-	-	-	-	-
	Infrastructure Development	-	18.16	-	11.00		61
Programme 3: Gender Equality and Empowerment of Vulnerable Groups		**2.50**	**10.00**	-	-	-	-
	Gender and Disability Mainstreaming	2.50	-	-	-	-	-
	Women Empowerment Fund	-	5.00	-	-		-
	Disability Empowerment Fund	-	5.00	-	-		-
Sub Total		**75.12**	**28.16**	**54.91**	**11.00**	**73**	**39**
Youth and Sports							
Programme 1: General Administration, Planning and Support Services		**23.01**	-	**12.35**	-	54	-
	S.P.: Human Resource Development and Management	13.15	-	7.79	-	59	-
	S.P.: Administrative, Planning and Support Services	9.86	-	4.56	-	46	-
Programme 2: Sports Facility Development and Management		-	**48.82**	-	**44.24**	-	91
	Infrastructure Development	-	48.82	-	44.24	-	91
Programme 3: Youth Talent Development and Management		-	-	-	-	-	-
	Youth Empowerment Fund	-	-	-	-	-	-
Sub Total		**23.01**	**48.82**	**12.35**	**44.24**	**54**	**91**
Lands, Urban and Physical Planning							
Programme 1: General Administration, Planning and Support Services		**53.38**	-	**31.72**	-	59	-

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Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
	S.P.: Human Resource Development and Management	33.25	-	23.89	-	72	-
	S.P.: Administrative, Planning and Support Services	20.12	-	7.82	-	39	-
Programme 2: Land Development and Management		-	**126.79**	-	**8.65**		7
	S.P.: Land Acquisition	-	95.00	-	1.50		2
	S.P.: Physical and Land Use Plans	-	2.27	-	-		-
	S.P.: Auction Ring	-	2.50	-	-		-
	Supplier Credit	-	1.22	-	-		-
	Ward-Based Projects	-	25.80	-	7.15		28
Sub Total		**53.38**	**126.79**	**31.72**	**8.65**	**59**	**7**
Housing							
Programme 1: General Administration, Planning and Support Services		**52.66**	-	**46.11**	-	88	-
	S.P.: Human Resource Development and Management	11.41	-	7.02	-	61	-
	S.P.: Administrative, Planning and Support Services	3.74	-	1.60	-	43	-
	KUSP UIG	37.50	-	37.50	-	100	-
Programme 2: Housing Development and Human Settlement		-	**427.30**	-	**96.11**	-	22
	S.P.: Housing Infrastructural Development	-	129.90	-	96.11	-	74
	S.P.: Housing Financing Services	-	297.40	-	-	-	-
Sub Total		**52.66**	**427.30**	**46.11**	**96.11**	88	22
Bungoma Municipality							
Programme 1: General Administration, Planning and Support Services		**55.95**	-	**30.66**	-	55	
	S.P.: Human Resource Development and Management	20.24	-	17.01	-	84	
	S.P.: Administrative, Planning and Support Services	26.96	-	6.57	-	24	
	KUSP UIG	8.75	-	7.08	-	81	
Programme 2: Urban Land Use, Policy and Planning		-	**16.00**	-	**16.00**		100
	SP: Urban Land Planning	-	16.00	-	16.00		100
Programme 3: Urban Infrastructure Development and Management		-	**80.57**	-	**25.95**		32
	S.P.: Urban Transport and Infrastructure Development	-	80.57	-	25.95		32
Programme 4: Urban Environment, Health, Water, Culture and Human Social Services		-	**2.50**	-	-		-
	S.P.: Urban Environment and Public Health Services	-	2.50	-	-		-
Sub Total		**55.95**	**99.07**	**30.66**	**41.95**	**55**	**42**
Kimilili Minucipality							
Programme 1: General Administration, Planning and Support Services		**42.70**	-	**19.59**	-	45.9	
	SP: Human Resource Development and Management	16.32	-	12.92	-	79	
	S.P.: Administrative, Planning and Support Services	17.63	-	6.67	-	38	
	KUSP UIG	8.75	-	-	-	-	
Programme 2: Urban Infrastructure Development and Management		-	**57.98**	-	**2.94**		5
	S.P.: Infrastructure, Housing and Public Works	-	57.98	-	2.94		5
Sub Total		**42.70**	**57.98**	**19.59**	**2.94**	**46**	**5**

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Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
County Assembly							
Programme 1: Legislation, Oversight and Representation		**149.97**	-	**113.18**		**75**	
	SP 1.1 Legislative Services	9.49	-	2.27		24	
	SP 1.2 Oversight Services	133.17	-	105.76		79	
	SP 1.3 Representation Services	7.31	-	5.16		71	
Programme 2: General Administration, Planning and Support Services		**1,016.98**	190.00	**458.61**		**45**	
	SP 2.1 Human Resource Management and Development	681.61	-	301.09		44	
	SP 2.2 ICT and Public Communication Services	17.80	-				
	SP 2.3 Management and Periodic Evaluation on Emerging Policy and Development	86.26	-	65.84		76	
	SP.2.4 Infrastructural Development	25.61	190.00	7.74	92.72	30	49
	S.P 2.5 Workplace Efficiency and Productivity	205.71	-	83.94	-	41	
Sub Total		**1,166.95**	**190.00**	**571.80**	**92.72**	**49**	**49**
Grand Total		**10,621.09**	**4,968.36**	**6,120.27**	**1,632.76**	**58**	**33**

***Source**: Bungoma County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: KUSP UIG in the Department of Housing, Urban Land Planning in the Department of Bungoma Municipality, Human Resource Management and Development in the Department of Public Administration Co-Funding NAVCDP&NARIGP in the Department of Agriculture, Livestock, Fisheries and Cooperative Development at 100 per cent, Climate Change Resilience Investment Grant in the Department of Environment, Tourism and Climate Change at 98 per cent, Administration Support Services in the Department of Finance and Economic Planning at 96 per cent, Planning and Support Services in the Department of Water and Natural Resources at 94 per cent, of budget allocation.

3.3.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 301 accounts commercial banks, including 145 accounts for Health Facilities and Dispensaries,14 accounts for Level 4 and 5 Hospitals, 116 accounts for Vocational Training Centres, 7 accounts for Established Funds, 4 accounts for revenue accounts, 7 special purpose accounts (additional allocations), 2 imprest accounts, and 6 accounts for recurrent operational accounts (County Assembly).

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 301 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.3.17 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;

i. Own-source revenue underperformed at Kshs.352.7 million against an annual target of Kshs.1.19 billion, representing 35 per cent of the yearly target.
ii. The County Treasury failed to appropriate the Kshs.888.96 million unspent cash balance from the previous financial year.
iii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period,

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the CoB found that the lifespan of the Trade Loan Fund , Education Support Scheme and Youth and Women Fund had lapsed, making them ineligible for further withdrawals.

iv. High level of pending bills, which amounted to Kshs.2.5 billion as of 31 March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.

v. Use of manual payroll. Personnel emoluments amounting to Kshs.250.69 million for 135 Ward staff yet to be onboarded into HRIS,3850 Community Health Promoters, Salary for 1 Board member and Sitting Allowances, Speaker's 3 Partisan Staff and 714 casual staff were processed through manual payroll, accounting for 5 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

vi. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

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

i. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*

ii. *The County Treasury should prepare a Supplementary budget to appropriate the unspent cash balances from the previous financial year.*

iii. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*

iv. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*

v. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

vi. *The County Treasury should ensure it submits to OCoB copies of authorisation letters for opening commercial bank accounts to enhance accountability and oversight.*

3.4. County Government of Busia

3.4.1 Overview of FY 2024/25 Budget

The Busia County Gross Approved Budget FY 2024/25 budget is Kshs.9.31 billion. It comprises Kshs.2.80 billion (30 per cent) and Kshs.6.51 billion (70 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.0.89 billion (9 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.3.36 billion and a recurrent budget of Kshs.6.85 billion. The increase/decrease in the budget was attributed to the decline in the balance b/f from FY 2023/24. The County's Net Approved Budget (gross budget less AIA estimates) is Kshs.9.11 billion, which consists of Kshs.6.31 billion for recurrent and Kshs.2.80 billion for development.

The Busia County Government budget will be financed from different sources of revenue. These include; Kshs.7.76 billion (83 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.902.11 million as conditional grants (10 per cent) and Kshs.647.01 million (7 per cent) generated as gross own source revenue. The own source revenue Kshs.204.74 million (2 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.442.26 million (5 per cent) as ordinary own-source revenue.

The breakdown of the conditional grants is as follows; FLLoCA – Development grant at Kshs.434.10 million, National value chain development program of Kshs.250.00 million, Kenya climate smart agriculture project at Kshs.90.00 million, Kenya devolution support program II at Kshs.37.50 million, Kenya livestock commercialisation project at Kshs.33.50 million, Agriculture business development project Kshs.22.59 million, FLLoCA – CCIS grant at Kshs.11.00 million, DANIDA at Kshs.10.97 million, Nutrition international at Kshs.10.00 million and Agricultural sector development at Kshs.2.45 million. A breakdown of the additional allocations is shown in Table: 3.33.

3.4.2 Revenue Performance

In the review period, the County received Kshs.5.51 billion in revenues to fund its development and recurrent activities. This amount represents a decrease of Kshs.688.09 million from Kshs.6.20 billion received in the same period in FY 2023/24.

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The total revenue consists of Kshs.4.36 billion from the equitable share of revenue raised nationally and its own-source revenue (OSR) collection of Kshs.299.12 million. In addition, the County had a cash balance of Kshs.857.08 million from FY 2023/24.

The total OSR collection of Kshs.299.12 million includes Facilities Improvement Financing (FIF) of Kshs.128.36 million, and Kshs.170.76 million from other OSR sources. OSR collections from the FIF were received from Busia Referral Hospital, Khunyangu Sub-County Hospital Alupe Sub-County Hospital, Sio Port Sub-County Hospital, Nambale Sub-County Hospital, Port Victoria Sub-County Hospital, and Teso North Sub-County Hospital. summarises the total revenue available to the County Government of Busia during the first nine months of FY 2024/25.

Table 3.33: Busia County, Revenue Performance in the First Nine Months of FY 2024/25

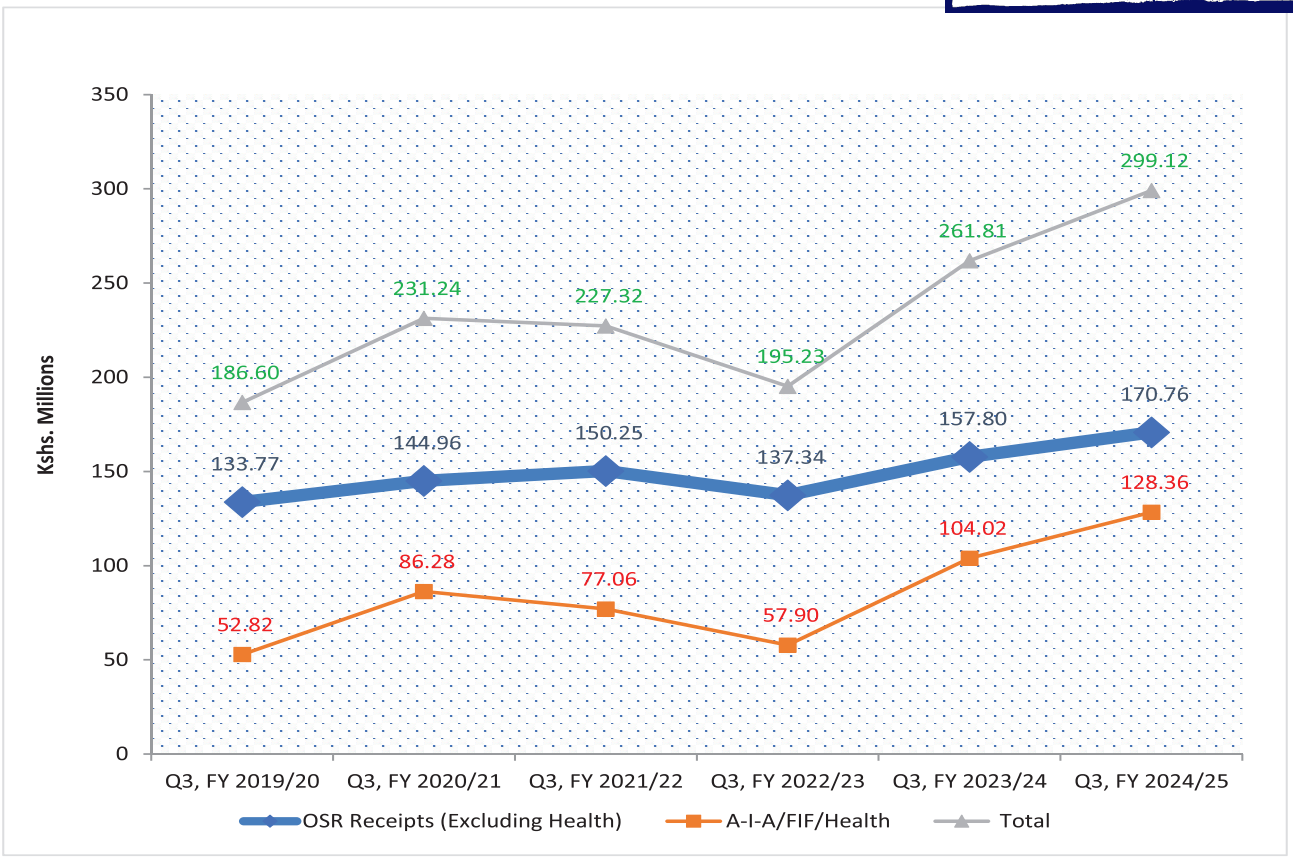
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally -**	7, 764, 601, 080	4, 357, 662, 981	56
Subtotal		**7, 764, 601, 080**	**4, 357, 662, 981**	**56**
B	**Additional Allocations**			
1	Name of the Conditional Grant			
2	FlLOCA – Development grant	434, 101, 083	-	-
3	National value chain development program	250, 000, 000	-	-
4	Kenya climate smart agriculture project	90, 000, 000	-	-
5	Kenya Devolution Support Program II	37, 500, 000	-	-
6	Kenya livestock commercialisation project	33, 500, 000	-	-
7	Agriculture business development project	22, 585, 000	-	-
8	FlLOCA – CCIS grant	11, 000, 000	-	-
9	DANIDA	10, 972, 500	-	-
10	Nutritional international	10, 000, 000	-	-
11	Agricultural sector development support P.	2, 450, 905	-	-
Subtotal		**902, 110, 048**	**-**	**-**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	442, 262, 490	170, 764, 234	39
2	Facility Improvement Fund (FIF)	204, 744, 506	128, 357, 762	63
Subtotal		**647, 006, 996**	**299, 121, 996**	**46**
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2023/24	-	804, 449, 943	-
2	Other Revenues (CAIP grant)	-	52, 631, 579	-
Sub Total		**-**	**857, 081, 522**	**-**
Grand Total		**9, 313, 718, 124**	**5, 513, 866, 499**	**59**

Source: *Busia County Treasury*

The County has governing legislation on the operation of FIF. Figure 13 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

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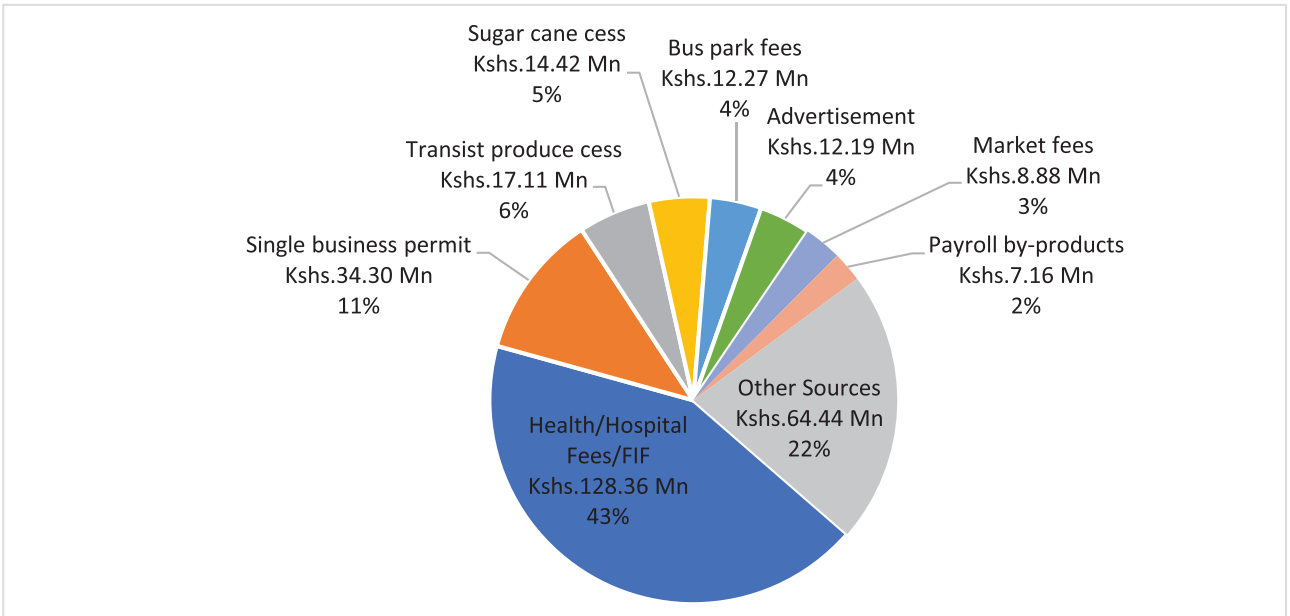
Figure 13: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2020/21 - FY 2024/25



Source: *Busia County Treasury*

During the review period, the County generated Kshs.299.12 million from its own revenue sources, including FIF. This amount was an increase of 14 per cent compared to Kshs.261.81 million realised in a similar period in FY 2023/24. It was 46 per cent of the annual target and 7 per cent of the equitable revenue share disbursed. The revenue streams that contributed the highest OSR receipts are shown in Figure 14.

Figure 14: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source*: Busia County Treasury*

As shown in Figure 14, the highest revenue stream of Kshs.128.36 million was from Hospital fees [FIF], contributing to 43 per cent of the total OSR receipts.

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3.4.3 Borrowing by the County

The County Government of Busia did not disclose any borrowing as of 31st March 2025.

3.4.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.38 billion from the CRF account during the reporting period, which comprised Kshs.744.83 million (14 per cent) for development programmes and Kshs.4.64 billion (86 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.87 billion was released towards compensation of employees and Kshs.1.76 billion for operations and maintenance expenditure. The exchequer approvals towards compensation for employees did not include the March 2025 exchequer request for the County Executive and County Assembly due to delay in disbursement of February 2025 equitable share.

Analysis of the operations and maintenance exchequer releases indicates that 9 per cent was for domestic travel and 2 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.146.67 million and included Kshs.60.28 million for the County Executive and Kshs.86.39 million for the County Assembly. The foreign exchequer totalled Kshs.41.29 million, comprising Kshs.35.44 million for the County Executive and Kshs.5.85 million for the County Assembly.

Table 3.34: Busia County, Budget Allocation and Exchequer Issued by Department.

Department	Budget Allocation Net (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer issues to Net budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock	280.18	690.04	208.64	325.81	74	47
Trade, cooperative, tourism & industry	83.36	109.62	64.87	54.13	78	50
Education & vocational training	721.34	114.04	513.32	1.85	71	1.6
Finance & economic planning	736.22	9.00	616.68	-	84	-
Youths, sports, culture, gender, and arts	174.42	38.3	109.36	-	63	-
Transport, roads & Public works.	157.70	529.60	85.32	188.17	54	36
Public service management	581.27	-	376.34	-	65	-
Lands, housing & urban development	145.73	74.25	76.16	-	52	-
Water, environment, and irrigation	136.13	786.05	94.09	127.74	69	16
Health and sanitation	1,847.13	378.30	1,585.09	20.14	86	5
Public service board	119.31	-	88.59	-	74	-
Office of the Governor	296.33	28.00	189.90	2.00	64	7
County Assembly	891.70	40.00	541.86	25.0	61	63
County Attorney	85.49	-	61.05	-	71	-
Strategic partnerships & digital econ	48.08	6.00	24.92	-	52	-
	6,305.78	**2,803.20**	**4,636.18**	**744.83**	**74**	**27**

***Source**: Busia County Treasury*

The FIF estimates is Kshs.204.74 million. As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.2.49 million.

3.4.5 County Expenditure Review

The County spent Kshs.5.00 billion on development and recurrent programmes in the reporting period. The expenditure represented 93 per cent of the total funds released by the CoB and comprised Kshs.1.25 billion and Kshs.3.75 billion on development and recurrent programmes, respectively. Expendion development programmes represented an absorption rate of 45 per cent, while recurrent expenditure represented 58 per cent of the annual recurrent expenditure budget.

3.4.6 Settlement of Pending Bills.

The County reported pending bills totalling Kshs.2.25 billion as of 30th June 2024. This amount includes Kshs.2.21 billion from the County Executive and Kshs.40.00 million from the County Assembly. The pending bills from the County Executive consist of Kshs.1.51 billion for recurrent expenditures and Kshs.698.72 million for development expenditures.

During the first nine months of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.183.59 million, comprising of Kshs.45.55 million for recurrent programmes and Kshs.135.04 million for development programmes.

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Meanwhile, the County Assembly settled pending bills worth Kshs.25.00 million, which were for development activities.

At the commencement of FY 2024/25, the County Executive and the Assembly submitted pending bill payment plans. The county executive committed to paying the pending bills for monthly instalments of Kshs.118.38 million, while the Assembly committed to paying Kshs.5.0 million. However, the County Executive did not adhere to this payment plan, as it cleared Kshs.180.59 million in the review period. The County Assembly adhered to their plan, having settled Kshs.25 million worth of pending bills.

As of 31st March 2025, the outstanding bills amounted to Kshs.2.04 billion, comprising Kshs.2.02 billion for the County Executive and Kshs.15.00 Million for the County Assembly.

3.4.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.27 billion on employee compensation, Kshs.906.29 million on operations and maintenance, and Kshs.1.23 billion on development activities. Similarly, the County Assembly spent Kshs.298.27 million on employee compensation, Kshs.277 million on operations and maintenance, and Kshs.25.18 million on development activities, as shown in Table 3.35.

Table 3.35: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**5, 618, 822, 449**	**891, 698, 127**	**3, 175, 974, 832**	**575, 246, 534**	**57**	**65**
Compensation to Employees	3, 351, 399, 770	451, 425, 104	2,269,681,407	298, 269, 311	68	66
Operations and Maintenance	2, 267, 422, 679	440, 273, 023	906, 293, 425	276, 977, 223	40	63
Development Expenditure	**2,763,197, 548**	**40, 000, 000**	**1, 228, 522, 461**	**25, 178, 660**	**44**	**63**
Total	**8, 382, 019, 997**	**931, 698, 127**	**4, 404, 506, 293**	**600, 425, 194**	**53**	**64**

***Source**: Busia County Treasury*

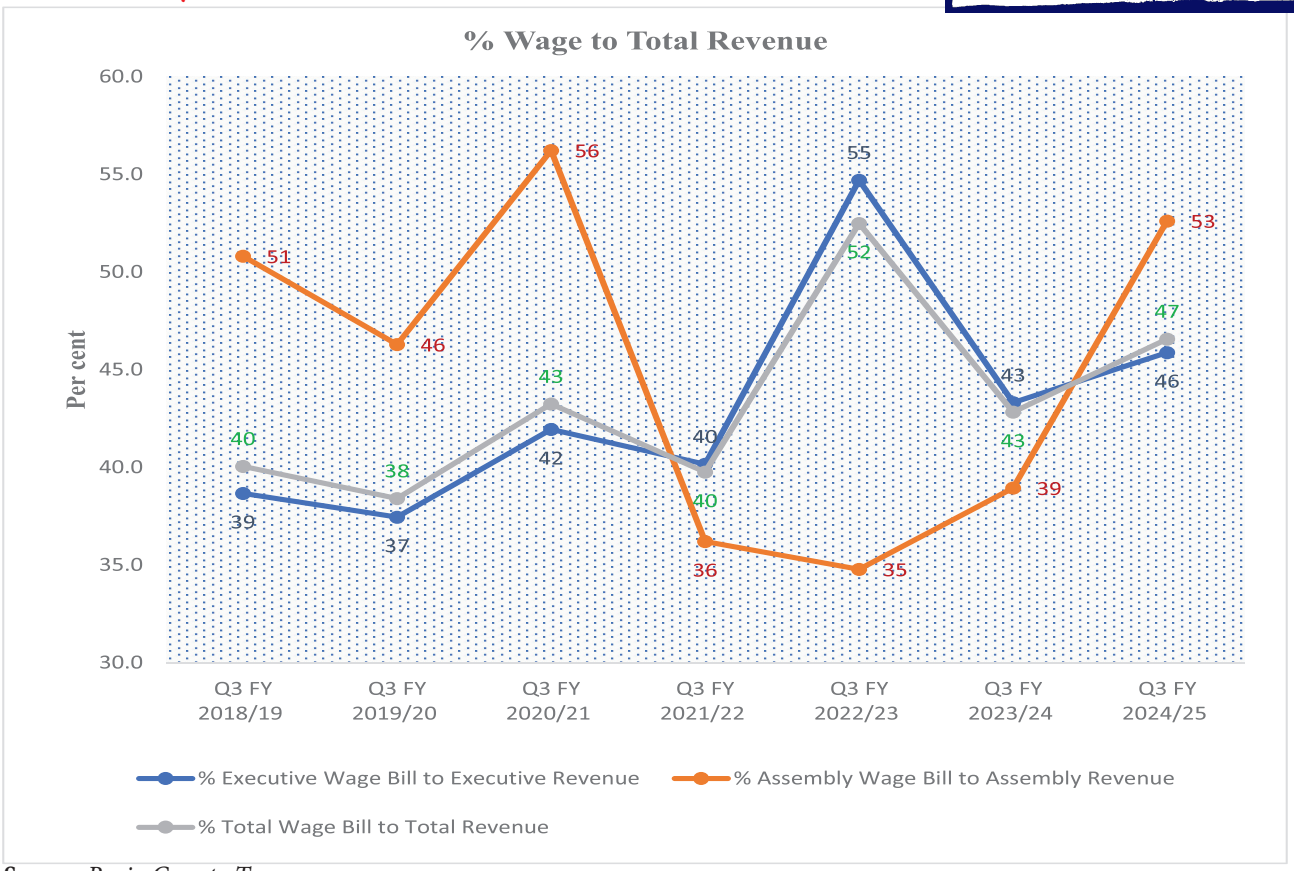
3.4.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.2.57 billion. The total revenue, excluding the earnings from extractive natural resources from sand cess, gypsum cess, and quarry cess, is Kshs.5.51 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 47 per cent. This expenditure on employee compensation shows a decrease compared to the Kshs.2.66 billion reported during the same period in FY 2023/24.

Figure 15 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

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Figure 15: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



***Source**: Busia County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.67 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.569.91 million was processed through manual payrolls, which accounted for 21 per cent of the total PE cost.

The manual payrolls comprised salaries for staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, Community health promoters' and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.36.

Table 3.36: Breakdown of Busia County Manual Payroll

Serial No.	Description of Manual Payroll	Amount Kshs.
	Salaries for staff yet to be onboarded into HRIS	98, 367, 024
	Salaries for casual staff	90, 859, 626
	Top-up allowances for Security Officers	183, 600
	LAPTRUST/LAPFUND Pension Contributions	321, 102, 038
	CHPs	59, 668, 750
	Total	**569, 911, 038**

***Source**: Busia County Treasury*

The County Assembly spent Kshs.4.75 million on committee sitting allowances for the 53 MCAs against the annual budget allocation of Kshs.14.78 million. The average monthly sitting allowance was Kshs.29,312.90 per MCA. The County Assembly had 20 House Committees.

3.4.9 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.219.80 million to County-Established

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Funds in FY 2024/25, or 2.4 per cent of the County's overall budget. Further, the County allocated KSh. 20 million to the Emergency Fund (0.2 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.37 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.37: Performance of County Established Funds in the first nine months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Half of FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Half Financial Statements (Yes/No.)
1	**County Executive Established Funds**					
2	Agriculture development fund	25, 000, 000	-	-	90, 000, 000	No
3	Bursaries and scholarships	136, 300, 000	-	-	117, 800, 000	No
4	Cooperative enterprise fund	38, 500, 000	-	-	123, 005, 000	No
5	County executive revolving Fund	-	-	-	222, 000, 000	No
6	**County Assembly Established Funds**					
7	County Assembly revolving fund	-	-	-	641, 249, 842	No
	Total	**199, 800, 000**			**1,229,854, 842**	

***Source**: Busia County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from five Fund Administrators, as indicated in Table 3.37, contrary to the requirement of Section 168 of the PFM Act, 2012. The administration costs of all the Funds were not availed, so we can't verify whether they are above the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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. During the reporting period, the CoB established that the lifespan of all the County-established Funds had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.4.10 County Corporations

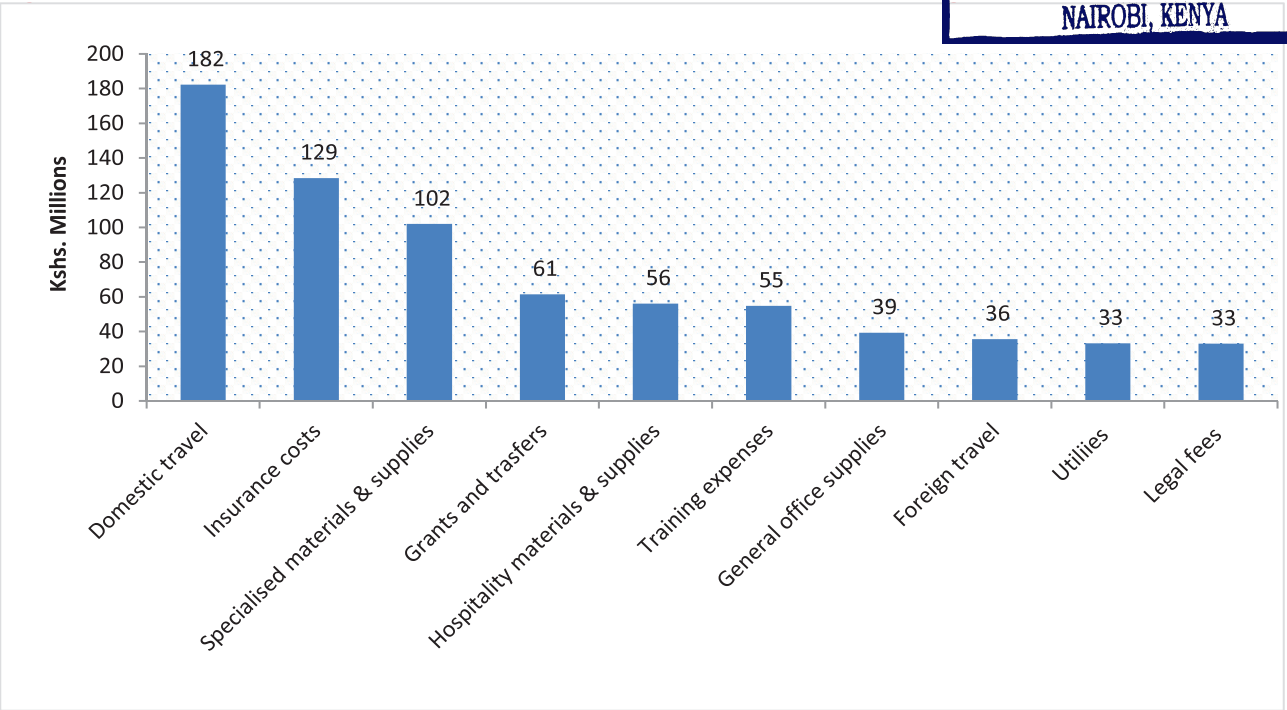
The County has established no county corporations.

3.4.11 Expenditure on Operations and Maintenance

Figure 16 summarises the Operations and Maintenance expenditure by major categories.

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Figure 16: Busia County, Operations and Maintenance Expenditure by Major Categories



***Source**: Busia County Treasury*

Expenditure on domestic travel amounted to Kshs.182.28 million and comprised Kshs.98.42 million spent by the County Assembly and Kshs.83.86 million by the County Executive. Expenditure on foreign travel amounted to Kshs.35.62 million and comprised Kshs.10.97 million by the County Assembly and Kshs.24.65 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.38.

Table 3.38: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Noumber of fficers travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	14	22nd to 28th August 2024	A workshop on governance	Dubai	5, 992, 308
County Executive	6	13th to 21st October 2024	Rainwater harvesting	china	3, 075, 680
County Executive	2	17th to 21st November 2024	Chamber of Commerce summit	Dubai	1, 189, 328
County Executive	1	4th to 8th October 2024	12th World Urban Forum	Cairo	634, 983
County Executive	2	22nd to 30th September 2024	79th UN General Assembly	New York	1, 785, 236
County Executive	8	10 March 2025	Governance summit	Cape Town	6, 739, 863
County Executive	5	23 March 2025	Attending EALASCA games	Kampala	1, 142, 972
County Executive	3	9 October 2024		Dubai	1, 152, 000
County Executive	1	16 November 2024	Attending the global freight summit	Dubai	592, 368
					22, 304, 738

***Source**: Busia County Treasury and Busia County Assembly*

The operations and maintenance costs include an expenditure of Kshs.32.93 million on Legal fees/Dues, arbitration and compensation payments.

3.4.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.128.36 million as FIF, which was 63 per cent of the annual target of Kshs.204.74 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed FIF Regulations, 2024, to operationalise the FIF Act of 2023.

The Health Facilities did (not) provide a report on the utilisation of the FIF during the reporting period, contrary to Section 18 (e) of the FIF Act, 2023. The health facilities did not provide a comprehensive report on the utilisation of FIF funds collected under their domain.

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The expenditure by the health facilities amounted to Kshs.73,201,779 as shown in Table 3.39.

Table 3.39: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Busia Referral hospital	70, 048, 432	40, 232, 177	57
2	Khunyangu Subcounty hospital	22, 681, 996	7, 170, 800	32
3	Alupe Subcounty hospital	16, 595, 825	5, 065, 258	31
4	Sio port Subcounty hospital	8, 949, 532	2, 200, 832	25
5	Nambale Subcounty hospital	15, 103, 647	4, 824, 804	32
6	Port Victoria Subcounty hospital	30, 368, 757	6, 894, 072	23
7	Teso North Sub-County Hospital	16, 423, 794	6, 272, 076	26
8	Matayos SCH Headquarters	1, 789, 528	70, 054	4
9	Lupida SCH Headquarters	1, 789, 528	60, 000	3
10	Amukura SCH Headquarters	1, 789, 528	83, 766	5
11	Bumala SCH Headquarters	1, 789, 528	160, 000	9
12	Mukhobola SCH Headquarters	1, 789, 528	50, 000	3
13	Angurai SCH Hospital	1, 789, 528	117, 000	7
	Total	**190, 909, 151**	**73, 201, 779**	**38**

Source: *Busia County Treasury*

The Health Facility with the highest absorption rate was Busia Referral Hospital at 57 per cent.

3.4.13 Development Expenditure

In the review period, the County reported spending Kshs.1.25 billion on development programmes, an increase of 150 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.502.11 million. Table 3.40 summarises the development projects with the highest expenditure in the reporting period.

The increase in development expenditures was attributed to the implementation of flagship road projects and ongoing projects in water and trade.

Table 3.40: Busia County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as at 31/03/2025	status (%)
1	Roads	Upgrading to bitumen standards Bukiri junction – Tahumba Road	Samia sub-county	17.12.2025	484,603,541	155,002,229	155,002,229	60
2	Trade	County aggregated industrial park	Nasewa Matayos	21.05.2025	448,960,875	224,757,136	224,757,136	50
3	water	Sisenye water project, Port Victoria-Rwambwa water supply phase 1	Sisenye, Port Victoria	09.08.2025	149,840,886	-	-	10
4	County Assembly	Purchase of lands	35 Wards	30.06.2025	35,000,000	21, 772, 000	21,772,000	74
5	Governorship	Disaster risk preparedness policy	County HQ		10,000,000	2,000,000	2,000,000	10
6	Roads	Maintenance of roads in Butula subcounty	Butula	21.03.2025	45,538,421	-	-	100
7	Roads	Maintenance of roads in Teso North subcounty	Teso north	21.03.2025	37,397,516	-	-	100

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative expenditure as at 31/03/2025	status (%)
8	Roads	Maintenance of roads in Teso South subcounty	Teso south	21.03.2025	30,859,655	-	-	100
9	Roads	Maintenance of roads in Matayos sub-county	Matayos	21.03.2025	30,758,124	-	-	100
10	Roads	Maintenance of roads in Samia subcounty	Samia	21.03.2025	29,828,429	-	-	100

Source: *Busia County Treasury*

3.4.14 Budget Performance by Department

Table 3.41 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.41: Busia 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
Agriculture, Livestock	280.18	690.04	208.64	325.81	211.41	443.94	101	136	75	64
Trade, cooperative, Tourism & industry	83.36	109.62	64.87	54.13	27.94	75.08	43	139	34	69
Education & vocational training	721.34	114.04	513.32	1.85	455.07	8.36	89	451	63	7
Finance & economic planning	736.22	9.00	616.68	0	254.69	0	41	0	35	0
Youths, sports, culture, gender, arts	174.42	38.3	109.36	0	75.91	25.30	69	0	44	66
Transport, roads & Public works.	157.70	524.60	85.32	188.17	11.49	403.14	14	214	7	76
Public service management	581.27	-	376.34	-	229.65	-	61	-	40	-
Lands, housing & urban development	145.73	74.25	76.16	0	58.23	26.23	77	0	40	35
Water, environment, and irrigation	136.13	786.05	94.09	127.74	19.88	208.53	21	163	15	23
Health and sanitation	1,847.13	378.30	1,585.09	20.14	1,588.68	35.94	100	178	77	10
Public service board	119.31	-	88.59	-	84.89	-	96	-	71	-
Office of the Governor	296.33	28.00	189.90	2.00	122.35	2.00	64	100	41	7
County Assembly	891.70	40.00	541.86	25.0	575.25	25.18	106	101	65	63
County Attorney	85.49	-	61.05	-	31.47	-	52	-	37	-
Strategic partnerships & digital econ	48.08	6.00	24.92	0	4.33	0	17	0	9	0
	6,305.78	**4,636.18**	**4,636.18**	**744.83**	**3,751.22**	**1,253.71**	**81**	**168**	**58**	**45**

Source*: Busia County Treasury*

Analysis of expenditure by departments shows that the Department of Transport, Roads and Public Works recorded the highest absorption rate of development budget at 76 per cent, followed by the Department of Youth, Sports, Culture, Gender, Arts at 66 per cent. The Department of Health and Sanitation had the highest percentage of recurrent expenditure to budget at 77 per cent, while the Department of Transport, Roads & Public Works had the lowest at 7 per cent.

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3.4.15 Budget Execution by Programmes and Sub-Programmes

Table 3.42 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.42: Busia County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Smart agriculture							
Programme 1.		**281, 770, 906**	-	**211, 409, 463**	-		
General administration & support services	SP. 1. General administration & support services.	281, 770, 906	-	211, 409, 463	-	75	-
Programme 19.		-	**690, 036, 465**	-	**443, 938, 497**	-	-
	SP. 1. Production productivity & probability	-	242, 100, 000	-	159, 281, 905	-	66
	SP. 2. Market development	-	32, 000, 000	-	17, 997, 210	-	56
	SP. 3. Farm resource organisation & management	-	9, 000, 000	-	999, 626	-	11
	SP. 4. NAVCDP grant	-	250, 000, 000	-	144, 715, 564	-	58
	SP. 5. Kenya agriculture BDP grant	-	95, 000, 000	-	93, 842, 648	-	99
	SP. 6. Aquaculture business development programme	-	23, 436, 465	-	15, 047, 000	-	64
	SP. 7. Kenya livestock commercialisation programme	-	38, 500, 000	-	12, 054, 544	-	31
	Sub-total	**281, 770, 906**	**690, 036, 465**	**211, 409, 463**	**443, 938, 497**	**75**	**64**
Department of Trade, Cooperatives, Tourism and Industry							
Programme 1. Policy General administration		**83, 356, 894**	-	**27, 936, 072**	-		-
	SP. 1. General administration & support service	83, 356, 894	-	27, 936, 072	-	34	-
Programme 10.		-	**56, 120, 000**	-	**42, 723, 601**	-	-
	SP. 1. MSME promotion	-	3, 000, 000	-	-	-	-
	SP. 2. Market modernisation & development	-	53, 120, 000	-	42, 723, 601	-	80
Programme 11.		-	**5, 000, 000**	-	**2, 500, 000**	-	-
	SP. 1. Weights and measures	-	5, 000, 000	-	2, 500, 000	-	50.0
Programme 13		-	**48, 500, 000**	-	**29, 853, 490**	-	
	SP. 1. Cooperative development	-	48, 500, 000	-	29, 853, 490	-	62
	Sub total	**83, 356, 894**	**109, 620, 000**	**8, 392, 782**	**75, 077, 091**	**34**	**64**
Department of Education and Vocational Training.							
Programme 1. General admin & support services		**721, 344, 017**	-	**455, 065, 077**	-	-	-
	SP. 1. General administration & support service	721, 344, 017	-	455, 065, 077	-	63	-
Programme 2. ECDE		-	**41, 640, 000**	-	-	-	
	SP. 4. ECDE Infrastructure development	-	33, 100, 000	-	-	-	-
	SP. 5. ECDE learning materials	-	3, 540, 000	-	-	-	-
	SP. 6. Inclusive education for disabled learners	-	5, 000, 000	-	-	-	-
Programme 3.		-	**72, 400, 000**	-	**8, 355, 980**	-	-
	SP. 2. VTCs infrastructure development	-	72, 400, 000	-	8, 355, 980	-	7
	Sub-Total	**721, 344, 017**	**114, 040, 000**	**247, 657, 157**	**8, 355, 980**	**63**	**7**
Department of Finance and Economic Planning							
Programme 1. General admin, support services		**736, 223, 114**	-	**254, 690, 519**	-		-
	SP. 1. General administration & support service	736, 223, 114	-	254, 690, 519	-	35	-

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Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 2.		-	**5, 000, 000**	-	-	-	-
	SP. 4. Resource mobilisation	-	5, 000, 000	-	-	-	-
Programme 10.		-	**4, 000, 000**	-	-	-	-
	SP. 1. Statistics	-	4, 000, 000	-	-	-	-
	Sub-Total	**736, 223, 114**	**9, 000, 000**	**254, 690, 519**	-	**35**	-
Department of Youth, Culture, Sports and Social Services							
Programme 1. General admin & support services		**174, 222, 448**	-	**75, 910, 570**	-	-	-
	SP. 1. General administration & support service	174, 222, 448	-	75, 910, 570	-	44	-
Programme 3.		-	**2, 000, 000**	-	-	-	
	SP. 1. Youth enterprise and empowerment	-	2, 000, 000	-	-	-	-
Programme 4.		-	**30, 300, 000**	-	**25, 304, 228**	-	
	SP. 3 Sports promotion & infrastructure development	-	30, 300, 000	-	25, 304, 228	-	66
Programme 8.		-	**5, 000, 000**	-	-	-	
	SP. 2. Tourism promotion & development	-	5, 000, 000	-	-	-	-
	Sub total	**174, 222, 448**	**38, 300, 000**	**63, 867, 079**	**25, 304, 228**	**44**	**66**
Department of Roads, transport and public works.							
Programme 1. General admin & support services		**157, 697, 446**	-	**11, 493, 458**	-	-	-
	SP. 1. General administration & support services	157, 697, 446	-	11, 493, 458	-	7	-
Programme 3.		-	**5, 000, 000**	-	-	-	-
	SP. 3. Alternative transport development	-	5, 000, 000	-	-	-	-
Programme 9.		-	**514, 900, 000**	-	**402, 149, 415**	-	
	SP. 1. Road infrastructure development	-	514, 900, 000	-	402, 149, 415	-	78
Programme 10.		-	**9, 700, 000**	-	**993, 725**	-	-
	SP. 2. Mechanical and fabrication workshop	-	9, 700, 000	-	993, 725	-	10
	Sub total	**157, 697, 446**	**529, 600, 000**	**11, 493, 458**	**403, 143, 140**	**7**	**76**
Department of Public Service Management.							
Programme 4. General admin & support services.		**581, 267, 482**	-	**229, 647, 833**	-		
	SP. 1. General administration & support service	581, 267, 482	-	229, 647, 833	-	40	-
	Sub total	**581, 267, 482**	-	**229, 647, 833**	-	**40**	-
Department of Lands, housing and urban development.							
Programme 1.		**145, 734, 770**	-	**58, 228, 638**	-	-	-
	SP. 1. General administration & support services	145, 734, 770	-	58, 228, 638	-	40	-
Programme 7.		-	**24, 000, 000**	-	-	-	-
	SP. 2. Housing development	-	20, 000, 000	-	-	-	-
	SP. 3. Housing management	-	4, 000, 000	-	-	-	-
Programme 17.		-	**21, 750, 000**	-	**750, 000**	-	-
	SP. 2. Land use administration and management	-	21, 750, 000	-	750, 000	-	3
Programme 18.		-	**28, 500, 000**	-	**25, 500, 000**	-	-
	SP. 1. Urban management	-	21, 000, 000	-	21, 000, 000	-	100
	SP. 2. Urban infrastructure development & mgt	-	7, 500, 000	-	4, 500, 0000	-	60
	Sub total	**145, 734, 770**	**74, 250, 000**	**51, 596, 279**	**26, 250, 000**	**40**	**35**

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Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Department of Water, environment, irrigation, natural resources and climate change.							
Programme 1.		**136, 125, 655**	-	**19, 883, 056**	-	-	-
	SP. 1. General administration & support services	136, 125, 655	-	19, 883, 056	-	15	-
Programme 4.		-	**230, 950, 000**	-	**50, 710, 734**	-	-
	SP. 3. Urban water infrastructure development	-	20, 000, 000	-	-	-	-
	SP. 4. Rural water infrastructure development	-	210, 950, 000	-	50, 710, 734	-	24
Programme 6.		-	**11, 600, 000**	-	-	-	
	SP. 2. Afforestation and Agroforestation	-	5, 000, 000	-	-	-	-
	SP. 3. Catchment & watershed conservation	-	6, 600, 000	-	-	-	-
Programme 7.		-	**486, 101, 083**	-	**146, 259, 946**	-	
	SP. 1. Climate change mitigation & resilience	-	486, 101, 083	-	146, 259, 946	-	30
Programme 8.		-	**57, 400, 000**	-	-	-	
	SP. 1. Irrigation infrastructure development	-	5, 000, 000	-	-	-	-
	SP. 2. Irrigation farmer & institution support	-	2, 000, 000	-	998, 9000	-	5
	SP. 3. Renewable energy technology	-	13, 500, 000	-	7, 568, 800	-	56
	SP. 4. Rural electrification	-	36, 900, 000	-	2, 989, 000	-	8
	Sub total	**136, 125, 655**	**786, 051, 083**	**19, 883, 056**	**208, 527, 380**	**15**	**27**
Department of Health Services							
Programme 1.		**2,051,873,319**	-	**1,588,676,955**	-	-	-
	S.P. 1. General administration & support services	2,051,873,319	-	1,588,676,955	-	77	-
Programme 5.		-	**241, 000, 000**	-	**28, 186, 882**	-	-
	SP. 1. Diagnostic services in higher-level facility	-	10, 000, 000	-	7, 991, 978	-	80.0
	SP. 3. Infrastructure development tier 3 facilities	-	191, 000, 000	-	12, 106, 580	-	6
	SP. 4. Ambulance and referral services	-	15, 000, 000	-	-	-	-
	SP. 5. Higher-level hospital equipment	-	25, 000, 000	-	8, 088, 325	-	32.4
Programme 6.		-	**137, 300, 000**	-	**7, 748, 262**	-	
	SP. 8. Infrastructure development in tier 2 level	-	132, 900, 000	-	3, 363, 452	-	3
	SP. 9. Lower-level hospital equipment	-	4, 400, 000	-	4, 384, 810	-	99.7
	Sub total	**2,051,873,319**	**378, 300, 000**		**35, 935, 145**	**77**	**10**
Department of County Public Service Board.							
Programme 1.		**119, 308, 935**	-	**62, 511, 158**	-	-	-
	SP. 1. General administration & support services	119, 308, 935	-	62, 511, 158	-	52	-
	Sub total	**119, 308, 935**	-	**62, 511, 158**	-	**52**	-
Department of the Office of the Governor.							
Programme 1.		**296, 330, 901**	-	**122, 347, 427**	-	-	-
	SP. 1. General administration & support services	296, 330, 901	-	122, 347, 427	-	41	-

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Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 14.		-	**28, 000, 000**	-	**2, 000, 000**	-	-
	S.P. 1. Disaster preparedness	-	28, 000, 000	-	2, 000, 000	-	7
	Sub total	**296, 330, 901**	**28, 000, 000**	**119, 955, 434**	**2,000, 000**	**41**	**7**
Department of County Assembly.							
Programme 1.		**891, 698, 127**	**40, 000, 000**	**575, 246, 534**	**25, 178, 660**		
	SP. 1. General administration & support services	891, 698, 127	-	-	-	65	-
	SP. 2. Infrastructure development	-	40, 000, 000	-	25, 178, 660	-	63
	Sub total	**891, 698, 127**	**40, 000, 000**		**25, 178, 660**	**65**	**63**
Department of County Attorney.							
Programme 1.		**85, 489, 885**	-	**31, 465, 273**	-		-
	SP. 1. Administration support & services	85, **489, 885**	-	31, 465, 273	-	37	-
	Sub total	**85, 489, 885**	-	**31, 465, 273**	-	**37**	-
Strategic partnership and digital economy.							
Programme 1.		**48, 076, 677**	-	**4, 330, 698**	-		-
	SP. 1. General administration & support services	48, 076, 677	-	4, 330, 698	-	9	-
Programme 18.		-	**6, 000, 000**	-	-	-	-
	SP. 1. ICT	-	6, 000, 000	-	-	0	-
	Sub total	**48, 076, 677**	**6, 000, 000**	**4, 330, 698**	-	**9**	-
Grand Total		**6,510,720,576**	**2,803,197,548**	**3,751,221,366**	**1,253,710,121**	**58**	**45**

***Source**: Busia County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Urban management in the Department of Lands, Housing & Urban development at 100 per cent, lower level hospital equipment in the Department of Health Services at 100 per cent, diagnostic services in higher level facility in the Department of Health Services at 80 per cent, and market development & modernisation in the Department of Trade, Cooperative, Tourism and Industry at 80 per cent of budget allocation.

3.4.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

No.	Name of Bank Account	Date the Account was Opened	Purpose of the Bank Account
1.	Busia County Agricultural Development fund	11.06.2016	Loan repayment
2.	Busia County Agricultural Development fund	03.06.2015	Operations
3.	Teso District Health Care Fund	23.09.2019	FIF Account
4.	Teso North sub-county hospital	23.09.2019	FIF Account
5.	Busia County CHMT	27.05.2014	Health sector service fund
6.	Busia County Revenue Account	06.03.2013	Revenue collection
7.	Busia County, Kenya climate-smart agriculture	11.01.2018	Grant operations
8.	Busia County standing imprest		Standing imprest account
9.	Busia County ASDSP II	21.02.2018	ASDSP grant operations.
10.	Medical Superintendent Busia	01.01.1991	Busia Referral FIF
11.	Busia County education imprest		Imprest processing
12.	Alupe Sub-County hospital	23.09.2019	FIF Account
13.	Busia County Referral Hospital	23.09.2019	FIF Account

***Source:** Busia County Treasury*

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Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorization from the County Treasury before opening a commercial bank account. Additionally, Regulation 197(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government of Busia operated 13 accounts with commercial banks, including 6 accounts for Health Facilities, 1 account for Established Funds, 1 revenue account, 2 special purpose accounts (additional allocations), and 3 accounts for imprest operations.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 13 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.4.17 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;

i. Own-source revenue underperformed at Kshs.170.76 million against an annual target of Kshs.442.26 million, representing 39 per cent of the yearly target.
ii. Unspent funds from FY 2023/24 were not refunded into the CRF account, which led to actual expenditures exceeding the approved exchequer in several departments, as shown in Table 3.41.
iii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespans of all the **Funds** had lapsed, making them ineligible for further withdrawals.
iv. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. As of 15th April 2025, the reports for the Funds were not submitted to the Controller of Budget.
v. High level of pending bills, which amounted to Kshs.2.04 billion as of 31st March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
vi. Use of manual payroll. Personnel emoluments amounting to Kshs.569.91 million for staff yet to be onboarded into HRIS and casual staff were processed through manual payroll. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
vii. The programmes and sub-programmes in Table 3.42 were not aligned with the approved budget for each department.
viii. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*
ii. *The County Treasury should ensure unspent funds from the previous financial year are deposited to the CRF Account in line with Section 136 of the PFM Act 2012.*
iii. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
iv. *The CECMF should follow-up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
v. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
vi. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
vii. *The County Treasury must ensure compliance with the approved programme and sub-programmes in the approved budget.*
viii. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

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3.5. County Government of Elgeyo Marakwet

3.5.1 Overview of FY 2024/25 Budget

The Elgeyo Marakwet County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.7.90 billion. It comprises Kshs.3.15 billion (39.8 per cent) and Kshs.4.75 billion (60.2 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase Kshs.1.11 billion (16.3 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.2.55 billion and a recurrent budget of Kshs.4.24 billion. The increase in the budget was attributed to the decline in expected total revenue. The County's Net Approved budget is Kshs.6.29 billion, which consists of Kshs.4 billion for recurrent and Kshs.2.29 billion for development.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.4.83 billion (61.1 per cent), additional allocations of Kshs.1.56 billion (19.8 per cent), a cash balance of Kshs.1.15 billion (14.6 per cent) brought forward from FY 2023/24, and Kshs.357.43 million (4.5 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.5.0 million (0.1 per cent) as Appropriations-in-Aid (A-I-A), Kshs.245.0 million (3.1 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.107.43 million (1.4 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.43.

3.5.2 Revenue Performance

During the review period, the County generated Kshs.4.22 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.1.44 billion from the Kshs.2.78 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.2.80 billion from the equitable share of revenue raised nationally and Kshs.262.49 billion in own-source revenue (OSR) collection.262.49 billion. In addition, the County had a cash balance of Kshs.1.15 billion from FY 2023/24.

The total OSR collection of Kshs.262.49 million includes Appropriations in Aid (AIA) of Kshs.2.58 million, Facilities Improvement Financing (FIF) of Kshs.203.46 million, and Kshs.56.45 million from other OSR sources. Table 3.43 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.43: Elgeyo Marakwet County, Revenue Performance in the First Nine Months of FY 2024/25

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**	4,826,732,019	2,799,504,648	58.0
Sub Total		**4,826,732,019**	**2,799,504,648**	**58.0**
B	**Conditional Grants**			
1	DANIDA	5,947,500	-	-
2	Kenya Climate Smart Agriculture Program	10,918,919	-	-
3	Kenya Livestock Commercialisation Project	40,150,000	-	-
4	Emergency Locust Response	121,025,000	-	-
5	Food Systems Resilience Project(FSRP)	173,076,923	-	-
6	Financing Locally Led Climate Action (FloCCA)	180,000,000	-	-
7	Kenya Urban Support Programme(KUSP)- UDG	18,278,289	-	-
8	Nutrition International	477,400	-	-
9	Kenya Informal Settlement Improvement Program II	261,751,540	-	-
10	IFAD-Kenya Informal Settlement Improvement (KISIP-II)	239,000,000	-	-
11	County Aggregated Industrial Park	250,000,000	-	-
12	Kenya Urban Support Programme	35,000,000	-	-
13	KDSP-II	37,500,000	-	-
14	Community Health Promoters	37,200,000	-	-
15	RMLF	150,644,148	-	-
Sub-Total		**1,560,969,719**	-	-
C	**Other Sources of Revenue**		-	-
1	Ordinary Own Source Revenue	107,429,871	56,452,166	52.5
2	Balance b/f from FY2023/24	1,154,737,550	1,154,737,550	100.0
3	Facility Improvement Fund (FIF)	245,000,000	203,460,559	83.0

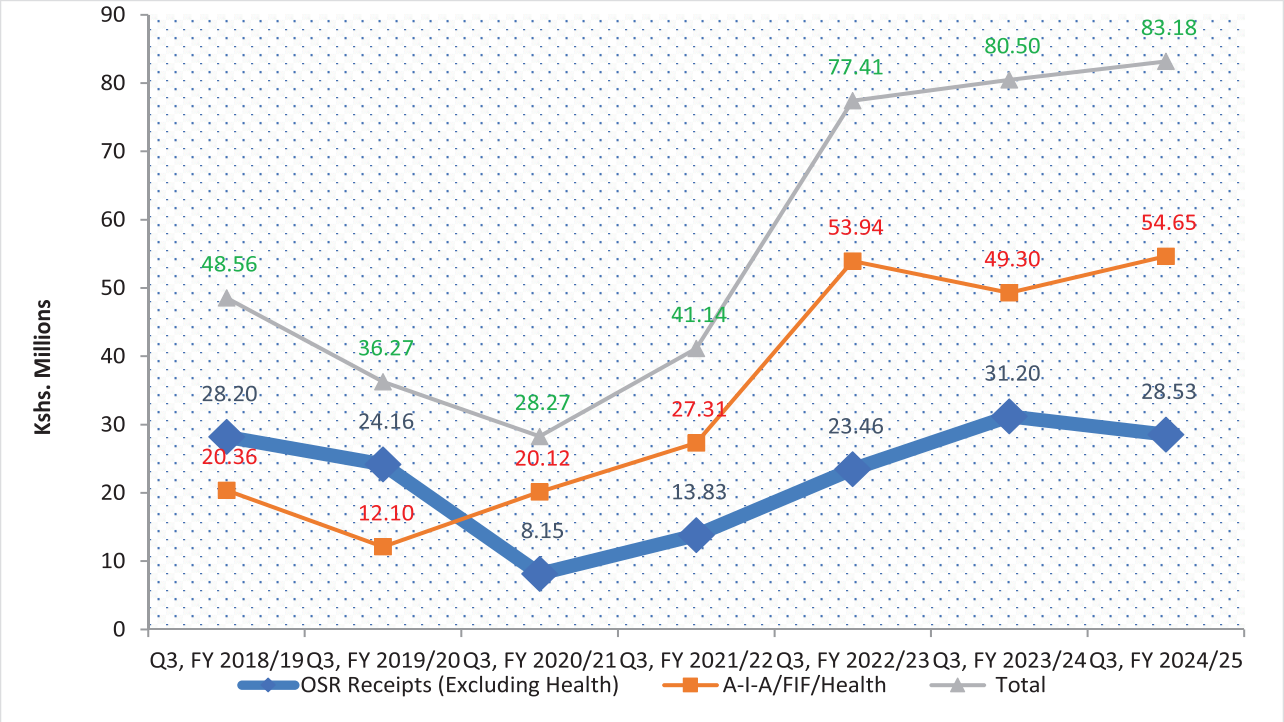
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S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
4	Other Revenues	-	-	-
5	Appropriation in Aid (AIA)	5,000,000	2,578,945	51.6
Sub Total		1,512,167,421	1,417,229,220	93.7
Grand Total		**7,899,869,159**	4,216,733,868	**53.4**

Source: *Elgeyo Marakwet County Treasury*

Figure 17 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 17: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



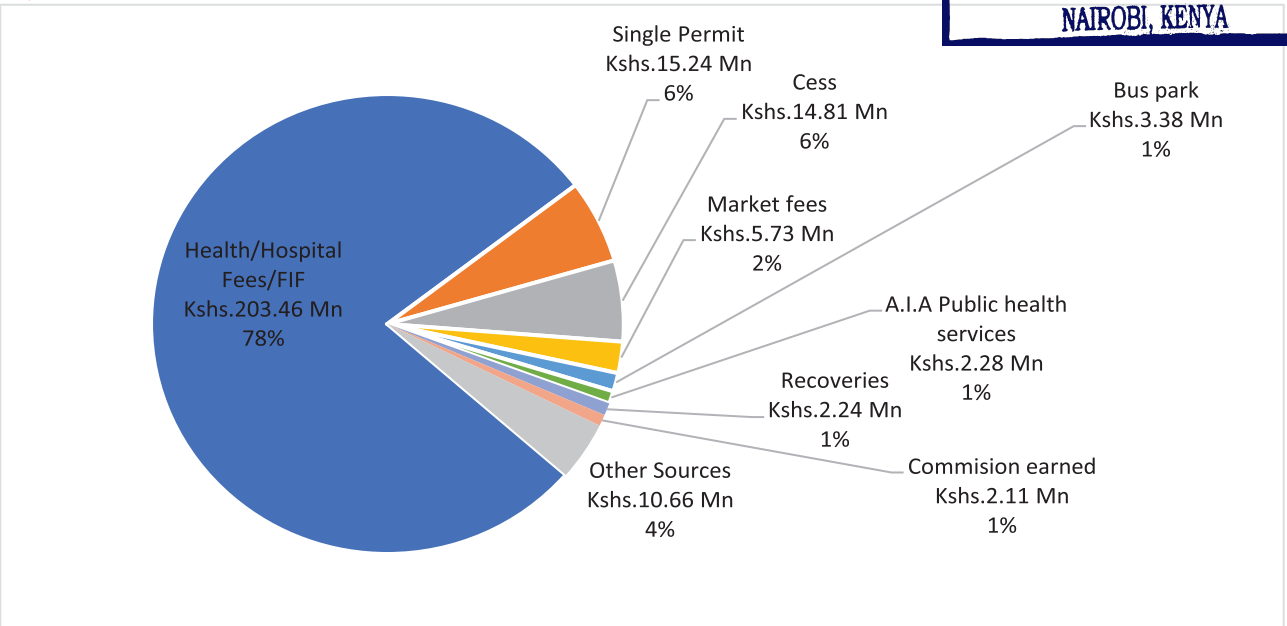
Source: *Elgeyo Marakwet County Treasury*

During the review period, the County generated Kshs.262.48 million from its own revenue sources, including AIA and FIF. This amount was an increase of 31 per cent compared to Kshs.80.50 million realised in a similar period in FY 2023/24 and was 72.7 per cent of the annual target and 2.97 per cent of the equitable revenue share disbursed. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years, amounting to Kshs.0.94 million.

The revenue streams which contributed the highest OSR receipts are shown in Figure 18.

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Figure 18: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



***Source**: Elgeyo Marakwet County Treasury*

As shown in Figure 18, the highest revenue stream, Kshs.203.46 million, was from FIF, contributing 78 per cent of the total OSR receipts. The increase in OSR can be attributed to the ongoing automation of Single Business permits, Market fees, Cess, Parking fees, and Park entry fees, enhanced compliance, widening of revenue streams, and the implementation of the FIF Act, 2023.

3.5.3 Borrowing by the County

The County did not borrow any funds during the period under review.

3.5.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.26 billion from the CRF account during the reporting period, which comprised Kshs.337.01 million (10per cent) for development programmes and Kshs.2.92 billion (90 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.24 billion was released towards compensation of employees and Kshs.683.07 million for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, including the March 2025 exchequer request for the County Executive and County Assembly due to.

Analysis of the operations and maintenance exchequer releases indicates that 12.3 per cent was domestic and 2.3 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.98.70 million, comprising Kshs.37.04 million for the County Executive and Kshs.61.66 million for the County Assembly. The total foreign exchequer, amounting to Kshs.18.55 million, was allocated to the County Assembly.

Table 3.44: Elgeyo Marakwet County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	642,494,863	-	491,149,491	-	76.4	-
Governor/County Executive services	156,433,728	-	115,670,068	-	73.9	-
County Finance and Economic Planning	262,703,653	-	148,162,765	-	56.3	-
Agriculture, Livestock, Fisheries & Marketing	242,711,641	441,686,606	128,899,573	52,019,526	53.1	11.8
Environment and Water	60,491,663	672,593,415	42,149,068	151,210,283	69.7	22.5
Education,	454,995,476	124,825,490	258,814,071	4,697,888	56.9	3,8
Health Services	2,050,387,845	275,161,899	1,254,907,475	32,583,473	61.2	11.8
Land, Housing & Urban Development	61,157,840	659,613,707	39,152,110	59,780,981	64.0	9.1

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Department	Revised Net Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Roads, Public works, Transport and Infrastructure	222,512,048	401,373,805	100,571,367	29,989,080	45.2	7.5
Trade, Tourism Department	83,678,021	524,048,680	44,532,891	4,725,885	53.2	1.4
Youth Sports, Culture & Art	109,027,197	36,354,000	29,925,959	2,000,000	27.4	5.5
ICT & Public Service	360,804,433	11,433,127	237,276,951	-	65.7	-
County Public Service Board	45,380,222	-	32,171,162	-	70.8	-
Grand-Total	**4,752,778,630**	**3,147,090,729**	**2,923,382,952**	**337,007,116**	**61.5**	**10.7**

***Source**: Elgeyo Marakwet County Treasury*

As of 31st March, 2025, the County Government's cash balance in the CRF account was Kshs 430,746,227.60 million.

3.5.5 County Expenditure Review

The County spent Kshs.3.56 billion on development and recurrent programmes during the reporting period. The expenditure represented 110.0 per cent of the total funds released by the CoB and comprised Kshs.733.85 million and Kshs.2.82 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 23.3 per cent, while recurrent expenditure represented 59.3 per cent of the annual recurrent expenditure budget.

3.5.6 Settlement of Pending Bills

As of 30th June 2024, the county reported pending bills totalling Kshs.103.64 million. This amount was entirely for the County Executive. The pending bills from the County Executive consist of Kshs.92.86 million for recurrent expenditures and Kshs.10.78 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.97.47 million, comprising Kshs.89.21 million for recurrent programmes and Kshs.8.26 million for development programmes.

The County Executive submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.103.64 million, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.97.47 million for the Executive.

As of 31st March, 2025, the outstanding bills totalled Kshs.6.17 million.

3.5.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.75 billion on employee compensation, Kshs.572.03 million on operations and maintenance, and Kshs.733.85 million on development activities. Similarly, the County Assembly spent Kshs.261.13 million on employee compensation and Kshs.230.02 million on operations and maintenance as shown in Table 3.45

Table 3.45: 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	**4,110,283,567**	**642,494,863**	**2,326,119,128**	**491,149,491**	56.6	76.4
Compensation to Employees	2,715,345,124	376,308,668	1,754,093,616	261,129,397	64.6	69.4
Operations and Maintenance	1,394,938,443	266,186,195	572,025,512	230,020,094	41.0	86.4
Development Expenditure	3,147,090,729	-	733,845,120	-	23.3	0.0
Total	**7,257,374,296**	**642,494,863**	**3,059,964,248**	**491,149,491**	**42.2**	**76.4**

***Source**: Elgeyo Marakwet County Treasury*

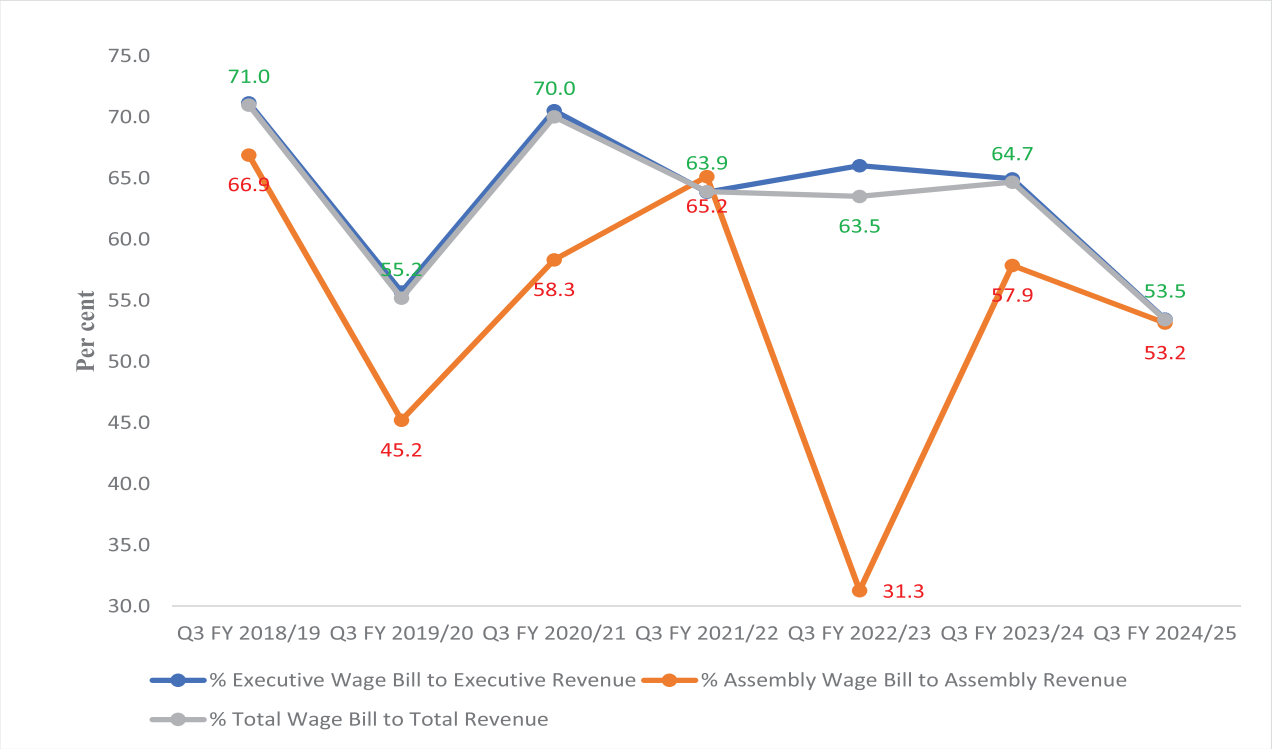
3.5.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.2.02 billion. This expenditure on employee compensation shows an increase compared to the Kshs.1.81 billion was reported during the same period in FY 2023/24. Of this total, Kshs.1.02 billion was allocated to Health Sector employees, which accounts for 45.4 per cent of the overall employees' compensation.

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Figure 19 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 19: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



Source: *Elgeyo Marakwet County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.62 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.391.31 million was processed through manual payrolls, which accounted for 19 per cent of the total PE cost.

The manual payrolls comprised salaries for 107 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), wages for 107 casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.46.

Table 3.46: Breakdown of Elgeyo Marakwet County Manual Payroll

Serial No.	Description of Manual Payroll	Amount Kshs.
1	Salaries for 937 staff are yet to be onboarded into HRIS	161,019,679
2	Salaries for 107 casual staff	12,784,019
3	Top-up Allowances for 23 security officers	3,600,000
4	LAPTRUST/LAPFUND Pension Contributions	81,128,009
5	Gratuity for contract staff	21,002,296
	Total	**279,534,003**

Source*: Elgeyo Marakwet County Treasury*

The County Assembly spent Kshs.19.74 million on committee sitting allowances for the 34 MCAs against the annual budget allocation of Kshs.30.22 million. The average monthly sitting allowance was Kshs.64,512 per MCA. The County Assembly has 18 House Committees.

3.5.9 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.101.86 million to County-Established funds in FY 2024/25. Further, the County has not allocated funds to the Emergency Fund contrary to Section 110 of the PFM Act, 2012. Table 3.47summarises each established Fund's budget allocation and performance during the reporting period.

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Table 3.47: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
1	**County Executive Established Funds**					
2	Elgeyo Marakwet County Education Fund	101,865,154	-	24,285,042	563,872,004	YES
3	County Executive Car and Mortgage Loan Revolving Fund	-	-	26,370,427	120,000,000	Yes
4	Elgeyo Marakwet County Alcoholic Drinks and Control Fund	-	-	1,688,550	11,000,000	Yes
5	Emergency Fund	-	-	-	-	-
6	**County Assembly Established Funds**					
7	Elgeyo Marakwet County Assembly MCA's and staff Car Loan and Mortgage Fund	-	-	72,239,253	139,000,000	YES
8	Elgwyo Marakwet (County Assembly) Catering Services Revolving Fund	-	-	9,108	11,000,000	YES
	Total	**101,865,154**	**-**	**-**	**844,872,004**	

Source: *Elgeyo Marakwet County*

During the reporting period, the CoB did not receive quarterly financial reports from scholarship and other Educational Fund, Emergency Fund Administrators, as indicated in Table 3.47, contrary to the requirement of Section 168 of the PFM Act, 2012. The administration costs of the Elgeyo Marakwet Alcoholic Control Fund exceeded the 3 per cent limit of the Fund's budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

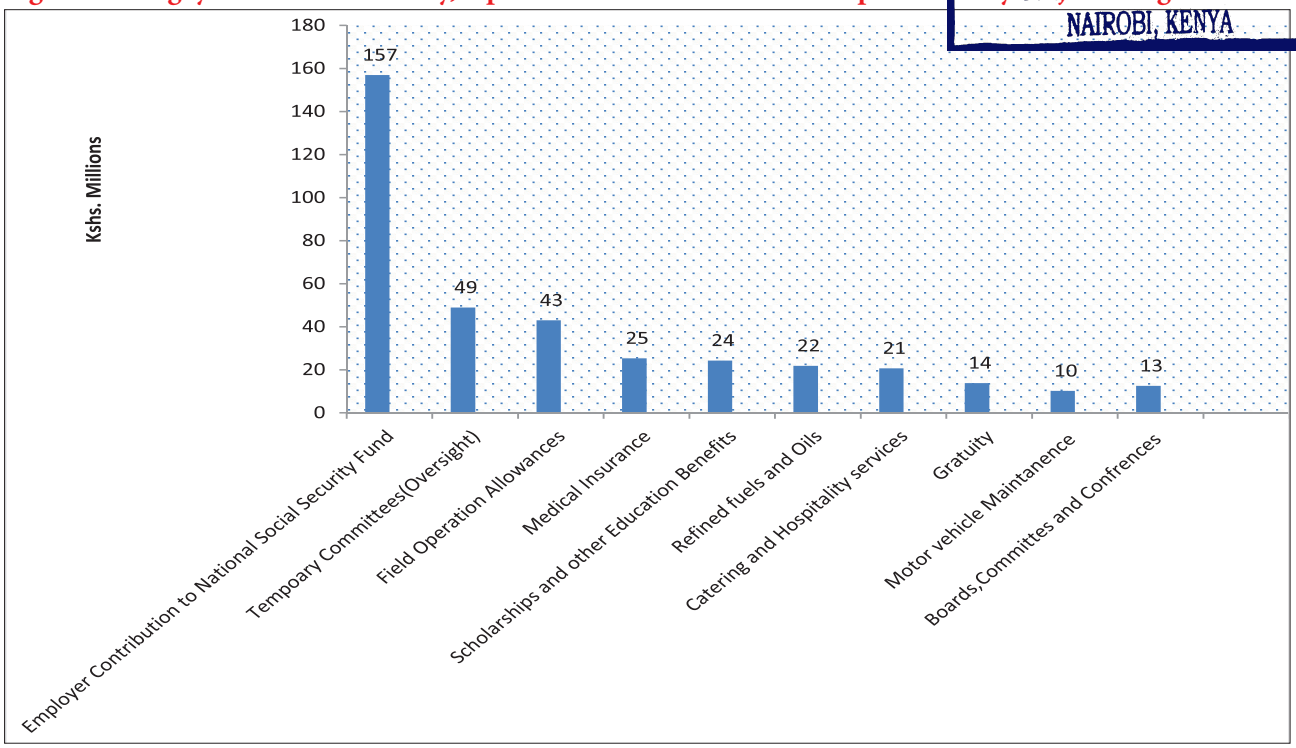
Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, allows County Governments to establish public funds with a lifespan capped at 10 years unless extended by the County Assembly. During the reporting period, the CoB established that the lifespan of the Elgeyo Marakwet County Education Fund, the County Executive Car and Mortgage Loan Fund and the Elgeyo Marakwet County MCA's and Staff Car Loan and Mortgage Fund had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.5.10 County Corporations

The County did not establish any county corporations in FY 2024/25. Figure 20 summarises the Operations and Maintenance expenditure by major categories.

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Figure 20: Elgeyo Marakwet County, Operations and Maintenance Expenditure by Major Categories



Source: *Elgeyo Marakwet County Treasury*

Expenditure on domestic travel amounted to Kshs.98.70. million and comprised Kshs.61.66 million spent by the County Assembly and Kshs.37.04 million by the County Executive. Expenditure on foreign travel amounted to Kshs.18.55 million and comprised Kshs.18.55 million by the County Assembly and Kshs.0 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.48.

Table 3.48: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	14	7th - 12th October 2024	Attending a Benchmarking Visit to the East African Legislative Assembly (EALA)	Arusha	4,443,185
County Assembly	12	1st - 7th December 2024	Attending a Benchmarking Visit to the Tanzania Agricultural Research Institute	Arusha	3,812,867
County Assembly	2	15th - 22nd November 2024	Attending the East African County and Local Government Association Annual Assembly	Kampala	333,649
County Assembly	1	7th - 14th December 2024	Attending Training on Effective Leadership and Management Committees	Singapore	878,442
County Assembly	2	27th Dec 2024 - 3rd Jan 2025	Attending Management Training in Corporate Governance, Strategic Management and Best Practices	Dubai	1,126,626
County Assembly	15	25th Jan - 1st Feb 2025	Attending Tourism Committee Study Tour to Rwanda Cooperation	Rwanda	4,884,846
County Assembly	3	6th - 14th Jan 2025	Attending Management Training in Corporate Governance, Strategic Management and Best Practices	Dubai	1,545,702
County Assembly	1	20th - 27th Jan 2025	Attending Training on Leadership as a Service	Singapore	609,353
County Assembly	1	27th Feb - 5th March 2025	Attending Training on the Legislative for Effective Oversight	Ethiopia	370,808
County Assembly	1	9th - 16th March 2025	Attending ICPAK Leadership Summit	Dubai	542,125
				TOTAL	**18,547,603**

Source: *Elgeyo Marakwet County Treasury and County Assembly*

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The operations and maintenance costs include an expenditure of Kshs.4.45 million on legal fees, claims and litigation, and compensation payments.

3.5.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.203.46 million as FIF, which was 83.05 per cent of the annual target of Kshs.245.0 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County developed regulations in 2024 to operationalise the FIF Act of 2023.

The Health Facilities provided a report on the utilisation of the FIF during the reporting period, in line with (contrary to) Section 18 (e) of the FIF Act, 2023.

The expenditure by the health facilities amounted to Kshs.207.33 as shown in Table 3.49.

Table 3.49: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Iten County Referral Hospital	194,000,000	165,058,469	85.1
2	Kaptarakwa Sub County Hospital	3,893,000	3,379,387	86.8
3	Chebiemit Sub County Hospital	13,100,000	10,693,583	81.6
4	Kamwosor Sub County Hospital	8,829,000	8,826,842	99.9
5	Tot Sub County Hospital	5,188,000	4,325,318	83.4
6	Tambach Sub-County Hospital	5,416,000	5,236,106.50	96.7
7	Kocholwo Sub County Hospital	3,343,000	2,032,050	60.8
8	Chesoi Health Centre	1,431,000	630,869	44.1
9	Chebororwa Sub County Hospital	4,900,000	3,463,896	70.7
10	Kapcherop Sub County Hospital	4,900,000	3,684,295	75.2
	Total	**245,000,000**	**207,330,815.5**	**84.6**

Source: *Elgeyo Marakwet County Treasury*

The Health Facility with the highest absorption rate was Kamwosor Sub County Hospital.

3.5.12 Development Expenditure

In the review period, the County reported spending Kshs.733.85 million on development programmes, representing an increase of 20.4 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.609.34 million. Table 3.50 summarises development projects with the highest expenditure in the reporting period.

The increase in development expenditure was attributed to the County paying its pending bills and utilising rollover funds and FIF funds for development.

Table 3.50: Elgeyo Marakwet County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Agriculture & Livestock	Construction of water intake and distribution to households for irrigation	Emsoo	Completed	2,440,266	1,960,150	1,960,150	100
2	Agriculture & Livestock	Construction of the farmers' store at Kamagut/Muno	Kamariny	Completed	4,000,000	3,597,200	3,597,200	100
3	Agriculture & Livestock	Construction of Kapkono cattle dip	Soy South	Completed	1,455,000	1,475,510	1,455,000	100

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
4	Water, Environment & Climate Change	Drilling and Solar Installation	Chepkorio	Completed	2,094,000	2,094,000	2,094,000	100
5	Water, Environment & Climate Change	Drilling and equipping of a borehole	Kamariny	Ongoing	3,490,816	3,490,816	3,490,816	100
6	Water, Environment & Climate Change	Drilling of a borehole and solar installation	Kamariny	Ongoing	3,102,116	3,102,116	3,102,116	100
7	Water, Environment & Climate Change	Drilling of a borehole and solar pumping installation	Kamariny	Complete	1,554,000	1,554,000	1,554,000	100
8	Education & Technical Training	Construction of ECD twin classroom	Emsoo	Ongoing	3,246,000	2,999,900	2,999,900	10
9	Health services	Construction of a modern OPD	County	Ongoing	20,296,576	12,352,189	12,352,189	60
10	Roads, public works and Transport	Construction of the Embokasan bridge	Sambirir	complete	3,300,000	3,298,400	3,300,000	100

Source: *Elgeyo Marakwet County Treasury*

The County has reported no stalled development projects to date.

3.5.13 Budget Performance by Department

Table 3.51 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.51: Elgeyo Marakwet County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	642.49	-	491.14	-	491.14	-	100.0	-	76.4	-
Governor/County Executive services	156.43	-	115.67	-	113.63	-	98.2	-	72.6	-
County Finance and Economic Planning	262.70	-	148.16	-	148.06	-	99.9	-	56.4	-
Agriculture, Livestock, Fisheries	242.71	441.69	128.89	52.01	110.67	51.54	85.9	99.1	45.6	7.7
Environment and Water	60.49	672.60	42.15	151.21	34.93	261.11	82.9	172.7	57.7	209.2
Education,	454.99	124.82	258.81	4.69	245.48	4.69	94.8	100.0	54.0	1.7
Health Services	2,050.39	275.16	1,254.90	32.58	1,194.26	215.78	95.2	662.2	58.2	32.7
Land, Housing & Urban Development	61.16	659.61	39.15	59.78	38.84	104.52	99.2	174.8	63.5	26.0
Roads, Public works, Transport and Infrastructure	222.51	401.37	100.57	29.99	99.12	89.57	98.6	98.6	44.5	5.6
Trade, Tourism Department	83.68	524.05	44.53	4.73	43.99	4.62	98.8	97.7	52.6	12.7
Youth Sports, Culture & Art	109.03	36.35	29.93	2	28.11	2	93.9	100.0	25.8	-17.5
ICT & Public Service	360.80	11.43	237.28	-	237.18	-	100.0	-	65.7	-
County Public Service Board	45.38	-	32.17	-	31.85	-	99.0	-	70.2	-
Grand-Total	**4,752.77**	**3,147.09**	**2,923.38**	**337.01**	**2,817.26**	**733.84**	**96.4**	**199.9**	**59.3**	**21.4**

Source: *Elgeyo Marakwet County Treasury*

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Analysis of expenditure by departments shows that the Department of Water and Environment recorded the highest absorption rate of development budget at 209 per cent, followed by the Department of Health at 32.1 per cent. The County Assembly had the highest percentage of recurrent expenditure to budget at 76.4 per cent, while the Department of Youth, Sports, Culture, and Art had the lowest at 25.8 per cent.

The expenditures above exchequer releases represent rollover funds in the Special Purpose Accounts and Facility Improvement Fund collections that were used to fund development projects and transactions, which appeared to have been paid at the IFMIS level but were awaiting exchequer clearance.

3.5.14 Budget Execution by Programmes and Sub-Programmes

Table 3.52 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.52: Elgeyo Marakwet County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County assembly							
Legislation and Representation	Legislation and Representation	139,710,404	-	127,034,907	-	90.9	-
Legislative Oversight	Legislative Oversight	113,721,050	-	82,666,724	-	72.7	-
General Administration, Planning and Support Services	General Administration, Planning and Support Services	389,063,409	-	281,448,358	-	72.3	-
		642,494,863	-	**491,149,989**	-	**76.4**	-
Office of the Governor							
General administration and support services	General administration and support services	146,533,728	-	109,518,390	-	74.7	-
	Disaster Management/Peace building, and conflict resolution	7,800,000		2,867,800	-	36.8	-
	Governance	2,100,000	-	1,244,700	-	59.3	-
		156,433,728	-	**113,630,890**	-	**72.6**	-
Finance and Economic Planning							
General administration and support services	Finance and Planning Headquarters	191,955,880	-	133,360,239	-	69.5	-
	Economic Planning & Budgeting	18,701,582	-	6,579,174	-	35.2	-
	Accounting services	5,969,803	-	2,253,100	-	37.7	-
	Supply Chain Management	2,151,024	-	565,000	-	26.3	-
	Revenue Management Services	43,925,364	-	5,301,482	-	12.1	-
		262,703,653	-	**148,058,994**	-	**56.4**	-
Agriculture, Livestock, Fisheries, and Irrigation							
General administration and support services	General administration and support services	148,377,508	-	91,730,007	-	61.8	-
Crop Development	Agricultural Extension and Training Services	1,452,168	352,650,580	-	42,837,221	-	12.1
	Crop Commercialisation	35,961,465	10,759,900	-	3,597,200	-	33.4
Irrigation Development	Irrigation Development	-	13,563,011	-	2,102,326	-	15.5

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Livestock Development	Livestock Extension and Training Services	1,100,000	43,309,555	-	-	-	-
	Livestock Commercialisation	31,817,237	4,473,367	7,749,460	-	-	-
Veterinary Services	Livestock Disease Control	19,508,839	16,930,193	21,994,417	-	#DIV/0!	-
	Breeding	4,494,424	-	4,194,200		#DIV/0!	-
		242,711,641	**441,686,606**	**125,668,084**	**48,536,747**	**51.8**	**11.0**
Water, Environment and Climate Change							
General administration and support services	General administration and support services	60,491,463	-	34,929,191	-	57.7	-
Water Services	Water Services		268,512,932	-	34,773,480		13.0
Environmental Management	Environmental Management	-	500,000	-	-	-	-
Climate Change Management	Climate Change Management		403,580,483	-	156,341,351		38.7
		60,491,463	**672,593,415**	**34,929,191**	**191,114,831**	**57.7**	**28.4**
Education and Technical Training							
General administration and support services	General administration and support services	454,995,476	-	345,481,275	-	75.9	-
	Pre-primary Infrastructure Development	-	98,625,490	-	4,997,888	-	5.1
	Pre-primary Quality Control and Support	-	-	-	-	-	-
	VTC Infrastructure Development	-	26,200,000	-	-		-
	VTC Quality Control and Support	-	-	-	-	-	-
		454,995,476	**124,825,490**	**345,481,275**	**4,997,888**	**75.9**	**4.0**
Health and Sanitation							
General administration and support services	General administration and support services	2,050,387,845	-	1,079,257,694	-	52.6	-
	Community and Environmental Health	-	134,660,086	-	119,757,720		88.9
	Health Services		140,501,813		92,024,797		65.5
		2,050,387,845	**275,161,899**	**1,079,257,694**	**211,782,517**	**52.6**	**77.0**
Lands, Physical Planning, Housing and Urban Development							
General administration and support services	General administration and support services	58,844,949	-	30,577,599	-	52.0	-
	Energy	2,312,891	20,876,532	8,263,941	-	357.3	-
	Solid waste management		200,000	-	-		-
	County Public Land Management	-	32,050,000	-	-		-
	Physical Planning	-	-	-	-		-
	Urban Infrastructure	-	606,487,175	-	104,524,192		17.2
		61,157,840	**659,613,707**	**38,841,540**	**104,524,192**	**63.5**	**15.8**
Roads, Public Works and Transport							
General administration and support services	General administration and support services	108,270,888	-	90,750,634	-	83.8	-
Roads Improvement	Rural Road Works	110,046,262	401,373,805	-	108,571,001	-	27.0

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Public Works	Public works	1,550,000	-	3,506,900	-	226.3	-
Transport Services	Transport Services	2,644,898	-	4,858,338	-	183.7	-
		222,512,048	**401,373,805**	**99,115,872**	**108,571,001**	**44.5**	**27.0**
Cooperatives, Trade, Industrialisation, Tourism and Wildlife							
General administration and support services	General administration and support services	83,578,021	-	43,995,061	-	52.6	-
	Cooperatives Development	-	12,384,000	-	-	-	-
	Tourism Development	-	1,440,000	-	-	-	-
	Trade and enterprise development	100,000	510,224,680	-	4,317,945	-	0.8
		83,678,021	**524,048,680**	**43,995,061**	**4,317,945**	**52.6**	**0.8**
Sports, Youth Affairs, ICT and Social Services							
General administration and support services	General administration and support services	45,810,132	-	27,622,619	-	60.3	-
	Sports Infrastructure Development	-	36,354,000	-	-	-	-
	Sports Talent Development	24,269,412	-	-	-	0.0	-
	Social Empowerment	14,768,940	-	490,000	-	3.3	-
	Social Protection	2,100,000	-	-	-	-	-
	Wezesha	15,100,000	-	-	-	-	-
	Culture Preservation	6,978,713	-	-	-	-	
		109,027,197	**36,354,000**	**28,112,619**	**-**	**25.8**	**-**
Public Service Management and County Administration							
General administration and support services	General administration and support services	37,500,000	-	-	-	0.0	-
	ICT services	-	11,133,127	-	-	-	-
	County Administration and Devolution	323,304,433	300,000	237,176,247	-	73.4	-
	Enforcement and Compliance	-	-	-	-	-	-
	Citizen Participation and Civic Education	-	-	-	-	-	-
	Human Resource Management	-	-	-	-	-	-
	Payroll Management	-	-	-	-	-	-
	County Communication Corporate Affairs	-	-	-	-	-	-
		360,804,433	**11,433,127**	**237,176,247**	**-**	**65.7**	**-**
County Public Service Board							
General administration and support services	General administration and support services	45,380,222	-	31,851,162	-	70.2	-
		45,380,222	**-**	**31,851,162**	**-**	**70.2**	**-**
TOTAL		**4,752,778,430**	**3,147,090,729**	**2,817,268,619**	**733,845,121**	**59.3**	**21.4**

Source: *Elgeyo Marakwet County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: General administration and support services in the Department of Roads and Public works at 83.8 per cent, County Administration and Devolution in the Department of Public Service Management and County Administration at 73.4 per cent, General administration and support services in the Department of County Public Service Board at 70.2 per cent of budget allocation.

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3.5.15 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

The County Government operated 127 accounts with commercial banks, including 89 accounts for Health Facilities, nine accounts for Established Funds, four revenue accounts, nine special-purpose accounts (additional allocations), five imprest accounts, seven recurrent operational accounts, and four development operational accounts.

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

3.5.16 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;

i. Excessive foreign travel by the County Assembly is not prudent.
ii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of the Elgeyo Marakwet County Education Fund, the Elgeyo Marakwet County Assembly MCA's and Staff Car Loan and Mortgage Fund and the Elgeyo Marakwet County Executive Car and Mortgage Loan Fund had lapsed, making them ineligible for further withdrawals.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.391.3 million for 945 staff yet to be onboarded into HRIS, and 103 casual staff were processed through manual payroll, accounting for 10.4 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

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

i. *The top Management of the County Assembly of Elgeyo Marakwet should ensure that foreign travel is minimised to free up resources for development activities.*
ii. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
iii. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

3.6. County Government of Embu

3.6.1 Overview of FY 2024/25 Budget

The Embu County Gross Supplementary I Budget for FY 2024/25 is Kshs.8.53 billion. It comprises Kshs.2.82 billion (33 per cent) and Kshs.5.71 billion (67 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.580.94 million (7 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.2.63 billion and a recurrent budget of Kshs.5.32 billion. The increase in the budget was attributed to the rise/decline in Own Source Revenue. The County's Net Approved Supplementary I Budget (gross budget less AIA estimates) is Kshs.8.06 billion, which consists of Kshs.5.24 billion for recurrent and Kshs.2.82 billion for development.

The budget will be financed from the following revenue sources: an equitable share of revenue raised nationally of Kshs.5.80 billion (68 per cent), additional allocations of Kshs.1.00 billion (12 per cent), a cash balance of Kshs.188.00 million (2 per cent) brought forward from FY 2023/24, and Kshs.1.55 billion (18 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.243.37 million (3 per cent) as Appropriations-in-Aid (A-I-A), Kshs.476.05 million (6 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.827.38 million (10 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.53.

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3.6.2 Revenue Performance

During the review period, the County received Kshs.4.38 billion in revenues to fund its development and recurrent activities. This amount represents a decrease of Kshs.174.79 billion from Kshs.4.56 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.3.54 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.63.63 million, and own-source revenue (OSR) collection of Kshs.245.00 million. In addition, the County had a cash balance of Kshs.188.00 million from FY 2023/24.

The total OSR collection of Kshs.590.88 million includes Appropriations in Aid (AIA) of Kshs.21.15 million, Facilities Improvement Financing (FIF) of Kshs.324.73 million, and Kshs.245.00 million from other OSR sources. OSR collections from the FIF were received from Embu-Level 5, Runyenjes Hospital, Siakago Hospital, Ishiara Hospital, Kianjokoma Hospital, Gategi Hospital, and Kiritiri Health Centre. Table 3.53 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.53: Embu County, Revenue Performance in the First Nine Months of FY 2024/25

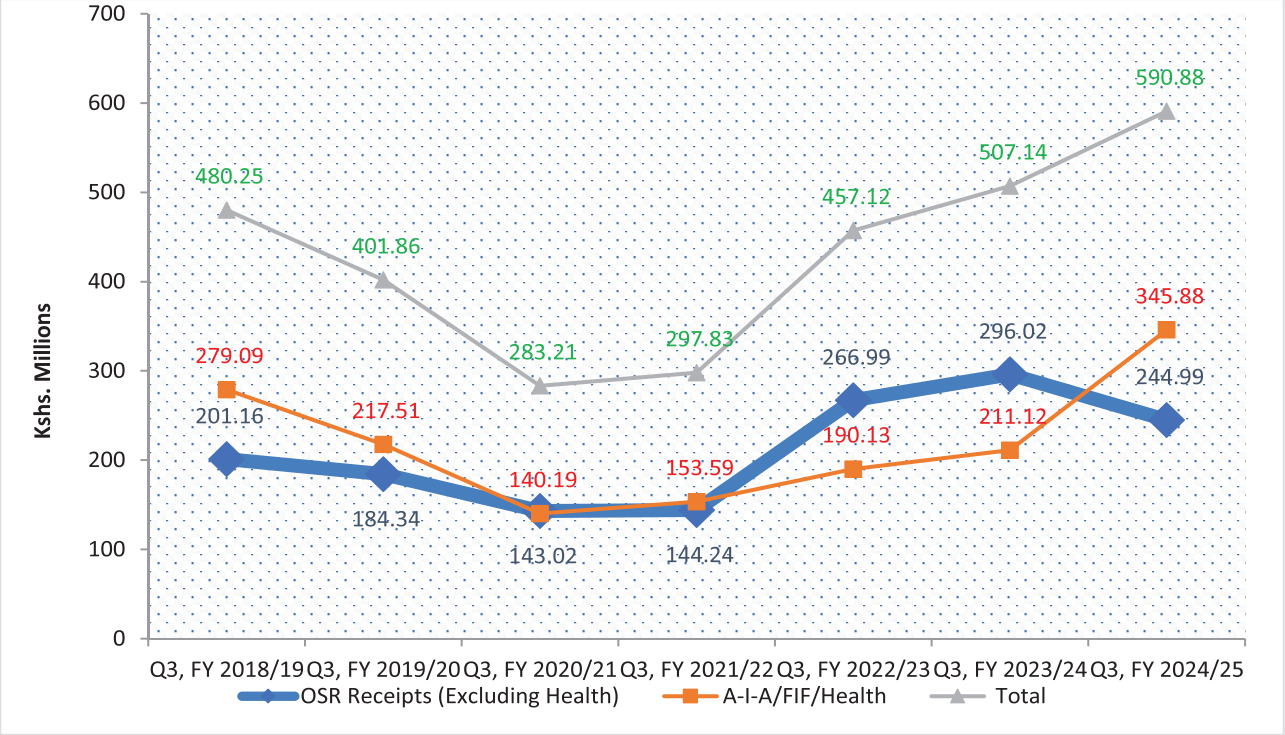
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	5,797,241,692	3,541,885,222	61.1
Sub Total		**5,797,241,692**	**3,541,885,222**	**61.1**
B	**Conditional Grants**			
1	Conditional Additional Allocation for Maintenance of County Roads from the Road Maintenance Levy Fund (RMLF)	211,127,369	-	-
2	Kenya Urban Support Programme- Urban Institutional Grants	35,000,000	-	-
3	Kenya Urban Support Programme- Urban Development Grants	52,595,562	-	-
4	Conditional Allocation for National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	-	-
5	Conditional Grant for Aggregated Industrial Parks Programme (CAIP)	186,000,000	52,631,579	28.3
6	Primary Health Care in Devolved Context- DANIDA Grant	6,630,000	-	-
7	Conditional Additional Allocation for Community Health Promoters	37,603,527	-	-
8	Emergency Locust Response Projects (ELRP)	104,600,000	-	-
9	Financing Locally Led Climate Action (FLLoCA)-County Climate Resilience Investment (CCRI) Grant	137,500,000	-	-
10	Financing Locally Led Climate Action (FLLoCA)-County Climate Institutional Support (CCIS) Grant	11,000,000	11,000,000	100.0
11	Kenya Nutrition Support Grant	5,000,000	-	-
12	Aquaculture Business Development Project (ABDP)	10,237,551	-	-
13	Kenya Devolution Support Programme II	37,500,000	-	-
14	Unconditional Allocations to County Governments from Court Fines and Mineral Royalties	2,142	-	-
15	Chinese Government Grant	2,700,000	-	-
16	KCB VTC Scholarship Grant	12,500,000	-	-
Sub-Total		1,001,511,303	63,631,579	**6.4**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	827,376,039	244,994,361	29.6
2	Balance b/f from FY2023/24	187,997,315	187,997,315	100.0
3	Facility Improvement Fund (FIF)	476,048,899	324,733,188	68.2
4	Other Revenues	-	-	-
5	Appropriation in Aid (AIA)	243,367,303	21,151,219	8.7
Sub Total		1,734,789,556	778,876,083	44.9
Grand Total		**8,533,542,551**	**4,384,392,884**	**51.4**

Source: *Embu County Treasury*

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The County has governing legislation on the operation of ordinary A-I-A and FIF. Figure 21 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 21: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



Source: *Embu County Treasury*

During the review period, the County generated Kshs.590.88 million from own revenue sources, including AIA and FIF. This amount was an increase of 17 per cent compared to Kshs.507.14 million realised in a similar period in FY 2023/24, which was 38 per cent of the annual target and 17 per cent of the equitable revenue share disbursed.

The increase in OSR can be attributed to various strategies put in place by the County that include the following;

(i) The establishment and execution of the Facility Improvement Fund (FIF) under the Health Department to enhance healthcare infrastructure, improve service delivery, and ensure the optimal allocation of resources for developing and upgrading health facilities.

(ii) Regular oversight of operations, coupled with efforts to expedite the Embu County Revenue Authority (ECRA) performance, ensuring efficient service delivery, timely revenue collection, and optimal functioning of the Authority.

(iii) Deployment of Cashless Collection Systems and Revenue Stream Automation:

(iv) Implementing digital, cashless payment systems, coupled with automating various revenue streams. This has enhanced revenue collection and management efficiency, transparency, and accountability.

(v) Mitigation of Revenue Leakages: Identifying and addressing potential revenue leakages by establishing robust monitoring systems, implementing effective auditing procedures, and enhancing enforcement measures to ensure maximum revenue retention.

(vi) Implement a systematic approach to staff rotation and transfer to promote skill diversification, prevent stagnation, and maintain the integrity and efficiency of operations.

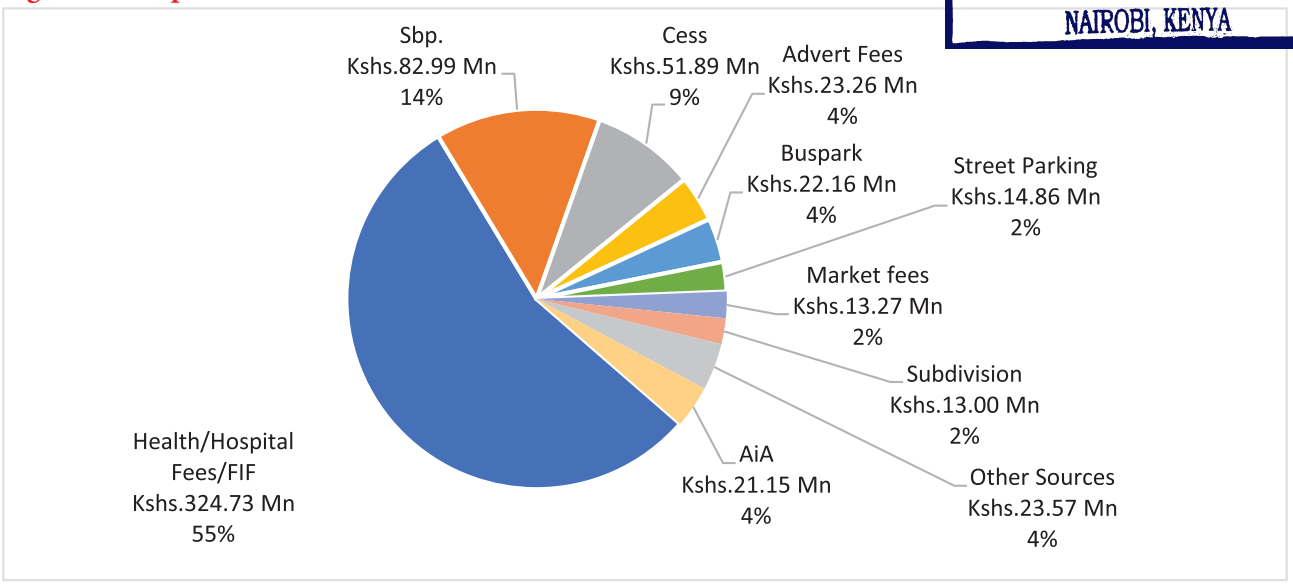
(vii) Setting clear, measurable performance targets for revenue generation that align with fiscal objectives, ensuring accountability and progress toward financial goals.

(viii) Fostering collaboration with the local population through public awareness programs, community involvement, and partnerships that encourage timely revenue collection compliance.

The revenue streams which contributed the highest OSR receipts are shown in Figure 22.

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Figure 22: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



***Source**: Embu County Treasury*

As shown in Figure 22, the highest revenue stream, at Kshs.324.73 million was from Health/Hospital Fees/FIF, accounting for 55 per cent of the total OSR receipts. The County Government has automated 20 revenue streams out of 22.

3.6.3 Borrowing by the County

The County Government did not borrow any funds during the reporting period.

3.6.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.3.28 billion from the CRF account comprised Kshs.469.48 million (14 per cent) for development programmes and Kshs.2.81 billion (86 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.21 billion was released towards compensation of employees and Kshs.606.39 million for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, does not include the March 2025 exchequer request for the County Executive and County Assembly due to preparation of the exchequer requests towards the tail end of the month. The approval of Exchequer requests and related expenditures was completed in April 2025.

Analysis of the operations and maintenance exchequer releases indicates that 18 per cent was for domestic travel and 3 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.110.61 million, comprising Kshs.100.85 million for the County Executive and Kshs.9.76 million for the County Assembly. The foreign exchequer totalled Kshs.17.84 million, comprising Kshs.3.72 million for the County Executive and Kshs.12.63 million for the County Assembly.

Table 3.54: Embu County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor	292,202,150	19,929,310	159,205,396	4,378,362	104.1	100.0
County Public Service Board	35,850,883	-	21,226,193	-	62.8	-
Public Service and Administration	1,004,258,289	2,450,000	608,960,315	-	77.1	-
County Assembly	745,083,672	14,000,000	431,256,925	7,270,698	93.3	100.0
Finance and Economic Planning.	255,223,488	9,050,000	152,818,502	147,742,689	72.2	-
Trade, Tourism, Investment, and Industrialisation	40,631,165	500,343,729	19,381,059	-	104.8	-
Agriculture, Livestock, Fisheries and Cooperative Development	275,455,791	223,768,760	115,315,218	25,187,928	36.0	15.8
Water Environment and Natural Resources	41,249,126	134,265,876	17,368,606	31,696,201	70.9	66.9
Health	1,370,069,888	156,287,292	902,552,972	45,088,828	136.8	70.3
Embu Level 5 Hospital	380,935,730	100,505,937	4,959,200	79,191,111	90.8	56.9

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Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.)		Exchequer Issues to Revised Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Infrastructure, Public Works and Housing.	76,637,860	895,062,034	16,779,886	33,963,371	46.1	251.2
Education, Science and Technology	395,098,561	166,477,594	235,938,301	27,991,972	71.8	89.3
Youth Empowerment and Sports and Gender Empowerment	118,210,148	107,713,067	65,873,629	36,521,835	102.6	76.6
Lands, Physical Planning and Urban Development & Water	63,522,920	126,016,062	38,280,744	4,444,394	65.1	371.7
Embu County Revenue Authority (ECRA)	35,399,224	31,000,000	6,700,152	15,000,000	171.2	29.6
Embu Municipal Board	70,366,581	71,259,205	16,400,000	11,000,000	100.0	136.4
Climate Change Unit	35,569,310	263,600,000	-	-	-	-
Total	**5,235,764,786**	**2,821,728,866**	**2,813,017,098**	**469,477,391**	**98.5**	**96.5**

***Source**: Embu County Treasury*

As of 31st March, 2025, the County Government's cash balance in the CRF account was Kshs.620.97 million.

3.6.5 County Expenditure Review

The County spent Kshs.3.23 billion on development and recurrent programmes during the reporting period. The expenditure accounted for 98 per cent of the total funds released by the CoB and comprised Kshs.453.13 million and Kshs.2.77 billion for development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 16 per cent, while recurrent expenditure represented 48 per cent of the annual recurrent expenditure budget.

3.6.6 Settlement of Pending Bills

As of 30th June 2024, the county reported pending bills totalling Kshs.2.4 billion. This includes Kshs.2.31 billion from the County Executive and Kshs.75.33 million from the County Assembly. The pending bills from the County Executive consist of Kshs.1.25 billion for recurrent expenditures and Kshs.1.07 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.565.25 million, comprising Kshs.441.54 million for recurrent programmes and Kshs.123.70 million for development programmes. The County Assembly cleared all its pending bills.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.843.02 million and Kshs.75.33 million, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared only Kshs.565.25 million for the Executive and Kshs.75.33 million for the Assembly. The County Assembly cleared its pending bills, while the County Executive will adhere to the plan by the Close of the FY 2024/25.

As of 31 March 2025, the outstanding bills totalled Kshs.1.75 billion, all for the County Executive.

3.6.7 Expenditure by Economic Classification

The County Executive allocated Kshs.2.01 billion for employee compensation, Kshs.369.18 million for operations and maintenance, and Kshs.462.21 million for development activities. Similarly, the County Assembly spent Kshs.194.05 million on employee compensation, Kshs.237.21 million on operations and maintenance, and Kshs.7.27 million on development activities, as shown in Table 3.55.

Table 3.55: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)		Exchequer Issues (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,490,681,114**	**745,083,672**	**2,381,760,173**	**431,256,925**	**53**	**58**
Compensation to Employees	3,310,297,100	379,791,039	2,012,579,828	194,047,764	59	51
Operations and Maintenance	1,180,384,014	365,292,633	369,180,344	237,209,161	35	65

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Expenditure Classification	Budget (Kshs.)		Exchequer Issues (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Development Expenditure	2,807,728,866	14,000,000	462,206,693	7,270,698	16	52
Total	7,298,409,980	759,083,672	2,843,966,866	438,527,623	39	58

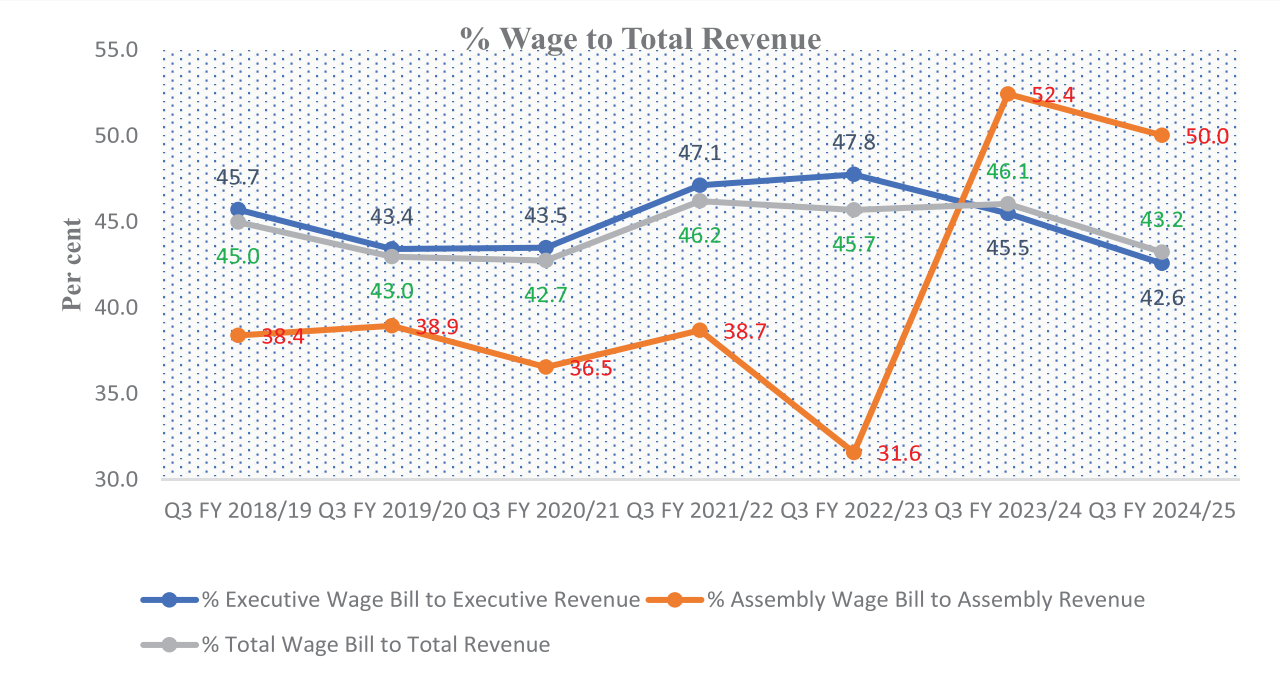
***Source**: Embu County Treasury*

3.6.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.2.16 billion. The total revenue, excluding the earnings from extractive natural resources from sand cess, gypsum cess, and quarry cess, is Kshs.8.53 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 43 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.1.96 billion was reported during the same period in FY 2023/24. Of this total, Kshs.1.500 billion was allocated to Health Sector employees, which accounts for 59 per cent of the overall employees' compensation.

Figure 23 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 23: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source:** Embu County Treasury*

Further analysis indicates that Kshs.2.08 billion in costs were processed through the Integrated Payroll and Personnel Database (IPPD/HRIS) system. In contrast, Kshs.73.96 million was processed through manual payrolls, which accounted for 3 per cent of the total PE cost.

All the county staff are onboarded into the Government Human Resource Information System (GHRIS). The manual payrolls comprise salaries for 2,369 staff members, top-up allowances for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.56.

Table 3.56: Breakdown of Embu County Manual Payroll

S/No.	Category	County Executive	County Assembly	Total
1	Salaries for Nil (0) staff paid outside the Human Resource Information System (HRIS)	-	-	-
2	Salaries for Nil (0) casual staff	-	-	-
3	Top-up Allowances for 30 security officers	30	-	30.0

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S/No.	Category	County Executive	County Assembly	Total
4	LAPTRUST/LAPFUND Pension Contributions	-	-	-
5	Gratuity for contract staff	648	137.0	785.0
6	Youth	-	-	-
7	Community Health Workers	1,544	-	1,544.0
	Total	**2,222**	**137**	**2,359**

Source: *Embu County Treasury*

The County Assembly spent Kshs.16.46 million on committee sitting allowances for the 31 MCAS, against the annual budget allocation of Kshs.30.60 million. The average monthly sitting allowance was Kshs.58,998 MCA. The County Assembly has 27 House Committees.

3.6.9 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. In FY 2024/25, the County allocated Kshs.19.00 million to County-established Funds, constituting 0.22 per cent of the County's overall budget. Further, the County allocated Kshs.8.00 million to the Emergency Fund (0.09 per cent of the total budget), which is not in line with Section 110 of the PFM Act, 2012. Table 3.57 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.57: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs.)	Submission of First Nine Months Financial Statements (Kshs.)
County Executive Established Funds							
1	Embu County Education Support Fund	1-January-2015	-	-	-	-	Submitted
2	Embu County Youth Trust Fund	24-April-2015	-	-	-	-	Submitted
3	Embu County Climate Change Fund	1-January-2020	11,000,000.0	11,000,000.0	11,000,000.0	-	Submitted
4	Embu County Emergency Fund	25-March-2020	8,000,000.0	8,000,000.0	-	-	Submitted
Sub-Total			**19,000,000**	**19,000,000**	-	-	
County Assembly Established Funds							
1	County Assembly of Embu Car Loan and Mortgage (MCAs)	March 2014 (Revised in 2022)	-	-	-	-	Submitted
2	County Assembly of Embu Car Loan and Mortgage (Staff)	11 February 2019 (Revised in 2022)	-	-	-	-	Submitted
Sub-Total			-	-	-	-	
Total			**19,000,000**	**19,000,000**	-	-	

Source: *Embu County Treasury*

During the reporting period, the CoB received quarterly financial reports from all Fund Administrators, as indicated in Table 3.57.

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. During the reporting period, the CoB established that the lifespan of the Embu County Youth Trust Fund had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

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3.6.10 County Corporations

The County has established a county corporation. In FY 2024/25, the county allocated Kshs.66,399,224 to the corporation through its parent department. Their total expenditure in the first nine months amounted to Kshs.11,144,546, as shown in Table 3.58.

Table 3.58: Performance of County Corporations

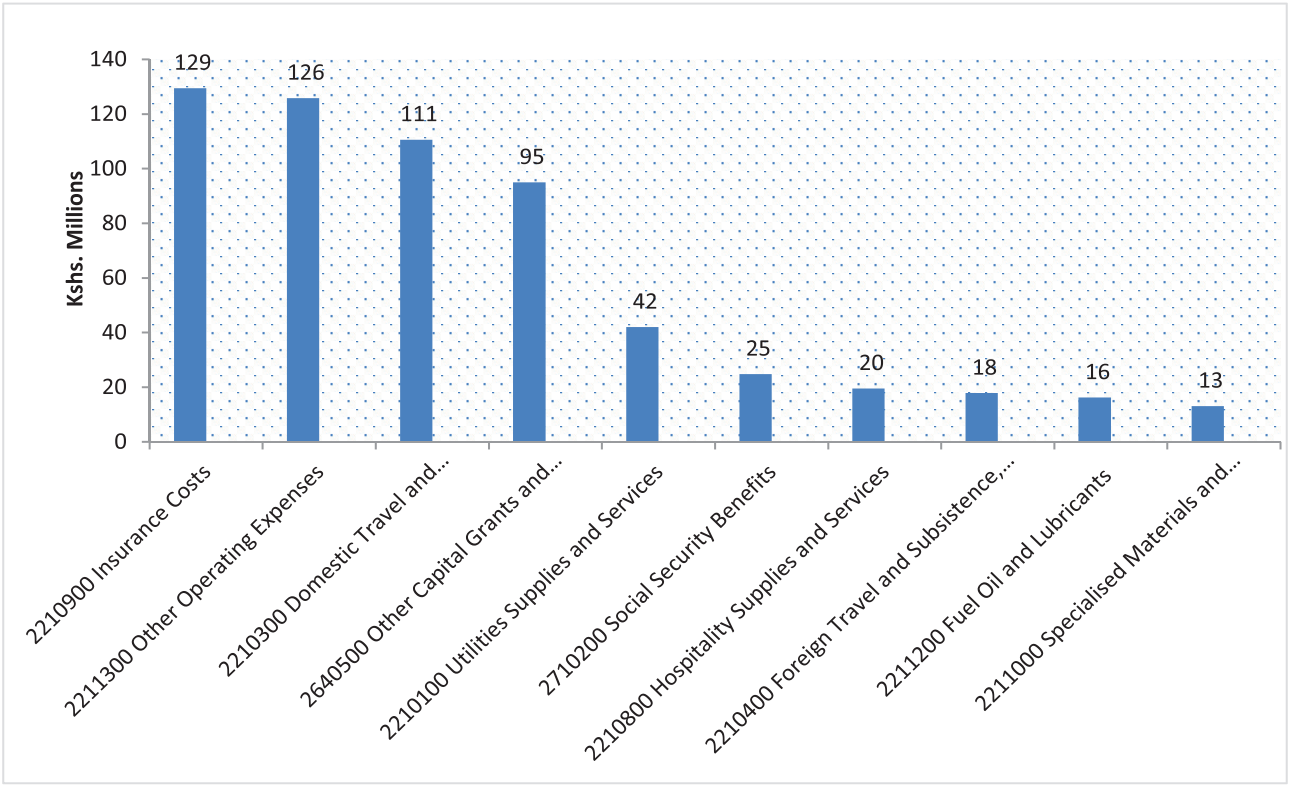
S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Embu County Revenue Authority (ECRA)	Finance and Economic Planning	66,399,224	11,144,546	11,144,546
2	Embu Water & Sanitation Co. ltd	Water Environment and Natural Resources	0	0	0
3	Kyeni Water Co.	Water Environment and Natural Resources	0	0	0
4	Ngandori Nginda Water Co.	Water Environment and Natural Resources	0	0	0
5	Ngagaka Water Co.	Water Environment and Natural Resources	0	0	0
6	Embe Water Co.	Water Environment and Natural Resources	0	0	0
	Total		**66,399,224**	**11,144,546**	**11,144,546**

Source: *Embu County Treasury*

3.6.11 Expenditure on Operations and Maintenance

Figure 24 summarises the Operations and Maintenance expenditure by major categories.

Figure 24: Embu County, Operations and Maintenance Expenditure by Major Categories



Source: Embu *County Treasury*

Expenditure on domestic travel amounted to Kshs.110.61 million, comprising Kshs.79.99 million spent by the County Assembly and Kshs.30.65 million by the County Executive. Expenditure on foreign travel amounted to Kshs.16.35 million and comprised Kshs.12.63 million by the County Assembly and Kshs.3.72 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.59.

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Table 3.59: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

S/No.	Arm of County Government	No. of Officers Travelled	Dates Travelled	Purpose of the Travel	Destination	Travel (Kshs.)
1	County Executive	3	11th to 22nd November 2024	COP29 held in Baku in Azerbaijan	Baku in Azerbaijan	2,978,500
2	County Executive	1	23rd to 28th February 2025	Participating in the East Africa Local Authorities Sports and Cultural Association (EALASCA) in Uganda	Uganda	746,348
3	County Assembly	41	9th to 13th September 2024	To Train in Legislative Competences Training By the Centre for Parliamentary Studies	Arusha, Tanzania	12,625,181
TOTAL						**16,350,029**

Source: *Embu County Treasury and Embu County Assembly*

Table 3.60 below summarises other operating expenses for the first nine months of FY 2024/25.

Table 3.60: Breakdown of Other Operating Expenses Items with Expenditure

Title	Economic Item & Title	Total Expenditure (Kshs.)
2211399-00001001-0723013660-36600001	General Office Operations	29,250,500
2211399-00001001-905013660-36600001	Boda Boda Summit Expenses	19,499,900
2211399-00001001-905013660-36600001	KICOSCA Games	10,575,717
2211399-00001001-0301013660-36600001	Investors Conference	4,900,000
2211399-00001001-0508013660-36600001	Service Charge for the Digital Learning Programme	3,735,520
2211399-00001001-0701013660-36600001	Monitoring and Evaluation	2,967,389
2211399-00001001-0301013660-36600001	Liquor Activities Including Inspection and Licensing	2,602,200
2211399-00001001-0701013660-36600001	Public Participation	2,390,000
2211399-00001001-0101023660-36600001	Planning, Surveying and Allocation of Market Plots	2,000,000
2211399-00001001-0101023660-36600001	Planning oMarkets-Mwea	2,000,000
2211399-00001001-0301013660-36600001	Marketing, Promotion and Branding of Value Chains	2,000,000
2211399-00001001-0301013660-36600001	Investment Corporation Activities	2,000,000
2211399-00001001-0701013660-36600001	Resource Mobilisation Activities	2,000,000
2211399-00001001-905013660-36600001	County Sports Tournaments and League Support	2,000,000
2211399-00001001-0508013660-36600001	School Co-Curricular Activities (ECDE/Youth Polytechnics)	1,994,480
2211399-00001001-0701013660-36600001	Corporate Communications/Public Relations Consultancy	1,821,225
2211399-00001001-905013660-36600001	Sports Equipment	1,500,000
2211399-00001001-905013660-36600001	Creative Arts Empowerment Programmes	1,500,000
2211399-00001001-905013660-36600001	Preparation of the Sports Policy	1,500,000
2211399-00001001-0101023660-36600001	Environmental Impact Assessment for Proposed Design and Building of Njukiri Stadium-Tredak Limited	604,000
2211399-00001001-0101023660-36600001	Planning and Surveying aMarkets -Nginda	500,000
2211399-00001001-0101023660-36600001	Environmental Impact Assessment for The Proposed Construction of Municipal Board Offices- Chalbi D Services Limited	381,500
2211399-00001001-905013660-36600001	Rescue Centre Operations	300,000
2211399-00001001-0701013660-36600001	Partnerships, Mobilisation, And Documentation Activities	123,610
2211399-00001001-905013660-36600001	Commemoration of International/National Days	50,000
Sub-Total		**12,5790,223**
2640503-00001001-0723013660-36600001	Other Capital Grants and Trans	16,400,000
2640503-00001001-0404013660-36600001	Other Capital Grants and Trans	15,432,500
2640505-00001001-0701013660-36600001	Preparation of Planning and Budget Documents	12,940,000
2640505-00001001-0701013660-36600001	Budget Implementation and Reporting	5,885,400
2640505-00001001-0701013660-36600001	Budget Preparations(Pre- and Post Budget)	4,687,106
2640505-00001001-0701013660-36600001	Budget Feedback Mechanism(Post Planning)	3,500,000
2640503-00001001-0109013660-36600001	Technical Backstopping of Modern Farming Activities In Kyeni South	3,000,000

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Title	Economic Item & Title	Total Expenditure (Kshs.)
2640503-00001001-0508013660-36600001	ECDE Children Empowerment Programme- Mbeti South	3,000,000
2640503-00001001-905013660-36600001	Youth Empowerment Programme	3,000,000
2640503-00001001-905013660-36600001	Women Empowerment Programme-Kyeni South	3,000,000
2640503-00001001-905013660-36600001	Women Empowerment Programme-Nthawa	3,000,000
2640503-00001001-905013660-36600001	Gender Empowerment Programme-Kithimu	3,000,000
2640503-00001001-905013660-36600001	Women Empowerment Programme-Gaturi South	2,503,155
2640503-00001001-905013660-36600001	Women and Men Groups Empowerment Programme- Gaturi North	2,500,000
2640503-00001001-905013660-36600001	Men Empowerment Programme-Nginda	2,000,000
2640503-00001001-905013660-36600001	Women Empowerment Programme-Ruguru Ngandori	1,500,000
2640505-00001001-0701013660-36600001	Budget Management and Liaison Operations	1,467,781
2640503-00001001-0109013660-36600001	Farmers Agripreneur Extension and Empowerment Programme	1,436,080
2640503-00001001-905013660-36600001	Disability Empowerment Programme-Kagaari South	1,000,000
2640503-00001001-905013660-36600001	Women Empowerment Programme-Mavuria	1,000,000
2640503-00001001-905013660-36600001	Women Empowerment Programme	996,845
2640503-00001001-905013660-36600001	Supply of Tents and Chairs- Wackergenix Investment Ltd	995,670
2640503-00001001-905013660-36600001	Establishment of Embu Boda Boda Riders' Information System (EMBRIS)	995,670
2630101-00003001-0404013660-36600001	Current Grants to Semi-Autonomous Government Agencies	750,000
2640503-00001001-905013660-36600001	Men Empowerment Programme-Kiambere	496,845
2640503-00001001-905013660-36600001	Youth Mainstreaming Programme	457,850
Sub-Total		**94,944,902**

The operations and maintenance costs include an expenditure of Ksh.15.77 million on legal fees, dues, arbitration, and compensation payments. There was no incurred expenditure for garbage collection.

3.6.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.324.73 million as FIF, which was 68 per cent of the annual target of Kshs.476.05 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The Health Facilities did provide a report on the utilisation of the FIF during the reporting period, contrary to Section 18(e) of the FIF Act, 2023.

The expenditure by health facilities amounted to Kshs.202,748,923, as shown in Table 3.61 .

Table 3.61: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

S/No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Medical Services-Headquarters	14,281,467	5,473,830	38.3
2	Embu Level 5 Hospital	315,101,341	151,379,647	48.0
3	Siakago Level 4 Hospital	6,571,812	6,158,244	93.7
4	Runyenjes Level 4 Hospital	13,684,092	9,534,513	69.7
5	Ishiara Level 4 Hospital	12,075,796	8,958,104	74.2
6	Kianjokoma Level 3 Hospital	6,393,554	2,053,371	32.1
7	Karurumo Level 3 Hospital	1,890,608	1,410,759	74.6
8	Kanja Level 3 Hospital	1,556,971	268,010	17.2
9	Kigumo Level 3 Hospital	1,156,607	255,280	22.1
10	Kiambere Level 3 Hospital	667,273	167,994	25.2
11	Gategi Level 3 Hospital	1,211,268	581,010	48.0
12	Nembure Level 3 Hospital	1,668,184	290,322	17.4
13	Kithimu Level 3 Hospital	1,668,184	554,876	33.3
14	Karau Level 3 Hospital	1,668,184	226,603	13.6
15	Kairuri Level 3 Hospital	2,780,306	791,811	28.5

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S/No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate
16	Kibugu Level 3 Hospital	2,780,306	498,554	17.9
17	Dallas Level 3 Hospital	2,780,306	1,021,755	36.7
18	Kiritiri Level 3 Hospital	4,448,490	2,307,011	51.9
19	Hospice Dispensary	342,904	19,855	5.8
20	Gacabari Dispensary	444,849	6,497	1.5
21	Gachuriri Dispensary	778,486	122,934	15.8
22	Kabuguri Dispensary	556,061	62,580	11.3
23	Kamunyange Dispensary	641,324	51,015	8.0
24	Kangungi Dispensary	324,369	25,938	8.0
25	Karurah Dispensary	289,152	41,042	14.2
26	Kiamuringa Dispensary	926,769	183,420	19.8
27	Kirathe Dispensary	296,566	50,185	16.9
28	Machang'a Dispensary	574,597	28,670	5.0
29	Mbita Dispensary	667,273	58,385	8.7
30	Nganduri Dispensary	778,486	84,168	10.8
31	Mutuobare Dispensary	333,637	26,485	7.9
32	Gikiiro Dispensary	444,849	35,531	8.0
33	Ntharawe Dispensary	333,637	22,250	6.7
34	Ngiori Dispensary	583,864	36,159	6.2
35	Ugweri Dispensary	556,061	863,144	155.2
36	Rukuriri Dispensary	437,435	70,164	16.0
37	Mugui Dispensary	517,137	40,259	7.8
38	Mukuuri Dispensary	734,001	110,886	15.1
39	Ena Dispensary	367,000	103,706	28.3
40	Mufu Dispensary	799,384	36,977	4.6
41	Njeruri Dispensary	734,001	50,835	6.9
42	Kathanjuri Dispensary	606,107	62,510	10.3
43	Gikuuri Dispensary	194,621	48,135	24.7
44	Kigaa Dispensary	231,321	60,790	26.3
45	Gichiche Dispensary	672,834	87,647	13.0
46	Gitare Dispensary	340,124	48,996	14.4
47	Nduuri Dispensary	322,515	20,109	6.2
48	Kasafari Dispensary	630,203	4,626	0.7
49	Nyagari Hospital	378,122	32,872	8.7
50	Kanduri Dispensary	194,621	25,245	13.0
51	Gatumbi Dispensary	305,834	65,454	21.4
52	Kithunguthia Dispensary	346,611	18,955	5.5
53	Gitaraka Dispensary	435,581	35,676	8.2
54	Kamweli Dispensary	370,707	32,608	8.8
55	Karaba Dispensary	444,849	188,573	42.4
56	Malikini Dispensary	667,273	25,928	3.9
57	Mbonzuki Dispensary	667,273	54,004	8.1
58	Makutano Dispensary	370,707	53,994	14.6
59	Makima Dispensary	926,769	149,118	16.1
60	Mbondoni Dispensary	444,849	63,141	14.2
61	Riakanau Dispensary	815,556	60,705	7.4
62	Wachoro Dispensary	556,061	54,419	9.8
63	Kyenire Dispensary	592,391	63,415	10.7

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S/No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate
64	Kiambere Dam Dispensary	700,637	430,124	61.4
65	Kathanje Dispensary	463,384	280,990	60.6
66	Kanyuambora Dispensary	722,880	228,802	31.7
67	Kamumu Dispensary	361,996	192,905	53.3
68	Ciakanthukuri Dispensary	268,021	31,625	11.8
69	Kirie Dispensary	258,568	70,724	27.4
70	Muthanthara Dispensary	217,763	25,370	11.7
71	Muchonoke Dispensary	417,046	240,714	57.7
72	Karerema Dispensary	243,277	49,460	20.3
73	Riandu Dispensary	465,516	216,994	46.6
74	Gatituri Dispensary	324,832	37,803	11.6
75	Kathangari Dispensary	778,486	145,254	18.7
76	Muchagori Dispensary	1,612,577	28,460	1.8
77	Kiriari Dispensary	333,637	33,975	10.2
78	Kathangariri Dispensary	1,612,577	75,732	4.7
79	Kangaru Dispensary	1,679,305	322,030	19.2
80	Kithungururu Dispensary	834,092	54,609	6.5
81	Karurina Dispensary	900,819	112,990	12.5
82	GK Prisons Dispensary	811,849	75,790	9.3
83	Kithegi Dispensary	889,698	111,100	12.5
84	Rukira Dispensary	800,172	51,514	6.4
85	Makengi Dispensary	1,056,516	340,626	32.2
86	Gatunduri Dispensary	834,092	161,162	19.3
87	Itabua Dispensary	222,424	66,209	29.8
88	Itonguri Dispensary	333,637	102,195	30.6
89	Kevote Dispensary	450,410	66,727	14.8
90	Public Health Office, Embu West	10,646,609	1,081,740	10.2
91	Public Health Office, Embu North	5,574,393	413,200	7.4
92	Public Health Office, Embu East	7,760,125	677,800	8.7
93	Public Health Office, Mbeere North	6,810,554	551,700	8.1
94	Public Health Office, Mbeere South	6,785,359	794,300	11.7
95	Public Health Office, Mwea	5,516,126	356,600	6.5
TOTAL		**476,048,899**	**202,748,923**	**42.59**

Source: *Embu County Treasury*

The Health Facility with the highest absorption rate was Embu Level 5 Hospital.

3.6.13 Development Expenditure

In the review period, the County reported spending Kshs.453.13 million on development programmes, representing an increase of 7 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.423.89 million. Table 3.62 summarises development projects with the highest expenditure in the reporting period. The increase in development expenditure was attributed to the timely approval and early implementation of the FY 2024/2025 Approved Budget.

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Table 3.62: Embu County, List of Development Projects with the Highest Expenditure

S/ No.	Sector	Project Name	Project Location		Expected Completion Date	Contract sum	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
			Ward	Sub-County					
1	Embu Level 5 and Referral Hospital	Completion Of Badea Block B	Kirimari	Manyatta	30-Jun-25	46,420,314	33,594,853	33,594,853	Project implementation is ongoing.
2	Education, Science and Technology	Capitation For Youth Polytechnics	County Wide	County Wide	30-Jun-25	25,000,000	24,999,988	24,999,988	Project implementation completed.
3	Roads, Public Works, Energy and Transport	Upgrading To Bitumen Standards of Gikuuri-Nthagaiya Road	Kagaari South	Runyenjes	30-Jun-25	16,000,000	10,003,217	10,003,217	Project implementation is ongoing.
4	Health	Upgrading Of Gategi Health Centre To Level 4 Hospital	Makima	Mbeere South	30-Jun-25	15,000,000	10,000,000	10,000,000	Project implementation is ongoing.
5	Youth Empowerment and Sports	Governor's Cup Programme	County Wide	County Wide	30-Jun-25	15,700,000	10,000,000	10,000,000	Project implementation is ongoing.
6	Trade, Tourism, Investment, Industrial Development and Marketing	Relocation Of Runyenjes Market	Runyenjes Central	Runyenjes	30-Jun-25	25,000,000	9,031,790	9,031,790	Project implementation is ongoing.
7	Trade, Tourism, Investment, Industrial Development and Marketing	Construction Of Kibugu Market	Nginda	Manyatta	30-Jun-25	6,000,000	6,353,551	6,353,551	Project implementation completed.
8	Lands, Physical Planning and Urban Development	Completion Of Rondisho Boundary	Kirimari	Manyatta	30-Jun-25	5,917,717	5,917,717	5,917,717	Project implementation completed.
9	Lands, Physical Planning and Urban Development	Construction Of Muraru Miraa Market	Mbeti South	Mbeere South	30-Jun-25	7,000,000	5,653,158	5,653,158	Project implementation Ongoing
10	Roads, Public Works, Energy and Transport	Construction Of Rupingazi South Ngariama Foot Bridge	Mbeti South	Mbeere South	30-Jun-25	3,287,562	5,285,662	5,285,662	Project implementation completed.

Source: *Embu County Treasury*

3.6.14 Budget Performance by Department

Table 3.63 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.63: Embu County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor	292,202,150	19,929,310	159,205,396	4,378,362	165,785,294	4,378,362	104.1	100.0	56.7	22.0
County Public Service Board	35,850,883	-	21,226,193	-	13,338,909	-	62.8	-	37.2	-

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues %		Absorption rate %	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Public Service and Administration	1,004,258,289	2,450,000	608,960,315	-	469,336,142	-	77.1	-	46.7	-
County Assembly	745,083,672	14,000,000	431,256,925	7,270,698	402,215,437	7,270,698	93.3	100.0	54.0	51.9
Finance and Economic Planning.	255,223,488	9,050,000	152,818,502	147,742,689	110,345,009	-	72.2	-	43.2	-
Trade, Tourism, Investment, and Industrialisation	40,631,165	500,343,729	19,381,059	-	20,308,732	147,742,689	104.8	-	50.0	29.5
Agriculture, Livestock, Fisheries and Cooperative Development	275,455,791	223,768,760	115,315,218	25,187,928	41,512,472	3,974,400	36.0	15.8	15.1	1.8
Water Environment and Natural Resources	41,249,126	134,265,876	17,368,606	31,696,201	12,322,660	21,193,468	70.9	66.9	29.9	15.8
Health	1,370,069,888	156,287,292	902,552,972	45,088,828	1,234,867,770	31,696,201	136.8	70.3	90.1	20.3
Embu Level 5 Hospital	380,935,730	100,505,937	4,959,200	79,191,111	4,504,000	45,088,828	90.8	56.9	1.2	44.9
Infrastructure, Public Works and Housing.	76,637,860	895,062,034	16,779,886	33,963,371	7,738,477	85,331,571	46.1	251.2	10.1	9.5
Education, Science and Technology	395,098,561	166,477,594	235,938,301	27,991,972	169,484,956	24,999,988	71.8	89.3	42.9	15.0
Youth Empowerment and Sports and Gender Empowerment	118,210,148	107,713,067	65,873,629	36,521,835	67,589,566	27,991,972	102.6	76.6	57.2	26.0
Lands, Physical Planning and Urban Development & Water	63,522,920	126,016,062	38,280,744	4,444,394	24,903,655	16,521,845	65.1	371.7	39.2	13.1
Embu County Revenue Authority (ECRA)	35,399,224	31,000,000	6,700,152	15,000,000	11,468,400	4,444,394	171.2	29.6	32.4	14.3
Embu Municipal Board	70,366,581	71,259,205	16,400,000	11,000,000	16,400,000	15,000,000	100.0	136.4	23.3	21.0
Climate Change Unit	35,569,310	263,600,000	-	-	-	17,499,850	-	-	-	6.6
Total	**5,235,764,786**	**2,821,728,866**	**2,813,017,098**	**469,477,391**	**2,772,121,478**	**453,134,268**	**98.5**	**96.5**	**52.9**	**16.1**

***Source**: Embu County Treasury*

Analysis of expenditure by departments shows that the County Assembly recorded the highest absorption rate of development budget at 52 per cent, followed by the Department of Embu Level 5 Hospital at 45 per cent. The Department of Health had the highest percentage of recurrent expenditure at 90 per cent, while Embu Level 5 hospital had the lowest at 1 per cent.

3.6.15 Budget Execution by Programmes and Sub-Programmes

Table 3.64 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.64: Embu County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Budget Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
OFFICE OF THE GOVERNOR				
General Administration Planning and Support Services	Management of County Affairs (Office of the Governor)	238,644,617	131,123,616	54.95

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Programme	Sub-Programme	Budget Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate
County Leadership and Coordination	Sub-County Administration and Field Services	73,486,843	40,377,448	54.95
Sub Total		**312,131,460**	**171,501,064**	**54.95**
COUNTY PUBLIC SERVICE BOARD				
General Administration Planning and Support Services	General Administration Planning and Support Services	8,245,703	3,067,949	37.21
Administration of Human Resources in Public Service	Recruitment and Selection, Career Management, HR Policy & Audit	12,547,809	4,668,618	37.21
Administration of Human Resources in Public Service	Administration of board programmes	8,962,721	3,334,727	37.21
Administration of Human Resources in Public Service	Performance Management & Discipline	6,094,650	2,267,614	37.21
Sub Total		**35,850,883**	**13,338,909**	**37.21**
ADMINISTRATION, PUBLIC SERVICE, DEVOLUTION, GOVERNANCE, ICT AND GOVERNOR'S DELIVERY UNIT				
General Administration Planning and Support Services	Service delivery and management of County Affairs	452,038,730	210,744,379	46.62
Public Service	Human Resource Development and Culture Change Management	351,980,401	164,096,318	46.62
ICT Infrastructure	ICT Infrastructure Expansion	202,689,158	94,495,445	46.62
Sub Total		**1,006,708,289**	**469,336,142**	**46.62**
COUNTY ASSEMBLY				
General Administration, Planning and Support Services	Administrative Services	745,083,672	401,933,864	53.94
County Assembly Infrastructure Improvement	County Assembly Infrastructure Improvement	14,000,000	7,552,271	53.94
Sub Total		**759,083,672**	**409,486,135**	**53.94**
FINANCE AND ECONOMIC PLANNING.				
General Administration Planning and Support Services	Administration, Planning and Support Services	94,341,152	39,391,296	41.75
Economic Policy and County Planning	Economic Development Planning and Coordination	39,774,153	16,607,339	41.75
Revenue Management	Revenue Management Services	73,765,148	30,799,972	41.75
Financial Management	Control and Management of Public Finances	46,762,680	19,525,335	41.75
Monitoring and Evaluation	Monitoring and Evaluation of Projects	2,397,599	1,001,096	41.75
Research and Statistics	County database	7,232,756	3,019,972	41.75
Sub Total		**264,273,488**	**110,345,009**	**41.75**
TRADE, TOURISM, INVESTMENT AND INDUSTRIALISATION				
Administrative Support Services	Administrative Support Services	35,174,978	10,926,949	31.06
Trade Development and Promotion	Trade Development and Promotion	289,409,958	89,903,904	31.06
Industrial Development and Investment	Industrial Development and Investment	119,014,477	36,971,313	31.06
Tourism Development	Tourism Development	97,375,481	30,249,256	31.06
Sub Total		**540,974,894**	**168,051,421**	**31.06**
AGRICULTURE, LIVESTOCK, FISHERIES AND COOPERATIVE DEVELOPMENT				
Administrative Support Services	Administrative Support Services	88,777,453	8,088,962	9.11
Crop Development and Management	Crop Development and Management	101,796,424	9,275,187	9.11
Agribusiness and Information Management	Agribusiness and Information Management	90,833,669	8,276,315	9.11
Livestock Resources Management and Development	Livestock Resources Management and Development	86,072,121	7,842,466	9.11
Cooperative Development and Management	Strengthening the Cooperatives	77,060,880	7,021,406	9.11

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Programme	Sub-Programme	Budget Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate
Aquaculture Development and Management	Fisheries Development	54,684,004	4,982,536	9.11
Sub Total		**499,224,551**	**45,486,872**	**9.11**
WATER, IRRIGATION, ENVIRONMENT AND NATURAL RESOURCES				
General Administration, Planning and Support Services	General Administration, Planning and Support Services	17,551,500	3,351,613	19.10
Water Service Delivery	Domestic water supply	52,654,501	10,054,839	19.10
Irrigation Development	Development of Irrigation Schemes	17,551,500	3,351,613	19.10
Sanitation Services	Sanitation Services	8,775,750	1,675,806	19.10
Environmental Management and Conservation	Environmental Management and Conservation	17,551,500	3,351,613	19.10
Forestry and Landscapes Conservation	Forestry and Landscapes Conservation	8,775,750	1,675,806	19.10
Climate Change Mitigation and Adaptation	Climate Change Mitigation and Adaptation	52,654,501	10,054,839	19.10
Sub Total		**175,515,002**	**33,516,128**	**19.10**
HEALTH				
Curative Health Services	Primary Health Care	896,101,630	743,580,895	82.98
Preventive and Promotive Health Services	Health Promotion & Disease Control	351,742,649	291,874,387	82.98
General Administration Planning and Support Services	General Administration services	278,512,901	231,108,689	82.98
Sub Total		**1,526,357,180**	**1,266,563,971**	**82.98**
EMBU LEVEL 5 HOSPITAL				
Curative Health Services	Primary Healthcare	326,261,524	33,607,875	10.30
Preventive and Promotive Health Services	Health Promotion and Disease Control	89,626,113	9,232,297	10.30
General Administration Planning and Support Services	General Administration Services	65,554,030	6,752,655	10.30
Sub Total		**481,441,667**	**49,592,828**	**10.30**
ROADS, PUBLIC WORKS AND HOUSING.				
General Administration Planning and Support Services	General Administration Services	145,754,984	13,960,507	9.58
Roads Development	Rural Roads Improvement and Maintenance	388,679,958	37,228,019	9.58
Public Works	Public Works	145,754,984	13,960,507	9.58
Renewable Energy Development	Streetlights and Floodlights	194,339,979	18,614,010	9.58
Transport and Logistics	Fleet management	97,169,989	9,307,005	9.58
Sub Total		971,699,894	93,070,048	9.58
EDUCATION, SCIENCE AND TECHNOLOGY				
General Administration, Planning and Support Services	**General Administration and Support Services**	**56,157,616**	**19,448,495**	**34.63**
Access and retention in ECDE centres	Access and retention in ECDE centres	224,630,461	77,793,977	34.63
Improve Quality And Relevance Of ECDE Services	Improvement of Quality And Relevance of ECDE Services	56,157,616	19,448,495	34.63
Improve the Transition from pre-primary to primary school	Improve the Transition from pre-primary to primary school	56,157,616	19,448,495	34.63
Increase access and retention in Vocational training.	Increase access and retention in Vocational training.	168,472,846	58,345,483	34.63
Sub Total		**561,576,155**	**194,484,944**	**34.63**
YOUTH EMPOWERMENT AND SPORTS, GENDER, CULTURE, CHILDREN AND SOCIAL SERVICES				
Youth Development and Empowerment Services	Youth Development and Empowerment Services	60,999,268	25,807,015	42.31
Management and development of Sport and Sport facilities	Community Sports Programme	51,962,339	21,983,754	42.31

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Programme	Sub-Programme	Budget Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate
General Administration Planning and Support Services	General Administration services	27,110,786	11,469,785	42.31
Gender and Social Development	Gender mainstreaming and development	33,888,482	14,337,231	42.31
Children Services	Child Rehabilitation and Custody	22,592,322	9,558,154	42.31
Culture and Cultural Preservation	Cultural Preservation	29,370,018	12,425,600	42.31
Sub Total		**225,923,215**	**95,581,538**	**42.31**
LANDS, PHYSICAL PLANNING AND URBAN DEVELOPMENT				
Land Policy and Planning	Spatial planning and urban Planning	22,744,678	4,971,060	21.86
General Administration and Support Services	General Administration and Support Services	18,953,898	4,142,550	21.86
Urban Development	Urban Development	85,292,542	18,641,475	21.86
Municipality of Embu	Municipality of Embu	9,476,949	2,071,275	21.86
Automation of land records and operations	Automation	26,535,458	5,799,570	21.86
Valuation and Rating	Valuation	26,535,458	5,799,570	21.86
Sub Total		**189,538,982**	**41,425,500**	**21.86**
EMBU COUNTY REVENUE AUTHORITY (ECRA)				
General Administration Planning and Support Services	General Administration Planning and Support Services	44,288,856	10,613,971	23.97
General Administration Planning and Support Services	Revenue Management Services	22,110,368	5,298,823	23.97
Sub Total		**66,399,224**	**15,912,794**	**23.97**
EMBU MUNICIPAL BOARD				
General Administration, Planning and Support Services	1) General Administration Services	8,909,422	1,975,317	22.17
Road Transport	1) Rural Roads Improvement and Maintenance Services	132,716,364	29,424,683	22.17
Sub Total		**141,625,786**	**31,400,000**	**22.17**
EMBU - FINANCING LOCALLY LED CLIMATE ACTION PROGRAM				
General Administration, Planning and Support Services	General Administration Services	164,543,122	9,624,918	5.85
Locally Led Climate Action Program	Environment and Natural Resource Management	29,916,931	1,749,985	5.85
Locally Led Climate Action Program	Urban and Rural Development	74,792,327	4,374,962	5.85
Locally Led Climate Action Program	Social Development and Protection	29,916,931	1,749,985	5.85
Sub Total		**299,169,310**	**17,499,850**	**5.85**
Grand Total		**8,057,493,652**	**3,226,593,153**	**40.04**

***Source**: Embu County Treasury*

Primary Health Care, Health Promotion & Disease Control and General Administration services in the department of Health at 82 per cent, Management of County Affairs (Office of Governor), Sub-County Administration and Field Services of Health at 55 per cent, Administrative Services, County Assembly Infrastructure Improvement of County Assembly of Embu at 54 per cent, Service delivery and management of County Affairs, Human Resource Development and Culture Change Management and ICT Infrastructure Expansion of Public Service and Administration at 47 per cent.

3.6.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 222 accounts with commercial banks, including 86 accounts for Health Facilities, 115

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revenue accounts, 20 special-purpose accounts (for additional allocations), and one operational account for Embu Level 5 Hospital.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening the 222 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.6.17 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;

i. The underperformance of own-source revenue at Kshs.266.15 million against an annual target of Kshs.1.07 billion, representing 25 per cent of the yearly target.
ii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of the Embu County Youth Trust Fund for the County Executive had lapsed, making them ineligible for further withdrawals.
iii. A high level of pending bills, amounting to Kshs.1.75 billion as of 31st March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
iv. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*
ii. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
iii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly. Further, compliance with the payment plan should be enforced.*
iv. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

3.7. County Government of Garissa

3.7.1 Overview of FY 2024/25 Budget

The Garissa County Gross Approved Budget for FY 2024/25 is Kshs.11.46 billion. It comprises Kshs.4.20 billion (37 per cent) and Kshs.7.26 billion (63 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.0.93 billion (9 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.4.08 billion and a recurrent budget of Kshs.6.45 billion. The increase in the budget was attributed to the rise in Equitable Share from Kshs.8.2 billion to Kshs.8.55 billion, an increase in OSR from Kshs.230 million to Ksh.300 million, and the balance carried forward from FY 2023/24 of Kshs.1.57 billion. The County's Net Approved Budget was the same as the gross budget, as there were no A-I-A estimates.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.8.56 billion (75 per cent), additional allocations of Kshs.1.27 billion (11 per cent), a cash balance of Kshs.1.33 billion (12 per cent) brought forward from FY 2023/24, and Kshs.300 million (3 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.160 million (1 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.140 million (1 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.65.

3.7.2 Revenue Performance

During the review period, the County received Kshs.6.68 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.952.80 million from Kshs.5.73 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.79 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.11 million, and its own-source revenue (OSR) collection of Kshs.312.20 million. In addition, the County had a cash balance of Kshs.1.57 billion from FY 2023/24

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The total OSR collection of Kshs.312.20 million includes Facilities Improvement Financing (FIF) of Kshs.238.81 million, and Kshs.73.40 million from other OSR sources. OSR collections from the FIF were received from Garissa County Referral, Iftin, Ijara, Dadaab hospitals, Balambala, Hulugho, Modogashe, Bura, Dadaab, Fafi, Ijara, Lagdera, Township, Hulugho Public health centres, where FIF is collected. Table 3.65 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.65: Garissa County, Revenue Performance in the First Nine Months of FY 2024/25

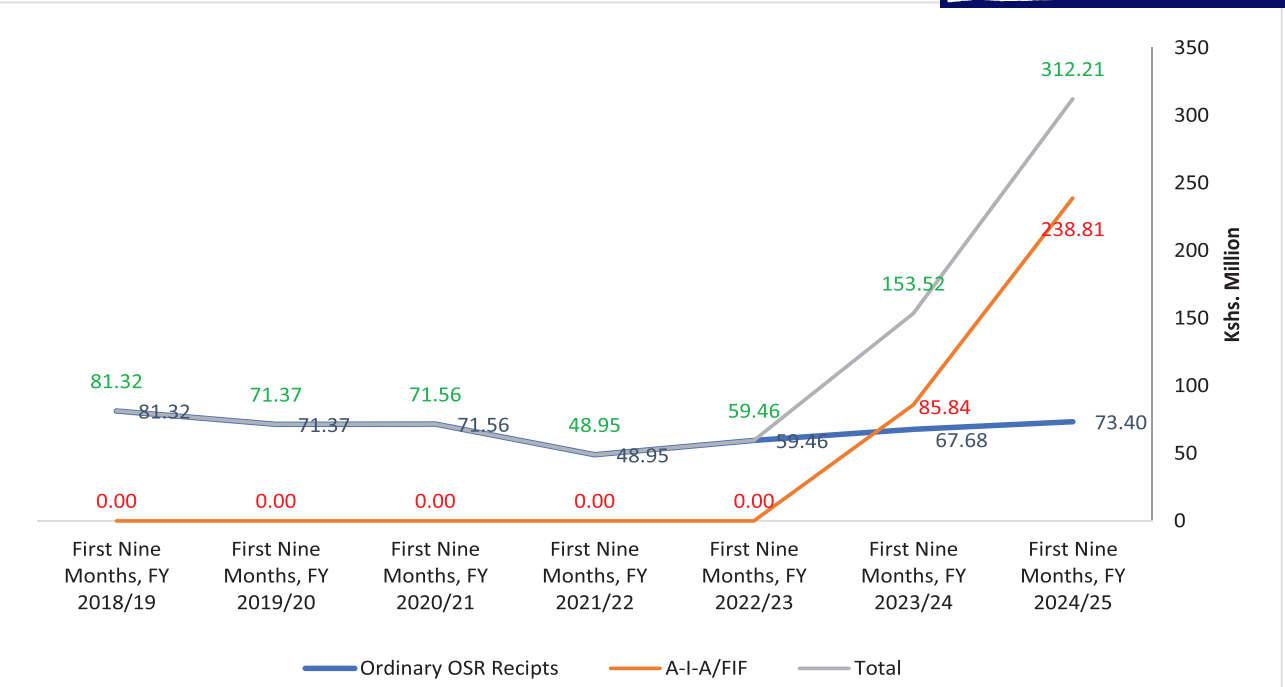
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally -**	**8,555,015,575**	**4,794,698,677**	**56**
Subtotal		**8,555,015,575**	**4,794,698,677**	**56**
B	**Additional Allocations**			
1	Framework for the Management of Food System Resilience Project – (FSRP)-IDA FOR FY 2024/2025	173,076,923	-	-
2	DANIDA Grant-Primary health care in a devolved context	10,822,500	-	-
3	Kenya Devolution Support Program KDSP11	37,500,000	-	-
4	Kenya Urban Support Prorgam -KUSP UIG	35,000,000	-	-
5	Framework For Management of UNFPA Grant FOR GOK/UNFPA 10TH Country Programme for FY 2024/25	9,620,000	-	-
6	Emergency Locust Response Project World Bank (ELRP)	142,500,000	-	-
7	Water and Sanitation Development Project (World Bank) WSDP	450,000,000	-	-
8	Name of the Conditional Grant	137,000,000	-	-
9	Financing locally led climate action program (FLLoCA), County Climate Institutional support (CCIS), Grant level 1 (World Bank)	11,000,000	11,000,000	100
10	Road Maintenance Levy Fund (RMLF)	188,410,093	-	-
11	Conditional Grant Community Health Promoters	74,520,000	-	-
12	Transfer of Museum Function	2,462,567	-	-
13	Mineral Royalties	621,261	-	-
Subtotal		**1,272,533,343.81**	**11,000,000**	**0.9**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	140,000,000	73,396,197	52
2	Appropriation in Aid (A-I-A)			
3	Facility Improvement Fund (FIF)	160,000,000	238,808,627	149
Subtotal		**300,000,000**	**312,204,824**	
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2023/24	1,332,681,087	1,566,887,582.55	118
2	Other Revenues (provide a list)			
Sub-Total		**1,332,681,087**	**1,566,887,582.55**	**118**
Grand Total		**11,460,230,006**	**6,684,791,084**	**58**

Source: *Garissa County Treasury*

The County has governing legislation on the operation of FIF. Figure 25 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

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Figure 25: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 - FY 2024/25

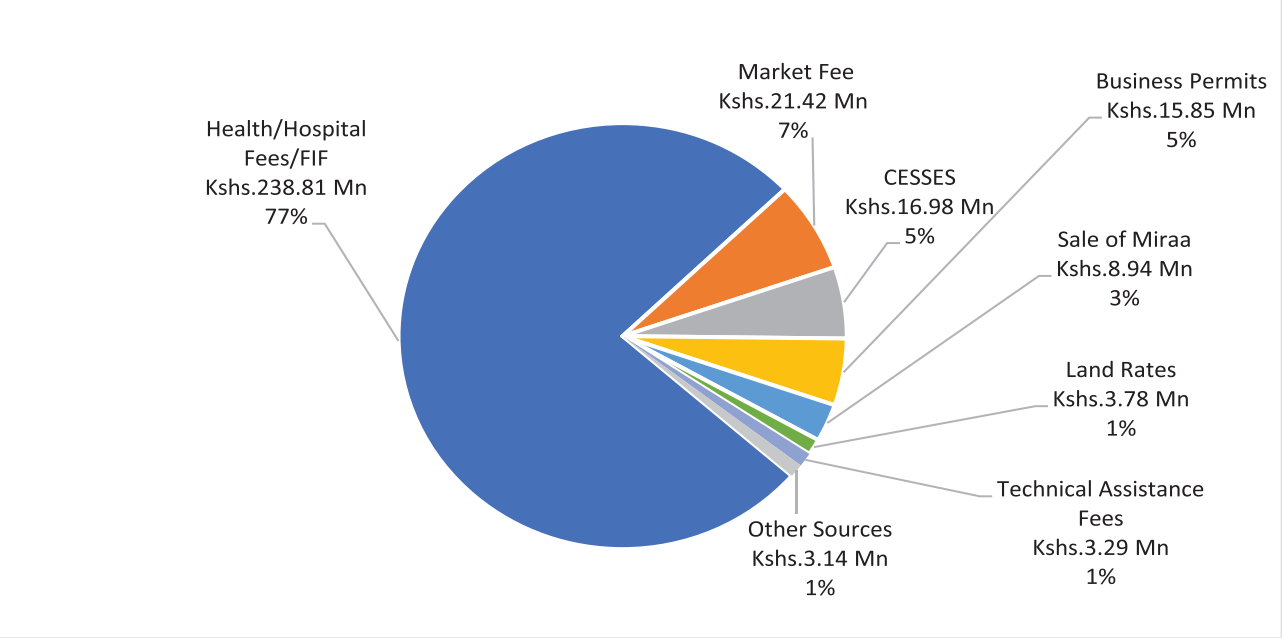


Source: *Garissa County Treasury*

During the review period, the County generated Kshs.312.21 million from its own revenue sources, including AIA and FIF. This amount was an increase of 103 per cent compared to Kshs.153.52 million realised in a similar period in FY 2023/24, which was 104 per cent of the annual target and 7 per cent of the equitable revenue share disbursed. The increase in OSR is attributed to the enactment of the FIF Act, and the timely supply of drugs has facilitated seamless operations in health facilities, thereby increasing revenue generation from user charges and public health fees. There has also been continuous engagement and follow-up with taxpayers, enhanced supervision, and an internal control system in revenue collection. Additionally, the opening of the gypsum excavation and land registration process, as well as the recruitment of adequate staff, have improved the ability to raise more OSR.

The revenue streams which contributed the highest OSR receipts are shown in Figure 26.

Figure 26: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



Source*: Garissa County Treasury*

As shown in Figure 26, the highest revenue stream, at Kshs.238.81 million, was from Health/Hospital Fees/FIF, contributing 77 per cent of the total OSR receipts. The County Government has not automated any revenue streams.

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3.7.3 Borrowing by the County

The county government has not borrowed so far.

3.7.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.6.32 billion from the CRF account. This amount comprised Kshs.1.82 million (29 per cent) for development programmes and Kshs.4.50 billion (71 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.17 million was released towards compensation of employees and Kshs.1.33 million for operations and maintenance expenditure. The Exchequer approved towards compensation for employees did not include the March 2025 exchequer request for the County Executive and County Assembly, as these funds were credited into the salary account in early April 2025. Analysis of the operations and maintenance exchequer releases indicates that 6 per cent was for domestic travel and 0.51 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.75.09 million, comprising Kshs.14.54 million for the County Executive and Kshs.60.55 million for the County Assembly. The foreign exchequer totalled Kshs.6.74 million, comprising Kshs.1 million for the County Executive and Kshs.5.74 million for the County Assembly.

Table 3.66: Garissa County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock & pastoral	147.16	477.78	81.33	20.80	55	4
Culture, Gender, Youth & Sports	70.73	183.00	43.00	38.00	61	21
Roads, Transport and Public Works	84.82	450.51	45.46	216.27	54	48
Education, Information and ICT	385.51	157.10	312.54	2.09	81	1
Lands, Physical Planning and Urban Development	368.93	110.00	267.34	-	72	0
Finance & Economic Planning	1,258.72	150.00	795.02	49.48	63	33
Health & Sanitation	2,935.72	420.50	1,696.56	290.18	58	69
Trade, Investments and Enterprise Development	95.31	470.00	41.32	235.08	43	50
Water, Environment and Natural Resources	183.26	1,472.10	144.58	857.51	79	58
County Affairs, Public Service and Intergovernmental Relations	589.56	12.00	462.80	12.00	78	100
County Public Service Board	55.74	15.00	37.86	14.93	68	100
County Assembly	1,083.78	283.00	572.81	84.92	53	30
	7259.24	**4200.99**	**4500.62**	**1821.26**	**62**	**43**

***Source**: Garissa County Treasury*

The departments that had not met 50 per cent of their annual target were due to procurement procedures and project designs not yet being completed, resulting in a low level of implementation. As of 31 March 2025, the County Government's cash balance in the CRF account was Kshs.363.19 million.

3.7.5 County Expenditure Review

The County spent Kshs.5.87 billion on development and recurrent programmes during the reporting period. The expenditure represented 93 per cent of the total funds released by the CoB and comprised Kshs.1.72 billion and Kshs.4.15 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 41 per cent, while recurrent expenditure represented 57 per cent of the annual recurrent expenditure budget.

3.7.6 Settlement of Pending Bills

The County reported eligible pending bills totalling Kshs.2.82 billion as of 30 June 2024. This amount included Kshs.2.69 billion from the County Executive and Kshs.128.31 million from the County Assembly. The pending bills from the County Executive consist of Kshs.691.84 million for recurrent expenditures and Kshs.2.00 billion for development expenditures, while the County Assembly consists of Kshs.66.12 million for recurrent expenditures and Kshs.62.19 million for development expenditures

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During the period under review, the County Executive settled pending bills amounting to Kshs.91.77 million, comprising only development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.113.20 million, which included Kshs.58.38 million for recurrent activities and Kshs.54.82 million for development expenditures.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.100 million and Kshs.128.31 million, respectively, in the first nine months of FY 2024/25. However, the County partially adhered to this payment plan, as it cleared Kshs.91.77 million for the Executive and Kshs.113.20 million for the Assembly.

As of 31 December 2024, the eligible outstanding bills totalled Kshs.2.61 billion, comprising Kshs.2.60 billion for the County Executive and Kshs.1.11 million for the County Assembly.

3.7.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.71 billion on employee compensation, Kshs.870.87 million on operations and maintenance, and Kshs.1.63 billion on development activities. Similarly, the County Assembly spent Kshs.388.87 million on employee compensation, Kshs.183.96 million on operations and maintenance, and Kshs.82.82 million on development activities, as shown in Table 3.67.

Table 3.67: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**6,175,462,183**	**1,083,780,817**	**3,578,487,415**	**572,831,089**	**58**	**53**
Compensation to Employees	4,018,691,551	694,580,507	2,707,620,895	388,865,898	67	56
Operations and Maintenance	2,156,770,632	389,200,310	870,866,520	183,965,191	40	47
Development Expenditure	**3,917,987,006**	**283,000,000**	**1,633,085,398**	**82,821,460**	**42**	**29**
Total	**10,093,449,189**	**1,366,780,817**	**5,211,572,813**	**655,652,549**	**52**	**48**

***Source**: Garissa County Treasury*

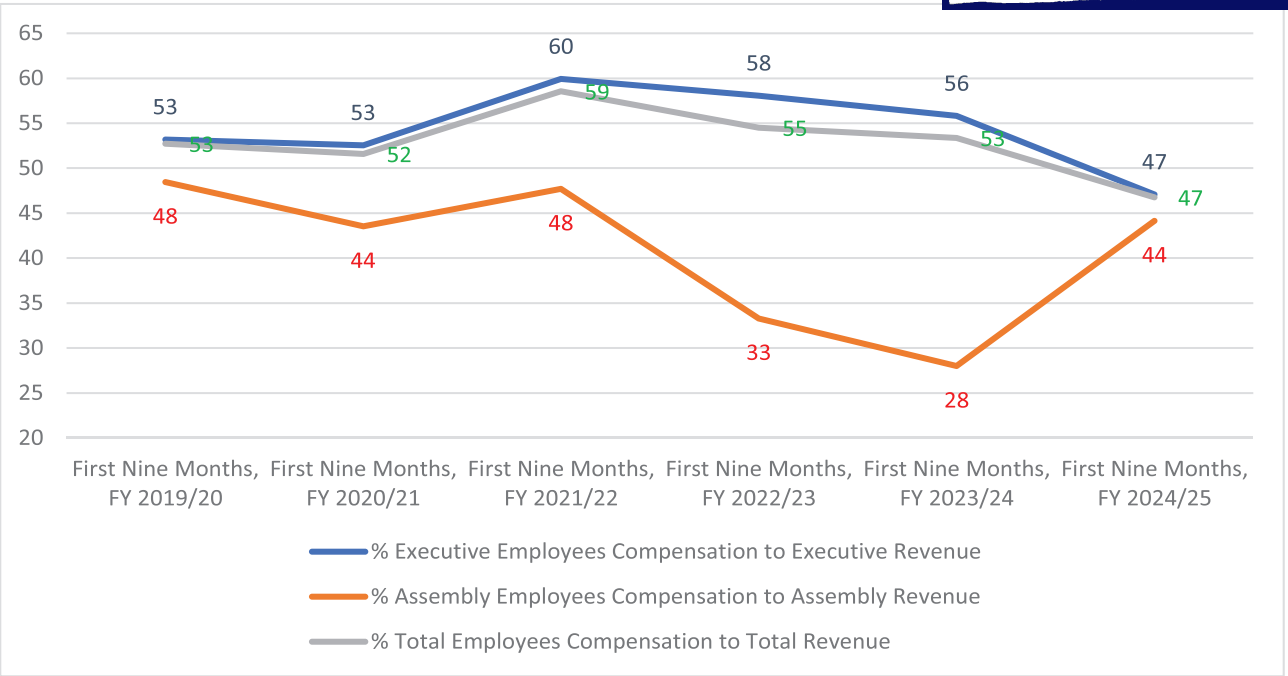
3.7.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.3.10 billion. The total revenue, excluding the earnings from extractive natural resources was Kshs.6.68 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 46 per cent. This expenditure on employee compensation shows an increase of 15 per cent compared to the Kshs.2.70 billion was reported during the same period in FY 2023/24. Of this total, Kshs.1.31 billion was allocated to Health Sector employees, which accounts for 42 per cent of the overall employees' compensation. The increase in compensation to employees was due to annual payment adjustments, the recruitment of 200 ECD teachers, and the impact of the Universal Health Care (UHC) programme, which initially compensated volunteers paid by the national government, who are now fully paid by the county government.

Figure 27 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

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Figure 27: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



***Source**: Garissa County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.63 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system, while Kshs.467.54 million was processed through manual payrolls, which accounted for 15 per cent of the total PE cost.

The manual payrolls comprised salaries for 733 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 481 casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.68.

Table 3.68: Breakdown of Garissa County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1	Salaries for 733 staff are yet to be onboarded into HRIS	237,230,681.5
2	Salaries for 481 casual staff	66,105,004.4
3	Top-up Allowances for 90 security officers	20,977,271.3
4	LAPTRUST/LAPFUND Pension Contributions	142,005,842.0
5	NHL	1,216,863.7
	Total	**467,535,663**

***Source**: Garissa County Treasury*

The County Assembly spent Kshs.20.40 million on committee sitting allowances for the 48 MCAs against the annual budget allocation of Kshs.30.97 million. The average monthly sitting allowance was Kshs.47,221.18 per MCA. The County Assembly has 19 House Committees.

3.7.9 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.130 million to County-Established funds in FY 2024/25, or 1.1 per cent of the County's overall budget. Further, the County allocated Kshs.60.00 million to the Emergency Fund (0.5 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.69 summarises each established Fund's budget allocation and performance during the reporting period.

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Table 3.69: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	of First Nine Months Financial Statements (Yes/No.)
1	County Executive Established Funds						
2	Disaster Management Fund/ Emergency	2014	60,000,000	39,969,431	39,969,431	724, 969,431	YES
3	Bursary Fund	2014	50,000,000	50,000,000	50,000,000	625,000,000	YES
4	Micro and Small Enterprises Development Revolving Fund	2015	20,000,000			40,000,000	YES
	County Assembly Established Funds						
	Total		**130,000,000**	**89,969,431**	**89,969,431**	**1,389,969,431**	

Source: *Garissa County Treasury*

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. During the reporting period, the CoB established that the lifespan of **the Disaster Management /Emergency Fund and the Bursary Fund** had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

1.1.1 County Corporations

The County has established one county corporation, namely the Garissa Water and Sewerage Company. In FY 2024/25, the county allocated Kshs.60 million to the corporation through the parent department. Their total expenditure in the first nine months amounted to Kshs.60.00 million, as shown in Table 3.70.

Table 3.70: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Garissa Water and Sewerage Company	Water, Environment and Natural Resources	60,000,000	60,000,000	60,000,000
	Total		60,000,000	60,000,000	60,000,000

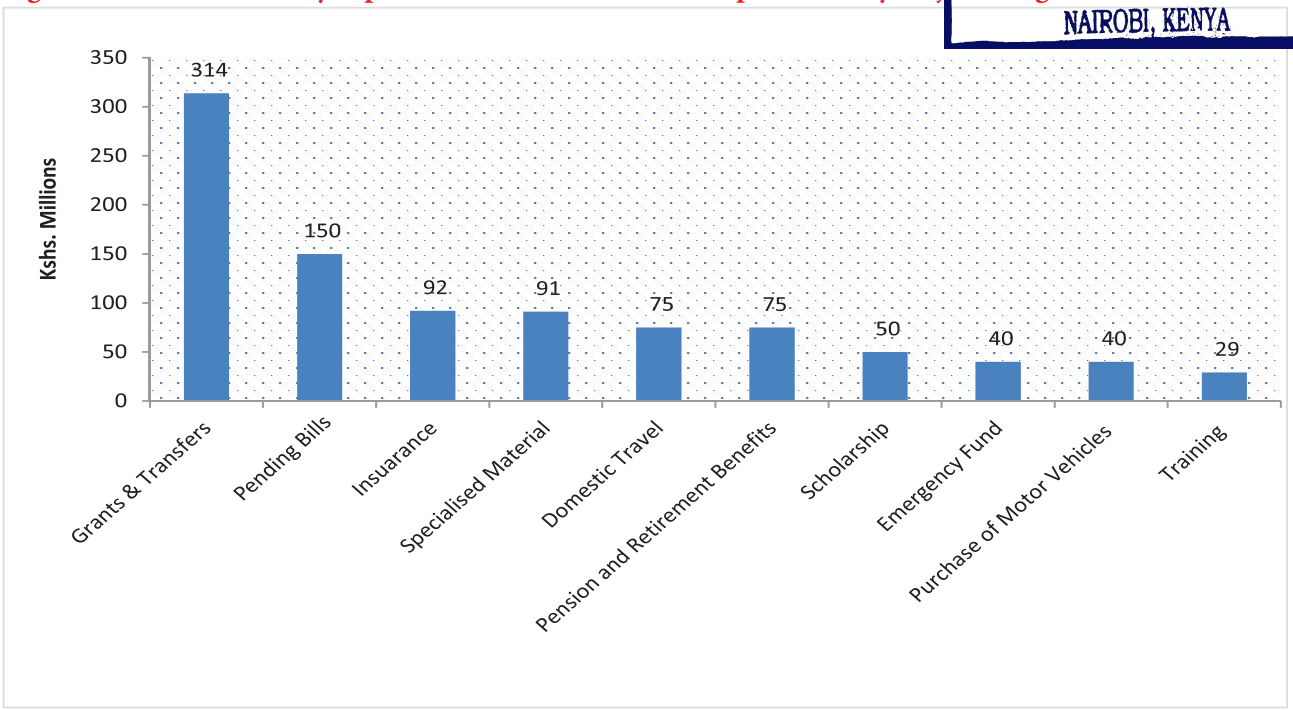
Source: *Garissa County Treasury*

3.7.10 Expenditure on Operations and Maintenance

Figure 28 summarises the Operations and Maintenance expenditure by major categories.

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Figure 28: Garissa County, Operations and Maintenance Expenditure by Major Category



***Source**: Garissa County Treasury*

Expenditure on domestic travel amounted to Kshs.75.09 million and comprised Kshs.60.55 million spent by the County Assembly and Kshs.14.54 million by the County Executive. Expenditure on foreign travel amounted to Kshs.5.74 million and was incurred by the County Assembly. The expenditure on foreign travel is summarised in .

Table 3.71: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	3	25th to 28th August 2023	To attend the 8th International Conference on Social Science, Humanities and Education	Britain	1,982,484
County Assembly	5	23rd September to 4th October,2024	Attend a training by ESAMI on the role of the Legislature in influencing Government policy	Dubai UAE	3,753,611
TOTAL					**5,736,095.00**

***Source**: Garissa County Treasury and County Assembly*

3.7.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.238.81 million as FIF, which was 149 per cent of the annual target of Kshs.160 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed regulations in 2024 to operationalise the FIF Act of 2023.

The Health Facilities did provide a report on the utilisation of the FIF during the reporting period, in line with Section 18(e) of the FIF Act, 2023, so we assumed their collection was equal to expenditure. The expenditure by the health facilities amounted to Kshs.238.81 million as shown in Table 3.72.

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Table 3.72: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption Rate (%)
Hospitals				
1	Garissa County Referral Hospital	120,000,000	188,596,279	157
2	Iftin Sub-County Hospital (SCH)	7,000,000	9,979,506	143
3	Ijara SCH	8,000,000	12,998,507	162
4	Dadaab SCH	7,000,000	9,245,342	132
5	Balambala SCH	1,000,000	1,241,660	124
6	Hulugho SCH	1,000,000	1,775,100	178
7	Modogashe SCH	3,000,000	9,323,703	311
8	Bura SCH	3,000,000	2,598,430	87
Public Health Facilities				
1	Dadaab	1,500,000	431,800	29
2	Fafi	1,500,000	376,300	25
3	Ijara	500,000	70,800	14
4	Balambala	500,000	95,000	19
5	Lagdera	500,000	138,400	28
6	Garissa Township	5,000,000	1,873,300	37
7	Hulugho	500,000	64,500	13
	Total	160,000,000	**238,808,627**	149

Source: *Garissa County Treasury*

The Health Facility with the highest absorption rate was Modogashe Sub County Hospital, with a rate of 311 per cent.

3.7.12 Development Expenditure

In the review period, the County reported spending Kshs.1.72 billion on development programmes, representing an increase of 101 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.853.06 million. Table 3.73 summarises the development projects with the highest expenditure in the reporting period.

The increase is attributed to the county prioritising ongoing and carry-forward projects from FY 2023/24.

Table 3.73: Garissa County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Health	Proposed construction of the Mother and Child Hospital	Garissa Township		663678404	57,500,000	191500000	28
2	Trade, Investments and Enterprise Development	County Industrial Park	Garissa Township	31-dec-2025	490,636,205	53,000,000	330,221,260	67
3				15/05/2025	457,911,266	46,000,000	370,459,321	80
4	County Assembly	Purchase, installation and commissioning of a Hansard system	County Assembly	30TH JULY 2025	26,929,226	26,929,225	26,929,225	100
5	County Assembly	Proposed Construction of Chambers at the County Assembly offices	Garissa Township	30TH JUNE 2025	51,811,724	20,000,000	45,941,032.30	100
6	Culture, Gender, Youth and Sports	Construction of Pavilion at Garissa Field	Garissa Township	20-3-2026	187,800,000	18,780,800	18,780,800	10

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
7	Water, Environment and Natural Resources	Construction of the Boulragy Giraffe sanctuary	Garissa Township	06-06-2025	67,785,968	18,000,000	43,500,000	70
8	County Assembly	Refurbishment of offices, complete with furniture and fittings	Garissa township		19,268,550	17,700,000	18,385,650.00	90
9		Bula Madina Tarmac Road	Garissa Township	20-04-2025		5,600,000	34,140,000	87
10	Health	Renovation and expansion of the eye clinic at Garissa County Referral Hospital	Garissa Township	30-march 2025	24497668	2,000,000	240,47,901	100

Source: *Garissa County Treasury*

The County has failed to report on stalled development projects to date, as data could not be verified.

3.7.13 Budget Performance by Department

Table 3.74 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.74: Garissa County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock & pastoral	147.16	477.78	81.33	20.80	75.33	20.80	93	100	51	4
Culture, Gender, Youth & Sports	70.73	183.00	43.00	38.00	38.00	38.00	88	100	54	21
Roads, Transport and Public Works	84.82	450.51	45.46	216.27	40.46	212.32	89	98	48	47
Education, Information and ICT	385.51	157.10	312.54	2.09	282.54	2.05	90	98	73	1
Lands, Physical Planning and Urban Development	368.93	110.00	267.34	-	250.34	-	94		68	0
Finance & Economic Planning	1,258.72	150.00	795.02	49.48	766.88	49.48	96	100	61	33
Health & Sanitation	2,935.72	420.50	1,696.56	290.18	1,516.56	252.89	89	87	52	60
Trade, Investments and Enterprise Development	95.31	470.00	41.32	235.08	35.32	211.92	85	90	37	45
Water, Environment and Natural Resources	183.26	1,472.10	144.58	857.51	141.70	833.62	98	97	77	57
County Affairs, Public Service and Intergovernmental Relations	589.56	12.00	462.80	12.00	397.00	12.00	86	100	67	100
County Public Service Board	55.74	15.00	37.86	14.93	34.36	-	91	0	62	0
County Assembly	1,083.78	283.00	572.81	84.92	572.83	82.82	100	98	53	29
	7,259.24	**4,200.99**	**4,500.62**	**1,821.26**	**4,151.32**	**1,715.91**	**92**	**94**	**57**	**41**

Source: *Garissa County Treasury*

Analysis of expenditure by departments shows that the Department of County Affairs, Public Service, and Intergovernmental Relations recorded the highest absorption rate of the development budget at 100 per cent, followed by the Department of Health and Sanitation at 60 per cent. The Department of Water, Environment and Natural Resources had the highest percentage of recurrent expenditure to budget at 77 per cent. In contrast, the Department of Trade, Investments and Enterprise Development had the lowest at 37 per cent.

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3.7.14 Budget Execution by Programmes and Sub-Programmes

Table 3.75 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.75: Garissa County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates		Actual Expenditure		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Department of Agriculture, Livestock & Pastoral				-			
Programme 1: CP1: Administration Agriculture	CSP 1.1 Agriculture Administration & Support Services	91,576,039	233,076,923	38,528,860	13,351,028	42	6
	CSP 1.2 Crop production and value chains	1,200,000				-	
	CSP 1.3 Agricultural Mechanisation Services		37,200,000				-
	Sub-Total	**92,776,039**	**270,276,923**	**38,528,860**	**13,351,028**	42	5
CP2: Livestock Pastoral Economy	Sub- CSP 2.1 Livestock Administration and Support Service	47,180,760	177,500,000	35,400,000		75	-
	CSP 2.2 Livestock Production	2,550,000		1,400,000		55	
	CSP 2.3 Livestock Value Chains Development	500,000				-	
	CSP 2.4 Veterinary Service	**3,350,000**	30,000,000		7,447,932	-	25
	Sub-Total	**53,580,760**	**207,500,000**	**36,800,000**	**7,447,932**	69	4
CP3: Fish Production	CSP 3.1 Fisheries services	200,000		-		-	
CP 4: Cooperatives	CSP 4.1 Cooperative Development	600,000				-	
	Total	**147,156,799**	**477,776,923**	**75,328,860**	**20,798,960**	**51**	**4**
Department Culture, Gender, Youth & Sports							
CP1. Administration and support services	CSP 1.1 Administration and Support Services	69,700,781	107,000,000	38,000,000	33,525,000	55	31
CP2. Gender and social services	CSP 2.1 Social Protection,	1,025,000	76,000,000		4,475,000	0	6
	Total	**70,725,781**	**183,000,000**	**38,000,000**	**38,000,000**	**54**	**21**
Department of Roads, Transport and Public Works							
CP1: Administration and support services	CSP 1.1 Administration and Services	81,653,420	65,000,000	40,458,116	*49,404,989*	*50*	*76*
CP2.0 Road and transport	CSP2.1 Roads Development	*1,667,200*	**341510083**		*151,417,947*	-	*44*
	CSP 2.2 Transport	*1,500,000*				-	
	Sub-Total	**3,167,200**	**341,510,083**	-	**151,417,947**		*44*
CP3 Public works &housing	CSP3.1 Public Works		44,000,000		*11,500,000*		*26*
	Total	**84,820,620**	**406,510,083**	**40,458,116**	**200,822,936**	**48**	**49**
Department of Education, Information and ICT							
CP1: General Administration and support services	CSP1.1 Administration and Support Services	348,193,769		266,037,800		76	
CP2. Education Development	CSP 2.1 Early Childhood Education	24,234,909	**157100000**	15,000,000.00	2,047,650	62	1
	CSP 2.2 Vocational Training	3,001,200				-	
	Sub-Total	27,236,109	157,100,000	15,000,000	2,047,650	55	1
CP3. ICT, Information and Libraries	CSP3.1 ICT, Information and Libraries	10,082,733		1,500,000		15	
	Sub-Total	**385,512,611**	**157,100,000**	**282,537,800**	**2,047,650**	**73**	**1**

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Programme	Sub-Programme	Revised Gross Approved Estimates		Actual Expenditure		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
Department of Lands, Physical Planning and Urban Development							
CP 1: General Administration and Support Services	CSP 1.1 Urban Administration & Support Services	262,967,569		209,341,115		80	
	CSP 1.2 Municipalities	83,000,000	50,000,000	40,000,000		48	-
	Sub-Total	345,967,569	50,000,000	249,341,115	-	72	
CP 2: Lands & physical planning	CSP 2.1 Lands Services	7,000,000				**0**	
	CSP 2.2 Physical Planning	7,450,000		1,000,000		13	
	Sub-Total	14,450,000		1,000,000	-	7	
CP 3: Urban Development	CSP 3.1 Urban development and Infrastructure	1,500,000				**0**	
	CSP 3.2 Urban Disaster and Risk Management	6,114,626	60,000,000			**0**	-
	CSP 3.3 Urban Sanitation Services	900,000				**0**	
	Sub-Total	8,514,626	60,000,000	-	-	**0**	**0**
	Total	**368,932,195**	**110,000,000**	**250,341,115**	-	**68**	
Department of Finance & Economic Planning							
P1: Governance, Administration and Support Services	**CSP1.1 Administration and Support Services**	902,682,278	150,000,000	625,776,938	49,482,490	69	33
P2: Disaster Risk Management (Special program)	**CSP 2.1 special program**	304,910,000		140,000,000		46	
P3: Public Finance Management	**CSP 3.1 Accounting and Financial Reporting**	3,713,739				-	
	CSP 3.2 Budgetary services	8,890,719		1,100,000		12	
	CSP 3.3 Audit Services	5,362,600				-	
	CSP 3.4 Revenue Management	9,305,000				-	
	CSP 3.5 Supply Chain Mgt	7,630,000				-	
	Sub-Total	34,902,058		1,100,000		3	
P4: Economic Planning Services	**CSP 4.1 planning and M&E**	11,730,000				-	
	CSP4.2 Statistics and Research	4,500,000				-	
	Sub-Total	16,230,000		-	-		
	Total	**1,258,724,336**	**150,000,000**	**766,876,938**	**49,482,490**	**61**	**33**
Department of Health & Sanitation							
P1: Governance, Quality assurance and support services	**CSP 1.1 Administration and Support Services**	2,686,220,847	80,500,000	1,446,730,369	68,650,748	54	85
	CSP 1.2 Health information systems	5,000,000				-	#DIV/0!
	CSPS 1.3 policy Research and planning	5,000,000				-	#DIV/0!
	Sub-Total	**2,696,220,847**	**80,500,000**	**1,446,730,369**	**68,650,748**	54	85
P2: Curative Services, Rehabilitative and Referral Services	**CSP 2.1 Health products and technologies**	208,500,000	190,000,000	69,833,145	160,000,000	33	84
	CSP 2.2 Rehabilitative services	10,000,000				-	
	CSP 2.3 Referral and Emergency Services		150,000,000		24,242,087		16
	Sub-Total	**218,500,000**	**340,000,000**	**69,833,145**	**184,242,087**	32	54

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Programme	Sub-Programme	Revised Gross Approved Estimates		Actual Expenditure		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
P3: Preventive and promotive and RM-NCH services	Maternal, newborn, child health and nutrition services	10,000,000				-	
	Preventive And Promotive Health Services	11,000,000				-	
	Sub-Total	21,000,000	-	-	-		
	Total	2,935,720,847	420,500,000	1,516,563,514	252,892,835	52	60
Department of Trade, Investment and Enterprise Development							
CP1: Administration and Support Services	CSP1.1 Administration and Support Services	90,354,667	350,000,000	35,323,350	211,917,503	39	61
CP 2: Trade and Enterprise Development	CSP 2.1 micro and small enterprises development	1,400,000	20,000,000			-	-
	CSP 2.2 Trade infrastructure and services	750,000				-	
	Sub-Total	2,150,000	20,000,000	-	-		
CP3. Industrialisation and investment Programme	CSP 3.1 Industrialisation and investment Programme	1,400,000	100,000,000			-	-
CP 4: Tourism	CSP 4.1 Tourism Development	1,402,259				-	
	Total	95,306,926	470,000,000	35,323,350	211,917,503	37	45
Department of Water, Environment and Natural Resources							
CP1: Water Administration and support services - ENC	CSP1.1 Administration and Support Services	128,307,166	310,000,000	105,700,000	137,628,677	82	44
CP4 Environment maanagent and Natural resources	CSP 4.2 Climate Change and Adaptation	12,350,000	377,000,000	10,000,000	137,117,510	81	36
	CSP4.1 Environment and Natural Resource Management	37,598,025	36,000,000	25,000,000		66	-
	Sub-Total	49,948,025	413,000,000	35,000,000	137,117,510	70	33
CP3: Water Infrastructure Development	CSP 3.1 Water Infrastructure		749,100,000		558,876,837		75
CP2: Irrigation Services	CSP 2.1 Irrigation Development	5,000,000		1,000,000		20	
	Sub-Total	183,255,191	1,472,100,000	141,700,000	833,623,024	77	57
Department of County Affairs, Public Service and Intergovernmental Relations							
CP1.Executive Services	CSP 1.1 Governor Operations	60,400,000	12,000,000	24,500,000	12,000,000	41	100
	CSP 1.2 Deputy Governor Operations	240,012,589		176,000,000		73	
	CSP 1.3County Secretary	49,656,215		30,000,000		60	
	CSP 1.4 Operations & Sub-County Administration	50,410,000		18,000,000.00		36	
	CSP 1.5 Intergovernmental &public participation	56,812,430		38,000,000		67	
	CSP 1.6 County Attorney	28,500,000		19,500,000		68	
	CSP1.7 Human Resource Management	86,491,478		79,000,000		91	
	CSP 1.8 Donor coordination	17,280,548		12,000,000		69	
	Total	589,563,260	12,000,000	397,000,000	12,000,000	67	100

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Programme	Sub-Programme	Revised Gross Approved Estimates		Actual Expenditure		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
Department of County Public Service Board							
Programme 1: Board services	**CSP 1: Administration support services**	55,743,617	15,000,000	34,357,722		62	-
	Total	**55,743,617**	**15,000,000**	**34,357,722**		**62**	**0**
County Assembly							
General Administration, Planning and Support Services	**Clerk's Office**	1,083,780,817	283,000,000	572,831,089	82,821,460	53	29
	Total	**1,083,780,817**	**283,000,000**	**572,831,089**	**82,821,460**	**53**	**29**
	Grand Total	**7,259,243,000**	**4,156,987,006**	**4,151,318,504**	**1,704,406,858**	**57**	**41**

***Source**: Garissa County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Governor Operations under Executive Service Programme in the Department of County Affairs, Public Service and Intergovernmental Relations at 100 per cent, Administration And Support Services in the Department of Health & Sanitation at 85 per cent, Health products and technologies under Curative Services, Rehabiliattive and Referal services programme in the Department of Health & Sanitation at 84 per cent, and Water Infrastructure under Water Infrastructure Development programme in the Department of Water, Environment and Natural Resources at 75 per cent of budget allocation.

3.7.15 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 26 accounts with commercial banks, including four accounts for Health Facilities, three accounts for Vocational Training Centres, three accounts for Established Funds, four revenue accounts, 13 special-purpose accounts (for additional allocations), and two imprest accounts.

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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. The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 20 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.7.16 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;

i. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on 23rd April, 2025
ii. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. The reports for the Emergency Fund, Bursary Fund and Micro and Small Enterprises Development Revolving Fund were not submitted to the Controller of Budget as of 15 January 2025.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.467.54 million for 733 staff yet to be onboarded into HRIS, and 481 casual staff were processed through manual payroll, accounting for 15 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

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iv. Non-submission of copies of authorisation letters for opening commercial bank accounts pursuant to Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget, as per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
iii. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
iv. *The County Treasury should ensure it submits to OCoB copies of authorisation letters for opening commercial bank accounts to enhance accountability and oversight*

3.8. County Government of Homa Bay

3.8.1 Overview of FY 2024/25 Budget

Homa Bay County's Gross Approved FY 2024/25 Budget is Kshs.11.88 billion. It comprises Kshs.4.21 billion (35 per cent) and Kshs.7.67 billion (65 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of 6 per cent from the FY 2023/24 budget estimates, which comprised a development budget of Kshs.3.51 billion and a recurrent budget of Kshs.7.66. billion.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.8.44 billion (71 per cent, additional allocations/conditional grants of Kshs.1.83 billion (15 per cent), share of equalisation funds of Kshs.128.60 million (1 per cent), and Kshs.1.48 billion (13 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.981.07 million as Appropriation in Aid (A.I.A.)/Facility Improvement Fund (revenue from health facilities) and Kshs.501.74 million as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is provided in Table 3.76.

3.8.2 Revenue Performance

During the review period, the County received Kshs.7.18 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.1 billion from Kshs.6.18 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.5.39 billion from the equitable share of revenue raised nationally; additional allocation from the National Government and Development Partners of Kshs.65.13 million and own source revenue (OSR) collection of Kshs.1.04 billion. In addition, the County had a cash balance of Kshs.693.09 million from FY 2023/24.

The total OSR collection of Kshs.1.04 billion includes Kshs.753.15 million in Facilities Improvement Financing (FIF) and Kshs.285.54 million from other OSR sources. Table 3.76 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.76: Homa Bay County, Revenue Performance in the First Nine Months of FY 2024/25

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	8,436,080,677	5,389,033,196	64
Sub-Total		**8,436,080,677**	**5,389,033,196**	**64**
B.	**Additional Allocations**			
1	National Value Chain Development Project	151,515,152	-	-
2	Kenya Agricultural Business Development Programme (KABDP)	10,918,919	-	-
3	Aquaculture Business Development Programme (ABDP)	12,909,422	-	-
4	DANIDA	21,383,750	-	-
5	Community Health Promoters (CHP)	88,620,000	-	-

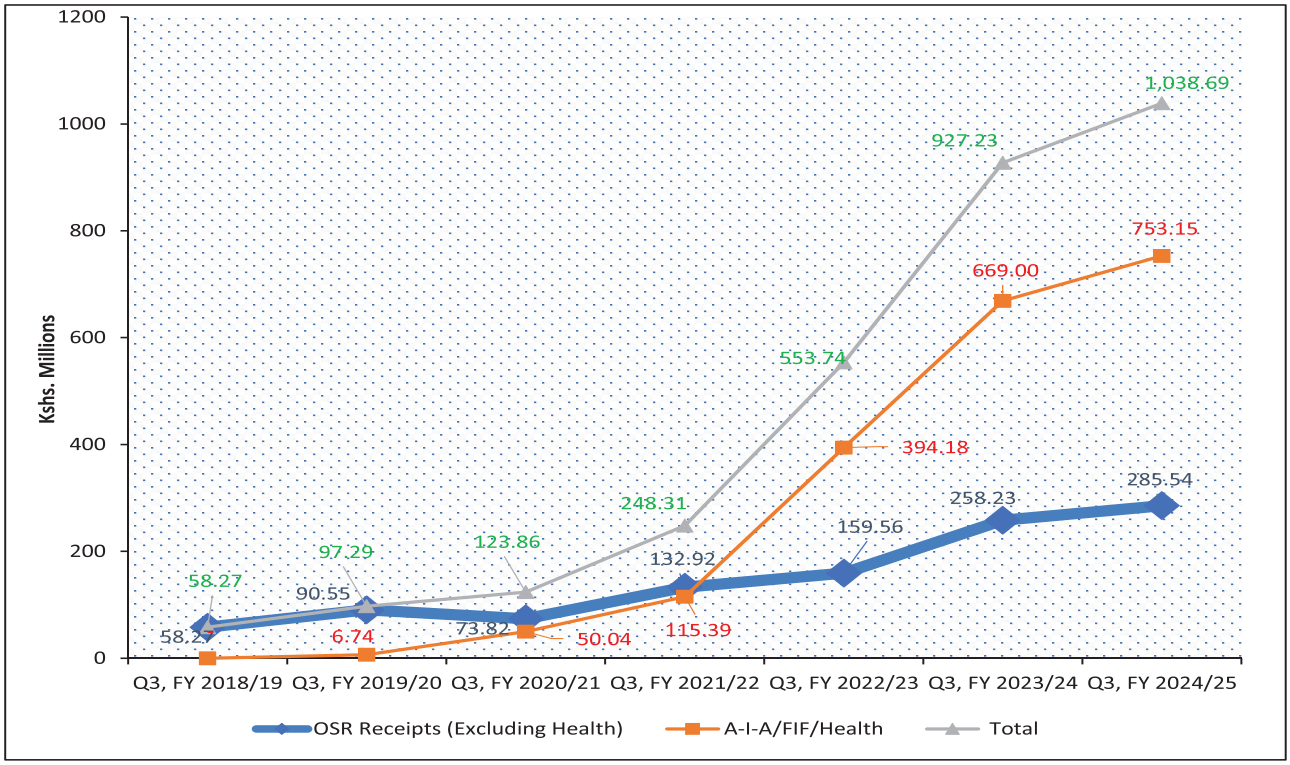
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S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as % of Annual Budget Allocation (%)
6	Financing Locally-Led Climate Actions Programme -CCRI & CCRIG) - IDA &KFW	251,984,144	-	-
7	Financing Locally-Led Climate Actions Programme -CCIS	11,000,000	11,000,000	100
8	Kenya Informal Settlements Improvement Programme(KI-SIP)II	987,020,992	-	-
9	Kenya Urban Support Programme (UIG)	35,000,000	-	-
10	Kenya Urban Support Prigramme (UDG)	37,861,088	-	-
11	Kenya Urban Support Programme (UDG)	16,800,000	-	-
12	Kenya Devolution Support Programme(KDSPII)	37,500,000	-	-
13	Road Maintenance Levy	177,974,496	-	-
14	County Industrial Parks Development	30,000,000	54,131,579	180
Sub-Total		**1,870,487,963**	**65,131,579**	**4**
C.	**Own Source of Revenue**			
1	Ordinary Own Source Revenue	501,737,917	285,542,183	57
2	Appropriation in Aid (A-I-A)/Facility Improvement Fund (F.I.F)	981,068,740	753,151,722	77
Sub-Total		**1,482,806,657**	**1,038,693,905**	**70**
D.	**Other sources of Revenue**			
1	Unspent balance from FY 2023/24	0	693,090,512	
2	Share of Equalisation funds	128,603,304	-	
Sub-Total		**128,603,304**	**693,090,512**	
Grand Total		**11,876,978,601**	**7,185,949,192**	**61**

Source: *Homa Bay County Treasury*

Figure 29 shows the collection trend in own-source revenue collection from the first nine months of FY 2018/19 to FY 2024/25.

Figure 29: Trend in Own-Source Revenue Collection from the First Nine Months of FY 2018/19 to FY 2024/25



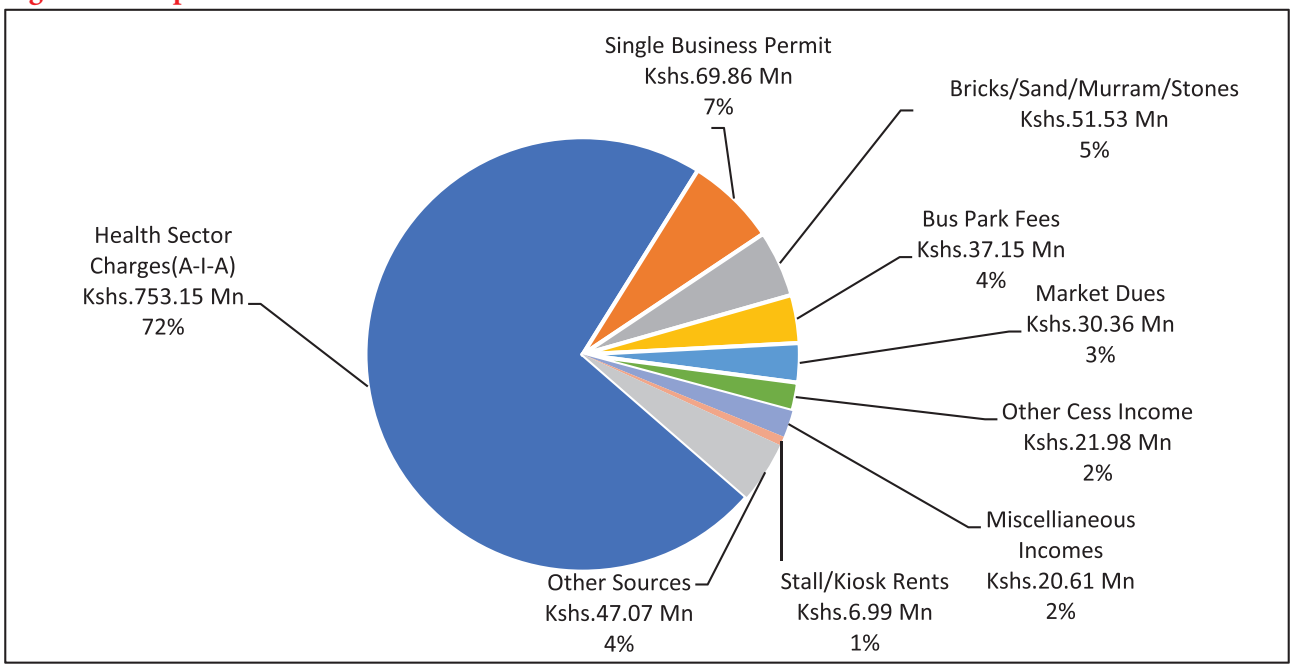
Source: *Homa Bay County Treasury*

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During the review period, the County generated Kshs 1.04 billion from its revenue sources. This amount was an increase of 12 per cent compared to Kshs.927.23 million realised in the same period in FY 2023/24. This was 67 per cent of the annual target and 19.3 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 30

Figure 30: Top Streams of Own Source Revenue in the First Nine Months of FY 2024/25



***Source**: Homa Bay County Treasury*

The highest revenue stream of Kshs.753.15 million was from Health Sector Appropriation in Aid (A.I.A)/Facility Improvement Fund (F.I.F), contributing to 72 per cent of the total OSR receipts. The County Government has automated all the revenue streams.

3.8.3 Borrowing by the County

The County government borrowed Kshs 488.93 million from Diamond Trust Bank (K) Limited to support its operations. The County entered into an agreement with Diamond Trust Bank (K) Limited for the Payroll Management Overdraft facility at an interest rate of 0.5 per cent and an excise duty of 10 per cent on the interest the bank charges. As of 31 March 2025, the outstanding payroll management overdraft facility from Diamond Trust Bank (K) Limited amounted to Kshs 488.93 million.

We also note that the County Government of Homa Bay entered into a tenant purchase agreement, on 6th May, 2024, with the County Pension Fund (CPF) for the construction of the Homa Bay County Headquarters and ancillary facilities i.e. the ampitheatre and the Ushuru Centre. The total project cost of Kshs 820 million, with a monthly repayment of Kshs.17,250,000 over a period of 4 years.

3.8.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.5.70 billion from the CRF account comprised Kshs.886.41 million (16 per cent) for development programmes and Kshs.4.81 billion (84 per cent) for recurrent programmes as shown in Table 3.77 Analysis of the recurrent exchequers released indicates that Kshs.3.92 billion was released for employee compensation and Kshs.896.12 million for operations and maintenance expenditures. Exchequer approvals for employee compensation in the first nine months of FY 2024/25 do not include the March 2025 exchequer request for the County Executive.

Table 3.77: Homa Bay County, Budget Allocation and Exchequer Issued by Department

Department	Gross Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Gross Budget Estimates (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Finance and Economic Planning	707.58	238.94	379.46	12	54	5
County Public Service Board	69.46	-	41.32	-	60	0

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Department	Gross Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Gross Budget Allocation (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly Service Board	1,027.16	142.56	641.28	18.72	62	13
Homa Bay Municipal Board	29.76	48.86	16.41	-	55	0
Office of the Deputy Governor and Department of Agriculture and Livestock	210.48	262.54	138.79	31.22	66	12
Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	153.72	95	95.9	20.04	62	21
Roads, Public Works, Transport and Infrastructure	157.39	889.97	92.22	386.45	59	43
Blue Economy, Fisheries, Mining and Digital Economy	90.9	93.69	56.12	2.31	62	3
Education, Human Capital Development and Vocational Training	1,246.30	85	790.36	13.60	63	16
Public Health and Medical Services	2,594.72	320	1,759.08	160.13	68	50
Lands, Physical Planning, Housing and Urban Development	82.31	1,072.02	47.64	-	58	0
Trade, Industry, Tourism, Cooperative Development and Marketing	165.26	205.2	102.22	84.25	62	41
Water, Sanitation, Irrigation, Environment, Energy and Climate Change	251.28	450.48	127.67	112.80	51	25
Governance, Administration, Communication and Devolution	440	23	243.33	12.38	55	54
Executive Office of the Governor	402.15	230	273.91	32.50	68	14
Kendu Bay Municipal Board	9.87	8	2.4	-	24	0
Mbita Municipal Board	9.87	8	2	-	20	0
Ndhiwa Municipal Board	9.87	8	0.6	-	6	0
Oyugis Municipal Board	12.83	24.8	1.3	-	10	0
Total	**7,670.90**	**4,206.08**	**4,812.02**	**886.41**	**63**	**21**

***Source**: Homa Bay County Treasury*

On 31st March 2025, the county government's cash balance in the CRF account was Kshs.21.41 million.

3.8.5 County Expenditure Review

The County spent Kshs.5.97 billion on development and recurrent programmes during the reporting period. The expenditure represented 104.8 per cent of the total funds released by the CoB and comprised Kshs.1.16 billion and Kshs.4.81 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 27.5 per cent, while recurrent expenditure represented 62.8 per cent of the annual recurrent expenditure budget.

3.8.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.36 billion as of 30th June 2024. This included Kshs.1.19 billion from the County Executive and Kshs.172.58 million from the County Assembly. The pending bills from the County Executive consist of Kshs.591.66 million for recurrent expenditures and Kshs.600.60 million for development expenditures. The pending bills from the County Assembly consist of Kshs.83.35 million for recurrent expenditures and Kshs.89.23 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.1.15 billion, comprising Kshs.591.66 million for recurrent programmes and Kshs.560.53 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.20.36 million, which were solely for recurrent activities.

As of 31st March 2025, the outstanding bills amounted to Kshs 192.30 million, comprising Kshs.40.08 million for the County Executive and Kshs.152.22 million for the County Assembly. However, the outstanding pending bills exclude some historical pending bills relating to FY 20213/14 to FY 21/22, which were still being verified by the taskforce on pending bills at the time of this report's preparation.

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3.8.7 Expenditure by Economic Classification

The County Executive spent Kshs.3.61 billion on employee compensation, Kshs.562.76 million on operations and maintenance, and Kshs.1.14 billion on development activities. Similarly, the County Assembly spent Kshs.303.87 million on employee compensation, Kshs.337.39 million on operations and maintenance and Kshs.18.72 million for development activities, as shown in Table 3.78.

Table 3.78: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**6,643,742,480**	**1,027,160,105**	**4,174,681,497**	**641,280,775**	**63**	**62**
Compensation to Employees	5,200,133,127	460,331,366	3,611,923,321	303,886,268	69	66
Operations and Maintenance	1,443,609,353	566,828,739	562,758,176	337,394,507	39	60
Development Expenditure	**4,063,511,227**	**142,564,789**	**1,138,209,864**	**18,719,225**	**28**	**13**
Total	**10,707,253,707**	**1,169,724,894**	**5,312,891,360**	**660,000,000**	**50**	**56**

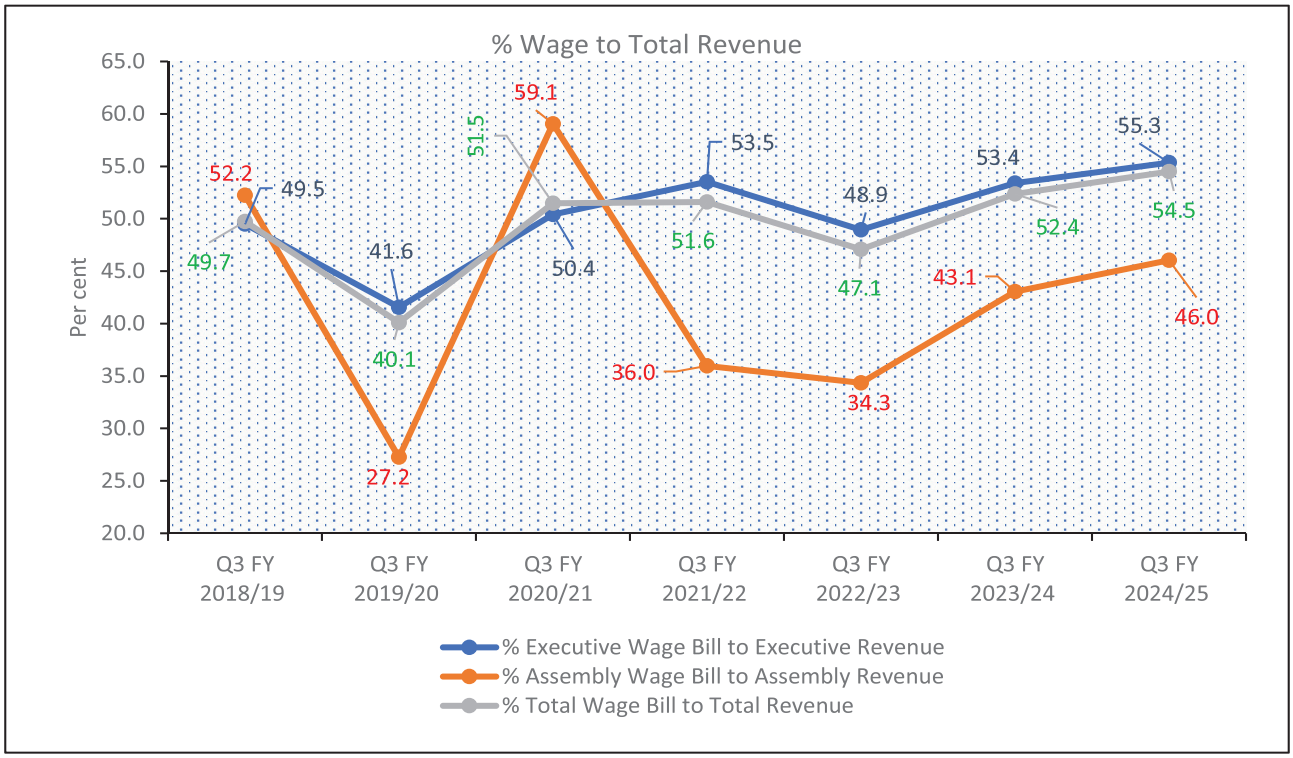
***Source**: Homa Bay County Treasury*

3.8.8 Expenditure on Employees' Compensation

During the period under review, expenditure on employee compensation totalled Kshs.3.92 billion, accounting for 54.5 per cent of the available revenue, which was Kshs.7.18 billion. The total revenue, excluding the earnings from extractive natural resources from Bricks/Sand/Murram/Stones, is Kshs.7.13 million. Consequently, the percentage of employee compensation to this adjusted revenue is 54.9 per cent. This expenditure on employee compensation shows an increase of 21 per cent from Kshs.3.24 billion reported in the same period in FY 2023/24. Of this total, Kshs.1.59 billion was allocated to Health Sector employees, which accounts for 41 per cent of the overall employees' compensation. The increase in PE expenditure in the reporting period, as compared to the same period in FY 2023/24, is attributable to the annual salary increments for various staff cadres.

Figure 31 Shows the trend of personnel expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 31: Percentage of Wage Bill to Total Revenue Received from the First Nine Months of FY 2019/20 to FY 2024/25



***Source**: Homa Bay County Treasury*

Further analysis indicates that PE costs amounting to Kshs.3.81 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. In contrast, Kshs.102.72 million was processed through manual payrolls, accounting for 2.6 per cent of the total PE cost.

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The manual payrolls comprised salaries for 75 County Assembly staff who had yet to be onboarded into the Government Human Resource Information System (GHRIS), as well as housing levy remittance/NITA remittance, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.79.

Table 3.79: Breakdown of Homa Bay County Manual Payroll

Sno.	Description of Manual Payroll	Amount (Kshs.)
1	Salaries for 75 County Assembly staff are yet to be onboarded into HRIS	27,167,56
2	LAPTRUST/LAPFUND Pension Contributions	14,699,832
3	Gratuity for contract staff	54,347,361
4	Housing Levy Remittance/NITA Remittance	6,502,144
	Total	**102,716,893**

***Source**: Homa Bay County Treasury*

The County Assembly spent Kshs.41.30 million on committee sitting allowances for the 54 MCAs and the Speaker against the annual budget allocation of Kshs.45.05 million. The average monthly sitting allowance was Kshs.84,978 per MCA. The County Assembly has established 22 Committees.

3.8.9 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.338.26 million to County-Established funds in FY 2024/25, accounting for 3 per cent of the County's overall budget. Furthermore, the County allocated Kshs.23.00 million to the Emergency Fund (equivalent to 0.2 per cent of the total budget), in line with Section 110 of the PFM Act, 2012. Table 3.80 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.80: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Submission of First Nine Months Financial Statements (Yes/No.)
			A	B	C	D
County Executive Established Funds						
1	Homa Bay County Bursary Fund	2015	215,000,000	124,000,000	128,754,620	YES
2	Homa Bay Emergency Fund	2016	23,000,000	12,000,000	-	YES
3	Homa Bay County Car Loan and Mortgage Scheme Fund	2016	40,263,559	-	7,827,223	YES
4	Homa Bay County Alcoholic Drinks Control Fund	2015	-	-	-	YES
County Assembly Established Funds						
1	Homa Bay County Assembly Car Loan and Mortgage Scheme Fund	2016	60,000,000	-	-	No
	Total		**338,263,559**	**125,000,000**	**136,581,843**	

Source: *Homa Bay County Treasury*

During the reporting period, the CoB did not receive a quarterly financial report from the Homa Bay County Assembly Car Loan and Mortgage Scheme Fund Administrator, as indicated in Table 3.80, contrary to the requirement of Section 168 of the PFM Act, 2012. The administration costs of the Homa Bay County Bursary Fund and Homa Bay County Car Loan and Mortgage Scheme Fund were within the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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. During the reporting period, the CoB established that the lifespans of the Homa Bay County Bursary Fund and the Homa Bay County Alcoholic Drinks Control Fund are nearing expiration, thus necessitating a timely review and

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extension of these public funds to prevent operational disruptions. The two established funds will expire on 31st December, 2025.

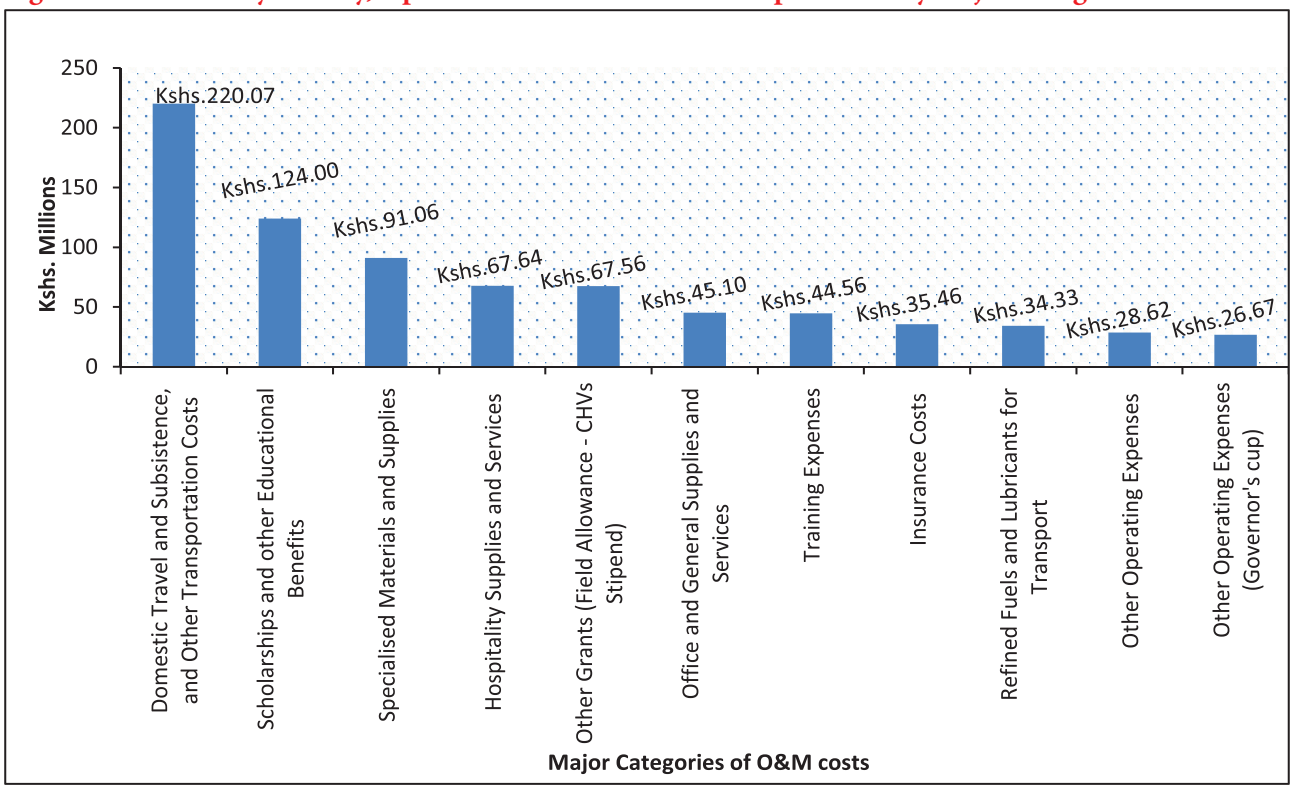
3.8.10 County Corporations

The County has yet to establish a county corporation.

3.8.11 Expenditure on Operations and Maintenance

Figure 32 summarises the Operations and Maintenance expenditure by major categories.

Figure 32: Homa Bay County, Operations and Maintenance Expenditure by Major Categories



***Source**: Homa Bay County Treasury*

Expenditure on domestic travel amounted to Kshs.220.07 million, comprising Kshs.186.06 million spent by the County Assembly and Kshs.34.01 million spent by the County Executive. The County Entities did not incur any expenditure on foreign travel during the reporting period.

The operations and maintenance costs include Kshs.9.40 million spent on Legal fees/Dues, arbitration, and compensation payments during the reporting period.

3.8.12 Facility Improvement Financing

During the period under review, the County reported collection of Kshs.753.15 million as FIF, which was 77 per cent of the annual target of Kshs.981.07 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023, as well as the Homa Bay County Facility Improvement Fund Act, 2023, which allowed the County's health facilities to collect and retain revenue paid as user fees to defray operational, management, and capital costs.

The health facilities provided a report on the utilisation of the FIF during the reporting period, in line with Section 18 (e) of the FIF Act, 2023. The expenditure by the health facilities amounted to Kshs.613 million, as shown in below:

Table 3.81: Breakdown of expenditure by Health Facilities in the first nine months of FY 2024/25

Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
Homa Bay County Referral Hospital	252,000,000	163,710,903	65
Rachounyo County Hospital	62,400,000	76,488,455	123

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Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
Rachounyo North S/County	36,000,000	14,365,536	40
Ndhiwa Sub County Hospital	36,000,000	24,721,954	69
Mbita Sub-County Hospital	36,000,000	19,133,457	53
Kabondo Sub-County Hospital	36,000,000	10,125,748	28
Rangwe Sub-County Hospital	36,000,000	16,571,807	46
Suba South S/County Hospital	36,000,000	12,998,759	36
Magunga L4 Hospital	36,000,000	18,487,971	51
Kisegi L4 Hospital	24,000,000	29,457,494	123
Pala L4 Hospital	24,000,000	63,886,902	177
Tom Mboya L4 Hospital	36,000,000	13,692,821	38
Ogongo L4 Hospital	24,000,000	21,601,924	90
Makongeni L4 Hospital	36,000,000	10,987,245	31
Marindi L4 Hospital	24,000,000	20,735,482	86
Nyang'iela L4 Hospital	24,000,000	13,304,070	55
Othoro L4 Hospital	24,000,000	2,580,327	11
Miriu L4 Hospital	24,000,000	1,846,713	5
Ober L4 Hospital	24,000,000	4,472,291	19
Ndiru L4 Hospital	24,000,000	10,923,020	46
Kandiege L4 Hospital	24,000,000	9,300,774	30
Nyandiwa L4 Hospital	24,000,000	34,181,658	98
Malela L4 Hospital	24,000,000	4,157,600	17
Sena L4 Hospital	24,000,000	4,417,072	9
Public Health Revenues	12,000,000	2,965,168	25
Other Health Centres**	18,668,740	7,887,526	42
Total	**981,068,740**	**613,002,675**	**62**

***Source**: Homa Bay County Treasury*

The Health Facility with the highest absorption rate was Pala L4 Hospital.

3.8.13 Development Expenditure

In the review period, the County reported spending Kshs.1.16 billion on development programmes, representing an increase of 32 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.874.44 million. The Table 3.82 summarises development projects with the highest expenditure in the reporting period.

Table 3.82: Homa Bay County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid in the first nine months of FY 2024/25 (Kshs)	Implementation status (%)
1	Public Health and Medical Services	Construction of Accident and Emergency structure works at Homa Bay County Teaching and Referral Hospital.	Homa Bay County Teaching and Referral Hospital	229,619,315	70,786,783	53
2	Public Health and Medical Services	Construction of a modern funeral parlour at HCTRH	Homa Bay County Teaching and Referral Hospital	48,970,814	44,664,834	98
3	Trade, Industry, Tourism, Cooperative Development and Marketing	County Aggregation and Industrial Park	Rachuonyo North	30,000,000	30,000,000	100
4	Roads, Public Works, Transport and Infrastructure	Supply Of CAT 320gx Excavator	Transport Head Office	28,779,426	28,779,426	100

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No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid in the first nine months of FY 2024/25 (Kshs)	Implementation status (%)
5	Roads, Public Works, Transport and Infrastructure	Supply of SEM919 Motor Grader	Transport Head Office	26,220,582	26,220,582	100
6	Public Health and Medical Services	Electrical installation for a multi-storied block for Accident & Emergency Casualty Hospital	Homa Bay County Teaching and Referral Hospital	39,039,200	18,732,681	57
7	Office of the Deputy Governor and Department of Agriculture and Livestock	Supply & delivery of maize seeds	All Sub-Counties	15,540,000	15,540,000	100
8	Gender Equity and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	Supply, delivery, and installation of High Mast Floodlights	Homa Bay Town	14,354,540	14,354,540	100
9	Public Health and Medical Services	Construction of multi-storied block for Accident & Emergency, Casualty and Outpatient at Homabay County Teaching and Referral Hospital	Homa Bay Town	12,038,173	12,038,173	100
10	Water, Sanitation, Irrigation, Environment, Energy and Climate Change	Other capital grants- (FLLoCA CCRG)	All Sub-Counties	11,000,000	11,000,000	100

***Source**: Homa Bay County Treasury*

***Note:** The expenditures for most of the project listed in the table above relate to pending bills from previous financial periods.*

3.8.14 Budget Performance by Department

Table 3.83 summarises the approved budget allocation, expenditure, and absorption rate by departments for the period under review.

Table 3.83: Homa Bay 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
Finance and Economic Planning	707.58	238.94	379.46	12.00	379.46	12.00	100	100	54	5
County Public Service Board	69.46	0.00	41.32	-	41.32	-	100	0	60	0
County Assembly Service Board	1027.16	142.56	641.28	18.72	641.28	18.72	100	100	62	13
Homa Bay Municipal Board	29.76	48.86	16.41	-	16.41	-	100	0	55	0
Office of the Deputy Governor and Department of Agriculture and Livestock	210.48	262.54	138.79	31.22	138.79	38.23	100	**123**	66	15
Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services	153.72	95.00	95.90	20.04	95.72	16.11	100	80	62	17
Roads, Public Works, Transport and Infrastructure	157.39	889.97	92.22	386.45	92.22	494.79	100	**128**	59	56
Blue Economy, Fisheries, Mining and Digital Economy	90.90	93.69	56.12	2.31	56.12	2.31	100	100	62	3
Education, Human Capital Development and Vocational Training	1246.30	85.00	790.36	13.60	789.53	13.60	100	100	63	16

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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
Public Health and Medical Services	2594.72	320.00	1,759.08	160.13	1757.02	319.24	100	**199**	68	100
Lands, Physical Planning, Housing and Urban Development	82.31	1072.02	47.64	-	47.64	-	100	0	58	0
Trade, Industry, Tourism, Cooperative Development and Marketing	165.26	205.20	102.22	84.25	102.59	84.25	100	100	62	41
Water, Sanitation, Irrigation, Environment, Energy and Climate Change	251.28	450.48	127.67	112.80	127.67	112.80	100	100	51	25
Governance, Administration, Communication and Devolution	440.00	23.00	243.33	12.38	243.33	12.38	100	100	55	54
Executive Office of the Governor	402.15	230.00	273.91	32.50	280.55	32.50	102	100	70	14
Kendu Bay Municipal Board	9.87	8.00	2.40	-	2.40	-	100	0	24	0
Mbita Municipal Board	9.87	8.00	2.00	-	2.00	-	100	0	20	0
Ndhiwa Municipal Board	9.87	8.00	0.60	-	0.60	-	0	0	6	0
Oyugis Municipal Board	12.83	24.80	1.30	-	1.30	-	0	0	10	0
Total	**7,670.90**	**4,206.08**	**4,812.02**	**886.41**	**4815.96**	**1,156.93**	**100**	**131**	**63**	**28**

***Source**: Homa Bay County Treasury*

Analysis of expenditure by department shows that the Department of Public Health and Medical Services recorded the highest absorption rate of its development budget at 100 per cent, followed by the Department of Roads, Public Works, Transport, and Infrastructure at 56 per cent and the Department of Governance, Administration, Communication, and Devolution at 54 per cent. The Executive Office of the Governor had the highest percentage of recurrent expenditure to budget at 70 per cent, while the Ndhiwa Municipal Board had the lowest at 6 per cent.

Further analysis shows that the development expenditure for some departments exceeded the exchequer releases. These anomalies can be attributed to the substantial number of transactions that appear to have been paid at the IFMIS level. However, in practice, they were awaiting funding at the CBK Internet Banking (IB) level at the reporting time. It is also worth noting that some payments for development activities under the Department of Public and Medical Services were settled using the facility improvement fund (FIF) receipts.

3.8.15 Budget Execution by Programmes and Sub-Programmes

Table 3.84 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.84: Homa Bay County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption rate (%)
Department of Finance and Economic Planning					
General administration and support services	Staff Remuneration and Welfare Support Services	451,893,111	306,628,880	145,264,231	68
	General Logistics, Coordination and Asset Management Services	172,735,098	36,537,528	136,197,570	21
	Sub total	**624,628,209**	**343,166,408**	**281,461,801**	**55**
Planning, Budgeting and Development Coordination Services	Economic planning and development coordination services	10,953,000	2,045,930	8,907,070	19
	Resource allocation services	9,393,200	6,297,289	3,095,911	67
	Public Participation Facilitation Services	12,589,000	1,077,578	11,511,422	9
	Sub total	**32,935,200**	**9,420,797**	**23,514,403**	**29**

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Programme	Sub-Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption (%)
Resource mobilisation services	External Resources Mobilisation Services	-	-	-	-
	Internal Revenue Generation Services	28,486,600	11,164,108	17,322,492	39
	Sub total	**28,486,600**	**11,164,108**	**17,322,492**	**39**
Financial management services	Accounting and Financial Reporting Services	8,859,400	5,730,176	3,129,224	65
	Supply Chain Management Services	9,592,861	5,166,855	4,426,006	
	Audit and Advisory Services	7,072,885	4,808,304	2,264,581	68
	Emergency Management Services	234,935,539	12,000,000	222,935,539	5
	Sub total	**260,460,685**	**27,705,335**	**232,755,350**	**11**
	Total	**946,510,694**	**391,456,647**	**555,054,047**	**41**
County Public Service Board					
General Policy, Planning and Administration Services	Policy Development Services	1,425,000	-	1,425,000	-
	Administrative Support Services	63,014,549	40,327,009	22,687,540	64
	Infrastructure Development Services	-	-	-	-
	Sub total	**64,439,549**	**40,327,009**	**24,112,540**	**63**
Personnel Sourcing and Management Services	Recruitment, Selection and Deployment Services	2,877,854	-	2,877,854	-
	Human Resource Management and Development Services	140,000	-	140,000	-
	Establishment and abolishment of Offices	-	-	-	-
	National Performance Management Systems	-	-	-	-
	Capacity Development Services	2,000,000	996,700	1,003,300	50
	Sub total	**5,017,854**	**996,700**	**4,021,154**	**20**
	Total	**69,457,403**	**41,323,709**	**28,133,694**	**59**
County Assembly Service Board					
Legislative Services	Members' welfare Support services	247,066,059	182,522,818	64,125,321	74
	Legislative development and approval services	131,636,498	113,804,791	17,995,209	86
	Sub total	**378,702,557**	**296,327,609**	**82,120,530**	**78**
Oversight and Control Services	Capacity building services	48,000,000	47,212,380	787,620	98
	Report writing services	52,000,000	43,561,000	8,439,000	84
	Public Participation and Education Services	40,000,000	-	40,000,000	-
	Sub total	**140,000,000**	**90,773,380**	**49,226,620**	**65**
Ward Representation Services	Staff welfare support services	59,712,348	18,893,611	40,818,737	32
	Ward operations and maintenance	17,284,320	11,797,056	5,487,264	68
	Sub total	**76,996,668**	**30,690,667**	**46,306,001**	**40**
Policy, Planning and Administrative Support Services	Administrative support services	272,270,879	149,351,070	122,919,809	55
	Financial Management Services	159,190,000	74,138,050	85,051,950	47
	Assembly infrastructure development Services	142,564,789	18,719,225	123,845,564	13
	Sub total	**574,025,669**	**223,489,120**	**350,536,548**	**39**
	Total	**1,169,724,894**	**641,280,775**	**528,444,119**	**55**
Homa Bay Municipal Board					
Planning, Finance and Administrative Support Services	Policy and planning services	-	-	-	-
	Financial Management Services	6,811,419	1,213,160	5,598,259	18
	Personnel remuneration and development services	22,945,272	15,200,000	7,745,272	66
	Sub total	**29,756,691**	**16,413,160**	**13,343,531**	55

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Programme	Sub-Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption (%)
Public Works and Infrastructure Improvement Services	Transport Infrastructure Improvement Services	37,861,088	-	37,861,088	-
	Environmental Management Services	5,000,000	-	5,000,000	-
	Provision for pending bills	2,000,000	-	2,000,000	-
	Sub total	**44,861,088**	**-**	**44,861,088**	**-**
Housing and Urban Development Services	Social Outreach and Engagement Services	-	-	-	-
	Neighbourhood Planning and Development Services	4,000,000	-	4,000,000	-
	Workforce development and enterprise support services	-	-	-	-
	Sub total	**4,000,000**	**-**	**4,000,000**	**-**
	Total	**78,617,779**	**16,413,160**	**62,204,619**	**21**
Office of The Deputy Governor and Department of Agriculture, Livestock, Fisheries and Food Security					
Policy Planning, General Administration and Support Services	Policy and Planning Services	-	-	-	-
	General Administration and Support Services	210,480,293	135,629,073	74,851,220	64
	Sub total	**210,480,293**	**135,629,073**	**74,851,220**	**64**
Crop, Land and Agribusiness Development Services	Crop Development Services	21,499,430	-	21,499,430	-
	Agribusiness Development Services	-	-	-	-
	Land Development Services	-	-	-	-
	National Agriculture Rural Inclusive Growth	-	-	-	-
	Agriculture Sector Development Support Programme	-	-	-	-
	National Value Chain Project	-	-	-	-
	Sub total	**21,499,430**	**-**	**21,499,430**	**-**
Food Security Enhancement Services	Sub-Sector Infrastructure Development Services	5,000,000	-	5,000,000	-
	Farm Input Access Services	43,000,000	37,085,258	5,914,742	86
	National Agriculture Rural Inclusive Growth	-	-	-	-
	Kenya Agriculture Business Development Programme	10,918,919	-	10,918,919	-
	National Value Chain Project	156,515,152	-	156,515,152	-
	Sub total	**215,434,071**	**37,085,258**	**178,348,813**	**17**
Livestock Development Programme	Livestock Improvement and Development	2,000,000	-	2,000,000	-
	Livestock Infrastructure Development Services	23,605,379	4,306,609	19,298,770	18
	Livestock Health and Disease Management	-	-	-	-
	Sub total	**25,605,379**	**4,306,609**	**21,298,770**	**17**
	Total	**473,019,173**	**177,020,940**	**295,998,233**	**37**
Department of Gender Equality and Inclusivity, Youth, Sports, Talent Development, Cultural Heritage and Social Services					
Policy, Planning and General Administration services	General Administration and Support Services	83,952,751	65,803,523	18,149,228	78
	Policy and Planning Services	15,199,521	3,242,817	11,956,704	21
	Office Development Operations	-	-	-	-
	Sub total	**99,152,272**	**69,046,340**	**30,105,932**	**70**
Cultural And Creative Sector Development Services	Creative Economy Development Services	1,557,877	-	1,557,877	-
	Cultural Development and Promotion Services	9,000,000	-	9,000,000	-
	Sub total	**10,557,877**	**-**	**10,557,877**	**-**

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Programme	Sub-Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption (%)
Social Development and Empowerment Services	Gender Mainstreaming and Women's Empowerment Services	6,604,418	-	6,604,418	-
	Youth Empowerment and Mainstreaming Services	7,632,000	-	7,632,000	-
	SGBV Control Services	6,773,000	-	6,773,000	-
	Sub total	**21,009,418**	**-**	**21,009,418**	**-**
Management and Development of Sports and Sports Facilities	Sports Infrastructure Development Services	83,000,000	16,109,890	66,890,110	19
	Sports Management and Talent Development	35,000,000	26,673,195	8,326,805	76
	Sub total	**118,000,000**	**42,783,085**	**75,216,915**	**36**
	Total	**248,719,567**	**111,829,425**	**136,890,142**	**45**
Department of Roads, Transport, Public Works and Infrastructure					
General Administration, Planning and Support Services	Human Resource and Capacity Development Services	130,541,652	83,000,000	47,541,652	64
	Administration Support And Staff Capacity Development Services	25,930,038	9,222,040	16,707,998	36
	Policy Planning And Field Support Services	613,500	-	613,500	-
	Monitoring, Evaluation and learning and Report Development Services	300,000	-	300,000	-
	Sub total	**157,385,190**	**92,222,040**	**65,163,150**	**59**
Public works and maintenance services	Quality Control and Enforcement	-	-	-	-
	Infrastructure Development Services	33,000,000	22,853,796	10,146,204	69
	Plants, equipment, and vehicle support services	35,000,000	7,030,138	27,969,862	20
	Sub total	**68,000,000**	**29,883,934**	**38,116,066**	**44**
Road Development and Rehabilitation Services	Road Development Services	425,000,000	247,728,185	177,271,815	58
	Road Maintenance Services	396,974,496	217,174,867	179,799,629	55
	Sub total	**821,974,496**	**464,903,052**	**357,071,444**	**57**
Transport Development and Rehabilitation Services	Water Transport Services	-	-	-	-
	Bus park, Motorbike and Taxi Infrastructure Services	-	-	-	-
	Air Transport Infrastructure Development Services	-	-	-	-
	Sub total	**-**	**-**	**-**	**-**
	Total	**1,047,359,686**	**587,009,026**	**460,350,660**	**56**
Department of Blue Economy, Fisheries, Mining and Digital Economy					
General Administration, Planning and Support Services	Policy Development Services	-	-	-	-
	Personnel Remuneration and Welfare Services	76,286,892	51,500,000	24,786,892	68
	Administrative Support Services	14,611,925	4,618,960	9,992,965	32
	Sub total	**90,898,817**	**56,118,960**	**34,779,857**	**62**
Blue Economy and Fisheries Resources Development Services	Capture Fisheries and Development Services	4,500,000	-	4,500,000	-
	Aquaculture Development Services	12,909,422	-	12,909,422	-
	Blue Economy Development Services	51,281,739	2,311,305	48,970,434	5
	Sub total	**68,691,161**	**2,311,305**	**76,379,856**	**3**
Mineral resources development and marketing services	Artisanal Mining Services	7,000,000	-	7,000,000	-
	Mineral Prospecting Services	3,000,000	-	3,000,000	-
	Sub total	**10,000,000**	**-**	**10,000,000**	**-**
ICT And Digital Economy Development Services	ICT Infrastructure Development Services	15,000,000	-	15,000,000	-
	Digital Literacy and Skill Development Services	-	-	-	-
	Sub total	**15,000,000**	**-**	**15,000,000**	**-**
	Total	**184,589,978**	**58,430,265**	**126,159,713**	**32**

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Programme	Sub-Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption (%)
Department of Education, Human Capital Development and Vocational Training					
General Administration and Quality Assurance Service	General Administration Services	19,265,068	11,714,348	7,550,720	61
	Human Resources Management services	984,173,791	646,000,000	338,173,791	66
	Quality Assurance Services	8,408,000	-	8,408,000	-
	Stakeholder Management Services	920,000	-	920,000	-
	Special Needs Education Services	544,800	-	544,800	-
	Sub total	**1,013,311,659**	**657,714,348**	**355,597,311**	**65**
Early Years Education (EYE) Services	EYE Teaching and Learning Material	13,290,000	7,819,769	5,470,231	59
	EYE Infrastructure Development Services	50,000,000	13,601,585	36,398,415	27
	EYE Feeding and Nutrition Services	-	21,421,354	41,868,646	34
	Sub total	**63,290,000**	**7,819,769**	**5,470,231**	**59**
Human Capital Development and Vocational Training	VTC Training and Learning Materials Services	3,500,000	-	3,500,000	-
	VTC Capitation Services	-	-	-	-
	Bursary and Scholarship Services	215,000,000	124,000,000	91,000,000	58
	Skills Development and Exhibition Shows Services	1,200,000	-	1,200,000	-
	VTC Infrastructure Development Services	35,000,000	-	35,000,000	-
	Sub total	**254,700,000**	**124,000,000**	**130,700,000**	**49**
	Total	**1,331,301,659**	**803,135,702**	**528,165,957**	**60**
Department of Public Health and Medical Services					
Policy planning and administrative support service	Policy, Planning and Monitoring Services	17,140,000	3,331,260	13,808,740	19
	Administrative Support Services	2,264,067,453	1,609,533,286	654,534,167	71
	Sub total	**2,281,207,453**	**1,612,864,546**	**668,342,907**	**71**
Preventive and promotive health services	Community health services	89,620,000	67,740,560	21,879,440	76
	Disease control services	6,000,000	2,492,460	3,507,540	42
	Facility Infrastructure Improvement Services	145,000,000	91,745,004	53,254,996	63
	Sub total	**240,620,000**	**161,978,024**	**78,641,976**	**67**
Curative and rehabilitative health services	Routine medical health services	110,890,936	103,836,672	7,054,264	94
	Medical emergency response services	4,000,000	574,000	3,426,000	14
	Facility infrastructure improvement services	275,000,000	197,002,369	77,997,631	72
	Sub total	**389,890,936**	**301,413,041**	**88,477,895**	**77**
Research and development service	Research and surveillance services	2,000,000	-	2,000,000	-
	Capacity development services	1,000,000	-	1,000,000	-
	Sub total	**3,000,000**	**-**	**3,000,000**	**-**
	Total	**2,914,718,389**	**2,076,255,611**	**838,462,778**	**71**
Department of Lands, Housing, Urban Development and Physical Planning					
General Administration Services	General administrative support services	69,308,719	45,000,000	24,308,719	65
	Operation and maintenance Services	10,774,623	1,252,390	9,522,233	12
	General Office Infrastructure Development Services	2,230,000	1,384,250	845,750	62
	Sub total	**82,313,342**	**47,636,640**	**34,676,702**	**58**
Lands and Physical Planning Services	County Development Planning Services	10,500,000	-	10,500,000	-
	Land Valuation and Registration Support Services	25,000,000	-	25,000,000	-
	County Land Acquisition and Management Services	6,000,000	-	6,000,000	-
	Sub total	**41,500,000**	**-**	**41,500,000**	**-**

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Programme	Sub-Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption (%)
Housing and Urban Development Services	Housing Infrastructure Development Services	1,500,000	-	1,500,000	-
	Settlements Upgrading Services	1,029,020,992	-	1,029,020,992	-
	Urban Areas Establishment Services	-	-	-	-
	Sub total	**1,030,520,992**	-	**1,030,520,992**	**-**
	Total	**1,154,334,334**	**47,636,640**	**1,106,697,694**	**4**
Department of Trade, Industry, Tourism, Cooperative Development and Marketing					
Trade, Cooperative and Entrepreneurship Development Services	Enterprise development and promotion services	42,000,000	-	42,000,000	-
	Cooperative development services	10,000,000	-	10,000,000	-
	Trade infrastructure and development services	109,204,927	84,248,994	24,955,933	77
	Sub total	**161,204,927**	84,248,994	76,955,933	52
Tourism, Industrial and Investment Promotion Services	Value Chain Development Services	36,000,000	-	36,000,000	-
	Tourism promotion and marketing	5,000,000	-	5,000,000	-
	Investment promotion and facilitation	3,000,000	-	3,000,000	-
	Sub total	**44,000,000**	**-**	**44,000,000**	**-**
Policy, Planning and Administrative Services	Policy and plans development services	1,000,000	-	1,000,000	-
	Remuneration and welfare support services	152,867,754	100,000,000	52,867,754	65
	Administrative Support Services	11,391,538	2,592,000	8,799,538	23
	Sub total	**165,259,292**	**102,592,000**	**62,667,292**	**62**
	Total	**370,464,219**	**186,840,994**	**183,623,225**	**50**
Department of Water, Sanitation, Irrigation, Environment, Energy and Climate Change					
Water Supply and Management Services	Urban Water Supply Services	-	-	-	-
	Rural Water Supply Services	152,500,000	101,804,735	50,695,265	67
	Industrial Water Supply Services	-	-	-	-
	Maintenance of Water Supply Services	-	-	-	-
	Sub total	**152,500,000**	**101,804,735**	**50,695,265**	**67**
Energy Services	Electrical Power Services	-	-	-	-
	Solar Power Services	8,000,000	-	8,000,000	-
	Renewable Energy Services	-	-	-	-
	Sub total	**8,000,000**	**-**	**8,000,000**	**-**
Irrigation Development and Management Services	Irrigation Infrastructure Development and Rehabilitation Services	-	-	-	-
	Small Holder Community Irrigation Support Services	-	-	-	-
	Sub total	**-**	**-**	**-**	**-**
Environmental Management and Forestry Development	Pollution and Waste Management Services	21,000,000	-	21,000,000	-
	Forestry Development Services	-	-	-	-
	Environmental Protection Services	-	-	-	-
	Climate Change Services	-	-	-	-
	Sub total	**21,000,000**	**-**	**21,000,000**	**-**
Climate Change Management Services	Climate Change Governance	11,000,000	-	11,000,000	-
	Climate Change Mitigation, Adaptation and Resilience Building	251,984,141	11,000,000	240,984,141	4
	Climate Resilience Investment Financing	-	-	-	-
	Sub total	**262,984,141**	**11,000,000**	**251,984,141**	**4**
General Administrative Services	Administrative Support Services	240,284,926	112,000,000	128,284,926	47
	Policy and Planning Services	17,000,000	15,674,432	1,325,568	92
	Debt Management Services				
	Sub total	**257,284,926**	**127,674,432**	**129,610,494**	**50**
	Grand Total	**701,769,067**	**240,479,167**	**440,289,900**	**35**

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Programme	Sub-Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption (%)
Governance and Administration, Communication and Devolution					
Governance, Administration and Devolution Services	Governance and Administration	339,495,656	219,241,957	120,253,699	65
	Field Coordination and Administration Services	29,400,000	20,827,255	8,572,745	71
	Compliance and Enforcement Services	10,634,000	-	10,634,000	-
	Devolution Support Services	37,500,000	-	37,500,000	-
	Sub total	**417,029,656**	**240,069,212**	**176,960,444**	**58**
Communication and Public Engagement	County Press Services	12,120,000	4,020,140	8,099,860	33
	Media Relations	7,610,890	-	7,610,890	-
	County Visibility And Branding	7,520,000	5,360,754	2,159,246	71
	Sub total	**27,250,890**	**9,380,894**	**17,869,996**	**34**
Stakeholder, Special Projects and Disaster Management	Special Projects Services	10,320,000	3,683,116	6,636,884	36
	Public Participation Coordination Services	3,600,000	2,575,740	1,024,260	72
	Disaster Prevention and Management Services	4,800,000	-	4,800,000	-
	Sub total	**18,720,000**	**6,258,856**	**12,461,144**	**33**
	Total	**463,000,546**	**255,708,962**	**207,291,584**	**55**
Executive Office of the Governor					
Governance and coordination services	Executive management and liaison services	532,819,306	287,327,034	245,492,272	54
	Field coordination and administration services	14,181,600	2,061,954	12,119,646	15
	Sub total	**547,000,906**	**289,388,988**	**257,611,918**	**53**
Strategy and service delivery improvement services	Strategy and advisory services	40,210,555	16,483,537	23,727,018	41
	Information and Communication Services	4,050,000	349,000	3,701,000	9
	Sub total	**44,260,555**	**16,832,537**	**27,428,018**	**38**
Public service administration support services	Human resource management and development services	19,906,980	3,718,060	16,188,920	19
	Legal Services	20,978,330	3,111,525	17,866,805	15
	Performance Management Services	-	-	-	-
	Sub total	**40,885,310**	**6,829,585**	**34,055,725**	**17**
	Total	**632,146,771**	**313,051,110**	**319,095,661**	**50**
Kendu Bay Municipal Board					
Planning, Finance and Administrative Support Services	Policy and Planning Services	1,057,052	-	1,057,052	-
	Personnel remuneration and development services	3,803,640	2,400,000	1,403,640	63
	Administration and Support Services	5,009,582	-	5,009,582	-
	Sub total	**9,870,274**	**2,400,000**	**7,470,274**	**24**
Public Works and Infrastructure Improvements Services	Transport Infrastructure Improvements	-	-	-	-
	Public facilities improvement services	3,000,000	-	3,000,000	-
	Environmental Improvement Services	-			
	Sub total	**3,000,000**	-	3,000,000	-
Housing and Urban Development Services	Environmental Improvement Services	3,500,000	-	3,500,000	-
	Land Use Management	1,500,000	-	1,500,000	-
	Sub total	**5,000,000**	**-**	**5,000,000**	**-**
	Total	**17,870,274**	**2,400,000**	**15,470,274**	**13**
Mbita Municipal Board					
Planning, Finance and Administrative Support Services	Policy and Planning Services	3,803,640	-	3,803,640	-
	Personnel remuneration and development services	3,731,949	2,000,000	1,731,949	54
	Administration and Support Services	2,334,685	-	2,334,685	-

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Programme	Sub-Programme	Approved Estimates (Kshs)	Actual Expenditure (Kshs)	Variance (Kshs)	Absorption (%)
Public Works and Infrastructure Improvement Services	**Sub total**	**9,870,274**	**2,000,000**	**7,870,274**	**20**
	Transport Infrastructure Improvements	3,000,000	-	3,000,000	-
	Public facilities improvement services	-	-	-	-
	Sub total	**3,000,000**	**-**	**3,000,000**	**-**
Housing and Urban Development Services	Environmental Management Services	5,000,000	-	5,000,000	-
	Land Use Management	-	-	-	-
	Sub total	**5,000,000**	**-**	**5,000,000**	**-**
	Total	**17,870,274**	**2,000,000**	**15,870,274**	**11**
Ndhiwa Municipal Board					
Planning, Finance and Administrative Support Services	Policy and Planning Services	3,886,440	-	3,886,440	-
	Personnel remuneration and development services	3,731,949	600,000	3,131,949	16
	Administration and Support Services	2,251,885	-	2,251,885	-
	Sub total	**9,870,274**	**600,000**	**9,270,274**	**6**
Public Works and Infrastructure Improvement Services	Transport Infrastructure Improvements	3,000,000	-	3,000,000	-
	Public facilities improvement services	-	-	-	-
	Sub total	**3,000,000**	**-**	**3,000,000**	**-**
Housing and Urban Development Services	Environmental Management Services	5,000,000	-	5,000,000	-
	Land Use Management	-	-	-	-
	Sub total	**5,000,000**	**-**	**5,000,000**	**-**
	Total	**17,870,274**	**600,000**	**17,270,274**	**3**
Oyugis Municipal Board					
Planning, Finance and Administrative Support Services	Policy and Planning Services	705,831	-	705,831	-
	Personnel remuneration and development services	6,556,056	1,300,000	5,256,056	20
	Administration and Support Services	5,571,733	-	5,571,733	-
Public Works and Infrastructure Improvement Services	**Sub total**	**12,833,620**	**1,300,000**	**11,533,620**	**10**
	Transport Infrastructure Improvements	19,800,000	-	19,800,000	-
	Public facilities improvement services	-	-	-	-
	Sub total	**19,800,000**	**-**	**19,800,000**	**-**
Housing and Urban Development Services	Environmental Management Services	5,000,000	-	5,000,000	-
	Land Use Management	-	-	-	-
	Sub total	**5,000,000**	**-**	**5,000,000**	**-**
	Total	**37,633,620**	**1,300,000**	**36,333,620**	**4**
GRAND TOTAL		**11,876,978,601**	**5,972,891,360**	**5,904,087,241**	**50**

***Source**: Homa Bay County Treasury*

The Sub-programmes with the highest levels of budget implementation based on absorption rates were Capacity building services in the County Assembly Service Board at 98 per cent; Routine medical health services under the Department of Public Health and Medical Services at 94 per cent; the Policy and Planning Services under the Department of Water Sanitation, Irrigation, Environment, Energy and Climate Change at 92 per cent; the farm input access services under the Office of the Deputy Governor and Department of Agriculture, Livestock, Fisheries and Food Security at 86 per cent; the Legislative development and approval services and Public Participation and Education Services in the County Assembly Service Board at 86 per cent and 84 per cent respectively;

3.8.16 Accounts Operated Commercial Banks

The County Government operated twelve accounts with commercial banks, including five accounts for Established Funds, one revenue account, three recurrent operational accounts, two salary holding accounts and one retention account as shown in Table 3.85.

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Table 3.85: Bank Accounts Operated at Commercial Banks

No.	Name of Bank Account	Bank Account Number	Purpose of the Bank Account
County Assembly			
1	Cooperative Bank of Kenya	01141456870100	Recurrent Operational Expenditure
2	Equity Bank Kenya Limited	0980263265106	Recurrent Operational Expenditure
3	Equity Bank Kenya Limited	0980279894772	Recurrent Operational Expenditure
4	Kenya Commercial Bank Limited	1309435375	Suppliers Retention Account
5	Equity Bank Kenya Limited	0980162413604	Homa Bay County Assembly Car, Loan and Mortgage Scheme Fund
County Executive			
1	Kenya Commercial Bank Limited	1321431163	Homa Bay County Bursary Fund
2	Diamond Trust Bank Kenya Limited	0912819001	Homa Bay County Car Loan and Mortgage Scheme Fund
3	Equity Bank Kenya Limited	0980268936410	Homa Bay Emergency Fund
4	Kenya Commercial Bank Limited	1140805649	Salary Account
5	Equity Bank Kenya Limited	0980268093213	Homa Bay County Alcoholic Drinks Control Fund
6	Equity Bank Kenya Limited		Salary Account
7	Kenya Commercial Bank Limited		Revenue Collection Account

***Source**: Homa Bay County Treasury*

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening the commercial bank accounts as required by Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.8.17 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;

i. The Fund Administrator of the Homa Bay County Assembly Car Loan and Mortgage Scheme Fund failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012.

ii. A high wage bill accounted for 54 per cent of the County's total revenue in the first nine months of FY 2024/25, Kshs.7.19 billion, which is above the ceiling provided in law.

iii. The County government uses commercial bank accounts for operations contrary to Regulations 82(1)(b) of the PFM (County Governments) Regulations, 2015, which requires that County government bank accounts must be opened and maintained at the Central Bank of Kenya. The commercial bank accounts are for County-established funds, salary processing and operations.

iv. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

v. A substantial number of programmes had absorption rates of their respective approved budgets below 10 per cent with some experiencing zero absorption rates.

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

i. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*

ii. *The County Public Service Board should establish an optimal staffing structure to ensure expenditure on personnel emoluments complies with Regulation 25 (1) (b) of the Public Finance Management (County Governments) Regulations, 2015.*

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iii. *The County Government should ensure that bank accounts are opened and operated at the Central Bank of Kenya as required by the law. However, imprest bank accounts for petty cash and own-source revenue collection accounts are exempted.*

iv. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

v. *The County should conduct thorough review of the programmes to identify the reasons behind the low absorption of funds. Additionally, it should consider reallocating more resources to effective programmes to ensure optimal utilization of funds.*

3.9. County Government of Isiolo

3.9.1 Overview of FY 2024/25 Budget

The Isiolo County Gross Approved Budget for FY 2024/25 is Kshs.6.83 billion. It comprises Kshs.2.41 billion (35 per cent) and Kshs.4.42 billion (65 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.03 billion (17.7 per cent) from the FY 2023/24 budget, comprising a development budget of Kshs.1.77 billion and a recurrent budget of Kshs.3.03 billion. The increase in the budget was attributed to the rise in projection for additional allocation receipts and the balances b/f from FY 2023/24. The County's Net Approved Budget (gross budget less AIA estimates) is Kshs.6.73 billion, which consists of Kshs.4.32 billion for recurrent and Kshs.2.41 billion for development.

The budget will be financed from different sources of revenue. These include; Kshs.5.08 billion (74 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.944.53 million (14 per cent) as additional allocations, a cash balance of Kshs.438.73 million (6 per cent) brought forward from FY 2023/24, and Kshs.371.21 million (5 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.100 million (27 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.271.21 million (73 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.86.

3.9.2 Revenue Performance

During the review period, the county received Kshs.3.46 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.232.89 million from Kshs.3.23 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.2.85 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.1.96 million, and its own-source revenue (OSR) collection of Kshs.165.02 million. In addition, the County had a cash balance of Kshs.438.73 million from FY 2023/24.

The total OSR collection of Kshs.165.02 million, Facilities Improvement Financing (FIF) of Kshs.42.74 million, and Kshs.122.28 million from other OSR sources. OSR collections from the FIF were received from Isiolo County Referral level IV hospitals, where FIF is collected. Table 3.86 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.86: Isiolo County, Revenue Performance in the First Nine Months of FY 2024/25

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally -**	5,078,735,614	2,855,634,000	56.2
Subtotal		**5,078,735,614**	**2,855,634,000**	**56.2**
B	**Additional Allocations**			
1	Supplement for the construction of the County HQ	115,350,161		0.0
2	Transfer of Museum function	1,093,656		0.0
3	Roads maintenance fuel levy Fund	190,644,441		0.0
4	Community Health Promoters	21,630,000		0.0
5	Danida	6,532,500	1,956,702	30.0
6	Financing Locally Led Climate Action (FLLoCA)	136,000,000		0.0
7	Emergency Locust Response Project ELRP (World Bank)	142,500,000		0.0
8	Food Systems Resilience Project (FSRP)	173,076,923		0.0

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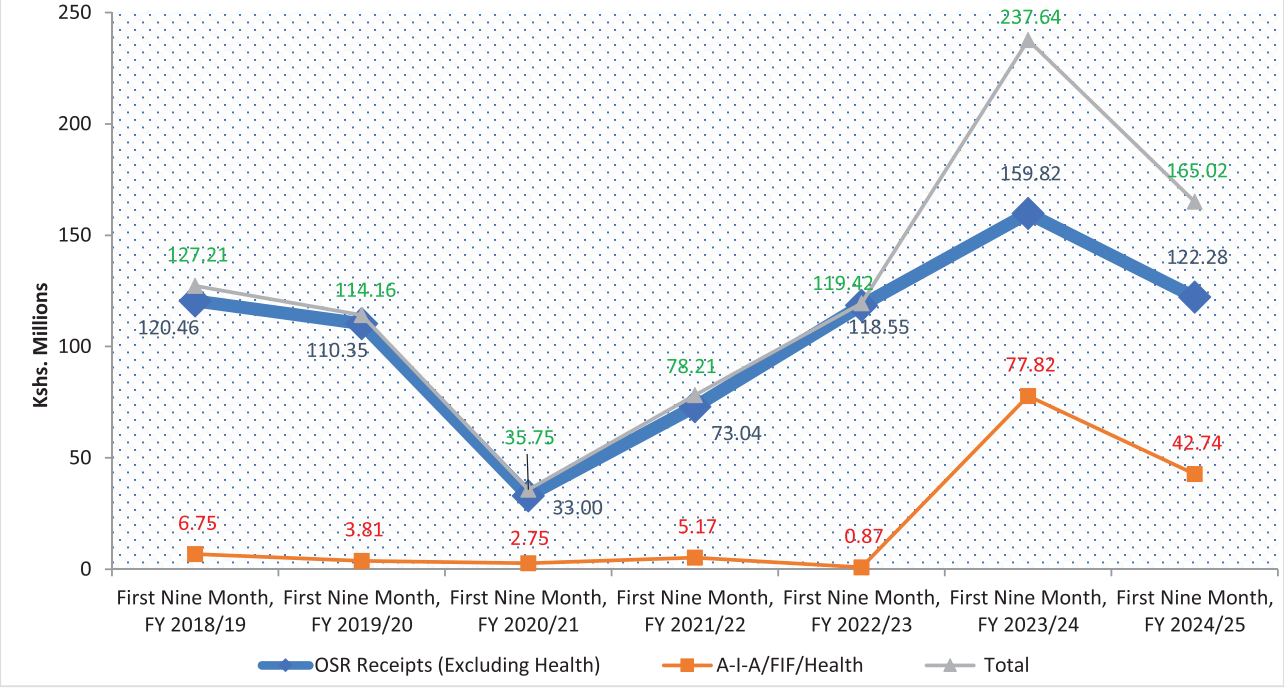
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
9	Kenya Agricultural Business Development Project (KABDP)-GOS	10,918,919		0.0
10	Kenya Agricultural Business Development Project (KABDP)-MOALD Contribution	1,000,000		0.0
11	Kenya Devolution Support Program II (KDSP II)	37,500,000		0.0
12	Kenya Urban Support Program (KUSP)-UIG	35,000,000		0.0
13	Kenya Urban Support Program (KUSP)-UDG	63,661,198		0.0
14	United Nations Fund for Population Activities (UNFPA)	9,620,000		0.0
Subtotal		**944,527,798**	**1,956,702**	**0.2**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	271,208,180	122,275,976	45.1
2	Facility Improvement Fund (FIF)	100,000,000	42,741,732	42.7
Subtotal		**371,208,180**	**165,017,708**	**44.5**
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2023/24	438,727,444	438,727,444	100.0
Sub-Total		**438,727,444**	**438,727,444**	**100.0**
Grand Total		**6,833,199,036**	**3,461,335,854**	**50.7**

Source: *Isiolo County Treasury*

The County is yet to receive Additional Allocations for the FY 2024/25 due to the delay in passing the County Government Additional Allocation Bill 2024. The County has also yet to domesticate the national FIF Act 2023 into county legislation.

Figure 33 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 33: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



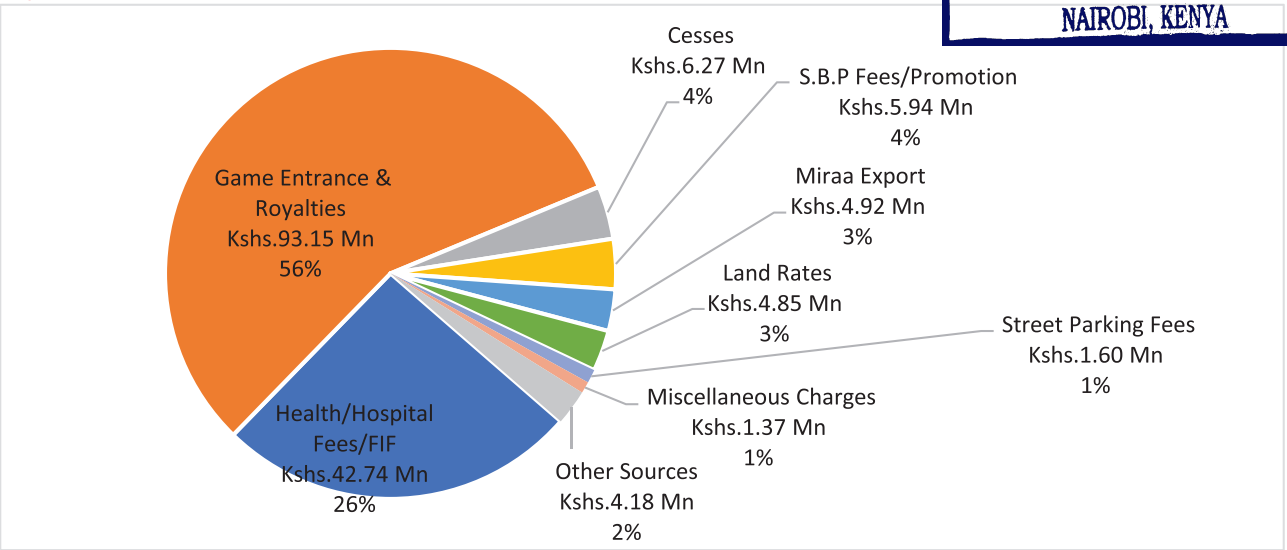
Source: *Isiolo County Treasury*

During the review period, the County generated Kshs.165.02 million from its own-revenue sources, including AIA and FIF. This amount was a decrease of 44.1 per cent compared to Kshs.237.64 million realised in a similar period in FY 2023/24 and was 44.5 per cent of the annual target and 5.8 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 34.

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Figure 34: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source: *Isiolo County Treasury*

As shown in Figure 34, the highest revenue stream, Kshs.93.15 million, was from Game Entrance & Royalties, which contributed 56 per cent of the total OSR receipts.

3.9.3 Borrowing by the County

The County Government did not report any borrowing to the OCoB during the period under review.

3.9.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.3.21 billion from the CRF account comprised Kshs.744.63 million (23.2 per cent) for development programmes and Kshs.2.46 billion (76.8 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.1.79 billion was released towards compensation of employees and Kshs.672.69 million for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, does not include the March 2025 exchequer request for the County Executive and County Assembly due to delay in receipt of equitable share and underperformance of OSR.

Analysis of the operations and maintenance exchequer releases indicates that 16 per cent was for domestic travel. The domestic travel exchequer amounted to Kshs.105.97 million and included Kshs.22.08 million for the County Executive and Kshs.83.89 million for the County Assembly. The foreign exchequer totalled Kshs.800,000 all for the County Executive.

Table 3.87: Isiolo County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	556,240,773	70,000,000	356,977,853	39,999,999	64.2	57.1
County Executive Sector	465,525,987	-	277,581,797	-	59.6	∞
County Treasury and Economic Planning, Special Programme, ICT, and Cohesion	495,645,882	680,462,813	377,470,177	495,550,946	76.2	72.8
Lands, Urban Planning, Roads, Housing and Public Works	56,244,987	340,644,441	23,277,688	127,194,490	41.4	37.3
Agriculture, Livestock, Veterinary and Fisheries	175,083,277	363,571,990	99,468,972	22,000,000	56.8	6.1
Education, Youth, Sports, and Gender, Culture and Social Services	341,607,684	110,522,010	167,741,417	2,175,000	49.1	2.0
Tourism, Culture and Trade, including PSM	666,255,685	176,500,000	313,722,989	-	47.1	0.0

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Department	Revised Net Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Water, Energy, Environment and Natural Resources Management	83,667,351	305,940,000	43,524,205	46,370,282	52.0	15.2
Health Services	1,394,579,207	111,752,500	777,603,042	11,342,144	55.8	10.1
Municipal Administration	85,918,661	253,035,788	25,343,209	-	29.5	0.0
Total	**4,320,769,494**	**2,412,429,542**	**2,462,711,348**	**744,632,861**	**57.0**	**30.9**

***Source**: Isiolo County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.203.81 million.

3.9.5 County Expenditure Review

The County spent Kshs.3.44 billion on development and recurrent programmes in the reporting period. The expenditure represented 107.1 per cent of the total funds released by the CoB and comprised of Kshs.775.53 million and Kshs.2.66 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 32.1 per cent, while recurrent expenditure represented 61.6 per cent of the annual recurrent expenditure budget.

3.9.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.41 billion as of 30 June 2024. This amount included Kshs.1.35 billion from the County Executive and Kshs.56.65 million from the County Assembly. The pending bills from the County Executive consist of Kshs.862.75 million for recurrent expenditures and Kshs.491.29 million for development expenditures, while those for the County Assembly consist of Kshs.48.55 million for recurrent expenses and Kshs.8.09 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.661.58 million, comprising Kshs.389.81 million for recurrent programmes and Kshs.271.77 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.42.74 million, all for recurrent activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.545.89 million and Kshs.55.63 million, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.661.58 million for the Executive and Kshs.42.74 million for the Assembly.

As of 31st March 2025, the outstanding bills amounted to Kshs.706.36 million, comprising Kshs.692.46 for the County Executive and Kshs.13.91 billion for the County Assembly.

3.9.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.64 billion on employee compensation, Kshs.667.80 million on operations and maintenance, and Kshs.735.53 million on development activities. Similarly, the County Assembly spent Kshs.224.98 million on employee compensation, Kshs.132 million on operations and maintenance, and Kshs.40 million on development activities, as shown in Table 3.88.

Table 3.88: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**3,764,528,721**	**556,240,773**	2,304,088,206	356,977,854	61	64
Compensation to Employees	2,260,266,017	276,804,582	1,636,290,714	224,977,854	72	81
Operations and Maintenance	1,504,262,704	279,436,191	667,797,492	132,000,000	44	47
Development Expenditure	2,342,429,542	70,000,000	735,525,962	39,999,999	31	57
Total	**6,106,958,263**	**626,240,773**	**3,039,614,168**	**396,977,853**	**50**	**63**

***Source**: Isiolo County Treasury*

3.9.8 Expenditure on Compensation to Employees

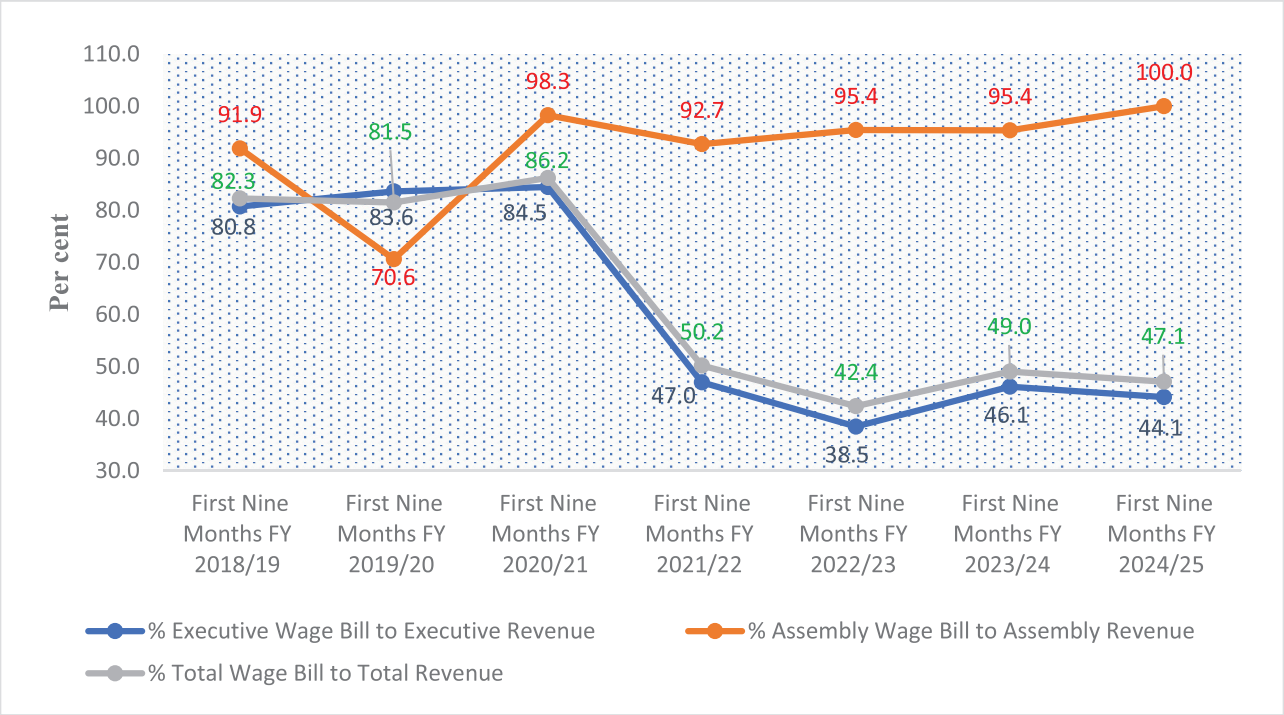
In the period under review, the expenditure on employee compensation amounted to Kshs.1.86 billion. Consequently, the percentage of employee compensation to revenue is 53.8 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.1.67 billion reported during the same period in FY 2023/24. Of this total,

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Kshs.809.95 billion was allocated to Health Sector employees, which accounts for 43.5 per cent of the overall employees' compensation.

Figure 35 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 35: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



***Source**: Isiolo County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.68 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.73.96 million was processed through manual payrolls, which accounted for 3 per cent of the total PE cost.

The manual payrolls comprised salaries for 29 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 77 casual staff, top-up allowance for 7 security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.89.

Table 3.89: Breakdown of Isiolo County Manual Payroll

S/no.	Description of Manual Payroll	Amount Kshs.
1	Salaries for 29 staff yet to be onboarded into UHR for County Assembly	24,000,813
2	Salaries for 77 casual staff for County Assembly	17,033,841
3	Top-up Allowances for 7 security officers for County Assembly	1,485,000
4	LAPTRUST/LAPFUND Pension Contributions for County Assembly	800,175
5	Gratuity for contract staff for County Assembly	9,328,914
6	Housing Levy Employer Contributions for County Executive	21,316,086
	Total	**73,964,829**

Source: Isiolo County Treasury

The County Assembly spent Kshs.8.15 million on committee sitting allowances for the 19 MCAs against the annual budget allocation of Kshs.10.50 million. The average monthly sitting allowance was Kshs.47,670 per MCA. The County Assembly has 11 House Committees.

3.9.9 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.345.06 million to County-Established funds in FY 2024/25, or 5.6 per cent of the County's overall budget. Further, the County allocated Kshs.110

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million to the Emergency Fund (1.8 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.90 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.90: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
County Executive Established Funds							
1	Emergency Fund	2021	110,000,000	110,000,000	109,945,580	541,418,164	Yes
2	Scholarships and other Educational Benefits - Tertiary Education	2015	70,000,000	-	23,213,761	380,000,000	Yes
3	Isiolo County Ward Development Fund- Village Level Development Projects implementation in all wards		150,000,000	-	-	-	Not yet operational
County Assembly Established Funds							
1	Housing loans to public servants	2018	15,060,000		480	64,500,000	Yes
	Total		**345,060,000**	**110,000,000**	**133,159,821**	**985,918,164**	

Source: *Isiolo County Treasury*

Note: Cumulative disbursements to a fund include all monies that the County Treasury has transferred to the Fund since its inception to the reporting period.

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. During the reporting period, the CoB established that the lifespan of the Bursary had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

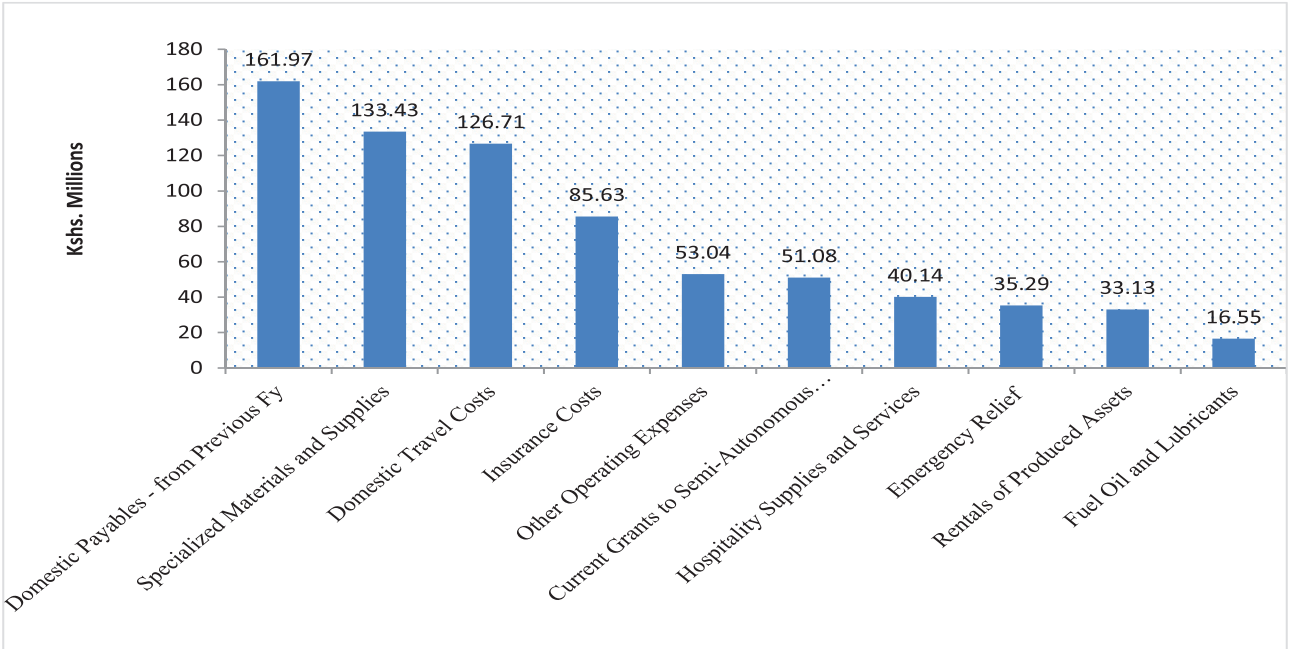
3.9.10 County Corporations

The County has not provided a report on its county corporations for the first nine months of FY 2024/25.

3.9.11 Expenditure on Operations and Maintenance

Figure 36 summarises the Operations and Maintenance expenditure by major categories.

Figure 36: Isiolo County, Operations and Maintenance Expenditure by Major Categories



Source: *Isiolo County Treasury*

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Expenditure on domestic travel amounted to Kshs.126.71 million and comprised Kshs.83.89 million spent by the County Assembly and Kshs.42.82 million by the County Executive. Expenditure on foreign travel amounted to Kshs.800,000 by the County Executive. Expenditure on foreign travel is summarised in Table 3.91 :

Table 3.91: Breakdown of "Other Operating Expenses" costs in the above graph.

Department	Particulars	Amount (Kshs)
3512 County Executive Sector	Legal Dues/Fees, Arbitration and Compensation Payments	32,475,000
3522 Health Services	Contracted Guards and Cleaning Services	8,766,000
3524 Town Administrator	Contracted Guards and Cleaning Services	7,200,000
3511 County Assembly	Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	1,500,000
3522 Health Services	Emergency Medical Expenses	1,250,000
3512 County Executive Sector	Security Operations	1,200,000
3513 Finance, Planning, National Development and Vision 2030	Contracted Guards and Cleaning Services	651,120
Total		**53,042,120**

***Source**: Isiolo County Treasury*

The operations and maintenance costs include an expenditure of Kshs.15.5 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.9.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.42.74 million as FIF, which was 42.7 per cent of the annual target of Kshs.100 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 Health Facilities did not provide a report on the utilisation of the FIF during the reporting period, contrary to Section 18 (e) of the FIF Act, 2023.

3.9.13 Development Expenditure

In the review period, the County reported spending Kshs.775.53 million on development programmes, representing an increase of 37.1 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.565.80 million. Table 3.92 summarises development projects with the highest expenditure in the reporting period.

The increase in development expenditure was attributed to settlement of pending bills.

Table 3.92: Isiolo County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31st March 2025	Implementation status (%)
1	Lands, Urban Planning, Roads, Housing and Public Works	Roads maintenance	Wabera, Bullapesa, Burat, Oldonyiro, Ngaremara, Chari, Cherab, Garbatulla, Kinna, Sericho	-	190,644,441	73,053,997	0	38
2	Water, Energy, Environment and Natural Resources Management	Financing Locally Led Climate Action (FLLoCA)-Nat. Govt. (climate change resielient project	Wabera, Bullapesa, Burat, Oldonyiro, Ngaremara, Chari, Cherab, Garbatulla, Kinna, Sericho		136,000,000	56,238,526	0	41
3	County Assembly	Debating Chamber and Offices	Headquarters		70,000,000	39,999,999	0	45

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31st March 2025	Implementation status (%)
4	Lands, Urban Planning, Roads, Housing and Public Works	Roads maintenance across the county	Wabera, Bullapesa, Burat, Oldonyiro, Ngaremara, Chari, Cherab, Garbatulla, Kinna, Sericho	-	32,000,000	32,000,000	0	100
5	Agriculture, Livestock, Veterinary and Fisheries	Emergency Locust Response Program (ELRP)	Wabera, Bullapesa, Burat, Oldonyiro, Ngaremara, Chari, Cherab, Garbatulla, Kinna, Sericho	-	142,500,000	22,000,000	0	
6	County Treasury and Economic Planning and Special Programme and ICT and Cohesion	Construction of Sand Revenue Access Points/ Roads	Ngaremara, Oldonyiro, Burat & Garbatulla		40,000,000	20,037,782	0	50
7	Lands, Urban Planning, Roads, Housing and Public Works	Roads maitenance at Grados -st paul secondary -kiwanjani catholic	wabera	-	8,000,000	8,000,000	0	100
8	Water, Energy, Environment and Natural Resources Management	Rehabilitation of broken down boreholes at all wards	Wabera, Bullapesa, Burat, Oldonyiro, Ngaremara, Chari, Cherab, Garbatulla, Kinna, Sericho		10,000,000	5,729,240	0	57
9	Lands, Urban Planning, Roads, Housing and Public Works	County spatial plan	Wabera, Bullapesa, Burat, Oldonyiro, Ngaremara, Chari, Cherab, Garbatulla, Kinna, Sericho		30,000,000	5,151,700	0	17
10	Water, Energy, Environment and Natural Resources Management	Installation of solar street lights	Ngaremara, Oldonyiro and Cherab		4,500,000	4,500,000	0	100

***Source**: Isiolo County Treasury*

The County has reported 5 stalled development projects (all are ward offices for county assembly) to date, with an estimated value of Kshs.25 million, of which Kshs.19.39 million has already been paid.

3.9.14 Budget Performance by Department

Table 3.93 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.93: Isiolo County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs.Million)		Exchequer Received, plus AIAs (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	556.24	70.00	356.98	40.00	356.98	40.00	100.00	100.00	64.2	57.1
County Executive Sector	465.53	-	277.58	-	252.47	-	90.96	-	54.2	-
County Treasury and Economic Planning and Special Programme and ICT and Cohesion	495.65	680.46	377.47	495.55	278.05	503.92	73.66	101.69	56.1	74.1
Lands, Urban Planning, Roads, Housing and Public Works	56.24	340.64	23.28	127.19	2.82	120.99	12.11	95.12	5.0	35.5

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Department	Revised Gross Budget Allocation (Kshs.Million)		Exchequer Received, plus AIAs (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock, Veterinary and Fisheries	175.08	363.57	99.47	22.00	76.69	22.00	77.10	100.00	43.8	6.1
Education, Youth, Sports, and Gender, Culture and Social Services	341.61	110.52	167.74	2.18	214.29	8.25	127.75	379.31	62.7	7.5
Tourism, Culture and Trade, including PSM	666.26	176.50	313.72	-	454.87	-	144.99	-	68.3	-
Water, Energy, Environment and Natural Resources Management	83.67	305.94	43.52	46.37	23.76	66.47	54.59	143.34	28.4	21.7
Health Services	1,494.58	111.75	777.60	11.34	973.26	10.02	125.16	88.36	65.1	9.0
Municipal Administration	85.92	253.04	25.34	-	27.87	3.88	109.97	-	32.4	1.5
	4,420.77	**2,412.43**	**2,462.71**	**744.63**	**2,661.07**	**775.53**	**108.05**	**104.15**	**60.2**	**32.1**

Source: *Isiolo County Treasury*

Analysis of expenditure by departments shows that the Department of County Treasury, Economic Planning, Special Programme, ICT, and Cohesion recorded the highest absorption rate of development budget at 74.1 per cent, followed by the County Assembly at 57.1 per cent. The Department of Tourism, Culture and Trade, including PSM, had the highest percentage of recurrent expenditure to budget at 68.3 per cent. In contrast, the Department of Lands, Urban Planning, Roads, Housing and Public Works had the lowest at 5 per cent.

The county's expenditure exceeds approved exchequer requisitions. This may be attributed to the non-reconciliation of IFMIS and IB to clear outstanding payments.

3.9.15 Budget Execution by Programmes and Sub-Programmes

Table 3.94 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.94: Isiolo County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Assembly							
Legislative service	Legislative service	556,240,773	-	356,977,854	-	64.2	∞
Infrastructure support	Infrastructure support	0	70,000,000	0	39,999,999	∞	57.1
County Assembly Total		**556,240,773**	**-**	**356,977,854**		**64.2**	**∞**
County Executive Sector							
County Governance and Coordination Affairs	County Governance	76,081,860		24,444,647		32.1	∞
	General Administration Planning & Support Services	232,572,763		156,749,546		67.4	∞
	Sub-Total	**308,654,623**	**-**	**181,194,193**		**58.7**	**∞**
Human Resources Management & Deployment	General Administration Planning & Support Services	30,541,500		15,186,668		49.7	∞
	Human Resource Planning & Development	8,645,000		2,242,600		25.9	∞
	Board Operation & Management	10,255,000		133,600		1.3	∞
	Board Operation & Management	5,100,000		0		0	∞
	Sub-Total	**54,541,500**		**17,562,868**		**32.2**	**∞**

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Prudent Use of Financial Resources	General Administration Planning & Support Services	0		0		∞	∞
	Efficiency Monitoring & Community Engagement	18,853,898		9,032,449		47.9	∞
	Sub-Total	**18,853,898**		**9,032,449**		**47.9**	**∞**
Legal & Legislative Services	Legal Services	32,475,000		15,500,000		47.7	∞
	Legislative Services	8,323,738		2,960,330		35.6	∞
	Sub Total	**40,798,738**		**18,460,330**		**45.2**	**∞**
Management of County Affairs	Personnel Services	0	-	-	-	∞	∞
	Partnerships Intergovernmental& NGO Coordination	5,950,000		604,000		10.2	∞
	Sub-Total	**5,950,000**	**-**	**604,000**		10.2	∞
County Executive Sector Total		**428,798,759**	**-**	**226,853,839**	**-**	**52.9**	**∞**
County Treasury and Economic Planning, Special Programme, ICT and Cohesion							
Public financial management	Audit Services	1,552,500	115,350,161	775,800		50.0	-
	Supply Chain Management Services	13,816,372	-	5,315,073	-	38.5	∞
	Accounting Services	319,775,798	426,112,652	208,405,826	393,917,714	65.2	92.4
	Sub-Total	**335,144,670**	**541,462,813**	**214,496,699**	**393,917,714**	**64.0**	**72.8**
Disaster Preparedness, Prevention, Response & Recovery	General Administration Planning & Support Services	7,100,000	-	2,325,800		32.8	∞
	Coordination Training & Capacity Development	4,610,000	-	544,800		11.8	∞
	Disaster Risk Awareness, Preparedness & Management	31,400,000	110,000,000	26,505,000	110,000,000	84.4	100.0
	Social Protection	20,350,000	-	11,188,500	-	55.0	∞
	Sub-Total	**63,460,000**	**110,000,000**	**40,564,100**	**110,000,000**	**63.9**	**100.0**
Economic Planning and Coordination	Monitoring and Evaluation	19,169,668	24,000,000	6,999,306	-	36.5	-
	Budget Formulation & Coordination	17,831,730	5,000,000	970,900	-	5.4	-
	Monitoring & Evaluation	8,573,814	-	505,300		5.9	∞
	Sub-Total	**45,575,212**	**29,000,000**	**8,475,506**	**-**	**18.6**	**-**
Cohesion and Peace Building	Administrative and Civic Education Services	11,176,734	-	4,790,605		42.9	∞
	Peace and Cohesion	11,755,266	-	1,809,600		15.4	∞
	Violent Extremism Prevention	2,220,000	-	150,000		6.8	∞
	Sub-Total	**25,152,000**	**-**	**6,750,205**	**-**	**26.8**	**∞**
Revenue Enhancement	General Administration Planning & Support Services	12,071,000	-	4,028,171		33.4	∞
	Source Revenue Enhancement	3,143,000	-	371,000	-	11.8	∞
	Sub-Total	**15,214,000**	**-**	**4,399,171**		**28.9**	**∞**

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
ICT and E-Government services	ICT Innovation and Enterprises	9,600,000	-	3,365,870		35.1	∞
	County Government Public Image Improvement	1,500,000	-	0		-	∞
	E- E-Government Services	0	-		-	∞	∞
	Sub-Total	**11,100,000**	**-**	**3,365,870**	**-**	**30.3**	**∞**
County Treasury and Economic Planning ….. Total		**495,645,882**	**680,462,813**	**278,051,551**	503,917,714	56.1	74.1
Lands, Urban Planning, Roads, Housing and Public Works							
Land Survey and land use planning	County land planning and spatial development	21,735,137		623,848		2.9	∞
	Land Use Planning	0	38,000,000	0	5,151,700	∞	13.6
	Land Survey & Mapping	0	10,000,000	0	2,785,740	∞	27.9
	Sub-Total	**21,735,137**	**48,000,000**	**623,848**	**7,937,440**	**2.9**	**16.5**
Roads & Infrastructure	Road Improvement	15,128,190	-	1,631,230		10.8	∞
	Routine Road Maintenance	0	292,644,441	0	113,053,997	∞	38.6
	Sub-Total	**15,128,190**	**292,644,441**	**1,631,230**	**113,053,997**	**10.8**	**38.6**
Planning and Survey of Urban Areas	Administration and Planning Services	7,95,000	-	344,000		4.3	∞
	Housing Development	0	-	0		∞	∞
	Urban Development	0	-		-	∞	∞
	Sub-Total	**7,950,000**	**-**	**344,000**	**-**	**4.3**	**∞**
Public Works & Infrastructure	General Administration Planning & Support Services	11,431,660	-	219,100		1.9	∞
	Routine Road Maintenance	0	-		-	∞	∞
	Sub-Total	**11,431,660**	**-**	**219,100**		**1.9**	**∞**
Lands, Urban Planning, …. Total		**56,244,987**	**340,644,441**	**2,818,178**	**120,991,437**	**5.0**	**35.5**
Agriculture, Livestock, Veterinary and Fisheries							
Sustainable Crop Development & Agricultural Land Use	General Administration Planning & Support Services	43,583,116		20,109,128		46.1	∞
	Irrigation Schemes	3,834,634	2,500,000	0	-	-	∞
	Crop Development & Management	0	317,576,923	0	22,000,000	∞	6.9
	Agribusiness & Market Development	0	21,918,919	0		∞	-
	Sub-Total	**47,417,750**	**341,995,842**	**20,109,128**	**22,000,000**	**42.4**	**6.4**
Livestock Production	General Administration Planning & Support Services	95,640,763	-	45,771,392		47.9	∞
	Marketing & Value Addition	0	12,576,148		-	∞	-
	Breeds Improvement & Livestock Risk Management	0	-		-	∞	∞
	Livelihood Diversification	0	-		-	∞	∞
	Sub-Total	**95,640,763**	**12,576,148**	**45,771,392**	**-**	**47.9**	**-**

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Value Addition	Livestock Diseases & Pests Control	19,800,000	-	8,000,000		40.4	∞
	Diagnostics & Laboratory Services	3,025,000	-	500,000		16.5	∞
	Veterinary Public Health Services	900,000	2,000,000	0	-	-	-
	Sub-Total	**23,725,000**	**2,000,000**	**8,500,000**	**-**	**35.8**	**-**
Fisheries Development	General Administration & Support Services	8,299,764	-	2,309,933	-	27.8	∞
	Aquaculture Technology Development & Innovation Transfer	0	2,500,000	0	-	∞	-
	Fish Safety Assurance Value Addition & Marketing	0	4,500,000	0	-	∞	∞
	Sub-Total	**8,299,764**	**7,000,000**	**2,309,933**		**27.8**	**-**
Agriculture, Livestock, …. Total		**175,083,277**	**363,571,990**	**76,690,453**	**22,000,000**	**43.8**	**6.1**
Education, Youth, Sports, and Gender, Culture and Social Services							
Provision of education and training services	General Administration & Support Services	176,651,285	38,338,443	160,111,672	1,899,992	90.6	5.0
	ECDE Retention	26,000,000	-	9,000,000		34.6	∞
	Education Support Services	70,000,000	-	35,000,000	-	50.0	∞
	Quality ECDE Services	1,376,000	-	0	-	-	∞
	ECDE Access	0	-		-	∞	∞
	Sub-Total	**274,027,285**	**38,338,443**	**204,111,672**	**1,899,992**	**74.5**	**5.0**
Youth, Sports and Gender	Sports Performance & Management	18,462,451	29,590,000	3,370,900	-	18.3	-
	General Administration Planning & Support	0	-	0		∞	∞
	Youth Development	7,295,165	-	2,784,000	-	38.2	∞
	Sports Facilities Development	0	-		-	∞	∞
	Sub-Total	**25,757,616**	**29,590,000**	**6,154,900**	**-**	**23.9**	**-**
Culture and social services	Administration & Support Services	23,879,199	12,000,000	2,103,000	-	8.8	-
	Arts & Culture Development	570,000	1,093,567	250,000	-	43.9	∞
	Sub-Total	**24,449,199**	**13,093,567**	**2,353,000**	**-**	**9.6**	**-**
Gender Mainstreaming	Gender-Based Violence & Harmful Practices	1,532,784	-	0		-	∞
	Women Empowerment	0	-	0	-	∞	∞
	Child Protection	0	19,000,000	0	2,000,000	∞	10.5
	Sub-Total	**1,532,784**	**19,000,000**	**0**	**2,000,000**	**-**	**10.5**
Disability Empowerment	PWDs Social-Economic Empowerment	4,900,000	-	1,571,000	-	32.1	∞
	Sub-Total	**4,900,000**	**0**	**1,571,000**	**-**	**32.1**	**∞**
Cultural and Arts Empowerment	TVET Access & Retention	9,220,957	6,000,000	0	-	-	-
	VTC Quality Development	1,719,843	4,500,000	100,000	4,350,000	5.8	96.7
	Secondary & Tertiary Education Support	0	-		-	∞	∞
	Sub-Total	**10,940,800**	**10,500,000**	**100,000**	**4,350,000**	**0.9**	**41.4**
Education, Youth, Sports ,… Total		**341,607,684**	**110,522,010**	**214,290,572**	**8,249,992**	**62.7**	**7.5**

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Tourism, Culture and Trade, including PSM							
Tourism Promotion	Tourism Promotion and Marketing	103,920,882		67,895,638		65.3	∞
	Tourism Development	0	5,000,000	0	-	∞	-
	Wildlife Protection	0	3,500,000	0	-	∞	-
	Sub-Total	**103,920,882**	**8,500,000**	**67,895,638**	-	65.3	-
Trade development and promotion	Entrepreneurship and business management training	0	6,500,000	0	-	∞	-
	General Administration & Support Services	8,970,876		3,199,174		35.7	∞
	Co-operative Development & Management	5,040,705		1,271,035		25.2	∞
	Development of new market stalls	0	-	0	-	∞	∞
	Sub-Total	**14,011,581**	**6,500,000**	**4,470,209**	-	**31.9**	-
Peace and Unity Building Initiatives	General Administration Planning & Support Services	500,759,650		384,714,042		76.8	∞
	County Administration	0		0		∞	∞
	Public Service Productivity & Reforms	2,787,000		965,000		34.6	∞
	Performance Management Framework	0	4,000,000	0	-	∞	∞
	Devolved Units	71,500,800	157,500,000	23,380,340	-	32.7	∞
	Sub-Total	**575,047,450**	**161,500,000**	**409,059,382**	-	71.1	-
Civic Education & Public Participation	General Administration Planning & Support Services	5,118,000	-	2,500,000		48.8	∞
	Civic Education	3,230,000		1,270,900		39.3	∞
	Public Participation	1,410,000	-	0		-	∞
	Customer Service	595,000		60,000		10.1	∞
	Sub-Total	**10,353,000**	**0**	**3,830,900**	-	37.0	∞
Tourism, Culture and Trade …. Total		**703,332,913**	**176,500,000**	**485,256,129**	-	**69.0**	-
Water, Energy, Environment and Natural Resources Management							
Water Supply and Storage Services	Procurement of survey equipment & accessories	39,708,596		12,699,976		32.0	∞
	Rural Water Supply & Storage Services	0	117,440,000	0	5,729,240	∞	4.9
	Rural Water Services Governance	1,050,000	-	0	-	-	∞
	Adaptive Capacity to Natural Disaster	7,218,919	-	0	-	-	∞
	Sub-Total	**47,977,515**	**117,440,000**	**12,699,976**	**5,729,240**	**26.5**	**4.9**
Climate Change Mitigation & Adaptation	General Administration & Support Services	27,489,836	-	8,963,831		32.6	∞
	Enabling Legal & Implementation Frameworks	0	-	0		∞	∞
	Inclusive Climate Resilience	600,000	-	183,200		30.5	∞
	Climate Smart Practices	0	180,000,000	0	56,238,526	∞	31.2
	Sub-Total	**28,089,836**	**180,000,000**	**9,147,031**	**56,238,526**	**32.6**	**31.2**

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Conservation of Environment & Natural Resources	Administration and Support Services	0	-	0		∞	∞
	Sustainable Natural Resources Exploitation	3,600,000	2,000,000	1,171,500	-	32.5	-
	Environmental Conservation	0	-	0		∞	∞
	Sub-Total	**3,600,000**	**2,000,000**	**1,171,500**	-	**32.5**	-
Energy services	General Administration & Support Services	4,000,000	-	741,100		18.5	∞
	Green Energy Promotion	0	6,500,000	0	4,500,000	∞	69.2
	Renewable Energy Technologies	0	-	0	-	∞	∞
	Sub-Total	**4,000,000**	**6,500,000**	**741,100**	**4,500,000**	**18.5**	**69.2**
Water, Energy, Environment … Total		**83,667,351**	**305,940,000**	**23,759,607**	**66,467,766**	**28.4**	**21.7**
Health Services							
Health Curative Services	Administration Support Services	-		-		∞	∞
	Human Resource Management	652,615,510		517,408,589		79.3	∞
	Monitoring & Evaluation	2,402,000		33,600		1.4	∞
	Quality Assurance & Standards	2,473,116		0		-	∞
	Curative and Rehabilitative Health Services	43,110,939	6,000,000	14,877,000	-	34.5	∞
	Curative Infrastructure Support	0	32,000,000		-	∞	-
	Pharmaceutical & Pharmaceutical Commodities	237,680,329	15,000,000	108,566,602		45.7	-
	Sub-Total	**938,281,894**	**53,000,000**	**640,885,791**	-	**68.3**	-
Health Preventive and Promotive Services	Preventive and Promotive Health Services	0	19,620,000		4,334,660	∞	22.1
	Human Resource Management	0	-	0		∞	∞
	Primary Health Care	374,433,877	36,632,500	303,305,599	5,687,120	81.0	15.5
	Nutrition	4,427,392	2,500,000	1,287,700	-	29.1	-
	Community Health Services	40,360,000	-	14,505,000		35.9	∞
	Communicable Diseases Control	17,076,044	-	4,491,460		26.3	∞
	Public Health Emergency Coordination	20,000,000	-	8,788,000	-	43.9	∞
	Sub-Total	**456,297,313**	**58,752,500**	**332,377,759**	**10,021,780**	**72.8**	**17.1**
FIF	**FIF**	**100,000,000**	-			-	∞
Health Services Total		**1,494,579,207**	**111,752,500**	**973,263,551**	**10,021,780**	**65.1**	**9.0**
Town Administration							

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Municipal Administration	General Administration and Planning	71,328,500		16,752,724		23.5	∞
	Infrastructural Development	0	63,661,198	0	-	∞	-
	Municipality Amenities	8,200,000	104,000,000	7,200,000	-	87.8	-
	Municipal Disaster Management	6,390,161	-	3,917,895	-	61.3	∞
	Municipal Transport Services & Management	0	85,374,590	0	3,876,273	∞	4.5
	Town Administration Total	**85,918,661**	**253,035,788**	**27,870,619**	**3,876,273**	32.4	1.5
Grand Total		**3,864,878,721**	**2,342,429,542**	**2,308,854,499**	**735,524,962**	59.7	31.4

***Source**: Isiolo County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Disaster Risk Awareness Preparedness & Management in the Department of County Treasury and Economic Planning and Special Programme and ICT and Cohesion at 100 per cent, VTC Quality Development in the Department of Education, Youth, Sports, and Gender, Culture and Social Services at 96.7 per cent, Accounting Services in the Department of County Treasury and Economic Planning and Special Programme and ICT and Cohesion at 92.4 per cent, General Administration & Support Services in the department of Education, Youth, Sports, and Gender, Culture and Social Services per cent, at 90.6 per cent of budget allocation.

3.9.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 68 accounts with commercial banks, including 45 accounts for Health Facilities, 3 accounts for Established Funds, 4 revenue accounts, 6 special-purpose accounts (for additional allocations), and 10 accounts for operations.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.9.17 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;

i. The late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The County Assembly Report, Emergency Fund, and Bursary Fund reports were received on 15th April 2025, while partial County Executive reports were received on 14th May 2025. The County Executive has yet to submit some reports.

ii. Own-source revenue underperformed at Kshs.165.02 million against an annual target of Kshs.371.21 million, representing 44 per cent of the yearly target.

iii. There was a high level of pending bills, which amounted to Kshs.706.36 million as of 31st March 2025. Further, the county Treasury did not adhere to the payment plan for the pending bills.

iv. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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v. Under absorption of development budget at 32.1 per Cent of its annual estimate, and failure to submit data on implemented development projects in the first nine months of the FY 2024/25

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*

ii. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*

iii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*

iv. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

v. *The county treasury should take measures to accelerate the absorption of the development budget in the remaining two months and ensure the timely submission of data on implemented development projects.*

3.10. County Government of Kajiado

3.10.1 Overview of FY 2024/25 Budget

The Kajiado County Gross Approved FY 2024/25 budget is Kshs.13.19 billion. It comprises Kshs.4.07 billion (31 per cent) and Kshs.9.12 billion (69 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.6 billion (14 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.3.55 billion and a recurrent budget of Kshs.8.04. billion.

The budget will be financed from different sources of revenue. These include; Kshs.9.29 billion (70 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.2.26 billion (17 per cent) as additional allocations and Kshs.1.64 million (13 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.70 million (0.5 per cent) as Liquor fee, Kshs.370 million (3 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.1.2 billion (9 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.95.

3.10.2 Revenue Performance

During the review period, the county received Kshs.6.21 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.430 million from Kshs.5.78 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.5.50 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.16 million, and its own-source revenue (OSR) collection of Kshs.674.53 million. In addition, the County had a cash balance of Kshs.6.68 million from FY 2023/24.

The total OSR collection of Kshs.685.8 million includes Liquor fund of Kshs.11.27 million, Facilities Improvement Financing (FIF) of Kshs.247.42 million, and Kshs.427.11 million from other OSR sources. OSR collections from the FIF were received from Kajiado County Referral Hospital, Loitokitok Sub County Hospital, Ngong Sub County Hospital, Kitengela Sub County Hospital and Ongata Rongai Sub County Hospital. Table 3.95 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.95: Kajiado County, Revenue Performance in the First Nine Months of FY 2024/25

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally** -	9,293,272,951	5,504,128,252	**59.2**
Subtotal		**9,293,272,951**	**5,504,128,252**	**59.2**
B	**Additional Allocations**			
1	Aggregated Industrial Park	250,000,000	-	-
2	DANIDA- Level 2 and 3	7,308,000	-	-

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S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
3	DANIDA -Level 1 grants	2,588,250	-	-
4	Water Alliance (UNICEF)	10,000,000	-	-
5	Nutritional International	20,000,000	5,000,000	25
6	Community Health Promoters	50,070,000	-	-
7	AFD-Kenya Informal Settlement Improvement Project	180,626,011	-	-
8	Kenya Urban Support Programmes (KUSP-UIG)	35,000,000	-	-
9	IDA-National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	-	-
10	Kenya Agricultural Business Development (KADSP)	10,918,919	-	-
11	Aquaculture Business Development Project(ABDP-IFAD Contribution)	10,509,643	-	-
12	Financing of Locally Led Climate Actions (FLLoca)	137,511,456	11,000,000	8.0
13	Second Kenya Devolution Support Programme (KSDP II)	37,500,000	-	-
14	Road Maintenance Levy	307,376,319	-	-
1	Kenya Urban Support Programmes -Municipalities	227,801,862	-	-
2	Mineral Extraction Royalties	820,464,118	-	-
Subtotal		**2,259,189,730**	**16,000,000**	**0.7**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	1,200,000,000	427,112,838.80	35.6
2	Appropriation in Aid (A-I-A)	-	-	0.0
3	Facility Improvement Fund (FIF)	370,000,000	247,418,607	66.9
Subtotal		**1,570,000,000**	**674,531,445.80**	**43.0**
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2023/24	-	6,679,313	0.0
2	Other Revenues (provide a list)	70,000,000	11,271,435	16.1
Sub-Total		**70,000,000**	**17,950,748**	**25.6**
Grand Total		**13,192,462,681**	**6,212,610,446**	**47.1**

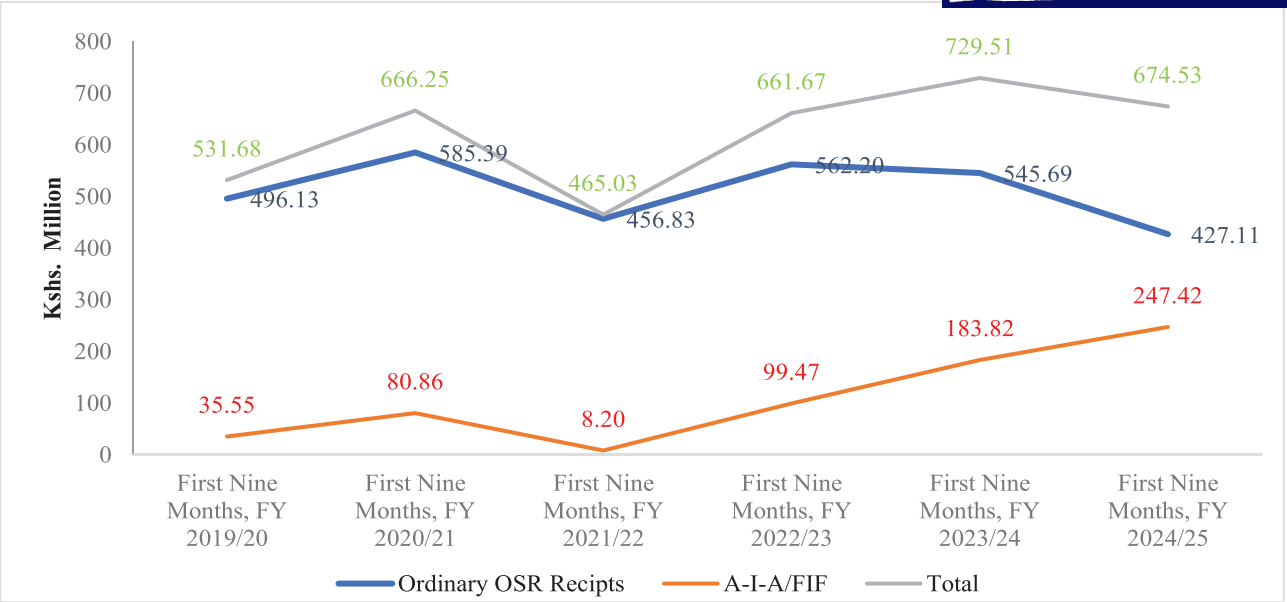
Source: *Kajiado County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF.

Figure 37 shows the collection trend in own-source revenue from the first nine months of FY 2019/20 to FY 2024/25.

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Figure 37: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2019/20 - FY 2024/25

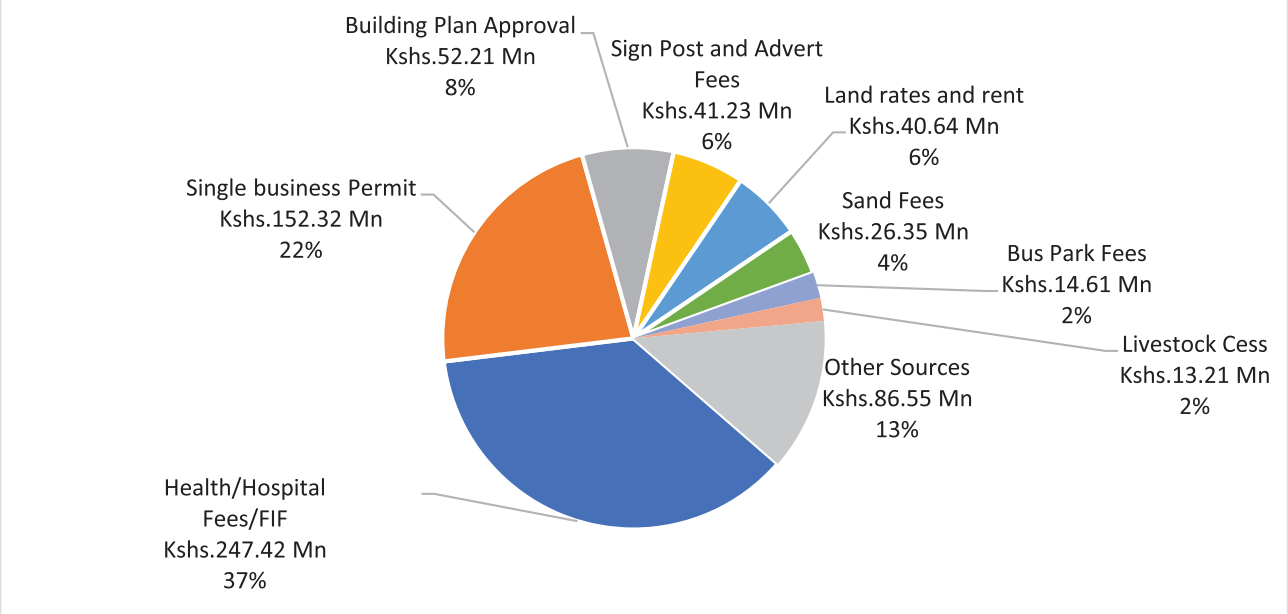


Source: *Kajiado County Treasury*

During the review period, the County generated Kshs.674.53 million from its own revenue sources, including AIA and FIF. This amount was a decrease of 7.5 per cent compared to Kshs.729.51 million realised in a similar period in FY 2023/24 and was 43 per cent of the annual target and 12 per cent of the equitable revenue share disbursed. The OSR does not includes revenue arrears and penalties charged on fees and levies from previous financial years.

The revenue streams which contributed the highest SR receipts are shown in Figure 38.

Figure 38: Top Own Source Revenue Streams in the first nine months of FY 2024/25



Source: Kajiado County Treasury

As shown in Figure 38, the highest revenue stream, Kshs.247.2 million, was from Health/Hospital Fees/FIF, which contributed 37 per cent of the total OSR receipts. The County Government has automated 20 (Twenty) revenue streams out of 21 (Twenty-One).

3.10.3 Borrowing by the County

There was no short-term borrowing during the period under review.

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3.10.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.5.77 billion from the CRF account comprised Kshs.757.76 million (13 per cent) for development programmes and Kshs.5.02 billion (87 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.31 billion was released towards compensation of employees and Kshs.1.70 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25 do not include the February and March 2025 exchequer request for the County Executive and County Assembly due to delay in disbursement and low collection of Own Source Revenue by the County Government.

Analysis of the operations and maintenance exchequer releases indicates that 15 per cent was for domestic travel and 0.2 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.272.26 million and included Kshs.90.13 million for the County Executive and Kshs.182.13 million for the County Assembly. The foreign exchequer totalled Kshs.3.56 million, entirely for the County Assembly.

Table 3.96: Kajiado County, Budget Allocation and Exchequer Issued by Department

Department	Approved Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor and Deputy Governor	251.20	-	104.33	-	42	0
County Public Service Board	134.82	-	63.20	-	47	0
Medical Service and Public Health	3,164.02	98.10	1,715.02	40.00	54	41
Water, Irrigation, Environment and Natural Resources	185.30	302.01	116.07	48.5	63	16
Roads, Transport, Public Works and Energy	198.61	944.08	128.87	157.38	65	17
Public Service Administration and Citizen Participation	1,225.74	-	492.71	-	40	0
County Treasury	923.05	857.98	622.80	421.89	68	49
Lands, Physical Planning and Urban Development	159.12	408.43	77.92	-	49	0
County Assembly	948.77	205.00	549.52	89.99	58	44
Education, Youth and Sport	860.42	131.70	532.67	-	62	0
Gender, Cooperative, Culture, Tourism and Wildlife	199.09	-	97.96	-	49	0
Agriculture, Livestock, Veterinary Service and Fisheries	295.07	242.26	146.05	-	50	0
Trade, Investments and Enterprise Development	222.16	512.00	135.35	-	61	0
Kajiado Municipality	70.40	76.00	34.72	-	49	0
Ngong Municipality	100.70	225.00	53.54	-	53	0
Office of the County Attorney	141.98	-	118.02	-	83	0
Kitengela Municipality	43.44	66.00	26.56	-	61	0
TOTAL	**9,123.91**	**4,068.55**	**5,015.29**	**757.76**	**55**	**19**

***Source**: Kajiado County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.232.49 million.

3.10.5 County Expenditure Review

The County spent Kshs.5.65 billion on development and recurrent programmes in the reporting period. The expenditure represented 98 per cent of the total funds released by the CoB and comprised Kshs.756.59 million and Kshs.4.9 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 19 per cent, while recurrent expenditures represented 54 per cent of the annual recurrent expenditure budget.

3.10.6 Settlement of Pending Bills

As of 30 June 2024, the county reported pending bills totalling Kshs.2.46 billion. This amount included Kshs.2.29 billion from the County Executive and Kshs.166.03 million from the County Assembly. The pending bills from the County Executive consist of Kshs.758.9 million for recurrent expenditures and Kshs.1.53 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.786.82 million, comprising Kshs.454.63 million for recurrent programmes and Kshs.332.19 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.129.86 million, which included Kshs.88.92 million for recurrent activities and Kshs.40.94 million for development activities.

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The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.1.19 billion and Kshs.169.36 million, respectively, in the first nine months of FY 2024/25. However, the County did adhere to this payment plan, as it settled only Kshs.788.82 million for the Executive and Kshs.129.86 million for the Assembly.

As of 31st March 2025, the outstanding bills amounted to Kshs.1.54 billion, comprising Kshs.1.50 billion for the County Executive and Kshs.36.17 million for the County Assembly.

3.10.7 Expenditure by Economic Classification

The County Executive spent Kshs.3.31 billion on employee compensation, Kshs.1.57 billion on operations and maintenance, and Kshs.756.59 million on development activities. Similarly, the County Assembly spent Kshs.225.31 million on employee compensation, Kshs.324.05 million on operations and maintenance, and Kshs.89.99 million on development activities, as shown in Table 3.97.

Table 3.97: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	8,175,135,936	948,771,770	4,348,212,594	549,365,145	53	58
Compensation to Employees	4,752,052,036	341,250,000	3,085,587,335	225,312,041	65	66
Operations and Maintenance	3,423,083,900	607,521,770	1,262,625,259	324,053,104	37	53
Development Expenditure	3,863,554,975	205,000,000	666,600,682	89,993,571	17	44
Total	**2,038,690,911**	**1,153,771,770**	**5,014,813,276**	**639,358,716**	**42**	**55**

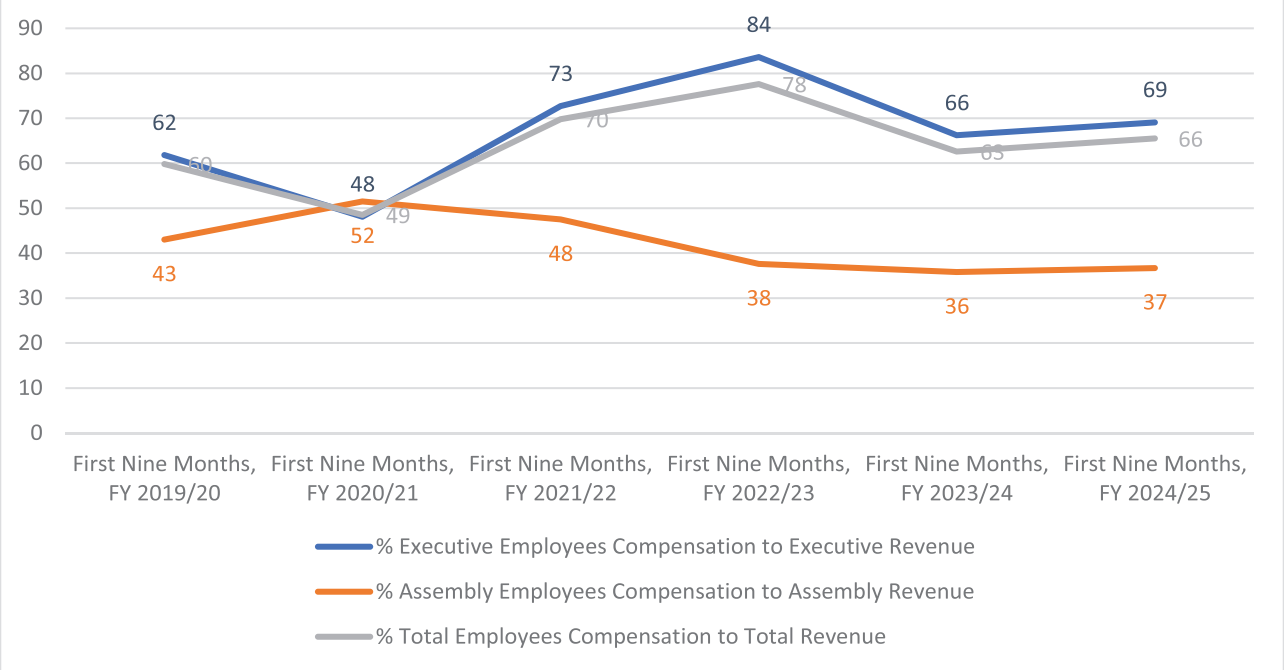
***Source**: Kajiado County Treasury*

3.10.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.3.31 billion. This expenditure shows an increase compared to the Kshs.2.86 billion reported during the same period in FY 2023/24. Of this total, Kshs.1.36 billion was allocated to Health Sector employees, which accounts for 41 per cent of the overall employees' compensation. The increase in the employee's compensation was attributed to the June salary paid during the current financial year.

Figure 39 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 39: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



***Source**: Kajiado County Treasury*

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Further analysis indicates that PE costs amounting to Kshs.3.22 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.86.05 million was processed through manual payrolls, which accounted for 2.6 per cent of the total PE cost.

The manual payrolls comprised salaries for 13 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 142 casual staff, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.98.

Table 3.98: Breakdown of Kajiado County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1	Salaries for 13 staff paid outside the Human Resource Information System (HRIS)	5,791,269
2	Salaries for 142 casual staff(Mazingira)	2,840,000
3	NSSF	17,436,480
4	LAPTRUST/LAPFUND Pension Contributions	16,177,064
5	Gratuity for contract staff	29,031,712
6	Housing Levy	10,071,778
7	Interns	400,000
8	Mca's Partisan staff (75 staff)	4,298,592
	Total	**86,046,895**

***Source**: Kajiado County Treasury*

The County Assembly spent Kshs.11.69 million on committee sitting allowances for the 42 MCAs against the annual budget allocation of Kshs.51.24 million. The average monthly sitting allowance was Kshs.30,913 per MCA. The County Assembly has 20 House Committees. j

3.10.9 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.361 million to County-Established funds in FY 2024/25, or 3 per cent of the County's overall budget. Further, the County allocated Kshs.150 million to the Emergency Fund (1 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.99 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.99: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
1		County Executive Established Funds					
2	Educational/Scholarship Fund	2016	200,000,000	150,000,000	146,487,546	1,050,000,000	Yes
3	Executive Car and Mortgage Fund	2016	30,000,000	15,000,000	-	265,247,500	Yes
4	Youth and Sport Fund	2016	15,000,000	7,500,000	-	97,500,000	No
5	Disability Fund	2023	10,000,000	10,000,000	-	88,000,000	Yes
6	Liquor Fund	2014	10,000,000	-	-	-	No
7	Women Empowerment Fund	2021	20,000,000	10,000,000	-	10,000,000	Yes
8	Kajiado Investment Authority	2022	20,000,000	6,281,200	-	31,281,200	No
9		County Assembly Established Funds					
10	MCA's Car Loan and Mortgage Fund	2021	56,000,000	-	-	384,500,000	No
	Total		**361,000,000**	**198,781,200**	**146,487,546**	**1,926,528,700**	

***Source**: Kajiado County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from Youth and Sport Fund, Emergency Fund, Kajiado Investment Authority Fund and MCA's Car Loan and Mortgage Fund Administrators, as indicated in Table 3.99, contrary to the requirement of Section 168 of the PFM Act, 2012.

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. During the reporting period, the CoB established that the lifespan of Liquor Fund had lapsed. Consequently, the

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CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds as they no longer have a legal basis for continued existence.

3.10.10 County Corporations

The County has established five county corporations. In FY 2024/25, the County allocated Kshs.20 million to these corporations through parent departments. As shown in Table 3.100, no expenditure was reported during the period under review.

Table 3.100: Performance of County Corporations

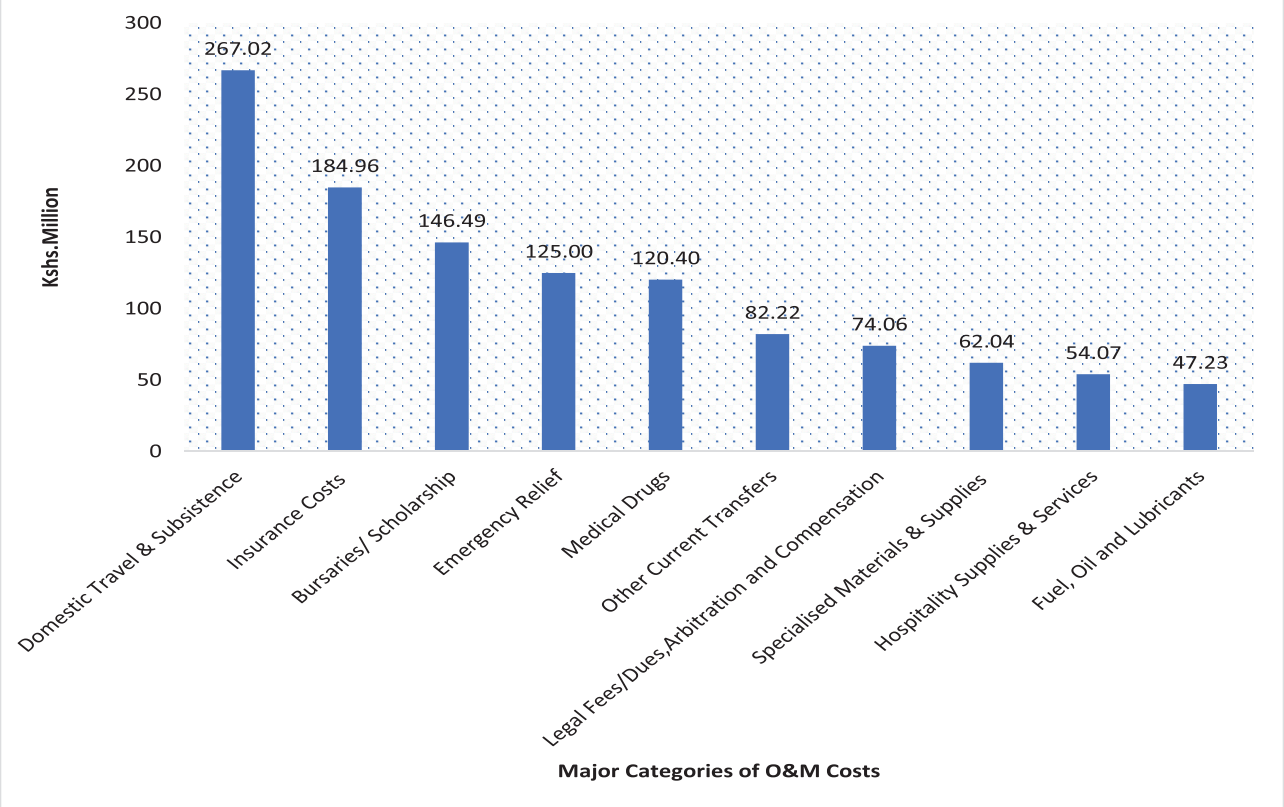
S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Oloolaiser Water and Sewerage Company Limited	Water, Irrigation, Environment and Natural Resources	0.00	0.00	0.00
2	Nolturesh Loitoktok Water and Sanitation Company Limited	Water, Irrigation, Environment and Natural Resources	0.00	0.00	0.00
3	Olkejuado Water and Sewerage Company Limited	Water, Irrigation, Environment and Natural Resources	0.00	0.00	0.00
4	Oldonyio Orok Water and Sewerage Company Limited	Water, Irrigation, Environment and Natural Resources	0.00	0.00	0.00
5	Kajiado County Investment Authority.	Trade, Investments and Enterprise Development	20,000,000	6,281,200	0.00
	Total		**20,000,000**	**6,281,200**	**0.00**

Source: *Kajiado County Treasury*

3.10.11 Expenditure on Operations and Maintenance

Figure 40 summarises the Operations and Maintenance expenditure by major categories.

Figure 40: Kajiado County, Operations and Maintenance Expenditure by Major Categories



Source: *Kajiado County Treasury*

Expenditure on domestic travel amounted to Kshs.267.02 million and comprised Kshs.170.43 million spent by the

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County Assembly and Kshs.96.59 million by the County Executive. Expenditure on foreign travel amounted to Kshs.3.57 million, which was entirely spent by the County Assembly. Expenditure on foreign travel is summarised in Table 3.101.

Table 3.101: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	5	26th to 30th November 2024	A workshop at the 29th East Africa Law Society Annual Conference	Uganda	1,845,330
County Assembly	7	3rd to 9th November, 2024	A workshop on the East Africa Legislative Assembly meeting and training for the speakers	Uganda	1,711,314

***Source**: Kajiado County Assembly.*

The operations and maintenance costs include an expenditure of Kshs.74.06 million on Legal fees/Dues, arbitration.

3.10.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.247.42 million as FIF, which was 67 per cent of the annual target of Kshs.370 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County developed regulations in 2020, to operationalise the FIF Act of 2023.

The Health Facilities provide a report on the utilisation of the FIF during the reporting period, in line with Section 18 (e) of the FIF Act, 2023.

The expenditure by the health facilities amounted to Kshs.211.86 million, as shown in Table 3.102.

Table 3.102: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Kajiado County Referral Hospital	58,565,082	33,590,388	57
2	Loitokitok Sub County Hospital	38,621,542	18,452,939	48
3	Ngong Sub County Hospital	37,700,112	18,656,106	50
4	Kitengela Sub County Hospital	54,740,513	42,529,006	78
5	Ongata Rongai Sub County Hospital	30,956,345	14,348,364	46
6	Management team	79,912,588	44,843,203	56
7	Public Health	70,000,000	39,437,278	56
	Total	**370,000,000**	**211,857,284**	**57**

***Source:** Kajiado County Treasury*

The Health Facility with the highest absorption rate was Kitengela Sub County Hospital.

3.10.13 Development Expenditure

In the review period, the County reported spending Kshs.756.59 million on development programmes, a decrease of 10.2 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.842.64 million. Table 3.103 summarises the development projects with the highest expenditure in the reporting period.

A delay in disbursing shareable revenue by the national Government and the under performance of the county government's own-source revenue collection occasioned a decline in development expenditures.

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Table 3.103: Kajiado County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Road, Transport, Energy and Public Works	Construction of the County Government Headquarters	Dalalekutuk	2025/26	492,646,852	47,999,999	98,529,370	20
2	Road, Transport, Energy and Public Works	Proposed Flood Mitigation of Pakaase Bridge	Magadi	2024/25	147,201,634	38,094,400	71,600,000	51
3.	Trade, Investments and Enterprise Development	Proposed Construction of Kitengela Market	Kitengela	2025/26	58,835,838	29,977,522	29,977,522	30
4.	Medical Service and Public Health	Proposed upgrading of Oloilalei Health Centre	Lenkism	2024/25	155,708,604	21,006,095	62,778,854	40
5	Lands, Physical Planning and Urban Development	Payment of the Valuation Roll	Ildamat	2024/25	20,000,000	20,000,000	20,000,000	100
6.	Medical Service and Public Health	Proposed Construction of Modern OPD at Kajiado Referral Hospital	Ildamat	2024/25	98,306,485	20,000,000	20,000,000	22
7.	Road, Transport, Energy and Public Service	Delivery and Installation of solar panels at the County Offices	Ildamat	2024/25	19,499,999	19,499,999	19,499,999	100
8	Roads, Transport, Energy and Public Works	Erection of A mini petrol station at AMS Kitengela	Kitengela	2020/21	32,027,078	15,962,537	15,962,537	50
9.	Roads, Transport, Energy and Public Works	Grading and Murraming of Loolakir- Lenkism Road	Lenkism	2024/25	14,199,908	14,199,908	14,199,908	100
10.	Road, Transport, Energy and Public Works	Proposed Construction Olkatetemai bridge	Kenyawa Poka	2025/26	47,005,138	11,905,600	35,408,169	75

Source: *Kajiado County Treasury*

3.10.14 Budget Performance by Department

Table 3.104 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.104: Kajiado County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor and Deputy Governor	251.20	-	104.33	-	95.33	-	91	-	38	-
County Public Service Board	134.82	-	63.20	-	49.55	-	78	-	37	-
Medical Service and Public Health	3,164.02	98.10	1,715.02	40.00	1,682.75	27.45	98	69	53	28
Water, Irrigation, Environment and Natural Resources	185.30	302.01	116.07	48.50	100.94	51.19	87	106	55	17
Roads, Transport, Public Works and Energy	198.61	944.08	128.87	157.38	126.27	104.86	98	67	64	11
Public Service Administration and Citizen Participation	1,225.74	-	492.71	-	487.91	-	99	-	40	-
County Treasury	923.05	857.98	622.80	421.89	612.30	483.10	98	115	66	56
Lands, Physical Planning and Urban Development	159.12	408.43	77.92	-	77.86	-	100	-	49	-

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Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to (%)		Absorption (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	948.77	205.00	549.52	89.99	549.37	89.99	100	100	58	44
Education, Youth and Sport	860.42	131.70	532.67	-	530.56	-	100	-	62	-
Gender, Cooperative, Culture, Tourism and Wildlife	199.09	-	97.96	-	97.68	-	100	-	49	-
Agriculture, Livestock, Veterinary Service and Fisheries	295.07	242.26	146.05	-	145.15	-	99	-	49	-
Trade, Investments and Enterprise Development	222.16	512.00	135.35	-	135.02	-	100	-	61	-
Kajiado Municipality	70.40	76.00	34.72	-	34.67	-	100	-	49	-
Ngong Municipality	100.70	225.00	53.54	-	53.44	-	100	-	53	-
Office of the County Attorney	141.98	-	118.02	-	93.23	-	79	-	66	-
Kitengela Municiaplity	43.44	66.00	26.56	-	25.55	-	96	-	59	-
TOTAL	**9,123.91**	**4,068.55**	**5,015.29**	**757.76**	**4,897.58**	**756.59**	**98**	**100**	**54**	**19**

***Source**: Kajiado County Treasury*

Analysis of expenditure by departments shows that the Department of County Treasury recorded the highest absorption rate of development budget at 56 per cent, followed by the County Assembly at 44 per cent. The Department of County Treasury had the highest percentage of recurrent expenditure to budget at 66 per cent, while the Department of County Public Service Board had the lowest at 37 per cent.

3.10.15 Budget Execution by Programmes and Sub-Programmes

Table 3.105 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.105: Kajiado County Programme and Sub-Programme Performance

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor and Deputy Governor							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	127,027,549	-	55,970,574	-	44.1	0
Coordination Devolution Service	County Executive	39,810,000	-	11,752,348	-	29.5	0
	Intergovernmental Relation	23,468,000	-	8,689,686	-	37	0
	County Advisory	19,465,828	-	5,837,670	-	30	0
	Special Programs	20,720,000	-	6,617,410	-	31.9	0
	Information, Communication and Technologies	20,711,000		6,459,051		31.2	0
	Sub Total	**251,202,377**	**-**	**95,326,739**	**-**	**37.9**	**0**
County Public Service Board							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	134,820,567	-	49,548,119	-	36.8	0
	Sub-Total	**134,820,567**	**-**	**49,548,119**	**-**	**368**	**0**
Department of Medical Service and Public Health							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	2,744,241,305	-	1,458,819,366	-	53.2	0
Curative and Rehabilitative	Hospital Service	16,460,500	98,100,000	6,436,062	27,446,450	39.1	28
	Health Products and Technologies	200,276,176	-	157,680,706	-	78.7	0
	Emergency Responses	6,582,400	-	4,317,450	-	65.6	0

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Public Health and Sanitation	Reproductive Maternal	56,769,977	-	18,145,278	-	32	0
	Communicable and Non-Communicable Diseases	4,609,000	-	845,019	-	18.3	0
	Primary Health Care	97,823,500	-	24,547,823	-	25.1	0
	Disease Surveillance and Response	3,185,400	-	1,399,260	-	43.9	0
	Environmental Health	34,066,962	-	10,563,251		31	0
	Sub Total	**3,164,015,220**	**98,100,000**	**1,682,754,215**	**27,446,450**	**53.2**	**28**
Department of Water, Irrigation, Environment and Natural Resources							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	126,821,397	-	80,377,251	-	63.4	0
Water Service	Water Service	26,300,000	302,011,456	11,817,163	51,192,710	44.9	17
	Stormwater Management	6,236,148	-	1,696,970	-	27.2	0
	Sanitation Service	3,400,000	-	637,500	-	18.8	0
Environment and Natural Resources	Environmental	9,280,000	-	2,618,600	-	28.2	0
	Natural Resources	3,900,000	-	937,640	-	24	0
	Climate Change	9,358,000	-	2,851,361	-	30.5	0
	Sub Total	**185,295,545**	**302,011,456**	**100,936,485**	**51,192,710**	**54.5**	**17**
Department of Roads, Transport, Public Works and Energy							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	164,352,911	-	111,847,138	-	68.1	0
Public Works and Infrastructure	Roads	12,800,000	769,076,319	3,175,798	104,858,882	24.8	13.6
	Energy	7,586,000	25,000,000	4,109,663	-	54.2	0
	Fire Fighter	6,200,000	-	2,499,300		40.3	0
	Transport	3,273,600	-	2,662,990	-	81.3	0
	Public Works	4,400,000	150,000,000	1,975,980	-	44.9	0
	Sub Total	**198,612,511**	**944,076,319**	**126,270,869**	**104,858,882**	**63.7**	**11.1**
Department of Public Service, Administration and Citizen Participation							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	967,005,839	-	372,653,059	-	38.5	0
Public Service and Administration	County Administration	7,952,545	-	6,383,473	-	80.3	0
	County Inspectorate	5,713,116	-	4,277,458	-	74.9	0
Human Resource Management and Development	Human Resource	191,688,202	-	87,337,537	-	45.6	0
Citizen Participation	Citizen Participation	13,831,255	-	4,073,700	-	29.5	0
	Social Protection	3,087,315	-	1,737,101	-	56.3	0
	Disability Mainstreaming	22,079,973	-	595,786	-	2.7	0
	Control of Alcohol and Substance Abuse	12,049,804	-	10,531,100	-	87.4	0
	County Organization	2,329,974	-	324,000	-	13.9	0
	Sub Total	**1,225,738,023**	**-**	**487,913,214**	**-**	**39.8**	**0**
Department of County Treasury							

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
General Administration, Planning and Support Service	General Administration, Planning and Support Service	834,834,184	857,982,317	559,993,875	483,102,640	67.1	56.3
Public Finance Management	Budget Coordination and Management	10,300,000	-	7,206,299	-	70	0
	Accounting Service	8,710,000	-	4,769,273	-	54.8	0
	Supply Chain Management	28,200,000	-	13,005,265	-	46.1	0
	Internal Audit	7,750,002	-	5,814,692	-	75	0
	Revenue Collection/ Resource Mobilisation	14,533,094	-	9,485,893	-	65.3	0
Economy Policy Coordination	Economic Planing	8,500,000	-	6,015,200	-	70.8	0
	Monitoring and Evaluation	10,225,000	-	6,014,106	-	58.8	0
	Sub Total	**923,052,280**	**857,982,317**	**612,304,603**	**483,102,640**	**66.3**	**56.3**
Department of Lands, Physical Planning and Urban Development							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	90,385,971	-	62,649,775	-	69.3	0
Land Policy and Planning	Physical Planning	5,810,000	408,427,873	3,971,250	-	68.4	0
	Land Survey and Mapping	5,350,000	-	2,490,711	-	46.6	0
	Lands Administration	5,387,170	-	1,219,600	-	22.6	0
Urban Development and Management	Urban Development	46,182,438	-	6,011,398	-	13	0
	Housing	6,007,500	-	1,517,160	-	25.3	0
	Sub Total	**159,123,079**	**408,427,873**	**77,859,894**	-	48.9	**0**
County Assembly				-			
General Administration, Planning and Support Service	General Administration, Planning and Support Service	632,537,070	205,000,000	348,207,716	89,993,570	55	43.9
Legislation, Representation and Oversight	Legislation, Representation and Oversight	316,234,700	-	201,157,429	-	63.6	0
	Sub Total	**948,771,770**	**205,000,000**	**549,365,145**	**89,993,570**	**57.9**	**43.9**
Department of Education, Youth and Sport							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	775,390,518	32,000,000	481,957,918	-	62.2	0
Early Childhood Development	Early Childhood	44,933,000	99,700,000	27,741,000	-	61.7	0
Technical and Vocational	Technical and Vocational Training	4,611,298	-	2,483,300	-	53.9	0
Youth and Sports	Sport Training and Competition	35,487,735	-	18,377,254	-	51.8	0
	Sub Total	**860,422,551**	**131,700,000**	**530,559,472**	-	**61.7**	**0**
Department of Gender, Coperative, Culture, Tourism and Wildlfe							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	101,205,360	-	62,787,966	-	62	0
Gender Mainstreaming	Gender Mainstreaming	15,792,190	-	7,341,390	-	46.5	0

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Arts and Culture	Cultural Heritage	6,180,373	-	1,311,584	-	21.2	0
	Cultural Activities	3,702,291	-	145,600		3.9	0
Local Tourism and Wildlife	Local Tourism Promotion and Wildlife Management	57,511,212	-	20,647,584	-	35.9	0
Cooperative Development	Cooperative Development	14,702,090	-	5,445,650	-	37	0
	Sub Total	**199,093,516**	**-**	**97,679,774**	**-**	**49.1**	**0**
Department of Agriculture, Livestock, Veterinary Service and Fisheries							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	198,979,633	-	127,925,253	-	64.3	0
Crop Production	Crop Development	7,483,340	-	3,602,492	-	48.1	0
	Agricultural Mechanisation Services	7,217,947	-	900,000		12.5	0
	Agricultural Training Centre	5,545,866	-	177,420	-	3.2	0
	Plant Disease Control	3,845,499	-	731,200	-	19	0
	Agri-Business and Market Development	3,935,499	-	858,150	-	21.8	0
Irrigation	Irrigation Service	12,258,990	-	5,309,600	-	43.3	0
Livestock Resources	Animal Husbandry	7,278,088	10,000,000	1,685,771	-	23.2	0
	Livestock Market	433,624	181,515,152	-	-	0	0
	Veterinary Service	2,909,462	-	752,100	-	25.9	0
	Demostration Farm Kajiado	3,122,441		970,000		31.1	0
	Animal Disease Control	38,975,736	17,000,000	204,000	-	0.5	0
Fisheries	Fisheries	3,087,674	33,741,858	2,034,508	-	65.9	0
	Sub Total	**295,073,799**	**242,257,010**	**145,150,494**	**-**	**49.2**	**0**
Department of Trade, Investment and Enterprise Development							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	178,662,794	-	122,425,821	-	68.5	0
Trade Development	Trade Development	41,751,774	512,000,000	12,067,640	-	28.9	0
	Enterprise Development	1,749,902	-	528,800	-	30.2	0
Cooperative Enterprise Development	Cooperative Development	-	-	-	-	0	0
	Sub Total	**222,164,470**	**512,000,000**	**135,022,261**	**-**	**60.8**	**0**
Department of Kajiado Municipality							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	59,484,130	-	29,547,250	-	49.7	0
Urban Infrastructure	Urban Infrastructure	4,541,500	76,000,000	1,844,785	-	40.6	0
Environmental Management and Public Health	Environmental Management and Public Health	6,369,500	-	3,278,892	-	51.5	0
	Sub Total	**70,395,130**	**76,000,000**	**34,670,927**	**-**	**49.3**	**0**
Department of Ngong Municipality							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	85,376,381	-	45,822,072	-	53.7	0
Urban Infrastructure	Urban Infrastructure	3,548,194	225,000,000	2,307,680	-	65	0

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Environmental Management and Public Health	Environmental Management and Public Health	11,780,000	-	5,305,782	-	45	0
	Sub Total	**100,704,575**	**225,000,000**	**53,435,534**	-	53.1	0
County Attorney							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	141,980,491	-	93,230,678	-	65.7	0
	Sub Total	**141,980,491**	-	**93,230,678**	-	**65.7**	**0**
Department of Kitengella Municipality							
General Administration, Planning and Support Service	General Administration, Planning and Support Service	36,596,802	-	23,755,221	-	0	0
Urban Infrastructure	Urban Infrastructure	2,680,000	66,000,000	1,169,095	-	43.6	0
Environmental Management and Public Health	Environmental Management and Public Health	4,165,000	-	625,000	-	15	0
	Sub Total	**43,441,802**	**66,000,000**	**25,549,316**	-	**58.8**	**0**
Grand Total		**9,123,907,706**	**4,068,554,975**	**4,897,577,739**	**756,594,252**	**53.7**	**18.6**

Source: *Kajiado County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Control of Alcohol and substance Abuse in the Department of Public Service Administration and Citizen Participation at 87.4 per cent, Transport in the Department of Roads, Transport, Energy and Public Works at 81.3 per cent, County Administration in the Department of Public Service Administration and Citizen Participation at 80.3 per cent, and Health products and Technology at 78.7 per cent of budget allocation.

3.10.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 50 accounts with commercial banks, including nine accounts for Health Facilities, one accounts for Vocational Training Centers, eight accounts for Established Funds, two revenue accounts, twenty-two special purpose accounts (additional allocations), One Imprest accounts, two recurrent operational accounts and two development operational accounts.

The County Treasury submitted copies of authorisation letters to the Controller of Budget for opening 50 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.10.17 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;

i. Own-source revenue underperformed at Kshs.674.53 million against an annual target of Kshs.1.57 billion, representing 43 per cent of the yearly target.
ii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the Liquor Fund's lifespan had lapsed, making it ineligible for further withdrawals.
iii. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. The reports for the Youth and Sport Fund, Emergency Fund and MCA's car loan and Mortgage Fund were not submitted to the Controller of Budget as of 15 January 2025.

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iv. High level of pending bills which amounted to Kshs.1.54 billion as of 31 March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.

v. Use of manual payroll. Personnel emoluments amounting to Kshs.86.05 million for 13 staff yet to be onboarded into HRIS and 142 casual staff were processed through manual payroll, accounting for 2.6 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

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

i. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*

ii. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*

iii. *The CECMF should follow-up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*

iv. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*

v. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

3.11. County Government of Kakamega

3.11.1 Overview of FY 2024/25 Budget

The Kakamega County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.17.93 billion. It comprises Kshs.5.93 billion (33 per cent) and Kshs.12 billion (67 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.38 billion (8.4 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.5.24 billion and a recurrent budget of Kshs.11.31 billion. The increase in the budget was attributed to the rise in conditional grants and balances brought forward. The County's Approved Supplementary I Budget is inclusive of the AIA estimates.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.12.98 billion (72 per cent), additional allocations as conditional grants of Kshs.1.22 billion (7 per cent), a cash balance of Kshs.1.53 billion (9 per cent) brought forward from FY 2023/24, and Kshs.2.2 billion (13 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.841 million (5 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.1.36 billion (8 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.106.

3.11.2 Revenue Performance

During the review period, the County received Kshs.11.35 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.1.89 billion from Kshs.9.46 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.8.56 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.22.93 billion, and its own-source revenue (OSR) collection of Kshs.1.23 billion. In addition, the County had a cash balance of Kshs.1.53 billion from FY 2023/24.

The total OSR collection of Kshs.1.23 billion includes Facilities Improvement Financing (FIF) of Kshs.593.75 million, and Kshs.640.55 million from other OSR sources. OSR collections from the FIF were received from 17 health facilities and 11 public health units where the FIF is collected. Table 3.106 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

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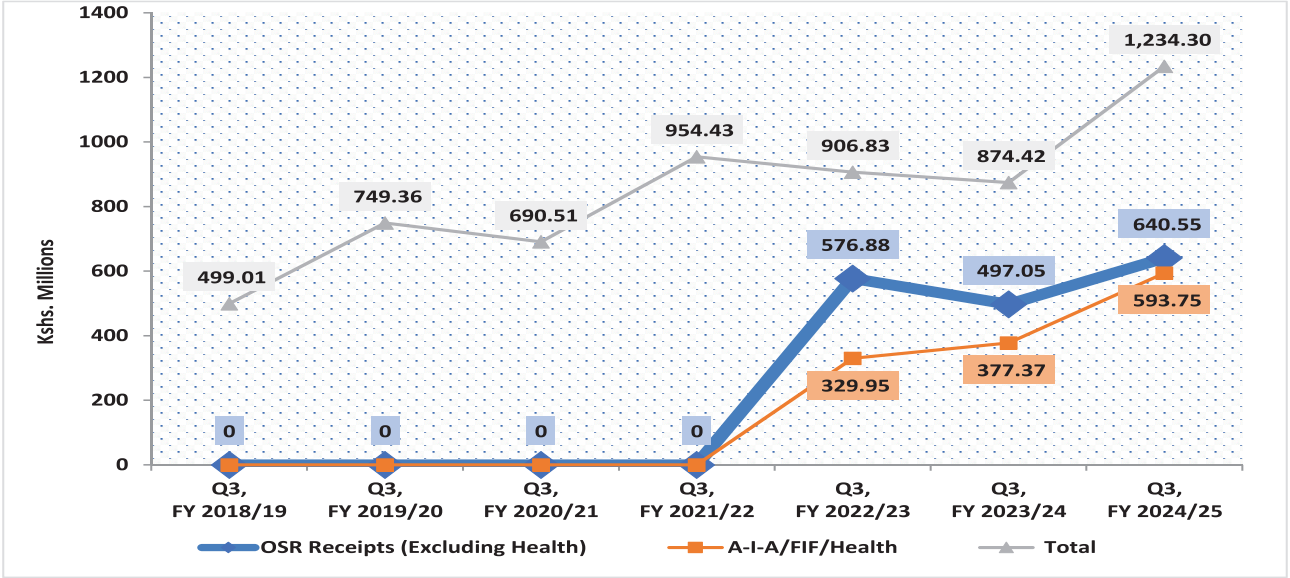
Table 3.106: Kakamega County, Revenue Performance in the First Nine Months of FY 2024/25

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	12,980,503,320	8,561,703,939	66
Sub Total		**12,980,503,320**	**8,561,703,939**	**66**
B	**Conditional Grants**			
1	Kenya Agricultural Business Development (KABDP)	10,918,919		0
2	DANIDA Grant - Primary Health Care	11,844,000		0
3	DANIDA Grant - Primary Health Care -L1	4,935,000		0
4	Aquaculture Business Development Project (ABDP)	24,417,125		0
5	Kenya Livestock Commercialisation Project (KELCLOP)	33,550,000	22,393,006	67
6	Kenya Urban Support Programme (KUSP) UIG	35,000,000		0
7	Kenya Devolution Support Programme (KDSP II)	42,838,839		0
8	Kenya Informal Settlement Improvement Project (KISIP II)	176,239,675		0
9	Kenya Urban Support Programme (KUSP) UDG	120,740,969		0
10	Community Health Promoters Project	127,500,000		0
11	National Agricultural Value Chain Development Project (NVCDP)	151,515,152		0
12	Roads Maintenance Levy Fund	235,244,397		0
13	County Aggregation and Industrial Park Programme	250,000,000		0
Sub-Total		**1,224,744,076**	**22,393,006**	**2**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	1,359,000,000	640,547,151	47
2	Balance b/f from FY2023/24	1,529,175,911	1,529,175,911	100
3	Facility Improvement Fund (FIF)	841,000,000	593,751,580	71
Sub Total		**3,729,175,911**	**2,763,474,642**	**74**
Grand Total		**17,934,423,307**	**11,347,571,587**	**63.3**

Source: *Kakamega County Treasury*

The county did not attain 50 per cent of its ordinary own-source revenue due to setting unrealistic target estimates. The County has governing legislation on the operation of FIF, Public Health AIA, and Liquor AIA, but also reported the revenues of other AIA agencies that do not have legislation. Figure 41 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 41: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



Source: *Kakamega County Treasury*[1]

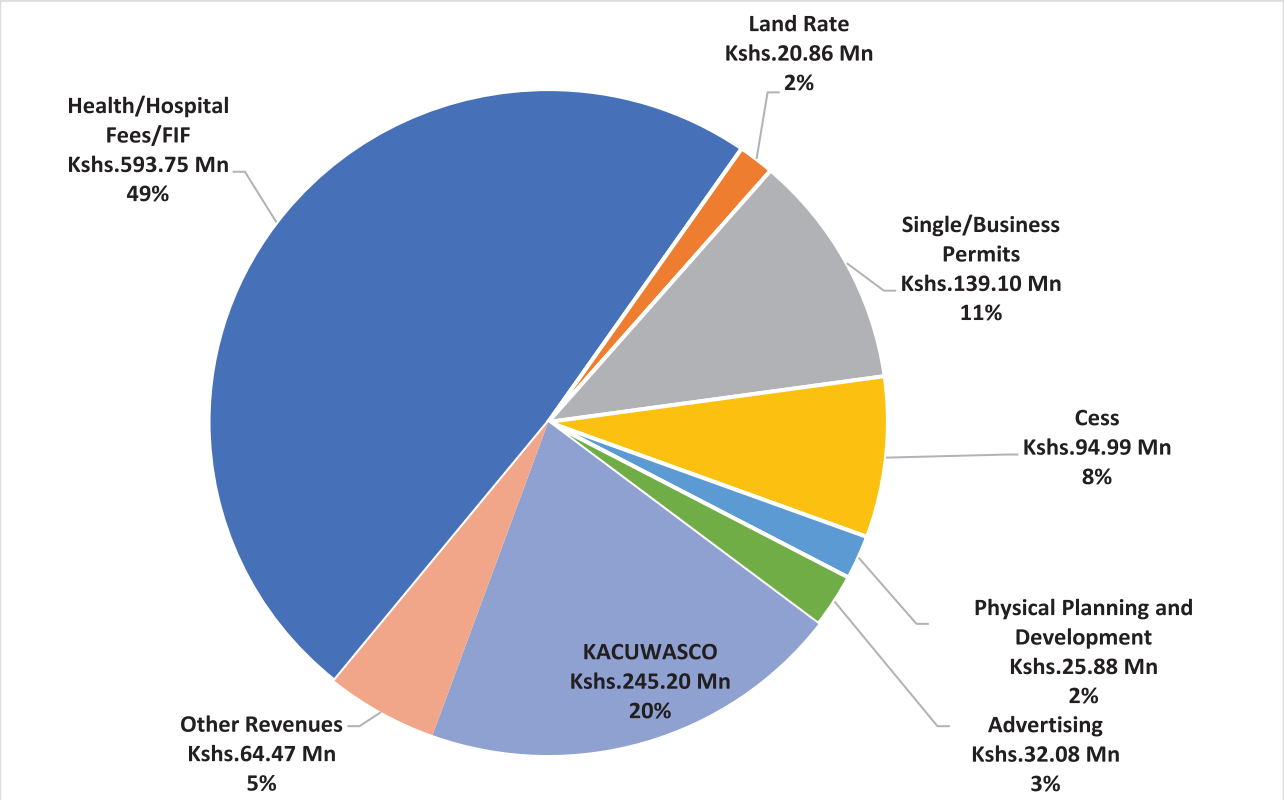
1 The OSR data provided, separated FIF from OSR from FY2022/23 to date.

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During the review period, the County generated Kshs.1.23 billion from its own revenue sources, including AIA and FIF. This amount was an increase of 41 per cent compared to Kshs.874.42 million realised in a similar period in FY 2023/24. This was 56 per cent of the annual target and 14 per cent of the equitable revenue share disbursed.

The revenue streams that contributed the highest OSR receipts are shown in Figure 42.

Figure 42: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



***Source**: Kakamega County Treasury*

As shown in Figure 42, the highest revenue stream, at Kshs.593.75 million was from Hospital and Public Health Fees (FIF), contributing 49 per cent of the total OSR receipts. The County Government has automated 20 of the revenue streams out of 23. The revenue streams that have not yet been automated include Public Health, Liquor levies and Building Plan approvals.

3.11.3 Borrowing by the County

The County Government did not report any borrowed amounts as of 31 March 2025. However, both arms of the government have each signed a renewable salary Memorandum of Understanding (MoU) with commercial banks to manage monthly salary payments.

3.11.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.9 billion from the CRF account comprised Kshs.1.55 billion (17 per cent) for development programmes and Kshs.7.45 billion (82.8 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.4.16 billion was released towards compensation of employees and Kshs.3.29 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25 do not include the March 2025 salaries for both the County Executive and County Assembly due to late receipt of National sharable revenue.

Analysis of the operations and maintenance exchequer releases to the county assembly indicates that 22 per cent was for domestic and foreign travel.

As of 31 March 2025, the County Government's cash balance in the CRF account was Kshs.287.04 million.

3.11.5 County Expenditure Review

The County spent Kshs.8.60 billion on development and recurrent programmes during the reporting period. The expenditure represented 96 per cent of the total funds released by the CoB and comprised of Kshs.1.20 billion and Kshs.7.40 billion on development and recurrent programmes, respectively. Expenditure on development programmes

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represented an absorption rate of 20 per cent, while recurrent expenditure represented 62 per cent of the annual recurrent expenditure budget.

3.11.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.2.20 billion as of 30 June 2024. This amount included Kshs.1.71 billion from the County Executive and Kshs.486.72 million from the County Assembly. The pending bills from the County Executive consist of Kshs.551.28 million for recurrent expenditures and Kshs.1.16 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.835.52 million, comprising Kshs.219.86 million for recurrent programmes and Kshs.615.67 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.88.22 million for recurrent activities. The County Executive and the Assembly did not submit a pending bills payment plan at the commencement of FY 2024/25.

As of 31 March 2025, the outstanding bills totalled Kshs.1.27 billion, comprising Kshs.873.42 million for the County Executive and Kshs.398.50 million for the County Assembly.

3.11.7 Expenditure by Economic Classification

The County Executive spent Kshs.4.64 billion on employee compensation, Kshs.1,88 billion on operations and maintenance, and Kshs.1.20 billion on development activities. Similarly, the County Assembly spent Kshs.349.05 million on employee compensation, and Kshs.533.79 million on operations and maintenance activities, as shown in Table 3.107.

Table 3.107: 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	**10,678,876,254**	**1,324,303,578**	**6,512,754,702**	**882,835,193**	**61**	**67**
Compensation to Employees	6,150,518,400	670,658,828	4,635,166,255	349,045,039	75	52
Operations and Maintenance	4,528,357,854	653,644,750	1,877,588,447	533,790,154	41	82
Development Expenditure	5,931,243,475	-	1,200,856,534	-	20	0
Total	**16,610,119,729**	**1,324,303,578**	**7,713,611,236**	**882,835,193**	**46**	**67**

***Source**: Kakamega County Treasury*

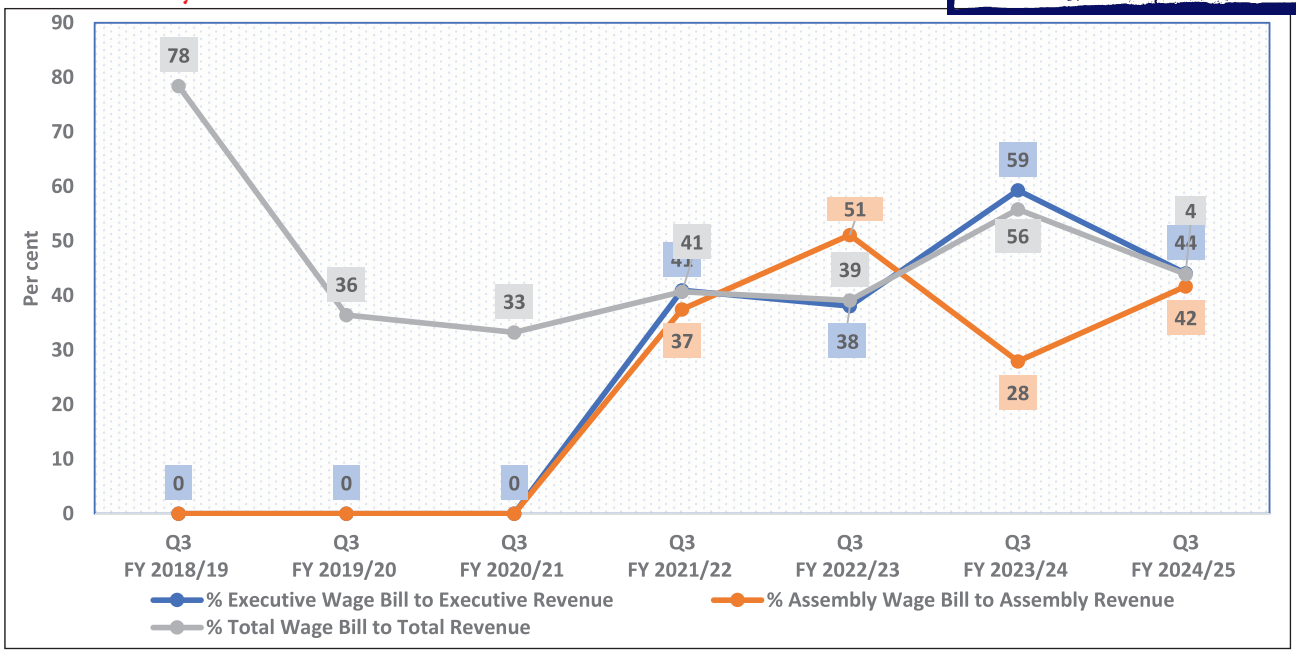
3.11.8 Expenditure on Compensation to Employees

During the review period, the expenditure on employee compensation totalled Kshs.4.98 billion, accounting for 44 percent of the total available revenue. This represents a decrease compared to the Kshs.5.28 billion reported during the same period in FY 2023/24. The county's approved budget classifies employee compensation under the Public Service and Administration department. Although the county was previously able to provide a breakdown of personnel expenses paid to staff in specific departments, the Human Resources Information System (HRIS) is currently unable to generate this report. As a result, the county did not submit a report on Health Sector employees, making it difficult to determine the percentage of the sector's compensation relative to the total wage bill.

Figure 43 illustrates the compensation trend as a percentage of total revenue received by employees over the first nine months of FY 2019/20 to FY 2024/25.

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Figure 43: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



Source: *Kakamega County Treasury*

Further analysis indicates that PE costs amounting to Kshs.4.95 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.109.49 million was processed through manual payrolls, which accounted for 2 per cent of the total PE cost.

The manual payrolls comprise salaries for partisan staff in the county assembly and casuals in health facilities who have yet to be onboarded into the Government Human Resource Information System (GHRIS). Other top payments settled outside the IPPD include; employer contributions, pension and gratuity paid as LAPTRUST/LAPFUND Pension Contributions and interns' stipend as shown in Table 3.108.

Table 3.108: Breakdown of Kakamega County Assembly Manual Payroll

No	Category	Amount (Kshs.)
1	Health Casuals (as at 31.12.2024)	63,682,320
2	Partisan Staff - Ward	25,876,500
3	Employer Contribution	6,733,371
4	Pension/ Gratuity Dues	3,782,776
5	Interns Stipend	2,238,000
6	Board Members Gross	1,690,000
7	Special Salary	1,454,016
8	Basic Salary	1,328,355
9	Casuals Wages	623,500
10	Salary Market Adjustment	403,000
11	Contractual Allow	384,000
12	Rental House Allowance	326,110
13	Extra Duty/ Entertainment Allowance	325,000
14	Leave Travel Allowance	282,000
15	Commuter Allowance	121,000
16	Extraneous Duty/ Domestic Allowance	75,000
17	Responsibility Allowance/ Special Duty	56,720
18	Telephone Allowance	50,000
19	NSSF	41,310
20	Housing Levy	15,638
21	Special House Allowance	3,000
Total		**109,491,615**

***Source*:** *County Treasury and County Assembly*

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The County Assembly spent Kshs.58.28 million on committee sitting allowances for the 89 MCAs against the annual budget allocation of Kshs.131.15 million. The average monthly sitting allowance was Kshs.72,987 per MCA. The County Assembly has 26 House Committees.

3.11.9 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. In FY 2024/25, the County allocated Kshs.433.50 million to County-established funds, constituting 2 per cent of the County's overall budget. Further, the County allocated Kshs.100 million to the Emergency Fund (1 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.109 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.109: Performance of County Established Funds in the First Nine Months of FY 2024/25

No	Name Of The Fund	Approved Budget Allocation in FY24/25 (Kshs)	Exchequer Issues (Kshs)	Reported Actual Expenditure (Kshs)	Submission of Annual FS as of 31.03.2025 (Yes/No)
		A	B	C	D
1	Emergency Fund	100,000,000	-	-	Yes
2	Maternal Child Health & Family Planning (Imarisha Fund)	50,000,000	-	-	No
3	Kakamega County Facility Improvement Fund	-	-	547,442,114	Yes
4	Kakamega County Agricultural Farm Input Fund	2,500,000	-	-	No
5	County Executive Car Loan and Mortgage	89,000,000	-	681,796	Yes
6	Bursary & Scholarship Fund	192,000,000	-	1,601,505	Yes
7	County Assembly Car Loan & Mortgage	-	-	Not reported	No
8	The Kakamega County Alcoholic Drinks Control Fund	-	-	25,237,659	Yes
Total		**433,500,000**	**645,371,358**	**1,015,175,439**	-

Source: *Kakamega County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from the County Assembly Car Loan & Mortgage, Kakamega County Small Scale Trade Development Fund, Kakamega County Agricultural Farm Input Fund, and Maternal Child Health & Family Planning (Imarisha Fund) Fund Administrators, as indicated in Table 3.109, contrary to the requirement of Section 168 of the PFM Act, 2012.

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. During the reporting period, the CoB established that the lifespan of the Kakamega County Alcoholic Drinks Control Fund had lapsed. Consequently, the CoB cannot approve any withdrawal requests to support the operations of these lapsed funds. There should be a legal basis for continued existence.

3.11.10 County Corporations, Agencies, Companies and Municipalities

The County has established Kakamega County Corporations, Agencies and Municipalities. In FY 2024/25, the county allocated Kshs.411.51 million to these corporations, agencies, municipalities and companies through their parent departments. Their total expenditure in the first nine months amounted to Kshs.175.37 million, as shown in Table 3.110.

Table 3.110: Performance of County Corporations

No	Name of the Fund	Approved Budget Allocation in FY24/25 (Kshs)	Exchequer Issues/ transfer from CG (Kshs)	Reported Actual Expenditure (Kshs)	Submission of Annual FS as of 31.03.2025 (Yes/No)
		A	B	C	D
1	Kakamega Municipality	160,705,430	58,987,606	56,982,248	Yes
2	Mumias Municipality	133,456,018	32,792,045	32,779,081	Yes
3	Butere Municipality	1,000,000			Too soon to report
4	Matunda Municipality	1,000,000			Too soon to report
5	Malava Municipality	1,000,000			Too soon to report

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No	Name of the Fund	Approved Budget Allocation in FY24/25 (Kshs)	Exchequer Issues/ transfer from CG (Kshs)	Reported Actual Expenditure (Kshs)	Submission of Annual FS as at 30.09.2025 (Yes/No)
		A	B	C	D
6	Kakamega County Investment Development Agency	38,000,000	21,000,000	8,561,484	Yes
7	Kakamega County Microfinance Corporation	6,350,000	6,074,800	11,115,829	Yes
8	Kakamega Dairy Corporation	10,000,000	7,307,500	22,135,246	Yes
9	Kakamega Revenue Agency	60,000,000	47,500,000	43,796,078	Yes
10	Kakamega County Rural Water and Sewerage Services Company	10,000,000	0	12,254,617.50	Yes
11	Kakamega County Water and Sewerage Services Company	0	0	0	No
Sub-total		**411,511,448**	**173,661,951**	**175,369,966**	

Source: Kakamega County Treasury

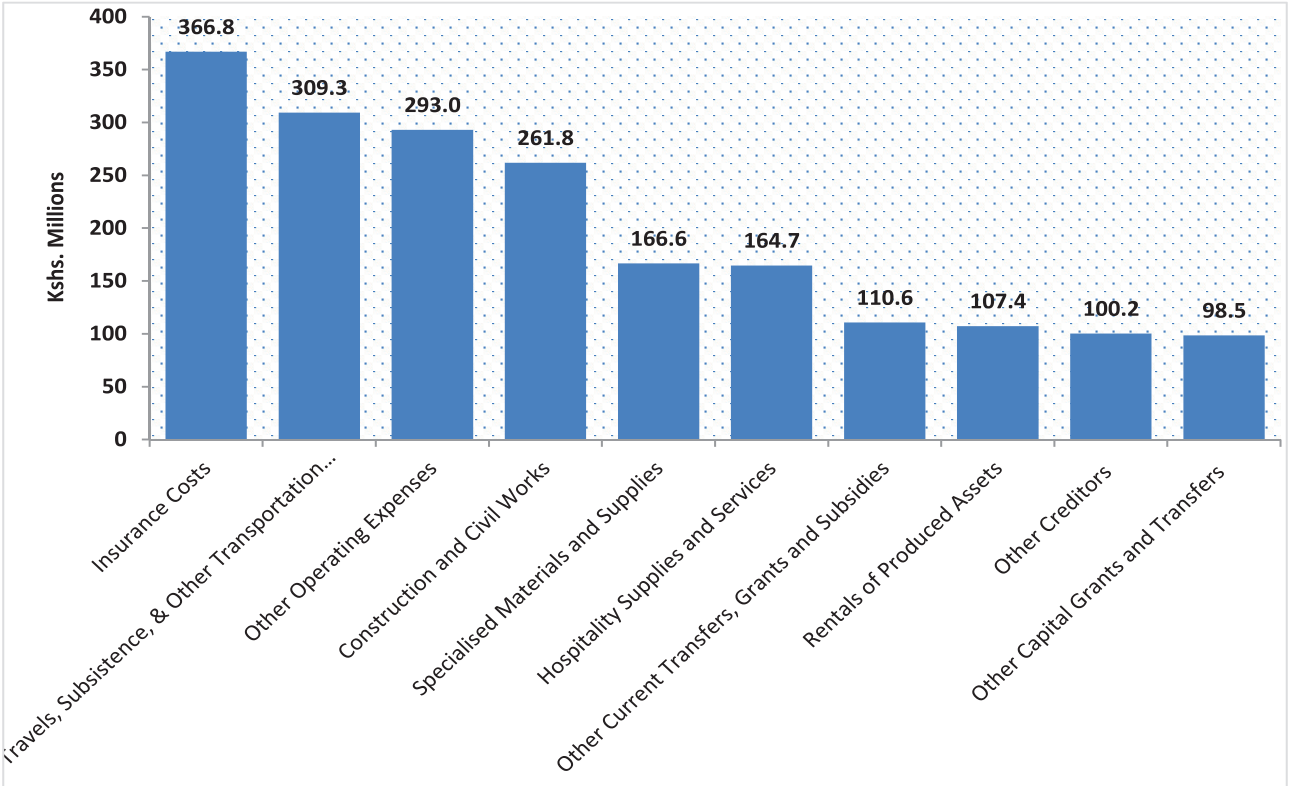
The Mumias, Butere, and Matunda Municipalities were constituted in FY2024/25 and are yet to be fully functional to incur expenses.

Water and sewerage services providers are required to incorporated into limited companies by Water Services Regulatory Board (WASREB). The Kakamega water companies are limited companies fully owned by the county but spends internally generated revenues without sweeping into CRF. However, the FY2024/25 budget includes Kshs.10 million toward connectivity of water in rural areas as shown in Table 3.110

3.11.11 Expenditure on Operations and Maintenance

Figure 44 summarises the Operations and Maintenance expenditure by major categories.

Figure 44: Kakamega County, Operations and Maintenance Expenditure by Major Categories



Source: *Kakamega County Treasury*

Expenditure on domestic travel amounted to Kshs.302.20 million, comprising Kshs.193.93 million spent by the County Assembly and Kshs.108.37 million by the County Executive. Expenditure on foreign travel amounted to Kshs.22.55 million and comprised Kshs.16.56 million by the County Assembly and Kshs.6 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.111.

The expenditures under "Other operating expenses" include contracted security services of Kshs 153.03 million, county assembly ward operating expenses of Kshs 65.21 million, and the Community Health Promoters' stipend of Kshs 53.69 million.

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Table 3.111: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	of the Travel (Kshs.)
County Assembly	1	15th-21st Sept 2024	7th Annual National Parliamentary Budget Office Conference	Kampala	1,716,376
	1	15th-21st Sep 2024	Governors' Delegation	Washngton DC	180,000
	3	20th -22nd Nov 2024	East Africa Human Resource-Summit	Kigali -Rwanda	344,130
	7	1st -5th Aug 2024	Imbalu Cultural Festival	Mbale-Uganda	770,975
	11	3rd-8th June 2024	Legal & Legislative Drafting	Arusha Tan-zania	1,755,221
	10	7th-11th Oct 2024	Governance & Good Practices	Malasya	2,283,840
County Executive	1	17th to 28th Aug 2024	To represent the County in the FEASSSA Term 2 East African games in Uganda	Uganda	585,189
	1	21st to 25th Nov 2024	Inspection of Madala Tea factory machin-ery	Malaysia	446,775
	4	19th-28th Jul 2024	Secondary schools' games	Uganda	1,540,465
	4	9th-14th Sep 2024	Early Childhood Development	Rwanda	315,039
Grand Total					**9,938,010**

Source: Kakamega County Treasury and Kakamega County Assembly

The breakdown data provided on foreign travel by both county treasury and county assembly did not tarry to the expenditure report reported submitted as at 31.03.2025.

3.11.12 Facility Improvement Financing

During the period under review, the County FIF financial statement reported a collection of Kshs.528.03 million as FIF, which was 63 per cent of the annual target of Kshs.771 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County had developed an FIF Act 2022, but has not yet revised the regulations to align with the FIF Act of 2023. The Health Facilities did not provide a report on the utilisation of the FIF during the reporting period, contrary to Section 18 (e) of the FIF Act, 2023.

The County transferred to the health facilities as shown in Table 3.112.

Table 3.112: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

Description	As of 31 March 2025 (Kshs)
Transfers to Level 4 and 5 Hospitals (17 Facilities)	512,439,734
Transfers to Public Health Units (11 Units)	18,719,503
Total	**531,159,237**

Source: *Kakamega County Treasury*

The Facility Improvement Fund (FIF) budget did not include expenditure estimates broken down per vote as required in the PFM Act Regulations - County Government 2015, Section 59 (1a & b), thus, we could not assess the absorption rate.

3.11.13 Development Expenditure

In the review period, the County reported spending Kshs.1.20 billion on development programmes, a 10 per cent decrease compared to a similar period in FY 2023/24, when the County spent Kshs.1.33 million. Table 3.113 summarises the development projects with the highest expenditure in the reporting period.

Table 3.113: Kakamega County, List of Development Projects with the Highest Expenditure

No	Project Name	(Location of the Project)	Contract Sum (Kshs.)	Annual Budget Allocation FY 2024/25 (Kshs.)	Actual Expen-diture to date (Kshs.)
1	Bukhungu Stadium Construction Phase II	Lurambi	3,240,001,303	259,000,000	1,629,053,355
2	Subsidies to Non-Financial Private Enterprise (Farm subsidy)	County Wide		400,000,000	62,524,000

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No	Project Name	(Location of the Project)	Contract Sum (Kshs.)	Annual Budget Allocation FY 2024/25 (Kshs.)	Actual Expenditure to date (Kshs.)
3	10KM in Mumias West	mumias west	31,861,804	31,861,804	50,851,700
4	10KM in Butere	Butere	49,941,688	49,941,688	49,941,688
5	Mahiakalo Nyayo tea zone	Lurambi	468,229,351	15,000,000	45,929,860
6	Construction of the county assembly	Lurambi	90,000,000		37,500,000
7	Marrum Tumbeni	Malava	45,000,000		30,319,848
8	Malaha Khaunga road	Matungu	16,500,000		29,807,392
9	Equipping other Health facilities	All sub-counties		27,377,800	27,377,800
10	10 Km Lugari	Lugari	32,567,000		22,024,507
11	County Spatial Plan	Countywide	140, 302,130	52,000,000	21,045,319
12	Equipping of Butere County hospital	Butere		20,000,000	20,000,000

Source: *Kakamega County Treasury*

3.11.14 Budget Performance by Department

Table 3.114 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.114: Kakamega 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	1,324	-	838	-	883	-	105.4	-	66.7	-
Agriculture, Livestock, Fisheries and Cooperatives	64	1,085	35	243	52	88	150.3	36.2	81.5	8.1
County Public Service Board	16	-	4	-	7	-	188.1	-	40.7	-
Education, Science & Technology	286	284	7	25	22	82	297.6	328.7	7.6	28.8
Finance and Economic Planning	938	677	278	49	248	38	89.2	76.4	26.4	5.5
Health Services	1,192	568	716	75	312	111	43.5	147.0	26.2	19.5
ICT, E-government & Communication	52	166	9	39	21	19	236.7	48.4	41.4	11.5
Lands, Housing, Urban Areas and Physical Planning	279	362	157	25	147	36	93.4	146.9	52.6	10.0
Office of the Governor	344	-	138	-	112	-	81.3	-	32.5	-
Public Service and Administration	6,872	112	4,907	19	5,200	2	106.0	12.7	75.7	2.2
Roads, Public Works and Energy	40	1,252	18	566	4	358	24.3	63.3	10.8	28.6
Social Services, Youth & Sports	517	181	332	163	360	17	108.4	10.6	69.6	9.6
Trade, Industrialisation & Tourism	26	493	12	37	19	33	159.5	90.5	73.4	6.7
Water, Environment and Natural Resources	53	751	2	272	9	416	381.1	153.1	17.3	55.4
Total	**12,003**	**5,931**	**7,452**	**1,514**	**7,396**	**1,201**	**99.2**	**79.3**	**-**	**-**

Source: *Kakamega County Treasury*

The Table 3.114 depicts that the county's expenditure was above the exchequer releases approved by CoB due to the following reasons:

- Failure to sweep unspent balances back to the CRF at the end of the financial year, which contravenes the law. Such include the county assembly.
- Spending of funds retained in special purpose accounts at the end of the financial year, especially on conditional grants and county funds accounts.

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Analysis of expenditure by departments shows that the Department of Water, Environment and Natural Resources recorded the highest absorption rate of development budget at 55 per cent, followed by the Department of Public Service and Administration at 2 per cent. The Department of Agriculture, Livestock, Fisheries, and Cooperatives had the highest percentage of recurrent expenditure to budget at 82 per cent, while the Department of Education, Science, and Technology had the lowest at 8 per cent.

3.11.15 Budget Execution by Programmes and Sub-Programmes

Table 3.115 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.115: Kakamega County, Budget Execution by Programmes and Sub-Programmes

Program	Sub-Programme	Budget Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption Rate (%)
County Assembly	**County Assembly**	**1,324,303,578**	-	0.0
	County Assembly Services	1,324,303,578	-	0.0
Agriculture, Livestock, Fisheries and Cooperatives	**Crop Production**	**926,151,832**	**711,053,997**	76.8
	Crop Production and Management Services	926,151,832	711,053,997	76.8
	Livestock	**131,464,705**	**33,260,475**	25.3
	Livestock development	131,464,705	33,260,475	25.3
	Fisheries	**40,298,125**	**6,067,445**	15.1
	Irrigation and Drainage Development	1,965,000	1,719,923	87.5
	Fish Farming Productivity Programme	38,333,125	4,347,522	11.3
Agriculture, Livestock, Fisheries and Cooperatives	**Veterinary**	**3,759,200**	**2,175,004**	57.9
	Livestock development	3,759,200	2,175,004	57.9
	Cooperative Development and Marketing	**6,754,646**	**2,329,777**	34.5
	Agricultural Extension and Research	4,000,000	-	0.0
	Cooperative Development	2,754,646	2,329,777	84.6
	Agricultural Training Centres (ATC)	**8,102,800**	**5,000,000**	61.7
	Agricultural Extension and Research	8,102,800	5,000,000	61.7
	Irrigation	**32,872,036**	**6,565,804**	20.0
	Irrigation and Drainage Development	2,679,836	4,852,364	181.1
	Administration, Planning and Support Services	30,192,200	1,713,440	5.7
Health Services	**Health Services**	**1,057,163,334**	**329,509,384**	31.2
	Promotion of Curative health services	1,051,063,334	329,060,874	31.3
	Preventive and promotive services	6,100,000	448,510	7.4
	Public Health	**289,884,000**	**4,173,218**	1.4
	Preventive and promotive services	283,100,000	295,800	0.1
	General Administrative and Support Services	6,784,000	3,877,418	57.2
	Dispensaries	**136,716,745**	**20,769,167**	15.2
	Promotion of Curative health services	136,716,745	20,769,167	15.2
	Health centres	**242,324,499**	**46,346,809**	19.1
	Promotion of Curative health services	242,324,499	46,346,809	19.1
	County Medical Service Operations	**33,602,445**	**21,977,058**	65.4
	General Administrative and Support Services	33,602,445	21,977,058	65.4
Education, Science & Technology	**E.C.D. E**	**252,816,930**	**61,454,547**	24.3
	Vocational Education and Training development	212,203,180	55,772,657	26.3
	Early Childhood Development Education (ECDE)	40,613,750	5,681,890	14.0
	County Polytechnics	**120,244,471**	**15,989,670**	13.3
	Vocational Education and Training development	120,244,471	15,989,670	13.3
	Education Support Programmes	**197,609,990**	**4,465,896**	2.3
	Education Support Programme	197,609,990	4,465,896	2.3

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Program	Sub-Programme	Budget Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption (%)
Roads, Public Works and Energy	**Urban Transport**	-	-	0.0
	Public Works	**125,461,807**	**41,916,360**	33.4
	Public Works Management	125,461,807	41,916,360	33.4
	Noise pollution	**60,000,000**	-	0.0
	Energy Reticulation	60,000,000	-	0.0
	Public Nuisance	**1,106,032,724**	**552,521,312**	50.0
	Road Infrastructure Development	1,105,532,724	552,521,312	50.0
	Public Works Management	500,000	-	0.0
Lands, Housing, Urban Areas and Physical Planning	**Lands**	**64,776,615**	**33,114,039**	51.1
	Land Management Services	64,776,615	33,114,039	51.1
	Survey	**7,416,320**	**3,484,157**	47.0
	Land Management Services	7,416,320	3,484,157	47.0
	Physical Planning	**84,494,476**	**22,197,196**	26.3
	Land Management Services	53,094,476	1,151,877	2.2
	Housing Management Services	31,400,000	21,045,319	67.0
	Housing	**190,151,740**	**3,889,122**	2.0
	Housing Management Services	190,151,740	3,889,122	2.0
	Kakamega Municipality	**221,075,914**	**75,159,971**	34.0
	Urban Development Service	221,075,914	75,159,971	34.0
Social Services, Youth & Sports	**Mumias Township**	**73,085,534**	**44,155,685**	60.4
	Urban Development Service	73,085,534	44,155,685	60.4
	Social Services	**30,343,000**	**6,788,198**	22.4
	Social Development and Promotions	26,331,000	6,788,198	25.8
	Youth & Gender Development and Promotion Services	4,012,000	-	0.0
	Children Services	**6,229,867**	**803,152**	12.9
	Social Development and Promotions	6,229,867	803,152	12.9
	Sports	**241,105,227**	**75,201,709**	31.2
	Social Development and Promotions	0	19,052,444	>100
	Management and Development of Sports And Sports Facilities	241,105,227	56,149,265	23.3
	Youth Development	**379,693,203**	**263,763,835**	69.5
	Youth & Gender Development and Promotion Services	379,693,203	263,763,835	69.5
	Culture	**17,509,586**	**18,000,768**	102.8
	Culture and Arts Development	17,509,586	18,000,768	102.8
	Labour	**844,350**	**636,000**	75.3
	Administration, Planning and Support Services	844,350	636,000	75.3
	Administration	**20,034,124**	**16,907,806**	84.4
	Administration, Planning and Support Services	20,034,124	16,907,806	84.4
	Library Services	**2,292,598**	**242,180**	10.6
	Development of Library Services	2,292,598	242,180	10.6
Trade, Industrialisation & Tourism	**Trade**	**90,168,295**	**38,919,495**	43.2
	Trade Development and Investment	90,168,295	38,919,495	43.2
	Tourism	**5,003,758**	**3,658,509**	73.1
	Promotion of tourism and marketing	5,003,758	3,658,509	73.1
	Weights and Measures	**1,289,051**	**523,494**	40.6
	Administration, Planning and Support Services	1,289,051	523,494	40.6
	Industrialisation	**407,461,125**	**26,424,381**	6.5
	Industrial development and investment	407,461,125	26,424,381	6.5
	Administrative Services	**3,893,834**	**2,792,651**	71.7

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Program	Sub-Programme	Budget Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption (%)
	Administration, Planning and Support Services	3,893,834	2,792,651	71.7
	Market Administration	**4,521,658**	**2,310,918**	51.1
	Administration, Planning and Support Services	4,521,658	2,310,918	51.1
	Micro-Finance Cooperation	**6,350,000**	**6,350,000**	100.0
	Trade Development and Investment	6,350,000	6,350,000	100.0
Water, Environment and Natural Resources	**Environment**	**20,423,726**	**2,464,092**	12.1
	Environmental conservation	20,423,726	2,464,092	12.1
	Water and Sewerage	**240,344,071**	**91,374,823**	38.0
	Water and Sanitation Services	240,344,071	91,374,823	38.0
	Forestry	**11,131,752**	**368,020**	3.3
	Natural Resource Management	11,131,752	368,020	3.3
	Natural Resource	**2,526,516**	**1,024,600**	40.6
	Natural Resource Management	2,526,516	1,024,600	40.6
	Climate Change Directorate Administration	**529,687,604**	**45,288,158**	8.5
	Environmental conservation	527,158,387	44,994,488	8.5
	Environmental Conservation	2,529,217	293,670	11.6
Public Service and Administration	**Public Service**	**6,683,839,559**	**4,410,955,720**	66.0
	County Public service and Administrative services	6,683,839,559	4,410,955,720	66.0
	County Administration	**237,309,117**	**256,829,546**	108.2
County Public Service Board	County Public service and Administrative services	237,309,117	256,829,546	108.2
	Ward Administration	**15,200,867**	**10,757,104**	70.8
	County Public service and Administrative services	15,200,867	10,757,104	70.8
	Enforcement	**5,698,312**	**332,100**	5.8
	Management and administration of County Functions	5,698,312	332,100	5.8
	Sub-County Administration	**16,379,475**	**12,590,077**	76.9
	County Public service and Administrative services	16,379,475	12,590,077	76.9
	Public Service Board	-	-	0.0
	Directorate of Alcoholic Drinks	**8,115,645**	**4,588,501**	56.5
	Alcoholics and Drink Control	8,115,645	4,588,501	56.5
	Community Area offices	**13,518,561**	**8,740,450**	64.7
	County Public service and Administrative services	13,518,561	8,740,450	64.7
	Public Participation Unit	**766,993**	**427,958**	55.8
	General Administration and Support Services	766,993	427,958	55.8
	Disaster Management Unit	**2,633,117**	**621,930**	23.6
	County Administration	2,633,117	621,930	23.6
	Records Management Unit	**789,494**	**1,079,580**	136.7
	Economic and policy formulation, and management planning	789,494	1,079,580	136.7
Governor's Office	**Governor's Office**	**168,459,685**	**63,013,894**	37.4
	Management and administration of County Functions	168,459,685	63,013,894	37.4
	Liaison Office	**8,878,576**	**4,051,374**	45.6
	Support, Coordination and Advisory services	8,878,576	4,051,374	45.6
	County Court	**96,937,858**	**20,100,450**	20.7
	Support, Coordination and Advisory Services	96,937,858	20,100,450	20.7
	Intergovernmental Relation	**3,827,600**	**3,032,500**	79.2
	Support, Coordination and Advisory services	3,827,600	3,032,500	79.2
	Internal Audit	**12,351,864**	**3,826,614**	31.0
	Support, Coordination and Advisory services	12,351,864	3,826,614	31.0
	Cabinet Secretariat	**3,002,066**	**672,800**	22.4

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Program	Sub-Programme	Budget Estimates (Kshs)	Actual Expenditure (Kshs)	Absorption (%)
	Support, Coordination and Advisory services	3,002,066	672,800	22.4
	Governor's Advisory	**4,071,480**	**1,925,490**	47.3
	Support, Coordination and Advisory services	4,071,480	1,925,490	47.3
	Protocol	**3,949,992**	**327,200**	8.3
	Support, Coordination and Advisory services	3,949,992	327,200	8.3
	Governors press unit	**5,211,011**	**3,064,300**	58.8
	Support, Coordination and Advisory services	5,211,011	1,589,800	30.5
	Information and communication services	1	1,474,500	>100
	Office of the County Secretary	**15,481,412**	**5,394,571**	34.8
	Management and administration of County Functions	15,481,412	5,394,571	34.8
Finance and Economic Planning	**Financial Management**	**1,632,481**	**990,550**	60.7
	Management and administration of County Functions	1,632,481	990,550	60.7
	Technical Services Unit	**9,075,053**	**2,780,705**	30.6
	Management and administration of County Functions	9,075,053	2,780,705	30.6
	Service Delivery and Risk Management	**10,693,527**	**4,754,941**	44.5
	Management and administration of County Functions	10,693,527	4,754,941	44.5
	Accounting	**436,741,152**	**15,857,987**	3.6
	Public finance management	436,741,152	15,857,987	3.6
	Economic Planning	**87,790,750**	**50,409,598**	57.4
	Economic and policy formulation, and management planning	87,790,750	50,409,598	57.4
	Budget	**127,232,740**	**93,126,828**	73.2
	Public finance management	127,232,740	93,126,828	73.2
	Revenue Agency	**730,661,951**	**76,785,000**	10.5
	Information and communication services	670,661,951	35,535,000	5.3
	Public finance management	60,000,000	41,250,000	68.8
	Administration	**195,791,218**	**50,904,151**	26.0
	General Administration and Support Services	195,791,218	50,904,151	26.0
	County Procurement	**10,638,702**	**4,293,311**	40.4
	Public finance management	10,638,702	4,293,311	40.4
	Investment Unit	**44,000,000**	**9,000,000**	20.5
	Investment promotion	44,000,000	9,000,000	20.5
County Public Service Board	County Public Service Board	**16,159,495**	**6,700,000**	41.5
	County Public service and Administrative services	16,159,495	6,700,000	41.5
	Administration and Support	**4,442,700**	**1,707,250**	38.4
	Information and communication services	4,442,700	1,707,250	38.4
ICT, E-government & Communication	**ICT**	**173,208,008**	**100,355,831**	57.9
	Information and communication services	173,208,008	100,355,831	57.9
	Communication	**38,694,952**	**14,334,288**	37.0
	Information and communication services	38,694,952	14,334,288	37.0
	E-Government	**1,580,000**	**97,900**	6.2
	Information and communication services	1,580,000	97,900	6.2
Grand Total		**17,952,183,224**	**7,895,849,382**	44.0

Source: *Kakamega County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Irrigation and Drainage Development in the Department of Agriculture at 181 per cent, Social Development and Promotions in the Department of Social, Services Youths and Sports at above 100 per cent, Economic and Policy Formulation and management planning in the Department of CPSB at 136 per cent, and County Administration at 108 per cent of budget allocation.

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3.11.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government did not submit the comprehensive list of accounts within commercial banks, including Health Facilities, Vocational Training Centres, Established Funds, revenue accounts, and special purpose accounts. Moreover, the County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015. A past report showed that the county had 67 accounts in various commercial banks.

3.11.17 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;

i. The County Assembly's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 24 April 2025.
ii. Failure to match expenditures to AiA revenues. The County reported revenues from its Agencies, the water company and AiA as part of the OSR. However, it did not have a matching expenditure by vote in the budget estimates, which implies that the expenditures on AiA are settled outside the recommended financial system.
iii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of the Kakamega County Alcoholic Drinks Control Fund had lapsed, making them ineligible for further withdrawals.
iv. Fund Administrators failed to submit quarterly financial and non-financial reports to the Controller of Budget (CoB) within the timelines provided by law, which is contrary to the requirement of Section 168 of the Public Finance Management Act, 2012. As of 15 April 2025, the reports for the County Assembly Car Loan & Mortgage, Kakamega County Small Scale Trade Development Fund, Kakamega County Agricultural Farm Input Fund, and Maternal Child Health & Family Planning (Imarisha Fund) were not submitted to the Controller of Budget.
v. A high level of pending bills, which amounted to Kshs.1.27 billion as of 31 March 2025. Further, the county treasury did not submit the repayment plan for the pending bills at the beginning of the year.
vi. Use of manual payroll. Personnel emoluments amounting to Kshs.109.49 million, mainly for the partisan staff in the county assembly, are yet to be onboarded into HRIS. Hospital casual staff were processed through manual payroll, accounting for 2 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
vii. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015
viii. Unspent funds from FY 2023/24 were not refunded to the CRF account, resulting in actual expenditures exceeding the approved exchequer in several departments, as shown in Table 3.114.

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The County treasury should ensure that the budgeting and expenditures of all AiA are properly budgeted and reported on as prescribed in the PFM Act and by PSASB.*
iii. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
iv. *IV. The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
v. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Furthermore, submit a repayment plan on a first-in, first-out (FIFO) basis.*

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vi. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

vii. *The County Treasury should ensure it submits to OCoB copies of authorisation letters for opening commercial bank accounts to enhance accountability and oversight.*

viii. *The County Treasury should ensure unspent funds from the previous financial year are deposited into the CRF Account in line with Section 136 of the PFM Act 2012.*

3.12. County Government of Kericho

3.12.1 Overview of FY 2024/25 Budget

The Kericho County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.9.76 billion. It comprises Kshs.3.56 billion (36.5 per cent) and Kshs.6.20 billion (63.5 per cent) allocations for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.0.85 billion (9.6 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.2.94 billion and a recurrent budget of Kshs.5.97 billion. The increase in the budget was attributed to the rise in the Equitable Share of Revenue raised nationally. The County's Net Approved Supplementary I Budget (gross budget less AIA estimates) is Kshs.9.11 billion, comprising Kshs.6.20 billion for recurrent and Kshs.3.56 billion for development.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.6.96 billion (71.4 per cent), additional allocations of Kshs.1.04 billion (10.6 per cent), a cash balance of Kshs.536.32 million (5.5 per cent) brought forward from FY 2023/24, and Kshs.1.22 billion (12.5 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.646.36 million (52.9 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.576.24 million (47.1 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.116.

3.12.2 Revenue Performance

During the review period, the County generated Kshs.5.74 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.1.19 billion from Kshs.4.56 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.44 billion from the equitable share of revenue raised nationally, and its own-source revenue (OSR) collection of Kshs.762.98 million. In addition, the County had a cash balance of Kshs.536.32 million from FY 2023/24.

The total OSR collection of Kshs.762.99 million includes Facilities Improvement Financing (FIF) of Kshs.498.88 million and Kshs.264.11 million from other OSR sources. OSR collections from the FIF were received from Kericho District Hospital, Kapkatet District Hospital, Londiani Sub-County Hospital, Sigowet Sub-County Hospital, Kipkelion Sub-County Hospital, Forttenan Sub-County Hospital and Roret Sub-County Hospital. Table 3.116 summarises the total revenue available to the county government during the first nine months of FY 2024/25.

Table 3.116: Kericho County, Revenue Performance in the First Nine Months of FY 2024/25

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**	6,962,657,506	4,444,491,401	63.8
Sub Total		**6,962,657,506**	**4,444,491,401**	**63.8**
B	**Conditional Grants**			
1	Routine Maintenance Fuel Levy Fund	169,758,085	0	0.0
2	County Aggregated Industrial Parks	250,000,000	0	0.0
3	County health promoters	45,690,000	0	0.0
4	DANIDA FUND	8,287,500	0	0.0
5	Kenya Devolution Support Project 11 (World Bank)	37,500,000	0	0.0
6	Kenya Urban Support Program UDG (SIDA)	43,550,249	0	0.0
7	Kenya Urban Support Program UIG (SIDA)	35,000,000	0	0.0
8	FLOCCA Grants to support climate change CCIs	11,000,000	0	0.0
9	FLOCCA Grants to support climate change CCIR	203,392,898	0	0.0

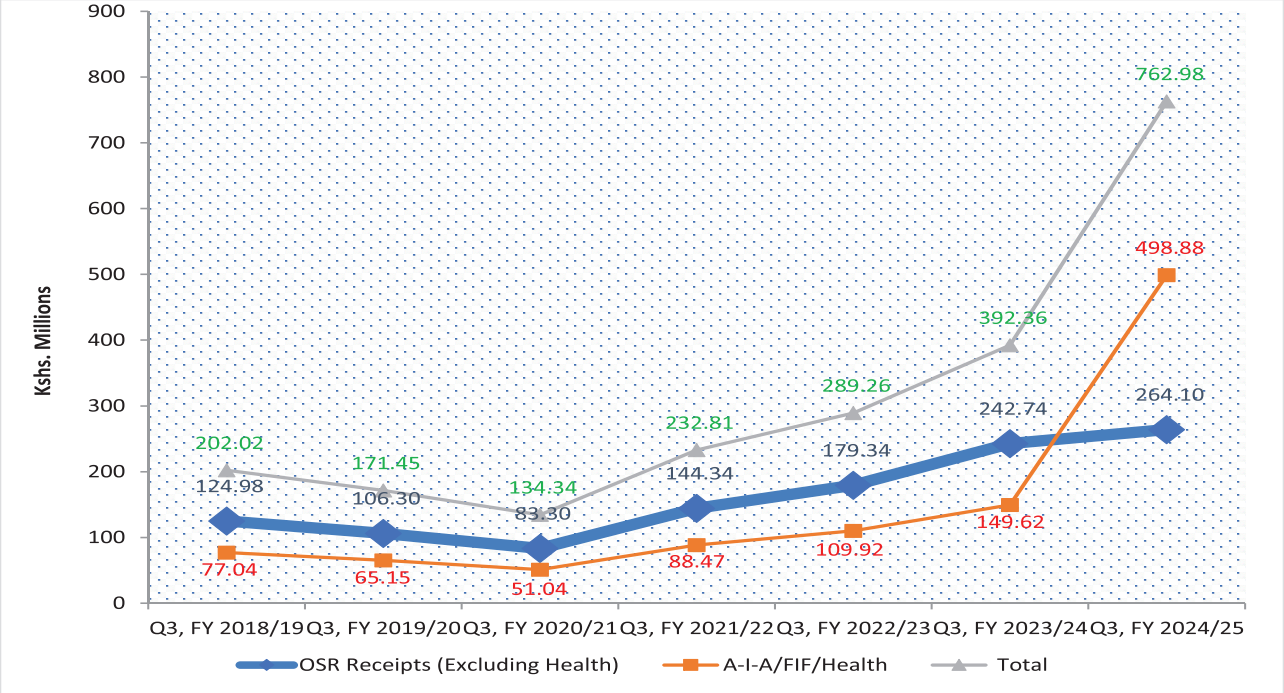
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S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as a Percentage of Annual Allocation (%)
10	FLLOCA Grants to Support Climate Change CCIR (UNSPENT DONOR)	68,750,000	0	0.0
11	IDA National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	0	0.0
12	SWEDEN Kenya Agricultural Business Dev't Project (KABDP)	10,918,919	0	0.0
Sub-Total		1,035,362,803	0	**0.0**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	576,244,311	264,101,623	45.8
2	Balance b/f from FY2023/24	536,319,616	536,319,616	100.0
3	Facility Improvement Fund (FIF)	646,355,000	498,877,446	77.2
Sub Total		1,758,918,927	1,299,298,685	73.9
Grand Total		**9,756,939,236**	**5,743,790,086**	**58.9**

Source: *Kericho County Treasury*

Figure 45 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 45: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25

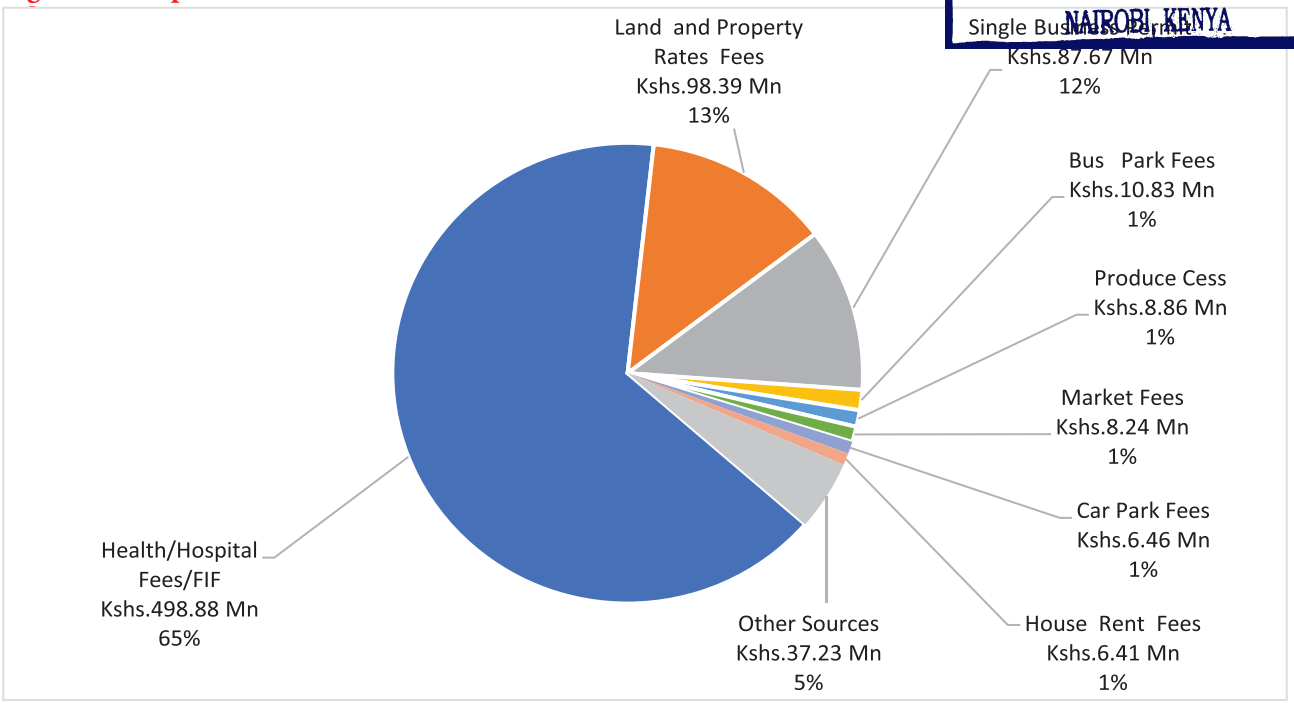


Source: *Kericho County Treasury*

During the review period, the County generated Kshs.762.98 million from its own revenue sources, including AIA and FIF. This amount was an increase of 94.5 per cent compared to Kshs.392.36 million realised in a similar period in FY 2023/24 and was 62.4 per cent of the annual target and 17.2 per cent of the equitable revenue share disbursed. The revenue streams which contributed the highest OSR receipts are shown in Figure 46.

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Figure 46: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



***Source**: Kericho County Treasury*

As shown in Figure 46, the highest revenue stream, at Kshs.498.88 million, was from the Facility Improvement Fund (FIF), which contributed 65 per cent of the total OSR receipts. The County Government has automated 12 revenue streams out of 40.

3.12.3 Borrowing by the County

During the review period, the County government of Kericho did not borrow any funds.

3.12.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.4.93 billion from the CRF account comprised Kshs.1.14 million (23.4 per cent) for development programmes and Kshs.3.79 billion (76.8 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.43 million was released towards compensation of employees and Kshs.1.07 million for operations and maintenance expenditure. Exchequer approved compensation for employees in the first nine months of FY 2024/25, which does not include the March 2025 exchequer request for the County Executive and County Assembly due to the delay of the exchequer.

Analysis of the operations and maintenance exchequer releases indicates that 7.3 per cent was for domestic travel and 0.3 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.232.38 million, comprising Kshs.142.53 million for the County Executive and Kshs.89.86 million for the County Assembly. The foreign travel exchequer totalled Kshs.10.16 million, comprising Kshs.8.37 million for the County Executive and Kshs.1.79 million for the County Assembly.

Table 3.117: Kericho County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%) (Kshs.)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly Services	880,334,303	106,733,214	573,011,484	29,852,044	65	28
Public Service & Administration	424,359,708	20,950,340	229,770,988	4,586,153	54	22
Office of the Governor & Deputy Governor	161,256,392	-	109,774,543	-	68	-
County Public Service Board	82,743,700	-	50,049,914	-	60	-
Finance & Economic Planning	350,133,239	270,984,012	236,594,491	61,235,514	68	23
Health Services	2,904,160,750	242,043,875	1,481,838,876	147,880,567	51	61

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Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Net Budget (%) (Kshs.)	
	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock & Cooperative Development	189,870,333	503,264,709	102,607,377	127,077,506	54	25
Education, Libraries, Culture & Social Services	616,031,470	241,482,326	400,698,679	38,769,750	65	16
Public Works, Roads & Transport	105,308,742	969,265,412	60,914,091	376,731,489	58	39
Trade, Industrialisation, Innovation, Tourism &Wildlife	66,767,379	355,064,267	37,827,475	54,091,491	57	15
Water, Energy, Natural Resources & Environment	174,994,615	593,482,722	112,594,780	230,540,873	64	39
Land, Housing & Physical Planning	165,962,467	217,013,999	64,637,771	75,104,515	39	35
Information Communication Youth Affairs, Sports & E-Government	73,731,262	73,731,263	73,731,264	8,137,906	100	11
Total	**6,195,654,360**	**3,594,016,139**	**3,534,051,733**	**1,154,007,809**	57	32

Source: *Kericho County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.76,09 million.

3.12.5 County Expenditure Review

The County spent Kshs.4.65 billion on development and recurrent programmes during the reporting period. The expenditure represented 94.2 per cent of the total funds released by the CoB and comprised Kshs.1.17 billion and Kshs.3.47 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 33.0 per cent, while recurrent expenditure represented 56.1 per cent of the annual recurrent expenditure budget.

3.12.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.15 billion as of 30th June 2024. Only the county executive is responsible for these pending payments. The pending bills from the County Executive consist of Kshs.211.61 million for recurrent expenditures and Kshs.943.11 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.587.62 million, comprising Kshs.97.43 million for recurrent programmes and Kshs.490.19 million for development programmes.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.161.81 million, Kshs.222.38 million, Kshs.127.83 million, Kshs.267.91 million, Kshs.89.66 million, Kshs.39.59 million, Kshs.96.01 million, Kshs.51.45 million, and Kshs.91.30 million, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.587.62 million for the Executive.

As of 31st March 2025, the outstanding bills amounted to Kshs.567.10 million for the County Executive only.

3.12.7 Expenditure by Economic Classification

The County Executive allocated Kshs.2.18 billion for employee compensation, Kshs.736.49 million for operations and maintenance, and Kshs.1.14 million for development activities. Similarly, the County Assembly spent Kshs.253.84 million on employee compensation, Kshs.302.95 million on operations and maintenance, and Kshs.29.85 million on development activities, as shown in Table 3.118.

Table 3.118: 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	**5,315,320,057**	**880,334,303**	**2,916,390,593**	**556,793,862**	**55**	**63**
Compensation to Employees	3,561,813,174	508,779,359	2,179,895,616	253,844,383	61	50
Operations and Maintenance	1,753,506,883	371,554,944	736,494,977	302,949,479	42	82
Development Expenditure	3,471,113,982	90,170,894	1,143,631,009	29,852,044	33	33
Total	**8,786,434,039**	**970,505,197**	**4,060,021,602**	**586,645,906**	46	60

Source: *Kericho County Treasury*

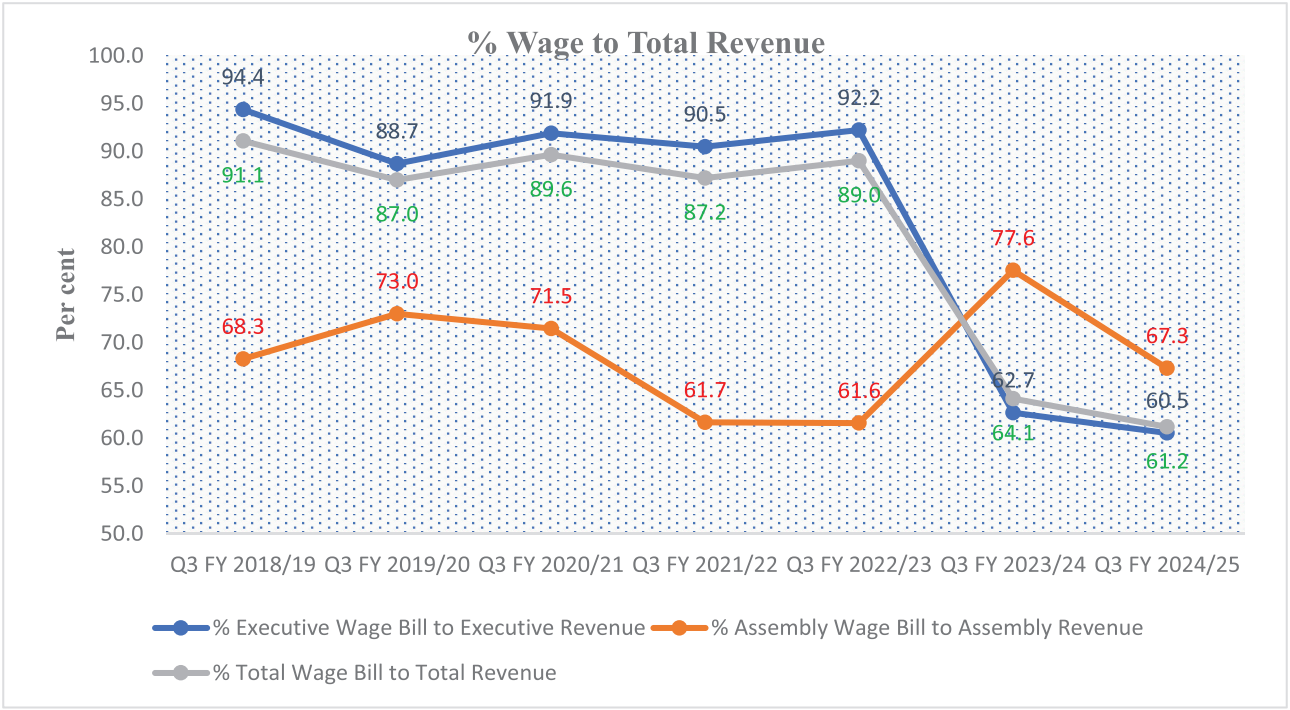
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3.12.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.2.43 billion. The total revenue, excluding the earnings from extractive natural resources from sand cess, gypsum cess, and quarry cess, is Kshs.3.98 million. Consequently, the percentage of employee compensation to this adjusted revenue is 61.4 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.2.41 billion reported during the same period in FY 2023/24. Of this total, Kshs.1.36 billion was allocated to Health Sector employees, which accounts for 56.0 per cent of the overall employees' compensation.

Figure 47 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 47: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: Kericho County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.35 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.84.40 million was processed through manual payrolls, which accounted for 3.5 per cent of the total PE cost.

The manual payrolls comprised salaries for 20 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 61 casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.119.

Table 3.119: Breakdown of Kericho County Manual Payroll

S No,	Description of Manual Payroll	County Executive	County Assembly	Total
1	Salaries for 20 staff paid outside the Human Resource Information System (HRIS)	10,686,398	6,995,250	17,681,648
2	Salaries for 59 casual staff	-	28,792,526	28,792,526
3	Top-up allowances for 2 security officers	-	535,500	535,500
4	LAPTRUST/LAPFUND Pension Contributions		26,255,034	26,255,034
5	Gratuity for contract staff	-	7,557,305	7,557,305
6	Advances	-	3,580,555	3,580,555
	Total	**10,686,398**	**73,716,170**	**84,402,568.**

***Source**: Kericho County Treasury*

The County Assembly spent Kshs.25.42 million on committee sitting allowances for the 48 MCAs against the annual budget allocation of Kshs.47.43 million. The average monthly sitting allowance was Kshs.58,835 per MCA. The County Assembly has 24 House Committees.

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3.12.9 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.45.26 million to county-established funds in FY 2024/25, or 0.49 per cent of the County's overall budget. Further, the County allocated Kshs.10.00 million to the Emergency Fund (0.11 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.Table 3.120 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.120: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation 2024/25 (Kshs.)	Exchequer Issue 2024/25 (Kshs.)	Actual Expenditure for 2024/25 (Kshs.)	Cumulative Disbursement to the Fund in FY 2024/25 (Kshs.)	Submission of Financial Statement (Kshs.)
1	Kericho County Emergency Fund	10,000,000	10,000,000	-	339,200,113	Ongoing
2	Kericho County Exe Staff Mortgage	20,000,000	20,000,000	-	236,318,000	Ongoing
3	Kericho County Exe Car Loan	-	-	-	44,780,000	Ongoing
4	Kericho County Bursary Fund	-	-	-	1,323,334,096	Ongoing
5	Kericho County Enterprise Fund	-	-	-	87,000,000	Ongoing
	County Assembly Established Funds					
1	Staff Car Loan & Mortgage Fund	15,261,268	-	-	131,427,453	Not provided
2	Mca's Car Loan & Mortgage Fund	0	-	-	179,914,540	Not provided

Source: *Kericho County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from Kericho County Fund Administrators, as indicated in Table 3.120, contrary to the requirement of Section 168 of the PFM Act, 2012.

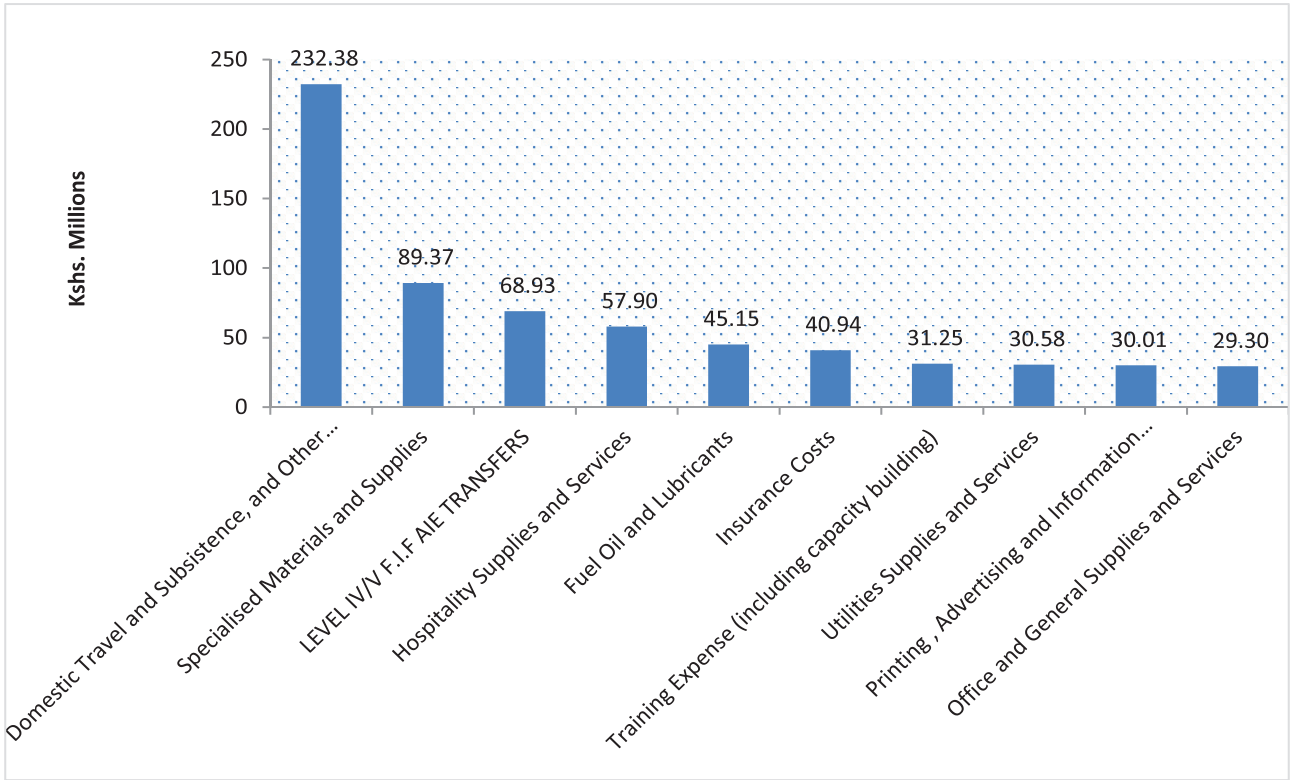
3.12.10 County Corporations

The County has not established any county corporations.

3.12.11 Expenditure on Operations and Maintenance

Figure 48 summarises the Operations and Maintenance expenditure by major categories.

Figure 48: Kericho County, Operations and Maintenance Expenditure by Major Categories



Source: *Kericho County Treasury*

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Expenditure on domestic travel amounted to Kshs.232.38 million and comprised Kshs.142.53 million spent by the County Assembly and Kshs.89.86 million by the County Executive. Expenditure on foreign travel amounted to Kshs.10.16 million and comprised Kshs.1.79 million by the County Assembly and Kshs.8.37 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.121.

Table 3.121: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Executive Department of County Public Service Board	6	9-20/9/2024	Attending training on leadership and policy implementation in Arusha, Tanzania	Tanzania	2,250,000
Executive Office of The Governor	3	2-8/6/2024	Travel to Uganda for consultative meeting on exploration of investment opportunities	Uganda	1,156,370
Trade	1	7/12/2023-17/12/2023	Attending 23rd EAC MSME Burundi	Burundi	224,835
Agriculture	1	23rd/01-3rd /02/2024	Attending leadership training programme at Esami	Tanzania	687,860
Finance	1	23/1-1/2/2024	Travel to Tanzania for digital leadership training on navigating governance in the public sector	Tanzania	424,990
Finance	1	23rd January- 3rd Feb 2024	Attending digital leadership, navigating governance in the public sector	Tanzania	412,390
Trade	2	26th October- 5th November 2024	Attending EAC MSME trade fair	South Sudan	274,146
Executive Department of County Public Service Board	1	9-20/9/2024	Attending training on leadership and policy implementation in Arusha, Tanzania	Tanzania	706,212
County Public Service Board	1	21/10-1/11/2024	Attending training on using the balanced scorecard as a performance management system	United Arab Emirates	1,208,554
County Public Service Board	1	10-19/6/2024	Travel to USA San Francisco for the discussions, keynote speeches and presentations.	USA	217,377
County Public Service Board	1	10-19/6/2024	Travel to USA, San Francisco for the discussions, keynote speeches and presentations.	USA	650,000
Department of Water, Energy, Environment, Forests and Natural Resources	1	29th November 2023-12th December 2023	28th United Nations Climate Change Conference	Dubai	157,574
	TOTAL				**8,370,308**
Kericho County Assembly	**2**	14th to 21st August 2024	Digital leadership, navigating governance in the public sector	Tanzania	1,794,484
	GRAND TOTAL				**10,164,792**

***Source**: Kericho County Treasury and Kericho County Assembly*

3.12.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.498.88 million as FIF, which was 77.2 per cent of the annual target of Kshs.646.36 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. However, the County has not developed regulations to operationalise the FIF Act of 2023.

The Health Facilities provided a report on the utilisation of the FIF during the reporting period, in line with Section 18 (e) of the FIF Act, 2023. The expenditure by the health facilities amounted to Kshs..475.01 million, as shown in Table 3.122.

Table 3.122: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1.	Kericho County Referral Hospital	311,117,122.00	219,319,160.00	70

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No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate
2.	Kapkatet Hospital	162,605,629	151,619,436	93
3.	Londiani Hospital	52,339,378	32,400,126	62
4.	Kipkelion Hospital	7,851,054	4,077,848	52
5.	Sigowet Hospital	61,241,817	44,701,360.00	73
6.	Roret Hospital	32,000,000	12,352,594.00	39
7.	Fortenan Hospital	19,200,000	10,539,650	55
	TOTAL	**646,355,000**	**475,010,174**	**73**

Source: *Kericho County Treasury*

The Health Facility with the highest absorption rate was Kapkatet Hospital at 93 per cent.

3.12.13 Development Expenditure

In the review period, the County reported spending Kshs.1.17 billion on development programmes, representing an increase of 60.08 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.468.46 million. Table 3.123 summarises development projects with the highest expenditure in the reporting period.

Table 3.123: Kericho County, List of Development Projects with the Highest Expenditure

No.	Sector	project name	project location	Expected Completion Date	Contract sum(kshs.)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	imple-mentation status(%)	Remarks
1	Basic Education	Renovation works at Kericho County Library	Kipchebor	Completed	5,000,000	5,000,000	5,000,000	100%	Completed
2	Health Services	proposed completion of mch at Kipsitet dispensary with 90,000 litres septic tank	Soin Ward	Completed	10,847,220	10,847,220	10,847,220	100%	Completed
3	Health Services	Proposed Construction of Surgical Theatre at Sosiot Health Centre	Waldai Ward	Completed	13,470,099	13,470,099	13,470,099	100%	Completed
4	Health Services	Proposed completion and equipping of a borehole at Kipkelion Subcounty Hospital	Kipkelion Ward	Completed	4,994,791	4,994,791	4,994,791	100%	Completed
5	Health Services	Proposed construction of Malinja Dispensary	Cheboin Ward	Completed	8,774,000	8,774,000	8,774,000	100%	Completed
6	Health Services	Proposed construction of 24 24-body Morgue in Fort Ternan Subcounty Hospital	Chilchila Ward	Completed	8,755,720	8,755,720	8,755,720	100%	Completed
7	Fiscal planning	Rehabilitation and construction of Kimologit water supply	Kipkelion West Ward	Completed	13,178,969	13,178,969	13,178,969	100%	Completed
8	Fiscal planning	Construction of Maize Mill at Kedowa	Kedowa/ Kimugul	Completed	8,720,254	8,720,254	8,720,254	100%	Completed
9	Trade	Refurbishment and Construction of Shops/Stalls	Liten Ward	Completed	6,298,206	6,298,206	6,298,206	100%	Completed
10	Fiscal planning	Stormwater drainage	Kapkatet Ward	Completed	15,587,052	15,587,052	15,587,052	100%	Completed
					95,626,311	95,626,311	**95,626,311**		

Source: *Kericho County Treasury*

3.12.14 Budget Performance by Department

Table 3.124 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

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Table 3.124: Kericho County, Budget Allocation and Absorption Rate by Department

Mini	Budget Allocation (Kshs.Mn)		Exchequer Issues (Kshs.Mn)		Expenditure (Kshs. Mn)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly Services	880.33	106.73	573.01	29.85	556.79	29.85	97	100	63	28
Public Service & Administration	424.36	20.95	229.77	4.59	220.92	4.59	96	100	52	22
Office of the Governor & Deputy Governor	161.26	-	109.77	-	106.39	-	97	-	66	-
County Public Service Board	82.74	-	50.05	-	50.84	-	102	-	61	-
Finance & Economic Planning	350.13	270.98	236.59	61.24	252.67	61.01	107	100	72	23
Health Services	2,904.16	242.04	1,481.84	147.88	1,412.55	148.49	95	100	49	61
Agriculture, Livestock & Cooperative Development	189.87	503.26	102.61	127.08	117.92	132.20	115	104	62	26
Education, Libraries, Culture & Social Services	616.03	241.48	400.70	38.77	409.14	38.88	102	100	66	16
Public Works, Roads & Transport	105.31	969.27	60.91	376.73	72.01	371.42	118	99	68	38
Trade, Industrialization, Innovation, Tourism &Wildlife	66.77	355.06	37.83	54.09	39.07	54.09	103	100	59	15
Water, Energy, Natural Resources & Environment	174.99	593.48	112.59	230.54	107.86	264.90	96	115	62	45
Land, Housing & Physical Planning	165.96	217.01	74.64	65.10	80.27	59.21	108	91	48	27
Information Communication Youth Affairs, Sports& E-Government	73.73	41.00	36.05	8.14	46.73	8.86	130	109	63	22
Total	**6,195.65**	**3,561.28**	**3,506.37**	**1,144.01**	**3,473.18**	**1,173.48**	**99**	**103**	**56**	**33**

Source: *Kericho County Treasury*

Analysis of expenditure by departments shows that the Department of Health Services recorded the highest absorption rate of development budget at 61.3 per cent, followed by the Department of Water, Energy, Natural Resources & Environment at 44.6 per cent. The Department of Finance & Economic Planning had the highest percentage of recurrent expenditure to budget at 72.2 per cent, while the Department of Land, Housing & Physical Planning had the lowest at 48.4 per cent.

3.12.15 Budget Execution by Programmes and Sub-Programmes

Table 3.125 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.125: Kericho County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Budget Estimates (Kshs)		Actual Expenditure (Kshs)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Coordination Services	County Coordination Services	161,256,392	-	106,394,812	-	66	0
		161,256,392	**-**	**106,394,812**	**-**	**66**	0
DEPARTMENT: FINANCE AND ECONOMIC PLANNING							
Administration, Planning and Support Services.	Administration Services.	288,833,239	-	212,862,546	-	74	0
Administration, Planning and Support Services.	Monitoring Budget Implementation and Reporting	29,200,000	36,984,012	17,519,448	11,026,888	60	30
Public Finance Management	Budget Formulation Coordination and Management	25,750,000	234,000,000	17,606,148	49,982,334	68	21
Audit Services	County Audit	6,350,000	-	4,682,452	-	74	0
		350,133,239	**270,984,012**	**252,670,594**	**61,009,222**	**72**	**23**

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Programme	Sub-Programme	Budget Estimates (Kshs)		Actual Expenditure (Kshs)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
DEPARTMENT: AGRICULTURE, LIVESTOCK AND FISHERIES							
Policy, Strategy and Management of Agriculture	Development of Agricultural Policy, Legal & Regulatory framework.	72,128,418	-	42,179,729	-	58	0
Crop Development and Management	Agriculture Extension Services	60,708,413	358,664,149	48,489,682	84,327,959	80	24
Livestock Resource Management and Development	Livestock Disease Management and Control.	-	83,692,389	-	24,987,583	0	30
Livestock Resource Management and Development	Livestock Production and Extension Services	37,919,501	-	24,375,192	-	64	0
Fisheries development	Management and Development of Capture Fisheries	7,400,131	8,650,000	975,250	4,138,170	13	48
Cooperative development and management	Cooperative Advisory & Extension Services.	11,713,870	52,258,171	1,895,313	18,742,229	16	0
		189,870,333	**503,264,709**	**117,915,167**	**132,195,941**	**62**	**26**
DEPARTMENT: WATER, ENERGY, NATURAL RESOURCES AND ENVIRONMENT							
Environment policy development and coordination	Planning Coordination Policy and Administrative Services	161,738,287	25,000,000	99,061,992	20,894,220	61	84
Water supply services	Rural Water Supply	13,256,328	568,482,722	8,802,648	244,008,646	66	43
		174,994,615	**593,482,722**	**107,864,641**	**264,902,865**	**62**	**45**
DEPARTMENT: EDUCATION, YOUTH AFFAIRS, CULTURE AND SOCIAL SERVICES							
General Administration & planning services.	Policy Development and Administration	607,931,470	17,363,468	403,120,583	4,941,500	66	28
Basic Education	Early Childhood Development Education	5,000,000	113,618,858	3,436,749	25,594,785	69	23
Gender and Social Development	Social Welfare Services/Social Infrastructure Development	3,100,000	15,500,000	2,584,490	748,100	83	5
Youth development and empowerment services	Youth Development (YP) Training	-	95,000,000	-	7,593,325	0	8
		616,031,470	**241,482,326**	**409,141,822**	**38,877,710**	**66**	**16**
DEPARTMENT: HEALTH SERVICES							
Curative Health	Administration and Planning	1,586,148,035	131,735,203	800,442,711	83,116,369	5	63
Curative Health	Hospital(curative) Services	-	-	-	-		
Preventive and Promotive Health	Preventive Medicine and Promotive Health	1,318,012,715	110,308,672	612,111,199	65,369,562	46	59
		2,904,160,750	**242,043,875**	**1,412,553,910**	**148,485,931**	**49**	**61**
DEPARTMENT: LANDS, HOUSING AND PHYSICAL PLANNING							
Administration and support services	General Administration and Planning	123,284,985	133,050,249	55,265,917	41,143,020	45	31
Housing Development and Human Resources	Housing Development	9,879,309	23,106,250	7,532,273	10,100,080	76	44
Land policy and planning	Development Planning and Land Reforms	27,145,730	21,001,700	14,504,912	4,974,800	53	24
Land policy and planning	Land Use Planning	5,652,443	39,855,800	2,967,011	2,987,603	52	7
		165,962,467	**217,013,999**	**80,270,113**	**59,205,503**	**48**	**27**

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Programme	Sub-Programme	Budget Estimates (Kshs)		Actual Expenditure (Kshs)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
DEPARTMENT: PUBLIC WORKS, ROADS AND TRANSPORT							
Transport Management and Safety	General Administration Planning and Support Services	93,862,784	-	68,276,315	-	73	0
Infrastructure, Roads and Transport	Rehabilitation of Road	3,400,000	939,665,412	2,194,900	370,415,662	65	39
Infrastructure, Roads and Transport	Maintenance of Roads and Bridges/Periodic Maintenance	8,045,958	29,600,000	1,539,176	999,998	19	3
		105,308,742	**969,265,412**	**72,010,391**	**371,415,660**	**68**	**38**
DEPARTMENT: TRADE, INDUSTRIALISATION, TOURISM, WILDLIFE AND COOPERATIVE MANAGEMENT							
Trade development and investment	Fair Trade Practices and Consumer Protection (Weights & measures)	19,160,892	346,431,761	12,178,855	54,091,490	64	16
Trade development and investment	Administrative and Support Services.	40,833,526	2,000,000	23,671,447	-	58	0
Tourism development and marketing	Local Tourism Development.	6,772,961	6,632,506	3,223,451	-	48%	
		66,767,379	**355,064,267**	**39,073,753**	**54,091,490**	**59**	**15**
DEPARTMENT: ICT AND E-GOVERNMENT							
Information & Communication Service	News and Information Services	73,731,262	-	46,730,804	-	63	0
Information & Communication Service	ICT and BPO development services	-	41,000,000	-	8,860,543	0	22
Youth development and empowerment services	Youth Development (YP) Training	-	-	-	-	0	0
		73,731,262	**41,000,000**	**46,730,804**	**8,860,543**	**63**	**22**
DEPARTMENT: COUNTY PUBLIC SERVICE BOARD							
Administration of Human Resources and Public Service	Establishment, Appointment, Discipline and Board Management.	82,743,700	-	50,841,455	-	61	0
		82,743,700	**-**	**50,841,455**	**-**	**61**	**0**
DEPARTMENT: PUBLIC SERVICE MANAGEMENT							
Administration of Human Resources and Public Service	General Administration, Planning and Support Services	309,845,855	20,950,340	187,059,268	4,586,143	60	22
Administration of Human Resources and Public Service	Human Resource Development	114,513,853	-	33,863,865	-	30	0
		424,359,708	**20,950,340**	**220,923,133**	**4,586,143**	**52**	**22**
County Executive Grand Total		**5,315,320,057**	**3,454,551,662**	**2,916,390,594**	**1,143,631,009**	**55**	**33**

***Source**: Kericho County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Social Welfare Services/ Social Infrastructure Development in the Department of Education, Libraries, Culture & Social Services at 83 per cent, Agriculture Extension Services in the Department of Agriculture, Livestock & Cooperative Development at 80 per cent, housing Development in the Department of Land, Housing & Physical Planning at 76 per cent, and General Administration Planning and Support Services at 73 per cent of budget allocation.

3.12.16 Accounts Operated Commercial Banks

The County government operates 51 accounts with commercial banks, including 14 accounts for Health Facilities, 12 accounts for Vocational Training Centres, 24 accounts for established funds and 1 county revenue account.

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

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3.12.17 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;

i. The county Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 5 May 2025.

ii. Own-source revenue underperformed at Kshs.762.98 million against an annual target of Kshs.1.22 billion, representing 62.4 per cent of the yearly target.

iii. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. The reports for the Kericho County Emergency Fund, Kericho County Executive Staff Mortgage Fund, Kericho County Executive Car Loan, Car loans for MCA'S and Car loans/Mortgage for Staff Fund were not submitted to the Controller of Budget as required by law.

iv. High level of pending bills, which amounted to Kshs.6567.10 million as of 31 March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.

v. Use of manual payroll. Personnel emoluments amounting to Kshs.84.40 million were processed through the manual payroll, accounting for 3.5 per cent of the total payroll cost. The manual payroll is prone to abuse and may lead to the loss of public funds where there is a lack of proper controls.

vi. The county government uses commercial bank accounts for operations 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 County should implement the following recommendations to improve budget execution:

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget in line with the timelines prescribed in Section 166 of the PFM Act, 2012.*

ii. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*

iii. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*

iv. *The county leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*

v. *The Government requires that salaries be processed through the IPPD system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

vi. *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.*

3.13. County Government of Kiambu

3.13.1 Overview of FY 2024/25 Budget

The Kiambu County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.24.54 billion. It comprises Kshs.8.64 billion (35 per cent) and Kshs.15.90 billion (64.8 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.33 billion (6 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.6.97 billion and a recurrent budget of Kshs.16.25 billion. The County's Net Approved Supplementary I Budget (gross budget less AIA estimates) is Kshs.24.54 billion.

The budget will be financed from the following revenue sources: an equitable share of revenue raised nationally of Kshs.13.27 billion (54 per cent), additional allocations of Kshs.3.14 billion (13 per cent), a cash balance of Kshs.150.03 million (0.6 per cent) brought forward from FY 2023/24, and Kshs.7.98 billion (32 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.2.4 billion (10 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.5.58 billion (23 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.126.

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3.13.2 Revenue Performance

During the review period, the County received Kshs.11.65 billion in revenues to fund its development and recurrent activities. This amount represents a decrease of Kshs.1.60 billion from Kshs.13.25 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.8.11 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.64.89 million, and its own-source revenue (OSR) collection of Kshs.3.33 billion. Additionally, the County had a cash balance of Kshs.150.03 billion as of FY 2023/24.

The total OSR collection of Kshs.3.33 billion includes Facilities Improvement Financing (FIF) of Kshs.1.25 billion, and Kshs.2.08 billion from other OSR sources. OSR collections from the FIF were received from 106 hospitals where the FIF is collected. Table 3.126 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.126: Kiambu County, Revenue Performance in the First Nine Months of FY 2024/25

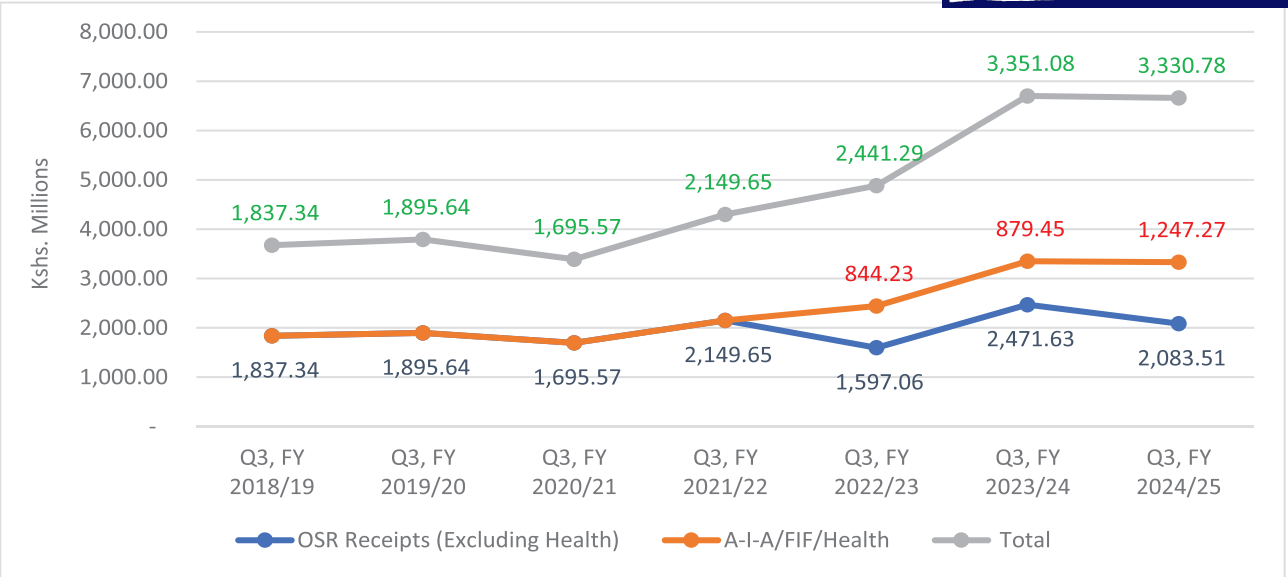
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	13,271,900,869	8,108,547,569	61
Sub Total		**13,271,900,869**	**8,108,547,569**	**61**
B	**Conditional Grants**			
1	Industrial Park & Aggregate Centre Grant	187,500,000	52,631,579	28
2	Court Fines	5,697,644		0
3	Mineral Royalties	532,558		0
4	IDA (World Bank) National Agricultural Value Chain Development Project (NAVCDP)	151,515,152		0
5	DANIDA Grant - Primary Health Care Devolved	14,527,500		0
6	Road Maintenance Fuel Levy Fund	335,429,530		0
7	Community Health Promoters	94,680,000		0
8	IDA (World Bank) credit - Kenya Urban Support Project (KUSP)-Urban Development Grant (UDG)	1,658,136,816		0
9	IDA (World Bank) FLLoCA - County Climate Resilience Investment Grant	125,000,000		0
10	IDA (World Bank) FLLoCA - County Climate Institutional Support (CCRI)	11,277,015		0
11	IDA (World Bank) credit - Kenya Devolution Support Project (KDSP) - Level II	37,500,000		0
12	IDA (World Bank) credit - Kenya Urban Support Project (KUSP)-Urban institutional Grant (UIG)	35,000,000		0
13	World Bank - Kenya Informal Settlement Improvement Project II (KISIP II)	464,543,092		0
14	Aquaculture Business Development Project ABDP	19,395,531		0
Sub-Total		**3,140,734,838**	**52,631,579**	**2**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	5,580,140,717	2,083,510,365	37
2	Balance b/f from FY2023/24	150,028,072	150,028,072	100
3	Facility Improvement Fund (FIF)	2,400,000,000	1,247,268,854	52
4	Other Revenues	143,633,951	12,261,470.00	9
5	Appropriation in Aid (AIA)	-	-	0
Sub Total		8,273,802,740	3,493,068,760	42
Grand Total		**24,686,438,447**	**11,654,247,908**	**47**

Source: *Kiambu County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF, known as the Kiambu County Health Services Act of 2019. Figure 49 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

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Figure 49: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2020/21 - FY 2024/25

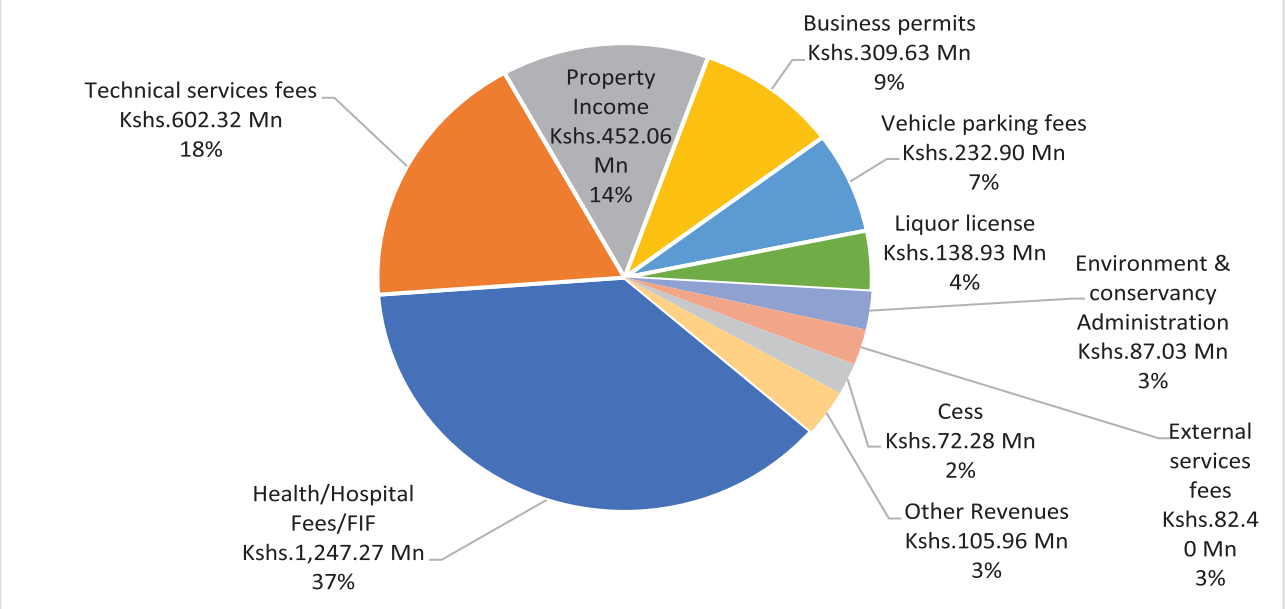


Source: *Kiambu County Treasury*

During the review period, the County generated Kshs.3.33 billion from its own revenue sources, including AIA and FIF. This amount was a decrease of less than 1 per cent compared to Kshs.3.35 million realised in a similar period in FY 2023/24, which was 42 per cent of the annual target and 41 per cent of the equitable revenue share disbursed. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years, amounting to Kshs.5.67 million.

The revenue streams which contributed the highest OSR receipts are shown in Figure 50.

Figure 50: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



Source*: Kiambu County Treasury*

As shown in Figure 50, the highest revenue stream, at Kshs.1.25 billion was from Hospital FIF, accounting for 37 per cent of the total OSR receipts. The County Government has automated all revenue streams.

3.13.3 Borrowing by the County

The County Government did not report on any borrowing.

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3.13.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.10.36 billion from the CRF account during the reporting period, which comprised Kshs.1.89 billion (18 per cent) for development programmes and Kshs.8.47 billion (82 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.5.80 billion was released towards compensation of employees and Kshs.2.67 billion for operations and maintenance expenditure. Exchequer approved compensation for employees in the first nine months of FY 2024/25, which does not include the March 2025 exchequer request for the County Executive and County Assembly due to a delay in releasing funds.

Analysis of the operations and maintenance exchequer releases indicates that 8 per cent was for domestic travel and 1.3 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.210 million, comprising Kshs.37.63 million for the County Executive and Kshs.173.37 million for the County Assembly. The foreign travel exchequer totalled Kshs.35.85 million, entirely allocated to the County Assembly.

Table 3.127: Kiambu County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	1,418.62	110.00	692.18	-	49	0
County Executive	476.48	-	235.94	-	50	-
County Public Service Board	92.89	-	46.53	-	50	-
Finance, ICT & Economic Planning	1,586.98	183.78	860.02	-	54	0
Water, Environment and Natural Resources	573.51	550.96	358.24	48.91	62	9
Health Services	7,016.17	846.74	3,810.04	457.74	54	54
Roads, Transport and Public Works	788.31	2,109.59	444.42	381.14	56	18
Administration and Public Service	1,076.50	87.55	575.60	-	53	0
Agriculture, Crop Production & Irrigation	523.87	710.60	279.94	183.70	53	26
Education, Culture and Social Services	1,563.95	847.09	825.93	463.33	53	55
Youth and Sports	185.14	170.00	74.19	106.47	40	63
Lands, Physical Planning and Housing	416.25	2,307.61	173.38	2.18	42	0
Trade, Tourism, Industry and Cooperatives	179.26	720.95	88.83	245.14	50	34
	15,897.94	8,644.86	8,465.24	1,888.61	**53**	**22**

***Source**: Kiambu County Treasury*

As of 31st March, 2025, the County Government's cash balance in the CRF account was Kshs 46.59 million.

3.13.5 County Expenditure Review

The County spent Kshs.11.45 billion on development and recurrent programmes during the reporting period. The expenditure represented 111 per cent of the total funds released by the CoB and comprised Kshs.1.82 billion and Kshs.9.63 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 21 per cent, while recurrent expenditure represented 61 per cent of the annual recurrent expenditure budget.

3.13.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.6.80 billion as of 30 June 2024. This amount included Kshs.6.66 billion from the County Executive and Kshs.146.25 million from the County Assembly. The pending bills from the County Executive consist of Kshs.4.45 billion for recurrent expenditures and Kshs.2.35 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.1.20 billion, comprising Kshs.756.80 million for recurrent programmes and Kshs.446.75 million for development programmes. The County Assembly did not settle any pending bills during the reporting period.

The County Executive submitted a payment plan for pending bills at the commencement of FY 2024/25, committing to pay Kshs.900 million in the first nine months of FY 2024/25. The County adhered to this payment plan by surpassing the targeted payment, settling Kshs.1.20 billion for the Executive. However, the County Assembly did not submit a payment plan for the clearance of pending bills, nor did they settle any outstanding bills.

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As of 31st March 2025, the outstanding bills totalled Kshs.5.60 billion, comprising Kshs.5.44 billion for the County Executive and Kshs.146.25 million for the County Assembly.

3.13.7 Expenditure by Economic Classification

The County Executive spent Kshs.5.98 billion on employee compensation, Kshs.2.96 billion on operations and maintenance, and Kshs.1.82 billion on development activities. Similarly, the County Assembly spent Kshs.404.80 million for employee compensation, Kshs.287.38 million on operations and maintenance, and nil on development activities, as shown in Table 3.128.

Table 3.128: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**14,479,324,817**	**1,418,615,658**	**7,773,053,380**	**692,184,675**	8,936,756,926	692,184,675	62	49
Compensation to Employees	7,878,603,025	607,931,941	5,409,215,972	386,376,410	5,979,318,873	404,803,625	76	67
Operations and Maintenance	6,600,721,792	810,683,717	2,363,837,408	305,808,265	2,957,438,053	287,381,050	45	35
Development Expenditure	8,534,864,021	110,000,000	1,888,605,551	-	1,817,384,303	-	21	-
Total	**23,014,188,838**	**1,528,615,658**	**9,661,658,931**	**692,184,675**	**10,754,141,229**	**692,184,675**	47	45

***Source**: Kiambu County Treasury*

3.13.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.6.38 billion. The total revenue was Kshs.11.65 billion. Consequently, the percentage of employee compensation to revenue is 55 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.6.01 billion reported during the same period in FY 2023/24. Of this total, Kshs.2.61 billion was allocated to Health Sector employees, which accounts for 41 per cent of the overall employees' compensation.

Further analysis indicates that PE costs amounting to Kshs.4.63 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs 194.70 million was processed through manual payrolls, which accounted for 4.2 per cent of the total PE cost.

The manual payrolls comprised salaries for 654 staff who had yet to be onboarded into the Government Human Resource Information System (GHRIS), as well as salaries for gratuity remittances to pension schemes for staff on contract and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.129.

Table 3.129: Breakdown of Kiambu County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1	Salaries for 654 staff are yet to be onboarded into HRIS	24,691,048
2	LAPTRUST Pension Contributions	519,137
3	LAPFUND Pension Contributions	106,633
4	Gratuity for contract staff	9,566,372
	Total	**34,883,190**

***Source**: Kiambu County Treasury*

The County Assembly spent Kshs.58.38 million on committee sitting allowances for the 87 MCAs against the annual budget allocation of Kshs.75 million. The average monthly sitting allowance was Kshs.74,564 per MCA. The County Assembly has 23 house committees.

3.13.9 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.2.95 billion to County-Established funds in FY 2024/25, or 12 per cent of the County's overall budget. Further, the County allocated Kshs.50 million to the Emergency Fund (below 1 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

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Table 3.130 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.130: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Half of FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements
	County Executive Established Funds					
1	Kiambu Alcoholic Drinks Control Fund	70,000,000	0	159,021,013	0	Yes
2	Kiambu County Education Bursary Fund	200,000,000	100,000,000	99,406,655	0	Yes
3	Kiambu County Emergency Fund	50,000,000	25,000,000	2,113,360	0	Yes
4	Kiambu County Executive Car Loan & Mortgage Scheme Fund	0	0	19,865,385	0	Yes
5	Kiambu County Jiinue Fund	50,000,000	0	1,967,490	0	Yes
6	Kiambu County Facility Improvement Fund	2,200,000,000	0	958,424,103	0	Yes
7	Kiambu County Climate Fund	377,754,776	0	7,487,250	0	Yes
	County Assembly Established Funds					
8	Kiambu County Assembly Car Loan & Mortgage Scheme Fund	0	-	3,104,489	0	Yes
9	Kiambu County Assembly Staff Mortgage Scheme Fund	-	-	9,040	0	Yes
	Total	**2,947,754,776**	**125,000,000**	**1,251,398,785**	**0**	

Source: *Kiambu County Treasury*

During the reporting period, the CoB received quarterly financial returns from the fund administrators of all funds, as indicated in Table 3.130, which was in line with the requirement of Section 168 of the PFM Act, 2012.

3.13.10 County Corporations

The County has established three county corporations. In FY 2024/25, the County allocated Kshs.22 million to these corporations through their parent departments. Their total expenditure for the first nine months amounted to Kshs.2.75 million, as shown in Table 3.131.

Table 3.131: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Githunguri Water and Sanitation Company Ltd	Water Environment, Natural Resources, and Climate Change	7,000,000	2,747,287	2,747,287
2	Kikuyu Water Company Ltd	Water Environment, Natural Resources, and Climate Change	1,471,000	-	-
3	Thika Water and Sewerage Company Ltd	Water Environment, Natural Resources, and Climate Change	13,529,000	-	-
	Total		**22,000,000**	**2,747,287**	**2,747,287**

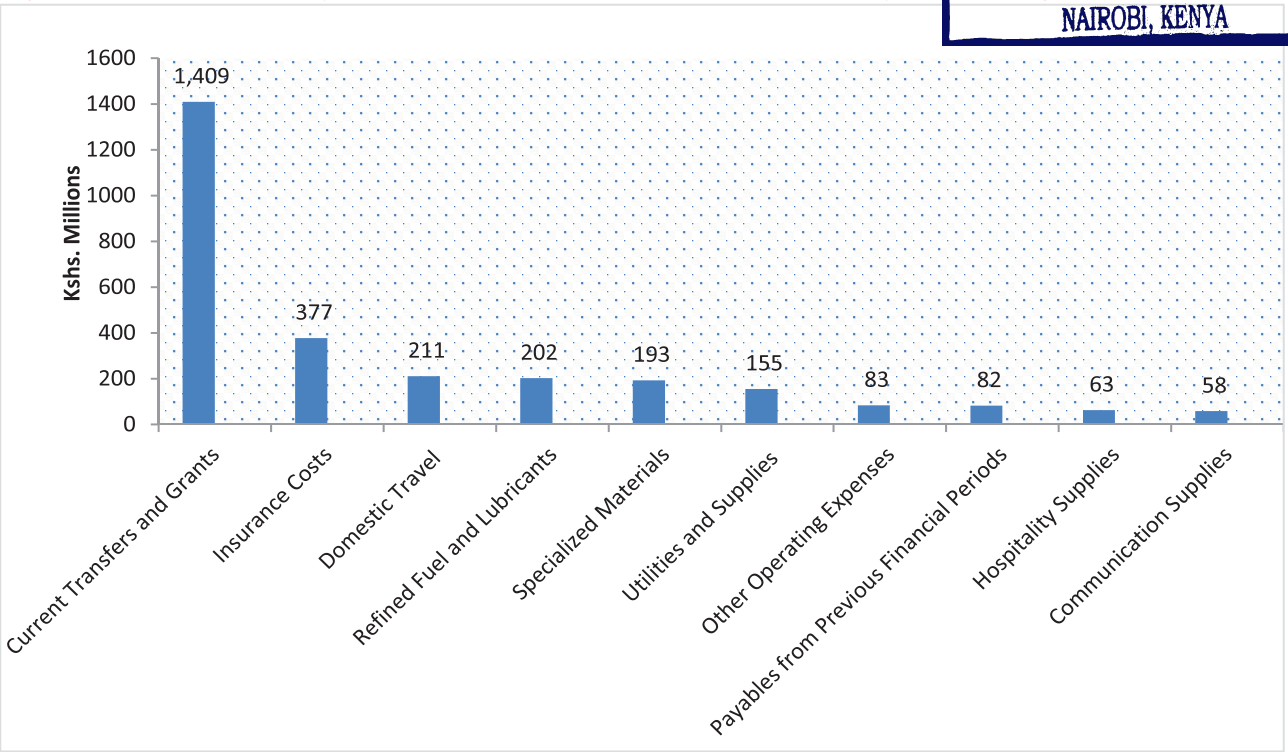
Source: *Kiambu County Treasury*

3.13.11 Expenditure on Operations and Maintenance

Figure 51 summarises the Operations and Maintenance expenditure by major categories.

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Figure 51: Kiambu County, Operations and Maintenance Expenditure by Major Categories



Source: *Kiambu County Treasury*

The operations and maintenance costs include Kshs.28.92 million on Management Fees, Kshs.21.61 million on 'other operating expenses—others', and Kshs.14.61 million on bank charges.

Expenditure on domestic travel amounted to Kshs.211 million and comprised Kshs.173.37 million spent by the County Assembly and Kshs.37.63 million by the County Executive. Expenditure on foreign travel amounted to Kshs.35.85 million and was entirely incurred by the County Assembly. Expenditure on foreign travel is summarised in Table 3.132.

Table 3.132: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	5	26th Sept To 2nd Oct 2024	CAKSB & Esami Consultative Meeting	Arusha, Tanzania	1,942,735
County Assembly	21	6-12 Oct 2024	Training On Capacity Building for Legislators	Dubai, UAE	15,826,083
County Assembly	1	15-21 Sept 2024	7th African Network of Parliamentary Budget Offices Annual Conference	Kampala, Uganda	354,850
County Assembly	1	22-28 Sept 2024	Capacity Building Training on Performance Budget Program	Dubai, UAE	759,929
County Assembly	12	3rd -10th Nov2024	Training On Evidence-Based Decision Making and Technology Governance	Dubai, UAE	7,524,789
Total					26,408,386

Source: *Kiambu County Treasury and Kiambu County Assembly*

3.13.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.1.25 billion as FIF, which was 52 per cent of the annual target of Kshs.2.40 billion. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed the Health Services Act of 2019 and guidelines for the operationalisation of the FIF Act. The expenditure by health facilities amounted to Kshs.1.07 billion, as shown in Table 3.133.

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Table 3.133: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	(%)
1	Igegania Level 4 Hospital	33,058,077	20,491,604	**62**
2	Gatundu Level 5 Hospital	240,462,349	109,450,804	**46**
3	Karatu Sub District Hospital	4,085,831	1,568,824	**38**
4	Kigumo Subcounty Hospital	10,934,059	4,918,743	**45**
5	Wangige Subcounty Level 4 Hospital	32,274,724	25,132,725	**78**
6	Nyathuna Level 4 Hospital	5,050,066	1,828,546	**36**
7	Kihara Subcounty Level 4 Hospital	29,659,551	21,675,588	**73**
8	Karuri Subcounty Level 4 Hospital	23,806,407	13,546,272	**57**
9	Kiambu Level 5 Hospital	589,610,924	289,772,696	**49**
10	Lussingeti Subcounty Hospital	18,037,679	10,162,244	**56**
11	Lari Subcounty Level 4 Hospital	18,105,572	17,008,345	**94**
12	Limuru Subcounty Hospital	106,027,063	55,275,665	**52**
13	Ruiru Subcounty Level 4 Hospital	121,115,141	71,983,509	**59**
14	Thika Level 5 Hospital	787,952,983	347,839,869	**44**
15	Level 2 & 3 Hospitals	179,819,573	74,971,631	**42**
	Total	**2,200,000,001**	**1,065,627,063**	**48**

Source: *Kiambu County Treasury*

The Health Facility with the highest absorption rate was Lari Sub-county Level 4 Hospital.

3.13.13 Development Expenditure

During the review period, the County reported spending Kshs.1.82 billion on development programmes, representing a 2 per cent decrease compared to a similar period in FY 2023/24, when the County spent Kshs.1.85 billion. Table 3.124 summarises development projects with the highest expenditure in the reporting period.

Table 3.134: Kiambu 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 the First Nine Months of FY 2024/2025 (Kshs.)	Expenditure in the First Nine Months of FY 2024/25 (Kshs.)	Cumulative project expenditure as of 31 March 2025 (Kshs.)	Percentage (%) of Completion	Remarks/ Challenges faced in implementing Projects
1	Agriculture, Livestock and Cooperative Development	Procurement of food crop fertiliser, and coffee fertiliser	County-wide	01 July 2024	30 June 2025	100,000,000	100,000,000	80,000,000	80,000,000	80%	Ongoing
2	Roads, Transport, Public Works & Utilities	Proposed Rehabilitation of various bus parks within Kiambu County	All Wards			125,000,000	220,000,000	57,917,439	57,917,439	1	Complete
3	Sports	Rehabilitation of Thika Stadium Phase II	Township Ward	9/1/2024	multi year	165,669,432	30,000,000	52,689,237	52,689,237	5	Ongoing
4	Agriculture, Livestock and Cooperative Development	Procurement & distribution of certified seeds/ seedlings	County-wide	01 July 2024	30 June 2025	111,405,302	111,405,302	48,769,800	48,769,800	44%	Ongoing

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No	Sector	Project Name	Project Location	Project Commencement Date	Expected date of Completion of the Project	Contract sum (Kshs)	Total Funding in the First Nine Months of FY 2024/2025 (Kshs.)	Expenditure in the First Nine Months of FY 2024/25 (Kshs.)	Cumulative project expenditure as of 31 March 2025 (Kshs.)	Percentage (%) of Completion	Remarks/ Challenges faced in implementing Projects
5	Health	Construction of a multistorey hospital block at Thogoto Level 4 Hospital	Kikuyu ward	Oct-23	Oct-25	257,304,215	46,723,001	45,213,852	45,213,852	90%	Ongoing
6	Health	Construction of a level IV Hospital at Karuri level IV hospital	Karuri ward	Sept 2023	Sep-25	180,734,625	122,780,323	41,859,275	57,168,118	74%	Ongoing
7		Payables from Previous Financial Period -Other(Budgets)		Jul-24		41,683,533	41,683,533	39,247,470	39,247,470	94	
8	Sports	Construction of Kanjeru Stadium	Gitaru Ward	3/1/2024	multi year	163,875,850	30,000,000	37,081,475	37,081,475	5	Ongoing
9	Trade & Markets	Payables from the previous period	ALL	01 July 2024	30/06/2025	55,000,000	55,000,000	36,391,078	36,391,078	66%	Ongoing
10	Industrialisation	Construction of Industrial Park (CAIPS)	Githunguri	01 April 2024	30/06/2025	498,828,815	237,500,000	30,000,000	176,470,724	36%	Ongoing

Source: *Kiambu County Treasury*

3.13.14 Budget Performance by Department

Table 3.125 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.135: Kiambu County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	1,418.62	110.00	692.18	-	692.18	-	100	-	49	-
County Executive	476.48	-	235.94	-	278.17	-	118	-	58	-
County Public Service Board	92.89	-	46.53	-	40.95	-	88	-	44	-
Finance, ICT & Economic Planning	1,586.98	183.78	860.02	-	837.28	15.00	97	-	53	8
Water, Environment and Natural Resources	573.51	550.96	358.24	48.91	303.81	93.00	85	190	53	17
Health Services	7,016.17	846.74	3,810.04	457.74	4,767.07	424.39	125	93	68	50
Roads, Transport and Public Works	788.31	2,109.59	444.42	381.14	468.93	336.94	106	88	59	16
Administration and Public Service	1,076.50	87.55	575.60	-	583.48	1.35	101	-	54	2

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Crop Production & Irrigation	523.87	710.60	279.94	183.70	270.34	189.10	97	103	52	27
Education, Culture and Social Services	1,563.95	847.09	825.93	463.33	1,084.79	498.47	131	108	69	59
Youth and Sports	185.14	170.00	74.19	106.47	67.51	117.12	91	110	36	69
Lands, Physical Planning and Housing	416.25	2,307.61	173.38	2.18	167.13	2.18	96	100	40	0
Trade, Tourism, Industry and Cooperative	179.26	720.95	88.83	245.14	67.31	139.85	76	57	38	19
Total	**15,897.94**	**8,644.86**	**8,465.24**	**1,888.61**	**9,628.94**	**1,817.38**	114	96	61	21

Source: *Kiambu County Treasury*

Analysis of expenditure by departments shows that the Department of Youth and Sports recorded the highest absorption rate of development budget at 69 per cent, followed by the Department of Education, Culture and Social Services at 59 per cent. The Department of Education, Culture and Social Services had the highest percentage of recurrent expenditure to budget at 69 per cent, while the Department of Youth and Sports had the lowest at 37 per cent.

3.13.15 Budget Execution by Programmes and Sub-Programmes

Table 3.126 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.136: Kiambu County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.)		Actual Expenditure as at 31 March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Assembly of Kiambu							
Legislation and oversight	Legislation and oversight	726,291,445	-	373,970,337	-	51	-
General Administration Planning and Support Services	General Administration Planning and Support Services	544,276,541	110,000,000	241,500,593	-	44	-
Representation services	Representation services	148,047,672	-	76,713,745	-	52	-
Grand Total		**1,418,615,658**	**110,000,000**	**692,184,675**	-	49	-
COUNTY EXECUTIVE							
Leadership & Coordination of County Admin & Departments	General Administration and Support Services	402,912,683	-	251,032,784	-	62	0
	Public Awareness and Institutional Strengthening	24,070,000	-	9,274,736	-	39	
	Legal services	49,500,000	-	17,862,463	-	36	0
TOTAL		**476,482,683**	-	**278,169,983**	-	**58**	**0**
DEPARTMENT: COUNTY PUBLIC SERVICE BOARD							
Leadership and Administration of Human Resource and Development in County Public Service	Human Resource development and management services	92,888,220	0	40,946,725	0	44	0
TOTAL		**92,888,220**	-	**40,946,725**	**0**	**44**	**0**
DEPARTMENT: FINANCE, ICT& ECONOMIC PLANNING.							
Public Finance Management and Economic Policy & Strategy	Budget	14,955,200	0	4,052,868	0	27	0
	Revenue	397,198,931	15,780,000	105,673,806	0	27	0
	Accounting	62,500,000	0	40,237,115	0	64	0
	Internal Audit	10,387,800	0	2,729,895	0	26	0

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.)		Actual Expenditure as at 31st March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Economic Planning	11,157,000		5,542,885		50	
General Administration and support services	General Administration and support services	1,030,776,352	5,000,000	646,882,354	0	63	0
ICT Services	ICT services	60,000,000	163,000,000	32,157,932	15,000,000	54	9
Totals		**1,586,975,283**	**183,780,000**	**837,276,855**	**15,000,000**	**53**	**8**
DEPARTMENT: WATER, ENVIRONMENT, ENERGY & NATURAL RESOURCES							
Department of Water Environment, Energy &Natural Resources							
Water and environment administration	Administration, Planning & Support Services	573,513,432	-	303,805,075	-	53	0
Water	Water Resource Management and Sanitation	-	201,116,139	-	78,032,935	0	39
Natural Resources	Natural Resources, Forest Conservation and Management	-	8,700,000	-	2,993,000	0	34
Environment	Environment and Solid Waste Management	-	25,328,380	-	9,438,390	0	37
Renewable Energy and Climate Change	Climate Change Mitigation &Adaptation	-	315,812,975	-	2,531,500	0	1
Grand Total		**573,513,432**	**550,957,494**	**303,805,075**	**92,995,825**	53	**0**
DEPARTMENT: HEALTH SERVICES							
Health Services	Curative	1,507,195,602	846,744,990	1,052,289,527	424,386,603	70	50
Health Services	Preventive and Promotive	371,107,042	0	78,303,923	0	21	0
Health Services	Pharmaceuticals	120,000,000	0	52,693,856	0	44	0
Health Services	Administration and Support	5,017,869,476	0	3,583,782,787	0	71	0
TOTAL		**7,016,172,120**	**846,744,990**	**4,767,070,093**	**424,386,603**	**68**	**50**
DEPARTMENT: ROADS, TRANSPORT, PUBLIC WORKS & UTILITIES							
Maintenance of Road, Bridges, Transport, Construction and Maintenance	General administration and support services	788,314,721	0	468,925,013	0	59	0
	Construction of roads and civil works	0	2,109,589,721	0	336,937,020	0	16
TOTAL		**788,314,721**	**2,109,589,721**	**468,925,013**	**336,937,020**	**59**	**16**
DEPARTMENT: ADMINISTRATION & PUBLIC SERVICE							
Administration & Public Service							
P1: General Administration, Planning & Support Services	**SP1:** Administration and Financial Services	945,422,785	47,549,484	563,308,685	1,352,180	60	3
	SP2: Enforcement, Monitoring & Compliance services	15,000,000	-	-		0	0
	SP3: Betting and Gaming Services	13,500,000	-	-		0	0
	SP4: KDSP II Level 1 & 2 Grant	37,500,000	-	-	-	0	0
	Sub Total	**1,011,422,785**	**47,549,484**	**563,308,685**	**1,352,180**	**56**	**3**
Administration & Public Service							
P2: Alcoholic Drinks Control and Rehabilitation	**SP1:** Rehabilitation and Intervention on alcohol and substance abuse	30,000,000	40,000,000	15,000,000	-	50	0

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.)		Actual Expenditure as at 31st March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Sub-Total	**30,000,000**	**40,000,000**	**15,000,000**	-	**50**	**0**
Administration & Public Service							
P3: Human Resource Management and Development Services	**SP1:** Human Resource Management Services	32,306,500	-	5,173,931	-	16	0
	SP2: Human Resource Development Services	2,773,500	-	-	-	0	0
	Sub-Total	**35,080,000**	-	**5,173,931**	-	15	0
Grand Total		**1,076,502,785**	**87,549,484**	**583,482,616**	**1,352,180**	**54**	**2**
DEPARTMENT: AGRICULTURE, LIVESTOCK AND COOPERATIVE DEVELOPMENT							
Agriculture, Livestock and Cooperative Development	General Administration, Planning and Support Services	449,408,841	-	260,458,147	-	58	0
	Crop Development, Irrigation and Marketing Services	806,000	460,015,152	0	158,733,400	0	35
	Livestock and Fisheries Management and Development	33,155,781	210,583,074	4,522,194	30,363,624	14	14
	Cooperative Development and Management	40,500,000	40,000,000	5,362,759	-	13	0
Total Amount		**523,870,622**	**710,598,226**	**270,343,100**	**189,097,024**	**52**	**27**
DEPARTMENT: EDUCATION, CULTURE & SOCIAL SERVICES							
Pre-primary Edu, Promotion of Culture and Social Services	Pre-primary Edu, Promotion of Culture and Social Services	504,140,000	817,088,955	435,119,594	498,472,089	86	61
	Gender, Culture and Social Services	36,130,000	30,000,000	3,205,000	-	9	0
	General administration and support services	1,023,683,042	-	646,469,202	-	63	0
	TOTALS	**1,563,953,042**	**847,088,955**	**1,084,793,796**	**498,472,089**	**69**	**59**
DEPARTMENT: YOUTH AFFAIRS, SPORTS & COMMUNICATION							
Youth Affairs, Sports and Communication	Youth Affairs	12,900,000	0	2,680,000	0	21	0
	Sports	53,400,000	0	4,505,777	0	8	0
	Communication	27,950,000	0	17,438,865	0	62	0
	General Administration	90,892,827	0	42,882,478	0	47	0
	Youth Empowerment	0	-	0	0	0	0
	Improvement of Sports Infrastructure and Other Payables	0	170,000,000	0	117,116,093	0	69
	TOTAL	**185,142,827**	**170,000,000**	**67,507,120**	**117,116,093**	36	69
DEPARTMENT: LAND, HOUSING, PHYSICAL PLANNING, MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT							
Urban Areas Development & Administration	Urban Areas Administration and Management	145,985,600	1,743,636,620	22,801,930	-	16	0
General Administration, Planning and Support Services	General administration and support services	240,266,793	-	139,324,538	-	58	0
Land Use Management, Valuation & Rating and Physical Planning	Land Administration Services	30,000,000	27,928,865	5,000,000	-	17	0
Housing and Community Development	Housing Development	-	536,043,092	-	2,175,000	0	0
GRAND TOTAL		**416,252,393**	**2,307,608,577**	**167,126,468**	**2,175,000**	**40**	**0**

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.)		Actual Expenditure as at 31 March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
DEPARTMENT: TRADE, INDUSTRIALISATION, TOURISM & INVESTMENT							
Department TITI							
Programme 1	General Administration, Planning and Support Services	179,256,689	0	67,310,082	0	38	0
	Trade and Markets		465,066,921		109,249,117	0	23
	Tourism promotion and marketing		9,176,300		-	0	0
	Industrialisation		246,703,353		30,603,352	0	12
	Investment		-		-	0	0
	Sub Total	**179,256,689**	**720,946,574**	**67,310,082**	**139,852,469**	38	19
Grand Total		**15,897,940,475**	**8,644,864,021**	**9,628,941,601**	**1,817,384,303**	**61**	**21**

Source: *Kiambu County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Pre-primary Education, Promotion of Culture and Social Services in the Department of Education, Culture & Social Services at 86 per cent, Administration & Support and Curative Services both in the Department of Health Services at 71 per cent and 70 per cent, Improvement of Sports Infrastructure in the Department of Youth Affairs, Sports and Communication at 69 per cent of budget allocation.

3.13.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated seventy-four accounts with commercial banks, including eleven for Health Facilities, fourteen for FIF, seven for Established Funds, six special-purpose accounts, and thirty-six for revenue.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 74 commercial bank accounts, as required by Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.13.17 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;

i. The late submission of financial reports by the County Assembly to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on 29 April, 2025.
ii. High level of pending bills, which amounted to Kshs.5.60 billion as of 31 March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Assembly.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.234.25 million for 654 staff yet to be onboarded into HRIS were processed through manual payroll, accounting for 4.5 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
iv. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Assembly should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget, as per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid*

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promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.

iii. *The Government requires that salaries be processed through the HRIS system, and the County is encouraged to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

iv. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

3.14. County Government of Kilifi

3.14.1 Overview of FY 2024/25 Budget

The Kilifi County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.21.41 billion. It comprises Kshs.11.44 billion (53 per cent) and Kshs.9.97 billion (47 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs4.39 billion (26 per cent) from the FY 2023/24 budget that comprised a development budget of Kshs.5.42 billion and a recurrent budget of Kshs.11.59 billion. The increase in the budget was attributed to the rise in the balance brought down and a higher projection of the local revenues. The County's Net Approved Supplementary I Budget is Kshs.21.01 billion, comprising Kshs.9.57 billion for recurrent and Kshs.11.44 billion for development.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.12.55 billion (59 per cent), additional conditional allocations of Kshs.3.45 million (16 per cent), a cash balance of Kshs.3.43 billion (16 per cent) brought forward from FY 2023/24, and Kshs.1.97 billion (9 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.400 million (20 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.1.57 million (80 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.137

3.14.2 Revenue Performance

During the review period, the County received Kshs.11.34 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.59.76 million from Kshs.11.28 billion received in the same period in FY 2023/24. The total revenue consists of Kshs6.97 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.20.0 million, and its own-source revenue (OSR) collection of Kshs.913.78 billion. In addition, the County had a cash balance of Kshs.3.43 billion from FY 2023/24.

The total OSR collection of Kshs.913.78 billion includes Facilities Improvement Financing (FIF) of Kshs.336.44 million and Kshs.577.34 million from other OSR sources. Table 3.137 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.137: Kilifi County, Revenue Performance in the First Nine Months of FY 2024/25

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**	12,554,603,733	6,977,951,063	56
Sub Total		**12,554,603,733**	**6,977,951,063**	**56**
B	**Conditional Grants**			
1	Aggregated Industrial Parks Programme	250,000,000		0
2	Kenya Devolution Support Programme KDSP-II	37,500,000		0
3	Kenya Urban Support Program KUSP-UIG	35,000,000		0
4	Community Health Promoters	90,953,531		0
5	Primary Healthcare in a Devolved Context	16,087,500		0
6	Roads Maintenance Fuel Levy	242,979,152		0
7	Allocation for Mineral Royalties	177,531,147		0
8	Water & Sanitation Development Programme (WSDP)	1,700,000,000		0
9	Kenya Informal Settlement and Improvement Project (KISIP)	750,000,000		0

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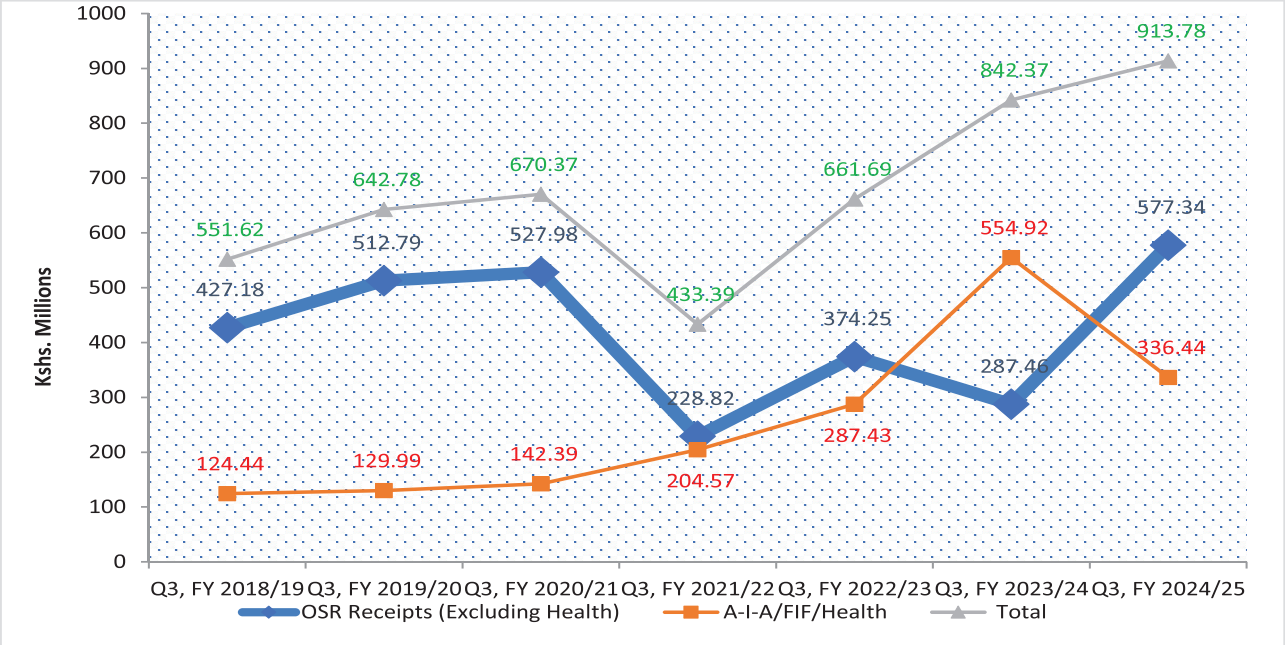
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs)	Actual Receipts as Percentage of Annual Allocation (%)
10	World Bank Credit National Agricultural Value Chain Development Project (NAVCDP)	151,515,152		0
Sub-Total		**3,451,566,482**	**0**	**0**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	1,570,795,142	577,342,949	37
2	Balance b/f from FY2023/24	3,429,531,680	3,429,531,680	100
3	Facility Improvement Fund (FIF)	400,000,000	336,441,380	84
4	Other Revenues		20,012,220	
5	Appropriation in Aid (AIA)	-	-	
Sub Total		5,400,326,822	4,363,328,229	81
Grand Total		**21,406,497,037**	**11,341,279,292**	**53**

Source: *Kilifi County Treasury*

Underperformance in local revenue collection is attributed to an overprojection of the local revenue collection target, which initially seemed realistic based on the previous year's actual revenue collections. The County Government of Kilifi has a governing legislation on the operations of FIF

Figure 52 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 52: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



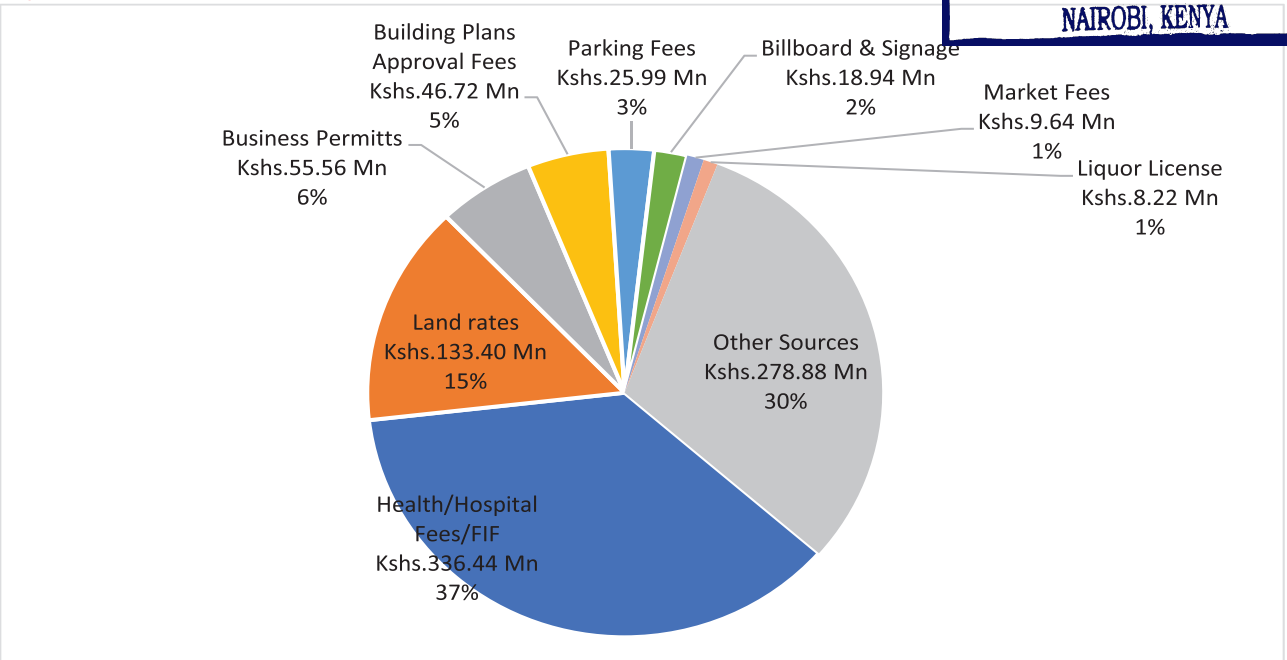
Source: *Kilifi County Treasury*

During the review period, the County generated Kshs.913.78 million from its own revenue sources, including AIA and FIF. This amount was an increase of 8 per cent compared to Kshs.842.37 million realised in a similar period in FY 2023/24, which was 46 per cent of the annual target and 13 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 53.

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Figure 53: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



***Source**: Kilifi County Treasury*

As shown in Figure 53, the highest revenue stream, Kshs.336.44 million, was from FIF, which contributed 37 per cent of the total OSR receipts.

3.14.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.7.96 billion from the CRF account during the reporting period, which comprised Kshs.2.19 billion (28 per cent) for development programmes and Kshs.5.77 billion (72 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.39 billion was released towards compensation of employees and Kshs.2.38 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, which does not include the March 2025 exchequer request for the County Executive and County Assembly due to a delay in the disbursement of the equitable share.

Analysis of the operations and maintenance exchequer releases indicates that 3 per cent was for domestic travel and less than 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.70.76 million, comprising Kshs.36.78 million for the County Executive and Kshs.33.98 million for the County Assembly. The foreign travel exchequer totalled Kshs.7.77 million, comprising Kshs.5.27 million for the County Executive and Kshs.2.50 million for the County Assembly.

Table 3.138: Kilifi County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	951,685,828	405,399,657	690,981,112	181,641,948	72	45
Office of the Governor	401,884,616		234,136,887	-	58	
County Division for Finance	1,071,966,417	310,797,550	546,840,093	115,712,325	51	37
Agriculture	259,258,573	334,096,608	174,114,465	36,263,987	67	11
Energy	1,000,000	190,308,366	271,609	-	27	-
Housing and Urban Development	15,459,418	1,389,421,570	11,336,600	332,084,124	73	23
County Public Service Boards	115,930,860		27,046,263	-	23	
Public Service Management	830,092,639	275,000,000	385,260,637	1,280,164	46	0.5
County Attorney	69,847,200	15,433,138	11,970,289	-	17	-
Economic Planning	152,265,577	35,000,000	2,564,220	5,427,200	2	16

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Livestock	24,778,160	72,189,630	1,626,183	6,833,458	7	10
Information Communication Technology	37,564,690		-	-	-	
Land and Physical Planning	76,357,777	225,751,533	47,222,096	5,499,392	62	2
Cooperative Development	52,786,261		-	-	-	
County Division for Resource Mobilisation	277,666,006	40,031,147	14,130,157	-	5	-
County Division for Blue Economy	38,812,538	102,871,898	4,985,548	9,770,448	13	10
County Secretary	63,000,000		426,000	-	0.7	
County Division for Water Services	137,862,916	2,727,855,191	111,339,654	788,320,267	81	29
County Division for Environment and Natural Resources	66,313,162	45,850,000	10,868,000	6,649,030	16	15
County Division for Climate Change		103,000,000	-	-		-
County Division for Early Childhood Education and Vocational Training	1,342,908,316	592,748,751	891,898,240	125,177,254	66.	21
County Division for Health and Sanitation Services	2,810,484,541	858,799,502	2,209,330,483	37,910,657	79	4
County Division for Roads and Transport Services	271,438,171	1,752,911,051	152,520,138	485,952,344	56	28
County Division for Public Works	34,798,238		-	-	-	
County Division for Gender and Social Services	69,527,980	208,990,976	37,589,598	33,699,060	54	16
Youth Affairs & Sports	72,371,184	910,555,888	23,588,418	3,284,130	31	0.4
Trade Development	101,613,142	728,552,865	47,914,645		47	-
Tourism Promotion	50,856,734	40,102,989	11,891,265	-	23	-
Devolution & Civic Education	92,590,478	56,864,763	73,791,097	14,556,229	80	26
Special Programs & Disaster Management	75,271,412	17,571,130	51,092,738	-	68	-
Total	**9,566,392,834**	**11,440,104,203**	**5,774,736,437**	**2,190,062,017**	60	19

***Source**: Kilifi County Treasury*

The exchequer issued a net revised budget, with all development issues votes below 50 per cent. This was attributed to delays in the National Treasury's monthly exchequer disbursements and delays in implementing the county government's annual development plan.

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.1.06 billion.

3.14.4 County Expenditure Review

The County spent Kshs.8.47 billion on development and recurrent programmes in the reporting period. The expenditure represented 106 per cent of the total funds released by the CoB and comprised Kshs.2.85 billion and Kshs.5.62 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 25 per cent, while recurrent expenditure represented 56 per cent of the annual recurrent expenditure budget.

3.14.5 Settlement of Pending Bills

The County reported pending bills totalling Kshs 2.3 billion as of 30th June 2024. This amount includes Kshs.2.19 billion from the County Executive and Kshs.105.93 million from the County Assembly. The pending bills from the County Executive consist of Kshs.858.60 million for recurrent expenditures and Kshs.1.34 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.1.47 billion, comprising Kshs.356.53 million for recurrent programmes and Kshs.1.12 billion for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs 37.75 million, all of which were for recurrent activities.

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The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs 1.5 billion and Kshs 66.68 million, respectively, in the first quarter of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.1.12 billion for the Executive and Kshs.37.75 million for the Assembly.

As of 31st March 2025, the outstanding bills amounted to Kshs.790.12 million, comprising Kshs721.94 million for the County Executive and Kshs.68.18 million for the County Assembly.

3.14.6 Expenditure by Economic Classification

The County Executive spent Kshs.3.36 billion on employee compensation, Kshs.1.74 billion on operations and maintenance, and Kshs.2.68 billion on development activities. Similarly, the County Assembly spent Kshs.326.27 million on employee compensation, Kshs.194.42 million on operations and maintenance, and Kshs.172.02 million on development activities, as shown in Table 3.139.

Table 3.139: 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	**9,014,707,006**	**951,685,828**	**5,094,655,031**	**520,697,898**	**57**	**55**
Compensation to Employees	4,670,931,793	469,068,207	3,358,336,881	326,274,565	72	70
Operations and Maintenance	4,343,775,213	482,617,621	1,736,318,150	194,423,333	40	40
Development Expenditure	11,034,704,546	405,399,657	2,676,097,892	172,022,068	24	42
Total	**20,049,411,552**	**1,357,085,485**	**7,770,752,923**	**692,719,966**	39	51

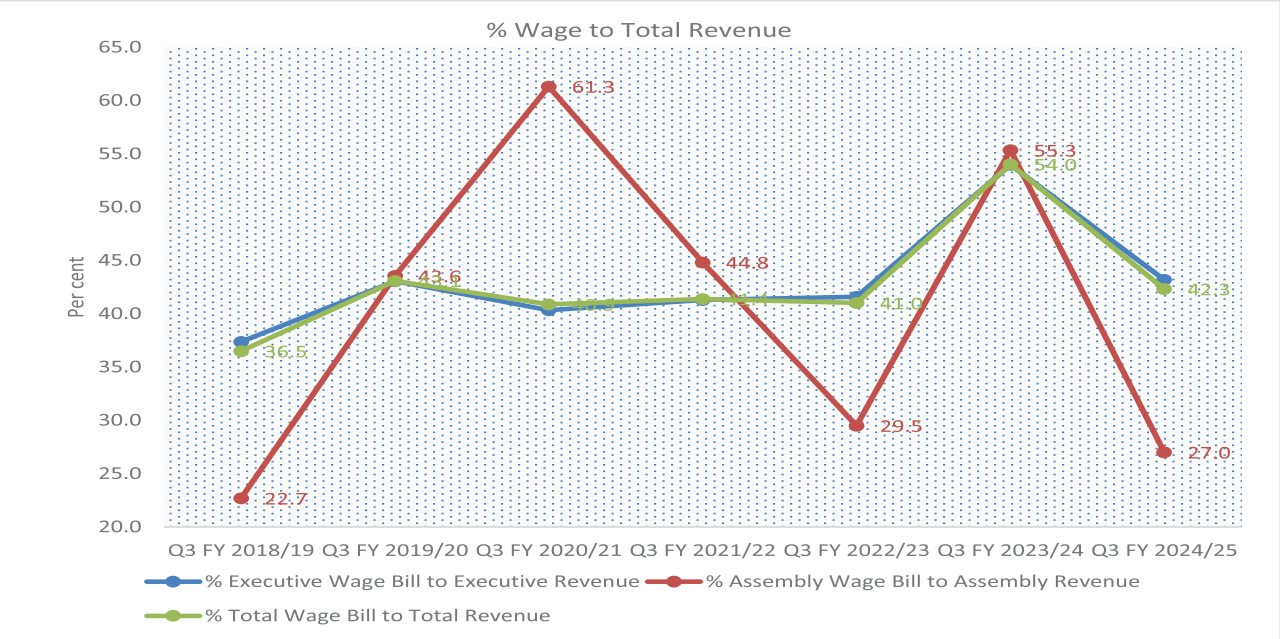
***Source**: Kilifi County Treasury*

3.14.7 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation totalled Kshs.3.68 billion. The total revenue, excluding earnings from extractive natural resources, amounted to Kshs.11.09 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 33 per cent. This expenditure on employee compensation increased compared to the Kshs.2.98 billion was reported during the same period in FY 2023/24. Of this total, Kshs.1.53 billion was allocated to Health Sector employees, which accounted for 44 per cent of the overall employees' compensation.

Figure 54 illustrates the employee compensation trend as a percentage of total revenue received by employees over the first nine months of FY 2018/19 to FY 2024/25.

Figure 54: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: Kilifi County Treasury*

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Further analysis indicates that PE costs amounting to Kshs.3.47 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.200.12million was processed through manual payrolls, which accounted for 5 per cent of the total PE cost.

Table 3.140: Breakdown of Kilifi County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
	Salaries for staff are yet to be onboarded into HRIS	157,406,302
	County assembly ward staff	35,462,730
	Top-up Allowances for security officers	4,733,400
	Total	**200,116,561**

***Source**: Kilifi County Treasury*

The County Assembly spent Kshs.18.48 million on committee sitting allowances for the 56 MCAs against the annual budget allocation of Kshs.36 million. The average monthly sitting allowance was Kshs.36,634 per MCA. The County Assembly has 23 House Committees.

3.14.8 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. In FY 2024/25, the County allocated Kshs.750 million to county-established funds, constituting 4 per cent of the County's overall budget. Furthermore, the County allocated Kshs.250 million to the Emergency Fund (1 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.141 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.141: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues as of March FY 2024/25 (Kshs.)	Actual Expenditure as of March of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No)
	County Executive Established Funds					
1.	Emergency Fund	250,000,000	150,000,000	150,000,000	150,000,000	No
2.	Scholarship Fund	500,000,000	400,000,000	400,000,000	400,000,000	No
	County Assembly Established Funds					
	Total	**750,000,000**	**510,000,000**	**510,000,000**	**510,000,000**	

***Source**: Kilifi County Treasury*

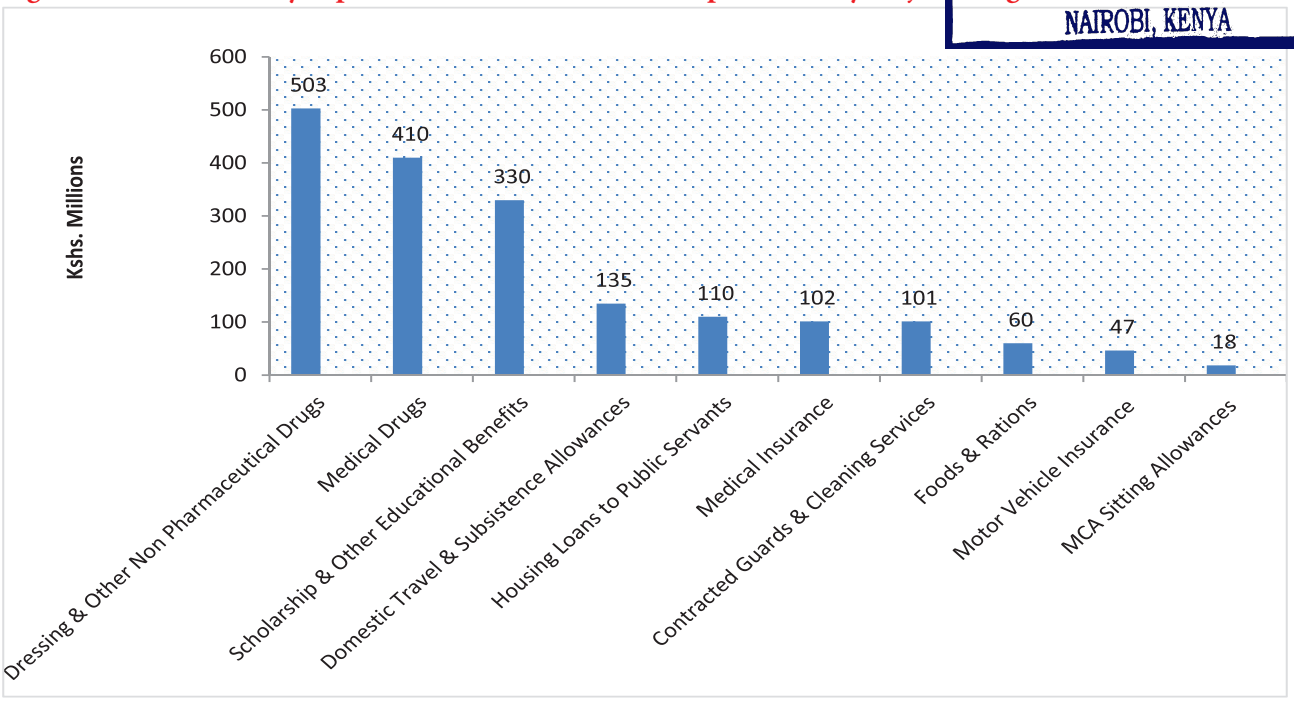
During the reporting period, the CoB did not receive quarterly financial returns from the Fund Administrators of all funds, as indicated in Table 3.141, contrary to the requirement of Section 168 of the PFM Act, 2012.

3.14.9 Expenditure on Operations and Maintenance

Figure 55 summarises the Operations and Maintenance expenditure by major categories.

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Figure 55: Kilifi County, Operations and Maintenance Expenditure by Major Categories



***Source**: Kilifi County Treasury*

Expenditure on domestic travel amounted to Kshs.134.88 million and comprised Kshs.98.10 million spent by the County Assembly and Kshs.36.78 million by the County Executive. Expenditure on foreign travel amounted to Kshs.7.77 million and comprised Kshs.2.5 million by the County Assembly and Kshs.5.27 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.142.

Table 3.142: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	6	July 2024	Sourcing for a cassava processing plant	China	5,265,000
County Assembly	9	21st to 28th February 2025	EALASCA Games	Entebbe	2,500,000

***Source**: Kilifi County Treasury and Kilifi County Assembly*

3.14.10 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.336.44 million as FIF, which was 84 per cent of the annual target of Kshs.400 million. The collected amount was retained and utilised at source in accordance with the Facility Improvement Financing Act, 2023.

3.14.11 Development Expenditure

In the review period, the County reported spending Kshs.2.85 billion on development programmes, representing an increase of 71 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.1.67 billion. Table 3.143 summarises development projects with the highest expenditure in the reporting period.

The increase in development expenditure was attributed to an increase in allocation and payment of pending bills in the reporting period.

Table 3.143: Kilifi County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
1	Roads	Upgrading of Bitumen Standards of Kibao Cha Fundisha Road	Adu	44,381,353	44,381,353	100
2	Roads	Upgrading to the Cabro Standards of Umoja Rubber Mtwapa Road	Shimo la Tewa	38,015,607	38,015,607	100

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No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation Status (%)
3	Water	Marakini Mwijo Phase 2 Water Project	Jaribuni	34,000,000	31,000,000	100
4	Trade	Construction of Mariakani Market	Mariakani	65,000,000	29,707,042	Ongoing
5	Roads	Construction of Masheta Bridge	Chasimba	24,952,760	24,952,760	100
6	Roads	Cabro Works at Mtondia	Tezo	23,137,762	23,137,762	100
7	Health	Construction of Malindi Sub-County Hospital	Malindi	50,000,000	19,219,940	Ongoing
8	Roads	Upgrading to Cabro Standards of Ganjoni-Mapimo Primary Road	Gongoni	18,100,005	18,100,005	100
9	Water	Construction of Mazeras Bamiyo Water Project	Rabai	30,000,000	15,970,648	Ongoing
10	Water	Vitengeni Water Pipepline Project	Sokoke	30,000,000	15,531,936	Ongoing

Source: *Kilifi County Treasury*

3.14.12 Budget Performance by Department

Table 3.144 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.144: County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	951,685,828	405,399,657	690,981,112	181,641,948	520,697,898	172,022,068	75	95	55	42
Office of the Governor	401,884,616		234,136,887	-	224,617,013		96	-	56	-
County Division for Finance	1,071,966,417	310,797,550	546,840,093	115,712,325	475,951,450	157,674,089	87	136	44	51
Agriculture	259,258,573	334,096,608	174,114,465	36,263,987	136,352,103	175,112,622	78	483	52	52
Energy	1,000,000	190,308,366	271,609	-	-	4,999,285	-	-	-	3
Housing and urban development	15,459,418	1,389,421,570	11,336,600	332,084,124	6,097,000	282,841,440	54	85	39	20
County Public Service Boards	115,930,860		27,046,263	-	30,174,880		112	-	26	-
Public Service Management	830,092,639	275,000,000	385,260,637	1,280,164	110,982,194		29	-	13	-
County Attorney	69,847,200	15,433,138	11,970,289	-	8,415,645	6,683,862	70	-	12	43
Economic Planning	152,265,577	35,000,000	2,564,220	5,427,200	2,642,890		103	-	2	-
Livestock	24,778,160	72,189,630	1,626,183	6,833,458	5,485,724	23,322,135	337	341	22	32
Information Communication Technology	37,564,690		-	-	2,693,800		-	-	7	-
lands and physical planning	76,357,777	225,751,533	47,222,096	5,499,392	43,044,778	8,998,909	91	164	56	4
Cooperative Development	52,786,261		-	-	3,656,650		-	-	7	-
County Division for Resource Mobilisation	277,666,006	40,031,147	14,130,157	-	19,767,338		140	-	7	-
County Division for Blue Economy	38,812,538	102,871,898	4,985,548	9,770,448	7,925,584	48,432,712	159	496	20	47
County Secretary	63,000,000		426,000	-	12,169,310		2,856	-	19	-
County Division for Water Services	137,862,916	2,727,855,191	111,339,654	788,320,267	93,566,451	849,156,148	84	108	68	31

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption Rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Division for Environment and Natural Resources	66,313,162	45,850,000	10,868,000	6,649,030	24,310,847	10,148,530	224	153	37	22
County Division for Climate Change		103,000,000	-	-	-		-	-	-	-
County Division for Early Childhood Education and Vocational Training	1,342,908,316	592,748,751	891,898,240	125,177,254	840,541,266	102,791,162	94	82	63	17
County Division for Health and Sanitation Services	3,210,484,541	858,799,502	2,209,330,483	37,910,657	2,756,513,745	429,389,307	125	1,132	86	50
County Division for Roads and Transport Services	271,438,171	1,752,911,051	152,520,138	485,952,344	155,789,100	481,991,034	102	99	57	28
County Division for Public Works	34,798,238		-	-	-		-	-	-	-
County Division for Gender and Social Services	69,527,980	208,990,976	37,589,598	33,699,060	39,342,203	31,724,058	105	94	57	15
Youth Affairs & Sports	72,371,184	910,555,888	23,588,418	3,284,130	22,963,052	3,284,130	97	100	32	0.4
Trade Development	101,613,142	728,552,865	47,914,645		55,593,813	40,089,215	116	-	55	6
Tourism Promotion	50,856,734	40,102,989	11,891,265	-	11,546,624	19,459,254	97	-	23	49
Devolution & Civic Education	92,590,478	56,864,763	73,791,097	14,556,229	9,376,880		13	-	10	-
Special Programs & Disaster Management	75,271,412	17,571,130	51,092,738	-	-		-	-	-	-
Total	**9,966,392,834**	**11,440,104,203**	**5,774,736,437**	**2,190,062,017**	**5,620,218,238**	**2,848,119,960**	97	130	56	25

***Source**: Kilifi County Treasury*

Analysis of department expenditures shows that the Department of Agriculture recorded the highest absorption rate of the development budget, at 52 per cent, followed by the Department of Finance, at 51 per cent. The Department of Health & Sanitation Services had the highest percentage of recurrent expenditures to budget, at 86 per cent, while the Department of Economic Planning had the lowest, at 2 per cent.

3.14.13 Budget Execution by Programmes and Sub-Programmes

Table 3.145 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.145: Kilifi County, Budget Execution by Programmes and Sub-Programme

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Devolution							
	Sub-programme	34,970,478	-	1,564,370	-	**5**	
	Sub-Programme	75,000,000	-	7,812,510	-	**10**	
	Sub Total	**109,970,478**	**-**	**9,376,880**	**-**	**9**	
Grand Total		**109,970,478**	**-**	**9,376,880**	**-**	**9**	

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Economic Planning	Administration, Planning and Support Services	4,715,577	35,000,000	500,000	-	**11**	-
	Economic Planning and Statistical Services	128,050,000	-	2,142,890	-	**2**	-
	Public Investment Management	19,500,000	-	-	-		-
	Grand Total	**152,265,577**	**35,000,000**	**2,642,890**	**-**	**2**	
Energy	Administration, Planning and Support Services	500,000	-	-	4,999,285		-
	Sub Total	**500000**	**-**	**-**			
	Alternative energy technologies	-	95154183	-	4,999,285	-	**5**
	Sub-Total	**-**	**95154183**	**-**	**4,999,285**		**5**
	Grand Total	**500000**	**95154183**	**-**	**4,999,285**		**5**
Early Childhood Development Education & Vocational Training							
	Administration & Support Services	818,427,721	-	509,129,166	-	**62**	-
	Sub Total	**818,427,721**	**-**	**509,129,166**	**-**	**62**	
	Free Primary Education	12,130,595	538,921,429	166,700	68,069,132	**1**	**13**
	Sub-Total	**12,130,595**	**538,921,429**	**166,700**	**68,069,132**	**1**	**13**
	Ward Scholarship Administration	500,000,000	-	330,000,000	-	**66**	-
	Sub-Total	**500,000,000**	**-**	**330,000,000**	**-**	**66**	
	Vocational Education & Training	12,350,000	53,827,322	1,245,400	34,722,030	**10**	**65**
	Sub-Total	**12,350,000**	**53,827,322**	**1,245,400**	**34,722,030**	**10**	**65**
Grand Total		**1,342,908,316**	**592,748,751**	**840,541,266**	**102,791,162**	**61**	**17**
Department: County Public Service Board							
	Administration, Planning and Support Services	80,003,904	-	28,687,474	-	**36**	-
	Recruitment and Selection	35,926,956	-	1,487,405	-	**4**	-
	Grand Total	**115,930,860**	**-**	**30,174,880**	**-**	**26**	
Department of Water, Sanitation, and Natural Resources							
	Administration, planning and support services	1,000,000	-	- 1,000,000	-	**-100**	-
	Sub Total	**1,000,000**	**-**	**- 1,000,000**	**-**	**-100**	
Department of Water, Sanitation and Natural Resources							
	Environment Management and Protection	-	45,850,000		10,148,530		**22**
	Sub-Total	**-**	**45,850,000**	**-**	**-**		
Grand Total		**1,000,000**	**45,850,000**	**- 1,000,000**	**-**	**-100**	
Health							
	Non-communicable Diseases	3,210,484,541	858,799,504	2,756,513,745	429,389,307	**86**	**50**
	Grand Total	**3,210,484,541**	**858,799,504**	**2,756,513,745**	**429,389,307**	**86**	**50**
Gender & Social Services							
	Administration, Planning and Support Services	47,097,980	-	37,405,848	-	**79**	-
	P2. Culture and Arts	5,000,000	-	699,500	---	**14**	-
	Gender Development	17,430,000.00	-	1236855		**7**	-
	Grand Total	**69,527,980.00**		**39,342,203**		**56**	
Information Communication Technology							
	Administration, Planning and Support Services	6,064,960	-	2,693,800	-	**44**	-

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Sub Total	**6,064,960**	**-**	**2,693,800**	**-**	**44**	
	ICT Infrastructure Development/ E-Government Services	31,500,000	-	1,995,000		**6**	-
	Sub Total	**31,500,000**	**-**	**1,995,000**	**-**	**6**	
Grand Total		**37,564,960**	**-**	**4,688,800**	**-**	**13**	
Division of Lands, Energy, Physical Planning and Development Control							
	Administration, Planning and Support Services	15,459,418	-	6,097,000	-	**39**	-
	Sub Total	**15,459,418**		**6,097,000**	**-**	**39**	
	Housing Development and Human Settlement	-	708,910,785	6,097,000	2,700,713	-	-
	Sub-Total	**-**	**708,910,785**	**6,097,000**	**2,700,713**		
	Urban Development and Management	-	680,510,785		282,841,440	-	**42**
	Sub-Total	**-**	**680,510,785**		**282,841,440**		**42**
	Grand Total	**15,459,418**	**1,389,421,570**	**12,194,000**	**285,542,153**	**79**	**21**
Division of Lands and Physical Planning							
	Administration, Planning and Support Services	74,357,777	-	43,044,778	-	**58**	-
	Sub Total	**74,357,777**		**43,044,778**	**-**	**58**	
	Land use	1,000,000	-	-	-		-
	Land Survey, Mapping and Valuation	1,000,000	-	-	-		-
	Sub-Total	2,000,000	-	-	-		
	Physical Planning and Development	-	63,816,327	-	8,998,909		**14**
	Sub-Total	**-**	**63,816,327**		**8,998,909**		**14**
	Land Survey, Mapping and Valuation	-	49,059,440	-	-		-
		-	49,059,440	-	-		
	Grand Total	**76,357,777**	**112,875,767**	**43,044,778**	**8,998,909**	**57**	**8**
Office of the Governor	Administrative services	394,093,227		211,087,966	-	**54**	-
	Sub Total	**394,093,227**	**-**	**211,087,966**	**-**	**54**	-
	Governance and national values	33,339,369	-	13,529,047		**41**	-
	Sub-Total	**33,339,369**	**-**	**13,529,047**	**-**	**41**	
	Grand Total	**427,432,596**	**-**	**224,617,013**	**-**	**53**	
Resource Mobilisation	Resource Mobilisation	317,697,153	-	317,697,153	19,767,338	**100**	-
	Grand Total	**317,697,153**	**-**	**317,697,153**	**19,767,338**	**100**	
Livestock							
	Sub-programme	24,778,160	72,189,630	5,485,724	23,322,135	**22**	**32**
	Sub-Programme						
	Sub Total	**24,778,160**	**72,189,630**	**5,485,724**	**23,322,135**	**22**	**32**
	Grand Total	**24,778,160**	**72,189,630**	**5,485,724**	**23,322,135**	**22**	**32**
Public Service Management							
	Sub-programme	1,530,851,464	100,000,000	110,982,194	43,255,419	**7**	**43**
	Sub-Programme	5,400,000	-	-	-	-	-
	Grand Total	**1,536,251,464**	**100,000,000**	**110,982,194**	**43,255,419**	**7**	**43**
Trade							
	Administration, Planning and Support Services	77,228,381	9,310,756	52,251,373	-	**68**	

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Sub Total	**77,228,381**	**9,310,756**	**52,251,373**	**-**	**68**	
	Market Development	24,384,761	373,242,109	3,342,440	37,667,215	**14**	**10**
	Trade Development	-	201,000,000	-	-		
	. Investment Promotion	-	145,000,000	-	2,422,000		**2**
	Sub-Total	**24,384,761**	**719,242,109**	**3,342,440**	**40,089,215**	**14**	**6**
	Grand Total	**101,613,142**	**728,552,865**	**55,593,813**	**40,089,215**	**55**	**6**
Water, Sanitation, and Natural Resources							
	Administration, planning and support services	111,060,749	-	93,566,451	-	**84**	
	Sub Total	**111,060,749**	**-**	**93,566,451**	**-**	**84**	
	Water resources management	-	2,890,718,206		849,156,148		**29**
	Sub-Total	**-**	2,890,718,206	-	849,156,148		**29**
	Grand Total	**111,060,749**	**2,890,718,206**	**93,566,451**	**849,156,148**	**84**	**29**
Tourism							
	Sub-Programme 1.1: Tourism promotion and marketing	50,856,734	40,102,989	11,546,624	19,459,254	**23**	**49**
	Sub Total	**50,856,734**	**40,102,989**	**11,546,624**	**19,459,254**	**23**	**49**
	Grand Total	**50,856,734**	**40,102,989**	**11,546,624**	**19,459,254**	**23**	**49**
Finance	Administration, Planning and Support Service	923,582,627	310,797,550	435,257,100	157,674,089	**47**	**51**
	Budget Formulation, Coordination and Management	47,400,000	-	23,922,310	-	**51**	
	Audit Services	17,770,000	-	454,457	-	**3**	
	Accounting Services	61,850,000	-	15,936,402	-	**26**	
	Public Procurement and Disposal Services	46,363,790	-	381,181	-	**0.8**	
	Grand Total	**1,096,966,417**	**310,797,550**	**475,951,450**	**157,674,089**	**43**	**51**
Agriculture							
	Sub-programme 1	233,605,723	151,515,152	125,274,566	-	**54**	
	Sub Total	**233,605,723**	**151,515,152**	**125,274,566**	**-**	**54**	
	Sub-programme 2	23,991,850	182,580,856	10,302,537	174,113,702	**43**	**95**
	Sub-Total	**23,991,850**	**182,580,856**	**10,302,537**	**174,113,702**	**43**	**95**
	Sub-programme 3	1,661,000	2,500,000	775,000	998,920	**47**	**40**
	Sub-Total	**1,661,000**	**2,500,000**	**775,000**	**998,920**	**467**	**40**
	Grand Total	**259,258,573**	**336,596,008**	**136,352,103**	**175,112,622**	**52**	**52**
Blue Economy							
	Sub-programme 1	19,011,800	51,435,949	2,895,719	28,877,910	**15**	**56**
	Sub Total	**19,011,800**	**51,435,949**	**2,895,719**	**28,877,910**	**15**	**56**
	Sub-programme 2	19,800,738	51,435,949	5,029,865	19,554,802	**25**	**38**
	Sub-Total	**19,800,738**	**51,435,949**	**5,029,865**	**19,554,802**	**25**	**38**
	Grand Total	**38,812,538**	**102,871,898**	**7,925,584**	**48,432,712**	**20**	**47**
Water, Sanitation, and Natural Resources							
Climate Change Affairs	Climate Change Adaptation	5,000,000	250,392,926	-	-		
	Sub Total	5,000,000	250,392,926	-	-		
	Grand Total						
Cooperatives Development							
	Administration, Planning and Support Services	52,786,261	-	3,656,650	-	**7**	
	Sub Total	**52,786,261**	**-**	**3,656,650**	**-**	**7**	
	Grand Total	**52,786,261**	**-**	**3,656,650**	**-**	**7**	

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Attorney	Administrative. Planning and support services	61,340,000	15,433,138	7,564,545	-	**12**	
	Sub Total	**61,340,000**	**15,433,138**	**7,564,545**	-	**12**	
	Legislative Advisory and Legislative Drafting	7,507,200	-	851,100		**11**	
	Sub-Total	7,507,200	-	851,100	-	**11**	
	Grand Total	**68,847,200**	**15,433,138**	**8,415,645**	-	**12**	
County Secretary	Administrative services	31,500,000		12,169,310	-	**39**	
	Sub Total	**31,500,000**	-	**12,169,310**	-	**39**	
	Grand Total	**31,500,000**	-	**12,169,310**	-	**39**	

***Source**: Kilifi County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Administration, Planning & Support Services in the Department of Public Service Board at 100 per cent, Non-Communicable Diseases in the Department of Health at 86 per cent, Administration, Planning & Support Services in the Department of Trade at 68 per cent, and Ward Scholarship Administration in the Department of Education & Vocational Training at 66 per cent of budget allocation.

3.14.14 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

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

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.14.15 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;

i. The county Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 25 April 2025.

ii. Own-source revenue underperformed at Kshs.577.34 million against an annual target of Kshs.1.57 billion, representing 37 per cent of the yearly target.

iii. Unspent funds from FY 2023/24 were not refunded to the CRF account, resulting in actual expenditures exceeding the approved exchequer in several departments, as shown in Table 3.144.

iv. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. The reports for the Emergency Fund and Ward Scholarship Fund were not submitted to the Controller of Budget as of 15 March 2025.

v. Use of manual payroll. Personnel emoluments amounting to Kshs.174.96 million for staff yet to be onboarded into the HRIS, accounting for 5.4 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

vi. The programmes and sub-programmes in Table 3.145 were not aligned with the approved budget for each department; the expenditure on programmes and sub-programs does not tally with the expenditure by departments.

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vii. Non-submission of copies of authorisation letters for opening commercial bank accounts per regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget, as per the timelines prescribed in Section 166 of the PFM Act, 2012.*

ii. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*

iii. *The County Treasury should ensure unspent funds from the previous financial year are deposited into the CRF Account in line with Section 136 of the PFM Act 2012.*

iv. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*

v. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*

vi. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

vii. *The County Treasury must ensure compliance with the approved programme and sub-programmes in the approved supplementary 1budget.*

viii. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

3.15. County Government of Kirinyaga

3.15.1 Overview of FY 2024/25 Budget

The Kirinya'ga County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.7.92 billion. It comprises Kshs.2.99 billion (37.8 per cent) and Kshs.4.93 billion (62.2 per cent) allocations for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.685.17 million (10 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.2.45 billion and a recurrent budget of Kshs.4.79 billion. The increase in the budget was attributed to the upward adjustment of the Own Source Revenue.. The County's Net Approved Supplementary I Budget is Kshs.7.89 billion, comprising Kshs.4.93 billion for recurrent and Kshs.2.96 billion for development.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.5.45 billion (68.8 per cent), additional allocations of Kshs.611.06 million (7.7 per cent), a cash balance of Kshs.952.94 million (12 per cent) brought forward from FY 2023/24, and Kshs.912.45.45 million (11.5 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.39.55 million (0.9 per cent) as Appropriations-in-Aid (A-I-A), Kshs.218 million (2.8 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.430.45 million (5.4 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.146.

3.15.2 Revenue Performance

During the review period, the County received Kshs.4.22 billion in revenues to fund its development and recurrent activities. This amount represents a decrease of Kshs.53.9 million from Kshs.4.27 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.2.72 billion from the equitable share of revenue raised nationally, and its own-source revenue (OSR) collection of Kshs.542.66 million. In addition, the County had a cash balance of Kshs.952.94 million from FY 2023/24.

The total OSR collection of Kshs.502.68 million includes ordinarily OSR of Kshs.258.57 million Facilities Improvement Financing (FIF) of Kshs.244.11 million. OSR collections from the FIF were received from Kianyaga, Kiambimbi, Sagana, and Kerugoya Referral Hospitals. Table 3.146 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

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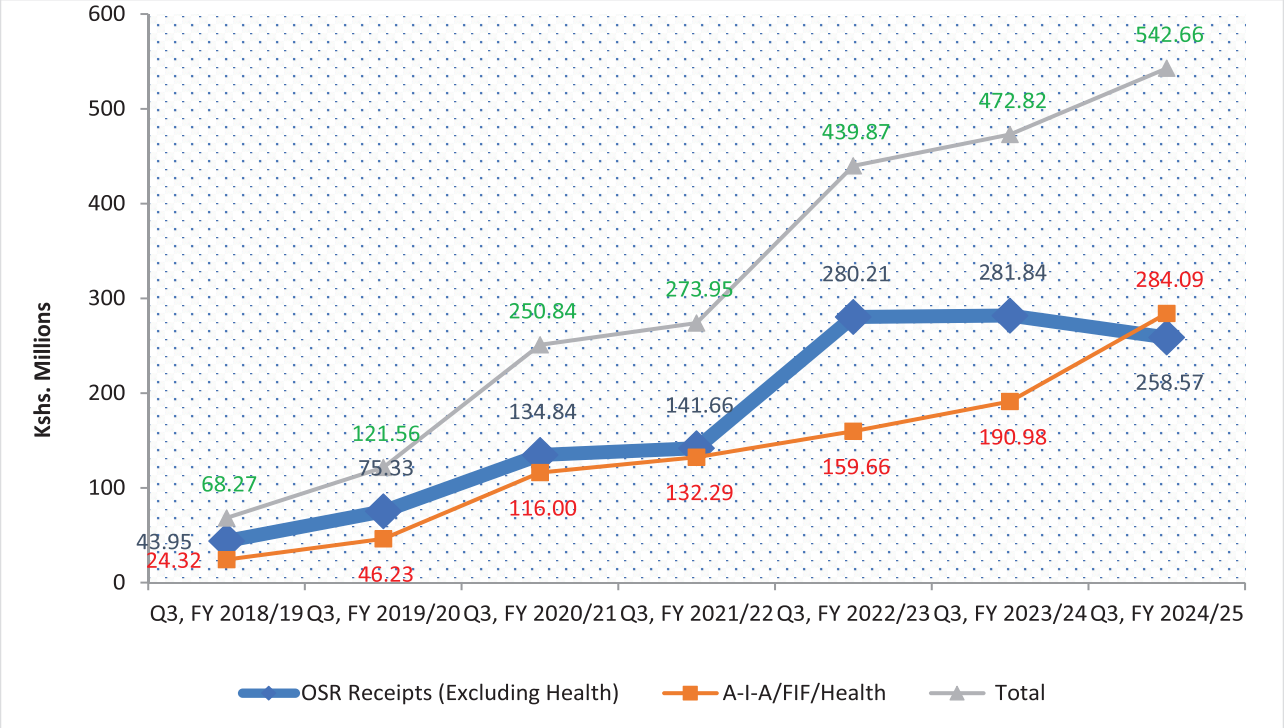
Table 3.146: Kirinyaga County, Revenue Performance in the First Nine Months of FY 2024/25

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as a Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	5,449,273,298	2,724,636,648	50.0
Sub Total		**5,449,273,298**	**2,724,636,648**	**50.0**
B	**Conditional Grants**			
1	Danida	6,532,500	6,532,500	100.0
2	IFAD	13,779,259	0	0.0
3	IDA(World Bank) KDSP II	37,500,000	0	0.0
4	IDA(World Bank) KUSP	35,000,000	0	0.0
5	IDA(World Bank) NAVCDP	151,515,152	5,500,000	3.6
6	IDA(World Bank) K-WASH	366,729,808	0	0.0
7	CAIPS	250,000,000	65,258,197	26.1
Sub-Total		**861,056,719**	**77,290,697**	**9.0**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	430,451,000	258,565,736	60.1
2	Balance b/f from FY2023/24	952,936,745.00	952,936,745.00	100.0
3	Facility Improvement Fund (FIF)	218,000,000	244,113,027	112.0
4	Other Revenues	224,447,633	-	0.0
5	Appropriation in Aid (AIA)	39,549,000.00	-	0.0
Sub Total		1,865,384,378	1,455,615,508	78.0
Grand Total		**8,175,714,395**	**4,257,542,853**	**52.1**

Source: *Kirinyaga County Treasury*

Figure 56 Shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 56: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



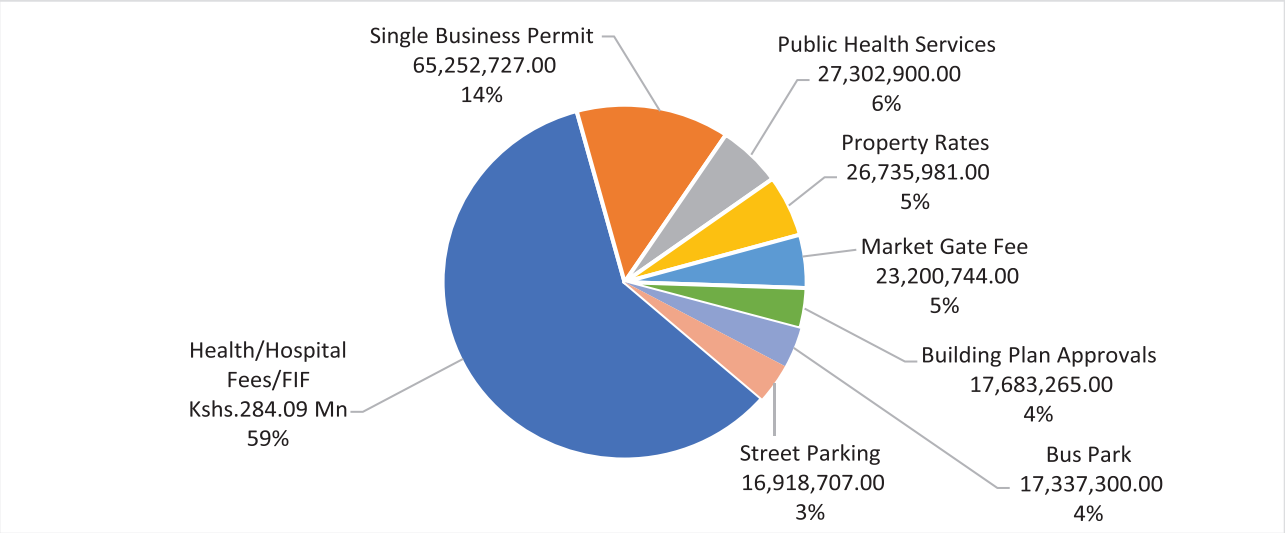
Source: *Kirinyaga County Treasury*

During the review period, the County generated Kshs.542.66 million from its revenue sources, including AIA and FIF. This amount was a decrease of 1 per cent compared to Kshs.550.00 million realised in a similar period in FY 2023/24, and was 100 per cent of the annual target and 10 per cent of the equitable revenue share disbursed.

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The revenue streams which contributed the highest OSR receipts are shown in Figure 57.

Figure 57: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



***Source**: Kirinya'ga County Treasury*

As shown in **Figure 57**, the highest revenue stream, at Kshs.284.09 million, was from Hospital/FIF, accounting for 59 per cent of the total OSR receipts. The County Government has automated its revenue streams.

3.15.3 Borrowing by the County

The County Government did not disclose any short-term borrowings as of 31 March 2025.

3.15.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.88 billion from the CRF account during the reporting period, which comprised Kshs.874.47 million (22.5 per cent) for development programmes and Kshs.3.012 billion (77.5 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.1.928 billion was released towards compensation of employees and Kshs.905.52 million for operations and maintenance expenditure. Exchequer approved compensation for employees in the first nine months of FY 2024/25, which does not include the March 2025 exchequer request for the County Executive and County Assembly due to late disbursement of the Equitable Share of Revenue.

The domestic travel exchequers amounted to Kshs.170.99 million, and included Kshs.29.58 million for the County Executive and Kshs.78.41 million for the County Assembly.

As of 31st March, 2025, the County Government's cash balance in the CRF account was Kshs.215.35 million.

3.15.5 County Expenditure Review

The County spent Kshs.3.286 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 Kshs.992.23 million and Kshs.2.83 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 25.9 per cent, while recurrent expenditure represented 74.1 per cent of the annual recurrent expenditure budget.

3.15.6 Settlement of Pending Bills

As of 30th June 2024, the county reported pending bills totalling Kshs.1.228 billion. This amount included Kshs.1.228 billion from the County Executive and Kshs.0 million from the County Assembly. The pending bills from the County Executive consist of Kshs.340.64 million for recurrent expenditures and Kshs.887.56 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.41.76 million, comprising Kshs.41.76 million for recurrent programmes.

The County Executive submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.100 million in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.41.76 million for the Executive.

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As of 31st March 2025, the outstanding bills totalled Kshs.985.60 billion, all for the County Executive.

3.15.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.686 billion on employee compensation, Kshs.775.719 million on operations and maintenance, and Kshs.963.082 million on development activities. Similarly, the County Assembly spent Kshs.241.508 million on employee compensation, Kshs.129.801 million on operations and maintenance, and Kshs.29.15 million on development activities, as shown in Table 3.147

Table 3.147: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.Mn)		Exchequer Issues (Kshs. Mn)		Expenditure (Kshs.Mn)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,254.95**	**676.64**	**2,462.69**	**371.31**	2,462.69	371.31	58	55
Compensation to Employees	2,609.48	336.76	1,686.97	241.51	1,686.97	241.51	65	72
Operations and Maintenance	1,645.48	339.87	775.72	129.80	775.72	129.80	47	38
Development Expenditure	2,863.27	130.86	963.08	29.15	963.08	29.15	34	22
Total	**7,118.22**	**807.49**	**3,425.77**	**400.46**	**3,425.77**	**400.46**	**48**	**50**

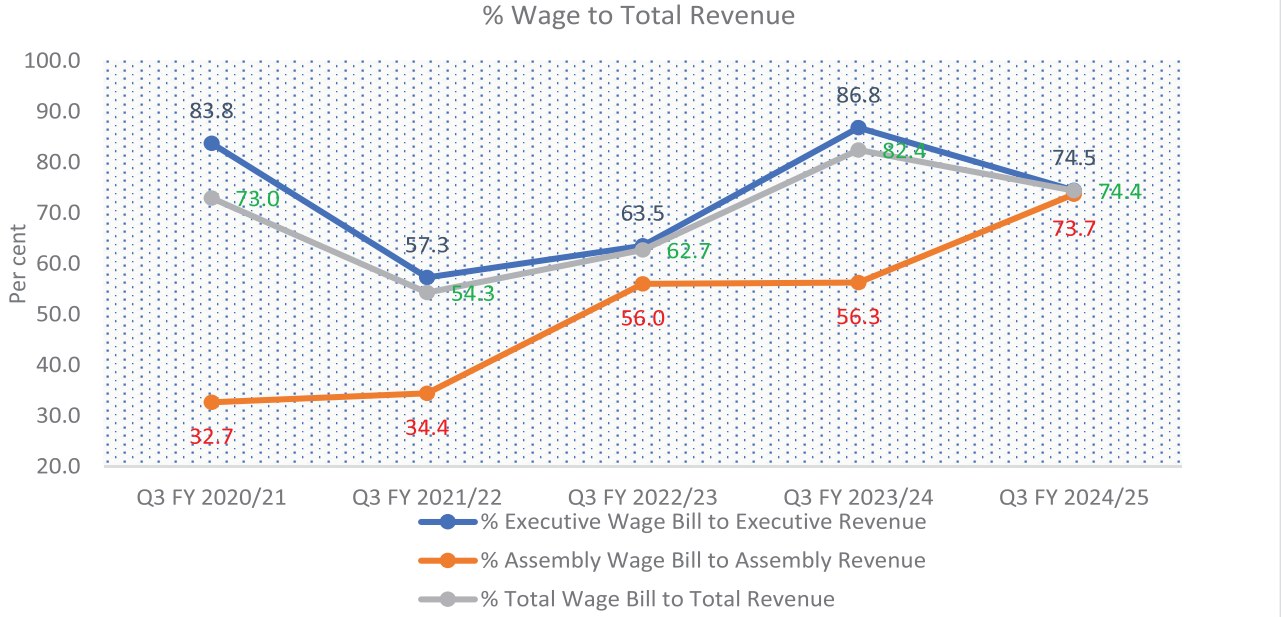
***Source**: Kirinya'ga County Treasury*

3.15.8 Expenditure on Compensation to Employees

During the period under review, expenditures on employee compensation totalled Kshs.1.93 billion. Consequently, the percentage of employee compensation to revenue is 51.7 per cent. This expenditure shows an increase compared to the Kshs.1.74 billion was reported during the same period in FY 2023/24.

Figure 58 Shows the compensation trend to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2020/21 to FY 2024/25.

Figure 58: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2020/21 to FY 2024/25



***Source**: Kirinya'ga County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.79 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs 131.03 million was processed through manual payrolls, which accounted for 7.3 per cent of the total PE cost.

The County Assembly spent Kshs.19.6 million on committee sitting allowances for the 34 MCAs against the annual budget allocation of Kshs.85.03 million. The average monthly sitting allowance was Kshs.64,100 per MCA. The County Assembly has 21 House Committees.

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3.15.9 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.205.67 million to county-established funds in FY 2024/25, or 3 per cent of the County's overall budget. Furthermore, the County allocated Kshs.8 million to the Emergency Fund (4 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.148 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.148: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25(Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Cumulative disbursements to the Fund as of 31 March 2025 (Kshs)	Submission of Financial Statements as of 31 March 2025 (Yes/No.)
	County Executive Established Funds					
1.	County Emergency Fund	8,000,000	-	-	51,561,710	Yes
2.	County Bursary Fund	166,370,000	-	4,333,004.00	458,300,000	Yes.
3.	Executive Car Loan and Mortgage Fund	31,300,000	-	51,323,319.00	257,500,000	Yes.
	County Assembly Established Funds					
4.	County Assembly Staff Car Loans and Mortgage Fund	50,000,000	30,000,000	30,000,000.	460,106,291	Yes
	Total	**255,670,000**	**30,000,000**	**85,656,323**	**1,227,468,001**	

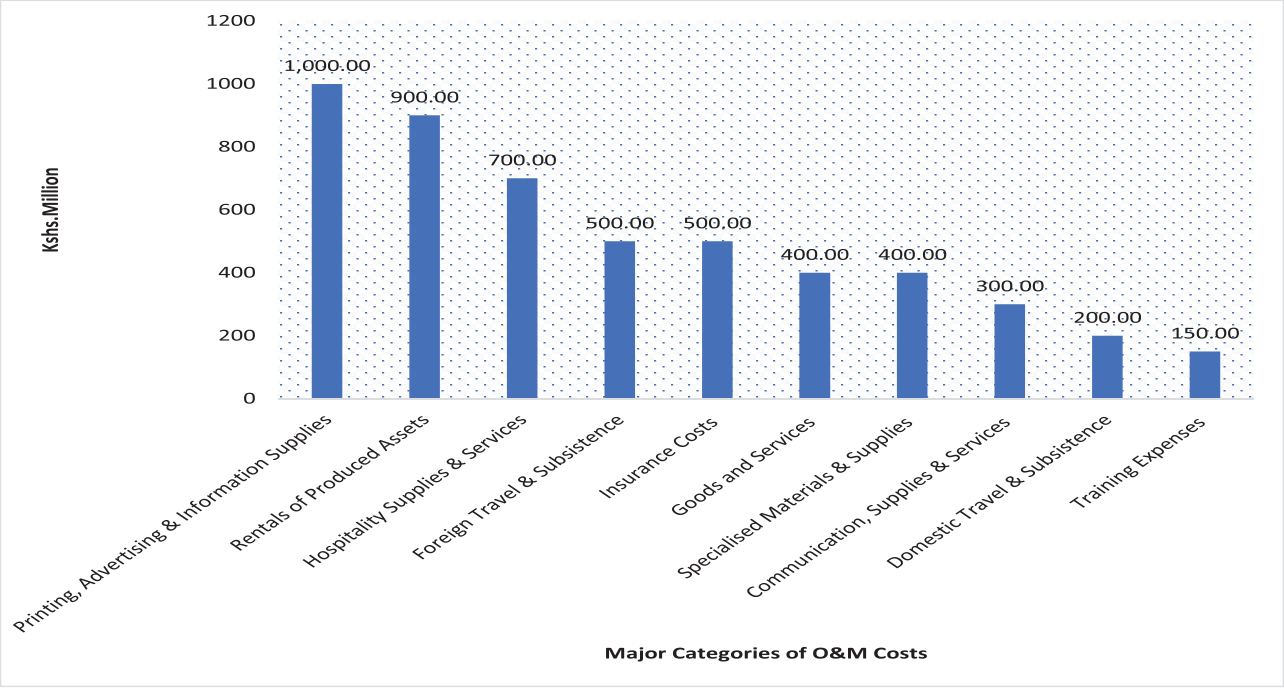
Source: *Kirinya'ga County Treasury*

During the reporting period, the CoB received quarterly financial reports from four Fund Administrators, as permitted by Section 116 of the PFM Act 2012, contrary to the requirement of Section 168 of the PFM Act 2012.

3.15.10 Expenditure on Operations and Maintenance

Figure 59 Summarises the Operations and Maintenance expenditure by major categories.

Figure 59: Kirinyaga County, Operations and Maintenance Expenditure by Major Categories



Source: *Kirinya'ga County Treasury*

Expenditure on domestic travel amounted to Kshs.107.99 million, comprising Kshs.78.41 million spent by the County Assembly and Kshs.29.58 million by the County Executive.

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Table 3.149: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

No.	Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	the Travel
1	County Executive	3	3rd to 12th April, 2025	Invitation for the H.E the Governor to serve as the keynote speaker at the leadership council meeting in Boston Massachusetts, USA from 4th April to 5th April 2025	USA	1,278,283.00

Source:*Kirinyaga County Treasury*

3.15.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.244.11 million as FIF, which was 112 per cent of the annual target of Kshs.218.00 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023.

The expenditure by the health facilities amounted to Kshs.**66,803,724.00** as shown in **Table 3.150**.

Table 3.150: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption Rate %
1	Kerugoya Referral Hospital	158,000,000.00	50,787,087.00	32
2	Kimbimbi Hospital	28,000,000.00	9,456,567.00	34
3	Kianyaga Hospital	15,000,000.00	2,011,760.00	13
4	Sagana Hospital	9,500,000.00	4,548,310.00	48
5	Dispensaries	7,500,000.00	0	0
Total		**218,000,000.00**	**66,803,724.00**	**31**

Source: *Kirinyaga County Treasury*

3.15.12 Development Expenditure

In the review period, the County reported spending Kshs.992.32 million on development programmes, representing an increase of 28.1 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.774.55 million. Table 3.151 Summarises development projects with the highest expenditure in the reporting period.

Table 3.151: Kirinyaga County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
1	Cooperatives, Trade, Tourism And Industrialisation	Development of Sagana Agro-industrial park (EPZ & CAIPS), feasibility studies, Branding, Marketing and other Infrastructures.County Aggregation and Industrial Parks (CAIP) Programme	COUNTY HQS (39600001)/Conditional Grant	500,000,000	258,327,616	52%
2	Medical Services and Public Health	Upgrading of Kimbimbi Level 4 Hospital	COUNTY HQS (39600001) Nyangati Ward	426,270,794	264,226,919	62%
3	Medical Services and Public Health	Upgrading of Kianyaga Level 4 Hospital	COUNTY HQS (39600001) Baragwi Ward	426,070,795	295,557,518	69%
4	Lands, Housing and Urban Development	Construction of a modern fire station and purchase of modern fire engines (Funded by June 2024 Exchequer)	COUNTY HQs	50,782,580	44,714,691	88%
5	Agriculture, Livestock and Fisheries	Goods, services, supplies and works for Wezesha Kirinyaga Program (Funded By June 2024 Exchequer)	COUNTY HQS (39600001)	24,959,560	20,997,625	84%
6	Sports Culture and Social Services	SUPPLY & DELIVERY OF SPORTS EQUIPMENT AND GEAR (Funded By June 2024 Exchequer)	VARIOUS WARDS	9,392,250	9,392,250	100%
7	Gender and Youth	Youth empowerment (establishment of a revolving fund for the youth)	COUNTY HQS (39600001)	25,500,000	25,500,000	100%

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No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation (%)
8	Transport and Infrastructure	SPOT IMPROVEMENT OF VARIOUS ACCESS ROADS IN MWEA (Funded By June 2024 Exchequer)	COUNTY HQs	14,159,888	14,159,888	100%
9	Transport and Infrastructure	PROPOSED SUPPLY, DELIVERY, INSTALLATION, TESTING, AND COMMISSIONING OF 20M HIGH FLOOD LIGHTS (Funded By June 2024 Exchequer)	COUNTY HQs	8,230,200	8,230,200	100%
10	Transport and Infrastructure	SPOT IMPROVEMENT OF MITONDO COFFEE FACTORY MWERU FARM KWA CAXTON ROAD AND KIANGIGE KWA MBUITO KARIKO ROAD (Funded By June 2024 Exchequer)	COUNTY HQs	12,598,760	12,598,760	100%

Source: *Kirinya'ga County Treasury*

3.15.13 Budget Performance by Department

Table 3.152 Summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.152: Kirinya'ga County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.Mn)		Exchequer Issues (Kshs.Mn)		Expenditure (Kshs. Mn)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	676.64	130.86	371.31	29.15	371.31	29.15	100	100	54.9	22.3
County Executive	516.21	6.00	283.98	-	283.98	-	100	-	55	-
Finance and Economic Planning	652.44	144.18	397.21	41.76	397.21	41.76	100	100	60.9	29
Medical Services and Public Health	2,190.33	379.36	1,294.73	260.73	1,294.73	260.73	100	100	59.1	68.7
Education	312.51	52.53	135.99	19.05	135.99	19.05	100	100	43.5	36.3
Agriculture, Livestock and Fisheries	211.93	218.71	151.58	35.23	151.58	35.23	100	100	71.5	16.1
Gender and Youth	41.29	73.52	19.98	36.51	19.98	36.51	100	100	48.4	49.7
Sports Culture and Social Services	35.41	32.03	18.10	20.79	18.10	20.79	100	100	51.1	64.9
Cooperative Development, Trade, and Tourism	43.79	613.25	19.26	130.02	19.26	130.02	100	100	44	21.2
Environment and Natural Resources	140.22	630.03	91.37	211.76	91.37	211.76	100	100	65.2	33.6
Physical Planning and Housing	34.14	100.63	11.16	25.56	11.16	25.56	100	100	32.7	25.4
Transport and Infrastructure	76.67	613.00	39.33	181.68	39.33	181.68	100	100	51.3	29.6
Total	**4,931.59**	**2,994.12**	**2,834.00**	**992.23**	**2,834.00**	**992.23**	**100**	**100**	**57.47**	**33.14**

Source*: Kirinya'ga County Treasury*

Analysis of expenditure by departments shows that the Department of Medical Services and Public Health recorded the highest absorption rate of development budget at 68.7 per cent, followed by the Department of Sports, Culture and Social Services at 64.9 per cent. The Department of Agriculture, Livestock and Fisheries had the highest percentage of recurrent expenditure to budget at 71.5 per cent. The Department of Physical Planning and Housing had the lowest at 32.7 per cent.

3.15.14 Budget Execution by Programmes and Sub-Programmes

Table 3.153 Summarises the budget execution by programmes and sub-programmes in the period under review.

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Table 3.153: Kirinyaga County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Supplementary Estimates		Actual Payments of FY 2024/25 (Kshs)		Absorption (%)
		Recurrent Estimates	Development Estimates	Recurrent Expenditure	Development Expenditure	
County Assembly						
Legislation and Oversight	Legislation and Oversight	676,637,101	130,855,694	-	-	0.0
Sub Total		**676,637,101**	**130,855,694**	**-**	**-**	**0.0**
County Executive	**County Executive**					
Office of the Governor and Deputy Governor	070601 County Executive Services	330,744,668	-	184,625,501	-	55.0
County Executive Administration	070701 County Executive Services	-	6,000,000	-	-	0.0
Management of County Affairs	070801 Coordination of County Functions	137,732,061	-	77,130,522	-	54.8
County Executive Committee Affairs	070901 Organisation of County Business	3,200,000	-	932,200	-	15.0
County Public Service Board	071001 Human Resource Management	19,906,040	-	9,178,252	-	61.6
Administrative Support Services	020202 ICT Governance	3,480,000	-	2,161,077	-	62.1
	020701 Government Buildings Services	2,567,000	-	1,084,900	-	42.3
	070411 Audit Committee	2,419,000	-	106,561	-	4.4
	070412 County Enforcement Activities	3,685,000	-	517,640	-	14.0
	070413 ICT Infrastructure Development Management	10,958,800	-	7,780,800	-	71.0
	070414 ICT Systems Development Management	1,522,000	-	466,160	-	30.6
Sub Total		**516,214,569**	**6,000,000**	**283,983,612**	**-**	**53.8**
Finance and Economic Planning						
Public Finance Management	070401 Finance Services	580,505,281	144,184,035	357,576,844	41,757,743	54.5
	070402 Revenue Services	17,300,000	-	8,645,539	-	44.8
	070404 Procurement and Supply Services	9,572,729	-	8,459,360	-	86.6
	070405 Internal Audit Services	1,718,200	-	522,600	-	30.4
	070408 Budget Formulation, Coordination and Management	9,054,920	-	4,273,200	-	47.2
	070409 Accounting Services	7,445,000	-	5,126,707	-	68.9
County Planning and Economic Policy Management	070501 Economic Planning Services	26,847,462	-	12,609,996	-	47.0
Sub Total		**652,443,592**	**144,184,035**	**397,214,246**	**41,757,743**	**54.4**
Medical Services and Public Health						
Curative and Rehabilitative Services	040301 Curative and Rehabilitative Services	2,190,327,259	379,362,036	1,294,728,079	260,728,902	56.5
Sub Total		**2,190,327,259**	**379,362,036**	**1,294,728,079**	**260,728,902**	**56.5**
Education	**Education**					
Basic Education	050101 General Administration	304,571,405	-	134,421,643	-	35.1
	050102 Free Pre-Primary Education	6,230,000	-	1,398,250	-	20.9
State Education Function Support	050203 Tertiary Education	-	20,877,450	-	877,450.00	4.2
	050501 Pre-Primary and Child Care Services	-	31,653,602	-	18,168,736	57
Technical and Vocational Training	050301 Village Polytechnique	1,713,500		171,000	-	8.4

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Programme	Sub-Programme	Supplementary Estimates		Actual Payments of FY 2024/25 (Ksh)		Absorption (%)
		Recurrent Estimates	Development Estimates	Recurrent Expenditure	Development Expenditure	
Sub Total		**312,514,905**	**52,531,052**	**135,990,893**	**19,046,186**	**33.9**
Agriculture, Livestock and Fisheries						
Livestock Resource Management and Development	010102 Livestock Extension and Capacity Building Services	277,500	-	50,000	-	16.4
	010105 Livestock Production Management		-	-	-	
	010106 Livestock Disease Management & Control	1,140,000	-	839,999	-	70.0
Crop Development and Management	010202 Agricultural Extension Services	600,000	-	375,000	-	37.5
	010203 Agribusiness and Market Development	90,000	-	64,073	-	64.1
	010206 Land and Crop Development	5,035,000	-	5,010,000	-	98.8
	010207 Food Security Initiatives	350,000	-	349,971	-	87.5
Kamweti Agricultural Training Centre	Extension and Training	-	-	-	-	
Fisheries Development	010402 Aquaculture Development	200,000	-	-	-	0.0
Policy, Strategy, and Management of Agriculture	010801 Development of Agricultural Policy	543,000	-	81,809	-	15.1
	011001 General Administration and Planning	203,691,148	218,713,971	144,808,552	35,228,108	42.5
Sub Total		**211,926,648**	**218,713,971**	**151,579,404**	**35,228,108**	**43.2**
Gender and Youth						
Culture	090702 Social Welfare Services	6,959,441	-	1,643,680	-	15.4
	091201 Gender Administration Services	30,496,210	-	17,915,104	-	58.1
	091301 Gender and Social Development	3,340,000	73,521,020	108,800	36,510,827	46.3
Youth	090901 Youth Development and Empowerment Services	495,000	-	308,200	-	46.0
Sub Total		**41,290,651**	**73,521,020**	**19,975,784**	**36,510,827**	**46.6**
Sports Culture and Social Services						
Sports	090701 General Administration	12,271,217	-	8,836,333	-	69.5
	090801 Development of Sports and Sports Facilities	-	32,031,138	-	20,785,638	46.8
	091401 Management & Development of Sports and Sports Facilities	3,755,000	-	193,200	-	3.9
	091601Control & Campaign Against Drug & Substance Abuse	14,549,000	-	7,250,000	-	49.8
	091701 Preservation & Promotion of Heritage and Culture	173,800	-	7,500	-	3.0
Children Services	091101 Child Community Support Services	4,659,000	-	1,808,450	-	37.8
Sub Total		**35,408,017**	**32,031,138**	**18,095,483**	**20,785,638**	**47.7**
Cooperative Development, Trade, and Tourism						
Trade Development and Investment	030401 General Administration and Planning	1,831,700	-	899,000	-	43.2

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Programme	Sub-Programme	Supplementary Estimates		Actual Payments of FY 2024/25 (Ksh)		Absorption Rate (%)
		Recurrent Estimates	Development Estimates	Recurrent Expenditure	Development Expenditure	
	030103 Capacity Building for Traders and SME	977,000	-	121,400	-	12.4
	030104 Promotion, Development & Growth of Trade	219,000	-	50,000	-	14.1
	030105 Fair Trade Practices and Consumer Protection	130,000	-	12,600	-	6.1
Tourism Development and Marketing	030302 Tourism Promotion and Marketing	120,500	-	16,800	-	8.6
	030304 International Tourism Promotion and Marketing	205,000	-	50,700	-	16.4
	030305 Promotion of Industrial Development	2,718,500	-	1,276,700	-	20.4
	030306 Provision of Industrial Training	115,000	-	35,200	-	25.1
Cooperative Development and Marketing	030101 General Administration & Planning	36,867,741	613,253,872	16,452,534	130,024,722	33.0
	030405 Cooperative Advisory and Extension Services	195,000	-	115,000	-	39.0
	030406 Cooperative Education and Training	271,000	-	191,800	-	46.1
	030407 Cooperative Governance and Accountability	109,000	-	34,300	-	21.6
Cooperative Audit Services	030603 Inspections and Investigations for Cooperatives	35,000	-	-	-	0.0
Sub Total		**43,794,441**	**613,253,872**	**19,256,034**	**130,024,722**	**32.8**
Environment and Natural Resources						
Water Supply Services	090101 Water and Irrigation	1,850,000	630,034,988	610,000	211,758,346	32.8
Energy Programme	090301 Energy Services	255,000	-	140,000	-	34.6
Cleaning and Waste Management	090502 Environment Management and Protection	200,800	-	57,200	-	16.8
	1003013960 Natural Forests Conservation	185,000	-	50,000	-	
Environment Management and Protection	100401 Environment Management and Protection	16,240,000	-	16,240,000	-	100.0
Nema	090401 Waste Management Services	63,656,160	-	36,686,398	-	62.5
	1001013960 General Administration Services	57,835,839	-	37,587,642	-	
Sub Total		**140,222,799**	**630,034,988**	**91,371,240**	**211,758,346**	**38.8**
Lands, Housing and Urban Development						
Land and Physical Planning	010601 General Administration and Planning	30,673,028	-	9,660,172	-	31.4
	010604 County Spatial Planning	3,065,000	-	1,354,900	-	42.5
	010605 Town Zoning and Mapping	-	100,630,548	-	25,558,256	23.5
	010607 Survey and Mapping	405,000	-	149,400	-	29.6
Housing Development	010701 Improvement and Development of Human Settlements	-	-	-	-	

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Programme	Sub-Programme	Supplementary Estimates		Actual Payments of FY 2024/25 (Kshs)		Absorption (%)
		Recurrent Estimates	Development Estimates	Recurrent Expenditure	Development Expenditure	
Sub Total		**34,143,028**	**100,630,548**	**11,164,472**	**25,558,256**	**25.7**
Transport and Infrastructure						
Transport Management	020301 General Administration and Planning	61,376,285	-	36,572,352	-	59.5
Disaster Management	020401 Fire Fighting and Emergency Services	2,122,083	-	1,428,408	-	64.3
Road Development, Maintenance, and Management	, based on absorption rates, were: Land and crop development in the Department of Agriculture, Livestock, and Fisheries at 98.8, and Procurement and supply services in the Department of Finance and Economic Planning at 86.6 of the	1,200,000	613,004,663	1,123,360	181,683,789	30.8
Infrastructure Development, Maintenance and Management	020801 Infrastructure Development Services	11,650,000	-	139,671	-	1.2
Housing Development	010701 Improvement and Development of Human Settlements	320,000	-	64,800	-	15.4
Sub Total		**76,668,368**	**613,004,663**	**39,328,591**	**181,683,789**	33.0
Grand Total		**4,931,591,378**	**2,994,123,017**	**2,462,687,836**	**963,082,516**	**466.4**

***Source**: Kirinya'ga County Treasury.*

Based on absorption rates, the sub-programmes with the highest implementation levels were Land and crop development in the Department of Agriculture, Livestock, and Fisheries, at 98.8 per cent, and Procurement and supply services in the Department of Finance and Economic Planning, at 86.6 per cent of the budget allocation.

3.15.15 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 12 accounts with commercial banks, including four accounts for Health Facilities, one account for the Vocational Training Centre, four accounts for Established Funds, one revenue account, one special purpose account (for additional allocations), and one imprest bank account.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 12 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.15.16 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;

i. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on 28th April, 2025

ii. A high level of pending bills, amounting to Kshs.985.60 million as of 31st March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.

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iii. Use of manual payroll. Personnel emoluments amounting to Kshs.131.03 million were processed through manual payroll, accounting for 6.8 per cent of the total payroll cost. Manual payroll is susceptible to fraud and may lead to the loss of public funds where proper controls are lacking.

iv. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

v. Poor distribution of resources to specific departments and programs has led to significant disparities in financial performance. Some programs recorded nil performance in the first nine months, while others reported 100 per cent performance.

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget, per the timelines prescribed in Section 166 of the PFM Act, 2012.*

ii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*

iii. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

iv. *The County Treasury should ensure it submits copies of authorisation letters for opening commercial bank accounts to the CoB to enhance accountability and oversight.*

v. *The County should ensure equitable distribution of resources among programs to achieve objectives effectively. Any shifts in priorities should occur through supplementary revisions, not by cutting funding to specific programmes.*

3.16. County Government of Kisii

3.16.1 Overview of FY 2024/25 Budget

The Kisii County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.15.16 billion. It comprises Kshs.6.16 billion (41 per cent) and Kshs.9.00 billion (59 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.92 billion (15 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.4.34 billion and a recurrent budget of Kshs.8.89 billion. The County's Net Approved Supplementary I Budget (gross budget less AIA estimates) is Kshs.15.16 billion, comprising Kshs.9.00 billion for recurrent and Kshs.6.16 billion for development.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.9.31 billion (56 per cent), additional allocations of Kshs.1.13 billion (7 per cent), a cash balance of Kshs.3.85 billion (23 per cent) brought forward from FY 2023/24, and Kshs.2.43 billion (14 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.1.56 billion (9 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.865 million (5 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.154.

3.16.2 Revenue Performance

During the review period, the county received Kshs.9.36 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.1.20 billion from Kshs.8.16 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.5.4 billion from the equitable share of revenue raised nationally, and its total own-source revenue (OSR) collection of Kshs.1 billion. In addition, the County had a cash balance of Kshs.2.96 billion from FY 2023/24.

The total OSR collection of Kshs.1 billion includes, Facilities Improvement Financing (FIF) of Kshs.658.76 million, and Kshs.347 million from other OSR sources. OSR collections from the FIF were received from KTRH and Sub-county Hospitals. Table 3.154 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

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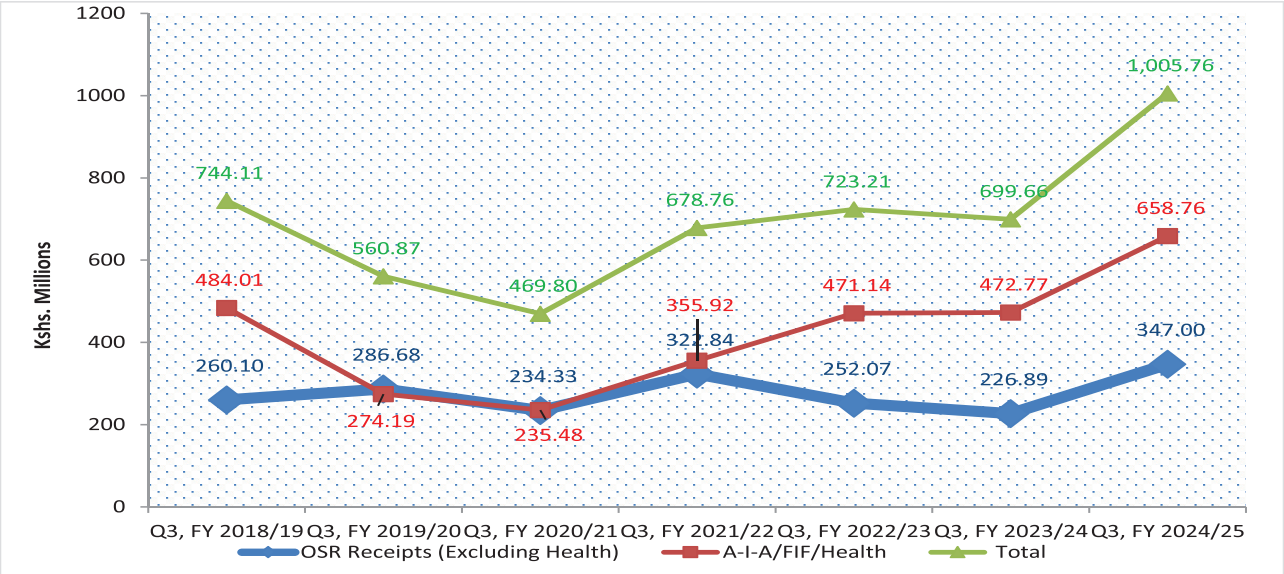
Table 3.154: Kisii County, Revenue Performance in the First Nine Months of FY 2024/25

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally -**	9,305,835,688	5,397,385,207	58.0
Subtotal		**9,305,835,688**	**5,397,385,207**	**58.0**
B	**Additional Allocations**			
1	Aquaculture Business Development Programme	21,486,575	-	-
2	DANIDA	11,992,500	-	-
3	Finance for Locally-Led Climate Action Program (FLLoCA) County Climate Institutional Support (CCIS) Grant	11,000,000	-	-
4	Finance for Locally-Led Climate Action Program (FLLoCA) County Climate Resilient Investment Grant	244,000,000	-	-
5	Agricultural Sector Development Support Programme (ASDSP)	10,918,919	-	-
6	Industrial Park	250,000,000	-	-
7	KDSP II	128,493,018	-	-
8	Community Health Promoters(CHPs)	88,200,000	-	-
9	Road Maintenance Levy Fund(RMLF)	179,407,700	-	-
10	Kenya Urban Support Program (KUSP) Institution Grant	35,000,000	-	-
11	Allocation for Mineral Royalties	117,616	-	-
12	National Agricultural Value Chain D--evelopment Project (NAVCDP)-World Bank Credit	151,515,152	-	-
Subtotal		**1,132,131,480**	**-**	**-**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	865,000,000	346,999,000	40.1
2	Facility Improvement Fund (FIF)	1,561,000,000	658,757,165	42.2
Subtotal		**2,426,000,000**	**1,005,756,165**	**42.2**
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2023/24	3,852,384,894	2,960,595,297	76.9
Sub-Total		**3,852,384,894**	**2,960,595,297**	**76.9**
Grand Total		**16,716,352,062**	**9,363,736,669**	**56.0**

Source: *Kisii County Treasury*

Figure 60 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 60: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



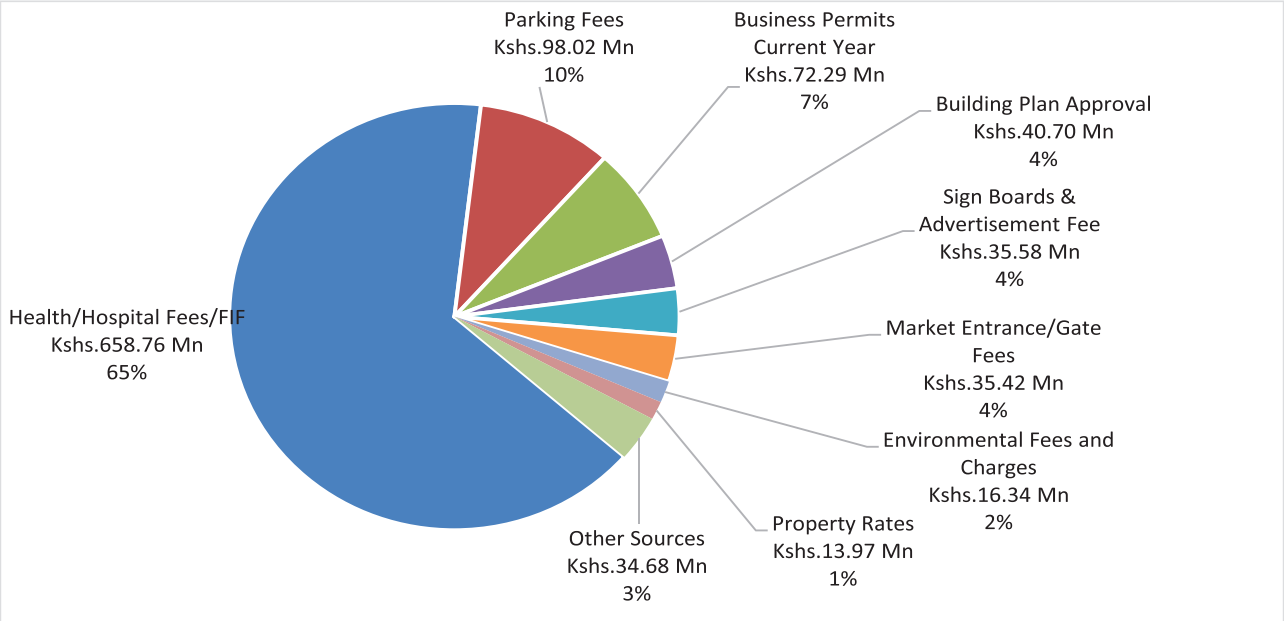
Source: *Kisii County Treasury*

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During the review period, the County generated Kshs.1 billion from its own revenue sources, including AIA and FIF. This amount was an increase of 44 per cent compared to Kshs.699.66 million realised in a similar period in FY 2023/24 and was 46 per cent of the annual target and 19 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 61.

Figure 61: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source: *Kisii County Treasury*

As shown in Figure 61, the highest revenue stream, Kshs.658.76 million, was from Health/Hospital Fees, contributing 65 per cent of the total OSR receipts. The County Government has automated all 22 revenue streams.

3.16.3 Borrowing by the County

The County Government borrowed Kshs.521.73 million from Family Bank comprising of Kshs.470.53 million and Kshs.51.19 million for the County Executive and County Assembly, respectively. Kshs.496.43 of the borrowed funds have since been repaid, with an unpaid amount of Kshs.24.9 million owed by the County Assembly. The borrowing was utilised in payment of net salaries.

3.16.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.5.79 billion from the CRF account comprised Kshs.1.01 billion (17 per cent) for development programmes and Kshs.4.78 billion (83 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.84 billion was released towards compensation of employees and Kshs.930.64 million for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, excluding the March 2025 exchequer request for the County Executive and County Assembly.

Analysis of the operations and maintenance exchequer releases indicates that 25 per cent was for domestic travel and 3 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.234.25 million, comprising Kshs.67.87 million for the County Executive and Kshs.166.38 million for the County Assembly. The foreign exchequer totalled Kshs.23.84 million and was entirely for the County Assembly.

Table 3.155: Kisii County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Executive and Public Service Board	356.180	282.00	213.59	171.48	60	61
Administration and Stakeholder Management	617.13	34.46	294.67	4.45	48	13
Finance and Economic Planning	1192.45	114.31	717.56	9.96	67	9
Agriculture and Co-operative Development	286.96	330.42	90.69	40.03	32	12
Energy, Water, Environment and Natural Resources	131.28	1250.88	56.89	99.22	43	8

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Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Education, Youth Affairs and Social Development	988.31	257.97	406.33	27.44	41	11
County Health Services	3525.66	729.79	1999.50	105.78	57	14
Lands, Physical Planning and Urban Development	227.10	217,.31	89.95	34.19	40	16
Roads, Public Works and Transport	210.80	1809.61	110.40	347.43	52	19
Trade Development, Industry and Tourism	80.51	542.91	35.61	131.04	44	24
Culture and Social Services	100.10	161.30	43.64	2.401	44	1
Kisii Town Urban Area	142.96	291.02	58.52	17.98	41	6
Ogembo Municipality	14.49	58.10	2.00	4.12	14	7
County Assembly	1124.63	76.72	655.76	15.76	58	21
Total	**8998.56**	**6156.80**	**4775.11**	**1011.27**	**54**	**16**

Source: *Kisii County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.2.91 billion.

3.16.5 County Expenditure Review

The County spent Kshs.5.82 billion on development and recurrent programmes in the reporting period. The expenditure represented 101 per cent of the total funds released by the CoB and comprised Kshs.1.16 billion and Kshs.4.66 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 19 per cent, while recurrent expenditure represented 52 per cent of the annual recurrent expenditure budget.

3.16.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.2.93 billion as of 30th June 2024. This amount included Kshs.2.86 billion from the County Executive and Kshs.63.05 million from the County Assembly. The pending bills from the County Executive consists of Kshs.886.53 million for recurrent expenditures and Kshs.1.98 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.348.38 million, comprising Kshs.118.61 million for recurrent programmes and Kshs.229.77 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.21.82 million, which included Kshs.6.06 million for recurrent activities and Kshs.15.76 million for development activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.1.89 billion and Kshs.63.05 million, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.348.38 million for the Executive and Kshs.21.82 million for the Assembly.

As of 31st March 2025, the outstanding bills amounted to Kshs.2.56 billion, comprising Kshs.2.51billion for the County Executive and Kshs.41.23 million for the County Assembly.

3.16.7 Expenditure by Economic Classification

The County Executive spent Kshs.3.46 billion on employee compensation, Kshs.539.27 million on operations and maintenance, and Kshs.1.15 billion on development activities. Similarly, the County Assembly spent Kshs.382.75 million on employee compensation, Kshs.272.73 million on operations and maintenance, and Kshs.15.76 million on development activities, as shown in Table 3.156.

Table 3.156: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**7,750,918,592**	**1,124,637,995**	**4,101,589,493**	**655,483,329**	**53**	**58**
Compensation to Employees	5,877,304,081	651,402,051	3,461,722,994	382,754,025	59	59
Operations and Maintenance	1,873,614,511	473,235,944	539,270,971	272,729,305	27	58
Development Expenditure	6,080,073,240	76,722,235	1,145,220,787	15,756,928	19	21
Total	**13,830,991,832**	**1,201,360,230**	**5,146,214,752**	**671,240,257**	**37**	**56**

Source: *Kisii County Treasury*

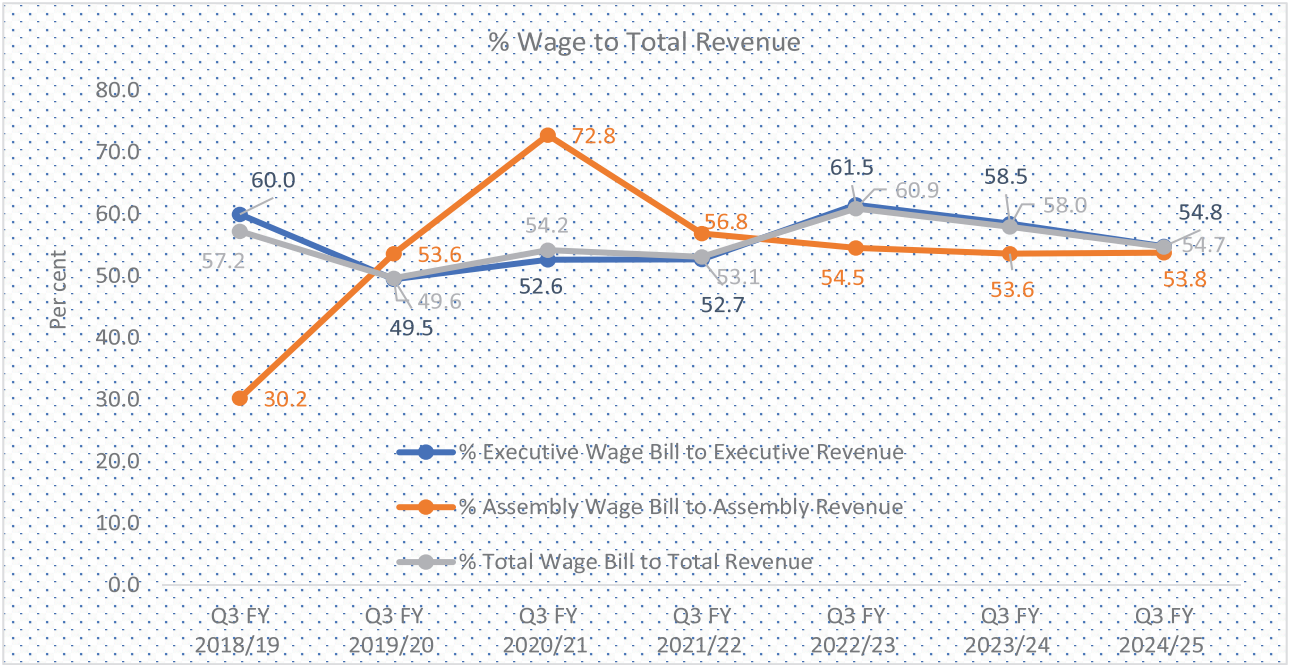
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3.16.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.3.84 billion. The total revenue, excluding the earnings from extractive natural resources from sand cess, gypsum cess, and quarry cess, is Kshs.9.36 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 41 per cent. This expenditure on employee compensation compares to a similar amount reported during the same period in FY 2023/24. Of this total, Kshs.1.90 billion was allocated to Health Sector employees, which accounts for 49 per cent of the overall employees' compensation.

Figure 62 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 62: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: Kisii County Treasury*

Further analysis indicates that PE costs amounting to Kshs.3.83 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.14.81 million was processed through manual payrolls, which accounted for less than 1 per cent of the total PE cost.

The manual payrolls included salaries for gratuity remittances to pension schemes for staff on contract, as well as LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.157.

Table 3.157: Breakdown of Kisii County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1	LAPTRUST/LAPFUND Pension Contributions	6,063,338
2	Gratuity for contract staff	8,751,232
	Total	**14,814,570**

***Source**: Kisii County Treasury*

The County Assembly spent Kshs.51.00 million on committee sitting allowances for the 71 MCAs against the annual budget allocation of Kshs.65.00 million. The average monthly sitting allowance was Kshs.79,814 per MCA. The County Assembly has 20 House Committees.

3.16.9 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.1.87 billion to County-Established funds in FY 2024/25, or 12 per cent of the County's overall budget. Further, the County allocated Kshs.20 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 3.158 summarises each established Fund's budget allocation and performance during the reporting period.

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Table 3.158: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	of First Nine Months Financial Statements (Yes/No.)
		County Executive Established Funds					
1	County Executive Car Loan and Mortgage (Staff) Scheme Fund	7th January 2016 (reviewed 3rd April 2023)	—	—	1,248,663.00	—	Yes
2	County Bursary Fund	2 May 2014	245,000,000.00	—	—	390,000,000.00	Yes
3	County Emergency Fund	12 November 2015	20,000,000.00	—	—	21,000,000.00	Yes
4	Health Fund(KTRH)	2 May 2014	1,250,000,000.00	—	336,535,033.00	—	Yes
5	Health Fund(FIF)	18 September 2020	311,000,000.00	—	131,571,307.50	—	Yes
6	Alcoholic Drinks Control Fund	21 October 2015	43,839,268.00	—	8,208,425.00	—	Yes
		County Assembly Established Funds					
1	MCAs Car Loan and Mortgage Fund	23 April 2014	—	—	—	200,000,000.00	Yes
2	Staff Car Loan and Mortgage Fund	23 April 2014	—	—	—	40,000,000.00	No
	Total		**1,869,839,268.00**		**477,563,428.50**	**651,000,000.00**	

Source: *Kisii County Treasury*

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. During the reporting period, the CoB established that the lifespan of the Bursary Fund, the MCAs' Car Loan and Mortgage Fund, the Staff Car Loan and Mortgage Fund and the Health Fund (KTRH) had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.16.10 County Corporations

The County has established two county corporations. In FY 2024/25, the county did not allocate any amount to these corporations through their parent departments.

Table 3.159: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Gusii Water and Sanitation Company (GWASCO)	Water	—	—	—
2	Kisii Teaching and Referral Hospital (KTRH)	Health	—	—	—
	Total		—	—	—

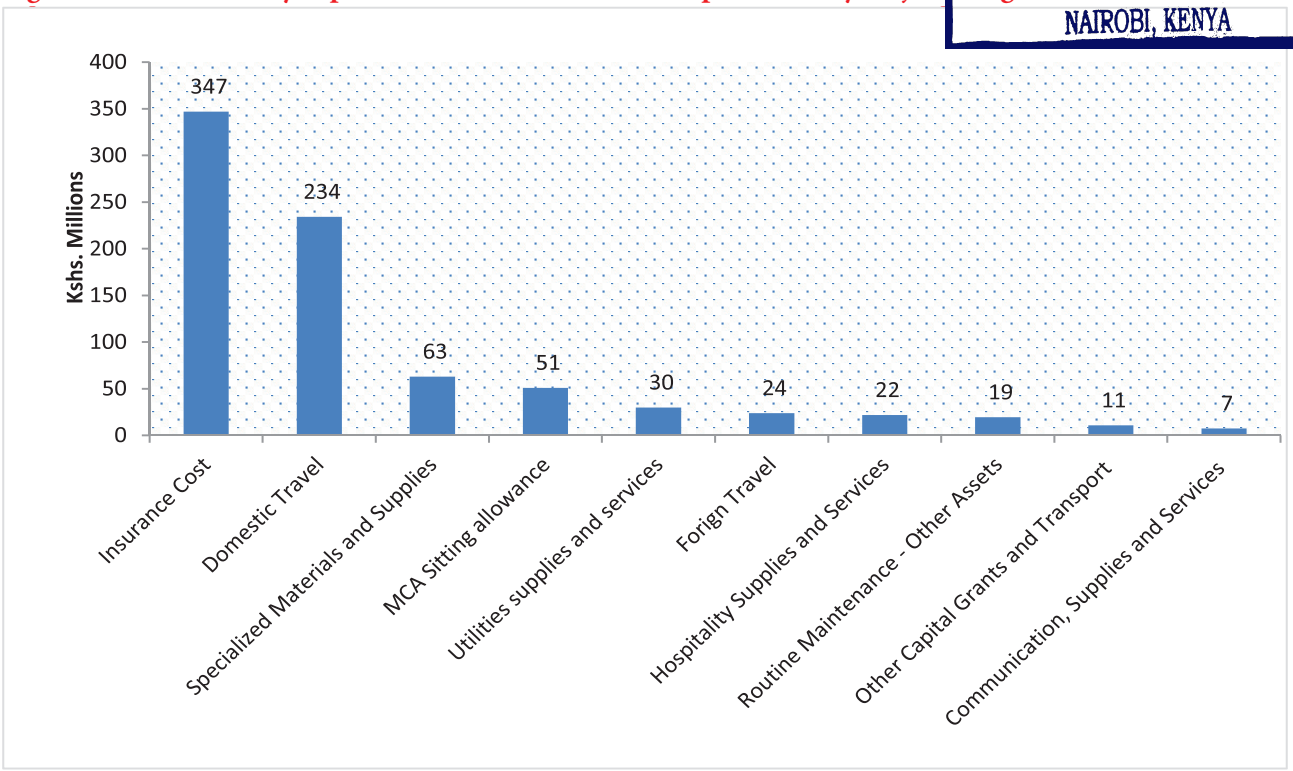
Source: *Kisii County Treasury*

3.16.11 Expenditure on Operations and Maintenance

Figure 63 summarises the Operations and Maintenance expenditure by major categories.

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Figure 63: Kisii County, Operations and Maintenance Expenditure by Major Categories



Source: *Kisii County Treasury*

Expenditure on domestic travel amounted to Kshs.234.25 million and comprised Kshs.166.38 million spent by the County Assembly and Kshs.67.87 million by the County Executive. Expenditure on foreign travel amounted to Kshs.23.84 million spent by the County Assembly. This expenditure is summarised in Table 3.160.

Table 3.160: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	7	10th to 14th Sep 2024	Being Paid to Attend A Mentorship Programme by Shanghai Development Research Foundation in Understanding The Public Policy Making Process	China	3,525,128
County Assembly	6	22nd to 28th Jan 2025	Being Paid to Attend A Seminar on Agriculture Development and Food Security at Malaika Resort, Mwanza	Tanzania	1,948,776
County Assembly	7	5th to 11th Dec 2024	Being Paid to Attend a Seminar on Health Policy Formulation and Collaborating Systems Towards Universal Health Care at Gold Crest Hotel	Tanzania	2,163,355
County Assembly	7	19th to 25th Jan 2025	Being Paid to Attend a Training on Empowering Women And Protecting Children Through Policy Design And Implementation In Kampala	Uganda	2,292,535
County Assembly	1	17th to 24th Jan 2025	Being Paid to Attend a Training on Strengthening the Legislative Process through Commonwealth Best Practice at Ontario Legislative Assembly	Canada	555,296.00
County Assembly	7	18th to 24th Dec 2024	Being Paid to Attend AYAD Consults International Limited Training in Agricultural Rural Innovations at Kampala	Kampala Uganda	2,292,535

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Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel
County Assembly	7	16th to 22nd Dec 2024	Being Paid to Attend ICAP Global Health Seminar on Community Resilience to Climate Change and Health at Gold Crest Hotel	Mwanza Tanzania	2,273,572
County Assembly	7	27th Jan to 2nd Feb 2025	Being Paid to Attend a Training on Climate Change Policy Design And Implementation in Mwanza	Mwanza Tanzania	2,228,422
County Assembly	7	10th to 16th February 2025	Being Paid to Attend a Training on Improving Access to Safe And Sustainable Community Water Supplies in Mwanza	Tanzania	2,273,572
County Assembly	7	7th to 12th Feb 2025	Being Paid to Attend a Training on Management, Performance and Productivity in Kampala	Uganda	1,990,030
County Assembly	7	30th Jan to 5th Feb 2025	Payment to Attend a Training Programme on Strengthening Health Systems for Improved Service Delivery in Kampala	Uganda	2,292,535
Total					**23,835,756**

***Source**: Kisii County Treasury and Kisii County Assembly*

The operations and maintenance costs include an expenditure of Kshs.10.09 million on Legal fees/Dues, arbitration and compensation payments.

3.16.12 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.658.76 million as FIF, which was 42 per cent of the annual target of Kshs.1.56 billion. The collected amount was retained and utilised at source in accordance with the Facility Improvement Financing Act, 2023.

The expenditure by the health facilities amounted to Kshs.658.76, as shown in Table 3.161.

Table 3.161: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Kisii Teaching and Referral Hospital	1,250,000,000	528,778,792	42.3
	Sub-County Hospitals	311,193,565	129,978,372	41.8
	Total	**1,561,193,565**	**658,757,164**	42.2

***Source:** Kisii County Treasury*

The Health Facility with the highest absorption rate was Kisii Teaching and Referral Hospital.

3.16.13 Development Expenditure

In the review period, the County reported spending Kshs.1.16 billion on development programmes, representing an increase of 75 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.248.39 million. Table 3.162 summarises development projects with the highest expenditure in the reporting period.

Table 3.162: Kisii County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Executive	Construction of County Headquarters	Headquarters	07/08/2026	499,995,565	171,478,129	171,478,129	34
2	Trade	Proposed Construction of County Aggregation and Industrial Park	Machoge Borabu	03/03/2025	500,000,000	98,110,312	98,110,312	20

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
3	Health	Completion of Reproductive Health in Kisii Mother and Child Hospital	Kisii Town	19/11/2024	100,000,000	46,301,639	46,301,639	46
4	Roads	Construction, Repair and Maintenance of Lot 8 Roads	Kitutu Chache South	17/12/2024	28,020,440	28,020,440	28,020,440	100
5	Roads	Construction, Repair and Maintenance of Lot 5 Roads in Bassi Chache Ward	Bassi Chache	20/02/2025	21,929,375	21,929,375	21,929,375	100
6	Roads	Construction, Repair And Maintenance of 7 NO. Lot of Roads in Masige West Ward	Masige West	20/02/2025	16,087,344	16,087,344	16,087,344	100
7	Roads	Construction, Repair and Maintenance of Lot 6 Roads in Sameta Mwokwerero Ward	Sameta Mwokwerero Ward	20/02/2025	15,888,033	15,888,033	15,888,033	100
8.	Kisii Municipality	Upgrading of Jogoo- Kari - KIHBIT Road	Kisii Town	30/11/2024	26,910,520	26,910,520	26,910,520	58
9.	Roads	Construction, Repair and Maintenance of Lot 3 Roads in Bomachoge Borabu Subcounty	Bomachoge Borabu	23/01/2025	14,676,184	14,676,184	14,676,184	100
10.	Roads	Construction, Repair and Maintenance of Lot 6 Roads in Bosoti Sengera Ward	Bosoti Sengera	03/03/2025	14,533,756	14,533,756	14,533,756	100

Source: *Kisii County Treasury*

The County has not disclosed stalled development projects to date.

3.16.14 Budget Performance by Department

Table 3.163 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.163: Kisii County, Budget Allocation and Absorption Rate by Department

Department	Revised Net Budget Allocation (Kshs. Million)		Exchequer Received, (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Executive and Public Service Board	356.180	282.00	213.59	171.48	210.69	171.48	98.6	100.0	59.2	60.8
Administration and Stakeholder Management	617.13	34.46	294.67	4.45	286.20	4.45	97.1	100.0	46.4	12.9
Finance and Economic Planning	1192.45	114.31	717,.56	9.96	714.92	9.96	99.6	100.0	60.0	8.7
Agriculture and Co-operative Development	286.96	330.42	90.69	40.03	89.14	107.69	98.3	269.0	31.1	32.6

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Department	Revised Net Budget Allocation (Kshs. Million)		Exchequer Received, (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus (%)		Absorption rate	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Energy, Water, Environment and Natural Resources	131.28	1250.88	56.89	99.22	56.48	181.27	99.3	182.7	43.0	14.5
Education, Youth Affairs and Social Development	988.31	257.97	406.33	27.44	405.55	27.44	99.8	100.0	41.0	10.6
County Health Services	3525.66	729.79	1999.50	105.78	1901.68	105.78	95.1	100.0	53.9	14.5
Lands, Physical Planning and Urban Development	227.10	217,.31	89.95	34.19	89.38	34.19	99.4	100.0	39.4	15.7
Roads, Public Works and Transport	210.80	1809.61	110.40	347.43	109.09	347.43	98.8	100.0	51.8	19.2
Trade Development, Industry and Tourism	80.51	542.91	35.61	131.04	35.02	131.04	98.3	100.0	43.5	24.1
Culture and Social Services	100.10	161.30	43.64	2.401	42.33	2,41	97.0	100.0	42.3	1.5
Kisii Town Urban Area	142.96	291.02	58.52	17.98	58.52	18.00	100.0	100.0	40.9	6.2
Ogembo Municipality	14.49	58.10	2.00	4.12	2.00	4.12	100.0	100.0	13.8	7.1
County Assembly	1124.63	76.72	655.76	15.76	655.48	15.75	100.0	100.0	58.3	20.5
	8998.56	**6156.80**	**4775.11**	**1011.27**	**4656.48**	**1161.00**	**97.5**	**114.4**	**51.7**	**18.9**

Source: *Kisii County Treasury*

Analysis of expenditure by departments shows that the Department of County Executive and Public Service Board recorded the highest absorption rate of development budget at 61 per cent, followed by the Department of Agriculture and Co-operative Development at 33 per cent. The Department of Finance and Economic Planning had the highest percentage of recurrent expenditure to budget at 67 per cent. In comparison, the Department of Ogembo Municipality had the lowest at 14 per cent.

3.16.15 Budget Execution by Programmes and Sub-Programmes

Table 3.164 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.164: Kisii County, Budget Execution by Programmes and Sub-Programme

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	Administration and Support Services	818,905,709	—	458,770,770	—	56.0	—
	Oversight and Legislative Services	305,732,286	76,722,235	196,712,559	15,756,927	64.3	20.5
	Sub-Total	**1,124,637,995**	**76,722,235**	**655,483,329**	**15,756,927**	**58.3**	**20.5**
Finance And Economic Planning	Administration, Coordination and Support Services	1,001,266,776	—	624,166,902	—	62.3	—
	Public Financial Management Services	75,982,512	—	34,226,595	—	45.0	—
	County Planning Services	115,198,854	114,307,271	56,523,623	9,960,825	49.1	8.7
	Sub-Total	**1,192,448,142**	**114,307,271**	**714,917,120**	**9,960,825**	**60.0**	**8.7**
County Executive	Administration, Planning and Support Services	309,600,400	282,000,000	187,842,993	171,478,129	60.7	60.8
	Office of the County Secretary	1,650,000	—	178,500	—	10.8	—
	Legal services	34,950,000	—	21,610,286	—	61.8	—

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
	Communication Services	1,240,000	—	228,200	—	18.4	—
	Governor's Advisors, Service Delivery Unit and Efficiency Monitoring	260,000	—	—	—	—	—
	Chief of Staff	550,000	—	—	—	—	—
	County Public Service Board	7,929,917	—	828,200	—	10.4	—
	County Liaison Office	0	—	—	—	—	—
	Sub-Total	**356,180,317**	**282,000,000**	**210,688,179**	**171,478,129**	**59.2**	**60.8**
Administration And Stakeholder Management	Administration, Planning and Support Services	542,032,383	—	260,496,323	—	48.1	—
	Devolved Units Services	1,000,000	28,257,447	—	4,446,188	—	15.7
	Human Resource development	1,100,000	—	—	—	—	—
	Enforcement Services	19,956,000	—	—	—	—	—
	Stakeholder Management	39,303,018	—	23,077,217	—	58.8	—
	Public Participation and Civic Education	501,300	—	—	—	—	—
	Disaster Management	6,170,000	6,200,000	—	—	—	—
	Fleet Management	6,800,000	—	2,625,630	—	38.6	—
	Strategy Delivery & Project Management	—	—	—	—	—	—
	Special Programmes	265,444	—	—	—	—	—
	Sub-Total	**617,128,145**	**34,457,447**	**286,199,170**	**4,446,188**	**46.4**	**12.9**
Agriculture, Livestock, Fisheries and Co-operative Development	Administrative and Support Services	108,504,568	—	43,032,440	—	39.7	—
	Veterinary services	—	23,149,438	—	16,290,000	—	70.4
	Livestock Development	—	44,659,200	—	4,485,050	—	10.0
	Fisheries Development	—	46,656,525	—	16,209,577	—	34.7
	Crop Development Headquarters	177,931,929	189,353,350	46,108,826	67,657,016	25.9	35.7
	Kisii Agricultural Training Centre	—	24,500,000	—	3,044,120	—	12.4
	Co-operative Development and Management	145,000	—	—	—	—	—
	Crop Development	225,000	1,600,000	—	—	—	—
	Co-operative Audit	—	—	—	—	—	—
	Monitoring and Evaluation	—	—	—	—	—	—
	Agro Processing, Value Addition and Marketing	—	—	—	—	—	—
	Engineering, Irrigation and Drainage	150,000	500,000	—	—	—	—
	Sub-Total	**286,956,497**	**330,418,513**	**89,141,266**	**107,685,763**	**31.1**	**32.6**
Energy, Water, Environment And Natural Resources	Energy Services	—	37,100,000	—	—	—	—
	Environment Management	35,632,022	779,874,268	10,764,880	86,266,819	30.2	11.1
	Water and Sanitation Services	95,650,000	433,904,988	45,719,664	95,005,348	47.8	21.9
	Sub-Total	**131,282,022**	**1,250,879,256**	**56,484,544**	**181,272,167**	**43.0**	**15.0**

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
Education, Labour and Manpower Development	General Administration and Planning Services	988,309,200	—	405,551,808	—	41.0	—
	Early Childhood Development Education	—	232,604,478	—	27,436,580	—	11.8
	Vocational Training	—	25,366,950	—		—	—
	Sub-Total	**988,309,200**	**257,971,428**	**405,551,808**	**27,436,580**	41.0	10.6
County Health Services	Medical Services	3,373,110,794	729,785,968	1,864,708,085	105,781,774	55.3	14.5
	Public Health	152,550,000	—	36,977,000	—	24.2	—
	Sub-Total	**3,525,660,794**	**729,785,968**	**1,901,685,085**	**105,781,774**	**54.0**	**14.5**
Lands, Physical Planning And Urban Development	Administration, Planning and Support Services	227,100,000	—	89,375,114	—	39.4	—
	Urban Development	—	217,309,165	—	34,188,749	—	15.7
	Land use Services	—	—	—	—	—	—
	Sub-Total	**227,100,000**	**217,309,165**	**89,375,114**	**34,188,749**	**39.4**	**15.7**
Roads, Public Works, Transport And Housing	General Administration and Planning Services	140,500,000	—	75,897,176	—	54.0	—
	Roads Development	—	1,758,608,274	—	347,425,709	—	19.8
	Public Works	70,300,000	51,000,000	33,191,872		47.2	
	Sub-Total	**210,800,000**	**1,809,608,274**	**109,089,048**	**347,425,709**	**51.8**	**19.2**
Trade, Tourism And Industry	Administration and Planning Services	77,183,618	542,911,706	35,015,894	131,038,058	45.4	24.1
	Tourism Development	550,000	—	—	—	—	—
	Weights and Measures	1,275,000	—	—	—	—	—
	Markets Development	1,500,000	—	—	—	—	—
	Sub-Total	**80,508,618**	**542,911,706**	**35,015,894**	**131,038,058**	**43.5**	**24.1**
Culture And Social Services	Administration and Planning Services	93,697,345	—	42,116,513	—	44.9	—
	Cultural Services (Council of Elders and Cultural Activities	1,100,000	2,000,000	—	—	—	—
	Sports Development (KICOSCA Games and other Sporting Activities)	4,905,000	159,300,000	213,500	2,407,025	4.5	1.5
	Social Development Services (Youth, Women and PWDs)	400,000	—	—	—	—	—
	Liquor Licencing	—	—	—	—	—	—
	Betting, Lotteries and Gaming	—	—	—	—	—	—
	Sub-Total	**100,102,345**	**161,300,000**	**42,330,013**	**2,407,025**	**42.3**	**1.5**
Kisii Municipality	General Administration, Planning and Support Services	142,957,337	—	58,517,390	—	40.9	—
	Infrastructure Development	—	291,024,212	—	17,975,668	—	6.2
	Sub-Total	**142,957,337**	**291,024,212**	**58,517,390**	**17,975,668**	**40.9**	**6.2**
Ogembo Municipality	General Administration, Planning and Support Services	14,485,175	—	1,999,334	—	13.8	—
	Infrastructure Development	—	58,100,000	—	4,124,152	—	7.1
	Sub-Total	**14,485,175**	**58,100,000**	**1,999,334**	**4,124,152**	13.8	7.1
	Grand Total	**8,998,556,587**	**6,156,795,475**	**4,656,477,295**	**1,160,977,715**	**51.7**	**18.9**

***Source**: Kisii County Treasury*

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Sub-programmes with the highest levels of implementation based on absorption rates were: Oversight and Legislative Services in the County Assembly at 64 per cent, Administration, coordination and support services in the Department of Finance and economic planning at 62 per cent, Legal services in the Department of County Executive at 62 per cent, and Administration, planning and support services at 61 per cent of budget allocation.

3.16.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 15 accounts with commercial banks, including three accounts for Health Facilities, seven accounts for Established Funds, one revenue account, three special purpose accounts (additional allocations) and one imprest account.

The County Treasury submitted copies of authorisation letters to the Controller of Budget for opening 11 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.16.17 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;

i. Own-source revenue (including Hospital charges) underperformed at Kshs.1.0 billion against an annual target of Kshs.2.42 billion, representing 41 per cent of the yearly target.
ii. Development funds are not being absorbed, as indicated by the expenditure of Kshs.1.16 billion from the annual development budget allocation of Kshs.6.16 billion, which represented 18.9 percent of the annual development budget.
iii. High pending bills amounted to Kshs.2.56 billion as of 31 March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
iv. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of Bursary Fund, MCAs Car Loan and Mortgage Fund, Staff Car Loan and Mortgage Fund and Health Fund (KTRH) had lapsed, making them ineligible for further withdrawals.
v. The County Government uses commercial bank accounts for operations 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 commercial bank accounts are for Conditional Grants/ Additional allocations and established County Funds.

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

i. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*
ii. *The County should identify and address issues causing delays in implementing development projects.*
iii. *The county leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
iv. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
v. *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.*

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3.17. County Government of Kisumu

3.17.1 Overview of FY 2024/25 Budget

The Kisumu County Gross Approved Budget for FY 2024/25 is Kshs.15.30 billion. It comprises Kshs.5.03 billion (33 per cent) and Kshs.10.27 billion (67 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.60 billion (12 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.4.19 billion and a recurrent budget of Kshs.9.51 billion. The increase in the budget was attributed to the rise in the balance carried forward due to the late disbursement of funds in the FY2023/24. The County's Net Approved Budget is Kshs.14.38 billion, comprising Kshs.9.35 billion for recurrent and Kshs.5.03 billion for development.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.8.68 billion (57 per cent), additional allocations of Kshs.2.15 billion (14 per cent), a cash balance of Kshs.669.46 million (4 per cent) brought forward from FY 2023/24, and Kshs.3.80 billion (25 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.926.12 million (24 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.2.88 billion (76 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.165.

3.17.2 Revenue Performance

During the review period, the County received Kshs.7.59 billion in revenues to fund its development and recurrent activities. This amount represents a decrease of Kshs.263.66 million from Kshs.7.85 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.5.54 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.13.93 million, and its own-source revenue (OSR) collection of Kshs.1.36 billion. In addition, the County had a cash balance of Kshs.668.95 million from FY 2023/24.

The total OSR collection of Kshs.1.36 billion includes; Facilities Improvement Financing (FIF) of Kshs.752.11 million, and Kshs.611.95 million from other OSR sources. OSR collections from the FIF were received from; Ahero Sub County Hospital, Chulaimbo County Hospital, Jaramogi Oginga Odinga Teaching and Referral Hospital, Kombewa County Hospital, Kisumu County Referral Hosiptal, Muhoroni county Hospital, Nyakach County Hospital, Kajulu Gita Sub County Hospital, Lumumba Sub County Hospital, Kaito Sub County Hospital, Nyahera Sub County Hospital, Ober Kamoth Sub County Hosital, Ojola Sub County Hospital, Miranga Sub county Hospital, Nyangoma Sub County Hospital, Masogo Sub County Hospital, Nyangande Sub County Hospital, Rabuor Sub County Hospital, Sondu Sub County Hospital, Nyamarimba Sub County Hospital, Manyuanda Sub County Hospital, Chiga Sub County Hospital and Migosi Sub County Hospital. Table 3.165 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.165: Kisumu County, Revenue Performance in the First Nine Months of FY 2024/25

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally -**	**8,681,516,388**	**5,544,033,797**	**64**
Subtotal		**8,681,516,388**	**5,544,033,797**	**64**
B	**Additional Allocations**			
1	DANIDA	23,123,790	-	-
2	Financing Locally Led Climate Action (FLLoCA)	490,984,978	11,000,000	2
3	Kenya Informal Settlement Improvement Project (KISIP II)	840,000,000	-	-
4	IDA – World Bank Credit to Finance Agricultural Value Chain Development Project (ABDP)	151,515,152	-	-
5	Aquaculture Business Development Project (ABDP)	15,407,244	-	-
6	Potential of Agroecological Practices in East Africa with a focus on Circular water energy nutrient System (PraeCtice)	37,227,907	2,931,502	8
7	Conditional Grant for Aggregated Industrial Programme	150,000,000	-	-
8	Allocation of Court Fines	66,912	-	-
9	Kenya Devolution Support Programme (KDSP)	38,156,709	-	-
10	Community Health Promoters	70,459,609	-	-

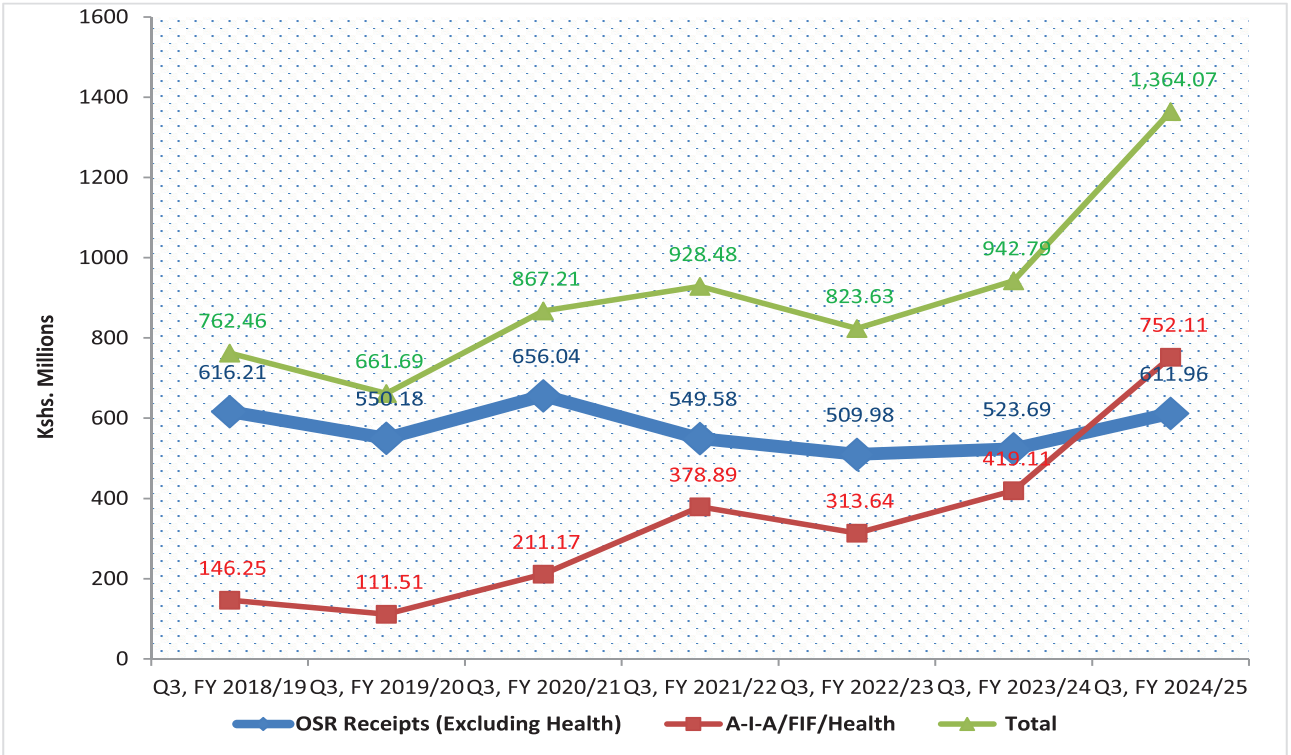
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S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs)	Actual Receipts as Percentage of Annual Budget Allocation (%)
11	Transfer of Museum Function	6,350,388	-	-
12	Road Maintenance Levy Fund (RMLF)	196,615,319	-	-
13	Change-Maker	30,000,000	-	-
14	Kenya Agricultural Development to Finance Aquaculture Business Development Project (ABDP)	21,918,919	-	-
15	Kenya Urban Support Programme (KUSP)	36,634,916	-	-
16	Youth Polytechnics	7,516,000	-	-
17	Kenya Dairy Enterprise Development	400,391	-	-
18	National Agricultural Value Chain Development Project (NAVCDP)	6,020,200	-	-
19	Transforming Health Systems/centre	544,976	-	-
20	Equalization Fund	23,603,602	-	-
Subtotal		**2,146,547,012**	**13,931,502**	**1**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	2,877,951,100	611,962,337	21
2	Appropriation in Aid (A-I-A)	-	-	-
3	Facility Improvement Fund (FIF)	926,122,000	752,105,899	81
Subtotal		**3,804,073,100**	**1,364,068,236**	**36**
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2023/24	669,458,992	668,945,341	100
2	Other Revenues (provide a list)	-	-	-
Sub-Total		**669,458,992**	**668,945,341**	**100**
Grand Total		**15,301,595,492**	**7,590,978,876**	**49.6**

Source: *Kisumu County Treasury*

The County has the governing legislation on operating ordinary A-I-A and FIF. Figure 64 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 64: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



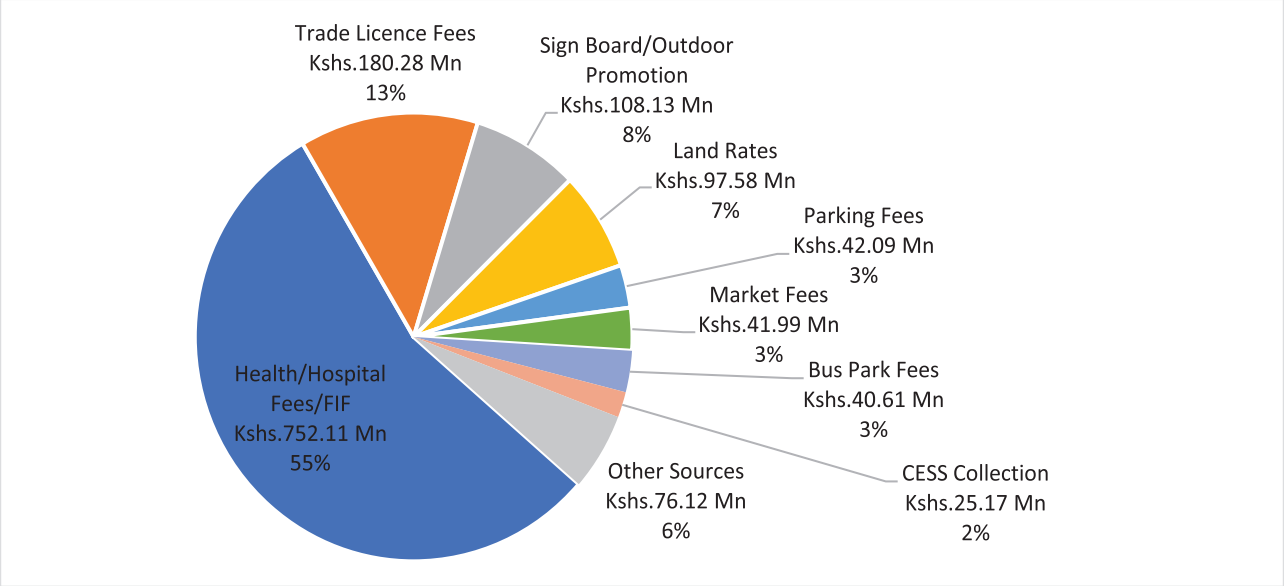
Source: *Kisumu County Treasury*

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During the review period, the County generated Kshs.1.36 billion from its own revenue sources, including AIA and FIF. This amount was an increase 45 per cent compared to Kshs.942.79 million realised in a similar period in FY 2023/24 and was 35 per cent of the annual target and 25 per cent of the equitable revenue share disbursed. The OSR excludes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.1.40 billion.

The decrease in OSR can be attributed to the county's overestimation of its own-source revenue and inadequate enforcement measures. Figure 65 shows the revenue streams that contributed the highest OSR receipts.

Figure 65: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



***Source**: Kisumu County Treasury*

As shown in Figure 65, the highest revenue stream, at Kshs.752.11 million, was from Health/Hospital Fees/FIF, contributing 55 per cent of the total OSR receipts. The County Government has automated thirteen revenue streams out of Eighteen.

3.17.3 Borrowing by the County

The County Government borrowed Kshs.1.68 billion from the Kenya Commercial Bank to support its operations and pay salaries promptly. As of 31st March 2025, the county did not disclose any outstanding amounts.

3.17.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.59 billion from the CRF account during the reporting period, which comprised Kshs.585.69 million (9 per cent) for development programmes and Kshs.6.00 billion (91 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.4.19 billion was released towards compensation of employees and Kshs.1.82 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, does not include the March 2025 exchequer request for the County Executive due to delayed cash disbursement from the National Treasury.

Analysis of the operations and maintenance exchequer releases indicates that 12 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.214.61 million, comprising Kshs.54.20 million for the County Executive and Kshs.160.42 million for the County Assembly. The foreign travel exchequer totalled Kshs.20.91 million, comprising Kshs.1.28 million for the County Executive and Kshs.19.63 million for the County Assembly.

Table 3.166: Kisumu County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Physical Planning, Lands, Housing and Urban Development	151.02	943.30	33.83	21.25	22	2
Agriculture, Livestock, Food and Fisheries	81.86	291.20	14.48	9.03	18	3
City of Kisumu	195.10	476.70	67.71	-	35	-

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Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Re. Budget Alloc. (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly of Kisumu	1,008.62	100.00	661.55	-	66	-
County Public Service Board	48.30	-	20.59	-	43	-
Education, Technical Training, Innovation and Social Service	325.00	213.72	23.34	67.89	7	32
Infrastructure, Energy and Public Works	112.00	989.23	30.88	-	28	-
Finance, Economic Planning and ICT Services	1,032.55	1,023.60	429.71	478.47	42	48
Trade, Tourism, Industry and Marketing	53.98	174.20	4.72	-	88	-
Medical Services, Public Health and Sanitation	392.52	123.65	135.54	-	35	-
Sports, Culture, Gender and Youth Affairs	93.38	43.50	13.68	-	15	-
Water, Environment, Natural Resources and Climate Change	83.98	615.43	20.45	9.05	24	15
Public Service, County Administration and Participatory Development	5,873.54	35.00	4,547.89	-	77	-
Grand Total	**9,451.88**	**5,029.53**	**6,004.37**	**585.69**	**64**	**12**

Source: *Kisumu County Treasury*

As of 31st March, 2025, the County Government's cash balance in the CRF account was Kshs.97.45 million.

3.17.5 County Expenditure Review

The County spent Kshs.5.77 billion on development and recurrent programmes during the reporting period. The expenditure represented 88 per cent of the total funds released by the CoB and comprised Kshs.491.86 million and Kshs.5.28 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 10 per cent, while recurrent expenditure represented 51 per cent of the annual recurrent expenditure budget.

3.17.6 Settlement of Pending Bills

As of 30 June 2024, the county reported pending bills totalling Kshs.3.47 billion. This amount included Kshs.3.32 billion from the County Executive and Kshs.145.31 million from the County Assembly. The pending bills from the County Executive consist of Kshs.1.71 billion for recurrent expenditures and Kshs.1.62 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.1.09 billion, comprising Kshs.610.46 million for recurrent programmes and Kshs.476.63 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.140.29 million, which was entirely for recurrent activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.3.32 billion and Kshs.145.31 million, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.974.37 million for the Executive and Kshs.139.03 million for the Assembly.

As of 31 March, 2025, the outstanding bills totalled Kshs.2.35 billion, comprising Kshs.2.35 billion for the County Executive and Kshs.5.02 million for the County Assembly.

3.17.7 Expenditure by Economic Classification

The County Executive spent Kshs.3.92 billion on employee compensation, Kshs.697.47 million on operations and maintenance, and Kshs.491.86 million on development activities. Similarly, the County Assembly spent Kshs.263.75 million on employee compensation, and Kshs.396.18 million on operations and maintenance as shown in Table 3.167

Table 3.167: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**9,263,446,003**	**1,008,619,656**	**4,618,900,503.00**	**659,923,990.00**	**50**	**65**
Compensation to Employees	5,132,805,090	336,490,356	3,921,429,035.78	263,747,676.14	76	78

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Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	Executive	Assembly
Operations and Maintenance	4,130,640,913	672,129,300	697,471,467.22	396,176,313.86	17	59
Development Expenditure	**4,929,529,832**	**100,000,000**	**491,862,246.00**	-	**10**	-
Total	**14,192,975,835**	**1,108,619,656**	**5,110,762,749.00**	**659,923,990.00**	**36.0**	**60**

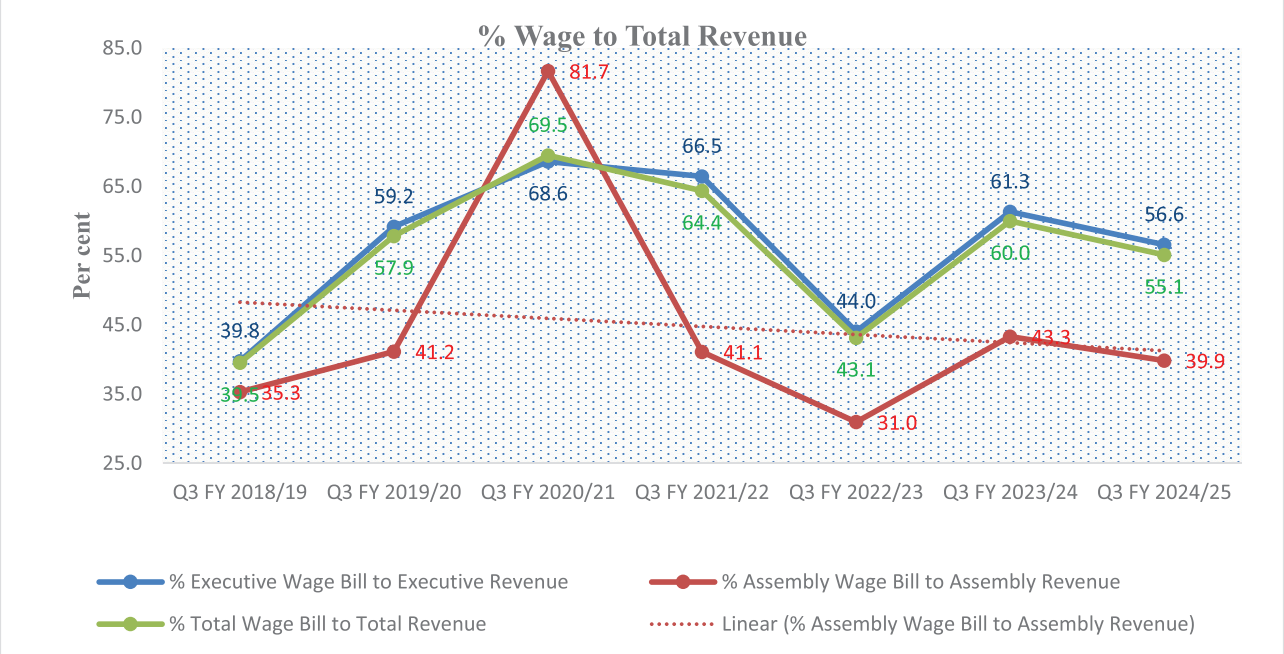
***Source**: Kisumu County Treasury*

3.17.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation totalled Kshs.4.19 billion. The total revenue, excluding the earnings from extractive natural resources, is Kshs.7.59 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 55 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.3.39 billion was reported during the same period in FY 2023/24. The County did not provide information on the personnel emoluments expenditure attributable to the Health Sector employees. The significant change in compensation to employees' expenditure is due to payment of salary arrears for June 2024, which was occasioned by delayed cash disbursements for June 2024.

Figure 66 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 66: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: Kisumu County Treasury*

Further analysis indicates that PE costs amounting to Kshs.3.97 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.217.16 million was processed through manual payrolls, which accounted for 5 per cent of the total PE cost.

The manual payrolls comprised salaries for 2,909 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), top-up allowances for security personnel, and gratuity remittances to pension schemes for staff on contract, as shown in Table 3.168.

Table 3.168: Breakdown of Kisumu County Manual Payroll

S/No.	Description of Manual Payroll	Amount Kshs.
1	Salaries for 2,909 staff are yet to be onboarded into GHRIS	197,854,785.50
2	Gratuity to County Assembly Staff	19,884,964.89
	Total	**217,739,750.39**

***Source:** Kisumu County Treasury and County Assembly*

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The County Assembly spent Kshs.30.17 million on committee sitting allowances for the 48 MCAs against the annual budget allocation of Kshs.60.75 million. The average monthly sitting allowance was Kshs.69,808 per MCA. The County Assembly has 23 House Committees.

3.17.9 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.220.00 million to County-Established funds in FY 2024/25, or 1 per cent of the County's overall budget. Further, the County allocated Kshs.150.00 million to the Emergency Fund (1 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.169 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.169: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
	County Executive Established Funds						
1	Kisumu County Bursary Fund		205,000,000	-	-	1,377,397,862	NO
	County Assembly Established Funds						
2	Kisumu County Assembly Car Loan and Mortgage Fund		15,000,000	15,000,000	15,000,000	410,464,000	NO
	Total		**220,000,000**	**15,000,000**	**15,000,000**	**1,787,861,862**	

Source: *Kisumu County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from Kisumu County Emergency Fund, Kisumu County Bursary Fund and Kisumu County Assembly Car Loan and Mortgage Fund Administrators, as indicated in Table 3.169, contrary to the requirement of Section 168 of the PFM Act, 2012. Therefore, the office could not establish whether the administration costs of the Kisumu County Bursary and Kisumu County Assembly Car Loan and Mortgage Funds were within the 3 per cent limit of the Fund budget as set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

Further, 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. During the reporting period, the CoB established that the lifespan of Kisumu County Bursary Fund and Kisumu County Assembly Car Loan and Mortgage Fund had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.17.10 County Corporations

The County has established one county corporation. In FY 2024/25, the county allocated Kshs.120.00 to these corporations through their parent departments, as shown in Table 3.170.

Table 3.170: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Kisumu Lakefront Development	Finance and Economic Planning	120,000,000	-	-
	Total		120,000,000	-	-

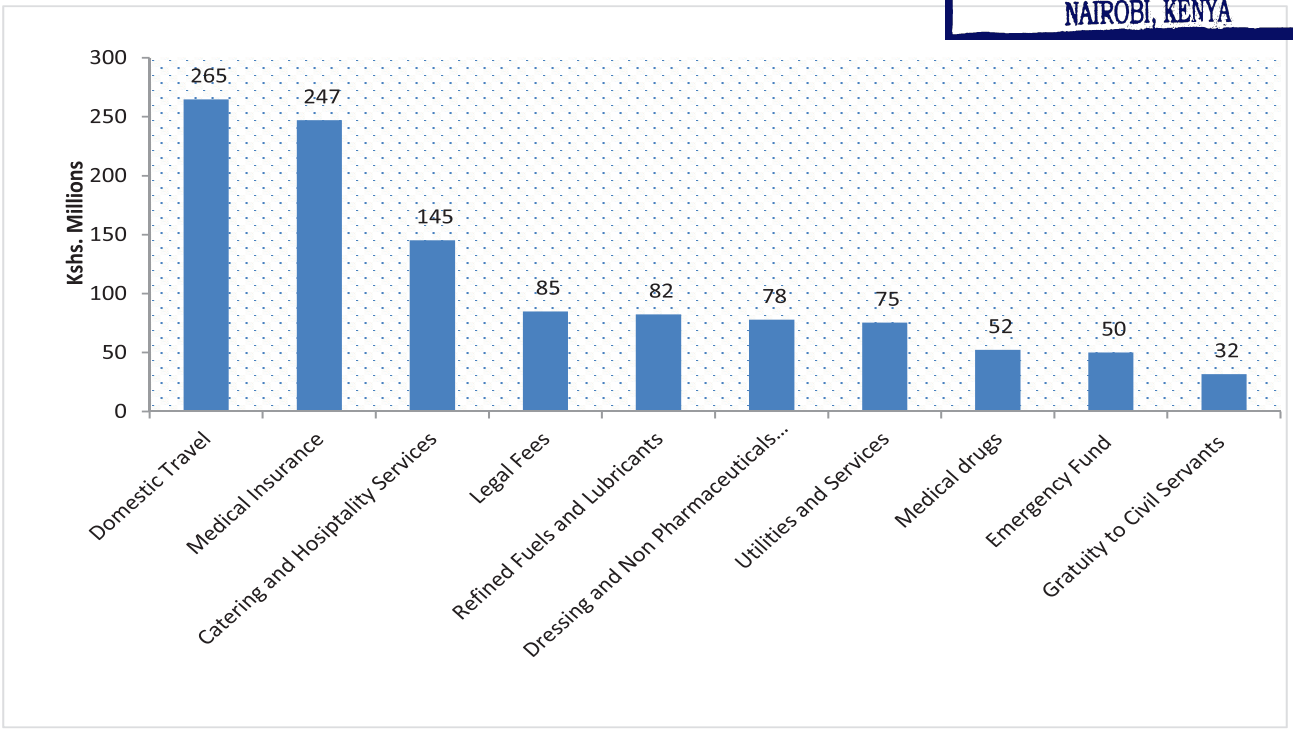
Source: *Kisumu County Treasury*

3.17.11 Expenditure on Operations and Maintenance

Figure 67 summarises the Operations and Maintenance expenditure by major categories.

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Figure 67: Kisumu County, Operations and Maintenance Expenditure by Major Categories



Source: *Kisumu County Treasury*

Expenditure on domestic travel amounted to Kshs.264.81 million and comprised Kshs.143.35 million spent by the County Assembly and Kshs.121.46 million by the County Executive. Expenditure on foreign travel amounted to Kshs.51.18 million and comprised Kshs.26.58 million by the County Assembly and Kshs.24.61 million by the County Executive. Spending on foreign travel is summarised in Table 3.171.

Table 3.171: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	7	19th -26th February, 2025	Attending Training on Public Sector Data-Driven Policy Making in Dubai	United Arab Emirates	4,963,496
County Executive	2	31st June to 7th July, 2024	Attend the Summit with Endless Mountain Mercy Mission International in the USA	USA	2,762,740
County Assembly	7	29th January 2025 to 2nd February, 2025	Invitation to 7th International Conference on Policy Development, Governance and Project Management	Malaysia	2,631,035
County Assembly	5	1st -8th November, 2024	Attend Progressive and Transformative Conference in Dubai, United Arab Emirates	UAE -DUBAI	994,900
County Assembly	4	26th to 30th August, 2024	Study tour to Nansana Municipality in Uganda	Uganda	772,200
County Executive	1	1st June to 5th June, 2024	Not Specified	Mauritania	759,565
County Assembly	4	1st to 4th November, 2024	Attend a cultural event in Lira, Uganda	Uganda	636,480
County Assembly	1	9th to 14th October, 2024	Attend the Summit with Endless Mountain Mercy Mission International in the USA.	USA	538,240
County Assembly	2	23rd to 28th June, 2024	Benchmarking with Mukono Municipality Council	Uganda	451,700
County Assembly	I	15th to 21st September, 2024	Parliamentary Budget Office Annual Conference In Kampala	Uganda	286,300
County Assembly	1	4th to 8th November, 2024	Attending the World Urban Forum in Cairo.	Egypt	187,690

Source: Kisumu County Treasury and County Assembly

The operations and maintenance costs include an expenditure of Kshs.19.44 million on garbage collection and Kshs.56.89 million on Legal fees/Dues, arbitration and compensation payments.

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3.17.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.752.11 million as FIF which was 81 per cent of the annual target of Kshs.926.12 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023.

The Health Facilities provided a report on the utilisation of the FIF during the reporting period, in line with Section 18(e) of the FIF Act, 2023. The expenditure by the health facilities amounted to Kshs.577.80 million, as shown in Table 3.172.

Table 3.172: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Ahero County Hospital	23,589,606	19,101,919	81
2	Chulaimbo County Hospital	8,600,000	7,219,386	84
3	Jaramogi Oginga Odinga Teaching and Referral Hospital	650,000,000	367,755,479	57
4	Kombewa County Hospital	25,862,206	19,272,479	75
5	Kisumu County Referral Hospital	119,741,934	88,654,927	74
6	Muhoroni County Hospital	11,380,510	10,027,790	88
7	Nyakach County Hospital	11,245,728	9,410,182	84
8	Kajulu Gita Sub County Hospital	6,535,984	4,259,208	65
9	Lumumba Sub County Hospital	25,080,890	23,267,792	93
10	Katito Sub County Hospital	4,253,708	4,212,532	99
11	Nyahera Sub-County Hospital	3,099,836	2,889,076	93
12	Ober Kamoth Sub County Hospital	2,326,214	1,782,970	77
13	Ojola Sub County Hospital	1,569,392	1,493,716	95
14	Miranga Sub-County Hospital	3,016,330	2,267,457	75
15	Nyangoma Sub-County Hospital	934,536	1,114,701	119
16	Masogo Sub County Hospital	6,298,146	3,956,175	63
17	Nyangande Sub County Hospital	1,355,514	818,000	60
18	Rabuor Sub County Hospital	3,900,828	2,641,221	68
19	Sondu Sub County Hospital	645,432	453,100	70
20	Nyamarimba Sub County Hospital	1,588,088	993,000	63
21	Manyuanda Sub-County Hospital	1,188,230	979,051	82
22	Chiga Sub County Hospital	1,290,730	892,887	69
23	Migosi Sub-County Hospital	6,717,036	4,337,576	65
	Total	**920,220,878**	**577,759,724**	**63**

Source: *Kisumu County Treasury*

The Health Facility with the highest absorption rate was Nyangoma Sub County Hospital at 119 per cent.

3.17.13 Development Expenditure

During the review period, the County reported spending Kshs.491.86 million on development programmes, representing a 21.1 per cent decrease compared to a similar period in FY 2023/24, when the County spent Kshs.623.47 million.Table 3.173 summarises development projects with the highest expenditure in the reporting period.

The decline in development expenditure was attributed to the delayed disbursement of funds by the National Treasury.

Table 3.173: Kisumu County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Infrastructure, Energy and Public Works	Non–Motorised Transport Facility Phase II	Kisumu Central	Completed	659,065,834	37,248,397	659,065,834	100

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
2	Public Service, County Administration and Public Participation	Construction of the official Governor's Residence	Kisumu Central	Completed	48,483,827	16,642,083	48,483,827	100
3	Agriculture, Livestock, Food and Fisheries	Construction of Pap Konam Agriculture Centre	Seme	Completed	14,400,000	14,381,021	14,381,021	100
4	City of Kisumu	Rehabilitation of City of Kisumu Offices	Kisumu Central	Completed	14,080,000	13,995,784	13,995,784	99
5	Water, Environment, Natural Resources and Climate Change	Expansion of the Nyakach Water project	Nyakach	Completed	13,870,425	13,870,425	13,870,425	100
6	Water, Environment, Natural Resources and Climate Change	Construction of Kisumu Climate Change Resource Centre	Municipality	Not completed	29,000,000	9,976,545	7,196,452	20
7	Infrastructure, Energy and Public Works	Drainage Works at Kadete Nyangande Access Road	Kabonyo Kanyagwal	Completed	5,481,000	5,481,000	5,481,000	100
8	Medical Services, Public Health and Sanitation	Rehabilitation of the OPD Maternity and Radiology Unit at Chulaimbo	Kisumu West	Completed	4,998,198	4,998,198	4,998,198	100
9	Water, Environment, Natural Resources and Climate Change	Construction of a Box culvert at Ogwedhi	Kisumu Central	Completed	4,997,860	4,997,860	4,997,860	100
10	Infrastructure, Energy and Public Works	Construction of Kotieno -Ogada Access Road	Kisumu Central	Completed	4,965,902	4,965,902	4,965,902	100

Source: *Kisumu County Treasury*

The county has not reported stalled development projects to date.

3.17.14 Budget Performance by Department

Table 3.174 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.174: Kisumu County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs.Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Physical Planning, Lands, Housing and Urban Development	151.02	943.30	33.83	21.25	26.99	-	80		18	-
Agriculture, Livestock, Food and Fisheries	81.86	291.20	14.48	9.03	9.37	-	65		12	-
City of Kisumu	195.10	476.70	67.71	-	53.76	-	79		28	-
County Assembly of Kisumu	1,008.62	100.00	661.55	-	659.93	-	100		65	-
County Public Service Board	48.30	-	20.59	-	10.29	-	50		21	-
Education, Technical Training, Innovation and Social Service	325.00	213.72	23.34	67.89	7.08	-	30		2	-
Infrastructure, Energy and Public Works	112.00	989.23	30.88	-	23.51	-	76		21	-
Finance, Economic Planning and ICT Services	1,032.55	1,023.60	429.71	478.47	457.16	491.86	106	103	44	48

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Department	Revised Gross Budget Allocation (Kshs.Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption Rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Trade, Tourism, Industry and Marketing	53.98	174.20	4.72	-	4.69	-	99		9	-
Medical Services, Public Health and Sanitation	1,212.71	123.65	135.54	-	118.21	-	87		10	-
Sports, Culture, Gender and Youth Affairs	93.38	43.50	13.68	-	27.12	-	198		29	-
Water, Environment, Natural Resources and Climate Change	83.98	615.43	20.45	9.05	30.50	-	149		36	-
Public Service, County Administration and Participatory Development	5,873.54	35.00	4,547.89	-	3,850.21	-	85		66	-
Total	**10,272.07**	**5,029.53**	**5,342.83**	**585.69**	**5,278.83**	**491.86**	**98**	**84**	**51**	**10**

Source: *Kisumu County Treasury*

Analysis of expenditure by departments shows that the Department of Finance, Economic Planning and ICT Services recorded the highest absorption rate of development budget at 48 per cent. The Department of the County Assembly of Kisumu had the highest percentage of recurrent expenditure to budget at 66 per cent, while the Department of Education, Technical Training, Innovation and Social Service had the lowest at 2 per cent.

3.17.15 Budget Execution by Programmes and Sub-Programmes

Table 3.175 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.175: Kisumu County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Physical Planning, Lands, Housing and Urban Development							
Planning and Coordination Services	Planning and Coordination Services	10,000,000		1,271,477		12.7	
County Survey	County Survey	10,000,000		934,400		9.3	
Physical Planning Services	Physical Planning Services	18,744,100		7,101,215		37.9	
County Housing Management	County Housing Management	10,000,000		1,147,440		11.5	
Management of Stations	Management of Stations	10,000,000		1,899,840		19.0	
Urban Planning and Development	Urban Planning and Development	7,291,680		1,865,700		25.6	
General Administration and Planning	General Administration and Planning	74,982,279	943,300,000	36,309,033	32,400,000	48.4	3.4
Administrative Services	Administrative Services	10,000,000		2,001,640		20.0	-
	Sub Total	**151,018,059**	**943,300,000**	**52,530,745**	**32,400,000**	34.8	3.4
Agriculture, Livestock, Food and Fisheries							
Planning and Administration	Planning and Administration	28,331,252	291,199,910	80,000	36,255,442.90	0.3	12.5
Promotion of Mechanisation	Promotion of Mechanisation	352,500				0.0	-
Promotion of Soil and Water Management	Promotion of Soil and Water Management	404,250		124,600		30.8	-
Promotion of Crop Production Value Chains	Promotion of Crop Production Value Chains	1,185,100		744,000		62.8	-

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Management of Agriculture Advisory Services	Management of Agriculture Advisory Services	10,516,538		5,564,829		52.9	-
Development of Product Quality Assurance	Development of Product Quality Assurance	276,500				0.0	-
Agriculture Sector Planning and Management	Agriculture Sector Planning and Management	102,725				0.0	-
Management of Stations	Management of Stations	31,731,412		9,685,665		30.5	-
Promotion of Livestock Production Value Chains	Promotion of Livestock Production Value Chains	6,740,000		5,308,672		78.8	-
Agriculture input Access	Agriculture input Access	54,350				0.0	-
Agriculture Credit Access	Agriculture Credit Access	396,550				0.0	-
Promotion of Value Addition	Promotion of Value Addition	318,750		91,000		28.5	-
Promotion of Agribusiness	Promotion of Agribusiness	133,000				0.0	-
Human Resource Development Services	Human Resource Development Services	1,314,600		157,000		11.9	-
	Sub Total	**81,857,527**	**291,199,910**	**21,755,766**	**36,255,443**	26.6	12.5
County of Kisumu							
Urban Planning and Development	Urban Planning and Development	32,450,000		13,945,641		43.0	-
Health Promotion Service	Health Promotion Service	7,625,000		3,715,800		48.7	-
Environmental Health and Sanitation	Environmental Health and Sanitation	31,375,000		10,560,000		33.7	-
Youth Polytechnics Services	Youth Polytechnics Services	11,000,000		7,500,000		68.2	-
Primary Policy and Legislation	Primary Policy and Legislation	7,141,000		3,468,986.50		48.6	-
Social Responsibility, Including Civic and Public Engagement	Social Responsibility, Including Civic and Public Engagement	6,375,000		1,500,000		23.5	-
General Administration and Support Services	General Administration and Support Services	84,634,000	476,700,000	43,530,226		51.4	-
Human Resource Recruitment and Development	Human Resource Recruitment and Development	5,875,000		1,560,300		26.6	-
	Sub Total	**186,475,000**	**476,700,000**	**85,780,954**	-	46.0	-
County Assembly of Kisumu							
Administration, Planning and Support Services	Financial Services	78,801,053		59,343,994.55		75.3	-
	Total	**78,801,053**		**59,343,994.55**		75.3	-
ICT Services	ICT Services	11,078,568		5,881,238		53.1	-
	Total	**11,078,568**		**5,881,238**		53.1	-
General Administration and Planning Services	General Administration	250,137,244	100,000,000	158,148,892.10		63.2	-
	Human Resources Development Services	185,056,884		127,341,155.95		68.8	-
	Total	**435,194,128**	**100,000,000**	**285,490,048.05**		65.6	-
Public Financial Management	Budget Formulation and Coordination Services	8,442,346		5,184,022.10		61.4	-
	Total	**8,442,346**		**5,184,022.10**		61.4	-

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Legislation and Oversight Services	Legislation and Oversight Services	156,060,629		101,603,700.55		65.1	-
	Policy Services (Speaker's Office)	47,344,118		23,160,725.90		48.9	-
	Total	**203,404,747**		**124,764,426.45**		61.3	-
County Assembly Service Board	SP2 Committee Services	152,517,650		107,221,870		70.3	-
	Representation and Public Participation Services	119,181,164		73,743,317.10		61.9	-
	Total	**271,698,814**		**180,965,187.35**		66.6	-
	Sub Total	**1,008,619,656**	**100,000,000**	**661,628,917**	**0**	65.6	-
County Public Service Board							
General Administration and Support Services	General Administration and Support Services	41,760,033		19,392,682		46.4	-
	Promotion of Values and Principles	1,700,000		1,157,900		68.1	-
	Human Resource Recruitment and Development	4,859,314		1,420,800		29.2	-
	Sub-Total	**48,319,347**	**0**	**21,971,382**	**0**	45.5	-
Education, Technical Training, Innovation and Social Service							
Planning and Coordination Services	Planning and Coordination Services	31,997,500		7,261,358		22.7	-
Youth Polytechnics Services	Youth Polytechnics Services	33,500,000	7,800,000	850,200		2.5	-
Youth Training Facilities	Youth Training Facilities	4,70,000	4,000,000	626,300		-	-
Early Childhood Education	Early Childhood Education	253,272,500	83,600,000	20,923,450		8.3	-
Youth Training and Legislation	Youth Training and Legislation	2,160,000	118,316,000	70,200	67,893,750	3.3	57.4
	Sub Total	**320,930,000**	**213,716,000**	**29,731,508**	**67,893,750**	9.3	31.8
Infrastructure, Energy and Public Works							
Road Construction and Maintenance	Road Construction and Maintenance	40,000,000	760,126,000	17,890,400	837,113	44.7	0.1
Maintenance	Maintenance	4,200,000	79,100,000			-	0.0
Mechanical Engineering Services	Mechanical Engineering Services	32,490,000		7,817,587		24.1	-
Public Works	Public Works	1,750,000	150,000,000			-	-
Administration Planning	Administration Planning	33,560,000		4,333,320		12.9	-
	Sub Total	**112,000,000**	**989,226,000**	**30,041,307**	**837,113**	26.8	0.1
Finance, Economic Planning and ICT Services							
Urban Planning and Development	Urban Planning and Development	19,967,000	100,000,000	12,402,300		62.1	-
General Administration and Planning	General Administration and Planning	75,900,000		30,214,985		39.8	-
Administrative Services	Administrative Services	658,900,000	923,603,602	358,194,119.40	562,043,818.90	54.4	60.9
ICT Services	ICT Services	39,000,000		23,226,120		59.6	-
Internal Auditing Services	Internal Auditing Services	28,600,000		13,862,774		48.5	-
Asset Management	Asset Management	8,810,000		2,737,080		31.1	-
Budget Formulation and Coordination Services	Budget Formulation and Coordination Services	60,771,806		26,073,148		42.9	-

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Management of Public Financial Resources	Management of Public Financial Resources	16,000,000		8,159,000		51.0	-
Revenue Mobilisation	Revenue Mobilisation	75,000,000		31,173,027		41.6	-
Statistics	Statistics	9,575,000		3,278,933		34.2	-
Monitoring and Evaluation	Monitoring and Evaluation	11,081,000		5,445,878		49.1	-
Policy Formulation and Planning	Policy Formulation and Planning	28,947,903		18,084,581		62.5	-
	Sub Total	**1,032,552,709**	**1,023,603,602**	**532,851,945**	**562,043,819**	51.6	54.9
Trade, Tourism, Industry and Marketing							
Trade Support Services	Trade Support Services	1,740,000	24,200,000	553,200		31.8	-
Verification and Calibration of Weighing Equipment	Verification and Calibration of Weighing Equipment	2,625,000		928,470		35.4	-
Tourist Event Management	Tourist Event Management	5,588,589		243,600		4.4	-
Tourism Development	Tourism Development	3,177,337		850,700		26.8	-
Cooperative Governance	Cooperative Governance	1,925,000		474,400		24.6	-
Business Development Services	Business Development Services	827,208	150,000,000	130,100		15.7	-
General Administration and Support Services	General Administration and Support Services	38,100,209		4,515,632		11.9	-
	Sub Total	**53,983,343**	**174,200,000**	**7,696,102**	-	14.3	-
Medical Services, Public Health and Sanitation							
Policy Development	Policy Development	5,450,000				-	-
Disease Surveillance	Disease Surveillance	255,000		50,400		19.8	-
Reproductive Health	Reproductive Health	450,000		37,800		8.4	-
Governance and Leadership	Governance and Leadership	353,388,218		198,219,140.30		56.1	-
Health Promotive Services	Health Promotive Services	32,578,766		24,740,553		75.9	-
Jaramogi Oginga Odinga Teaching and Referral Hospital	Jaramogi Oginga Odinga Teaching and Referral Hospital	650,000,000				-	-
Kisumu County Referral Hospital	Kisumu County Referral Hospital	59,870,067				-	-
County and Sub-County Hospital Services	County and Sub-County Hospital Services	110,321,698	123,650,000			-	-
Routine Nutritional Survey	Routine Nutritional Survey	400,000				-	-
	Sub Total	**1,212,713,749**	**123,650,000**	**223,047,893**	-	18.4	-
Sports, Culture, Gender and Youth Affairs							
Planning and Coordination Services	Planning and Coordination Services	44,430,711	43,500,000	18,051,687		40.6	-
Physical Planning Services	Physical Planning Services	19,620,000		15,705,100		80.0	-
Infrastructure Development	Infrastructure Development	700,000		100,000		14.3	-
Entrepreneurial Training and Business Management Skills	Entrepreneurial Training and Business Management Skills	2,393,020		60,000		2.5	-

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Youth Training Facilities	Youth Training Facilities	4,828,000		497,400		10.3	-
Gender and Disability Mainstreaming	Gender and Disability Mainstreaming	5,925,000		2,000,050		33.8	-
Social Development Facilities	Social Development Facilities	498,000		19,800		4.0	-
Talent Development	Talent Development	8,240,721		5,727,200		69.5	-
Artistic Talent Development	Artistic Talent Development	3,345,000		875,000		26.2	-
Culture and Heritage Development	Culture and Heritage Development	3,400,000		2,851,200		83.9	-
	Sub Total	**93,380,452**	**43,500,000**	**45,887,437**	-	49.1	-
Water, Environment, Natural Resources and Climate Change							
Planning and Administration	Planning and Administration	26,582,019		7,551,243		28.4	-
Management of Stations	Management of Stations	34,950,658	521,034,321	17,751,627	72,338,682.90	50.8	13.9
Climate Change	Climate Change	6,820,000		2,356,280		34.5	-
Mining Efficiency	Mining Efficiency	385,160		12,000		3.1	-
Infrastructure Development	Infrastructure Development	1,264,071		684,300		54.1	-
Sustainable Access to Safe Water	Sustainable Access to Safe Water	2,817,208		750,000		26.6	-
Water Resources and Sewerage Services	Water Resources and Sewerage Services	5,329,763	94,400,000	1,372,000		25.7	-
Solid Waste Management	Solid Waste Management	4,148,760		2,187,896		52.7	-
Environmental Conservation of Natural Resources	Environmental Conservation of Natural Resources	275,800		79,600		28.9	-
Pollution Control	Pollution Control	1,410,700		100,000		7.1	-
	Sub Total	**83,984,139**	**615,434,321**	**32,844,946**	**72,338,683**	39.1	11.8
Public Service, County Administration and Participatory Development							
Resource Mobilisation	Resource Mobilisation	43,940,000		22,956,175		52.2	-
Resource Development	Resource Development	6,163,000		1,627,050		26.4	-
Primary Policy and Legislation	Primary Policy and Legislation	142,003,600		87,763,187		61.8	-
Development and Management of County Administrative	Development and Management of County Administrative	43,927,168		14,017,897		31.9	-
Administration and Formulation of County Policy	Administration and Formulation of County Policy	20,000,000		12,812,801		64.1	-
Inter Government Coordination and Protocol	Inter-Government Coordination and Protocol	9,827,600		4,281,089		43.6	-
Emergency, Relief, Disaster Management and Control	Emergency, Relief, Disaster Management and Control	22,160,000		17,189,490		77.6	-
Governor's Press Service and Communication	Governor's Press Service and Communication	28,364,000		6,448,634		22.7	-
Human Resource Recruitment and Development	Human Resource Recruitment and Development	5,247,995,090		4,246,462,583.20		80.9	-

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption (Rate %)	
		Rec	Dev	Rec	Dev	Rec	Dev
General Administration and Support Services	General Administration and Support Services	258,985,420	35,000,000	120,262,224		46.4	-
Monitoring and Evaluation	Monitoring and Evaluation	11,413,200		5,894,792		51.6	-
Public Participation Services	Public Participation Services	9,327,600		1,900,970		20.4	-
County Planning and Development	County Planning and Development	31,830,000		7,798,778.20		24.5	-
	Sub Total	**5,875,936,678**	**35,000,000**	**4,549,415,670**	-	**77.4**	-
Grand Total		**10,261,770,659**	**5,029,529,833**	**6,295,184,572**	**771,768,808**	**61.3**	**15.3**

***Source**: Kisumu County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Culture and Heritage Development in the Department of Sports, Culture, Gender and Youth at 83.9 per cent, Human Resource Recruitment and Development in the Department of Public Service, County Administration and Participatory Development at 80.9 per cent, Physical Planning Services in the Department of Sports, Culture, Gender and Youth at 80.0 per cent, and Health Promotive Services in the Department of Medical Services, Public Health and Sanitation at 75.9 per cent of budget allocation.

3.17.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated seventy-five accounts with commercial banks, including twenty-three accounts for Health Facilities, twenty-eight accounts for Vocational Training Centres, four accounts for Established Funds, three imprest accounts, three revenue accounts, nine special-purpose accounts (for additional allocations), and eight recurrent accounts for operations.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening seventy-five commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.17.17 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;

i. The county Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report. The financial reports were received on 24 April 2025.
ii. Own-source revenue underperformed at Kshs.1.36 billion against an annual target of Kshs.3.80 billion, representing 36 per cent of the yearly target.
iii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of Kisumu County Bursary Fund and Kisumu County Assembly Car Loan and Mortgage Fund had lapsed, making them ineligible for further withdrawals.
iv. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. As of 15 April 2025, the reports for the Kisumu Bursary Fund and Kisumu County Assembly Car Loan and Mortgage Fund were not submitted to the Controller of Budget.
v. High level of pending bills, which amounted to Kshs.2.24 billion as of 31 March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
vi. Use of manual payroll. Personnel emoluments amounting to Kshs.217.16 million for 2,909 staff yet to be

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onboarded into HRIS were processed through manual payroll, accounting for 5 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where controls are lacking.

vii. The expenditure under programmes and sub-programmes in Table 3.175 were not aligned with the approved budget for each department; for example, the recurrent and development spending for the period under review do not tally with what was submitted by the County treasury.

viii. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*

ii. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*

iii. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*

iv. *The CECMF should follow up to ensure that Fund Administrators prepare and submit statutory reports in accordance with the PFM Act, 2012.*

v. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*

vi. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

vii. *The County Treasury must ensure compliance with the approved programme and sub-programmes in the approved budget.*

viii. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

3.18. County Government of Kitui

3.18.1 Overview of FY 2024/25 Budget

The Kitui County Approved Supplementary I Budget for FY 2024/25 is Kshs.14.84 billion. It comprises Kshs.5.32 billion (36 per cent) and Kshs.9.52 billion (64 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.0.85 billion (6 per cent) from the FY 2023/24 budget that comprised a development budget of Kshs.5.12 billion and a recurrent budget of Kshs.8.86 billion. The increase in the budget was attributed to the higher Own Source Revenue/FIF and balance c/f from the previous FY.

The budget will be financed from different sources of revenue. These include; Kshs.11.24 billion (76 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.11 billion (8 per cent) as additional allocations, a cash balance of Kshs.1.50 billion (10 per cent) was brought forward from FY 2023/24, and Kshs.988.65 million (7 per cent) was generated as gross own source revenue. The own-source revenue includes Kshs.598.01 million (40 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.390.64 million (61 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.176.

3.18.2 Revenue Performance

In the review period, the County received Kshs.8.34 billion in revenues to fund its development and recurrent activities. This amount represents a decrease of Kshs.423.22 million from Kshs.8.77 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.6.31 billion from the equitable share of revenue raised nationally and its own-source revenue (OSR) collection of Kshs.535.31 million. In addition, the County had a cash balance of Kshs.1.50 billion from FY 2023/24.

The total OSR collection of Kshs.535.31 million includes Facilities Improvement Financing (FIF) of Kshs.363.43 million, and Kshs.171.88 million from other OSR sources. OSR collections from the FIF were received from (PGH

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Kitui and 15 other sub-county hospitals), where FIF is collected. Table 3.176 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

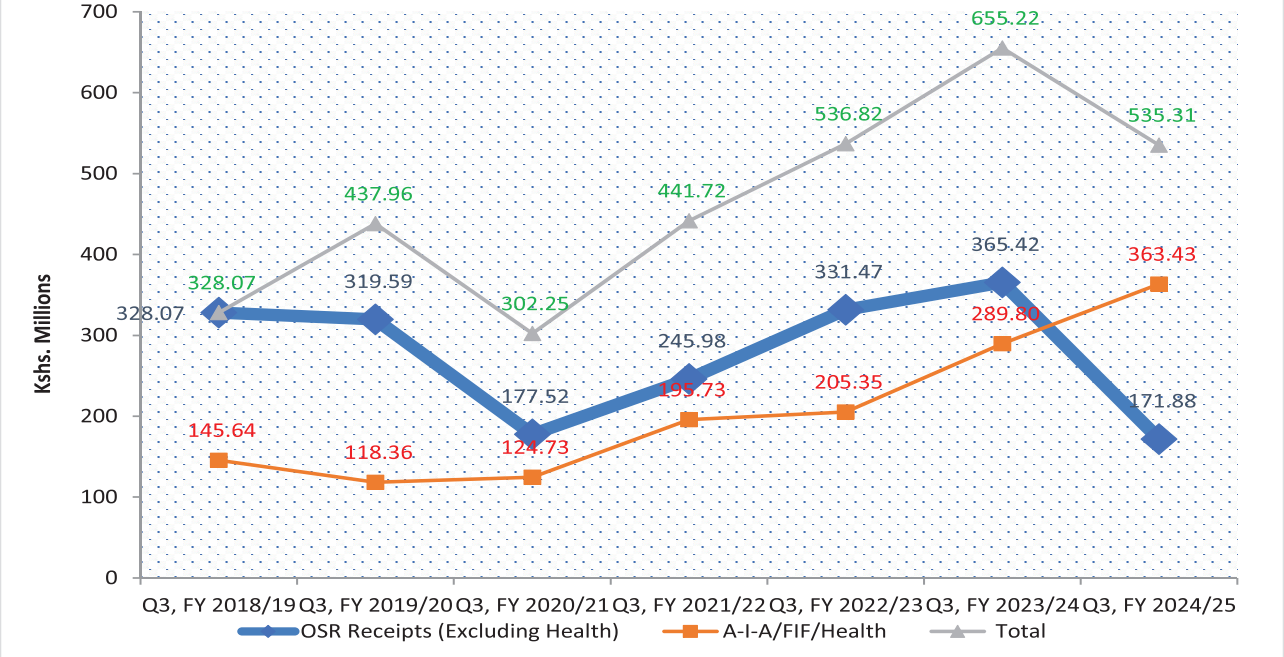
Table 3.176: Kitui County, Revenue Performance in the First Nine Months of FY 2024/25

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	11,244,322,462	6,313,861,282	56.2
	Sub Total	**11,244,322,462**	**6,313,861,282**	**56.2**
B	**Conditional Grants**			
1	Road maintenance fuel levy	445,098,850	0	0.0
2	Kenya devolution support programme	37,500,000	0	0.0
3	Emergency Locust Response Project	121,025,000	0	0.0
4	National agricultural value chain development project	151,515,152	0	0.0
5	Danida	13,601,250	0	0.0
6	County aggregation and industrial park programme	250,000,000	0	0.0
7	Community health promoters	58,050,445	0	0.0
8	Kenya Urban Support Project	35,000,000	0	0.0
9	Allocation for court fines	50,000	0	0.0
10	Allocation for 20 per cent share of mineral royalties	114,279	0	0.0
	Sub-Total	**1,111,954,976**	**0**	**0.0**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	390,638,102	171,884,555	44.0
2	Balance B/F from FY2023/24	1,495,093,369	1,495,093,369	100.0
3	Facility Improvement Fund (FIF)	598,007,839	363,425,191	60.8
4	Other Revenues		-	0.0
5	Appropriation in Aid (AIA)		-	0.0
	Sub Total	2,483,739,310	2,030,403,115	81.7
	Grand Total	**14,840,016,748**	**8,344,264,397**	**56.2**

Source: *Kitui County Treasury*

The County has governing legislation on the operation of FIF. Figure 68 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 68: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25

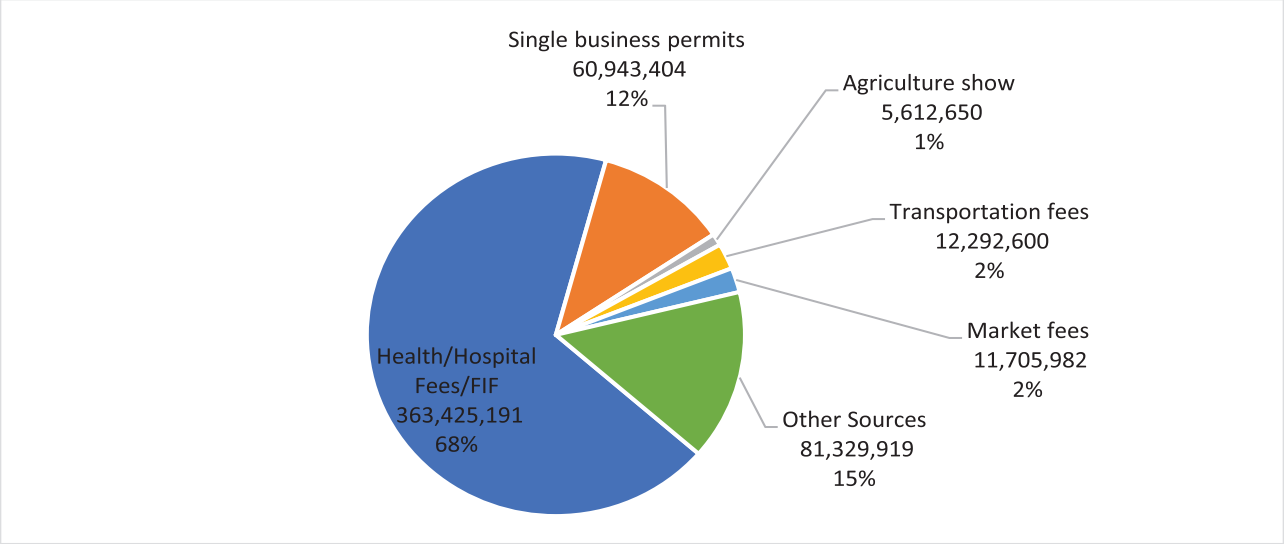


Source: *Kitui County Treasury*

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During the review period, the County generated Kshs.535.31 million from its own revenue sources, including A.I.A. This amount was a decrease of 22 per cent compared to Kshs.655.22 million realised in a similar period in FY 2023/24. It was 54 per cent of the annual target and 8.5 per cent of the equitable revenue share disbursed. The revenue streams that contributed the highest OSR receipts are shown in Figure 69.

Figure 69: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



***Source**: Kitui County Treasury*

As shown in Figure 70, the highest revenue stream of Kshs.363.43 million was from Hospital Fees (FIF), contributing to 68 per cent of the total OSR receipts.

3.18.3 Borrowing by the County

The Kitui County Government did not report any borrowing during the period under review.

3.18.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.8.46 billion from the CRF account comprised Kshs.1.47 billion (17. per cent) for development programmes and Kshs.6.98 billion (83 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.4.48 billion was released towards compensation of employees and Kshs.2.50 billion for operations and maintenance expenditure.

Analysis of the operations and maintenance exchequer releases indicates that 15 per cent was for domestic travel and 3 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.375.84 million and included Kshs.269.95 million for the County Executive and Kshs.105.88 million for the County Assembly. The foreign exchequer totalled Kshs.66.38 million entirely for the County Assembly.

Table 3.177: Kitui County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Net Revised Budget	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor	1,384,407,281	1,088,425,698	987,673,750	443,944,380	71	41
Office of The Deputy Governor	158,203,556	34,298,479	84,023,032	6,558,629	53	19
Water & Irrigation	139,446,794	634,298,726	57,754,531	212,884,010	41	34
Basic Education ICT & Youth Development	941,467,773	134,743,229	815,396,660	61,662,228	87	46
Roads, Public Works and Transport	214,290,323	747,909,422	103,054,399	83,088,226	48	11
Health and Sanitation	3,822,662,896	425,802,009	3,479,184,521	95,431,748	91	22
Trade, industry, MSMEs, innovation and Cooperatives	198,906,966	639,194,086	98,634,644	230,086,563	50	36
Energy, Environment, Forestry, Natural & Mineral Resources	126,041,344	371,330,080	41,349,223	150,826,248	33	41
Culture, Gender, Youth, ICT, Sports & Social services	167,162,903	43,500,045	60,678,246	15,879,848	36	37

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs)		Exchequer Issues to Net	
	Rec	Dev	Rec	Dev	Rec	Dev
Finance, Economic Planning and Revenue Management	443,653,372	102,791,974	205,541,953	15,590,986	46	15
Agriculture & Livestock	362,669,257	573,508,752	169,730,228	69,464,202	47	12
County Assembly	1,246,640,989	140,900,561	747,685,024	-	60	-
Kitui Municipality	80,196,569	85,896,954	38,027,251	9,074,215	47	11
Mwingi Town Administration	69,203,800	33,352,967	27,196,412	4,321,917	39	13
County public service board	66,866,658	24,734,068	35,152,250	9,307,600	53	38
Lands, Housing & Urban Development	102,234,063	235,275,154	31,194,428	42,991,347	31	18
Total	**9,524,054,544**	**5,315,962,204**	**6,982,276,552**	**1,451,112,147**	**73**	**27**

***Source**: Kitui County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.995.49 million.

3.18.5 County Expenditure Review

The County spent Kshs.8.41 billion on development and recurrent programmes in the reporting period. The expenditure represented 99 per cent of the total funds released by the CB and comprised Kshs.1.47 billion and Kshs.6.93 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 27 per cent, while recurrent expenditure represented 73 per cent of the annual recurrent expenditure budget.

3.18.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.829.92 million as of 30th June 2024. This amount was entirely for the County Executive. The pending bills from the County Executive consist of Kshs.201.59 million for recurrent expenditures and Kshs.628.33 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.193.00 million, comprising Kshs.25.07 million for recurrent programmes and Kshs.168.11 million for development programmes.

The County Executive submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.459.32 million in the first nine months of FY 2024/25. However, the County Executive did not adhere to this payment plan, as it cleared only Kshs.193.00 million.

As of March 31, 2025, the outstanding bills totalled Kshs.636.74 million and were entirely for the County Executive.

3.18.7 Expenditure by Economic Classification

The County Executive spent Kshs.4.13 billion on employee compensation, Kshs.2.05 billion on operations and maintenance, and Kshs.1.45 billion on development activities. Similarly, the County Assembly spent Kshs.297.62 million on employee compensation, Kshs.450.06 million on operations and maintenance, and Kshs.23.70 million on development activities, as shown in.

Table 3.178: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**8,277,413,555**	**1,246,640,989**	**6,182,276,553**	**747,685,024**	75	60
Compensation to Employees	5,139,226,883	468,287,168	4,133,098,308,	297,620,992	80	64
Operations and Maintenance	3,138,186,672	778,353,821	2,049,178,245	450,064,032	65	58
Development Expenditure	5,175,061,642	140,900,561	1,451,112,147	23,698,549	**28**	**17**
Total	**13,452,475,197**	**1,387,541,550**	**7,633,388,700**	**771,383,573**	**57**	**56**

***Source**: Kitui County Treasury*

3.18.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.4.43 billion. The percentage of employee compensation to county total revenue is 53 per cent. This expenditure on employee

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compensation shows an increase compared to the Kshs.3.45 billion was reported during the same period in FY 2023/24. Of this total, Kshs.2.78 billion was allocated to Health Sector employees, which accounts for 68 per cent of the overall employees' compensation.

Further analysis indicates that PE costs amounting to Kshs.4.08 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.346.45 million was processed through manual payrolls, which accounted for 8 per cent of the total PE cost.

The manual payrolls comprised salaries for 2,470 staff (Community health promoters) yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 340 casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.179.

Table 3.179: Breakdown of Kitui County Manual Payroll

S No.	Description of Manual Payroll	Amount Kshs.
1	Salaries for Various staff paid outside the Human Resource Information System (HRIS)	11,986,103
2	Salaries for casuals end in quarter three	234,766,538
3	Gratuity for contract staff	33,405,712
4	Community Health Workers	66,290,600
	Total	**346,448,955**

***Source**: Kitui County Treasury*

The County Assembly spent Kshs.15.47 million on committee sitting allowances for the 61 MCAs and the Speaker against the annual budget allocation of Kshs.31.83 million. The average monthly sitting allowance was Kshs.28,176 per MCA. The County Assembly has 22 House Committees.

3.18.9 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.180.60 million to County-Established funds in FY 2024/25, or 1 per cent of the County's overall budget. Further, contrary to Section 110 of the PFM Act, 2012, the County did not allocate any funds to the emergency fund in the budget. Table 3.180 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.180: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
County Executive Established Funds							
1	Housing loans to public servants	9TH SEPT 2015	40,000,000	-	-	40,000,000	No
2	Empowerment funds	IST MARCH 2021		-	-	160,000,000	No
County Assembly Established Funds							
3	Kitui County Assembly Car Loan and Mortgage (Members) Scheme Fund	17th March 2015	140,594,663	-	-	130,887,928	Yes
4	Kitui County Assembly Service Board Employees' Car Loan & Mortgage Fund	28th January 2015	-	-	-	196,207,234	Yes
	Total		**180,594,663**	**-**	**-**	**527,095,162**	

Source: *Kitui County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from the Fund Administrators of Housing loans to public servants and Empowerment funds, as indicated in, as indicated in Table 3.180, as per the requirement of Section 168 of the PFM Act, 2012. The administration costs of the 4 Funds were within the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, allows County

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Governments to establish public funds with a lifespan capped at 10 years unless extended by the County Assembly. During the reporting period, the CoB established that the lifespan of the Kitui County Assembly Car Loan and Mortgage (Members) Scheme Fund and Kitui County Assembly Service Board Employees' Car Loan & Mortgage Fund had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of this lapsed fund, as it no longer has a legal basis for continued existence.

3.18.10 County Corporations

The County has established the Kiambere-Mwingi Water and Sanitation Company and the Kitui Water and Sanitation Company as the only county corporations. In FY 2024/25, the county allocated Kshs.50 million to this corporation through their parent departments. The total expenditure of this corporation in the first nine months amounted to Kshs.50 million as shown in Table 3.181.

Table 3.181: Performance of County Corporations

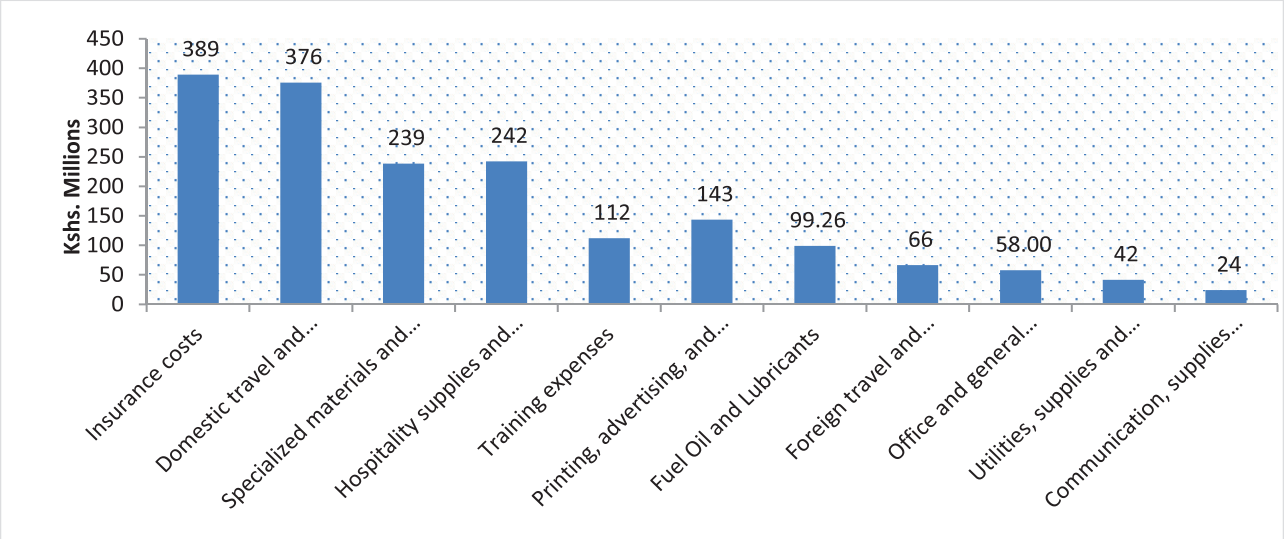
S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Kiabere-Mwingi water and Sanitation company.	Water & Irrigation	15,000,000	15,000,000	15,796,242
2	Kitui water and sanitation company	Water & Irrigation	35,000,000	35,000,000	34,203,758
	Total		**50,000,000**	**50,000,000**	**50,000,000**

Source: *Kitui County Treasury*

3.18.11 Expenditure on Operations and Maintenance

Figure 70 summarises the Operations and Maintenance expenditure by major categories.

Figure 70: Kitui County, Operations and Maintenance Expenditure by Major Categories



Source: *Kitui County Treasury*

Expenditure on domestic travel amounted to Kshs.375.84 million and comprised Kshs.105.89 million spent by the County Assembly and Kshs.269.95 million by the County Executive. Expenditure on foreign travel amounted to Kshs.66.38 million and was entirely by the County Assembly. Expenditure on foreign travel is summarised in Table 3.182.

Table 3.182: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly of Kitui	4	25th-29th November 2024	Attending the International Programme on Leadership and Excellence from 25th to 29th November 2024	Istanbul, Turkey	5,043,760

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Arm of County Government	Number of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly of Kitui	7	11th-15th November 2024	Workshop on Strategies for Strengthening County Health Systems to Expand Access to High-Quality Health Services, organised by ESAMI in Addis Ababa, Ethiopia	Addis Ababa, Ethiopia	6,576,250
County Assembly of Kitui	7	25th-29th November 2024	Attending the International Programme on the Administration of Integrated Multi-Sectoral ECDE Interventions from 25th- 29th November 2024	Addis Ababa, Ethiopia	7,029,050
County Assembly of Kitui	7	14th-18th October 2024	Attending workshop on Governance and Public Sector Management Training	Addis Ababa, Ethiopia	6,642,020
County Assembly of Kitui	7	14th-19th October 2024	Agriculture Committee training on Strategies of Advancing Entrepreneurship and Agribusiness Management	Addis Ababa, Ethiopia	6,124,785
County Assembly of Kitui	2	27th-30th November, 2024	Attending the 29th East Africa Law Society Annual Conference	Kampala, Uganda	1,316,310
County Assembly of Kitui	2	19th-23rd October, 2024	Attending the 17th Africa Colloquium of Legal Counsel to Parliaments	Lilongwe, Zimbabwe	1,502,250
County Assembly of Kitui	5	2nd-6th December 2024	Attending a Masterclass Training of Trainers (TOT) from 2nd to 6th December 2024	Arusha, Tanzania	1,981,500
County Assembly of Kitui	7	17th-21st February, 2025	Attend a program on Administration of Law and Justice in Devolved Units, Including Elections within the Assembly, Good Governance, Anti-Corruption and Human Rights from 17th-21st February, 2025	Addis Ababa, Ethiopia	6,849,220
County Assembly of Kitui	7	3rd-7th February, 2025	Attend a program on Leadership and Governance for County Assemblies by ESAMI from 3rd to 7th February, 2025	Addis Ababa, Ethiopia	6,924,750
County Assembly of Kitui	7	3rd-7th February 2025	Attend a program organised by ESAMI on Mainstreaming in Policy Formulation and Implementation, organised by ESAMI from 3rd-7th February 2025	Addis Ababa, Ethiopia	6,910,750
County Assembly of Kitui	40	22nd February-1st March 2025	Attending EALASCA GAMES from 22nd February to 1st March 2025	Kampala, Uganda	9,483,500

***Source**: Kitui County Treasury and Kitui County Assembly*

3.18.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.334.58 million as FIF, which was 64 per cent of the annual target of Kshs.2.00 billion. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. However, the County has not developed regulations to operationalise the FIF Act of 2023.

The Health Facilities provided a report on the utilisation of the FIF during the reporting period, in line with Section 18(e) of the FIF Act, 2023. The expenditure by the health facilities amounted to Kshs.299.55 million, as shown in Table 3.183.

Table 3.183: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate %
1	KITUI COUNTY REFERRAL HOSPITAL	97,200,000	99,408,820	102
2	KITUI COUNTY REFERRAL-AMENITY	24,300,000	21,600,000	89
3	KITUI COUNTY REFERRAL-ICU &CANCER CENTRE	15,300,000	13,600,000	89
4	MWINGI SUB COUNTY HOSPITAL	81,000,000	85,727,030	106
5	MIGWANI SUB COUNTY HOSPITAL	11,700,000	12,803,150	109
6	KATULANI HOSPITAL	4,500,000	4,895,000	109
7	MUTITU SUB COUNTY HOSPITAL	4,500,000	4,925,000	109
8	IKANGA SUB COUNTY HOSPITAL	4,500,000	4,850,000	108

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No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate %
9	NUU SUB COUNTY HOSPITAL	4,500,000	4,920,000	109
10	KANYANGI SUB COUNTY HOSPITAL	5,310,000	5,602,792	106
11	KYUSO SUB COUNTY HOSPITAL	5,400,000	5,863,260	109
12	KAUWI SUB COUNTY HOSPITAL	6,300,000	6,821,000	108
13	TSEIKURU SUB COUNTY HOSPITAL	6,300,000	6,851,600	109
14	IKUTHA SUB COUNTY HOSPITAL	10,800,000	11,800,000	109
15	MUTOMO HOSPITAL	4,500,000	4,990,000	111
16	ZOMBE HOSPITAL	4,500,000	4,887,440	109

Source: *Kitui County Treasury*

The Health Facilities with the highest absorption rate were Mutitu sub-county hospital, Kyuso sub-county hospital, and Zombe sub-county hospital.

3.18.13 Development Expenditure

In the review period, the County reported spending Kshs.1.47 billion on development programmes, representing a decrease of 27 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.1.87 billion. Table 3.184 summarises development projects with the highest expenditure in the reporting period.

Table 3.184: Kitui County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31st March 2025	Implementation status (%)
1	Trade, industry, MSMEs, innovation and Cooperatives	Kitui County Aggregation and Industrial Park	Kitui Rural Sub-County	2025/26	492,356,000	75,000,000	177,621,919	36
2	County Assembly	Construction of County Assembly chambers	HQ	2026/27	249,507,369	23,698,549	49,898,547	19.9
3	Basic Education ICT & Youth Development	Matinyani Boys Administration Block Project	Kitui West	2024/25	9,102,112.00	9,102,112.00	9,102,112.00	100
4	Water & Irrigation	Supply of power to the Masinga treatment plant.	Kitui East	2024/25	8,000,000	8,000,000	8,000,000	100
5	Water & Irrigation	Construction of imuumba sumpwell and other civil works at imuumba voo/kyamatuward	Mwingi West	2024/25	7,604,024	7,604,024	7,604,024	100
6	Water & Irrigation	Supply of power to the Masinga treatment plant for August 2024	Kitui Central	2024/25	7,000,000	7,000,000	7,000,000	100
7	Health and Sanitation	Construction of renal unit at Kitui county referral hospital - phase 1	Kitui Central	2024/25	6,729,960	6,729,960	6,729,960	100
8	Health and Sanitation	Construction of a Mortuary Block at Kitui County Referral Hospital	Kitui West	2024/25	6,446,496	6,446,496	6,446,496	100
9	Lands, Housing & Urban Development	Consultancy Service to prepare a local physical development plan for Zombe and Migwani Urban Centre	Kitui East	2024/25	5,992,560	5,992,560	5,992,560	100
10	County public service board	Construction of Kitui County Public Service Board office	Kitui South	2024/25	5,712,631	5,712,631	5,712,631	100

Source: *Kitui County Treasury*

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The County has reported no stalled development projects to date.

3.18.14 Budget Performance by Department

Table 3.185 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.185: Kitui County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs. Million)		Expenditure to Exchequer (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor	1,384.40	1,088.43	987.67	443.94	987.67	443.94	100	100	71	41
Office of The Deputy Governor	158.20	34.30	84.02	6.56	84.02	6.56	100	100	53	19
Water & Irrigation	139.44	634.30	57.75	212.88	57.75	212.88	100	100	41	34
Basic Education ICT & Youth Development	941.47	134.74	815.40	61.66	815.40	61.66	100	100	87	46
Roads, Public Works and Transport	214.29	747.91	103.05	83.09	103.05	83.09	100	100	48	11
Health and Sanitation	3,822.66	425.80	3,479.18	95.43	3,426.89	95.43	98	100	90	22
Trade, industry, MSMEs, innovation and Cooperatives	198.91	639.19	98.63	230.09	98.63	230.09	100	100	50	36
Energy, Environment, Forestry, Natural & Mineral Resources	126.04	371.33	41.35	150.83	41.35	150.83	100	100	33	41
Culture ender, Youth, ICT, Sports & Social services	167.16	43.50	60.68	15.88	60.68	15.88	100	100	36	37
Finance, Economic Planning and Revenue Management	443.65	102.79	205.54	15.59	205.54	15.60	100	100	46	15
Agriculture & Livestock	362.70	573.51	169.73	69.46	169.73	69.46	100	100	47	12
County Assembly	1,246.64	140.90	747.69	-	747.69	23.70	100	0	60	17
Kitui Municipality	80.20	85.90	38.03	9.07	38.03	9.07	100	100	47	11
Mwingi Town Administration	69.20	33.35	27.20	4.32	27.20	4.32	100	100	39	13
County public service board	66.87	24.73	35.15	9.31	35.15	9.31	100	100	53	38
Lands, Housing & Urban Development	102.23	235.28	31.19	42.99	31.20	42.99	100	100	31	18
Total	**9,524**	**5,316**	**6,982**	**1,451**	**6,930**	**1,475**	**73**	**102**	**73**	**28**

***Source**: Kitui County Treasury*

Analysis of expenditure by departments shows that the Department of Basic Education, ICT, and Youth Development, as well as the County Assembly, recorded the highest absorption rate of the development budget at 46 per cent, followed by the departments of Energy, Environment, Forestry, Natural and Mineral Resources, and the Office of the Governor, at 45 per cent. The Department of Health and Sanitation and the Department of Basic Education, ICT, and Youth Development had the highest percentage of recurrent expenditure to budget at 90 per cent and 87 per cent, respectively.

3.18.15 Budget Execution by Programmes and Sub-Programmes

Table 3.186 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.186: Kitui County, Budget Execution by Programmes and Sub-Programmes

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Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 31st September 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
3711- Kitui - Office of The Governor							
General Administration, Planning, and Support Services	0701013710 P1	934,567,463.00	955,573,468.00	682,975,568.00		73	0
enforcement unit	0703023710 SP2	14,770,000.00		3,187,420.00		22	0
Human Resource Management Unit	070333710 SP 2.2	17,720,000.00		12,049,052.00		68	0
Special Programmes	0703043710 sp 2.3	8,870,000.00		8,000,000.00		90	0
records Management	0703053710 Sp 2.4	12,120,000.00		2,000,000.00		17	0
Policy Development and Coordination	0703053710 sp2.5	5,600,000.00				0	0
legal and head of public Services Admistration(Office of the County Secretary)	0717033710 P3	19,439,000.00		17,360,591.00		89	0
Public Communication	0717013710 SP4.1	7,020,350.00		4,256,909.00		61	0
Public Relations and Customer Care	0701023710 SP4.2	3,208,700.00		2,080,617.00		65	0
SEKEB and Intergovernmental Relations	0701033710 SP.3	43,255,194.00		5,000,000.00	394,206,275.00	12	0
Monitoring and evaluation	0707013710 SP4.4	6,879,683.00		6,511,536.00		95	0
Protocoal Unit	0707013710 SP 4.5	4,979,054.00		3,480,281.00		70	0
Office of the Attorney	0717033710 P5	39,006,000.00		1,000,000.00		3	0
Office of the County Attorney	0717033710 P5	166,053,000.00		158,803,467.00		96	0
County Government Administration and Field Services	0705013710 SP7.1	68,296,390.00	132,852,230.00	60,968,312.00	49,738,104.00	89	37
Devolution Services	0705013710 SP7.2	17,599,050.00		10,000,000.00		57	0
Cabient affairs	0709001710 SP.3	15,023,397.00		10,000,000.00		67	0
TOTAL		**1,384,407,281.00**	**1,088,425,698.00**	987,673,753.00	443,944,379.00	71	41
Ministry of Health and Sanitation							
General Administration, Planning and Support Services	040113710 P1	991,623,461.00	15,000,000.00	994,965,641.00	14,189,515.00	100	95
Health Standards, Quality Assurance and Standards	0401033710 SP 1.2	3,000,000.00		1,000,000.00		33	0
Health Policy, Planning and Financing	0402023710 SP 1.3	101,507,362.00	255,532,408.00	100,234,202.00	68,333,009.00	99	27
County Referral Services	0402013710 SP 2.1	1,370,000.00				0	0
Hospital FIF /cost sharing Refunds for 11 County Hospitals	0403033710 SP 2.2	405,592,245.00	10,359,558.00	404,000,000.00		100	0
Preventive and Promotive Health Services	0403013710 SP 3.1	1,065,101,854.00	45,356,901.00	969,397,571.00	12,909,224.00	91	28
Primary Care networks	0404013710 SP 3.2	2,000,000.00	3,557,250.00	1,777,737.00		89	0
ImmunisationImmunisation and Disease Surveillance	0404033710 SP 3.3	3,244,170.00				0	0
Health Promotion sub programme(HIV/AIDS and TB sub programme	0403033710 SP 3.3	2,659,869.00		1,000,000.00		38	0

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Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 31st September 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
communicable deaseases Control(public Health Operations-Programme)	0403013710 SP 3.4	4,042,443.00		4,000,000.00		99	0
Non-Communicable Diseases prevention and control	0403023710 SP 3.5	1,681,200.00				0	0
Health and promotion	0404013710 SP 3.6	2,302,574.00				0	0
Specialised Services and rehabilitative Services subprogramme	0404023710 SP 3.7	3,627,338.00		3,000,000.00		83	0
Curative Health Services	040201310 P4	1,234,910,380.00	95,995,892.00	999,809,370.00		81	0
TOTAL		**3,822,662,896.00**	**425,802,009.00**	3,479,184,521.00	**95,431,748.00**	91	22
County Public Service Board							
General Administration, Planning and Support Services	0701013710 p1	43,747,152.00	**14,734,068.00**	19,640,191.00	9,307,600.00	45	63
human resource manage-ment & development	0713013710 SP2.1	9,427,000.00		8,132,483.00		86	0
human resource	0713023710 SP2.2	8,024,200.00		2,000,000.00		25	0
Governance and County Values	0714013710 SP3	5,668,306.00	10,000,000.00	5,379,576.00		95	0
Total		**66,866,658.00**	**24,734,068.00**	**35,152,250.00**	9,307,600.00	53	38
County Assembly							
General Administration, Planning and Support Services	0701013710 P1	356,217,004.00		235,870,979.00		66	0
legislative representation and oversight	0705013710 P2	890,423,985.00	140,900,561.00	511,814,045.00	23,698,552.00	57	17
		1,246,640,989.00	**140,900,561.00**	747,685,024.00	-	60	0
Kitui Municipality							
General Administration, Planning and Support Services	0201013710 P1	46,021,972.00	28,032,597.00	15,030,327.00	3,277,123.00	33	12
Control and management of Public Finance	0207023710 P.2	5,796,000.00	4,300,000.00			0	0
Planning, Development, and Control, transport and infrastructure	0207013710 P.3	4,439,000.00	43,500,000.00	3,364,480.00	599,000.00	76	1
trade development and promotion	0207033710 P.4	9,081,597.00	3,000,000.00	5,904,386.00	2,198,092.00	65	73
environment, culture, Recreation and community Development	0207013710 P.5	14,858,000.00	7,064,357.00	13,728,056.00	3,000,000.00	92	42
Total		**80,196,569.00**	**85,896,954.00**	38,027,249.00	9,074,215.00	47	11
Mwingi Town Municipality		-					
General Administration, Planning and Support Services	0201013710 P1	47,094,710.00	5,000,000.00	16,111,330.00		34	0
Government Building	0109013710 P2	7,401,543.00	2,500,000.00	2,321,861.00	1,552,395.00	31	62
Urban mobility and trans-port	0207013710 SP3.1	11,736,561.00	11,650,000.00	7,215,421.00	2,025,622.00	61	17
Safety and emergency	0207023710 SP 3.2	780,000.00		541,950.00		69	0
Urban Markets develop-ment	0207033710 SP3.3	302323	2,500,000.00	264,700.00		88	0

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		Rec	Dev	Rec	Dev	Rec	Dev
Environmental Policy Management	1001013710 P4	1,471,200.00	7,743,967.00	461,060.00	743,900.00	31	10
Devolution Services	0706013710 P5	417463	3,959,000.00	280,090.00		67	0
Total		**69,203,800.00**	**33,352,967.00**	27,196,412.00	4,321,917.00	39	13
3728- Office of the Deputy Governor							
General Administration and planning	0701013710 P1	27,337,483.00		13,898,125.00		51	0
Wildlife conservation and security	1003023710 SP. 2.1	25,965,346.00	2,027,261.00	12,375,431.00		48	0
Tourism development and promotion	0305013710 SP2.2	35,530,916.00	1,500,000.00	18,884,250.00	198,569.00	53	13
Tourism Infrastructure Development	0305033710 SP2.3	10,713,425.00	18,625,547.00	4,347,991.00	4,000,000.00	41	21
Performance Contracting, disaster and emergency Services	0205013710 SP3.1	46,033,244.00		6,176,728.00		13	0
Disaster and Emergency Services	0717013710 SP3.2	12,623,142.00	12,145,671.00	28,340,507.00	2,360,060.00	225	19
Total		**158,203,556.00**	**34,298,479.00**	84,023,032.00	**6,558,629.00**	53	19
3729- Ministry of Water and Irrigation							
General Administration and planning	0101013710 p1	96,865,852.00				0	0
water Resource Management services	0101013710 SP2.1	13,599,366.00	329,727,045.00	9,895,649.00		73	0
Water Supply Infrastructure	0111013710 SP2.2	8,853,796.00	26,937,685.00	4,558,225.00	94,256,141.00	51	350
Irrigation Development and Management	0111023710 SP2.3	7,587,195.00	102,482,156.00	3,857,543.00	61,901,416.00	51	60
irrigation and Drainage infrastructure	0104013710 P3	12,540,585.00	175,151,840.00	8,485,608.00	56,726,453.00	68	32
Total		**139,446,794.00**	**634,298,726.00**	26,797,025.00	212,884,010.00	19	34
3730-Education, Training, and Skills Development							
General Administration, Planning and Support Services	0501013710 P1	799,987,769.00		711,173,951.00		89	0
Primary Education	0502013710 P2	95,872,002.00	72,988,105.00	84,477,629.00	47,110,406.00	88	65
youth Training and development	0503013710 P4	24,611,660.00	59,755,124.00	13,193,679.00	12,553,822.00	54	21
Quality Assurance and Standards	0503023710 P5	20,996,342.00	2,000,000.00	6,551,400.00	1,998,000.00	31	100
Total		**941,467,773.00**	**134,743,229.00**	815,396,659.00	61,662,228.00	87	46
3731- 3731-Ministry of Roads, public works and transport							
General Administration, Planning, and support services	0101013710 P1	162,915,312.00		69,714,947.00		43	0
Government Buildings	0109013710 SP2.1	5,609,300.00	9,080,000.00	3,372,752.00		60	0
Road transport	0110013710 SP2.2	6,281,300.00	655,920,843.00	3,523,686.00	29,373,853.00	56	4
Transport and boda boda Sectors	0203013710 P3	39,484,411.00	82,908,579.00	26,443,013.00	53,714,373.00	67	65
Total		**214,290,323.00**	**747,909,422.00**	103,054,398.00	**83,088,226.00**	48	11
3732- Ministry of Trade, Industry, and MSMS							
General Administration and support H/Qs	0301013710 P1	113,520,470.00		75,178,479.00	50,762,870.00	66	

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		Rec	Dev	Rec	Dev	Rec	Dev
Trade development and promotion	0301013710 SP2.1	26,823,053.00	111,694,086.00			0	0
Fair Trade Practice and Consumer Protection	030323710 SP2.2	14,716,475.00	525,000,000.00	5,114,772.00	179,323,692.00	35	34
Cooperatives Development and Management	0304013710 SP3.1	27,331,629.00		18,341,393.00		67	
Market Value Addition and Research	0304023710 SP3.2	16,515,339.00	2,500,000.00			0	0
Total		**198,906,966.00**	**639,194,086.00**	98,634,644.00	230,086,562.00	50	36
3733-Ministry of Energy, Environment and Forestry							
General Administration, Planning and Support Services	1001013710 P1	39,828,850.00		7,801,725.00		20	0
Environmental Management and Protection	1002013710 SP2.1	17,238,434.00	500,000.00	1,990,493.00		12	0
waste Management	1004013710 SP2.2	992178		699,800.00		71	0
Climate Change Adaptation and Mitigation	1003013710 SP2.3	1,049,728.00	248,875,174.00	580,714.00	63,182,694.00	55	25
Natural Resources Conservation and Management	0701023710 SP2.4	1,748,179.00	15,445,014.00	1,640,067.00	15,428,603.00	94	100
Environmental management and protection	100200 SP2.5	1,300,642.00		1,000,000.00		77	0
Power Transmission and Distribution	1005013710 SP3.1	9,822,841.00	40,000,000.00	814,600.00	40,000,000.00	8	100
Alternative Energy Technologies	1006013710 SP3.2	3,926,462.00	56,029,605.00	1,433,416.00	31,505,951.00	37	56
Community Sensitisation and Awareness creation in minerals rich areas	1007013710 SP3.3	5,760,877.00	2,000,000.00	5,727,340.00		99	0
Training and Capacity Building	1003043710 SP3.4	1,644,445.00	800,000.00			0	0
Mining Policy Development and Coordination (Operationalisation of Kitui County River Basins Sand Utilization and Conservation act 2024)	1009013710 SP 3.5	39,500,000.00	7,680,287.00	18,000,000.00		46	0
Mineral Resources Development	1008013710 sp3.6	3,228,708.00		1,661,072.00	709,000.00	51	0
Total		**126,041,344.00**	**371,330,080.00**	41,349,227.00	150,826,248.00	33	41
3734- Ministry of Culture, gender, Youth, ICT, Sports, and Social Services							
General Administration and planning	0301013710 p1	74,134,585.00		12,532,971.00		17	0
Youth Development Services	0506013710 SP 2.1	23,335,246.00	2,626,501.00	15,703,832.00		67	0
ICT Infrastructure Development	0505013710 SP2.2	7,122,800.00	2,216,000.00	2,550,450.00	1,399,190.00	36	63
Sports	0306013710 SP2.3	21,864,600.00		13,697,952.00	13,180,858.00	63	0
Development and Management of Sports Facilities	0306023710 SP2.4	937,400.00	27,941,041.00			0	0
Gender	0307023710 SP 3.1	7,073,813.00	532,905.00		1,299,800.00	0	244
Culture Conservation of Heritage	0307013710 SP3.2	15,494,679.00	10,183,598.00	11,591,378.00		75	0
Social Development and Children's Services	0308013710 SP3.3	14,490,500.00		3,000,000.00		21	0

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		Rec	Dev	Rec	Dev	Rec	Dev
Child Community Support Services	0308023710 SP3.4	2,709,280.00		1,601,665.00		59	0
Total		**167,162,903.00**	**43,500,045.00**	60,678,248.00	15,879,848.00	36	37
3735- Ministry of Finance, Economic Planning and Revenue Management					-		
General Administration and planning	710013710 P1	282,478,664.00	102,791,974.00	137,325,100.00	15,590,986.00	49	15
Economic Policy and County Planning	0710013710 SP2.1	21,304,968.00		18,747,451.00		88	0
Budget Formulation, Coordination, and Management	0712023710 SP2.2	15,129,321.00		14,196,092.00		94	0
Monitoring and Evaluation Services	0710023710 SP2.3	9,059,853.00				0	0
Resource Mobilisation (Revenue Department)	0712013710 SP3.1	33,728,219.00		30,000,000.00		89	0
Audit services	0712033710 SP3.2	6,958,400.00				0	0
Financial Services	071205 SP4.5	13,985,355.00				0	0
Procurement of Goods and Management of Services	0704013710 SP3.3	61,008,592.00				0	0
Total		**443,653,372.00**	**102,791,974.00**	200,268,643.00	**15,590,986.00**	45	15
3736- Ministry of Agriculture and Livestock							
general administration and planning	0101013710 P1	216,124,641.00		108,137,029.00		50	0
Land and Crops Development(crop Development and management)	0102013710 SP2.1	6,908,038.00	204,473,374.00			0	0
agribusiness and information management(Farm Development and Agribusiness Development and management)	0103013710 SP2.2	42,954,588.00	277,909,181.00	40,879,980.00	61,140,402.00	95	22
Agricultural Extension Services and Training	0103013710 SP2.3	21,390,034.00	70,905,301.00	3,000,000.00		14	0
Fisheries Development and Management	0105013710 P3	2,810,676.00		1,629,053.00		58	0
general administration, planning, and support	0101013710 P4	59,690,830.00				0	0
Livestock resources, disease management, and control	0106013710 SP5.1	5,359,372.00	9,004,213.00		8,323,800.00	0	92
Livestock diseases management and control	0106023710 SP5.2	7,431,078.00	11,216,683.00			0	0
TOTAL		**362,669,257.00**	**573,508,752.00**	**153,646,062.00**	**69,464,202.00**	42	12
3737- Lands, Infrastructure, Housing and Urban Development							
General administration planning and sports Services	0101013710 P1	77,557,269.00		21,347,082.00		28	0
Housing Development and Human Settlement	0107013710 P2.1	2,062,400.00		1,897,489.00	26,065,232.00	92	0
Land policy and planning	0108013710 P2.2	3,865,000.00	23,015,760.00	3,614,385.00	15,124,915.00	94	66
land survey	0108023710 P2.3	5,494,484.00		4,335,474.00	1,801,200.00	79	0
Land Adjudication	0108023710 SP2.4	5,138,800.00	40,325,000.00			0	0
Urban Development and Human Settlement	0107013710 P3	8,116,110.00	171,934,394.00			0	0
Total		**102,234,063.00**	**235,275,154.00**	**31,194,430.00**	**42,991,347.00**	31	18
TOTAL		**9,524,054,544**	**5,315,962,204**	**6,929,961,577**	**1,474,810,697**	73	28

Source: *Kitui County Treasury*

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The sub-programmes with the highest levels of implementation based on absorption rates were General Administration, Planning, and Support Services in the Department of Health and Sanitation (100 per cent), Hospital FIF/cost-sharing refunds for 11 County Hospitals in the Department of Health and Sanitation (100 per cent), and Quality Assurance and Standards in the Department of Education, Training, and Skills Development (100 per cent).

3.18.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County government operated eleven commercial accounts, including four accounts for Established Funds, one revenue account, three special-purpose accounts (additional allocations), and three recurrent operational accounts.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 11 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.18.17 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;

i. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of the Kitui County Assembly Car Loan and Mortgage (Members) Scheme Fund and Kitui County Assembly Service Board Employees' Car Loan & Mortgage Fund had lapsed, making the Fund ineligible for further withdrawals.
ii. A high level of pending bills, amounting to Kshs.636.74 million as of 31st March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.346.45 million for 2470 staff yet to be onboarded into HRIS, and 340 casual staff were processed through manual payroll, accounting for 7.8 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
iv. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
ii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
iii. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
iv. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

3.19. County Government of Kwale

3.19.1 Overview of FY 2024/25 Budget

The Kwale County Gross Approved Supplementary I FY 2024/25 budget is Kshs.15.04 billion. It comprises Kshs.6.92 billion (46 per cent) and Kshs.8.11 billion (54 per cent) allocations for development and recurrent programmes,

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respectively. The budget estimates represent an increase of Kshs.54 million (less than 1 per cent) from the FY 2023/24 budget, comprised of a development budget of Kshs.7.25 billion and a recurrent budget of Kshs.7.79 billion. The increase in the budget was attributed to the rise in OSR. The County's Net Approved Supplementary I Budget is Kshs.15.04 billion, comprising Kshs.8.11 billion for recurrent and Kshs.6.92 billion for development.

The Kwale County Government budget will be financed from different sources of revenue. These include Kshs.8.89 billion (59 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.73 billion (12 per cent) as conditional grants, a cash balance of Kshs.3.78 billion (25 per cent) brought forward from FY 2023/24, and Kshs.650 million (4 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.300 million (2 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.350 million (2 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is presented in Table 3.187.

3.19.2 Revenue Performance

In the review period, the County received Kshs.6.32 billion in revenues to fund its development and recurrent activities. This amount represents a decrease of Kshs 1.45 billion from the Kshs 7.77 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.32 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.52 million, and its own-source revenue (OSR) collection of Kshs.271 million. In addition, the County had a cash balance of Kshs.1.67 billion from FY 2023/24.

The total OSR collection of Kshs.271 million, Facilities Improvement Financing (FIF) of Kshs.84 million, and Kshs.186 million from other OSR sources. Table 3.187 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.187: Kwale County, Revenue Performance in the First Nine Months of FY 2024/25

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**	8,887,499,175	4,319,701,316	48.6
Sub Total		**8,887,499,175**	**4,319,701,316**	**48.6**
B	**Additional Allocations from National Government Revenues**			
1	Community Health Promoters (CHPs) Project	59,140,000		0.0
2	Road Maintenance Levy Fund (RMLF-KRB)	0		0.0
3	Kenya Devolution Support Programme (KDSP)-Level 1 Grant	37,500,000		0.0
4	Aggregated Industrial Park Programme Grant	250,000,000	52,631,578	21.1
5	Allocation for Mining Royalties (Unconditional Grant)	0		0.0
SUBTOTAL		**346,640,000**	**52,631,578**	15.2
	Conditional Grants			0.0
1	Primary Healthcare in Devolved Context (DANIDA)	39,553,000		0.0
2	National Agricultural Value Chain Development Project (NAVCDP)	151,515,152		0.0
3	National Agricultural Value Chain Development Project Surplus from Exchange Rate Variation	4,701,951		0.0
4	Kenya Agricultural Business Development Project (KABDP)-SIDA Grant	10,918,919		0.0
5	Water and Sanitation Development Project (WSDP)	1,000,000,000		0.0
6	Kenya Informal Settlement Improvement Project KISIP II	120,188,971		0.0
7	Financing Locally-Led Climate Action (FLLo-CA)-Institutional Grant	11,000,000		0.0
8	World Bank Loan for Kenya Urban Support Program	35,000,000		0.0
9	United Nations Fund for Population Activities (UNFPA)	6,660,000		0.0
	SUBTOTAL	1,379,537,993		0.0
Sub-Total				0.0

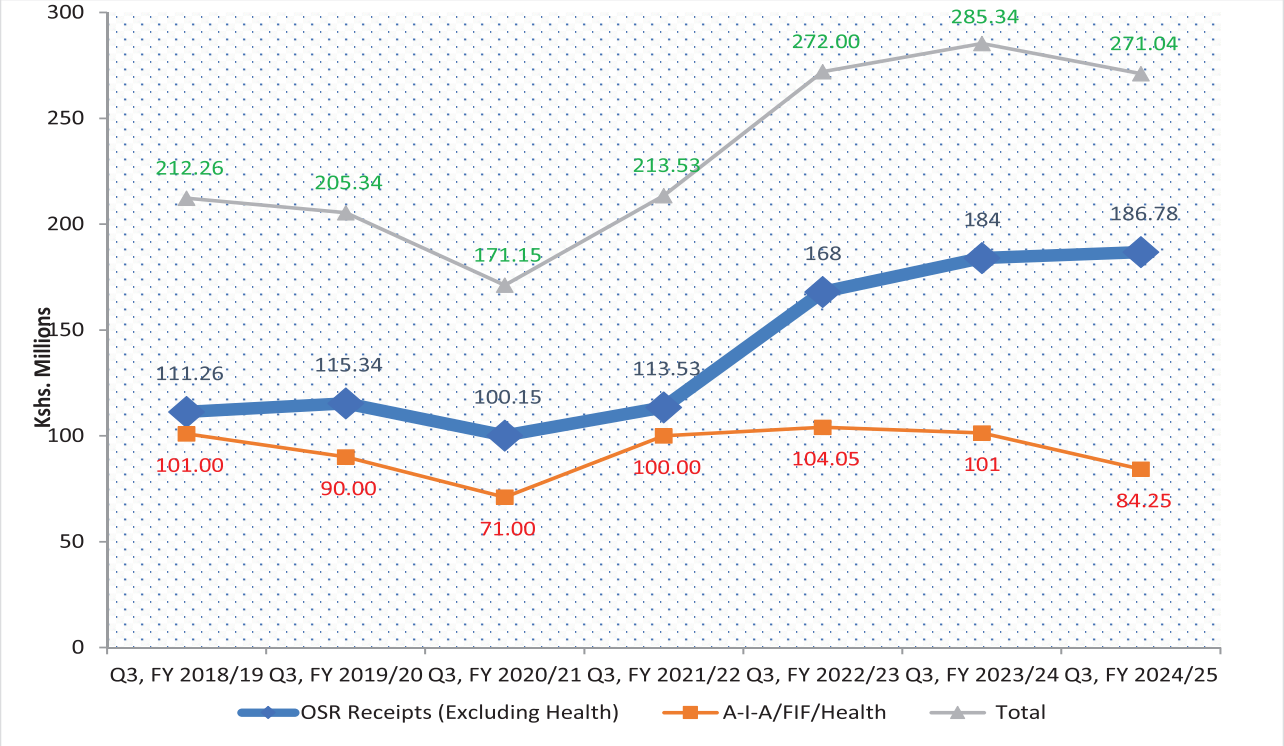
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S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as a % of Annual Allocation (%)
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	350,000,000	186,783,015	53.4
2	Balance b/f from FY2023/24	3,775,541,683	1,671,799,197	44.3
3	Facility Improvement Fund (FIF)	300,000,000	84,252,366	28.1
4	Other Revenues	0	-	0.0
5	Appropriation in Aid (AIA)	-	-	0.0
Sub Total		4,425,541,683	1,942,834,578	43.9
Grand Total		**15,039,218,851**	6,315,167,472	**42.0**

Source: *Kwale County Treasury*

The County does not have governing legislation regarding the operation of ordinary A-I-A and FIF; therefore, all revenue collected is swept into the CRF. Figure 71 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 71: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



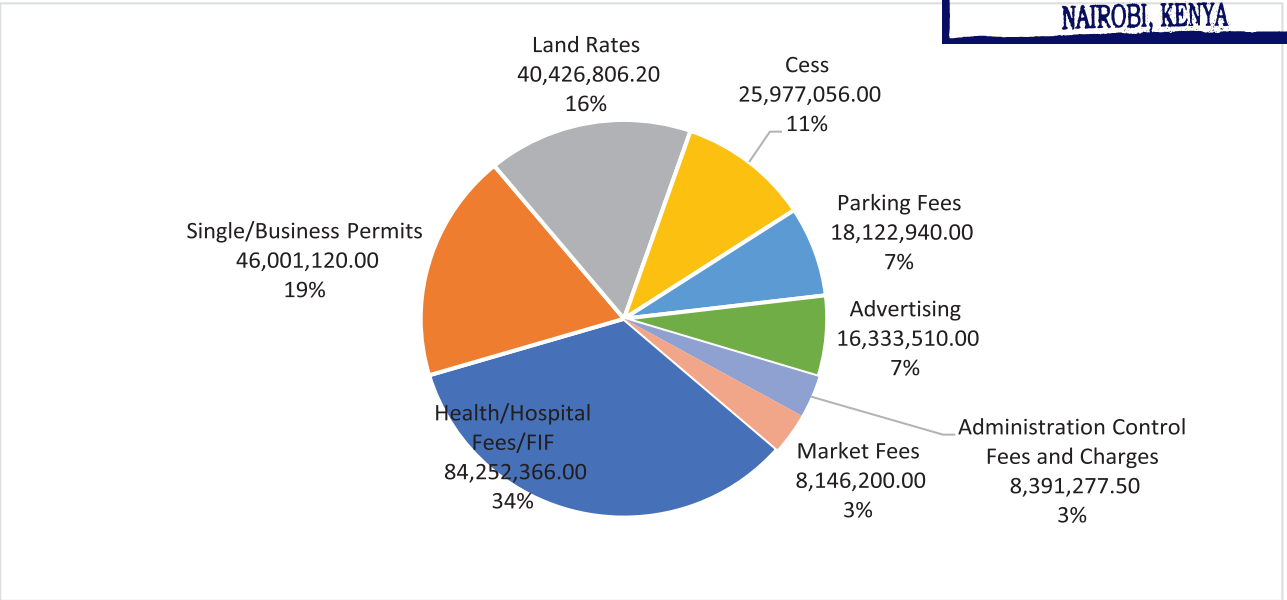
Source: *Kwale County Treasury*

During the review period, the County generated Kshs.271 million from its own revenue sources, including AIA and FIF. This amount was a decrease of 5 per cent compared to Kshs.285 million realised in a similar period in FY 2023/24. It was 42 per cent of the annual target and 6.3 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 72.

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Figure 72: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



***Source**: Kwale County Treasury*

As shown in Figure 72, the highest revenue stream of Kshs.84,252,366 million was from Health/Hospital/FIF contributing to 31 of the total OSR receipts.

3.19.3 Borrowing by the County

The county has not provided any information on borrowing.

3.19.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.45 billion from the CRF account during the reporting period, which comprised Kshs.1.72 billion (25 per cent) for development programmes and Kshs.3.73 billion (46 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.1.93 billion was released towards compensation of employees and Kshs.1.16 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, which does not include the February and March 2025 exchequer request for the County Executive and County Assembly due to the late disbursement of exchequer by the national treasury.

Analysis of the operations and maintenance exchequer releases indicates that 5 per cent was for domestic travel and 0.8 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.77.57 million, comprising Kshs.1.17 million for the County Executive and Kshs.75.86 million for the County Assembly. The foreign exchequer totalled Kshs.12.77 million, consisting of Kshs.0.5 million for the County Executive and Kshs.12.27 million for the County Assembly.

Table 3.188: Kwale County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Finance and Economic Planning	922,016,217	27,557,017	456,183,121	3,298,166	49	12
Agriculture, Livestock and Fisheries	195,106,635	428,018,962	107,644,967	97,061,816	55	23
Land, Environment, Mining and Natural Resources	131,520,902	637,612,247	44,538,552	93,812,650	34	15
Medical and Public Health Services	3,057,898,446	337,105,406	1,640,970,683	111,025,796	54	33
County Assembly	799,893,995	439,415,654	338,510,068	172,634,817	42	39
Trade, Investment and Co-operative Development	115,461,097	630,470,390	40,048,292	114,595,144	35	18
Community Development	126,124,863	304,110,942	54,221,535	197,725,373	43	65
Executive Services	163,967,428	-	67,786,447	-	41	0
Education	1,303,382,385	427,390,361	547,428,033	123,267,303	42	29
Water Services	143,291,246	1,935,539,952	62,832,864	400,855,791	44	21

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Revised Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Roads and Public Works	180,678,096	1,078,912,721	79,498,674	198,199,999	44	18
Tourism and ICT	106,219,662	43,050,844	34,466,400	10,061,134	32	23
County Public Service Board	85,027,980	15,000,000	29,418,504	1,032,125	35	7
Public Service & Administration	326,008,673	1	160,595,431	-	49	0
Kwale Municipality	44,500,203	112,459,627	7,654,446	51,565,116	17	46
Diani Municipality	55,432,502	118,781,066	14,390,617	27,823,950	26	23
County Attorney	198,133,070	-	8,189,070	-	4	0
Lunga Lunga Municipality	23,410,676	62,531,202	4,973,423	37,029,277	21	59
Kinango Municipality	24,187,215	57,723,102	2,725,020	13,137,654	11	23
Preventive Health Services	112,544,685	268,733,381	26,290,812	64,756,849	23	24
Total	**8,114,805,976**	**6,924,412,875**	**3,728,366,961**	**1,717,882,959**	**46**	**25**

***Source**: Kwale County Treasury*

As of 31 March 2025, the County Government's cash balance in the CRF account was Kshs.772 million.

3.19.5 County Expenditure Review

The County spent Kshs.6.84 billion on development and recurrent programmes during the reporting period. The expenditure represented 141 per cent of the total funds released by the CoB and comprised Kshs.2.21 billion and Kshs.4.63 billion on development and recurrent programmes.

3.19.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.2.43 billion as of 30th June 2024. This includes Kshs.2.13 billion from the County Executive and Kshs.300 million from the County Assembly. The pending bills from the County Executive consist of Kshs.1.1 million for recurrent expenditures and Kshs.1.01 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.1.36 billion, comprising Kshs.609 million for recurrent programmes and Kshs.745 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.223 million, which included Kshs.51 million for recurrent activities and Kshs.172 million for development activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.1.05 billion and Kshs.90 million in the first nine month of FY 2024/25. However, the County did adhere to this payment plan, clearing Kshs.1.36 billion for the Executive, and Kshs.223 for the County Assembly.

As of 31 March 2025, the outstanding bills amounted to Kshs.855.25 million, comprising Kshs.777.57 million for the County Executive and Kshs.77.68 million for the County Assembly.

3.19.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.60 billion on employee compensation, Kshs.1.61billion on operations and maintenance, and Kshs.2.15 billion on development activities. Similarly, the County Assembly spent Kshs.179.68 million on employee compensation, Kshs.232.03 million on operations and maintenance, and Kshs.56.61 million on development activities, as shown in Table 3.189

Table 3.189: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**7,309,911,981**	**799,893,995**	**4,217,015,779**	**411,712,121**	**58**	**51**
Compensation to Employees	3,352,158,937	308,612,771	2,604,997,856	179,677,623	78	58
Operations and Maintenance	3,957,753,044	491,281,224	1,612,017,923	232,034,498	41	47
Development Expenditure	**6,484,997,221**	**439,415,654**	**2,152,328,656**	**56,611,137**	**33**	**13**
Total	**13,794,909,202**	**1,239,309,649**	**6,369,344,435**	**468,323,258**	**46**	**38**

***Source**: Kwale County Treasury*

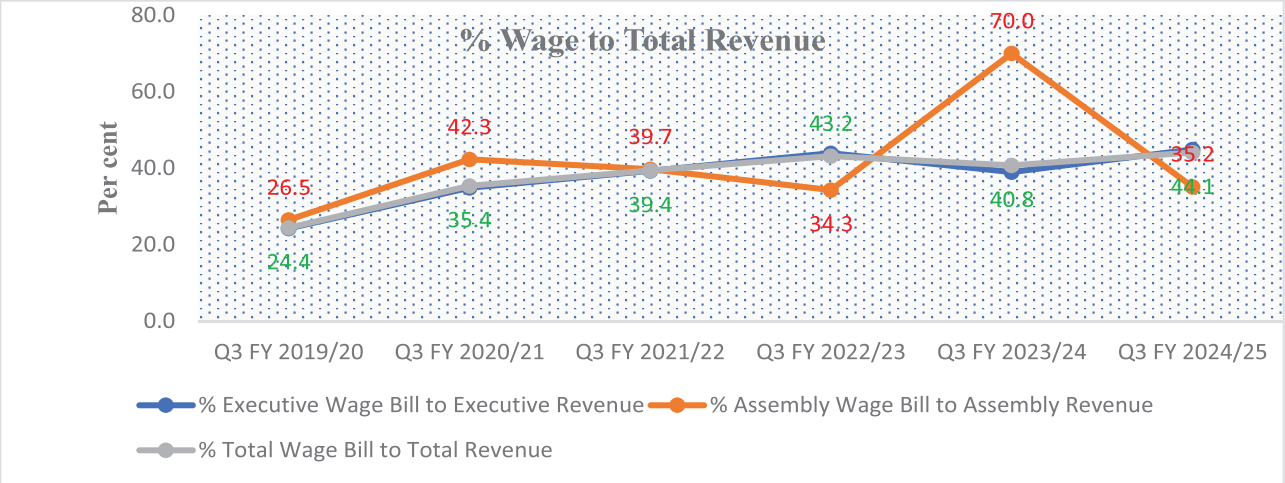
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3.19.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation totalled Kshs.2.78 billion. The total revenue, excluding the earnings from extractive natural resources, is Kshs.6.32 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 44 per cent. This expenditure on employee compensation shows a decrease compared to the Kshs.3.17 billion reported during the same period in FY 2023/24. Of this total, Kshs.1.43 billion was allocated to Health Sector employees, which accounts for 52 per cent of the overall employees' compensation.

Figure 73 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 73: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



***Source**: Kwale County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.755 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.29.4 million was processed through manual payrolls, which accounted for .1.1 per cent of the total PE cost.

The manual payrolls comprised salaries for county executive staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for county assembly casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.190.

Table 3.190: Breakdown of Kwale County Manual Payroll

Breakdown of Manual Payroll	Category	County Executive	County Assembly	Total
1	Salaries for staff paid outside the Human Resource Information System (HRIS)		22,100,351.98	22,100,351.98
2	Gratuity for contract staff	3,076,019.11	4,221,208	7,297,227.11
	Total	3,076,019.11	26,321,559.98	29,397,579.09

***Source**: Kwale County Treasury*

The County Assembly spent Kshs.14.4 million on committee sitting allowances for the 31 MCAs against the annual budget allocation of Kshs.36 million. The average monthly sitting allowance was Kshs.51,872 per MCA. The County Assembly had not specified the number of House Committees.

3.19.9 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. In FY 2024/25, the County allocated Kshs.1.14 billion to County-Established funds in FY 2024/25, (less than 8 per cent of the County's overall budget). Further, the County allocated Kshs.5 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 3.191 summarises each established Fund's budget allocation and performance during the reporting period.

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Table 3.191: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25(Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25(Kshs.)	Actual Expenditure in the First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the fund	of First Nine Months Financial Statements (Yes/No)
1	Kwale County Emergency Fund	2016	5,000,000	-	575	70,000,000	Yes
2	Equalization Fund	2021	285,347,746	-	-	-	Yes
3	Kwale County Youth, Women and Persons with Disability Revolving Fund	2015	-	-	-	43,344,900	YES
4	Kwale County Climate Change Fund	2022	296,049,439	85,151,400	14,173,665	204,700,839	Yes
5	Kwale County Bursary Fund	2014	500,000,000	100,000,000	99,739.973.48	4,301,210,000	Yes
	Subtotal		**1,086,397,185**	**185,151,400**	**14,174,240**	**4,619,255,739**	
	County Assembly Established Funds						
6	Kwale County Assembly Members and Staff Loan Scheme Fund	2016	53,000,000	-	692,418	328,430,000	Yes.
	Subtotal		**53,000,000**	**-**	**692,418**	**328,430,000**	
	Total		**1,139,397,185**	**185,151,400**	**14,866,658**	**4,947,685,739**	

Source: *Kwale County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from the Kwale County Climate Change Fund Administrator, as indicated in Table 3.191 contrary to the requirement of Section 168 of the PFM Act, 2012.

3.19.10 County Corporations

In the FY 2024/25, the County allocated Kshs.1 billion to Kwale Water and Sewerage Company Limited (Kwawasco). Their total expenditure during the first nine months was Kshs.217.83 million as shown in Table 3.192.

Table 3.192: Performance of County Corporations

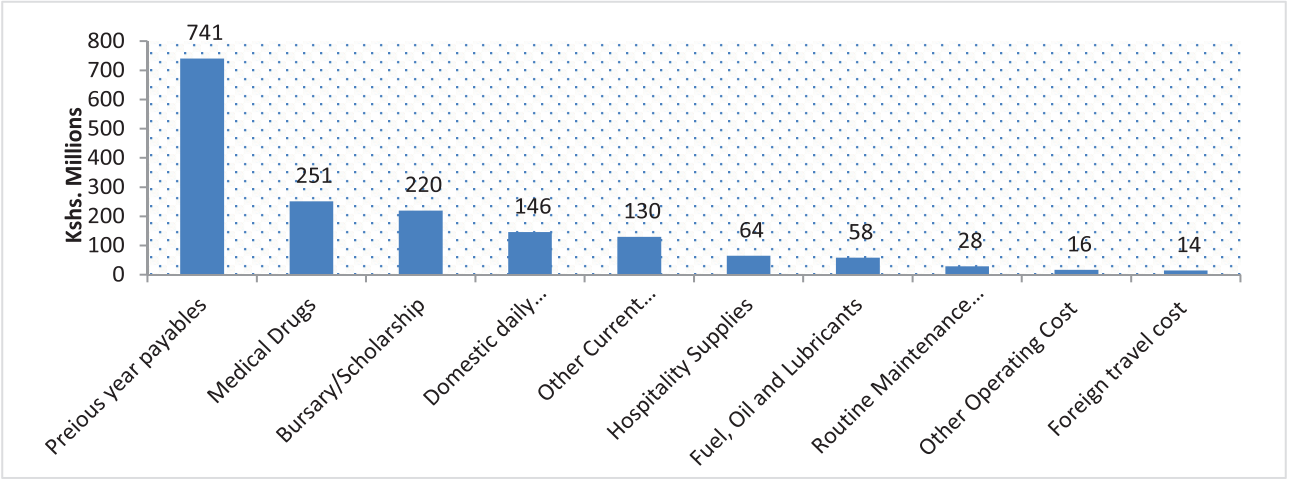
S/No	Name of the Corporation	Approved Budget allocation in FY 2024/25 (Kshs)	Exchequer Issues in the months of FY 2024/25 (Kshs)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs)
1	Kwawasco	1,003,000,000	217,830,000	217,830,000

Source: *Kwale County Treasury*

3.19.11 Expenditure on Operations and Maintenance

Figure 74 summarises the Operations and Maintenance expenditure by major categories.

Figure 74: Kwale County, Operations and Maintenance Expenditure by Major Categories



Source: *Kwale County Treasury*

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Expenditure on domestic travel amounted to Kshs.77.567 million and comprised Kshs.75.8 million spent by the County Assembly and Kshs.1.72 million by the County Executive. Expenditure on foreign travel amounted to Kshs.12.77 million and comprised Kshs.12.27 million by the County Assembly and Kshs.0.5 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.193.

Table 3.193: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Executive-Tourism and ICT	1	22/11/2024	Uganda -Kenya Conference Exhibition	Kampala Uganda	506,815
County Assembly of Kwale	3 Officers	27th -30th Nov 2024	LSK Conference	Kampala Uganda	772,976.25
County Assembly of Kwale	11 MCAs and Two Officers	23rd-30th Dec 2024	Study tour and Benchmarking	Darsalaam Tanzania	4,504,426
County Assembly of Kwale	5M CAs and Two Officers	26th -31st Dec 2024	Study tour and Benchmarking	Ethiopia	2,219,941.25
County Assembly of Kwale	8 MCAs and 3 Officers	21st - 26th Jan 2025	Study tour and Benchmarking	Arusha Tanzania	3,596,396
County Assembly of Kwale	6 MCAs and Two Officers	23rd - 28th March 2025	Study tour and Benchmarking	UAE -DUBAI	3,486,411.55

Source: *Kwale County Treasury and Kwale County Assembly*

3.19.12 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.84.25 million as FIF, which was 28 per cent of the annual target of Kshs.300 million. The collected amount was retained and utilised at source in accordance with the Facility Improvement Financing Act, 2023.

Contrary to Section 18 (e) of the FIF Act, 2023, the health facilities did not provide a report on the use of the FIF during the reporting period. The expenditures by the health facilities amounted to Kshs.95,502,578 million, as shown in Table 3.194.

Table 3.194: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate(%)
1	Kinango Sub-County Hospital	35,000,000	15,202,131	42.80
2	Msambweni County Referral Hospital	84,000,000	46,689,297	55.58
3	Kwale sub-county hospital	40,000,000	17,922,976	44.81
4	Samburu Sub-County Hospital	25,000,000	8,073,182	32
5	Lungalunga Sub-County Hospital	25,000,000	7,614,992	30.46
Source:	**Total**	**209,000,000**	**95,502,578**	**45.70**

Source: *Kwale County Treasury*

The Health Facility with the highest absorption rate was the Msambweni County Referral Hospital.

3.19.13 Development Expenditure

In the review period, the County reported spending Kshs.1.74 billion on development programmes, representing an increase of 9.4 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.1.59 billion. Table 3.195 summarises development projects with the highest expenditure in the reporting period.

Table 3.195: Kwale County, List of Development Projects with the Highest Expenditure

No	Sector	Project Name	Project Location	Expected date of Completion of the Project	Contract sum (Kshs)	Expenditure in the First Nine Months of FY 2024/25 (Kshs. Million)	Cumulative project expenditure as of 31 March 2025 (Kshs.Million)	Percentage (%) of Completion
1	Community Development	Construction of the Kwale stadium	Tsimba/Golini		178,599,801	128,801,405	170,788,877.57	96
2	Community Development	Construction of Kwale stadium Phase 2	Tsimba/Golini	08/03/2022	102,429,001	-	100,416,598.60	98

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No	Sector	Project Name	Project Location	Expected date of Completion of the Project	Contract sum (Kshs)	Expenditure in the First Nine Months of FY 2024/25 (Kshs. Million)	Cumulative project expenditure to March 2025 (Kshs.Million)	Percentage Completion
3	Infrastructure	Tarmacking of National Cereals and Produce Board-Godoni-Chitsanze Road Phase 3.	Kwale		147,441,525	93,950,666.53	93,950,666.53	0
4	Assembly	Hansard Equipments	Tsimba-Golini Ward		109,969,398.52	42,645,427	90,147,148	82
5	Agriculture, livestock, and fisheries	Other cash transfers: Grants and subsidies-National Agricultural Value Chain Development Project(NAVCDP)	All wards	30 June 2025	-	65,327,824	65,327,824	-
6	Assembly	Renovation of Offices	Ward Offices		74,000,000	63,090,865	63,090,865	85
7	Assembly	Renovations of offices	Ward Offices & Complex		84,542,356.52	39,018,971	39,018,971	46
8	Roads	Flagship Project 1: Upgrading to Bitumen Standard of Mkilo - Kalalani - Mavirivirini Road - Phase III	Mackinnon Ward	20/02/2025	266,638,692	38,418,332	38,418,332.35	14
9	Roads	Flagship Project 4: Upgrading to Bitumen Standard of Vinuni - Tiwi Sokoni Road - Phase II	Tiwi Ward	14/02/2025	226,138,864	35,000,000	35,000,000	15
10	Roads	Tarmacking of a Section of Vyongwani-Lunguma Road at Vyongwani dispensary in Tsimba Golini	Tsimba Golini	7/08/2025	94,568,509	30,310,642	30,310,641.65	32

Source: *Kwale County Treasury*

3.19.14 Budget Performance by Department

Table 3.196 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.196: Kwale County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.Mn)		Exchequer Issues (Kshs.Mn)		Expenditure (Kshs. Mn)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Finance and Economic Planning	922.02	27.56	456.18	3.30	478.29	3.30	105	100	52	12
Agriculture, Livestock and Fisheries	195.11	428.02	107.64	97.06	131.89	197.89	123	204	68	46
Land, Environment, Mining and Natural Resources	131.52	637.61	44.54	93.81	41.78	51.44	94	55	32	8
Medical and Public Health Services	3,057.90	337.11	1,640.97	111.03	1,959.90	118.44	119	107	64	35
County Assembly	799.89	439.42	338.51	172.63	411.71	56.61	122	33	52	13
Trade, Investment and Co-operative Development	115.46	630.47	40.05	114.60	58.78	87.42	147	76	51	14
Community Development	126.12	304.11	54.22	197.73	68.57	208.95	127	106	54	69
Executive Services	163.97	-	67.79	-	85.22	-	126	-	52	-
Education	1,303.38	427.39	547.43	123.27	745.38	205.22	136	167	57	48
Water Services	143.29	1,935.54	62.83	400.86	85.77	605.71	137	151	60	31
Roads and Public Works	180.68	1,078.91	79.50	198.20	110.79	403.44	139	204	61	37

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Department	Budget Allocation (Kshs.Mn)		Exchequer Issues (Kshs.Mn)		Expenditure (Kshs. Mn)		Expenditure to Ex-chequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Tourism and ICT	106.22	43.05	34.47	10.06	70.69	19.51	205	194	67	45
County Public Service Board	85.03	15	29.42	1.03	28.32	-	96	-	33	-
Public Service & Admin-istration	326.01	0	160.60	-	195.16	-	122	-	60	-
Kwale Municipality	44.50	112.46	7.65	51.57	6.73	57.62	300	112	52	51
Diani Municipality	55.43	118.78	14.39	27.82	22.99	42.03	-	151	-	35
County Attorney	198.13	-	8.19	-	59.16	-	722	-	30	-
Lunga Lunga Municipality	23.41	62.53	4.97	37.03	7.23	54.26	145	147	31	87
Kinango Municipality	24.19	57.72	2.73	13.14	9.01	28.15	331	214	37	49
Preventive Health Services	112.54	268.73	26.29	64.76	31.03	68.96	118	107	28	26
Total	**8,114.81**	**6,924.41**	**3,728.37**	**1,717.88**	**4,608.41**	**2,208.94**	**124**	**129**	**57**	**32**

***Source**: Kwale County Treasury*

Analysis of expenditure by departments shows that the Department of Lungalunga municipality recorded the highest absorption rate of development budget at 87 per cent, followed by the Department of Community Development at 69 per cent. The Department of Agriculture, Livestock and Fisheries had the highest percentage of recurrent expenditure to budget at 68 per cent, while the Department of Preventive Health had the lowest at 28 per cent.

3.19.15 Budget Execution by Programmes and Sub-Programmes

Table 3.197 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.197: Kwale County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.)		Actual Expenditure as of 31 March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
3061-Kwale - Finance and Economic Planning							
703003061		**88,829,707**		**45,364,679**		**51**	
	703023060	88,829,707		45,364,679			
704003061		**775,227,371**	**15,114,034**	**421,976,822.50**	**3,298,166.15**	**54**	**22**
	704013060	191,827,567		177,409,590.65			
	704043060	583,399,804	15,114,034	244,567,231.85	3,298,166.15		
710003061		**32,562,764**	**20,000,000**	**4,400,230**		**14**	**0**
	710013060	32,562,764	20,000,000	4,400,230			
711003061		**25,396,375**		**6,298,147**		**25**	
	711013060	10,900,000		2,068,667			
	711023060	6,021,375		547,380			
	711033060	8,475,000		3,682,100			
		922,016,217	**35,114,034**	**478,039,878.50**	**3,298,166.15**	**52**	**9**
3062-Kwale - Agriculture, Livestock and Fisheries							
102003062		**169,023,214**	**166,122,940**	**130,452,965.35**	**111,446,086.80**	**77**	**67**
	102053060	27,884,598	166,122,940	17,531,798	111,446,086.80		
	102063060	141,138,616		112,921,167.35			
107003062		**18,763,421**	**220,636,022**	**539,800**	**78,848,035.70**	**3**	**36**
	107013060	3,000,000	204,036,022	400,000	65,327,824.40		
	107023060	1,300,000		0			
	107033060	14,463,421	16,600,000	139,800	13,520,211.30		
108003062		**4,970,000**	**26,000,000**	**549,800**		**11**	**0**
	108013060	2,700,000		300,000			
	108023060	0	21,000,000				
	108033060	2,270,000	5,000,000	249,800			

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25 (Kshs.)		Actual Expenditure as of 31 March 2025 (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
109003062		**2,350,000**	**15,260,000**	**350,000**			**0**
	109013060	2,350,000	15,260,000	350,000			
		195,106,635	**428,018,962**	**131,892,565.35**	**190,294,122.50**	**68**	**44**
3063-Kwale - Land, Environment, Mining and Natural Resources							
102003063		**108,820,902**	**532,895,024**	**40,416,364.40**	**46,788,852**	**37**	**9**
	102053060	44,381,446	532,895,024	11,628,243	46,788,852		
	102063060	29,439,456		28,788,121.40			
	102073060	35,000,000		0			
105003063		**13,500,000**	**8,717,223**	**366,515.30**		**3**	**0**
	105013060	13,500,000	8,717,223	366,515.30			
106003063		**9,200,000**	**96,000,000**	**1,000,000**	**4,651,400**	**11**	**5**
	106023060	9,200,000	96,000,000	1,000,000	4,651,400		
		131,520,902	**637,612,247**	**41,782,879.70**	**51,440,252**	**32**	**8**
3064-Kwale - Health Services							
402003064		**616,591,685**		**189,892,716.80**	**0**	**31**	
	402023060	8,800,000		0	0		
	402043060	607,791,685		189,892,716.80			
403003064		**2,232,306,761**	**199,465,546**	**1,691,518,564.95**	**111,398,197**	**76**	**56**
	403013060	432,568,247	199,465,546	262,433,220.55	111,398,197		
	403053060	1,799,738,514		1,429,085,344.40			
405003064		**84,000,000**	**25,990,598**	**0**	**2,143,655**	**0**	**8**
	405013060	84,000,000	25,990,598	0	2,143,655		
406003064		**35,000,000**	**54,069,262**	**0**	**4,899,850**	**0**	**9**
	406013060	35,000,000	54,069,262	0	4,899,850		
407003064		**40,000,000**	**6,880,000**	**164,485**	**0**	**0**	**0**
	407013060	40,000,000	6,880,000	164,485	0		
409003064		**25,000,000**	**34,600,000**	**0**	**0**	**0**	**0**
	409013060	25,000,000	34,600,000	0	0		
410003064		**25,000,000**	**16,100,000**	**0**	**0**	**0**	**0**
	410013060	25,000,000	16,100,000	0	0		
		3,057,898,446	**337,105,406**	**1,881,575,766.75**	**118,441,702**	**62**	**35**
3066-Kwale - Industry, Trade and Investments							
301003066		**13,583,429**	**3,200,000**	**2,478,204.75**		**18**	**0**
	301013060	10,199,500	3,200,000	1,312,569.55			
	301043060	3,383,929		1,165,635.20			
302003066		**6,012,000**		**1,351,629.45**		**22**	
	302023060	6,012,000		1,351,629.45			
305003066		**86,242,061**	**141,400,876**	**53,047,785.90**	**62,864,771.30**	**62**	**44**
	305013060	39,847,363		28,368,862.20			
	305023060	46,394,698	141,400,876	24,678,923.70	62,864,771.30		
306003066		**3,697,000**	**17,197,285**	**1,318,729.45**		**36**	**0**
	306013060	3,697,000	0	1,318,729.45			
	306023060	0	17,197,285	0	0		**0**
307003066		**5,961,607**	**468,672,229**	**584,441.40**	**24,558,229.40**	**10**	**5**
	307013060	5,961,607	468,672,229	584,441.40	24,558,229.40		
		115,496,097	**630,470,390**	**58,780,790.95**	**87,423,000.70**	**51**	**14**
3067-Kwale - Social Services							
903003067		**11,220,000**	**2,500,000**	**3,788,050**		**34**	**0**
	903013060	0	0	0			
	903023060	5,220,000	2,500,000	1,286,750			

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		Rec	Dev	Rec	Dev	Rec	Dev
	903033060	6,000,000		2,501,300			
904003067		**13,510,000**		**1,230,000**		**9**	
	904013060	13,510,000		1,230,000			
905003067		**9,710,000**	**175,000,000**	**1,662,628**	**129,693,275**	**17**	**74**
	905013060	9,710,000		1,662,628			
	905023060	0	175,000,000		129,693,275		
906003067		**91,684,863**	**126,610,942**	**59,655,239.35**	**79,252,077.70**	**65**	**63**
	906013060	39,180,227		28,866,416.10			
	906023060	52,504,636	126,610,942	30,788,823.25	79,252,077.70		
		126,124,863	**304,110,942**	**66,335,917.35**	**208,945,352.70**	**53**	**69**
3068-Kwale - Executive							
702003068		**7,044,400**		**450,000**		**6**	
	702013060	7,044,400		450,000			
704003068		**150,763,028**		**79,759,007.10**		**53**	
	704013060	74,462,091		57,446,433.20			
	704043060	76,300,937		22,312,573.90			
707003068		**6,160,000**		**2,565,600**		**42**	
	707033060	6,160,000		2,565,600			
		163,967,428		**82,774,607.10**		**50**	
3069-Kwale - Education							
501003069		**51,182,500**	**59,843,056**	**3,438,794**		**7**	**0**
	501013060	51,182,500	59,843,056	3,438,794			
502003069		**738,849,885**	**271,128,481**	**515,383,396.60**	**185,217,961.80**	**70**	**68**
	502013060	93,366,173	271,128,481	55,314,650	185,217,961.80		
	502023060	645,483,712		460,068,746.60			
503003069		**13,350,000**	**96,418,824**	**840,110**	**20,000,000**	**6**	**21**
	503013060	13,350,000		840,110			
	503023060		96,418,824		20,000,000		
504003069		**500,000,000**		**220,000,000**		**44**	
	504013060	500,000,000		220,000,000			
		1,303,382,385	**427,390,361**	**739,662,300.60**	**205,217,961.80**	**57**	**48**
3070-Kwale - Water and Urban Planning							
1001003070			**170,802,454**		**9,328,380**		**5**
	1001023060		49,535,000		0		
	1001033060		59,932,454		6,328,380		
	1001043060		49,000,000		0		
	1001063060		12,335,000		3,000,000		
1002003070		**143,291,246**	**1,764,737,498**	**85,770,939.30**	**596,379,846.05**	**60**	**34**
	1002013060	47,819,744		34,825,836.30			
	1002023060	95,471,502	1,764,737,498	50,945,103	596,379,846.05		
		143,291,246	**1,935,539,952**	**85,770,939.30**	**605,708,226.05**	**60**	**31**
3071-Kwale - Infrastructure and Public Works							
202003071			**410,222,044**				**0**
	202013060		410,222,044				
203003071			**1,500,000**				**0**
	203013060		1,500,000				
305003071		**180,678,096**	**667,190,677**	**110,788,994.75**	**403,436,563.75**	**61**	**60**
	305013060	57,482,129		50,268,296.10			
	305023060	123,195,967	667,190,677	60,520,698.65	403,436,563.75		

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		Rec	Dev	Rec	Dev	Rec	Dev
		180,678,096	**1,078,912,721**	**110,788,994.75**	**403,436,563.75**	**61**	**37**
3072-Kwale - ICT and Tourism							
304003072		**4,430,249**	**-21,000,000**	**526,005**		**12**	**0**
	304013060	4,430,249	-21,000,000	526,005			
305003072		**93,805,762**	**80,501,688**	**69,843,581.30**	**19,508,808.30**	**74**	**24**
	305013060	25,481,817		19,431,965.55	19,508,808.30		
	305023060	68,323,945	80,501,688	50,411,615.75			
308003072		**7,983,651**	**800,000**	**318,355**		**4**	**0**
	308013060	7,983,651	800,000	318,355			
		106,219,662	**60,301,688**	**70,687,941.30**	**19,508,808.30**	**67**	**32**
3073-Kwale - County Public Service Board							
706003073		**85,027,980**		**28,356,529.55**		**33**	
	706013060	41,009,694		9,347,231			
	706023060	6,000,000		33,600			
	706043060	33,018,286		18,975,698.55			
	706053060	3,000,000		0			
	706063060	2,000,000		0			
		85,027,980		**28,356,529.55**		**33**	
3074-Kwale- Public Service and Administration							
704003074		**281,658,226**	**15,096,210**	**187,388,694**		**67**	**0**
	704013060	201,176,390		158,541,377.50			
	704043060	80,481,836	15,096,210	28,847,316.50			
708003074		**4,301,200**		**900,000**		**21**	
	708033060	4,301,200		900,000			
712003074		**27,801,000**		**5,670,760.10**		**20**	
	712013060	7,200,000		1,899,460			
	712023060	8,576,000		1,449,460			
	712033060	7,245,000		1,200,000			
	712043060	4,780,000		1,121,840.10			
713003074		**6,200,000**		**1,200,000**		**19**	
	713013060	6,200,000		1,200,000			
714003074		**6,048,247**		**0**		**0**	
	714013060	6,048,247		0			
		326,008,673	**15,096,210**	**195,159,454.10**		**60**	**0**
3075-Municipality of Kwale							
102003075		**44,500,202**		**6,731,587**		**15**	
	102053060	44,500,202		6,731,587			
111003075		**0**	**112,459,627**	**0**	**57,620,792.70**		**51**
	111013060	0	112,459,627	0	57,620,792.70		
		44,500,202	**112,459,627**	**6,731,587**	**57,620,792.70**	**15**	**51**
3076-Municipality of Diani							
102003076		**55,432,502**		**20,773,997**		**37**	
	102053060	55,432,502		20,773,997			
112003076		**0**	**118,781,066**	**0**	**42,025,066**		**35**
	112013060	0	118,781,066	0	42,025,066		
		55,432,502	**118,781,066**	**20,773,997**	**42,025,066**	**37**	**35**
3077-Kwale - County Attorney							
704003077		**396,266,140**		**118,310,046**		**30**	
	704013060	24,769,004		0			

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		Rec	Dev	Rec	Dev	Rec	Dev
	704043060	371,497,136		118,310,046			
		396,266,140		**118,310,046**		**30**	
3078-Kwale - Lungalunga Municipality							
102003078		**46,821,352**	**125,062,404**	**13,465,746**	**108,526,554**	**29**	**87**
	102053060	46,821,352	125,062,404	13,465,746	108,526,554		
	102073060	0		0			
		46,821,352	**125,062,404**	**13,465,746**	**108,526,554**	**29**	**87**
3079-Kwale - Kinango Municipality							
102003079		**72,561,645**	**173,169,306**	**27,037,302**	**84,436,668**	**37**	**49**
	102053060	72,561,645	173,169,306	27,037,302	84,436,668		
	102073060	0		0			
		72,561,645	**173,169,306**	**27,037,302**	**84,436,668**	**37**	**49**
3080-Kwale - Preventive Health Services							
401003080		**14,519,800**		**504,000**		**3**	
	401013060	5,930,000		0			
	401053060	8,589,800		504,000			
402003080		**0**		**0**			
	402023060	0		0			
408003080		**3,190,000**	**10,024,825**	**0**		**0**	**0**
	408013060	3,190,000	10,024,825	0			
412003080		**82,834,885**	**258,708,556**	**30,523,427.55**	**68,961,773.40**	**37**	**27**
	412013060	82,834,885	258,708,556	30,523,427.55	68,961,773.40		
413003080		**12,000,000**		**0**		**0**	
	413013060	12,000,000		0		**0**	
		112,544,685	**268,733,381**	**31,027,427.55**	**68,961,773.40**	**28**	**26**
County assembly							
704003065	Audit Services	308,612,767	-	179,677,623.75	-	58	
	General Administration	303,777,103	319,873,297	141,160,003	56,611,137	46	18
	Sub Total	**612,389,870**	**319,873,297**	**320,837,626.75**	**56,611,137**	**52**	**18**
3065							
705003065	Oversight and legislation of county affairs	187,504,125	119,542,357	71,678,052	-	38	0
	General Administration and Support Services	-	-	-	-		
	Sub-Total	**187,504,125**	**119,542,357**	**71,678,052**	**-**	**38**	**0**

***Source**: Kwale County Treasury*

3.19.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 65 accounts with commercial banks.

The County Treasury submitted/did not submit copies of authorisation letters to the Controller of Budget for opening XX commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

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3.19.17 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;

i. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on 16 April,2025
ii. The underperformance of own-source revenue at Kshs.271 million against an annual target of Kshs.650 million, representing 41 per cent of the yearly target
iii. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012.
iv. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*
iii. *The CECMF should follow up to ensure that Fund Administrators prepare and submit statutory reports in accordance with the PFM Act, 2012.*
iv. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

3.20. County Government of Laikipia

3.20.1 Overview of FY 2024/25 Budget

The Laikipia County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.8.48 billion. It comprises Kshs.3.48 billion (41 per cent) and Kshs.5.00 billion (59 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.75.00 Million (9.7 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.2.78 billion and a recurrent budget of Kshs.4.95 billion. The increase in the budget was attributed to the rise in Conditional Grants. The County's Net Approved Supplementary I Budget is Kshs.8.45 billion, comprising Kshs.5.00 billion for recurrent and Kshs.3.45 billion for development.

The budget will be financed from the following revenue sources: the equitable share of revenue raised nationally of Kshs.5.57 billion (66 per cent), additional allocations of Kshs.1.00 billion (11.8 per cent), a cash balance of Kshs.428.66 million (5 per cent) brought forward from FY 2023/24, and Kshs.1.48 billion (17 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.30.00 million (less than 1 per cent) as Appropriations-in-Aid (A-I-A), Kshs.602.50 million (7 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.842.50 million (10 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.198.

3.20.2 Revenue Performance

During the review period, the county received Kshs.4.59 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.68 million from Kshs.3.91 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.3.12 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.157.54 million, and its own-source revenue (OSR) collection of Kshs.881.52 million. In addition, the County had a cash balance of Kshs.428.66 billion from FY 2023/24.

The total collection of Own Source Revenue (OSR) amounts to Kshs.881.52 million. This amount includes Appropriations in Aid (AIA) of Kshs.11.20 million and Facilities Improvement Financing (FIF) of Kshs.501.12 million. An additional Kshs.369.40 million was sourced from various other OSR channels. The OSR collections from FIF were obtained from Nanyuki, Nyahururu, and Rumuruti hospitals and other health centres where FIF is collected. Table 3.198 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

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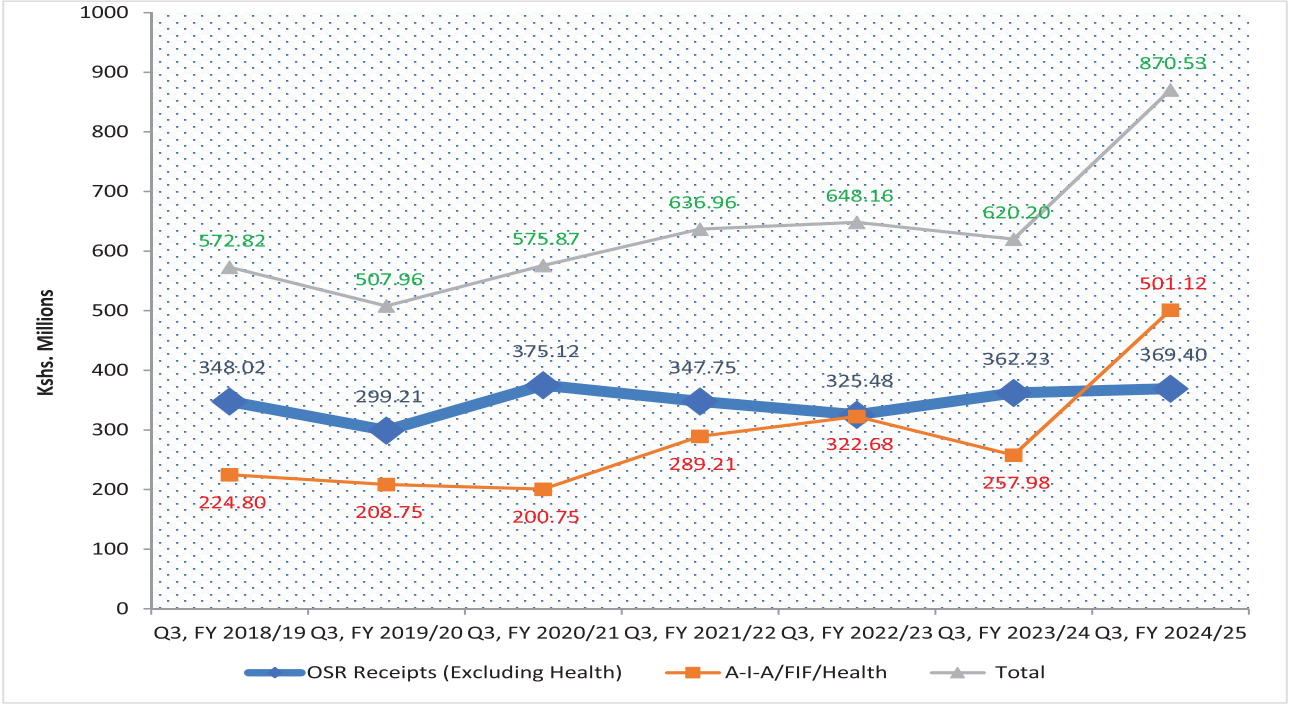
Table 3.198: Laikipia County, Revenue Performance in the First Nine Months of FY 2024/25

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**	5,569,687,183	3,124,480,479	56.1
Sub Total		**5,569,687,183**	**3,124,480,479**	**56.1**
B	**Conditional Grants**			
1	DANIDA Grant	6,435,000	1,689,542	26.3
2	Aggregated Industrial Park	250,000,000	150,000,000	60.0
3	Aggregated Industrial Park (CAIP) - FY 2023/24 Pending Transfer	150,000,000		0.0
4	Community Health Promoters	25,230,000		0.0
5	Kenya Devolution Support Project Level II	37,500,000	5,848,920	15.6
6	Kenya Urban Institution Grant - Nanyuki Municipality	35,000,000		0.0
7	Kenya Urban Development Grant - Nanyuki Municipality	77,214,879		0.0
8	Road Maintenance Levy Fund - Fuel Levy	235,196,042		0.0
9	Kenya Food Systems Resilience Program (KFSRP)	173,076,923		0.0
10	Kenya Agriculture Business Development Program (KABDP)	10,918,919		0.0
Sub-Total		1,000,571,763	157,538,462	**15.7**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	842,500,000	369,404,236	43.8
2	Balance b/f from FY2023/24	428,659,712.00	428,659,712.00	100.0
3	Facility Improvement Fund (FIF)	602,500,000	501,122,959	83.2
4	Other Revenues	5,621,490	-	0.0
5	Appropriation in Aid (AIA)	30,000,000.00	11,205,000.00	37.4
Sub Total		1,909,281,202	1,310,391,907	68.6
Grand Total		**8,479,540,148**	**4,592,410,848**	**54.2**

Source: *Laikipia County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF. Figure 75 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 75: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



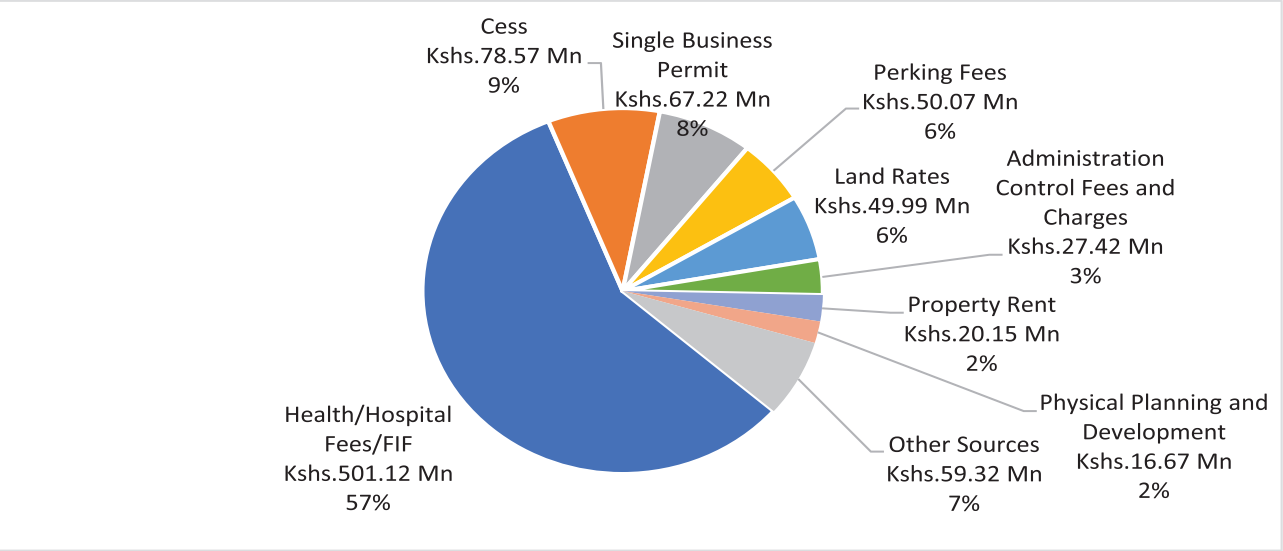
Source: *Laikipia County Treasury*

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During the review period, the County generated Kshs.870.53 million from its own revenue sources, including AIA and FIF. This amount was an increase of 40.4 per cent compared to Kshs.620.20 million realised in the similar period in FY 2023/24 and was 59.0 per cent of the annual target and 27.9 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 76.

Figure 76: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



***Source**: Laikipia County Treasury*

As shown in Figure 76, the highest revenue stream, Kshs.501.12 million, was from Health/Hospital fees/FIF, which contributed 57 per cent of the total OSR receipts. The County Government has automated revenue streams.

3.20.3 Borrowing by the County

The County Government borrowed Kshs.250.60 million from the National Bank to support its operations.

3.20.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.83 billion from the CRF account during the reporting period, which comprised Kshs.766.56 million (20.0 per cent) for development programmes and Kshs.3.06 billion (80 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.33 billion was released towards compensation of employees and Kshs.732.98 million for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25 do not include the March 2025 exchequer request.

Analysis of the operations and maintenance exchequer releases indicates that 14.75 per cent was for domestic travel and 5.32 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.108.13 million and included Kshs.56.2 million for the County Executive and Kshs.51.93 million for the County Assembly. The foreign exchequer totalled Kshs.38.99 million and related to the County Assembly.

Table 3.199: Laikipia County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Administration and Office of the Governor	3,762,209,020	20,186,323	2,370,306,012	4,500,000	63.00	22.29
Finance, Economic Planning and The County Treasury	241,983,807	630,342,007	102,491,865	355,219,976	42.35	56.35
Health and Sanitation	206,687,630	842,200,000	88,961,606	128,520,375	43.04	15.26
Agriculture, Livestock, and Fisheries	16,000,000	296,885,842	10,410,596	17,571,494	65.07	5.92
Infrastructure and Public Works	37,000,000	769,922,904	23,570,584	48,540,286	63.70	6.30
Education	96,894,800	68,936,097	92,757,676	2,295,000	95.73	3.33
Trade	13,410,000	424,830,000	7,197,414	100,000,000	53.67	23.54

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Department	Revised Net Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Re-Net Budget Allocation (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Gender, Culture and Social Services	7,800,100	5,000,000	2,970,050	-	38.08	-
Water	17,000,000	252,369,739	9,826,235	77,000,000	57.80	30.51
Rumuruti Municipality	2,000,000	5,000,000	2,000,000	-	100.00	-
Nyahururu Municipality	2,000,000	-	-	-	-	-
Nanyuki Municipality	37,000,000	82,214,879	1,000,000	-	2.70	-
County Assembly	563,716,069	77,950,931	355,009,658	32,914,142	62.98	42.22
Total	**5,003,701,426**	**3,475,838,722**	**3,066,501,696**	**766,561,273**	**60.15**	**22.05**

***Source**: Laikipia County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.241.94 million.

3.20.5 County Expenditure Review

The County spent Kshs.3.70 million 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 Kshs.744.95 million and Kshs.2.96 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 21.4 per cent, while recurrent expenditure represented 59.2 per cent of the annual recurrent expenditure budget.

3.20.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.74 billion as of 30th June 2024. This amount included Kshs.1.69 billion from the County Executive and Kshs.52.72 million from the County Assembly. The pending bills from the County Executive consists of Kshs.777.75 million for recurrent expenditures and Kshs.907.86 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.206.65 million, comprising Kshs.101.42 million for recurrent programmes and Kshs.105.22 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.42.33 million, which included Kshs.42.33 million for recurrent activities and Kshs.0.0 million for development activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.1.66 billion and Kshs.52.72 million, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.206.65million for the Executive and Kshs.42.33 million for the Assembly.

As of 31st March 2025, the outstanding bills amounted to Kshs.1.49 billion, comprising Kshs.1.48 for the County Executive and Kshs.10.39 million for the County Assembly.

3.20.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.16 billion on employee compensation, Kshs.444.32 million on operations and maintenance, and Kshs.707.47 million on development activities. Similarly, the County Assembly spent Kshs.170.21m illion on employee compensation, Kshs.184.80 million on operations and maintenance, and Kshs.37.48 million on development activities, as shown in Table 3.200.

Table 3.200: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,362,034,426**	**563,716,069**	2,607,640,457	355,009,658	60	63
Compensation to Employees	3,464,755,593	245,000,000	2,163,319,959	170,205,570	62	69
Operations and Maintenance	897,278,833	318,716,069	444,320,498	184,804,088	50	58
Development Expenditure	3,475,838,722	77,950,931	707,470,584	37,481,015	20	48
Total	**7,837,873,148**	**641,667,000**	**3,315,111,041**	**392,490,673**	42	61

***Source**: Laikipia County Treasury*

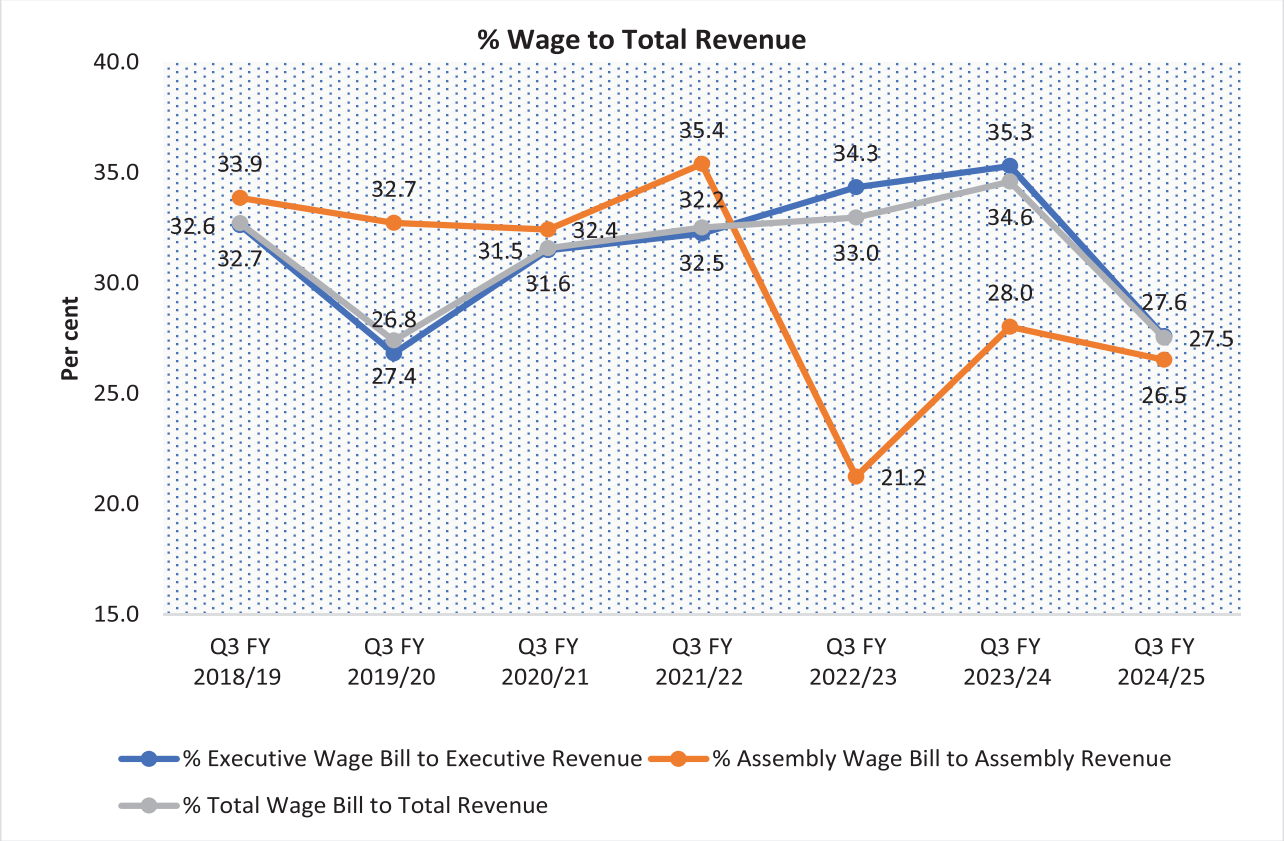
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3.20.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.2.33billion. The total revenue, excluding the earnings from extractive natural resources from sand cess, gypsum cess, and quarry cess, is Kshs.369.40 million. Consequently, the percentage of employee compensation to this adjusted revenue is 50.81 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.2.19 billion reported during the same period in FY 2023/24. Of this total, Kshs.958 million was allocated to Health Sector employees, which accounts for 25 per cent of the overall employees' compensation.

Figure 77 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 77: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: Laikipa County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.04billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.296.35 million was processed through manual payrolls, which accounted for 12.7per cent of the total PE cost.

The manual payrolls comprised salaries for 1,230 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 1,230 casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.201

Table 3.201: Breakdown of Laikipia County Manual Payroll

	Category	County Executive	County Assembly	Total
1.	Salaries for staff yet to be onboarded into UHR	61,760,684		**61,760,684.0**
2.	Salaries for casual staff	186,661,566	18,061,587.67	**204,723,153.7**
3	Gratuity for contract staff	27,983,090		**27,983,090.0**
4	Final Dues	1,881,353		**1,881,352.6**
5	Youth			-
6	Community Health Workers			-
	Total	278,286,693	18,061,588	**296,348,280.3**

Source: County Executive and Assembly

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The County Assembly spent Kshs.4.12million on committee sitting allowances for the 22 MCAs against the annual budget allocation of Kshs.22.97 million. The average monthly sitting allowance was Kshs.27,1[illegible]. The County Assembly has 18 House Committees.

3.20.9 County Emergency Fund and County-Established Fund

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 Kshs248.24 million to County-Established funds in FY 2024/25, or 3.9 per cent of the County's overall budget. Further, the County allocated Kshs.45.0 million to the Emergency Fund (0.56 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.202 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.202: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
	County Executive Established Funds						
1	County Executive Emergency Fund	2020	45,000.000	45,071,692	45,071,692	45,071,692	Yes
2	Laikipia County Education Bursary Fund	2017	75,000,000	75,000,000	75,000,000	75,000,000	Yes
3	Laikipia County Leasing Fund	2020	106,333,000	79,114,630	79,114,630	79,114,630	Yes
4	Laikipia County Car Loan and Mortgage	2021	15,000,000	15,000,000	150000	15,000,000	Yes
	County Assembly Established Funds						
1	County Assembly Staff Housing Loans	2023	33,058,015.00	16,500,000.00	16,500,000.00	16,500,000.00	Yes
	Total		**241,333,000**	**215,186,322**	**215,186,322**	**215,186,322**	

Source: *Laikipia County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from County Assembly Staff Housing Loan Fund Administrators, as indicated in Table 3.202, contrary to the requirement of Section 168 of the PFM Act, 2012.

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. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.20.10 County Corporations

The County has established a county corporation (one). In FY 2024/25, the county allocated Kshs.6.91 million to this corporation through their parent departments. Their total expenditure in the first nine months amounted to Kshs.1.0 million, as shown in Table 3.203.

Table 3.203: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
	Laikipia County Development Authority	Finance	6,910,951	1,000,000	1,000,000
	Total		6,910,951	1,000,000	1,000,000

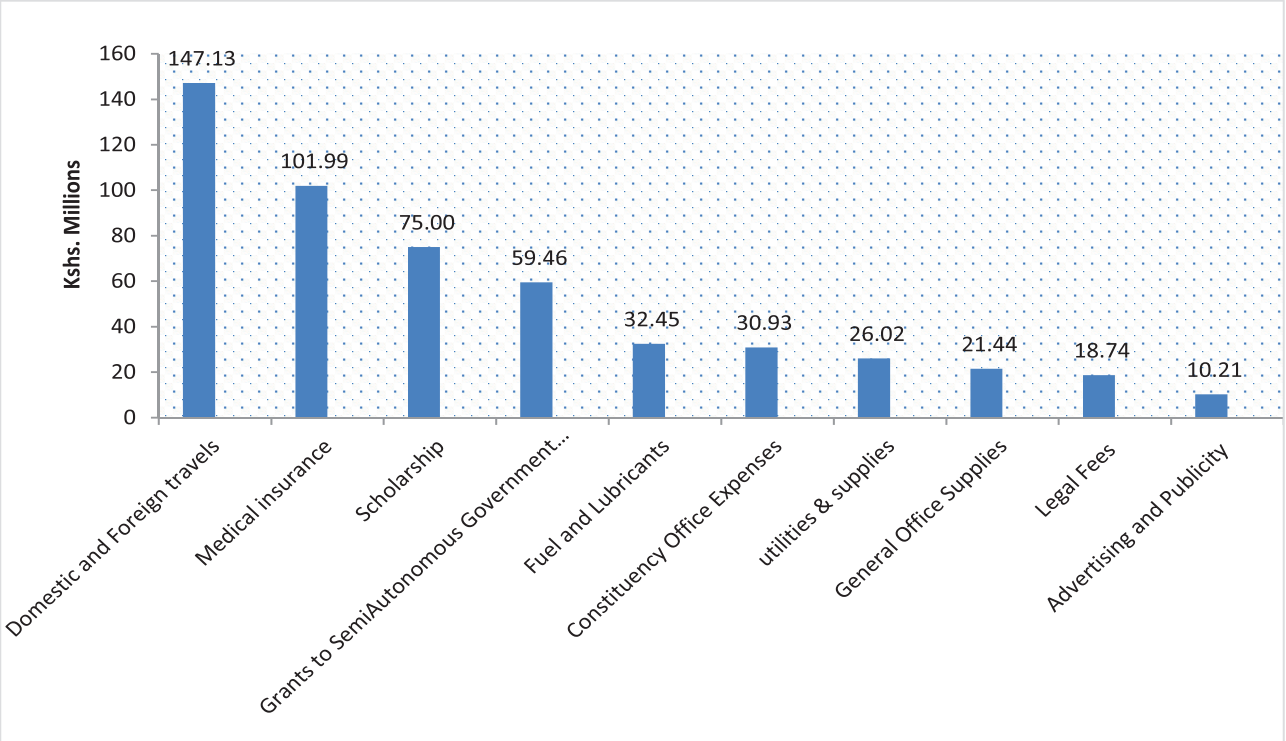
Source: *Laikipia County Treasury*

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3.20.11 Expenditure on Operations and Maintenance

Figure 78 summarises the Operations and Maintenance expenditure by major categories.

Figure 78: Laikipia County, Operations and Maintenance Expenditure by Major Categories



Source: *Laikipia County Treasury*

Expenditure on domestic travel amounted to Kshs.108.13 million and comprised Kshs.51.93 million spent by the County Assembly and Kshs.56.20 million by the County Executive. Expenditure on foreign travel amounted to Kshs.38.99 million incurred by the County Assembly. Expenditure on foreign travel is summarised in Table 3.204.

Table 3.204: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Laikipia County Assembly	31	15-22 September 2024	Training	Uganda	12,896,190
Laikipia County Assembly	1	21-25 October 2024	Training	Zimbabwe	212,520
Laikipia County Assembly	32	8-14 December 2024	Training	Tanzania	13,339,528
Laikipia County Assembly	32	23 Feb-2nd March 2025	Training	Tanzania	12,545,778
Totals					38,994,016

Source: *Laikipia County Treasury and Laikipia County Assembly*

The operations and maintenance costs include Kshs.18.74 million for Legal fees/Dues, arbitration, and compensation payments.

3.20.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.501.12 million as FIF, which was 83.2 per cent of the annual target of Kshs.602.5 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023.

The Health Facilities provided a report on the utilisation of the FIF during the reporting period, in line with (contrary to) Section 18 (e) of the FIF Act, 2023.

The expenditure by the health facilities amounted to Kshs.501.1 as shown in Table 3.205.

Table 3.205: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	LHS Nyahururu	230,420,000	204,276,844.00	88.65
2	LHS Nanyuki	331,580,000	286,308,685.50	86.34

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No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
3	General Administration Services-	10,500,000	2,537,400.05	24.2
4	Sub-county hospitals	30,000,000	8,000,000.50	26.67
	Total	**602,500,000**	501,122,959.05	83.17

Source: *Laikipia County Treasury*

The Health Facility with the highest absorption rate was 83.2.

3.20.13 Development Expenditure

In the review period, the County reported spending Kshs.744.95 million on development programmes, representing a decrease of 6.5 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.793.18 million. Table 3.206 summarises development projects with the highest expenditure in the reporting period.

Table 3.206: Laikipia County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Finance -emergency	being payment in respect of the repair of the Mugambi Earth Dam	marmanet ward	11/04/2024	4,049,316	4,049,316	4,049,316	100
2	Finance- Pending Bills	being the final payment in respect to the supply, delivery, installation, testing and commissioning of a high mast floodlight in Laikipia County	Laikipia county	16/12/2025	1,163,639	1,163,639	1,163,639	100
3	Health	medical drugs	Laikipia West sub-county	30 June 2025	35,755,125	35,755,125	35,755,125	100
4	Health	maternity equipment	Nyahururu	30 June 2025	44,507,700	44,507,700	44,507,700	100
5	Agriculture	Construction of Gituamba warehouse	Marmanet	07 October 2024	07 January 2025	7,571,494	8,000,000	
6	Land, infrastructure and housing	acquisition of a major asset	Headquater	30/07/2025	25,525,800	90,000,000	25,525,800	28
7	Water, environment and natural resources	being payment for the supply and delivery of assorted fruit seedlings for climate-smart agriculture in Githiga Ward	githiga	17/12/2024	1,759,024	1,759,024	17/12/2024	
8	Water, environment and natural resources	being payment for equipping the Kinguka Kanga borehole in Marmanet Ward	marmanet	27/01/2025	4,490,600	4,490,600	4,490,600	100
9	Water, environment and natural resources	being payment for the rehabilitation of the Lerai multipurpose water project in Marmanet Ward, laikipia west	marmanet	24/01/2025	4,460,050	4,460,050	4,460,050	100
10	Water, environment and natural resources	being payment for the supply and delivery of breeding galla bucks for Mukogondo East Ward	mukogondo east	21/12/2024	2,547,360	2,547,360	2,547,360	100

Source: *Laikipia County Treasury*

3.20.14 Budget Performance by Department

Table 3.207 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

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Table 3.207: Laikipia County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs. Mn)		Exchequer Issues (Kshs. Mn)		Expenditure (Kshs. Mn)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Administration and Office of the Governor	3,762.21	20.19	2,370.31	4.50	2,292.10	-	97	-	61	-
Finance, Economic Planning and The County Treasury	241.98	630.34	102.49	355.22	111.41	366.77	109	103	46	58
Health and Sanitation	206.69	842.20	88.96	128.52	60.42	128.49	68	100	29	15
Agriculture, Livestock, and Fisheries	16.00	296.89	10.41	17.57	9.68	26.17	93	149	61	9
Infrastructure and Public Works	37.00	769.92	23.57	48.54	20.19	44.48	86	92	55	6
Education	96.89	68.94	92.76	2.30	90.90	2.30	98	100	94	3
Trade	13.41	424.83	7.20	100.00	7.24	50.00	101	50	54	12
Gender, Culture and Social Services	7.80	5.00	2.97	-	4.11	-	139	-	53	-
Water	17.00	252.37	9.83	77.00	8.49	84.26	86	109	50	33
Rumuruti Municipality	2.00	5.00	2.00	-	2.00	2.50	100	-	100	50
Nyahururu Municipality	2.00	-	-	-	-	-	-	-	-	-
Nanyuki Municipality	37.00	82.21	1.00	-	1.10	2.50	110	-	3	3
County Assembly	563.72	77.95	355.01	32.91	355.01	37.48	100	114	63	48
Total	**5,003.70**	**3,475.84**	**3,066.50**	**766.56**	**2,962.65**	**744.95**	**97**	**97**	**59**	**21**

***Source**: Laikipia County Treasury*

Analysis of expenditure by departments shows that the Department of Finance recorded the highest absorption rate of development budget at 58 per cent, followed by the Department of Rumuruti Municipality at 50 per cent. The Department of Rumuruti had the highest percentage of recurrent expenditure to budget at 100 per cent, while the Department of Nanyuki had the lowest at 3 per cent.

3.20.15 Budget Execution by Programmes and Sub-Programmes

Table 3.208 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.208: Laikipia County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Expenditure		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
DEPARTMENT: COUNTY COORDINATION, ADMINISTRATION, ICT AND PUBLIC SERVICE							
P3 General Administration and Planning	Headquarters Administration Services – 0103014510	14,709,072	-	9,018,699	-	61	0
	ICT Infrastructure and Connectivity – 0505014510	2,190,928	-	228,900	-	10	
	County Administration - Laikipia East- 0701034510	850,000	-	100,000	-	12	0
	County Administration - Laikipia North – 0701044510	1,300,000	-	40,000	-	3	0
	Grants and Transfers to Government entities – 0717014510	37,503,043	286,323.00	628,060	-	2	0
	County Administration - Laikipia West – 0701054150	450,000	-	50,000	-	11	0

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Expenditure		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	County Administration - Sports Promotion Services – 902054510	5,705,100		5,211,700		91	
	County Administration - Sports Promotion Services - 0901054510	-	-	-	-		0
Sub Total		**62,708,143**	**286,323**	**15,277,359**	**-**	**24**	
General Administration and Planning	Compensation To Employees- 0701064510	3,596,255,593		2,242,711,458	-	62	0
Sub-Total		**3,596,255,593**	**-**	**2,242,711,458**	**-**	**62**	
COUNTY ADMINISTRATION				-			
County Executive Committee Support	Executive Support Service- 0708014510	52,000,000		25,170,239	-	48	0
	Legal Services - 0708024510	3,045,284		1,485,940	-	49	0
	Intergovernmental & Donor Liason – 0708034510	29,500,000		1,622,290	-	5	0
Sub-Total		**84,545,284**	**-**	**28,278,469**	**-**	33	
County Administration	Public Participation - 0702054150	2,000,000	-	667,500	-	33	0
	County Services Delivery and Result Report - 0702084510	3,100,000	-	-	-	0	0
	Decentralised Services - 0701064510	-	-	-	-		
Sub-Total		**5,100,000**	**-**	**667,500**	**-**	13	
Security and Policing Support Services	Urban Facilities Management Services- 0723024510	-	-	-	-		0
Human Capital Management and Devolution	County Public Service Board- 0722024510	8,000,000	-	3,713,653	-	46	0
Human Capital Management and Devolution	Information and Records Management- 0722034510	1,800,000	-	615,700	-	34	0
Sub-Total		**9,800,000**	**-**	**4,329,353**	**-**	44	
County Administration	Fleet - 0702074510	800,000		61,050	-	8	0
Sub-Total		**800,000**	**-**	**61,050**	**-**	8	0
Public Safety, Enforcement and Disaster Management	Disaster Reduction Management - 0705014510	1,224,706	1,633,000	208,600	-	17	0
	Fire Services- 0705024510	857,294	18,267,000	-	-	0	0
	Enforcement And Disaster Management- 0705034510	673,000		570,000	-	85	0
	Alcohol Control Committee- 0705044510	245,000		-	-	0	0
Sub-Total		**3,000,000**	**19,900,000**	**778,600**	**-**	**26**	**0**
TOTAL COUNTY ADMINISTRATION		**3,762,209,020**	**20,186,323**	**2,292,103,789**	**-**	**61**	**0**
DEPARTMENT: FINANCE, ECONOMIC PLANNING AND THE COUNTY TREASURY							
707004510 Financial Services	707064510 County Treasury administrative services	65,000,000		20,933,551		**32**	**0**

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Expenditure		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	707084510 Financial Automation Services	800,000		317,880		**40**	**0**
	707074510 Laikipia County Emergency Fund	14,985,452	45,000,000		10,955,076	**0**	**24**
	707044510 Revenue management services		10,000,000		6,824,066	**0**	**68**
	Sub-Total	**80,785,452**	**55,000,000**	**21,251,431**	**17,779,142**		
0709004510 Administration and Support Services	709014510 Generation administration and support services	97,244,143	573,431,056	49,450,385	348,994,806	**51**	**61**
	Sub-Total	**97,244,143**	**573,431,056**	**49,450,385**	**348,994,806**		
0725004510 Public Finance Management Services	725014510 County Treasury Accounting and Reporting Services	4,500,000		2,602,865		**58**	**0**
	725044510 Budget Management	3,694,412		1,352,200		**37**	**0**
	725034510 Internal Audit Services	4,800,000		1,515,600		**32**	**0**
	725024510 Supply Chain Management Services	4,500,000		354,200		**8**	**0**
	Sub-Total	**17,494,412**	-	**5,824,865**	-		
0706004510 Departmental administrative services/Centralised services	706044510 Revenue collection services	**34,500,000**		29,380,350	-	**85**	**0**
	706054510 Budget supply services	**1,345,800**		883,100			
	Sub-Total	**35,845,800**	-	**30,263,450**	-		
0726004510 Development Planning Services	726014510 Integrated Planning Services					**0**	**0**
	726024510 Participatory Budgeting support services					**0**	**0**
	726034510 Research Statistics and Documentation Services					**0**	**0**
	726064510 Strategic Partnership and Collaboration	5,000,000	1,910,951	854,200		**17**	**0**
	0726044510 Programme monitoring and Evaluation	1,574,000		1,060,196		**67**	**0**
	Sub-Total	**6,574,000**	**1,910,951**	**1,914,396**	-		
0702004510 County Administration	0702054510 Public participation	240,000				**0**	**0**
	Sub-Total	**240,000**	-	-	-		
0721004510 Economic planning services	0721014510 Integrated Planning Services	1,600,000		1,127,110		**70**	**0**
	0721054510 Research Statistics and Documentation	2,200,000		1,577,314		**72**	**0**
Sub-Total		**3,800,000**	-	**2,704,424**	-		
FINANCE TOTAL		**241,983,807**	**630,342,007**	**111,408,951**	**366,773,948**		
DEPARTMENT: HEALTH							
CURATIVE AND REHABILITATIVE HEALTH	HEALTH PRODUCTS AND TECHNOLOGIES SUPPORT-0401014510	-	162,000,000		70,744,160	44	0
	HEALTH INFRASTRUCTURE DEVELOPMENT-0401034510	-	148,000,000		57,743,448	39	0

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Expenditure		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	EMERGENCY REFFERAL AND REHABILITATIVE SERVICE-0401074510	98,800,000	512,200,000	19,544,905		0	20
	402014510 ADMINISTRATION, PROJECT PLANNING AND IMPLEMENTATION SERVICES	4,000,000	20,000,000	3,258,390		0	81
	HUMAN RESOURCE DEVELOPMENT-0402024510	3,000,000	-	128,200		0	4
	402044510 HEALTH LEADERSHIP AND GOVERNANCE	6,000,000	-	3,849,450		0	64
	STRATEGIC HEALTH INTERVENTIONS-0401054510	6,647,630		270,782		0	4
	PUBLIC HEALTH PROMOTION AND NUTRITION SERVICES-0405034510	25,230,000	-	2,390,795		0	9
	Sub Total	**143,677,630**	**842,200,000**	**29,442,522**	**128,487,608**	15	20
LAIKIPIA COUNTY DEPARTMENT OF HEALTH							
GENERAL ADMINISTRATIVE AND PLANNING SERVICES	HUMAN RESOURCE DEVELOPMENT-0402024510	300,000	-			0	0
	POLICY MANAGEMENT, PUBLIC MOBILISATION AND PARTICIPATION 401044510	9,700,000	-	8,495,849		0	88
	EMERGENCY REFFERAL AND REHABILITATIVE SERVICES 401064510	8,000,000	-	3,723,510		0	47
	Sub-Total	**18,000,000**	**-**	**12,219,359**		0	68
LAIKIPIA COUNTY DEPARTMENT OF HEALTH							
PREVENTIVE HEALTH SERVICES	COMMUNITY HEALTH STRATEGY, ADVOCACY AND SURVEILLANCE-0405044510	35,000,000	-	16,726,000		0	48
	FAMILY PLANNING, MATERNAL, AND CHILD HEALTH SERVICES-0405014510	2,200,000	-	811,750		0	37
	NON-COMMUNICABLE DISEASES CONTROL AND PREVENTION-0405024510	1,650,000	-	1,157,400		0	70
	PUBLIC HEALTH PROMOTION AND NUTRITION SERVICES-0405034510	4,910,000	-			0	0
	TB/HIV/AIDS PREVENTION AND CONTROL-0405054510	1,250,000	-	61,000		0	5
Sub-Total		**45,010,000**	**-**	**18,756,150**		0	42
HEALTH TOTAL		**206,687,630.00**	**842,200,000.00**	**60,418,030.85**	**28,487,608.00**	15	29

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Expenditure		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
DEPARTMENT: AGRICULTURE							
Headquarters	SP1 0103014510 Headquarters Administration Services	4,000,000.00	204,495,842.00	2,063,196.00	26,170,801.30	52	13
	SP1 0103024510 Headquarters Administration Services	4,000,000.00	-	2,025,000.00	-	51	0
Livestock Production	SP2 0104024510 Livestock Resource Development and Management	1,350,000.00	16,000,000.00	604,300.00	-	45	0
Veterinary Services	SP5 0107054510 Animal Health and Disease Management	1,350,000.00	16,500,000.00	973,100.00	-	72	0
Fisheries Production	SP1 0110014510 Fisheries Development and Management	950,000.00	2,090,000.00	667,350.00	-	70	0
Crop Production & Horticulture	SP2 0117024510 Land and Crop Productivity Enhancement and Management	3,000,000.00	19,000,000.00	2,414,700.00	-	80	0
	SP4 1006044510 Climate Change Adaptation & Mitigation	1,350,000.00	38,800,000.00	928,400.00	-	69	0
TOTAL AGRICULTURE		**16,000,000.00**	**296,885,842.00**	**9,676,046.00**	**26,170,801.30**	**4**	**0**
DEPARTMENT: INFRASTRUCTURE							
P3-0103004510-General Administration and Planning Services	SP1 Administration Services-0105014510	9,600,000.00	-	3,865,500.00	-	40	0
P12-0112004510 - Physical Planning and Survey	SP1-0112014510 - Survey and Planning services	4,050,000.00	12,000,000.00	933,000.00	956,250.00	23	8
	SP2-0112024510 - Land management services	-	8,000,000.00	-	-	0	0
P13-0113004510-Land and Housing Management	SP2 Housing Policy Development-0113024510		7,500,000.00	-	-	0	0
P14-0114004510-Public Works Service Delivery Improvement	SP4 County Building Construction Standard-0114044510	1,000,000.00	2,500,000.00	410,500.00	-	41	0
P15-0115004510-Roads Network Improvement Housing and Urban Development	SP1 Road Network improvement-0115014510	2,000,000.00	339,360,000.00	579,500.00	18,000,000.00	29	5
	SP3- Road network maintainance-0115034154	0	265,562,904.00	-	-	0	0
	SP4 Heavy Equipment Maintenance-0115044510	-	35,000,000.00	-	-	0	0
8-0118004510-Renewable /Green Energy Services	SP5-0115054510 - Mechanistion Services	-	90,000,000.00	-	25,525,800.00	0	28
	SP Urban Development-0115094510	-	10,000,000.00	-	-	0	0
	SP1 County renewable/ green energy services-0118014510	20,350,000.00		14,401,200.00	-	71	0
TOTAL INFRASTRUCTURE		**37,000,000.00**	**769,922,904.00**	**20,189,700.00**	**44,482,050.00**	**55**	**6**
DEPARTMENT: EDUCATION							
Administration and planning services							
	502014510 - Administration Services	-	-	-	-		

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Expenditure		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	502024510 - Headquarters Services	2,500,000.00	4,700,000.00	2,147,148.00	2,295,000.00	86	49
	502044510 - Personnel services	1,000,000.00	-	910,200.00	-	91	0
	Sub Total	3,500,000.00	4,700,000.00	3,057,348.00	2,295,000.00	87	49
Early childhood development (ECD) and childcare facilities	501034510 - Education Empowerment	75,000,000.00	-	75,000,000.00	-	100	0
	506014510 - ECDE Infrastructure Improvement	-	44,000,000.00	-	-	0	0
	506034510 - ECDE Teacher Services	1,500,000.00	-	1,425,100.00	-	95	0
	904014510 - Children's institutions support program (CEDC)	1,894,800.00	-	1,823,525.00	-	96	0
	Sub-Total	78,394,800.00	44,000,000.00	78,248,625.00	-	100	0
Youth, Polytechnics, Vocational Training						0	0
	511014510 - Vocational Education and Training	14,500,000.00	20,236,097.00	9,513,400.00	-	66	0
	511044510 – Library	500,000.00	-	81,627.00	-	16	0
Sub Total		**15,000,000.00**	**20,236,097.00**	**9,595,027.00**	**-**	**64**	**0**
TOTAL EDUCATION		**96,894,800.00**	**68,936,097.00**	**90,901,000.00**	**2,295,000.00**	**94**	**3**
DEPARTMENT: TRADE							
P1 Administration, planning and support services							
	301014510-SP1 Administration Service	4,560,000	-	2,576,434	-	57	0
	301044510-SP2 Personnel Services	1,550,000	-	-	-	0	0
Sub Total		**6,110,000**	-	**2,576,434**	-	**42**	**0**
Co-operative Development							0
	0302034510 SP3 Research and Development	2,500,000	-	1,938,579	-	78	0
	302024510-SP2 Co-operative Revolving Fund		3,000,000	-	-	0	0
Sub Total		**2,500,000**	**3,000,000**	**1,938,579**	**-**	0	0
Trade and Investment							
	0304014510- SP1 Market Infrastructure Development	-	19,530,000	-	-	0	0
	0304054510-SP5 Industrial Development and Investment Promotion	3,700,000	400,000,000	2,182,000	50,000,000	59	13
Sub Total		**3,700,000**	**419,530,000**	**2,182,000**	**50,000,000**	**59**	**13**
Tourism Development and Promotion					-		0
	0305014510 SP1 Tourism Promotion and Marketing	1,100,000	-	539,700		49	0
	0305024510 SP2 Tourism Infrastructural Development	-	2,300,000	-	-	0	0
Sub Total		**1,100,000**	**2,300,000**	**539,700**	**-**	49	0
TOTAL TRADE		**13,410,000**	**424,830,000**	**7,236,713**	**50,000,000**	**54**	**12**
DEPARTMENT: GENDER							
Administration and planning services	Use of goods and services - 901014510	2,500,000.00	-	2,024,550.00	-	80.98	0

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Expenditure		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Routine Maintenance - Others	-	2,000,000.00	-	-		0
	Sub Total	2,500,000.00	2,000,000.00	2,024,550.00	-	80.98	
Children's institution support programme	Foods, Rations, and other support	805,200.00	3,000,000.00	126,800.00		15.75	
	Sub Total	805,200.00	3,000,000.00	126,800.00	-	1575	0
Culture and Social Services	Cultural events promotion services	1,700,000.00	-	1,567,208.00	-	92..19	0
	Sub Total	1,700,000.00	-	1,567,208.00	-	9219	0
Sports, Talent Development and Social Service	Sports, talent Development and Promotion.	2,794,900.00	26,097.00	394,900.00		14.13	
Sub Total		**2,794,900.00**	**26,097.00**	**394,900.00**	**-**	**14.13**	**0**
TOTAL GENDER		**7,800,100.00**	**5,026,097.00**	**4,113,458.00**	**-**	**52.74**	**0**
DEPARTMENT: WATER							
Water Development	1) 1003014510 Administrative and Planning Services	10,000,000	-	8,492,770	-	85	0
Environment and Natural Resources	1006014510 Solid Waste Management	-	45,600,000	-	26,260,998	0	58
	1006044510 Climate Change Adaptation & Mitigation	7,000,000	93,000,000	-	58,000,178	0	62
TOTAL WATER		**17,000,000.00**	**138,600,000.00**	**8,492,769.95**	**84,261,176.45**	**50**	**61**
DEPARTMENT: NANYUKI MUNICIPALITY							
P3-0103004510-General Administration and Planning Services	SP1 0103014510 Administration Services	37,000,000.00	-	1,100,000.00	-	3	0
P15-0115004510-Roads Network Improvement Housing and Urban Development	SP1-0115014510 Road Network Improvement		82,214,879.00		2,500,000.00	0	3
TOTAL NANYUKI MUNICIPALITY		**37,000,000.00**	**82,214,879.00**	**1,100,000.00**	**2,500,000.00**	**3**	**3**
DEPARTMENT: RUMURUTI MUNICIPALITY							
P3-0103004510-General Administration and Planning Services	SP1 0103014510 Administration Services	2,000,000.00	-	2,000,000.00	-	100	0
P15-0115004510-Roads Network Improvement Housing and Urban Development	SP1-0115014510 Road Network Improvement		5,000,000.00	-	2,500,000.00	0	50
TOTAL RUMURUTI MUNICIPALITY		**2,000,000.00**	**5,000,000.00**	**2,000,000.00**	**2,500,000.00**	**100**	**50**
DEPARTMENT: ASSEMBLY							
General administration support services	Compensation of employees/MCAs	279,598,262.00	-	171,129,746.00		61	
	Other recurrent expenditure	58,631,379.40		41,876,048.77		71	
	County Assembly Staff Car & Mortgage Scheme	-		-			
	Training of staff						
	Sub total	338,229,641.40		213,005,794.77		63	

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Expenditure		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Legislative and oversight	Other recurrent expenditure	205,491,084.60		138,089,003.18		67	
	Trainings	15,624,943.00		2,666,700.00		17	
	Public participation	4,370,400.00		1,248,160.00		29	
	Sub total	225,486,427.60		142,003,863.18		63	
County Assembly infrastructure services	Purchase of Motor Vehicles		10,373,171.00		9,733,170.00		94
	Refurbishment Of Non-Residential Building		34,519,745.00		11,247,845.00		33
	Housing Loans To Public Servants		33,058,015.00		16,500,000.00		50
	Sub total		77,950,931.00		37,481,015.00		48
TOTAL		563,716,069.00	77,950,931.00	355,009,657.95	37,481,015.00	63	48
COUNTY TOTAL		**5,001,701,426**	**3,362,095,080**	**2,962,650,115**	**744,951,599**	**59**	**22**

***Source**: Laikipia County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Rumuruti Administration in the Department of Rumuruti at 100 per cent, Health Mobilisation and Participation in the Department of Health at 88 per cent, and ECDE in the Department of Education at 96 per cent of budget allocation.

3.20.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account.

Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget. The County Government operated 32 accounts with commercial banks, including five accounts for Health Facilities, three accounts for Vocational Training Centres, five accounts for Established Funds, 10 revenue accounts, five special purpose accounts (additional allocations), two imprest accounts, one recurrent operational account and one development operational account.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 0.0 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.20.17 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;

i. There was a high level of pending bills, which amounted to Kshs.1.49 billion as of 31st March 2025. Further, the county Treasury did not adhere to the payment plan for the pending bills.
ii. Use of manual payroll. Personnel emoluments amounting to Kshs.296.35 million were processed through manual payroll, accounting for 13 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
iii. The County Government is using commercial bank accounts, violating Regulation 82(1)(b) of the Public Finance Management (County Governments) Regulations, 2015, which mandates that such accounts be held at the Central Bank of Kenya. Out of 32 reported commercial bank accounts, the Controller of Budget.

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

i. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*

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ii. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

iii. *The County Treasury should ensure compliance with Regulation 82 of the Public Finance Management (County Governments) Regulations, 2015, regarding the criteria for approval of opening and operating county government entities' bank accounts. A copy of the County Treasury authority for opening these accounts should also be provided to the Controller of Budget.*

3.21. County Government of Lamu

3.21.1 Overview of FY 2024/25 Budget

The Lamu County Gross Approved Budget for FY 2024/25 is Kshs.5.23 billion. It comprises Kshs.2.21 billion (42 per cent) and Kshs.3.08 billion (58 per cent) allocations for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.747.94 million (17 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.1.54 billion and a recurrent budget of Kshs.3 billion. The increase in the budget was attributed to the rise in the equitable shareable revenue from the national government, the revenue raised nationally, additional conditional grants allocation, and improved own-source revenue collection.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.3.36 billion (64 per cent), additional allocations of Kshs.1.16 million (22 per cent), cash balance of Kshs.478.61 million (9 per cent) brought forward from FY 2023/24, and Kshs.290 million (6 per cent) generated as gross own-source revenue. The own-source revenue includes, Kshs.130 million (3 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.160 million (3 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.209.

3.21.2 Revenue Performance

During the review period, the County received Kshs.1.61 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.8.5 million from Kshs.1.60 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.1.61 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.11 million, and its own-source revenue (OSR) collection of Kshs.164.88 billion. In addition, the County had a cash balance of Kshs.478.61 billion from FY 2023/24.

The total OSR collection of Kshs.164.88 million includes Kshs.66.77 million, Facilities Improvement Financing (FIF) of Kshs.98.11 million .OSR collections from the FIF were received from Mpeketoni Sub County Hospital, Witu Health Centre, Lamu County Referral Hospital, and Faza Sub County Hospital, where FIF is collected. Table 3.209 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.209: Lamu County, Revenue Performance in the First Nine Months of FY 2024/25

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally -**	**3,362,798,128**	**1,610,943,309**	**48**
	Subtotal	**3,362,798,128**	**1,610,943,309**	**48**
B	**Additional Allocations**			
1	Roads Maintenance Fuel Levy	134,869,251	-	-
2	DANIDA Grant to finance Primary Health Care in Devolved Context	3,997,000	-	-
3	IDA(World Bank) - Kenya Informal Settlement Improvement Project-II (KISIP II)	28,128,530	-	-
4	AFD- Kenya Informal Settlement Improvement Project II (KISIP II)	282,000,000	-	-
5	IDA (World Bank) Loan for the Food Systems Resilience Project (FSRP)	173,076,923	-	-
6	IDA (World Bank) Kenya Devolution Support Program-II (KDSP II)	37,500,000	-	-

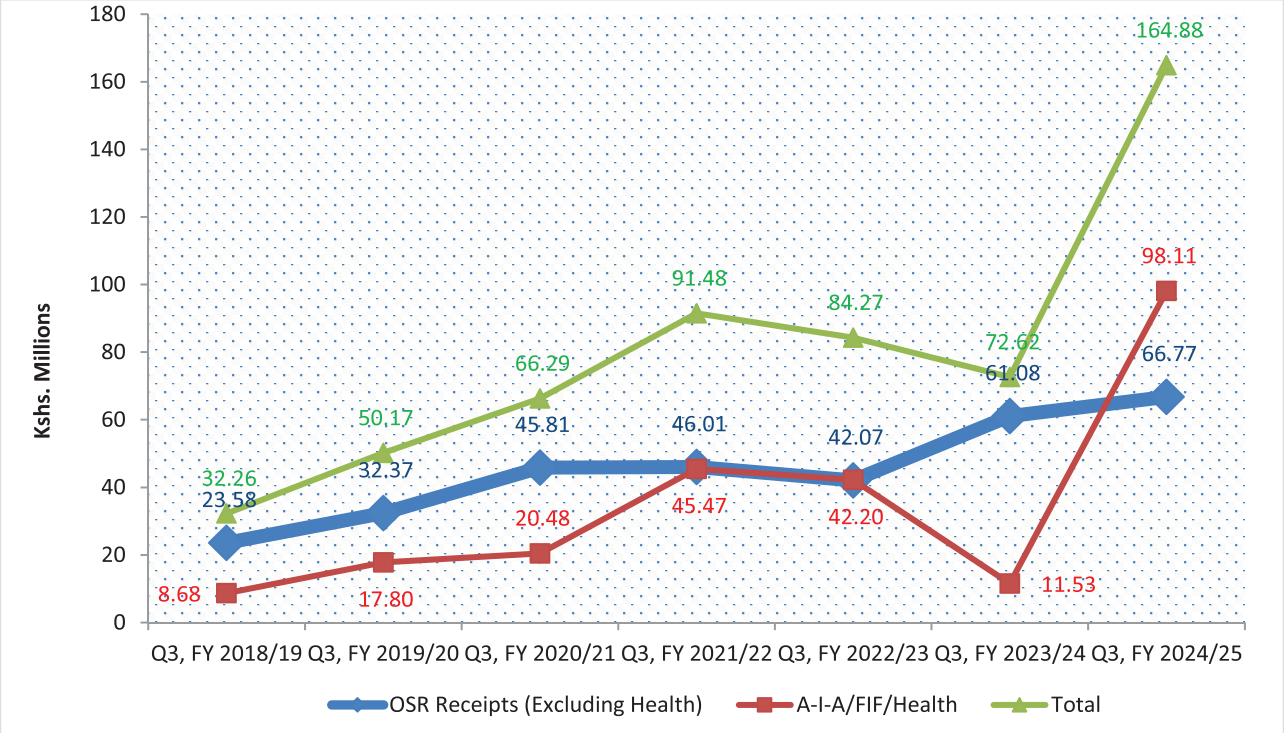
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S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as % of Annual Budget Allocation (%)
7	SWEDE N - Kenya Agricultural Business Development Project (KABD P)	10,918,919	-	-
8	Community Health Promoters (CHPs) Project	14,520,000	-	-
9	DA (World Bank Credit: Kenya Urban Support Project(KUSP)- Urban Development Grant (UDG)	20,547,228	-	-
10	IDA (World Bank) Credit: Kenya Urban Support Project (KU SP)-Urban Institutional Grant (UIG)	35,000,000	-	-
11	Kfw (Germany Development Bank) loan for Co Financing of FLLoCA County Climate Resilience Investment (CCRI)Grant	11,000,000	11,000,000	100
12	IDA (World Bank) loan for the Financing of FLLoCA County Climate Resilience Investment (CCRI) Grant	70,000,000	-	-
13	Balance brought forward FLLoCA	71,075,483	-	-
14	Supplement Construction of County Headquarters	264,732,161	-	-
Subtotal		**1,157,365,495**	**11,000,000**	**1**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	160,000,0000	66,771,243	42
2	Appropriation in Aid (A-I-A)	-	-	-
3	Facility Improvement Fund (FIF)	130,000,000	98,109,428	76
Subtotal		**290,000,000**	**164,880,671**	**57**
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2023/24	478,613,730	478,613,730	100
2	Other Revenues (provide a list)			
Sub-Total				
Grand Total		**5,288,777,353**	**2,265,437,710**	**43**

Source: *Lamu County Treasury*

Figure 79 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 79: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



Source: *Lamu County Treasury*

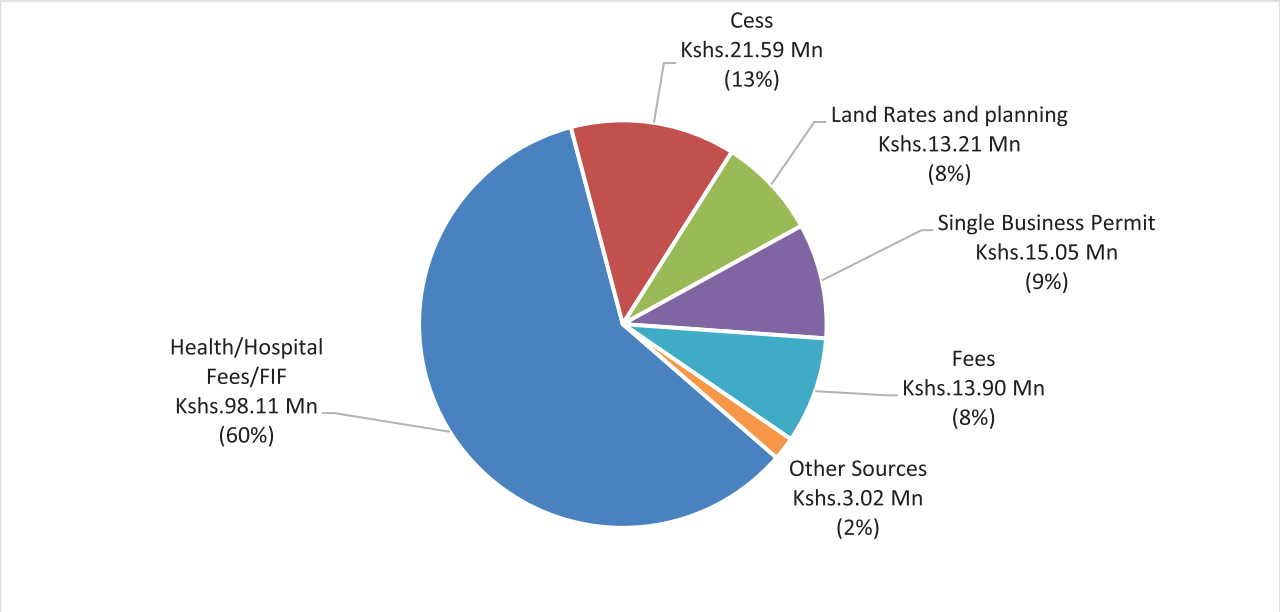
During the review period, the County generated Kshs.164.88 million from its own revenue sources, including AIA and FIF. This amount was an increase of 44 per cent compared to Kshs.72.16 million realised in a similar period in

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FY 2023/24, which was 57 per cent of the annual target and 5 per cent of the equitable revenue share disbursed. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years amounting to Kshs.2.69 million.

The revenue streams which contributed the highest OSR receipts are shown in Figure 80

Figure 80: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



Source: Lamu County Treasury

As shown in Figure 80, the highest revenue stream, Kshs.98.11 million, was from Facility Improvement Financing, which contributed 60 per cent of the total OSR receipts.

3.21.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.2.22 billion from the CRF account comprised Kshs.295.6 million (13 per cent) for development programmes and Kshs.1.93 billion (87 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.1.44 billion was released towards compensation of employees and Kshs.502.11 million for operations and maintenance expenditure.

Analysis of the operations and maintenance exchequer releases indicates that 16 per cent was for domestic travel and 15 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.79.46 million, comprising Kshs.32.34 million for the County Executive and Kshs.47.12 million for the County Assembly. The foreign travel exchequer totalled Kshs.76.09 million, comprising Kshs.348,981 million for the County Executive and Kshs.75.74 million for the County Assembly.

Table 3.210: Lamu County, Budget Allocation and Exchequer Issued by Department

Department	Approved Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Approved Budget Estimates (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	507,472,589	104,500,000	311,427,910	4,498,000	100	100
County Executive and PSM	147,081,596	65,796,810	88,124,604	8,106,058	100	100
Finance, Economy & Strategic Planning	1,813,095,623	10,000,000	1,317,382,747	10,000,000	100	100
Agriculture, Irrigation & Food Security	14,000,000	273,600,000	3,547,840	34,410,906	94	100
Land, Physical Planning, & Urban Development	19,000,000	377,661,174	8,162,181	10,756,324	106	100
Education, Technology, Gender, Youth Affairs, Sports & Social Services	100,000,000	127,115,462	87,668,264	38,068,189	10	100
Medical Services	224,950,000	202,029,526	48,263,746	28,314,503	96	100
Trade, Investment & Tourism	30,980,139	37,139,634	17,801,767	11,602,865	100	100
Climate Change, Information, Communication, E-Government & Citizen Participation	11,320,000	24,487,461	3,094,466	1,500,000	100	100

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Department	Approved Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Approved Budget Estimates (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Fisheries, Blue Economy, Livestock, Veterinary & Cooperative Development	7,070,450	50,000,000	788,870	22,997,055	100	100
County Public Service Board	10,425,000	-	4,436,180	-	100	-
Water & Energy	58,000,000	129,145,791	25,954,656	47,508,898	100	100
Public Health, Environment And Sanitation	35,086,260	172,744,059	5,133,765	23,000,000	140	100
Budget And Economic Planning	6,000,000	-	2,108,225	-	100	-
Road, Transport, Infrastructure & Public Works	6,000,000	232,438,138	657,140	20,335,623	100	100
Lamu Municipality	45,203,110	92,144,270	3,147,151	24,083,736	100	100
Devolutions, Disaster And Resource Mobilisation	47,058,100	307,232,161	4,437,684	10,419,397	100	100
Total	**3,082,742,867**	**2,206,034,486**	**1,932,137,196**	**295,601,554**	**100.0**	**100**

***Source**: Lamu County Treasury*

The areas where the absorption exceeds 100 per cent result from funds held at the Special Purpose Account. As of March 31, 2025, the County Government's cash balance in the CRF account was Kshs.268.03 million.

3.21.4 County Expenditure Review

The County spent Kshs.2.23 billion on development and recurrent programmes during the reporting period. The expenditure represented 100 per cent of the total funds released by the CoB and comprised Kshs.295.6 billion and Kshs.1.93 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 13 per cent, while recurrent expenditure represented 63 per cent of the annual recurrent expenditure budget.

3.21.5 Settlement of Pending Bills

As of June 30, 2024, the county reported pending bills totalling Kshs.49.12 billion, including Kshs.49.12 million from the County Executive. The pending bills from the County Executive consist of Kshs.23.81 million for recurrent expenditures and Kshs.25.31 million for development expenditures.

As of March 31, 2025, the outstanding bills totalled Kshs.49.12 billion, all of which were for the County Executive, as the County Assembly had no pending bills.

3.21.6 Expenditure by Economic Classification

The County Executive allocated Kshs.1.3 billion for employee compensation, Kshs.316.6 million for operations and maintenance, and Kshs.291.1 million for development activities. Similarly, the County Assembly spent Kshs.132.27 million on employee compensation, Kshs.179.16 million on operations and maintenance, and Kshs.4.5 million on development activities, as shown in Table 3.211.

Table 3.211: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**2,575,743,867**	**507,000,000**	**1,620,709,284**	**311,427,911**	**63**	**61**
Compensation to Employees	1,782,299,990	224,898,800	1,304,112,673	132,268,601	73	59
Operations and Maintenance	793,443,877	282,101,200	316,596,611	179,159,310	40	64
Development Expenditure	2,101,534,486	104,500,000	291,103,554	4,498,000	14	4
Total	**4,677,278,353**	**611,500,000**	**1,911,812,838**	**315,925,911**	**41**	**52**

***Source**: Lamu County Treasury*

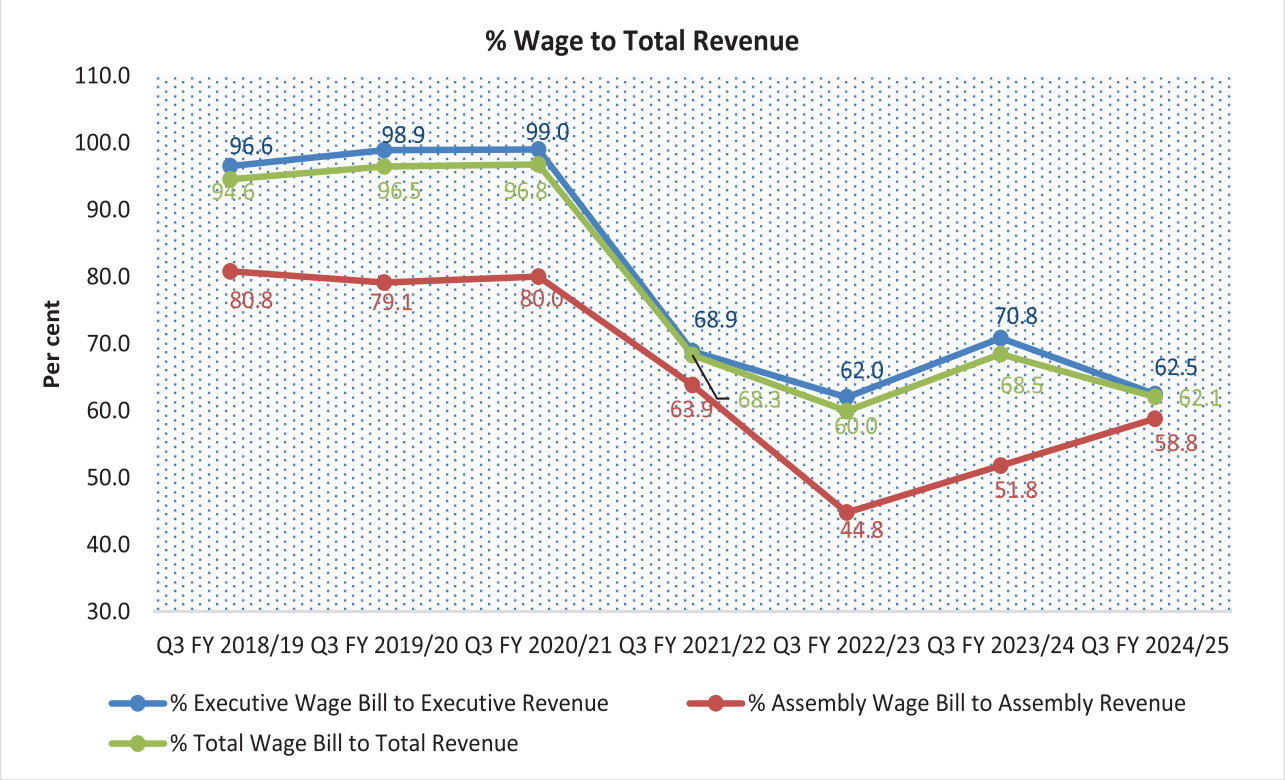
3.21.7 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.1.44 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 62.5 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.1.30 billion reported during the same period in FY 2023/24. Of this total, Kshs.790.88 million was allocated to Health Sector employees, which accounts for 55 per cent of the overall employees' compensation.

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Figure 81 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 81: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



Source: *Lamu County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.25 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.190.29 million was processed through manual payrolls, which accounted for 13 per cent of the total PE cost.

The manual payrolls comprised salaries for 576 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 4,558 casual staff, top-up allowances for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.212.

Table 3.212: Breakdown of Lamu County Manual Payroll

S/no.	Description of Manual Payroll	Amount Kshs.
1	Salaries for 576 staff are yet to be on boarded into HRIS	49,682,353
2	Salaries for 4,558 casual staff	80,082,868
3	Top-up Allowances for 6 security officers	1,195,128
4	LAPTRUST/LAPFUND Pension Contributions	75,028
5	Gratuity for contract staff	59,256,943
	Total	**190,292,320**

Source: *Lamu County Treasury*

The County Assembly spent Kshs.11.56 million on committee sitting allowances for the 20 MCAs against the annual budget allocation of Kshs.25.04 million. The average monthly sitting allowance was Kshs.64,205 per MCA. The County Assembly has 17 House Committees.

3.21.8 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. In FY 2024/25, the County allocated Kshs.139.71 million to County-established funds, constituting 3 per cent of the County's overall budget. Furthermore, the County allocated Kshs.12.77 million to the Emergency Fund (0.2 per cent of the total budget), in line with Section 110 of the PFM Act 2012. Table 3.213 summarises each established Fund's budget allocation and performance during the reporting period.

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Table 3.213: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Half Financial Statements (Yes/No.)
	County Executive Established FundsYes					
1	Emergency Fund	12,773,006.00	5,000,000	10,126,344.00	5,000,000	Yes
2	Bursary Fund	82,334,948.00	79,422,308.00	58,007,390.00	79,422,308.00	Yes
3	Fisheries Revolving Fund	2,759,563.00	-		-	Yes
4	Housing Fund	35,628,352.00	-		-	Yes
5	Disability Fund	987,802.00	-	971,130.00	-	Yes
6	Youth Fund	3,579,346.00	-	3,577,480.00	-	Yes
7	Women Fund	1,649,158.00	-	1,635,680.00	-	Yes
	Total	**139,712,175.00**	**84,422,308.00**	**74,318,024.00**	**84,422,308.00**	

Source: *Lamu County Treasury*

During the reporting period, the CoB received quarterly financial reports from the seven fund administrators, as indicated in Table 3.213, contrary to the requirement of Section 168 of the PFM Act, 2012.

3.21.9 County Corporations

The County has established one county corporation and allocated Kshs.10 million to the corporation through its parent department. Their total expenditure in the first nine months amounted to Kshs.10 Million, as shown in Table 3.214.

Table 3.214: Performance of County Corporations

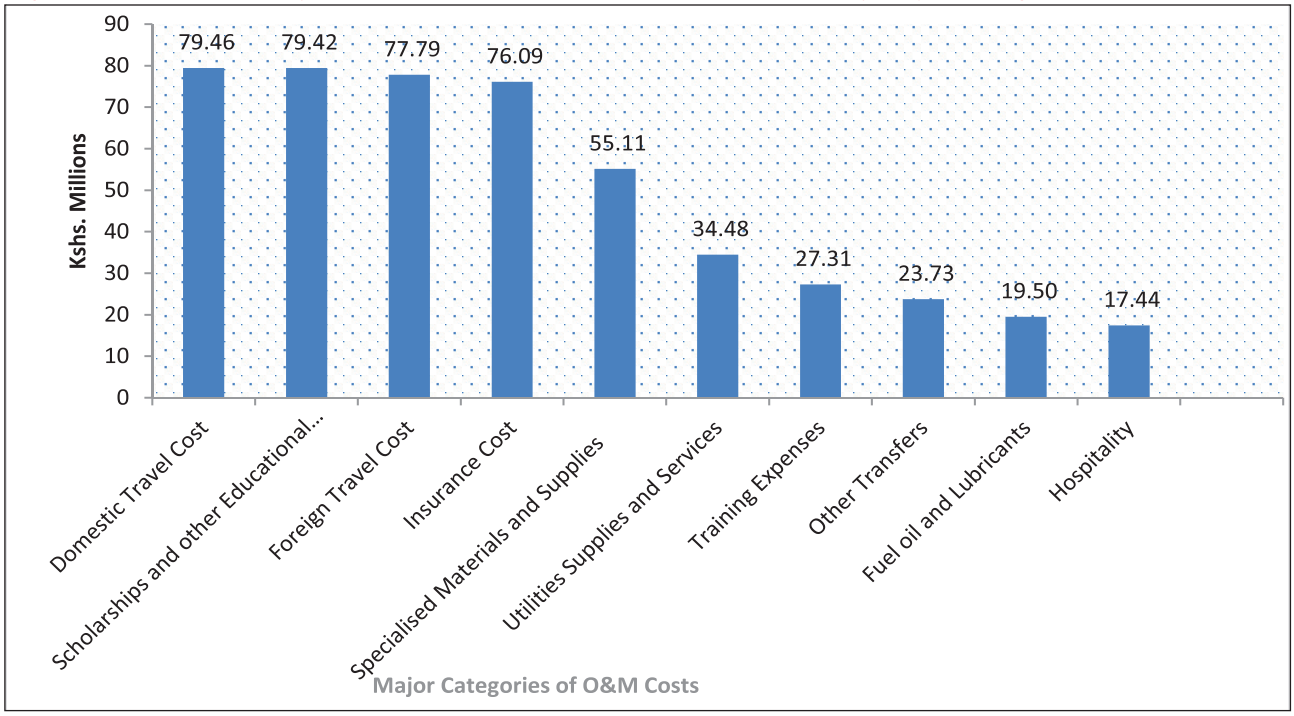
S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Lawasco	Water Department	10,000,000	10,000,000	10,000,000
	Total		10,000,000	10,000,000	10,000,000

Source: *Lamu County Treasury*

3.21.10 Expenditure on Operations and Maintenance

Figure 82 summarises the Operations and Maintenance expenditure by major categories.

Figure 82: Lamu County, Operations and Maintenance Expenditure by Major Categories



Source: *Lamu County Treasury*

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Expenditure on domestic travel amounted to Kshs.79.46 million, comprising Kshs.47.12 million spent by the County Assembly and Kshs.32.34 million by the County Executive. Expenditure on foreign travel amounted to Kshs.76.09 million and comprised Kshs.75.74 million by the County Assembly and Kshs.348,981 by the County Executive. Expenditure on foreign travel is summarised in Table 3.215.

Table 3.215: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	14	7th-20th September 2024	Attend the role of the Legislature in Influencing Government Policies Program	Dubai	14,146,860.00
County Assembly	12	11th-25th January 2025	Attend Capacity Building Training on Parliamentary Practices and Procedure	Dubai	12,002,900.00
County Assembly	9	8th-22nd March 2025	Attend Capacity Building Training on Legislative Practices and Management Responsibility	Dubai	9,302,020.00
County Assembly	7	4th-15th November 2024	Attend Capacity Building Training on Public Policy Designing and Management Program	Dubai	7,289,100.00
County Assembly	6	30th Nov- 15th Dec 2024	Attend the Role of Legislation in Audit Committee Programme	Dubai	6,095,180.00
County Assembly	5	1st-14th September 2024	Attend the Governance Audit Program	Dubai	5,219,760.00
County Assembly	7	7th-20th September 2024	Attend Leadership and Policy Implementation Program	Tanzania	4,169,480.00
County Assembly	3	19th-30th August 2024	Attend Ethical Leadership Program	Dubai	3,030,170.00
County Assembly	3	16th November -01st December 2024	Attend the Legislative Public Financial Management and Budgeting programme hosted by ESAMI	Dubai	3,019,490.00
County Assembly	1	26th July- 12th August 2024	Attend the Paris 2024 Olympics	France	1,209,780.00

***Source**: Lamu County Assembly*

3.21.11 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.98.11 million as FIF, which was 75.5 per cent of the annual target of Kshs.130 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The expenditure by health facilities amounted to Kshs.57.63 million, as shown in Table 3.216.

Table 3.216: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Mpeketoni Sub County Hospital	21,776,132	20,047,155	92
	Witu Health Centre	2,982,565	2,634,686	88
	Lamu County Referral Hospital	37,045,044	32,906,057	89
	Faza Sub-County Hospital	3,359,900	2,039,730	61
	Total	**65,163,641**	**57,627,628**	**88**

***Source:** Lamu County Treasury*

The Health Facility with the highest absorption rate was Mpeketoni Sub-County Hospital.

3.21.12 Development Expenditure

In the review period, the County reported spending Kshs.295.6 million on development programmes, representing a decrease of 22.3 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.380.38 million.

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Table 3.217 summarises development projects with the highest expenditure in the reporting period.

The decline in development expenditure was attributed to the delay in disbursement of funds from the National Treasury, which reduced development spending.

Table 3.217: Lamu County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Implementation status (%)
1.	Trade, Investment, Culture and Tourism	Cabro paving at Hongwe Market	Hongwe Ward	5,000,000	4,980,095	100
2	Information, Communication and E-Government	Construction of Information Centre	Countywide	1,500,000	1,500,000	100
3	Infrastructure and Energy	Cabro paving at ATC	Bahari Ward	2,000,000	1,948,104	97
	Infrastructure and Energy	Cabro/Concrete paved walkways in Ndau	Kiunga Ward	10,000,000	9,674,469	97
4	Infrastructure and Energy	Cabro Paving at Hindi Town	Hindi Ward	10,000,000	8,713,050	87
5	County Executive	Parking and walkways at the command centre	Hindi Ward	5,796,810	4,998,420	86
6	Agriculture and Planning	Renovation of Agriculture Training Centre	Bahari Ward	5,000,000	2,995,306	60

Source: *Lamu County Treasury*

3.21.13 Budget Performance by Department

Table 3.218 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.218: Lamu County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	507.47	104.50	311.43	4.50	311.43	4.50	100	100	61	4.3
County Executive and PSM	147.08	65.80	88.12	8.11	88.12	8.11	100	100	60	12
Finance, Economy & Strategic Planning	1813.10	10.00	1317.38	10.00	1317.38	-	100.0	-	73	-
Agriculture, Irrigation & Food Security	14.00	273.60	3.55	34.41	3.33	44.41	94	100	23	16
Land, Physical Planning, & Urban Development	19.00	377.66	8.16	10.76	8.67	10.76	106	100	46	3
Education, Technology, Gender, Youth Affairs, Sports & Social Services	100.00	127.12	87.67	38.07	87.38	38.07	100	100	87	29
Medical Services	224.95	202.03	48.26	28.31	46.21	28.31	96	100	20	14
Trade, Investment & Tourism	30.98	37.14	17.80	11.60	17.80	11.60	100	100	58	31
Climate Change, Information, Communication, E-Government & Citizen Participation	11.32	24.49	3.09	1.50	3.09	1.50	100	100	27	6
Fisheries, Blue Economy, Livestock, Veterinary & Cooperative Development	7.07	50.00	0.79	23.00	0.79	23.00	100	100	11	46
County Public Service Board	10.43	0.00	4.44	0.00	4.44	0.00	100	-	43	-
Water & Energy	58.00	129.15	25.95	47.51	25.94	47.51	100	100	45	37
Public Health, Environment and Sanitation	35.09	172.74	5.13	23.00	7.20	23.00	140	100	21	21
Budget and Economic Planning	6.00	0.00	2.11	0.00	2.11	0.00	100.0	-	35	-

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Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption Rate	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Road, Transport, Infrastructure & Public Works	6.00	232.44	0.66	20.34	0.66	20.34	100.0	100	11	9
Lamu Municipality	45.20	92.14	3.15	24.08	3.15	24.08	100.0	100	7	26
Devolutions, Disaster and Resource Mobilisation	47.06	307.23	4.44	10.42	4.44	10.42	100.0	100	9.4	3.4
Total	**3082.74**	**2206.03**	**1932.14**	**295.60**	**1932.14**	**295.60**	**100.0**	**100**	**63**	**13**

***Source**: Lamu County Treasury*

Analysis of expenditure by departments shows that the Department of Fisheries and Blue Economy recorded the highest absorption rate of development budget at 46 per cent, followed by the Department of Water at 36.8 per cent. The Department of Education had the highest percentage of recurrent expenditure to budget at 87.4 per cent, while Lamu Municipality had the lowest at 7 per cent.

3.21.14 Budget Execution by Programmes and Sub-Programmes

Table 3.219 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.219: Lamu County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Program	Description	Approved budget Estimates(Kshs)		Actual Expenditure (Kshs.)		Absorption Rate(%)	
			Rec	Dev	Rec	Dev	Rec	Dev
COUNTY ASSEMBLY								
General Administration and Planning		Administration Services	255,997,689		169,066,177	-	66	-
Legislation, Representation and Oversight			251,474,900	104,500,000	142,361,734	4,498,000	57	4
Sub Total			**507,472,589**	**104,500,000**	**311,427,911**	**4,498,000**	**61**	**4**
COUNTY EXECUTIVE								
0703003212	0703013210	Administration Services	147,081,596	65,796,810	88,124,604	8,106,058	60	12
Sub Total			**147,081,596**	**65,796,810**	**88,124,604**	**8,106,058**	60	12
FINANCE								
0711003213	0711013210	Administration Services	1,798,279,880	-	1,311,929,695	-	73	-
0712003213	0712043210	Procurement	1,250,000	-	4,317,356	-	345	-
	0712023210	Resource mobilisation	11,062,250	5,000,000	306,055	-	3	-
	0712053210	Public Finance & Accounting	1,505,493	5,000,000	494,839	-	33	-
	0712033210	Internal Audit	998,000	-	334,800	-	34	-
Sub Total			**1,813,095,623**	**10,000,000**	**1,317,382,745**	-	73	-
AGRICULTURE AND PLANNING								
0116003214	0116013210	Agricultural Extension Research & Training	9,450,000	-	2,004,230	-	21	-
	0116053210	Training & Accomodation	-	5,000,000	-	2,995,306	-	60
	0116023210	Promotion of Mechanised Agriculture	-	25,000,000	-	-	-	
	0116083210	Provision of Relief seeds to vulnerable farmers	-	45,000,000	-	26,415,600	-	
	0116033210	Promotion of Agro Processing & Value Addition Technologies	4,350,000	188,995,842	1,324,910	5,000,000	30	
0117003214	0117023210	Irrigated Farming	-	10,000,000	-	10,000,000	-	
Sub Total			**13,800,000**	**273,995,842**	**3,329,140**	**44,410,906**	**24**	

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Program	Sub Program	Description	Approved budget Estimates(Kshs)		Actual Expenditure (Kshs.)		Absorption Rate(%)	
			Rec	Dev	Rec	Dev	Rec	Dev
LANDS								
0101003215	0101013210	Administration Services	4,000,000	-	1,165,531	-	29	-
0102003215	0102023210	Physical planning	-	67,532,644	-	10,756,324	-	16
0103003215	0103013210	Housing & Urban Development	-	310,128,530	-	-	-	-
0104003215	0104013210	Infrastructure Development	15,000,000	-	7,500,000	-	50	-
SubTotal			**19,000,000**	**377,661,174**	**8,665,531**	**10,756,324**	46	3
EDUCATION								
0501003216	0501013210	Administration Services	20,000,000	-	7,961,306	-	40	-
0502003216	0502013210	Promotion of Early Childhood Education	-	32,550,000	-	6,411,400	-	20
	0502023210	Bursaries	80,000,000	-	79,422,308		99	-
0503003216	0503013210	Village Polytechnics	-	31,000,000	-	20,058,788	-	65
	0503043210	Youth and Sports	-	20,100,000	-	11,598,000	-	58
	0503023210	Development of Sports facilities	-	5,000,000	-	-	-	-
0504003216	0504023210	Woman Empowerment	-	8,600,000	-	-	-	-
	0504013210	Social Development	-	29,865,461	-	-	-	
Sub Total			**100,000,000**	**127,115,461**	**87,383,614**	**38,068,189**	87	0
MEDICAL SERVICES								
	0401013210	Human Resource & Development	21,450,000	-	12,680,957	-	59	
0402003217	0402043210	SP4 Curative Services	195,100,000	52,807,386	28,602,605	-	15	
	0402013210	Primary Health Care Services	-	1,160,000	-	-	-	

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Program	Sub Program	Description	Approved budget Estimates(Kshs)		Actual Expenditure (Kshs.)		Absorption Rate(%)	
			Rec	Dev	Rec	Dev	Rec	Dev
	0402023210	Hospital Services	-	22,262,140	-	-	-	-
0403003217	0403043210	SP4 Preventive and Promotive Services	8,400,000	125,800,000	4,925,184	28,314,503	59	23
Sub Total			**224,950,000**	**202,029,526**	**46,208,745**	**28,314,503**	21	14
TRADE AND CULTURE								
0301003218	0301013210	Administration Services	5,980,139	-	2,278,624	-	38	-
0302003218	0302023210	Promotion & Marketing	-	2,500,000	-	974,560	-	39
0303003218	0303033210	Market development	-	18,654,517	-	-	-	-
0304003218	0304013210	Cultural Festival	25,000,000	-	15,523,143	-	62	-
	0305023210	SME Development	-	15,985,117	-	10,628,305	-	66
Sub Total			**30,980,139**	**37,139,634**	**17,801,767**	**11,602,865**	57	31
ICT								
0101003219	0101013210	Administration Services	3,320,000	-	2,368,607	-	71	-
	0202023210	Communication & Citizen Participation	1,500,000	-	-	-	-	-
0203003219	0203013210	Networking Infrastructure	6,500,000	24,487,461	725,859	1,500,000	11	6
Sub Total			**11,320,000**	**24,487,461**	**3,094,466**	**1,500,000**	27	6
FISHERIES AND LIVESTOCK								
0106003220	0106013210	Administration, Planning and Monitoring & Evaluation	7,070,450	-	788,870	-	11	

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Program	Sub Program	Description	Approved budget Estimates(Kshs)		Actual Expenditure (Kshs.)		Absorption Rate(%)	
			Rec	Dev	Rec	Dev	Rec	Dev
0109003220	0109013210	Fish farming	-	23,000,000	-	2,997,055	-	13
0111003220	0111013210	Livestock Extension Services	-	1,000,000	-	-	-	-
0112003220	0112013210	Veterinary Service Management	-	26,000,000	-	20,000,000	-	77
Sub Total			**7,070,450**	**50,000,000**	**788,870**	**22,997,055**	11	46
COUNTY PUBLIC SERVICE BOARD								
0709003221	0709013210	Administration Services	4,684,000	-	1,874,374	-	40	-
0710003221	0710053210	Human Resource Management and Development	5,741,000	-	2,561,806	-	45	-
SubTotal			**10,425,000**	-	**4,436,180**	-	43	-
WATER								
0105003223	0105013210	Water management, Conservation & Provision	58,000,000	129,145,791	25,941,949	47,508,898	45	37
Sub Total			**58,000,000**	**129,145,791**	**25,941,949**	**47,508,898**	45	37
PUBLIC HEALTH								
0202003225	0202023210	Communication & Citizen Participation	-	6,000,000	-	-	-	-
0404003225	0404023210	Public Health & licensing	28,380,000	166,744,059	5,455,310	23,000,000	19	
	0404013210	Waste management	3,700,000	-	968,530	-	26	
0501003225	0501013210	Administration Services	3,006,260	-	777,633	-	26	
Sub Total			**35,086,260**	**172,744,059**	**7,201,473**	**23,000,000**	21	
BDUGET AND ECONOMIC PLANNING								
0713003227	0713023210	Budget and Economic Planning	6,000,000	-	2,108,225	-	35	

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Program	Sub Program	Description	Approved budget Estimates(Kshs)		Actual Expenditure (Kshs.)		Absorption Rate(%)	
			Rec	Dev	Rec	Dev	Rec	Dev
Sub Total			**6,000,000**	-	**2,108,225**	-	35	-
INFRASTRUCTURE								
0101003228	0101013210	Administration Services	6,000,000	-	657,140	-	11	-
0104003228	0104013210	Infrastructure Development	-	232,438,138	-	20,335,623	-	9
Sub Total			**6,000,000**	**232,438,138**	**657,140**	**20,335,623**	**11**	**9**
MUNICIPALITY								
0101003229	0101013210	Administration Services	45,203,110	-	3,147,151	-	7	-
0104003229	0104013210	Infrastructure Development	-	92,144,270	-	24,083,736	-	26
Sub Total			**45,203,110**	**92,144,270**	**3,147,151**	**24,083,736**	7	26
DEVOLUTION								
0101003230	0101013210	Administration Services	47,058,100	307,232,161	4,437,684	10,419,397	9	3
Sub Total			**47,058,100**	**307,232,161**	**4,437,684**	**10,419,397**	9	3
Grand Total			**3,082,542,867**	**2,206,430,327**	**1,932,137,195**	**295,601,554**	**63**	**14**

Source: *Lamu County Treasury*

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The sub-programmes with the highest implementation levels based on absorption rates were procurement in the Department of Finance, at over 100 per cent, irrigated farming in the Department of Water, and Bursaries in the Department of Education, at 99 per cent.

3.21.15 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 37 accounts with commercial banks, including five accounts for Health Facilities, ten accounts for Vocational Training Centres, eight accounts for Established Funds, one revenue account, three special-purpose accounts (additional allocations), three accounts for water companies, and three accounts for Salary processing, among other nine commercial bank accounts.

3.21.16 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;

(i) Use of manual payroll. Personnel emoluments amounting to Kshs.190 million for 576 staff yet to be onboarded into HRIS, and 4,558 casual staff were processed through manual payroll, accounting for 13 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

(ii) Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

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

(i) *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

(ii) *The County Treasury should ensure it submits to OCoB copies of authorisation letters for opening commercial bank accounts to enhance accountability and oversight.*

3.22. County Government of Machakos

3.22.1 Overview of FY 2024/25 Budget

The Machakos County Gross Approved Supplementary I FY 2024/25 budget is Kshs.15.63 billion. It comprises Kshs.4.80 billion (31 per cent) and Kshs.10.83 billion (69 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.949.88 million (6 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.5.91 billion and a recurrent budget of Kshs.10.67 billion. The decrease in the budget was attributed to a decrease of Kshs.672.15 million on balance brought forward, Kshs.209.92 million on own source revenue, Kshs.321 million on FIF, Kshs.100 million on other revenues, and Kshs.13.52 million CGAAA 2024 ceilings/conditional grants. The County's Net Approved Supplementary I Budget (gross budget less AIA estimates) is Kshs.15.63 billion, which consists of Kshs.10.83 billion for recurrent and Kshs.4.80 billion for development.

The budget will be financed from different sources of revenue. These include Kshs.9.91 billion (63 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.45 billion (9 per cent) as additional allocations, a cash balance of Kshs.783.85 million (5 per cent) brought forward from FY 2023/24, and Kshs.3.48 billion (22 per cent) generated as gross own-source revenue. The own source revenue includes Kshs.687.0 million (20 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.2.79 billion (80 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.220.

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3.22.2 Revenue Performance

In the review period, the County received Kshs.7.58 billion in revenues to fund its development and recurrent activities. This amount represents a decrease of Kshs.463.98 million from Kshs.8.05 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.5.57 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.52.63 million, and its own-source revenue (OSR) Kshs.1.18 billion. In addition, the County had a cash balance of Kshs.783.85 million from FY 2023/24.

The total OSR collection of Kshs.1.18 billion includes Facilities Improvement Financing (FIF) of Kshs.170.39 million and Kshs.1.01 billion from other OSR sources. OSR collections from the FIF were received from Machakos, Kangundo, Kathiani, Matuu, Mwala, Athi River, Kimiti, Masinga, Ndithini, Kalama, Mutitini, Masii and other Level 3, where FIF is collected. Table 3.220 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.220: Machakos County, Revenue Performance in the First Nine Months of FY 2024/25

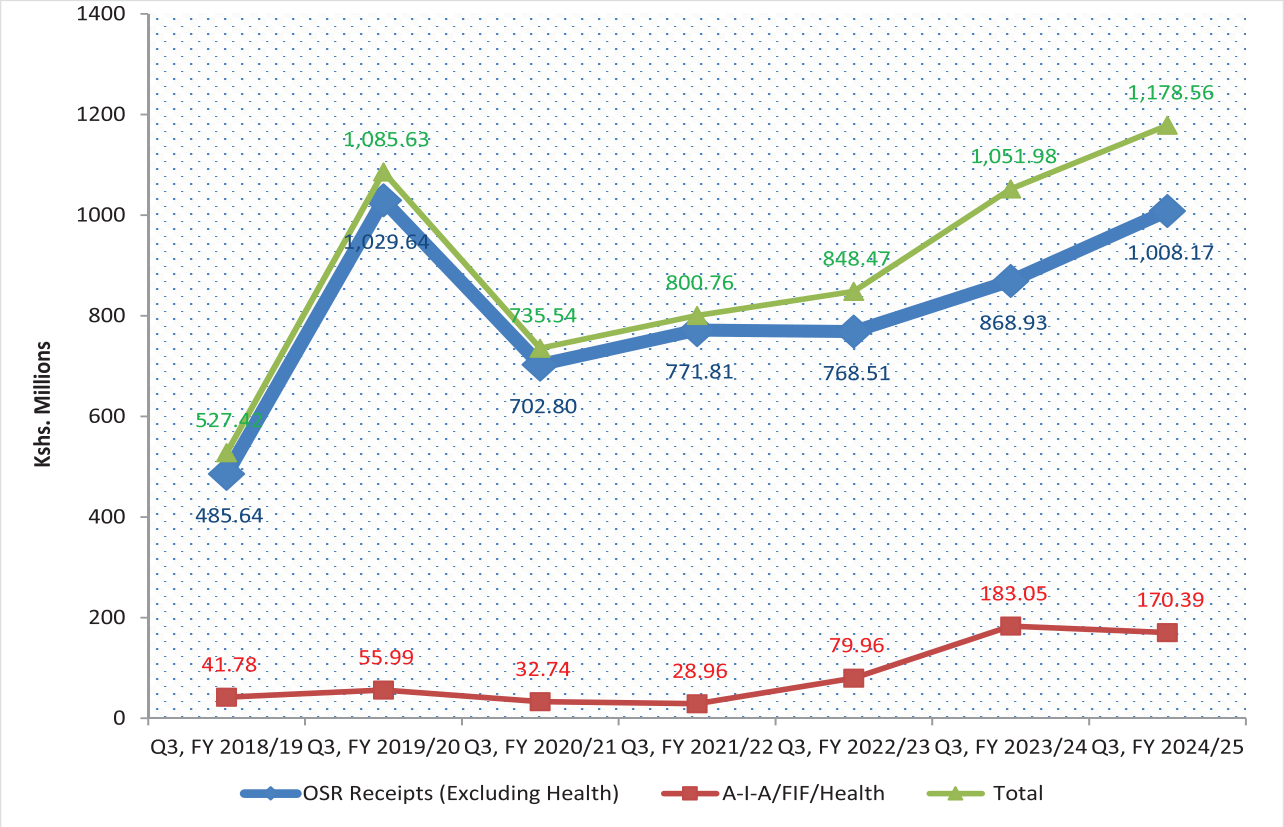
S/No.	Revenue Category	Annual Budget Allocation (Kshs.)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	9,914,003,936	5,566,389,305	56
Subtotal		**9,914,003,936**	5,566,389,305	**56**
B	**Additional Allocations/Conditional Grants**			
1	Court Fines	1,617,189	-	-
2	Mineral Royalties	91,029	-	-
3	Equalization Fund	12,923,347	-	-
4	Community Health Promoters Project	83,250,000	-	-
5	Road Maintenance Fuel Levy (RMFL)	314,847,146	-	-
6	Aggregated Industrial Parks Programme	191,555,385	52,631,579	28
7	Kenya Urban Support Project-Urban Development Grant (UDG)-World Bank	179,392,140	-	-
8	Kenya Urban Support Project- Urban Institutional Grant (UIG)-World Bank	35,000,000	-	-
8	Kenya Devolution Support Program (KDSP I)	58,417,280		
10	Kenya Devolution Support Program (KDSP II)	37,500,000	-	-
11	Primary Healthcare in Devolved Context (DANIDA)	12,250,425	-	-
12	Emergency Locust Response Project (ELRP)	104,600,000	-	-
13	Kenya Agricultural Business Development Project-Sweden	10,918,919	-	-
14	Aquaculture Business Development Project (IFAD)	12,262,438	-	-
15	Financing Locally Led Climate Change Action (FLLoCA) Program- County Climate Resilience Investment- World Bank	234,440,930	-	-
16	FLLoCA County Climate Institutional Support - World Bank	11,000,000	-	-
17	National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	-	-
Sub-total		**1,451,581,380**	**52,631,579**	**4**
C	**Own Source Revenue**			
11	Ordinary Own Source Revenue	2,788,961,508	1,008,171,506	36
12	Appropriation in Aid (A-I-A)	-	-	-
13	Facility Improvement Fund (FIF)	687,000,000	170,392,043	25
Sub-total		**3,475,961,508**	**1,178,563,549**	**34**
D	**Other Sources of Revenue**			
11	Unspent balance from FY 2023/24	783,851,812	783,851,812	100
12	Other revenues (provide list)			
Sub Total		783,851,812	783,851,812	100
Grand Total		**15,625,398,636**	**7,581,436,245**	**49**

Source: *Machakos County Treasury*

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Figure 83 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 83: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25

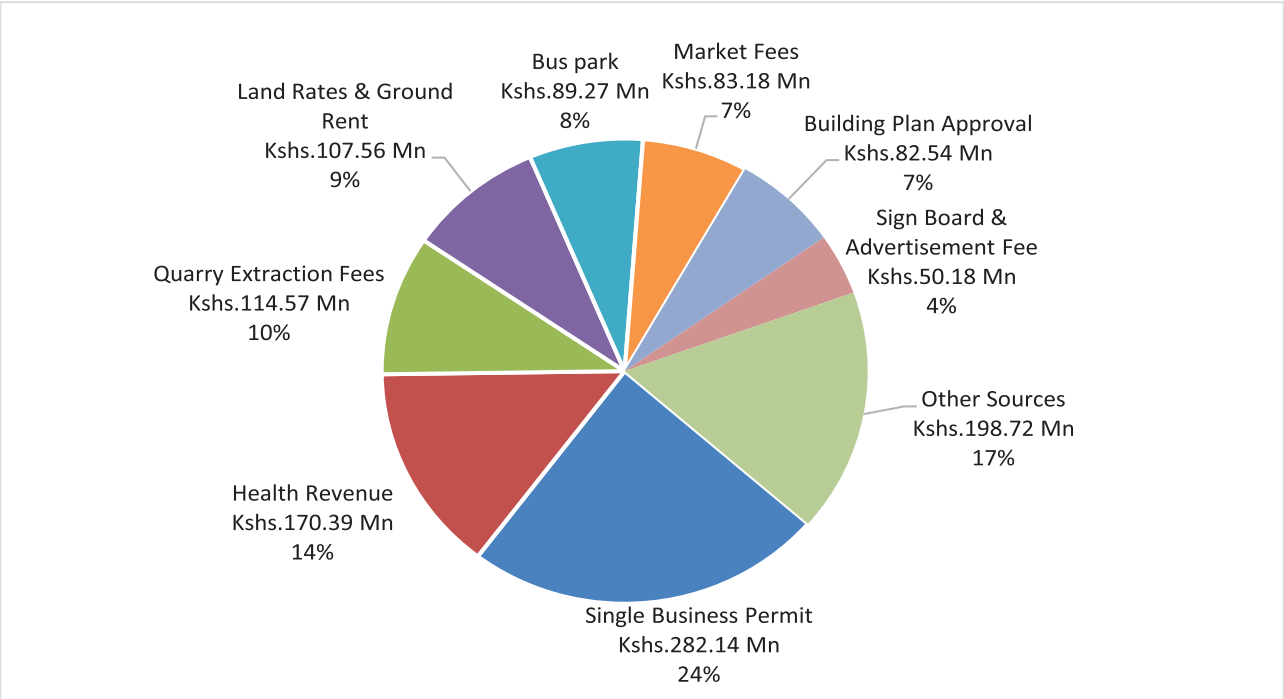


Source: *Machakos County Treasury*

During the review period, the County generated Kshs.1.18 million from its own revenue sources, including FIF. This amount was an increase of 12 per cent compared to Kshs.1.05 billion realised in a similar period in FY 2023/24 and was 34 per cent of the annual target and 21 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 84.

Figure 84: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



Source: *Machakos County Treasury*

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As shown in Figure 84, the highest revenue stream, Kshs.282.14 million, was from the Single Business Permits, contributing 24 per cent of the total OSR receipts. The County Government has automated all the revenue streams.

3.22.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.7.28 billion from the CRF account comprised Kshs.1.23 billion (17 per cent) for development programmes and Kshs.6.05 billion (83 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.4.18 billion was released towards compensation of employees and Kshs.1.88 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, which do not include the February 2025 and March 2025 exchequer requests for the County Executive and County Assembly due to a lack of exchequer disbursement by the National Treasury.

Analysis of the operations and maintenance exchequer releases indicates that 12 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.220.94 million, including Kshs.83.27 million for the County Executive and Kshs.137.67 million for the County Assembly. The foreign travel exchequer totalled Kshs.25.92 million, comprising Kshs.2.34 million for the County Executive and Kshs.23.58 million for the County Assembly.

Table 3.221: Machakos County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor	797.35	53.31	253.22	3.71	32	7
County Public Service Board	38.01	18	29.60	-	78	-
Roads, Transport and Public Works	277.32	1,012.61	129.77	311.58	47	31
County Assembly	1,114.31	174.40	566.20	3.95	51	2
Agriculture, Food Security and Co-operative Development	277.24	455.39	164.15	68.85	59	15
Health Services & Emergency Services	4,347.64	607.58	2,585.60	111.51	59	18
Water, Irrigation, Environment and Climate Change	163.60	664.09	71.14	58.85	43	9
Finance, Economic Planning & Revenue Management	1,156.83	724.26	582.32	444.34	50	61
Gender, Youth, Sports & Social Welfare	143.97	306.69	92.44	22.24	64	7
Trade, Industry, Tourism & Innovation	156.58	272.14	127.02	107.65	81	40
Education	762.57	105.79	309.25	37.73	41	36
Lands, Urban Development, Housing & Energy	251.20	345.76	168.64	56.97	67	16
Devolution	1,252.35	59.56	926.94	-	74	-
Office of the County Attorney	86.85	-	47.22	-	54	-
	10,825.82	**4,799.58**	**6,053.51**	**1,227.37**	**56**	**26**

***Source**: Machakos County Treasury*

As of 31 March 2025, the County Government's cash balance in the CRF account was Kshs.104.73 million.

3.22.4 County Expenditure Review

The County spent Kshs.8.54 billion on development and recurrent programmes in the reporting period. The expenditure represented 117.3 per cent of the total funds released by the CoB and comprised Kshs.1.35 billion and Kshs.7.19 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 28.2 per cent, while recurrent expenditure represented 66.4 per cent of the annual recurrent expenditure budget.

3.22.5 Settlement of Pending Bills

The County reported pending bills totalling Kshs.5.93 billion as of 30th June 2024. This amount included Kshs.5.80 billion from the County Executive and Kshs.128.31 million from the County Assembly. The pending bills from the County Executive consist of Kshs.3.74 billion for recurrent expenditures and Kshs.2.05 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.1.29 billion, comprising Kshs.806.84 million for recurrent programmes and Kshs.486.89 million for development programmes.

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On the other hand, the County Assembly settled pending bills worth Kshs.4.35 million, which was for recurrent activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.1.50 billion and Kshs.31.73 million, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.1.29 billion for the Executive and Kshs.4.35 million for the Assembly.

As of 31 March 2025, the outstanding bills amounted to Kshs.4.63 billion, comprising Kshs.4.51 billion for the County Executive and Kshs.123.96 million for the County Assembly.

3.22.6 Expenditure by Economic Classification

The County Executive spent Kshs.4.88 billion on employee compensation, Kshs.1.71 billion on operations and maintenance, and Kshs.1.35 billion on development activities. Similarly, the County Assembly spent Kshs.411.38 million on employee compensation, Kshs.194.07 million on operations and maintenance, and Kshs.2.01 million on development activities, as shown in Table 3.222

Table 3.222: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	9,711,507,086	1,114,313,264	6,583,424,543	605,454,726	68	54
Compensation to Employees	6,218,680,369	379,601,743	4,877,539,670	411,382,175	78	108
Operations and Maintenance	3,492,826,717	734,711,521	1,705,884,873	194,072,551	49	26
Development Expenditure	4,625,178,286	174,400,000	1,351,290,809	2,012,906	29	1
Total	**14,336,685,372**	**1,288,713,264**	**7,934,715,352**	**607,467,632**	**55**	**47**

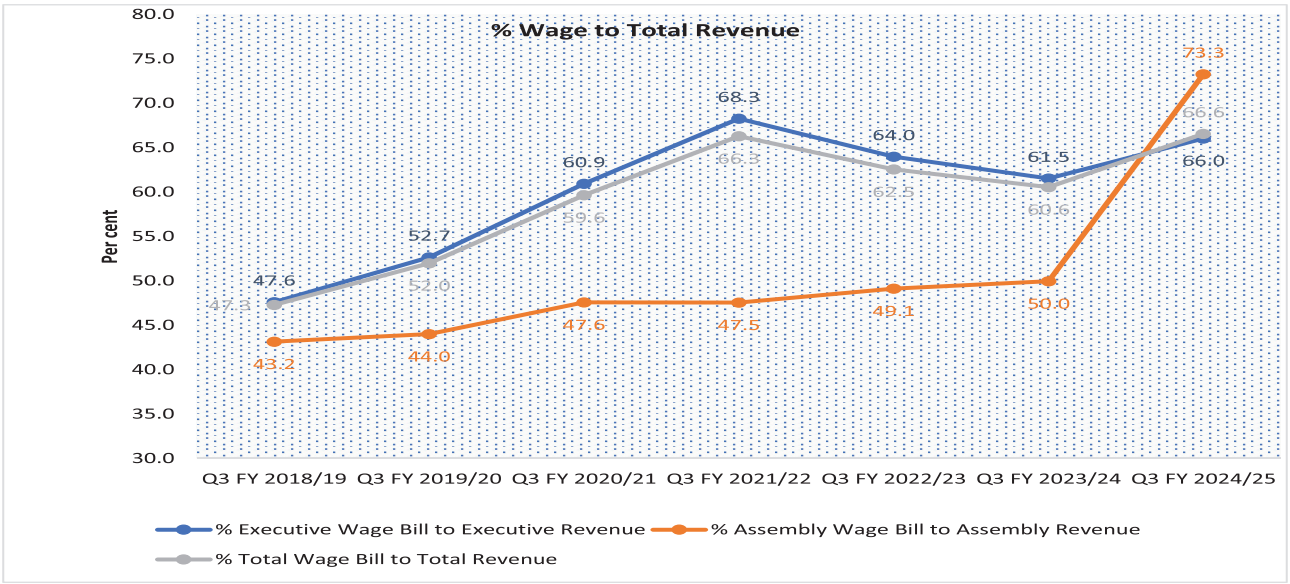
***Source**: Machakos County Treasury*

3.22.7 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.5.29 billion. The total revenue, excluding the earnings from extractive natural resources, is Kshs.1.03 billion. Consequently, the percentage of this adjusted revenue to the employee compensation is 19 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.5.06 billion reported during the same period in FY 2023/24. Of this total, Kshs.2.67 billion was allocated to Health Sector employees, which accounts for 50.4 per cent of the overall employees' compensation.

Figure 85 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 85: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: Machakos County Treasury*

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Further analysis indicates that PE costs amounting to Kshs.5.18 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.108.64 million was processed through manual payrolls, which accounted for 2.1 per cent of the total PE cost.

The manual payrolls comprised salaries for four staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 180 partisan/casual staff, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.223.

Table 3.223: Breakdown of Machakos County Manual Payroll

S/N.	Description of Manual Payroll	Amount Kshs.
1	Salaries for New staff are yet to be onboarded into HRIS	1,471,280
2	Salaries for MCA are yet to be onboarded into HRIS	2,356,388
3	Salaries for ward staff not on HRIS	39,062,829
4	LAPTRUST/LAPFUND Pension Contributions for new Staff	101,061
5	Gratuity for contractual staff	5,205,470
6	Gratuity for MCAs	19,672,473
7	Gratuity for CASB 4th & 5th Members	899,000
8	Gratuity for Ward Staff	10,147,155
9	Salaries for CASB(4th & 5th Members)	964,144
10	Audit Committee Sitting Allowances	185,245
11	Salary Advances	1,310,000
12	NITA	73,200
13	Fringe Benefit Taxes	8,219,520
14	Claimable Mileages	18,968,025
	Total	**108,636,140**

Source: *Machakos County Assembly*

The County Assembly spent Kshs.26.34 million on committee sitting allowances for the 61 MCAs against the annual budget allocation of Kshs.50 million. The average monthly sitting allowance was Kshs.47,984 per MCA. The County Assembly has 25 House Committees.

3.22.8 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.303.58 million to County-Established funds in FY 2024/25, or 2 per cent of the County's overall budget. Further, the County did not allocate funds to the Emergency Fund as required by Section 110 of the PFM Act, 2012. Table 3.224 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.224: Performance of County Established Funds in the First Nine Months of FY 2024/25

No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
	County Executive Established Funds						
1	Machakos County Education Bursary Fund	2014	120,000,000	-	12,265	680,251,016	Yes
2	Machakos County Executive Mortgage & Car Loan Scheme	2015	-	-	-	96,000,000	Yes
3	Machakos County Climate Fund	2021	163,584,159	11,000,000	93,464,309	444,329,453	Yes
	County Assembly Established Funds						
4	Machakos County Housing & Car Loan Scheme Fund – MCA	2014	-	-	13,578,193	386,000,000	Yes
5	Machakos County Housing & Car Loan Scheme Fund – Staff	2018	20,000,000	-	8,544,427	273,000,000	Yes
	Total		**303,584,159**	**11,000,000**	**115,599,194**	**1,879,580,469**	

Source: *Machakos County Treasury*

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During the reporting period, the CoB received all the quarterly financial reports from five Funds Administrators, as indicated in Table 3.224, as required by Section 168 of the PFM Act, 2012.

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. During the reporting period, the CoB established that the lifespan of the Machakos County Housing & Car Loan Scheme Fund – MCA, and the Machakos County Education Bursary Fund had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.22.9 County Corporations

The County has established seventeen county corporations. In FY 2024/25, the county allocated 665.58 million to these corporations through parent departments. In the first nine months, there were exchequer issues of Kshs.488.72 million, and the related expenditures to those corporations amounted to Kshs.243.14 million, as shown in Table 3.225

Table 3.225: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Mavoko water and sewerage company	Water, irrigation, environment and climate change	-	-	-
2	Machakos Water and Sewerage Company	Water, irrigation, environment and climate change	-	-	-
3	Kathiani water and sanitation company	Water, irrigation, environment and climate change	-	-	-
4	Matungulu Kangundo and sewerage company	Water, irrigation, environment and climate change	-	-	-
5	Mwala water and sanitation company	Water, irrigation, environment and climate change	-	-	-
6	Yatta water and sanitation company	Water, irrigation, environment and climate change	-	-	-
7	Machakos Level 5 Hospital	Health	250,379,350	213,113,852	160,836,754.26
8	Kangundo Level 4 Hospital	Health	58,100,000	39,900,000	27,093,376.58
9	Kathiani Level 4 Hospital	Health	61,000,000	39,500,000	15,094,173.75
10	Athi River Level 4 Hospital	Health	28,500,000	17,900,000	5,078,106
11	Mwala Level 4 Hospital	Health	42,500,000	31,500,000	11,458,648.65
12	Kalama Level 4 Hospital	Health	30,500,000	21,200,000	1,469,823
13	Matuu Level 4 Hospital	Health	62,500,000	37,792,584	7,001,599.50
14	Kimiti Level 4 Hospital	Health	32,500,000	23,845,757.90	4,257,505
15	Masinga Level 4 Hospital	Health	36,600,000	29,400,000	4,071,097.10
16	Ndithini Level 4 Hospital	Health	36,500,000	16,930,295	2,491,492.75
17	Mutituni Level 4 Hospital	Health	26,500,000	17,699,950	4,288,394.55
	Total		**665,579,350**	**488,782,439**	**243,140,971**

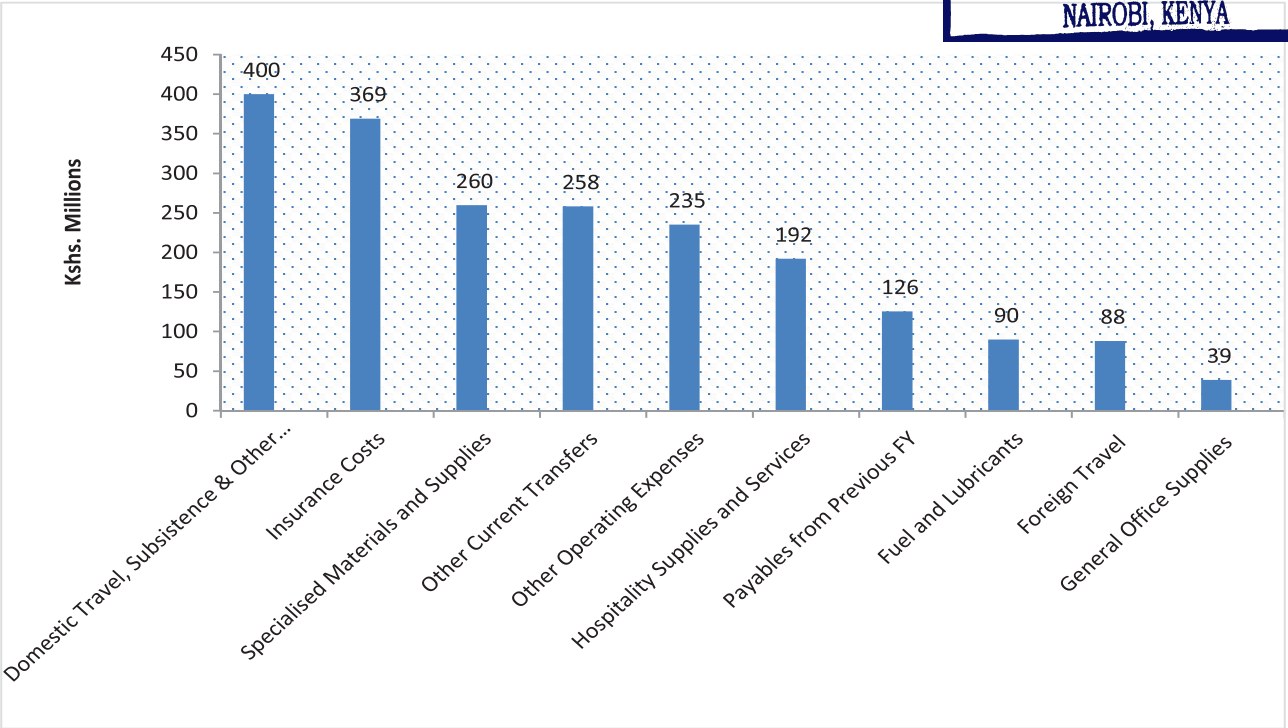
***Source**: Machakos County Treasury*

3.22.10 Expenditure on Operations and Maintenance

Figure 86. summarises the Operations and Maintenance expenditure by major categories.

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Figure 86: Machakos County, Operations and Maintenance Expenditure by Major Categories



Source: *Machakos County Treasury*

Expenditure on domestic travel amounted to Kshs.399.99 million and comprised Kshs.158.30 million spent by the County Assembly and Kshs.241.70 million by the County Executive. Expenditure on foreign travel amounted to Kshs.88.22 million and comprised Kshs.30.55 million by the County Assembly and Kshs.57.68 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.226.

Table 3.226: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	5	7th to 16th December 2024	Livestock and Food Security Initiative Conference in Brazil	Brazil	9,651,164
County Executive	2	10th to 14th March 2025	ICPAK Leadership Summit	Dubai	1,036,853
County Executive	4	13th to 24th Jan 2025	Training on Strategic Organisation Change Management in the Public Sector	Dubai	3,772,890
County Executive	1	17th to 28th February 2025	Leadership and Change Management Course	Dubai	1,426,563
County Executive	1	27th January to 2nd February 2025	Workshop of Women's Political Leadership Programme	Albania	753,678
County Executive	1	3rd to 6th December 2024	Open Governance Workshop	Brazil	1,000,379
County Executive	6		Visit to Production Factories in China	China	4,254,668
County Executive	5	2nd to 13th December 2024	Strategic Management Programme	Dubai	5,940,442
County Executive	1	June 2024	Contemporary Public Administration, Leadership, Management, and Good Governance. Networking	Dubai	1,000,300
County Executive	2		Arab Healthcare Conference in Dubai	Dubai	1,579,244
County Executive	2	26th Feb to 7th March, 2025	The Kenya-Italy Commercial Partnership for Prosperous Future Business Roundtable	Italy	1,647,743
County Executive	4	23rd February to 3rd March 2025	Attend the Web Summit in Qatar at the Doha Exhibition	Qatar	2,307,311
County Executive	1	2nd to 5th March 2025	Training In Rwanda	Rwanda	551,845

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Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of Foreign Travel (Kshs.)
County Executive	1	2nd to 13th Dec 2024	Sixteenth Session of Parties (Cop 16) of the UN Convention to Combat Desertification In Riyadh	Saudi Arabia	750,000
County Executive	2		Training on Project Planning in Singapore	Singapore	640,000
County Executive	3	26th October to 5th November,2024	The 24th EAC MSME Trade Fair in Juba, South Sudan	South Sudan	3,081,166
County Executive	2	11th to 25th May 2024	Climate Action Network Training in Sweden	Sweden	523,849
County Executive	2	17th to 21st February 2025	Training in Arusha, Tanzania	Tanzania	640,754
County Executive	1	2nd to 13th Dec 2024	Short Course on Effective Report Writing in ESAMI	Tanzania	694,910
County Executive	18	19th to 28th February 2025	EALASCA Games in Kampala	Uganda	4,677,906
		26th Aug to 3rd Sept 2024	Fire Emergency Response Workshop in the UK	UK	8,168,854
County Executive	2	20th to 28th August 2024	Utamaduni Celebrations in Dallas, USA	Usa	3,579,160
County Executive	1	2nd to 13th Dec 2024	Short Course on Effective Report Writing in ESAMI	Tanzania	694,910
County Executive	18	19th to 28th February 2025	EALASCA Games in Kampala	Uganda	4,677,906
		26th Aug to 3rd Sept 2024	Fire Emergency Response Workshop in the UK	UK	8,168,854
					57,679,683
County Assembly	7	2nd to 8th July, 2024	Workshop on Legal and Legislative drafting organised by the Law Society of Kenya	Arusha, Tanzania	1,835,038
County Assembly	1	5 August, 2024	Agent fees for a US Visa application	USA	225,000
County Assembly	1	6th to 13th October, 2024	Study tour/benchmarking visit to the East African Legislative Assembly to share best practices and experiences	Arusha, Tanzania	327,120
County Assembly	3	10th to 17th October, 2024	Meeting with women MPs in the UK Parliament and with members of the Kenyan diaspora	London, UK	1,556,538
County Assembly	2	19th to 23rd October, 2024	Attending the 7th Africa Colloquium of Legal Counsel to Parliaments	Victoria Falls, Zimbabwe	239,800
County Assembly	3	10th to 17th October, 2024	Agent fees for US Visa application	London, UK	173,862
County Assembly	14	7th to 14th December, 2024	Capacity building tour at the East African Legislative Assembly	Arusha, Tanzania	3,332,604
County Assembly	1	7th to 14th December, 2024	Attending a Leadership training program on good governance and Visionary Leadership for National Development	Singapore	596,477
County Assembly	7	17th to 23rd November, 2024	Devolution and Intergovernmental Relations Committee study tour @ the East African Legislative Assembly	Arusha, Tanzania	1,776,350
County Assembly	7	15th to 22nd December, 2024	Agent fees for US Visa application- Saudi Arabia	Riyadh, Saudi Arabia	258,000
County Assembly	7	16th to 22nd December, 2024	The 19th Annual Meeting of the Internet Governance Forum	Riyadh, Saudi Arabia	2,969,694
County Assembly	1	30th December to 6th January,2025	Attending a leadership training program on good governance and Visionary Leadership	Kuala Lumpur, Malaysia	442,312
County Assembly	7	15th to 21st December,2024	The Agriculture committee was attending a capacity-building programme at EALA	Arusha, Tanzania	1,777,784
County Assembly	7	15th to 21st December,2024	The Trade Committee was attending a capacity-building and study tour	Arusha, Tanzania	1,777,784

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Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of Foreign Travel (Kshs.)
County Assembly	7	8th to 14th December,2024	Education Committee on a capacity-building tour at EALA	Arusha, Tanzania	1,777,784
County Assembly	7	2nd to 9th February,2025	Decentralised Units Committee attending a capacity-building programme and study tour at the East African Legislative Assembly	Arusha, Tanzania	1,775,394
County Assembly	5	5th to 12th February,2025	Attending the International Conference on Communication and Technology and New Media (ICCTNM-25)	Dubai, UAE	1,802,997
County Assembly	7	2nd to 9th February,2025	Capacity building tour on Finance and Revenue Management at the EAC Secretariat	Arusha, Tanzania	1,227,697
County Assembly	6	12th to 18th January,2025	Budget and Appropriations Committee on a capacity-building study tour on budget processing and implementation at the EAC Secretariat	Arusha, Tanzania	1,288,788
County Assembly	7	2nd to 9th February,2025	Study tour to enhance the committees' knowledge of regional transportation policies, Legislative frameworks and infrastructure development strategies at the EAC	Arusha, Tanzania	1,492,828
County Assembly	3	3rd to 10th February,2025	Capacity building tour on upholding parliamentary privileges and powers at the EAC	Arusha, Tanzania	679,824
County Assembly	6	9th to 16th February, 2025	Attending a Leadership training program on good governance and Visionary Leadership for National Development	Singapore	3,212,022

Source: *Machakos County Treasury and Machakos County Assembly*

The operations and maintenance costs include an expenditure of Kshs.25.36 million on Legal fees/Dues, arbitration and compensation payments.

3.22.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.170.39 million as FIF, which was 25 per cent of the annual target of Kshs.687.0 million. The collected amount was retained in a commercial bank account (Family Bank) in line with the Facility Improvement Financing Act, 2023. The County has developed the Machakos County FIF regulations 2023 to operationalise the FIF Act of 2023.

Thus, the Health Facilities provided a report on the utilisation of the FIF during the reporting period, in line with (or contrary to) Section 18(e) of the FIF Act, 2023. The expenditure by the health facilities amounted to Kshs.243.14 million for the maintenance of health facilities, Health Management Information System (APHIAONE) across the County, as shown in **Table 3.227.**

Table 3.227: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Machakos Level 5 Hospital	250,379,350	160,836,754	64
2	Kangundo Level 4 Hospital	58,100,000	27,093,377	47
3	Kathiani Level 4 Hospital	61,000,000	15,094,174	25
4	Athi River Level 4 Hospital	28,500,000	5,078,106	18
5	Mwala Level 4 Hospital	42,500,000	11,458,649	27
6	Kalama Level 4 Hospital	30,500,000	1,469,823	5
7	Matuu Level 4 Hospital	62,500,000	7,001,600	11
8	Kimiti Level 4 Hospital	32,500,000	4,257,505	13
9	Masinga Level 4 Hospital	36,600,000	4,071,097	11
10	Ndithini Level 4 Hospital	36,500,000	2,491,493	7
11	Mutituni Level 4 Hospital	26,500,000	4,288,395	16
	Total	**665,579,350**	**243,140,971**	**37**

Source: *Machakos County Treasury*

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The Health Facility with the highest absorption rate was Machakos Level 5 Hospital at 64 per cent.

3.22.12 Development Expenditure

In the review period, the County reported spending Kshs.1.39 billion on development programmes, representing an increase of 78 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.758.42 million. Table 3.228 summarises development projects with the highest expenditure in the reporting period.

The increase in development expenditure was attributed to the payment of Kshs.486.89 million in development pending bills, accounting for 36 per cent of the total development expenditure.

Table 3.228: Machakos County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Roads	Katangi – Kinyaata – Kithimani Road (Phased) 5 kms	Katangi,Ikombe, Kithimani Yatta	244,514,716	110,000,000	85,173,531	71
2	Agriculture	Purchase of Certified Crop Seed (Crop seeds to farmers)	All Wards	61,175,440	61,175,443	61,175,440	100
3	Roads	County Electricity pending bills	Countywide	150,852,794	59,000,000	59,000,000	100
4	Roads	Kathalani – Kaviani Road (Phased) 3.2 kms	Upper Kaewa	154,580,347	85,000,000	47,001,798	96
5	Roads	Mlolongo – Gossip – Police Road (Phased) 4.3 kms	Mlolongo/ Syokimau	326,815,930	115,000,000	34,298,086	30
6	Roads	Supply Refined Fuels and Lubricants for the Roads grading programme (RRI)	County wide	36,249,958	79,000,000	32,202,502	46
7	Health	Phased New Machakos Specialist Hospital	Machakos Central	1,499,885,589	100,000,000	28,659,715	14
8	Health	Phased construction of Mavoko Level 4 Hospital	Athi River	284,238,319	50,000,000	26,296,749	9
9	Health	Construction of Matuu Daycare Centre	Matuu	29,909,770	19,750,000	25,446,821	85
10	Education	Capitation of Youth Polytechnics for youth empowerment	Countywide	25,000,000	25,000,000	25,000,000	100

Source: *Machakos County Treasury*

The County has reported 45 stalled development projects, with an estimated value of Kshs.1.15 billion, of which Kshs.324.59 million has been committed, although no payment has been made.

3.22.13 Budget Performance by Department

Table.3.229 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.229: Machakos County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor	797.35	53.31	253.22	3.71	449.31	3.71	177	100	56	7
County Public Service Board	38.01	18	29.60	-	28.49	-	96	-	75	-
Roads, Transport and Public Works	277.32	1,012.61	129.77	311.58	146.99	349.85	113	112	53	35
County Assembly	1,114.31	174.40	566.20	3.95	605.45	2.01	107	51	54	1
Agriculture, Food Security and Co-operative Development	277.24	455.39	164.15	68.85	211.73	66.12	129	96	76	15
Health Services & Emergency Services	4,347.64	607.58	2,585.60	111.51	3,332.73	165.84	129	149	77	27
Water, Irrigation, Environment and Climate Change	163.60	664.09	71.14	58.85	98.47	36.10	138	61	60	5

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Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs Million)		Expenditure to Exchequer plus AIAs (%)		Absorption Rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Finance, Economic Planning & Revenue Management	1,156.83	724.26	582.32	444.34	710.16	550.62	122	124	61	76
Gender, Youth, Sports & Social Welfare	143.97	306.69	92.44	22.24	95.32	9.80	103	44	66	3
Trade, Industry, Tourism & Innovation	156.58	272.14	127.02	107.65	88.66	12.39	70	12	57	5
Education	762.57	105.79	309.25	37.73	455.27	65.48	147	174	60	62
Lands, Urban Development, Housing & Energy	251.20	345.76	168.64	56.97	123.65	61.80	73	109	49	18
Devolution	1,252.35	59.56	926.94	-	794.07	29.59	86	-	63	50
Office of the County Attorney	86.85	-	47.22	-	48.57	-	103	-	56	-
	10,825.82	**4,799.58**	**6,053.51**	**1,227.37**	**7,188.88**	**1,353.30**	**118.8**	**110.3**	**66.4**	**28.2**

***Source**: Machakos County Treasury*

Analysis of expenditure by departments shows that the Department of Finance, Economic Planning, and Revenue Management recorded the highest absorption rate of the development budget at 76 per cent, followed by the Department of Education at 62 per cent. The Department of Health Services and Emergency Services had the highest percentage of recurrent expenditure to budget at 77 per cent. In contrast, the Department of Lands, Urban Development, Housing, and Energy had the lowest at 49 per cent.

3.22.14 Budget Execution by Programmes and Sub-Programmes

Table.3.230 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.230: Machakos County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates(Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor							
Coordination and Supervisory Services	Office of the Governor- Headquarters	385,656,506	26,852,354	251,379,707	3,707,128	65%	14%
	Transport Services	75,477,181	-	42,430,710		56%	0%
	Office of the County Secretary	57,791,785	19,125,340	25,448,179	-	44%	0%
	Office of the County Advisors	47,087,201	-	25,623,257	-	54%	0%
	Human Resource and Administration Services	72,083,109	-	30,794,333	-	43%	0%
	Hospitality Services Section	55,342,684	-	15,002,768	-	27%	0%
	Office of the Deputy Governor	84,902,064	7,334,480	56,638,739	-	67%	0%
	Cabinet Office	19,005,239		1,994,600		10%	0%
	Sub-Total	**797,345,769**	**53,312,174**	**449,312,293**	**3,707,128**	**56%**	**7%**
County Public Service Board							
Human Resource and Administration	Human Resource and Administration	38,013,709	18,000,000	28,494,904	-	75%	0%
	Sub-Total	**38,013,709**	**18,000,000**	**28,494,904**	**-**	**75%**	**0%**
Roads, Transport and Public Works							
Roads and Transport	General Administration and Support Services	257,730,520	35,565,769	139,538,529	9,529,338	54%	27%
	Road Development and Maintenance	1,505,000	814,647,704	468,400	261,298,561	31%	32%

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Programme	Sub-Programme	Revised Gross Approved Estimates(Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
	County Fleet Management		115,719,621		70,584,958		61%
Public Works	County Government Buildings Services	18,080,000	46,675,417	6,987,525	8,435,233	39%	18%
	Sub-Total	**277,315,520**	**1,012,608,511**	**146,994,454**	**349,848,090**	**53%**	**35%**
Health Services & Emergency Services							
General Administration and Support Services	General Administration and Support Services	3,544,357,190	405,816,455	2,733,535,662	145,574,398	77%	36%
Curative and Rehabilitative Health	Machakos Level 5	246,379,350	4,000,000	213,113,852		86%	0%
	Kangundo Level 4	46,100,000	12,000,000	39,900,000		87%	0%
	Matuu Level 4	38,500,000	24,000,000	37,792,584		98%	0%
	Kathiani Level 4	50,500,000	10,500,000	39,500,000		78%	0%
	Mwala Level 4	32,500,000	10,000,000	31,500,000		97%	0%
	Kimiti Level 4	26,500,000	6,000,000	23,845,758		90%	0%
	Masinga Level 4	33,600,000	3,000,000	29,400,000		88%	0%
	Athi River Level 4	20,500,000	8,000,000	17,900,000		87%	0%
	Mutituni Level 4	20,500,000	6,000,000	17,699,950		86%	0%
	Ndithini Level 4	22,500,000	14,000,000	16,930,295		75%	0%
	Kalama Level 4	25,500,000	5,000,000	21,200,000		83%	0%
Preventive and Promotive Services	Public Health	240,203,470	99,262,541	110,412,720	20,262,541	46%	20%
	Sub-Total	**4,347,640,010**	**607,578,996**	**3,332,730,821**	**165,836,939**	**77%**	**27%**
Water, Irrigation, Environment and Climate Change							
Water Resources Management	Water Resources Management	103,689,399	201,393,207	83,919,924	28,168,402	81%	0%
Development and Promotion of Irrigation	Development and Promotion of Irrigation		9,561,724		-		0%
Sewerage System and Sanitation Management	Sewerage System and Sanitation Management	5,940,000	80,757,521	4,648,758	-	78%	0%
General Administrative and Support Services	General Administrative and Support Services	2,750,000		2,551,091		93%	0%
Environment and Natural Resources	Environment and Natural Resources	12,736,938	22,908,000	4,076,438	7,935,000	32%	0%
Climate Change	Climate Change	38,484,159	349,467,723	3,269,900	-	8%	0%
Sub-Total		**163,600,496**	**664,088,175**	**98,466,111**	**36,103,402**	**60%**	**0%**
Agriculture, Food Security and Co-operative Development							
Agriculture and Food Security	General Administration and support services	246,320,763	444,695,363	203,013,816	63,219,612	82%	0%
Co-operative Development	Co-operative Development and Marketing	30,915,596	10,697,849	8,712,944	2,898,000	28%	0%
Sub-Total		**277,236,359**	**455,393,212**	**211,726,760**	**66,117,612**	**76%**	**0%**
Finance, Economic Planning & Revenue Management							
Resource mobilisation	Revenue Management	410,303,059	36,614,450	296,971,586	2,714,450	72%	7%
County Treasury	Budget formulation, Coordination and Implementation	63,291,024	42,941,650	55,648,028		88%	0%
	Supply Chain Management Section	10,741,192		7,061,873		66%	0%
	Accounts Services	200,174,846	554,917,949	163,621,636	542,940,113	82%	98%
	Audit Section	15,112,288	12,923,347	12,428,471		82%	0%

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Programme	Sub-Programme	Revised Gross Approved Estimates(Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
	Human Resource Management and Support Services	239,802,501		135,604,064	-	57%	0%
Economic Planning & External Resource Mobilisation	Economic Planning and Statistical Services	58,251,914	3,000,000	13,058,193	-	22%	0%
	Monitoring and Evaluation	15,760,199		3,300,000	-	21%	0%
	External Resource Mobilisation	6,216,166		520,000	-	8%	0%
Directorate of Governors Project Delivery Unit	Directorate of Governors Project Delivery Unit	29,141,939		3,099,220	-	11%	0%
ICT	ICT General Administration and support services	48,055,132	64,995,254	1,708,585	4,962,091	4%	8%
	ICT Infrastructure				-	0%	0%
	Closed-Circuit Television				-	0%	0%
	Public Communication	59,980,860	8,864,841	17,133,800	-	29%	0%
Sub-Total		**1,156,831,120**	**724,257,491**	**710,155,456**	**550,616,654**	**61%**	**76%**
Gender, Youth, Sports & Social Welfare							
Youth and Sports	Administrative Services				-	0%	
	Stadium Management	78,147,105	168,941,334	62,817,750	9,797,320	80%	6%
	Sports	0			-	0%	0%
	Youth Empowerment				-	0%	0%
Gender and Social Welfare	Administrative Services	59,174,560	17,752,529	28,787,976	-	49%	0%
	Special Programmes		95,000,000		-		0%
	Digital Economy	6,650,000	25,000,000	3,712,635	-	56%	0%
Sub-Total		**143,971,665**	**306,693,863**	**95,318,362**	**9,797,320**	**66%**	**3%**
Trade, Industry, Tourism & Innovation							
Trade, Industry and Innovation	Headquarters & Administrative Services	21,462,140		8,524,357	-	40%	0%
	Trade and External Relations	689,166	19,410,715	241,980	9,366,372	0%	48%
	Small and medium-sized Enterprises	9,857,576	47,673,852	5,130,713	3,028,124	52%	6%
	Industrialisation and Innovation	23,919,656	191,555,385	15,650,662	-	65%	0%
	Investment Promotion	23,019,152		9,007,415	-	39%	0%
Tourism Administrative & Support Services	Tourism Administrative & Support Service	50,619,360		27,790,562	-	55%	0%
	Heritage & Culture	1,700,000		998,410	-	59%	0%
	Liquor Management	7,809,818		6,000,000	-	77%	0%
	Tourism Development and Marketing	8,500,000		8,224,340	-	97%	0%
	Management of Recreational Services	4,000,000	12,000,000	2,500,000	--	63%	0%
	Machawood	4,000,000	1,500,000	3,595,160	-	90%	0%
	County Image Directorate	1,000,000		999,891	-	100%	0%
Sub-Total		**156,576,868**	**272,139,952**	**88,663,491**	**12,394,497**	**57%**	**5%**
Education							
General Administration and Support Service	Headquarters administrative services	634,870,229	52,163,635	413,686,746	31,564,896	65%	61%

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Basic Education	Basic Education	623,191		210,796	-	34%	#DIV/0!
	Youth Development Services				-	0%	0%
	Vocational Training	127,078,900	53,624,072	41,370,862	33,910,830	33%	63%
Sub-Total		762,572,320	105,787,707	455,268,404	65,475,726	60%	62%
Lands, Urban Development, Housing & Energy							
Lands and Physical Planning	Lands and Physical Planning	63,377,057	21,169,005	30,929,362	-	49%	0%
County Electrification	County Electrification	26,686,470	118,306,546	12,326,166	57,812,930	46%	49%
Housing and Urban Development	Housing and Urban Development	135,614,119	980,000	64,235,731	-	47%	0%
	Machakos Municipality	7,765,795	185,225,140	5,000,000	-	64%	0%
	Mavoko Municipality	10,200,000	11,386,700	6,160,542	3,989,850	60%	35%
	Kangundo Tala Municipality	7,560,000	8,692,770	5,000,000	-	66%	0%
Sub-Total		**251,203,441**	**345,760,161**	**123,651,801**	**61,802,780**	**49%**	**18%**
Devolution							
Public Service and Performance Management	General Administration and support services	616,922,720	2,400,200	507,071,599	-	82%	0%
	Performance Management	7,500,000		-	-	0%	0%
	Training, Research and Development	54,176,614		16,531,077	-	31%	0%
	Human Resource Development	16,000,000		14,770,657	-	92%	0%
County Administration & Decentralised Units	General Administration and support services	365,372,243	30,047,111	225,246,743	21,211,076	62%	0%
Public participation, citizen engagement, and customer care	Civic Engagement	7,500,000	11,000,000	4,891,192	-	65%	0%
	Administration and Co-ordination	5,850,000		1,050,000	-	18%	0%
	Other capital grants and transfers (Equalisation fund)				-		0%
	Solid Waste Management	15,020,000		8,519,500	-	57%	0%
Inspectorate, Firefighting and Emergency Services	Inspectorate Services and Management	154,206,459	16,110,733	8,440,740	8,379,585	5%	52%
	Emergency Services	9,800,000		7,550,000	-	77%	0%
Sub-Total		**1,252,348,036**	**59,558,044**	**794,071,506**	**29,590,661**	**63%**	**50%**
Office of the County Attorney							
	Legal Services	86,851,773		48,570,180	-	56%	0%
Sub-Total		86,851,773	-	48,570,180	-	56%	0%
County Assembly							
	Representation, Oversight & Legislative	1,114,313,264	174,400,000	605,454,726	2,012,906	54%	1%
	Sub-Total	**1,114,313,264**	**174,400,000**	**605,454,726**	**2,012,906**	**54%**	**1%**
Grand Total		**10,825,820,350**	**4,799,578,286**	**7,188,879,268**	**1,353,303,716**	**66%**	**28%**

***Source**: Machakos County Treasury*

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The sub-programmes with the highest levels of implementation, based on absorption rates, were the County Village Directorate in the Department of Trade, Industrialisation, Tourism, and Innovation at 100 per cent, Mwala Level 4 in the Department of Health at 98 per cent, and Mwala Level 4 in the Department of Health at 97 per cent of the budget allocation.

3.22.15 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 230 accounts with commercial banks, including 197 accounts for Health Facilities, four accounts for salary processing and expenses, 10 for Established Funds, five revenue accounts, 13 special-purpose accounts (for additional allocations), and one for special operations.

The County Treasury submitted nine (9) out of 230 copies of authorisation letters to the Controller of Budget for opening 230 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.22.16 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;

i. The county Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 22nd April 2025.
ii. Underperformance of own-source revenue at Kshs.1.18 billion against an annual target of Kshs.3.48 billion, representing 34 per cent of the yearly target.
iii. Low absorption of development funds, which translates to 28 per cent of the approved annual development budget.
iv. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of the Machakos County Housing & Car Loan Scheme Fund – MCA, and the Machakos County Education Bursary Fund had lapsed, rendering them ineligible for further withdrawals.
v. There was a high level of pending bills, which amounted to Kshs.4.63 billion as of 31st March 2025. Further, the county Treasury did not adhere to the payment plan for the pending bills.
vi. Use of manual payroll. Personnel emoluments amounting to Kshs.108.64 million for staff yet to be onboarded into the HRIS and their associated gratuity and pension contributions, accounting for 2 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
vii. Non-submission of two hundred and twenty-one (221) out of two hundred and thirty (230) copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*
iii. *The County should develop and address issues causing delays in implementing development programmes.*
iv. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
v. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid*

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promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.

vi. *The Government requires that salaries be processed through the HRIS system, and the County is encouraged to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

vii. *The County Treasury should ensure it submits to OCoB copies of authorisation letters for opening commercial bank accounts to enhance accountability and oversight.*

3.23. County Government of Makueni

3.23.1 Overview of FY 2024/25 Budget

The Makueni County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.12.23 billion. It comprises Kshs.4.30 billion (35.2 per cent) and Kshs.7.93 billion (64.8 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.06 billion (10 per cent) from the FY 2023/24 budget, which comprised a recurrent budget of Kshs.0.75 billion and a development budget of Kshs.0.31 billion. The County's Net Approved Supplementary I Budget (gross budget less AIA estimates) is Kshs.11.66 billion, which consists of Kshs.7.71 billion for recurrent and Kshs.3.95 billion for development.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.8.76 billion (71.7 per cent), additional allocations of Kshs.990.05 million (8 per cent), a cash balance of Kshs.1.0 billion (8.1 per cent) brought forward from FY 2023/24, and Kshs.1.47 billion (12.2 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.263.76 million (3.9 per cent) as Appropriations-in-Aid (A-I-A), Kshs.210.08 million (3.1 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.350.75 million (5 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.231.

3.23.2 Revenue Performance

In the review period, the County received Kshs.6.75 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.0.22 billion from Kshs.6.53 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.93 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.33.45 million, and its own-source revenue (OSR) collection of Kshs.835.83 million. In addition, the County had a cash balance of Kshs.948.2 million from FY 2023/24.

The total OSR collection of Kshs.835.83 million includes Appropriations in Aid (AIA) of Kshs.263.76 million, Facilities Improvement Financing (FIF) of Kshs.210.08 million, and Kshs.350.75 million from other OSR sources. OSR collections from the FIF were received from NHIF and SHA, as well as the reimbursement of Universal Health Care Registration Fees. Table 3.231 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.231: Makueni County, Revenue Performance in the First Nine Months of FY 2024/25

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**	8,762,816,136	4,928,438,900	56
Sub Total		**8,762,816,136**	**4,928,438,900**	**56**
B	**Additional Allocations**			
1	IDA(World Bank) Credit National Agricultural Value Chain Development Project(NAVCDP)	151,515,152	-	-
2	Kenya Agricultural Business Development Project (KABDP)	10,918,919	-	-
3	KDSP-II Grant	37,500,000	-	-
4	Community Health Promoters (CHPs) Project	113,700,000	-	-
5	Nutrition International Donor Funding	21,013,780	22,453,292.00	107
6	DANIDA- Primary Healthcare in Devolved Context	11,407,500	-	-
7	Roads Maintenance Fuel Levy	415,079,544	-	-
8	Urban Institutional Grant (UIG) - World Bank	35,000,000	33,453,292.00	96
9	IDA (World Bank) Credit Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Institutional Support (CCIS) Grant	11,000,000	11,000,000	100

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S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
10	IDA (World Bank Credit: Kenya Urban Support Project(KUSP)- Urban Development Grant (UDG)	40,167,542	-	-
11	IDA (World Bank) Credit Financing Locally-Led Climate Action (FLLoCA) Program, County Climate Resilience Investment (CCRI) Grant	142,746,435	-	-
Sub-Total		**990,048,872**	**33,453,292**	**3**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	905,177,623	350,746,143	39
2	Balance b/f from FY2023/24	1,004,193,182	948,201,484	94
3	Facility Improvement Fund (FIF)	176,430,000	210,078,558	119
4	Other Revenues		11,248,929	0
5	Appropriation in Aid (AIA)	389,825,700	263,761,155	68
Sub Total		**2,475,626,505**	**1,784,036,269**	**72**
Grand Total		**12,228,491,513**	**6,745,928,461**	**55**

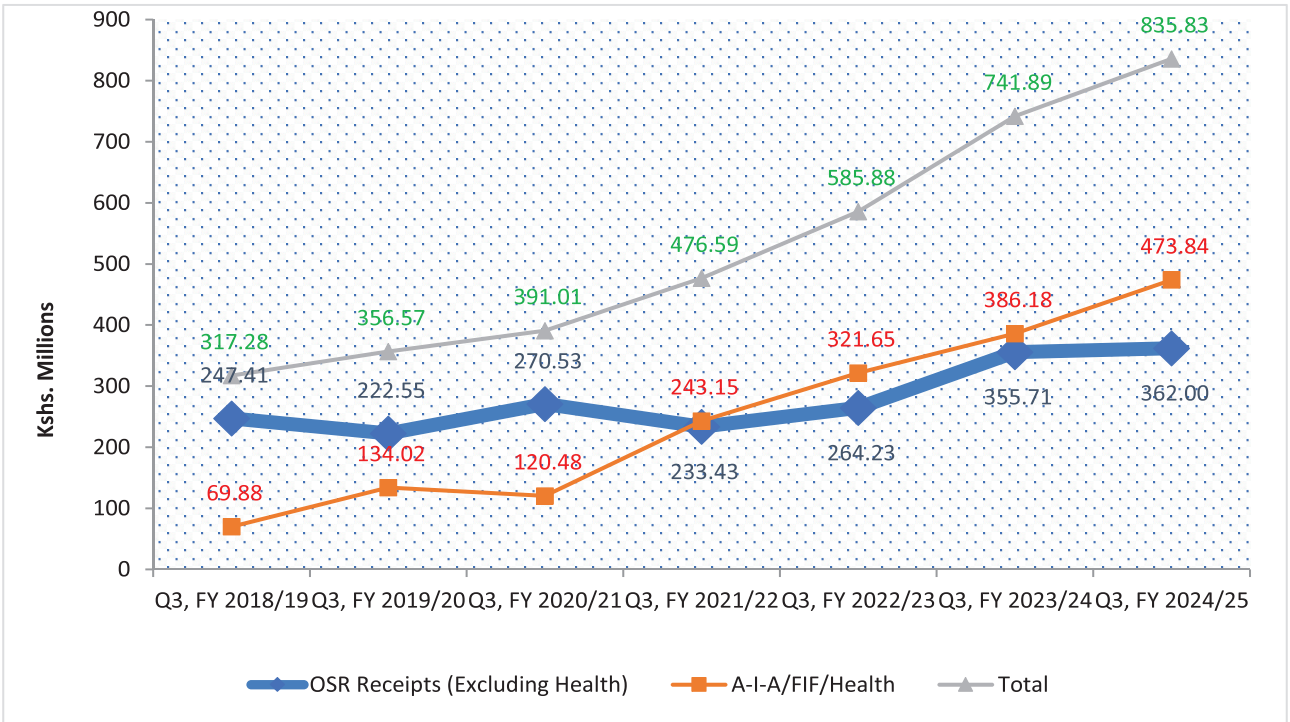
Source: *Makueni County Treasury*

The Conditional grants include the IDA (World Bank) Credit Financing Locally-Led Climate Action (FLLoCA) Program, the County Climate Institutional Support (CCIS) Grant, and Nutrition International Donor Funding. The FIF collections have surpassed the first nine months' target due to deepened automation and timely reporting in all health facilities and the integration of health information management systems with other revenue and expenditure systems. Additionally, the County has legislation, specifically the Makueni County Health Services Act 2017, to govern the operations of Health Facilities.

The County Government had not received various additional allocations from the donors and the government, resulting in zero performance for the nine additional allocation streams as shown in Table 3.231 Nutrition International Donor Funding exceeded 100 per cent. The County recorded higher performance compared to the budget for the Facility Improvement Fund (FIF) owing to the increased uptake of SHIF and timely reimbursement of the SHIF Claims. The ordinary Own Source Revenue achieved was 39 per cent, with low compliance in Plot Rates/ Rent Fees and other dues due to undeveloped property, which reduced economic activities in water and environment Fees.

Figure 87 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 87: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



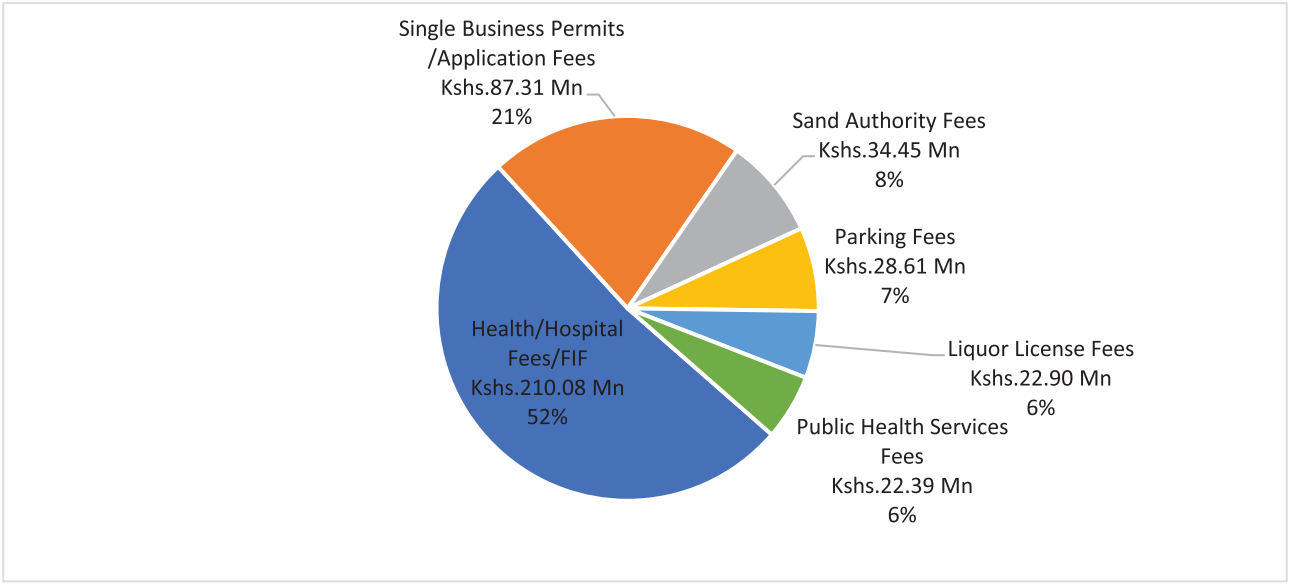
Source: *Makueni County Treasury*

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During the review period, the County generated Kshs.835.83 million from its own revenue sources, including AIA and FIF. This amount was an increase of 13 per cent compared to Kshs.741.78 million realised in the same period in FY 2023/24 and was 57 per cent of the annual target and 12 per cent of the equitable revenue share disbursed. No penalties and charges were outstanding during the period under review.

The revenue streams which contributed the highest OSR receipts are shown in Figure 88.

Figure 88: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



***Source**: Makueni County Treasury*

As shown in Figure 88, the highest revenue stream of Kshs.210 million was from Health/Hospital Fees/FIF, contributing to 52 per cent of the total OSR receipts.

3.23.3 Borrowing by the County

The County Government borrowed a total of Kshs.352.4 million from the Kenya Commercial Bank to support payment for the March Salaries, which were outstanding by the end of the period.

3.23.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.6.50 billion from the CRF account comprised Kshs.1.27 billion (19.6 per cent) for development programmes and Kshs.5.23 billion (80.4 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.25 billion was released towards compensation of employees and Kshs.1.98 billion for operations and maintenance expenditure. Exchequer approved compensation for employees in the first nine months of FY 2024/25, which does not include the March 2025 exchequer request for the County Executive and County Assembly due to delays in the disbursement of allocation.

Analysis of the operations and maintenance exchequer releases indicates that 0.60 per cent was for domestic travel and 0.18 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.20.75 million, comprising Kshs.9.52 million for the County Executive and Kshs.11.23 million for the County Assembly. The foreign exchequer totalled Kshs.2.87 million, comprising Kshs.2.87 million for the County Executive and nil expenditure from the County Assembly.

Table 3.232: Makueni County, Budget Allocation and Exchequer Issued by Department

Vote	Budget Allocation (Kshs.)		Expenditure (Kshs.)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture	257.65	356.26	183.67	65.17	71.29	18.29
Legal Services / County Attorney	42.54	5.20	28.66	0.97	67.37	18.62
CPSB	71.00	-	40.70	-	57.33	0.00
CS	464.25	-	440.26	-	94.83	0.00

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Vote	Budget Allocation (Kshs.)		Expenditure (Kshs.)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Devolution	308.85	38.74	188.01	1.23	60.87	3.19
Education	940.01	265.83	565.01	60.81	60.11	22.87
Emali Sultan Hamud Municipality	32.04	42.75	7.26	12.30	22.67	28.78
Finance	501.24	48.83	320.83	0.68	64.01	1.39
Makueni County Fruit Development and Marketing Authority	35.56	46.50	14.73	29.02	41.44	62.41
Gender	142.42	149.17	67.79	32.03	47.60	21.47
Governship Office Headquarters	521.05	-	389.22	-	74.70	0.00
Health	3,116.67	1,120.25	2,022.88	616.92	64.91	55.07
Lands	83.50	545.63	46.56	136.84	55.75	25.08
Sand authority	57.75	5.00	38.18	2.00	66.11	40.00
Trade	140.49	39.72	75.94	2.47	53.82	6.21
Transport	129.88	970.35	75.61	173.40	0.00	17.87
Water	109.85	528.59	64.97	138.79	59.14	26.26
Wote Municipality	67.93	57.51	38.08	1.68	56.06	2.93
County Assembly	906.12	79.35	619.79	-	68.40	0.00
Total	**7,928.82**	**4,299.67**	**5,228.15**	**1,274.29**	**65.94**	**29.64**

***Source**: Makueni County Treasury*

As of March 30, 2025, the County Government's cash balance in the CRF account was Kshs.48.26 million.

3.23.5 County Expenditure Review

The County spent Kshs.6.50 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 Kshs.1.27 billion and Kshs.5.23 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 29.6 per cent, while recurrent expenditure represented 65.9 per cent of the annual recurrent expenditure budget.

3.23.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.824.01 million as of 30th June 2024. This amount included Kshs.686.8 million from the County Executive and Kshs.137.19 million from the County Assembly. The pending bills from the County Executive consist of Kshs.499.6 million for recurrent expenditures and Kshs.187.2 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.534.4 million, comprising Kshs.397.1 million for recurrent programmes and Kshs.137.3 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.115.6 million, for recurrent activities. There were no pending bills for development activities paid during the period.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.608 million and Kshs.150 million, respectively. In the first nine months of FY 2024/25, the County did not adhere to this payment plan, as it cleared Kshs.534.4 million for the Executive and Kshs.115.6 million for the Assembly.

As of March 30, 2025, the outstanding bills totalled Kshs.174 million, comprising Kshs.152.4 million for the County Executive and Kshs.21.6 million for the County Assembly.

3.23.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.93 billion on employee compensation, Kshs.1.67 billion on operations and maintenance, and Kshs.1.27 million on development activities. Similarly, the County Assembly spent Kshs.316.47 million on employee compensation, Kshs.304.52 million on operations and maintenance, and incurred no expenditure on development activities, as shown in Table 3.233.

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Table 3.233: 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	**7,023**	**906**	4,608	620.9	66	68
Compensation to Employees	4,747	451	2,931	316.47	62	70
Operations and Maintenance	2,276	455	1,678	304.52	74	67
Development Expenditure	4,220	79	1,274	-	30	-
Total	**11,243**	**985**	**5,883**	**620.9**	**52**	**63**

***Source**: Makueni County Treasury*

3.23.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.3.25 billion, representing a 27 per cent share of total revenue. This expenditure on employee compensation shows an increase compared to the Kshs.2.79 billion was reported during the same period in FY 2023/24. Of this total, Kshs.1.29 billion was allocated to Health Sector employees, which accounted for 40 per cent of the overall employees' compensation.

Further analysis indicates that PE costs amount to Kshs.3.19 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.52.76 million was processed through manual payrolls, which accounted for 1.6 per cent of the total PE cost.

The manual payrolls comprised salaries for 218 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 312 casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions.

The County Assembly spent Kshs.35.05 million on committee sitting allowances for the 48 MCAs against the annual budget allocation of Kshs.44.45 million. The average monthly sitting allowance was Kshs.81,145 per MCA. The County Assembly has 15 House Committees.

3.23.9 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. In FY 2024/25, the County allocated Kshs.249.68 million to County-established funds, constituting 0.02 per cent of the County's overall budget. Further, the County allocated Kshs.50.40 million to the Emergency Fund (0.04 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.234 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.234: Performance of County Established Funds in the First Nine Months of FY 2024/25.

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.) for nine months	Cumulative disbursements to the Fund as at 31 March 2025	Submission of Financial Statements as of 31st March 2025 (Yes/No.)
County Executive Established Funds						
1	Makueni Emergency Fund	50,398,534.18	13,235,014	14,269,894	426,643,902.00	YES
2	Makueni County Bursary Fund	141,400,000	10,924,849	10,924,849	279,170,619.50	YES
3	Makueni County State and Public officers' Car loan and Mortgages Fund	10,000,000	10,000,000	10,000,000	350,250,000.00	YES
4	Makueni County Youth, Women, PWDs and Table Banking Fund (Tetheka Fund)	0	0	0	219,967,030.60	YES
5	Makueni County Climate Change Fund	447,117,045	60,050,644	103,785,290	250,797,080	YES
		638,915,580.18				

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S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.) for nine months	Cumulative disbursements to the Fund as at 31 March 2025	Submission of Financial Statements as of 31st March 2025 (Yes/No.)
County Assembly Established Funds						
1	Makueni County Assembly MCAs and Public officers Car loan and Mortgages Fund (MCAs Car Reimbursements Benefit)	66,176,000	59,724,000	59,724,000	59,724,000	yes
	Total	**715,019,579**	**119,774,644**	**163,509,290**	**1,586,552,632**	

Source: *Makueni County Treasury*

During the reporting period, the CoB received quarterly financial reports from Makueni Emergency Fund, Makueni County Assembly MCAs and Public officers Car loan and Mortgages Fund (MCAs Car Reimbursements Benefit), Makueni County Climate Change Fund, Makueni County Youth, Women, PWDs and Table banking Fund (Tetheka Fund) Fund Administrators, as indicated in Table 3.234, as per the requirement of Section 168 of the PFM Act, 2012. The administration costs of all the funds were below the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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. During the reporting period, the CoB established that all the funds were within the allowed lifespan. Consequently, the CoB can approve any requests for withdrawals to support the operations of all the funds, as they have a legal basis for continued existence.

3.23.10 County Corporations

The County has two county corporations. In FY 2024/25, the county allocated Kshs.144.81 million to these corporations. Their total expenditure in the first nine months amounted to Kshs.83.93 million, as shown in Table 3.235

Table 3.235: Performance of County Corporations

S/No.	Name of the Corporation	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Makueni County Fruit Development and Marketing Authority	82,054,584	56,061,000	43,752,858
2	Sand Conservation and Utilisation Authority	62,753,699	29,912,828	40,181,000
	Total	**144,808,283**	**86,348,720**	**83,933,858**

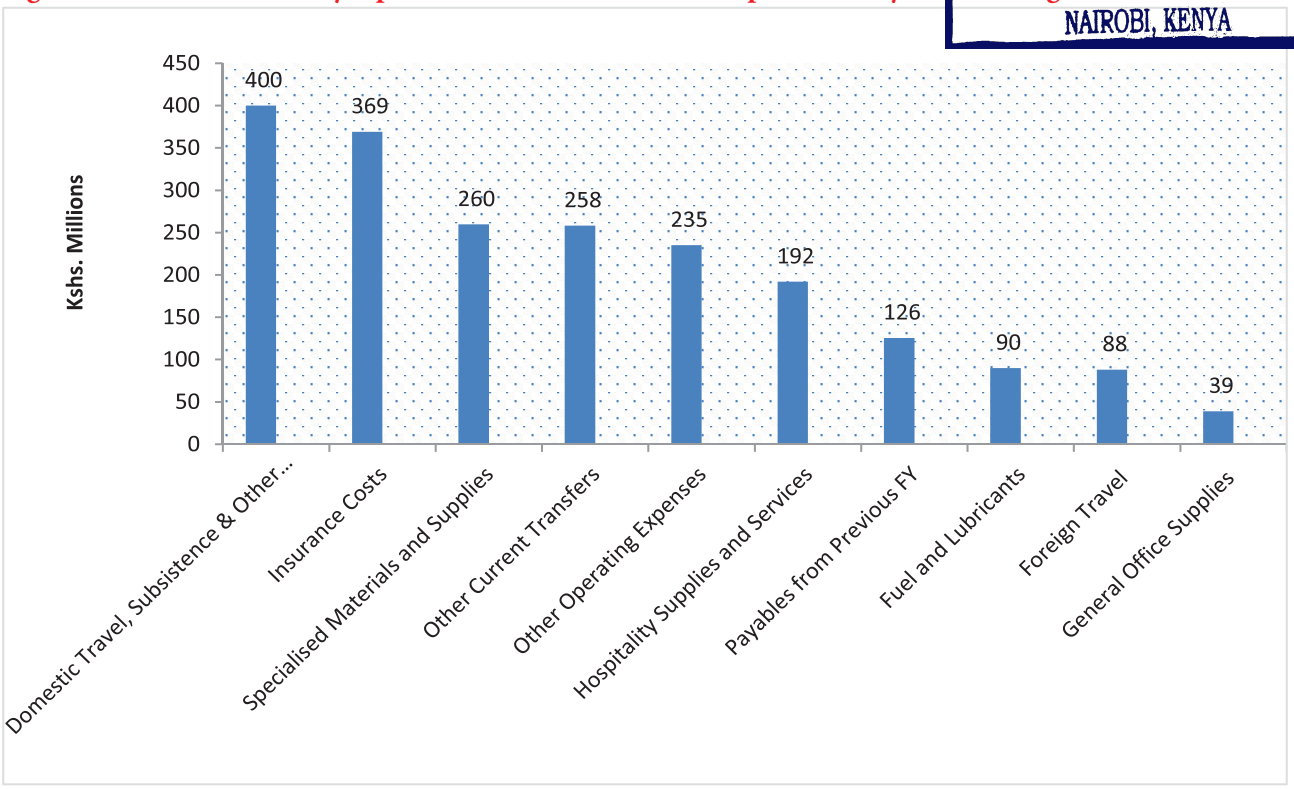
Source: *Makueni County Treasury*

3.23.11 Expenditure on Operations and Maintenance

Figure 89 summarises the Operations and Maintenance expenditure by major categories.

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Figure 89: Makueni County Operations and Maintenance Expenditure by Major Categories



***Source**: Makueni County Treasury*

Expenditure on domestic travel amounted to Kshs.20.75 million, comprising Kshs.11.23 million spent by the County Assembly and Kshs.9.52 million by the County Executive. Expenditure on foreign travel amounted to Kshs.2.87 million and was entirely incurred by the County Executive. Expenditure on foreign travel is summarised in Table 3.236.

Table 3.236: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25.

Arm of County Government	Number of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	1	5th to 9th October 2024	Formalisation of Partnership with the Marrakesh-Sari Region	Morocco	634,260
	3	5th to 9th October 2024	Attend the signing ceremony for the Memorandum of Understanding between the Regional Council of Marrakesh-Sari and the Government of Makueni County	Morocco	2,085,400
County Executive	1	5th to 9th October 2024	Formalisation of Partnership with the Marrakesh-Sari Region	Morocco	61,330
County Executive	1	26th to 30th January 2025	Attend the International Centre for Local Democracy (ICLD) Women Political Leaders Training	Republic of Albania	84,097
					2,865,087

***Source**: Makueni County Treasury and Makueni County Assembly*

The operations and maintenance costs include an expenditure of Kshs.21.5 million on market cleaning, with no expenditure on Legal fees, dues, or arbitration.

3.23.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.210.07 million as FIF, which was 102 per cent of the annual target of Kshs.176.40 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023 and the Makueni County Health Services Act (2017). The expenditure by the health facilities amounted to Kshs.485,088,642, as shown in Table 3.237.

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Table 3.237: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	(%)
	Makueni County Level 4 and 5 facilities	566,255,700	485,088,642	86
	Total	**566,255,700**	**485,088,642**	**86**

Source: *Makueni County Treasury*

The Health Facility with the highest absorption rate was 86 per cent.

3.23.13 Development Expenditure

In the review period, the County reported spending Kshs.1.27 billion on development programmes, representing an increase of 12 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.843.50 million. Table 3.238 summarises development projects with the highest expenditure in the reporting period. The increase in development expenditure was attributed to the timely implementation of projects.

Table 3.238: Makueni County, List of Development Projects with the Highest Expenditure

No.	Department	Project Name	Project Location	Project Commencement Date	Expected completion Date	Contract Sum	Expenditure in the First nine months
1	Water	Athi-Tunguni water project - Renovation of existing water tanks at Tunguni hill and Ngambi ya Myunzu, construction of a raised main tank/ water supply tanks and water distribution/pipeline extension	Nguumo	05-Mar-2025	02-Jul-2025	36,759,567.8	19,237,160
2	Water	Uyi Earth Dam- Counter Funding with NDMA	Masongaleni			9,137,889.00	9,722,109
3	Education	CTTI Development and Capitation	County wide	01-Jul-24	30-Jun-25	-	9,209,089.00
4	Gender	Sports Development Programme(Pool table competition), Supa Cup, Special Olympics and Ndukuma Run/Marathon)	HQ	19-Dec-24	30-Jun-25		9,028,156.00
5	Water	Dam construction Unit(DCU) - Maintenance machinery and hire of Machinery for the Dam construction Unit(DCU)	HQ				9,000,000
6	Transport	Muisyo-Ngomeni river drift	Mbooni	01-Apr-24	30-Jun-24	9,211,658.00	8,348,356.90
7	Transport	Enhancement of infrastructure projects(to facilitate payment of project components removed during the FY 2023/24 budget)	HQ			8,386,455.00	8,289,896.95
8	Lands	Resolution of boundary and land ownership disputes and issuance of public utilities' title	HQ				7,450,665
9	Transport	Kwa Kavesa drift &Culvert, heavy grading and murraming and drainage works from Ngiini- Kalanzoni - Yaitha and rehabilitation and construction of gabions at Kwa Malonga - Mulumini road.	Kiimakiu/ Kalanzoni	01-Apr-24	30-Jun-24	7,383,211.50	7,383,211.50
10	Water	Mulima Water Project	Mbooni	30-Jun-2024	29-Nov-2024		7,004,740

Source: *Makueni County Treasury*

The County has reported two stalled development projects, with an estimated value of Kshs.57.23 million, of which Kshs.101,500 has already been paid.

3.23.14 Budget Performance by Department

Table 3.239 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.239: Makueni County, Budget Allocation and Absorption Rate by Department.

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture	257.65	356	184	65	184	65	100.0	100.0	71.3	18.3
Legal Services / County Attorney	43	5	29	1	29	1	100.0	100.0	67.4	18.6
CPSB	71	-	41	-	41	-	100.0	-	57.3	-
CS	464	-	440	-	440	-	100.0	-	94.8	-
Devolution	309	39	188	1	188	1	100.0	100.0	60.9	3.2

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Education	940	266	565	61	565	61	100.0	100.0	60.1	22.9
Emali Sultan Hamud Municipality	32	43	7	12	7	12	100.0	100.0	22.7	28.8
Finance	501	49	321	1	321	1	100.0	100.0	64.0	1.4
Makueni County Fruit Development and Marketing Authority	36	46	15	29	15	29	100.0	100.0	41.4	62.4
Gender	142	149	68	32	68	32	100.0	100.0	47.6	21.5
Governship Office Headquarters	521	-	389	-	389	-	100.0	-	74.7	-
Health	3,117	1,120	2,023	617	2,023	617	100.0	100.0	64.9	55.1
Lands	84	546	47	137	47	137	100.0	100.0	55.8	25.1
Sand authority	58	5	38	2	38	2	100.0	100.0	66.1	40.0
Trade	140	40	76	2	76	2	99.6	100.0	53.8	6.2
Transport	130	970	76	173	76	173	-	100.0	-	17.9
Water	110	529	65	139	65	139	100.0	100.0	59.1	26.3
Wote Municipality	68	58	38	2	38	2	100.0	100.0	56.1	2.9
County Assembly	906	79	620	-	620	-	100.0	-	68.4	-
Total	**7,929**	**4,300**	**5,228**	**1,274**	**5,228**	**1,274**	100.0	100.0	65.9	29.6

Source: *Makueni County Treasury*

Analysis of expenditure by departments shows that the Department of Makueni County Fruit Development and Marketing Authority recorded the highest absorption rate of development budget at 62 per cent, followed by the Department of Health at 55 per cent. The Department of Sand Authority had the highest percentage of recurrent expenditure to budget at 40 per cent, while the Department of Finance had the lowest at 1.4 per cent.

3.23.15 Budget Execution by Programmes and Sub-Programmes

Table 3.240 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.240: Makueni County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Land, Physical Planning & Mining							
Programme 1: General administration & planning	SP1. General administration & planning	65.44	-	38.15	-	58	
Programme 2: : Land Survey & Mapping	SP2. Land Survey & Mapping	1.93	36.57	1.40	13.50	73	37
Programme 3: Urban planning	SP3.1 Urban planning	4.70	48.35	4.13	8.41	88	17
Programme 4: Mining mapping & development	SP4. 1 Mining mapping & development	1.08	1.60	-	1.60	0	100
Programme 5: Environment management and protection	SP 5. 1 Environment management and protection	10.35	459.11	2.88	113.33	28	25
	Sub Total	**83.50**	**545.63**	**46.56**	**136.84**	56	25
Wote Municipality							
Wote Municipality	SP 1. 1 Wote Municipality	67.93	57.51	38.08	1.68	56	3
	Sub Total	**67.93**	**57.51**	**38.08**	**1.68**	56	3
Emali-Sultan Municipality		-	-	-	-		
Emali-Sultan Municipality	SP 1. 1 Emali-Sultan Municipality	32.04	42.75	7.26	12.30	**23**	**29**
	Sub Total	**32.04**	**42.75**	**7.26**	**12.30**	**23**	**29**
Sand Authority							
General administration & planning	SP 1.1: General administration & Planning	57.5	5.00	38.18	2.00	66	40

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
	Sub Total	**57.75**	**5.00**	**38.18**	**2.00**	**66**	**40**
Health Services							
General administration & planning	SP1. 1 General administration & planning	2,658.4	913.12	1,640.1	543.84	62	60
Curative health care services	SP2.1: Curative health care services	363.42	31.24	293.33	23.91	81	77
Preventive and promotive health care services	SP3.1 Preventive and promotive health care services	94.82	175.90	89.39	49.17	94	28
	Sub Total	**3,116.67**	**1,120.25**	**2,022.88**	**616.92**	**65**	**55**
Infrastructure, Transport, Public works, Housing & Energy							
General administration & planning	SP1. 1 General administration & planning	92.98	20.39	54.38	8.29	58	41
Road Transport	SP2.1: Road transport	19.09	849.67	8.40	110.70	44	13
Infrastructure development	SP3.3: Infrastructure development	0.55	-	0.45	-	82	
Energy Infrastructure & Development	SP4.1:Energy Infrastructure & development	17.27	100.30	12.38	54.40	72	54
	Sub Total	**129.88**	**970.35**	**75.61**	**173.40**	**58**	**18**
ICT, Education and Internship							
General administration & planning	SP1. 1 General administration & planning	728.20	-	542.23	-	74	
Early childhood development education	SP2.1: Early childhood development education	18.43	178.75	3.51	36.77	19	21
Technical training & non-formal education	SP3.3: Technical training & non-formal education	1.05	57.70	0.55	17.49	52	30
Support for Education and Library Services	SP4.1: Support to Education and Library Services	155.60	0.06	14.39	-	9	0
ICT Infrastructure & Systems Development	SP5.1:ICT Infrastructure & Systems Development	17.80	29.32	2.23	6.55	13	22
Internship, Mentorship and Volunteerism	SP6.1: Internship, Mentorship and Volunteerism	18.93	-	2.10	-	11	
	Sub Total	**940.01**	**265.83**	**565.01**	**60.81**	**60**	**23**
Trade, Industry & Cooperatives							
General administration & planning	SP1. 1 General administration & planning	116.88	-	61.83	-	53	
Trade development & promotion	SP2.1; Trade development & promotion	7.80	35.22	6.58	2.47	84	7
Industrial development and promotion	SP3.1 Industrial development and promotion	5.75	1.00	3.96	-	69	
Tourism development & promotion	SP4. 1 Tourism development & promotion	2.10	2.00	1.00	-	48	0.00
Culture, Art and the Music promotion	SP5.1 Culture, Art and the Music Promotion	7.96	1.50	2.57	-	32	0.00
	Sub Total	**140.49**	**39.72**	**75.94**	**2.47**	**54**	**6**
Department of Gender, Children, Youth, Sports, and Social Services							
General administration & planning	P1: General administration & planning	62.36	-	33.31	-	53	
Gender and Social Development	P2: Gender and Social Development	17.75	74.67	9.67	10.34	54	14
Sports development	P3: Sports development	24.18	15.92	24.18	15.38	100	97
Youth empowerment	P4: Youth empowerment	38.14	58.57	0.63	6.30	2	11
	Sub Total	**142.42**	**149.17**	**67.79**	**32.03**	**48**	**21**
County Attorney							
General Administration & Support Services	P1: General administration & planning	42.54	5.20	28.66	0.97	67	19
	Sub Total	**42.54**	**5.20**	**28.66**	**0.97**	**67**	**19**

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
Governship							
General Administration & Support Services	P1: General administration & planning	521.05	-	389.22	-	75	
	Sub Total	**521.05**	**-**	**389.22**	**-**	**75**	
County Secretary							
Leadership & coordination of departments	SP1. 1 Leadership & coordination of departments	464.25	-	440.26	-	95	
	Sub Total	**464.25**	**-**	**440.26**	**-**	**95**	
CPSB							
Public Service Human Resource Management and Development.	SP2: Public Service Human Resource Management and Development.	71.00	-	40.70	-	57	
	Sub Total	**71.00**	**-**	**40.70**	**-**	**57**	
Finance & Socio-Economic Planning		-	-	-	-		
General Administration & Support Services	SP1: General administration & planning	371.42	48.83	206.37	0.68	56	1
Public financial management	Sub-Programme 2.1: Financial Accounting Services	11.91	-	10.54	-	89	
	Sub-Programme 2.2: Budget formulation, coordination and management	43.15	-	40.00	-	93	
	Sub-Programme 2.3: Internal audit services	7.30	-	2.67	-	37	
	Sub-Programme 2.4: Resource mobilisation	39.34	-	36.09	-	92	
	Sub-Programme 2.5: Supply chain management services	2.85	-	2.69	-	94	
	Sub-Programme 2.6; Economic planning	9.29	-	8.55	-	92	
	Sub-Programme 2.7; Monitoring & Evaluation	7.10	-	7.06	-	99	
	Sub-Programme 2.8; County Statistics	5.10	-	5.10	-	100	
	Sub-Programme 2.9; Enterprise Risk Management	0.99	-	-	-	0.00	
	Sub-Programme 2.10; Assets Management	2.80	-	1.76	-	63	
	Sub Total	**501.24**	**48.83**	**320.83**	**0.68**	**64**	**1**
Devolution, Public participation, County Administration and Special Programmes							
General Administration & Planning	SP1: General Administration & Planning	244.56	37.50	136.62	1.23	56	3
Participatory Development.& civic education	SP2: Participatory Development.& civic education	19.51	-	15.11	-	77	
Research, Documentation and Knowledge Management	SP3: Research, Documentation and Knowledge Management	-	-	-	-		
Coordination of Service Delivery and Enforcement	SP4: Coordination of Service Delivery and Enforcement	29.81	0.94	26.94	-	90	
Disaster Risk Preparedness and Mitigation	SP5: Disaster Risk Preparedness and Mitigation	10.99	0.30	7.24	-	66	
Alcoholic Drinks Control and Licensing	SP6: Alcoholic Drinks Control and Licensing	3.97	-	2.09	-	53	
	Sub Total	**308.85**	**38.74**	**188.01**	**1.23**	**61**	**3**
Water, Sanitation and Irrigation							
General administration & planning	SP1: General Administration & Planning	98.95	10.65	58.28	3.55	59	33

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
Water Infrastructure Development	SP 2.1: Water harvesting and storage	3.84	196.99	2.04	31.29	53	16
	SP2: Piped water supply infrastructure	3.68	197.98	2.24	80.64	61	41
	SP.3: Groundwater development	3.38	122.97	2.41	23.32	71	19
	Sub Total	**109.85**	**528.59**	**64.97**	**138.79**	**59**	**26**
Agriculture, Livestock, Fisheries And Cooperative Development							
General administration & planning	SP1: General Administration & Planning	236.99	184.53	172.89	21.17	73	11
Land, Crop development & productivity	SP 2: Land, Crop development & productivity	2.58	78.68	2.04	24.92	79	32
Agribusiness and information management	SP3: Agribusiness and information management	5.22	30.85	2.30	0.50	44	2
Livestock Production, Management and Development	SP 4:Livestock Production, Management and Development	10.95	57.61	5.54	17.88	51	31
Cooperative Development	SP 5:Cooperative Development	1.90	4.60	0.90	0.70	47	15
	Sub Total	**257.65**	**356.26**	**183.67**	**65.17**	**71**	**18**
Makueni Fruit Development and Marketing Authority							
General Administration & Support Services	P1: General administration & planning	35.56	46.50	14.73	29.02	41	62
	Sub Total	**35.56**	**46.50**	**14.73**	**29.02**	**41**	**62**
County Assembly							
Legislation and Representation	SP1: Legislation and Representation	906.12	79.35	441.95	-	49	0.00
	Sub Total	**906.12**	**79.35**	**619.79**	**-**	**68**	**0.00**
Total County Budget		**7,928.8**	**4,299.6**	**5,228.1**	**1,274.3**	**66**	**30**

Source: *Makueni County Treasury*

Sub-programmes with the highest levels of implementation, based on absorption rates, were: Public Finance Management in the Department of Finance and Socio-economic Planning at 100 per cent, Monitoring and Evaluation in the Department of Finance and Socio-economic Planning at 99 per cent, and Sports Development in the Department of Sports, which utilised 100 per cent of the budget allocation.

3.23.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 31 accounts with commercial banks, including 18 accounts for Health Facilities, six sub-county imprest accounts, six accounts for Established Funds, and one revenue account.

The County Treasury did not open a commercial bank account during the period under review.

3.23.17 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;

i. The County Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 28 April 2025.
ii. The underperformance of own-source revenue at Kshs.350 million against an annual target of Kshs.905 million, representing 39 per cent of the yearly target.
iii. Unspent funds from FY 2023/24 were not refunded to the CRF account, resulting in actual expenditures

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exceeding the approved exchequer in several departments, as shown in Table 3.239. Furthermore, non-adherence to the payment plan for the pending bills by the County Treasury.

iv. A high level of pending bills, amounting to Kshs.174 million as of 31st March 2025.

v. Use of manual payroll. Personnel emoluments amounting to Kshs.52.76 million for staff yet to be onboarded into HRIS, and casual staff were processed through manual payroll, accounting for 1.6 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

vi. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget, as per the timelines prescribed in Section 166 of the PFM Act, 2012.*

ii. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*

iii. *The County Treasury should ensure unspent funds from the previous financial year are deposited into the CRF Account in line with Section 136 of the PFM Act 2012.*

iv. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*

v. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

vi. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

3.24. County Government of Mandera

3.24.1 Overview of FY 2024/25 Budget

The Mandera County Gross Approved FY 2024/25 budget is Kshs.14.89 billion. It comprises Kshs.5.94 billion (40 per cent) and Kshs.8.95 billion (60 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.88 billion (14.4 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.5.04 billion and a recurrent budget of Kshs.7.97 billion. The increase in the budget was attributed to the rise in equitable share allocation of Kshs.421.78 million and a Kshs.993.93 increase in additional allocations.

The budget will be financed from the following revenue sources: an equitable share of revenue raised nationally, of Kshs.12.05 billion (81 per cent), additional allocations of Kshs.1.51 billion (10 per cent), a cash balance of Kshs.986.07 million (7 per cent) brought forward from FY 2023/24, and Kshs.336.53 million (2 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.57.93 million (0.4 per cent), Facility Improvement Fund (revenue from health facilities) and Kshs.278.61 million (1.9 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.241.

3.24.2 Revenue Performance

During the review period, the County received Kshs.7.97 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.546.61 million from Kshs.7.42 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.6.78 billion from the equitable share of revenue raised nationally and its own-source revenue (OSR) collection of Kshs.202.83 million. In addition, the County had a cash balance of Kshs.986.07 million from FY 2023/24.

The total OSR collection of Kshs.202.83 million includes Facilities Improvement Financing (FIF) of Kshs.59.36 million, and Kshs.143.47 million from other OSR sources. OSR collections from the FIF were received from Mandera Referral Hospital and other sub-county hospitals where FIF is collected. Table 3.241 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

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Table 3.241: Mandera County, Revenue Performance in the First Nine Months of FY 2024/25

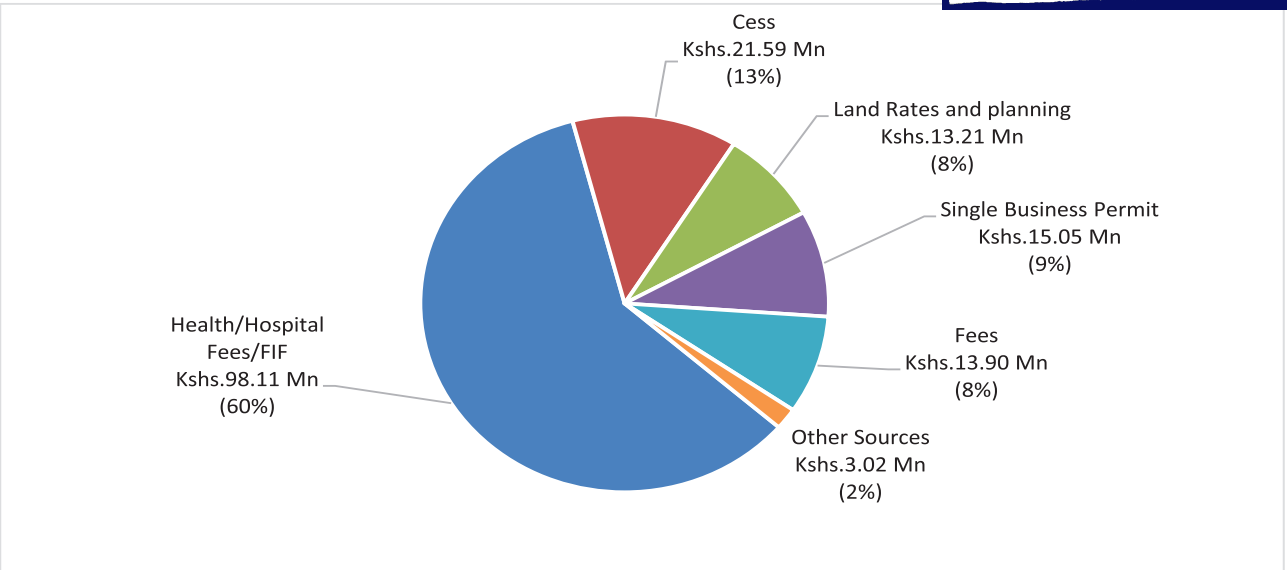
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as a % of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	12,054,974,660	6,780,559,238	56.2
Sub Total		**12,054,974,660**	**6,780,559,238**	**56.2**
B	**Conditional Grants**			
1	FLOCCA CCIR Grant FY 2023/2024 Allocations B/f (Amount in SPA)	286,447,747	-	
2	Conditional Grant for Aggregated Industrial Parks Programme	250,000,000	-	0
3	Roads Maintenance Fuel Levy	192,647,255	-	0
4	Food Systems Resilience Project (FSRP)	173,076,923	-	0
5	FLOCCA CCIR Grant FY 2023/2024 and FY 2024/25 Allocations	163,686,676	-	0
6	World Bank Emergency Locust Response Project (ELRP)	142,500,000	-	0
7	Kenya Urban Support Project (KUSP) - UDG	142,013,441	-	0
8	Kenya Devolution Support Programme 2 (KDSP II)	37,500,000	-	0
9	Kenya Urban Support Project (KUSP) - UIG	35,000,000	-	0
10	DANIDA Grant - Primary Health Care for FY 2023/2024 (Not received)	18,653,250	-	0
11	Community Health Promoters Program	18,540,000	-	0
12	DANIDA Grant - Primary Health Care	15,746,250	-	0
13	FLOCCA County Climate Institutional Support Grant FY 2023/24 Allocations (not received)	11,000,000	-	0
14	FLOCCA County Climate Institutional Support Grant	11,000,000	-	0
15	Kenya Agricultural Business Development Project	10,918,919	-	0
16	RMLF b/f	2,271,953	-	0
17	Kenya Urban Support Project (Urban Development Grant)	1,194,559	-	
18	DANIDA Grant - Primary Health Care (Balance in SPA)	1,190,001	-	0
Sub-Total			**0**	**0**
C	**Other Sources of Revenue**	**1,513,386,974**		
1	Ordinary Own Source Revenue	278,609,881	143,468,152.82	51.5
2	Balance b/f from FY2023/24	986,068,763	986,068,763	100
3	Facility Improvement Fund (FIF)	57,923,965	59,363,891	102.5
Sub Total		1,322,602,609	1,188,900,807	89.9
Grand Total		**14,890,964,243**	**7,969,460,045**	**53.5**

Source: *Mandera County Treasury*

The County has the approved governing legislation on the operation of ordinary A-I-A and FIF. Figure 90 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

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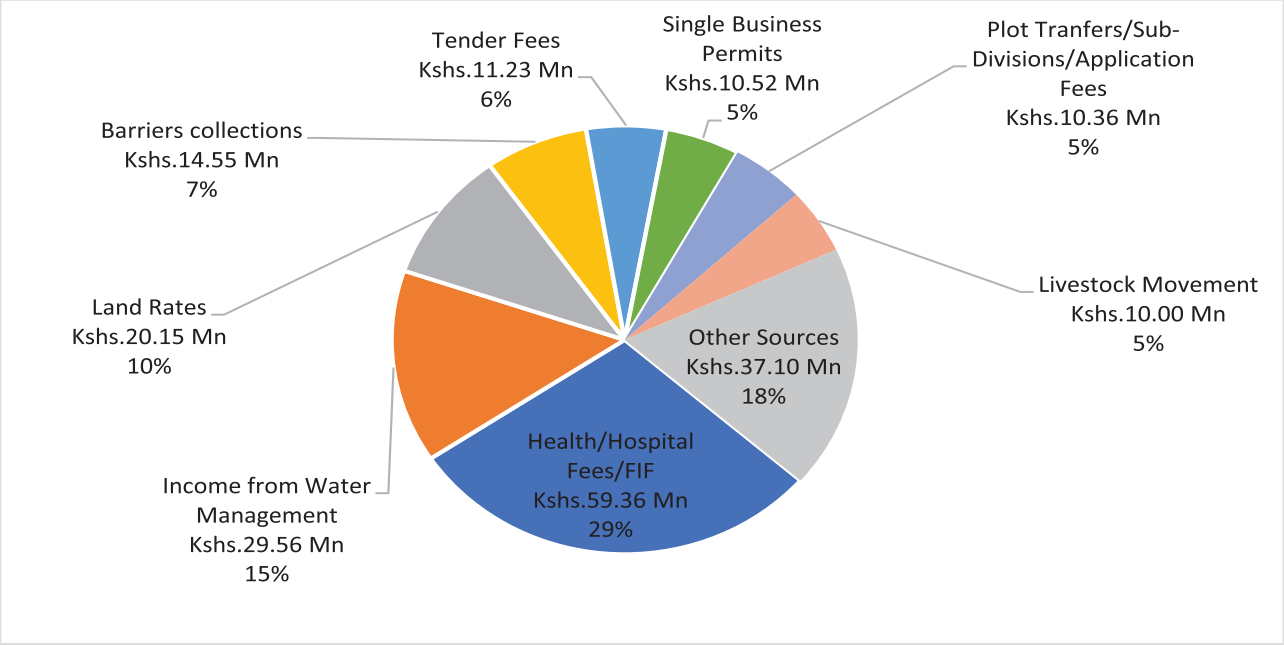
Figure 90: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2023/24 and FY 2024/25



Source: *Mandera County Treasury*

During the review period, the County generated Kshs.202.83 million from its own revenue sources, including AIA and FIF. This amount represented an 84 per cent increase compared to Kshs.110.12 million realised in a similar period in FY 2023/24 and accounted for 60.3 per cent of the annual target and 3 per cent of the equitable revenue share disbursed. The increase in OSR can be attributed to improved collection through automation, enhanced enforcement, and supervision. The revenue streams which contributed the highest OSR receipts are shown in Figure 91.

Figure 91: Top Own Source Revenue Streams in the First Nine Months FY 2024/25.



Source*: Mandera County Treasury*

As shown in Figure 91, the highest revenue stream is at Kshs.59.36 million was from Hospital Fees, contributing 29 per cent of the total OSR receipts. The County Government has automated all revenue streams.

3.24.3 Borrowing by the County

The County Government did not report on any borrowing during the reporting period.

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3.24.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.7.89 billion from the CRF account comprised Kshs.2.42 billion (31 per cent) for development programmes and Kshs.5.47 billion (69 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.11 billion was released towards compensation of employees and Kshs.2.36 billion for operations and maintenance expenditure. Exchequer approved for compensation for employees in the first nine months of FY 2024/25, does not include the March 2025 exchequer request for the County Executive and County Assembly.

Analysis of the operations and maintenance exchequer releases indicates that 5 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.111.53 million, comprising Kshs.58.75 million for the County Executive and Kshs.52.78 million for the County Assembly. The foreign travel exchequer totalled Kshs.25.53 million, all for the County Assembly. The County Executive did not incur any foreign travel expenditure.

Table 3.242: Mandera County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	883.91	102.42	504.56	90.11	57	88
County Executive Services	501.87	-	347.96	-	69	0
Finance and Economic Planning	469.81	17.00	273.69	12.00	58	71
Agriculture, Livestock and Fisheries	349.35	644.55	168.32	179.85	48	28
Water, Energy, Environment and Natural Resources	367.71	1,880.21	287.87	884.56	78	47
Education and Human Capital Development	1,132.28	271.34	732.04	107.05	65	39
Health Services	2,165.45	492.08	1,295.22	134.22	60	27
Lands and Urban Development	243.59	577.13	140.13	281.43	58	49
Roads, Transport and Public Works	294.62	915.33	196.38	367.67	67	40
Social Development	113.80	566.69	65.25	349.29	57	62
Public Service Management	2,007.41	-	1,243.75	-	62	0
County Public Service Board	77.22	12.97	47.35	6.48	61	50
Trade and Cooperative Development	60.55	412.45	35.49	12.60	59	3
Office of the County Secretary	196.29	50.00	88.30	-	45	0
Office of the County Attorney	84.96	-	42.70	-	50	0
TOTAL	**8,948.80**	**5,942.16**	**5,469.01**	**2,425.26**	**61**	**41**

***Source**: Mandera County Treasury*

As of 31st March, 2025, the County Government's cash balance in the CRF account was Kshs 15.76 million.

3.24.5 County Expenditure Review

The County spent Kshs.7.87 billion on development and recurrent programmes during the reporting period. The expenditure represented 99.7 per cent of the total funds released by the CoB and comprised Kshs.2.43 billion and Kshs.5.45 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 41 per cent, while recurrent expenditure accounted for 59 per cent of the annual recurrent expenditure budget.

3.24.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs2.23 billion as of 30th June 2024. This amount includes Kshs.2.23 billion from the County Executive and Kshs.4.54 million from the County Assembly. The pending bills from the County Executive consist of Kshs.753.25 million for recurrent expenditures and Kshs.1.47 million for development expenditures.

During the period under review, the County Executive paid off pending bills amounting to Kshs.841.43 million, comprising Kshs.386.91 million for development programmes and Kshs.454.52 million for recurrent programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.4.54 million, which was all for recurrent activities.

The County Executive and the Assembly submitted payment plans for pending bills at the commencement of FY 2024/25, committing to pay Kshs.1.09 billion and Kshs.4.54 million, respectively, in the first nine months of FY 2024/25. However, the County Executive did not adhere to this payment plan, as it cleared only Kshs.841.43 million.

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Furthermore, the County Assembly cleared all its outstanding pending bills of Kshs.4.54 million as per the payment plan.

As of 31st March 2025, the outstanding bills totalled Kshs.1.38 billion, all of which were for the County Executive.

3.24.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.89 billion on employee compensation, Kshs.2.08 billion on operations and maintenance, and Kshs.2.31 billion on development activities. Similarly, the County Assembly spent Kshs.217.48 million on employee compensation, Kshs.263.96 million on operations and maintenance, and Kshs.90.11 million on development activities, as shown in Table 3.243.

Table 3.243: 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	**8,064,889,080**	**883,911,204**	**4,964,449,461**	**481,445,839**	62	54
Compensation to Employees	4,929,722,028	510,812,204	2,887,699,571	217,483,509	59	43
Operations and Maintenance	3,135,167,052	373,099,000	2,076,749,891	263,962,329	66	71
Development Expenditure	5,839,742,645	102,421,313	2,335,151,500	90,110,050	40	88
Total	**13,904,631,726**	**986,332,517**	**7,299,600,962**	**571,555,889**	**52**	**58**

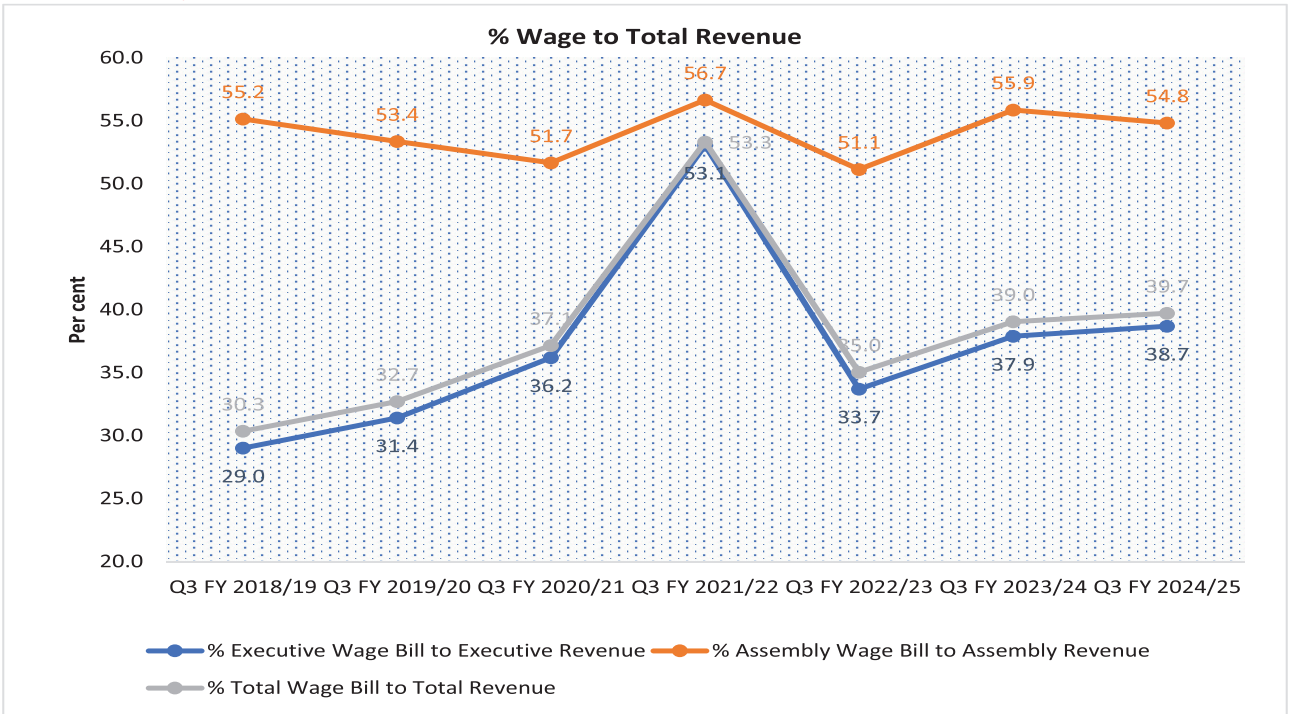
***Source**: Mandera County Treasury*

3.24.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.3.11 billion. The total revenue, excluding earnings from extractive natural resources, was Kshs.7.97 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 39 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.2.63 billion that was reported during the same period in FY 2023/24. Of this total, Kshs.938.55 million was allocated to Health Sector employees, which accounts for 30.2 per cent of the overall employees' compensation. The increase in compensation to employees is attributed to the payment of May and June 2024 salaries in the current period due to delays in the disbursement of funds by the national treasury.

Figure 92 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 92: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: Mandera County Treasury*

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Further analysis indicates that PE costs amounting to Kshs.2.93 billion were processed through the integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.177.1 million was processed through manual payrolls, which accounted for 6.1 per cent of the total PE cost.

The manual payrolls comprised salaries for 146 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 486 casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.244.

Table 3.244: Breakdown of Mandera County Manual Payroll

S/No.	Description of Manual Payroll	Amount Kshs.
1.	Salaries for 146 staff are yet to be onboarded into HRIS	56,329,067
2.	Salaries for 486 casual staff	76,714,880
3.	Top-up Allowances for 84 security officers	35,531,040
4.	LAPTRUST/LAPFUND Pension Contributions	5,648,430
5.	Gratuity for contract staff	129,270
6.	House Levy	2,481,723
7.	NITA contribution	281,500
	Total	**177,115,910.30**

Source: *Mandera Payroll Department*

The County Assembly spent Kshs.7.14 million on committee sitting allowances for the 50 MCAs against the annual budget allocation of Kshs.41.21 million. The average monthly sitting allowance was Kshs.15,549 per MCA. The County Assembly has 21 House Committees.

3.24.9 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.460 million to the County-Established Bursary fund in FY 2024/25, or 3.1 per cent of the County's overall budget. The County had no allocation for the Emergency Fund. Table 3.245 summarises the established Fund's budget allocation and performance during the reporting period.

Table 3.245: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Half of FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1	Bursary program	460,000,000	335,034,734	335,034,734	1,727,034,734	YES
	Total	**460,000,000**	**335,034,734**	**335,034,734**	**1,727,034,734**	

Source*: Mandera County Treasury*

During the reporting period, the CoB received quarterly financial reports from Bursary Fund Administrators, as indicated in Table 3.245, in line with the requirement of Section 168 of the PFM Act, 2012. The administration costs of the Bursary Fund were within the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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. During the reporting period, the CoB established that the lifespan of the Bursary Fund has not lapsed as it was approved on 11 July 2014 but operationalised in the FY 2015/16.

3.24.10 County Corporations

The County has established two county corporations. In FY 2024/25, the County allocated Kshs 300 million to these corporations through their parent departments. Their total expenditure in the first nine months amounted to Kshs.166.27 million, as shown in Table 3.246.

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Table 3.246: Performance of County Corporations

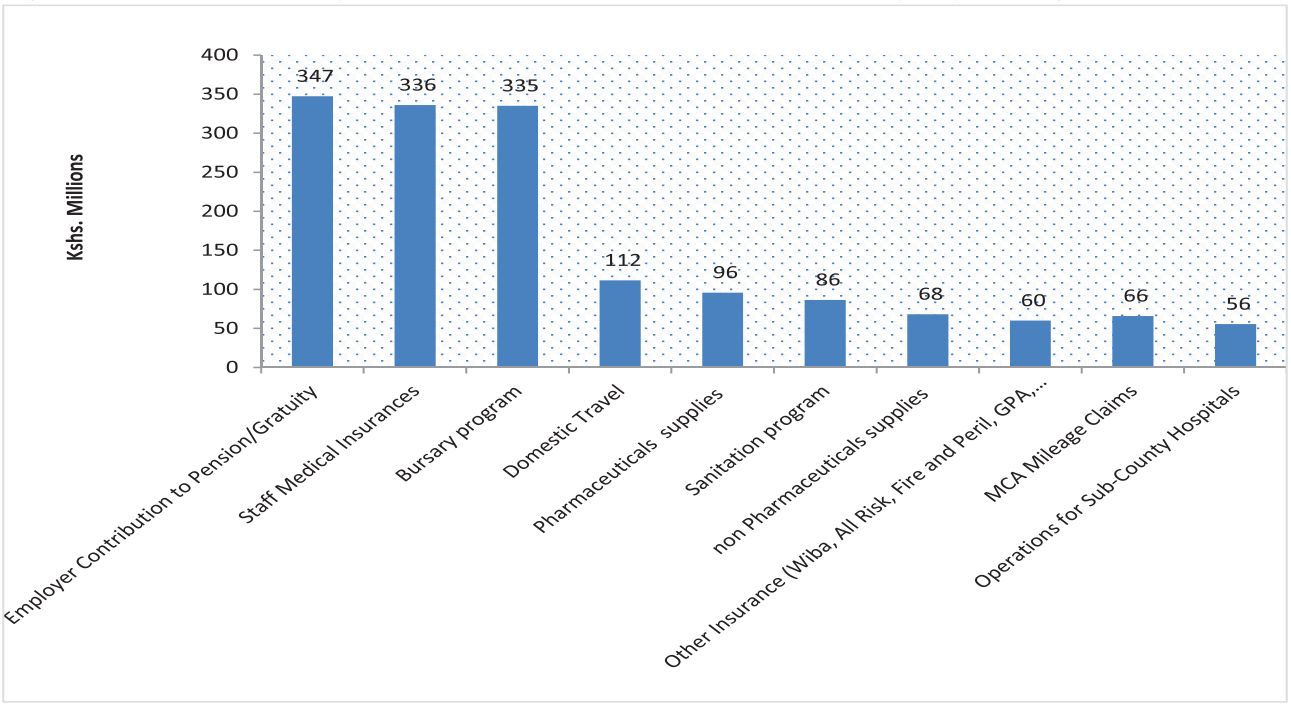
S/No.	Name Of Corporation	Parent Department	Approved Budget Allocation In FY 2024/2025	Exchequer Issues FY 2024/2025	Actual Expenditure 2024/2025
1	Mandera Water and Sewerage Company	Ministry of Water	190,000,000	88,418,000	92,747,421
2	Elwak Water & Sewerage Company Ltd	Ministry of Water	110,000,000	68,400,000	73,521,659

Source: *Mandera County Treasury*

3.24.11 Expenditure on Operations and Maintenance

Figure 93 summarises the Operations and Maintenance expenditure by major categories.

Figure 93: Mandera County, Operations and Maintenance Expenditure by Major Categories



Source: *Mandera County Treasury*

Expenditure on domestic travel amounted to Kshs.111.53 million and comprised Kshs.52.78 million spent by the County Assembly and Kshs.58.75 million by the County Executive. Expenditure on foreign travel amounted to Kshs.25.53 million and was all incurred by the County Assembly. Expenditure on foreign travel is summarised in Table 3.247.

Table 3.247: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly of Mandera	8	9th - 15th Feb 2025	Attending a workshop on public participation and stakeholders' engagement in the budget-making process	Dubai, UAE	7,307,440
County Assembly of Mandera	7	2nd - 9th Feb 2025	Attending a workshop on Legislative role, Integrity and leadership	Dubai, UAE	6,484,050
County Assembly of Mandera	4	24th - 30th June 2024	Being on the County Finance and Budget training	Dubai-UAE	3,641,684
County Assembly of Mandera	4	24th - 30th June 2024	Being on the County Assembly Legislative, Practice and Procedures	Dubai-UAE	2,912,060
County Assembly of Mandera	4	18th - 24th Feb 2025	Being payment for perdiem allowances for Hon. Members and a clerk for an official duty to attend a formalisation of a partnership agreement through a memorandum of Understanding (MOU)aimed at supporting the department.	Morrocco	2,466,920

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Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination of Travel	Total Costs (Kshs.)
County Assembly of Mandera	1	7th - 4th Dec 2024	Being Payment for Foreign per-diem paid while on official duty to attend the Deputy Speakers Masterclass workshop	Holiday Inn Orchard City Centre Hotel Singapore	1,389,980
County Assembly of Mandera	1	4th - 11th Oct 2024	Being payment for per-diem and paid while on official duty to attend a workshop on the United Nations Simulation conference, crafting future leaders in a post-pandemic era.	Istanbul, Turkiye	522,340
County Assembly of Mandera	1	23rd Feb - 1st March 2025	Being payment for perdiem allowances for Board members to attend a training on enhancing corporate leadership for effective governance for the board members of County Assemblies	Arusha, Tanzania	413,120
County Assembly of Mandera	1	2nd - 10th Sept 2024	Being payment for per-diem and paid while on official duty to attend a workshop on world sustainable development, submit	New Delhi, India	391,300
TOTAL					**25,528,894**

***Source**: Mandera County Treasury and Mandera County Assembly*

The operations and maintenance costs include an expenditure of Kshs.49.6 million on garbage collection and Kshs.29 million on Legal fees/Dues, arbitration and compensation payments.

3.24.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.59.36 million as FIF, which was 103 per cent of the annual target of Kshs.57.92 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County developed regulations in 2023 to operationalise the FIF Act 2023.

The Health Facilities provide a report on the utilisation of the FIF during the reporting period, in line with Section 18(e) of the FIF Act, 2023. The expenditure by the health facilities amounted to Kshs.59.36, as shown in Table 3.248.

Table 3.248: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the facility	Approved budget for the facility	Actual Expenditure	Absorption rate
1	Mandera County Referral Hospital	36,895,705	38,335,631	104
2	Kutulo Sub County Hospital	126,000	126,000	100
3	Takaba Sub-County Hospital	4,727,936	4,727,936	100
4	Elwak Sub-County Hospital	14,281,175	14,281,175	100
5	Rhamu Sub-County Hospital	941,030	941,030	100
6	Lafey Sub-County Hospital	183,479	183,479	100
7	Banisa Sub-County Hospital	768,640	768,640	100
	Total	**57,923,965**	**59,363,891**	**102**

***Source:** Mandera County Treasury*

The Health Facility with the highest absorption rate was the Mandera County Referral Hospital.

3.24.13 Development Expenditure

In the review period, the County reported spending Kshs.2.4 billion on development programmes, representing an increase of 25 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.1.91 billion. Table 3.249 summarises development projects with the highest expenditure in the reporting period.

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Table 3.249: Mandera County, List of Development Projects with the Highest Expenditure

S/No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Water Services	Proposed Construction Of 100,000M3 Dadach Gabab Earth Pan in Banisa Sub-County, Mandera County	Banisa	Jun-25	74,946,231	74,946,231	74,946,231	100
2	Water Services	Proposed Augmentation and Upgrading of Khalalio Water Supply Project At Khalalio Town In Mandera East Sub-County	Mandera East	Jun-25	66,227,207	9,000,000	9,000,000	14
3	Water Services	Tender Name: Proposed Desilting Of Qaba Guto Earth Pan By 80,000 M3	Mandera south	Jun-25	40,223,306	4,950,801	4,950,801	12
4	Water Services	Proposed Construction Of 30,000M3 Earth Pan At Mikoreb In Mandera West	Mandera west	Jun-25	15,104,445	7,552,222	7,552,222	50
5	Water Services	Proposed Construction Of 30,000M3 Earth Pans At Amasa In Mandera West	Mandera west	Jun-25	14,950,792	7,475,396	7,475,396	50
6	Water Services	Proposed Desilting And Expansion Of Kobadadi West Earth Pan By 20,000 M3 In Mandera West Sub-County	Mandera west	Jun-25	14,937,448	7,468,724	7,468,724	50
7	Water Services	Proposed Construction of 30,000M3 Earth Pan at Ires Suki Ni Mandera South	Mandera south	Jun-25	14,542,500	7,271,250	7,271,250	50
8	Water Services	Proposed Construction of 20,000M3 Har Dimu Earth Pan In Kutulo Sub-County	Kutulo	Jun-25	9,928,150	4,964,075	4,964,075	50
9	Water Services	Proposed Construction of 20,000M3 Elram Earth Pan in Kutulo Sub-County	Kutulo	Jun-25	9,869,213	4,934,606	4,934,606	50
10	Water Services	Proposed Construction of 20,000M3 Gubatu Earth Pan in Mandera West Sub-County	Mandera west	Jun-25	9,702,319	4,851,159	4,851,159	50

Source: *Mandera County Treasury*

The County has not reported any stalled development projects to date.

3.24.14 Budget Performance by Department

Table 3.250 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.250: Mandera County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	883.91	102.42	504.56	90.11	481.45	90.11	95	100	54	88
County Executive Services	501.87	-	347.96	-	347.96	-	100	-	69	-
Finance and Economic Planning	469.81	17.00	273.69	12.00	295.54	12.00	108	100	63	71
Agriculture, Livestock and Fisheries	349.35	644.55	168.32	179.85	168.32	179.85	100	100	48	28

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
Water, Energy, Environment and Natural Resources	367.71	1,880.21	287.87	884.56	233.92	892.60	81	101	64	47
Education and Human Capital Development	1,132.28	271.34	732.04	107.05	732.74	107.05	100	100	65	39
Health Services	2,165.45	492.08	1,295.22	134.22	1,276.35	134.22	99	100	59	27
Lands and Urban Development	243.59	577.13	140.13	281.43	152.28	273.39	109	97	63	47
Roads, Transport and Public Works	294.62	915.33	196.38	367.67	192.36	367.67	98	100	65	40
Social Development	113.80	566.69	65.25	349.29	71.65	349.29	110	100	63	62
Public Service Management	2,007.41	-	1,243.75	-	1,252.59	-	101	-	62	-
County Public Service Board	77.22	12.97	47.35	6.48	52.05	6.48	110	100	67	50
Trade and Cooperative Development	60.55	412.45	35.49	12.60	39.59	12.60	112	100	65	3
Office of the County Secretary	196.29	50.00	88.30	-	107.49	-	122	-	55	-
Office of the County Attorney	84.96	-	42.70	-	41.60	-	97	-	49	-
Total	**8,948.8**	**5,942.16**	**5,469.01**	**2,425.26**	**5,445.90**	**2,425.26**	**100**	**100**	**61**	**41**

***Source**: Mandera County Treasury*

Analysis of department expenditures shows that the County Assembly of Mandera recorded the highest absorption rate of the development budget, at 88 per cent, followed by the Department of Social Development, at 62 per cent. The Department of Executive Services had the highest percentage of recurrent expenditures to budget, at 69 per cent, while the Department of Agriculture had the lowest, at 48 per cent.

3.24.15 Budget Execution by Programmes and Sub-Programmes

Table 3.251 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.251: Mandera County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock and Fisheries							
General Administration & Support Services	General Administration & Support Services	183,998,598	-	94,098,732	-	**51**	**0**
Livestock Resources Management and Development	Livestock Resources Management and Development	78,250,000	105,823,301	23,667,800	57,823,301	**30**	**55**
Food Security and Sustainable Agriculture	Crop Management and Development	62,900,000	427,399,967	43,754,100	80,916,025	**70**	**19**
Irrigation Development and Management	Irrigation Development and Management	24,200,000	111,325,484	6,800,000	41,109,998	**28**	**37**
	Sub Total	**349,348,598**	**644,548,752**	**168,320,632**	**179,849,324**	**48**	**28**
Land and Urban Development						**0**	**0**
General Administration & Support Services	General Administration & Support Services	69,153,340	-	40,279,763	-	**58**	**0**
Land Use Planning and Survey	Land Use Planning and Survey	41,550,000	48,926,640	20,900,000	20,002,600	**50**	**41**
Physical Planning, housing, and urban development	Physical Planning, housing, and urban development	4,200,000	528,208,000	2,155,800	253,388,205	**51**	**48**
Solid Waste Management	Solid Waste Management	128,684,879	-	88,948,360	-	**69**	**0**
	Sub-Total	**243,588,219**	**577,134,640**	**152,283,923**	**273,390,805**	**63**	**47**

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Roads, Public Works and Transport						**0**	**0**
General Administration & Support Services	General Administration & Support Services	156,225,616	-	96,960,234	-	**62**	**0**
Road And Air Transport Infrastructure Development	Road And Air Transport Infrastructure Development	127,491,417	876,327,815	89,003,187	349,686,800	**70**	**40**
Public Works Management	Public Works Management	10,900,000	39,000,000	6,400,000	17,988,034	**59**	**46**
	Sub-Total	**294,617,033**	**915,327,815**	**192,363,421**	**367,674,834**	**65**	**40**
Trade and Cooperative Development						**0**	**0**
General Administration and Planning	General Administration and Planning	42,749,748	-	27,393,402	-	**64**	**0**
Cooperative Development and Promotion	Cooperative Development and Promotion	7,400,000	15,449,789	3,700,000	7,449,789	**50**	**48**
Trade Development and Promotion	Trade Development and Promotion	10,400,000	397,000,000	8,500,000	5,152,174	**82**	**1**
	Sub-Total	**60,549,748**	**412,449,789**	**39,593,402**	**12,601,963**	**65**	**3**
Health Services						**0**	**0**
General Administration and Planning	General Administration and Planning	1,525,499,284	-	938,547,603	-	**62**	**0**
Preventive, Promotive and Reproductive Health Services	Preventive, Promotive and Reproductive Health Services	129,523,501	209,373,070	26,994,600	26,164,859	**21**	**12**
Curative, Rehabilitative, and Referral Services	Curative, Rehabilitative, and Referral Services	510,425,547	282,708,633	310,809,214	108,056,027	**61**	**38**
	Sub-Total	**2,165,448,332**	**492,081,703**	**1,276,351,417**	**134,220,886**	**59**	**27**
Education and Human Capital Development						**0**	**0**
General Administration and Planning	General Administration and Planning	1,009,626,588	-	681,388,052	-	**67**	**0**
Early Childhood Education	Early Childhood Education	102,650,000	248,285,210	46,350,000	91,995,678	**45**	**37**
Vocational and Technical Training Services	Vocational and Technical Training Services	15,500,000	23,049,894	2,700,000	15,049,894	**17**	**65**
Education Support Services	Education Support Services	4,500,000	-	2,300,000	-	**51**	**0**
	Sub-Total	**1,132,276,588**	**271,335,104**	**732,738,052**	**107,045,572**	**65**	**39**
County Executive Services						**0**	**0**
Management of County Affairs	General Administration and Planning	501,872,333	-	347,961,774	-	**69**	**0**
	Sub-Total	**501,872,333**	**-**	**347,961,774**	**-**	**69**	**0**
Office of the County Secretary						**0**	**0**
Policy, Leadership and Executive Coordination	Leadership and executive coordination	196,286,068	50,000,000	107,494,000	-	**55**	**0**
	Sub-Total	**196,286,068**	**50,000,000**	**107,494,000**	**-**	**55**	**0**
Office of the County Attorney						**0**	**0**
Legal and Public Sector Advisory Services	Legal and advisory services	84,957,458	-	41,596,640	-	**49**	**0**
	Sub-Total	**84,957,458**	**-**	**41,596,640**	**-**	**49**	**0**
County Public Service Board						**0**	**0**
Ethics, Governance and Public Service Values	Ethics, Governance and Public Service Values	77,217,041	12,965,500	52,047,329	6,482,750	**67**	**50**
	Sub-Total	**77,217,041**	**12,965,500**	**52,047,329**	**6,482,750**	**67**	**50**

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Assembly						**0**	**0**
Legislation and Representation	Legislation and Representation	883,911,204	102,421,313	481,445,838.6	90,110,050	**57**	**88**
	Sub-Total	**883,911,204**	**102,421,313**	**481,445,838.6**	**90,110,050**	**57**	**88**
Finance and Economic Planning						**0**	**0**
General Administration and Planning	Administration Planning	339,915,598	-	206,966,621	-	**61**	**0**
Public Finance Management	Accounting Services	4,300,000	-	3,248,000	-	**76**	**0**
	Financial Services and Report	6,000,000	-	4,644,000	-	**77**	**0**
	Internal Audit Services	2,800,000	-	1,715,600	-	**61**	**0**
	Supply Chain Management Affairs	11,500,000	-	7,000,000	-	**61**	**0**
	County Asset Management system	9,700,000	-	5,900,000	-	**61**	**0**
Economic Planning and Statistics	County Economic Planning and Statistics	33,958,000	-	23,365,775	-	**69**	**0**
Revenue Collection and Enhancement	Revenue Collection and Enhancement	43,415,000	10,000,000	33,668,700	5,000,000	**78**	**50**
ICT and E-Government Services	ICT and E-Government Services	18,220,000	6,999,408	9,030,000	6,999,408	**50**	**100**
	Sub-Total	**469,808,598**	**16,999,408**	**295,538,696**	**11,999,408**	**63**	**71**
County Public Service Management						**0**	**0**
General Administration and Planning	Administration Planning	1,967,005,734	-	1,227,397,247	-	**62**	**0**
Devolved Governance and Enforcement Services	Devolved Governance and Enforcement Services	-	-	-	-	**0**	**0**
Civic Education and Public Participation	Civic Education and Public Participation	4,500,000	-	2,600,000	-	**58**	**0**
De-Radicalisation and Countering Violence	De-Radicalisation and Countering Violence	-	-	-	-	**0**	**0**
Community Cohesion and Conflict Management	Community Cohesion and Conflict Management	35,900,000	-	22,595,600	-	**63**	**0**
	Sub-Total	**2,007,405,734**	**-**	**1,252,592,847**	**-**	**62**	**0**
Social Development						**0**	**0**
General Administration and Planning	Administration Planning	47,454,960	-	33,298,898	-	**70**	**0**
Women's Empowerment and Affirmative Action	Women's Empowerment and Affirmative Action	6,200,000	8,000,000	1,950,000	-	**31**	**0**
Youth Empowerment and Sports	Youth Empowerment and Sports	27,000,000	39,199,813	14,800,000	6,299,950	**55**	**16**
Culture and Gender Development Promotion	Culture and Gender Development Promotion	6,450,000	10,000,000	3,300,000	10,000,000	**51**	**100**
Disaster Preparedness and Management	Disaster Preparedness and Management	26,700,000	509,487,878	18,300,000	332,989,378	**69**	**65**
	Sub-Total	**113,804,960**	**566,687,691**	**71,648,898**	**349,289,328**	**63**	**62**
Water, Energy, Environment and Climate Change						**0**	**0**
General Administration and Planning	Administration Planning	172,488,370	-	110,180,551	-	**64**	**0**
Water and Sewage Management	Water and Sewage Management	150,220,000	1,275,182,562	118,137,880	876,304,871	**79**	**69**
Energy and Natural Resources	Energy and Natural Resources	4,700,000	30,000,000	2,400,000	16,291,760	**51**	**54**

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Environment and Climate Change	Environment and Climate Change	40,300,000	575,029,682	3,200,000	-	8	0
	Sub-Total	**367,708,370**	**1,880,212,244**	**233,918,431**	**892,596,631**	**64**	**47**
Grand Total		**8,948,800,284**	**5,942,163,959**	**5,445,895,300**	**2,425,261,550**	**61**	**41**

***Source**: Mandera County Treasury*

Based on absorption rates, the sub-programmes with the highest implementation levels were: Trade Development in the Department of Trade at 82 per cent, Water and Sewerage Management in the Department of Water at 79 per cent, Revenue Enhancement in the Department of Finance at 78 per cent, and Accounting Services at 76 per cent of the budget allocation.

3.24.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 22 accounts with commercial banks, including seven accounts for Health Facilities, five accounts for revenue collection, three accounts for municipal operations, one account for the Established Fund (bursary), 2 County Assembly Service Board accounts, one account for the ELRP project, one retention account, and 2 accounts for water companies.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 22 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.24.17 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;

i. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on 22 April 2025.
ii. There was a high level of pending bills, which amounted to Kshs.1.38 billion as of 31st March 2025. Further, the County Treasury did not adhere to the payment plan for the pending bills.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.177.05 million for 146 staff yet to be onboarded into HRIS, and 486 casual staff were processed through manual payroll, accounting for 6 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
iv. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
iii. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
iv. *The County Treasury should ensure it submits to OCoB copies of authorisation letters for opening commercial bank accounts to enhance accountability and oversight.*

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3.25. County Government of Marsabit

3.25.1 Overview of FY 2024/25 Budget

The Marsabit County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.10.31 billion. It comprises Kshs.4.26 billion (41 per cent) and Kshs.6.04 billion (58 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.883.96 billion (9 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.4.32 billion and a recurrent budget of Kshs.5.1 billion. The increase in the budget was attributed to the rise in additional allocations.

The budget will be financed from different sources of revenue. These include; Kshs.7.59 billion (73 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.68 billion (16 per cent) as additional allocations, a cash balance of Kshs.912.18 million (9 per cent) brought forward from FY 2023/24, and Kshs.251.16 million (3 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.141.16 million (69 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.110.00 million (30 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.252.

3.25.2 Revenue Performance

In the review period, the County received Kshs.5.46 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.1.3 billion from Kshs.4.16 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.41 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.11.0 million, and its own-source revenue (OSR) collection of Kshs.128.94 million. In addition, the County had a cash balance of Kshs.912.19 million from FY 2023/24.

The total OSR collection of Kshs.128.94 billion includes Facilities Improvement Financing (FIF) of Kshs.76.89 million, and Kshs.52.04 million from other OSR sources. OSR collections from the FIF were received from Marsabit County Referral Hospital, Moyale sub–County Hospital, Kalacha Hospital and Laisamis Sub County Referral Hospital where FIF is collected. Table 3.252 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.252: Marsabit County, Revenue Performance in the First Nine Months of FY 2024/25

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally -**	7,597,151,194	4,406,347,088	58
Subtotal		7,597,151,194	4,406,347,088	58
B	**Additional Allocations**			
1	DANIDA Grant - Primary Health Care in Devolved Context	10,432,500		0
2	KDSP II	37,500,000		0
3	World Bank- Emergency Locust Response Project (ELRP)	142,500,000		0
4	Kenya Livestock Commercialization Project (KELCOP)	41,250,000		0
5	Road Maintenance Levy Fund	237,670,000		0
6	Community Health Promoters	47,074,916		0
7	Transfer of Museum Function	2,878,080		0
8	Food Systems Resilience Project	173,076,923		0
9	Kenya Urban Support Programme - UIG	35,000,000		0
10	FLLOCA – CCRI	194,579,160		0
11	FLLOCA – CCIS	11,000,000	11,00,000	100
12	Drought Resilience Programme In Northern Kenya (DRPNK)	462,435,270		0
13	Unconditional Allocation for 20% Share of Mineral Royalties	331,285		0
14	FLLOCA - CCRI for FY 2023/24 balance in SPA	137,500,000		0
15	Drought Resilience Programme In Northern Kenya (DRPNK) - Unspent balance B/F from FY 2023/24	145,038,664		0

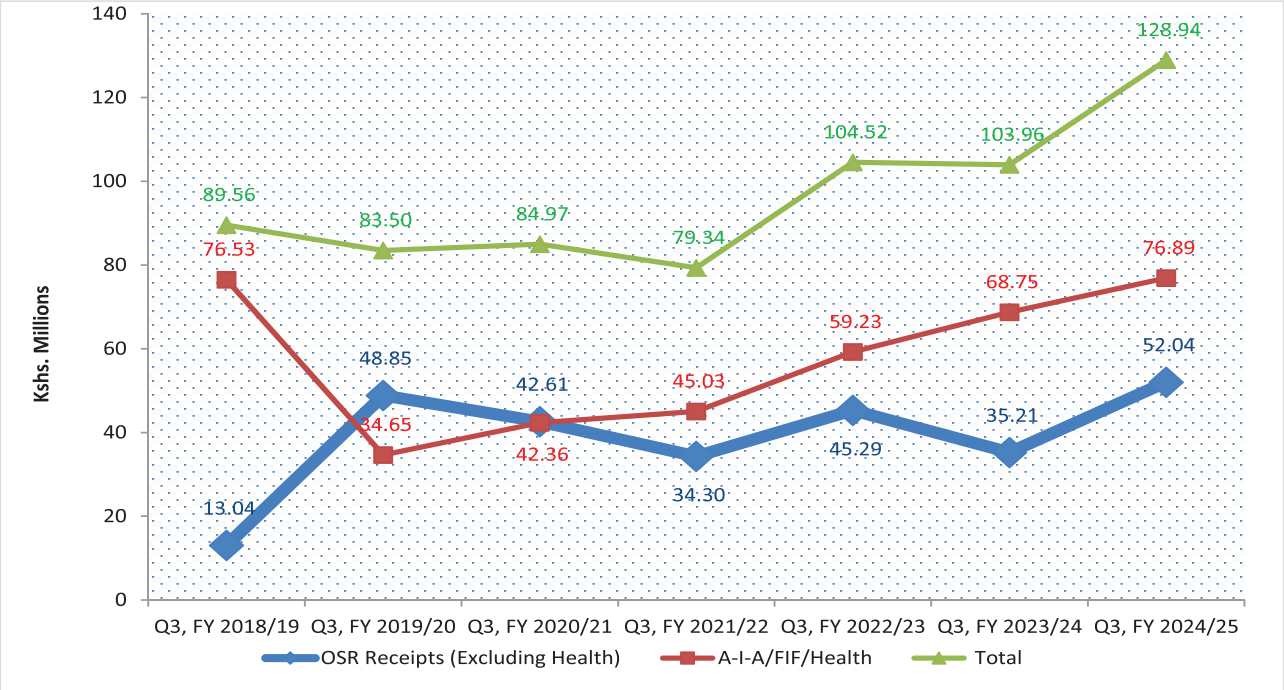
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S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
16	DANIDA Grant - Primary Health Care in Devolved Context	10,432,500		0
Subtotal		**1,678,266,798**	**11,000,000**	**0.7**
C	**Own Source Revenue**			
17	Ordinary Own Source Revenue	110,000,000	52,042,099	47
18	Balance b/f from FY2023/24	912,187,635.35	912,187,635.35	100
19	Facility Improvement Fund (FIF)	141,164,000	76,893,869	55
Subtotal		**1,163,351,635**	**1,041,123,604**	**90**
Grand Total		**10,438,769,627**	**5,458,470,692**	**52**

Source: *Marsabit County Treasury*

The County does not have governing legislation on the operation of ordinary FIF. Figure 94 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 94: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



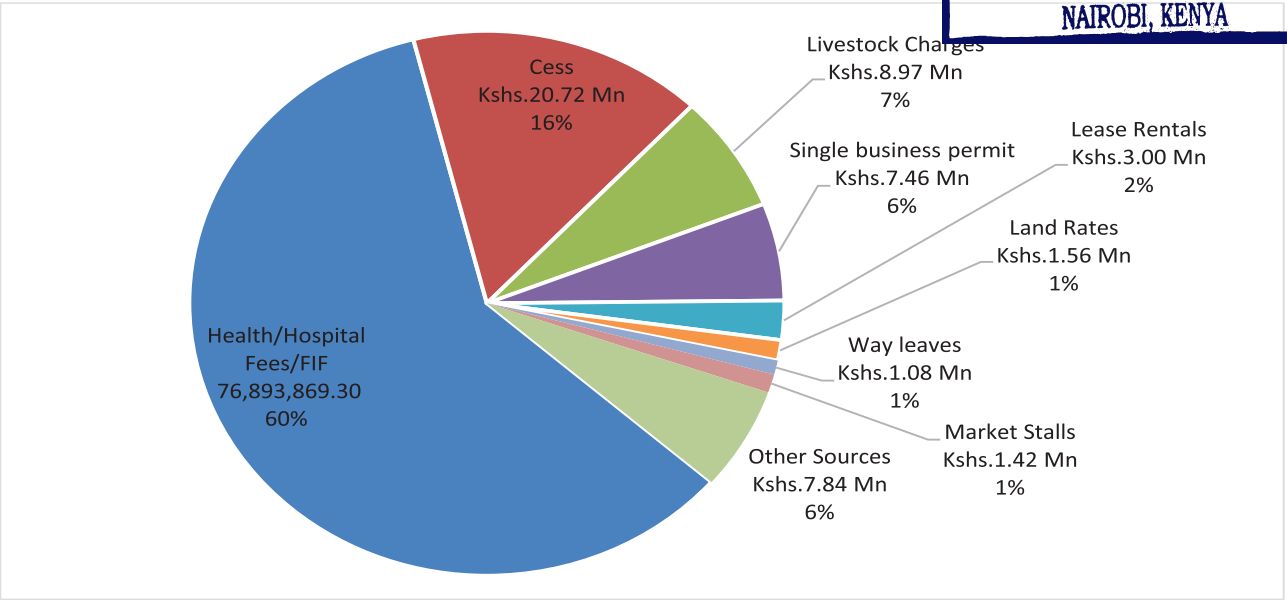
Source: *Marsabit County Treasury*

During the review period, the County generated Kshs.128.94 million from its own revenue sources, including FIF. This amount was an increase of 19 per cent compared to Kshs.103.96 million realised in a similar period in FY 2023/24 and was 51 per cent of the annual target and 3 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 95.

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Figure 95: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source: *Marsabit County Treasury*

As shown in Figure 95, the highest revenue stream, Kshs.76.89 million, was from Facility improvement Financing, contributing to 60 per cent of the total OSR receipts. The County Government has not automated all the revenue streams.

3.25.3 Borrowing by the County

The County Government did not report any borrowing as of 31st March 2025.

3.25.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.38 billion from the CRF account during the reporting period, which comprised Kshs.1.48 million (28 per cent) for development programmes and Kshs.3.9 billion (73 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.71 million was released towards compensation of employees and Kshs.1.19 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25 do not include the March 2025 exchequer request for the County Executive and County Assembly due to delay in disbursement of sharable revenue.

Analysis of the operations and maintenance exchequer releases indicates that 11 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.133.71 million and included Kshs.46.96 million for the County Executive and Kshs.86.74 million for the County Assembly. The foreign exchequer totalled Kshs.13.28 million, comprising Kshs.5.05 million for the County Executive and Kshs.8.23 million for the County Assembly.

Table 3.253: Marsabit County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	765.34	615.74	499.32	213.93	65	35
County Executive	572.44	108.00	334.66	29.74	58	28
Finance & Economic Planning	575.99	890.04	366.61	634.47	64	71
Agriculture, Livestock & Fisheries	281.11	1,036.60	193.21	111.43	69	11
County Public Service Board	99.00	15.00	43.74	6.03	44	40
Education, Skill Development, Youth & Sports	549.00	84.78	277.55	36.17	51	43
County Health Services	1,873.89	250.84	1,359.62	95.17	73	38
Administration, Coordination & ICT	532.50	6.00	377.76	-	71	0
Energy, Lands & Urban Development	214.00	57.60	137.70	11.65	64	20

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Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Roads & Public Works	130.00	383.82	55.16	98.24	42	26
Water, Environment & Natural Resources	175.40	601.84	122.33	128.53	70	21
Trade, Industry & Enterprise Development	112.12	190.00	61.42	104.74	55	55
Tourism, Culture & Social Services	123.68	23.40	62.40	6.44	50	28
Office of the County Attorney	29.98		7.33		24	0
Office of the County Secretary	10.50		1.80		17	0
Total	**6,044.95**	**4,263.66**	**3,900.61**	**1,476.55**	65	35

***Source**: Marsabit County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.97.79 million.

3.25.5 County Expenditure Review

The County spent Kshs.5.31 billion on development and recurrent programmes in the reporting period. The expenditure represented 99 per cent of the total funds released by the CoB and comprised Kshs.1.45 billion and Kshs.3.87 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 34 per cent, while recurrent expenditure represented 64 per cent of the annual recurrent expenditure budget.

3.25.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.32 billion as of 30th June 2024. This amount included Kshs.889.97 million from the County Executive and Kshs.425.14 million from the County Assembly. The pending bills from the County Executive and County Assembly were for development expenditures only.

During the period under review, the County Executive settled pending bills amounting to Kshs.634.47 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.209.84 million for development activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.769.62 million and Kshs.425.14 million, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.634.47 million for the Executive and Kshs.209.84 million for the Assembly.

As of 31st March 2025, the outstanding bills amounted to Kshs.470.79 million, comprising Kshs.255.49 million for the County Executive and Kshs.215.69 million for the County Assembly.

3.25.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.53 billion on employee compensation, Kshs.833.25 million on operations and maintenance, and Kshs.1.23 billion on development activities. Similarly, the County Assembly spent Kshs.203.95 million on employee compensation, Kshs.295.36 million on operations and maintenance, and Kshs.213.93 million on development activities, as shown in Table 3.254.

Table 3.254: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**5,279,609,151**	**765,337,843**	**3,365,704,286**	**499,318,594**	**64**	**65**
Compensation to Employees	3,339,757,901	298,211,000	2,532,457,356	203,955,873	76	68
Operations and Maintenance	1,939,851,250	467,126,843	833,246,931	295,362,720	43.	63
Development Expenditure	**3,647,915,664**	**615,742,968**	**1,232,052,118**	**213,930,398**	**34**	**35**
Total	**8,927,524,815**	**1,381,080,811**	**4,597,756,404**	**713,248,992**	**52**	**52**

***Source**: Marsabit County Treasury*

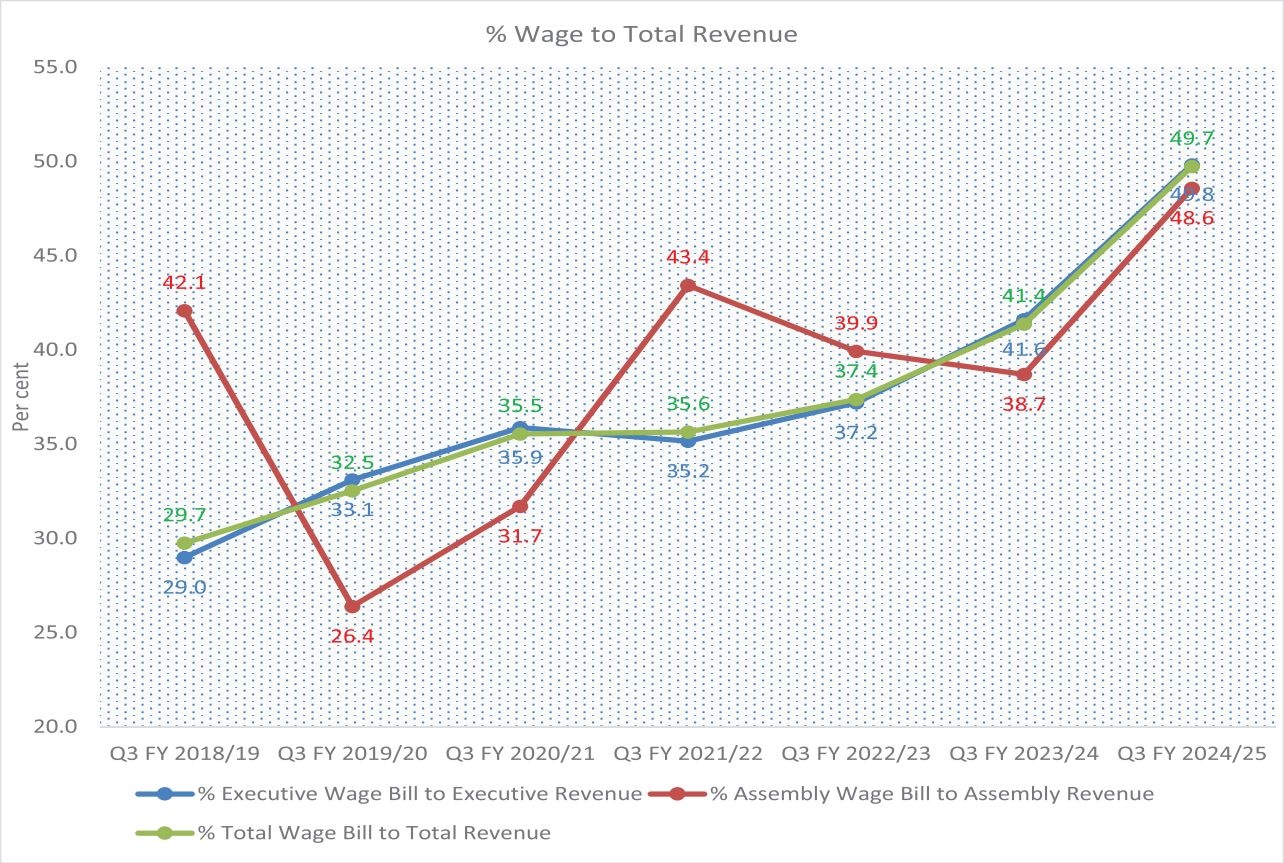
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3.25.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.2.44 billion. The total revenue, excluding the earnings from extractive natural resources from sand cess, gypsum cess, and quarry cess, is Kshs.5.45 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 50 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.2.33 billion reported during the same period in FY 2023/24. Of this total, Kshs.1.15 billion was allocated to Health Sector employees, which accounts for 42 per cent of the overall employees' compensation.

Figure 96 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 96: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: Marsabit County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.35 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.382.81 million was processed through manual payrolls, which accounted for 14 per cent of the total PE cost.

The manual payrolls comprised salaries for staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for casual staff, top-up allowances for security personnel, intern stipends, and salaries for Community Health Workers, as shown in Table 3.255.

Table 3.255: Breakdown of Marsabit County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1	Salaries for staff are yet to be onboarded into HRIS	195,726,426
2	Salaries for casual staff	146,658,934
3	Top-up Allowances for security officers	727,380
4	Interns	23,040,000
5	Community Health Workers	16,657,200
	Total	**382,809,940**

Source: *Marsabit County Treasury*

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The County Assembly spent Kshs.17.59 million on committee sitting allowances for the 33 MCAs against the annual budget allocation of Kshs.36.1 million. The average monthly sitting allowance was Kshs.59,252 per MCA. The County Assembly has 20 House Committees.

3.25.9 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.155 million to County-Established funds in FY 2024/25, or 1.5 per cent of the County's overall budget. The County did not allocate any funds to the Emergency Fund contrary to Section 110 of the PFM Act, 2012. Table 3.256 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.256: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
County Executive Established Funds							
1	Scholarship Fund	2018	155,000,000		Nil	647,800,000	No
2	Emergency Fund	2014	Nil		Nil	826,999,240	No
3	Car Loan Executive	2014	Nil		Nil	34,000,000	No
4	Mortgage- Executive	2014	Nil		22,648,550.	121,000,000	No
5	Enterprise Fund	2014	Nil		Nil	30,000,000	No
County Assembly Established Funds							
1	Car and Mortgage Loan Scheme for Staff	2019	Nil	Nil	1,083,600	141,570,671	No
2	Marsabit County Assembly Car Loan and Mortgage –Members	2014	Nil	Nil	726,783	259,000,000	No
	Total		155,000,000		24,458,933	2,060,369,911	

Source: *Marsabit County Treasury*

During the reporting period, the CoB did not receive any of the quarterly financial reports from all Fund Administrators, as indicated in Table 3.256, contrary to the requirement of Section 168 of the PFM Act, 2012.

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. During the reporting period, the CoB established that the lifespan of the Emergency Fund, Marsabit County Assembly Car Loan and Mortgage Fund for Members, Enterprise Fund and Car and Mortgage Loan Fund for Executives had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.25.10 County Corporations

The County has established two county corporations. In FY 2024/25, the county allocated Kshs.127.01 million to these corporations through their parent departments. Their total expenditure in the first nine months amounted to Kshs.33.56 million as shown in Table 3.257.

Table 3.257: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Marsabit Municipality	Lands, Energy and Urban Development	65,007,946.80	12,875,960	12,875,960
2	Marsabit Water and Sewerage Company Limited	Water, Environment and Climate Change	62,000,000	N/A	20,685,200
	Total		**127,007,946.80**	**12,875,960.00**	**33,561,160.00**

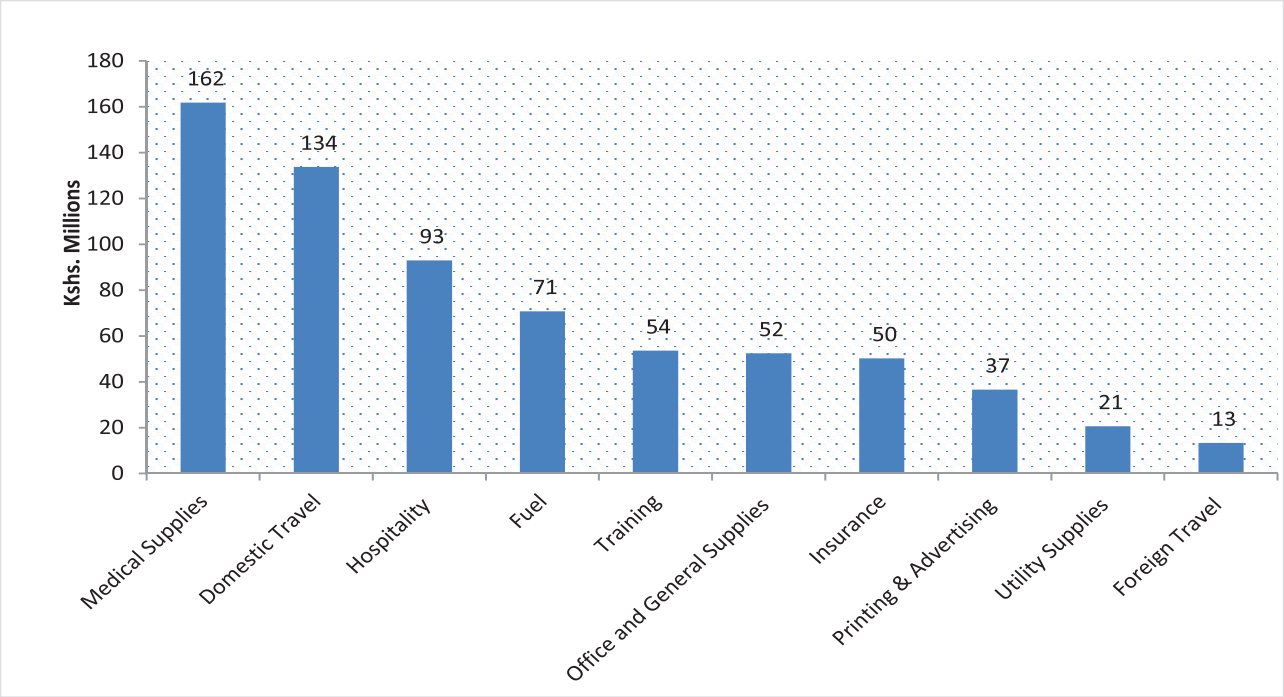
Source: *Marsabit County Treasury*

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3.25.11 Expenditure on Operations and Maintenance

Figure 97 summarises the Operations and Maintenance expenditure by major categories.

Figure 97: Marsabit County, Operations and Maintenance Expenditure by Major Categories



***Source**: Marsabit County Treasury*

Expenditure on domestic travel amounted to Kshs.133.71 million and comprised Kshs.86.74 million spent by the County Assembly and Kshs.46.95 million by the County Executive. Expenditure on foreign travel amounted to Kshs.13.28 million and comprised Kshs.8.23 million by the County Assembly and Kshs.5.05 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.258

Table 3.258: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	3	25th Nov 2024	Attend the ICA Global Co-operative Conference in New Delhi-India	New Delhi India	2,101,512
County Executive	1	22nd Sep 2024	Attend the 79th Session of the United Nations General Assembly	New York-United States of America	1,124,912
County Executive	1	11th Nov 2024	Attend United Nation Climate Change conference of parties COP 29	Baku Azerbaijan	1,829,360
County Assembly	1	12/2/2024	Training on IDU forum and associated meetings by Leadership Institute	Washington DC-USA	500,000.0
County Assembly	1	16/01/2025	Training on strengthening legislative process through common wealth best practice	Ontario-CANADA	758,160.0
County Assembly	8		Training on Procurement of goods, work and non-consultancy services	Dubai-UAE	2,954,900.0
County Assembly	10		Training on public finance management	Dubai-UAE	4,014,675.0

***Source:** Marsabit County Treasury and Marsabit County Assembly*

The operations and maintenance costs include an expenditure of Kshs.3.91 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

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3.25.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.76.89 million as FIF which was 54.5per cent of the annual target of Kshs.141.16 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 Health Facilities did not provide a report on the utilisation of the FIF during the reporting period, contrary to Section 18 (e) of the FIF Act, 2023.

The expenditure by the health facilities amounted to Kshs.81.34 million, as shown in Table 3.259.

Table 3.259: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Marsabit County Referral Hospital	76,164,000	53,668,923.25	71
2	Moyale Sub County Hospital	45,000,000	20,298,873.75	45
3	Laisamis Sub County Hospital	12,000,000	5,972,608.00	50
4	Kalacha Hospital	9,000,000	1,397,570.00	23
	Total	**142,164,000.00**	**81,337,975.00**	**57**

Source: *Marsabit County Treasury*

The Health Facility with the highest absorption rate was Marsabit County Referral Hospital at 71 per cent.

3.25.13 Development Expenditure

In the review period, the County reported spending Kshs.1.45 billion on development programmes, representing an increase of 4 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.1.41 billion. Table 3.260 summarises development projects with the highest expenditure in the reporting period.

The increase in development expenditure was attributed to the continued payment of pending bills.

Table 3.260: Marsabit County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31st March 2025	Implementation status (%)
1	TRADE	Proposed Construction County Aggregation and Industrial Park	ODDA	21.May .2025	498,913,945	154,895,288	154,895,288	27%
2	ROADS & TRANSPORT	Upgrading of Moyale Town Roads to Bitumen Standard	Moyale Town	13.JAN. .2025	410,608,583	65,000,000	410,608,583	100%
3	COUNTY ASSEMBLY	Construction and completion Speakers Residence	Saku-Sub County	30th June 2025	50,000,000	41,868,189	41,868,189	84%
4	HEALTH	Completion of Sololo level IV Hospital	Sololo	04.MARH.2025	483,369,790	35,777,463	404,969,790	100%
5	AGRICULTURE	Desilting of Kukub Water Pan for crop & livestock use in Obbu Ward	Kukub	12.DEC 2024	19,995,558	15,852,964	15,852,964	90%
6	AGRICULTURE	Desilting of Qonqoma Water pan for enhanced Community resilience against drought in Golbo	Qonqoma	9th Dec, 2024	14,999,635	14,999,635	14,999,635	100%
7	AGRICULTURE	Rehabilitation of Godoma Borehole for improved livestock production in Golbo ward	Godoma	12th January, 2025	14,999,606	13,499,645	13,499,645	100%
8	AGRICULTURE	Intensive crop & pasture production through use of enhanced modern irrigation systemin Dokatu for resilience building	Dokatu	09.DEC. 2024	14,999,165	13,499,248	13,499,248	100%

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31st March 2025	Implementation status (%)
9	ENVIRONMENT	Construction of Medium size water for irrigation in Yabalo	Golbo	28th Feb 2025	13,349,790	13,349,790	13,349,790	100%
10	AGRICULTURE	Improved pasture production & storage through community fodder farms & establishment of strategic hay stores in Bura - North Horr	Bura	2nd January, 2025	14,999,391	11,758,920	11,758,920	92%

Source: *Marsabit County Treasury*

The County did not report any stalled development projects as of the end of March 2025.

3.25.14 Budget Performance by Department

Table 3.261 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.261: Marsabit County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	765.34	615.74	499.32	213.93	499.32	213.93	100	100	65	35
County Executive	572.44	108.00	334.66	29.74	377.20	29.74	113	100	66	28
Finance & Economic Planning	575.99	890.04	366.61	634.47	366.61	634.47	100	100	64	71
Agriculture, Livestock & Fisheries	281.11	1,036.60	193.21	111.43	186.35	121.93	96	109	66	12
County Public Service Board	99.00	15.00	43.74	6.03	39.04	6.03	89	0	39	0
Education, Skill Development, Youth & Sports	549.00	84.78	277.55	36.17	277.55	30.17	100	0	51	36
County Health Services	1,873.89	250.84	1,359.62	95.17	1,347.42	70.61	99	0	72	0
Administration, Coordination & ICT	532.50	6.00	377.76	-	369.39	-	98	0	69	0
Energy, Lands & Urban Development	214.00	57.60	137.70	11.65	116.00	10.74	84	92	54	19
Roads & Public Works	130.00	383.82	55.16	98.24	54.00	89.76	98	91	42	23
Water, Environment & Natural Resources	175.40	601.84	122.33	128.53	105.87	137.17	87	107	60	23
Trade, Industry & Enterprise Development	112.12	190.00	61.42	104.74	59.90	95.00	98	91	53	50
Tourism, Culture & Social Services	123.68	23.40	62.40	6.44	60.06	6.44	96	0	49	28
Office of the County Attorney	29.98		7.33		4.83	-	66	0	16	0
Office of the County Secretary	10.50		1.80		1.50	-	83	0	14	0
Total	**6,044.95**	**4,263.66**	**3,900.61**	**1,476.55**	**3,865.02**	**1,445.98**	**99**	**98**	**64**	**34**

Source*: Marsabit County Treasury*

Analysis of expenditure by departments shows that the Department of Finance & Economic Planning recorded the highest absorption rate of development budget at 71 per cent, followed by the Department of Trade, Industry & Enterprise Development at 50 per cent. The Department of County Health Services had the highest percentage of recurrent expenditure to budget at 72 per cent, while the Department of Office of the County Secretary had the lowest at 14 per cent.

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3.25.15 Budget Execution by Programmes and Sub-Programmes

Table 3.262 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.262: Marsabit County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
General Administration Support Services	SP 1.1 salaries and allowances for employees and MCAs	287,161,000	-	208,793,212		72.7%	
	SP 1.2 Employer contribution to Pension	47,460,000	-	34,632,968		73.0%	
	SP 1.2 Hospitality, Catering services, donations and gifts, boards, committees, conference and seminars	11,050,000	-	6,918,943		62.6%	
	SP 2.1 Domestic and foreign accommodation, air travels and daily subsistence allowance	155,900,000	-	96,887,460		62.1%	
Legislature and Oversight	SP 2.2 ICT, Hansard and Communication equipment	6,500,000	-	6,323,708		97.3%	
	SP 2.5 Staff Trainings and Development and Tuitions	29,111,960	-	20,177,828		69.3%	
	SP 3.12 Maintenance of motor vehicle	8,500,000		5,993,656		70.5%	
County Assembly infrastructure improvement	SP 3.13 Purchase of furniture and general equipment	5,138,568		5,138,000		100.0%	
	SP 3.14 Construction of County Assembly Headquarters and modern chambers, Construction of speakers residence, construction and equipping of ward offices		189,200,000		7,294,151		3.9%
	SP 3.16 Maintenance of plants, machinery & other assets	10,310,975		8,993,200		87.2%	
	SP 3.17 Electricity, water and sewerage and other utility charges	9,814,764		6,104,000		62.2%	
	SP 3.18 Printing, advertisement and information supplies and services	20,821,371		15,626,172		75.0%	
	SP 3.19 Rental of approved assets and hire of motor vehicles	580,000		580,000		100.0%	
	SP 3.20 Insurance cost for group personal, building, motor vehicle and medical cover	36,651,470		34,651,470		94.5%	
	SP 3.21 Purchase of computers, printers and general office supplies and accessories and sanitary cleaning materials	33,100,000		10,891,682		32.9%	
	SP 3.22 Fuel, oil, lubricants and tyres	8,000,000		5,507,000		68.8%	
	SP 3.23 Bank service commission and charges, legal fees, management fees and contracted professional charges and other operating expenses	19,610,000		8,440,400		43.0%	
	SP 3.24 Current transfers to other levels of Government	26,760,000		5,981,507		22.4%	
	SP 3.25 Uniform, Specialized materials and supplies	9,500,000		5,980,000		62.9%	
	-SP 3.26 Membership fees and dues and subscription for international organization	5,500,000		2,750,000		50.0%	
	SP 3.28 Refurbishment of buildings	3,000,000		3,000,000		100.0%	
	SP 3.29 Gratuity/pension	15,867,735		5,947,388		37.5%	
	SP 3.30 Purchase of motor vehicle	15,000,000		-		0.0%	

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
	SP 3.33 Pending Bills –Development		426,542,968		206,636,247		48.4%
	Sub Total	**765,337,843**	**15,742,968**	**499,318,594**	**213,930,398**	**65.2%**	**34.7%**
County Executive services							
County Management Services	Executive Infrastructure Development	-	108,000,000		29,740,883		27.5%
	County Executive services	503,721,828	-	323,541,649		64.2%	
County Cohesion and Integration	Public Sector Advisory services	30,000,000	-	27,758,508		92.5%	
County Information and Communication Service	County Information and Communication Services	27,573,389	-	22,901,407		83.1%	
Inter - Governmental Relations	Inter/Intra Governmental Coordination	6,148,784	-			0.0%	
County Legal Services	County Legal Services	5,000,000		3,000,000		60.0%	
	Sub Total	**572,444,001**	**108,000,000**	**377,201,564**	**29,740,883**	**65.9%**	**27.5%**
Finance & Economic Planning							
General administration planning and Support Services	Financial Services	511,053,480	890,042,204	336,759,419	634,470,735	65.9%	71.3%
	ICT Services	7,000,000	-	4,637,374		66.2%	
ICT infrastructure	capacity building	-	-	-	-		
Public Financial Management	Budget formulation, coordination & Management	10,024,800		5,181,400		51.7%	
	Resource Mobilization	10,000,000		6,419,968		64.2%	
	Internal audit services	10,000,000		2,550,800		25.5%	
	Supply chain services	3,000,000		197,618		6.6%	
	Accounting services	19,931,980		7,438,906		37.3%	
Economic and Financial Policy Formulation	Fiscal Policy Formulation and Management	4,975,200		3,420,000		68.7%	
	Sub Total	**575,985,460**	**890,042,204**	**366,605,485**	**634,470,735**	**63.6%**	**71.3%**
Agriculture, Livestock & Fisheries							
General Administration, Planning and Support Services	General Administration, Planning and Support Services	130,463,100	-	93,030,787	-	71.3%	
Livestock Resources Management and Development	Livestock Policy Development and Capacity Building	121,652,929	-	75,509,184	-	62.1%	
	SP3 Livestock production and Management	-	32,500,000	-	-		
	Livestock Products Value Addition and Marketing	-	38,909,600	-	3,999,200		10.3%
	Livestock Diseases Management and Control	-	4,900,000	-	-		
Fisheries Development and Management	Fisheries Policy, Strategy and Capacity Building	28,993,337	4,900,000	17,806,106	-	61.4%	
Crop Development and Management	Lands and Crop Development	-	-	-	-		
	Food Security Initiatives	-	955,391,257	-	117,931,310		
	Sub Total	**281,109,366**	**1,036,600,857**	**186,346,077**	**121,930,510**	**66.3%**	**11.8%**
Energy, Lands & Urban Development							
Urban Development Services	Town Administration Services	901,600	43,100,000	-	-		

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
	Solid Waste Management	-	14,500,000	-	10,737,846		74.1%
Land and Physical Planning Services	Administration and Support services	147,789,745	-	115,995,623	-	78.5%	
	Land Mapping &Zoning, Survey, adjudication and Physical planning	8,431,618	-	-	-		
Urban Development Services	Administrative and support services	30,007,947	-	-	-		
	Solid Waste Management	24,410,490	-	-	-		
	Towns Facelift	2,458,600	-	-	-		
	Sub Total	**214,000,000**	**57,600,000**	**115,995,623**	**10,737,846**	**54.2%**	**18.6%**
County Health Services							
Preventive and Promotive Health Services	Communicable disease prevention and control	-	3,000,000		-		
Curative Health Services	Reduction of Communicable and Non-Communicable Diseases	-	5,000,000	-	-		
	Referral Services	18,000,000	11,000,000		1,000,000	0.0%	9.1%
	Specialized Services	27,950,000	43,988,500		17,614,190	0.0%	40.0%
Curative Health Services	Drugs and commodities	156,600,000	-		-	0.0%	
General Administration, Planning and Support Services	Health Infrastructure development	-	187,850,000		51,992,993		27.7%
	Health Planning and Financing	1,645,069,821	-	1,347,418,805	-	81.9%	
Maternal and child health	Integrated MCH and Family planning services	26,271,650	-		-	0.0%	
	Sub Total	**1,873,891,471**	**250,838,500**	**1,347,418,805**	**70,607,183**	**71.9%**	**28.1%**
Administration, Coordination & ICT							
General administration planning and Support Services General	Administration services	294,700,000	1,000,000	189,872,421	-	64.4%	0.0%
	Peace building and conflict resolution	10,000,000	-	-	-	0.0%	
	Disaster management and emergency response	200,000,000	-	179,520,070	-	89.8%	
	ICT Services	-	5,000,000	-	-		0.0%
Coordination of functions of devolved units	Co-ordination of County Government Departments	21,800,000	-	-	-	0.0%	
Public Participation and Civic Education	Public participation	6,000,000	-	-	-	0.0%	
	Sub Total	**532,500,000**	**6,000,000**	**369,392,491**	**-**	**69.4%**	**0.0%**
County Public Service Board							
General administration planning and Support Services	Administration services	75,142,670	-	39,036,564	-	51.9%	
	Board Management Service	17,307,330	15,000,000		6,027,630	0.0%	40.2%
Human Resource Management and Development	Human Resource Management	5,550,000	-	-	-		
	Establishment, Management and Consultancy Services	1,000,000	-	-	-		
	Sub Total	**99,000,000**	**15,000,000**	**39,036,564**	**6,027,630**	**39.4%**	**40.2%**
Office of the County Attorney							
Legislation and Oversight services	Legislation and Oversight services	29,978,854		4,830,400	-	16.1%	

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		Rec	Dev	Rec	Dev	Rec	Dev
	Sub Total	**29,978,854**		**4,830,400**		**16.1%**	
Office of the County Secretary							
County Information and Communication Services	County Information and Communication Services	10,500,000		1,500,000		14.3%	
	Sub Total	**10,500,000**		**1,500,000**		**14.3%**	
Education, Skill Development, Youth & Sports							
General Administration, Planning and Support Services	General Administration, Planning and Support Services	310,000,000	-	235,986,839	-	76.1%	
Skills development, youth and sport	Youth Empowerment & Training	-	8,700,000	-	4,000,000		46.0%
Early Childhood Development and Education	Scholarships and educational benefits	155,000,000		-	-	0.0%	
Pre – Primary Education	Early Childhood Development and Education	50,933,953	11,000,000	34,689,180	7,800,000	68.1%	70.9%
	ECD Teachers Training	16,349,047	-	2,900,000	-	17.7%	
	ECD Infrastructure Development and Management	-	59,075,783	-	17,370,700		29.4%
Youth Development	Youth Training and Capacity Building	6,000,000	5,000,000	3,977,720	1,000,000	66.3%	20.0%
Vocational Education and Training	Technical Trainers and Instructor Services	8,717,000	-	-	-	0.0%	
Sports	Sports Training and Competitions	2,000,000	1,000,000	-	-	0.0%	0.0%
	Sub Total	**549,000,000**	**84,775,783**	**277,553,739**	**30,170,700**	**50.6%**	**35.6%**
Tourism, Culture & Social Services							
General Administration, Planning and Support Services	Financial Services	123,678,080	-	60,062,766	6,440,360	48.6%	
Culture Services	Conservation of Culture and Heritage	-	23,400,000	-	-		
	Sub Total	**123,678,080**	**23,400,000**	**60,062,766**	**6,440,360**	**48.6%**	**27.5%**
Roads & Public Work							
General administration planning and Support Services	General administration planning and Support Services	130,000,000	-	53,998,244	-	41.5%	
Road Transport Infrastructure Development	Roads Infrastructure Development	-	383,820,000	-	89,757,998		23.4%
	Sub Total	**130,000,000**	**383,820,000**	**53,998,244**	**89,757,998**	**41.5%**	**23.4%**
Trade, Industry & Enterprise Development							
General Administration, Planning and Support Services	Financial Services	112,121,920	-	59,896,125	-	53.4%	
Enterprise Development	Develop infrastructure and facilities	-	190,000,000	-	95,000,000		50.0%
	Sub Total	**112,121,920**	**190,000,000**	**59,896,125**	**95,000,000**	**53.4%**	**50.0%**
Water, Environment & Natural Resources							
Water Resources Management	Water Storage	-	20,100,000	-	-		
	Water Supply Infrastructure Development	-	178,580,000	-	34,404,593	0.0%	19.3%

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		Rec	Dev	Rec	Dev	Rec	Dev
General Administration, Planning and Support Services	General Administration, Planning and Support Services	99,257,802	-	73,644,901		74.2%	
Natural Resources Conservation and Management	Forests Conservation and Management	76,142,198	403,158,320	32,221,503	102,763,680	42.3%	25.5%
	Sub Total	**175,400,000**	**601,838,320**	**105,866,404**	**137,168,273**	**60.4%**	**22.8%**
Grand Total		**6,044,946,995**	**4,263,658,632**	**3,865,022,881**	**1,445,982,516**	**63.9%**	**33.9%**

***Source**: Marsabit County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Public Sector Advisory services in the department of County Executive services at 92 per cent, Disaster management and emergency response in the department of Administration at 89 per cent, County Information and Communication Services in the Department of County Executive services at 83 per cent and General Administration, Planning and Support Services in the Department of Health Services at 81 per cent of budget allocation.

3.25.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County government operated 120 accounts with commercial banks, including 95 accounts for Health Facilities, four accounts for Vocational Training Centres, six accounts for Established Funds, two revenue accounts, eight special purpose accounts (additional allocations), two imprest accounts, one development operational account and two deposit accounts.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.25.17 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;

i. Late submission of financial reports by the County Treasury to the Controller of Budget, which affected the timely preparation of the budget implementation report. The report was received on 28th April 2025.
ii. The underperformance of own-source revenue at Kshs.52.04 million against an annual target of Kshs.110 million, representing 47 per cent of the yearly target
iii. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. The reports for the Scholarship Fund, Emergency Fund, Car Loan and Mortgage- Executive Fund, Marsabit County Assembly Car Loan and Mortgage –Member and staff were not submitted to the Controller of Budget as of 15 April 2025.
iv. High level of pending bills which amounted to Kshs.470.79 million as of 31st March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury and County Assembly.
v. Use of manual payroll. Personnel emoluments amounting to Kshs.382.81 million were processed through manual payroll, accounting for 14 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
vi. The County Government uses commercial bank accounts for operations 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 commercial bank accounts are for all the established funds, local revenue collection, Special purpose accounts for conditional grants, Vocational training centres, health facilities, development account and deposit retention account.

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vii. The programmes and sub-programmes in Table 3.262 were not aligned with the approved budget for each department.
viii. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*
iii. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
iv. *The county leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
v. *The Government requires that salaries be processed through the IPPD system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
vi. *The County Government should ensure that bank accounts are opened and operated at the Central Bank of Kenya as required by law. However, imprest bank accounts for petty cash and revenue collection accounts are exempted.*
vii. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
viii. *The County Treasury must ensure compliance with the approved programme and sub-programmes in the approved supplementary 2 budget.*
ix. *The County Treasury should ensure it submits to OCoB copies of authorisation letters for opening commercial bank accounts to enhance accountability and oversight*

3.26. County Government of Meru

3.26.1 Overview of FY 2024/25 Budget

The Meru County Gross Approved FY 2024/25 budget is Kshs.13.92 billion. It comprises Kshs.4.97 billion (36 per cent) and Kshs.8.95 billion (64 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.2.02 billion (17 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.3.68 billion and a recurrent budget of Kshs.8.23 billion. The increase in the County government budget was attributed to additional allocations of Kshs.833.05 million, an increase in the Equitable Share of Revenue Raised nationally by Kshs.986.53 million, and an increase in own-source revenue by Kshs.201.00 million. The County's Net Approved Budget is Kshs.13.08 billion.

The budget will be financed from different sources of revenue. These include; Kshs.10.88 billion (78 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.98 billion (14 per cent) as additional allocations, and Kshs.1.07 billion (8 per cent) generated as gross own source revenue. The own source revenue includes Kshs.17.00 million (2 per cent) as Appropriations-in-Aid (A-I-A), Kshs.550.00 million (52 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.500.00 million (47 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.263

3.26.2 Revenue Performance

During the review period, the County received Kshs.7.45 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.823.60 million from Kshs.6.62 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.6.56 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.65.13 million, and its own-source revenue (OSR) collection of Kshs.784.23 million. In addition, the County had a cash balance of Kshs.36.97 million from FY 2023/24.

The total OSR collection of Kshs.784.23 million includes Appropriations in Aid (AIA) of Kshs10.02 million, Facilities Improvement Financing (FIF) of Kshs.498.92 million, and Kshs.275.29 million from other OSR sources. OSR

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collections from the FIF were received from Meru Level 5 Hospital, Nyambene DH, Kanyakine SDH, Mutuati SDH, Muthara SDH, Miathene SDH, Mikumbune SDH, Mikinduri SDH, Githongo SDH, Timau SDH, Laare SCH, Mbeu SDH, Giaki SDH, Naari SDH, Kibirichia SDH, Kinoro SDH, Imenti North SCPHO, Imenti South SCPHO, Imenti Central SCPHO, Buuri East SCPHO, Buuri West SCPHO, Tigania West SCPHO, Tigania East SCPHO, Tigania Central SCPHO, Igembe South SCPHO, Igembe Central SCPHO, and Igembe North SCPHO, where FIF is collected. Table 3.263 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.263: Meru County, Revenue Performance in the First Nine Months of FY 2024/25

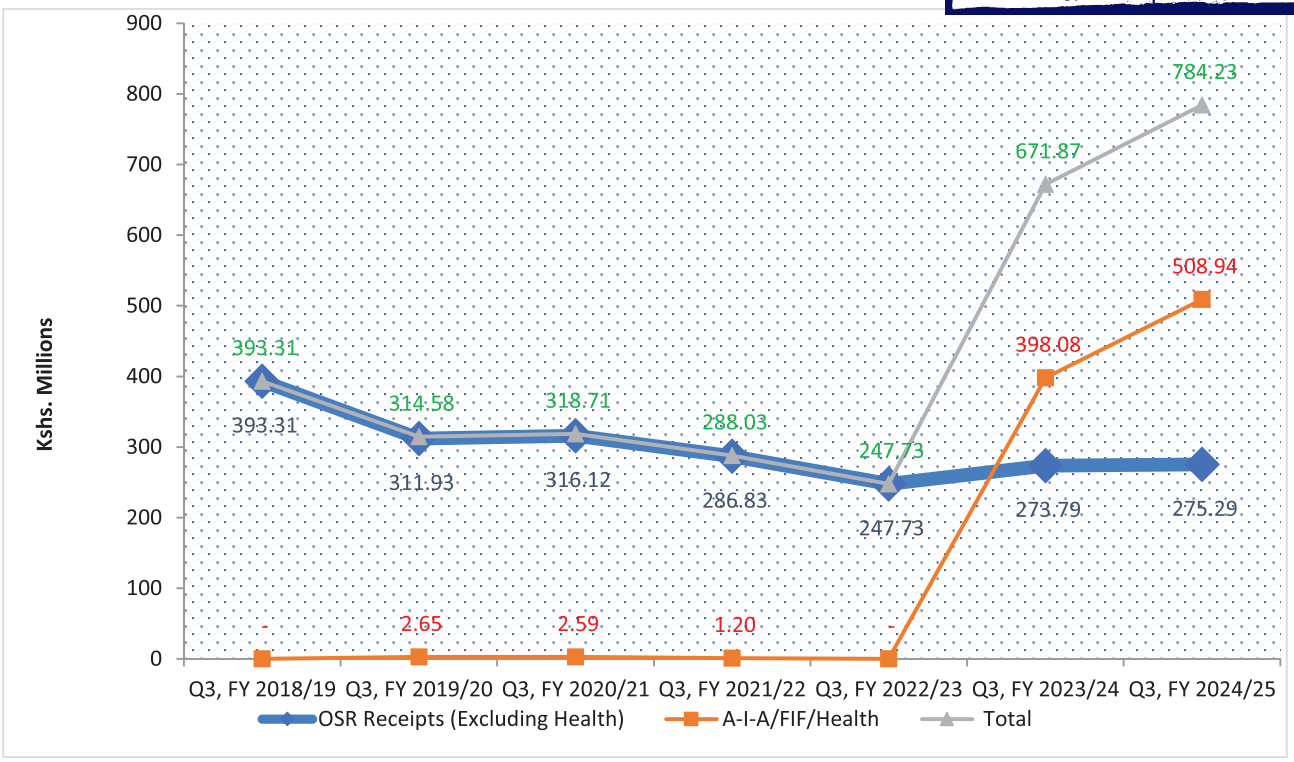
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally	**10,879,160,115**	**6,559,127,314**	**60.3**
Sub total		**10,879,160,115**	**6,559,127,314**	**60.3**
B	**Conditional Grants**			
1.	National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	-	0.0
2.	Aquaculture Business Development Programme (ABDP)	23,306,984	-	0.0
4.	Aggregated Industrial Parks Programme	187,500,000	54,131,579	28.9
5.	De-resking and Value Chain Enhancement (DRIVE)	63,341,980	-	0.0
6.	Livestock Value Chain Support Project	99,394,800	-	0.0
8.	DANIDA Grant	12,382,500	-	0.0
10.	World Bank Emergency Locust Response Projects (ELRP)	104,600,000	-	0.0
11.	Kenya Devolution Support Programme(KDSP)	37,500,000	-	0.0
12.	Kenya Informal Settlement Programme (KISP)II	333,506,111	-	0.0
13.	World Bank Credit Financing Locally Led Climate Action Programme (FLLoCA	188,269,899	11,000,000	5.8
14.	Fuel Levy Fund	284,617,468	-	0.0
15.	World Bank KUSP (Kenya Urban Support Programme)-UIG	35,000,000	-	0.0
16.	World Bank KUSP (Kenya Urban Support Programme)-UDG	320,000,000	-	0.0
17.	Kenya Agricultural Business Development Projects(KABDP)	10,918,919	-	0.0
18.	Transfer to Library Services	12,902,906	-	0.0
20.	Community Health Promoters- conditional funding	111,480,000	-	0.0
Sub total		**1,976,236,719**	**65,131,579**	**3.3**
C	**Other Sources of Revenue**			
14.	Ordinary Own Source Revenue	500,000,000	275,287,615	55.1
15.	Ordinary Appropriation in Aid (A-I-A)	17,000,000	10,018,689	58.9
16.	Facility Improvement Fund (FIF)	550,000,000	498,922,560	90.7
Sub Total		**1,067,000,000**	**784,228,864**	**73.5**
D	**Other Sources of Revenue**			
17.	Unspent balance from FY 2023/24 (Inclusive of grants balances)	-	36,967,278	-
Sub Total		**-**	**36,967,278**	**-**
Grand Total		**13,922,396,834**	**7,445,455,034**	**53.5**

Source: *Meru County Treasury*

All additional allocations performed below 50% of the annual target. There was a delayed release of additional allocations to the County Revenue fund. The County has governing legislation on the operation of ordinary A-I-A and FIF. Figure 98 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

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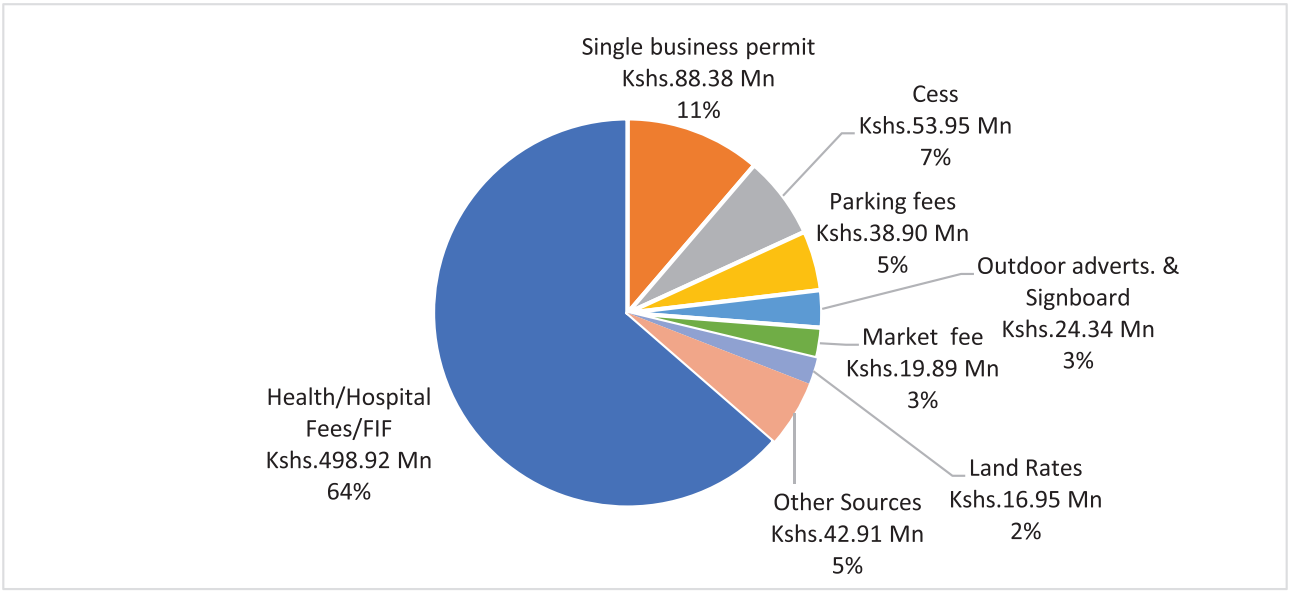
Figure 98: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2023/24 and FY 2024/25



Source: *Meru County Treasury*

During the review period, the County generated Kshs.784.23 million from its own revenue sources, including AIA and FIF. This amount was an increase of 17 per cent compared to Kshs.671.87 million realised in a similar period in FY 2023/24, which was 73 per cent of the annual target and 12 per cent of the equitable revenue share disbursed. The revenue streams that contributed the highest OSR receipts are shown in Figure 99.

Figure 99: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source*: Meru County Treasury*

As shown in Figure 99, the highest revenue stream of Kshs.498.92 million was from Health/Hospital Fees/FIF, contributing to 64 per cent of the total OSR receipts. The County Government has automated 22 revenue streams out of 24

3.26.3 Borrowing by the County

The County Government did not report any borrowing during the review period.

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3.26.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.65 billion from the CRF account during the reporting period comprised Kshs.927.73 million (14 per cent) for development programmes and Kshs.5.73 billion (86 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.89 billion was released towards compensation of employees and Kshs.1.84 billion for operations and maintenance expenditure. Exchequer approved compensation for employees in the first nine months of FY 2024/25, but this does not include the March 2025 exchequer request for the County Executive and County Assembly due to a lack of funds.

Analysis of the operations and maintenance exchequer releases indicates that 15 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.283.34 million, included Kshs.92.56 million for the County Executive and Kshs.190.78 million for the County Assembly. The foreign travel exchequer totalled Kshs.25.47 million, consisting of Kshs.3.38 million for the County Executive and Kshs.22.09 million for the County Assembly.

Table 3.264: Meru County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million		Expenditure (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	1,013.38	132.02	627.16	12.43	627.16	12.43	62	9
Office of the Governor	160.25	-	71.21	-	71.21	-	44	-
Finance, Economic Planning and ICT	928.99	240.30	562.44	202.03	556.39	202.03	61	84
Agriculture, Livestock & Fishery	47.72	486.41	24.53	16.01	24.53	16.01	51	3
Water & Irrigation	43.80	549.78	28.82	85.95	28.82	85.95	66	16
Education, Technology, Gender, Culture & Social Development	257.52	195.00	160.65	50.80	160.65	50.80	62	26
Health Services	574.71	378.74	166.44	18.45	286.40	100.58	29	5
Lands, Physical Planning, Urban Development & Public Works	71.65	739.50	23.71	22.57	23.71	22.57	33	3
Public Service Administration & Legal Affairs	5,566.86	105.00	3,979.08	101.64	3,979.08	101.64	71	97
Roads, Transport & Energy	40.90	1,166.67	17.68	183.65	17.68	183.65	43	16
Trade, Investment, Industrialization, Tourism & Co-op Development	25.33	447.69	11.84	232.27	11.84	232.27	47	52
Youth Affairs & Sports	44.73	111.33	30.13	1.94	30.13	1.94	67	2
County Public Service Board	44.12	-	21.49	-	21.49	-	49	-
TOTAL	**8,819.96**	**4,552.43**	**5,725.18**	**927.73**	**5,839.09**	**1,009.86**	65	20

***Source**: Meru County Treasury*

As of 31 March, 2025, the County Government's cash balance in the CRF account was Kshs.260.76 million.

3.26.5 County Expenditure Review

The County spent Kshs.6.85 billion on development and recurrent programmes during the reporting period. The expenditure represented 103 per cent of the total funds released by the CoB and comprised Kshs.1.01 billion and Kshs.5.84 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 20 per cent, while recurrent expenditure represented 65 per cent of the annual recurrent expenditure budget.

3.26.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.38 billion as of 30th June 2024. This amount included Kshs.1.37 billion from the County Executive and Kshs.12.92 million from the County Assembly. The pending bills from the County Executive consist of Kshs.357.66 million for recurrent expenditures and Kshs.1.01 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs 794.84 million, comprising Kshs 212.58 million for recurrent programmes and Kshs 582.27 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.12.92 million, which included Kshs.10.27 million for recurrent activities and Kshs.2.67 million for development activities.

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The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.765.14 million and Kshs.12.92 million, respectively in the first quarter of FY 2024/25. However, the County did adhere to this payment plan, clearing Kshs.794.84 million for the Executive and Kshs.12.92 million for the Assembly.

As of 31st March 2025, the outstanding bills totalled Kshs.572.05 million, comprising Kshs.572.05 million for the County Executive and nil for the County Assembly.

3.26.7 Expenditure by Economic Classification

The County Executive spent Kshs.3.57 billion on employee compensation, Kshs.1.64 billion on operations and maintenance, and Kshs.997.43 million on development activities. Similarly, the County Assembly spent Kshs.310.94 million on employee compensation, Kshs.316.21 million on operations and maintenance, and Kshs.12.43 million on development activities, as shown in Table 3.265.

Table 3.265: 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	**7,936,586,667**	**1,013,378,296**	**5,211,929,937**	**627,155,814**	**65.7**	**61.9**
Compensation to Employees	5,077,036,181	528,636,486	3,574,811,586	310,942,584	70.4	58.8
Operations and Maintenance	2,859,550,486	484,741,810	1,637,118,351	316,213,230	57.3	65.2
Development Expenditure	**4,840,414,545**	**132,017,326**	**997,428,750**	**12,432,163**	**20.6**	**9.4**
Total	**12,777,001,212**	**1,145,395,622**	**6,209,358,687**	**639,587,977**	**48.6**	**55.8**

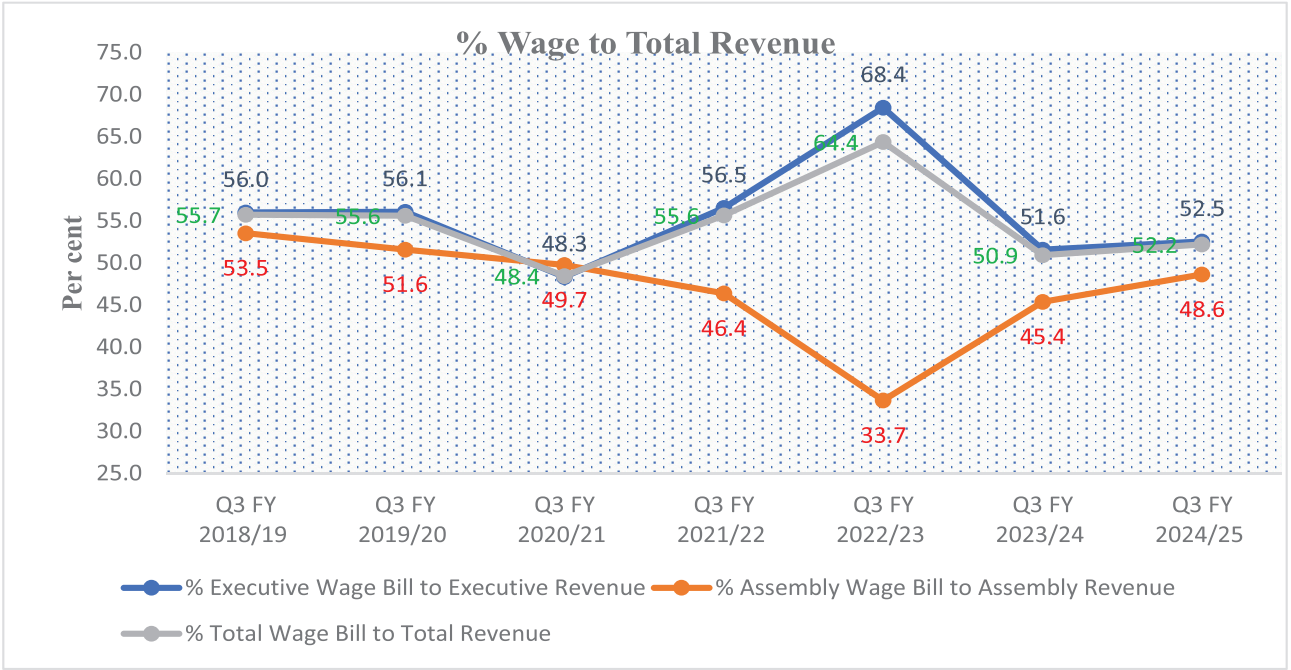
Source: *Meru County Treasury*

3.26.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.3.89 billion. The total revenue, excluding the earnings from extractive natural resources, is Kshs.53.95 million. Consequently, the percentage of employee compensation to this adjusted revenue is 53 per cent. This expenditure on employee compensation increased compared to the Kshs.3.37 billion reported during the same period in FY 2023/24. Of this total, Kshs.1.99 billion was allocated to Health Sector employees, which accounts for 51 per cent of the overall employees' compensation.

Figure 100 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 100: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



Source: *Meru County Treasury*

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Further analysis indicates that PE costs amounting to Kshs.3.87 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.104.33 million was processed through manual payrolls, which accounted for 3 per cent of the total PE cost.

The manual payrolls comprised salaries for 215 ward staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for two members of County Assembly, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, KRA Assessment for prior year, Internal Audit Committee Sitting Allowance, Fringe benefit tax and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.266

Table 3.266: Breakdown of Meru County Manual Payroll

Sno.	Description of Manual Payroll	County Executive (Kshs.)	County Assembly (Kshs.)	Total Amount (Kshs.)
1.	Salaries for two honourable members paid outside the Human Resource Information System (HRIS)	-	5,668,970	5,668,970
2.	Salaries for 215 ward staff	-	41,505,999	41,505,999
3.	Top-up Allowances for four security officers	-	1,214,100	1,214,100
4.	LAPTRUST/LAPFUND Pension Contributions	-	1,007,906	1,007,906
5.	Gratuity Contributions - Hon Mbrs	-	22,004,721	22,004,721
5.	Gratuity for Ward Staff	-	7,628,351	7,628,351
6.	Leave Allowance	-	879,490	879,490
7.	Staff Airtime	-	2,294,000	2,294,000
8.	KRA Assessment for prior year	-	2,865,769	2,865,769
9.	Internal Audit Committee Sitting Allowance	-	137,500	137,500
10.	Fringe benefit tax	-	15,090,449	15,090,449
11.	Housing Levy - ward employees	-	1,612,526	1,612,526
12.	Medical Ex-gratia	-	323,000	323,000
13.	Employer contribution to NSSF for Ward Staff	-	2,113,350	2,113,350
	Total	**-**	**104,346,131**	**104,346,131**

***Source**: Meru County Treasury*

The County Assembly spent Kshs.41.28 million on committee sitting allowances for the 69 MCAs against the annual budget allocation of Kshs.72.24 million. The average monthly sitting allowance was Kshs.65,526 per MCA. The County Assembly has 27 House Committees.

3.26.9 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.270.00 million to County-Established funds in FY 2024/25, or 2 per cent of the County's overall budget. The County did not allocate any to the Emergency Fund in FY 2024/25. Still, it allocated Kshs.14.10 million for Grants for the Management of Natural Disasters and Emergency Relief (food, medicine, blankets, cash grants, tents and other temporary shelter, etc.) as line items in the budget. Contrary to 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 First Nine Months of FY 2024/25

Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
Meru County Retention and Enhancement Fund	2018	136,000,000	136,000,000	136,000,000	-	No
Meru County Executive Staff Housing Fund	2015	104,000,000	60,000,000	6,875,998	683,617,727	Yes
County Assembly of Meru Staff Car Loan and Housing Scheme Fund	2015	30,000,000	10,000,000	1,120,970	257,692,366	Yes

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Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of the Nine Months Financial Statements (Yes/No.)
County Assembly of Meru Members Car Loan and Housing Scheme Fund	2017	0	0	8,329,737	480,000,000	yes
Total		**270,000,000**	**206,000,000**	**152,326,705**	**1,421,310,093**	

***Source**: Meru County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from Meru County Retention and Enhancement Fund Administrators, as indicated in Table 3.267, contrary to the requirement of Section 168 of the PFM Act, 2012.

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. During the reporting period, the CoB established that the lifespan of the Meru County Executive Staff Housing Fund and the County Assembly of Meru Staff Car Loan and Housing Scheme Fund had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.26.10 County Corporations

The County has established five county corporations. In FY 2024/25, the county allocated Kshs.474.02 million to these corporations through their parent departments. Their total expenditure in the first nine months amounted to Kshs.285.91 million as shown in Table 3.268.

Table 3.268: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1.	Meru County Micro-Finance Corporation	Finance, Economic Planning and ICT	78,758,591	65,081,080	65,947,292
2.	Meru County Investment and Development Corporation	Finance, Economic Planning and ICT	21,600,000	13,064,082	24,839,061
3.	Meru County Revenue Board	Finance, Economic Planning and ICT	336,660,640	242,411,543	185,042,501
4.	Meru Youth Service	Youth Affairs & Sports	10,000,000	9,999,991	10,077,505
5.	ATC Kaguru	Agriculture, Livestock & Fishery	17,000,000	8,990,555	
6.	Meru County Municipality	Department of Lands	10,000,000	10,000,000	
	Total		474,019,231	349,547,251	285,906,359

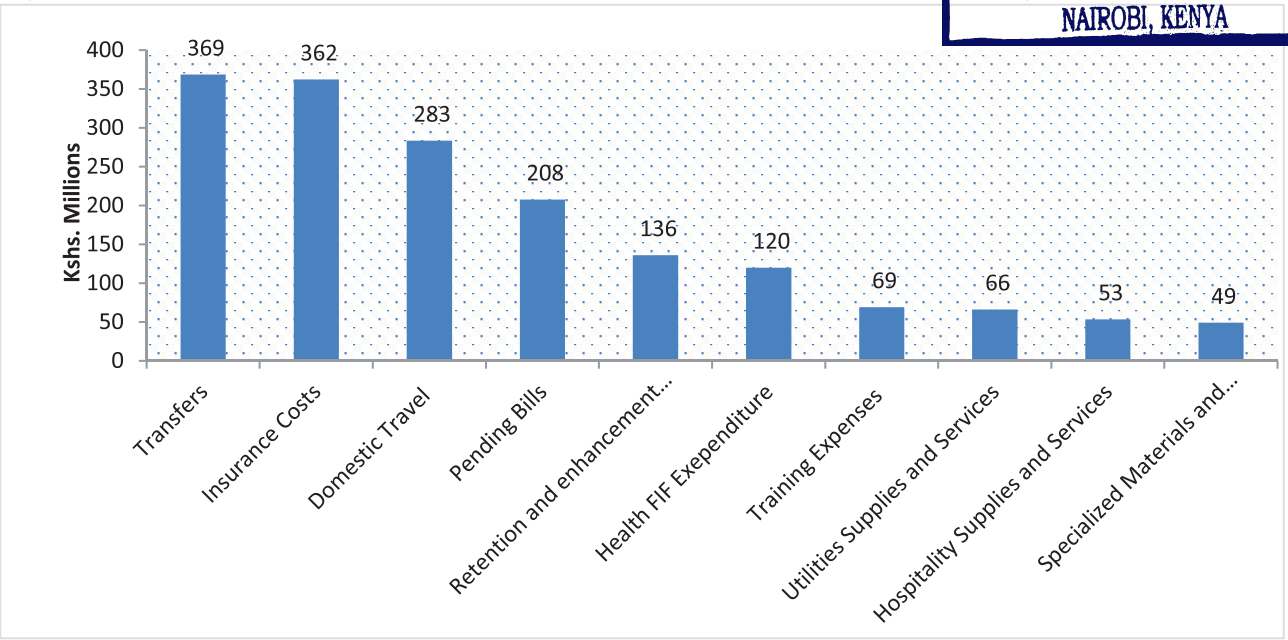
***Source**: Meru County Treasury*

3.26.11 Expenditure on Operations and Maintenance

Figure 101 summarises the Operations and Maintenance expenditure by major categories.

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Figure 101: Meru County, Operations and Maintenance Expenditure by Major Categories



Source: *Meru County Treasury*

Expenditure on domestic travel amounted to Kshs.283.34 million and comprised Kshs.190.78 million spent by the County Assembly and Kshs.92.56 million by the County Executive. Expenditure on foreign travel amounted to Kshs.25.47 million and comprised Kshs.22.09 million by the County Assembly and Kshs.3.38 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.269.

Table 3.269: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel
					(Kshs.)
County Assembly	7	15th to 22nd Sept 2024	Training Workshop on Infrastructure Project Management for County Assemblies & Other Devolved Governments Around Africa	Arusha	2,835,579
County Assembly	6	15th to 22nd Sept 2024	Training Workshop on Infrastructure Project Management for County Assemblies & Other Devolved Governments Around Africa	Arusha	2,382,421
County Assembly	7	15th to 22nd Sept 2024	Training Workshop on Infrastructure Project Management for County Assemblies & Other Devolved Governments Around Africa	Arusha	2,788,218
County Assembly	7	22nd to 29th Sept 2024	Training Workshop on Infrastructure Project Management for County Assemblies & Other Devolved Governments Around Africa	Arusha	2,835,579
County Assembly	7	22nd to 29th Sept 2024	Training Workshop on Infrastructure Project Management for County Assemblies & Other Devolved Governments Around Africa	Arusha	2,835,579
County Assembly	7	29th Sept to 6th Oct 2024	Training Workshop on Infrastructure Project Management for County Assemblies & Other Devolved Governments Around Africa	Arusha	2,788,218
County Assembly	7	29th Sept to 6th Oct 2024	Training Workshop on Infrastructure Project Management for County Assemblies & Other Devolved Governments Around Africa	Arusha	2,788,218
County Assembly	7	29th Sept to 6th Oct 2024	Training Workshop on Infrastructure Project Management for County Assemblies & Other Devolved Governments Around Africa	Arusha	2,835,579
County Executive	1	2nd to 13th Dec, 2024	To Attend Esami Training on Advanced Fraud Examiner's Programme	Tanzania	733,180
County Executive	1	2nd to 13th Dec, 2024	To Attend Esami Training on Advanced Fraud Examiner's Programme	Tanzania	733,180
County Executive	1	4th to 29th Nov, 2024	Attending Onsite Training on Human Resources Development for GIT Diseases in Kenya	Japan	461,769

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Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of Travel
County Executive	1	30th Oct to 5th Nov 2024	Attending the 24th EAC SMES Trade Fair	Juba-South Sudan	364,554
County Executive	1	30th Oct to 5th Nov 2024	Attending the 24th EAC SMES Trade Fair	Juba-South Sudan	250,000
County Executive	3	30th Oct to 5th Nov 2024	Attending the 24th EAC SMEs Trade Fair	South Sudan	308,000
County Executive	2	30 November 2024	Return Air tickets to South Africa	South Africa	339,920
County Executive	1	5 November 2024	Return Air ticket to Juba	Juba	188,230

Source: *Meru County Treasury and Meru County Assembly*

3.26.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.498.92 million as FIF, which was 91 per cent of the annual target of Kshs.550.00 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed regulations to operationalise the FIF Act of 2023, which is before the County Assembly. The FIF operations are guided by the Meru County Acts 2016

The Health Facilities provided a report on the utilisation of the FIF during the reporting period, in line with Section 18 (e) of the FIF Act, 2023. The expenditure by the health facilities amounted to Kshs.498.92, as shown in Table 3.270.

Table 3.270: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Meru Teaching & Referral Hospital	301,745,814	231,783,159	77
2	Nyambene Level IV hospital	94,675,000	126,302,082	133
3	Kanyakine Sub-County Hospital	43,700,000	43,953,584	101
4	Miathene Sub-County Hospital	30,350,000	17,516,314	58
5	Mutuati Sub-County Hospital	13,950,000	15,030,957	108
6	Kangeta Sub-County Hospital	1,775,000	5,240,865	295
7	Mikinduri Sub-County Hospital	11,250,000	12,876,414	114
8	Timau Sub-County Hospital	3,900,000	6,923,168	178
9	Mikumbune Sub-County Hospital	8,975,000	1,405,219	16
10	Githongo Sub-County Hospital	7,750,000	7,467,514	96
11	Muthara Sub-County Hospital	9,814,186	16,812,555	171
12	Kibirichia Sub-County Hospital	935,000	2,074,369	222
13	Naari Sub-County Hospital	575,000	768,649	134
14	Giaki Sub-County Hospital	1,585,000	2,712,168	171
15	Mbeu Sub-County Hospital	1,475,000	3,426,381	232
16	Kinoro Sub-County Hospital	445,000	748,170	168
17	Public Health Offices	17,100,000	3,880,991	23
	Total	**550,000,000**	**498,922,560**	91

Source: *Meru County Treasury*

The 12 Health Facilities had an over absorption of the approved budget for the Facility. These facilities are Nyambene Level IV hospital, Kanyakine Sub-County Hospital, Mutuati Sub-County Hospital, Kangeta Sub-County Hospital, Mikinduri Sub-County Hospital, Timau Sub-County Hospital, Muthara Sub-County Hospital, Kibirichia Sub-County Hospital, Naari Sub-County Hospital, Giaki Sub-County Hospital, Mbeu Sub-County Hospital, and Kinoro Sub-County Hospital.

However, the Kshs.498.92 million expenditure on health facilities differs from the Kshs.202.09 million expenditure reported under total county expenditure in the health department.

3.26.13 Development Expenditure

During the review period, the County reported spending Kshs.1.01 billion on development programmes, representing an increase of 13 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.890.60 million.

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Table 3.271 summarises the development projects with the highest expenditure in the reporting period.

Table 3.271: Meru County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Trade, Cooperatives & Tourism Development	Payment Includes Part of the Aggregation Warehouse and Cold Storage, Value Addition Warehouses, Office Block, Power House, Ablution Works, Civil Works, Boundary Wall, mechanical installation, borehole, Pump House, Electrical Works, and Materials on Site.	Buuri Sub-county	30-Dec-26	500,000,000	207,975,771		42
2	Public Service Administration & Legal Affairs	Payment Of Decretal Amount For Meru Hccc No.24 Of 2019; Meru Hc Elc 27 Of 2019; Meru Hc 16 Of 2019; Nairobi Arbitration; Misc App.1/2020; Consolidated With Misc App No.E078/20; Meru Civ Appeal E011/2021; Meru Hc Misc App No.E011/2021; Meru Hc Midc App.1/2021; Hc Jr E003/2021; Hc Jr E037/2021	Headquarters		330,000,000	100,000,000		30
3	Health Services	Hospital Fif Projects				82,129,791		#DIV/0!
4	Water, Irrigation Environment & Natural Resources	Flocca Conditional Grant Co-Funding		30-Jun-25	78,000,000	78,000,000		100
5	Roads Transport & Energy	Provide, Place, and Compact Asphalt Concrete Type 1 with 5 - 6 % Nominal Bitumen Content by Weight to Total Mix as a Wearing Course on the Carriageway as Directed By The Engineer.	Kibirichia ward	30-Jun-25	33,000,000	33,000,000		100
6	Finance, Economic Planning & ICT	Payment For Supply, Delivery, Implementation, Customisation & Commissioning Of Revenue Collection & Management Automation System	Headquarters		16,568,192	16,568,192		100
7	Trade, Cooperatives & Tourism Development	Payment For Paving Works Of Katheri Market	Abothuguchi West		9,968,000	9,968,000		100
8	Finance, Economic Planning & ICT	Construction Of Ablution Block At KMTC Miathene Campus	Miathene Kmtc		8,893,027	8,893,027		100
9	Finance, Economic Planning & ICT	Procurement Of Imported Bull Semen And Artificial Insemination Kit	Countywide		16,949,750	8,474,875		50

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Completion status (%)
10	Roads Transport & Energy	Drainage Works Of Nyweri And Marega Mugambone Road In Abothuguchi Central Ward	Buuri	30-Jun-25	8,473,323	8,473,323		100

Source: *Meru County Treasury*

The County has not reported any stalled development projects.

3.26.14 Budget Performance by Department

Table 3.272 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.272: Meru County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs.Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	1,013.38	132.02	627.16	12.43	627.16	12.43	100	100	62	9
Office of the Governor	160.25	-	71.21	-	71.21	-	100	-	44	-
Finance, Economic Planning and ICT	928.99	240.30	562.44	202.03	556.39	202.03	99	100	60	84
Agriculture, Livestock & Fishery	47.72	486.41	24.53	16.01	24.53	16.01	100	100	51	3
Water & Irrigation	43.80	549.78	28.82	85.95	28.82	85.95	100	100	66	16
Education, Technology, Gender, Culture & Social Development	257.52	195.00	160.65	50.80	160.65	50.80	100	100	62	26
Health Services	704.71	798.74	284.37	18.45	286.40	100.58	101	545	41	13
Lands, Physical Planning, Urban Development & Public Works	71.65	739.50	23.71	22.57	23.71	22.57	100	100	33	3
Public Service Administration & Legal Affairs	5,566.86	105.00	3,979.08	101.64	3,979.08	101.64	100	100	71	97
Roads, Transport & Energy	40.90	1,166.67	17.68	183.65	17.68	183.65	100	100	43	16
Trade, Investment, Industrialisation, Tourism & Co-op Development	25.33	447.69	11.84	232.27	11.84	232.27	100	100	47	52
Youth Affairs & Sports	44.73	111.33	30.13	1.94	30.13	1.94	100	100	67	2
County Public Service Board	44.12	-	21.49	-	21.49	-	100	-	49	-
TOTAL	**8,949.96**	**4,972.43**	**5,843.11**	**927.73**	**5,839.09**	**1,009.86**	**100**	**109**	**65**	**20**

Source*: Meru County Treasury*

Analysis of expenditure by departments shows that the Department of Public Service Administration and Legal Affairs recorded the highest absorption rate of the development budget at 97 per cent, followed by the Department of Finance, Economic Planning, and ICT at 84 per cent. The Department of Public Service Administration and Legal Affairs had the highest percentage of recurrent expenditure to budget at 71 per cent, while the Department of Lands, Physical Planning, Urban Development, and Public Works had the lowest at 33 per cent.

3.26.15 Budget Execution by Programmes and Sub-Programmes

Table 3.273 summarises the budget execution by programmes and sub-programmes in the period under review.

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Table 3.273: Meru County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
COUNTY ASSEMBLY OF MERU							
Legislation and Representation	Legislation & Representation	468,433,422	-	318,856,309	-	68.1	-
Legislative Oversight	Legislative Oversight	218,716,758	-	117,404,590	-	53.7	-
General Administration, Planning and Support Services	General Administration, Planning and Support Services	326,183,116	132,017,326	190,894,915	12,432,163	58.5	9.4
Sub-Total		**1,013,333,295**	**132,017,326**	**627,155,814**	**12,432,163**	**61.9**	**9.4**
OFFICE OF THE GOVERNOR							
Headquarters	Headquarters	27,150,000	-	14,650,620	-	54.0	-
Governors Press	Governors Press	21,500,000	-	15,631,500	-	72.7	-
Monitoring and Evaluation	Monitoring and Evaluation	14,450,000	-	6,143,369	-	42.5	-
Research and Public Participation	Research and Public Participation	8,850,000	-	3,515,300	-	39.7	-
Special programmes (Fire, Rescue and Emergency Services)	Special programmes (Fire, Rescue and Emergency Services)	34,200,000	-	17,009,877	-	49.7	-
Partnership Development and External Linkages	Partnership Development and External Linkages	10,850,000	-	2,883,104		26.6	-
Delivery Unit	Delivery Unit	5,000,000	-	1,386,400	-	27.7	-
Protocol & Event Management	Protocol & Event Management	8,300,000	-	1,689,000	-	20.3	-
Office of the Deputy Governor	Office of the Deputy Governor	29,950,000	-	8,299,695		27.7	-
Sub-Total		**160,250,000**	**-**	**71,208,865**	**-**	**44.4**	**-**
FINANCE ECONOMIC PLANNING & ICT							
Headquarters	Headquarters	278,512,000	239,296,663	77,650,242	202,026,402	27.9	84.4
Meru Investment Corporation	Meru Investment Corporation	21,600,000	-	18,496,790	-	85.6	-
Meru Microfinance Corporation	Meru Microfinance Corporation	78,758,591	-	73,661,339	-	93.5	-
Meru County Revenue Board	Meru County Revenue Board	336,660,640	-	236,354,954	-	70.2	-
Procurement	Procurement	9,000,000	-	4,557,966	-	50.6	-
Internal Audit	Internal Audit	6,230,000	-	3,490,600	-	56.0	-
Budget and Policy	Budget and Policy	20,300,000	-	12,120,278	-	59.7	-
Accounts	Accounts	157,965,741	-	118,374,052	-	74.9	-
ICT Development	ICT Development	8,050,000	1,000,000	3,393,269	-	42.2	0.0
Economic Planning and Coordination Services	Economic Planning and Coordination Services	7,470,000	-	5,064,349	-	67.8	-
Administration Services	Administration Services	4,447,752	-	3,222,600	-	72.5	-
Sub-Total		**928,994,724**	**240,296,663**	**556,386,438**	**202,026,402**	**59.9**	**84.1**
AGRICULTURE, LIVESTOCK DEVELOPMENT AND FISHERIES							
General Administration	General Administration	7,379,126	352,786,092	4,575,155	16,007,991	62.0	4.5
Livestock	Livestock	7,300,000	99,394,800	5,630,200	-	77.1	0.0
Fisheries	Fisheries	1,700,000	34,225,903	350,000	-	20.6	0.0
Agricultural Development	Agricultural Development	11,790,000	-	4,046,467	-	34.3	-

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Animal Disease Management	Animal Disease Management	2,550,000	-	938,000	-	36.8	-
Agricultural Training Centre (KAGURU)	Agricultural Training Centre (KAGURU)	17,000,000	-	8,990,555	-	52.9	-
Sub-Total		**47,719,126**	**486,406,795**	**24,530,377**	**16,007,991**	**51.4**	**3.3**
WATER IRRIGATION ENVIRONMENT & NATURAL RESOURCES							
Water & Irrigation	Water & Irrigation	13,280,766	180,516,151	7,937,516	-	59.8	0.0
Noise pollution	Noise pollution	30,515,132	369,262,000	20,880,796	85,947,161	68.4	23.3
Sub-Total		**43,795,898**	**549,778,151**	**28,818,312**	**85,947,161**	**65.8**	**15.6**
EDUCATION, TECHNOLOGY, GENDER & SOCIAL DEVELOPMENT							
Administration Services	Administration Services	149,853,100	115,453,849	141,983,799	-	94.7	0.0
Early Childhood Development Education (ECDE)	Early Childhood Development Education (ECDE)	93,839,477	20,750,000	13,537,645	-	14.4	0.0
Technical and Vocational Education	Technical and Vocational Education	3,056,535	58,800,000	1,680,600	50,800,000	55.0	86.4
Village Polytechnics	Village Polytechnics	5,614,670	-	3,091,875	-	55.1	-
Library Services	Library Services	5,161,162	-	359,000	-	7.0	-
HEALTH SERVICES							
General Administration Support and Planning	General Administration Support and Planning	12,097,383	-	8,717,000	-	72.1	-
Curative Health	Curative Health	455,015,300	798,742,133	218,341,238	100,584,092	48.0	12.6
Preventive and Promotive Health	Preventive and Promotive Health	237,598,330	-	59,340,777	-	25.0	-
Sub-Total		**704,711,013**	**798,742,133**	**286,399,015**	**100,584,092**	**40.6**	**12.6**
LANDS, PHYSICAL PLANNING, URBAN DEVELOPMENT & PUBLIC WORKS							
Lands & Housing	Lands & Housing	9,750,000	28,790,706	5,669,746	2,567,898	58.2	8.9
Physical Planning and Urban Development	Physical Planning and Urban Development	44,550,000	700,706,111	4,600,100	20,000,000	10.3	2.9
Meru Town Municipality	Meru Town Municipality	6,000,000	-	6,000,000	-	100.0	-
Maua Municipality	Maua Municipality	4,000,000	-	4,000,000	-	100.0	-
Timau Municipality	Timau Municipality	2,800,000	-	1,475,227	-	52.7	-
Public Works	Public Works	4,550,000	10,000,000	1,963,000	-	43.1	0.0
Sub-Total		**71,650,000**	**739,496,817**	**23,708,073**	**22,567,898**	**33.1**	**3.1**
PUBLIC SERVICE ADMINISTRATION & LEGAL AFFAIRS							
General Administration	General Administration	81,196,416	-	33,618,515	-	41.4	-
Coordination of County Government Functions Sub-Sub-County	Coordination of County Government Functions Sub-Sub-County	7,036,060	-	4,271,300	-	60.7	-
County office, Accommodation and Enforcement Services	County office, Accommodation and Enforcement Services	27,913,943	-	15,310,661	-	54.8	-
Human Resource	Human Resource	5,411,279,181	104,997,298	3,896,272,282	101,637,357	72.0	96.8
Legal Representation, Advisory Services and Legislative Process	Legal Representation, Advisory Services and Legislative Process	38,832,064	-	29,611,709	-	76.3	-
Town Management & Administration	Town Management & Administration	600,000	-	-	-	0.0	-
Sub-Total		**5,566,857,664**	**104,997,298**	**3,979,084,467**	**101,637,357**	**71.5**	**96.8**
ROADS, TRANSPORT & ENERGY							
General Administration-Roads	General Administration-Roads	25,750,170	1,151,673,306	14,283,884	168,699,712	55.5	14.6

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Infrastructure	Infrastructure	6,400,000	15,000,000	2,445,200	14,948,170		99.7
Public Works	Public Works	8,750,000	-	951,686	-	10.9	-
Sub-Total		**40,900,170**	**1,166,673,306**	**17,680,770**	**183,647,882**	**43.2**	**15.7**
TRADE, TOURISM & COOPERATIVES DEVELOPMENT							
Cooperatives Development	Cooperatives Development	5,930,000	39,570,000	2,873,461	-	48.5	0.0
Tourism	Tourism	11,472,228	-	6,342,964	-	55.3	-
Trade	Trade	7,930,000	408,115,664	2,624,000	232,266,757	33.1	56.9
Sub-Total		**25,332,228**	**447,685,664**	**11,840,425**	**232,266,757**	**46.7**	**51.9**
YOUTH AFFAIRS & SPORTS							
Youth Affairs Programme	Youth Affairs Programme	5,606,422	10,463,868	1,857,500	1,943,210	33.1	18.6
Sports Development	Sports Development	19,670,000	100,870,000	14,918,400	-	75.8	0.0
Meru Youth Service	Meru Youth Service	10,000,000	-	9,999,991	-	100.0	-
Gender Mainstreaming	Gender Mainstreaming	9,455,000	-	3,357,550	-	35.5	-
Sub-Total		**44,731,422**	**111,333,868**	**30,133,441**	**1,943,210**	**67.4**	**1.7**
COUNTY PUBLIC SERVICE BOARD							
Headquarters	Headquarters	44,119,478	-	21,486,835	-	48.7	-
Sub-Total		**44,119,478**	**-**	**21,486,835**	**-**	**48.7**	**-**
Grand Total		**8,949,919,962**	**4,972,431,870**	**5,839,085,751**	**1,009,860,913**	**65.2**	**20.3**

***Source**: Meru County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Meru Town Municipality and Maua Municipality in the Department of Lands, Physical Planning, Urban Development & Public Works at 100 per cent, Meru Microfinance Corporation in the Department of Finance, Economic Planning and ICT at 94 per cent, Meru Investment Corporation in the Department of Finance, Economic Planning and ICT at 86 per cent, and Technical and Vocation Education in the Department of Education, Technology, Gender & Social Development at 85 per cent of budget allocation.

3.26.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 31 accounts with commercial banks, including five accounts for Established Funds, two revenue accounts, nine special purpose accounts (additional allocations), 9 Accounts for County semi-autonomous agencies, one imprest account, one recurrent operational account, and one development operational account (ECDE Projects)

The County Treasury submitted copies of authorisation letters to the Controller of Budget for opening 31 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.26.17 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;

i. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received from 15 April to 29 April, 2025.

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ii. Fund Administrators failed to submit quarterly financial and non-financial reports to the Controller of Budget within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. As of 15 April 2025, the reports for the Meru County Retention and Enhancement Fund were not submitted to the Controller of Budget.

iii. A high level of pending bills, amounting to Kshs.572.05 million as of 31 March 2025. Furthermore,

iv. Use of manual payroll. Personnel emoluments amounting to Kshs.47.17 million for 117 staff yet to be onboarded into HRIS through manual payroll, accounting for 1 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

v. Non-submission of expenditure and revenues raised by the Meru County Alcohol Board and expenditure reports for ATC Kaguru and the Meru County Municipality.

vi. The FIF total expenditure provided under the health services department expenditure differs from the amounts provided on total FIF expenditure per facility (Kshs.202.09 million and Kshs.498.92 million, respectively).

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget, as per the timelines prescribed in Section 166 of the PFM Act, 2012.*

ii. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*

iii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*

iv. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

v. *The County Treasury should ensure that it submits to OCoB all expenditure and revenue for all Corporations, including the Meru County Municipality and the Meru County Alcohol Board.*

vi. The County Treasury should ensure reconciliation is carried out on FIF expenditure before it is submitted for accuracy in reporting.

3.27. County Government of Migori

3.27.1 Overview of FY 2024/25 Budget

The Migori County Gross Approved Supplementary I FY 2024/25 budget is Kshs.11.69 billion. It comprises Kshs.4.28 billion (36.6 per cent) and Kshs.7.41 billion (63 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.65 billion (16 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.3.07 billion and a recurrent budget of Kshs.6.96 billion. The increase in the budget was attributed to unspent cash balances brought forward from FY 2023/24, both in the County Revenue Fund and Special Purpose Operational Accounts (SPAs).

The budget will be financed from different sources of revenue. These include Kshs.8.34 billion (71 per cent) as the equitable share of revenue raised nationally, Kshs.1.97 billion (17 per cent) as additional allocations, a cash balance of Kshs.688.43 million (6 per cent) brought forward from FY 2023/24, and Kshs.690 million (6 per cent) generated as gross own source revenue. The own-source revenue includes Kshs.140 million (20 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.550 million (80 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.274.

3.27.2 Revenue Performance

During the review period, the county received Kshs.7.21 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.835.77 million (13 per cent) from Kshs.6.38 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.5.53 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.607.12 million, and

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its own-source revenue (OSR) collection of Kshs.387.83 million. In addition, the County had a cash balance of Kshs.688.43 million from FY 2023/24.

The total OSR collection of Kshs.387.83 million includes Facilities Improvement Financing (FIF) of Kshs.161.41 million, and Kshs.226.42 million from other OSR sources. OSR collections from the FIF were received from Level 1V hospitals and Public Health Services where FIF is collected. Table 3.274 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.274: Migori County, Revenue Performance in the First Nine Months of FY 2024/25

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally -**	8,341,446,108	5,530,660,180	66.3
Sub-total		**8,341,446,108**	**5,530,660,180**	**66.3**
B	**Additional Allocations**			
1.	DANIDA Grant (Universal Healthcare in Devolved System Program)	12,358,500	-	-
2.	IDA (World Bank) Credit for National Agricultural and Rural Inclusive Growth Project (NARIGP)	5,000,000	-	-
3.	EU Grant for Instrument for Devolution Advice and Support (IDEAS)	5,706,628	-	-
4.	Sweden - Agricultural Sector Development Support Programme (ASDSP) II	1,120,452	-	-
5.	KABDP SIDA	10,918,919	-	-
6.	KABDP MOA&LD (GOK)	1,000,000	-	-
7.	Aquaculture Business Development Project (ABDP)	13,617,785	-	-
8.	Livestock Value Chain Support Project	14,323,680	-	-
9.	Climate Change - German Development Bank (KFW) - (FLLOCA -CCRI Grant)	200,000,000	-	-
10.	Climate Change - IDA World Bank (FLLOCA)	11,000,000	11,000,000	100.0
11.	Urban Institutional Grant (UIG)	35,000,000	-	-
12.	Migori Municipality URB Development Grant	54,181,008	-	-
13.	Awendo Municipality URB Development Grant	16,800,000	-	-
14.	Rongo Municipality URB Development Grant	16,800,000	-	-
15.	Kehancha Municipality URB Development Grant	16,800,000	-	-
16.	Grant from the National Government - Industrial Park	250,000,000	54,131,579	21.7
17.	Kenya Water and Sanitation (K-WASH) Program	199,874,000	-	-
18.	National Agricultural Value Chain Development Project (NAVCDP)	250,000,000	-	-
19.	Kenya Devolution Support Program II	37,500,000	-	-
21.	Leasing of Medical Equipment	124,723,404	-	-
22.	Fertiliser Subsidy	144,621,807	-	-
23.	Allocation for Court fines	974,165	-	-
24.	Allocation for Mineral Royalties	3,125,408	-	-
25.	Migori County Climate Change Fund FLLoCCA Balances C/Fwd	372,833,613	372,833,613	100.0
26.	Migori County Health Special Balances C/Fwd	915,068	915,068	100.0
27.	Migori County RMLF Balances C/Fwd	681,918	681,918	100.0
28.	Migori County NARIGP Operations Account Balances C/Fwd	4,261,826	4,261,826	100.0
29.	Migori County Agriculture Chain (NAVCDP) Balances C/Fwd	161,794,532	161,794,532	100.0
30.	Migori County Industrial Park Balances C/Fwd	1,500,000	1,500,000	100.0
Sub-total		**1,967,432,713**	**607,118,536**	**30.9**
C	**Own Source Revenue**			
31	Ordinary Own Source Revenue	550,000,000	226,424,160	41.2
32.	Appropriation in Aid (A-I-A)	-		

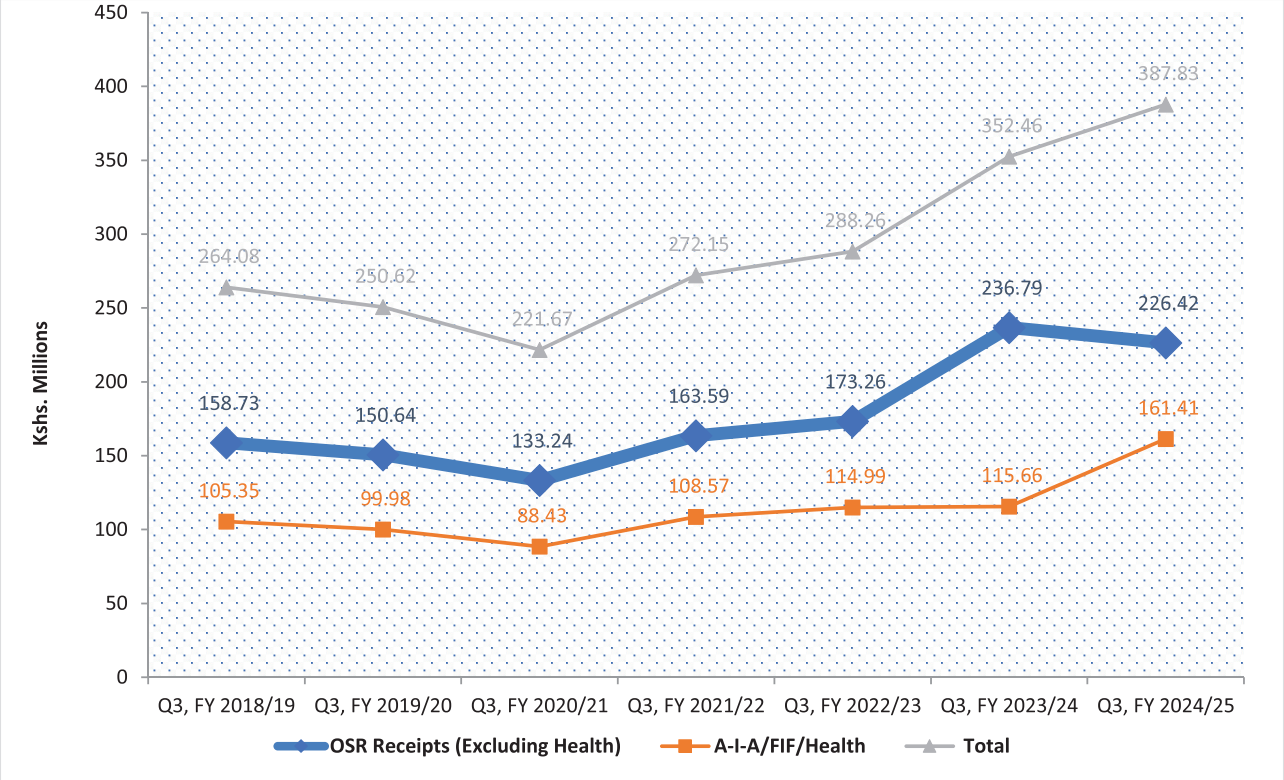
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S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
33.	Facility Improvement Fund (FIF)	140,000,000	161,406,120	115.3
Sub-total		**690,000,000**	**387,830,280**	**56.2**
D	**Other Sources of Revenue**			
34.	Unspent balance from FY 2023/24	688,425,652	688,425,652	100.0
35.	Other Revenues (provide a list)	-	-	-
Sub-Total		**688,425,652**	**688,425,652**	100.0
Grand Total		**11,687,304,473**	**7,214,034,648**	**61.7**

Source: *Migori County Treasury*

It is imperative to note that F.I.F collection during the reporting period exceeded annual projection of Kshs.140 million by Kshs.21.41 million and accounted for 115 per cent target as shown in Table 3.274.

Figure 102: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



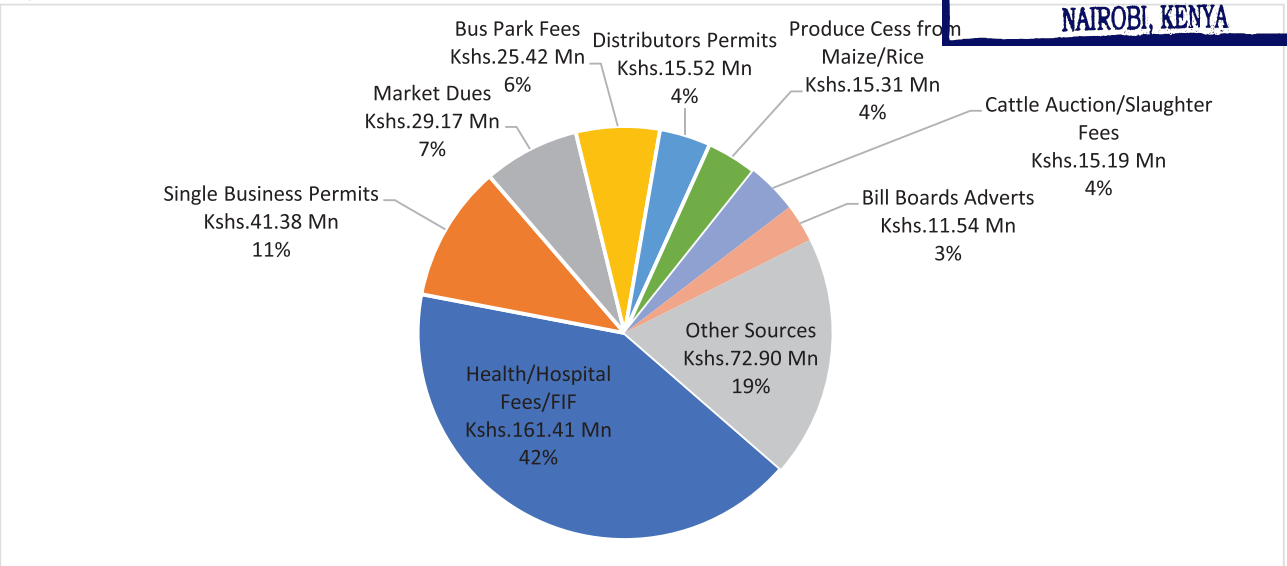
Source: *Migori County Treasury*

During the review period, the County generated Kshs.387.83 million from its own revenue sources, including FIF. This amount was an increase of 10 per cent compared to Kshs.352.36 million realised in a similar period in FY 2023/24 and was 56 per cent of the annual target and 7 per cent of the equitable revenue share disbursed. The increase can be attributed to revival of dormant markets and auction rings across county, deployment of more enforcement personnel in revenue collection outlets, and introduction of high penalties on clients /vendors operating without licenses and late payments amongst others.

The revenue streams which contributed the highest OSR receipts are shown in Figure 103.

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Figure 103: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source: *Migori County Treasury*

As shown in Figure 103, the highest revenue stream of Kshs.161.41 million was from Health /Hospital fees (FIF) contributing to 42 per cent of the total OSR receipts. The County Government has automated 12 revenue streams out of 40 streams.

3.27.3 Borrowing by the County

The county Assembly of Migori secured an overdraft of Kshs.50 million from the Kenya Commercial Bank Ltd, Migori Branch as a short- term credit facility at an interest rate of 3 per cent payable within one-month period. The borrowed funds were utilised for payment of members and staff allowances in arrears for the FY 2023/24 and defraying office operations for the month of July,2024, as a result of the delayed disbursement of June,2024 shareable revenues. The amount has since been fully settled during the reporting period.

3.27.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.46 billion from the CRF account during the reporting period, which comprised Kshs.896.65 million (16 per cent) for development programmes and Kshs.4.56 billion (84 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.37 billion was released towards compensation of employees and Kshs.2.19 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, does not include the March 2025 exchequer request for the County Executive and County Assembly due to challenges resulting from the migration from the IPPD system to HRIS-Kenya, such as mass data updates, amongst others.

Analysis of the operations and maintenance exchequer releases indicates that 4 per cent was for domestic travel and 0.1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.208.98 million, including Kshs.34.27 million for the County Executive and Kshs.174.71 million for the County Assembly. Exchequer releases towards foreign travel totalled Kshs.6.35 million, comprising Kshs.6.35 million for the County Executive and nil for the County Assembly.

Table 3.275: Migori County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock, Veterinary Services, Fisheries & Blue Economy	235.79	725.68	136.22	52.39	57.8	7.2
Trade, Tourism, Industry, Market & Cooperative Development	123.80	338.48	85.45	173.45	69.0	51.2
Health Medical Services	1,648.21	350.76	1,311.53	91.72	79.6	26.1
Education, Gender Inclusivity, Social Services, Youth and Sports	543.47	157.04	326.56	6.95	60.1	4.4

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Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues, as a % of Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Roads, Transport, Public Works & Infrastructural Development	147.93	947.78	91.28	171.80	61.7	18.1
Lands, Physical Planning, Housing & Urban Development	111.50	106.31	73.57	29.58	66.0	27.8
Rongo Municipality	21.62	26.80	13.72	8.52	63.5	31.8
Kehancha Municipality	25.13	26.80	14.06	5.94	56.0	22.2
Migori Municipality	21.32	62.86	10.82	1.49	50.8	2.4
Awendo Municipality	22.00	35.40	10.63	15.29	48.3	43.2
Environment, Natural Resources, Climate Change & Disaster Management	261.77	595.93	161.62	42.12	61.7	7.1
Finance and Economic Planning	1,091.54	28.13	640.71	11.63	58.7	41.3
Public Service Management, Monitoring & Evaluation & Performance Contracting	900.86	19.85	445.86	12.65	49.5	63.7
County Executive	433.52	153.46	293.21	62.03	67.6	40.4
County Assembly	1,036.28	52.64	647.37	-	62.5	0.0
Water and Energy	225.11	516.65	96.81	156.25	43.0	30.2
Public Health & Sanitation	443.58	131.03	137.39	54.84	31.0	41.9
Office of the County Attorney	118.25	-	62.54	-	52.9	0.0
Total	**7,411.69**	**4,275.61**	**4,559.37**	**896.65**	**61.5**	**21.0**

***Source**: Migori County Treasury*

The under absorption of exchequer issues for recurrent and development budget is mainly occasioned by an intermittent delay in transfers of national equitable shareable revenues by the National Treasury to Counties, contrary to CARA,2024 disbursement schedule approved by the Senate.

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.393.78 million.

3.27.5 County Expenditure Review

The County spent Kshs.5.78 billion on development and recurrent programmes in the reporting period. The expenditure represented 106 per cent of the total funds released by the CoB and comprised Kshs.1.22 billion and Kshs.4.56 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 29 per cent, while recurrent expenditure represented 62 per cent of the annual recurrent expenditure budget.

3.27.6 Settlement of Pending Bills

As of June 30, 2024, the County reported pending bills totaling Kshs.1.94 billion. This amount included Kshs.1.76 billion from the County Executive and Kshs.184.72 million from the County Assembly. The pending bills from the County Executive consisted of Kshs.875.34 million for recurrent expenditures and Kshs.881.38 million for development expenditures.

During the review period, the County Executive settled pending bills amounting to Kshs.1.22 billion, which included Kshs.691.48 million for recurrent programs and Kshs.563.91 million for development programs. In contrast, the County Assembly settled pending bills totalling Kshs.16.14 million, all of which were for recurrent activities, with no payments made for development activities.

At the beginning of FY 2024/25, the County Executive and the Assembly submitted a payment plan for pending bills, committing to pay Kshs.1.20 billion and Kshs.20 million, respectively, within the first nine months of FY 2024/25. The County Executive adhered to this payment plan, successfully settling Kshs.1.22 billion in debts. However, the County Assembly did not follow its payment plan, as it only cleared Kshs.16.14 million.

As of March 31, 2025, the outstanding bills totalled Kshs.683.39 million, comprising Kshs.514.82 million for the County Executive and Kshs.168.57 million for the County Assembly.

3.27.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.06 billion on employee compensation, Kshs.1.86 billion on operations and maintenance, and Kshs.1.22 billion on development activities. Similarly, the County Assembly spent Kshs.311.92

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million on employee compensation, Kshs.335.13 million on operations and maintenance, and development activities, as shown in Table 3.276.

Table 3.276: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**6,375,408,330**	**1,036,284,847**	**3,915,843,603**	**647,044,073**	**61.4**	**62.4**
Compensation to Employees	3,129,196,116	514,544,066	2,056,451,049	311,918,396	65.7	60.6
Operations and Maintenance	3,246,212,214	521,740,781	1,859,392,554	335,125,677	57.3	64.2
Development Expenditure	**4,222,974,602**	**52,636,694**	**1,219,341,155**	-	**28.9**	-
Total	**10,598,382,932**	**1,088,921,541**	**5,135,184,758**	**647,044,073**	**48.5**	**59.4**

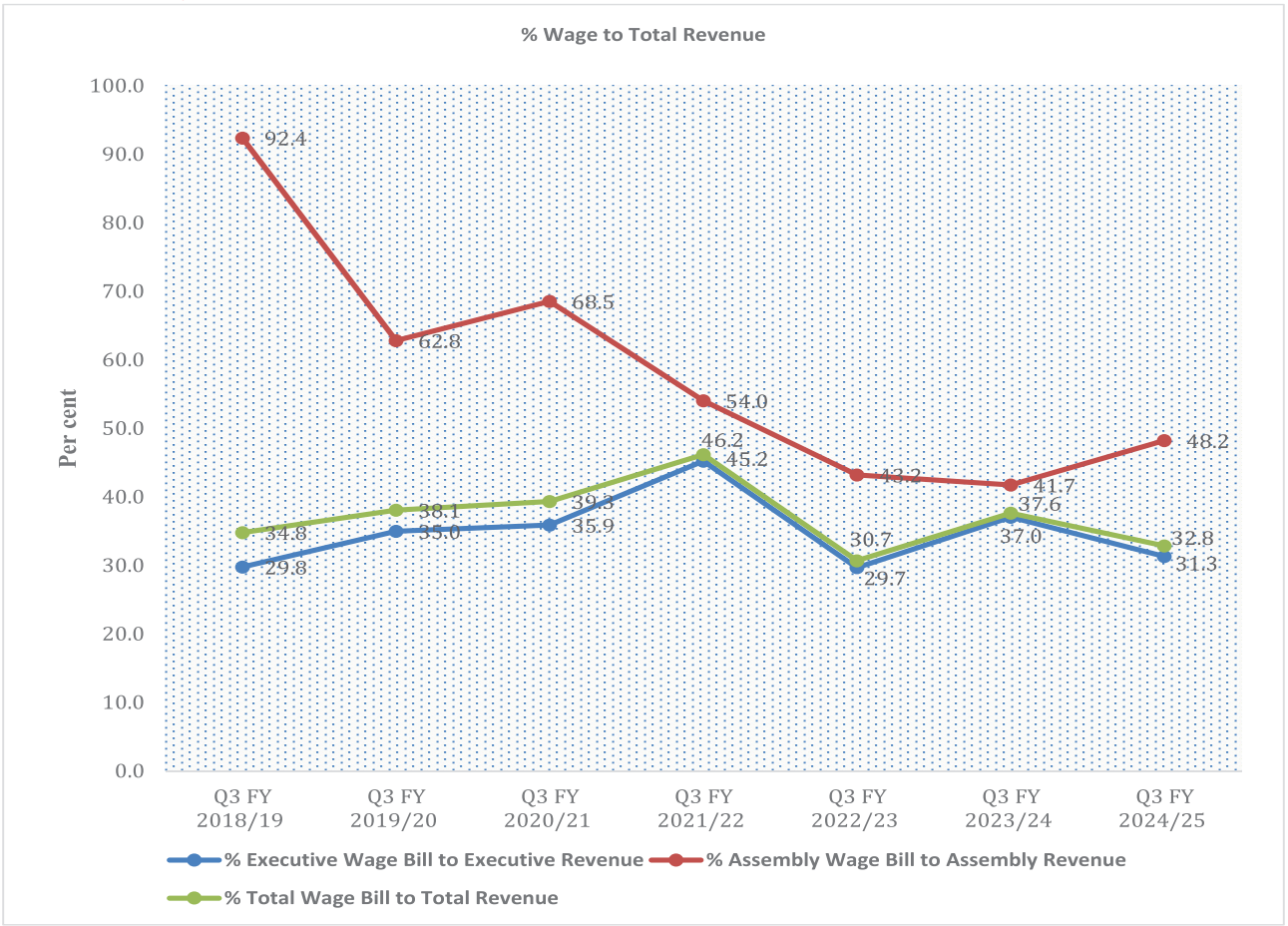
***Source**: Migori County Treasury*

3.27.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.2.37 billion. The total revenue, excluding the earnings from extractive natural resources from sand cess, gypsum cess, and quarry cess, is Kshs.7.21 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 33 per cent. This expenditure on employee compensation decreased by 1 per cent compared to the Kshs.2.40 billion was reported during the same period in FY 2023/24. Of this total, Kshs.989.33 million was allocated to Health Sector employees, which accounts for 42 per cent of the overall employees' compensation.

Figure 104 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 104: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: Migori County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.37 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system.

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The County Assembly spent Kshs.25.08 million on committee sitting allowances for the 59 MCAs and the Speaker against the annual budget allocation of Kshs.43.52 million. The average monthly sitting allowance was Kshs.46,439 per MCA. The County Assembly has 27 House Committees.

3.27.9 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.148 million to County-Established funds in FY 2024/25, or 1.3 per cent of the County's overall budget. Further, the county did not allocate any emergency funds to the budget, contrary to Section 110 of the PFM Act, 2012. Table 3.277 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.277: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)
	County Executive Established Funds					
1.	Migori County Executive Car Loans & House Mortgage Fund Scheme	December,2018	-	247,500,000	-	Yes
2.	Migori County Education Bursary Fund	January,2014	120,000,000	840,000,000	-	Yes
3.	Migori County Scholarships & Educational Benefits Fund	January,2014	20,000,000	279,000,000	-	Yes
4.	Migori County Alcoholic Drink Fund	September,2016	-	2,250,318	-	Yes
5.	Emergency Fund	N/A	-	-	-	Unregulated
6.	Migori County SMEs Trade Development - Inua Biashara	March,2024	-	54,000,000	-	Yes
	County Assembly Established Funds					
7.	Migori County Assembly Car Loans & House Mortgage Fund Scheme	October, 2015	8,000,000	236,000,000	-	Yes
	Total		**148,000,000**	**1,658,750,318**	-	

***Source**: Migori County Treasury*

During the reporting period, the CoB received all the quarterly financial reports from Fund Administrators, as indicated in Table 3.277, in line with the requirement of Section 168 of the PFM Act, 2012. The administration costs of the Funds are pegged at 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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. During the reporting period, the CoB established that the lifespan of County Education Bursary Fund and County Scholarships & Educational Benefits Fund had lapsed despite being in operation. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.27.10 County Corporations

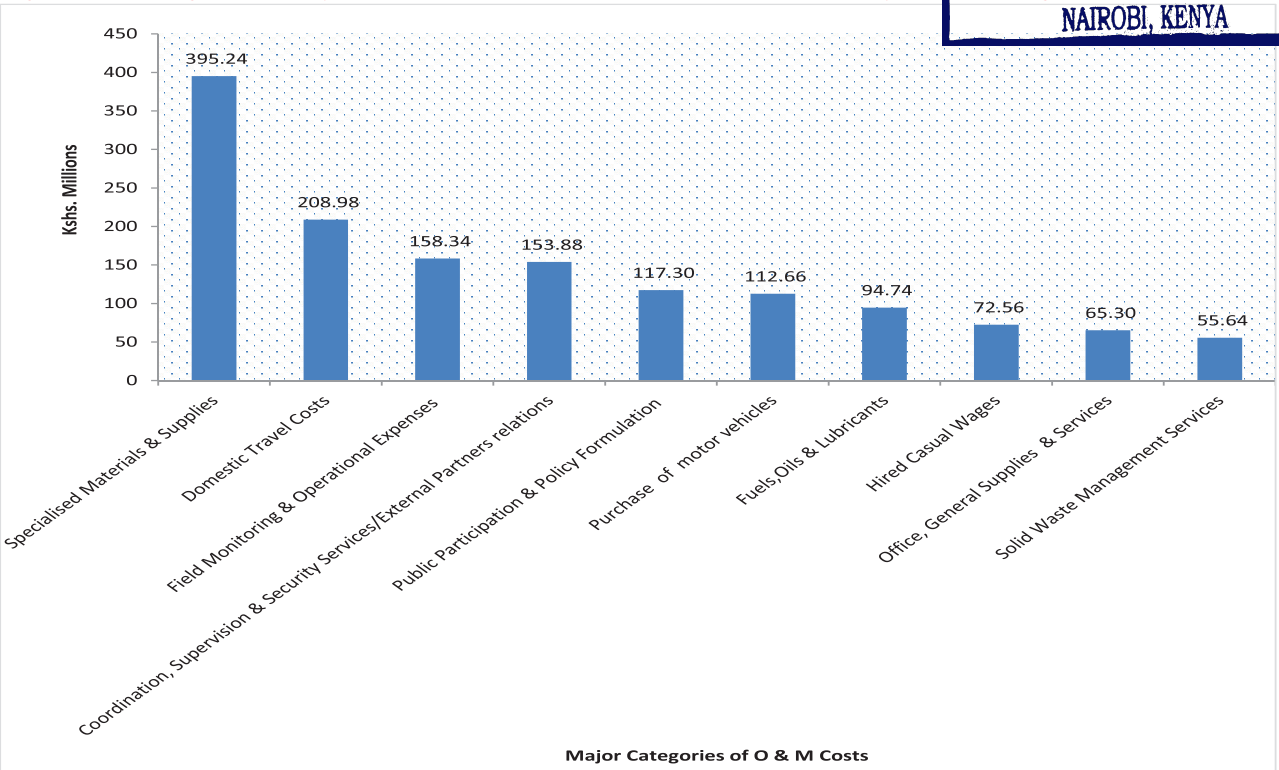
The County has not established any county corporations. However, the County Government owns only 20 percent of the shares in Migori Water & Sanitation Company Limited. During the reporting period, no budget allocation was made to support the company.

3.27.11 Expenditure on Operations and Maintenance

Figure 105 summarises the Operations and Maintenance expenditure by major categories.

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Figure 105: Migori County, Operations and Maintenance Expenditure by Major Categories



Source: *Migori County Treasury*

Expenditure on domestic travel amounted to Kshs.208.98 million and comprised Kshs.174.71 million spent by the County Assembly and Kshs.34.27 million by the County Executive. Expenditure on foreign travel amounted to Kshs.6.35 million and was entirely for County Executive. The County Assembly had no expenditure on foreign travel during the period under review. Expenditure on foreign travel is summarised in Table 3.278.

Table 3.278: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	5	26th February- to -2nd March,2025	Attending & Participating in EALASCA Games in Uganda	Uganda	1,459,504
County Executive	1	23rd to 26th October, 2024	Attending & Participating During the African Urbanisms Conference	South Africa	402,934
County Executive	5	26th October to 3rd Novem-ber,2024	Attending & Participating in the 24th EAC MSMES Trade Fair & Exhibition	South Sudan	3,171,893
County Executive	1	9th March -to-23rd March,2025	Attending & Participating in the 69th Session of the United Nations Status of Women Conference	New York, USA	1,310,670
Total					**6,345,001**

Source: *Migori County Treasury and County Assembly*

The operations and maintenance costs include an expenditure of Kshs.55.64 million on garbage collection and Kshs.51.64 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.27.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.161.41 million as FIF, which was 115 per cent of the annual target of Kshs.140 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The FIF regulations provides that 72 per cent of the total collection is reused back in the County health facilities, 20 per cent is utilised under Public Health & Sanitation Services, 5 per cent is retained for the Hospital Emergency Fund, whereas the remaining 3 per cent caters for Health Management Board Administrative Expenses.

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The expenditure by the health facilities amounted to Kshs.88.65 million as shown in Table 3.279.

Table 3.279: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facilities	Actual Expenditure of the Facility	Absorption rate (%)
1.	Migori County Referral Hospital	-	49,209,449	-
2.	Kehancha Sub-County Hospital	-	7,431,369	-
3.	Rongo Sub-County Hospital	-	5,512,720	-
4.	Awendo Sub-County Hospital	-	4,899,600	-
5.	Ntimaru Sub-County Hospital	-	4,023,000	-
6.	Isebania Sub-County Hospital	-	3,905,850	-
7.	Muhuru Sub-County Hospital	-	3,725,700	-
8.	Macalder Sub-County Hospital	-	2,137,100	-
9.	Karungu Sub-County Hospital	-	1,588,760	-
10.	Kegonga Sub-County Hospital	-	1,503,742	-
11.	Uriri Sub County Hospital	-	1,395,250	-
12.	Othoro Sub-County Hospital	-	971,400	-
13.	Oyani Sub County Hospital	-	770,690	-
14.	Nyamaraga Sub-County Hospital	-	750,000	-
15.	Ongo Sub-County Hospital	-	488,237	-
16.	God Kwer Sub-County Hospital	-	335,000	-
	Total	**140,000,000**	**88,647,867**	**63.3**

Source: *Migori County Treasury*

The Health Facility with the highest expenditure was Migori County Referral Hospital, followed by Kehancha Sub -County Hospital, Rongo Sub -County Hospital and Ntimaru Sub- County Hospital respectively. ***It is good to note that the F.I.F approved budget is consolidated as single item line in the department of Health Medical Services.***

3.27.13 Development Expenditure

In the review period, the County reported spending Kshs.1.22 billion on development programmes, representing an increase of 50 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.814.39 million. Table 3.280 summarises development projects with the highest expenditure in the reporting period. The increase in development expenditure was attributed to the implementation of various projects funded by conditional grants and rolled over from the prior year.

Table 3.280: Migori County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract Sum (Kshs.)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation Status (%)
1	Roads, Transport, Public Works & Infrastructural Development	Upgrading to Bitumen Standard of C727 Junction-Kanyimach Junction-Chamgi Wadu Road	South Sakwa	30 June, 2026	700,000,000	118,802,282	467,071,600	80% Complete
2	Trade, Tourism, Industry, Market & Cooperative Development	Ongoing Construction of Industrial Aggregation Park	Macalder Kanyarwanda Ward	30 June, 2025	500,000,000	116,631,579	295,837,509	80 % Complete
3	County Executive	Construction of County Headquarters Offices	Suna East	30 June 2026	140,000,000	44,073,817	139,562,152	60 % Complete

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract Sum (Kshs.)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation Status (%)
4	Roads, Transport, Public Works & Infrastructural Development	Construction & Completion of Osiri Footbridge	Macalder Kanyarwanda ward	Completed	24,494,034	24,494,034	-	100 % Complete
5	Roads, Transport, Public Works & Infrastructural Development	Construction & Completion of Sare Box Culvert & Access Road	South Sakwa Ward	Completed	14,997,988	14,997,988	-	100 % Complete
6	Roads, Transport, Public Works & Infrastructural Development	Construction & Completion of Kenyaboni Box Culverts & Access Road	Tagare Ward	Completed	14,995,009	14,995,009	-	100 % Complete
7	Roads, Transport, Public Works & Infrastructural Development	Construction & Completion of Obware –Kayara Culvert	Kanyasa Ward	Completed	14,970,728	14,970,728	-	100 % Complete
8	Environment, Natural Resources, Climate Change & Disaster Management	Acquisition & Delivery of 1 Unit Backhoe Machinery	County Headquarters	Delivered in Feb 2025	14,000,000	14,000,000	-	100 % Complete
9	Health Medical Services	Supply & Delivery of Hospital Equipment	Migori County Referral Hospital	Completed	13,989,800	13,989,800	-	100 % Complete
10	Roads, Transport, Public Works & Infrastructural Development	Construction & Completion of Ombasa Footbridge	West Sakwa Ward	Completed	13,110,795	13,110,795	-	100 % Complete

Source: *Migori County Treasury*

The County did not report any stalled development projects during the reporting period.

3.27.14 Budget Performance by Department

Table 3.281 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.281: Migori County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock, Veterinary Services, Fisheries & Blue Economy	235.79	725.68	136.22	52.39	133.93	52.39	98.3	100.0	56.8	7.2
Trade, Tourism, Industry, Market & Cooperative Development	123.80	338.48	85.45	173.45	80.99	173.45	94.8	100.0	65.4	51.2
Health Medical Services	1,648.21	350.76	1,311.53	91.72	1,306.41	91.72	99.6	100.0	79.3	26.1
Education, Gender Inclusivity, Social Services, Youth and Sports	543.47	157.04	326.56	6.95	325.22	6.95	99.6	100.0	59.8	4.4
Roads, Transport, Public Works & Infrastructural Development	147.93	947.78	91.28	171.80	91.72	171.80	100.5	100.0	62.0	18.1
Lands, Physical Planning, Housing & Urban Development	111.50	106.31	73.57	29.58	72.10	20.85	98.0	70.5	64.7	19.6

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Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer (%)		Absorption	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Rongo Municipality	21.62	26.80	13.72	8.52	12.48	8.52	91.0	100.0	57.7	31.8
Kehancha Municipality	25.13	26.80	14.06	5.94	9.84	5.94	70.0	100.0	39.2	22.2
Migori Municipality	21.32	62.86	10.82	1.49	10.33	1.49	95.4	100.0	48.4	2.4
Awendo Municipality	22.00	35.40	10.63	15.29	9.65	15.29	90.8	100.0	43.9	43.2
Environment, Natural Resources, Climate Change & Disaster Management	261.77	595.93	161.62	42.12	164.62	373.55	101.9	0.0	62.9	62.7
Finance and Economic Planning	1,091.54	28.13	640.71	11.63	628.85	11.63	98.1	100.0	57.6	41.3
Public Service Management, Monitoring & Evaluation & Performance Contracting	900.86	19.85	445.86	12.65	449.20	12.65	100.7	0.0	49.9	63.7
County Executive	433.52	153.46	293.21	62.03	309.55	62.03	105.6	100.0	71.4	40.4
County Assembly	1,036.28	52.64	647.37	-	644.28	-	99.5	0.0	62.2	0.0
Water and Energy	225.11	516.65	96.81	156.25	108.32	156.25	111.9	100.0	48.1	30.2
Public Health & Sanitation	443.58	131.03	137.39	54.84	138.71	54.84	101.0	100.0	31.3	41.9
Office of the County Attorney	118.25	-	62.54	-	63.91	-	102.2	0.0	54.0	0.0
Total	**7,411.69**	**4,275.61**	**4,559.37**	**896.65**	**4,560.12**	**1,219.34**	**100.0**	**136.0**	**61.5**	**28.5**

***Source**: Migori County Treasury*

Analysis of expenditure by departments shows that the Department of Public Service Management, Monitoring, Evaluation & Performance Contracting recorded the highest absorption rate of development budget at 63.7 per cent, followed by the Department of Environment, Natural Resources, Climate Change & Disaster Management at 62.7 per cent. The Department of Health Medical Services had the highest percentage of recurrent expenditure to budget at 79.3 per cent. The Department of Public Health & Sanitation had the lowest at 31.3 per cent.

The overabsorption of exchequer issues reported in Table 1:10 is attributed to opening cash balances retained and utilised in the special purposes bank operational accounts at the beginning of the year from particular conditional grants and re-voted in the current budget.

3.27.15 Budget Execution by Programmes and Sub-Programmes

Table 3.282 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.282: Migori County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Estimates FY2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Department of County Executive							
General administration & support services	General Administration	101,065,257	140,000,000	94,429,641	56,688,211	93.4	35.8
Pending Bills	Pending Bills - 2023/24FY	86,303,660	1,499,961	49,048,724	-	56.8	0.0
Governance & Administration Services	Governor's Statehouse Services	16,000,000	-	5,368,900		33.6	0.0
	Coordination and Supervision Services	14,000,000	-	8,556,083		61.1	0.0
	Lake Region Economic Bloc	5,000,000	-	5,000,000		100.0	0.0

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Programme	Sub-Programme	Revised Estimates FY2024/25		Actual Expenditure as of 31 December 2024		Absorption rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Council of Governors	5,000,000	-	4,999,200		100.0	0.0
	Liaison office - Nairobi	5,000,000	-	5,000,000		100.0	0.0
	Chief of Staff	5,000,000	-	4,999,660		100.0	0.0
	Protocol Office	5,000,000	-	5,000,000		100.0	0.0
	Security Services	5,000,000	-	5,000,000		100.0	0.0
	Communication and Press	5,000,000	-	4,999,249		100.0	0.0
	Political Advisor	5,000,000	-	5,000,000		100.0	0.0
	Economic Advisor	5,000,000	-	4,900,000		98.0	0.0
	Sub- Total-Office of the Governor	**262,368,917**	**141,499,961**	**202,301,457**	**56,688,211**	**77.1**	**35.4**
General administration & support services	Administrative services	21,900,000	-	12,795,400		58.4	0.0
	County Cabinet Office/ Assembly	6,000,000	-	4,646,650		77.4	0.0
County secretary services	County secretary service.	13,600,000	-	9,542,220		70.2	0.0
	Sub-Total- County Secretary	**41,500,000**	**-**	**26,984,270**	**-**	**65.0**	**0.0**
General administration & support services	Administrative services	25,000,000	-	18,457,701		73.8	0.0
	Security Services	1,000,000	-	-		0.0	0.0
Cohesion & peace building	Peace Building Initiatives	6,250,000	-	1,246,900		20.0	0.0
	Conflict management & resolution	6,350,000	-	2,580,000		40.6	0.0
Research & Education	Research & Education Services	1,000,000	-	-		0.0	0.0
Geospatial information services.	Geospatial information services	4,000,000	-	2,700,000		67.5	0.0
Performance management services	Performance Management services.	3,700,000	-	1,650,000		44.6	0.0
	Sub-Total- Deputy Governor	**47,300,000**	**-**	**26,634,601**	**-**	**56.3**	**0.0**
General administration & support services	General administration services	25,810,000	-	15,096,931		58.5	0.0
ICT infrastructure	ICT infrastructure & connectivity	2,400,000	-	1,700,000		70.8	0.0
Communication services	Communication services	1,500,000	-	-		0.0	0.0
E-governance	Automation services	500,000	-	-		0.0	0.0
E-learning	Digital curriculum integration & development.	-	-	-		0.0	0.0
Pending Bills	Pending Bills - 2023/24FY	13,322,900	11,960,500	7,027,300	5,799,200	52.7	100.0
Digital innovation	Innovation services	1,600,000	-	1,548,500		96.8	0.0
	Sub-Total- (ICT)	**45,132,900**	**11,960,500**	**25,372,731**	**5,799,200**	**56.2**	**100.0**
General Administration & Support Services	Administrative & support services	12,650,000	-	8,087,571		63.9	0.0

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Programme	Sub-Programme	Revised Estimates FY2024/25		Actual Expenditure as of 31 December 2024		Absorption rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Resource Mobilisation Services	Resource Mobilisation services	2,550,000	-	2,060,000		80.8	0.0
Cohesion & peace building	Civic Education	-	-	-		0.0	0.0
	Peace Building Initiatives	1,300,000	-	1,270,000		97.7	0.0
Pending Bills	Pending Bills - 2023/24FY	8,817,750	-	8,817,750		100.0	0.0
External partnerships & affairs	External partners' relations management	7,100,000	-	4,690,000		66.1	0.0
	Intergovernmental Relations	1,200,000	-	500,000		41.7	0.0
	Linkages and partnerships	3,600,000	-	2,830,000		78.6	0.0
	Sub-Total- (Special Programmes)	**37,217,750**	**-**	**28,255,321**	-	75.9	0.0
	Sub-Total	**433,519,567**	**153,460,461**	**309,548,380**	**62,487,411**	**71.4**	**40.4**
Department of County Attorney							
General administration & support services	Finance & administration	17,078,400	-	11,786,100		69.0	0.0
Pending Bills	Pending Bills - 2023/24FY	15,453,890	-	-		0.0	0.0
Legal Services	Advisory & Research services	2,400,000	-	1,321,400		55.1	0.0
	Staff Development	1,700,000	-	200,000		11.8	0.0
	Legal Advisory Services	5,000,000	-	3,764,000		75.3	0.0
	Legal compliance services	76,621,600	-	46,841,524		61.1	0.0
	Sub-Total	**118,253,890**	**-**	**63,913,024**	-	**54.0**	**0.0**
Department of "Public Service Management, Monitoring & Evaluation & Performance Contracting							
General Administration & Support Services	Administrative Support Services	641,079,413	-	308,203,525		48.1	0.0
Human Capital Management & Development Services	Human Resource Management Services	6,355,162	-	5,482,650		86.3	0.0
Devolved Units Administration Services	Devolved Units Administration Services	14,300,000	-	11,406,333		79.8	0.0
	Devolved Units (Ward) Development Programme	-	-		-	0.0	0.0
Civic Education & Public Participation	Civic Education Services	35,000,000	-	18,502,015		52.9	0.0
Public Communication & Records Management Services	Record management programme	1,600,000	-	500,000		31.3	0.0
	Public Communications	16,300,000	-	7,500,000		46.0	0.0
	Public Service coordination services	8,400,000	-	6,569,500		78.2	0.0
Kenya Devolution Support Program II	Kenya Devolution Support Program II	47,500,000	-	10,000,000		21.1	0.0
Pending Bills	Pending Bills - 2023/24FY	21,709,909	19,854,449	20,546,498	12,654,776	94.6	63.7

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Programme	Sub-Programme	Revised Estimates FY2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
County Security and Compliance Enforcement Services	Support and administration services	6,500,000	-	5,527,350		85.0	0.0
	Sub-Total- (PSM)	**798,744,484**	**19,854,449**	**394,237,871**	**12,654,776**	**49.4**	**63.7**
Policy, planning, general administration, & support services	General Administration services	56,600,000	-	32,746,559		57.9	0.0
Public service board services	Public service board services	10,100,000	-	1,800,000		17.8	0.0
National values & principles of governance	National Values & Principles of Governance	8,100,000	-	1,890,679		23.3	0.0
Pending Bills	Pending Bills - 2023/24FY	13,059,000	-	9,891,500		75.7	0.0
Information & records management	Records management services	500,000	-	-		0.0	0.0
	Sub-Total- (PSB)	**88,359,000**	**-**	**46,328,738**	**12,654,776**	**52.4**	**0.0**
General administration & support services	Administrative Support Services	2,900,000	-	1,949,730		67.2	0.0
	Efficient Monitoring & Evaluation	6,600,000	-	4,676,940		70.9	0.0
Pending Bills	Pending Bills - 2023/24FY	4,253,094	-	2,003,844		47.1	0.0
	Sub-Total- (M&E)	**13,753,094**	**-**	**8,630,514**	-	62.8	0.0
	Sub-Total	**900,856,578**	**19,854,449**	**449,197,123**	**12,654,776**	**49.9**	**63.7**
Department of Agriculture, Livestock, Veterinary Services, Fisheries & Blue Economy							
General Administration & Support Services	Administrative services	155,549,626	-	105,306,651		67.7	0.0
Agricultural Policy & Planning	Policies & Legal Framework	3,943,000	-	1,451,600		36.8	0.0
Agricultural Extension Services	Field extension services & support	14,441,649	-	3,280,813		22.7	0.0
Crop Development & Management	Crop Development	-	14,041,500	-	12,041,500	0.0	85.8
Agribusiness Development	Agribusiness Development	3,841,984	-	539,695		14.0	0.0
Pending Bills	Pending Bills	-	729,500	-	699,200	0.0	95.8
	Pending Bills - 2023/24FY	8,407,754	42,545,351	4,994,539	9,155,084	59.4	21.5
Donor Funds	Donor Funds	-	594,424,164		5,000,000	0.0	0.8
	Sub-Total- (Agriculture)	**186,184,013**	**651,740,515**	**115,573,298**	**26,895,784**	**62.1**	**4.1**
General administration & support services	Administrative services	6,250,562	-	4,444,150		71.1	0.0
Livestock extension & support services	Extension services	8,250,000	-	2,730,000		33.1	0.0
Livestock market development	Market support infrastructure	-	2,000,000		1,697,328	0.0	84.9

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		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Livestock enterprise development & value addition	Livestock enterprise development	-	1,000,000		-	0.0	0.0
Donor Funds	Donor Funds	-	14,323,680		-	0.0	0.0
Livestock breeds improvement	Livestock multiplication & upgrading	-	-		-	0.0	0.0
Livestock Information and Research Support and Linkages	Livestock research support and linkages	-	10,400,000		6,316,605	0.0	60.7
Livestock climate change adaptation & mitigation	Livestock-focused climate risk management	-	1,600,000		-	0.0	0.0
	Sub-Total- (Livestock)	**14,500,562**	**29,323,680**	**7,174,150**	**8,013,933**	**49.5**	**27.3**
General administration	Administrative services	8,018,362	-	2,835,108		35.4	0.0
Livestock disease & pest control management	Disease & pest control	1,000,000	4,000,000	100,000	2,789,920	10.0	69.7
	Disease surveillance	-	3,000,000		2,000,000	0.0	66.7
Livestock breeding & livestock products improvement	Breed selection & artificial insemination	1,000,000	-	-		0.0	0.0
Veterinary public health	Meat hygiene services	250,000	1,000,000	-	800,000	0.0	80.0
Veterinary extension & clinical services	Extension services	600,000	-	-		0.0	0.0
	Sub-Total- (Veterinary)	**10,868,362**	**10,935,108**	**2,935,108**	**5,589,920**	**27.0**	**51.1**
General administrative services	Administrative services	18,816,200	-	6,703,755		35.6	0.0
Donor Funds	Donor Funds	-	13,617,785		-	0.0	0.0
Fisheries policy & planning	Policy & planning services	1,000,000	-	400,000		40.0	0.0
Aquaculture development	Aquaculture production systems	-	5,600,000		2,548,017	0.0	45.5
	Fish breeding & stocking services	-	2,000,000		2,000,000	0.0	100.0
	Fish feeds & feeding services	-	2,400,000		1,000,000	0.0	41.7
Fish marketing & value addition	Fish marketing services	-	4,300,000		1,608,905	0.0	37.4
	Licensing services	300,000	-	-		0.0	0.0
Lakefront (capture) fisheries development & management	Fisheries co-management services.	2,234,695	-	747,000		33.4	0.0
Extension supports services	Extension services & support	1,635,000	-	400,000		24.5	0.0
Fish safety & quality assurance	Fish inspection services	120,000	-	-		0.0	0.0
	Residue monitoring & control services	130,000	-	-		0.0	0.0

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Programme	Sub-Programme	Revised Estimates FY2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Blue Economy	Fish Infrastructure development	-	4,000,000		1,000,000	0.0	25.0
	Search & rescue centre services	-	4,700,000		3,733,760	0.0	79.4
	Sub-Total- (Fisheries)	**60,853,680**	**44,868,540**	**20,141,437**	**11,890,682**	**0.0**	**26.5**
	Sub-Total	**235,788,832**	**725,681,980**	**133,933,311**	**52,390,319**	**56.8**	**7.2**
Department of Education, Gender Inclusivity, Social Services, Youth and Sports							
General Administration & Support Services	General administration	266,481,840	-	246,171,739		92.4	0.0
	Quality assurance & standard services	1,006,215	-	-		0.0	0.0
Early Childhood Development Education Services	Quality assurance & standard services	8,500,000	-	5,198,400		61.2	0.0
	ECDE co-curriculum development	2,000,000	-	1,990,000		99.5	0.0
	School feeding programme.	1,250,000	-	-		0.0	0.0
	Community ECD services	-	43,048,701		-	0.0	0.0
Education support services	Bursary/scholarship	145,000,000	-	-		0.0	0.0
Child Care Services	Child protection responsive services & caregiving support services	1,000,000	-	200,000		20.0	0.0
Youth development & empowerment	Technical, vocational, education & training	16,000,000	28,550,000	16,000,000	1,999,998	100.0	7.0
	Youth empowerment program	5,000,000	-	-		0.0	0.0
	Youth enterprise development	1,000,000	-	500,000		50.0	0.0
Pending Bills	Pending Bills - 2023/24FY	12,235,192	73,445,308	4,898,988	4,949,480	40.0	6.7
Sports Development	Sports Development Services	12,000,000	12,000,000	6,886,026	-	57.4	0.0
	Talent Development Services	3,000,000	-	-		0.0	0.0
	Ward Sports Activities (Community Projects)	32,000,000	-	31,934,000		99.8	0.0
	Sub-Total	**506,473,247**	**157,044,009**	**313,779,153**	**6,949,478**	**62.0**	**4.4**
Gender Development & Equality Services	Women Empowerment	8,500,000	-	5,649,900		66.5	0.0
	Gender responsive education support	11,250,000	-	2,406,800		21.4	0.0
	Adolescent Girls & women, water, sanitation, & hygiene support services	3,300,000	-	1,508,050		45.7	0.0
	People with Disability (PWDs) Empowerment	3,000,000	-	875,500		29.2	0.0
	Culture & heritage conservation	10,950,000	-	1,000,000		9.1	0.0
	Sub-Total- (Gender Inclusivity)	**37,000,000**	**-**	**11,440,250**	**-**	**30.9**	**0.0**
	Sub-Total	**543,473,247**	**157,044,009**	**325,219,403**	**6,949,478**	**59.8**	**4.4**
Department of Medical Services							

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Programme	Sub-Programme	Revised Estimates FY2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Planning & Administrative Support Services	Policy formulation, planning, Monitoring & evaluation, Research, & learning.	3,800,000	-	423,000		11.1	0.0
	Administration & support services	37,300,317	-	23,373,420		62.7	0.0
	Human Resource Management & Development	1,231,553,329	-	1,109,501,148		90.1	0.0
	Infrastructure & Health Facility Management	-	92,000,000		76,363,429	0.0	83.0
	Health Financing & Universal Health Coverage (UHC) coordination	12,460,000	-	7,795,920		62.6	0.0
	Standards & Quality Assurance	1,000,000	-	200,400		20.0	0.0
Preventive & Promotive Health Services	Environmental health services	1,200,000	-	-		0.0	0.0
	Human Nutrition & Dietetics services	1,700,000	-	-		0.0	0.0
	HIV/AIDS management	2,000,000	-	252,000		12.6	0.0
	TB control	1,200,000	-	-		0.0	0.0
	Malaria Control	1,400,000	-	-		0.0	0.0
	Non-Communicable Diseases (NCDs	1,400,000	-	-		0.0	0.0
	Disease surveillance/ Emergency preparedness	950,000	-	-		0.0	0.0
	Maternal & Reproductive Health Services	3,160,000	-	2,343,200		74.2	0.0
	Neonatal, Child, Adolescent & Youth health services	1,800,000	-	-		0.0	0.0
	Expanded Program for Immunization (Immunization	3,120,000	-	400,000		12.8	0.0
	Gender Based Violence health services	1,200,000	-	300,000		25.0	0.0
Donor Funds	Donor Funds	-	124,723,404		-	0.0	0.0
Pending Bills	Pending Bills - 2023/24FY	142,992,436	125,034,912	110,430,642	15,359,655	77.2	12.3
Curative, Rehabilitative & Referral Services	Hospital Level Services	-	5,000,000		-	0.0	0.0
	Ambulance & Referral Services	3,200,000	-	1,671,500		52.2	0.0
	Health Products & Technologies	53,190,996	-	45,123,940		84.8	0.0
	Diagnostic & Rehabilitation Services	7,580,000	-	4,598,920		60.7	0.0
	Health Services Management Fund	136,000,000	4,000,000	-	-	0.0	0.0
	Sub-Total	**1,648,207,078**	**350,758,316**	**1,306,414,090**	**91,723,084**	**79.3**	**26.1**

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Programme	Sub-Programme	Revised Estimates FY2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Department of Public Health & Sanitation							
Planning & Administrative Support Services	Policy formulation, planning, Monitoring & evaluation, Research, & learning.	14,669,591	-	9,562,000		65.2	0.0
	Administration & support services	44,883,200	-	18,563,451		41.4	0.0
	Human Resource Management & Development	25,432,231	-	8,185,951		32.2	0.0
	Infrastructure & Health Facility Management	-	106,093,053		31,075,882	0.0	29.3
	Health Financing & Universal Health Coverage (UHC) coordination	10,000,000	-	-		0.0	0.0
	Standards & Quality Assurance	550,000	-	-		0.0	0.0
	Community health infrastructure services (CHVs)	30,915,754	-	11,929,296		38.6	0.0
Preventive & Promotive Health Services	Human Nutrition & Dietetics services	16,850,000	-	10,139,400		60.2	0.0
	HIV/AIDS management	19,170,000	-	3,000,000		15.6	0.0
	TB control	18,600,000	-	4,999,200		26.9	0.0
	Malaria Control	14,228,000	-	330,000		2.3	0.0
	Non-Communicable Diseases (NCDs)	10,630,000	-	-		0.0	0.0
	Disease surveillance/ Emergency preparedness	11,950,000	-	-		0.0	0.0
	Health promotion & education	2,800,000	-	-		0.0	0.0
	Maternal & Reproductive Health Services	13,500,000	-	500,000		3.7	0.0
	Neonatal, Child, Adolescent & Youth health services	4,000,000	-	450,000		11.3	0.0
	Expanded Program for Immunization (Immunization)	12,270,000	-	1,995,000		16.3	0.0
	Gender Based Violence health services	900,000	-	150,000		16.7	0.0
	Neglected Tropical Diseases services.	950,000	-	100,000		10.5	0.0
	Environmental Health & Sanitation Services	1,000,000	-	200,000		20.0	0.0
	County co-funding	12,000,000	-	-		0.0	0.0
Curative, Rehabilitative & Referral Services	Health Products & Technologies	88,900,000	-	32,694,507		36.8	0.0
	Diagnostic & rehabilitation Services	1,500,000	-	-		0.0	0.0
Donor Funds	DANIDA	25,273,568	-	-		0.0	0.0
Pending Bills	Pending Bills - 2023/24FY	62,609,020	24,939,715	35,910,763	23,763,525	57.4	95.3
	Sub-Total	**443,581,364**	**131,032,768**	**138,709,568**	**54,839,407**	**31.3**	**41.9**

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Programme	Sub-Programme	Revised Estimates FY2024/25		Actual Expenditure as of 31 December 2024		Absorption rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Department of Environment, Natural Resources, Climate Change & Disaster Management							
General administration & support services	General administration	54,060,003	-	42,261,646		78.2	0.0
Mazingira Youth Programme	Mazingira Youth Programme	42,200,000	-	32,456,100		76.9	0.0
Environment Management & Protection	Solid Waste Management Services	17,011,000	-	15,369,713		90.4	0.0
Donor Funds	Donor Funds	-	592,933,186		371,545,930	0.0	62.7
Community Projects	Community Projects	-	1,000,000		-	0.0	0.0
Climate Change Adaptation & Mitigation	Climate Change	16,500,000	-	14,756,670		89.4	0.0
	Climate Information Services (CIS)	500,000	-	-		0.0	0.0
	Climate Change Legal Frameworks	4,500,000		1,000,000		22.2	0.0
	Establish Grievance Redress Structures	10,700,000		10,539,750		98.5	0.0
	Strengthening Resource Management Units (CFAs and WRUAs)	5,000,000		2,824,000		56.5	0.0
	Climate Change Awareness Campaigns	4,500,000		-		0.0	0.0
	Climate Change Governance	8,800,000		-		0.0	0.0
	Facilitation of Climate Change Operations	1,320,000		-		0.0	0.0
	Monitoring and Evaluation of FLLoCA Projects	5,900,000		1,529,320		25.9	0.0
	FLLoCA PIU consultative meetings	4,700,000		1,668,100		35.5	0.0
	Support climate change learning events and exhibitions.	-		-		0.0	0.0
Pending Bills	Pending Bills	45,380,782	1,999,800	29,081,440	1,999,800	64.1	100.0
Natural Resources Management & Forestry development	Forestry development	5,300,000	-	3,800,000		71.7	0.0
	Natural Resources Management & Conservation	3,200,000	-	1,450,000		45.3	0.0
	Artisanal mining & quarry services	500,000	-	-		0.0	0.0
Disaster Management and Response	Disaster Management	28,900,000	-	6,579,500		22.8	0.0
	Fire Rescue Services	2,800,000	-	1,299,950		46.4	0.0
Sub-Total		**261,771,785**	**595,932,986**	**164,616,189**	**373,545,730**	**62.9**	**62.7**
Department of Finance and Economic Planning							
General administration & support services	Administrative services	550,750,317	-	217,820,374		39.5	0.0
Finance & Accounting services.	Accounting services	157,623,087	-	133,190,605		84.5	0.0
	Pending Bills - 2023/24FY	81,053,610	8,633,040	64,792,120	-	79.9	0.0

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		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Sub-Total- (Accounting Services)	**789,427,014**	**8,633,040**	**415,803,099**	-	**52.7**	**0.0**
Resource Mobilisation services	Revenue mobilisation services	40,185,000	-	25,218,366		62.8	0.0
	Revenue Automation Services	34,000,000	-	3,471,020		10.2	0.0
	Revenue Board Services	17,115,000	-	10,347,650		60.5	0.0
Pending Bills	Pending Bills	15,000,000	-	5,200,000		34.7	0.0
	Sub-Total- (Revenue)	**106,300,000**	-	**44,237,036**	-	**41.6**	**0.0**
General administration & support services	Administrative services	7,520,000	-	5,600,500		74.5	0.0
Supply chain management services	Supply Chain Management Services	4,419,295	16,500,000	3,667,200	11,632,040	83.0	70.5
	Sub-Total- (Supply Chain Management)	**11,939,295**	**16,500,000**	**9,267,700**	**11,632,040**	**77.6**	**70.5**
Audit services	Audit services	36,618,326	-	34,916,874		95.4	0.0
	Internal Audit Committee	4,600,000	-	4,231,104		92.0	0.0
	Sub-Total- (Audit)	**41,218,326**	-	**39,147,978**	-	**95.0**	**0.0**
General administration & support services	Administrative services	42,156,562	3,000,000	23,865,885	-	56.6	0.0
Economic Planning Services	Policy plans & formulation	18,000,000	-	17,998,100		100.0	0.0
Pending Bills	Pending Bills	3,500,000	-	501,000		14.3	0.0
Budgeting Services	Budget coordination & management	63,496,061	-	63,462,797		99.9	0.0
County Statistical Information Services	County statistical information system	8,500,000	-	8,463,802		99.6	0.0
County Budget & Economic Forum Services	County budget & economic forum services	7,000,000	-	6,100,000		87.1	0.0
	Sub-Total- (Economic Planning)	**142,652,623**	**3,000,000**	**120,391,584**	-	84.4	0.0
	Sub-Total	**1,091,537,258**	**28,133,040**	**628,847,397**	**11,632,040**	**57.6**	**41.3**
Department of Lands, Physical Planning, Housing & Urban Development							
Administrative Services	General administrative services	73,773,465	-	46,047,666		62.4	0.0
Land, Rent & Rates Services	Rents & rates services	-	15,000,000		9,494,931	0.0	38.4
Pending Bills	Pending Bills - 2023/24FY	13,929,250	25,308,575	11,106,956	10,791,941	79.7	42.6
Land Survey Services	Land Survey Services	-	5,000,000		4,300,000	0.0	86.0
	Sub-Total- (Lands)	**87,702,715**	**45,308,575**	**57,154,622**	**24,586,872**	**65.2**	**46.0**
Administrative services	General administrative services	15,134,756	-	9,202,376		60.8	0.0

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Programme	Sub-Programme	Revised Estimates FY2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Physical Planning Services	Physical Planning Services (Preparation of Macalder LPLUDP-2024-2034)	5,800,000	-	3,937,550		67.9	0.0
	Preparation of Special Area Plan-Phase I	-	8,000,000		-	0.0	0.0
	Preparation of town plans	-	10,000,000		-	0.0	0.0
	Completion of GIS lab	-	4,000,000		-	0.0	0.0
	Maintenance and civil works	-	4,000,000		-	0.0	0.0
	Physical Planning Services (Establishment of County Physical and Land Use Planning Consultative Forum and Liaison Committee)	1,308,000	-	250,000		19.1	0.0
Donor Funding	Donor Funding	-	35,000,000		-	0.0	0.0
Urban Development Services	Urban Development Services	1,557,244	-	1,557,244		100.0	0.0
	Sub-Total- (Physical Planning)	**23,800,000**	**61,000,000**	**14,947,170**	**-**	**62.8**	**0.0**
	Sub-Total	**111,502,715**	**106,308,575**	**72,101,792**	**24,586,872**	**64.7**	**19.6**
Department of Rongo Municipality							
Administrative and Support Services	Planning, Administration, & governance services	13,280,000	-	5,068,500		38.2	0.0
	Board Activities	6,720,000	-	5,796,605		86.3	0.0
Pending Bills	Pending Bills - 2023/24FY	1,619,949	3,999,271	1,618,959	3,999,271	99.9	100.0
Infrastructure Development	Infrastructure development	-	22,800,729		4,516,634	0.0	19.8
	Sub-Total	**21,619,949**	**26,800,000**	**12,484,064**	**8,515,905**	**57.7**	**31.8**
Department of Kehancha Municipality							
Administrative and Support Services	Planning, Administration, & governance services	14,180,000	-	6,265,934	-	44.2	0.0
	Board Activities	6,720,000	-	3,079,700	-	45.8	0.0
Pending Bills	Pending Bills - 2023/24FY	4,229,118	4,391,020	498,122	-	11.8	0.0
Infrastructure Development	Infrastructure development	-	22,408,980	-	5,939,142	0.0	26.5
	Sub-Total	**25,129,118**	**26,800,000**	**9,843,756**	**5,939,142**	**39.2**	**22.2**
Department of Migori Municipality							
Administrative and Support Services	Planning, Administration, & governance services	13,280,000	-	3,466,419	-	26.1	0.0
	Board Activities	6,720,000	-	6,681,500	-	99.4	0.0
Pending Bills	Pending Bills - 2023/24FY	1,319,686	-	179,690	-	13.6	0.0

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Programme	Sub-Programme	Revised Estimates FY2024/25		Actual Expenditure as of 31 December 2024		Absorption Rate (%)	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Infrastructure Development	Infrastructure development	-	62,861,322	-	1,488,280	0.0	2.4
	Sub-Total	**21,319,686**	**62,861,322**	**10,327,609**	**1,488,280**	**48.4**	**2.4**
Department of Awendo Municipality							
Administrative and Support Services	Planning, Administration, & governance services	13,280,000	-	1,966,455	-	14.8	0.0
	Board Activities	6,720,000	-	6,657,344	-	99.1	0.0
Pending Bills	Pending Bills - 2023/24FY	2,002,986	10,598,845	1,029,939	10,598,844	51.4	100.0
Infrastructure Development	Infrastructure development	-	24,800,000		4,694,044	0.0	18.9
	Sub-Total	**22,002,986**	**35,398,845**	**9,653,738**	**15,292,888**	**43.9**	**43.2**
Department of Roads, Transport, Public Works & Infrastructural Development							
General administration & support services	Administrative services	111,215,685	-	70,128,387		63.1	0.0
Road Development, Maintenance & Management	Community access roads	-	267,197,667	-	8,697,739	0.0	3.3
	Major roads	-	450,000,000	-	118,802,282	0.0	26.4
	Bridges & culverts services	-	50,000,000	-	37,604,829	0.0	75.2
	Road Maintenance Fuel Roads	-	100,681,918	-	-	0.0	0.0
Pending Bills	Pending Bills - 2023/24FY	11,061,260	53,902,666	10,508,220	6,694,859	95.0	12.4
Transport Infrastructure Management Services	Transport management services	-	26,000,000		-	0.0	0.0
	Sub-Total- (Roads)	**122,276,945**	**947,782,251**	**80,636,607**	**171,799,709**	**65.9**	**18.1**
General administration & support services	Administrative services	17,779,182	-	8,556,250	-	48.1	0.0
Public works services	Architectural Services	2,240,000	-	428,300	-	19.1	0.0
	Quantity Surveyor's Services	1,660,000	-	600,000	-	36.1	0.0
	Mechanical & Electrical Engineering services	1,340,000	-	500,000	-	37.3	0.0
	Structural engineering services	1,916,000	-	1,000,000	-	52.2	0.0
	Mechanisation service	720,000	-	-	-	0.0	0.0
	Sub-Total- (Public Works)	**25,655,182**	**-**	**11,084,550**	**-**	**43.2**	**0.0**
	Sub-Total	**147,932,127**	**947,782,251**	**91,721,157**	**171,799,709**	**62.0**	**18.1**
Department of Trade, Tourism, Industry, Market & Cooperative Development							
Policy, Planning & administrative support services	Administrative support services	87,604,394	-	62,773,414		71.7	0.0

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		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Trade Promotion, Development & Support to SMEs	Trade development & promotion of SME services	1,000,000	-	700,000		70.0	0.0
	Trade infrastructure development services	-	52,132,976		21,970,863	0.0	42.1
	Trade regulation & information management systems	1,500,000	-	700,000		46.7	0.0
Pending Bills	Pending Bills - 2023/24FY	4,892,789	34,844,546	3,776,501	34,844,546	77.2	100.0
Legal metrology services	Legal metrology services	2,300,000	-	1,400,000		60.9	0.0
	Sub-Total- (Trade)	**97,297,183**	**86,977,522**	**69,349,915**	**56,815,409**	**71.3**	**65.3**
General administrative & support services	Administrative support services	-	-			0.0	0.0
Industrial development & investment services	Industrial & enterprise development	3,200,000	251,500,000	1,349,900	1,448,933	42.2	46.4
	Investment promotion services.	1,800,000	-	750,000		41.7	0.0
	Sub-Total- (Industrialisation)	**5,000,000**	**251,500,000**	**2,099,900**	**1,448,933**	**42.0**	**46.4**
General administrative & support services	Administrative support services	-	-		-	0.0	0.0
Tourism Research & Development	Tourism product development	7,400,000	-	3,499,600	-	47.3	0.0
	Tourism promotion, investment & marketing	4,100,000	-	2,621,000	-	63.9	0.0
	Tourism development & investment services.	-	-		-	0.0	0.0
	Sub-Total- (Industrialisation)	**11,500,000**	**-**	**6,120,600**	**-**	53.2	0.0
General administrative & support services	Administrative support services	3,000,000	-	1,197,640	-	39.9	0.0
Cooperative Policy, Research Advisory	Cooperative Policy, Research Advisory	2,000,000	-	1,220,340	-	61.0	0.0
Cooperative Development & Promotion Services	Cooperative Development & Promotion Services	2,000,000	-	600,000	-	30.0	0.0
Cooperative Audit	Cooperative Audit	1,100,000	-	300,000	-	27.3	0.0
Cooperative Governance, Oversight & Compliance	Cooperative Governance, Oversight and Compliance	400,000	-	100,000	-	25.0	0.0
	Sub-Total- (Cooperative Development)	**8,500,000**	**-**	**3,417,980**	**-**	40.2	0.0
Liquor Licensing and Control	Alcohol Fund	-	-		-	0.0	0.0
	Liquor Licensing and Control	1,500,000	-	-	-	0.0	0.0
	Sub-Total- (Liquor Licensing)	**1,500,000**	**-**	-	-	0.0	0.0

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		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Sub-Total	**123,797,183**	**338,477,522**	**80,988,395**	**58,264,342**	**65.4**	**51.2**
County Assembly Entity							
General administration & support services	Administrative services	717,227,179	-	418,943,508	-	58.4	0.0
Infrastructure Development	Infrastructure Development Services	-	50,000,000	-	-	0.0	0.0
Pending Bills	Pending Bills	73,815,978	2,636,694	16,141,470	-	21.9	0.0
	Sub-Total- (Office of the Clerk)	**791,043,157**	**52,636,694**	**435,084,978**	-	55.0	0.0
General administration & support services	Administrative services	43,789,750	-	22,017,376	-	50.3	0.0
Oversight Management Services	Committee Management Services	133,173,168	-	126,100,714	-	94.7	0.0
	Representation	68,278,772	-	61,073,080	-	89.4	0.0
	Sub-Total- (Speaker's Office)	**245,241,690**	-	**209,191,170**	-	85.3	0.0
	Sub-Total	**1,036,284,847**	**52,636,694**	**644,276,149**	-	**62.2**	**0.0**
Department of Water and Energy							
Policy, General Administration & Support Services	Policies & legal framework	-	-			0.0	0.0
	General administrative services	102,468,652	-	33,084,530		32.3	0.0
	Operation & maintenance of rural water services	10,799,000	8,000,000	-	-	0.0	0.0
Water supply & Management services	Urban Water Supply & Sewerage Services	34,441,955	20,831,998	29,701,457	-	86.2	0.0
	Rural Water Services	13,979,668	-	-		0.0	0.0
	Water Conservation, Protection, & Governance	-	5,200,000		-	0.0	0.0
	Community water services	-	100,477,601		21,487,741	0.0	21.4
Pending Bills	Pending Bills - 2023/24FY	49,675,692	162,264,479	38,717,956	134,757,850	77.9	83.0
Donor Funding	Donor Funding	-	199,874,000		-	0.0	0.0
Energy Development Services	Renewable energy development	13,750,000	20,000,000	6,820,664	-	49.6	0.0
	Sub-Total	**225,114,967**	**516,648,078**	**108,324,607**	**156,245,591**	**48.1**	**30.2**
	Grand-Total	**7,411,693,177**	**4,275,611,296**	**4,560,119,752**	**1,108,354,974**	**61.5**	**28.5**

***Source**::Migori County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Several sub-programmes namely; Lake Region Economic Block, Council of Governors , Liaison office – Nairobi, Chief of Staff, Protocol Office, Security Services, Communication and Press, Political Advisor and Pending Bills for 2023/24 in the Department of County Executive , Policy plans & formulation in the Department of Finance & Economic Planning , Urban Development Services in the Department of Lands, Housing and Physical Planning, and Pending Bills for FY 2023/24 in the Department of Department of Rongo Municipality all had at 100 per cent each ,followed by ECDE Co-Curriculum Development and Ward Sports Activities(Community Projects) in the Department of Education, Youth Sports and Gender Inclusivity at 99 per cent each and finally Establish Grievance Redress Structures in the Department of Environment, natural Resources & Disaster Management ,and Economic Advisor in the Department of County Executive at 98 per cent each of their of budget allocation.

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3.27.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 76 accounts with commercial banks, including Thirty-two (32) accounts for Health Facilities, Six (6) accounts for Established Funds, Three (3) revenue accounts, Seven (7) special purpose accounts (additional allocations), Two (2) Imprest accounts, One (1) Salary control account, and Twenty-Five (25) departmental operational accounts.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for the opening of the entire 76 accounts at commercial banks as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.27.17 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;

i. Unspent funds from FY 2023/24 in the special-purpose operational accounts were not refunded into the CRF account. This led to actual expenditures exceeding the approved exchequer in several departments, as shown in Table 3.275.
ii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of County Education Bursary Fund and County Scholarships & Educational Benefits Fund had lapsed, making them ineligible for further withdrawals.
iii. High level of pending bills, which amounted to Kshs.683.39 million as of 31st March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Assembly
iv. Non-submission of copies of authorisation letters for opening of 76 accounts at commercial banks as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure unspent funds from the previous financial year are deposited to the CRF Account in line with Section 136 of the PFM Act 2012.*
ii. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
iii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
iv. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

3.28. County Government of Mombasa

3.28.1 Overview of FY 2024/25 Budget

The Mombasa County Gross Approved Budget for FY 2024/25 is Kshs.16.26 billion. It comprises Kshs.5.19 billion (31.9 per cent) and Kshs.11.07 billion (68 per cent) allocations for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.56 billion (11 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.5.43 billion and a recurrent budget of Kshs.9.27 billion. The increase in the budget was attributed to the rise in equitable share and local revenue targets. The County's Net Approved Budget is Kshs.15.01 billion, comprising Kshs.11.07 billion for recurrent and Kshs.5.19 billion for development.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.8.14 billion (50.1 per cent), additional allocations of Kshs.2.12 billion (13.0 per cent), and Kshs.6.00 billion

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(37 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.93.78 million (2 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.2.28 billion (26 per cent) as Ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.283.

3.28.2 Revenue Performance

During the review period, the county received Kshs.8.85 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.481.45 million from Kshs.8.37 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.5.21 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.54.13 million, and its own-source revenue (OSR) collection of Kshs.3.22 billion. In addition, the County had a cash balance of Kshs.364.45 million from FY 2023/24.

The total OSR collection of Kshs.3.22 billion includes Facilities Improvement Financing (FIF) of Kshs.937.79 million, and Kshs.2.28 billion from other OSR sources. OSR collections from the FIF were received from Coast General teaching and referral Hospital, Vikwatani hospital, Chaani hospital, Utange hospital and Mtongwe hospital.Table 3.283 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.283: Mombasa County, Revenue Performance in the First Nine Months of FY 2024/25

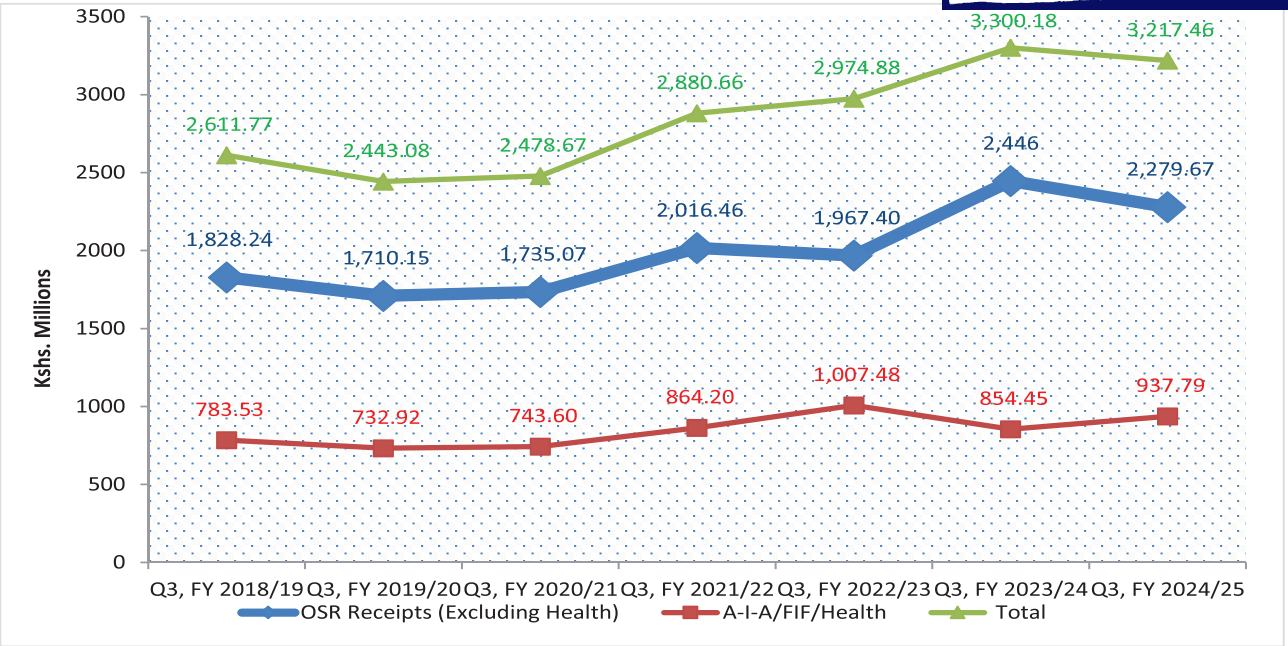
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	8,141,725,357	5,210,733,117	64.0
Sub Total		**8,141,725,357**	**5,210,733,117**	**64.0**
B	**Conditional Grants**			
1	SWEDEN - Kenya Agricultural Business Development Project (KABDP)	10,918,919	-	0.0
2	Kenya Devolution Support Programme 2 (KDSP II)	37,500,000	-	0.0
3	Roads Maintenance Fuel Levy	130,442,752	-	0.0
4	DANIDA- Primary Health Care in Devolved System Program	10,871,250	-	0.0
5	Community Health Promoters Program	71,610,000	-	0.0
6	World Bank - Kenya Informal Settlement Improvement Project (KISIP II)	860,000,000	-	0.0
7	World Bank - Water and Sanitation Development Project	1,000,000,000	-	0.0
8	County Aggregation and Industrial Parks	0	54,131,579	0.0
Sub-Total		**2,121,342,921**	**54,131,579**	**2.6**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	4,746,915,692	2,279,674,204	48.0
2	Balance b/f from FY2023/24	-	364,452,146	0.0
3	Facility Improvement Fund (FIF)	1,249,998,988	937,785,339	75.0
4	Other Revenues	-	-	0.0
5	Appropriation in Aid (AIA)	-	-	0.0
Sub Total		5,996,914,680	3,581,911,689	59.7
Grand Total		**16,259,982,958**	**8,846,776,385**	**54.4**

Source: *Mombasa County Treasury*

Figure 106 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

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Figure 106: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25

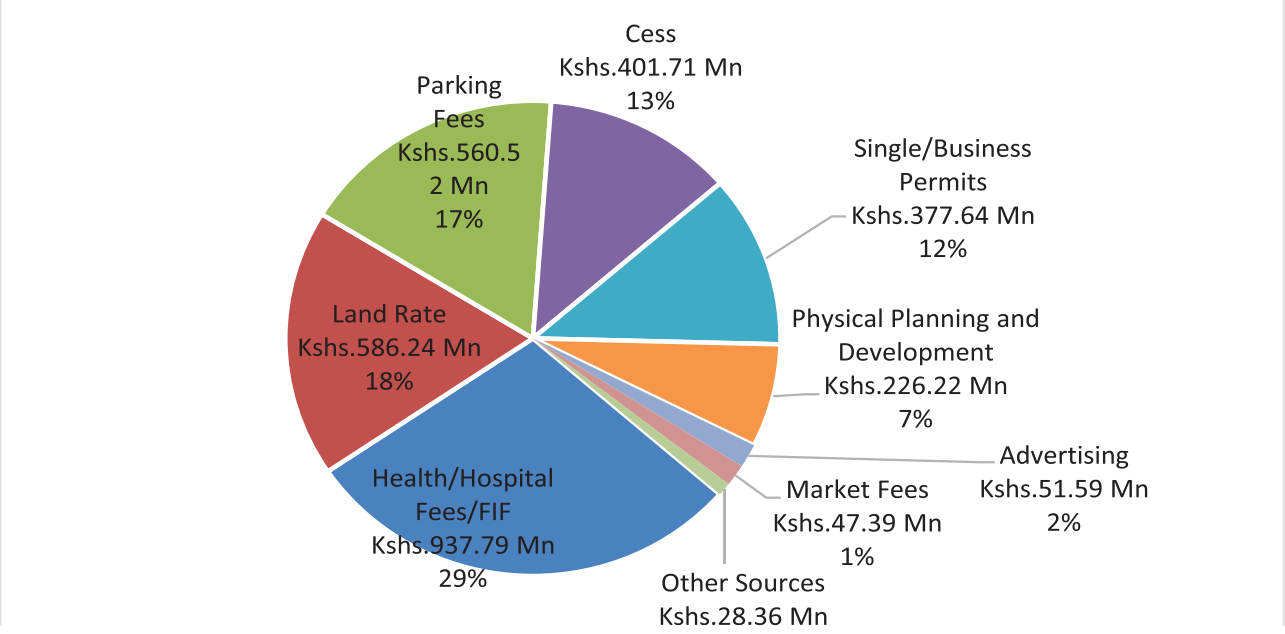


Source: *Mombasa County Treasury*

During the review period, the County generated Kshs.3.22 billion from its own revenue sources, including FIF. This amount was a decrease of 3 per cent compared to Kshs.3.30 billion realised in a similar period in FY 2023/24. It was 54 per cent of the annual target and 62 per cent of the equitable revenue share disbursed. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.15.03 billion.

The revenue streams which contributed the highest OSR receipts are shown in Figure 107 .

Figure 107: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source*: Mombasa County Treasury*

As shown in Figure 107, the highest revenue stream, Kshs.937.79 million, was from FIF, contributing 29 per cent of the total OSR receipts. The County Government has automated all the revenue streams.

3.28.3 Borrowing by the County

The County Government has not provided any information on borrowing.

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3.28.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.7.93 billion from the CRF account comprised Kshs.1.20 billion (15.1 per cent) for development programmes and Kshs.6.74 billion (84.9 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.4.61 billion was released towards compensation of employees and Kshs.2.13 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, do not include the March 2025 exchequer request for the County Executive and County Assembly, due to the delay in exchequer disbursement by the County Treasury.

Analysis of the operations and maintenance exchequer releases indicates that 4 per cent was for domestic travel and 2 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.77.38 million, comprising Kshs.35.56 million for the County Executive and Kshs.41.82 million for the County Assembly. The foreign exchequer totalled Kshs.63.75 million, comprising Kshs.14.72 million for the County Executive and Kshs.49.03 million for the County Assembly.

Table 3.284: Mombasa County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure to Exchequer Issues (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	813,735,933	80,000,000	529,906,631	29,857,129	99.5	100.0
Public Service Board	131,692,825	10,000,000	82,871,884	800,000	89.0	-
Finance and Economic Planning	1,130,484,441	442,513,000	928,131,625	283,265,132	88.8	149.5
Health	4,237,316,744	600,000,000	2,641,503,166	4,560,000	89.2	211.2
Transport, Infrastructure & Public Works	736,570,444	863,542,752	563,342,507	164,213,690	86.8	102.0
Environment and Governance	904,465,877	247,800,000	342,462,239	172,258,598	153.2	79.4
Education	864,376,026	151,000,000	399,678,900	69,261,791	98.9	39.5
Water, Natural Resources. Climate Change Resilience	217,235,887	1,104,050,260	119,282,295	236,539,000	91.2	99.4
Public Service Administration, Youth, Gender, Social Services and Sports.	821,517,956	270,000,000	528,534,698	62,557,795	101.3	121.3
Tourism, culture & Trade	458,459,660	239,500,000	234,749,302	83,959,584	106.2	61.6
Lands, Urban Renewal And Housing	195,073,557	1,070,000,000	106,545,920	74,217,617	101.2	38.6
Blue Economy, Cooperatives, Agriculture And Livestock	198,889,793	78,300,000	90,097,717	2,500,000	96.6	348.6
County Attorney	103,014,783	-	57,825,879	11,790,000	122.6	-
County Executive	253,460,063	37,000,000	111,994,355	-	131.4	-
Total	**11,066,293,989**	**5,193,706,012**	**6,736,927,116**	**1,195,780,336**	**96.4**	**99.9**

***Source**: Mombasa County Treasury*

As of 31st March 2025, the county Government's cash balance in the CRF account was Kshs.441.70 million.

3.28.5 County Expenditure Review

The County spent Kshs 7.69 billion on development and recurrent programmes in the reporting period. The expenditure accounted for 97 per cent of the total funds released by the CoB and comprised Kshs.1.19 billion and Kshs.6.50 billion for development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 23 per cent, while recurrent expenditure represented 59 per cent of the annual recurrent expenditure budget.

3.28.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.4.48 billion as of 30th June 2024. This amount included Kshs.4.44 billion from the County Executive and Kshs.35.17 million from the County Assembly. The pending bills from the County Executive consist of Kshs.2.74 million for recurrent expenditures and Kshs.1.70 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.1.02 billion, comprising Kshs.785.55 million for recurrent programmes and Kshs.237.43 million for development programmes.

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On the other hand, the County Assembly settled pending bills worth Kshs.25.53 million, which included Kshs.19.68 million for recurrent activities and Kshs.5.86 million for development activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.739.99 million and Kshs.24.88 million, respectively, in the first nine months of FY 2024/25. However, the County did adhere to this payment plan, clearing Kshs.1.02 billion for the Executive and Kshs.25.53 million for the Assembly.

As of 31st March 2025, the outstanding bills totalled Kshs.3.43 billion, comprising Kshs.3.42 billion for the County Executive and Kshs.9.63 million for the County Assembly.

3.28.7 Expenditure by Economic Classification

The County Executive spent Kshs.3.62 billion on employee compensation, Kshs.2.35 billion on operations and maintenance, and Kshs.1.16 billion on development activities. Similarly, the County Assembly spent Kshs.312.52 million on employee compensation, Kshs.214.89 million on operations and maintenance, and Kshs.29.86 million on development activities, as shown in Table 3.285.

Table 3.285: 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	**10,252,558,055**	**813,735,933**	5,968,626,265	527,405,089	58	65
Compensation to Employees	6,378,795,170	446,772,694	3,623,058,154	312,515,600	57	70
Operations and Maintenance	3,873,762,886	366,963,239	2,345,568,111	214,889,489	61	59
Development Expenditure	5,113,706,012	80,000,000	1,164,877,213	29,857,129	23	37
Total	**15,366,264,067**	**893,735,933**	**7,133,503,479**	**557,262,218**	46	62

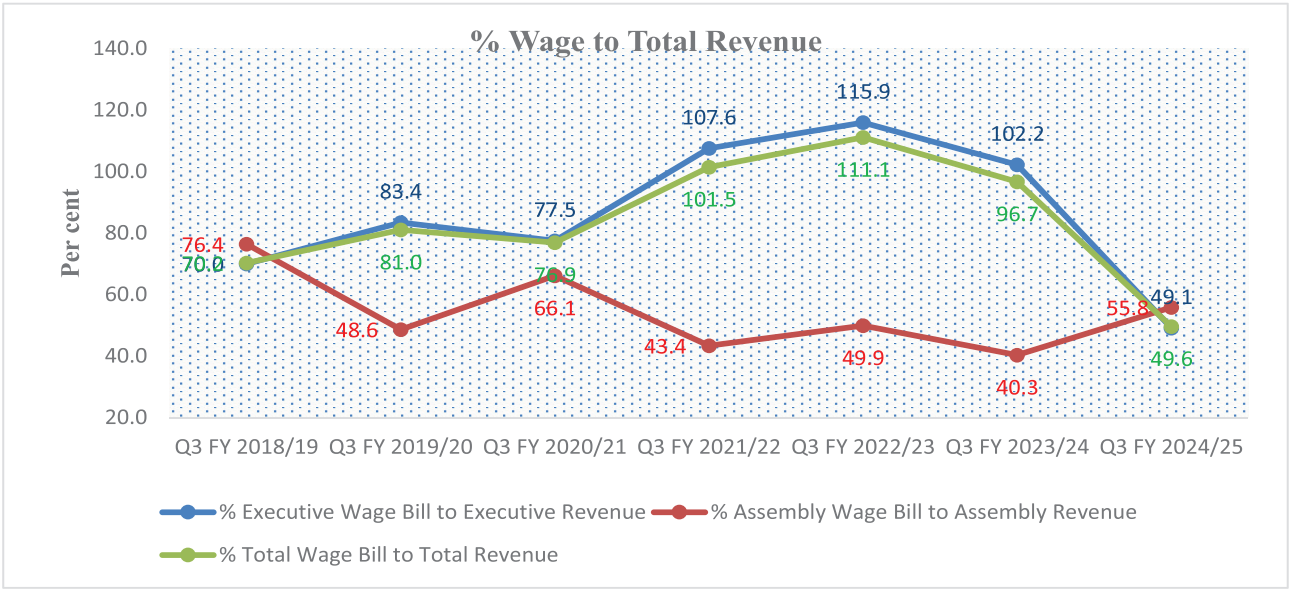
***Source**: Mombasa County Treasury*

3.28.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation totalled Kshs.3.94 billion. The total revenue, excluding the earnings from extractive natural resources, is Kshs.8.85 million. Consequently, the percentage of employee compensation to this adjusted revenue is 45 per cent. This expenditure on employee compensation showed a decrease compared to the Kshs.4.60 billion was reported during the same period in FY 2023/24. Of this total, Kshs.2.24 billion was allocated to Health Sector employees, which accounts for 57 per cent of the overall employees' compensation.

Figure 108 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 108: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



***Source**: Mombasa County Treasury*

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Further analysis indicates that PE costs amounting to Kshs 3.71 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs 227.87 million was processed through manual payrolls, which accounted for 6 per cent of the total PE cost.

The manual payrolls, shown in Table 3.286, comprised salaries for 306 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 222 casual staff, and gratuity remittances to pension schemes for staff on contract.

Table 3.286: Breakdown of Mombasa County Manual Payroll

S No	Category	County Executive	County Assembly	Total
1	Salaries for 306 staff paid outside the Human Resource Information System (HRIS)	168,226,614	11,101,100	179,327,713.6
2	Salaries for 222 casual staff	3,687,418	25,399,774	29,087,192.1
5	Gratuity for contract staff		18472284.1	18,472,284.1
	Total	**171,914,032**	**54,973,158**	**226,887,190**

***Source**: Mombasa County Treasury*

The County Assembly spent Kshs.24.65 million on committee sitting allowances for the 43 MCAs against the annual budget allocation of Kshs.30.00 million. The average monthly sitting allowance was Kshs.63,701.55 per MCA. The County Assembly has 21 House Committees.

3.28.9 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. In FY 2024/25, the County allocated Kshs.569.2 million to County-established funds, constituting 4 per cent of the County's overall budget. Further, the County allocated Kshs.30 million to the Emergency Fund (0.2 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.287 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.287: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
1	**County Executive Established Funds**						
2	Mombasa County Elimu Scheme	2023	499,200,000	169,500,000	164,390,441	171,177,250	NO
3	Mombasa Investment Corporation	2019	30,000,000	30,000,000	30,000,000		NO
4	Grants for Management of Natural Disasters		30,000,000	-	-		No
5	**County Assembly Established Funds**						
6	Car Loans and Mortgage for Members and Staff	2018	40,000,000	10,000,000	-		YES
	Total		569,200,000	209,500,000	194,390,441	171,177,250	

***Source**: Mombasa County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from Mombasa County Elimu Scheme and Mombasa Investment Corporation Fund Administrators, as indicated in Table 3.287, contrary to the requirement of Section 168 of the PFM Act, 2012.

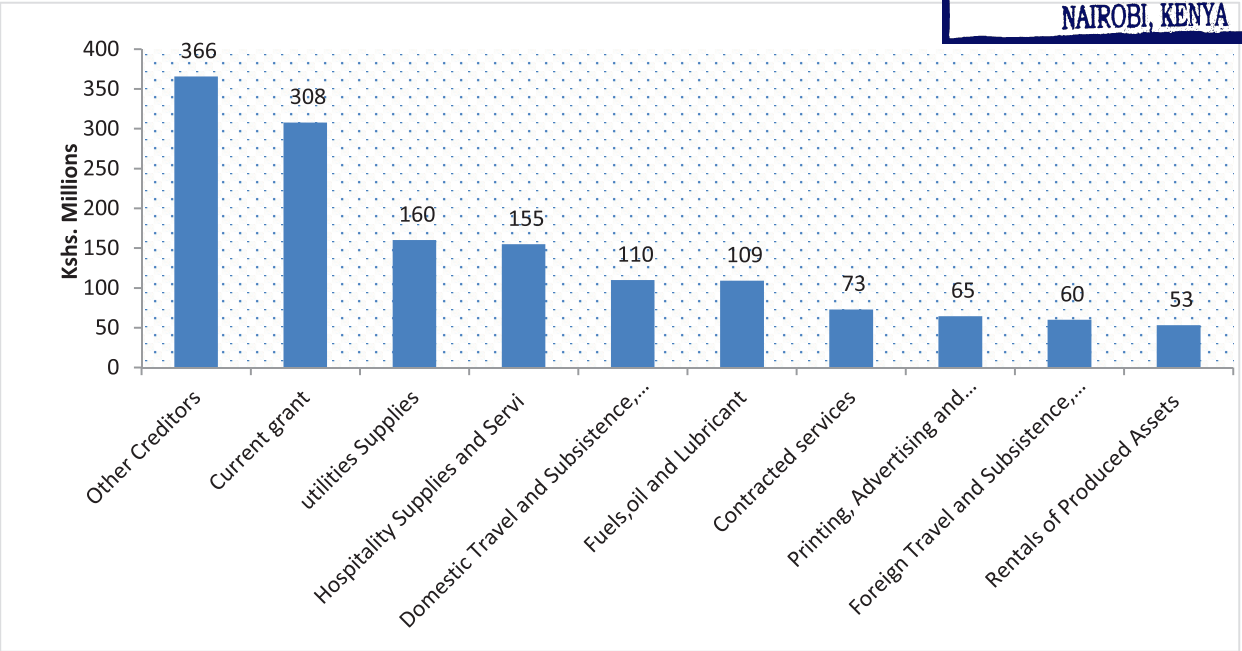
Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, permits County Governments to establish public funds with a lifespan of up to 10 years, unless extended by the County Assembly. All Mombasa County established funds are within a 10-year lifespan.

3.28.10 Expenditure on Operations and Maintenance

Figure 109 summarises the Operations and Maintenance expenditure by major categories.

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Figure 109: Mombasa County, Operations and Maintenance Expenditure by Major Categories



***Source**: Mombasa County Treasury*

Expenditure on domestic travel amounted to Kshs 110 million, comprising Kshs 52.81 million spent by the County Assembly and Kshs 56.91 million by the County Executive. Expenditure on foreign travel amounted to Kshs.59.78 million, which comprised Kshs.32.96 million by the County Assembly and Kshs.26.82 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.288.

Table 3.288: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Executive	2	11th - 18th November 2024	Facilitation To Attend The Public Sector Governance Conference From 11 - 18 November 2024, Istanbul, Turkey	Turkey	1,667,608.00
Executive	2	11th-14th November 2024	Facilitation To Travel To Incheon, South Korea, Accompanying The Governor To Attend The Global Top 10 City Week, World Smart Cities Forum(WSCF)	South korea	652,140.00
Executive	1	11th-14th September 2024	The Inter-Regional Agriculture Symposium was Attended in Botswana From 11th to 14th September 2024	Botswana	243,349.00
Executive		11th-16th February 2025	Facilitation For Travel To Addis Ababa For The AUC Elections From 11th-16th February 2025	Ethiopia	1,276,940.00
Executive	2	17th-27th July 2024	Turkey Visit To Ondakuz And Karabuk University - Purpose Of Mou And Scholarship Program For The County Of Mombasa	Turkey	1,805,022.00
Executive	1		Travel To Tokyo And Kyoto, Japan, To Attend A Technical Deep Dive And Climate Change	Japan	214,477.00
Executive	1		Facilitation To Attend Technical Deep Dive On Waterfront Development In Japan	Japan	291,553.00
Executive	2	18th-22nd November 2024	Claim For Travel To Uganda To Attend Mombasa Tourism Exhibition	Uganda	587,520.00
Executive	1	18th-27th September 2024	Facilitation To Attend The Unstopable Africa 2024 Event In New York, 18-27 Sept 2024	Usa	916,590.00
Executive	1	23rd October- 5th November 2024	Facilitation For Travel To Participate In The Africa - US Trade & Investment Mission To Settle City, Washington, In The USA 23 October 2024 To 5 November 2024	Usa	835,530.00
Executive	12	23rd-28th February 2025	Facilitation To Attend Ealasca Games 2025 In Kampala, Uganda	Uganda	3,943,580.00
Executive	1	31st- 5th November 2024	Facilitation to Attend Global Quality Of Life Conference In Cairo, Egypt, From 31 October 2024, to 5 November 2024	Egypt	487,650.00
Executive	4	4th-10th November 2024	Facilitation For Invitation to the International Andalus Conference in Granda 4-10 Nov 2024, Spain	Spain	3,371,900.00

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Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Assembly	2	8th-13th OCTOBER 2024	Payment for the Inaugural Seoul Smart Life Week 2024, Korea	Korea	553,715.00
Assembly	4	9th-15th OCTOBER 2024	Being Payment For Training On Public Policy, Governance And Conflict Management 2024-Singapore	Singapore	2,998,050.50
Assembly	5	8th-14th OCTOBER 2024	Being Payment For Training On Labour And Manpower Relations 2024-Singapore	Singapore	3,082,092.50
Assembly	6	31ST Oct 8th Nov 2024	Training On Legislative Best Practices & Policy Development	Dubai	3,000,720.00
Assembly	6	29TH OCT-6TH NOV 2024	Training On Fundamentals Of Legislative Process	Dubai	3,000,720.00
Assembly	6	14th-22nd NOVEMBER 2024	Being Payment For Nightouts & Transport- Understanding Legislative Roles & Responsibilities Training - Dubai	Dubai	3,416,160.00
Assembly	6	12th-20th NOVEMBER 2024	Being Payment For Nightouts & Transport, Oversight & Monitoring Of County Executive Training – Dubai	Dubai	3,615,840.00
Assembly	6	09th-17th NOVEMBER 2024	Being Payment for Night outs & Transport, Public Participation & Stakeholders Engagement In The Law Making Process - Dubai	Dubai	3,553,440.00
Assembly	7	18th-26th NOVEMBER 2024	Being Prepayment For Training On Economic Empowerment & Livelihood Development – Arusha	Tanzania	2,398,480.00
Assembly	7	23RD NOV-1ST DEC 2024	Being Pre-Payment For Training On Disaster Preparedness & Risk Management Program – Dubai	Dubai	4,156,080.00

***Source**: Mombasa County Treasury and Mombasa County Assembly*

The operations and maintenance costs include an expenditure of Kshs.74.66 million on Legal fees/Dues, arbitration and compensation payments expenditure.

3.28.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.937.79 million as Facility Improvement Financing (FIF), which was 75 per cent of the annual target of Kshs.1.25 billion. 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 health facilities amounted to Kshs.952.74 million, as shown in Table 3.289.

Table 3.289: Performance of Mombasa County Health Facilities

LEVEL	No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
LEVEL 2 & 3	1.	Junda Dispensary	2,095,969	970,190.00	46.29
	2.	Miritini CDF Health Centre	2,516,986	2,946,776.00	117.08
	3.	Jomvu Model Health Centre	4,127,119	2,932,755.50	71.06
	4	Mikindani MCM Dispensary	3,473,339	988,397.00	28.46
	5	Jomvu Kuu Dispensary	1,885,462	1,588,462.00	84.25
	6	Miritini MCM	1,223,009	666,128.00	54.47
	7	Vikobani Dispensary	192,815	343,851.00	178.33
	8	Bokole Dispensary	5,660,545	3,847,250.00	67.97
	9	Mvita Health Centre	1,345,135	1,015,462.00	75.49
	10	Kaberbouy Dispensary	2,478,876	1,648,004.50	66.48
	11	AP Tononoka Dispensary	172,200	171,660.00	99.69
	12	Railways Dispensary	396,990	163,332.00	41.14
	13	Ganjoni CDC Dispensary	1,169,853	1,492,052.00	127.54
	14	Mwembetayari Dispensary	3,757,673	1,724,896.00	45.90
	15	Kingorani Dispensary	136,481	53,112.00	38.92
	16	State House Dispensary	179,389	529,998.00	295.45

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LEVEL	No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption (%)
	17	Majengo Dispensary	1,404,771	1,391,230.00	99.04
	18	NYS Dispensary	852,299	436,746.00	51.24
	19	Shikaadabu Dispensary	1,986,762	596,883.00	30.04
	20	Mtongowe Dispensary	899,220	1,023,898.00	113.87
	21	Mbuta Health Centre	922,454	815,670.00	88.42
	22	Kidunguni Dispensary	-	-	0.00
	23	Kongowea Health Centre	2,309,502	2,936,542.00	127.15
	24	Bamburi Dispensary	1,715,296	1,727,850.00	100.73
	25	Kisauni Health Centre	1,345,998	684,860.00	50.88
	26	Shimo Borstal	773,766	575,685.00	74.40
	27	Shimo La Tewa Main Health Centre	3,838,995	1,635,078.00	42.59
	28	Mwakirunge Dispensary	265,901	214,469.00	80.66
	29	Shimo Annex Dispensary	2,584,733	1,546,333.00	59.83
	30	Ziwa La Ngombe Dispensary	249,000	130,346.00	52.35
	31	Mlaleo CDF Health Centre	5,053,441	4,106,869.00	81.27
	32	Maweni Dispensary	700,423	574,810.00	82.07
	33	Marimani Dispensary	125,518	188,036.00	149.81
	34	Maunguja dispensary	398,401	230,365.00	57.82
	35	Digirikani Dispensary	-	-	0.00
	36	Magongo Dispensary	10,056,552	6,672,047.00	66.35
	37	Public Health Department	42,852,146	29,085,689.00	67.87
LEVEL 4	1.	Portreitz Sub-County Hospital	84,107,144	87,132,473	104%
	2.	Likoni Sub-County Hospital	38,782,733	35,985,292	93%
	3.	Tudor Sub-County Hospital	19,389,009	19,214,211	99%
	4.	Mrima Maternity Hospital	34,586,601	27,549,631	80%
LEVEL 5	1	Coast General Teaching And Referral Hospital	985,000,000.00	707,204,478.00	72%
			1,271,012,505.10	952,741,817.00	75%

Source: *Mombasa County Treasury*

The Health Facility with the highest absorption rate was Mirimiani Dispensary at 150 per cent.

3.28.12 Development Expenditure

In the review period, the County reported spending Kshs.1.19 billion on development programmes, representing an increase of 224 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.369.21 million. Table 3.290 summarises development projects with the highest expenditure in the reporting period.

Table 3.290: Mombasa County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Mombasa -Public Service Admin, Youth, Gender & Social Services And Sports	Proposed renovation of the BOMU stadium	BOMU	26,944,170	18,084,150	18,084,150	67
2	Mombasa -Public Service Admin, Youth, Gender & Social Services And Sports	Proposed Uwanja wa Mbuzi stadium industrial parks	TONONOKA WARD-MVITA SUB COUNTY	17,392,080	8,729,096	8,729,096	50
4	Mombasa - Finance and Economic Planning	Consultancy service for training needs assessment	MOMBASA COUNTY	6,823,564	6,823,564	6,823,564	100
5	Mombasa - Education	Proposed construction of the ECD centre at Amani Primary School	MIKINDANI WARD	17,722,207	5,860,582	5,860,582	33

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No.	Sector	Project Name	Project Location	Contract sum	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative expenditure as of 31 March 2025	Implementation status (%)
6	Mombasa - Finance and Economic Planning	Consultancy service for training needs assessment	MOMBASA COUNTY	5,183,034	5,183,034	5,183,034	100
7	Mombasa - Finance and Economic Planning	Consultancy service for training needs assessment (June)	MOMBASA COUNTY	5,117,744	5,117,744	5,117,744	100
8	Mombasa - Transport, Infrastructure & Public Works	Proposed extension of Likoni fire station in Mombasa County	LIKONI FIRE STATION	4,986,230	4,986,230	4,986,230	100
9	Mombasa - Transport, Infrastructure & Public Works	Routine maintenance of the Buxton bus/matatu stage, Mvita sub-county	TONONOKA WARD-MVITA SUB COUNTY	4,983,825	4,983,794	4,983,794	100
10	Mombasa - Transport, Infrastructure & Public Works	Completion of construction of Jomvu Aldina Road to Cabro paving blocks standard, Jomvu Ward, Jomvu Sub-County	JOMVU SUB COUNTY	4,977,467	4,974,970	4,974,970	100

Source: *Mombasa County Treasury*

3.28.13 Budget Performance by Department

Table 3.291 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.291: Mombasa County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	813.74	80.00	529.91	29.86	527.41	29.86	99.53	100.00	64.81	37.33
Public Service Board	131.69	10.00	82.87	0.80	73.77	-	89.02	-	56.02	-
Finance And Economic Planning	1,130.48	442.51	928.13	283.27	823.82	423.58	88.76	149.53	72.87	95.72
Health	4,237.32	600.00	2,641.50	4.56	2,355.76	9.63	89.18	211.18	55.60	1.61
Transport, Infrastructure & Public Works	736.57	863.54	563.34	164.21	488.75	167.53	86.76	102.02	66.35	19.40
Environment And Governance	904.47	247.80	342.46	172.26	524.66	136.80	153.20	79.41	58.01	55.21
Education	864.38	151.00	399.68	69.26	395.29	27.35	98.90	39.49	45.73	18.11
Water, Natural Resources, Climate Change Resilience	217.24	1,104.05	119.28	236.54	108.75	235.01	91.17	99.35	50.06	21.29
Public Service Administration, Youth, Gender, Social Services and Sports.	821.52	270.00	528.53	62.56	535.65	75.91	101.35	121.34	65.20	28.11
Tourism, culture & Trade	458.46	239.50	234.75	83.96	249.30	51.69	106.20	61.57	54.38	21.58
Lands, Urban Renewal and Housing	195.07	1,070.00	106.55	74.22	107.79	28.66	101.16	38.61	55.26	2.68
Blue Economy, Cooperatives, Agriculture and Livestock	198.89	78.30	90.10	2.50	87.05	8.72	96.61	348.80	43.77	11.14
County Attorney	103.01	-	57.83	11.79	70.89	-	122.58	-	68.82	-
County Executive	253.46	37.00	111.99	-	147.17	-	131.41	-	58.06	-
Total	**11,066.30**	**5,193.70**	**6,736.92**	**1,195.79**	**6,496.06**	**1,194.74**	**96.42**	**99.91**	**58.70**	**23.00**

Source*: Mombasa County Treasury*

Analysis of expenditure by departments shows that the Department of Finance and Economic Planning recorded the highest absorption rate of development budget at 97.7 per cent, followed by the Department of Environment at 55.2

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per cent. The Department of Finance and Economic Planning had the highest percentage of recurrent expenditure to budget at 73 per cent, while the Department of Blue Economy, Cooperatives, Agriculture and Livestock had the lowest at 44 per cent.

3.28.14 Budget Execution by Programmes and Sub-Programmes

Table 3.292 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.292: Mombasa County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
THE EXECUTIVE							
Programme 1	General Administration and Human Resource Planning Services	154,760,063	0	110,430,085		71.36	
	Governor's and Deputy Governor's Affairs	49,500,000	15,000,000	18,421,038		37.21	0.00
	Protocol, Hospitality and Communication	23,000,000	20,000,000	9,997,745		43.47	0.00
	Governor's Advisory Council and special programs	10,000,000	0	2,229,858		22.30	0.00
	County Secretary's Affairs	9,000,000	2,000,000	2,471,994		27.47	0.00
	Cabinet affairs, Service delivery Unit, Intergovernmental and Public service Transformation	7,200,000	0	3,592,247			
	Sub Total	**253,460,063**	**37,000,000**	**147,142,967**	**0**	**58.05**	**0.00**
COUNTY ASSEMBLY							
Human resource management	Compensation to employees	479,727,228	80,000,000	312,515,600	29,857,129		0.00
	Use of goods and services	190,436,943		111,449,230			0.00
Legal	Use of goods and services	143,571,762		103,440,259			0.00
		813,735,933	**80,000,000**	**527,405,089**	**29,857,129**		**37.32**
COUNTY PUBLIC SERVICE BOARD							
Programme 3	Administration Unit	131,692,825	10,000,000	73,771,374	0	56.02	0.00
	Sub-Total	**131,692,825**	**10,000,000**	**73,771,374**	**0**	**56.02**	**0.00**
FINANCE AND ECONOMIC PLANNING							
Programme 4	Administration Unit	731,605,778	0	549,972,147	20,090,651	75.17	
	Financial Management Services- Accounting Unit	260,195,498	366,129,808	182,234,172	383,559,320	70.04	104.76
	Planning and Monitoring Unit	111,806,607	23,000,000	83,660,085		74.83	0.00
	Digital Transformation	26,876,558	53,383,192	7,954,284	19,934,830		
	Sub-Total	**1,130,484,441**	**442,513,000**	**823,820,687**	**423,584,801**	**72.87**	**95.72**
ENVIRONMENT & GOVERNANCE							
Programme 5	Administration, Planning and Support Services	739,535,878		496,477,132	2,717,418	67.13	
	Environment Compliance and Enforcement	18,700,000	21,800,000	7,419,486	33,804,325	39.68	155.07
	Solid Waste Management	19,660,000	169,000,000	14,857,672	100,280,427	75.57	59.34
	Public Affairs and Empowerment Programs	108,750,000		2,099,138			
	County Administration and Serikali Mitaani	10,370,000	40,000,000	3,314,490			
	Inspectorate, Enforcement and Compliance	7,450,000	17,000,000	491,379			
	Sub-Total	**904,465,878**	**247,800,000**	**524,659,297**	**136,802,170**	**58.01**	**55.21**

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Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Education							
Programme 6	General Administration, Planning and Support Services	343,676,025	44,000,000	225,315,644	5,938,264	65.56	13.50
	Early Childhood Education	15,500,000	84,000,000		18,632,513	0.00	22.18
	Vocational Training & Education	3,000,000	12,000,000		2,775,303	0.00	23.13
	Child Care	3,000,000	11,000,000	473,000		15.77	0.00
	Elimu Fund	499,200,000		169,500,000		33.95	0.00
						0.00	0.00
	Sub-Total	**864,376,025**	**151,000,000**	**395,288,644**	**27,346,080**	**45.73**	**18.11**
HEALTH SERVICES							
Programme 7	Administration Unit	3,285,636,744	178,374,932	2,243,175,507		68.27	0.00
	Preventive and Promotive Health Services	157,680,000	27,000,000	6,086,247		3.86	0.00
	Curative/Clinical Health Services	132,000,000	59,625,068	34,648,127	9,631,035	26.25	16.15
	Special Programs	12,000,000	0		0	0.00	
	Coast General Teaching and Referral Hospital	650,000,000	335,000,000	71,847,213		11.05	0.00
	Sub-Total	**4,237,316,744**	**600,000,000**	**2,355,757,094**	**9,631,035**	**55.60**	**1.61**
WATER, NATURAL RESOURCES & CLIMATE CHANGE RESILIENCE							
Programme 8	Administration unit	170,042,057	1,000,000,000	105,166,012	234,539,000	61.85	23.45
	Natural Resources Management	7,443,830	2,000,000	3,135,523	466,898	42.12	23.34
	Sanitation Services and Management	7,700,000	0			0.00	
	Water Supply and Management	12,200,000	0			0.00	
	Climate Change & Renewable Energy	19,850,000	102,050,260	444,877		2.24	0.00
	Sub-Total	**217,235,887**	**1,104,050,260**	**108,746,412**	**235,005,898**	**50.06**	**21.29**
PUBLIC SERVICE ADMINISTRATION, YOUTH, GENDER, SOCIAL SERVICES & SPORTS							
Programme 9	Administration, planning, and support services	692,517,956	0	524,266,404		75.70	
	Human Resource Management & Development	54,300,000	0	5,065,300		9.33	0.00
	Public Service Reforms	45,700,000	0			0.00	
	Youth Affairs & Sports Development	13,400,000	270,000,000	3,146,208	75,473,768	23.48	27.95
	Gender, PWD Integration and Social Services	15,600,000	0	3,173,202	431,661	20.34	
	Sub-Total	**821,517,956**	**270,000,000**	**535,651,114**	**75,905,429**	**65.20**	**28.11**
TOURISM, CULTURE & TRADE							
Programme 10	General Administration, Planning & support services	335,649,661	0	225,639,510		67.22	0.00
	Trade Development and Markets/ Consumer Protection	13,555,000	239,500,000	7,322,559	48,225,927	54.02	20.14
	E-Licensing & Services	1,470,000	0	500,000		34.01	
	Tourism Marketing and Product Development	78,885,000	0	1,289,181	1,756,821	1.63	
	Cultural Affairs	8,900,000	0	5,113,683		57.46	0.00

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Programme	Sub-Programme	Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Mombasa Tourism Council	20,000,000	0	9,438,414	1,708,526	47.19	
	Sub-Total	**458,459,661**	**239,500,000**	**249,303,347**	**51,691,274**	**54.38**	**21.58**
LANDS, URBAN RENEWAL AND HOUSING							
Programme 11	Administration, planning, and support services	174,023,556	20,000,000	105,833,148	10,000,000	60.82	50.00
	Housing Development & Management	3,450,000	10,000,000	835,345	3,663,195	24.21	36.63
	Urban Renewal	6,450,000	49,000,000	684,690	15,000,000	10.62	30.61
	Land Administration and Valuation	9,800,000	905,000,000	437,721		4.47	0.00
	Physical Planning	1,350,000	86,000,000		0	0.00	0.00
	Sub-Total	**195,073,556**	**1,070,000,000**	**107,790,903**	**28,663,195**	**55.26**	**2.68**
TRANSPORT, INFRASTRUCTURE & PUBLIC WORKS							
Programme 12	General Administration and Support Services	488,485,525		369,776,643	1,049,855	75.70	0.00
	Road Infrastructure Development	24,069,919	654,287,752	2,347,182	110,433,475	9.75	16.88
	Transportation Management	38,700,000	69,800,000			0.00	0.00
	County Public Works	1,810,000	60,000,000	200,000		11.05	0.00
	Mechanical and Electrical Services	167,255,000	4,800,000	108,156,825	1,339,890	64.67	27.91
	Safety, Risk and Disaster Management Services	16,250,000	74,655,000	8,268,279	54,708,923	50.88	73.28
	Sub-Total	**736,570,444**	**863,542,752**	**488,748,929**	**167,532,144**	**66.35**	**19.40**
BLUE ECONOMY, COOPERATIVES, AGRICULTURE & LIVESTOCK							
Programme 13	Administration Unit-Headquarters	130,097,194	0	85,881,999		66.01	
	Crops Development	21,968,919	18,000,000	395,000	2,984,655	1.80	16.58
	Livestock Production	10,721,200	6,300,000	577,500		5.39	0.00
	Fisheries Development	11,850,000	13,000,000	200,000	626,418	1.69	4.82
	Veterinary Services	13,204,160	36,000,000		5,104,115	0.00	14.18
	Cooperative Development	11,048,320	5,000,000			0.00	0.00
	Sub-Total	**198,889,793**	**78,300,000**	**87,054,499**	**8,715,188**	**43.77**	**11.13**
THE COUNTY ATTORNEY							
Programme 14	General Administration & Legal Services	103,014,783		70,890,998	0	68.82	0.00
	Sub-Total	**103,014,783**	**0**	**70,890,998**	**0**	68.82	0.00
Grand Total		**11,066,293,988**	**5,193,706,012**	**6,496,031,354**	**1,194,734,342**	**58.70**	**23.00**

***Source**: Mombasa County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Administration, planning, and support services in the Department of Public Service Administration, Youth, Gender, Social Services & Sports at 76 per cent, General Administration and Support Services in the Department of Transport, Infrastructure & Public Works at 76 per cent, Solid Waste Management in the Department of Environment &Governance at 76 per cent, and administration unit in the department of Finance & Economic planning at 75 per cent of budget allocation.

3.28.15 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

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Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 94 accounts with commercial banks, including 62 accounts for Health Facilities, three for Vocational Training Centres, four for Established Funds, nine special-purpose accounts (additional allocations), and eight for imprest.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening the commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.28.16 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;

i. The county Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 30th April 2025.
ii. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. As of 15 January 2025, the reports for the Mombasa Investment Corporation Fund, Emergency Fund, and Elimu Scheme Fund had not been submitted to the CoB.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.226.89 million were processed through manual payroll. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
iv. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The CECMF should follow up to ensure that Fund Administrators prepare and submit statutory reports in accordance with the PFM Act, 2012.*
iii. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
iv. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

3.29. County Government of Murang'a

3.29.1 Overview of FY 2024/25 Budget

The Murang'a County Gross Approved Supplementary Budget for FY 2024/25 is Kshs.10.74 billion. It comprises Kshs.3.22 billion (30.0 per cent) and Kshs.7.53 billion (70.0 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.335.86 million (3.2 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.3.12 billion and a recurrent budget of Kshs.7.29 billion. The increase in the budget was attributed to the upward adjustment of the Own Source Revenue Collection.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.7.51 billion (69.9 per cent), additional allocations of Kshs.863.10 million (8.0 per cent), a cash balance of Kshs.748.68 million (7.0 per cent) brought forward from FY 2023/24, and Kshs.1.60 billion (14.9 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.750.00 million (7.0 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.850.00 million (7.9 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.293.

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3.29.2 Revenue Performance

During the review period, the County received Kshs.5.99 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.21.99 million from Kshs.5.97 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.34 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.67.63 million, and its own-source revenue (OSR) collection of Kshs.832.42 billion. In addition, the County had a cash balance of Kshs.748.68 billion from FY 2023/24.

The total OSR collection of Kshs.832.42 billion includes Facilities Improvement Financing (FIF) of Kshs.351.29 million, and Kshs.481.13 million from other OSR sources. Table 3.293 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.293: Murang'a County, Revenue Performance in the First Nine Months of FY 2024/25

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**	7,511,867,031	4,344,316,397	57.8
Sub Total		**7,511,867,031**	**4,344,316,397**	**57.8**
B	**Conditional Grants**			
1	Road Maintenance Fuel Levy Fund	270,941,894	0	0.0
2	Nutritional International Grant	20,000,000	15,000,000	75.0
3	National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	0	0.0
4	Kenya Devolution Support Project (KDSP) Level 1 Grant	37,500,000	0	0.0
5	Kenya Urban Support Project (KUSP) –Urban Development Grant (UIG)	35,000,000	0	0.0
6	Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	70,743,658	0	0.0
7	DANIDA Grant	9,701,250	0	0.0
8	World Bank (Finance Locally-Led Climate Program (FLLoCA) Level 2 Grant	110,729,613	0	0.0
9	Kenya Agricultural Business Development Project	10,918,919	0	0.0
10	Community Health Promoters	46,050,000	0	0.0
11	Aggregated Industrial Park	100,000,000	52,631,579	52.6
Sub-Total		**863,100,486**	**67,631,579**	**7.8**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	850,000,000	481,131,380	56.6
2	Balance B/F from FY2023/24	748,683,568.00	748,683,568.00	100.0
3	Facility Improvement Fund (FIF)	750,000,000	351,289,199	46.8
4	Other Revenues	20,000,000	-	0.0
5	Appropriation in Aid (AIA)	-	-	0.0
Sub Total		**2,368,683,568**	**1,581,104,147**	**66.8**
Grand Total		**10,743,651,085**	**5,993,052,123**	**55.8**

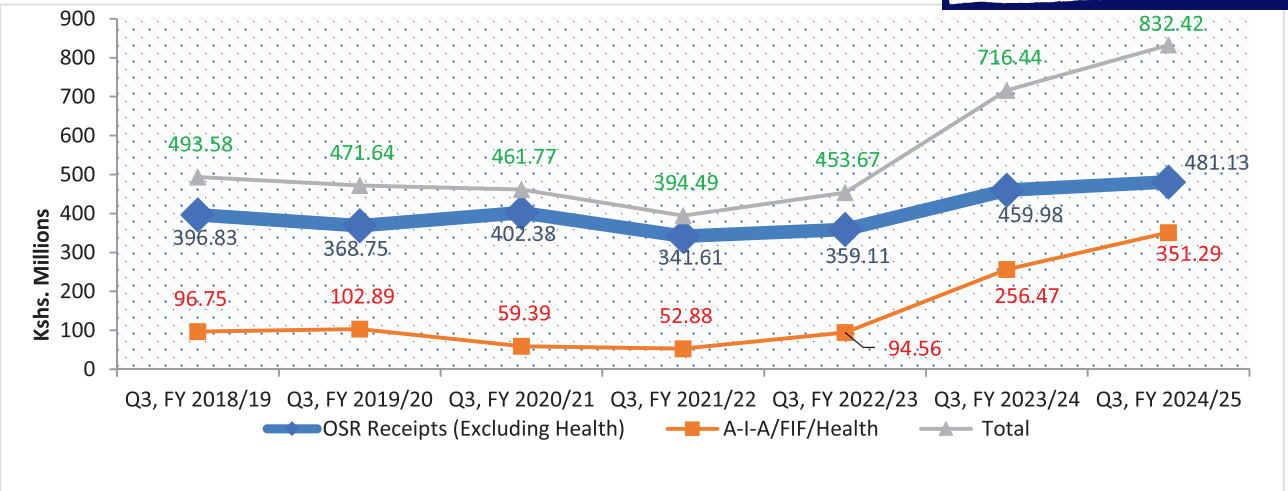
Source: *Murang'a County Treasury*

The County does not have governing legislation on the operation of ordinary A-I-A and FIF.

Figure 110 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

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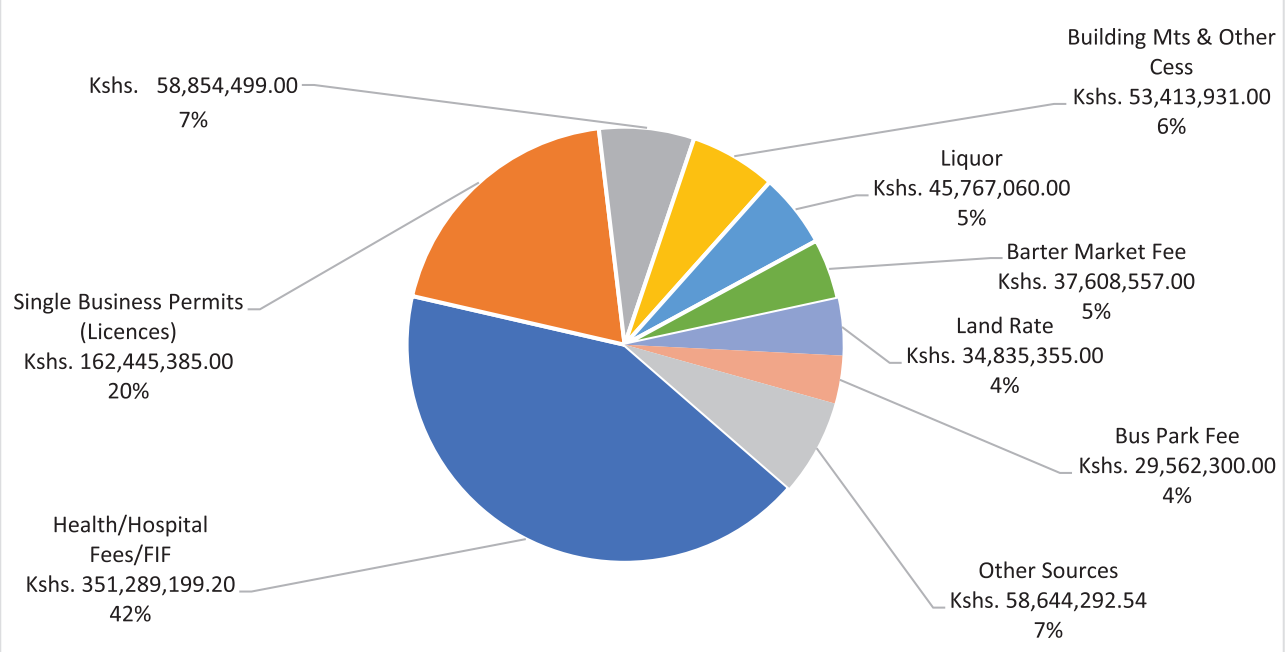
Figure 110: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



Source: *Murang'a County Treasury*

During the review period, the County generated Kshs.832.42 million from its own revenue sources, including AIA and FIF. This amount was an increase 16.19 per cent compared to Kshs.716.44 million realised in a similar period in FY 2023/24 and was 52.0 per cent of the annual target and 19.2 per cent of the equitable revenue share disbursed. The revenue streams which contributed the highest OSR receipts are shown in Figure 111.

Figure 111: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



Source: Murang'a County Treasury

As shown in Figure 111, the highest revenue stream, at Kshs.351.29 million was from Health/Hospital Fees/FIF, contributing 42 per cent of the total OSR receipts. The County Government has automated all the Revenue Streams.

3.29.3 Borrowing by the County

The County did not disclose any short-term borrowings as of 31st March 2025.

3.29.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.5.55 billion from the CRF account during the reporting period, which comprised Kshs.1.04 billion (18.9 per cent) for development programmes and Kshs.4.50 billion (81.1 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.17 billion was released towards compensation of employees and Kshs.1.27 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25 does not include

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the March 2025 exchequer request for the County Executive and County Assembly, and February 2025 for the County Executive, due to late disbursement of the Equitable Share of Revenue.

Table 3.294: Murang'a County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Governorship, County Coordination And Administration	394,326,209	15,000,000	165,132,487	5,999,520	42	40
Finance And Economic Planning	363,008,543	48,000,000	181,960,050	20,000,000	50	42
Agriculture, Livestock And Fisheries	286,814,150	559,801,578	200,363,563	338,091,840	70	60
Energy Transport And Roads	38,429,487	1,269,041,894	10,902,395	344,784,525	28	27
Commerce, Trade, Industry And Tourism	64,030,706	185,300,000	20,686,356	52,631,579	32	28
Education & Technical Training	764,323,424	32,985,790	545,674,990	-	71	-
Health And Sanitation	3,276,558,895	369,894,200	1,935,906,040	75,155,923	59	20
Lands, Housing & Physical Planning	62,679,031	20,300,000	16,477,702	-	26	-
County Public Service Board	34,565,881	-	5,327,533	-	15	-
Youth, Culture, Gender, Social Services & Special Programs	101,379,737	182,000,000	54,762,559	138,566,800	54	76
Environment, Natural Resources, Water and Irrigation	121,407,554	304,129,613	19,482,381	35,561,272	16	12
Public Service Administration & Information Technology	1,035,332,478	96,000,000	797,108,565	35,000,000	77	37
Murang'a Municipality	59,307,233	45,371,824	40,086,516	-	68	-
Kenol Municipality	23,476,200	40,371,824	896,000	-	4	-
Kangari Municipality	23,000,000	10,000,000	500,000	-	2	-
Devolution and External Linkages	51,000,000	-	1,379,400	-	3	-
County Assembly	825,814,834	40,000,000	504,252,841	-	61	-
TOTAL	**7,525,454,362**	**3,218,196,723**	**4,500,899,378**	**1,045,791,459**	**60**	**33**

***Source**: Murang'a County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.144.40 million.

3.29.5 County Expenditure Review

The County spent Kshs.5.49 billion on development and recurrent programmes during the reporting period. The expenditure represented 98.9 per cent of the total funds released by the CoB and comprised Kshs.1.04 billion and Kshs.4.44 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 32.5 per cent, while recurrent expenditure represented 59.0 per cent of the annual recurrent expenditure budget.

3.29.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.68 billion as of 30th June 2024. This amount included Kshs.1.59 billion from the County Executive and Kshs.91.60 million from the County Assembly. The pending bills from the County Executive consist of Kshs.1.35 billion for recurrent expenditures and Kshs.241.34 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.112.73 million, comprising Kshs.79.64 million for recurrent programmes and Kshs.33.09 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.88.77 million, which related to recurrent activities only.

The County Executive and the Assembly submitted pending bills payment plans at the commencement of FY 2024/25, committing to pay Kshs.1.16 billion and Kshs.91.60 million, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to the payment plans, as it cleared Kshs.112.73 million for the Executive and Kshs.88.77 million for the Assembly.

As of 31 March 2025, the outstanding bills amounted to Kshs.833.95 million, comprising Kshs.833.12 million for the County Executive and Kshs.2.83 million for the County Assembly.

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3.29.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.87 billion on employee compensation, Kshs.1.06 billion on operations and maintenance, and Kshs.1.04 billion on development activities. Similarly, the County Assembly spent Kshs.300.67 million on employee compensation and Kshs.200.94 million on operations and maintenance, as shown in Table 3.295.

Table 3.295: 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	**6,699,639,528**	**825,814,834**	**3,938,114,472**	**501,601,823**	**58.8**	**60.7**
Compensation to Employees	4,265,839,677	440,092,707	2,873,309,383.57	300,665,610.26	67.4	68.3
Operations and Maintenance	2,433,799,851	385,722,127	1,064,805,088	200,936,212.59	43.8	52.1
Development Expenditure	**3,178,196,723.46**	**40,000,000**	**1,045,791,459.20**		**32.9**	-
Total	**9,877,836,251**	**865,814,834**	**4,983,905,931**	**501,601,823**	**50.5**	**57.9**

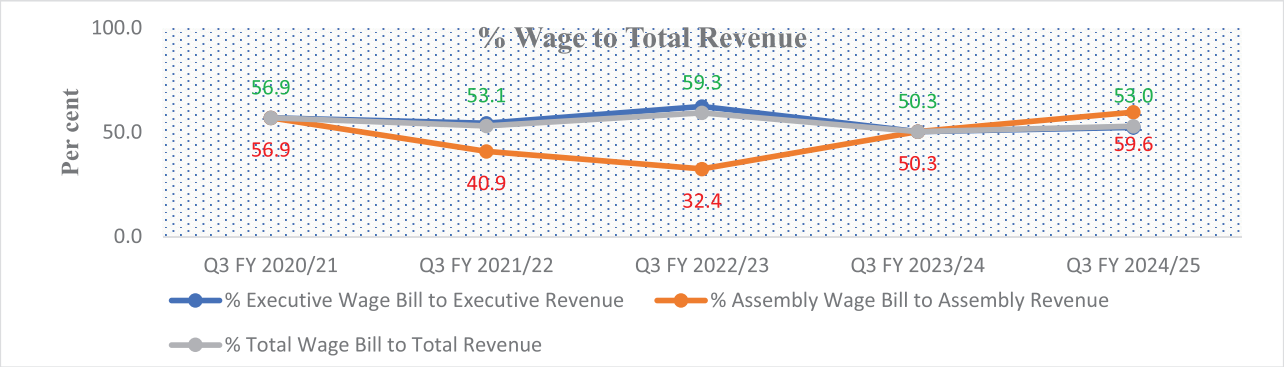
***Source**: Murang'a County Treasury*

3.29.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.3.17 billion. Consequently, the percentage of employee compensation to revenue is 52.96 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.2.92 billion reported during the same period in FY 2023/24. Of this total, Kshs.1.45 billion was allocated to Health Sector employees, which accounts for 48.2 per cent of the overall employees' compensation.

Figure 112 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2020/21 to FY 2024/25.

Figure 112: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2020/21 to FY 2024/25



***Source**: Murang'a County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.99 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.178.84 million was processed through manual payrolls, which accounted for 5.6 per cent of the total PE cost.

The County Assembly spent Kshs.26.02 million on committee sitting allowances for the 48 MCAs against the annual budget allocation of Kshs.38.94 million. The average monthly sitting allowance was Kshs.60,233.22 per MCA. The County Assembly has 21 House Committees.

3.29.9 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.547.00 million to County-Established funds in FY 2024/25, or 5.1 per cent of the County's overall budget. Further, the County allocated Kshs.20 million to the Emergency Fund (2 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.296 summarises each established Fund's budget allocation and performance during the reporting period.

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Table 3.296: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the fund (Kshs)	Submission of Financial Statements (Yes/No)
County Executive Established Funds							
1.	Murang'a County Education Scholarship Fund	2021	275,000,000.00	204,720,000	204,720,000	1,056,107,950.00	Yes
2.	Small Traders Empowerment Program		-	-	-	20,000,000.00	Yes
3.	Emergency Fund	2023	20,000,000.00	20,000,000	20,000,000	43,000,000.00	Yes
4.	Youth Fund	2023	127,000,000.00	126,660,000	126,660,000	261,660,000.00	Yes
5.	Agricultural Farm Inputs Subsidy and Incentives Fund	2023	125,000,000.00	124,999,600	124,999,600	563,899,501.00	Yes
County Assembly Established Funds							
6.	County Assembly Car Loan and Mortgage Fund	2014	-	-		467,274,313.00	Yes
Total			**547,000,000.00**	**476,379,600.00**	**476,379,600.00**	**2,411,941,764.00**	

Source: *Murang'a County Treasury*

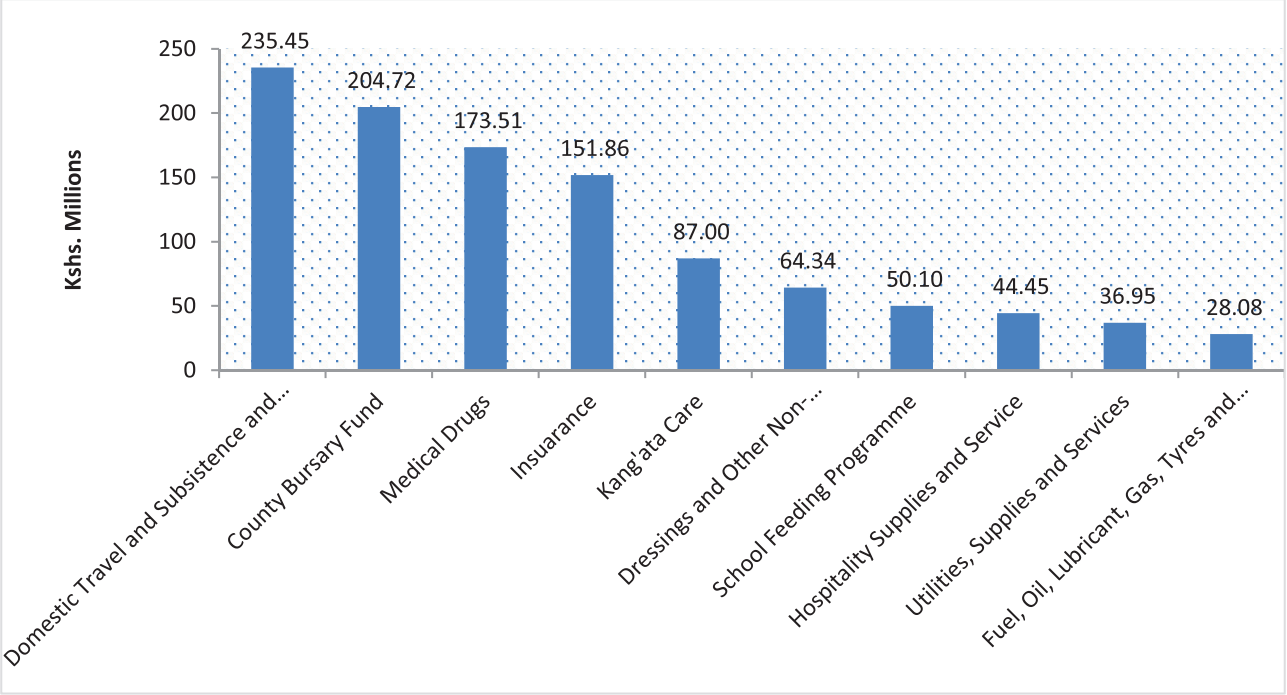
During the reporting period, the CoB received quarterly financial reports from 4 Fund Administrators, as indicated in Table 3.296, contrary to the requirement of Section 168 of the PFM Act, 2012.

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. During the reporting period, the CoB established that the lifespan of the **County Assembly Car Loan and Mortgage Fund** had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.29.10 Expenditure on Operations and Maintenance

Figure 113 summarises the Operations and Maintenance expenditure by major categories.

Figure 113: Murang'a County, Operations and Maintenance Expenditure by Major Categories



Source: *Murang'a County Treasury*

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Expenditure on domestic travel amounted to Kshs.235.45 million, comprising Kshs.138.82 million spent by the County Assembly and Kshs.96.63 million by the County Executive. Expenditure on foreign travel amounted to Kshs.17.56 million and comprised Kshs.0.00 million by the County Assembly and Kshs.17.56 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.297.

Table 3.297: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

No.	Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel
1	County Executive	19	24th-29th November 2024	Official Duty while attending training and conference during the 43rd African Association for Public Administration and Management (AAPAM) Annual Round Table Conference	Uganda	5,344,863.00
2	County Executive	5	12 September 2023 - 19 September 2023	Official Duty Belgium, Netherlands and Germany to participate in the Coffee and Tea Cupping Sessions	Belgium, Netherlands & Germany	2,612,685.00
3	County Executive	7	3rd -7th June 2024	Official Duty while attending training on E Human Resource Management at ESAMI	Arusha	2,349,072.00
4	County Executive	27	23rd to 28th February 2025	Official Duty representing the Country in East Africa Local Authorities Sports and Cultural Association (ELASCA)	Kampala	6,464,121.00

***Source**: Murang'a County Treasury and Murang'a County Assembly*

The operations and maintenance costs include an expenditure of Kshs.15.14 million on Legal fees.

Murang'a County has a fleet of lorries used for garbage collection services, with the direct costs being funds spent on logistics and Wages for the loaders.

3.29.11 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.351.29 million as FIF, which was 46.8 per cent of the annual target of Kshs.750.00 million. The collected amount was retained and utilised at source in accordance with the Facility Improvement Financing Act, 2023. However, the County has not developed regulations to operationalise the FIF Act of 2023.

The expenditure by the health facilities amounted to Kshs.265.46, as shown in Table 3.298

Table 3.298: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption Rate (%)
1	Muranga County Referral Hospital	146,153,000.00	138,106,041.00	94.5
2	Muriranjas Sub-County Hospital	8,713,750.00	6,414,539.00	73.6
3	Maragua Sub-County Hospital	50,168,000.00	42,121,426.00	84.0
4	Kirwara Sub County Hospital	35,299,000.00	33,403,086.00	94.6
5	Kangema Sub County Hospital	14,718,596.00	12,376,713.00	84.1
6	Kandara Sub-County Hospital	11,964,882.00	11,752,817.00	98.2
7	Kigumo Sub-County Hospital	13,040,865.00	11,145,283.00	85.5
8	Kenneth Matiba Hospital	14,389,382.00	10,135,432.00	70.4
Total		**294,447,475.00**	**265,455,337.00**	**90.2**

***Source:** Murang'a County Treasury*

The Health Facility with the highest absorption rate was Kirwara Sub-County Hospital.

3.29.12 Development Expenditure

In the review period, the County reported spending Kshs.1.04 billion on development programmes, representing an increase of 48.9 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.534.78 million. Table 3.299 summarises development projects with the highest expenditure in the reporting period.

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Table 3.299: Murang'a County, List of Development Projects with the Highest Expenditure

S No.	Sector	Department	Project Name	Project Location	Contract Sum (Kshs.)	Paid to in FY 2024-25 (Kshs.)	Implementation Status (%)
1	Sports, Youth, Culture, Gender and Social Services	Youth	Muranga County Youth Fund	County-wide	126,660,000	126,660,000.00	100
2	Agriculture, Livestock and Fisheries	Agriculture/ Livestock	Murang'a County Agricultural Farm Inputs And Incentives Subsidy Fund	County-wide	124,999,600	124,999,600.00	100
3	Trade Industry and Cooperative Development	Trade	County Aggregated Industrial Parks	County-wide	52,631,579	52,631,579.00	100
4	Agriculture, Livestock and Fisheries	Agriculture / Livestock	Supply Top Dressing And Planting Fertiliser To Farmers In Murang'a County Under The Food Security Programme	County-wide	50,000,000	50,000,000.00	100%
5	Agriculture, Livestock and Fisheries	Agriculture/ Livestock	Supply And Delivery Of Fertiliser under the Food Security Programme	County Wide	50,000,000	50,000,000.00	100%
6	Agriculture, Livestock and Fisheries	Agriculture/ Livestock	Supply And Delivery Of Maize Seeds Under the Food Security Programme	County Wide	44,999,920	44,999,920.00	100%
7	Agriculture, Livestock and Fisheries	Agriculture / Livestock	Supply Maise Seeds To Farmers In Murang'a County Under The And Food Security Programme	County-wide	21,502,320	21,502,320.00	100%
8	Finance and Economic Planning	Finance	Murang'a County Emergency Fund	County-wide	20,000,000	20,000,000.00	100
9	Roads, Housing and Infrastructure	Infrastructure	Supply And Delivery Of One Telescopic Aerial Lift Truck And Hoist Under The Energy Distribution And Street Lighting Programme	County Wide	15,000,000	15,000,000.00	100%
10	Health and Sanitation	Health	Nutrition International Grant (SPA) Special Purpose Account	County-wide	15,000,000	15,000,000.00	100

Source: *Murang'a County Treasury*

3.29.13 Budget Performance by Department

Table 3.300 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.300: Murang'a County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Governorship, County Coordination And Administration	394.33	15.00	165.13	6.00	165.13	6.00	100.0%	100.0%	41.9%	40.0%
Finance And Economic Planning	363.01	48.00	181.96	20.00	181.96	20.00	100.0%	100.0%	50.1%	41.7%
Agriculture, Livestock And Fisheries	286.81	559.80	200.36	338.09	200.35	338.09	100.0%	100.0%	69.9%	60.4%
Energy Transport And Roads	38.43	1,269.04	10.90	344.78	10.90	344.78	100.0%	100.0%	28.4%	27.2%
Commerce, Trade, Industry And Tourism	64.03	185.30	20.69	52.63	20.69	52.63	100.0%	100.0%	32.3%	28.4%
Education & Technical Training	764.32	32.99	545.67	-	530.67	-	97.3%	0.0%	69.4%	0.0%
Health And Sanitation	3,276.56	369.89	1,935.91	75.16	1,892.88	75.16	97.8%	100.0%	57.8%	20.3%
Lands, Housing & Physical Planning	62.68	20.30	16.48	-	16.48	-	100.0%	0.0%	26.3%	0.0%
County Public Service Board	34.57	-	5.33	-	5.33	-	100.0%	0.0%	15.4%	0.0%

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Ratio (%)		Absorption Rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Youth, Culture, Gender, Social Services & Special Programs	101.38	182.00	54.76	138.57	54.76	138.57	100.0%	100.0%	54.0%	76.1%
Environment, Natural Resources, Water and Irrigation	121.41	304.13	19.48	35.56	18.98	35.56	97.4%	100.0%	15.6%	11.7%
Public Service Administration & Information Technology	1,035.33	96.00	797.11	35.00	797.11	35.00	100.0%	100.0%	77.0%	36.5%
Murang'a Municipality	59.31	45.37	40.09	-	40.09	-	100.0%	0.0%	67.6%	0.0%
Kenol Municipality	23.48	40.37	0.90	-	0.90	-	100.0%	0.0%	3.8%	0.0%
Kangari Municipality	23.00	10.00	0.50	-	0.50	-	100.0%	0.0%	2.2%	0.0%
Devolution and External Linkages	51.00	-	1.38	-	1.38	-	100.0%	0.0%	2.7%	0.0%
County Assembly	825.81	40.00	504.25	-	501.76	-	99.5%	0.0%	60.8%	0.0%
Total	**7,525.45**	**3,218.20**	**4,500.90**	**1,045.79**	**4,439.87**	**1,045.79**	**98.6%**	**100.0%**	**59.0%**	**32.5%**

***Source**: Murangá County Treasury*

Analysis of expenditure by departments shows that the Department of Youth, Culture, Gender, Social Services, and Special Programs recorded the highest absorption rate of the development budget at 76.1 per cent, followed by the Department of Agriculture, Livestock, and Fisheries at 60.4 per cent. The Department of Public Service Administration & Information Technology had the highest percentage of recurrent expenditure to budget at 77.0 per cent, while the Department of Kangari Municipality had the lowest at 2.2 per cent.

3.29.14 Budget Execution by Programmes and Sub-Programmes

Table 3.301 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.301: Murang'a County, Budget Execution by Programmes and Sub-Programmes

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Programme		Supplementary Estimates		Actual Payments of FY 2024-25 (Ksh)		Absorption Rate (%)	
	Sub-Programme	Recurrent Estimates	Development Estimates	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Governorship, County Coordination And Administration							
Monitoring and Evaluation	101024010 Project Coordination and Monitoring	15,300,000	-	3,804,732		24.9	0.0
County Coordination	705024010 Office Administration and Support Services	93,530,000	15,000,000	25,407,566	5,999,520	27.2	40.0
Administration and Support	706014010 County Executive and Coordination	168,591,609	-	122,578,161		72.7	0.0
Disaster Program	902044010 Disaster Response and Mitigation	17,500,000	-	6,160,026		35.2	0.0
GENERAL ADMINISTRATION	General Administration	69,104,600		1,008,971		1.5	0.0
Communication and Information Services	203014010 Communication	30,300,000	-	6,173,031		20.4	0.0
Sub Total		**394,326,209**	**15,000,000**	**165,132,487**	**5,999,520**	**41.9**	**40.0**
Finance, Information Technology And Economic Planning							
Revenue Program	108014010 Local Revenue Mobilisation	35,000,000	-	6,722,162		19.2	0.0
ICT Program	703014010 Automation and Revenue System	-	-			0.0	0.0
Financial Management Program	703024010 Budget Formulation Coordination and Management	6,850,000	-	4,067,426		59.4	0.0
	703034010 Economic Planning and CIDP Review	9,100,000	-	4,005,265		44.0	0.0
	101134010 Procurement	7,500,000	-	1,500,400		20.0	0.0
	705014010 Budget	6,270,000	-	1,030,155		16.4	0.0
	705034010 Public Participation	63,700,000	-	31,472,500		49.4	0.0
	730014010 Monitoring and Evaluation	3,320,000	-	1,626,024		49.0	0.0
Internal Audit Program	Internal Audit Program 718014010	5,700,000	-	3,152,880		55.3	0.0
Administration and Support	706014010 General Administration Planning and Support Services	225,568,543	48,000,000	128,383,239	20,000,000	56.9	41.7
Sub Total		**363,008,543**	**48,000,000**	**181,960,050**	**20,000,000**	**50.1**	**41.7**
Agriculture, Livestock And Fisheries							
	Agricultural Subsidy- Mangoes and Milk		125,000,000		124,999,600	0.0	100.0
Food Security	101014010 Land and Crops Development	1,970,000	-	1,603,920		81.4	0.0
	101024010 Promotion Food Security	2,600,000	205,000,000	1,627,020	181,942,240	62.6	88.8
	103084010 Veterinary Services	3,370,000		73,080		2.2	0.0

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	107024010 Livestock and Fisheries Development	2,050,000	23,000,000	-	13,08[illegible]	[illegible].0	[illegible]
Administration and Support	706014010 General Administration Planning and Support Services	276,824,150	206,801,578	197,049,543	18,065,000	[illegible]	[illegible]
Sub Total		**286,814,150**	**559,801,578**	**200,353,563**	**338,091,840**	**69.9**	**60.4**
Energy Transport And Roads							
Urban Development Program	102074010 Urban Development and Support	-	287,000,000	-	38,367,250	0.0	13.4
Energy Development Program	103094010 Promotion of Energy & Renewable Energy Sources	7,955,000	66,000,000	590,303	23,964,306	7.4	36.3
	Roads Development		321,941,894		50,000,000	0.0	15.5
Infrastructure Development Program	201014010 Construction of Roads and Bridges	24,704,487	594,100,000	8,947,412	232,452,970	36.2	39.1
	202064010 Infrastructure Development	5,770,000		1,364,680		23.7	0.0
Sub Total		**38,429,487**	**1,269,041,894**	**10,902,395**	**344,784,526**	**28.4**	**27.2**
Commerce, Trade, Industry And Tourism							
Agro Marketing	102054010 Cooperatives	4,050,000	33,000,000	310,000		7.7	0.0
Tourism Program	110014010 Tourism Development	730,706	-	300,000		41.1	0.0
	301014010 Tourism Promotion and Marketing	-	-			0.0	0.0
Trade Development Program	111014010 Trade & Enterprise Development	27,250,000	16,000,000	8,103,400	-	29.7	0.0
	Market Development and Upgrade	-	-			0.0	0.0
	302014010 Domestic Trade Development	-	-			0.0	0.0
	302024010 Fair Trade and Consumer Protection	-	-			0.0	0.0
	502034010 Industry Development Program		136,300,000		52,631,579	0.0	38.6
Administration and Support	706014010 General Administration Planning and Support Services	28,320,000	-	11,546,061		40.8	0.0
Consumer Protection and Regulation	Consumer Protection and Regulation	1,900,000	-	-		0.0	0.0
Industrialisation	Industrialisation	1,780,000		426,896		24.0	0.0
Sub Total		**64,030,706**	**185,300,000**	**20,686,357**	**52,631,579**	**32.3**	**28.4**
Education & Technical Training							
Ecde Programme	501034010 Early Childhood Development Education	138,000,000	13,000,000	51,615,436	-	37.4	0.0
	Infrastructural Work	-	-			0.0	0.0
	ECDE Furniture	-	-			0.0	0.0
Polytechnics Program	507014010 Revitalisation of Youth Polytechnics	20,500,000	19,985,790	500,000	-	2.4	0.0
Education Intervention Program 501054010	501054010 Motivation of Primary and Secondary School	279,000,000	-	205,776,000		73.8	0.0
	509024010 Motivation of Primary and Secondary Schools	-	-			0.0	0.0
Administration and Support	706014010 General Administration Planning and Support Services	326,823,424	-	272,783,554		83.5	0.0
Sub Total		**764,323,424**	**32,985,790**	**530,674,990**	-	**69.4**	**0.0**
Health And Sanitation							
Infrastructure Development Program	101104010 Infrastructure Development	-	-			0.0	0.0
	109024010 Infrastructure Improvement Services	-	-			0.0	0.0
Alcohol Program	401014010 Alcoholic Control and Reviewing of Licences	1,710,000	-	194,400		11.4	0.0

	402034010 Preventive and Promotive Care	-	40,000,000		11,850,000	0.0	29.6
Curative Program	402054010 Free Primary HealthCare	603,800,000	88,000,000	352,102,924	22,328,730	58.3	25.4
Nutrition International	Nutrition International (grant)	-	40,184,200		15,000,000	0.0	37.3
Administration and Support	706014010 General Administration Planning and Support Services	2,671,048,895	201,710,000	1,540,586,652	25,977,193	57.7	12.9
Sub Total		**3,276,558,895**	**369,894,200**	**1,892,883,976**	**75,155,923**	**57.8**	**20.3**
Lands, Housing & Physical Planning						0.0	0.0
Urban Development	102074010 Urban Development	-	-			0.0	0.0
	103074010 Land Administration	900,000	-	339,000		37.7	0.0
Land Policy Succession and Surveying	103014010 Land Policy and Planning					0.0	0.0
	103044010 Land Survey	1,300,000	3,200,000	500,000		38.5	0.0
Estate Management	701034010 Public Trusts and Estates Management	-	-			0.0	0.0
Administration and Support	706014010 General Administration Planning and Support Services	56,929,031	-	14,381,491		25.3	0.0
Physical Planning	Physical Planning	3,150,000	17,100,000	1,257,211		39.9	0.0
Digitisation of Lands	Digitisation of Lands	400,000	-	-		0.0	0.0
Sub Total		**62,679,031**	**20,300,000**	**16,477,702**	-	**26.3**	**0.0**
County Public Service Board						0.0	0.0
General Administration and support	706014010 General Administration Planning and Support Services	32,495,881	-	5,181,447		15.9	0.0
National Value and Governance	National Value and Governance	2,070,000	-	146,086		7.1	#0.0
Sub Total		**34,565,881**	-	**5,327,533**	-	**15.4**	**0.0**
Youth, Culture, Gender, Social Services & Special Programs						0.0	0.0
Social Development Program	102054010 Cooperatives	-	-			0.0	0.0
	901014010 Social Welfare and Vocational Rehabilitation	-	-			0.0	0.0
	902024010 Persons Living With Disabilities	-	6,000,000		5,704,200	0.0	95.1
	711024010 Gender & Social-Economic Empowerment	-	-			0.0	0.0
General Administration and Support	706014010 General Administration Planning and Support Services	49,829,737	-	30,102,128		60.4	0.0
Library Services	Library Services	5,500,000	3,000,000	500,000	1,285,000	9.1	42.8
Youth Development Program	711014010 Youth Development Services	1,300,000	133,000,000	949,800	126,660,000	73.1	95.2

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	Muranga Youth Service- Youth Empowerment	-	-			0.0	0.0
	Boda Boda Training	-	-				
	903034010 Development and Management of Sports Facilities						
Cultural Development Program	904014010 Development And Promotion of Culture	6,700,000	-	3,650,000		54.5	0.0
Social Development programme	Social Development programme	11,450,000	-	1,681,630		14.7	0.0
	Community Sports and Talents	-	40,000,000		4,917,600	0.0	12.3
Sport Development programme	Sport Development programme	26,600,000	-	17,879,000		67.2	0.0

Sub Total		**101,379,737**	**182,000,000**	**54,762,558**	**138,566,800**	**54.0**	**76.1**
Environment, Natural Resources, Water and Irrigation						0.0	0.0
Waste Management Program	101094010 Solid Waste Management	12,194,400	23,000,000	8,352,714	7,320,720	68.5	31.8
	102064010 Environmental Management & Protection	8,370,000	-	1,869,200		22.3	0.0
FlloCA	Climate Change	-	281,129,613		28,240,552	0.0	10.0
Administration and Support	706014010 General Administration Planning and Support Services	91,193,128	-	6,578,466		7.2	0.0
Environmental Governance	1001054010 Environmental Leadership and Governance	4,220,000	-	1,447,400		34.3	0.0
Environmental Administration and Support	General Administration, Planning, and Support Services	-	-			0.0	0.0
Water Development Program	1004014010 Water Supply Infrastructure	3,430,026	-	734,600		21.4	0.0
Borehole Drilling and Equipping Programme	Borehole Drilling and Equipping	-	-			0.0	0.0
Borehole Rehabilitation Programme	Borehole Rehabilitation	-	-			0.0	0.0
ECD Water Tanks Programme	ECD Water Tanks	-	-			0.0	0.0
Irrigation Development	1003024010 Irrigation Development	2,000,000	-	-		0.0	0.0
Last Mile Water Distribution Pipelines Programme	Last Mile Water Distribution Pipelines	-	-			0.0	0.0
Sub Total		**121,407,554**	**304,129,613**	**18,982,380**	**35,561,272**	**15.6**	**11.7**
Public Service Administration						0.0	0.0
Human Resource Development Program	101064010 Human Resource Management and Development	-	-			0.0	0.0
Administration and Support	706001410 General Administration Planning and Support Services	1,011,232,478	-	792,344,145		78.4	0.0
ICT Program	Automation	-	-			0.0	0.0
	Acquisition of ICT Equipment	-	-			0.0	0.0
	Connectivity for Headquarters and devolved units (WAN/ LAN)	-	-			0.0	0.0
ICT and E-Government	ICT and E-Government	24,100,000	96,000,000	4,764,420	35,000,000	19.8	36.5
Sub Total		**1,035,332,478**	**96,000,000**	**797,108,565**	**35,000,000**	**77.0**	**36.5**
Murang'a Municipality						0.0	0.0

Municipal Development Program	10109410 Solid Waste Management	-	-			0.0	0.0
	101104010 Infrastructure Development	-	-			0.0	0.0
	Urban Management	1,950,000	45,371,824	805,000	-	41.3	0.0
	102074010 Urban Development and Support	-	-			0.0	0.0
	109024010 Other Municipalities	-	-			0.0	0.0
	703014010 Revenue Automation	-	-			0.0	0.0
	706014010 General Administration Planning and Support Services	57,357,233	-	39,281,516		68.5	0.0
Public Works and Infrastructure development	Infrastructure improvement	-	-			0.0	0.0
Sub Total		**59,307,233**	**45,371,824**	**40,086,516**	-	**67.6**	**0.0**
Kenol Municipality						0.0	0.0
General Administration and Planning	General Administration and Planning	23,476,200	-	896,000		3.8	0.0
	Infrastructure Improvement	-	5,000,000			0.0	0.0
	Urban Development Grant	-	35,371,824			0.0	0.0
Sub Total		**23,476,200**	**40,371,824**	**896,000**	-	**3.8**	**0.0**
Kangari Municipality						0.0	0.0
General Administration and Planning	General Administration and Planning	23,000,000		500,000		2.2	0.0
	Infrastructure Improvement	-	10,000,000			0.0	0.0
	Urban Development Grant	-	-			0.0	0.0
Sub Total		**23,000,000**	**10,000,000**	**500,000**	-	**2.2**	**0.0**
Devolution and External Linkages						0.0	0.0
General Administration and Planning	General Administration and Planning	51,000,000	-	1,379,400	-	2.7	0.0
	Infrastructure Improvement			-	-	0.0	0.0
Sub Total		**51,000,000**	-	**1,379,400**	-	**2.7**	**0.0**
County Assembly						0.0	0.0
Legislation and representation	Legislation and representation	362,105,165.00	-	232,344,855		64.2	0.0
Oversight	Oversight	180,893,193.00	-	119,161,068		65.9	0.0
Administration, planning, and support	Administration, planning, and support	282,816,476.00	40,000,000.00	150,253,793		53.1	0.0
Sub Total		**825,814,834**	**40,000,000**	**501,759,716**	-	**60.8**	**0.0**
Grand Total		**7,525,454,362**	**3,218,196,723**	**4,439,874,188**	**1,045,791,460**	**59.0**	**32.5**

Source: Murang'a County Treasury

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Sub-programmes with the highest levels of implementation based on absorption rates were: Preventive Administration Planning and support Services in the Department of Education & Technical Training at 83.5 per cent, Crops Development in the Department of Agriculture, Livestock And Fisheries at 81.4 per cent, General Administration Planning and support Services in the Department of Public Service Administration & Information Technology at 78.4 per cent, and Muranga Youth service-Youth Empowerment in the Department of Youth, Culture, Gender, Social Services & Special Programs at 73.1 per cent of budget allocation.

3.29.15 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 20 accounts with commercial banks, including eight accounts for Health Facilities, eight accounts for Established Funds, one revenue account, two special purpose accounts (additional allocations), and 1 Imprest bank account.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 20 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.29.16 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;

i. The County Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 28 April 2025.
ii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of the **County Assembly Car Loan and Mortgage Fund** had lapsed, making it ineligible for further withdrawals.
iii. A high level of pending bills, amounting to Kshs.833.40 million as of 31 March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
iv. Use of manual payroll. Personnel emoluments amounting to Kshs.178.84 million were processed through manual payroll, accounting for 5.6 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
v. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
iii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
iv. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
v. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

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3.30. Nairobi City County Government

3.30.1 Overview of FY 2024/25 Budget

The Nairobi City County's Gross Approved Budget for FY 2024/25 is Kshs.43.56 billion. It comprises Kshs.14.26 billion (32.7 per cent) and Kshs.29.30 billion (67.3 per cent) allocations for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.28 billion (3 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.8.45 billion and a recurrent budget of Kshs.33.83 billion. The increase in the budget was attributed to the rise in budgeted own-source revenue and unspent cash balance from FY 2023/24. The County's Net Approved Budget is Kshs.43.21 billion, comprising Kshs.29.01 billion for recurrent and Kshs.14.20 billion for development.

The budget will be financed from various sources of revenue, including: Kshs.20.85 billion (46.0 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.3 billion (3.0 per cent) as additional allocations, a cash balance of Kshs.1.0 billion (2.3 per cent) brought forward from FY 2023/24, and Kshs.20.41 billion (46.9 per cent) generated as gross own-source revenue. The own-source revenue comprises Kshs.351 million (1.7 per cent) as Appropriations-in-Aid (A-I-A) and Kshs.20.06 billion (98.3 per cent) as ordinary own-source revenue. The county government did not budget for the Facility Improvement Fund (revenue from health facilities). A breakdown of the additional allocations is shown in Table 3.302.

3.30.2 Revenue Performance

During the review period, the County received Kshs.23.81 billion to fund its development and recurrent activities. This amount represents an increase/decrease of Kshs.0.41 billion from Kshs.23.4 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.11.67 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.35.2 million, and its own-source revenue (OSR) collection of Kshs.10.2 billion. In addition, the County had a cash balance of Kshs.1.9 billion from FY 2023/24.

The total OSR collection of Kshs.10.2 billion includes Appropriations in Aid (AIA) of Kshs.240.14 million, Facilities Improvement Financing (FIF) of Kshs.1.25 billion, and Kshs.8.71 billion from other OSR sources. The FIF was received from Mbagathi Hospital, Mama Lucy Kibaki Hospital, Pumwani Maternity Hospital, Mama Margaret Hospital and Mutuini Hospital. Table 3.302 Summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.302: Nairobi City County, Revenue Performance in the First Nine Months of FY 2024/25

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**	20,855,390,632	11,668,457,688	55.9
Sub Total		**20,855,390,632**	**11,668,457,688**	**55.9**
B	**Conditional Grants**			
1	Community Health Promoters	224,010,000	-	-
2	CAIP - County Aggregated Industrial Projects	250,000,000	-	-
3	IDA Credit--Second Kenya Devolution Support Programme KDSP II	37,500,000	-	-
4	SWEDEN-Kenya Agricultural Business Devt Project	10,918,919	-	-
5	DANIDA Grant-Primary Health Care in Devolved Context	24,521,250	-	-
6	World Bank -Kenya Informal Settlement Improvement Project II	750,000,000	-	-
7	Other Conditional Grants	-	35,195,690	-
Sub-Total		**1,296,950,169**	**35,195,690**	**2.7**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	20,060,926,033	8,711,687,859	43.4
2	Facility Improvement Fund (FIF)	-	1,246,689,109	-
3	Appropriation in Aid (AIA)	351,000,000	240,141,606	68.4
Sub Total		**20,411,926,033**	**10,198,518,574**	**50.0**

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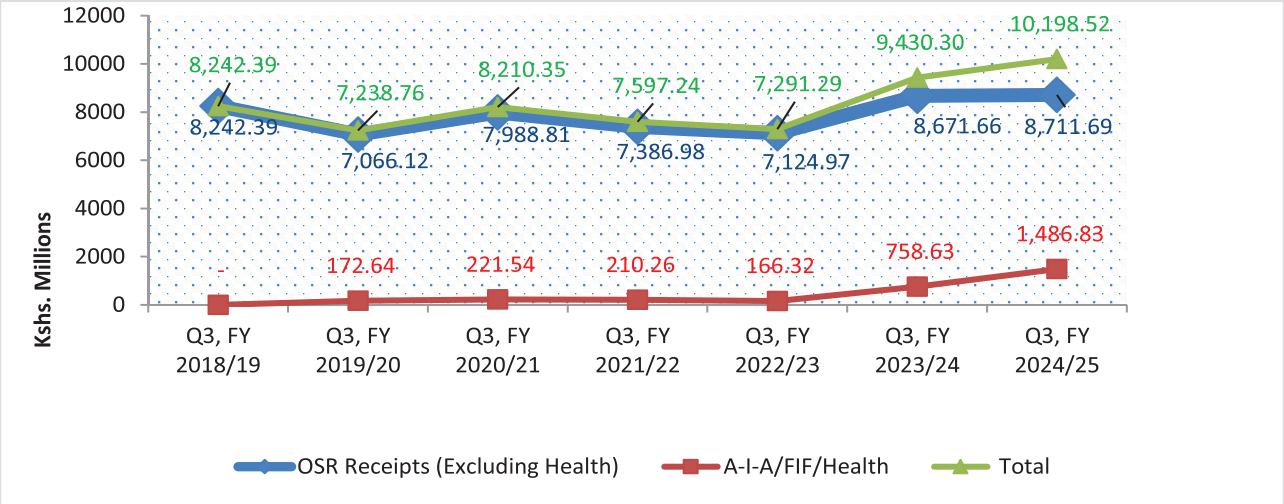
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
D	Other Sources of Revenue			
1	Balance b/f from FY 2023/24	1,000,000,000	1,904,553,513	190.5
Sub Total		1,000,000,000	1,904,553,513	190.5
Grand Total		43,564,266,834	23,806,725,465	54.6

Source: *Nairobi City County Treasury*

The County Treasury reported receipt of Kshs.35,195,690 but had not confirmed its source as of the finalisation of this report. The balance b/f from FY2023/24 has an actual receipt as a percentage of the annual allocation of 190.5 per cent, which is attributed to the county's understating its opening cash balances. The Facility Improvement Fund was not budgeted for despite receipt of Kshs.1.25 billion during the period. The County has governing legislation on the operation of ordinary A-I-A and F.I.F in the name of the Liquor Act and the Health Act, respectively.

Figure 114 Shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

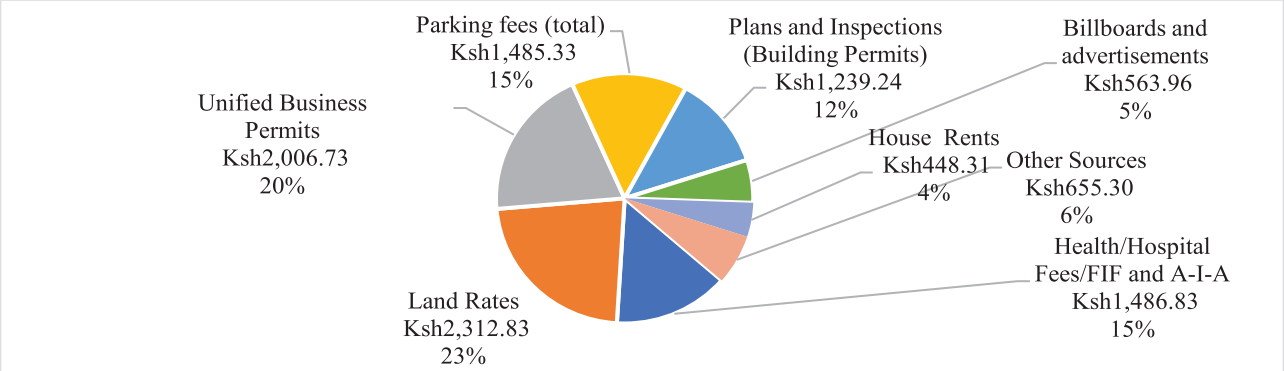
Figure 114: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



Source: *Nairobi City County Treasury*

During the review period, the County generated Kshs.10.2 billion from its revenue sources, including AIA and F.I.F. This amount was an increase of 8.1 per cent compared to Kshs.9.43 billion realised in a similar period in FY 2023/24, 50 per cent of the annual target and 87.4 per cent of the equitable revenue share disbursed. The county did not provide data on revenue arrears and penalties charged on fees and levies from previous financial years. The revenue streams which contributed the highest OSR receipts are shown in Figure 115.

Figure 115: Top Own Source Revenue Streams in the First Nine Months FY 2024/25 (In Kshs.Million)



Source: Nairobi City County Treasury

As shown in Figure 115, the highest revenue stream is Kshs.2.31 billion, from land rates, which contributed 23 per cent of the total OSR receipts. The County Government has automated all the revenue streams except F.I.F.

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3.30.3 Borrowing by the County

At the beginning of FY 2024/25, the County Assembly had an outstanding balance from Family Bank of Kshs.242.33 million. During the reporting period, it borrowed an additional Kshs.56.1 million from Family Bank to support its operations. The Assembly had not repaid the loan; therefore, by 31 March 2024, the total amount borrowed from Family Bank was Kshs.298.53 million.

The County Executive has a bank overdraft facility with the Co-operative Bank of Kenya Limited to pay for its personnel emoluments, which average Kshs.1.6 billion per month. As of 31 March 2025, it had an overdraft balance of Kshs.1.54 billion and had paid Kshs.43.14 million in bank charges and commissions for the same.

In addition, the county has a long outstanding KCB loan of Kshs. 4,504,199,426 (taken in 2010 during the defunct Nairobi City Council) which is listed in the pending bills.

3.30.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.21.44 billion during the reporting period, 21.44 billion from the CRF account comprised Kshs.2.14 billion (10 per cent) for development programmes and Kshs.19.30 billion (90 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.12.84 billion was released towards compensation of employees and Kshs.6.46 billion for operations and maintenance expenditure. The exchequers approved towards compensation for employees in the first nine months of FY 2024/25, does not include the March 2025 exchequer request for the County Executive and County Assembly due to the delay in releasing the equitable share from the National Government. Table 3.303 shows Budget Allocation and Exchequer Issues to the County Departments.

Table 3.303: Nairobi City County, Budget Allocation and Exchequer Issued by County Departments

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Public Service Board	76.40	-	35.60	-	46.6	-
Finance & Economic Planning	3,293.42	120.00	2,515.76	-	76.4	-
Public Service Management	2,065.86	-	1,031.40	1.98	49.9	-
Agriculture, Livestock Development, Fisheries & Forestry	188.82	70.75	98.02	-	51.9	-
County Assembly	1,925.11	1,635.00	1,013.19	75.66	52.6	4.6
Environment, Water, Energy & Natural Resources	3,411.99	541.46	2,574.88	102.46	75.5	18.9
Ward Development Programmes	80.00	2,155.00	6.34	284.97	7.9	13.2
Emergency Fund	100.00	-	-	-	-	-
Boroughs and Public Administration	3,974.26	772.00	3,520.04	257.13	88.6	33.3
County Attorney	253.75	15.00	250.29	-	98.6	-
Innovation and Digital Economy	191.37	263.97	64.64	-	33.8	-
Health, Wellness & Nutrition	8,175.64	2,037.89	5,403.67	2.05	66.1	0.1
Built environments & Urban Planning	512.08	1,082.00	263.56	606.38	51.5	56.0
Mobility and Work	1,577.17	2,181.03	841.44	194.27	53.4	8.9
Talent Skills Devt & Care	2,111.37	1,574.43	1,192.61	313.12	56.5	19.9
Business & Hustler Opportunities	614.12	1,634.00	370.28	287.39	60.3	17.6
Inclusivity, Public Participation,& Citizen Engagement	232.39	120.00	85.42	12.78	36.8	10.7
Nairobi Revenue Authority	226.99	-	36.67	-	16.2	-
Total	**29,011**	**14,203**	**19,304**	**2,138**	**66.5**	**15.1**

***Source**: Nairobi City County Treasury*

As of 31 March, 2025, the County Government's cash balance in the CRF account was Kshs 346.11 million.

3.30.5 County Expenditure Review

The County spent Kshs.21.81 billion on development and recurrent programmes during the reporting period. This expenditure represented 101.7 per cent of the total funds released by the CoB and comprised Kshs.2.43 billion and Kshs.19.38 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 17 per cent, while recurrent expenditures represented 66.1 per cent of the annual recurrent expenditure budget.

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3.30.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.121.78 billion as of 30 June 2024. This amount included Kshs.121.26 billion from the County Executive and Kshs.513.92 million from the County Assembly. The pending bills from the County Executive consist of Kshs.115.95 billion for recurrent expenditures and Kshs.5.31 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.5.94 billion, comprising Kshs.5.05 billion for recurrent programmes and Kshs.893.92 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.140.73 million, which included Kshs.138.77 million for recurrent activities and Kshs.1.96 million for development activities.

The County Executive submitted a summarised pending bills payment plan, while the Assembly submitted a detailed payment plan at the commencement of FY 2024/25, committing to pay Kshs.800 million and Kshs.513.92 million, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.5.94 billion for the Executive and Kshs.140.73 million for the Assembly.

As of 31 March 2025, the outstanding pending bills amounted to Kshs.115.69 billion, comprising Kshs.115.32 billion for the County Executive and Kshs.373.19 million for the County Assembly.

3.30.7 Expenditure by Economic Classification

The County Executive spent Kshs.12.27 billion on employee compensation, Kshs.6.12 billion on operations and maintenance, and Kshs.2.35 billion on development activities. Similarly, the County Assembly spent Kshs.568.92 million on employee compensation, Kshs.423.8 million on operations and maintenance, and Kshs.75.66 million on development activities, as shown in Table 3.304.

Table 3.304: 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	**27,379,613,750**	**1,925,111,836**	**18,386,577,482**	**992,720,382**	**67.2**	**51.6**
Compensation to Employees	17,086,188,290	992,189,321	12,270,971,839	568,921,347	71.8	57.3
Operations and Maintenance	10,293,425,460	932,922,515	6,115,605,644	423,799,035	59.4	45.4
Development Expenditure	**12,624,541,248**	**1,635,000,000**	**2,354,266,623**	**75,661,566**	**18.6**	**4.6**
Total	**40,004,154,998**	**3,560,111,836**	**20,740,844,105**	**1,068,381,948**	**51.8**	**30.0**

***Source**: Nairobi City County Treasury*

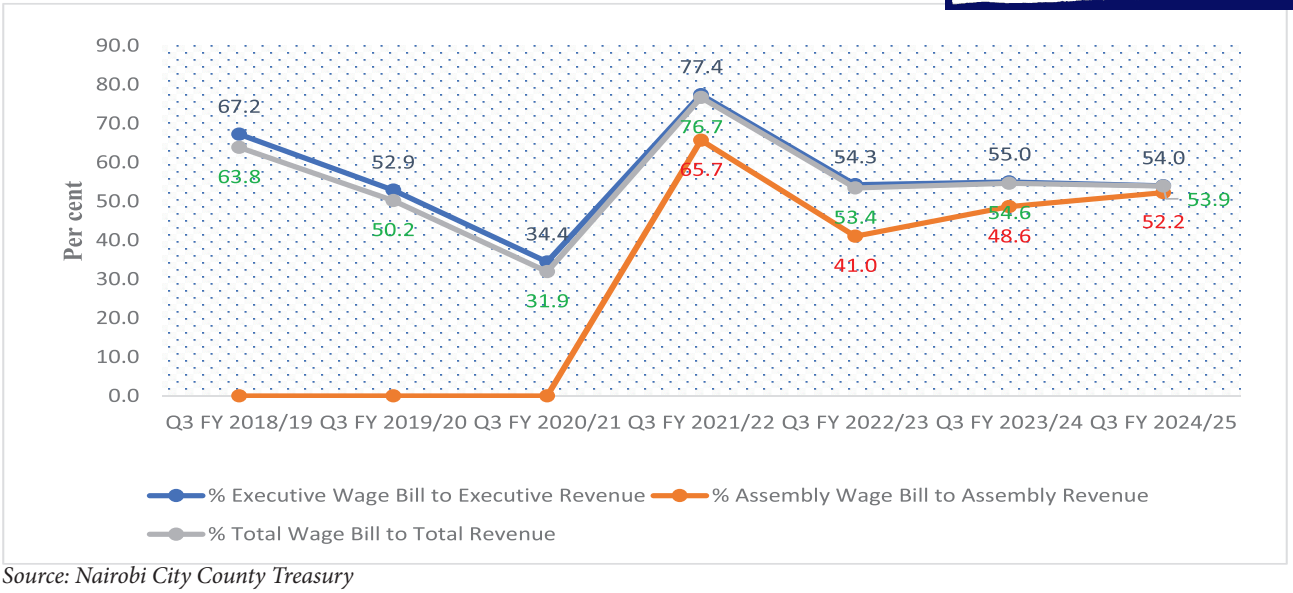
3.30.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.12.84 billion. Consequently, the percentage of employee compensation to this realised revenue is 53.9 per cent. This expenditure on employee compensation shows a decrease compared to the Kshs.13.11 billion was reported during the same period in FY 2023/24. Of this total, Kshs.5.46 billion was allocated to Health Sector employees, accounting for 42.5 per cent of the overall employee compensation.

Figure 116 Shows the compensation trend to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

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Figure 116: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



Source: Nairobi City County Treasury

Further analysis indicates that PE costs amounting to Kshs.12.83 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.629.63 million was processed through manual payrolls, which accounted for 4.9 per cent of the total PE cost.

The manual payrolls comprised salaries for casual staff, gratuity remittances to pension schemes for staff on contract, LAPTRUST/LAPFUND Pension Contributions and salaries to Community Health Workers, as shown in Table 3.305

Table 3.305: Breakdown of Nairobi City County Manual Payroll

	Category	County Executive	County Assembly	Total
1	Salaries for casual staff	13,045,829	83,007,190	**96,053,019**
2	LAPTRUST/LAPFUND Pension Contributions	444,151,032	-	**444,151,032**
3	Gratuity for contract staff	-	8,294,945	**8,294,945**
4	Community Health Workers	81,131,985	-	**81,131,985**
	Total	**538,328,846**	**91,302,135**	**629,630,981**

Source: Nairobi City County Treasury

The County Assembly spent Kshs.27.34 million on committee sitting allowances for the 124 MCAs against the annual budget allocation of Kshs.27.56 million. The average monthly sitting allowance was Kshs.24,494 per MCA. The County Assembly has 26 House Committees.

3.30.9 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. In FY 2024/25, the County allocated Kshs.200 million to county-established funds, representing 0.5 per cent of the County's overall budget. Furthermore, the County allocated Kshs.100 million to the Emergency Fund (0.2 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.306 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.306: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in First Quarter of FY 2024/25 (Kshs.)	Actual Expenditure in First Quarter of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund since inception (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1.	Biashara ward revolving fund	100,000,000	-	-	-	New Fund

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S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in First Quarter of FY 2024/25 (Kshs.)	Actual Expenditure in First Quarter of FY 2024/25 (Kshs.)	Cumulative disbursements from the Fund since inception (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Assembly Established Funds					
2.	Car Loan & Mortgage - County Assembly	100,000,000	-	-	1,016,000,000	Yes
	Total	**200,000,000**	-	-	-	

Source: *Nairobi City County Treasury*

During the reporting period, the CoB received quarterly financial reports from Car Loan & Mortgage – Assembly. The administration costs of the Car Loan & Mortgage - County Assembly Fund were Kshs.7,770,000 translating to 0.8 per cent which was below the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulation 2015.

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

3.30.10 County Corporations

The County has one county corporation: Nairobi Water and Sewerage Company, which operates independently. In FY 2024/25, the county did not allocate funds to this corporation.

Table 3.307: Performance of County Corporations

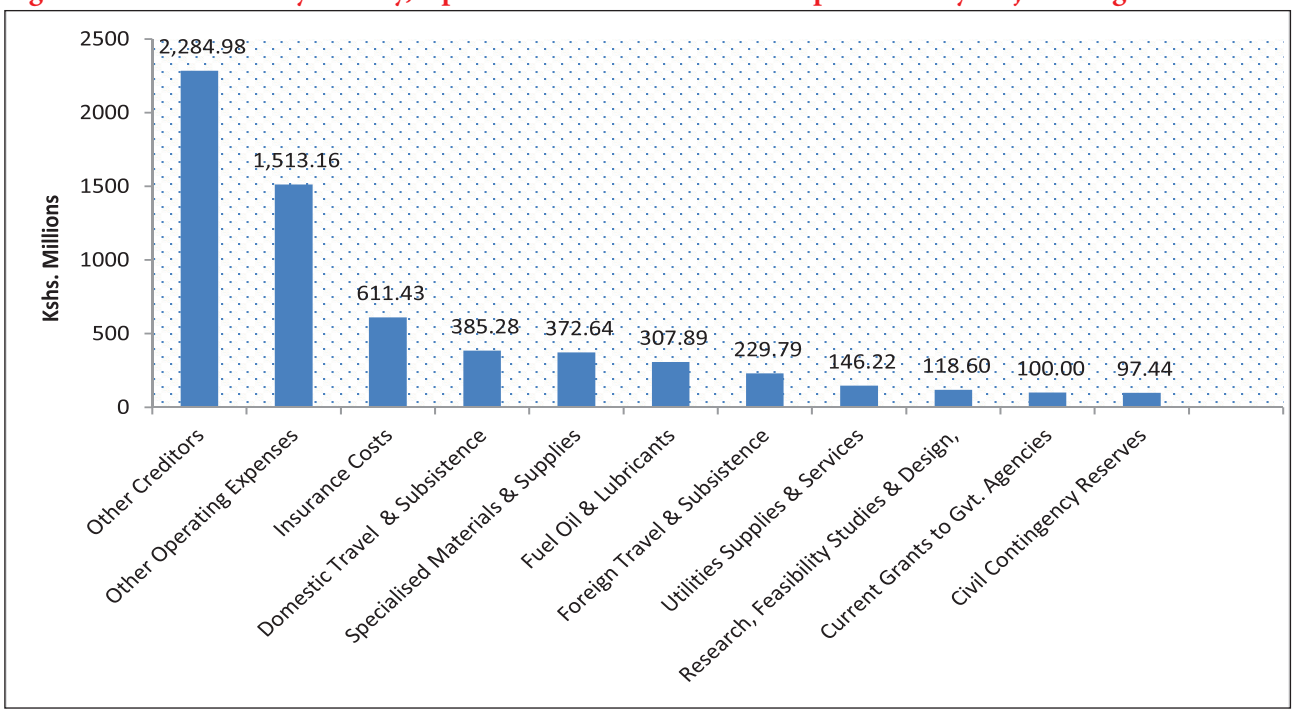
S/No.	Name of the Corporation	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
	Nairobi Water and Sewerage Company	No allocation by the county government	Not applicable	Not applicable

Source: *Nairobi City County Treasury*

3.30.11 Expenditure on Operations and Maintenance

Figure 117 Summarises the Operations and Maintenance expenditure by major categories.

Figure 117: Nairobi City County, Operations and Maintenance Expenditure by Major Categories



Source: *Nairobi City County Treasury*

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Other creditors' costs include payment for pending bills and an expenditure of Kshs.892.11 million on legal fees, Kshs.262.09 million on disaster items and Kshs.216.81 million on travel allowances (per diems). Under the other hand, Other Operating Cost include an expenditure of Kshs.1.13 billion on solid waste, Kshs.90.23 million on legal fees and Kshs.63.68 million on hire of heavy equipment.

Table 3.308 and Table 3.309 give a breakdown of other creditors and other operating expenses.

Table 3.308: Breakdown of Nairobi City County Government's Other Creditors' Expenditures

S/No	Description	1st Qtr 2024/25 (Kshs.)	2nd Qtr 2024/25 (Kshs.)	3rd Qtr 2024/25 (Kshs.)	TOTAL (Kshs.)
1	Legal Fees		600,519,360	291,594,142	892,113,502
2	Disaster Items		249,301,680	12,790,481	262,092,161
3	Per Diem		213,140,592	3,670,810	216,811,402
4	Conference Foreign		96,901,455	70,297,984	167,199,439
5	Medical Supplies and Suppliers		21,980,379	101,130,030	123,110,409
6	Solid Waste		61,481,918	45,350,501	106,832,418
7	Event Management			58,391,783	58,391,783
8	Advertising		32,305,274	15,276,000	47,581,274
9	Other Payments (TBI)		43,260,825		43,260,825
10	Conference		4,201,293	31,374,078	35,575,371
11	Office Equipment		10,947,931	18,407,069	29,355,000
12	Uniform		9,538,459	19,161,100	28,699,559
13	Motor Vehicle Tyres		27,988,179		27,988,179
14	Cleaning Materials			23,847,817	23,847,817
15	Community Health Promoters			23,394,000	23,394,000
16	Public Participation			18,909,023	18,909,023
17	Hose Pipes		16,805,172		16,805,172
18	Network		16,362,923		16,362,923
19	Stationery			15,002,253	15,002,253
20	Spare Parts		12,542,752		12,542,752
21	Assistive Devise		12,255,983		12,255,983
22	Cleaning Services Markets		11,249,520		11,249,520
23	Other Payments Other sectors		10,442,587		10,442,587
24	Communication Gadgets			10,358,522	10,358,522
25	Campaign Materials			9,651,181	9,651,181
26	Consultancy Fees			9,527,586	9,527,586
27	Brush Cutters		8,844,828		8,844,828
28	Digitalisation and Automation Services			8,293,103	8,293,103
29	Motor Vehicles Batteries		7,631,282		7,631,282
30	Protective Equipment			5,798,276	5,798,276
31	Assorted building materials			5,405,123	5,405,123
32	Staging and Branding			4,761,190	4,761,190
33	Withholding Tax			2,986,029	2,986,029
34	Bulk Filers			2,850,000	2,850,000
35	Motor Vehicle		2,490,662		2,490,662
36	Fixing of Signage			2,196,984	2,196,984

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S/No	Description	1st Qtr 2024/25 (Kshs.)	2nd Qtr 2024/25 (Kshs.)	3rd Qtr 2024/25 (Kshs.)	TOTAL (Kshs.)
37	Working Tools			1,672,559	1,672,559
38	Furniture			1,080,543	1,080,543
39	Videography			1,061,379	1,061,379
40	Sitting Allowance NRA			548,100	548,100
	Grand Total		**1,470,193,053**	**814,787,645**	**2,284,980,698**

Source: *Nairobi City County Treasury*

Table 3.309: Breakdown of Nairobi City County Government's 'Other Operating Expenses' Expenditure

S/No	Description	1st Qtr 2024/25 (Kshs.)	2nd Qtr 2024/25 (Kshs.)	3rd Qtr 2024/25 (Kshs.)	TOTAL (Kshs.)
1	Solid Waste		642,070,826	486,281,907	1,128,352,733
2	Legal Fees		89,434,483	803,148	90,237,631
3	Hire Heavy equipment			63,679,623	63,679,623
4	Community Health Promoters			48,632,500	48,632,500
5	Imprest		20,255,900	13,080,900	33,336,800
6	Training			27,485,674	27,485,674
7	Stationery			14,923,337	14,923,337
8	Per Diem		979,305	12,322,329	13,301,634
9	Conference Foreign			12,038,793	12,038,793
10	Conference Foreign			8,891,508	8,891,508
11	Conference Fees			8,494,867	8,494,867
12	Printing		6,879,310		6,879,310
13	Cleaning Materials			5,230,207	5,230,207
14	Lunch and Validation - Music festival			5,209,614	5,209,614
15	Catering Services			2,920,680	2,920,680
16	Protective Equipment			2,918,793	2,918,793
17	Public Participation			2,551,890	2,551,890
18	Music Festival Equipment			2,317,345	2,317,345
19	Office Equipment			2,056,053	2,056,053
20	Per Diem Foreign			1,471,141	1,471,141
21	Motor Vehicle Repairs			489,060	489,060
22	Airtime		393,103		393,103
23	Refund Vaccine		14,500		14,500
	Grand Total	-	**760,027,427**	**721,799,369**	**1,481,826,796**

Source: *Nairobi City County Treasury*

Expenditure on domestic travel amounted to Kshs.385.28 million, comprising Kshs.191.10 million spent by the County Assembly and Kshs.194.17 million by the County Executive. Expenditure on foreign travel amounted to Kshs.229.79 million and comprised Kshs.80.96 million by the County Assembly and Kshs.148.82 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.310.

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Table 3.310: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Travel Costs of the Travel (Kshs.)
Executive	7	18-24 Nov. 2024	Sustainability in Public Sector Finance training	Singapore	19,903,403
Executive	7	06-12 Jan. 2025	Training on financial reporting and analysis	Dubai	15,207,430
Executive	7	22-28 July 2024	Experimental learning on economic empowerment for devolved government	Singapore	15,107,995
Executive	7	16-22 Dec. 2024	Tchoukball indoor championship	Switzerland	12,473,599
Executive	3	30 Sep. - 2 Oct. 2024	4th Forum of Mayor's Cities summit of the future	Switzerland	4,651,484
Assembly	11	16-22 Dec. 2024	Board Leadership Seminar.	Dubai	6,435,622
Assembly	7	19-13 Aug. 2024	Training on leadership management	Turkey	3,959,305
Assembly	7	6-12 Sep. 2024	Training on devolution & Governance	Dubai	3,771,018
Assembly	7	23-30 Aug. 2024	Training on values and principles of leadership in Public service	Dubai	3,701,481
Assembly	6	24-30 Aug. 2024	Training in sustainable Financing in Public Sector	Singapore	3,623,139

Source: Nairobi County Treasury and Nairobi County Assembly

3.30.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.1.25 billion as FIF. The County did not factor the FIF into its budget. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. However, the County has not developed regulations to operationalise the FIF Act of 2023.

The Health Facilities did not provide a report on the utilisation of the FIF during the reporting period, contrary to Section 18 (e) of the FIF Act, 2023.

3.30.13 Development Expenditure

The County reported spending Kshs.2.43 billion on development programmes in the review period. an increase of 92.1 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.1.26 billion. However, the County government failed to provide a schedule showing the actual expenditure per project during the period.

3.30.14 Budget Performance by Department

Table 3.311 summarises the approved budget allocation, expenditure, and absorption rate by departments in the period under review.

Table 3.311: Nairobi City County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Public Service Board	76.40	-	35.60	-	43.01	-	120.8	-	56.3	-
Finance & Economic Planning	3,293.42	120.00	2,515.76	-	3,230.44	-	128.4	-	98.1	-
Public Service Management	2,065.86	-	1,031.40	1.98	701.71	1.98	68.0	100.0	34.0	-
Agriculture, Livestock Development, Fisheries & Forestry	188.82	70.75	98.02	-	95.22	-	97.1	-	50.4	-
County Assembly	1,925.11	1,635.00	1,013.19	75.66	992.72	75.66	98.0	100.0	51.6	4.6
Environment, Water, Energy & Natural Resources	3,411.99	541.46	2,574.88	102.46	2,634.43	102.46	102.3	100.0	77.2	18.9
Ward Development Programmes	80.00	2,155.00	6.34	284.97	3.33	284.97	52.5	100.0	4.2	13.2

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Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expen-diture to Exche-quer plus AIA (%)	Absorption rate (%)		
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Emergency Fund	100.00	-	-	-	97.44	-	-	-	97.4	-
Liquor Licensing Board	294.00	57.00	-	-	218.35	-	-	-	74.3	-
Boroughs and Public Administration	3,974.26	772.00	3,520.04	257.13	2,561.48	257.13	72.8	100.0	64.5	33.3
County Attorney	253.75	15.00	250.29	-	250.29	-	100.0	-	98.6	-
Innovation and Digital Economy	191.37	263.97	64.64	-	74.88	-	115.8	-	39.1	-
Health, Wellness & Nutrition	8,175.64	2,037.89	5,403.67	2.05	5,925.52	2.05	109.7	100.0	72.5	0.1
Built environments & Urban Planning	512.08	1,082.00	263.56	606.38	292.49	606.38	111.0	100.0	57.1	56.0
Mobility and Work	1,577.17	2,181.03	841.44	194.27	799.65	486.00	95.0	250.2	50.7	22.3
Talent Skills Devt & Care	2,111.37	1,574.43	1,192.61	313.12	923.21	313.12	77.4	100.0	43.7	19.9
Business & Hustler Opportunities	614.12	1,634.00	370.28	287.39	385.75	287.39	104.2	100.0	62.8	17.6
Inclusivity, Public Participation, & Citizen Engagement	232.39	120.00	85.42	12.78	91.99	12.78	107.7	100.0	39.6	10.7
Nairobi Revenue Authority	226.99	-	36.67	-	57.41	-	156.5	-	25.3	-
Total	**29,305**	**14,260**	**19,304**	**2,138**	**19,379**	**2,430**	**100.4**	**113.6**	**66.1**	**17.0**

Source: *Nairobi City County Treasury*

Analysis of expenditure by departments shows that the Department of Built Environment & Urban Planning recorded the highest absorption rate of development budget at 56 per cent, followed by the Department of Boroughs and Public Administration at 33 per cent. The Department of County Attorney had the highest percentage of recurrent expenditure to budget at 98.6 per cent, while the Department of Ward Development Programmes had the lowest at 4.2 per cent.

The main reasons for instances of expenditure being greater than the exchequer for the vote are:

(i) Unspent balances of Kshs.426.31 million from conditional grants. Since these are not refunded to the CRF at the end of the financial year, their expenditure in the subsequent year may cause the actual spending in their respective votes to exceed the exchequer.

(ii) Payments in the budget lines whose exchequer issues (funding) have not been approved by the Controller of Budget.

3.30.15 Budget Execution by Programmes and Sub-Programmes

Table 3.312 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.312: Nairobi City County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Budget (Kshs.)		Total Actual Payments (Kshs.)		% Absorption	
		Rec	Dev	Rec	Dev	Rec	Dev
COUNTY PUBLIC SERVICE BOARD							
General Administrative Services	General Administration Planning and Support Services	76,403,886	-	43,012,076	-	56.3	-
		76,403,886	-	**43,012,076**	-	**56.3**	-
FINANCE & ECONOMIC PLANNING							
Public Financial Management	Asset Management Services	213,000,000	-	17,380,654	-	8.2	-
	Accounting Services	97,109,248	20,000,000	14,713,718	-	15.2	-
	Debt Management Services	684,000,000	-	2,018,450,863	1,981,509	295.1	-
	Resource Mobilization	225,000,000	100,000,000	42,288,659	-	18.8	-

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Programme	Sub-Programme	Approved Budget (Kshs.)		Total Actual Payments (Kshs.)		% Absorption	
		Rec	Dev	Rec	Dev	Rec	Dev
	Supply Chain Management	153,034,372		74,968,563	-	49.0	-
General Administrative Services	General Administration & Support Services	1,652,273,558	-	1,013,217,247	-	61.3	
Economic Policy, Formulation and Budget Management	Economic Planning Formulation and Management	134,000,000	-	9,285,772	-	6.9	
	Budget Formulation, Coordination, and Management	125,000,000	-	40,138,096	-	32.1	
		10,000,000	-	-	-	-	
		3,293,417,178	**120,000,000**	**3,230,443,571**	**1,981,509**	**98.1**	**1.7**
PUBLIC SERVICE MANAGEMENT							
General Administrative Services	General Administration & Support Services	413,211,203	-	163,037,733	-	39.5	-
Public Service Transformation	Human Resource Management	1,598,498,578	-	527,250,686	-	33.0	-
	Human Resource Development	16,645,300	-	11,425,756	-	68.6	-
		37,500,000		-	-	-	-
		2,065,855,081	-	**701,714,175**	-	34.0	-
AGRICULTURE, LIVESTOCK DEVELOPMENT, FISHERIES & FORESTRY							
General Administration Planning and Support Services	Administration, Planning & Support Services	148,496,420		92,259,336	-	62.1	-
		162,462	-	42,000	-	25.9	-
Urban Agriculture Promotion & Regulation	Crop Development and Management	22,665,393	20,000,000	152,000	-	0.7	-
		4,061,559	-	90,000	-	2.2	-
	Fisheries Development and Management	1,502,779	-	290,000	-	19.3	-
	Livestock Resources Management and Development	1,543,395	20,000,000	76,000	-	4.9	-
Animal Health, Safety and Quality Assurance	Animal Research, Diseases, Pest Control & Quality Assurance	1,990,168	16,754,496	200,000	-	10.0	-
Afforestation	Forestry Services	6,934,160	-	1,956,008	-	28.2	-
Food Systems and Surveillance	Food Systems and Surveillance Services	1,462,158	14,000,000	152,000	-	10.4	-
		188,818,494	**70,754,496**	**95,217,344**	-	50.4	-
COUNTY ASSEMBLY							
Legislation, Oversight, and Representation	Legislation and Representation	6,271,200	-	841,600	-	13.4	-
	Oversight	829,181,198	-	829,292,213	-	100.0	-
	General Administration and Support Services	262,929,500	-	23,043,200	-	8.8	-
		28,866,280	-	2,547,600	-	8.8	-
		797,863,658	1,635,000,000	136,995,770	75,661,566	17.2	4.6
		1,925,111,836	**1,635,000,000**	**992,720,382**	**75,661,566**	**51.6**	**4.6**

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Programme	Sub-Programme	Approved Budget (Kshs.)		Total Actual Payments (Kshs.)		% Absorption	
		Rec	Dev	Rec	Dev	Rec	Dev
ENVIRONMENT, WATER, ENERGY & NATURAL RESOURCES							
General Administration & Support Services	General Administration & Support	1,789,925,265	-	1,234,026,403	-	68.9	-
Environment Management and Protection.	Beautification, Recreation and Greening Services	15,230,848	-	1,800,000	-	11.8	-
	Solid waste management	1,580,430,946	400,000,000	1,396,357,909	102,464,100	88.4	25.6
	Environment Planning Management Services	2,030,780		-	-	-	-
	Energy & Natural Resources	17,870,862	141,460,000	2,166,847	-	12.1	-
Water Resources Management	Environment planning Management	6,498,495		76,000	-	1.2	-
		3,411,987,196	**541,460,000**	**2,634,427,159**	**102,464,100**	**77.2**	**18.9**
WARD DEVELOPMENT PROGRAMMES							
Ward Development	Ward Development & Administration	80,000,000	2,155,000,000	3,326,739	284,969,735	4.2	13.2
		80,000,000	**2,155,000,000**	**3,326,739**	**284,969,735**	**4.2**	**13.2**
EMERGENCY FUND							
General Administrative Services	General Administration & Support Services	100,000,000	-	97,437,275	-	97.4	-
		100,000,000	-	**97,437,275**	-	**97.4**	-
LIQUOR LICENSING BOARD							
Licensing and Fair-Trade Practices	Liquor Licensing & Regulation	294,000,000	57,000,000	218,352,132	-	74.3	-
		294,000,000	**57,000,000**	**218,352,132**	-	**74.3**	-
BOROUGHS AND PUBLIC ADMINISTRATION							
General Administrative Services	General Administration & Support Services	253,708,318	185,000,000	159,334,228	132,757,283	62.8	71.8
		4,900,678	20,000,000	1,447,600	-	29.5	-
		2,131,099	-	493,010	-	23.1	-
Performance Management and Public Service Delivery	Performance Contracting Management	5,451,669	-	3,471,842	-	63.7	-
		3,320,894	-	-	-	-	-
Coordination of executive services	Executive Office Management Services	173,702,210	-	104,977,839	-	60.4	-
		60,923,391	-	14,897,206	-	24.5	-
		8,123,119	-	-	-	-	-
	Intergovernmental Relations Services	8,529,277	-	1,035,335	-	12.1	-
	Donor Coordination Services	31,680,163	-	5,076,800	-	16.0	-
Coordination of boroughs and devolved units	Boroughs, Sub County Administration & coordination of devolved	574,954,189	387,000,000	392,985,129	49,137,931	68.4	12.7
Security and Safety Management	Inspectorate	2,253,192,578	35,000,000	1,568,000,183	26,254,733	69.6	75.0
	Investigative Services	50,018,859	-	31,736,023	-	63.4	-

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Programme	Sub-Programme	Approved Budget (Kshs.)		Total Actual Payments (Kshs.)		% Absorption	
		Rec	Dev	Rec	Dev	Rec	Dev
Disaster Management & Coordination	General Administrative Services	325,075,284	-	210,710,953	-	64.8	-
	Firefighting and rescue services	110,796,300	120,000,000	26,278,844	48,984,578	23.7	40.8
	Ambulance Services	9,922,415	-	-	-	-	-
	Disaster Risk Reduction	31,252,645	15,000,000	3,741,900	-	12.0	-
Internal Audit	Audit Services	66,573,812	10,000,000	37,289,994	-	56.0	-
		3,974,256,900	**772,000,000**	**2,561,476,887**	**257,134,524**	**64.5**	**33.3**
COUNTY ATTORNEY							
Management of legal affairs	Legal services	253,746,650	15,000,000	250,290,489	-	98.6	-
		253,746,650	**15,000,000**	**250,290,489**	-	**98.6**	-
INNOVATION AND DIGITAL ECONOMY							
General Administration Planning and Support Services	General Administration, Planning and Support Services	99,537,984	-	66,531,333	-	66.8	-
Digital Economy and Start-Ups	Digital Economy	3,218,468	-	933,377	-	29.0	-
	E-Learning	4,249,248	-	-	-	-	-
	Start ups	6,341,587	-	-	-	-	-
Smart Nairobi	Smart Nairobi	13,809,302	263,974,624	3,425,091	-	24.8	-
ICT Infrastructure Connectivity	ICT Infrastructure Connectivity	2,640,014	-	-	-	-	-
	Information Security	61,575,446	-	3,987,405	-	6.5	-
		191,372,049	**263,974,624**	**74,877,206**	-	**39.1**	-
HEALTH, WELLNESS AND NUTRITION							
Public Health	HIV/AIDS Prevention & Control Unit	1,624,625	-	-	-	-	-
	TB Control	487,389	-	-	-	-	-
	Malaria Control & Other Communicable Diseases	2,802,477	-	639,200	-	22.8	-
	Environmental / Public Health	4,061,559	-	120,800	-	3.0	-
	Health Policy and Regulation	4,061,559	40,000,000	-	-	-	-
	Coroner Services Unit	6,092,339	65,000,000	3,624,600	-	59.5	-
	Nairobi County Public Health Emergency Response	2,396,320	-	-	-	-	-
Health Facilities	County Referral Hospitals	5,203,078	182,242,958	-	2,045,502.00	-	1.1
		7,003,078	32,859,175	-	-	-	-
		6,203,078	194,100,000	-	-	-	-
		5,284,309	262,165,646	-	-	-	-
		2,403,078	239,839,281	-	-	-	-
			81,446,000	-	-	-	-
	Health planning and financing	12,619,977	187,979,500	584,800	-	4.6	-
	Health Centres & Dispensaries	60,027,723	699,771,941	-	-	-	-

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Programme	Sub-Programme	Approved Budget (Kshs.)		Total Actual Payments (Kshs.)		% Absorption	
		Rec	Dev	Rec	Dev	Rec	Dev
	Pumwani School of Nursing	812,312	52,482,836	-	-	-	-
	Health Commodities	25,000,000	-	2,385,000	-	9.5	-
Medical services	Primary Health Care	34,684,837	-	357,900	-	1.0	-
	Nairobi Medical Insurance			-	-	-	-
	Reproductive Health & Maternal Health (RMNCAH)	28,645,296	-	7,057,800	-	24.6	-
	Clinical Services	111,055,832	-	5,533,497	-	5.0	-
		27,481,661	-	-	-	-	-
	Research, Quality Assurance & Standards Unit	1,624,624	-	-	-	-	-
Wellness and Nutrition	Nutrition	4,873,873	-	-	-	-	-
	Wellness	4,061,560	-	-	-	-	-
	Nutrition	808,082,502	-	684,117,474	-	84.7	-
General administration, planning and support services	Administration/Human Resource for Health	7,009,051,798	-	5,221,095,996	-	74.5	-
		8,175,644,884	**2,037,887,337**	**5,925,517,067**	**2,045,502**	**72.5**	**0.1**
BUILT ENVIRONMENT & URBAN PLANNING							
General Administrative Services	Administration, Planning & Support Services	351,619,698	-	271,640,676	-	77.3	-
Urban Development & Planning	Urban Planning Compliance & Enforcement Services	10,153,899	-	686,000	-	6.8	-
Land Management and Property Management	Land Survey, GIS and Mapping Services	90,153,900	217,000,000	15,323,003		17.0	-
		50,000,000	-	3,787,600	-	7.6	-
Housing Development and Building Services	Urban Renewal; Housing and Urban Renewal Services	8,448,045	865,000,000	1,053,500	606,378,815	12.5	**70.1**
	Building services	1,705,855		-	-	-	-
		512,081,397	**1,082,000,000**	**292,490,779**	**606,378,815**	**57.1**	**56.0**
MOBILITY AND WORKS							
General Administration, Planning And Support Services	General Administration, Planning And Support Services	1,167,595,976	-	648,425,368	-	55.5	-
Works	Road and stormwater drainage	5,564,336	1,449,946,768	-	387,988,448	-	26.8
	Electrical engineering services	4,061,559	100,000,000	-	98,013,372	-	98.0
	Building works services	3,801,619	8,000,000	-	-	-	-
Mobility	Transportation	395,127,604	488,735,000	151,220,173	-	38.3	-
	Traffic Management Services					-	-
	Mechanical Engineering Services (Automotive section)	1,015,390	134,350,000	-	-	-	-
		1,577,166,484	**2,181,031,768**	**799,645,541**	**486,001,820**	**50.7**	**22.3**

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Programme	Sub-Programme	Approved Budget (Kshs.)		Total Actual Payments (Kshs.)		% Absorption	
		Rec	Dev	Rec	Dev	Rec	Dev
TALENT SKILLS DEVT & CARE							
General administration, planning and support services	General Administration & Support Services	1,781,860,965	-	684,603,082	-	38.4	-
Education services	Early Childhood Development Centres	100,000,000	510,000,000	100,000,000	9,168,534	100.0	1.8
	Technical and Vocational Training	1,507,931	58,933,024	-	-	-	-
Social Services	General Administration & Support Services	177,649,294	-	124,033,036	-	69.8	-
		1,303,208	-	-	-	-	-
	Gender and Community Empowerment	814,504	-	-	-	-	-
	Social welfare and care for the Aged	2,321,339	-	205,200	-	8.8	-
	Rescue and Rehabilitation of Children Services	21,832,637	55,000,000	571,166	-	2.6	-
Youth, Talent & Sports	General Administration & Support Services	13,515,939	-	9,542,771	-	70.6	-
	Youth Empowerment and Promotion	2,117,714	-	294,200	-	13.9	-
	Recreational Services	1,425,384	120,000,000	2,262,615	-	158.7	-
	Development and promotion of sports	6,304,266	825,500,000	1,579,730	303,950,424	25.1	36.8
	Promotion of Library and Information Services	712,692	5,000,000	114,800	-	16.1	-
		2,111,365,873	**1,574,433,024**	**923,206,599**	**313,118,959**	**43.7**	**19.9**
BUSINESS & HUSTLER OPPORTUNITIES							
General Administration Planning and Support Services	Business & Hustler Opportunities Headquarters	522,944,929	-	380,625,242	-	72.8	-
Co-operative Development and Audit Services Services	Co-operative Development	6,498,496	-	382,400	-	5.9	-
	Co-operative Audit	4,061,560	-	174,400	-	4.3	-
Trade Development and Market Services	Markets Department Headquarters	2,640,015	994,000,000	104,000	287,388,596	3.9	28.9
	Trade Development Department	42,640,013	540,000,000	3,600,000	-	8.4	-
Licensing and Fair-Trade Practices	Weights & Measures Services	2,640,012		-	-	-	-
	Trade Licensing	2,640,015		295,200	-	11.2	-
	Betting & Gaming Services ; Betting & Gaming Services	17,058,551	100,000,000	278,400	-	1.6	-
Business & hustler opportunities	Micro, Small and Medium Enterprises development	12,996,991		289,600	-	2.2	-
		614,120,582	**1,634,000,000**	**385,749,242**	**287,388,596**	**62.8**	**17.6**

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Programme	Sub-Programme	Approved Budget (Kshs.)		Total Actual Payments (Kshs.)		% Absorption	
		Rec	Dev	Rec	Dev	Rec	Dev
INCLUSIVITY, PUBLIC PARTICIPATION & CITIZEN ENGAGEMENT							
Public Participation, Citizen Engagement & Customer Service	Public Participation, Citizen Engagement & Customer Service	93,709,639		66,271,314	-	70.7	-
		10,552,133		2,700,000	-	25.6	-
		13,411,270		-	-	-	-
		13,402,944		900,000	-	6.7	-
City Culture Arts & Tourism	City Culture Arts & Tourism	32,226,582	100,000,000	1,278,200	12,783,064	4.0	12.8
		2,843,092		471,700	-	16.6	-
Gender and Inclusivity	Gender and Inclusivity	66,246,239	20,000,000	20,364,382	-	30.7	-
NAIROBI REVENUE AUTHORITY		**232,391,899**	**120,000,000**	**91,985,596**	**12,783,064**	**39.6**	**10.7**
Nairobi Revenue Authority	Nairobi Revenue Authority Services	226,985,199	-	57,407,603	-	25.3	-
		226,985,199	-	**57,407,603**	-	25.3	-
	Total Voted Expenditure	**29,304,725,588**	**14,259,541,249**	**19,379,297,865**	**2,429,928,189**	**66.1**	**17.0**

Source: *Nairobi County Treasury*

The sub-programmes with the highest levels of implementation based on absorption rates were: Debt Management Services in the Department of Finance and Economic Planning at 295.1 per cent, Recreational Services in the Department of Talent Skills Development & Care at 158.7 per cent, Oversight in the County Assembly at 100 per cent, and Early Childhood Development Centres in the Department of Talent Skills Development & Care at 100 per cent of budget allocation.

3.30.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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. Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 174 accounts with commercial banks (County Assembly -8 and County Executive-166), including 123 accounts for Health Facilities, 11 accounts for Vocational Training Centres, 5 accounts for Established Funds, 5 revenue accounts, 16 special purpose accounts (additional allocations), 2 Early Childhood Development Accounts (ECDs), 2 imprest accounts, 1 recurrent operational account and 1 development operational accounts.

3.30.17 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;

i. The County Treasury's late submission of financial reports, received on 25 April 2025, affected the timely preparation of the budget implementation report. Further, the submitted information was incomplete as it did not include a schedule showing actual expenditures per project.

ii. The underperformance of own-source revenue at Kshs.10.2 billion against an annual target of Kshs.20.41 billion, representing 50 per cent of the yearly target. The own source revenue target sound unrealistic based on the historical trend. This undermines the credibility of the budget and is one of the main reasons behind the cumulative pending bills.

iii. Unspent funds from FY 2023/24 were not refunded to the CRF account, resulting in actual expenditures exceeding the approved exchequer in several departments, as shown in Table 3.309.

iv. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of Car Loan & Mortgage - County Assembly Fund is expiring in FY 2026/27.

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v. The high amount of pending bills totalled Kshs.115.69 billion as of March 2025. Further, the County Treasury did not adhere to the payment plan for the pending bills.

vi. Use of manual payroll. Personnel emoluments amounting to Kshs.629.63 million were processed through manual payroll, accounting for 4.9 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

vii. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015. The County Government uses commercial bank accounts for operations 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 commercial bank accounts are for Health Facilities, Vocational Training Centres, Established Funds, special purpose accounts (additional allocations), and Early Childhood Development Accounts (ECDs).

viii. The Facility Improvement Fund (FIF) was not budgeted for, despite collecting Kshs.1.25 billion during the review period. This means the County Appropriation Act did not include expenditures from FIF collections. Moreover, the failure of health facilities to submit expenditure reports on FIF receipts, as required by Section 18(e) of the FIF Act, 2023, increases the risks associated with using public funds. Furthermore, the County has yet to enact legislation to regulate the FIF.

ix. Lack of an HR plan (action plan) to reduce the wage bill to 35 per cent by June 2028 in line with the Third National Wage Bill Conference of 2024

x. Disparities in funding programmes and sub-programmes, where some sub-programmes are underfunded as shown in Table 3.310

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

(i) The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012. The County Treasury should note that non-provision of information to the Controller of Budget is an offence as provided in Section 16 of the Controller of Budget Act, 2016.

(ii) The own source revenue target appears unrealistic based on the historical trend. This undermines the credibility of the budget and is one of the main reasons behind pending bills accumulation.

(iii) The County Treasury should ensure unspent funds from the previous financial year are deposited into the CRF Account in line with Section 136 of the PFM Act 2012.

(iv) Ensure the timely review and extension of public funds whose lifespan is nearing expiration.

(v) The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.

(vi) The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.

(vii) The County Treasury should submit copies of authorisation letters for opening commercial bank accounts to the Controller of Budget as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

(viii) The County Treasury should prepare a supplementary budget for the Facility Improvement Fund and regularise its expenditures per the law. Further, the County government should enact legislation to regulate the management and administration of FIF resources.

(ix) The county treasury should submit an HR plan (action plan) to reduce the wage bill to 35 per cent by June 2028 in line with the Third National Wage Bill Conference of 2024

(x) The county treasury should address the disparities in funding programmes and sub-programmes, where some sub-programmes are underfunded

3.31. County Government of Nakuru

3.31.1 Overview of FY 2024/25 Budget

The Nakuru County Approved Supplementary I Budget for FY 2024/25 is Kshs.23.98 billion. It comprises Kshs.9.31 billion (39 per cent) and Kshs.14.67 billion (61 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.0.90 billion (4 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.10.05 billion and a recurrent budget of Kshs.13.04 billion. The increase in the budget was attributed to the higher Own Source Revenue/FIF and balance c/f from the previous FY.

The budget will be financed from the following revenue sources: an equitable share of revenue raised nationally of Kshs.13.67 billion (57 per cent), additional allocations of Kshs.1.95 billion (8 per cent), a cash balance of Kshs.3.91

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billion (16 per cent) brought forward from FY 2023/24, and Kshs.4.44 billion (19 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.2.00 billion (8 per cent) as Facility Improvement Fund (revenue from health facilities) and, Kshs.2.45 billion (10 per cent) as ordinary own-source revenue. A breakdown of the county revenue allocations and performance is shown in Table 3.311.

3.31.2 Revenue Performance

During the review period, the County received Kshs.14.45 billion in revenues to fund its development and recurrent activities. This amount represents a decrease of Kshs.227.23 million from Kshs.14.68 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.7.93 billion from the equitable share of revenue raised nationally, Kshs.3.05 million equalisation fund, additional allocations from the government and development partners of Kshs.60.13 million, and its own-source revenue (OSR) collection of Kshs.2.55 billion. In addition, the County had a cash balance of Kshs.3.91 billion from FY 2023/24.

The total OSR collection of Kshs.2.55 billion includes Facilities Improvement Financing (FIF) of Kshs.1.28 billion, and Kshs.1.27 billion from other OSR sources. OSR collections from the FIF were received from PGH Nakuru and 15 other sub-county hospitals. Table 3.313 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.313: Nakuru County, Revenue Performance in the First Nine Months of FY 2024/25

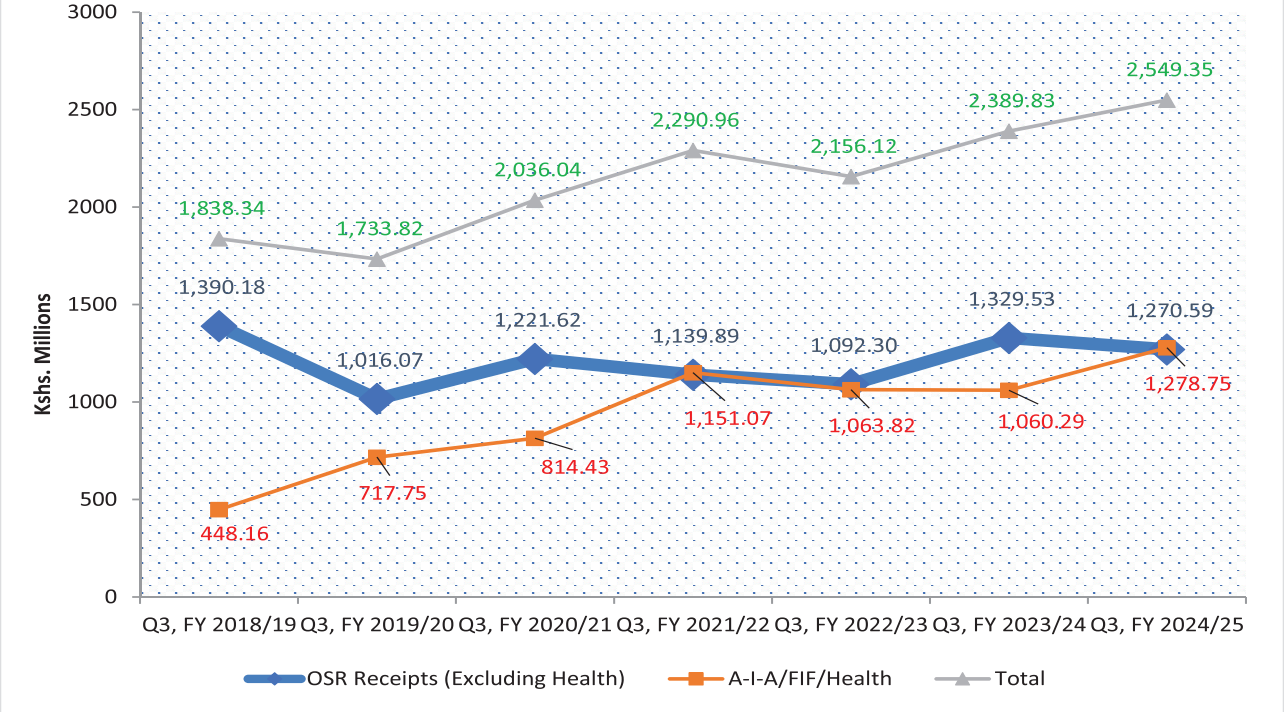
S/ No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally -	13,666,997,646	7,926,859,126	58
Subtotal		**13,666,997,646**	**7,926,859,126**	**58**
B	Additional Allocations			
1	Donor Grants (DANIDA)	16,136,250	0	0
2	Kenya Devolution Support Program (KDSP) II Level I	37,500,000	0	0
3	World Bank National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	0	0
4	Conditional Grant for the provision of the fertiliser subsidy programme	234,883,209	0	0
5	IFAD Conditional grant Kenya Livestock Commercialisation Project (KELCOP)	38,280,000	0	0
6	Conditional Fund -Kenya Urban Support Project (KUSP) - Urban Institutional Grant	35,000,000	0	0
7	World Bank Grant Finance Locally-Led Climate Action Program (FLLoCA) - County Climate Institution Support (CCIS) Level I	11,000,000	0	0
8	World Bank Grant Financing Locally-Led Climate Action (FLLoCA) Program – County Climate Resilience Investment Grant	188,211,085	0	0
9	Conditional Fund - World Bank - Kenya Informal Settlement Improvement Project II (KISIP II)	550,000,000	0	0
10	Nutrition International Grant	5,000,000	7,500,000	150
11	Conditional Allocation for Community Health Promoters (CHPs)	99,390,000	0	0
12	Conditional grant from GoK for Aggregated Industrial Parks Programme	52,631,579	52,631,579	100
13	Conditional Grant - Road Maintenance Levy Fund	527,595,811	0	0
Subtotal		**1,947,143,086**	**60,131,579**	**3**
C	Own Source Revenue			
14	Ordinary Own Source Revenue	2,448,757,738	1,270,591,992	52
15	Facility Improvement Fund (FIF)	1,997,210,000	1,278,754,423	64
Subtotal		4,445,967,738	2,549,346,415	57
D	Other Sources of Revenue			
16	Unspent balance from FY 2023/24	3,913,857,161	3,913,857,161	100
17	Equalisation Fund	6,436,681	3,046,902	77
Sub-Total		**3,920,293,842**	**3,916,904,063**	**100**
Grand Total		**23,980,402,312**	**14,453,241,184**	**60**

Source: *Nakuru County Treasury*

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The County has governing legislation on the operation of FIF. Figure 118 shows the collection trend in own source revenue from the first nine months of FY 2018/19 to FY 2024/25.

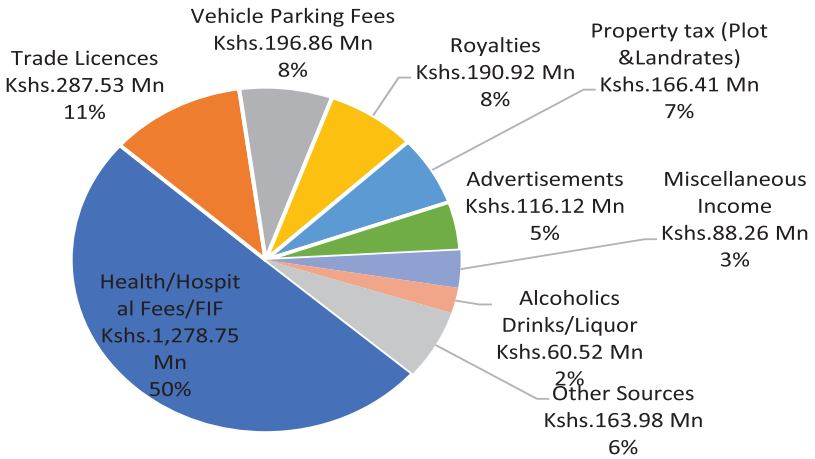
Figure 118: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



Source: *Nakuru County Treasury*

During the review period, the County generated Kshs.2.55 billion from its own revenue sources, including the FIF. This amount was an increase of 7 per cent compared to Kshs.2.39 billion realised in a similar period in FY 2023/24 and was 57 per cent of the annual target and 32 per cent of the equitable revenue share disbursed. The revenue streams which contributed the highest OSR receipts are shown in Figure 119.

Figure 119: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source*: Nakuru County Treasury*

As shown in Figure 119, the highest revenue stream is at Kshs.1.28 billion was from Hospital Fees (FIF), accounting for 50 per cent of the total OSR receipts. The County Government has automated all of its revenue streams, except for the FIF.

3.31.3 Borrowing by the County

The Nakuru County Government did not report any borrowing during the period under review.

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3.31.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.7.83 billion from the CRF account during the reporting period, which comprised Kshs.837.03 million (11 per cent) for development programmes and Kshs.7.00 billion (89 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.4.71 billion was released towards compensation of employees and Kshs.2.28 billion for operations and maintenance expenditure. Exchequer approved compensation for employees in the first nine months of FY 2024/25, which included the March 2025 exchequer request for the County Executive and County Assembly.

Analysis of the operations and maintenance exchequer releases indicates that 3 per cent was for domestic travel and less than 1 per cent for foreign travel. The domestic travel Exchequer amounted to Kshs.236.28 million, comprising Kshs.106.28 million for the County Executive and Kshs.129.99 million for the County Assembly. The foreign travel Exchequer totalled Kshs.46.96 million, all of which was allocated to the County Assembly.

Table 3.314: Nakuru County, Budget Allocation and Exchequer Issued by Department

Department	Revised Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor and Deputy Governor	382,924,047	20,467,176	122,645,582	5,460,350	32	27
Finance and Economic Planning	1,634,651,494	752,679,906	870,988,529	218,435,724	53	29
County Public Service Board	73,874,507	2,000,000	37,945,876	-	51	-
Health Services	7,138,479,008	1,478,996,240	3,108,983,375	26,615,250	44	2
Infrastructure	298,427,754	2,110,164,000	220,991,140	64,106,781	74	3
Naivasha Municipality	44,678,319	58,623,003	5,710,218	5,810,716	13	10
Office of the County Attorney	50,864,256	3,000,000	15,871,925	-	31	-
Nakuru City	85,884,133	63,511,691	22,784,790	-	27	-
Trade, Cooperatives, Tourism and Tourism	240,519,162	497,241,963	70,973,443	119,620,839	30	24
Agriculture, Livestock, Fisheries and Veterinary Services	459,973,105	822,116,511	266,638,952	36,480,687	58	4
Lands, Physical Planning, Housing and Urban Development	188,591,680	1,034,359,565	81,623,096	79,442,400	43	8
Water, Energy, Environment, Natural Resources and Climate Change	323,151,637	1,392,644,256	154,131,437	115,356,503	48	8
Public Service, Training and Devolution	796,530,028	46,799,215	488,325,328	-	61	-
Education, Vocational Training, ICT and E-Government	1,421,936,827	625,876,064	621,806,304	84,646,209	44	14
Youth, Culture, Gender, Sports and Social Services.	249,769,256	246,608,313	98,123,658	-	39	
Gilgil Municipality	24,798,714	23,448,778	1,342,560	-	5	
Molo Municipality	19,983,625	24,000,000	-	-	-	
County Assembly	1,235,221,758	107,606,322	805,212,148	81,058,143	65	75
Total	**14,670,259,309**	**9,310,143,003**	**6,994,098,360**	**837,033,602**	**48**	**9**

***Source**: Nakuru County Treasury*

As of 31 March, 2025, the County Government's cash balance in the CRF account was Kshs 3.62 billion.

3.31.5 County Expenditure Review

The County spent Kshs.8.60 billion on development and recurrent programmes during the reporting period. The expenditure represented 110 per cent of the total funds released by the CoB and comprised of Kshs.904.07 million and Kshs.7.69 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 10 per cent, while recurrent expenditure represented 52 per cent of the annual recurrent expenditure budget.

3.31.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.62 billion as of 30 June 2024. This amount included Kshs.1.53

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billion from the County Executive and Kshs.88.97 million from the County Assembly. The pending bills from the County Executive consist of Kshs.1.28 billion for recurrent expenditures and Kshs.251.26 million for development expenditures, while that of the County Assembly was entirely on recurrent expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.163.00 million, comprising Kshs.78.62 million for recurrent programmes and Kshs.84.37 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.52.71 million, which were entirely for recurrent activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.500.93 million and Kshs.51.67 million, respectively, in the first nine months of FY 2024/25. However, the County Executive did not adhere to this payment plan, as it cleared Kshs.163.00 million.

As of 31 March 2025, the outstanding bills totalled Kshs.1.41 billion, comprising Kshs.1.37 billion for the County Executive and Kshs.36.26 million for the County Assembly.

3.31.7 Expenditure by Economic Classification

The County Executive spent Kshs.4.44 billion on employee compensation, Kshs.2.46 billion on operations and maintenance, and Kshs.823.04 million on development activities. Similarly, the County Assembly spent Kshs.371.19 million on employee compensation, Kshs.423.05 million on operations and maintenance, and Kshs.81.03 million on development activities, as shown in Table 3.315.

Table 3.315: Summary of Budget and Expenditure by Economic Classification

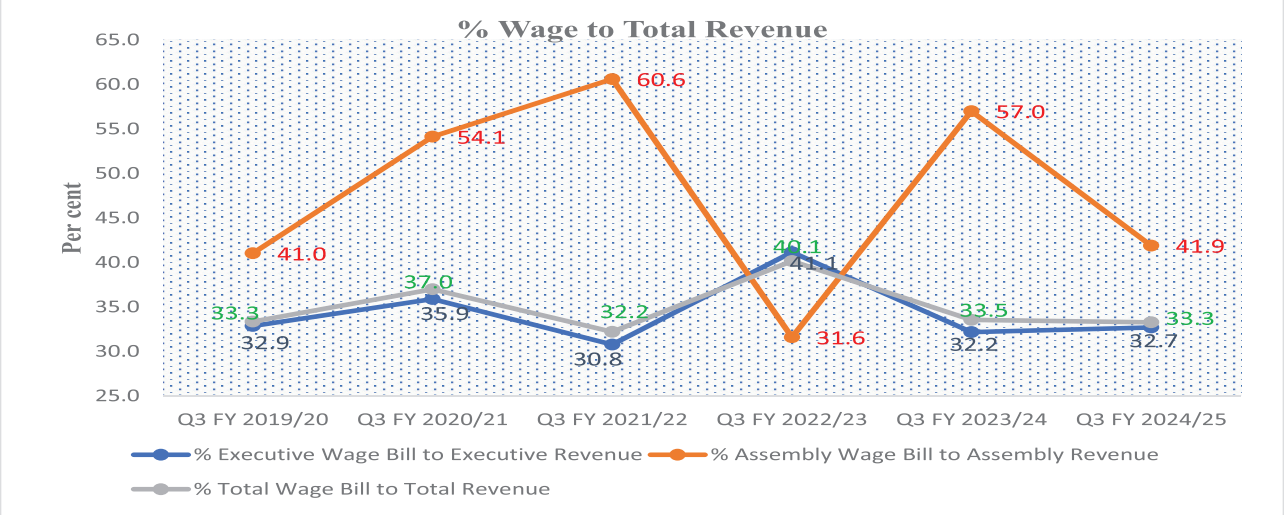
Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**13,435,037,551**	**1,235,221,758**	**6,898,666,264**	**794,241,536**	**51**	**64**
Compensation to Employees	7,848,471,379	441,444,063	4,436,040,699	371,191,156	57	84
Operations and Maintenance	5,586,566,172	793,777,695	2,462,625,565	423,050,380	44	53
Development Expenditure	**9,202,536,681**	**107,606,322**	**823,042,605**	**81,026,995**	**9**	**75**
Total	**22,637,574,232**	**1,342,828,080**	**7,721,708,869**	**875,268,530**	**34**	**65**

***Source**: Nakuru County Treasury*

3.31.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.4.81 billion. The percentage of employee compensation to county total revenue is 33 per cent. This expenditure on employee compensation shows a decrease compared to the Kshs.4.92 billion reported during the same period in FY 2023/24. Of this total, Kshs.883.19 million was allocated to Health Sector employees, which accounts for 18 per cent of the overall employees' compensation. Figure 120 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 120: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



***Source:** Nakuru County Treasury*

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Further analysis indicates that PE costs amounting to Kshs.4.57 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.232.98 million was processed through manual payrolls, which accounted for 5 per cent of the total PE cost.

The manual payrolls comprised salaries for 162 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), wages for 54 casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.316.

Table 3.316: Breakdown of Nakuru County Manual Payroll

S/No.	Description of Manual Payroll	Amount Kshs.
1	Salaries for 162 staff are yet to be onboarded into HRIS	74,805,532
2	Salaries for 54 casual staff	13,605,660
3	Top-up Allowances for 39 security officers	12,908,640
4	LAPTRUST/LAPFUND Pension Contributions	21,961,511
5	Gratuity for contract staff	87,254,935
6	Gratuity for MCAs	22,447,260
	Total	**232,983,538**

***Source**: Nakuru County Treasury & Assembly*

The County Assembly spent Kshs.29.08 million on committee sitting allowances for the 75 MCAs and the Speaker against the annual budget allocation of Kshs.53.00 million. The average monthly sitting allowance was Kshs.42,510 per MCA. The County Assembly has 23 House Committees.

3.31.9 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.1.28 billion to County-Established funds in FY 2024/25, or 5 per cent of the County's overall budget. Further, the County allocated Kshs.70.00 million to the Emergency Fund (0.3 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.317 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.317: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
	County Executive Established Funds						
	Nakuru County Executive Mortgage (Staff) Scheme Fund	2018	35,000,000	0	19,100,000.00	233,000,000	Yes
1	Nakuru County Executive (Staff) Car Loan Scheme Fund	2018	10,000,000	0	0	72,000,000	Yes
2	Nakuru County Emergency Fund	2016	70,000,000	0	0	666,000,000	Yes
3	Nakuru County Persons with Disability Fund	2018	27,500,000	0	0	55,000,000	Yes
4	Nakuru County Bursary Fund	2024	453,743,981	165,034,700	164,387,393	1,718,490,300	Yes
5	Nakuru County Climate Change Fund	2021	596,000,720	199,211,086	36,090,168	309,524,009	Yes
6	Nakuru County Enterprise Fund	2020	25,000,000	0	438,200.00	25,000,000	Yes
7	The Nakuru County Cooperative Revolving Development Fund	2020	25,000,000	0	273,000.00	25,000,000	Yes
	County Assembly Established Funds						
8	Nakuru County Assembly Car Loan, Grant & Mortgage Scheme Fund	2014 Revised 2022	40,931,237	0	17,363,209	795,334,362	Yes
Total			**1,283,175,938**	**364,245,786**	**237,651,971**	**3,899,348,671**	

Source: *Nakuru County Treasury*

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During the reporting period, the CoB received quarterly financial reports from 9 Fund Administrators, as indicated in Table 3.315, in accordance with the requirement of Section 168 of the PFM Act, 2012. The administrative costs of the 9 Funds were within the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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. During the reporting period, the CoB established that the lifespan of all the funds was within the capped 10-year period – this included the Nakuru County Assembly Car Loan, Grant & Mortgage Scheme Fund, whose tenure had lapsed but was revised in 2022.

3.31.10 County Corporations

The County has established the Nakuru Water and Sanitation Services Company Limited, Naivasha Water and Sanitation Company Limited and the Nakuru Rural Water Company Limited as the 3 county corporations. In FY 2024/25, the County allocated Kshs.2.18 billion to these corporations through their parent departments. Their total expenditure in the first nine months amounted to Kshs.1.28 billion, as shown in Table 3.318.

Table 3.318: Performance of County Corporations

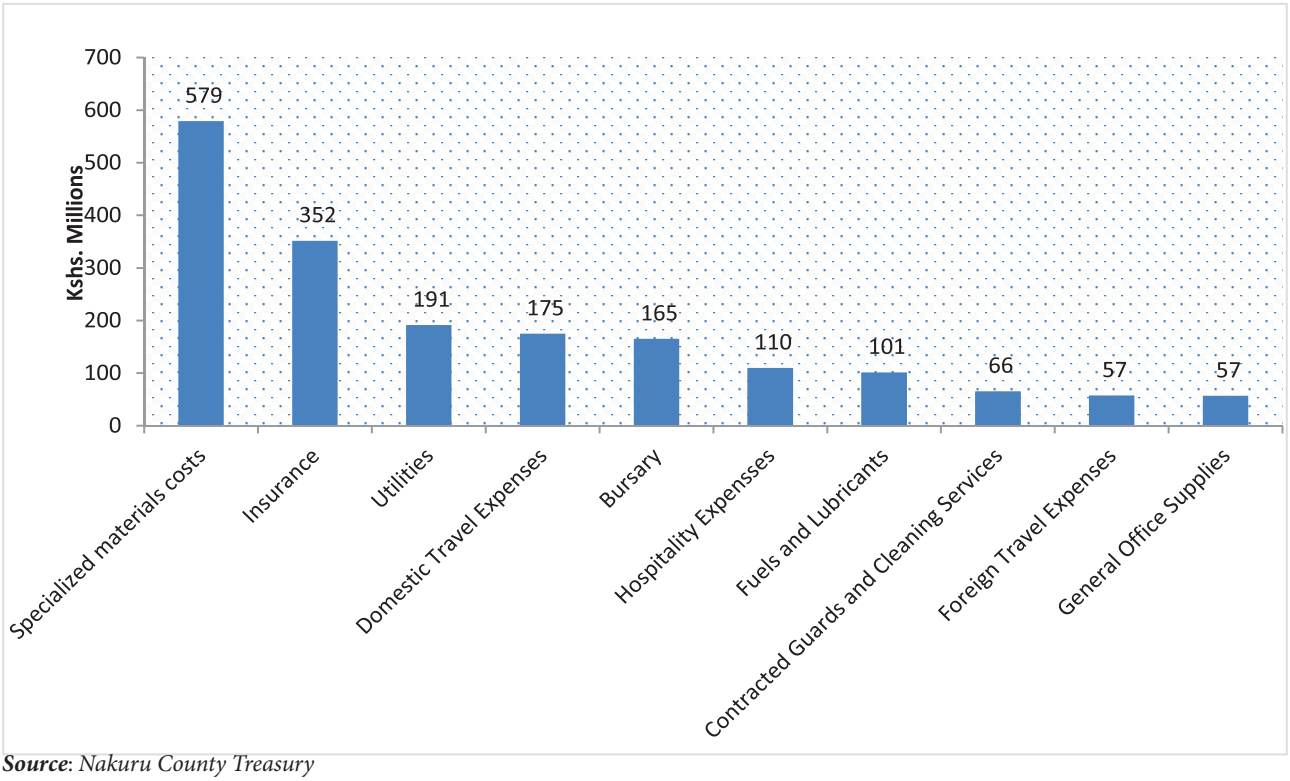
S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Nakuru Water and Sanitation Company	Water, Energy, Environment, Natural Resources and Climate Change	1,408,537,028	NIL	806,683,319
2	Naivasha Water and Sanitation Company	Water, Energy, Environment, Natural Resources and Climate Change	311,035,080	NIL	185,494,240
3	Nakuru Rural Water Company	Water, Energy, Environment, Natural Resources and Climate Change	456,180,489	NIL	288,238,850
	Total		**2,175,752,597**	**NIL**	**1,280,416,409**

Source: *Nakuru County Treasury*

3.31.11 Expenditure on Operations and Maintenance

Figure 121 summarises the Operations and Maintenance expenditure by major categories.

Figure 121: Nakuru County, Operations and Maintenance Expenditure by Major Categories



Source: *Nakuru County Treasury*

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Expenditure on domestic travel amounted to Kshs.174.73 million and comprised Kshs.92.20 million spent by the County Assembly and Kshs.82.51 million by the County Executive. Expenditure on foreign travel amounted to Kshs.57.32 million and comprised Kshs.56.81 million by the County Assembly and Kshs.509,292 by the County Executive. Expenditure on foreign travel is summarised in Table 3.319.

Table 3.319: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly of Nakuru	7	9th-13th September 2024	Training on Corporate Governance and Board Effectiveness	London UK	10,732,637
County Assembly of Nakuru	5	21-28th July 2024	Safari allowance while attending the Public Policy, Governance and Administration program	Singapore	4,446,866
County Assembly of Nakuru	14	25th Aug - 1st Sep 2024	Safari allowance while attending the management of committees in a county legislature training	Arusha Tanzania	5,344,511
County Assembly of Nakuru	14	15th - 22nd Sept 2024	Safari allowance while attending the management of committees in a county legislature training	Arusha Tanzania	5,344,511
County Assembly of Nakuru	7	4-9th Nov 2024	Safari Allowance while Attending the Corporate Leadership and Governance in the 21st Century	Dubai UAE	3,751,180
County Assembly of Nakuru	14	15-22nd Dec 2024	Safari allowance while attending the management of committees in a county legislature training	Arusha Tanzania	5,440,467
County Assembly of Nakuru	14	19-26th Jan 2025	Safari allowance while attending the management of committees in a county legislature training	Arusha Tanzania	5,395,195
County Assembly of Nakuru	14	9-15th Feb 2025	Attending a Management of information, protocol and inter-personal skills	Arusha Tanzania	4,544,085
County Assembly of Nakuru	7	6-23rd Feb 2025	Safari allowance for group 1 while attending the management of committees in a county legislature training	Arusha Tanzania	5,440,467
Nakuru County Executive	1	18th - 29th November 2024	IFMIS training (use & control)	Arusha Tanzania	509,292

Source: Nakuru County Treasury and Nakuru County Assembly

The operations and maintenance costs include an expenditure of Kshs.608,000 on Legal fees, dues, arbitration, and compensation payments, as well as legal fees.

3.31.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.1.28 billion as FIF, which was 64 per cent of the annual target of Kshs.2.00 billion. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed the FIF regulations to operationalise the FIF Act of 2023.

The Health Facilities provided a report on the utilisation of the FIF during the reporting period, in line with Section 18(e) of the FIF Act, 2023. The expenditure by health facilities amounted to Kshs.1.28 billion, as shown in Table 3.320.

Table 3.320: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	P.G.H Nakuru	1,107,593,242	766,991,253	69
2	Naivasha District Hospital	454,039,755	196,293,324	43
3	P.G.H Annex	95,945,806	72,529,698	76
4	Molo District Hospital	70,319,020	61,213,207	87
5	Gilgil Hospital	77,879,013	52,019,888	67

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No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
6	Bahati Hospital	60,121,903	33,553,104	56
7	Olenguruone Sub-County Hospital	17,727,718	17,763,846	100
8	Njoro Sub-County Hospital	28,318,304	17,582,603	62
9	Elburgon District Hospital	19,847,540	15,363,830	77
10	Other Sub-County Hospitals	65,417,699	45,443,670	69
	Total	**1,997,210,000**	**1,278,754,423**	**64**

Source: *Nakuru County Treasury*

The Health Facility with the highest absorption rate was Olenguruone Sub-County Hospital.

3.31.13 Development Expenditure

In the review period, the County reported spending Kshs904.07 million on development programmes, representing a decrease of 58 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.2.17 billion. Table 3.321 summarises development projects with the highest expenditure in the reporting period.

The decline in development expenditure was attributed to the delayed approval of the CGAAA, which resulted in the delayed releases of the Additional Allocations, which were mainly development funds.

Table 3.321: Nakuru County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Lands, Physical Planning, Housing and Urban Development	Construction of Roads, Footpaths, Non-Motorised Transport Facilities, Storm Water Drainage, High Mast Floodlights and Sewer Works	Lakeview, London/ Hilton and Kwa Murogi Settlements	2023/24	227,965,839	199,080,022	199,080,022	87
2	Finance and Economic Planning	Construction of the County Treasury Building	HQ	2024/25	1,107,500,000	100,907,022	100,907,022	9
3	Infrastructure	Construction of Bridges	Countywide	2024/25	321,699,888	89,534,823	89,534,823	28
4	County Assembly	Construction of Office Block, Parking and Associated Civil Works	HQ	2025/26	346,170,254	69,234,051	69,234,051	20
5	Education, Vocational Training, ICT and E-Government	Rehabilitation of Youth Polytechnics	HQ	2024/25	66,289,894	66,285,000	66,285,000	100
6	Health Services	Purchase of Medical and Dental Equipment	HQ	2024/25	190,000,000	51,306,571	51,306,571	27
7	Trade, Cooperatives, Tourism and Tourism	County Aggregation Centres and Industrial Park	Njoro	2025/26	464,221,150	47,552,537	98,579,920	21
8	Infrastructure	Grading & Murraming through the Imarisha Barabara program	Countywide	2024/25	46,867,625	32,895,782	32,895,782	70
9	Nakuru City	Construction of Afraha Stadium Phase 1	Nakuru City	2024/25	348,000,000	22,603,034	22,603,034	6
10	County Assembly	Construction of Ward Offices	Ndundori, Mau Narok, Waseges,Mai Mahiu and Keringet	2024/25	29,991,005	11,824,092	29,828,845	99

Source: *Nakuru County Treasury*

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The County has reported 32 stalled development projects, with an estimated value of Kshs.2,654.4 million, of which Kshs.40.49 million has already been paid.

3.31.14 Budget Performance by Department

Table 3.322 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.322: Nakuru County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor and Deputy Governor	382.92	20.47	122.65	5.46	100.94	5.46	82	100	26	27
Finance and Economic Planning	1,634.65	752.68	870.99	218.44	844.61	233.26	97	107	52	31
County Public Service Board	73.87	2.00	37.95	0	37.32	0	98	0	51	0
Health Services	7,138.48	1,479.00	3,108.98	26.62	4,053.48	87.32	130	328	57	6
Infrastructure	298.43	2,110.16	220.99	64.11	185.13	109.77	84	171	62	5
Naivasha Municipality	44.68	58.62	5.71	5.81	5.71	26.41	100	455	13	45
Office of the County Attorney	50.86	3.00	15.87	0	14.89	0	94	0	29	0
Nakuru City	85.88	63.51	22.78	0	22.31	0	98	0	26	0
Trade, Cooperatives, Tourism and Tourism	240.52	497.24	70.97	119.62	67.97	119.62	96	100	28	24
Agriculture, Livestock, Fisheries and Veterinary Services	459.97	822.12	266.64	36.48	229.39	33.49	86	92	50	4
Lands, Physical Planning, Housing and Urban Development	188.59	1,034.36	81.62	79.44	68.45	4.44	84	6	36	0.4
Water, Energy, Environment, Natural Resources and Climate Change	323.15	1,392.64	154.13	115.36	151.41	115.36	98	100	47	8
Public Service, Training and Devolution	796.53	46.80	488.33	0	430.31	0	88	0	54	0
Education, Vocational Training, ICT and E-Government	1,421.94	625.88	621.81	84.65	600.79	84.54	97	100	42	14
Youth, Culture, Gender, Sports and Social Services.	249.77	246.61	98.12	0	84.66	3.37	86	0	34	1.4
Gilgil Municipality	24.80	23.45	1.34	0	1.29	0	96	0	5	0
Molo Municipality	19.98	24.00	0	0	0	0	0	0	0	0
County Assembly	1,235.22	107.61	805.21	81.06	794.24	81.03	97	100	64	75
Total	**14,670.26**	**9,310.14**	**6,994.10**	**837.03**	**7,692.91**	**904.07**	110	108	**52**	**10**

***Source**: Nakuru County Treasury*

Analysis of expenditure by department shows that the County Assembly recorded the highest absorption rate of development budget at 75 per cent, followed by the Naivasha Municipality at 45 per cent. The County Assembly and Infrastructure had the highest percentage of recurrent expenditure to budget at 64 and 62 per cent, respectively.

The departments of Finance and Economic Planning, Health Services, Infrastructure and Naivasha Municipality have reported higher expenditure to the exchequer issues due to monies in Special Purpose Accounts (KDSP, KRB and UDG) and FIF (Health Services).

3.31.15 Budget Execution by Programmes and Sub-Programmes

Table 3.323 summarises the budget execution by programmes and sub-programmes in the period under review.

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Table 3.323: Nakuru County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Approved Estimates (Kshs)		Actual Expenditure (Kshs)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor and Deputy Governor							
Administration, Planning & Support Services	Administration & Planning	108,072,340	20,467,176	28,897,396	5,460,350	27	27
	Personnel Services	136,718,550		72,042,122	0	53	0
	Sub Total	**244,790,890**	**20,467,176**	**100,939,518**	**5,460,350**	**41**	**27**
Management of County Affairs	County Executive Services	16,477,682	0	0	0	0	0
	Policy Direction & Coordination	84,609,245	0	0	0	0	0
	County Policing Services	4,685,548	0	0	0	0	0
	Leadership & Governance	3,123,698	0	0	0	0	0
	Sub Total	**108,896,173**	**0**	**0**	**0**	**0**	**0**
Coordination & Supervisory Services	Organisation of County Business	21,427,738	0	0	0	0	0
	Special Programmes	7,809,246	0	0	0	0	0
	Sub Total	**29,236,984**	**0**	**0**	**0**	**0**	**0**
Finance and Economic Planning							
Administration, Planning and Support Services	Administration Services	867,009,727	407,597,813	415,843,956	112,734,923	48	28
	Personnel Services	503,861,030		376,117,160		75	0
	Sub Total	**1,370,870,757**	**407,597,813**	**791,961,116**	**112,734,923**	**58**	**28**
Public Finance Management	Budget Formulation, Coordination, and Management	116,918,535	0	32,967,825	0	28	0
	Resource Mobilisation	53,599,404	13,800,000	8,521,770	2,910,000	16	21
	Internal Audit	15,432,885	0	1,432,045	0	9	0
	Procurement	12,790,172	0	1,090,700	0	9	0
	Public Finance and Accounting	14,991,459	0	2,058,914	0	14	0
	Debt Management	4,243,494	278,826,873	616,100	84,351,100	15	30
	External Resource Mobilisation	10,235,000	0	287,500	0	3	0
	Sub Total	**228,210,949**	**292,626,873**	**46,974,854**	**87,261,100**	**21**	**30**
Economic and Financial Policy Formulation and Management	Fiscal Planning	30,382,188	0	5,296,400	0	17	0
	Monitoring & Evaluation / Statistical Data Management	5,187,600	0	379,175	0	7	0
	KDSP Programme		52,455,220		33,263,916	0	63
	Sub Total	**35,569,788**	**52,455,220**	**5,675,575**	**33,263,916**	**16**	**63**
County Public Service Board							
Administration and Human Resource Planning	Administrative Services.	19,551,841	2,000,000	6,380,203	0	33	0
	Personnel Services	46,709,666	0	29,939,424	0	64	0
	Financial Services	1,900,000	0	375,000	0	20	0
	Sub Total	**68,161,507**	**2,000,000**	**36,694,626**	**0**	**54**	**0**
Human Resource Planning and Advisory Services	Human Resource Planning	4,000,000	0	142,500	0	4	0
	Provision of Human Resource Advisory Services	1,713,000	0	484,732	0	28	0
	Sub Total	**5,713,000**	**0**	**627,232**	**0**	**11**	**0**
Health Services							
Administration and Planning	Health Information System	5,700,000	0	0	0	0	0
	Governance and Leadership	726,360,884	0	134,226,273	0	18	0
	Human Resource Management	3,991,963,719	0	2,643,829,593	0	66	0
	Research and Development	875,000	0	0	0	0	0
	Health Infrastructure and Development	8,251,100	0	0	0	0	0
	Sub Total	**4,733,150,703**	**0**	**2,778,055,867**	**0**	**59**	**0**
Health Preventive and Promotive Services	Primary Health Care	21,673,325	54,023,166	0	738,040	0	1

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Programme	Sub-Programme	Revised Approved Estimates (Kshs)		Actual Expenditure (Kshs)		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Environmental Health and Sanitation	1,075,000	0	0	0	0	0
	Human Resource	234,249,940	0	24,723,000	0	11	0
	Disease Surveillance and Emergency Response	1,000,000	0	0	0	0	0
	Health Promotive	1,900,000	0	0	0	0	0
	HIV Programme	2,300,000	0	0	0	0	0
	Nutrition	10,000,000	17,310,236	0	9,340,034	0	54
	Reproductive Health	2,700,000	0	0	0	0	0
	Immunisation	6,000,000	0	0	0	0	0
	Sub Total	**280,898,265**	**71,333,402**	**24,723,000**	**10,078,074**	**9**	**14**
Health Curative and Rehabilitative Services	Provision of Essential Health Services in all Levels	1,548,228,243	1,407,662,838	896,923,848	77,243,015	58	5
	Elimination of Communicable and Non-Communicable Diseases	1,700,000	0	0	0	0	0
	Human Resource	574,501,797	0	353,782,125	0	62	0
	Sub Total	**2,124,430,040**	**1,407,662,838**	**1,250,705,973**	**77,243,015**	**59**	**5**
Infrastructure							
Administration, Personnel and Financial Services	Administration Services	27,600,000	0	2,800,564	0	10	0
	Personnel Services	132,124,969	0	86,778,677	0	66	0
	Sub Total	**159,724,969**	**0**	**89,579,240**	**0**	**56**	**0**
Infrastructure Development and Maintenance	Construction, Rehabilitation & Maintenance Of Roads, Drainage & Bridges	10,382,785	2,095,570,970	0	109,774,603	0	5
	Rehabilitation & Maintenance of Transport Terminus	500,000	0	0	0	0	0
	Maintenance & Rehabilitation of County Buildings	2,120,000	1,550,000	0	0	0	0
	Street Lighting	125,700,000	13,043,030	95,550,000	0	76	0
	Sub Total	**138,702,785**	**2,110,164,000**	**95,550,000**	**109,774,603**	**69**	**5**
Naivasha Municipality							
Administration, Planning, and Support Services	Administration and Planning	15,429,127	0	1,009,497	0	7	0
	Personnel Services	14,072,662	0	4,268,921	0	30	0
	Financial Services		0	0	0	0	0
	Sub Total	**29,501,789**	**0**	**5,278,418**	**0**	**18**	**0**
Naivasha Municipal Services	Planning and Infrastructure	0	38,623,003	0	26,409,455	0	68
	Environmental Management and Sanitation	0	20,000,000	0	0	0	0
	Naivasha Social Services	8,176,530	0	296,000	0	4	0
	Tourism, Investment and Trade	7,000,000	0	135,800	0	2	0
	Sub Total	**15,176,530**	**58,623,003**	**431,800**	**26,409,455**	**3**	**45**
Office of the County Attorney							
Administration, Planning and Support Services	Administration Services	13,320,000	3,000,000	857,695	0	6	0
	Personnel Services	28,471,782	0	13,982,802	0	49	0
	Financial Services	600,000	0	0	0	0	0
	Sub Total	**42,391,782**	**3,000,000**	**14,840,497**	**0**	**35**	**0**
Provision of Advisory Services	Legal Advisory Services	8,472,474	0	50,000	0	1	0
	Sub Total	**8,472,474**	**0**	**50,000**	**0**	**1**	**0**
Nakuru City							
Administration, Planning, and Support Services	City Administrative Services	34,832,848	0	3,402,932	0	10	0

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Programme	Sub-Programme	Revised Approved Estimates (Kshs)		Actual Expenditure (Kshs)		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Personnel Services	33,209,942	0	18,607,884	0	56	0
	Financial Services	600,000	0	25,000	0	4	0
	Sub Total	**68,642,790**	**0**	**22,035,816**	**0**	**32**	**0**
Nakuru City Services.	Infrastructure Development and City Planning		63,511,691	0	0	0	0
	Nakuru City Environmental Management	824,495	0	50,000	0	6	0
	City Trade Markets and Investment	7,000,000	0	0	0	0	0
	Nakuru City Social Services	9,416,848	0	219,950	0	2	0
	Sub Total	**17,241,343**	**63,511,691**	**269,950**	**0**	**2**	**0**
Trade, Cooperatives, Tourism and Tourism							
Administration, Planning, and Support Services	Administration Services	19,472,370	0	3,944,200	0	20	0
	Personnel Services	114,721,792	0	57,468,237	0	50	0
	Sub Total	**134,194,162**	**0**	**61,412,437**	**0**	**46**	**0**
Cooperative Development and Management	Development and Marketing of Cooperatives	0	0	0	0	0	0
	SACCO Empowerment	25,000,000	0	0	0	0	0
	Cooperative Leadership and Governance	12,195,000	0	1,319,530	0	11	0
	Management of Housing and Investment Cooperatives	500,000	0	0	0	0	0
	Sub Total	**37,695,000**	**0**	**1,319,530**	**0**	**4**	**0**
Commerce and Enterprises	MSMES Development Services	33,970,000	0	1,111,800	0	3	0
	Industrialisation and Investment	0	116,631,579	0	0	0	0
	Consumer Protection	3,600,000	0	425,000	0	12	0
	Promotion of Responsible Gaming	5,300,000	0	507,185	0	10	0
	Sub Total	**42,870,000**	**116,631,579**	**2,043,985**	**0**	**5**	**0**
Market Rehabilitation and Development	Market Development and Rehabilitation	0	380,610,384	0	119,620,839	0	31
	Market Service Delivery	4,830,000	0	1,093,653	0	23	0
	Sub Total	**4,830,000**	**380,610,384**	**1,093,653**	**119,620,839**	**23**	**31**
Promotion of Tourism and Markets	Promotion of Local Tourism	6,940,000	0	949,700	0	14	0
	Sub Total	**6,940,000**	**0**	**949,700**	**0**	**14**	**0**
Alcoholic Drinks Control	Liquor Control	4,650,000	0	353,200	0	8	0
	Rehabilitation of Persons Dependent on Alcohol	300,000	0	0	0	0	0
	Sub Total	**4,950,000**	**0**	**353,200**	**0**	**7**	**0**
Management of County Bus Terminus	Management of County Bus Terminus	2,000,000	0	0	0	0	0
	Sub Total	**2,000,000**	**0**	**0**	**0**	**0**	**0**
Development of Socio-Cultural Diversity and Promotion of Responsible Gaming	Cultural Development Activities	7,040,000	0	797,000	0	11	0
	Socio0Cultural Development	0	0	0	0	0	0
	Sub Total	**7,040,000**	**0**	**797,000**	**0**	**11**	**0**
Agriculture, Livestock, Fisheries and Veterinary Services							
Administration	Administrative Services	26,753,623	175,066,226	5,118,014	30,488,107	19	17
	Human Resources Services	393,341,414	0	222,690,946	0	57	0
	Sub Total	**420,095,037**	**175,066,226**	**227,808,959**	**30,488,107**	**54**	**17**
Livestock Resource Management and Development	Livestock Production Productivity and Incomes	23,009,430	38,280,000	495,500	0	2	0
	SP 2.2: Livestock Output and Value Addition	0	11,802,360	0	0	0	0

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Programme	Sub-Programme	Revised Approved Estimates (Kshs)		Actual Expenditure (Kshs)		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Livestock Extension Service Delivery	0	0	0	0	0	0
	Food Safety and Livestock Products Development	0	6,610,067	0	0	0	0
	Livestock Disease Management and Control	0	0	0	0	0	0
	Sub Total	**23,009,430**	**56,692,427**	**495,500**	**0**	**2**	**0**
Fisheries Development and Management	Aquaculture Development	0	0	0	0	0	0
	Development of Capture Fisheries Resources	0	0	0	0	0	0
	Fish Quality Assurance, Value Addition and Marketing	4,228,390	0	450,240	0	11	0
	Sub Total	**4,228,390**	**0**	**450,240**	**0**	**11**	**0**
Crop Development and Management	Agriculture Extension, Research and Training	0	0	0	0	0	0
	Crop Production and Food Security	12,640,248	590,357,858	640,260	3,000,000	5	1
	Farm Land Utilization, Conservation, Mechanization Services and Climate Smart Agriculture	0	0	0	0	0	0
	Agribusiness Development and Marketing	0	0	0	0	0	0
	Agri0Nutrition	0	0	0	0	0	0
	Sub Total	**12,640,248**	**590,357,858**	**640,260**	**3,000,000**	**5**	**1**
Lands, Physical Planning, Housing and Urban Development							
Administration, Planning and Support Services	Administrative Services	36,304,099	0	7,264,876	0	20	0
	Personnel Services	111,457,581	0	61,186,673	0	55	0
	Sub Total	**147,761,680**	**0**	**68,451,549**	**0**	**46**	**0**
Land Use Planning and Survey	Land Use Planning	17,245,000	177,254,951	0	0	0	0
	Survey and Mapping	0	8,000,000	0	0	0	0
	Sub Total	**17,245,000**	**185,254,951**	**0**	**0**	**0**	**0**
Urban Development	Urban Institution Framework	14,600,000	4,964,411	0	2,000,000	0	40
	Development of Urban Infrastructure	0	844,140,203	0	0	0	0
	Sub Total	**14,600,000**	**849,104,614**	**0**	**2,000,000**	**0**	**0**
Housing and Estate Management	Maintenance of County Estates	8,985,000			2,442,400	0	0
	Sub Total	**8,985,000**	**0**	**0**	**2,442,400**	**0**	**0**
Water, Energy, Environment, Natural Resources and Climate Change							
Administration, Planning & Support Services	Administration Services	22,740,513	0	2,152,649	0	9	0
	Human Resource	247,900,174	0	148,274,810	0	60	0
	Financial Services	1,250,000	0	0	0	0	0
	Sub Total	**271,890,687**	**0**	**150,427,459**	**0**	**55**	**0**
Water and Sewerage Management	Water Services Provision	4,055,000	808,266,867	211,350	10,250,960	5	1
	Sewerage Services Provision	625,000	6,435,119	0	0	0	0
	Sub Total	**4,680,000**	**814,701,986**	**211,350**	**10,250,960**	**5**	**1**
Environmental Management	Pollution Control	0	0	0	0	0	0
	Solid Waste Management	5,477,500	0	55,350	0	1	0
	Regulation and Protection of Riparian Land	1,000,000	0	0	0	0	0
	Natural Resource Mapping and Management	1,000,000	0	0	0	0	0
	Sub Total	**7,477,500**	**0**	**55,350**	**0**	**1**	**0**

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Programme	Sub-Programme	Revised Approved Estimates (Kshs)		Actual Expenditure (Kshs)		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Climate Change Resilience and County Energy Development	Climate Change Resilience	39,103,450	572,942,270	714,450	105,105,543	2	18
	County Energy Development	0	5,000,000	0	0	0	0
	Sub Total	**39,103,450**	**577,942,270**	**714,450**	**105,105,543**	**2**	**18**
Public Service, Training and Devolution							
Administration, Planning and Support Service	Administration Service	61,628,000	0	33,293,008	0	54	0
	Personal Service	687,123,413	0	371,201,495	0	54	0
	Financial Service	0	0	0	0	0	0
	Mainstream Workplace HIV/ AIDS, Alcohol & Drug Abuse Control	1,183,876	0	639,560	0	54	0
	Rehabilitation/Construction of Sub-County Offices	0	46,799,215	0	0	0	0
	Performance Contracting	11,784,998	0	6,366,555	0	54	0
	Sub Total	**761,720,287**	**46,799,215**	**411,500,618**	**0**	**54**	**0**
Human Resource Management and Development	Performance Appraisal System	11,784,998	0	6,366,555	0	54	0
	Staff Development Through Capacity Building and Training	4,006,047	0	2,164,168	0	54	0
	Sub Total	**15,791,045**	**0**	**8,530,723**	**0**	**54**	**0**
Civic Education & Public Participation	Coordination of Public and Special Community Programme	633,792	0	342,391	0	54	0
	Sub Total	**633,792**	**0**	**342,391**	**0**	**54**	**0**
Disaster Management and Humanitarian Assistance	Disaster Management and Humanitarian Assistance	18,384,904	0	9,931,992	0	54	0
	Sub Total	**18,384,904**	**0**	**9,931,992**	**0**	**54**	**0**
Education, Vocational Training, ICT and E-Government							
Administration, Planning and Support Services	Administration and Support Services	48,062,820	538,586,170	5,051,594	18,255,745	11	3
	Personnel Services	606,746,120	0	373,029,114	0	61	0
	Sub Total	**654,808,940**	**538,586,170**	**378,080,707**	**18,255,745**	**58**	**3**
Promotion of Early Childhood Education and Development	Promotion of Early Childhood	206,434,612	0	3,486,305	0	2	0
	Bursaries	453,743,981	0	165,034,700	0	36	0
	ECD Infrastructure Development	0	5,500,000	0	0	0	0
	Sub Total	**660,178,593**	**5,500,000**	**168,521,005**	**0**	**26**	**0**
Vocational Training	Vocational Training	85,022,834	0	53,047,696	0	62	0
	Vocational Training Infrastructure Development	0	78,789,894	0	66,285,000	0	84
	Sub Total	**85,022,834**	**78,789,894**	**53,047,696**	**66,285,000**	**62**	**84**
Information and Communication Service	Public Communication and Media Services	9,376,665	3,000,000	831,600	0	9	0
	Sub Total	**9,376,665**	**3,000,000**	**831,600**	**0**	9	0
ICT Infrastructure Development and E-Government Services	Hardware and Software Platforms	0	0	0	0	0	0
	Network Infrastructure	12,549,794	0	311,800	0	2	0
	Sub Total	**12,549,794**	**0**	**311,800**	**0**	**2**	**0**
Youth, Culture, Gender, Sports and Social Services							
Administration, Planning and Support Services	Administration and Support Services	15,290,000	228,982,725	2,497,196	0	16	0
	Personnel Services	126,023,171	0	71,170,123	0	56	0
	Financial Services	550,000	0	0	0	0	0
	Sub Total	**141,863,171**	**228,982,725**	**73,667,320**	**0**	**52**	**0**
Gender Empowerment and Social Inclusivity	Gender Equality and Empowerment	5,010,000	0	260,700	0	5	0
	Social Inclusion and Empowerment	39,802,800		98,600	0	0	0
	Sub Total	**44,812,800**	**0**	**359,300**	**0**	**1**	**0**

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Programme	Sub-Programme	Revised Approved Estimates (Kshs)		Actual Expenditure (Kshs)		Absorption (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Management and Development of Sports & Recreation	Development and Management of Sports Infrastructure	0	8,625,588	0	3,368,576	0	39
	Promotion of Sports Development and Recreation	57,826,503	0	10,384,850	0	18	0
	Sub Total	**57,826,503**	**8,625,588**	**10,384,850**	**3,368,576**	**18**	**39**
Youth Empowerment	Youth Empowerment	5,266,782	9,000,000	250,200	0	5	0
	Sub Total	**5,266,782**	**9,000,000**	**250,200**	**0**	**5**	**0**
Gilgil Municipality							
Administration, Planning, and Support Services	Administration and Planning	11,288,714	0	1,287,960	0	11	0
	Personnel Services	3,260,000	0	0	0	0	0
	Sub Total	**14,548,714**	**0**	**1,287,960**	**0**	**9**	**0**
Gilgil Municipal Services	Planning and Infrastructure Development	0	23,448,778	0	0	0	0
	Environmental Management	1,000,000	0	0	0	0	0
	Trade and Tourism	7,100,000	0	0	0	0	0
	Social Services	2,150,000	0	0	0	0	0
	Sub Total	**10,250,000**	**23,448,778**	**0**	**0**	**0**	**0**
Molo Municipality							
Administration, Planning, and Support Services	Administration and Planning	4,468,225	0	0	0	0	0
	Personnel Services	3,949,400	0	0	0	0	0
	Sub Total	**8,417,625**	**0**	**0**	**0**	**0**	**0**
Molo Municipal Services	Planning and Infrastructure Development	0	24,000,000	0	0	0	0
	Environmental Management and Sanitation	0	0	0	0	0	0
	Trade and Tourism	7,000,000	0	0	0	0	0
	Social Services	4,566,000	0	0	0	0	0
	Sub Total	**11,566,000**	**24,000,000**	**0**	**0**	**0**	**0**
County Assembly							
County Assembly	Administrative	642,777,757	107,606,322	413,302,947	81,026,995	64	75
	Legislative	592,444,001	0	380,938,589	0	64	0
	Sub Total	**1,235,221,758**	**107,606,322**	**794,241,536**	**81,026,995**	**64**	**75**
Grand Total		**14,670,259,309**	**9,310,143,003**	**7,692,907,800**	**904,069,600**	**52**	**10**

Source: *Nakuru County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Vocational Training Infrastructure Development in the Department of Education, Vocational Training, ICT and E-Government at 73 per cent, The County Assembly Administration at 66 per cent, Personnel Services in the Department of Infrastructure at 66 per cent of budget allocation.

3.31.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 299 accounts with commercial banks, including 195 accounts for Health Facilities, 72 accounts for Vocational Training Centres, 15 accounts for Established Funds, 7 revenue accounts, 10 special purpose accounts (additional allocations).

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The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 16 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.31.17 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;

i. High level of pending bills, which amounted to Kshs.1.41 billion as of 31 March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
ii. Use of manual payroll. Personnel emoluments amounting to Kshs.232.98 million for 162 staff yet to be onboarded into HRIS, and 54 casual staff were processed through manual payroll, accounting for 5 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
iii. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
ii. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
iii. *The County Treasury should ensure it submits to OCoB copies of authorisation letters for opening commercial bank accounts to enhance accountability and oversight*

3.32. County Government of Nandi

3.32.1 Overview of FY 2024/25 Budget

The Nandi County Approved Supplementary Budget for FY 2024/25 is Kshs.10.63 billion. It comprises Kshs.4.28 billion (40.3 per cent) and Kshs.6.25 billion (59.7 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.26 billion (13.5 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.3.17 billion and a recurrent budget of Kshs.6.19 billion.

The budget will be financed from the following revenue sources: the equitable share of revenue raised nationally, Kshs.7.35 billion (69.1 per cent), additional allocations of Kshs.1.77 billion (16.7 per cent), a cash balance of Kshs.595 million (5.6 per cent) brought forward from FY 2023/24, and Kshs.844.17 million (8 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.335.23 million (4.8 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.508.94 million (3.2 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.322

3.32.2 Revenue Performance

During the review period, the County received Kshs.5.81 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.608.07 million from Kshs.4.24 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.85 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.52.63 million, and own-source revenue (OSR) collection of Kshs.368.2 million. In addition, the County had a cash balance of Kshs.595 million from FY 2023/24.

The total OSR collection comprises Facilities Improvement Financing (FIF) of Kshs.133.59 million and Kshs.234.61 million from other OSR sources. OSR collections from the FIF were received from Kapsabet County Referral Hospital, Nandi Hills Sub-County Hospital, Meteitei Sub-County Hospital, Kaptumo Sub-County Hospital, Mosoriot Sub-County Hospital, Kabiyet Sub-County Hospital, and Chepterwai Sub-County Hospital. Table 3.324 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

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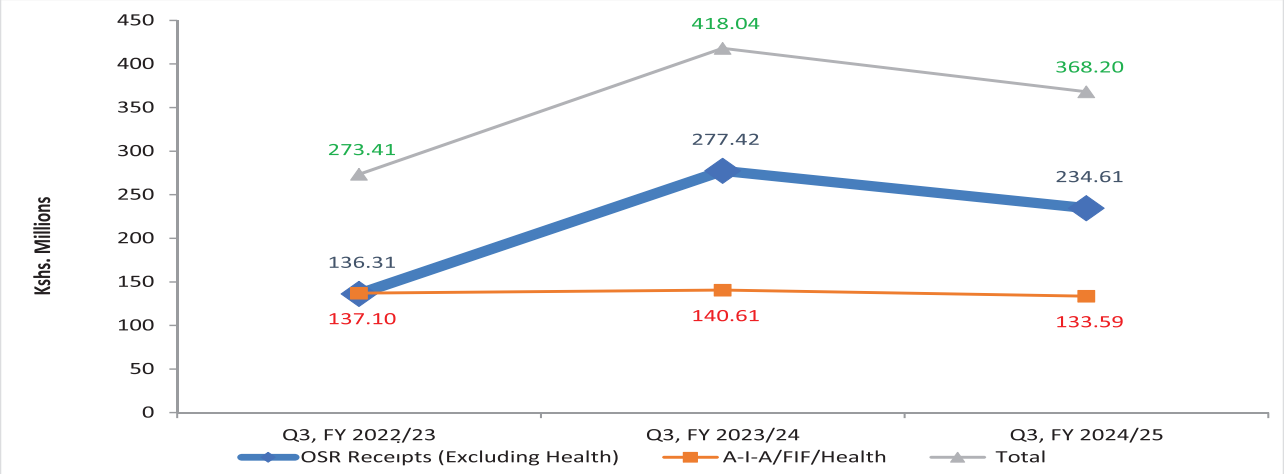
Table 3.324: Nandi County, Revenue Performance in the First Nine Months of FY 2024/25

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	7,346,071,107	4,845,144,261	66
Sub Total		**7,346,071,107**	**4,845,144,261**	**66**
B	**Conditional Grants**			
1	County Aggregation and Industrial Parks	187,500,000	52,631,579	28.1
2	Road Maintenance Levy Fund	187,283,794	-	-
3	Community Health Promoters	96,660,000	-	-
4	Kenya Devolution Support Programme (KDSP) II - World Bank	37,500,000	-	-
5	IDA (WORLD BANK). -National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	-	-
6	Kenya Urban Support Program (KUSP) - UIG	35,000,000	-	-
7	KISIP-Kenya Informal Settlements Improvement Project FY 2023/2024	208,354,058	-	-
8	KISIP-Kenya Informal Settlements Improvement Project 2024/2025	275,000,000	-	-
9	Financing Locally Led Climate Action (FLLoCA) FY 2023/2024	216,757,206	-	-
10	Financing Locally Led Climate Action (FLLoCA) FY 2024/2025	216,757,206	-	-
11	China Fund- Upgrading of Kaimosi Agricultural Training Centre	100,000,000	-	-
12	DANIDA- Primary Healthcare in Devolved Context	8,238,750	-	-
13	Kenya Urban Support Program (KUSP)- UDG	33,993,380	-	-
14	Nandi County HIV/AIDS Programme	15,419,690	-	-
Sub-Total		1,769,979,236	52,631,579	**3**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	508,941,741	234,605,647	46.1
2	Balance b/f from FY2023/24	595,000,000	595,000,000	100
3	Facility Improvement Fund (FIF)	335,231,711	133,590,857	39.9
4	Other Revenues	73,018,561	-	-
Sub Total		1,512,192,013	963,196,504	63.7
Grand Total		**10,628,242,356**	**5,860,972,344**	**55.1**

Source: *Nandi County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF. Figure 122 shows the collection trend in own-source revenue from the first nine months of FY 2022/23 to FY 2024/25.

Figure 122: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2022/23 to FY 2024/25



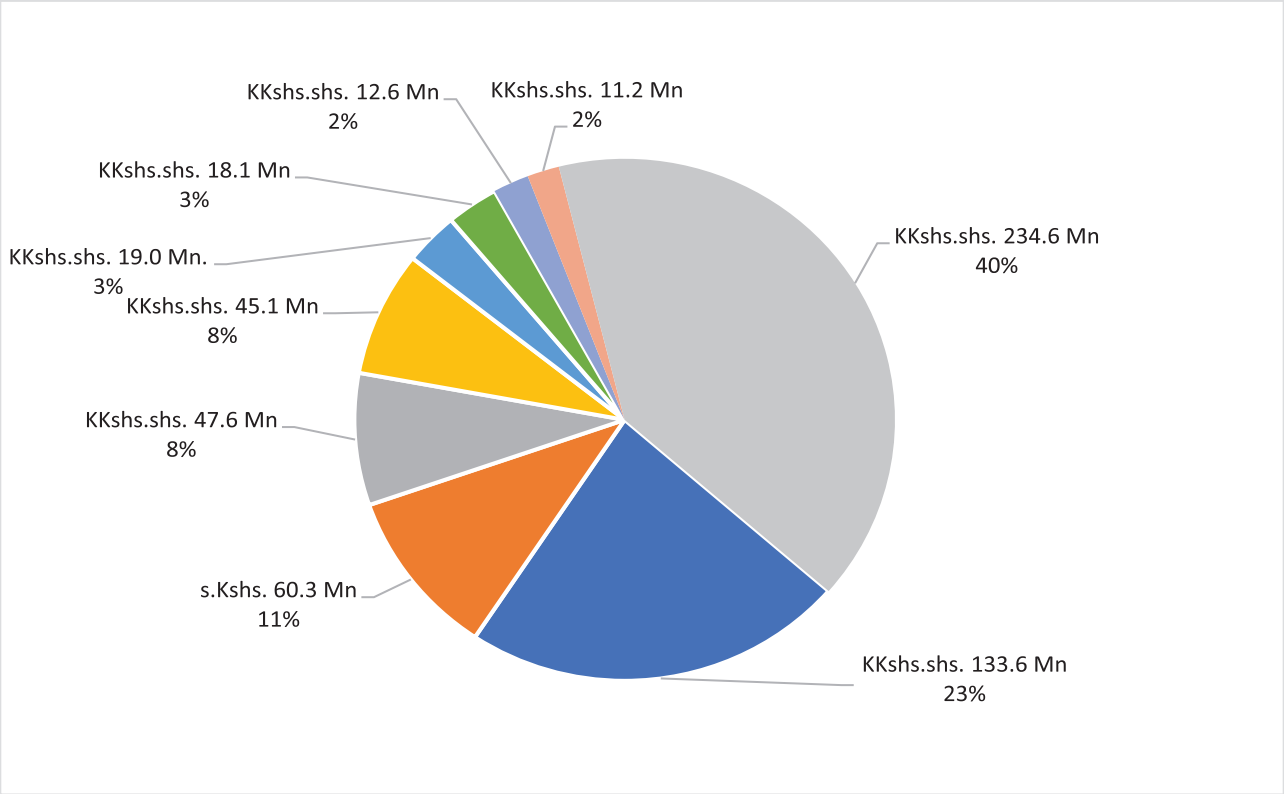
Source: *Nandi County Treasury*

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During the review period, the County generated Kshs.368.20 million from own revenue sources, including AIA and FIF. This amount was a decrease of 11.9 per cent compared to Kshs.418.04 million realised in the similar period in FY 2023/24, which was 43.6 per cent of the annual target and 7.6 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 123.

Figure 123: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



***Source**: Nandi County Treasury*

As shown in Figure 123, the highest revenue stream, at Kshs.133.6 million, was from Hospital fees, which contributed 23 per cent of the total OSR receipts. The County Government has automated all revenue streams.

3.32.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.5.15 billion from the CRF account comprised Kshs.1.09 billion (21.2 per cent) for development programmes and Kshs.4.05 billion (78.8 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.53 billion was released towards compensation of employees and Kshs.1.76 billion for operations and maintenance expenditure. Exchequer approved compensation for employees in the first nine months of FY 2024/25, which does not include the March 2025 exchequer request for the County Executive and County Assembly due to a delay in the disbursement of the equitable share.

Analysis of the operations and maintenance exchequer releases indicates that 13.2 per cent was for domestic travel and 2.6 per cent for foreign travel. The domestic travel exchequer amounted to Kshs 232.11 million, comprising Kshs 116.55 million for the County Executive and Kshs 115.56 million for the County Assembly. The foreign travel exchequer totalled Kshs 44.97 million, comprising Kshs 4.28 million for the County Executive and Kshs 40.69 million for the County Assembly.

Table 3.325: Nandi County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure to Exchequer Issues (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	488,545,728	126,500,000	405,544,797	30,162,173	119.5	180.6
Health and Sanitation	2,804,391,951	303,593,540	1,911,852,619	68,098,639	106.9	126.2
Public Service and Labour	56,672,677	-	-	-	-	-

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure to Exchequer (Kshs.)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	727,658,319	60,000,000	569,065,182	-	111.8	-
Kapsabet Municipality	63,294,084	89,987,995	28,600,000	8,356,141	85.2	93.9
Office of the County Attorney	79,470,398	-	20,000,000	-	226.8	-
Finance and Economic Planning	546,362,223	35,000,000	360,329,772	-	125.1	-
Administration, Public Service and E-Government	369,397,634	44,228,941	168,484,324	36,624,221	72.3	93.0
Agriculture and Co-operatives Development	255,407,727	554,191,740	213,500,000	182,324,696	100.0	126.6
Sports, Youth Affairs, Culture and Heritage	169,785,090	79,538,620	51,341,155	33,606,794	164.5	80.3
Education and Vocational Training & Scholarship	430,398,890	386,646,567	242,624,924	153,675,333	145.0	120.7
Lands, Environment, Natural Resources and Climate Change	126,645,613	1,347,673,730	24,003,708	217,082,851	231.0	186.0
Transport, Public Works and Infrastructure Development	148,630,393	865,981,808	59,146,089	274,734,330	155.0	136.4
Trade, Tourism, Industrialisation and Enterprise Development	80,281,839	387,956,849	-	85,946,484	-	109.9
Total	**6,346,942,566**	**4,281,299,790**	**4,054,492,570**	**1,090,611,662**	**115.5**	**140.6**

***Source**: Nandi County Treasury*

Expenditure exceeded exchequer releases because it included payments and commitments. As of 31 March, 2025, the County Government's cash balance in the CRF account was Kshs.80.84 million.

3.32.4 County Expenditure Review

The County spent Kshs.6.21 billion on development and recurrent programmes in the reporting period. The expenditure represented 120.7 per cent of the total funds released by the CoB and comprised Kshs.1.53 billion and Kshs.4.68 billion on development and recurrent programmes, respectively. The expenditure on development programmes represented an absorption rate of 35.8 per cent, while the recurrent expenditure represented an absorption rate of 73.8 per cent.

3.32.5 Settlement of Pending Bills

The County reported pending bills totalling Kshs.661.33 million as of 30 June 2024. The pending bill was entirely for the County Executive with the Assembly reporting nil pending bills as of 30th June 2024. The pending bills from the County Executive consisted of Kshs.331.44 million for recurrent expenditures and Kshs.329.88 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.639.58 million, comprising Kshs.315.06 million for recurrent programmes and Kshs.324.53 million for development programmes.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.612.60 million by the end of March 2025. The County generally adhered to this payment plan.

As of 31st March 2025, the outstanding bills totalled Kshs.21.75 million, all of which was covered by the County Executive.

3.32.6 Expenditure by Economic Classification

The County Executive spent Kshs.2 billion on employee compensation, Kshs.2.04 billion on operations and maintenance, and Kshs.1.53 million on development activities. Similarly, the County Assembly spent Kshs.252.77 million on employee compensation, Kshs.383.18 million on operations and maintenance, and Kshs.3.97 million on development activities, as shown in Table 3.326.

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Table 3.326: 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	**5,619,284,247**	**727,658,319**	4,046,287,170	635,951,892	72.0	87.4
Compensation to Employees	3,655,010,587	434,385,867	2,003,963,843	252,769,658	54.8	58.2
Operations and Maintenance	1,964,273,660	293,272,452	2,042,323,326	383,182,234	104.0	130.7
Development Expenditure	4,221,299,790	60,000,000	1,529,523,719	3,972,598	36.2	6.6
Total	9,840,584,037	787,658,319	5,575,810,888	639,924,490	56.7	81.2

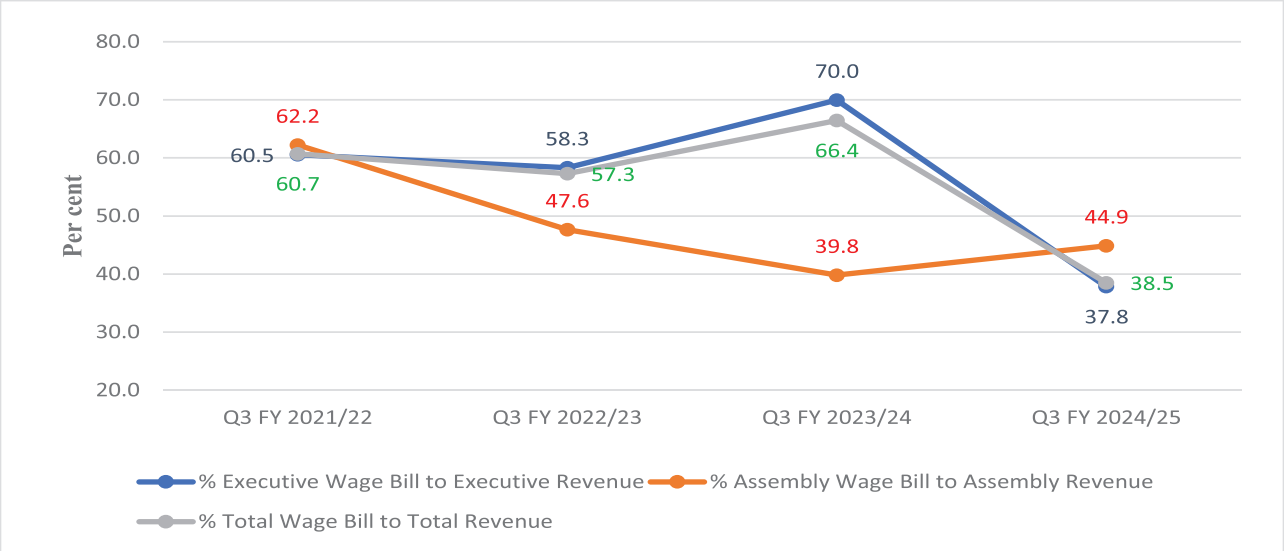
***Source**: Nandi County Treasury*

3.32.7 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.2.26 billion. The total revenue, excluding the earnings from extractive natural resources from sand cess, gypsum cess, and quarry cess, is Kshs.5.86 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 38.5 per cent. This expenditure on employee compensation shows a decrease compared to the Kshs.3.35 billion reported during the same period in FY 2023/24. Of this total, Kshs.1.64 billion was spent on health sector employees, which accounts for 72.6 per cent of the overall employees' compensation. The decrease is a result of measures taken to reduce in payroll expenses.

Figure 124 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 124: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2021/22 to FY 2024/25



***Source**: Nandi County Treasury*

The County used the Integrated Payroll and Personnel Database (IPPD) system to process most Personnel Emoluments (PE) costs, amounting to Kshs 2.16 billion. In comparison, only Kshs.101.09 million, or 4.5 per cent of the total PE cost, was processed through manual payrolls.

The County Assembly spent Kshs.27.24 million on committee sitting allowances for the speaker and 45 MCAs against the annual budget allocation of Kshs.27.46 million. The average monthly sitting allowance was Kshs.67,247 per MCA. The County Assembly has 21 House Committees.

3.32.8 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. In FY 2024/25, the County allocated Kshs.227 million to County-established funds, constituting 2 per cent of the County's overall budget. Further, the County allocated Kshs.57 million to the Emergency Fund (1 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.327 summarises each established Fund's budget allocation and performance during the reporting period.

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Table 3.327: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues (Kshs.)	Actual Expenditure (Kshs.)	Submission of Financial Statements as of 30 September 2024 (Yes/No)
County Executive Established Funds					
	Nandi County Executive Car Loan and Mortgage Scheme Fund	6,000,000	-	-	No
	Nandi County Emergency Fund	57,000,000	15,000,000-	14,713,043	Yes
	Nandi County Bursary Fund	164,000,000	-	-	Yes
County Assembly Established Funds					
	Nandi County Assembly Car Loan and Mortgage Scheme Fund	-	-	-	No
	Total	**227,000,000**	**15,000,000**	**14,713,043**	

***Source**: Nandi County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from two Fund Administrators, as indicated in Table 3.327, contrary to the requirement of Section 168 of the PFM Act, 2012.

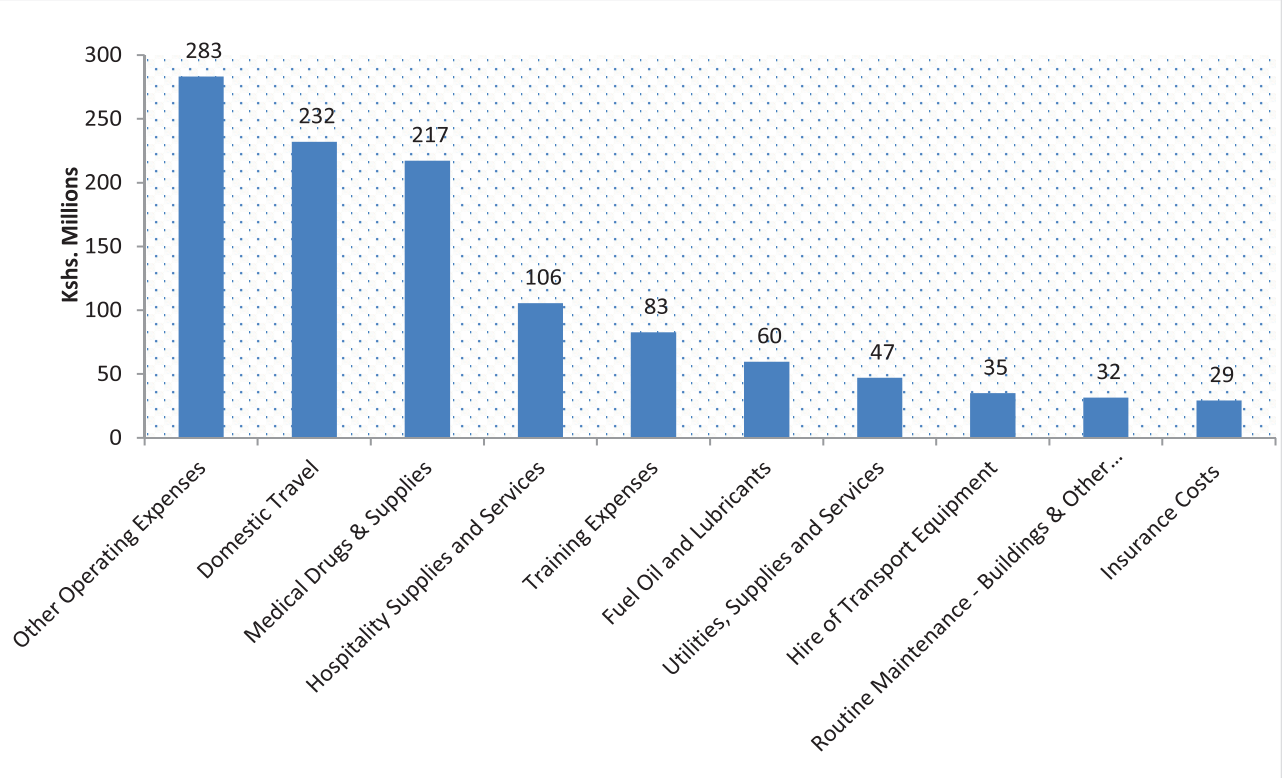
3.32.9 County Corporations

The County has reported that no county corporations have been established.

3.32.10 Expenditure on Operations and Maintenance

Figure 125 summarises the Operations and Maintenance expenditure by major categories.

Figure 125: Nandi County, Operations and Maintenance Expenditure by Major Categories



***Source**: Nandi County Treasury*

Expenditure on domestic travel amounted to Kshs 232.11 million, comprising Kshs 115.56 million spent by the County Assembly and Kshs 116.55 million by the County Executive. Expenditure on foreign travel amounted to Kshs.44.97 million and comprised Kshs.40.69 million by the County Assembly and Kshs.4.28 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.328.

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Table 3.328: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

S/No.	Arm of County Government	Number of Officers Travelled	Dates travelled	Purpose of The Travel	Destination	of the Travel (Kshs.)
1	County Executive	1	21-Aug-24	A Workshop on Emergency Fire Response	United Kingdom	875,136
2	County Executive	1	30-Aug-24	Forum on Food Systems	Rwanda	250,000
3	County Executive	1	13-Nov-24	Food System Forum	Rwanda	494,517
4	County Assembly	4	26-30 Nov-/2024	Attending the 29th East Africa Law Society Annual Conference	Uganda	1,184,220
5	County Assembly	7	05-10 Dec 2024	Attending the Building Tech-Driven Resilience: Smart Solutions for Sustainable County Development Program	UAE	2,940,426
6	County Assembly	7	10-15 Dec 2024	Attending A Program on Building Resilient Healthcare Systems -Embracing Digital Health and Sustainable Solutions	Turkey	3,109,932
7	County Assembly	7	28/11-05 Dec 2024	Attending the Building Tech-Driven Resilience: Smart Solutions for Sustainable County Development Program	Ethiopia	3,142,440
8	County Assembly	9	09-14 March 2025	Innovative Leadership and Change Management for the Public Sector	Dubai, United Arab Emirates	3,284,856
9	County Assembly	18	04-15 March 2025	Performance Management in the Public Sector: Leveraging Technology for Enhanced Service Delivery	Kampala, Uganda	6,876,732

***Source**: Nandi County Treasury and Nandi County Assembly*

The operations and maintenance costs include an expenditure of Kshs.486,000 on Legal fees, dues, arbitration, and compensation payments.

3.32.11 Facility Improvement Financing

The County collected Kshs.133.59 million as FIF, which was 39.9 per cent of the annual target of Kshs.335.23 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed regulations to operationalise the FIF Act of 2023.

The Health Facilities provided reports on the utilisation of the FIF during the reporting period, in line with Section 18 (e) of the FIF Act, 2023.

The expenditure by health facilities amounted to Kshs.115.14 million, as shown in Table 3.329.

Table 3.329: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1.	Kapsabet County Referral Hospital	150,000,000	76,211,174	50.8
2.	Nandi Hills Sub-County Hospital	30,000,000	11,724,229	39.1
3.	Meteitei Sub-County Hospital	10,875,000	8,924,476	82.1
4.	Kaptumo Sub County Hospital	9,375,000	6,881,220	73.4
5.	Kabiyet Sub-County Hospital	6,750,000	1,512,479	22.4

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No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
6.	Mosoriot Sub-County Hospital	6,000,000	5,382,314	89.7
7.	Chepterwai Sub County Hospital	4,500,000	4,509,247	100.2
	Total			

Source: *Nandi County Treasury*

The Health Facility with the highest absorption rate was Chepterwai Sub-County Hospital.

3.32.12 Development Expenditure

In the review period, the County reported spending Kshs.1.53 billion on development programmes, representing an increase of 153.29 per cent compared to the same period in FY 2023/24, when the County spent Kshs.603.87 million. Table 3.330 summarises development projects with the highest expenditure in the reporting period.

Table 3.330: Nandi County, List of Development Projects with the Highest Expenditure

S/No	Department	Project Name	Location	Contract Sum	Amount Paid to Date	Implementation Status
1	County Executive	County Contribution to REREC Fund	Countywide	20,000,000	20,000,000	100
2	Education and Vocational Training	Supply of Building Materials	Countywide	17,977,150	17,977,150	100
3	Administration, Public Service and E-Government	Installation of LED Screen	Kapsabet	14,000,000	14,000,000	100
4	Lands, Environment, Natural Resources and Climate Change	Supply of Tree Seedlings	Countywide	9,898,760	13,167,760	133
5	Education and Vocational Training	Supply of Hardware Materials	Countywide	12,509,692	12,509,692	100
6	Transport, Public Works and Infrastructure Development	Supply of Fuel	Countywide	10,900,000	10,900,000	100
7	Lands, Environment, Natural Resources and Climate Change	Provision of Consultancy Service on County Spatial Plan	Countywide	7,954,668	7,954,668	100
8	Sports, Youth Affairs, Culture and Heritage	Proposed Fencing of Kamatargui Park	Kapsabet	4,992,390	4,992,390	100
9	Health and sanitation	Construction of Chepterit Dispensary	Chemundu Kapngetuny	4,977,430	4,977,430	100
10	Lands, Environment, Natural Resources and Climate Change	Supply of Water Pipes	Countywide	4,900,000	4,900,000	100

Source: *Nandi County Treasury*

3.32.13 Budget Performance by Department

Table 3.331 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.331: Nandi County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Expenditure (Kshs.)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	488,545,728	126,500,000	484,827,891	54,476,089	99.2	43.1
Health and Sanitation	2,804,391,951	303,593,540	2,044,514,079	85,909,882	72.9	28.3
Public Service and Labour	56,672,677	-	20,400,647	-	36.0	-
County Assembly	727,658,319	60,000,000	635,951,892	3,972,598	87.4	6.6
Kapsabet Municipality	63,294,084	89,987,995	24,368,514	7,850,000	38.5	8.7
Office of the County Attorney	79,470,398	-	45,354,620	-	57.1	-
Finance and Economic Planning	546,362,223	35,000,000	450,719,364	30,940,760	82.5	88.4

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Department	Budget Allocation (Kshs.)		Expenditure (Kshs.)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Administration, Public Service and E-Government	369,397,634	44,228,941	121,863,138	34,061,841	33.0	77.0
Agriculture and Co-operatives Development	255,407,727	554,191,740	213,515,886	230,898,020	83.6	41.7
Sports, Youth Affairs, Culture and Heritage	169,785,090	79,538,620	84,445,857	26,980,030	49.7	33.9
Education and Vocational Training & Scholarship	430,398,890	386,646,567	351,748,553	185,424,741	81.7	48.0
Lands, Environment, Natural Resources and Climate Change	126,645,613	1,347,673,730	55,440,117	403,692,321	43.8	30.0
Transport, Public Works and Infrastructure Development	148,630,393	865,981,808	91,697,884	374,873,097	61.7	43.3
Trade, Tourism, Industrialisation and Enterprise Development	80,281,839	387,956,849	57,390,619	94,416,937	71.5	24.3
Total	**6,346,942,566**	**4,281,299,790**	**4,682,239,062**	**1,533,496,317**	73.8	35.8

Source: *Nandi County Treasury*

Analysis of expenditure by departments shows that the Department of Finance and Economic Planning recorded the highest absorption rate of development budget at 88.4 per cent, followed by the Department of Administration, Public Service and E-Government at 77 per cent. The Department of County Executive had the highest absorption of recurrent budget at 99.2 per cent, while the Office of the County Attorney had the lowest with no expenditure.

3.32.14 Budget Execution by Programmes and Sub-Programmes

Table 3.332 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.332: Nandi County, Budget Execution by Programmes and Sub-Programmes

Programme	Final Budget Kshs	Expenditure Kshs	Absorption %
	1,696,670,545	**1,004,321,006.50**	**59.2**
Administration and Support Services	1,696,670,545	1,004,321,006.50	59.2
	148,601,296	**-**	-
Land and Crops Development	148,601,296	-	-
	53,600,000	**-**	-
Livestock Production and Management	53,600,000	-	-
	1,347,702,827	**495,390,205.15**	**36.8**
General Administration and Support Services	1,347,702,827	495,390,205.15	36.8
	865,981,808	**374,873,097.40**	**43.3**
Road-Works	865,981,808	374,873,097.40	43.3
	80,281,839	**57,390,619**	**71.5**
General Administration & Support Services	80,281,839	57,390,619	71.5
	387,956,849	**94,416,937**	**24.3**
Trade Development & Promotion	387,956,849	94,416,937	24.3
	53,954,554	**3,258,814**	**6.0**
Development and Promotion of Culture	53,954,554	3,258,814	6.0
	3,107,985,491	**2,130,423,960.75**	**68.5**
Health Service Delivery Administration Services	3,107,985,491	2,130,423,960.75	68.5
	386,646,567	**186,398,741**	**48.2**
General Administration & Support Services	386,646,567	186,398,741	48.2
	1,291,201,825	**1,039,606,825.90**	**80.5**
General Administration and Support Services	1,291,201,825	1,039,606,825.90	80.5
	16,000,000	**30,940,760**	**193.4**
Revenue Collection and Management Phase 1	16,000,000	30,940,760	193.4
	141,343,075	**68,961,817**	**48.8**
Administrative Support Services	141,343,075	68,961,817	48.8
	82,987,995	**7,850,000**	**9.5**

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Programme	Final Budget Kshs	Expenditure Kshs	Absorption
Infrastructure and Development	82,987,995	7,850,000	9.5
	128,869,366	**82,952,104.40**	**64.4**
Sports Infrastructure Development	60,964,566	26,980,030.40	44.3
Sports Activities and Programs	67,904,800	55,972,074	82.4
County Assembly Service Board	**787,658,319**	**630,394,433.60**	**80.0**
Personnel Services	787,658,319	630,394,433.60	80.0
Grand Total	10,577,442,356	6,207,179,321.70	58.7

***Source**: Nandi County Treasury*

Programmes with the highest levels of implementation based on absorption rates were: Revenue Collection and Management Phase 1 in the Department of Finance and Economic Planning at 193.4 per cent, General Administration and Support Services in the Department of Administration, Public Service and E-Government at 80.5 per cent, Road Works in the Department of Transport, Public Works and Infrastructure Development at 71.5 per cent and Health Service Delivery Administration Services in the Department of Health and Sanitation at 68.5 per cent of budget allocation.

3.32.15 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated ten accounts with commercial banks, including There is one account designated for banking revenue from Kaimosi ATC operations, 2 Imprest Accounts for managing petty cash, one account for the National Agricultural and Rural Inclusive Growth Project, one account for the County Development Support Programme, one account for the Urban Development Grant, one account for the Urban Infrastructure Grant, one account for youth service programs and initiatives, one account for health operations and services, and one account for deposits and retentions.

3.32.16 Key Observations and Recommendations

While overseeing and reporting on the implementation of the County budget, the CoB identified the following challenges, which hampered effective budget implementation;

i. The county Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 28 April 2025.
ii. Unspent funds from FY 2023/24 may not have been refunded into the CRF account, resulting in actual expenditures exceeding the approved exchequer in several departments, as shown in Table 3.329.
iii. Fund Administrators failed to submit copies of quarterly financial and non-financial reports to the Controller of Budget (CoB) within the timelines provided by law, which is contrary to the requirement of Section 168 of the Public Finance Management Act, 2012. As of 15 April 2025, copies of reports for the Nandi County Assembly Car Loan and Mortgage Scheme Fund and the Nandi County Bursary Fund had not been submitted to the Controller of Budget.
iv. Use of manual payroll. Personnel emoluments amounting to Kshs.101.09 million were processed through manual payroll, accounting for 4.5 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget, as per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The County Treasury should ensure unspent funds from the previous financial year are deposited into the CRF Account in line with Section 136 of the PFM Act 2012.*
iii. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*

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iv. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

3.33. County Government of Narok

3.33.1 Overview of FY 2024/25 Budget

The Narok County Approved Budget for FY 2024/25 is Kshs 15.68 billion. It comprises Kshs.5.16 billion (32.9 per cent) and Kshs.10.53 billion (67.1 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs 627.44 million (4.2 per cent) from the FY 2023/24 budget that comprised a development budget of Kshs.5.33 billion and a recurrent budget of Kshs.9.73 billion. The increase in the budget was attributed to the rise in own-source revenue.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.9.53 billion (60.8 per cent), additional allocations of Kshs.1.12 billion (7.2 per cent) and Kshs.5.02 billion (32 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.44 million (0.9 per cent) as Appropriations-in-Aid (A-I-A), Kshs.120.95 million (2.4 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.4.86 billion (96.7 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.331.

3.33.2 Revenue Performance

During the review period, the County received Kshs.11.09 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.1.6 billion from Kshs.9.49 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.6.10 billion from the equitable share of revenue raised nationally, Kshs.4.98 billion from its own-source revenue (OSR) collection and Kshs.13.05 million as cash balance from FY 2023/24.

The total OSR collection of Kshs.4.98 billion includes Appropriations in Aid (AIA) of Kshs.27.96 million and Facilities Improvement Financing (FIF) of Kshs.75.03 million. OSR collections from the FIF were received from Narok Referral Hospital, Kilgoris and Lolgorian Hospitals, where FIF is collected. Table 3.333 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.333: Narok County, Revenue Performance in the First Nine Months of FY 2024/25

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	Equitable Share	9,531,074,923	6,095,981,832	64.0
	County Library Services / Museum Services	2,812,116	-	-
	Sub Total	**9,533,887,039**	**6,095,981,832**	**64.0**
B	**Conditional Grants**			
1	Road Maintenance Fuel Levy (RMFL)	275,190,524	-	-
2	Allocation for Mineral Royalties	12,708,046	-	-
3	County Aggregated Industrial Park (CAIP)	250,000,000	-	-
4	World Bank Loan- NAVCDP	151,515,152	-	-
5	DANIDA Grant -PHC	12,382,500	-	-
6	Kenya Agricultural Business Development Project (KABDP)	10,918,919	-	-
7	Kenya Devolution Support Programme (KDSPII)	37,500,000	-	-
8	Kenya Urban Support Programme (KUSP II) UIG	35,000,000	-	-
9	Kenya Urban Support Programme (KUSP II) UDG	71,235,901	-	-
10	Financing Locally Led Climate Action (FLLoCA) Dev	131,548,362	-	-
11	Financing Locally Led Climate Action (FLLoCA) Rec	11,000,000	-	-
12	Community Health Promoters (CHP) Projects	49,800,000	-	-
13	UNFPA	7,400,000	-	-

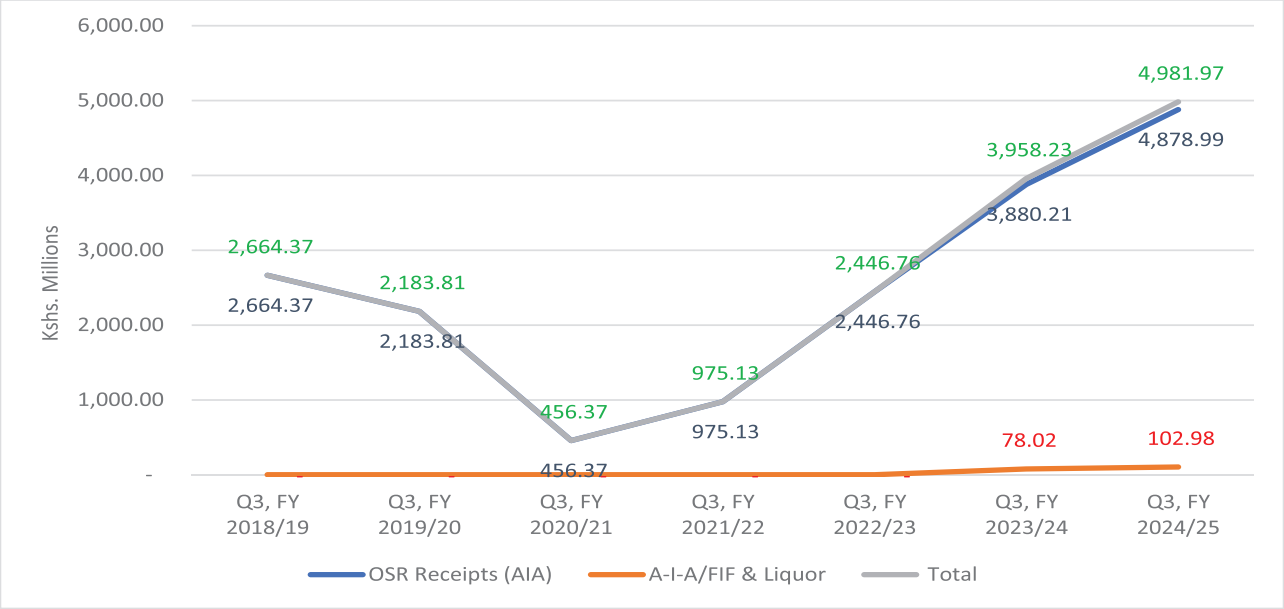
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S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs)	Actual Receipts as Percentage of Annual Allocation (%)
14	Kenya Devolution Support Programme (KDSP I B/F)	68,451,638	-	-
	Sub-Total	1,124,651,042	-	-
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	4,859,048,092	4,878,990,501	100.4
2	Balance b/f from FY2023/24	-	13,052,857.00	0.0
3	Facility Improvement Fund (FIF)	120,951,908	75,026,957	62.0
4	Other Revenues	-	-	0.0
5	Appropriation in Aid (AIA)	44,000,000	27,956,687	63.5
	Sub Total	5,024,000,000	4,995,027,002	99.4
	Grand Total	**15,682,538,081**	**11,091,008,834**	**70.7**

Source: *Narok County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF. Figure 126 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 126: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



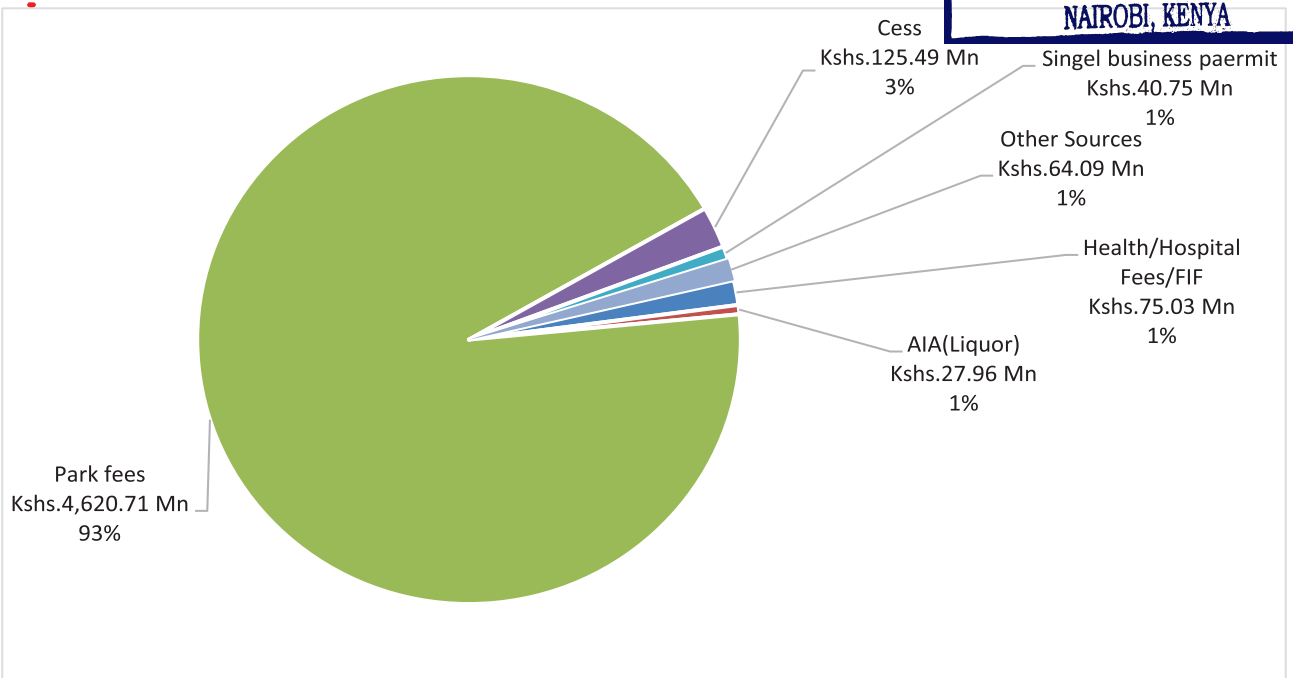
Source: *Narok County Treasury*

During the review period, the County generated Kshs.4.98 billion from its own revenue sources, including AIA and FIF. This amount was an increase of 25.9 per cent compared to Kshs.3.96 billion realised in a similar period in FY 2023/24, and was 99.2 per cent of the annual target and 81.7 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 127.

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Figure 127: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source: *Narok County Treasury*

As shown in Figure 127, the highest revenue stream of Kshs.4.62 billion was from park fees, contributing to 93 per cent of the total OSR receipts. The County Government has automated all revenue streams.

3.33.3 Borrowing by the County

The County Government did not report any borrowing from financial institutions during the reporting period.

3.33.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.10.8 billion from the CRF account during the reporting period, which comprised Kshs.2.04 billion (18.9 per cent) for development programmes and Kshs.8.76 billion (81.1 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs 4.61 billion was released towards compensation of employees, Kshs 4.14 billion for operations and maintenance expenditure and Kshs.2.04 billion for development expenditure.

Analysis of the operations and maintenance exchequer releases indicates that 5 per cent was for domestic travel and 0.3 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.352.16 million and comprised Kshs.171.57 million for the County Executive and Kshs.180.54 million for the County Assembly. The exchequer release for foreign travel was Kshs.13.84 million for the County Executive.

Table 3.334: Narok County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	911,000,000	150,000,000	572,574,493	-	570,775,277	-
County Executive	321,742,095		260,694,059		200,694,059	
Finance & Economic Planning	1,651,604,959	125,105,000	1,476,399,799	10,105,000	1,400,399,799	10,105,000
Transport and Public Works	311,170,904	1,303,190,524	270,799,913	740,345,345	270,799,913	740,345,345
Education, Youth, Sports, Culture and Social Services	1,611,513,485	436,000,000	1,521,091,705	373,302,889	1,500,091,705	353,302,889
Environment Protection, Energy, Water & Natural Resources	388,388,340	599,500,500	320,966,023	260,637,142	310,966,023	260,637,142
Public Service Board	102,343,276	-	89,432,870	61,009,439	89,432,870	61,009,439
Agriculture, Livestock & Fisheries	447,040,312	615,418,919	338,616,900	78,341,378	337,808,557	80,314,569
Health & Sanitation	2,841,274,310	481,094,035	2,496,687,158	342,135,784	2,406,687,158	334,135,784

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)	
	Rec	Dev	Rec	Dev	Rec	Dev
Lands Housing Physical Planning & Urban Development	227,776,251	307,000,000	186,958,952	155,603,067	180,958,952	143,629,875
ICT & E Government	123,325,223	318,000,000	104,169,480	-	104,169,480	-
Administration And Public Services Management	916,650,403	150,000,000	527,100,724	20,000,000	523,100,724	20,000,000
Trade, Industry and Cooperative Development	580,110,533	670,249,999	510,287,016	-	510,287,016	-
Office of the County Attorney	93,039,013	-	80,561,290	-	80,561,290	-
Total	**10,526,979,104**	**5,155,558,977**	**8,756,340,382**	**2,041,480,042**	**8,486,732,823**	**2,003,480,042**

Source: *Narok County Treasury*

As of 31 March 2025, the County Government's cash balance in the CRF account was Kshs.13.05 million.

3.33.5 County Expenditure Review

The County spent Kshs.10.49 billion on development and recurrent programmes in the reporting period. The expenditure represented 97.1 per cent of the total funds released by the CoB and comprised of Kshs.8.49 billion and Kshs 2.00 billion on recurrent and development programmes, respectively. Expenditure on development programmes represented an absorption rate of 38.9 per cent, while recurrent expenditure represented 80.6 per cent of the annual recurrent expenditure budget.

3.33.6 Settlement of Pending Bills

As of 30 June 2024, the county reported pending bills totalling Kshs.426.44 million. This amount comprised Kshs.388.53 million from the County Executive and Kshs.17.92 million from the County Assembly. The pending bills from the County Executive consist of Kshs.163.62 million for recurrent expenditures and Kshs.244.90 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.52 million, comprising Kshs.35 million for recurrent programmes and Kshs.17 million for development programmes. The County Assembly did not submit a report on settling pending bills.

As of 31 March 2025, the outstanding bills amounted to Kshs.354.44 million, comprising Kshs.336.53 for the County Executive and Kshs.17.92 million for the County Assembly.

3.33.7 Expenditure by Economic Classification

The County Executive spent Kshs.4.27 billion on employee compensation, Kshs.3.65 million on operations and maintenance, and Kshs.2 billion on development activities. Similarly, the County Assembly spent Kshs.346.89 million on employee compensation and Kshs.223.89 million on operations and maintenance as shown in Table 3.335.

Table 3.335: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Overall Expenditure as a Percentage of Revenue (%)
	County Executive	County Assembly	County Executive	County Assembly	
Total Recurrent Expenditure	**9,615,979,104**	**911,000,000**	**7,915,957,546**	**570,775,277**	
Compensation to Employees	4,795,013,112	545,073,962	4,267,979,011	346,885,886	41.7
Operations and Maintenance	4,820,965,992	365,926,038	3,647,978,535	223,889,391	35.0
Development Expenditure	5,005,558,977	150,000,000	2,003,480,042	-	18.1
Total	**14,621,538,081**	**1,061,000,000**	**9,919,437,589**	**570,775,277**	

Source: *Narok County Treasury*

3.33.8 Expenditure on Compensation to Employees

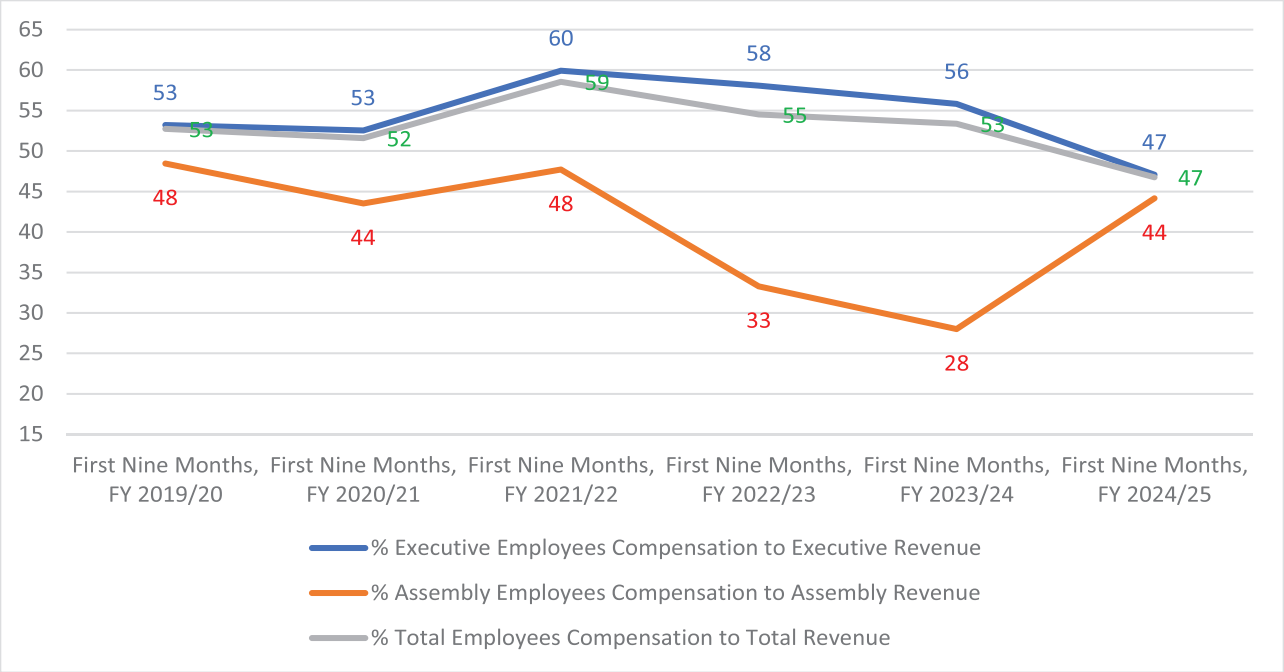
In the period under review, the expenditure on employee compensation amounted to Kshs.4.61 billion. The total revenue, excluding the earnings from extractive natural resources from sand cess, gypsum cess, and quarry cess, was Kshs.11.09 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 41.6 per

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cent. This expenditure on employee compensation shows an increase compared to Kshs.2.71 billion reported during the same period in FY 2023/24. Of this total, Kshs.796.63 million was allocated to Health Sector employees which accounts for 17.5 per cent of the overall employees' compensation.

Figure 128 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 128: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



Source: Narok County Treasury

Further analysis indicates that PE costs amounting to Kshs.4.18 billion were processed through the Unified Human Resource Information System (UHRIS). In contrast, Kshs.17.82 million was processed through manual payrolls, which accounted for 0.4 per cent of the total PE cost.

The manual payrolls comprised salaries for 1 staff yet to be onboarded into the UHRIS, salaries for 95 casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.336.

Table 3.336: Breakdown of Narok County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1.	Salaries for 1 staff member yet to be onboarded into UHR	1,003,672.40
2.	Salaries for 95 casual staff	10,557,502.00
3.	Top-up allowances for 15 security officers	2,694,838.71
4.	LAPTRUST/LAPFUND Pension Contributions	200,370,581.14
5.	Gratuity for contract staff	42,104,425.14
6.	Permanent Exits	611,977.79
7.	NMK- Staff Pension Scheme	145,192.45
	Total	**257,488,189.63**

Source: Narok County Treasury

The County Assembly spent Kshs.28.32 million on committee sitting allowances for the 50 MCAs against the annual budget allocation of Kshs.34.81 million. The average monthly sitting allowance was Kshs.62,926 per MCA. The County Assembly has 21 House Committees.

3.33.9 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.600 million to County-Established funds in FY 2024/25, or 3.8 per cent of the County's overall budget. Further, the County allocated Kshs.50

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million to the Emergency Fund (0.3 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.337 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.337: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
County Executive Established Funds							
1	Narok County Alcoholic Fund	2019	30,000,000	27,905,687	27,465,130	27,905,687	Yes
2	FIF	2023	-	77,728,270	77,728,270	77,728,270	Yes
3	County Emergency Fund.	2014	50,000,000	0	0	0	No
4	County Car Loan & Mortgage	2024	120,000,000	40,000,000			No
5	Bursary Fund	2014	400,000,000	375,000,000	375,000,000		
County Assembly Established Funds							
1.	Car loan & Mortgage staff	2013	0	0	0	0	No
	Total		**600,000,000**	**520,633,957**	**480,193,400**	**105,633,957**	

Source: *Narok County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from the County Emergency Fund, County Executive Car Loan and Mortgage Fund and County Assembly Car Loan & Mortgage Fund as indicated in Table 3.337, contrary to the requirement of Section 168 of the PFM Act, 2012.

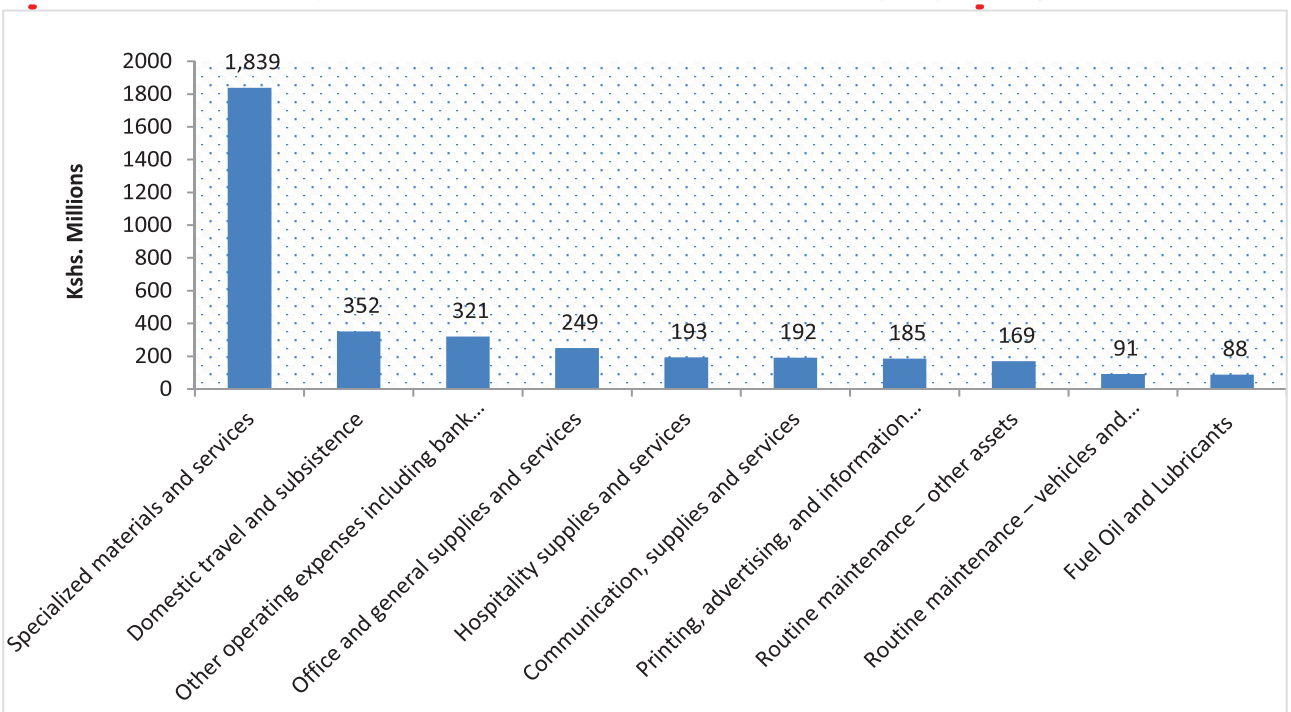
3.33.10 County Corporations

The Narok County has one corporation Narok water Sewerage Company (NAWASCO).

3.33.11 Expenditure on Operations and Maintenance

Figure 129 summarises the Operations and Maintenance expenditure by major categories.

Figure 129: Narok County, Operations and Maintenance Expenditure by Major Categories



Source: *Narok County Treasury*

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Expenditure on domestic travel totalled Kshs.352.11 million, which included Kshs.180.54 million spent by the County Assembly and Kshs.171.57 million by the County Executive. Expenditure on foreign travel was Kshs13.85 million and is summarised in Table 3.338.

Table 3.338: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Dates travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	2 officers	23rd to 27th September	Industrial Tour	Italy and Germany	1,899,180
County Executive	2 officers	25th to 31st August	12th World Wilderness Congress	USA	1,616,220
County Executive	3 Officers	14th to 17th October	Export Abattoir Benchmarking Exercise	South Africa	1,978,640
County Executive	5 officers	4TH-6th March	Kenya Tourism Board's Expo invite	Germany	3,706,605
County Executive	2 officers	3rd-13 February	Africa World Championship qualifiers	South Africa	939,156
County Executive	4 officers	4TH-6th March	Kenya Tourism Board's Expo invite	Germany	3,706,605
	Total				**13,846,406**

***Source**: Narok County Treasury and Narok County Assembly*

3.33.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.75.12 million as FIF, which was 62 per cent of the annual target of Kshs.120.95 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has not developed regulations to operationalise the FIF Act of 2023.

The Health Facilities provided a report on the utilisation of the FIF during the reporting period, in line with Section 18(e) of the FIF Act, 2023. The expenditure by the health facilities amounted to Kshs.75.38 million, as shown in Table 3.339.

Table 3.339: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Narok County Referral Hospital		59,556,100	
2	Lolgorian Hospital		3,427,701	
3	Transmara west Hospital		10,908,470	
4	Ololulunga Hospital		1,487,386	
	Total	**120,000,000**	**75,379,657**	**74**

***Source: Narok** County Treasury*

The county allocated Kshs.120 million for health facilities but did not specify the amounts for each one.

3.33.13 Development Expenditure

In the review period, the County reported spending Kshs.2.0 billion on development programmes, representing a decrease of 30.7 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.2.90 billion. Table 3.340 summarises development projects with the highest expenditure in the reporting period.

Table 3.340: Narok County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Public Works, Roads and Transport	NCG/OT/01/2024-2025 Nairagie Enkare Junction-Nairagie Enkare Centre to Bitumen Standard 5.3km	Nairagie Enkare Junction-Nairagie Enkare Centre	12TH DEC 2024	82,479,886	45,895,806	45,895,806	55.6

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure March 2025	Implementation status (%)
2	Public Works, Roads and Transport	NCG/OT/02/2024-2025 Masaantare Junction Ololulunga Center to Bitumen Standard 2.2 Km.	Masaantare Junction Ololulunga Center	12TH DEC 2024	95,509,806	41,656,284	41,656,284	43.6
3	Agriculture, Livestock and Fisheries	NCG/OT/001/2023-2024 Proposed Construction of County Aggregation and Industrial Parks	Narok Town	FY25/26	450,017,750	24,000,000	24,000,000	5.3
4	Education, Youth, Sports, Culture and Social Services	Multi-purpose Hall	Narok Town	FY24/25	20,329,590	14,658,300	14,658,300	72.1
5	Public Works, Roads and Transport	Olkoroin-Olpusimoru Road	Naikarra	FY24/25	22,428,078	14,523,200	14,523,200	64.8
6	Public Works, Roads and Transport	Sikirar-Olopirik Road	Ilmotiok	DEC 2024	16,779,400	13,925,800	13,925,800	83.0
7	Public Works, Roads and Transport	Olkeri-oekinyei-entol-ntol road	Melili	FY24/25	16,577,560	13,891,000	13,891,000	83.8
8	Public Works, Roads and Transport	Oloonkabob-ok-Sankale Road	Ildamat	FY24/25	17,850,856	8,908,800	8,908,800	49.9
9	Public Works, Roads and Transport	Ngosuani-Naishi-Ol-emoncho Road	Mara	DEC 2024	16,577,560.00	13,891,000.00	13,891,000.00	83.79
10	Public Works, Roads and Transport	Town Boda Boda shades	Narok Town	FY23/24	7,778,480	7,778,480	7,778,480	100.0

Source: *Narok County Treasury*

3.33.14 Budget Performance by Department

Table 3.341 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.341: Narok County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	911.00	150.00	572.57	-	570.78	-	99.7	-	62.7	-
County Executive	321.74	-	260.69	-	200.69	-	77.0	-	62.4	-
Finance & Economic Planning	1,651.60	125.11	1,476.40	10.11	1,400.40	10.11	94.9	100.0	84.8	8.1
Transport and Public Works	311.17	1,303.19	270.80	740.35	270.80	740.35	100.0	100.0	87.0	56.8
Education, Youth, Sports, Culture and Social Services	1,611.51	436.00	1,521.09	373.30	1,500.09	353.30	98.6	94.6	93.1	81.0
Environment Protection, Energy, Water & Natural Resources	388.39	599.50	320.97	260.64	310.97	260.64	96.9	100.0	80.1	43.5
Public Service Board	102.34	-	89.43	61.01	89.43	61.01	100.0	100.0	87.4	-
Agriculture, Livestock & Fisheries	447.04	615.42	338.62	78.34	337.81	80.31	99.8	102.5	75.6	13.1
Health & Sanitation	2,841.27	481.09	2,496.69	342.14	2,406.69	334.14	96.4	97.7	84.7	69.5

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer (%)		Absorption (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Lands Housing Physical Planning & Urban Development	227.78	307.00	186.96	155.60	180.96	143.63	96.8	92.3	79.4	46.8
ICT & E Government	123.33	318.00	104.17	-	104.17	-	100.0	-	84.5	-
Administration And Public Services Management	916.65	150.00	527.10	20.00	523.10	20.00	99.2	100.0	57.1	13.3
Trade, Industry and Cooperative Development	580.11	670.25	510.29	-	510.29	-	100.0	-	88.0	-
Office of the County Attorney	93.04	-	80.56	-	80.56	-	100.0	-	86.6	-
Total	**10,526.98**	**5,155.56**	**8,756.34**	**2,041.48**	**8,486.73**	**2,003.48**	**96.9**	**98.1**	**80.6**	**38.9**

***Source**: Narok County Treasury*

Analysis of expenditure by departments shows that the Department of Education, Youth, Sports, Culture, and Social Services recorded the highest absorption rate of the development budget at 81 per cent, followed by the Department of Health and Sanitation at 69.5 per cent. The Department of Education, Youth, Sports, Culture and Social Services had the highest percentage of recurrent expenditure to budget at 93.1 per cent, while the Department of Administration and Public Services Management had the lowest at 57.1 per cent.

3.33.15 Budget Execution by Programmes and Sub-Programmes

Table 3.342 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.342: Narok County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub Programme	Description	Budget KShs	Actual KShs	Programme Performance (%)
102004610		**Crop Development and Management**	**800,070,821**	**533,613,378**	**66.7**
	102024610	Crop Productivity Improvement	800,070,821	533,613,378	66.7
103004610		**Livestock Resources management and development**	**214,059,898**	**64,888,477**	**30.3**
	103014610	Livestock Pests & Disease Management & Control	113,236,103	6,868,360	6.1
	103074610	Livestock Information Management	100,823,795	58,020,117	57.5
104004610		**Fisheries development and management**	**48,328,512**	**18,718,000**	**38.7**
	104014610	Fish Products Production	48,328,512	18,718,000	38.7
105004610		**Land Policy and Planning**	**44,403,099**	**2,324,125**	**5.2**
	105014610	Development Planning and Land Reforms	44,403,099	2,324,125	5.2
106004610		**Housing Development and Human Settlement**	**196,692,757**	**51,873,720**	**26.4**
	106014610	Housing Development	196,692,757	51,873,720	26.4
107004610		**Urban Mobility and Transport**	**293,680,395**	**0**	**0.0**
	107014610	Metropolitan Planning & Infrastructure Development	293,680,395		0.0
201004610		**Roads, Transport and Public Works**	**1,614,361,428**	**1,228,608,790**	**76.1**
	201014610	General Administration, Planning and Support Services	67,185,299	10,636,220	15.8
	201024610	Construction of Roads and Bridges	1,479,389,344	1,213,112,839	82.0
	201034610	Maintenance of Roads	67,786,785	4,859,731	7.2
202004610		**ICT Services**	**441,325,223**	**42,000,000**	**9.5**
	202014610	ICT Infrastructure Development	441,325,223	42,000,000	9.5
301004610		**General Administration and Support Services**	**699,196,845**	**72,377,088**	**10.4**

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Programme	Sub Programme	Description	Budget KShs	Actual KShs	Programme Perfor. Variance %
	301014610	Administrative Services	9,435,168	0	0.0
	301024610	Cooperative Development & Management	34,656,100	9,543,336	27.5
	301034610	Trade Development and Promotion	655,105,577	62,833,752	9.6
303004610		**Tourism Development and Promotion**	**450,913,688**	**229,942,960**	**51.0**
	303014610	Tourism Promotion and Marketing	450,913,688	229,942,960	51.0
306000000		**Tourism Development and Promotion**	**100,249,999**	**0**	**0.0**
	306039999	Tourism Infrastructure Development	100,249,999	0	0.0
401004610		**Preventive &Promotive Health Services**	**481,094,035**	**440,361,538**	**91.5**
	401014610	Health Promotion	481,094,035	440,361,538	91.5
402004610		**Curative Health Services**	**488,124,894**	**355,235,895**	**72.8**
	402014610	Referral Services	488,124,894	355,235,895	72.8
403004610		**General Administration, Planning & Support Services**	**2,353,149,416**	**2,343,814,559**	**99.6**
	403014610	Health Policy, Planning and Financing	2,353,149,416	2,343,814,559	99.6
502004610		**Manpower Development, Employment and Productivity Management**	**1,730,459,500**	**1,443,558,985**	**83.4**
	502014610	Early Child Development and Education	1,730,459,500	1,443,558,985	83.4
701004610		**General Administration, Planning and Support Services**	**2,494,774,787**	**1,473,511,272**	**59.1**
	701014610	Administrative Services	772,161,124	363,626,731	47.1
	701044610	Coordination and Administrative Services	762,391,556	337,509,986	44.3
	701054610	Public service and Field Administrative Services	857,878,831	690,271,602	80.5
	701084610	Board Management Services	102,343,276	82,102,953	80.2
702004610		**Public Finance Management**	**904,925,076**	**721,726,093**	**79.8**
	702014610	Accounting services	84,691,636	60,504,228	71.4
	702024610	Resource Mobilisation	466,041,607	419,393,989	90.0
	702034610	Budget Formulation, Coordination and Management	51,518,543	20,170,790	39.2
	702044610	Supply Chain Management Services	231,623,633	205,928,609	88.9
	702054610	Internal Audit Services	71,049,657	15,728,477	22.1
703004610		**Economic Policy and County Planning**	**871,784,883**	**553,173,407**	**63.5**
	703014610	Economic Planning Coordination	719,451,966	433,366,153	60.2
	703024610	Monitoring and Evaluation Services	152,332,917	119,807,254	78.6
704004610		**Legislation and Representation**	**150,000,000**	**91,831,562**	**61.2**
	704024610	County Co-ordination Services	150,000,000	91,831,562	61.2
901004610		**Social Development and Children's Services**	**317,053,985**	**147,821,490**	**46.6**
	901014610	Gender and Youth Development	50,776,983	30,992,508	61.0
	901024610	Social Assistance to Vulnerable Groups	21,212,256	3,696,500	17.4
	901034610	Development and Promotion of Culture	36,332,668	7,855,100	21.6
	901044610	Development and Management of Sports Facilities	31,000,000	0	0.0
	901054610	Sports Services	89,764,363	45,709,746	50.9
	901064610	Voluntary Training Services	87,967,715	59,567,636	67.7
1002004610		**Environment Management and Protection**	**987,888,840**	**674,831,527**	**68.3**
	1002014610	Forests Conservation and Management	987,888,840	674,831,527	68.3
		Grand Total	**15,682,538,081**	**10,490,212,866**	**66.9**

Source: *Narok County Treasury*

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The sub-programs with the highest implementation rates, based on absorption percentages, are Policy Formulation, General Administration, Planning, and Support Services in the Department of Health and Sanitation, with an absorption rate of 99.6 per cent; Preventive and Promotive Health Services in the Department of Health and Sanitation, with an absorption rate of 91.5 per cent; and Manpower Development, Employment, and Productivity Management in the Department of Education, Youth, Sports, Culture, and Social Services, with an absorption rate of 83.4 per cent of the budget allocation.

3.33.16 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;

i. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on 23 April 2025.
ii. In the FY 2024/25, revenue collection performed exceptionally well, generating a total of Kshs.4.88 billion, which exceeded the annual target of Kshs.4.86 billion. This strong performance is primarily attributed to park fees collected during the review period. However, there is a risk associated with overreliance on this revenue source. Additionally, any surplus revenue should not be used in budget implementation unless appropriated.
iii. Fund Administrators did not submit quarterly financial and non-financial reports to the Controller of Budget (CoB) within the timelines mandated by law. This noncompliance violates Section 168 of the Public Finance Management (PFM) Act, 2012. Specifically, reports for the County Emergency Fund, County Executive Car Loan and Mortgage Fund, and County Assembly Car Loan and Mortgage Fund were not submitted to the Controller of Budget.
iv. Use of manual payroll. Personnel emoluments amounting to Kshs.17.82 million for 111 staff were processed through manual payroll, accounting for 0.4 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
v. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.
vi. Poor resource distribution among programmes has caused major financial disparities. Some programs reported no performance in the first nine months, while others achieved nearly 100 per cent.

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The increase in park fees has significantly contributed to the revenue performance, which is commendable. However, we advise the County to develop additional revenue streams to minimise the risk of becoming overly dependent on a single source. If the County wishes to use this surplus collection, we recommend considering a supplementary review; otherwise, this surplus should not be utilised in the FY 2024/25.*
iii. *The CECMF should follow up to ensure that Fund Administrators prepare and submit statutory reports in accordance with the PFM Act, 2012.*
iv. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012.*
v. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*
vi. *The County should ensure equitable distribution of resources among programmes to achieve objectives effectively. Any shifts in priorities should occur through supplementary revisions, not by cutting funding to specific programmes.*

3.34. County Government of Nyamira

3.34.1 Overview of FY 2024/25 Budget

The Nyamira County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.8.10 billion. It comprises Kshs.2.87 billion (35 per cent) and Kshs.5.23 billion (65 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.820.72 million (11.3 per cent) from the FY 2023/24 budget that comprised a development budget of 2.15 billion and a recurrent budget of Kshs.5.13 billion.

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The increase in the budget was attributed to Equitable Share for June 2024 not released by the National Treasury for FY 2023/24 and increase in expected own source revenue. The County's Net Approved Supplementary Budget is Kshs.7.65 billion, comprising Kshs.5.23 billion for recurrent and Kshs.2.42 billion for development.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.5.52 billion (68 per cent), additional allocations of Kshs.1.26 million (16 per cent), a cash balance of Kshs.469.07 million (6 per cent) brought forward from FY 2023/24, and Kshs.850 million (11per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.450 million (6 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.400 million (5 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.343.

3.34.2 Revenue Performance

In the review period, the County received Kshs.4.00 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.38.79 million from Kshs.3.96 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.3.54 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.54.13 million, and its own-source revenue (OSR) collection of Kshs.399.44 million. In addition, the County had a cash balance of Kshs.2.35 million from FY 2023/24.

The total OSR collection of Kshs.399.43 million includes Facilities Improvement Financing (FIF) of Kshs.322.30 million, and Kshs.77.14 million from other OSR sources. OSR collections from the FIF were received from Nyamira County Level IV Hospital, Keroka Leve lII Hospital, Nyangina level III Hospital, and Nyansiongo level III Hospital, Manga level III Hospital and Ekerenyo level III Hospital where FIF is collected. Table 3.343 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.343: Nyamira County Revenue Performance in the First Nine Months of FY 2024/25

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	Equitable Share of Revenue Raised Nationally -	5,523,614,355	3,535,529,055	64
Subtotal		5,523,614,355	3,535,529,055	64
B	Additional Allocations			
1	Kenya Urban Support Programme (KUSP UDG)	19,817,128	0	
2	Kenya Urban Support Programme (KUSP UIG)	45,208,640	0	
3	DANIDA unspent 23/24	8,963,464	0	
4	DANIDA 24/25 allocation	7,410,000	0	
5	Kenya Agricultural business Development project (Sweden)	10,918,919	0	
6	Kenya Devolution Support Program Level II	48,820,388	0	
7	Kenya Second Informal Settlement Improvement (KISIP 2)	230,205,536	0	
8	County Climate Resilience Support (CCRS)- World Bank	162,210,133	0	
9	National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	0	
10	County Climate Institutional Support (CCIS)- World Bank	11,000,000	11,000,000	100
11	Aggregated Industrial Park Programme	250,000,000	54,131,579	21.7
12	Road Maintenance Levy Fund	114,508,950	0	
13	Community Health Promoters	44,370,000	0	
14	Climate change resilience (FLLoCA)	155,247,624	0	
15	Road Maintenance Levy Fund		0	
16	Village polytechnic grants	19,041		
Sub total		1,260,214,975	65,131,579	5.2
C	Own Source Revenue			
1	Ordinary Own Source Revenue	400,000,000	77,137,623	19.3
2	Appropriation in Aid (A-I-A)			

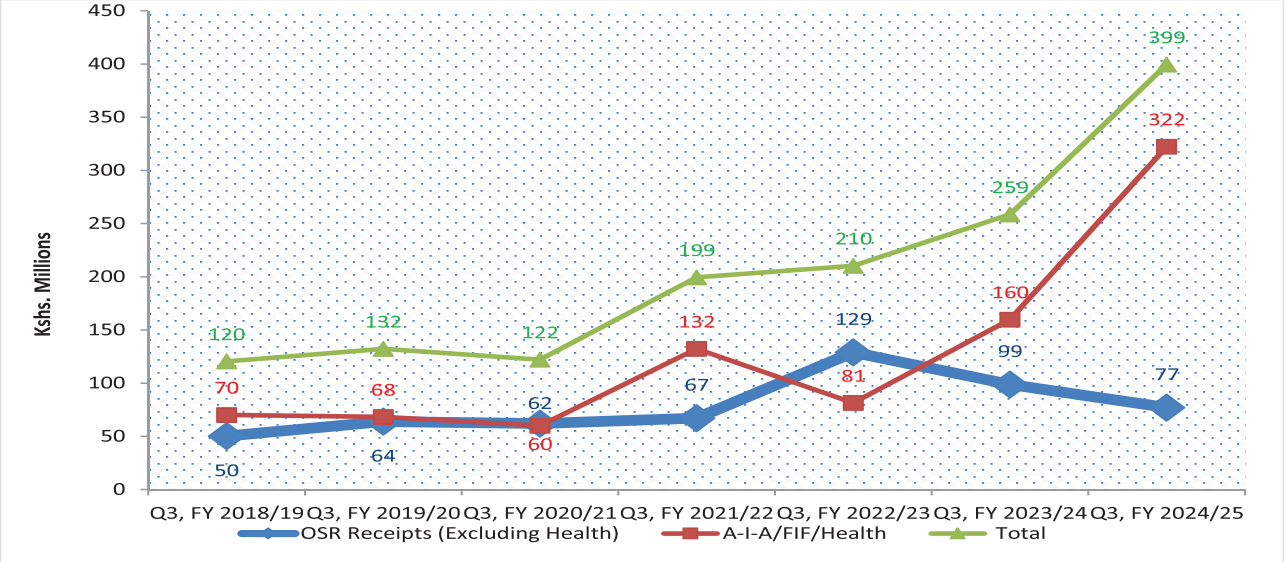
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S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as a Percentage of Annual Budget Allocation (%)
3	Facility Improvement Fund (FIF)	450,000,000	322,301,131	71.6
Subtotal		850,000,000	399,438,754	47.0
D	Other Sources of Revenue			
1	Unspent balance from FY 2023/24	469,068,212	2,350,420	0.5
Sub-Total		469,068,212	2,350,420	0.5
Grand Total		8,102,897,542	4,002,449,808	49.4

Source: *Nyamira County Treasury*

The County does not have governing legislation on operating ordinary A-I-A and FIF. Figure 130 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 130: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



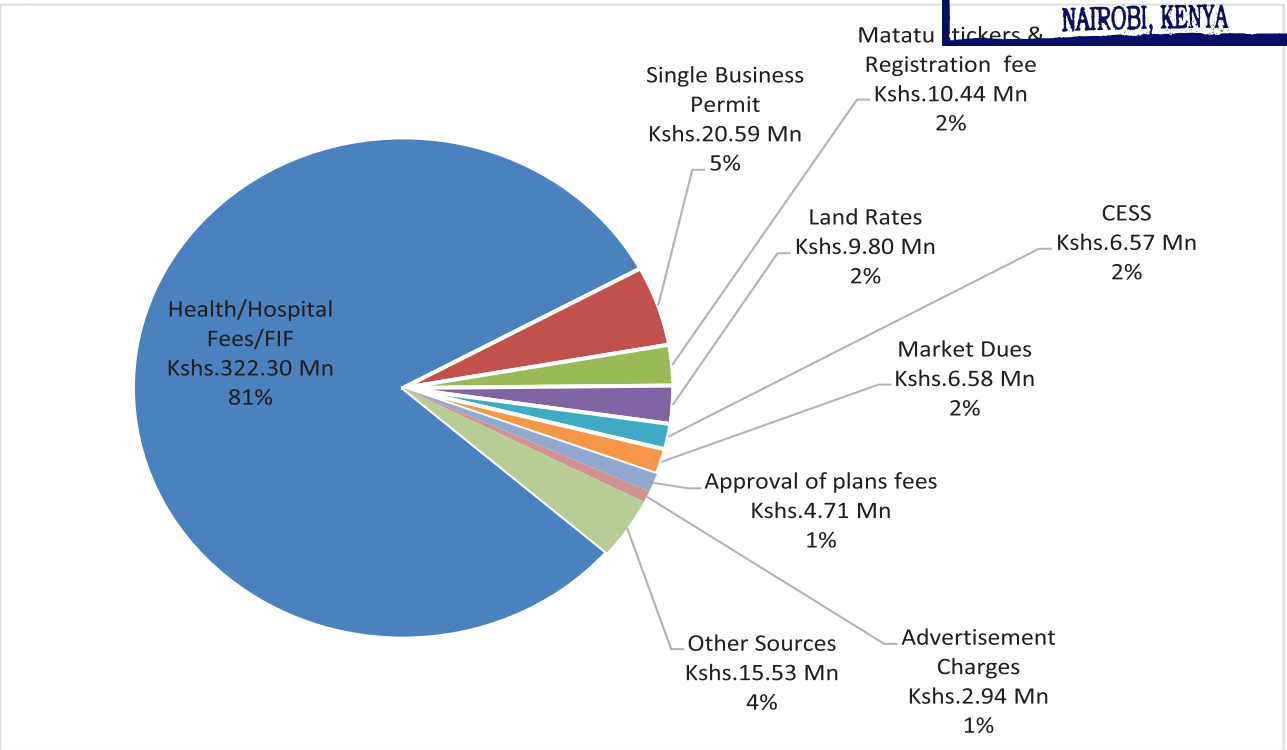
Source: *Nyamira County Treasury*

During the review period, the County generated Kshs.399.44 million from its own revenue sources, including FIF. This amount increased by 54 per cent compared to Kshs.258.55 million realised in a similar period in FY 2023/24 and was 47 per cent of the annual target and 11 per cent of the equitable revenue share disbursed.

The increase in OSR can be attributed to stringent revenue collection measures, surveillance, and improved drug supply in the health facilities. Figure 131 shows the revenue streams that contributed the highest OSR receipts.

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Figure 131: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



***Source**: Nyamira County Treasury*

As shown in Figure 131, the highest revenue stream, Kshs.322,3 million, was from Facility improvement Financing, contributing to 81 per cent of the total OSR receipts. The County Government has automated 30 out of 33 revenue streams.

3.34.3 Borrowing by the County

The County Government did not borrow funds during the period under review, which was disclosed and was outstanding as at 31st March 2025.

3.34.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.3.56 billion from the CRF account comprised Kshs.615.88 million (17.3 per cent) for development programmes and Kshs.2.94 billion (82.7 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.26 billion was released towards compensation of employees and Kshs.560.72 million for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25 do not include the March 2025 exchequer request for the County Executive and County Assembly do not include Exchequer issues for January, February and March due to delay in disbursement for January and February 2025 equitable share coupled with the leadership wrangles in the County Assembly.

Analysis of the operations and maintenance exchequer releases indicates that 11 per cent was for domestic travel and none for foreign travel. The domestic travel exchequer amounted to Kshs.62.34 million and included Kshs.32.72 million for the County Executive and Kshs.29.62 million for the County Assembly. There was no exchequer issue for foreign travel for both the County Executive and the County Assembly.

Table 3.344: Nyamira County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	699.76	98.00	288.87	30.62	41	31
County Executive	497.83		166.44		33	0
Finance, ICT & Economic Planning	116.79	425.55	104.70	192.46	90	45
Agriculture, Livestock & Fisheries	66.61	195.43	55.22	25.00	83	13

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Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Environment, Energy, Natural Resources and Mining	60.78	389.46	60.17	22.50	99	6
Education & Vocational Training	438.97	24.20	256.98	0.00	59	0
Health Services	687.43	447.05	571.99	0.00	83	0
Lands, Housing, Physical Planning and Urban Development	80.75	346.21	63.39	0.00	79	0
Water, Irrigation & Sanitation	48.30	31.20	33.74	0.00	70	0
Roads, Transport and Public Works	118.62	472.03	65.92	328.10	56	70
Trade, Tourism, Industrialisation & Cooperatives Development	65.91	200.47	37.16	54.13	56	27
Sports, Gender, Culture & Social Services	67.68	12.50	39.69	0	59	0
County Public Service Board	61.12		33.93	0	56	0
Public Service Management	473.31	42.50	311.27	0	66	0
Nyamira Municipality Board	91.88	90.03	41.36	0	45	0
County Attorney	25.15	4.99	12.70	0	50	0
Economic Planning, Resource Mobilization & ICT	230.39	31.55	91.54	0	40	0
Livestock & Fisheries	100.64	11.00	57.00	0	57	0
Primary Healthcare	1,226.10	35.00	633.78	0	52	0
Keroka Municipality Board	17.11	13.00	0.00	0	0	0
Nyamira Revenue Board	7.72	0	7.04	0	91	0
Nyamira Disability Board	6.22	0	0.00	0	0	0
Nyamira Investment Corporation	8.22	0	2.90	0	35	0
Nyamira Water & Sanitation Company	35.00	0	4.47		13	0
Total	**5,232.29**	**2,870.16**	**2,940.25**	**652.80**	56	23

***Source**: Nyamira County Treasury*

As of 31 March 2025, the County Government's cash balance in the CRF account was Kshs.259.96 million.

3.34.5 County Expenditure Review

The County spent Kshs.3.47 billion on development and recurrent programmes in the reporting period. The expenditure represented 98 per cent of the total funds released by the CoB and comprised Kshs.652.80 million and Kshs.3.18 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 23 per cent, while recurrent expenditures represented 54 per cent of the annual recurrent expenditure budget.

3.34.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.812.86 billion as of 30th June 2024. This amount included Kshs.776.68 million from the County Executive and Kshs.36.18 million from the County Assembly. The pending bills from the County Executive consist of Kshs.433.41 million for recurrent expenditures and Kshs.343.27 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.306.81 million, comprising Kshs.130.16 million for recurrent programmes and Kshs.176.15 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.28 million, which were for development activities.

The County Executive and the Assembly submitted payment plans for pending bills at the commencement of FY 2024/25, committing to pay Kshs.776.24 million and Kshs.36.18 million, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.306.81 million for the Executive and Kshs.28 million for the Assembly.

As of 31st March 2025, the outstanding bills amounted to Kshs.478.05 million, comprising Kshs.469.87 million for the County Executive and Kshs.8.18 million for the County Assembly.

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3.34.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.06 billion on employee compensation, Kshs.495.48 million on operations and maintenance, and Kshs.622.19 million on development activities. Similarly, the County Assembly spent Kshs.198 million on employee compensation, Kshs.63.49 million on operations and maintenance, and Kshs.30.62 million on development activities, as shown in Table 3.345.

Table 3.345: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	4,532,527,717	699,762,663	2,555,535,334	262,123,187	56	37
Compensation to Employees	3,087,205,135	347,941,534	2,060,052,989	198,637,388	67	57
Operations and Maintenance	1,445,322,582	351,821,129	495,482,345	63,485,799	34	18
Development Expenditure	2,772,607,162	98,000,000	622,186,327	30,615,445	22	31
Total	**7,305,134,879**	**797,762,663**	**3,177,721,661**	**292,738,632**	**43**	**37**

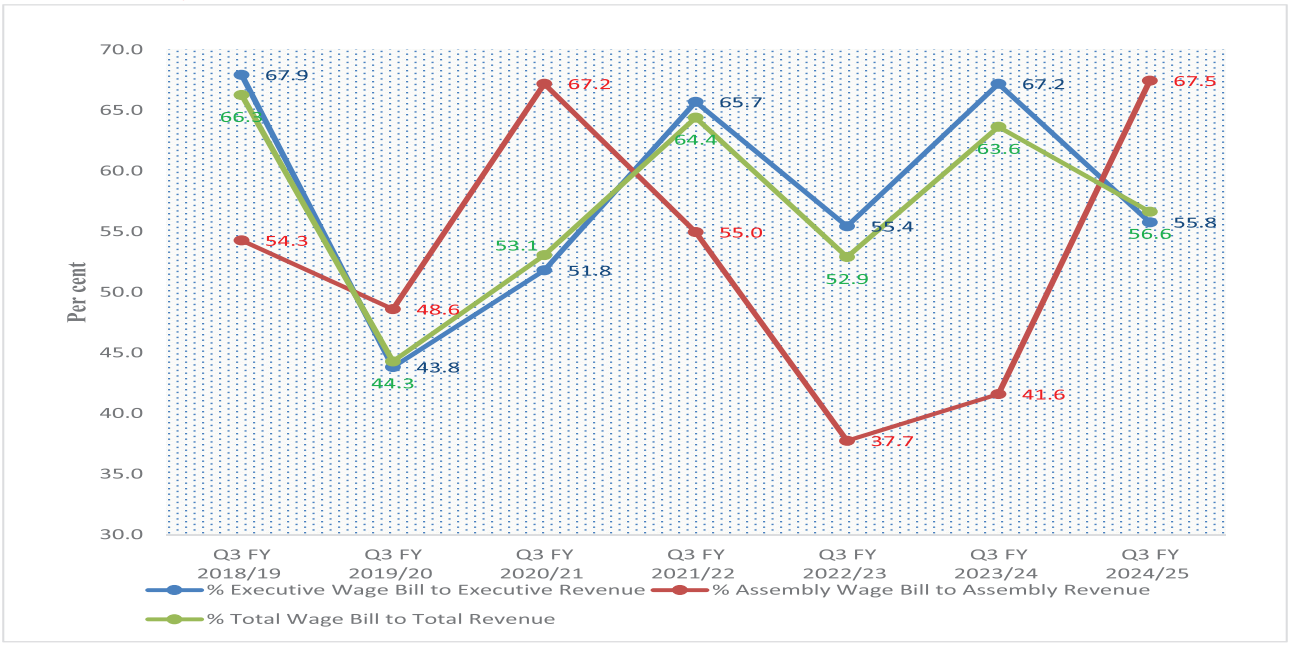
***Source**: Nyamira County Treasury*

3.34.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.2.26 billion. The percentage of employee compensation to this adjusted revenue is 57 per cent. This expenditure on employee compensation shows a decrease compared to the Kshs.2.52 billion reported during the same period in FY 2023/24. Of this total, Kshs.1.03 billion was allocated to Health Sector employees, which accounts for 46 per cent of the overall employees' compensation. The decrease in the expenditure on employee compensation is attributed to the fact that the County Executive had not paid the salaries for March 2025, while the County Assembly had also not paid the salaries for January, February and March 2025.

Figure 132 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 132: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source:** Nyamira County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.26 billion were processed through the Integrated Personnel and Payroll Database (IPPD) system. Therefore, all PE costs were processed through IPPD system.

The County Assembly spent Kshs.14.24 million on committee sitting allowances for the 36 MCAs against the annual budget allocation of Kshs.41.18 million. The average monthly sitting allowance was Kshs.43,964 per MCA. The County Assembly has 20 House Committees.

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3.34.9 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.585.42 million to County-Established funds in FY 2024/25, or 7 per cent of the County's overall budget. Further, the County allocated Kshs.5 million to the Emergency Fund (less than one per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.346 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.346: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in First Half of FY 2024/25 (Kshs.)	Actual Expenditure in Half Quarter of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1.	Emergency Fund	5,000,000	-	-	146,000,000	No
2.	Health Facility Improvement Fund	450,000,00	-	-		No
3.	Education Support Fund	120,415,513	15,000,000	15,000,000	626,000,000	No
4.	Loans to traders (Revolving Fund)	-	-	-		No
5.	Car Loan & Mortgage Fund	10,000,000	-	-	147,500,000	No
	County Assembly Established Funds					
6.	Car and Mortgage Fund (Assembly)	-	-	-	431,000,000	No
	Total	**585,415,513**	**15,000,000**	**15,000,000**	**1,350,500,000**	

***Source**: Nyamira County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from from Six Fund Administrators, as indicated as indicated in Table 3.344, contrary to the requirement of Section 168 of the PFM Act, 2012. The administration costs of all the six Funds could not be determined if they were above the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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. During the reporting period, the CoB established that the lifespan Car and Mortgage Fund (Assembly) and Car Loan & Mortgage Fund (Executive) had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.34.10 County Corporations

The County has established one county corporations. In FY 2024/25, the county allocated Kshs.8.2 million to this corporation. The total expenditure in the first nine months amounted to Kshs.1.58 million as shown in Table 3.347.

Table 3.347: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
	Nyamira Investment Corporation	Has an autonomous budget	8,222,500	2,900,000	1,580,000
	Total		**8,222,500**	**2,900,000**	**1,580,000**

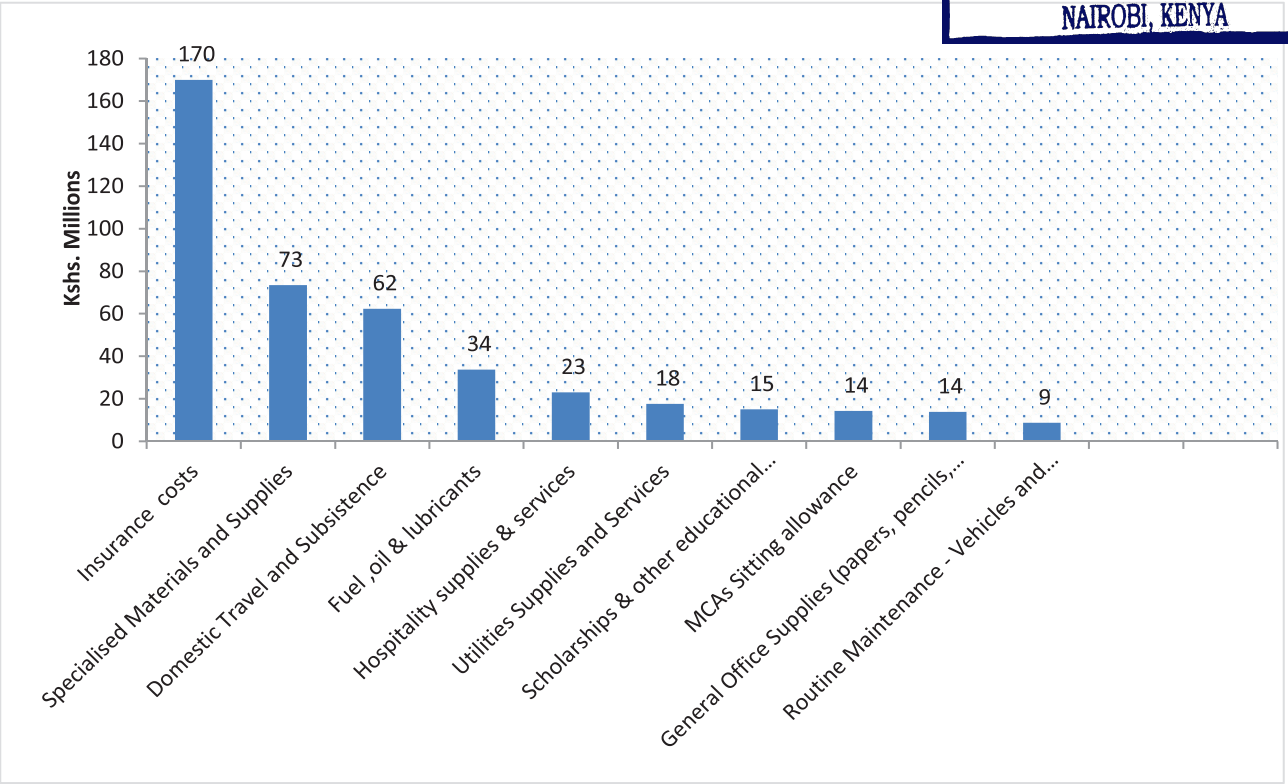
***Source**: Nyamira County Treasury*

3.34.11 Expenditure on Operations and Maintenance

Figure 133 summarises the Operations and Maintenance expenditure by major categories.

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Figure 133: Nyamira County, Operations and Maintenance Expenditure by Major Categories



Source: *Nyamira County Treasury*

Expenditure on domestic travel amounted to Kshs.62.34 million and comprised Kshs.29.62 million spent by the County Assembly and Kshs.32.72 million by the County Executive. There was no expenditure on foreign travel by either the County Assembly or the County Executive.

The operations and maintenance costs include an expenditure of Kshs.5.32 million on Legal fees/Dues, arbitration and compensation payments.

3.34.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.322.30 million as FIF, which was 72 per cent of the annual target of Kshs.450.00 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023.

The health facilities did not provide a report on the utilisation of the FIF during the reporting period, contrary to Section 18 (e) of the FIF Act, 2023.

3.34.13 Development Expenditure

In the review period, the County reported spending Kshs.652.80 million on development programmes, representing a decrease of 23 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.842.77 million. Table 3.348 summarises development projects with the highest expenditure in the reporting period.

The decline in development expenditure was attributed to delays in exchequer releases by the National Treasury.

Table 3.348: Nyamira County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
1	Roads, Transport & Public Works	Purchase of heavy Machinery (Bulldozer, Excavator, Motor grader, Wheel roller, Roller Dump truck and Prime mover)	Headquarter	258,017,652	250,456,697	97
2	County Assembly	Construction of an office block	Headquarter	367,000,000	255,903,302	70
3	Health Services	Renovation works, construction of 2 2-door pit latrines, chain link fencing and external works for the Nyabonge OPD block in Itibo ward	Itibo Ward	4,999,999	4,999,999	100

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No.	Sector	Project Name	Project Location	Contract sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
4	Roads, Transport & Public Works	Routine maintenance of ACK samaritan-K isumu ndogo-misambi SDA church-Misamb i junction-Nyambambo road	Magwagwa Ward	4,902,044	4,902,044	100
5	Roads, Transport & Public Works	Routine maintenance of Nyamatimbo-Ege-tare-Kiamogake	Bogichora Ward	4,111,478	4,111,478	100
6	Roads, Transport & Public Works	Routine maintenance of the outreach church, Riokerio, Riamogere, Mogumo, Bwonchuru road	Magombo Ward	3,862,742	3,862,742	100
7	Roads, Transport & Public Works	Repair and maintenance of Onsenka junction, Eturungi junction, Amakura primary, Kitaru AIC junction, St. Paul's Omonayo Secondary. Oad	Mekenene Ward	3,770,664	3,770,664	100
8	Roads, Transport & Public Works	Routine maintenance of the Enkinda catho-lic-Riamurubi-Getengereri road	Itibo Ward	3,531,156	3,531,156	100
9	Environment, Ener-gy, Natural Resourc-es and Mining	Rehabilitation and distribution of the Entanda water project in Kemera ward	Kemera Ward	3,000,050	3,000,050	100
10	Roads, Transport & Public Works	Routine maintenance of the Nyangoso-Kioge road	Bosamaro Ward	2,964,252	2,964,252	100

Source: *Nyamira County Treasury*

The county has not reported stalled development projects with an estimated value to date.

3.34.14 Budget Performance by Department

Table 3.349 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.349: Nyamira County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs.Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	699.76	98.00	288.87	30.62	262.12	30.62	91	100	37	31
County Executive	497.83		166.44		144.99		87	0	29	0
Finance, ICT & Economic Planning	116.79	425.55	104.70	192.46	94.20	192.46	90	100	81	45
Agriculture, Livestock & Fisheries	66.61	195.43	55.22	25.00	52.99	25.00	96	100	80	13
Environment, Energy, Natural Resources and Mining	60.78	389.46	60.17	22.50	53.37	22.50	89	100	88	6
Education & Vocational Training	438.97	24.20	256.98	0.00	251.87	0	98	0	57	0
Health Services	687.43	447.50	571.99	0.00	546.91	0		0	80	0
Lands, Housing, Physical Planning and Urban Devel-opment	80.75	346.21	63.39	0.00	60.29	0		0	75	0
Water, Irrigation & Sanitation	48.30	31.20	33.74	0.00	22.94			0	47	0
Roads, Transport and Public Works	118.62	472.03	65.92	328.10	65.92	328.10		100	56	70
Trade, Tourism, Industri-alisation & Cooperatives Development	65.91	200.47	37.16	54.13	36.66	54.13		100	56	27
Sports, Gender, Culture & Social Services	67.68	12.50	39.69	0	39.69	0		0	59	0
County Public Service Board	61.12		33.93	0	33.93	0		0	56	
Public Service Management	473.31	42.50	311.27	0	314.16	0	101	0	66	0
Nyamira Municipality Board	91.88	90.03	41.36	0	45.31	0	31	0	14	0
County Attorney	25.15	4.99	12.70	0	12.70	0	0	0	0	0

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Department	Revised Gross Budget Allocation (Kshs.Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIAs (%)		Absorption (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Economic Planning, Resource Mobilisation & ICT	230.39	31.55	91.54	0	88.98	0	97	0	39	0
Livestock & Fisheries	100.64	11.00	57.00	0	56.80	0	100	0	56	0
Primary Healthcare	1,226.10	35.00	633.78	0	628.78	0	99	0	51	0
Keroka Municipality Board	17.11	13.00	0.00	0	0.00	0	0	0	0	0
Nyamira Revenue Board	7.72	0	7.04	0	1.00	0	14		13	0
Nyamira Disability Board	6.22	0	0.00	0	0.00	0				0
Nyamira Investment Corporation	8.22	0	2.90	0	1.58	0	54		19	0
Nyamira Water & Sanitation Company	35.00	0	4.47	0	2.47	0	55	0	7	0
Total	**5,232.29**	**2,870.61**	**2,940.25**	**652.80**	**2,817.66**	**652.80**	**96**	**100**	**54**	**23**

***Source**: Nyamira County Treasury*

Analysis of expenditure by departments shows that the Department of Roads, Transport, and Public Works recorded the highest absorption rate of the development budget at 70 per cent, followed by the Department of Finance, ICT, and Economic Planning at 45 per cent. The Department of Environment, Energy, Natural Resources and Mining had the highest percentage of recurrent expenditure to budget at 88 per cent, while the Department of County Executive had the lowest at 29 per cent. The Department of Public Service Management had a recurrent expenditure of 101 per cent compared to exchequer issues, which can be attributed to the diversion of funds released for other departments.

3.34.15 Budget Execution by Programmes and Sub-Programmes

Table 3.350 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.350: Nyamira County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Nyamira County Assembly							
Policy planning, general administration and support services	General administration and support services	284,308,536	0	77,670,818	0	27	0
	Policy planning and Support services	89,065,500	0	0	0	0	0
	Infrastructure Development		98,000,000	0	30,615,445	0	31
Oversight	Oversight	43,506,030	0	15,000,000	0	34	0
Legislation and Representation	Legislation and Representation	282,882,597	0	169,452,369	0	60	0
	Sub-Total	**699,762,663**	**98,000,000**	**262,123,187**	**30,615,445**	37	**31**
County Executive							
General Administration Support Services	General administration support services	292,621,030	0	46,272,033	0	16	0
	Policy development and support services	105,534,627	0	70,978,631	0	67	0
Governance & Coordination services	County results coordination and liaison services	33,721,880	0	7792204	0	23	0
	Intergovernmental & Public Relations	24,640,000	0	0	0	0	0
	Executive management and liaison services	41,316,354	0	19943500	0	48	0
	Sub Total	**497,833,891**	**0**	**144,986,368**	**0**	29	**0**

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
Department of Finance and Economic Planning							
Policy and planning	Policy and planning	6,098,000	**0**	5500000	0	90	
General administration support services	General administration support services	8,600,000	0	0	0	0	0
	Policy development and support services	67,944,265	0	72,048,188	0	106	0
Financial Management & Control	Accounting and financial services	0	425,551,340	0	192,456,067	0	45
Accounting and financial services	Audit services	7,000,000		2,500,000		36	0
	Accounting and financial services	27,150,000	0	14,150,000	0	52	0
	Sub Total	**116,792,265**	**425,551,340**	**94,198,188**	**192,456,067**	81	**45**
Department of Agriculture, Livestock and Fisheries							
General administration and support services	General administration and support services	64,088,643	0	52,671,125	0	82	0
	Policy and planning	517,690	0	321100	0	62	0
Crop, Agribusiness	Crop Development Services	2,000,000	195,434,071	0	25,000,000	0	13
	Sub Total	**66,606,333**	**195,434,071**	**52,992,225**	**25,000,000**	80	**13**
Department of Environment, Energy, Natural Resources and Mining							
General administration and support services	General administration and support services	39,779,448	0	37,820,473	0	95	0
Environmental Protection	Other energy sources promotion	6,500,000	8,500,000	4,552,641	0	70	0
	Pollution and waste management	3,500,000	1,000,000	0	0	0	0
	Agroforestry promotion	11,000,000	379,957,757	11,000,000	22,500,000	100%	6
	Sub Total	**60,779,448**	**389,457,757**	**53,373,114**	**22,500,000**	**88**	**6**
Department of Education and ICT							
General Administration & Support Services	General administration	354,371,665	0	235,359,984	0	66	0
	Policy planning and Support services	47,394,554		0	0	0	0
	Improved informal employment	10,000,000		0	0	0	0
ECDE and CCC management services	ECDE management and infrastructure support services	14,200,000	14,200,000	3,511,766	0	25	0
	Vocational management services	13,000,000	10,000,000	13,000,000	0	100	0
	Sub Total	**438,966,219**	**24,200,000**	**251,871,750**	**0**	**57**	**0**
Department of Health							
Policy Planning and Support Services	Administration support services	522,776,355	0	509,245,973	0	97	0
Medical support services	Medical support services	158,650,000	447,500,000	37,661,292	0	24	0
	Facility infrastructural services	6,000,000	0	0	0	0	0
	Sub Total	**687,426,355**	**447,500,000**	**546,907,265**	**0**	**80**	**0**
Department of Lands, Housing and Urban Development							
General administration and support services	General administration and support services	75,345,805	0	59,971,860	0	80	0
	Policy and planning	400,000	0	318,000	0	80	0
	Physical Planning and surveying services	4,000,000	7,000,000	0	0	0	0
	Housing and urban development	0	329,205,536	0	0	0	0

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
	Land management and administration services	1,000,000	10,000,000	0	0	0	0
	Sub Total	**80,745,805**	**346,205,536**	**60,289,860**	**0**	**75**	**0**
Department of Water, Sanitation and Irrigation							
General Administration Planning and Support Services	General administration and support services	39,297,623	0	13,939,373	0	34	0
	Major towns' water services	9,000,000	31,200,000	9,000,000	0	100	0
	Sub Total	**48,297,623**	**31,200,000**	**22,939,373**	**0**	**48**	**0**
Department of Roads, Transport and Public Works							
General Administration Planning and Support Services	Administration and support services	95,821,356	0	63,382,647	0	66	0
Road Development & Management	Construction of roads and bridges	20,800,000	472,026,602	2,533,150	328,098,681	12	70
	Infrastructural development and fire safety	2,000,000		0	0	0	0
	Sub Total	**118,621,356**	**472,026,602**	**65,915,797**	**328,098,681**	**56**	**70**
Department of Trade, Tourism, Industrialisation and Cooperatives Development							
General administration and support services	General administration and support services	40,158,147	0	27,815,109	0	69	0
	Policy and planning services	2,000,000	0	0	0	0	0
Trade, Cooperative & Investment	Cooperative promotion	8,250,000	0	4,416,925	0	54	0
	Trade promotion	14,000,000	200,472,054	4,427,625	54,131,579	32	27
Tourism promotion and management	Weights and Measures	1,500,000	0	0	0	0	0
	Sub Total	**65,908,147**	**200,472,054**	**36,659,659**	**54,131,579**	**56**	**27**
Department of Youth, Sports, Gender, Culture and Social Services							
General Administration, Planning and	General administration support services	49,675,667	0	36,633,237	0	74	0
	Cultural Promotion and Heritage	1000000	0	0	0	0	0
	Sports Talent Development and Promotion	14,000,000	0	0	0	0	0
	Gender and social support services	2,000,000	0	0	0	0	0
	Youth affairs development and support services	1,000,000	0	0	0	0	0
Promotion and management of sports	Community Development		12,500,000	3,053,200	0	0	0
	Sub Total	**67,675,667**	**12,500,000**	**39,686,437**	**0**	**59**	**0**
County Public Service Board							
Support Services	legal services	867,500	0	0	0	0	0
General administration and support services	Policy and planning	2,971,500	0	2,779,977	0	94	0
	General administration and support services	57,284,925	0	31,146,192	0	54	0
	Sub Total	**61,123,925**	**0**	**33,926,169**	**0**	**56**	**0**
Department of Public Administration and Coordination of Decentralised Units							
General administration and support services	Policy and planning	200,000	0	0	0	0	0
	General administration and support services	276,110,145	0	137,788,197	0	50	0
Communication services	Communication services	1,000,000	0	0	0	0	0

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
community development and special funding	community development and special funding	22,000,000	37,500,000	30,025,450	0	136	0
	security enforcement and compliance support services	1,000,000	0	0	0	0	0
Coordination, strategy & HR Services	Human resource management	500,000	0	420,000	0	84	0
	Field coordination and administration	1,000,000	0	381,000	0	38	0
	Strategy & advisory services	1,000,000	0	541,300	0	54	0
	Human resource development	170,500,000	5,000,000	145,000,000	0	85	0
	Sub Total	**473,310,145**	**42,500,000**	**314,155,947**	**0**	**66**	**0**
Nyamira – Municipality							
General administration and support services	General administration and support services	51,434,230	0	45,313,941	0	88	0
	Policy and planning	40,441,800	0	0	0	0	0
Infrastructural development and fire safety	Infrastructural development and fire safety		90,025,768		0	0	0
	Sub Total	**91,876,030**	**90,025,768**	**45,313,941**	**0**	**49**	**0**
Office of County Attorney							
	Internal resource mobilisation	22,436,539	0	12,699,382	0	57	0
	legal governance, legal training, integrity affairs management and support services	2,712,000	4,987,040	0	0	0	0
	Sub Total	**25,148,539**	**4,987,040**	**12,699,382**	**0**	**50**	**0**
Department of Economic Planning, Resources Mobilisation and ICT							
ICT Services	Information and communication services		13,000,000	0	0	0	0
General administration support services	General administration support services	164,490,616	0	58,601,488	0	36	0
Economic Planning & Budgeting	Monitoring and evaluation	1,200,000	0	0	0	0	0
	Economic planning and coordination	64,698,400	18,546,994	30,381,974	0	47	0
	Sub Total	**230,389,016**	**31,546,994**	**88,983,462**	**0**	**39**	**0**
Department of Livestock and Fisheries Services							
General administration and support services	General administration and support services	97,126,827	0	55,255,058	0	57	0
	Policy and planning	517,690	0	502,400	0	97	0
Fisheries Development & Promotion	Aquaculture Promotion Services	1,000,000	0	99,876	0	10	0
Livestock Development & Promotion	Animal Health, Disease, and Management	1,000,000	8,000,000	487,820	0	49	0
	Livestock Products Value Addition and Marketing	1,000,000	3,000,000	459,000	0	46	0
	Sub Total	**100,644,517**	**11,000,000**	**56,804,154**	**0**	**56**	**0**
Department of Primary Healthcare							
General administration and support services	General administration and support services	1,107,780,663	0	590,235,405	0	53	0
Health Policy Planning and Financing	Health Policy Planning and Financing	1,500,000	0	399,700	0	27	0
	Promotive and preventive health services	116,821,464		38,142,707	0	33	0
Curative Health Services	Facility infrastructural services		35,000,000		0	0	0
	Sub Total	**1,226,102,127**	**35,000,000**	**628,777,812**	**0**	**51**	**0**
Keroka Municipality Board							

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
General administration and support services	General administration and support services	15,512,809	0	0	0	0	0
	Environment services	1,400,000	0	0	0	0	0
Infrastructural development and fire safety	Infrastructural development and fire safety	200000	13,000,000	0	0	0	0
	Sub Total	**17,112,809**	**13,000,000**	**0**	**0**	**0**	**0**
Nyamira - Revenue Board							
General administration and support services	General administration and support services	3,622,500	0	1,000,000	0	28	0
Internal resource mobilisation	internal Resource mobilisation	4,100,000	0	0	0	0	0
	Sub Total	**7,722,500**	**0**	**1,000,000**	**0**	13	**0**
Nyamira Disability Board							
General administration and support services	General administration and support services	4,722,500	0	0	0	0	0
	Policy and planning	1,500,000	0	0	0	0	0
	Sub Total	**6,222,500**	**0**	**0**	**0**	**0**	**0**
Nyamira - Investment Cooperation							
General administration and support services	General administration and support services	2,722,500	0	1,580,000	0	58	0
	Policy and planning services	5,500,000	0	0	0	0	0
	Sub Total	**8,222,500**	**0**	**1,580,000**	**0**	**19**	**0**
Nyamira Water & Sanitation Company							
General administration and support services	General administration and support services	2,722,500	0	2,474,431	0	91	0
Infrastructural development and fire safety	Infrastructural development and fire safety	32,277,500	0	0	0	0	0
	Sub Total	**35,000,000**	**0**	**2,474,431**	**0**	7	**0**
	Grand Total	**5,232,290,380**	**2,870,607,162**	**2,817,658,521**	**652,801,772**	**54**	**23**

***Source**: Nyamira County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Construction of roads and bridges in the Department of Roads, Transport and Public Works at 70 per cent, Accounting and financial services in the Department of Finance and Economic Planning at 45 per cent, Infrastructure Development in the County Assembly at 31 per cent, and Trade promotion in the Department of Trade, Tourism, Industrialization and Cooperatives Development at 27 per cent of budget allocation.

3.34.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 157 accounts with commercial banks, including 103 accounts for Health Facilities, 33 accounts for Vocational Training Centres, four accounts for Established Funds, three revenue accounts, 11 special-purpose accounts (for additional allocations), and one imprest account, as well as two recurrent operational accounts.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 157 commercial bank accounts, as required by Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

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3.34.17 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;

i. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on 21 April 2025.
ii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of the Car and Mortgage Fund (Assembly)Fund and the Car Loan & Mortgage Fund (Executive) had lapsed, making them ineligible for further withdrawals.
iii. Fund Administrators failed to submit quarterly financial and non-financial reports to the Controller of Budget (CoB) within the timelines provided by law, which is contrary to the requirement of Section 168 of the Public Finance Management Act, 2012. The reports for the Emergency Fund, Health Facility Improvement, Education Support Fund, Loans to Traders (Revolving Fund), Car and Mortgage Fund (Executive) and Car and Mortgage Fund (County Assembly) were not submitted to the Controller of Budget as of 15 April 2025.
iv. A high level of pending bills, amounting to Kshs.478.05 million as of 31 March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
v. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
iii. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
iv. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
v. *The County Treasury should ensure it submits to OCoB copies of authorisation letters for opening commercial bank accounts to enhance accountability and oversight.*

3.35. County Government of Nyandarua

3.35.1 Overview of FY 2024/25 Budget

The Nyandarua County Gross Approved FY 2024/25 budget is Kshs.8.49 billion. It comprises Kshs.3.05 billion (36 per cent) and Kshs.5.44 billion (64 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.274.01 million (3 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.2.81 billion and a recurrent budget of Kshs.5.4 billion. The increase in the budget was attributed to the rise in equitable share fromKshs.5.91 billion in FY 2023/24 to Kshs.6.14 billion in FY 2024/25.

The budget will be financed from different sources of revenue. These include Kshs.6.14 billion (67 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.1.50 billion as additional allocations (17 per cent), a cash balance of Kshs.626.44 million (7 per cent) brought forward from FY 2023/24, and Kshs.850 million (9 per cent) generated as gross own-source revenue. The own source revenue includes Kshs.250 million (3 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.600 million (6 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.349.

3.35.2 Revenue Performance

During the review period, the County generated Kshs.4.96 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.1.53 billion from Kshs.3.43 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.3.92 billion from the equitable share of revenue raised nationally, and its own-source revenue (OSR) collection of Kshs.420.87 million. In addition, the County had a cash balance of Kshs.626.44 million from FY 2023/24.

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The total OSR collection of Kshs.420.87 million includes Facilities Improvement Financing (FIF) of Kshs.178.83 million, and Kshs.242.04 million from other OSR sources. OSR collections from the FIF were collected from the J.M. Kariuki Memorial and the Engineer hospital, where FIF is collected. Table 3.351 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.351: Nyandarua County, Revenue Performance in the First Nine Months of FY 2024/25

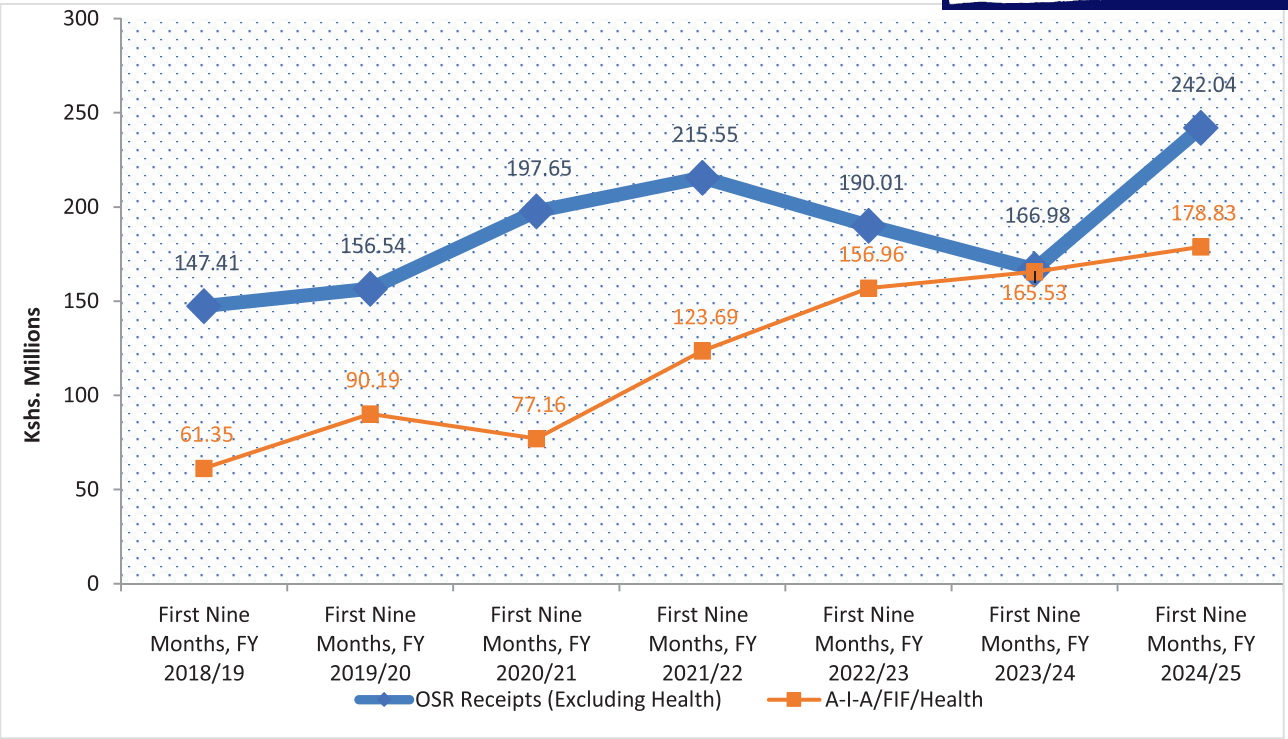
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	6,137,355,000	3,915,661,091	64
Sub Total		**6,137,355,000**	**3,915,661,091**	**64**
B	**Additional Allocations**			
1	Supplement for Construction of County Headquarters	119,000,000	0	0
2	Aggregated Industrial Parks Programme	250,000,000	0	0
3	Fertiliser Subsidy Programme	121,624,039	0	0
4	Livestock Value Chains Support Project	135,210,000	0	0
5	Transfer of Library Services	2,865,209	0	0
6	Roads Maintenance Fuel Levy	222,822,888	0	0
7	Community Health Promoters	41,610,000	0	0
8	IDA (World Bank) - National Agriculture Value Chain Development Project (NAVCDP)	151,515,152	0	0
9	DANIDA - Primary Health Care in Devolved Context	7,507,500	0	0
10	World Bank -Kenya Informal Settlement Improvement Project- KISIP II	238,462,533	0	0
11	World Bank- Financing Locally Led Climate Action Program (FLLOCA)- County Climate Resilience Investment Grant	136,000,000	0	0
12	Kenya Development Support Program Level 2	37,500,000	0	0
13	Kenya Urban Support Project- Urban Institutional Grant	35,000,000	0	0
Sub-Total		1,499,117,321		**0**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	600,000,000	242,041,835	40
2	Balance b/f from FY2023/24	-	626,438,759	0
3	Facility Improvement Fund (FIF)	250,000,000	178,830,238	72
4	Other Revenues		-	0
5	Appropriation in Aid (AIA)	-	-	0
Sub Total		850,000,000	1,047,310,832	123
Grand Total		**8,486,472,321**	**4,962,971,923**	**59**

Source: *Nyandarua County Treasury*

Figure 134 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

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Figure 134: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25

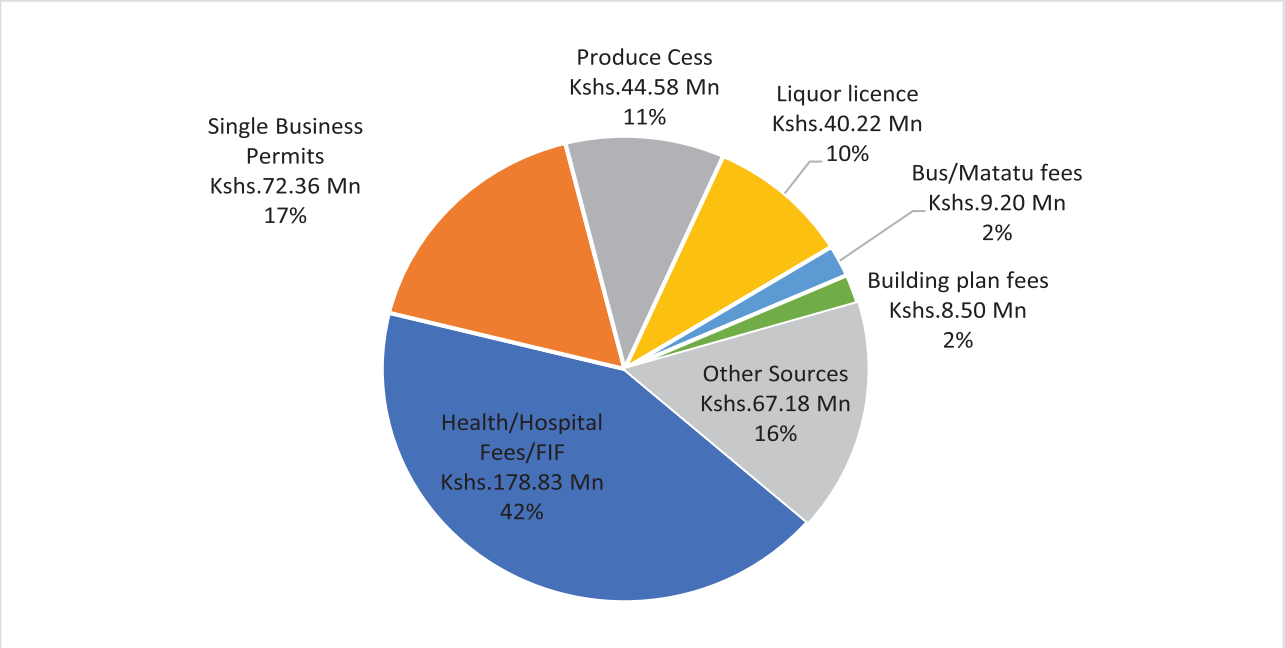


Source: *Nyandarua County Treasury*

During the review period, the County generated Kshs.420.87 million from its own revenue sources, including AIA and FIF. This amount was an increase of 26 per cent compared to Kshs.332.51 million realised in a similar period in FY 2023/24, and was 49.5 per cent of the annual target and 10.7 per cent of the equitable revenue share disbursed. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.8.21 million

The revenue streams which contributed the highest OSR receipts are shown in Figure 2.

Figure 135: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source*: Nyandarua County Treasury*

As shown in Figure 135, the highest revenue stream of Kshs.178.83 million was from hospital collections, contributing to 42 per cent of the total OSR receipts. The County Treasury has indicated that it has automated all the 75 revenue streams but it has reported experiencing longer downturns with the current system.

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3.35.3 Borrowing by the County

The county treasury has an MoU with Tower Sacco for the payment of salaries whenever there is a delay in the disbursement of the equitable share

3.35.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.3.59 billion from the CRF account comprised Kshs.515.26 million (14 per cent) for development programmes and Kshs.3.08 billion (86 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.1.72 billion was released towards compensation of employees and Kshs.1.36 billion for operations and maintenance expenditure.

Analysis of the operations and maintenance exchequer releases indicates that 20 per cent was for domestic travel and 2 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.million and included Kshs.181.48 million for the County Executive and Kshs.77.03 million for the County Assembly. The foreign exchequer totalled Kshs.20.75 million, comprising Kshs.13.41 million for the County Executive and Kshs.7.34 million for the County Assembly.

Table 3.352: Nyandarua County, Budget Allocation and Exchequer Issued by Department

Department	Approved Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to approved budget	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor	120.00	-	55.54	-	46	0
County Secretary & Head of Public Service	60.93	-	15.71	-	26	0
Office of The County Attorney	26.85	-	12.56	-	47	0
Public Service Administration & Devolution	2,649.33	2.00	1,638.80	-	62	0
County Public Service Board	25.93	-	17.99	-	69	0
Finance, Economic Planning and ICT	544.29	118.70	403.70	98.90	74	83
Health Services	484.78	239.50	106.98	127.11	22	53
Education, Children, Gender Affairs, Culture and Social Services	169.66	65.62	41.27	8.30	24	13
Tourism, Cooperative Development, Trade & Industrialisation	55.48	426.20	28.01	25.00	50	6
Youth Empowerment, Sports and Arts	55.63	15.10	24.28	4.40	44	29
Water, Environment, Climate Change& Natural Resources	35.34	378.83	24.58	80.17	70	21
Public Works, Roads, Transport, Housing & Energy	71.78	961.95	41.35	128.36	58	13
Lands, Physical Planning and Urban Development	33.93	329.63	17.75	30.18	52	9
Ol-Kalou Municipality	31.35	9.37	7.46	-	24	0
Mairo-Inya Municipality	19.04	6.00	11.60	2.83	61	47
Engineer Municipality	20.75	6.80	4.19	-	20	0
Agriculture, Livestock & Fisheries	144.28	422.65	62.51	10.00	43	2
County assembly	889.76	65.00	567.17	-	64	0
Total	**5,439.11**	**3,047.36**	**3,081.45**	**515.26**	**57**	**17**

***Source**: Nyandarua County Treasury*

As of 31st March, 2025, the County Government's cash balance in the CRF account was Kshs.600.74 million.

3.35.5 County Expenditure Review

The County spent Kshs.3.74 billion on development and recurrent programmes in the reporting period. This expenditure represented 104 per cent of the total funds released by the CoB and comprised Kshs.629.57 million and Kshs.3.11 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 21 per cent, while recurrent expenditures represented 57 per cent of the annual recurrent expenditure budget.

3.35.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.1.23 billion as of 30 June 2024. This amount included Kshs.1.13 billion from the County Executive and Kshs.102.66 million from the County Assembly. The pending bills from the

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County Executive consist of Kshs.781.61 million for recurrent expenditures and Kshs.153.35 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.187.38 million, comprising Kshs.64.52 million for recurrent programmes and Kshs.122.86 million for development programmes. On the other hand, the County Assembly settled recurrent pending bills worth Kshs.7.75 million.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.157.4 million and Kshs.58.42 million, respectively, in the first nine months of FY 2024/25. The County executive adhered to the plan and settled pending bills worth Kshs.187.38 million while the county assembly cleared a paltry Kshs.7.75 million

As of 31st March 2025, the outstanding bills amounted to Kshs.1.04 billion, comprising Kshs.947.58 billion for the County Executive and Kshs.94.91 million for the County Assembly.

3.35.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.48 billion on employee compensation, Kshs.1.07 billion on operations and maintenance, and Kshs.629.57 million on development activities. Similarly, the County Assembly spent Kshs.251.97 million on employee compensation, Kshs.309.79 million on operations and maintenance, as shown in Table 3.353.

Table 3.353: 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	**4,549,354,538**	**889,760,000**	2,549,732,264	561,768,941	56	63
Compensation to Employees	2,296,800,000	436,912,394	1,476,884,761	251,974,044	64	58
Operations and Maintenance	2,252,554,538	452,847,606	1,072,847,503	309,794,897	48	68
Development Expenditure	2,982,357,783	65,000,000	629,573,739		21	-
Total	**7,531,712,321**	**954,760,000**	**3,179,306,003**	**561,768,941**	42	59

***Source**: Nyandarua County Treasury*

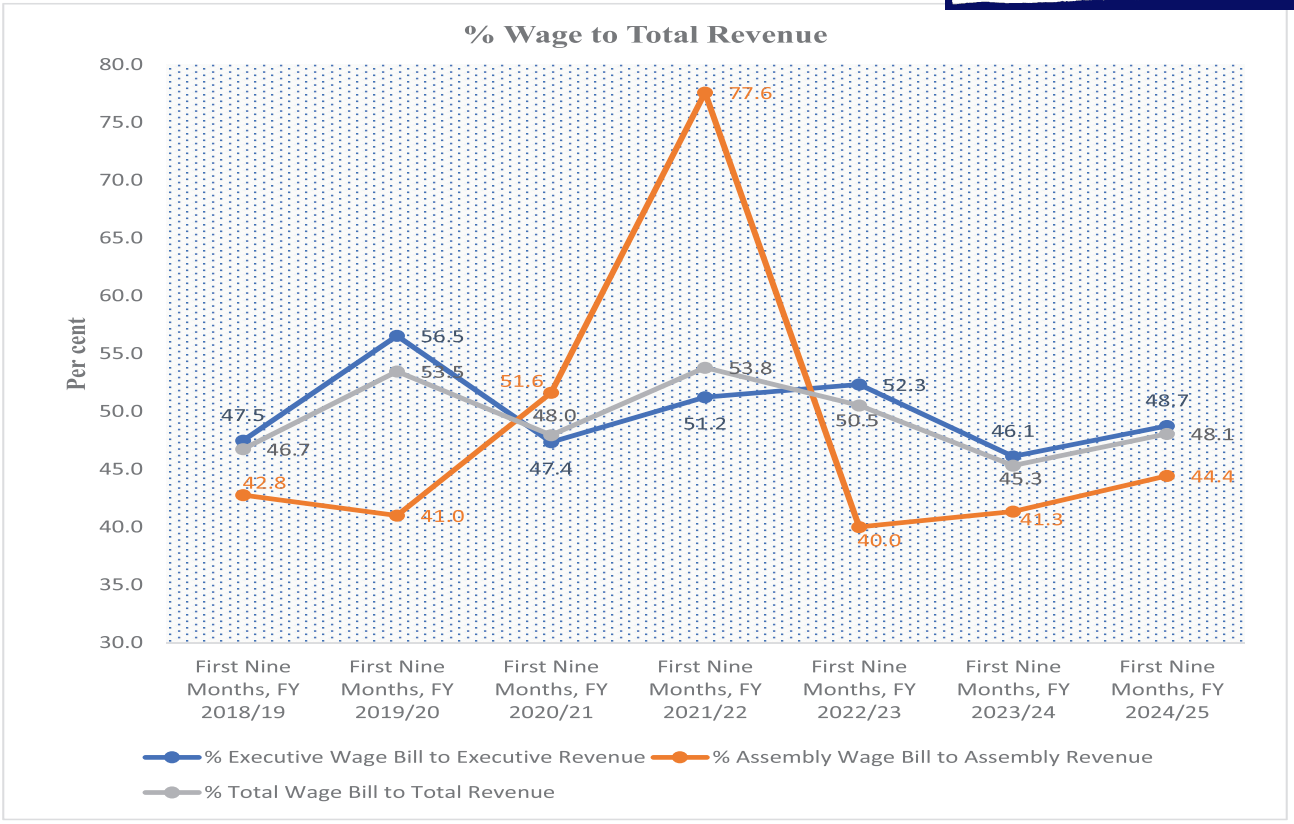
3.35.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.1.73 billion. The county government did not report its earnings, if any, from extractive natural resources, e.g. sand cess, gypsum cess, and quarry cess. Therefore, the percentage of employee compensation to revenue is 35 per cent. This expenditure on employee compensation shows a decrease compared to the Kshs.1.88 billion was reported during the same period in FY 2023/24. Of this total, Kshs.833.76 million was allocated to Health Sector employees, which accounts for 48 per cent of the overall employees' compensation.

Figure 136 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

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Figure 136: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: Nyandarua County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.67 billion were processed through the Human Resource Information System (HRIS) system. In contrast, Kshs.58.36 million was processed through manual payrolls, which accounted for 3.4 per cent of the total PE cost.

The manual payrolls comprised salaries for 486 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 36 casual staff, top-up allowance for 27 security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.354.

Table 3.354: Breakdown of Nyandarua County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1	Salaries for 486 staff who are yet to be onboarded into HRIS	32,865,204
2	Salaries for 36 casual staff	3,344,000
3	Top-up Allowances for 27 security officers	6,744,333
4	LAPTRUST/LAPFUND Pension Contributions	
5	Gratuity for contract staff	20,994,913
	Total	**63,948,450**

***Source**: Nyandarua County Treasury*

The County Assembly spent Kshs.19.63 million on committee sitting allowances for the 41 MCAs and the Speaker against the annual budget allocation of Kshs.39.49 million. The average monthly sitting allowance was Kshs.53,936 per MCA. The County Assembly has 17 House Committees.

3.35.9 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.441.06 million to County-Established funds in FY 2024/25, or 5 per cent of the County's overall budget. Further, the County allocated Kshs.50 million to the Emergency Fund (per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.355 summarises each established Fund's budget allocation and performance during the reporting period.

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Table 3.355: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues (Kshs)	Actual Expenditure (Kshs.)	Cumulative disbursements to the Fund as of 31 December 2024 (Kshs)	Submission of Financial Statements as of 31 December 2024 (Yes/No)
	County Executive Established Funds					
1	Emergency Fund	50,000,000	50,000,000	50,000,000	50,000,000	Yes
2	Executive Car & Mortgage	70,000,000	70,000,000	70,000,000	70,000,000	Yes
3	Agricultural Institutions Revolving Fund	10,000,000	10,000,000	10,000,000	10,000,000	Yes
4	Nyandarua County Trade Development & Investment Authority Fund	10,000,000	-	-	-	NO
5	Bursary	194,900,000	-	-	-	Yes
	County Assembly Established Funds					
4	Staff Car & Mortgage	46,167,574	25,000,000	25,000,000	25,000,000	Yes
5	MCAs Car & Mortgage	60,000,000	36,000,000	36,000,000	36,000,000	Yes
	Total	**441,067,574**	**188,450,000**	**188,450,000**	**188,450,000**	

***Source**: Nyandarua County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from Nyandarua County Trade Development & Investment Authority Fund Administrators, as indicated in Table 3.353, contrary to the requirement of Section 168 of the PFM Act, 2012. The Funds' administration costs were within the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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. During the reporting period, the CoB established that the lifespan of the county funds had not lapsed.

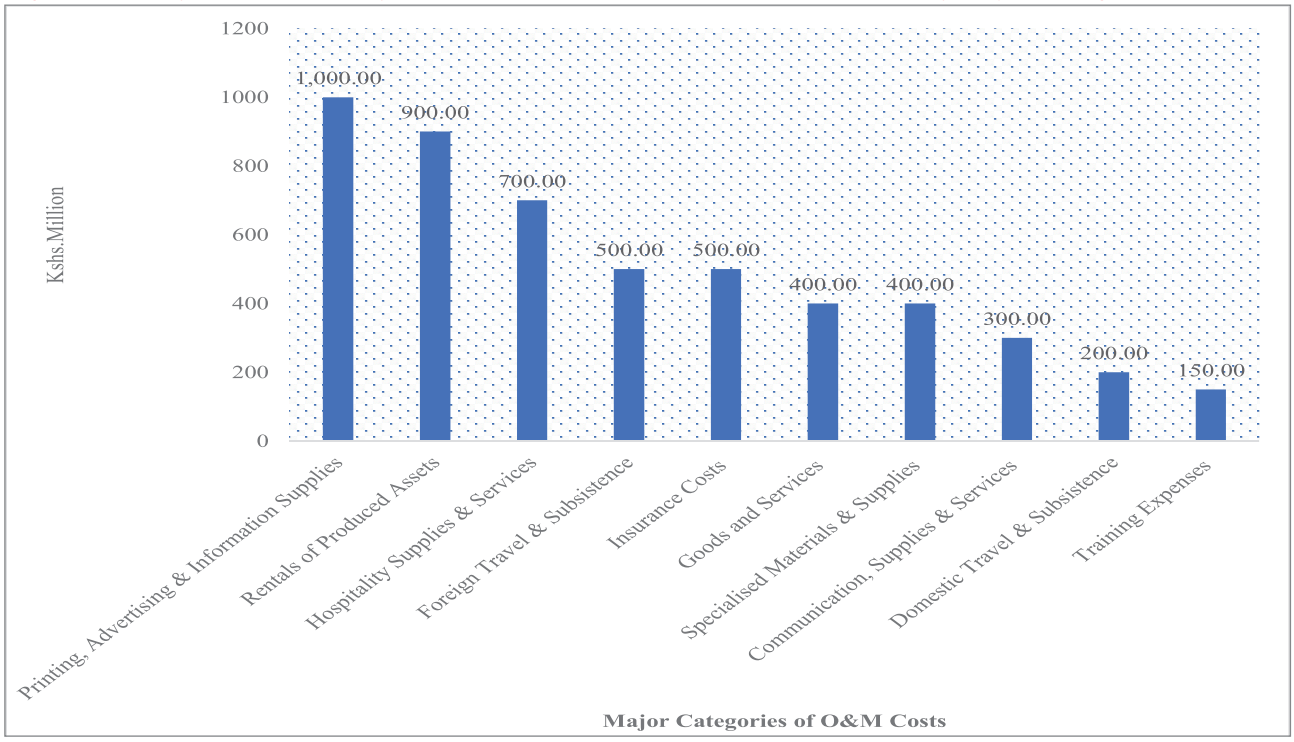
3.35.10 County Corporations

The County has not established any county corporations.

3.35.11 Expenditure on Operations and Maintenance

Figure 137 summarises the Operations and Maintenance expenditure by major categories.

Figure 137: Nyandarua County, Operations and Maintenance Expenditure by Major Categories



***Source**: Nyandarua County Treasury*

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Expenditure on domestic travel amounted to Kshs.258.51 million and comprised Kshs.77.30 million spent by the County Assembly and Kshs.181.48 million by the County Executive. Expenditure on foreign travel amounted to Kshs.20.75 million and comprised Kshs.7.34 million by the County Assembly and Kshs.13.42 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.356.

Table 3.356: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)	Remarks
County Assembly	1	19th to 26th May 2024	Part payment of foreign allowances during the 2024 Climate Leadership Conference	USA	207,111	Pending bill FY 2023/24
County Assembly	9	1st July to 15th August 2023		EALA Arusha	3,021,696	Pending bill FY 2023/24
County Assembly	6	2nd to 8th September 2024	A workshop on Legislation and governance	ESAMI-Arusha	4,106,844	Current year

***Source**: Nyandarua County Treasury and County Assembly*

As shown in Table 3.356, foreign travel expenditure amounting to Kshs.3.23 million relate to pending bills from previous years which were settled in the first nine months of FY 2024/25

The operations and maintenance costs include an expenditure of Kshs.10.2 million on Legal fees/Dues, arbitration and compensation payments.

3.35.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.178.83 million as FIF, which was 71.5 per cent of the annual target of Kshs.250 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023.

The Health Facilities provided a report on the utilisation of the FIF during the reporting period, in line with Section 18(e) of the FIF Act, 2023.

The expenditure by health facilities is as shown in Table 3.357.

Table 3.357: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Engineer Level IV Hospital	-	164,011,819	-
2	JM Kariuki	264,703,299	353,507,745	133
	Total	**264,703,299**	**517,519,564**	

***Source:** Nyandarua County Treasury*

The Health Facility with the highest absorption rate was JM Kariuki hospital, at 133 per cent, clearly overshooting its budget. The health facilities prepare sub-budgets as revenue is generated.

3.35.13 Development Expenditure

In the review period, the County reported spending Kshs.629.57 million on development programmes, an increase of 21 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.521.12 million. Table 3.358 summarises the development projects with the highest expenditure in the reporting period.

Table 3.358: Nyandarua County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Health	J M Mashujaa Complex		-		112,015,381	-	-
2	Trade	Development of County Aggregation and Industrial Park (CAIP) -County contribution	Njabini	-	150,000,000	72,026,100	-	30

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
3	Agriculture	Promotion of Fruit Farming- (Kes. 1M/Ward)	Countywide	-	23,000,000	23,000,000	23,000,000	100
4	Public Works	County Headquarters		-		15,877,741		
5	Lands	Acquisition of land for the expansion of the Engineer Hospital	Gathaara Ward	-	15,000,000	15,000,000		100
6	Health	Upgrade of chamuka/Ol Jororok health center	Weru Ward	-	10,000,000	10,000,000	10,000,000	80
7	Lands	Acquisition of land for Mairo-Inya Market	Kiriita Ward	-	9,000,000	9,000,000		100
8	Agriculture	Distribution of subsidised fertiliser	County wide	-	5,000,000	5,000,000	5,000,000	100
9	Public Works	Kasuku Town- Drainage works- Weru Ward		-	2,500,000	2,250,533	-	-
10	Engineer Municipality	Development of the drainage system in Engineer town-	Engineer Ward	-	1,500,000	1,433,998	-	-

Source: *Nyandarua County Treasury*

The County did not report any stalled development projects.

3.35.14 Budget Performance by Department

Table 3.359 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.359: Nyandarua County, Budget Allocation and Absorption Rate by Department

Department	Approved Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer (%)		Absorption rate	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor	120.00	-	55.54	-	55.54	-	100	0	46	-
County Secretary & Head of Public Service	60.93	-	15.71	-	15.71	-	100	0	26	-
Office of The County Attorney	26.85	-	12.56	-	12.56	-	100	0	47	-
Public Service Administration & Devolution	2,649.33	2.00	1,638.80	-	1,638.80	-	100	0	62	-
County Public Service Board	25.93	-	17.99	-	17.99	-	100	0	69	-
Finance, Economic Planning and ICT	544.29	118.70	403.70	98.90	404.15	98.90	100	100	74	83
Health Services	484.78	239.50	106.98	127.11	115.98	130.42	108	103	24	54
Education, Children, Gender Affairs, Culture and Social Services	169.66	65.62	41.27	8.30	41.27	8.30	100	100	24	13
Tourism, Cooperative Development, Trade & Industrialisation	55.48	426.20	28.01	25.00	34.01	25.00	121	100	61	6
Youth Empowerment, Sports and Arts	55.63	15.10	24.28	4.40	24.28	4.40	100	100	44	29
Water, Environment, Climate Change& Natural Resources	35.34	378.83	24.58	80.17	24.58	90.17	100	112	70	24
Public Works, Roads, Transport, Housing & Energy	71.78	961.95	41.35	128.36	51.35	229.36	124	179	72	24
Lands, Physical Planning and Urban Development	33.93	329.63	17.75	30.18	17.75	30.18	100	100	52	9
Ol-Kalou Municipality	31.35	9.37	7.46	-	7.46	-	100	0	24	-
Mairo-Inya Municipality	19.04	6.00	11.60	2.83	11.60	2.83	100	100	61	47
Engineer Municipality	20.75	6.80	4.19	-	4.19	-	100	0	20	-

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Department	Approved Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer (%)		Absorption rate	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture, Livestock & Fisheries	144.28	422.65	62.51	10.00	72.51	10.00	116	100	50	2
County assembly	889.76	65.00	567.17	-	561.77	-	99	0	63	-
Total	**5,439.11**	**3,047.36**	**3,081.45**	**515.26**	**3,111.50**	**629.57**	**101**	**122**	**57**	**21**

***Source**: Nyandarua County Treasury*

Analysis of expenditure by departments reveals that the Department of Finance and Economic Planning recorded the highest absorption rate of the development budget at 83 per cent, followed by Health Services at 54 per cent. The Department of Finance & Economic Planning had the highest percentage of recurrent expenditure to budget at 74 per cent, while the Department of Water had the lowest at 70 per cent.

3.35.15 Budget Execution by Programmes and Sub-Programmes

Table 3.360 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.360: Nyandarua County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor							
General administration, planning and support services	Service Delivery Coordination	72,100,000	-	47,441,488	-	66	-
	Governor's press services and administrative support	7,260,000	-	2,799,760	-	39	-
	Liaison and Intergovernmental Relations	16,740,000	-	4,484,000	-	27	-
	Special Programs and Diaspora Affairs	18,500,000	-	515,298	-	3	-
	Public Participation and Civic Education	5,400,000	-	300,000	-	6	-
Sub Total		**120,000,000**	**-**	**55,540,546**	**-**	**46**	-
Office of the County Secretary & Head of Public Service							-
County Secretary	County Administration	47,450,000	-	10,003,707	-	21	-
	Cabinet Affairs	2,500,000	-	1,962,736	-	79	-
	Communication and Public Relations	5,350,000	-	2,151,109	-	40	-
	County Records Management	5,630,139	-	1,591,445	-	28	-
Sub Total		**60,930,139**	**-**	**15,708,997**	**-**	**26**	-
Office of the County Attorney							-
County Attorney Services	legal and public affairs	26,850,000	-	12,561,267	-	47	-
Sub Total		**26,850,000**	**-**	**12,561,267**	**-**	**47**	-
Public Service & Devolution (Admin)							-
Human Resource Management	Payroll (Including Compensation to employees)	2,300,460,000	-	1,479,160,879	-	64	-
	Human Resource Management (Including employee gratuity, pension and medical insurance)	268,610,000	-	135,275,303	-	50	-

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Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Public administration	Public Administration	43,789,921	-	5,057,600		12	-
	Sub-county and ward administration	20,350,000	-	14,574,103	-	72	-
	Enforcement and Compliance	16,120,000	2,000,000	4,735,027	-	29	-
Sub Total		**2,649,329,921**	**2,000,000**	**1,638,802,912**	**-**	**62**	-
County Public Service Board							-
County Public Service Board	County Public Service Board	25,925,600	-	17,988,982	-	69	-
Sub Total		**25,925,600**	**-**	**17,988,982**	**-**	69	-
Finance, Economic Planning & ICT							-
Public Finance Management	County Funds	314,900,000	10,000,000	217,450,000	-	69	-
	Treasury services	68,960,100	-	66,117,342	-	96	-
	Financial reporting	8,935,000	-	8,525,760	-	95	-
	Revenue Collection and Administration (Including automation)	30,090,135	-	21,296,997	-	71	-
	Revenue Enhancement and Monitoring	27,400,000	-	26,841,801	-	98	-
	Supply Chain Management	10,984,500	-	5,556,493	-	51	-
	Internal Audit and Risk Management	8,050,000	-	6,574,921	-	82	-
	Internal Audit Committee	3,800,000	-	2,531,123	-	67	-
Economic planning and development	Economic Development Planning, including KDSP	16,350,000	100,000,000	11,461,407	95,705,457	70	96
	County Statistics and Data Bank	4,850,000	-	3,098,800	-	64	-
	Monitoring and Evaluation	14,000,000	-	6,647,805	-	47	-
	Economic Modelling and Research	2,500,000	-	1,900,000	-	76	-
	County Budgeting	18,570,000	-	13,957,214	-	75	-
	Resource Mobilisation and Debt Management	3,000,000	-	2,352,205	-	78	-
ICT and E-government Services	ICT and E-government Services	11,900,000	8,700,000	9,836,900	3,198,700	83	37
Sub Total		**544,289,735**	**118,700,000**	**404,148,768**	**98,904,157**	**74**	**83**
Health Services							-
Preventive and Promotive Services	Preventive and Promotive Services	90,420,000	-	33,481,956	-	37	-
Curative Services	Curative Services	84,650,000	-	60,624,107	-	72	-
	Health Improvement Financing (FIF)	250,000,000	-		-	-	-
	universal health care and grants	34,397,500	-	16,155,030	-	47	-

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Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
General administration, planning and support services	Solid Waste and Cemeteries	25,100,000	-	5,722,333	-	23	-
	Infrastructure and Equipment	217,000	239,501,090		130,417,595	-	54
Sub total		**484,784,500**	**239,501,090**	**115,983,426**	**130,417,595**	**24**	**54**
Education, Children, Gender Affairs, Culture & Social Services							
Primary education	ECDE	27,394,999	42,670,943	6,907,273	6,101,898	25	14
Youth training and development	Revitalisation of youth polytechnics	63,304,187	14,146,429	5,982,974	2,200,000	9	16
Culture and library services	development and promotion of culture	5,725,000	4,300,000	4,839,107		85	-
	Library Services	2,915,000	4,500,000	2,240,917		77	-
Children, Gender and Social Services	Social Services	54,030,000	-	13,213,850		24	-
	Children and Gender Affairs	10,295,000	-	2,643,400		26	-
General administration, planning and support services	Alcohol Drinks Control and Civic Education	6,000,000	-	5,440,201		91	-
Sub Total		**169,664,186**	**65,617,372**	**41,267,722**	**8,301,898**	**24**	**13**
Tourism, Cooperative Development, Trade & Industrialisation							
Trade development and promotion	Financial and Trade Services	7,700,000	11,400,000	5,533,619		72	-
	Nyandarua County Trade Development and Investment Authority (NCTDIA)	5,800,000	-	3,284,484		57	-
Industrial development and investment	Industrial and Enterprise Development	5,600,000	403,000,000	4,319,196	25,000,000	77	6
	Weights & Measures	4,295,000	-	3,380,100		79	-
Cooperative development and management	Cooperative Audit Extension Services	2,370,053	-	1,306,837		55	-
	Cooperative Development	10,320,000	-	5,151,542		50	-
Tourism development and promotion	Tourism infrastructure development	19,399,747	11,800,000	11,031,689		57	-
Sub Total		**55,484,800**	**426,200,000**	**34,007,467**	**25,000,000**	**61**	**6**
Youth, Sports & Arts							-
Sports	Sports Development	31,855,000	13,603,933	17,004,486	4,403,933	53	32
Youth Affairs	Youth Affairs	15,976,824	-	3,777,563	-	24	-
Arts & Theater	Arts & Theater	7,800,000	1,500,000	3,502,097	-	45	-
Sub Total		**55,631,824**	**15,103,933**	**24,284,146**	**4,403,933**	**44**	**29**
Water, Environment, Climate Change & Natural Resources							
Water Resource Development.	water resource conservation and protection, infrastructure and flood control	19,848,400	146,443,985	17,277,036	20,520,123	87	14

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Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Environment	Environmental support and management	4,880,000	700,000	3,538,162	651,950	73	93
	Climate change resilience	5,240,000	227,685,079	2,575,695	69,000,000	49	30
	natural resource	4,870,000	-	951,510		20	-
Irrigation and Drainage Infrastructure	promotion of irrigation, drainage development, and management	500,000	4,000,000	238,000		48	-
Sub Total		**35,338,400**	**378,829,064**	**24,580,403**	**90,172,073**	**70**	**24**
Transport, Energy & Public Works							-
Road transport	Transport (Including fuel level, General Administration & Support Services)	28,410,000	735,411,598	15,379,285	194,239,051	54	26
	Public Works	6,390,000	200,300,000	3,575,928	33,033,142	56	16
Alternative energy technologies	alternative energy technologies	29,950,000	23,240,000	28,995,894	2,088,820	97	9
General administration, planning and support services	Emergency Response & Preparedness	4,000,000	-	1,456,100		36	-
Housing	Housing	3,025,000	2,999,213	1,942,280		64	-
Sub Total		**71,775,000**	**961,950,811**	**51,349,487**	**229,361,013**	**72**	**24**
Lands, Physical Planning & Urban Development							
Land policy and planning	Physical Planning	7,980,000	-	3,500,717		44	-
	Survey and Mapping	13,375,000	-	6,558,548		49	-
	Land Administration and Management	10,150,000	85,170,741	7,233,746	30,179,686	71	35
Urban development	Urban development	2,425,834	244,462,533	454,532		19	-
Sub Total		**33,930,834**	**329,633,274**	**17,747,543**	**30,179,686**	**52**	**9**
Municipalities					-		-
Municipalities	Ol'kalou municipality	31,350,000	9,368,200	**7,455,700**	-	24	-
	Engineer Municipality	20,748,000	6,000,000	4,193,160	2,833,383	20	47
	Mairo-Inya Municipality	19,038,000	6,800,000	11,601,440	-	61	-
Sub Total		**71,136,000**	**22,168,200**	**23,250,300**	**2,833,383**	**33**	**13**
Agriculture, Livestock & Fisheries							
Crop development and management	land and crop development	48,390,000	283,144,039	26,696,050	10,000,000	55	4
Livestock resources management and development	livestock production and management	23,175,000	137,210,000	3,515,890	-	15	-
	Veterinary Services	20,599,599	800,000	15,198,835	-	74	-
Fisheries Development and Management	fisheries policy, strategy and capacity building	2,285,000	1,500,000	1,198,350	-	52	-

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Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 30 June 2024		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
General administration, planning and support services	Agricultural Support Institutions	10,000,000	-	10,000,000	-	100	-
	General Administration and Extension Services	8,284,000	-	5,817,874	-	70	-
	Subsidised Artificial Insemination	31,550,000	-	10,083,300		32	-
Sub Total		**144,283,599**	**422,654,039**	**72,510,299**	**10,000,000**	**50**	**2**
County Assembly							-
County Assembly	Legislative, oversight and representation	889,760,000	65,000,000	561768941		63	-
Sub Total		**889,760,000**	**65,000,000**	**561,768,941**	-	**63**	-
Grand Total		**5,439,114,538**	**3,047,357,783**	**3,111,501,205**	**629,573,739**	**57**	**21**

Source: *Nyandarua County Treasury*

Sub-programmes with the highest levels of implementation, based on absorption rates, were: Agricultural Support in the Department of Agriculture at 100 per cent, Revenue Enhancement monitoring in the Department of Finance and Economic Planning at 98 per cent, and Treasury services at 96 per cent of the budget allocation.

3.35.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 91 accounts with commercial banks, including 84 accounts for Health Facilities, five for Established Funds, and one for revenue and one for imprest.

The County Treasury did not submit copies of authorisation letters to open commercial bank accounts to the Controller of Budget as required by Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.35.17 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;

i. Unspent funds from FY 2023/24 were not refunded to the CRF account, which resulted in actual expenditures exceeding the approved exchequer in several departments, as shown in Table 3.359.
ii. A high level of pending bills, amounting to Kshs.1.04 billion as of 31 March 2025. The county had provided Kshs.209.78 million to pay pending bills in FY 2024/25.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.58.36 million for 486 staff yet to be onboarded into HRIS, and 36 casual staff were processed through manual payroll, accounting for 3.4 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
iv. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure unspent funds from the previous financial year are deposited into the CRF Account in line with Section 136 of the PFM Act 2012.*
ii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced. Additionally, the budgetary provision for the payment of pending bills needs to be enhanced.*

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iii. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

iv. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

3.36. County Government of Nyeri

3.36.1 Overview of FY 2024/25 Budget

The Nyeri County Gross Approved Budget for FY 2024/25 is Kshs.8.75 billion. It comprises Kshs.2.89 billion (33 per cent) and Kshs.5.86 billion (67 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.313.08 million (4 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.2.88 billion and a recurrent budget of Kshs.6.19.

The budget will be financed from the following revenue sources: an equitable share of revenue raised nationally, of Kshs.6.58 billion (69 per cent), additional allocations of Kshs.1.37 billion (14 per cent), and Kshs.1.64 billion (17 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.836.30 million (9 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.800 million (8 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.361.

3.36.2 Revenue Performance

During the review period, the County received Kshs.5.23 billion in revenues to fund its development and recurrent activities. This amount represents a decrease of Kshs.732.06 million from Kshs.6 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.3 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.11 million, and its own-source revenue (OSR) collection of Kshs.958.89 million.

The total OSR collection of Kshs.958.89 million includes Facilities Improvement Financing (FIF) of Kshs.497.56 million, and Kshs.461.33 million from other OSR sources. OSR collections from the FIF were received from Nyeri County Referral Hospital, Karatina Sub County Hospital, Mukurwe-ini Subcounty Hospital, Othaya Sub County Hospital and Mt. Kenya Sub County Hospital. Table 3.361 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.361: Nyeri County, Revenue Performance in the First Nine Months of FY 2024/25

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**	6,580,025,891	4,288,123,059	65.2
Sub Total		**6,580,025,891**	**4,288,123,059**	**65.2**
B	**Conditional Grants**			
1	The Danish International Development Agency (DANIDA)	365,603,076		0.0
2	IDA (World Bank) Credit - National Agricultural Value Chain Development Programme (NAVCDP)	8,336,250		0.0
3	Aquaculture Business Development Programme (ABDP)	151,515,152		0.0
4	Kenya Agricultural Agribusiness Development Project (KABDP)	19,315,146		0.0
5	Aggregated Industrial Parks Programme (CAIP)	11,918,919		0.0
6	IDA (World Bank) Credit - Financing Locally-Led Climate Action (FLLoCA) program - County Climate Institutional Support (CCIS) Grants	250,000,000		0.0
7	Road Maintenance Levy Fund (RMLF)	136,000,000	11,000,000	8.1
8	Kenya Development Support Program KDSP II (Level I)	281,534,361		0.0
9	Community Health Promoters	37,500,000		0.0
10	Kenya Urban Support Program, The Urban Institute Grant (KUSP UIG)	109,250,000		0.0
Sub-Total		**1,370,972,904**	**11,000,000**	**0.8**

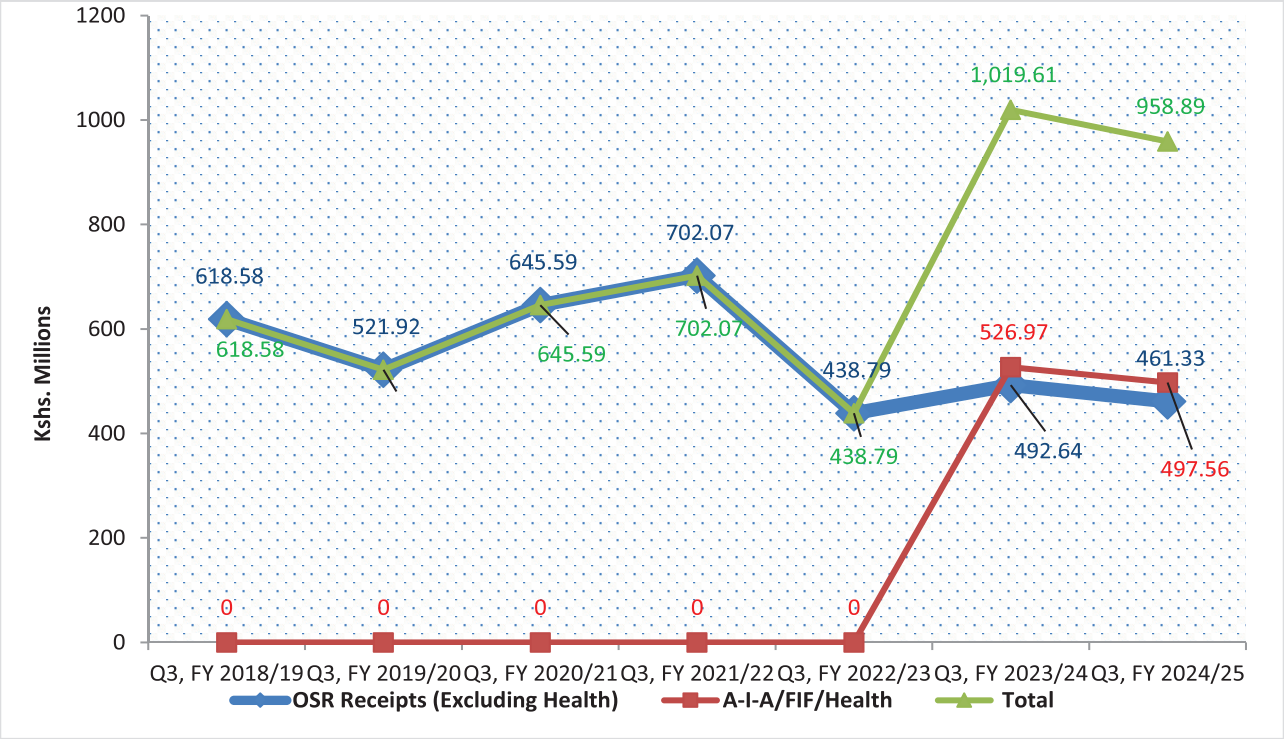
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S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as % of Annual Allocation (%)
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	800,000,000	461,330,891	57.7
2	Balance b/f from FY2023/24	-	-	0.0
3	Facility Improvement Fund (FIF)	836,295,127	497,558,104	59.5
4	Other Revenues		-	0.0
5	Appropriation in Aid (AIA)	-	-	0.0
Sub Total		1,636,295,127	958,888,995	58.6
Grand Total		**9,587,293,922**	5,258,012,054	**54.8**

Source: *Nyeri County Treasury*

The County has a governing legislation for operating ordinary FIF, which is the Nyeri County Health Services Fund Act, 2021. Figure 138 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 138: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



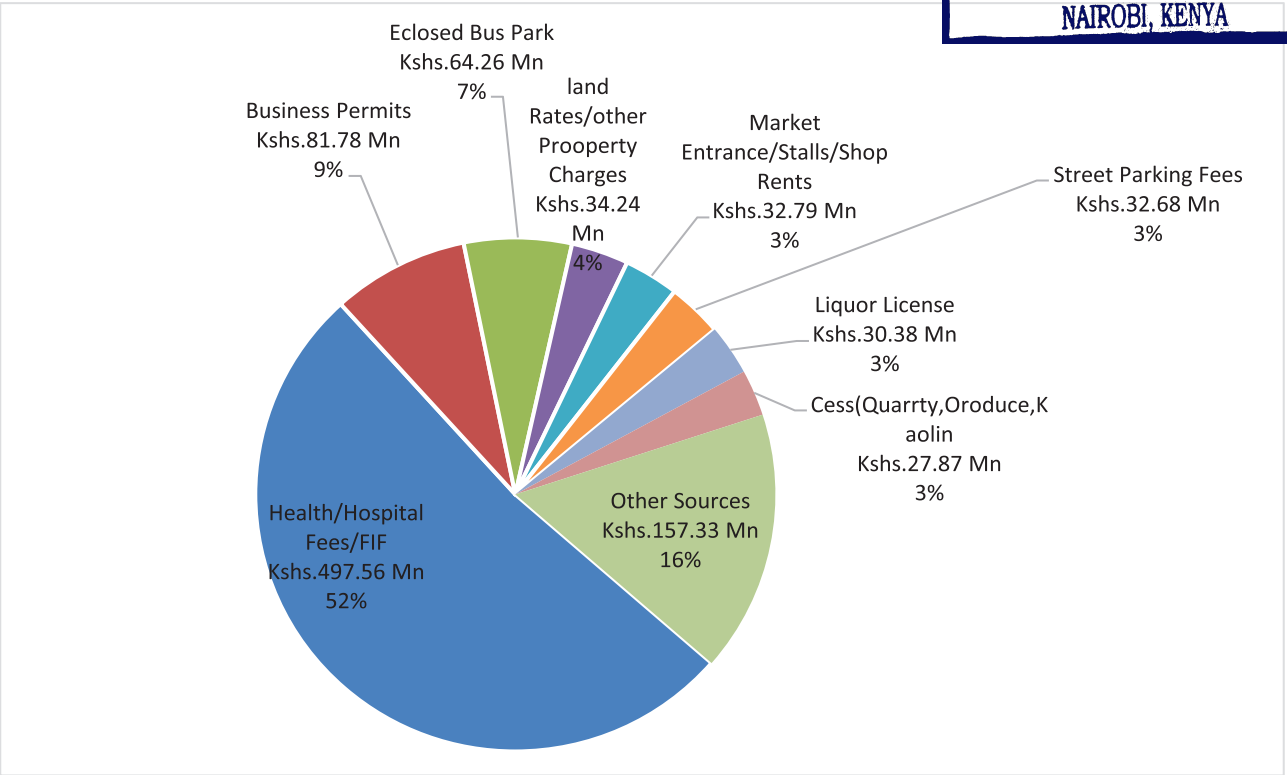
Source: *Nyeri County Treasury*

During the review period, the County generated Kshs.958,89 million from its own revenue sources, including AIA and FIF. This amount decreased by 6 per cent compared to Kshs.1.02 billion realised in a similar period in FY 2023/24, which was 59 per cent of the annual target and 18 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 139.

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Figure 139: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



***Source**: Nyeri County Treasury*

As shown in Figure 139, the highest revenue stream, at Kshs.497.56 million, was from Health/Hospital fees/FIF, accounting for 52 per cent of the total OSR receipts. The County Government has automated all 54 revenue streams.

3.36.3 Borrowing by the County

The County did not borrow any funds during the reporting period.

3.36.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.4 billion from the CRF account during the reporting period, which comprised Kshs.388.04 million (9 per cent) for development programmes and Kshs.4.01 billion (91 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.35 billion was released towards compensation of employees and Kshs.659.76 million for operations and maintenance expenditure.

Analysis of the operations and maintenance exchequer releases indicates that 34 per cent was for domestic travel and 8 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.222.48 million, comprising Kshs.80.44 million for the County Executive and Kshs.142.05 million for the County Assembly. The foreign travel exchequer totalled Kshs.55.62 million, consisting of Kshs.5.35 million for the County Executive and Kshs.50.27 million for the County Assembly.

Table 3.362: Nyeri County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Executive Office of the Governor and the Deputy Governor	124.29	45.00	75.05	19.65	60.38	43.67
Office of the County Secretary	324.35	6.50	150.95	4.70	46.54	72.29
Finance, Economic Planning and ICT	535.71	10.05	385.91	2.82	72.04	28.07
Lands, Physical Planning and Urban Development	81.47	368.40	60.64	0.00	74.44	0.00
Health Services and Public Health	2627.21	416.30	1926.91	87.85	73.34	21.10
Gender, Youth, Social Services and Sports	94.12	101.30	47.13	26.62	50.07	26.28

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Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Public Service and Solid Waste Management	147.16	53.00	79.78	13.35	54.21	25.19
Agriculture, Livestock and Aquaculture Development	238.20	270.15	232.90	20.33	97.78	7.53
Trade, Cooperatives, Culture and Tourism	56.60	379.90	23.93	7.50	42.27	1.97
Education, Training and Devolution	553.54	85.10	375.07	48.13	67.76	56.56
Water, Environment, and Climate Change	76.36	264.70	28.85	14.19	37.78	5.36
County Assembly	805.76	150.00	519.47	7.58	64.47	5.05
County Public Service Board	42.46	6.00	38.86	1.43	91.52	23.76
Roads, Transport, Public Works, Infrastructure and Energy	92.94	651.33	33.50	122.56	36.04	18.82
County Attorney	46.29	0.00	27.66	0.00	59.76	0.00
Nyeri Municipality	12.09	84.70	1.14	11.33	9.46	13.38
Total	**5,858.56**	**2,892.44**	**4,007.76**	**388.04**	68.41	13.42

Source: *Nyeri County Treasury*

3.36.5 County Expenditure Review

The County spent Kshs.4.73 billion on development and recurrent programmes during the reporting period. The expenditure represented 108 per cent of the total funds released by the CoB and comprised Kshs.531.40 million and Kshs.4.2 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 18 per cent, while recurrent expenditure represented 72 per cent of the annual recurrent expenditure budget.

3.36.6 Settlement of Pending Bills

As of 30th June 2024, the county reported pending bills totalling Kshs.260.33 million. This amount included Kshs.192.65 million from the County Executive and Kshs.67.69 million from the County Assembly. The pending bills from the County Executive consisted of Kshs.88.99 million for recurrent expenditures and Kshs.103.66 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.89.98 million, comprising Kshs.42.12 million for recurrent programmes and Kshs.47.86 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.63.62 million for recurrent activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.145.07 million and Kshs.63.62 million, respectively, in the first nine months of FY 2024/25. However, the County Executive did not adhere to this payment plan, as it cleared Kshs.89.98 million for the Executive and Kshs.63.36 million for the Assembly.

As of 31st March 2025, the outstanding bills totalled Kshs.106.74 million, comprising Kshs.102.67 million for the County Executive and Kshs.4.07 million for the County Assembly.

3.36.7 Expenditure by Economic Classification

The County Executive spent Kshs.3.17 billion on employee compensation, Kshs.505.11 million on operations and maintenance, and Kshs.523.82 million on development activities. Similarly, the County Assembly spent Kshs.178.84 million on employee compensation, Kshs.346.01 million on operations and maintenance, and Kshs.7.58 million on development activities, as shown in Table 3.363.

Table 3.363: 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	**5,052,799,490**	**805,763,061**	**3,674,275,055**	**524,848,000**	**73**	**65**
Compensation to Employees	4,127,316,632	259,167,090	3,169,163,330	178,835,873	77	69
Operations and Maintenance	925,482,858	546,595,971	505,111,725	346,012,127	55	63

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Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Development Expenditure	2,742,436,244	150,000,000	523,824,567	7,580,379	19	5
Total	7,795,235,734	955,763,061	4,198,099,622	532,428,379	54	56

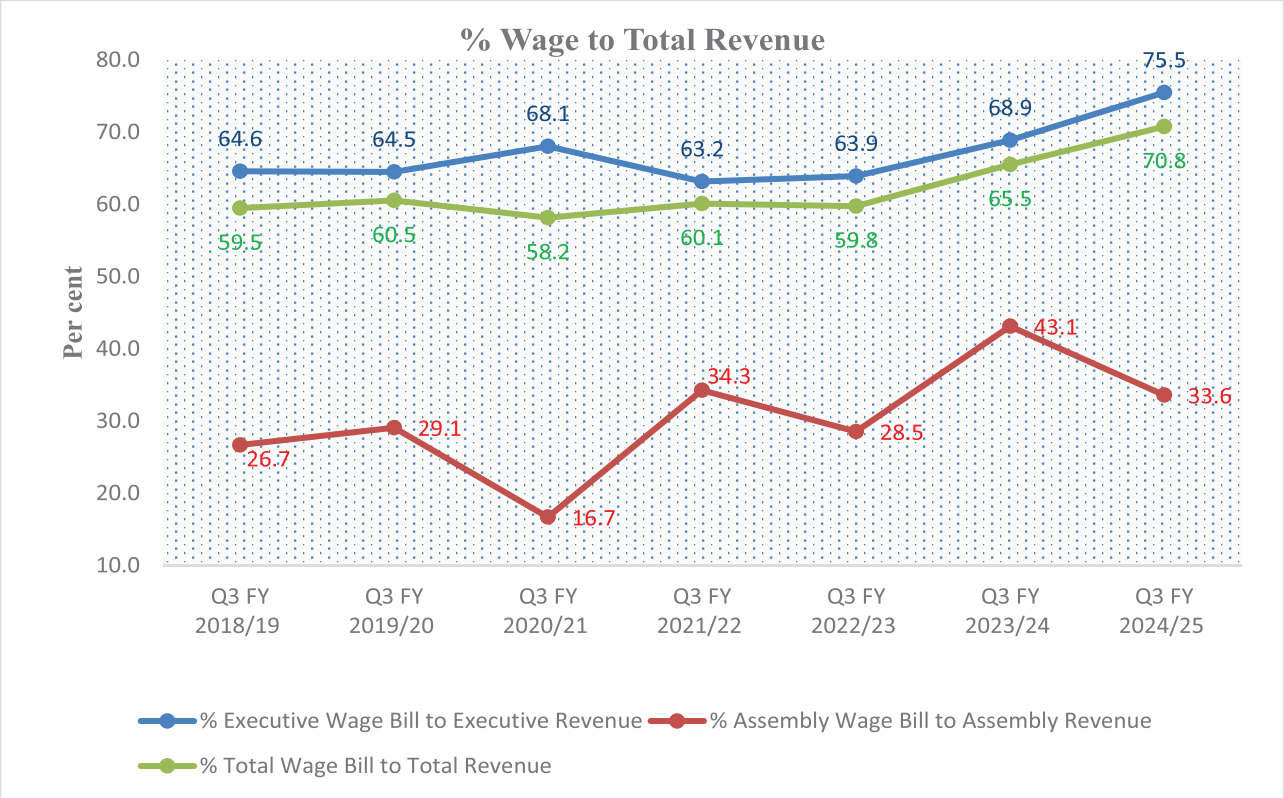
***Source**: Nyeri County Treasury*

3.36.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.3.35 billion. The total revenue, excluding the earnings from extractive natural resources, was Kshs.5.23 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 64 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.3.08 billion was reported during the same period in FY 2023/24. Of this total, Kshs.2.13 billion was allocated to Health Sector employees, accounting for 64 per cent of the overall employee compensation. The significant change in compensation to employees compared to the previous period is due to arrears of the previous year paid in the current financial year.

Figure 140 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 140: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: Nyeri County Treasury*

Further analysis indicates that payments amounting to Kshs.2.99 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.358.54 million was processed through manual payrolls, which accounted for 11 per cent of the total PE cost.

The manual payrolls comprised salaries for staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.364.

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Table 3.364: Breakdown of Nyeri County Manual Payroll

S No.	Category	County Executive	County Assembly	Total
1.	Salaries for staff yet to be onboarded into HRIS	295,925,977.20	18843571.7	**314,769,548.90**
2.	Salaries for casual staff	3,714,962.00		**3,714,962.00**
3.	Top-up Allowances for Security Officers	3,003,750.00	1239840.0	**4,243,590.00**
4.	LAPTRUST/LAPFUND Pension Contributions	-		-
5.	Gratuity for contract staff	31,784,056.60	4029609.7	**35,813,666.30**
	Total	**334,428,745.80**	**24,113,021.40**	**358,541,767.20**

Source: *Nyeri County Treasury*

The County Assembly spent Kshs.13.01 million on committee sitting allowances for the 43 MCAs against the annual budget allocation of Kshs.20 million. The average monthly sitting allowance was Kshs.33,618 per MCA. The County Assembly has 24 House Committees.

3.36.9 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.100 million to County-Established funds in FY 2024/25, or one per cent of the County's overall budget. Further, the County allocated Kshs.20 million to the Emergency Fund (less than one per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.365 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.365: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Date Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Half of FY 2024/25 (Kshs.)	Actual Expenditure in First Half of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds						
1	Elimu Fund	31 December,2015	-	-	-	342,000,000.00	No
2	Emergency Fund	10 May,2017	-	-	-	20,000,000.00	No
3	Health Fund	11 May,2021	-	-	-	141,701,379.00	No
4	Enterprise Development Fund	4 April,2018	-	-	-	40,000,000.00	No
5	Car Mortgage Fund (Executive)	15 May,2017	-	-	-	100,000,000.00	No
	County Assembly Established Funds						
	Car Mortgage Fund (Assembly Members)	January 2018	-	-	-		
8	Car Mortgage Fund (Assembly Staff)	2019	-	-	-	122,393,125.00	No
	Total		-	-	-	**950,094,504.00**	

Source: *Nyeri County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from 7 Fund Administrators, as indicated in Table 3.363, contrary to the requirement of Section 168 of the PFM Act, 2012.

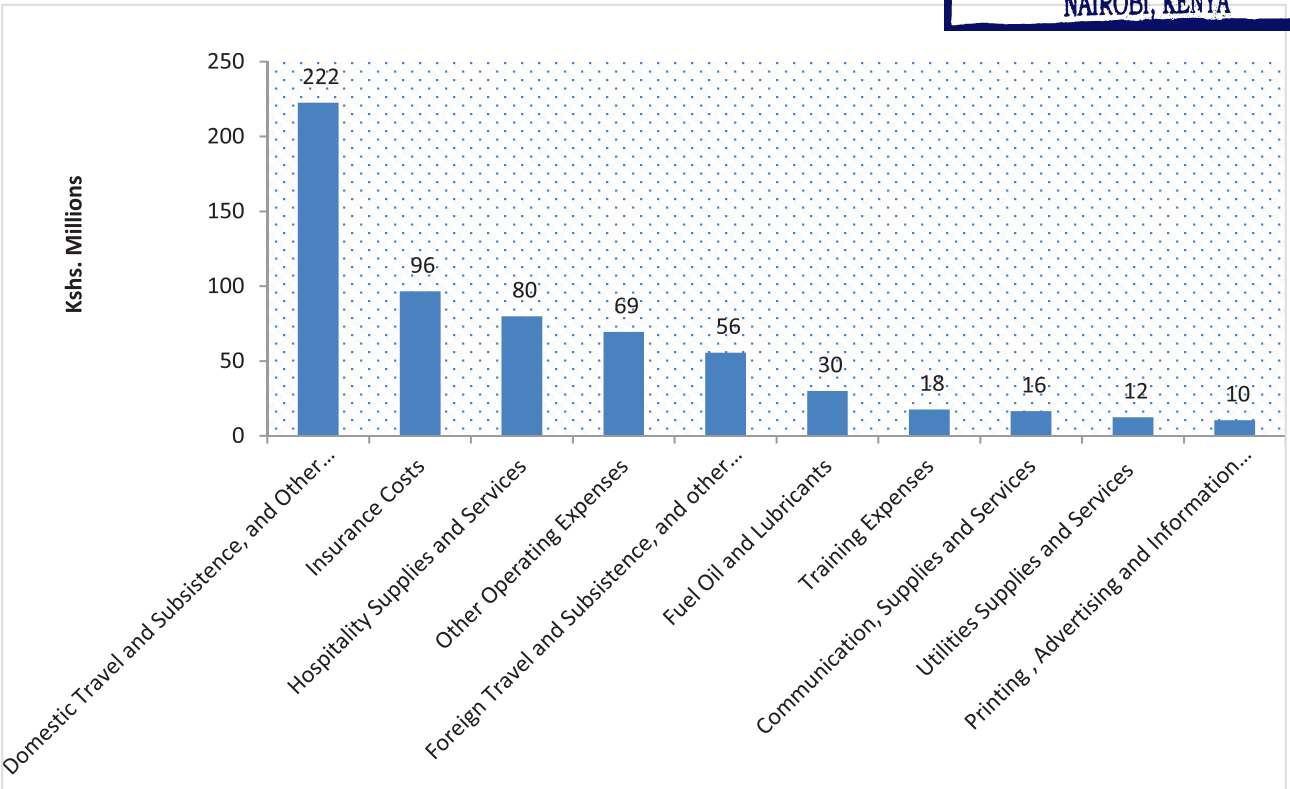
Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, permits County Governments to establish public funds with a lifespan of up to 10 years, unless extended by the County Assembly.

3.36.10 Expenditure on Operations and Maintenance

Figure 141 summarises the Operations and Maintenance expenditure by major categories.

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Figure 141: County, Operations and Maintenance Expenditure by Major Categories



Source: *Nyeri County Treasury*

Expenditure on domestic travel amounted to Kshs.222.48 million and comprised Kshs.142.05 million spent by the County Assembly and Kshs.80.44 million by the County Executive. Expenditure on foreign travel amounted to Kshs.55.61 million and comprised Kshs.50.27 million by the County Assembly and Kshs.5.35 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.366.

Table 3.366: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	1	1st to 12th December 2022	National Security and Diplomacy Workshop	Israel	500,000.00
County Executive	2	11 June 17th June 2023.	Investment and Learning Trip	Morocco	433,690.00
County Executive	2	18th to 25th March 2023	High-Level Coffee Exposure	Colombia	404,571.00
County Executive	1	25th to 30th August 2024	Cost of Air Ticket- to explore opportunities for sourcing fire engines & emergency response	London	1,280,050.00
County Executive	2	30th November to 12th December 2023	28th Session of the conference of the parties to the United Nations Framework on Climate Change	Dubai	400,742.00
County Executive	2	31st October to 3rd November 2022.	WSPU Registration Fee	South Korea	366,237.00
County Executive	1	25th to 30th August 2024	To explore opportunities for sourcing fire engines & emergency response	United Kingdom	596,985.30
County Executive	1	6th to 13th March 2022	International Partnership for Sustainable Development on Education & Environment Programme	Spain	506,340.00
County Assembly	18	19th-28th May 2024	A study visit to the East African Legislative Assembly to learn some of their practices, e.g, the East African Community structure and its Organs.	ARUSHA	6,547,392.00

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Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	2	22nd-1st June 2024	On official duties to attend leadership through the vision of developing and implementing Organisational Excellence.	Dubai	1,718,720.00
County Assembly	1	9th and 8th Dec 2023	Attending facilitation skills training course (Air Ticket)	Singapore	495,000.00
County Assembly	5	19th to 27th May 2024	On official duties to attend leadership through the vision of developing and implementing Organisational Excellence. (Air ticket)	Dubai	1,475,000.00
County Assembly	8	12th to 20th May 2024	On official duties to attend leadership through the vision of developing and implementing Organisational Excellence. (Air Ticket)	Dubai	2,320,000.00
County Assembly	7	19th to 25th Dec 2023	On official duties to attend facilitation skills training course(Air Ticket)	Singapore	3,486,000.00
County Assembly	2	22nd may to 1st Jun 2024	On official duties to attend leadership through the vision of developing and implementing Organisational Excellence. (Air Ticket)	Dubai	905,000.00
County Assembly	1	18th to 24th oct 2024	On official duties to attend a legal symposium on legislative matters (Air Ticket)	Zimbabwe	170,000.00
County Assembly	2	12th-18th Dec 2024	while on official duties to attend an international conference on public policy and public administration	Singapore	1,378,640.00
County Assembly	5	15th-22nd Dec 2024	Attending a training on enhancing the oversight and accountability program	Arusha	1,203,930.00
County Assembly	7	8th-15th Dec 2024	Attending a training on enhancing the oversight and accountability program	Arusha	2,324,840.00
County Assembly	3	15th-22nd Dec 2024	Attending a training on enhancing the oversight and accountability program	Arusha	1,090,160.00
County Assembly	7	8th-15th Dec 2024	Attending a training on enhancing the oversight and accountability program	Arusha	2,324,840.00
County Assembly	7	8th-15th Dec 2024	Attending a training on enhancing the oversight and accountability program	Arusha	2,324,840.00
County Assembly	7	8th-15th Dec 2024	Attending a training on enhancing the oversight and accountability program	Arusha	2,324,840.00
County Assembly	7	1st-8th Dec 2024	Attending a training on enhancing the oversight and accountability program	Arusha	2,324,840.00
County Assembly	6	8th-15th Dec 2024	Attending a training on enhancing the oversight and accountability program	Arusha	1,992,720.00
County Assembly	4	13th-19th Jan 2025	Official duties to attend a programme on leadership training for adults supporting scouting	Arusha	1,766,298.00
County Assembly	7	20th-29th Jan 2025	On official duties to attend the Global executive training on managing change for organisational success	Singapore	6,790,178.00
County Assembly	1	19th-23rd Oct 2024	On official duties to attend the 7th Africa Colloquium of Legal Counsel to Parliaments	Zimbabwe	275,000.00
County Assembly	1	3rd-7th Feb 2025	On official duties - training on best practices in public delivery.	Arusha	319,796.00
County Assembly	1	9th-17th Nov 2024	On official duties, to participate in the state-level Nipum Testing Camp for Rovers	India	554,700.00
County Assembly	1	1st-8th Dec 2024	Attending a training on enhancing the oversight and accountability program	Arusha	230,230

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Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	7	20th-29th Jan 2025	payment of air tickets while on official duties to attend the Global executive training on managing change for organisational success	Singapore	5,030,000
County Assembly	1	9th-17th Nov 2024	payment of air tickets while on official duties to participate in the state-level Nipum Testing Camp for Rovers	India	785,000
	1	22nd Feb to 31st March 2025	Reimbursement of air ticket expenses while in Uganda	Uganda	115,140

***Source**: Nyeri County Treasury and Nyeri County Assembly*

The operations and maintenance costs did not indicate a direct expenditure on garbage collection, but included Kshs.36.68 million on Legal fees, dues, arbitration, and compensation payments.

3.36.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.497.56 million as FIF, which was 60 per cent of the annual target of Kshs.836.30 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed regulations in 2021 to operationalise the FIF Act of 2021.

The Health Facilities provided a report on the utilisation of the FIF during the reporting period, in line with Section 18 (e) of the FIF Act, 2023. The expenditure by the health facilities amounted to Kshs.497.56 as shown in Table 3.367.

Table 3.367: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	County Referral Hospital	386,228,943.00	208,538,720.00	53.99
2	Karatina Sub-County Hospital	181,696,812.00	114,373,786.00	62.95
3	Mukurwe-ini Sub- County Hospital	106,785,950.00	63,130,338.00	59.12
4	Othaya Sub-County Hospital	53,692,986.00	32,733,396.00	60.96
5	Mt. Kenya Sub Hospital	32,504,491.00	30,956,638.00	95.24
6	Narumoru Level 4 Hospital	53,692,986.00	22,730,658.00	42.33
7	Ihururu Rehabilitation Center	9,692,959.00	9,922,752.00	102.37
8	Rural Facilities Level 2 &3	12,000,000.00	15,171,815.00	126.43
	Total	836,295,127.00	497,558,103	59.50

***Source:** Nyeri County Treasury*

The Health Facility with the highest absorption rate was rural facilities at Levels 2 and 3, at 126 per cent, followed by Ihururu Rehabilitation Centre at 102 per cent.

3.36.12 Development Expenditure

In the review period, the County reported spending Kshs.531.4 million on development programmes, representing. an increase of 27 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.418.56 million. Table 3.368 summarises development projects with the highest expenditure in the reporting period.

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Table 3.368: Nyeri County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)	Implementation status (%)
2	Health Services and Public Health	To support medical drugs, non-pharmaceuticals, and other medical supplies for specialised programmes.	Countywide	FY 2024/25	200,000,000	88,461,039	88,461,039	44.23	44.23%
3	Roads, Transport, Public Works, Infrastructure and Energy	Streetlight bills	Countywide	FY 2024/25	120,000,000	51,443,098	51,443,098	42.87	10%
4	Trade, Cooperatives, Culture And Tourism	Construction of an industrial park	Thegu	FY 2024/25	250,000,000	33,073,257	33,073,257	13.23	20% complete, 57,632,729 paid. 2023/24 Payment certificate of 33M main works issued and 2.4 M bore hole issued
5	Water, Environment, and Climate Change	Conditional grant for the climate change programme	Countywide	FY 2024/25	125,000,000	20,194,279	20,194,279	16.16	Ongoing
6	Executive Office of the Governor and the Deputy Governor	Construction of the Governor's Official Residence in line with the SRC requirement	Countywide	FY 2024/25	19,500,000	19,480,611	19,480,611	99.90	This is a multi-year project, and implementation is ongoing
7	Roads, Transport, Public Works, Infrastructure and Energy	Fuel and Machinery Maintenance	Countywide	FY 2024/25	21,000,000	18,000,000	18,000,000	85.71	At the procurement stage
8	Education, Training and Devolution	Grant to support training in VTCs at Kshs.5,000 for three thousand trainees	Countywide	FY 2024/25	15,000,000	15,000,000	15,000,000	100.00	Complete
9	County Public Service and Solid Waste Management	Fuel (garbage collection and dumpsite management)	Countywide	FY 2024/25	17,000,000	13,500,000	13,500,000	79.41	75%
10	Education, Training and Devolution	VTC Training materials, tools and equipment	Countywide	FY 2024/25	8,000,000	10,280,766	10,280,766	128.51	Complete

Source: *Nyeri County Treasury*

The County has not reported any stalled development projects to date

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3.36.13 Budget Performance by Department

Table 3.369 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.369: Nyeri County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Executive Office of the Governor and the Deputy Governor	124.29	45.00	75.05	19.65	79.29	40.12	105.6	204.2	63.8	89.2
Office of the County Secretary	324.35	6.50	150.95	4.70	150.58	4.70	99.8	100.0	46.4	72.3
Finance, Economic Planning and ICT	535.71	10.05	385.91	2.82	394.22	2.82	102.2	100.0	73.6	28.1
Lands, Physical Planning and Urban Development	81.47	368.40	60.64	0.00	61.19	1.62	100.9	-	75.1	0.4
Health Services and Public Health	2627.21	416.30	1926.91	87.85	1971.84	119.38	102.3	135.9	75.1	28.7
Gender, Youth, Social Services and Sports	94.12	101.30	47.13	26.62	49.67	24.24	105.4	91.1	52.8	23.9
County Public Service and Solid Waste Management	147.16	53.00	79.78	13.35	81.27	16.50	101.9	123.6	55.2	31.1
Agriculture, Livestock and Aquaculture Development	238.20	270.15	232.90	20.33	233.66	34.96	100.3	172.0	98.1	12.9
Trade, Cooperatives, Culture and Tourism	56.60	379.90	23.93	7.50	26.38	58.46	110.2	779.9	46.6	15.4
Education, Training and Devolution	553.54	85.10	375.07	48.13	490.47	49.61	130.8	103.1	88.6	58.3
Water, Environment, and Climate Change	76.36	264.70	28.85	14.19	29.59	26.84	102.6	189.2	38.7	10.1
County Assembly	805.76	150.00	519.47	7.58	524.85	7.58	101.0	100.0	65.1	5.1
County Public Service Board	42.46	6.00	38.86	1.43	38.99	1.43	100.3	100.0	91.8	23.8
Roads, Transport, Public Works, Infrastructure and Energy	92.94	651.33	33.50	122.56	35.88	131.79	107.1	107.5	38.6	20.2
County Attorney	46.29	0.00	27.66	0.00	29.25	0.00	105.8	-	63.2	-
Nyeri Municipality	12.09	84.70	1.14	11.33	2.01	11.36	176.1	100.2	16.7	13.4
Total	**5,858.56**	**2,892.44**	**4,007.76**	**388.04**	**4,199.12**	**531.40**	104.77	136.95	71.67	18.37

***Source**: Nyeri County Treasury*

Analysis of expenditure by departments shows that the Department of the Office of the Governor and Deputy Governor recorded the highest absorption rate of the development budget at 89 per cent, followed by the Department of Education, Training, and Devolution at 58 per cent. The Department of Agriculture, Livestock and Aquaculture Development had the highest percentage of recurrent expenditure to budget at 98.1 per cent, while the Department of Nyeri Municipality had the lowest at 17 per cent.

The difference between the total requisition and cumulative expenditure is primarily because some payments processed in IFMIS had not been requisitioned from the office of CoB at the end of the reporting period. Furthermore, imprests are usually commitments until they are surrendered in the system.

3.36.14 Budget Execution by Programmes and Sub-Programmes

Table 3.370 summarises the budget execution by programmes and sub-programmes in the period under review.

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Table 3.370: Nyeri County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Executive Office of the Governor and the Deputy Governor							
Management and Coordination of county affairs	Administration, planning and support services	119,634,516.00	45,000,000.00	75,596,518.00	40,117,790.00	63.19	89.15
	Management of county affairs	4,654,565.00		3,688,712.00		79.25	0.00
Sub-Total		**124,289,081.00**	**45,000,000.00**	**79,285,230.00**	**40,117,790.00**	**63.79**	**89.15**
Office of the County Secretary							
Coordination of County Functions and Public Service Management	Administration, planning and support services	322,224,758.00	6,500,000.00	149,446,699.00	4,698,710.00	46.38	72.29
	County publicity campaign	2,121,733.00		1,129,270.00		53.22	0.00
Sub-Total		**324,346,491.00**	**6,500,000.00**	**150,575,969.00**	**4,698,710.00**	**46.42**	**72.29**
Finance, Economic Planning and ICT							
Economic Planning and Policy Formulation	Economic Planning and Policy Formulation	10,190,400.00		6,976,410.00		68.46	0.00
	Monitoring and Evaluation	3,700,000.00		2,738,900.00		74.02	0.00
Executive Services	Administration and personnel services	451,409,170.00	10,049,590.00	340,012,100.00	2,820,848.00	75.32	28.07
Public Finance Management	Financial Accounting	8,901,000.00		7,220,526.00		81.12	0.00
	Internal Audit	5,859,800.00		5,270,760.00		89.95	0.00
	Procurement Compliance and Reporting	8,102,000.00		6,121,046.00		75.55	0.00
Revenue Mobilisation	Revenue Mobilisation	42,583,436.00		22,652,470.00		53.20	0.00
ICT Development	ICT Infrastructure Development	4,967,575.00		3,232,300.00		65.07	0.00
Sub-Total		**535,713,381.00**	**10,049,590.00**	**394,224,512.00**	**2,820,848.00**	**73.59**	**28.07**
Lands, Physical Planning and Urban Development Total							
Land Policy and Planning	Land Policy Formulation	5,117,943.00		2,341,100.00		45.74	0.00
Housing Development and Human Settlement	Government Building	2,695,000.00		589,427.00		21.87	0.00
Physical planning services	Administration and personnel services	73,658,236.00	368,403,076.00	58,256,147.00	1,615,000.00	79.09	0.44
Sub-Total		**81,471,179.00**	**368,403,076.00**	**61,186,674.00**	**1,615,000.00**	**75.10**	**0.44**
Health Services and Public Health							
Administration, Planning and General Support Services	Administration, Planning and General Support Services	2,609,091,990.00	416,300,000.00	1,971,564,102.00	119,380,521.00	75.57	28.68
	Health Services	17,570,350.00		-		0.00	0.00
Health Services	Community health	550,000.00		271,600.00		49.38	0.00
Sub-Total		**2,627,212,340.00**	**416,300,000.00**	**1,971,835,702.00**	**119,380,521.00**	**75.05**	**28.68**
Gender, Youth, Social Services and Sports							
Library Services and Disaster Management	Administration and planning services	14,247,698.00		9,455,299.00		66.36	0.00

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
	County children's home management	3,622,000.00		1,204,743.00		33.26	0.00
Sports and Talent Development	Recreation and Sporting Services	4,557,500.00	25,200,000.00	3,579,298.00	490,030.00	78.54	1.94
General Administration and Planning Services	Administration and personnel services	71,690,628.00		35,428,566.00		49.42	0.00
	Administration and planning services		76,100,000.00		23,749,285.00	0.00	31.21
Sub-Total		**94,117,826.00**	**101,300,000.00**	**49,667,906.00**	**24,239,315.00**	**52.77**	**23.93**
County Public Service and Solid Waste Management							
Human Resources Management	Administration, Planning, and Support Services	139,073,817.00	9,750,000.00	77,610,620.00	-	55.81	0.00
Sanitation Management	Administrative Support Services	8,088,154.00	43,250,000.00	3,662,104.00	16,500,000.00	45.28	38.15
Sub-Total		**147,161,971.00**	**53,000,000.00**	**81,272,724.00**	**16,500,000.00**	**55.23**	**31.13**
Agriculture, Livestock and Aquaculture Development							
Livestock Production Management	Provision of Extension Services to Livestock Farmers	1,219,940.00	14,000,000.00	695,000.00	7,999,860.00	56.97	57.14
Crop Management	County Agriculture Extension Program	1,597,437.00	23,000,000.00	1,005,152.00	4,998,925.00	62.92	21.73
	Farm Development	6,630,000.00		6,630,000.00		100.00	0.00
AMS Naromoru	Development Of Agricultural Land For Crop Production	1,226,000.00	6,500,000.00	1,226,000.00	2,139,800.00	100.00	32.92
Agricultural Management	Administration and planning services	224,986,066.00	202,749,217.00	223,066,576.00	1,918,600.00	99.15	0.95
County Extension Services and Aquaculture Development	Administrative Support Services	2,537,734.00	23,900,000.00	1,033,670.00	17,903,800.00	40.73	74.91
Sub-Total		**238,197,177.00**	**270,149,217.00**	**233,656,398.00**	**34,960,985.00**	**98.09**	**12.94**
Trade, Cooperatives, Culture and Tourism							
Trade Development	Trade Promotion	49,308,501.00	371,400,000.00	23,577,003.00	58,462,269.00	47.82	15.74
Tourism Development	Cultural Management		1,000,000.00		-	0.00	0.00
	Promotion of Tourism	3,850,000.00	5,000,000.00	1,417,590.00	-	36.82	0.00
Cooperatives Management	Cooperative Development And Management	3,439,389.00	2,500,000.00	1,383,610.00	-	40.23	0.00
Sub-Total		**56,597,890.00**	**379,900,000.00**	**26,378,203.00**	**58,462,269.00**	**46.61**	**15.39**
Education, Training and Devolution							
Youth Training and Development	Youth Training and Development	3,563,714.00	39,000,000.00	1,513,161.00	24,809,342.00	42.46	63.61
Kenya Devolution Support Program	Promote Effective Result-Based Management & Administration	42,500,000.00		3,507,620.00		8.25	0.00
General administration and policy Development and implementation	Administrative Support Services	501,992,447.00	46,100,000.00	482,065,219.00	24,805,438.00	96.03	53.81
	ECDE Management	5,487,252.00		3,382,069.00		61.64	0.00
Sub-Total		**553,543,413.00**	**85,100,000.00**	**490,468,069.00**	**49,614,780.00**	**88.61**	**58.30**

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
Water, Environment, and Climate Change							
Environment and Climate Change	Environment Conservation, Protection and Management	12,847,368.00	251,354,584.00	2,011,100.00	23,781,509.00	15.65	9.46
Water Management	Administrative Support Services	63,512,077.00		27,577,042.00		43.42	0.00
	Water Services		13,345,416.00		3,059,992.00	0.00	22.93
Sub-Total		**76,359,445.00**	**264,700,000.00**	**29,588,142.00**	**26,841,501.00**	**38.75**	**10.14**
County Assembly							
General administration, Policy Development and implementation	Administration and planning services	805,763,061.00	150,000,000.00	524,848,000.00	7,580,379.00	65.14	5.05
Sub-Total		805,763,061.00	150,000,000.00	524,848,000.00	7,580,379.00	65.14	5.05
County Public Service Board							
General administration, Policy Development and implementation	Administration and personnel services	42,461,734.00	6,000,000.00	38,988,569.00	1,425,843.00	91.82	23.76
Sub-Total		**42,461,734.00**	**6,000,000.00**	**38,988,569.00**	**1,425,843.00**	**91.82**	**23.76**
Roads, Transport, Public Works, Infrastructure and Energy							
Energy Sector development	Street Lighting		220,000,000.00		76,174,909.00	0.00	34.62
	Street lighting programme	18,813,160.00		3,217,193.00		17.10	0.00
General Administration and Planning Services	Administration, planning and support services	74,130,844.00		32,661,738.00		44.06	0.00
	County access and feeder roads improvement		431,334,361.00		55,611,640.00	0.00	12.89
Sub-Total		**92,944,004.00**	**651,334,361.00**	**35,878,931.00**	**131,786,549.00**	**38.60**	**20.23**
County Attorney							
General Administration and Planning Services	Management of county affairs	46,292,678.00		29,254,196.00		63.19	0.00
Sub-Total		**46,292,678.00**		**29,254,196.00**		**63.19**	**0.00**
Nyeri Municipality							
Municipal Administration	Municipal Administration	12,090,880.00	84,700,000.00	2,013,830.00	11,360,456.00	16.66	13.41
		12,090,880.00	**84,700,000.00**	**2,013,830.00**	**11,360,456.00**	16.66	13.41
		5,858,562,551.00	**2,892,436,244.00**	**4,199,123,055.00**	**531,404,946.00**	**71.67**	**18.37**

***Source**: Nyeri County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Farm Development and Development of Agriculture land for crop production in the Department of Agriculture, Livestock and Aquaculture Development at 100 per cent, Administrative Support Services in the Department of Education, Training and Devolution at 96 per cent, Administration and personnel services in the Department of County Public Service Board at 92 per cent, and Internal Audit in the Department of Finance, Economic Planning and ICT at 90 per cent of budget allocation.

3.36.15 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

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Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 32 accounts with commercial banks, including two accounts for Health Facilities, 11 accounts for Established Funds, three revenue accounts, and eleven special purpose accounts (additional allocations)

3.36.16 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;

i. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on 25th April 2025
ii. Unspent funds from FY 2023/24 were not refunded to the CRF account, resulting in actual expenditures exceeding the approved exchequer in several departments, as shown in Table 3.362.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.358.54 million for some staff yet to be onboarded into HRIS and casual staff were processed through manual payroll, accounting for 11 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The County Treasury should ensure unspent funds from the previous financial year are deposited into the CRF Account in line with Section 136 of the PFM Act 2012.*
iii. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

3.37. County Government of Samburu

3.37.1 Overview of FY 2024/25 Budget

The Samburu County Gross Approved FY 2024/25 budget is Kshs.7.32 billion. It comprises Kshs.2.26 billion (31 per cent) and Kshs.5.07 billion (69 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.199.18 billion (3 per cent) from the FY 2023/24 budget comprised a development budget of Kshs.2.48 billion and a recurrent budget of Kshs.5.05 billion. The decrease in the budget was attributed to the decline in the provisional amount intended to finance the pending bills. The Samburu County Government budget will be financed from different sources of revenue. These include Kshs.5.81 billion (79 per cent) expected as the equitable share of revenue raised nationally, Kshs.837.35 million as additional allocations/conditional grants, a cash balance of Kshs.400 million (5 per cent) brought forward from FY 2023/24, and Kshs.281.63 million (4 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.18.7 million (0.3 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.262.93 million (4 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants. A breakdown of the additional allocations is shown in Table 3.369

3.37.2 Revenue Performance

During the review period, the County received Kshs.4.52 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.379.26 million from Kshs.4.14 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.3.70 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.116.63 million, and its own-source revenue (OSR) collection of Kshs.240.41 million. In addition, the County had a cash balance of Kshs.461.10 million from FY 2023/24.

The total OSR collection of Kshs.240.41 million includes Facilities Improvement Financing (FIF) of Kshs.7.54 million, and Kshs.232.87 million from other OSR sources. OSR collections from the FIF were received from Maralal

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County Referral Hospital, where the FIF is collected. The other hospitals did not make any declarations on revenue and expenditures. Table 3.371 summarises the total revenue available to the County Government in the first nine months of FY 2024/25.

Table 3.371: Samburu County, Revenue Performance in the First Nine Months of FY 2024/25

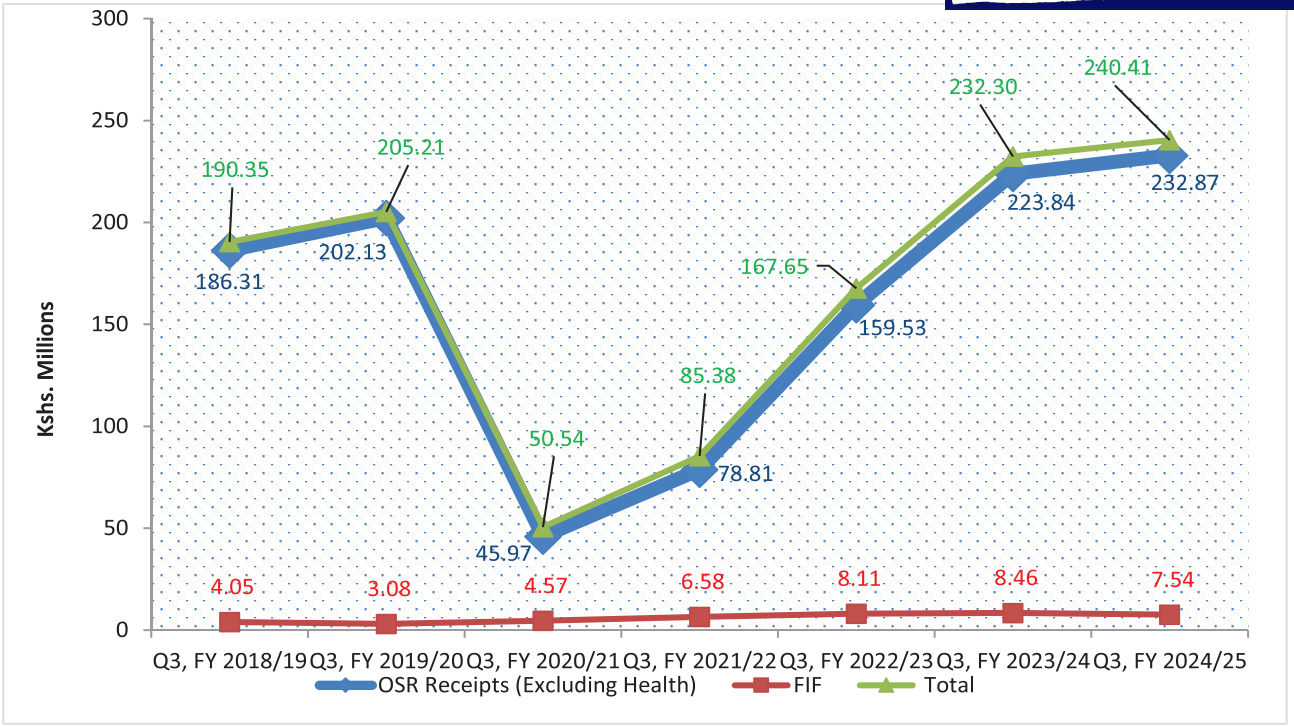
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally -**	5,806,692,471	3,699,902,892	63.7
	Subtotal			
B	**Additional Allocations**			
1	DANIDA (Health support funds)	7,117,500		0.0
2	Mineral Royalties	17,501		0.0
3	Kenya Livestock Commercialisation Project (KELCLOP)	41,250,000		0.0
4	Kenya Urban Support Program (Grant)-UIG	35,000,000		0.0
5	IDA (World Bank Credit: Kenya Urban Support Project(KUSP)- Urban Development Grant (UDG)	25,375,442		0.0
6	IDA (World Bank) - Credit - Food Systems Resilience Project(FSRP)	173,076,923		0.0
7	Road Maintenance Levy Fund	168,450,780		0.0
8	Community Health Promotors	46,140,000		0.0
9	IDA (World Bank Credit- Second Kenya Devolution Support Program (KDSP II)	37,500,000		0.0
10	ELRP(Locust)	142,500,000		0.0
11	SWEDEN-Kenya Agricultural Business Development Project (KABDP)	10,918,919		0.0
12	Finance Localy led Climate Action Program(FLLoCA)	150,000,000	116,632,523.00	77.8
	Subtotal	837,347,065	116,632,523	**13.9**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	262,930,140	232,873,836	88.6
2	Appropriation in Aid (A-I-A)			
3	Facility Improvement Fund (FIF)	18,700,000	7,535,981	40.3
	Subtotal	**281,630,140**	**240,409,187**	**85.4**
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2023/24	400,000,000	461,098,110.50	115.3
	Sub-Total		461,098,110.50	
Grand Total		**7,325,669,676**	4,518,043,342	**61.7**

Source: *Samburu County Treasury*

The County does not have governing legislation for operating ordinary A-I-A and FIF. Figure 142 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

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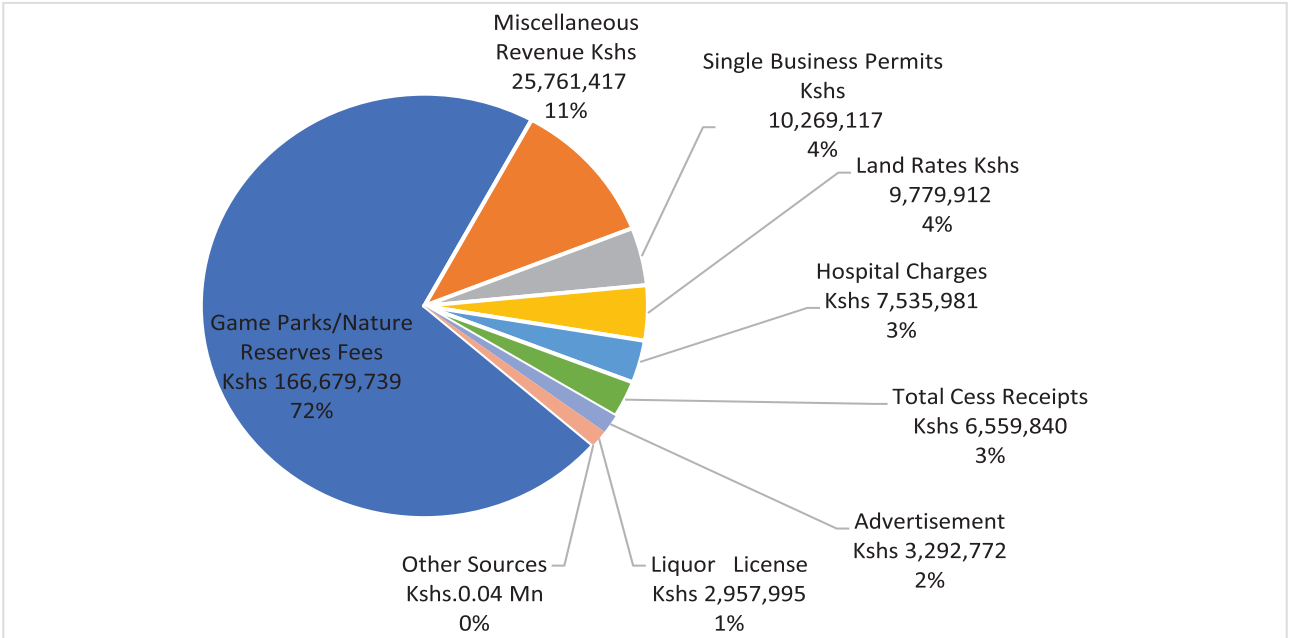
Figure 142: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



Source: *Samburu County Treasury*

During the review period, the County generated Kshs.240.41 million from its own revenue sources, including AIA and FIF. This amount represented a 3 per cent increase compared to Kshs.232.30 million realised in a similar period in FY 2023/24. It was 85 per cent of the annual target and 6 per cent of the equitable revenue share disbursed. The revenue streams which contributed the highest OSR receipts are shown in Figure 143.

Figure 143: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



Source: *Samburu County Treasury*

As shown in Figure 143, the highest revenue stream of Kshs.166.68 million was from Game park fees, contributing to 72 per cent of the total OSR receipts.. The County Government has automated 23 out of 26 revenue streams.

3.37.3 Borrowing by the County

During the period under review, the county did not report any borrowings

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3.37.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.84 billion from the CRF account during the reporting period, which comprised Kshs.648.96 million (17 per cent) for development programmes and Kshs.3.19 billion (83 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.1.87 million was released towards compensation of employees and Kshs.1.32 million for operations and maintenance expenditure. Exchequer approved compensation for employees in the first nine months of FY 2024/25, which does not include the March 2025 exchequer request for the County Executive and County Assembly due to a delay in the disbursement of exchequer.

Analysis of the operations and maintenance exchequer releases indicates that 13 per cent was for domestic travel and 2 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.169.43 million, comprising Kshs.113.47 million for the County Executive and Kshs.55.96 million for the County Assembly. The foreign exchequer totalled Kshs.24.81 million, consisting of Kshs.5.39 million for the County Executive and Kshs.19.42 million for the County Assembly.

Table 3.372: Samburu County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs. Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	529.63	57.50	337.22	3.30	64	6
Finance, Economic Planning & ICT	774.83	55.50	447.98	16.87	58	30
Agriculture, Livestock Development, Veterinary Services & Fisheries	213.89	659.25	169.82	155.54	79	24
Water, Environment, Natural Resources & Energy	179.56	332.50	90.77	184.35	51	55
Education and Vocational Training	603.81	159.80	493.15	21.09	82	13
Medical Services, Public Health & Sanitation	1,351.32	153.70	800.21	54.31	59	35
Lands, Housing, Physical Planning & Urban Development	204.25	172.38	84.41	35.16	41	20
Roads, Transport & Public Works	120.02	349.90	70.47	105.18	59	30
Tourism, Trade, Enterprise Development & Cooperatives	234.24	220.00	151.22	70.18	65	32
Culture, Social Services, Gender, Sports & Youth Affairs	244.97	47.20	147.03	3.00	60	6
County Assembly	611.95	49.48	397.69	-	65	0
TOTAL	5,068.47	2,257.21	3,189.97	648.98	63	29

Source: *Samburu County Treasury*

As of 31st March, 2025, the County Government's cash balance in the CRF account was Kshs.551.35 million.

3.37.5 County Expenditure Review

The County spent Kshs.3.82 billion on development and recurrent programmes during the reporting period. The expenditure represented 100 per cent of the total funds released by the CoB and comprised of Kshs.648.97 million and Kshs.3.18 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 29 per cent, while recurrent expenditure represented 63 per cent of the annual recurrent expenditure budget.

3.37.6 Settlement of Pending Bills

As of 30th June 2024, the county reported pending bills totalling Kshs.686.07 million. This amount includes Kshs.667.47 million from the County Executive and Kshs.18.60 million from the County Assembly. The pending bills from the County Executive consist of Kshs.332.31 million for recurrent expenditures and Kshs.335.16 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.412.40 million, comprising Kshs.224.74 million for recurrent programmes and Kshs.187.65 million for development programmes. On the other hand, the County Assembly did not settle any pending bills during the period under review.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.667.47 million and Kshs.18.59 million, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.412.40 million for the Executive and none for the County Assembly.

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As of 31st March 2025, the outstanding bills totalled Kshs.273.67 million, comprising Kshs.255.08 million for the County Executive and Kshs.18.59 million for the County Assembly.

3.37.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.65 billion on employee compensation, Kshs.1.12 million on operations and maintenance, and Kshs.648.96 million on development activities. Similarly, the County Assembly spent Kshs.215.34 billion on employee compensation, Kshs.182.35 million on operations and maintenance, and didn't expend on development activities, as shown in Table 3.373.

Table 3.373: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,456,517,631**	**611,949,367**	2,781,359,666	397,689,842	62	65
Compensation to Employees	2,635,914,732	325,492,374	1,652,999,454	215,335,942	63	66
Operations and Maintenance	1,820,602,899	286,456,993	1,128,360,212	182,353,900	62	64
Development Expenditure	2,207,721,284	49,481,394	648,965,516	-	29	-
Total	**6,664,238,915**	**661,430,761**	**3,430,325,182**	**397,689,842**	51	60

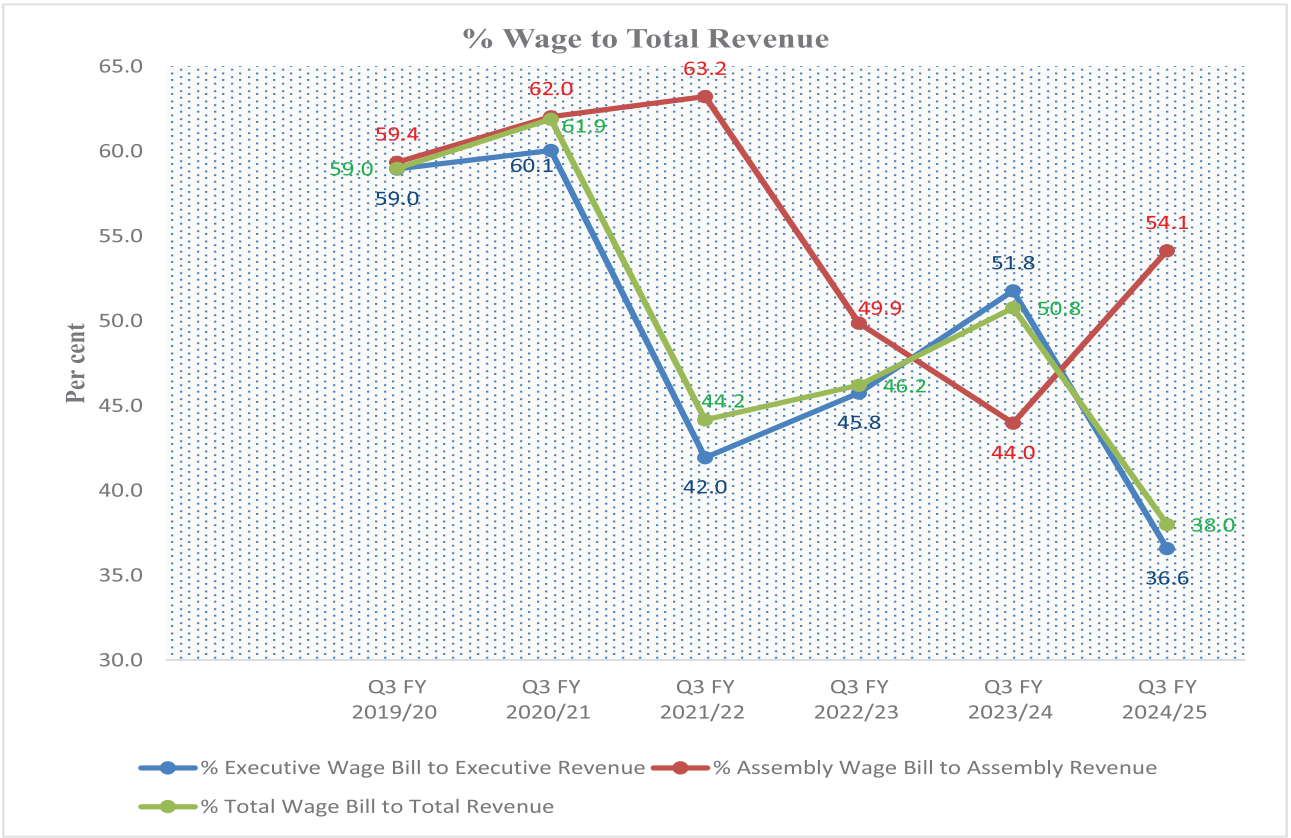
***Source**: Samburu County Treasury*

3.37.8 Expenditure on Compensation to Employees

During the period under review, expenditures on employee compensation amounted to Kshs.1.87 billion, representing 41 per cent of revenue. This expenditure shows a decrease compared to the Kshs.210 billion reported during the same period in FY 2023/24. Of this total, Kshs.1.1 billion was allocated to Health Sector employees, which accounts for 59 per cent of the overall employees' compensation.

Figure 144 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 144: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



***Source**: Samburu County Treasury*

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Further analysis indicates that PE costs amounting to Kshs.1.72 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.144.64 million was processed through manual payrolls, which accounted for 7.7 per cent of the total PE cost.

The manual payrolls comprised salaries for 522 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.374.

Table 3.374: Breakdown of Samburu County Manual Payroll

S/no.	Description of Manual Payroll	Amount Kshs.
1	Salaries for 524 staff paid outside the Human Resource Information System (HRIS)	**204,633,551.7**
2	Salaries for XX casual staff	-
3	Top-up Allowances for XX security officers	**1,562,400.0**
4	LAPTRUST/LAPFUND Pension Contributions	**24,178,760.3**
5	Gratuity for contract staff	**41,134,567.6**
6	Youth	-
7	Community Health Workers	**19,080,000.0**
	Total	**290,589,280**

***Source**: Samburu County Treasury*

The County Assembly spent Kshs.13.19 million on committee sitting allowances for the 25 MCAs against the annual budget allocation of Kshs.69.15 million. The average monthly sitting allowance was Kshs.58,623.76 per MCA. The County Assembly has 15 House Committees.

3.37.9 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. In FY 2024/25, the County allocated Kshs.411.40 million to County-established funds, constituting 5.6 per cent of the County's overall budget. Furthermore, the County allocated Kshs.20 million to the Emergency Fund, representing less than 1 per cent of the total budget, in line with Section 110 of the PFM Act 2012. Table 3.375 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.375: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
	County Executive Established Funds						
1	Conservancies Fund		135,000,000	55,250,000	55,250,000	-	No
2	Executive Car Loan and Mortgage		72,000,000	-	-	-	No
3	Bursaries and Support Services		123,400,000	13,096,800	13,096,800	-	No
4	PLWD Fund		5,000,000	-	-	-	No
5	Emergency Fund		20,000,000		-	-	No
	County Assembly Established Funds						
6	Assembly Car Loan and Mortgage		56,000,000	-	-	-	No
	Total		**411,400,000**				

***Source**: Samburu County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from six Fund Administrators, as indicated in Table 3.375, contrary to the requirement of Section 168 of the PFM Act, 2012. In the absence of these financial reports, the administration costs of the funds could not be ascertained, and it was unclear whether they were within the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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.

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During the reporting period, the CoB established that the lifespan of all the funds was still within the required 10 years.

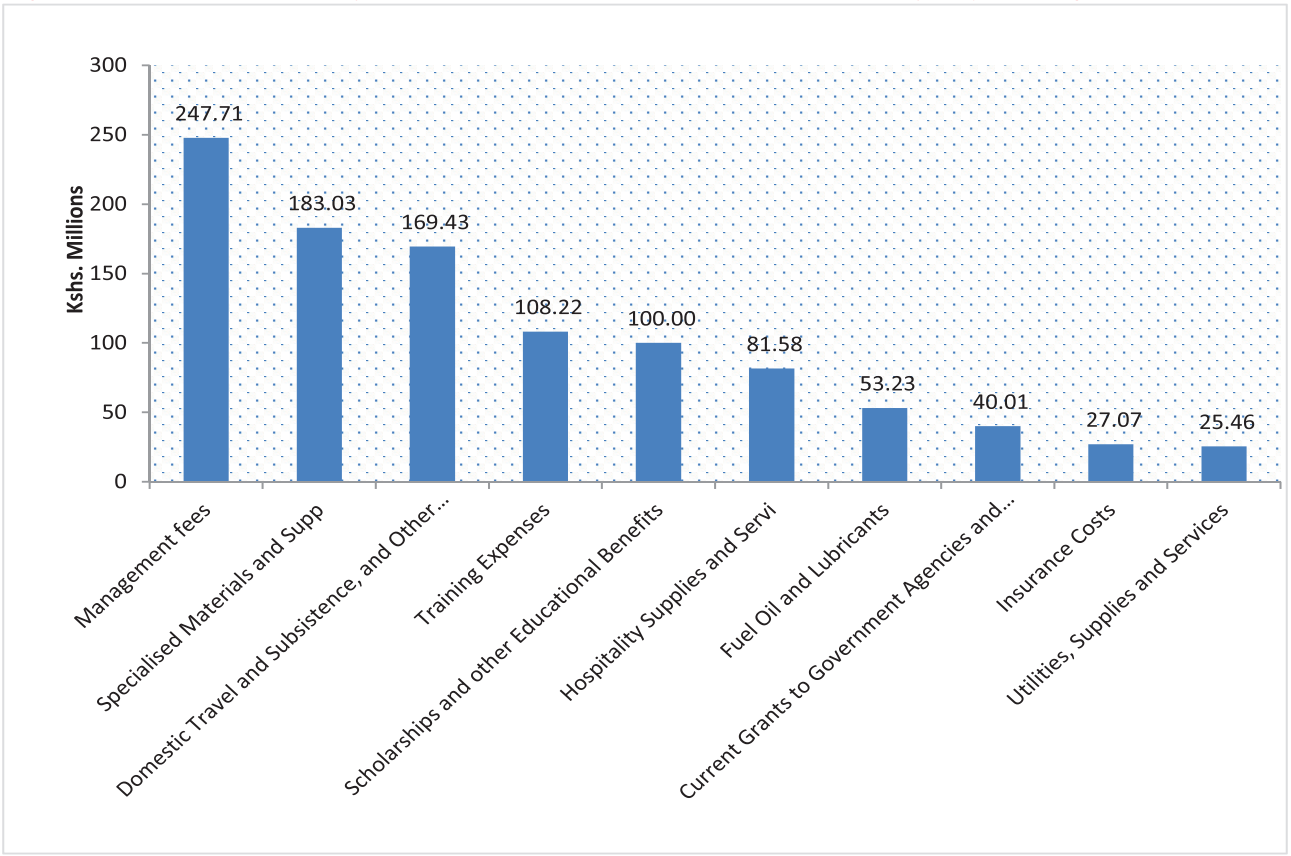
3.37.10 County Corporations

During the period under review, the County government of Samburu did not have any established county corporations.

3.37.11 Expenditure on Operations and Maintenance

Figure 145 summarises the Operations and Maintenance expenditure by major categories.

Figure 145: Samburu County, Operations and Maintenance Expenditure by Major Categories



Source: *Samburu County Treasury*

Expenditure on domestic travel amounted to Kshs.169.43 million and comprised Kshs.55.96 million spent by the County Assembly and Kshs.113.47 million by the County Executive. Expenditure on foreign travel amounted to Kshs.38.65 million, comprising Kshs.19.42 million spent by the County Assembly and Kshs.19.23 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.376.

Table 3.376: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	9	20 November 2024	Training on Leadership & Public Health Management	Ethiopia	7,776,163.00
County Assembly	1	5 December 2024	Effective Leadership and Management of Committees	Singapore	1,178,398
County Assembly	10	3rd-10th Mar 2025	Workshop and Training on the role of Grassroots leaders in Early Childhood Education	Ethiopia	6,946,750
County Assembly	6	10th-16th Feb 2025	Leadership Workshop & Training on Strategic Leadership and Governance	Ethiopia	3,519,728

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Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	2	17th to 28th FEB 2025	Attend the Leadership and Change Management Programme In Dubai	DUBAI-UAE	3,420,240.00
County Executive	6	3rd-14th March 2025	Attend Berlin Exhibition 2025	BERLIN-GERMANY	6,401,748.00
County Executive	4	10th to 21st March 2025	Development of Indicators For Effective Governance Course	VICTORIA SEYCHELLES	6,259,360.00
County Executive	4	8th to 16th March 2025	ICPAK Leadership Summit In Dubai	DUBAI-UAE	3,144,820.00

***Source**: Samburu County Treasury and Samburu County Assembly*

The operations and maintenance costs include an expenditure of Kshs.19.61 million on Legal fees, dues, arbitration, and compensation payments.

3.37.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.7.54 million as Facility Improvement Financing (FIF), which was 0.2 per cent of the annual target of Kshs.4.2 million. The collected amount was remitted to the county revenue fund despite the presence of the Facility Improvement Financing Act, 2023. However, the County has not developed regulations to operationalise the FIF Act of 2023.

3.37.13 Development Expenditure

In the review period, the County reported spending Kshs.648.97 million on development programmes, a decrease of 21.5 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.826.66 million. Table 3.377 summarises the development projects with the highest expenditure in the reporting period.

The decline in development expenditure was attributed to delays in the disbursement of Exchequer by the National Treasury.

Table 3.377: Samburu County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	LIVESTOCK	Supply and delivery of Somali camel breed lot 1	Samburu East	31 December 2026	40,621,997	40,621,997	40,621,997	100%
2	TOURISM	Transfer of funds to Community Conservancies	Samburu County		36,250,000	36,250,000	36,250,000	100%
3	LIVESTOCK	Supply and delivery of cattle heifers to the Department of Livestock	Samburu County		21,153,048	21,153,048	21,153,048	100%
4	LIVESTOCK	Payment for the supply and delivery of sahiwal heifers to the Department of Livestock	Samburu County		19,558,000	19,558,000	19,558,000	100%
5	LIVESTOCK	Supply and delivery of heifers to the Department of Livestock	Samburu County		19,200,000	19,200,000	19,200,000	100%
6	TOURISM	TRANSFER OF GRANTS TO CONSERVANCY FUND ACCOUNT PENDING BILL FY 2023/2024	SAMBURU COUNTY		19,000,000	19,000,000	19,000,000	100%
7	LIVESTOCK	Supply of Cattle Sahiwal Heifers to the Department of Livestock	Samburu Central Wards		18,723,000	18,723,000	18,723,000	100%

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative expenditure as of 31 March 2025	Implementation status (%)
8	PUBLIC WORKS	INSTALLATION OF FLLODLIGHTS IN MARALAL TOWN	MARALAL		13,002,000	13,002,000	13,002,000	100%
9	LIVESTOCK	Supply of Dairy Does Goats to the Department of Livestock	Maralal Central		12,925,000	12,925,000	12,925,000	100%
10	TOURISM	PAYMENT FOR CONSTRUCTION WORK FOR MLIMA BLUE RANGERS CAMP	ANGATA NANYIKIE		11,934,975	11,934,975	11,934,975	100%

Source: *Samburu County Treasury*

The County has not reported any stalled development projects to date.

3.37.14 Budget Performance by Department

Table 3.378 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.378: Samburu County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	529.63	57.50	337.22	3.30	337.22	3.30	100.0	100.0	63.7	5.7
Finance, Economic Planning & ICT	774.83	55.50	447.98	16.87	437.06	16.87	97.6	,100.0	56.4	30.4
Agriculture, Livestock Development, Veterinary Services & Fisheries	213.89	659.25	169.82	155.54	169.82	155.54	100.0	100.0	79.4	23.6
Water, Environment, Natural Resources & Energy	179.56	332.50	90.77	184.35	90.77	184.35	100.0	100.0	50.6	55.4
Education and Vocational Training	603.81	159.80	493.15	21.09	493.15	21.09	100.0	100.0	81.7	13.2
Medical Services, Public Health & Sanitation	1,351.32	153.70	800.21	54.31	800.21	54.31	100.0	100.0	59.2	35.3
Lands, Housing, Physical Planning & Urban Development	204.25	172.38	84.41	35.16	84.41	35.16	100.0	100.0	41.3	20.4
Roads, Transport & Public Works	120.02	349.90	70.47	105.18	70.47	105.18	100.0	100.0	58.7	30.1
Tourism, Trade, Enterprise Development & Cooperatives	234.24	220.00	151.22	70.18	151.22	70.18	100.0	100.0	64.6	31.9
Culture, Social Services, Gender, Sports & Youth Affairs	244.97	47.20	147.03	3.00	147.03	3.00	100.0	100.0	60.0	6.4
County Assembly	611.95	49.48	397.69	-	397.69	-	100.0	-	65.0	-
TOTAL	5,068.47	2,257.20	3,189.97	648.97	3,179.05	648.97	99.7	100.0	62.7	28.8

Source*: Samburu County Treasury*

Analysis of expenditure by departments shows that the Department of Water, Environment, Natural Resources, and Energy recorded the highest absorption rate of the development budget at 55.4 per cent, followed by the Department of Medical Services, Public Health, and Sanitation at 35.3 per cent. The Department of Education and Vocational Training had the highest percentage of recurrent expenditure to budget at 81.7 per cent. In contrast, the Department of Lands, Housing, Physical Planning & Urban Development had the lowest at 41.3 per cent.

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3.37.15 Budget Execution by Programmes and Sub-Programmes

Table 3.379 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.379: Samburu County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Executive		-	-	-	-		
0	General Administration Planning and Support Services	-	-	-	-	-	-
Administration, Planning and Support Services		-	-	-	-		-
	Management of County Affairs	-	-	-	-	-	-
County Executive Services		**441,933,950**	**57,500,000**	**273,900,392**	**3,295,000**	62	6
	Administration and Coordination of County Affairs	-	-	-	-		-
	Sub-County Administration	232,428,948	57,500,000	105,767,806	3,295,000	46	6
	Coordination, Supervision and Human Resource Services	152,945,448	-	122,716,635	-	80	-
	Management of County Affairs	56,559,554	-	45,415,951	-	80	-
Organisation of County Business		-	-	-	-		-
	Public Sector Advisory Services	-	-	-	-		-
Economic, Social & Political Advisory Service		**23,180,060**	-	**14,128,595**	-	61	-
	County Policing	-	-	-	-		-
	General Administration Planning and Support Services	23,180,060	-	14,128,595	-	61	-
Administration of Human Resources in County Public Service		**64,514,274**	-	**49,191,681**	-	76	-
	General Administration Planning and Support Services	64,514,274	-	49,191,681	-	76	-
Administration Services		-	-	-	-	-	-
	Special Programs	-	-	-	-	-	-
Special Programs		-	-	-	-	-	-
	Special Programs	-	-	-	-	-	-
	Grand Total	**529,628,284**	**57,500,000**	**337,220,669**	**3,295,000**	64	6
Finance, Economic Planning & ICT		-	-	-	-	-	-
	General Administration Planning and Support Services	-	-	-	-	-	-
Administration Services		**389,720,320**	**54,500,000**	**209,293,506**	**16,868,960**	54	31
	System Security	361,966,826	-	197,948,118	-	55	-
	Public Finance Management	27,753,494	54,500,000	11,345,388	16,868,960	41	31
Fiscal Planning		**345,355,767**	**1,000,000**	**203,465,022**	-	59	-
	Resource Mobilisation	42,016,782	-	17,616,222	-	42	-
	Budget Formulation, Coordination and Management	101,068,085	1,000,000	66,925,765	-	66	-
	Public Finance and Accounting	19,274,085	-	6,497,352	-	34	-
	Internal Audit	51,858,058	-	33,246,286	-	64	-
	Data Management	21,827,424	-	15,805,303	-	72	-
	Procurement	35,233,332	-	13,930,305	-	40	-
	Monitoring & Evaluation / Statistical	31,699,489	-	11,260,398	-	36	
	Special Programs	42,378,512	-	38,183,390	-	90	

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Special Programs		**30,237,298**	-	**19,287,358**	-	64	
	General Administration(Economic Planning and ICT)	30,237,298	-	19,287,358	-	64	
General Administration (Economic Planning and ICT)		**9,516,339**	-	**5,013,060**	-	53	
	Grand Total	9,516,339	-	5,013,060	-	53	
	Grand Total	**774,829,724**	**55,500,000**	**437,058,945**	**16,868,960**	56	30
Agriculture, Livestock Development, Veterinary Services & Fisheries		-	-	-	-		
	General Administration Planning and Support Services	-	-	-	-		
Administration, Planning and Support Services		**62,172,503**	-	**53,005,092**	-	85	
	Livestock Resource Management and Development	62,172,503	-	53,005,092	-	85	
Promotion of Value Addition of Livestock and Livestock Products		**78,102,168**	**414,950,000**	**55,930,939**	**126,659,570**	72	31
	Promotion of Dairy Production, Breeding and Disease Control	21,359,356	414,950,000	15,182,270	126,659,570	71	31
	Livestock marketing and rangeland management	25,978,625	-	17,010,002	-	65	
	Livestock Diseases Management and Control	14,237,971	-	11,378,278	-	80	
		16,526,216	-	12,360,390	-	75	
Development of capture fisheries resources		**13,281,512**	**14,500,000**	**9,825,948**	**6,460,690**	74	45
	Crop Production and Management	13,281,512	14,500,000	9,825,948	6,460,690	74	45
Crop Production and Food Security		**60,330,681**	**229,795,842**	**51,059,599**	**22,416,575**	85	10
	Agricultural Extension Research and Training	16,730,849	-	14,985,135	-	90	
		43,599,832	229,795,842	36,074,464	22,416,575	83	10
	Grand Total	**213,886,864**	**659,245,842**	**169,821,579**	**155,536,835**	79	24
Water, Environment, Natural Resources & Energy		-	-	-	-		
	General Administration Planning and Support Services	-	-	-	-		
Administration, Planning and Support Services		-	-	-	-		
	Pollution control& monitoring	-	-	-	-		
Administration		**37,238,257**	-	**24,939,683**	-	67	
	Forests Conservation and Management	37,238,257	-	24,939,683	-	67	
Forests Conservation and Management		**27,750,493**	**220,000,000**	**10,454,671**	**106,324,299**	38	48

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		Rec	Dev	Rec	Dev	Rec	Dev
	Pollution control& monitoring	3,990,720	-	1,404,657	-	35	
	Forests Conservation and Management	23,759,773	220,000,000	9,050,014	106,324,299	38	48
Control of soil erosion		**12,105,726**	-	**2,909,572**	-	24	
	Mining Services	5,341,246	-	1,600,240	-	30	
	Water Catchment and Protection Services	3,283,228	-	801,532	-	24	
	Environmental Management and Protection	3,481,252	-	507,800	-	15	
Water and sanitation services		**102,466,094**	**112,500,000**	**52,465,516**	**78,025,896**	51	69
	Stormwater management	90,204,766	-	46,282,111		51	
	Grand Total	12,261,328	112,500,000	6,183,406	78,025,896	50	69
	Grand Total	**179,560,570**	**332,500,000**	**90,769,442**	**184,350,195**	51	55
Education and Vocational Training		-	-	-	-		
	General Administration Planning and Support Services	-	-	-	-		
Administration, Planning and Support Services		-	-	-	-		
	General Administration Planning and Support Services	-	-	-	-		
Bursary Management Services		**214,624,245**	-	**147,302,562**	-	69	
	General Administration Planning and Support Services	-	-	-	-		
	Education & Training Services	214,624,245	-	147,302,562	-	69	
Promotion of Early Childhood Education		**377,621,676**	**149,200,000**	**341,196,855**	**18,217,905**	90	12
	Promotion of youth empowerment	377,621,676	149,200,000	341,196,855	18,217,905	90	12
	Management and development of Sports & Sports facilities	-	-	-	-		
Sports Development, Training & Competition		-	-	-	-		
	Youth Training and Development	-	-	-	-		
SP1 Revitalisation of Youth Polytechnics		**11,564,118**	**10,600,000**	**4,648,679**	**2,870,000**	40	27
	SP1 Revitalisation of Youth Polytechnics	11,564,118	10,600,000	4,648,679	2,870,000	40	27
	Grand Total	**603,810,039**	**159,800,000**	**493,148,096**	**21,087,905**	82	13
Medical Services, Public Health & Sanitation		-	-	-	-		
	General Administration Planning and Support Services	-	-	-	-		
Administration, Planning and Support Services		-	-	-	-		
	Preventive and Promotive Health Services	-	-	-	-		

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Non-Communicable Disease & Prevention Control		**310,858,117**	**148,700,000**	**191,055,813**	**54,312,061**	61	37
	Maternal Health Services	30,478,622	-	18,786,814	-	62	
	Communicable Disease Control	60,980,375	-	26,781,166	-	44	
	Health Promotive Services	83,062,738	-	46,236,292	-	56	
	Health Curative Services	136,336,382	148,700,000	99,251,542	54,312,061	73	37
County Referral Services		**768,665,527**	**5,000,000**	**496,014,022**	-	65	0
	Free Primary Healthcare	565,791,147	5,000,000	347,877,708		61	0
	Provision Of Essential Health Services at All Levels	179,194,443	-	134,270,603	-	75	
	General Administration Planning and Support Services	23,679,937	-	13,865,711	-	59	
Health Standards and Quality Assurance Services		**271,793,198**	-	**113,138,878**	-	42	
	Research And Development	94,436,123	-	51,405,802	-	54	
	Health Infrastructure development	5,426,344	-	477,094	-	9	
	Human Resources for Health	11,461,630	-	2,848,162	-	25	
	Health Policy, Planning & Financing	137,190,994	-	48,461,188	-	35	
		23,278,107	-	9,946,632	-	43	
Water Catchment and Protection Services		-	-	-	-		
		-	-	-	-		
	Grand Total	**1,351,316,842**	**153,700,000**	**800,208,713**	**54,312,061**	59	35
Lands, Housing, Physical Planning & Urban Development		-	-	-	-		
	General Administration Planning and Support Services	-	-	-	-		
Administration, Planning and Support Services		**92,708,636**	-	**35,627,662**	-	38	
	Land Use Policy and Planning	92,708,636	-	**35,627,662**	-	38	
Housing management services		**24,217,275**	**36,000,000**	**10,369,512**	**14,422,000**	43	40
	GIS Database creation	4,459,409	-	387,943	-	9	
	Spatial planning	-	-	-	-		
	Survey And Mapping	5,395,106	-	1,794,660	-	33	
	Urban Centres Administration	14,362,760	36,000,000	8,186,909	14,422,000	57	40
Urban Centre Management		**87,324,116**	**136,375,442**	**38,415,900**	**20,736,499**	44	15
	Urban Centres Administration	87,324,116	136,375,442	38,415,900	20,736,499	44	15
	Grand Total	**204,250,027**	**172,375,442**	**84,413,074**	**35,158,499**	41	20
Roads, Transport & Public Works		-	-	-	-		
	General Administration Planning and Support Services	-	-	-	-		
Administration, Planning and Support Services		-	-	-	-		

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	General Administration Planning and Support Services	-	-	-	-		
Administrative services		**73,864,601**	**-**	**54,683,259**	**-**	74	
	Design, implementation and supervision of public buildings	58,770,593	-	44,628,252	-	76	
	Firefighting services	10,461,652	-	8,538,305	-	82	
	Infrastructure, Roads & Transport Services	4,632,356	-	1,516,701	-	33	
Street lights management		**41,691,785**	**349,900,000**	**14,220,082**	**103,617,116**	34	30
	Rehabilitation of Roads, Drainage and Bridges	17,651,865	7,500,000	882,888	4,999,377	5	67
	Public Road transport and parking	11,359,998	-	9,496,097	-	84	
	Design, supervision and rehabilitation of County Buildings	4,909,734	342,400,000	1,553,577	98,617,739	32	29
	General Administration Planning and Support Services	7,770,188	-	2,287,520	-	29	
Administration		-	-	-	-		
	Land Use Policy and Planning	-	-	-	-		
Pollution control& monitoring		-	-	-	-		
	Conservation and Management of Natural Ecosystems	-	-	-	-		
Stormwater management		**4,463,388**	**-**	**Mobilisation1,564,994**	**1,561,670**	35	
	Water and sanitation services	4,463,388	-	1,564,994	1,561,670	35	
		-	-	-	-		
	Grand Total	**120,019,774**	**349,900,000**	**70,468,334**	**105,178,786**	59	30
Tourism, Trade, Enterprise Development & Cooperatives		-	-	-	-		
	General Administration Planning and Support Services	-	-	-	-		
General administration		**54,392,694**	**-**	**29,367,327**	**-**	54	
	Cooperatives Development and Management	54,392,694	-	29,367,327	-	54	
SACCO members' empowerment		**27,519,161**	**-**	**18,867,428**	**-**	69	
	Enhance Marketing Cooperatives	-	-	-	-		
	Promote Commerce and Enterprises	27,519,161	-	18,867,428	-	69	
Business Development Services for MSE's		**48,006,685**	**-**	**38,677,062**	**-**	81	
	Promotion of Tourism and Marketing	45,611,110	-	38,071,322	-	83	
	Tourism and Infrastructure Development	2,395,575	-	605,740	-	25	
Establishment & Management of County Tourism Information Centre		**67,822,325**	**191,000,000**	**46,864,051**	**69,100,975**	69	36

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Tourism Training & Capacity Building	5,453,588	-	1,524,625	-	28	
	Trade Development and Promotion	62,368,737	191,000,000	45,555,726	69,100,975	73	36
	Domestic trade development	-	-	(216,300)	-		
Market development and promotion of fair trade services		**19,055,620**	**-**	**4,792,591**	**-**	25	
	General Administration Planning and Support Services	17,735,620	-	4,758,611	-	27	
	General Administration Planning and Support Services	1,320,000	-	33,980	-	3	
General Administration Planning and Support Services		**17,447,604**	**29,000,000**	**12,649,369**	**1,077,000**	72	4
	General Administration Planning and Support Services	17,447,604	29,000,000	12,649,369	1,077,000	72	4
	Grand Total	**234,244,089**	**220,000,000**	**151,217,828**	**70,177,975**	65	32
Culture, Social Services, Gender, Sports & Youth Affairs		-	-	-	-		
	Education & Training Services	-	-	-	-		
Promotion of youth empowerment		-	-	-	-		
	Management and development of Sports & Sports facilities	-	-	-	-		
Sports Development, Training & Competition		**83,900,000**	**25,700,000**	**46,458,054**	**2,999,300**	55	12
	Public Sector Advisory Services	83,900,000	25,700,000	46,458,054	2,999,300	55	12
Economic, Social & Political Advisory Service		**4,891,962**	**-**	**1,885,390**	**-**	39	
	General Administration Planning and Support Services	4,891,962	-	1,885,390	-	39	
General Administration Planning and Support Services		**69,892,891**	**21,500,000**	**45,601,025**	**-**	65	0
	Community Mobilisation and Development	69,892,891	21,500,000	45,601,025	-	65	0
Community Mobilisation and Development		**25,953,791**	**-**	**10,592,953**	**-**	41	
	Development and Promotion of Culture	7,431,030	-	3,559,111	-	48	
	Social Welfare and Gender	3,972,761	-	2,757,400	-	69	
	Conservation of Heritage	13,500,000	-	3,718,472	-	28	
	Development and management of sports facilities	1,050,000	-	557,970	-	53	
Development and management of sports facilities		**4,530,000**	**-**	**2,649,700**	**-**	58	
	General Administration Planning and Support Services	4,530,000	-	2,649,700	-	58	

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
General Administration Planning and Support Services (Sports)		**55,802,774**	-	**39,845,864**	-	71	
	General Administration Planning and Support Services	55,802,774	-	39,845,864	-	71	
	Total	**244,971,418**	**47,200,000**	**147,032,986**	**2,999,300**	60	6
Legislative and Oversight	Representation	263,435,438	-	186,903,189	-	71	
	Legislative and Oversight	90,480,736	49,481,394	54,062,931	-	60	
	County Assembly Administration	258,033,193	-	156,723,723	-	61	
	Total	611,949,367	49,481,394	397,689,843	-	65	
		5,068,466,998	2,257,202,678	3,179,049,509	648,965,516	63	29

***Source**: Samburu County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Water and sanitation services percent in the Department of Water, Environment, Natural Resources & Energy at 69 per cent, Rehabilitation of Roads, Drainage and Bridges in the Department of Roads, Transport & Public Works at 67 per cent, Forests Conservation and Management in the Department of Water, Environment, Natural Resources & Energy at 48 per cent, and Crop Production and Management in the Department of Agriculture, Livestock Development, Veterinary Services & Fisheries at 45 per cent of budget allocation.

3.37.16 Accounts Operated Commercial Banks

Regulations 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 24 accounts with commercial banks, including three accounts for Health Facilities, one account for Vocational Training Centres, six accounts for Established Funds, two revenue accounts, ten special purpose accounts (additional allocations) and two imprest accounts.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 24 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.37.17 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;

i. The County Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 28th April 2025.
ii. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. As of 31 March 2025, the reports for Executive Car Loan and Mortgage, Bursaries and Support Services, People Living with Disability Fund, Emergency Fund, and County Assembly Established Funds had not been submitted to the CoB.
iii. There was a high level of pending bills, which amounted to Kshs.273.67 billion as of 31st March 2025. Further, the county Treasury did not adhere to the payment plan for the pending bills.
iv. Use of manual payroll. Personnel emoluments amounting to Kshs.67.52 million for 522 staff yet to be onboarded into HRIS accounting for 7.7 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

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v. Non-submission of copies of authorisation letters for opening commercial bank accounts contrary to Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
iii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
iv. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
v. *The County Treasury should ensure it submits to OCoB copies of authorisation letters for opening commercial bank accounts to enhance accountability and oversight.*

3.38. County Government of Siaya

3.38.1 Overview of FY 2024/25 Budget

The Siaya County Gross Approved FY 2024/25 budget is Kshs.10.95 billion. It comprises Kshs.4.87 billion (45 per cent) and Kshs.6.07 billion (55 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase from Kshs.9.76 billion (12 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.3.85 billion and a recurrent budget of Kshs.5.91 billion. The increase in the budget was attributed to the rise in the balance b/f from the FY 2023/24. The County's Net Approved Budget (gross budget less AIA estimates) is Kshs.10.75 billion, which consists of Kshs.5.89 billion for recurrent and Kshs.4.87 billion for development.

The budget will be financed from various sources of revenue. These include: Kshs.7.55 billion (69 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.698.12 million (6 per cent) as additional allocations, a cash balance of Kshs.1.66 billion (15 per cent) brought forward from FY 2023/24, and Kshs.1.04 billion (10 per cent) generated as gross own source revenue. The own source revenue includes Kshs.194.70 million (2 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.849.36 million (8 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.380.

3.38.2 Revenue Performance

During the review period, the County received Kshs.6.41 billion in revenues to fund its development and recurrent activities. This amount represents no change from Kshs.6.41 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.23 billion from the equitable share of revenue raised nationally, and its own-source revenue (OSR) collection of Kshs.476.28 million. Additionally, the County had a cash balance of Kshs.1.71 billion from FY 2023/24.

The total OSR collection of Kshs.476.28 million includes Facilities Improvement Financing (FIF) of Kshs.340.20 million, and Kshs.136.08 million from other OSR sources. OSR collections from the FIF were received from Siaya referral hospital, Bond subcounty hospital, Yala subcounty hospital, Madiany subcounty hospital, Uyawi subcounty hospital, Got Agulu subcounty hospital, Rambwa subcounty hospital and Sigomere subcounty hospital. Table 3.380 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.380: Siaya County, Revenue Performance in the First Nine Months of FY 2024/25

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	7,545,450,410	4,225,452,230	56
	Subtotal	**7,545,450,410**	**4,225,452,230**	**56**
B	**Additional Allocations/Conditional Grants**			
1	Road maintenance levy fund	160,843,154	0	0.0

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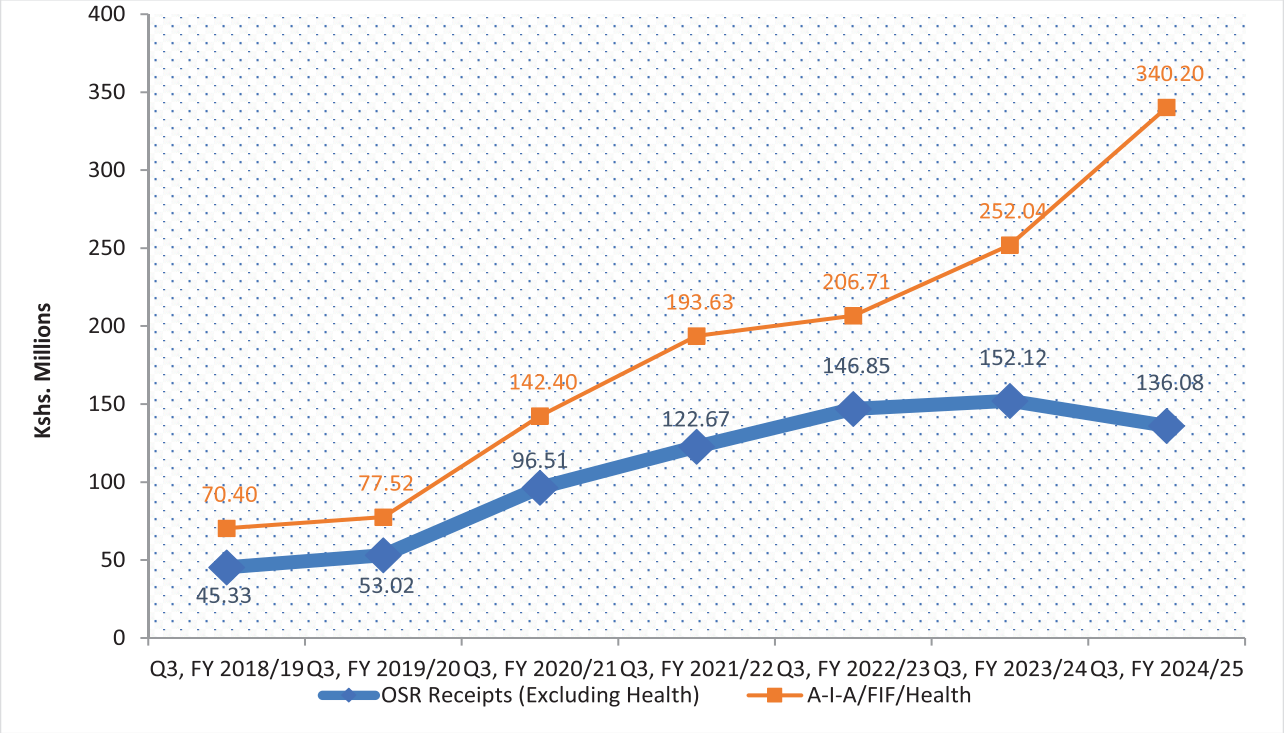
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs)	Actual Receipts as Percentage of Annual Budget Allocation (%)
2	National Agricultural Value Chain Project	151,515,152	0	0.0
3	FLLOCA -Development grant	137,000,000	0	0.0
4	Community health promoters - CHPs	63,810,000	0	0.0
5	Kenya urban support project – UDG II	45,218,472	0	0.0
6	Kenya devolution support program I	37,500,000	0	0.0
7	Kenya urban support project – UIG II	35,000,000	0	0.0
8	Kenya livestock commercialisation project	33,500,000	0	0.0
9	Aquaculture business development project	13,838,473	0	0.0
10	Kenya agriculture business development P.	10,918,919	0	0.0
11	DANIDA	8,921,250	0	0.0
Subtotal		**698,115,420**	**0**	**0.0**
C	**Own Source Revenue**			
12	Ordinary Own Source Revenue	849,363,883	136,080,951	16
13	Facility Improvement Fund (FIF)	194,697,423	340,200,855	174
Subtotal		**1,044,061,306**	**476,281,806**	**46**
D	**Other Sources of Revenue**			
14	Unspent balance from FY 2023/24	1,660,506,342	1,660,506,342	100
15	Other revenues (CAIP Grant)	0	52,631,579	0
Sub Total		**1,660,506,342**	**1,713,137,921**	**103**
Grand Total		**10,948,133,478**	**6,414,871,957**	**58**

Source: *Siaya County Treasury.*

The County aggregation industrial park grant is not captured in the budget, The County has legislation governing the operation of FIF.

Figure 146 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 146: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



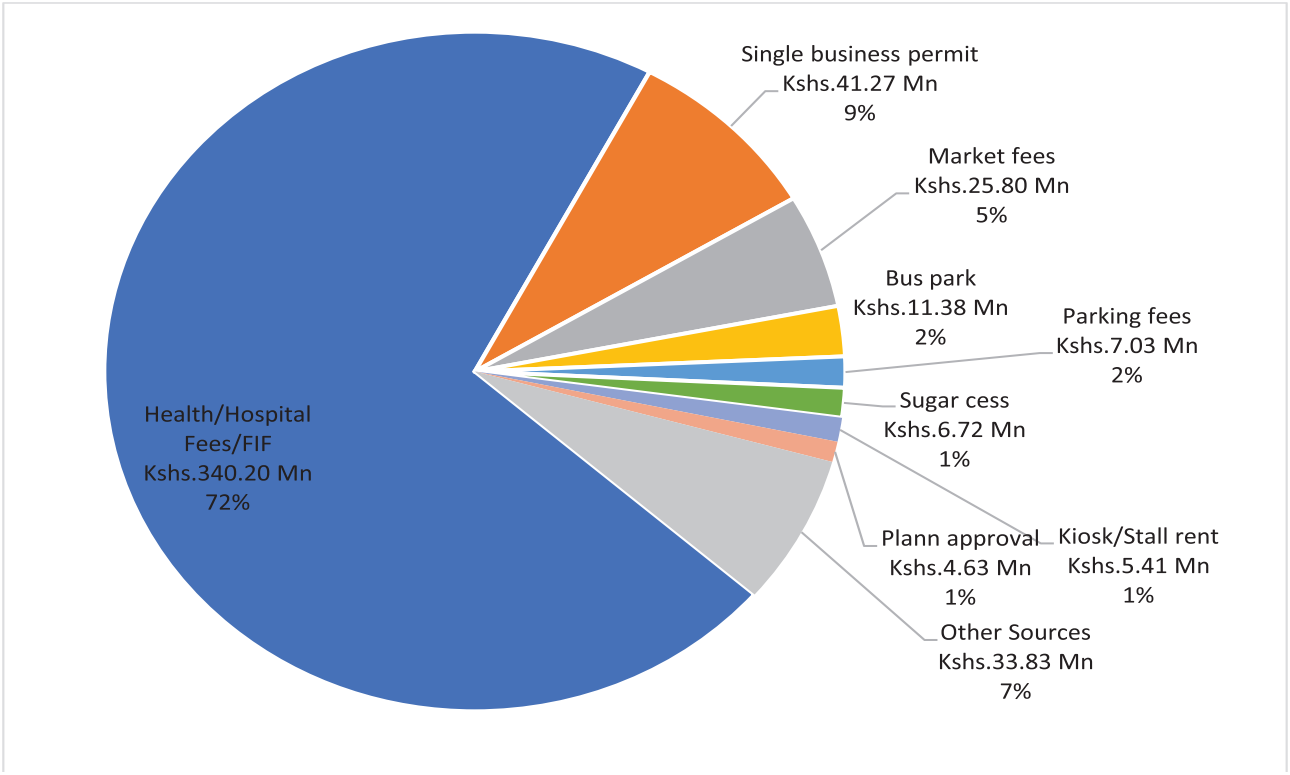
Source: *Siaya County Treasury*

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During the review period, the County generated Kshs.476.28 million from its own revenue sources, including A.I.A. This amount was 17 per cent higher than the Kshs.406.73 million realised in a similar period in [illegible] 6 per cent of the annual target, and 7 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 147.

Figure 147: Top Own Source Revenue Streams in the First Nine Months FY 2024/25.



Source: Siaya County Treasury

As shown in **Figure 147**, the highest revenue stream, Kshs.340.20 million, was from the Facility Improvement Fund, which contributed 72 per cent of the total OSR receipts.

3.38.3 Borrowing by the County

The County Government of Siaya had no outstanding borrowed funds as of 31 March 2025.

3.38.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.5.26 billion from the CRF account comprised Kshs.1.39 million (27 per cent) for development programmes and Kshs.3.87 billion (73 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.1.98 billion was released towards compensation of employees and Kshs.1.89 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25 do not include the March 2025 exchequer request for the County Executive and County Assembly due to delayed disbursement for March 2025 from the National Treasury.

Analysis of the operations and maintenance exchequer releases indicates that 11 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.204.39 million, consisting of Kshs.110.22 million for the County Executive and Kshs.94.17 million for the County Assembly. The foreign exchequer totalled Kshs.10.53 million, comprising Kshs.7.34 million for the County Executive and Kshs.3.19 million for the County Assembly.

Table 3.381: Siaya County, Budget Allocation and Exchequer Issued by Department

Department	Approved Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Approved Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County assembly	801.35	544.76	530.99	76.88	66	14
Finance & economic planning	864.76	58.97	731.14	20.54	86	35

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Department	Approved Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Approved Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Health services	2,058.64	499.21	1,131.18	117.44	52	29
Governorship, admin & ICT	739.42	62.78	611.87	0.00	83	0
Smart Agriculture, irrigation, food security, livestock & fisheries	336.71	411.41	208.08	83.58	64	28
Water, sanitation, environment	88.21	710.78	54.21	232.29	64	34
Education, youth affairs, gender, & social services	376.60	469.16	268.02	100.04	81	26
Lands, physical planning, housing	123.09	119.53	44.51	59.49	39	50
Public works, energy, roads & trans	123.55	1,194.25	72.13	419.37	61	52
Trade, enterprise & industrialisation	140.99	572.29	83.65	146.80	62	27
Tourism, culture, sports and arts	128.95	153.89	74.40	135.44	59	92
Siaya municipality	47.43	48.14	23.96	0.00	51	0
Bondo municipality	28.84	14.61	19.49	0.00	68	0
Ugunja municipality	23.06	15.04	13.34	0.00	58	0
	5,878.61	**4,874.83**	**3,866.97**	**1,391.86**	**66**	**35**

***Source**: Siaya County Treasury*

As of 31 March 2025, the County Government's cash balance in the CRF account was Kshs.8.24 million.

3.38.5 County Expenditure Review

The County spent Kshs.5.29 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 Kshs.1.78 billion and Kshs.3.52 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 36 per cent, while recurrent expenditure accounted for 58 per cent of the annual recurrent expenditure budget.

3.38.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs 1.16 billion as of 30 June 2024. This amount includes Kshs.1.12 billion from the County Executive and Kshs.35.15 million from the County Assembly. The pending bills from the County Executive consist of Kshs.488.55 million for recurrent expenditures and Kshs.635.10 million for development expenditures. The pending bills from the County Assembly consist of Kshs.33.10 million for recurrent spending and Kshs.2.05 million for development expenditures.

During the first nine months of FY 2024/25, the County Executive paid off pending bills amounting to Kshs.428.65 million, comprising Kshs.77.24 million for recurrent programmes and Kshs.351.41 million for development programmes. Meanwhile, the County Assembly settled pending bills worth Kshs.35.15 million, which included Kshs.33.10 million for recurrent activities and Kshs.2.05 million for development activities.

The County Executive and the Assembly submitted pending bills payment plans at the commencement of FY 2024/25, committing to pay Kshs.93.64 million and Kshs.3.0 million, respectively, in the first nine months of FY 2024/25. However, the County Executive did not adhere to this payment plan, as it cleared Kshs.428.65 million. The County Assembly cleared its pending bills within the period under review.

As of 31 March, 2025, the outstanding bills amounted to Kshs.695.00 million for the County Executive.

3.38.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.69 billion on employee compensation, Kshs.1.25 billion on operations and maintenance, and Kshs.1.69 billion on development activities. Similarly, the County Assembly spent Kshs.251.31 million on employee compensation, Kshs.346.21 million on operations and maintenance, and Kshs.87.16 million on development activities, as shown in Table 3.382.

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Table 3.382: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**5, 271, 958, 955**	**801, 348, 339**	**2, 935, 993, 209**	**597, 515, 669**	**56**	**75**
Compensation to Employees	3, 511, 941, 695	357, 797, 508	1, 689, 483, 508	251, 306, 788	48	70
Operations and Maintenance	1, 760, 017, 260	443, 550, 831	1, 246, 509, 701	346, 208, 881	71	78
Development Expenditure	**4, 267, 286, 006**	**544, 762, 151**	**1, 689, 614, 931**	**87, 162, 679**	**40**	**16**
Total	**9, 539, 244, 961**	**1, 346, 110, 490**	**4, 625, 608, 140**	**684, 678, 348**	**48**	**51**

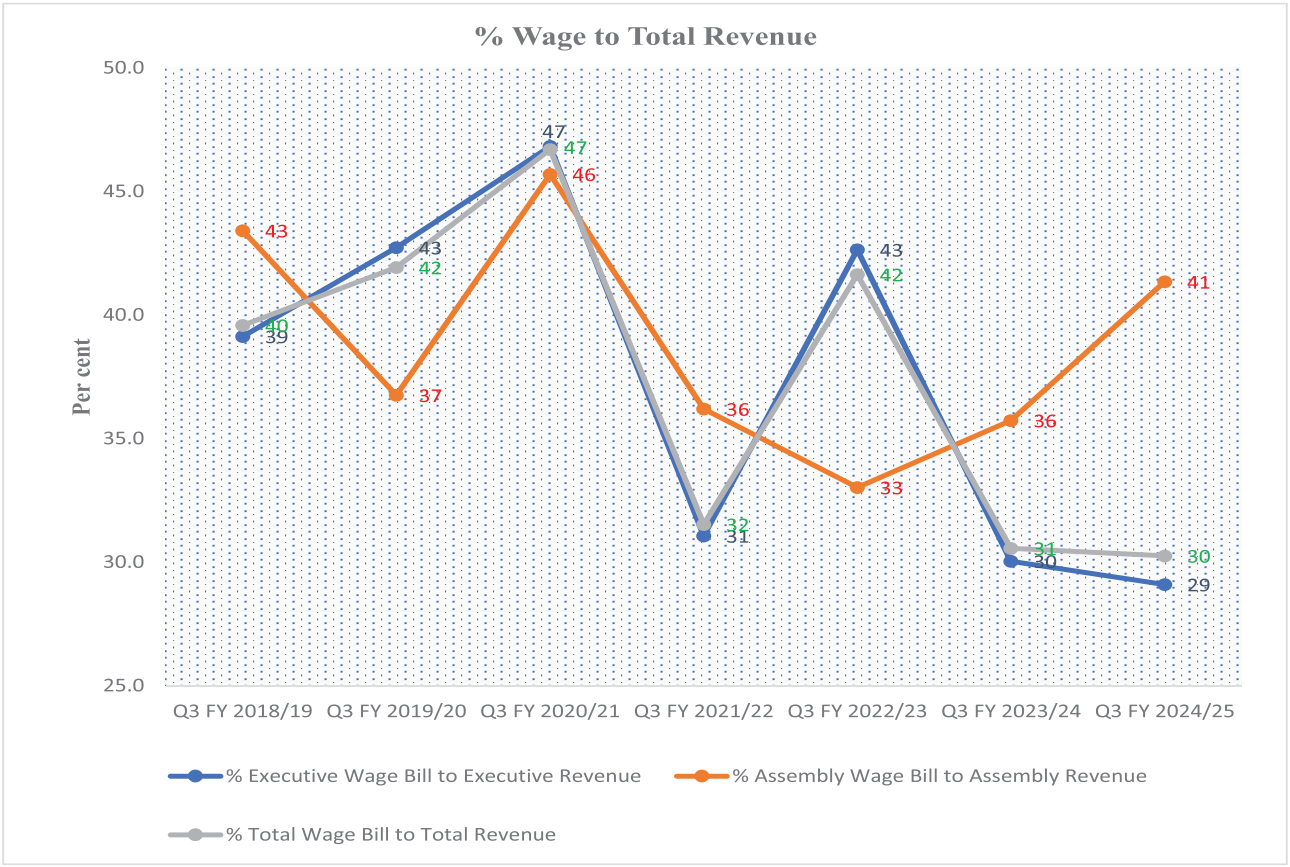
***Source**: Siaya County Treasury*

3.38.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.1.94 billion. The total revenue, excluding the earnings from extractive natural resources, is Kshs.6.41 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 30 per cent. This expenditure on employee compensation shows a decrease of 10 per cent compared to the Kshs.2.17 billion reported during the same period in FY 2023/24. Of this total, Kshs.772.3 million was allocated to Health Sector employees, accounting for 40 per cent of the overall employee compensation. This decrease was because the salary for March 2025 had not been paid due to delayed disbursement.

Figure 148 illustrates the employee compensation trend as a percentage of total revenue received by employees over the first nine months of FY 2018/19 to FY 2024/25.

Figure 148: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source:** Siaya County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.63 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.352.98 million was processed through manual payroll.

The manual payrolls comprised salaries for staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for casual staff, community health promoters, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.383.

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Table 3.383: Breakdown of Siaya County Manual Payroll

Sno.	Description of Manual Payroll	Amount (Kshs.)
1	Salaries for staff are yet to be onboarded into HRIS	126, 864, 270
2	Salaries for casual staff	60, 179, 384
3	CHPs	51, 048, 000
4	LAPTRUST/LAPFUND Pension Contributions	148, 126, 988
5	Gratuity for contract staff	17, 806, 303
	Total	**352, 976, 945**

Source: *Siaya County Treasury*

The County Assembly spent Kshs.22.48 million on committee sitting allowances for the 42 MCAS against the annual budget allocation of Kshs.31.64 million. The average monthly sitting allowance was Kshs59. 478.80 per MCA. The County Assembly has 20 House Committees.

3.38.9 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.126.93 million to County-Established funds in FY 2024/25, or 1.2 per cent of the County's overall budget. Further, the County allocated Kshs.70.00 million to the Emergency Fund (0.6 per cent of the total budget) in line with Section 110 of the PFM Act, 2012.

Table 3.384 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.384: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in FY 2024/25 (Kshs.)	Actual Expenditure in FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund in FY 2024/25 (Kshs)	Submission of Annual Financial Statements (Yes/No.)
1	County Executive Established Funds					
2	County Bursary Fund	90, 000, 000	-	-	751, 200, 000	No
3	Co – operative development fund	20, 000, 000	-	-	-	No
County Assembly Established Funds						
4	County assembly car loan & mortgage fund	16, 926, 237	-	-	419, 212, 000	Yes
	Total	**126, 926, 237**	-	-	**1,460,412,000**	

Source: *Siaya County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from two Fund Administrators, as indicated in Table 3.384, contrary to the requirement of Section 168 of the PFM Act, 2012.

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. During the reporting period, the CoB established that the lifespan of **all established county Funds** had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.38.10 County Corporations

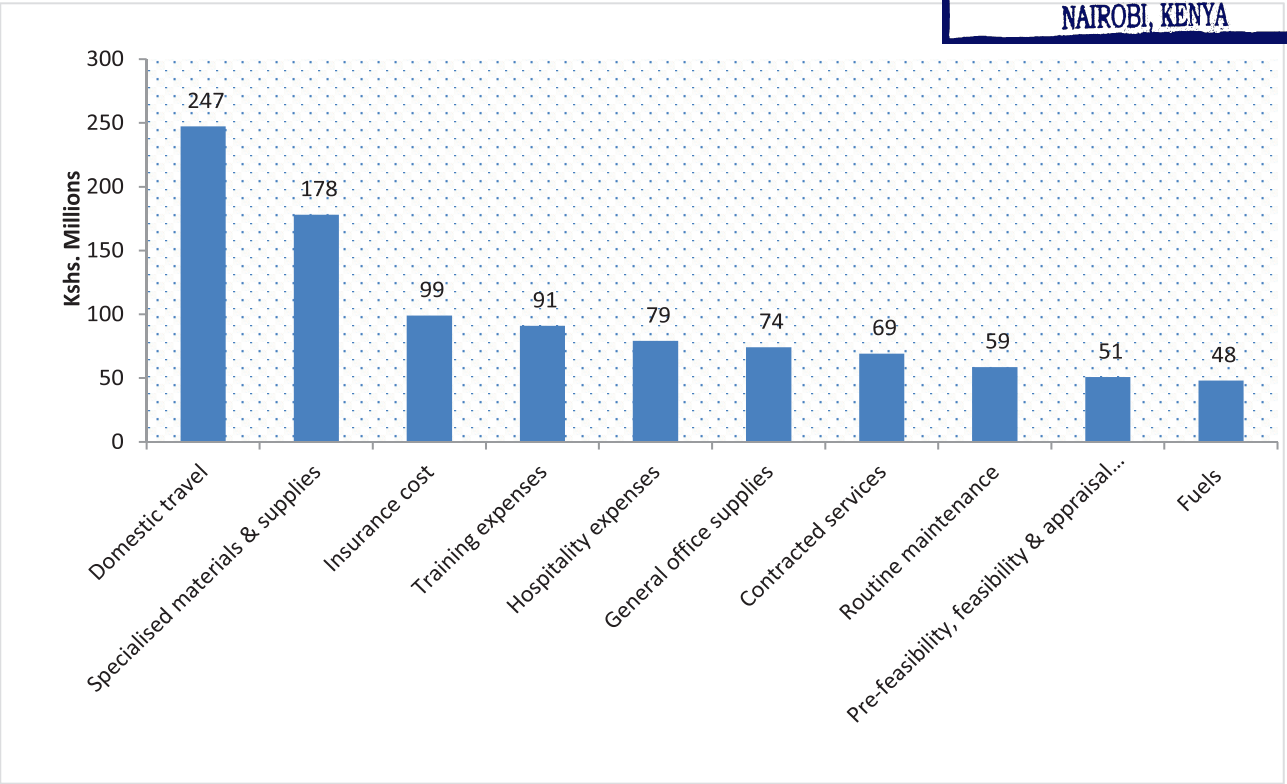
The County has no established county corporations.

3.38.11 Expenditure on Operations and Maintenance

Figure 149 summarises the Operations and Maintenance expenditure by major categories.

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Figure 149: Siaya County, Operations and Maintenance Expenditure by Major Categories



Source: *Siaya County Treasury*

Expenditure on domestic travel amounted to Kshs.247.22 million and comprised Kshs.120.18 million spent by the County Assembly and Kshs.127.04 million by the County Executive. Expenditure on foreign travel amounted to Kshs.14.06 million and comprised Kshs.3.19 million by the County Assembly and Kshs.10.87 million by the County Executive.

The operations and maintenance costs include an expenditure of Kshs.19.35 million on Legal fees/Dues, arbitration and compensation payments expenditure legal fees.

3.38.12 Facility Improvement Financing

During the period under review, the County reported collecting Kshs.340.20 million as FIF, which was 33 per cent of the annual target of Kshs.1, 044.06 million. The collected amount was retained and utilised at source in accordance with the Facility Improvement Financing Act, 2023. The County has, however, not developed regulations to operationalise the FIF Act of 2023.

The Health Facilities did not provide a report on the utilisation of the FIF during the reporting period, contrary to Section 18(e) of the FIF Act, 2023.

3.38.13 Development Expenditure

In the review period, the County reported spending Kshs.1.78 billion on development programmes, an increase of 30 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.1.37 billion. Table 3.385 summarises the development projects with the highest expenditure in the reporting period.

Table 3.385: Siaya County, List of Development Projects with the Highest Expenditure.

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	Health and Sanitation	Construction of 1 1-storey surgical complex	Siaya RF Hospital	20.05.2025	58,442,670	6, 762, 452	47,027,972	80

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
2	Transport & roads	Upgrading to bitumen standards Sega Market ring road	Sega Market	31.12.2026	98,097,506	19, 619, 501	19,619,501	20
3	Transport & roads	Upgrading to bitumen standards Ugunja market ring road	Ugunja Market	Not Availed	58,887,227	17, 936, 242	58,887,227	100
4	Sports	Building works at Siaya stadium	Siaya town	12.31.2024	488,000,000	7, 916, 586	473,000,000	100
5	Agriculture, livestock	Rice aggregation at Siaya rice paddy	Alego-Usonga	31.07.2025	20,000,000	11, 000, 000	13,700,000	80
6	Education	Delivery of Fortified porridge flour	Siaya HQ	Not Availed	Not availed	9, 300, 000	Not availed	N.A
7	Lands	Purchase of land for Ugunja bus park	Ugunja	30.06.2205	23,000,000	11, 420, 000	18,920,000	80
8	Trade	Completion of Bondo bus park and sewerline	Bondo	Not Availed	Not availed	5, 537, 175	Not Availed	N.A
9	Water	Drilling & equipping of Memba Primary School borehole	West Asembo	14.10.2024	4,767,000	4, 450, 020	4,767,000	100
10	County Assembly	Construction of ward offices	6 wards	24.05.2026	25,093,877	12, 379, 386	12,379, 386	60

Source: *Siaya County Treasury*

3.38.14 Budget Performance by Department

Table 3.386 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.386: Siaya 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	801.35	544.76	530.99	76.88	579.52	87.16	109	113	72	16
Finance & economic planning	864.76	58.97	731.14	20.54	464.03	20.54	66	100	54	35
Health services	2,253.34	499.21	1,131.18	117.44	1,008.26	154.66	89	132	45	31
Governorship, admin & ICT	739.42	62.78	611.87	0.00	429.87	-	70	-	58	0
Smart Agriculture, irrigation, food security, livestock & fisheries	336.71	411.41	208.08	83.58	285.52	90.85	137	109	85	22
Water, sanitation, environment	88.21	710.78	54.21	232.29	65.91	163.90	122	71	75	23
Education, youth affairs, gender, & Social services	376.60	469.16	268.02	100.04	426.79	216.45	159	216	114	46
Lands, physical planning, housing	123.09	119.53	44.51	59.49	45.23	36.23	102	61	37	30
Public works, energy, roads & trans	123.55	1,194.25	72.13	419.37	63.40	696.43	88	166	51	58
Trade, enterprise & industrialisation	140.99	572.29	83.65	146.80	45.35	176.80	54	120	32	31
Tourism, culture, sports and arts	128.95	153.89	74.40	135.44	80.98	116.62	109	86	63	76

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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
Siaya municipality	47.43	48.14	23.96	0.00	9.53	13.28	40	0.0	20	28
Bondo municipality	28.84	14.61	19.49	0.00	5.55	3.82	28	0.0	19	26
Ugunja municipality	23.06	15.04	13.34	0.00	5.58	0.00	42	0.0	24	0.0
	6,073.31	**4,874.83**	**3,866.97**	**1,391.86**	**3,515.51**	**1,776.78**	**91**	**128**	**58**	**36**

***Source**: Siaya County Treasury*

Analysis of expenditure by departments shows that the Department of Tourism, Culture, Sports, and Arts recorded the highest absorption rate of the development budget at 76 per cent, followed by the Department of Public Works, Energy, Roads, and Transport at 58 per cent. The Department of Education, Youth Affairs, gender and Social Services had the highest percentage of recurrent expenditure to budget at 114 per cent. The Department of Bondo municipality had the lowest at 19 per cent.

The Department of Education had an expenditure of more than 100 per cent in its recurrent budget due to over-expenditure on scholarships and other educational benefits, which was 200 per cent of the budget.

3.38.15 Budget Execution by Programmes and Sub-Programmes

Table 3.387 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.387: Siaya County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
Department of the County Assembly							
Programme 1.		**801, 348, 339**	**544, 762, 151**	**579, 515, 669**	**87, 162, 679**		
	S.P. 2. Legislation	324, 904, 421	-	228, 260, 784	-	70	-
	S.P. 3. Oversight	43, 100, 000	-	37, 296, 000	-	87	-
	S.P 4. Staff management and development	444, 412, 838	544, 762, 151	313, 958, 885	87, 162, 679	71	16
	Sub Total	**801, 348, 339**	**544, 762, 151**	**579, 515, 669**	**87, 162, 679**	**72**	**16**
Department of Finance and Economic Planning							
Programme 3.		**864, 756, 557**	**58, 973, 185**	**464, 033, 733**	-		
	S.P. 1. Financial services	16, 327, 000	-	8, 955, 137	-	55	-
	S.P. 2. Administration planning, revenue & accounting	659, 918, 159	58, 973, 185	369, 160, 632	20, 536, 440	56	35
	S.P. 3. Procurement	10, 754, 630	-	6, 281, 294	-	58	-
	S.P. 4. Budget services	102, 239, 223	-	47, 461, 799	-	46	-
	S.P. 5. Internal Audit Services	8, 139, 329	-	3, 759, 270	-	46	-
	S.P. 6. Economic planning services	28, 772, 329	-	12, 679, 996	-	44	-
	S.P. 7. Economic Planning Services	27, 881, 426	-	10, 876, 537	-	39	-
	S.P. 9. Public participation	8, 324, 461	-	3, 135, 068	-	38	-
	Sub-Total	**864, 756, 557**	**58, 973, 185**	**464, 033, 733**	**20, 536, 440**	**54**	**35**
Department of Health Services.							
Programme 1.		**2,253,339,757**	-	**1,008,258,212**	-		
	S.P. 1. General administration & planning	1,725,523,280	-	671, 243, 639	-	39	-
	S.P. 2. Curative healthcare services	191, 190, 963	-	144, 373, 284	-	76	-
	S.P. 3. Preventive, promotive & rehabilitative	114, 889, 848	-	63, 934, 635	-	56	-

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Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
	S.P. 5. Facility improvement fund	98, 360, 771	-	59, 933, 447	-	61	-
	S.P. 6. HIV services	27, 038, 243	-	9, 881, 998	-	37	-
	S.P. 9. Nutrition services	50, 928, 536	-	30, 135, 229	-	59	-
	S.P. 10. Environmental health services	45, 408, 116	-	28, 785, 980	-	63	-
Programme 3.		-	**499, 212, 470**	-	**154, 657, 015**		
	SP 2. Administration, planning & revenue	-	499, 212, 470	-	154, 657, 015	-	31
	Sub-Total	**2,253,339,757**	**499, 212, 470**	**1,008,258,212**	**154, 657, 015**	**45**	**31**
Governorship, administration and ICT							
Programme 2.		**739, 424, 604**	-	**429, 865, 076**	-		
	S.P. 1. General admin, planning & support services	286, 178, 811	-	150, 333, 090	-	53	-
	S.P. 2. Office of the Governor	155, 613, 129	-	101, 678, 420	-	65	-
	S.P. 4. County public service board	61, 651, 031	-	57, 406, 580	-	93	-
	S.P. 5. Firefighting & disaster management	25, 825, 200	-	17, 923, 309	-	69	-
	S.P. 6. Sub-county administration	118, 027, 908	-	74, 660, 545	-	63	-
	S.P. 7. Human resource management	32, 913, 010	-	6, 673, 395	-	20	-
	S.P. 8. Communication & public relations	36, 171, 012	-	16, 809, 255	-	46	-
	S.P. 9. Information technology	23, 044, 503	-	4, 379, 430	-	19	-
	Sub total	**739, 424, 604**	-	**429, 865, 076**	-	**58**	-
Department of Smart agriculture, irrigation, food security, livestock and fisheries							
Programme 1.		**336, 714, 775**	**411, 410, 417**	**285, 517, 613**	**90, 854, 120**		
	S.P. 1. General administration	118, 050, 499	81, 541, 822	95, 839, 976	13, 959, 315	81	17
	S.P. 3. Veterinary services	28, 943, 305	11, 000, 000	18, 895, 500	1, 512, 446	65	14
	S.P. 4. Crop management	159, 025, 221	284, 700, 271	150, 133, 874	69, 382, 359	94	24
	S.P. 5. Fisheries development & management	30, 695, 750	34, 168, 324	20, 648, 263	7, 500, 000	67	24
	Sub total	**336, 714, 775**	**411, 410, 417**	**285, 517, 613**	**90, 854, 120**	**85**	**22**
Department of Water, sanitation, environment, climate change and natural resources.							
Programme 1.		**88, 208, 148**	**710, 782, 180**	**65, 912, 710**	**163, 901, 162**		
	S.P. 1. General administration	44, 960, 227	-	39, 434, 638	-	88	-
	S.P. 2. Water services	38, 454, 007	710, 782, 180	23, 912, 044	163, 901, 162	62	23
	S.P. 3. Forestry	4, 793, 914	-	2, 566, 028	-	54	-
	Sub total	**88, 208, 148**	**710, 782, 180**	**65, 912, 710**	**163, 901, 162**	**75**	**23**
Department of Education, youth affairs, gender and social services.							
Programme 1.		**373, 600, 166**	**267, 410, 049**	**426, 794, 642**	**153, 591, 096**		

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Programme	Sub-Programme	Approved Estimates (Kshs.)		Actual Expenditure (Kshs)		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Rec	Dev
	S.P. 1. General administration, planning & support services	351, 090, 597	-	410, 942, 789	-	117	-
	S.P. 2. ECDE programmes	7, 662, 700	173, 575, 075	6, 423, 103	112, 185, 207	84	20
	S.P. 3. Youth polytechnics & youth training	5, 246, 269	40, 783, 581	3, 828, 580	23, 461, 390	73	5
	S.P. 6. Culture	-	13, 852, 050	-	-	-	-
	S.P. 7. Social services	9, 640, 600	39, 199, 343	5, 600, 170	17, 944, 500	58	43
Programme 3.		-	**201, 750, 778**	-	**62, 075, 366**	-	-
	SP. 2. Administration planning, revenue & accounts	-	201, 750, 778	-	62, 075, 366	-	10
	Sub total	**373, 600, 166**	**469, 160, 827**	**426, 794, 642**	**216, 476, 546**	**114**	**46**
Department of Lands, physical planning, housing and urban development.							
Programme 2.		**123, 087, 776**	**119, 533, 752**	**45, 227, 245**	**36, 230, 976**		
	S.P. 1. Physical planning	38, 062, 776	-	16, 036, 225	-	42	-
	S.P. 3. Land surveying and mapping	8, 685, 000	119, 533, 752	4, 082, 621	36, 230, 976	47	30
	S.P. 5. Housing	58, 495, 000	-	16, 662, 041	-	28	-
	S.P. 6. General administration, planning & support	17, 845, 000	-	8, 516, 358	-	48	-
	Sub total	**123, 087, 776**	**119, 533, 752**	**45, 227, 245**	**36, 230, 976**	**37**	**30**
Department of Public works, energy, roads and transport.							
Programme 1.		**123, 087, 776**	**1,194,250,065**	**63, 396, 028**	**696, 434, 841**		
	S.P. 1. General administration services	26, 498, 680	-	18, 210, 973	-	69	-
	S.P. 2. Road development, maintenance & management	92, 155, 499	1,194,250,065	42, 966, 964	696, 434, 841	47	58
	S.P. 3. County government building services	4, 900, 258	-	3,106, 000	-	63	-
	Sub total	**123, 087, 776**	**1,194,250,065**	**63, 396, 028**	**696,434, 841**	**51**	**58**
Department of Trade, enterprise and industrialisation.							
Programme 1		**140, 989, 793**	**572, 287, 035**	**45, 347, 855**	**176, 797, 617**		
	S.P. 1. General administration & planning S	79, 702, 930	-	18, 270, 338	-	23	-
	S.P. 2. Trade development & investment	8, 925, 000	298, 472, 565	2, 671, 863	69, 367, 969	30	17
	S.P. 3. Promotion of fair trade practices	9, 634, 000	-	6, 133, 890	-	66	-
	S.P. 5. Cooperative extension services	5, 780, 532	10, 000, 000	2, 347, 796	-	41	-
	S.P. 6. Market services	4, 426, 000	263, 814, 470	2, 061, 626	107, 429, 648	47	39
	S.P. 7. Alcoholic drinks control	5, 214, 000	-	3, 340, 056	-	64	-
	S.P. 8. Industrial development	3, 730, 538	-	1, 842, 170	-	49	-
	S.P. 9. Waste management	23, 576, 793	-	8, 680, 116	-	37	-
	Sub total	**140, 989, 793**	**572, 287, 035**	**45, 347, 855**	**176, 797, 617**	**32**	**31**
Department of Tourism, culture, sports and arts.							
Programme 1.		-	**153, 889, 004**	-	**116, 622, 432**	-	-
	S.P. 5. Sports	-	153, 889, 004	-	116, 622, 432	-	76

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		Recurrent	Development	Recurrent	Development	Rec	Dev
Programme 2.		**128, 946, 347**	-	**80, 975, 736**	-		
	S.P. 3. General administration, planning	78, 691, 818	-	48, 082, 405	-	33	-
	S.P. 4. Communication services	21, 854, 529	-	15, 020, 236	-	28	-
	S.P. 5. Wildlife Services	28, 400, 000	-	17, 873, 094	-	38	-
	Sub total	**128, 946, 347**	**153, 889, 004**	**80, 975, 736**	**116, 622, 432**	**63**	**76**
Siaya municipality							
Programme 6.		**47, 434, 778**	**48, 140, 671**	**9, 530, 030**	**13, 283, 000**	-	-
	S.P. 6. General administration, planning	47, 434, 778	48, 140, 671	9, 530, 030	13, 283, 000	20	28
	Sub total	**47, 434, 778**	**48, 140, 671**	**9, 530, 030**	-	**20**	**28**
Bondo municipality							
Programme 6.		**28, 841, 170**	**14, 607, 520**	**5, 552, 355**	**3, 820, 781**		
	S.P. 6. General administration, planning	28, 841, 170	14, 607, 520	5, 552, 355	3,820, 781	19	26
	Sub total	**28, 841, 170**	**14, 607, 520**	**5, 552, 355**	**3, 820, 781**	**19**	**26**
Ugunja municipality							
Programme 6.		**23, 060, 647**	**15, 038, 880**	**5, 581, 974**	-		
	S.P. 6. General administration, planning	23, 060, 647	15, 038, 880	5, 581, 974	-	24	0
	Sub total	**23, 060, 647**	**15, 038, 880**	**5, 581, 974**	-	**24**	**0**
Grand Total		**6,073,307,294**	**4,874,826,184**	**3,515,508,878**	**1,776,777,609**	**58**	**36**

***Source**: Siaya County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: General administration, planning and support services in the Department of Education, youth affairs, gender and social services at 117 per cent, Crop management in the Department of Smart agriculture, irrigation, food security, livestock and fisheries at 94 per cent, County public service board in the Department of Governorship, administration and ICT at 93 per cent, and Oversight at County assembly at 87 per cent of budget allocation.

3.38.16 Accounts Operated Commercial Banks.

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

Table 3.388: Bank Accounts Operated Commercial Banks

No.	Name of Bank Account	Date the Account was Opened	Purpose of the Bank Account
1.	County Assembly of Siaya Operations Account	04.07.2013	Operations
2.	Siaya CASB Car loan & mortgage Account	14.05.2014	Hon. MCA's car loan & mortgage
3.	Siaya CASB car loan & mortgage Account	11.05.2014	Staff members' car loan & mortgage
4.	Siaya municipal urban support Account	09.12.2018	Kenya Urban Support Development
5.	Kenya Climate Smart Agriculture account	05.06.2020	Kenya Climate Smart Agriculture Grant
6.	Siaya County Project Management Committee acc.	24.12.2019	Project management committee
7.	Village polytechnics account	09.01.2019	Polytechnics support grant
8.	Siaya County Revenue account	08.03.2018	Own-source revenue collections
9.	Siaya County bursary fund account	09.01.2019	Bursary support disbursement

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No.	Name of Bank Account	Date the Account was Opened	Purpose of the Bank Account
10.	Siaya county alcoholic drinks control account	09.01.2019	Alcoholic fund revenue collection.
11.	National value chain development project account	05.03.2023	NaCDP grant operations.
12.	Kenya livestock commercialisation project account	15.02.2023	KeLCOP grant operations.
13.	Siaya ATC farm demonstration Account.	06.08.2014	ATC farm operations.

Source: *Siaya County Treasury*

As shown in Table 3.388, the County Government operated 13 accounts with commercial banks,

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 13 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.38.17 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;

i. Own-source revenue underperformed at Kshs.136.08 million against an annual target of Kshs.849.36 million, representing 16 per cent of the target.
ii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of **all the county-established Fund**s had lapsed, making them ineligible for further withdrawals.
iii. Two Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. As of 15 April 2025, the reports for the two established Funds were not submitted to the Controller of Budget
iv. There was a high level of pending bills, which amounted to Kshs.599.59 million as of 31 March 2025. Further, the county Treasury did not adhere to the payment plan for the pending bills.
v. Use of manual payroll. Personnel emoluments amounting to Kshs.352.98 million for staff yet to be onboarded into HRIS, casual staff, were processed through manual payroll. Community health promoters' salaries, gratuity for staff on contract, and LAPFUND & LAPTRUST contributions accounted for 18 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
vi. The programmes and sub-programmes in Table 3.384 were not aligned with the approved budget for each department.
vii. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*
ii. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
iii. *The CECMF should follow up to ensure that Fund Administrators prepare and submit statutory reports in accordance with the PFM Act, 2012.*
iv. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
v. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
vi. *The County Treasury must ensure compliance with the approved programme and sub-programmes in the approved budget.*
vii. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

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3.39. County Government of Taita Taveta

3.39.1 Overview of FY 2024/25 Budget

The Taita Taveta County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.8.18 billion. It comprises Kshs.2.41 billion (29 per cent) and Kshs.5.77 billion (71 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.678.31 million (9 per cent) from the FY 2023/24 budget that comprised a development budget of Kshs.2.34 billion and a recurrent budget of Kshs.5.17 billion. The increase in the budget was attributed to the rise in the balance brought down and a higher projection of the local revenues. The County's Net Approved Supplementary I Budget is Kshs.7.93 billion, comprising Kshs.5.52 billion for recurrent and Kshs.2.41 billion for development.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.5.14 billion (63 per cent), additional allocations of Kshs.1.78 billion (22 per cent), a cash balance of Kshs.403 million (5 per cent) brought forward from FY 2023/24, Kshs.850 million (10 per cent) generated as gross own-source revenue, and other revenues of Kshs.8.60 million (less than 1 per cent). The own-source revenue includes Kshs.250 million (30 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.600 million (70 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.389.

3.39.2 Revenue Performance

During the review period, the County received Kshs.3.69 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.63.45 million from Kshs.3.63 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.2.94 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.30 million, and its own-source revenue (OSR) collection of Kshs.317.78 million. Additionally, the County had a cash balance of Kshs.403.29 billion as of FY 2023/24.

The total OSR collection of Kshs.317.78 million includes, Facilities Improvement Financing (FIF) of Kshs.130.89 million, and Kshs.186.89 million from other OSR sources. Table 3.388 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.389: Taita Taveta County, Revenue Performance in the First Nine Months of FY 2024/25

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**	5,137,160,592	2,938,360,353	57
Sub Total		**5,137,160,592**	**2,938,360,353**	**57**
B	**Additional Allocations**			
1	Second Kenya Devolution Support Program (KDSP II) - IDA (World Bank) Credit	37,500,000		
2	Kenya Informal Settlement Improvement Project (KISIP-II)-IDA (World Bank)	190,626,011	30,000,000	16
3	IDA-WB National Agricultural Value Chain Development Project(NAVCDP)	151,515,152		
4	Danida Grant - Primary Healthcare in Devolved Context - IDA (World Bank) Credit	6,834,000		
5	Financing Locally Led Climate Change Action Projects	111,000,000		
6	Balance B/F FY 2023/2024 FLloCCa	105,079,402		
7	Water and Sanitation Development Project - IDA (World Bank) Credit	850,000,000		
8	Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG) - IDA (World Bank) Credit	35,000,000		
9	Kenya Urban Support Project (KUSP) - Urban Development Grant (UDG) - IDA (World Bank) Credit	18,278,289		
10	Kenya Agricultural Business Development Project (KABDP) - Sweden	10,918,919		
11	Aggregated Industrial Parks Programme	0		
12	Road Maintenance Fuel Levy	223,111,859		
13	Community Health Promoters (CHPs) Project	41,070,000		
Sub-Total		1,780,933,632	30,000,000	**2**

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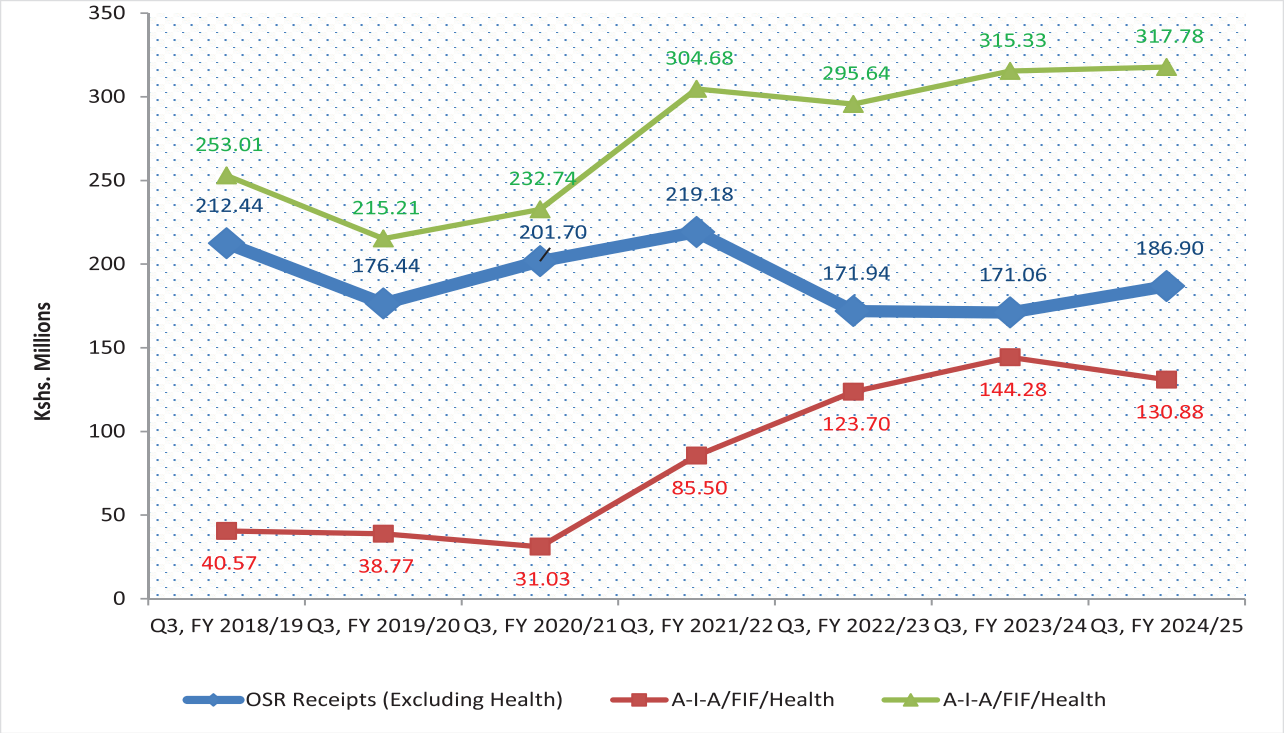
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	600,000,000	186,896,000	31
2	Balance b/f from FY2023/24	403,000,000	403,292,470	100
3	Facility Improvement Fund (FIF)	250,000,000	130,881,723	52
4	Other Revenues	8,603,601	-	
5	Appropriation in Aid (AIA)	-	-	
Sub Total		1,261,603,601	721,070,192	57
Grand Total		**8,179,697,825**	**3,689,430,545**	**45**

Source: *Taita Taveta County Treasury*

Taita Taveta County has governing legislation for operating ordinary FIFs.

Figure 150 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 150: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



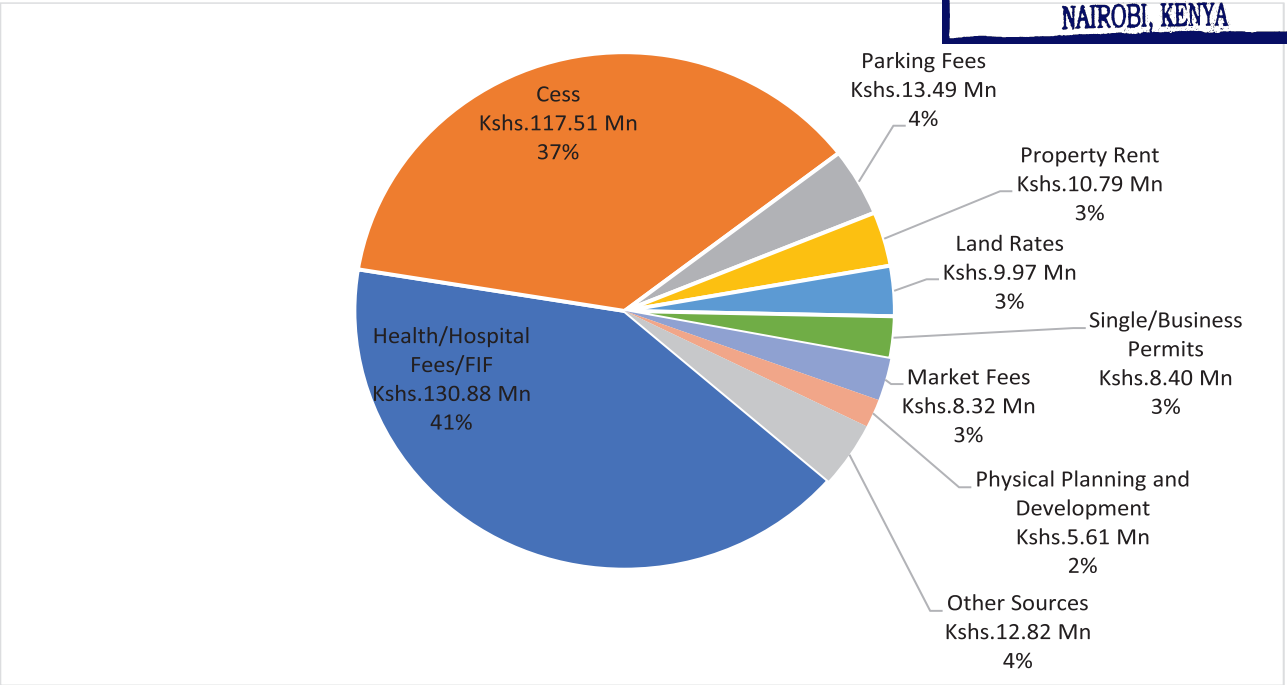
Source: *Taita Taveta County Treasury*

During the review period, the County generated Kshs.317.77 million from its own revenue sources, including AIA and FIF. This amount was an increase of 0.8 per cent compared to Kshs.315.33 million realised in a similar period in FY 2023/24 and was 37 per cent of the annual target and 11 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 151.

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Figure 151: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



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

As shown in Figure 151, the highest revenue stream, Kshs.130.88 million, was from FIF, which contributed 41 per cent of the total OSR receipts.

3.39.3 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.3.55 billion from the CRF account comprised Kshs.341.18 million (10 per cent) for development programmes and Kshs.3.21 billion (90 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.24 billion was released towards compensation of employees and Kshs.976.35 million for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25 does not include the March 2025 exchequer request for the County Executive and County Assembly due to a delay in the disbursement of the equitable share of revenue raised nationally by the National Treasury.

Analysis of the operations and maintenance exchequer releases indicates that 14 per cent was for domestic travel and 0.89 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.139.95 million and included Kshs.36.17 million for the County Executive and Kshs.103.78 million for the County Assembly. The foreign exchequer totalled Kshs.8.68 million, comprising Kshs.1.04 million for the County Executive and Kshs.7.64 million for the County Assembly.

Table 3.390: Taita Taveta County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	759,520,871	70,000,000	486,097,212	27,104,426	64	39
Public Service & Administration	646,392,946	-	379,028,429	--	59	-
The Governor's & Deputy Governor's Office	305,984,988	-	112,768,718	-	37	-
Finance and Economic Planning	424,361,897	210,000,000	275,229,197	166,347,540	65	79
Agriculture, Livestock & Fisheries	211,015,026	189,234,071	146,728,126	12,799,768	70	7
Water and Irrigation	122,574,766	1,132,526,780	71,822,982	25,633,762	59	2
Education and Libraries	735,970,587	37,300,000	360,974,359	4,345,960	49	12
Health	1,971,974,485	86,720,000	1,218,321,533	23,529,625	62	27
Trade, Tourism and Cooperative Development	50,919,983	8,500,000	26,975,775	2,733,991	53	32
County Public Service Board	62,641,205	4,000,000	25,054,019		40	

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Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Infrastructure and Public Works	83,832,551	344,601,859	41,737,696	30,004,260	50	9
Lands, Environment and Natural Resources	104,216,794	217,804,300	41,899,940	34,500,000	40	16
Youth, Gender, Sports, Culture and Social Services	44,094,715	105,510,000	26,658,618	14,183,000	60	13
	5,523,500,814	**2,406,197,010**	**3,213,296,604.00**	**341,182,332.00**	**58**	**14**

Source: *Taita Taveta County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.15.07 million.

3.39.4 County Expenditure Review

The County spent Kshs.3.55 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 Kshs.341.18 million and Kshs.3.21 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 14 per cent, while recurrent expenditure represented 56 per cent of the annual recurrent expenditure budget.

3.39.5 Settlement of Pending Bills

The County reported pending bills totalling Kshs.2.30 billion as of 30 June 2024. This includes Kshs.2.17 billion from the County Executive and Kshs.126.22 million from the County Assembly. The pending bills from the County Executive consist of Kshs.1.29 billion for recurrent expenditures and Kshs.887.35 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.423.18 million, comprising Kshs.283.22 million for recurrent programmes and Kshs.139.96 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.90.91 million, which were all incurred under recurrent activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of the financial year, committing to pay Kshs.154.86 million and Kshs.66.22 million, respectively, in the first nine months of FY 2024/25. However, the County adhered to this payment plan, as it cleared Kshs.423.18 million for the Executive and Kshs.90.91 million for the Assembly.

As of 31st March 2025, the outstanding bills amounted to Kshs.1.79 billion, comprising Kshs.1.75 billion for the County Executive and Kshs.35.32 million for the County Assembly.

3.39.6 Expenditure by Economic Classification

The County Executive spent Kshs.2.03 billion on employee compensation, Kshs.693.40 million on operations and maintenance, and Kshs.314.08 million on development activities. Similarly, the County Assembly spent Kshs.203.15 million on employee compensation, Kshs.282.95 million on operations and maintenance, and Kshs.27.10 million on development activities, as shown in Table 3.391.

Table 3.391: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**5,013,979,943**	**759,520,872**	**2,727,199,392**	**486,097,212**	**54**	**64**
Compensation to Employees	3,577,912,044	292,500,000	2,033,796,038	203,149,411	**57**	**69**
Operations and Maintenance	1,436,067,899	467,020,871.79	693,403,354	282,947,801	**48**	**61**
Development Expenditure	**2,336,197,010**	**70,000,000**	**314,077,906**	**27,104,426**	**13**	**39**
Total	**7,350,176,953**	**829,520,872**	**3,041,277,298**	**513,201,638**	**41**	**62**

Source: *Taita Taveta County Treasury*

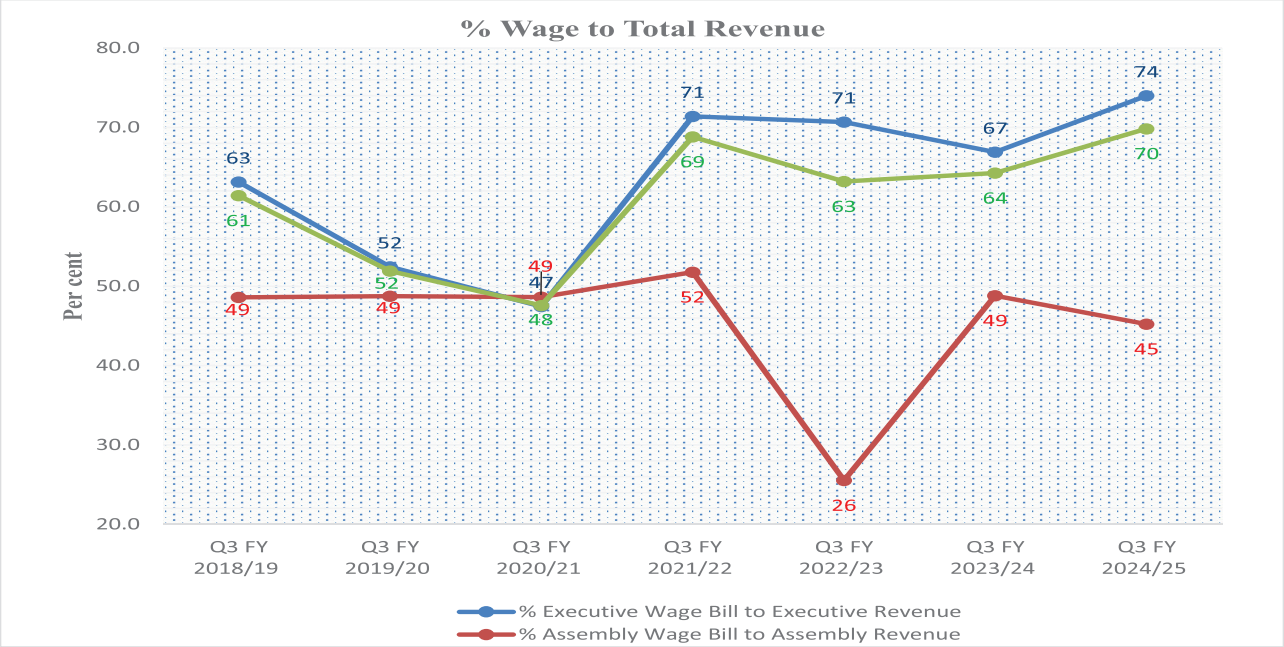
3.39.7 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.2.24 billion. The percentage of employee compensation to total revenue is 61 per cent. This expenditure on employee compensation

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remained unchanged compared to the Kshs.2.24 billion was reported during the same period in FY 2023/24. Of this total, Kshs.1.28 billion was allocated to Health Sector employees, which accounts for 57 per cent of overall employees' compensation. Figure 152 shows the compensation trend to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 152: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



Source: *Taita Taveta County Treasury*

Further analysis indicates that costs amounting to Kshs.2.22 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.19.46 million was processed through manual payrolls, which accounted for 0.9 per cent of the total PE cost.

The manual payrolls comprised salaries for ward staff yet to be onboarded into the Government Human Resource Information System (GHRIS) and salaries for ward casual staff, as shown in Table 3.392.

Table 3.392: Breakdown of Taita Taveta County Manual Payroll

Serial No.	Description of Manual Payroll	Amount Kshs.
1.	County Assembly Ward Staff Salaries	19,462,260
	Total	**19,462,260**

Source: *Taita Taveta County Treasury*

The County Assembly spent Kshs.17.05 million on committee sitting allowances for the 32 MCAs against the annual budget allocation of Kshs.36.00 million. The average monthly sitting allowance was Kshs.59,211 per MCA. The County Assembly has 23 House 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.270.00 million to County-Established Funds in FY 2024/25, or 3 per cent of the County's overall budget. The County allocated Kshs.15.00 million to the Emergency Fund (0.2 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.393 summarises each established Fund's budget allocation and performance during the reporting period.

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Table 3.393: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (KShs.)	Exchequer Issues in the First Nine Months of FY 2024/25	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
		A	B	C	D	E
County Executive Established Funds						
1	Education Fund	240,000,000	79,262,926	79,262,926	973,764,969	Yes
2	County Emergency Fund	15,000,000	-	-	107,160,190	Yes
3	County Executive Car Loan & Mortgage Fund	15,000,000	7,450,000	7,450,000	181,140,188	Yes
County Assembly Established Funds						
4	County Assembly Car Loan& Mortgage Scheme Fund	-	-	-	321,000,000	Yes
	Total	**270,000,000**	**86,712,926**	**86,712,926**	**1,553,065,347**	

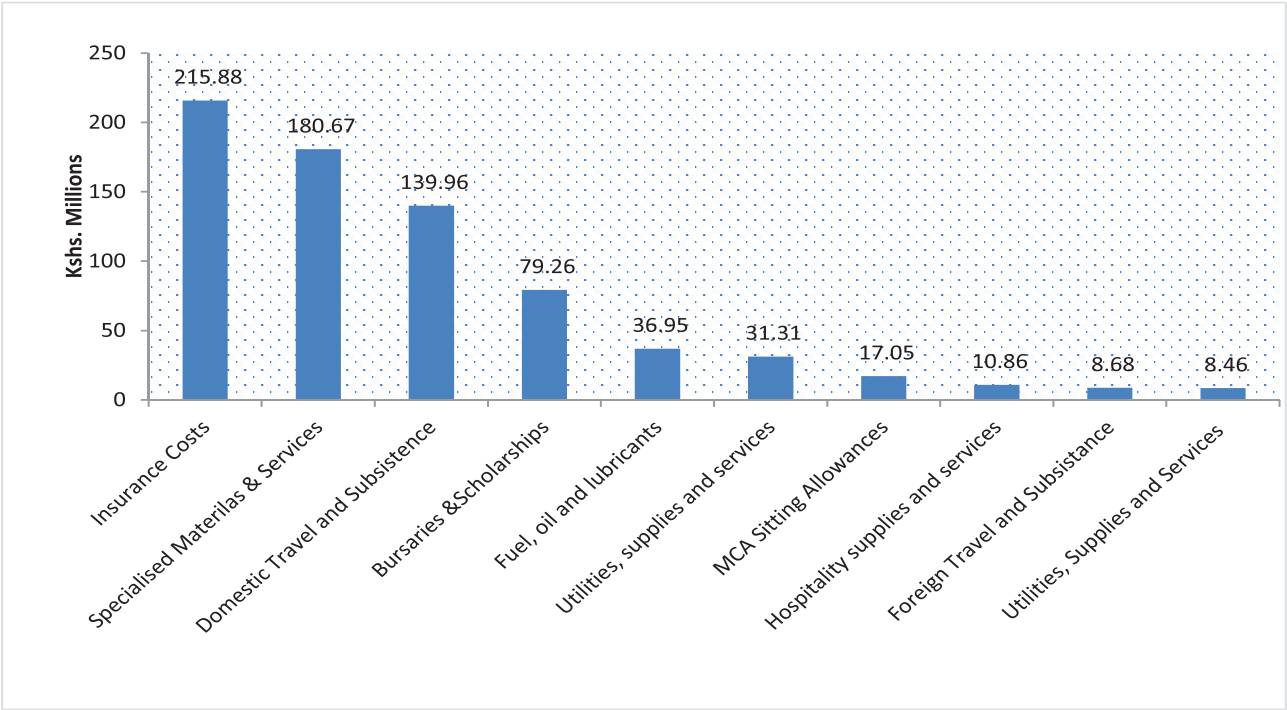
Source: *Taita Taveta County Treasury*

The CoB received all the quarterly financial reports from four Fund Administrators during the reporting period.

3.39.9 Expenditure on Operations and Maintenance

Figure 153 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.139.95 million and comprised Kshs.103.78 million spent by the County Assembly and Kshs.36.17 million by the County Executive. Expenditure on foreign travel amounted to Kshs.8.68 million and comprised Kshs.7.64 million by the County Assembly and Kshs.1.04 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.394.

Table 3.394: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	8	25th oct 2023 to 30th September 2023	Being the payment of the DSA balance during the trip to EALA	Tanzania	703,668

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Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of Travel (Kshs.)
County Assembly	11	22nd to 28th October 2023	Being payment of the DSA balance during the trip to Uganda, training on the legislative process and parliamentary procedures	Uganda	1,100,000
County Executive	3	20th -21st Nov 2024	Tourism Conference	Uganda	369,427
County Executive	1	11-17 July 2024	Go Blue EU Project Workshop	Italy	243,350
County Executive	1	4th-8th Nov 2024	12th World Urban Forum (WUF12)	Egypt	430,700
County Assembly	6	18th to 24th August 2024	Being facilitation for a capacity-building retreat on legislative programs of the county assembly in Tanzania between 18 and 24 August 2024	Tanzania	280,000
County Assembly	6	18th to 24th August 2024	Being facilitation for the officer who accompanied the clerk to Tanzania for induction training and study tour at EALA from 18th to 24th August, 2024	Tanzania	179,085
County Assembly	6	19th to 24th August 2024	Being facilitation for the County assembly service board members during induction training from 19th to 24th August, 2024 in Tanzania	Tanzania	1,860,240
County Assembly	6	19th to 24th August 2024	Being facilitation for the members' welfare committee capacity building retreat on legislative programs in Tanzania from 19th to 24th August, 2024	Tanzania	2,008,930
County Assembly	8	20th to 21st November 2024	Being facilitation for the members who attended the coast tourism exhibition and the trip fam in Kampala, Uganda on 20th to 21st November, 2024	Uganda	1,053,836
County Assembly	8	20th to 21st November 2024	Being a refund of funds used to facilitate members who attended the Kenya coast tourism exhibition and fam trip in Kampala, Uganda, on 20th to 21st November 2024	Uganda	450,000
Total					**8,679,236**

Source: *Taita Taveta County Treasury*

3.39.10 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.130.88 million as FIF, which was 52 per cent of the annual target of Kshs.250 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023.

The expenditure by health facilities amounted to Kshs.130.89 million, as shown in Table 3.395.

Table 3.395: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1.	Mwatate Sub-County Hospital	19,977,071	17,920,201	90%
2.	Taveta Sub-County Hospital	42,029,684	30,533,866	73%
3.	Wesu Sub County Hospital	18,394,874	12,088,821	66%
4.	Moi County Referral Hospital	137,212,921	70,338,835	51%
	Total	**217,614,550**	**130,881,723**	**60%**

Source: *Taita Taveta County Treasury*

The Health Facility with the highest absorption rate was Mwatate Sub County Hospital at 90 per cent.

3.39.11 Development Expenditure

In the review period, the County reported spending Kshs.341.18 million on development programmes, an increase of 109 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.163 million. Table 3.396 summarises the development projects with the highest expenditure in the reporting period.

The increase in development expenditure was attributed to the timely procurement and award of major development projects to be implemented in the current financial year.

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Table 3.396: Taita Taveta County, List of Development Projects with the Highest Expenditure

S/No.	Project Name	Department	Location	Budget	Exchequer issues	Expenditure	Absorption Rate
1	Locally Led Climate Action Programme (Climate Change) WB	Water	County wide	111,000,000	94,952,036	23,738,009	21
2	Kenya Informal Settlement Improvement Project- World Bank	Lands	County wide	190,626,011	60,000,000	60,000,000	31
3	WB-National Agricultural Value Chain Development Project	Agriculture	County wide	151,515,152	151,515,152	151,515,152	100
4	Pending Bills	Finance	County wide	210,000,000	139,965,056	139,965,056	67
5	Construction of the County Assembly Chamber	County Assembly	County Assembly	70,000,000	15,729,849	15,729,849	22
TOTAL				**663,141,163**	**446,432,244**	**341,182,332**	**49**

Source: *Taita Taveta County Treasury*

3.39.12 Budget Performance by Department

Table 3.397 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.397: Taita Taveta County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs.Million)		Exchequer Received, (Kshs. Million)		Expenditure (Kshs.Million)		Expenditure Exchequer (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	759,520,871	70,000,000	486,097,212	27,104,426	486,097,212	27,104,426	100	100	64	39
Public Service and Administration	646,392,946	-	379,028,429	-	379,028,429	-	100		59	-
The Governor's and Deputy Governor's Office	305,984,988	-	112,768,718	-	112,768,718	-	100		37	-
Finance and Economic Planning	424,361,897	210,000,000	275,229,197	166,347,540	275,229,197	166,347,540	100	100	65	79
Agriculture, Livestock and Fisheries	211,015,026	189,234,071	146,728,126	12,799,768	146,728,126	12,799,768	100	100	70	7
Water and Irrigation	122,574,766	1,132,526,780	71,822,982	25,633,762	71,822,982	25,633,762	100	100	59	2
Education and Libraries	735,970,587	37,300,000	360,974,359	4,345,960	360,974,359	4,345,960	100	100	49	12
Health	2,221,974,485	86,720,000	1,218,321,533	23,529,625	1,218,321,533	23,529,625	100	100	55	27
Trade, Tourism and Cooperative Development	50,919,983	8,500,000	26,975,775	2,733,991	26,975,775	2,733,991	100	100	53	32
County Public Service Board	62,641,205	4,000,000	25,054,019	-	25,054,019	-	100		40	0
Infrastructure and Public Works	83,832,551	344,601,859	41,737,696	30,004,260	41,737,696	30,004,260	100	100	50	9
Lands, Environment and Natural Resources	104,216,794	217,804,300	41,899,940	34,500,000	41,899,940	34,500,000	100	100	40	16
Youth, Gender, Sports, Culture and Social Services	44,094,715	105,510,000	26,658,618	14,183,000	26,658,618	14,183,000	100	100	60	13
Total	**5,773,500,814**	**2,406,197,010**	**3,213,296,604**	**341,182,332**	**3,213,296,604**	**341,182,332**	**100**	**100**	**56**	**14**

Source*: Taita Taveta County Treasury*

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Analysis of expenditure by departments shows that the Department of Finance recorded the highest absorption rate of development budget at 79 per cent, followed by the Department of County Assembly at 68 per cent. The Department of Agriculture, Livestock and Fisheries had the highest percentage of recurrent expenditure to budget at 70 per cent, while the Department of the Governors and the Deputy Governor's Office had the lowest at 37 per cent.

3.39.13 Budget Execution by Programmes and Sub-Programmes

Table 3.398 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.398: Taita Taveta County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)	Actual Expenditure (Kshs.)	Absorption Rate (%)
County Assembly Headquarters	**County Assembly Headquarters**	**829,520,871**	**513,201,638**	**62**
701003260	General Administration support services	759,520,871	486,097,212	**64**
708003260	Legislation, Oversight & Representation	70,000,000	27,104,426	**39**
	Headquarters	**580,952,946**	**386,509,467**	**67**
701003260	General Administration support services	580,952,946	379,028,429	**65**
	Taveta Sub-County Administration	**1,070,000**	**115,756**	**11**
709003260	Devolved governance	1,070,000	115,756	**11**
	Wundanyi Sub County Administration	**780,000**	**69,000**	**9**
709003260	Devolved governance	780,000	69,000	**9**
	Mwatate Sub-County Administration	**893,000**	**104,100**	**12**
709003260	Devolved governance	893,000	104,100	**12**
	Voi Sub-County Administration	**1,064,000**	**109,500**	**10**
709003260	Devolved governance	1,064,000	109,500	**10**
	Human Resource Management	**5,078,000**	**1,951,872**	**38**
701003260	General Administration support services	5,078,000	1,951,872	**38**
		15,800,000	**2,551,010**	**16**
701003260	General Administration support services	15,800,000	2,551,010	**16**
709003260	Devolved governance	755,000	107,800	**14**
Kenya Devolution Support Program	**Kenya Devolution Support Program**	**40,000,000**	**2,500,000**	**6**
701003260	General Administration support services	40,000,000	2,500,000	**6**
Headquarters	**Headquarters**	**264,989,988**	**156,139,178**	**59**
712003260	Special programmes & Service delivery	6,100,000	1,296,279	**21**
704003260		-	-	-
701003260	General Administration support services	256,239,988	152,076,882	**59**
710003260	Leadership & Coordination of county affairs	2,650,000	2,847,017	**107**
Office of the Deputy Governor	**Office of the Deputy Governor**	**11,605,000**	**5,696,624**	**49**
701003260	General Administration support services	11,605,000	5,696,624	**49**
Special Programmes Unit	**Special Programmes Unit**	**9,550,000**	**5,957,007**	**62**
712003260	Special programmes & Service delivery	9,550,000	5,957,007	**62**
Service Delivery Unit	**Service Delivery Unit**	**750,000**	**385,380**	**51**
712003260	Special programmes & Service delivery	750,000	385,380	**51**
ICT	**ICT**	**3,650,000**	**1,325,350**	**36**
701003260	General Administration support services	3,650,000	1,311,350	**36**
		3,300,000	**2,255,956**	**68**
710003260	Leadership & Coordination of county affairs	3,300,000	2,255,956	**68**
		2,320,000	**852,162**	**37**
710003260	Leadership & Coordination of county affairs	2,320,000	852,162	**37**
		9,820,000	**4,255,424**	**43**

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)	Actual Expenditure (Kshs.)	Absorption Rate (%)
710003260	Leadership & Coordination of county affairs	9,820,000	4,255,424	43
Headquarters	**Headquarters**	**214,337,852**	-	-
701003260	General Administration support services	214,337,852	-	-
County Emergency Fund	**County Emergency Fund**	**10,000,000**	-	-
701003260	General Administration support services	10,000,000	-	-
Planning	**Planning**	**32,448,504**	**20,258,403**	**62**
713003260	Public Finance Management	27,426,837	15,585,337	57
714003260	Economic Policy Formulation & Management	5,021,667	4,673,066	93
County Executive Administration	**County Executive Administration**	**10,000,000**	**7,450,000**	**75**
701003260	General Administration support services	10,000,000	7,450,000	75
Internal Audit Services	**Internal Audit Services**	**8,170,000**	**4,297,387**	**53**
713003260	Public Finance Management	8,170,000	4,297,387	53
Revenue Management	**Revenue Management**	**24,850,000**	**12,962,072**	**52**
713003260	Public Finance Management	24,850,000	12,962,072	52
Procurement	**Procurement**	**2,750,000**	**1,820,291**	**66**
713003260	Public Finance Management	2,750,000	1,820,291	66
Accounting Services	**Accounting Services**	**21,100,000**	**19,673,847**	**93**
713003260	Public Finance Management	21,100,000	19,673,847	93
		310,705,541	**166,347,540**	**54**
	Headquarters	**377,226,151**	**199,300,217**	**53**
106003260	Crop Development	7,315,329	5,973,589	82
101003260	Administration, Planning, and Support Services	369,910,822	193,326,628	52
Livestock	**Livestock**	**2,882,884**	**2,535,192**	**88**
108003260	Livestock Production	2,882,884	2,535,192	88
Fisheries	**Fisheries**	**3,777,742**	**3,618,655**	**96**
111003260	Blue Economy Development	3,777,742	3,618,655	96
Veterinary	**Veterinary**	**4,516,901**	**3,041,457**	**67**
110003260	Veterinary Services	4,516,901	3,041,457	67
Agribusiness Project (EU Grant)	**Agribusiness Project (EU Grant)**	**10,918,919**	**4,798,000**	**44**
106003260	Crop Development	10,918,919	4,798,000	44
Cooperative Development	**Cooperative Development**	**926,500**	**783,784**	**85**
304003260	Cooperatives development	926,500	783,784	85
	Headquarters	**102,928,852**	**69,021,950**	**67**
1002003260	General Administration, Support and Support Services	102,928,852	69,021,950	67
Water Services	**Water Services**	**883,593,292**	**28,197,096**	**3**
1005003260	Sanitation services	4,600,000	3,535,941	77
1004003260	Water Infrastructure Development	878,993,292	24,661,155	3
	Promotion of primary health care	**268,579,402**	**96,401,572**	**36**
1006003260	Climate Change adaptation	267,479,402	95,566,468	36
1003003260	Natural Resources Support Programme	1,100,000	835,104	76
	Headquarters	**495,573,395**	**249,978,297**	**50**
501003260	General Administration, Planning and Support Services	495,573,395	249,978,297	50
Polytechnics	**Polytechnics**	**4,813,600**	**994,317**	**21**
504003260	Vocational Training Centres & Homecrafts development	4,813,600	994,317	21

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)	Actual Expenditure (Kshs.)	Absorption Rate (%)
Early Childhood Development	**Early Childhood Development**	**37,290,000**	**9,242,840**	**25**
502003260	Early Childhood Education and Youth Training Development Programme	37,290,000	9,242,840	**25**
Library services	**Library services**	**1,720,000**	**339,341**	**20**
503003260	Library Services	1,720,000	339,341	**20**
Education Fund	**Education Fund**	**233,873,592**	**227,227,055**	**97**
505003260	Education Fund	233,873,592	227,227,055	**97**
Energy	**Energy**	**0**	**0**	
Health	**Headquarters**	**2,058,694,485**	**1,262,232,372**	**61**
404003260	Preventive & Promotive Services	14,775,000	12,569,760	**85**
405003260		950,000	726,182	**76**
403003260	Hospitals & Specialised Health Services	169,550,000	30,614,897	**18**
401003260	Administration and Support Services	1,873,419,485	1,218,321,533	**65**
	Health Improvement Financing	**250,000,000**	**7,862,937**	**3**
401003260	Administration and Support Services	250,000,000	7,862,937	**3**
	Headquarters	**42,766,129**	**27,512,703**	**64**
302003260	Trade Development programme.	-	-	
301003260	General Administration and support services programme	42,766,129	27,512,703	**64**
Trade	**Trade**	**14,659,770**	**7,899,803**	**54**
302003260	Trade Development programme.	14,659,770	8,213,136	**56**
Culture	**Culture**	**1,170,000**	**105,454**	**9**
905003260	Culture services	1,170,000	-05,454	**9**
		595,084	**130,000**	**22**
303003260	Tourism Development	595,084	130,000	**22**
Industrialisation	**Industrialisation**	**229,000**	**0**	**0**
305003260	Industrialisation	229,000	0	**0**
	Headquarters	**66,641,205**	**33,921,312**	**51**
715003260	Human Resource Planning, management & development	3,462,000	2,285,800	**66**
701003260	General Administration support services	63,179,205	31,635,512	**50**
	Headquarters	**77,848,089**	**65,104,901**	**84**
204003260	Disaster & Firefighting Management	550,000	418,908	**76**
201003260	General Administrative, Planning & support services	49,482,551	40,904,574	**83**
203003260	Public works, Transport & Housing	27,815,538	23,781,419	**85**
Information Communication Technology	**ICT**			
Roads	**Roads**	**349,636,321**	**48,906,203**	**14**
201003260	General Administrative, Planning & support services	216,111,859	-	-
202003260	Road Infrastructure Development	133,524,462	48,906,203	**37**
Housing	**Housing**	**300,000**	**137,500**	**46**
203003260	Public works, Transport & Housing	300,000	137,500	**46**
Public Works	**Public Works**	**650,000**	**381,376**	**59**
203003260	Public works, Transport & Housing	650,000	381,376	**59**
Defunct Local Authorities	**Defunct Local Authorities**			
	Headquarters	**56,095,244**	**40,119,485**	**72**
112003260	Planning Survey & Mapping	8,900,000	8,200,000	**92**
101003260	Administration, Planning, and Support Services	47,195,244	31,919,485	**68**

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)	Actual Expenditure (Kshs.)	Absorption (%)
	Mwatate Municipal Administration	**192,272,561**	**31,115,172**	**16**
114003260	Urban Development	190,626,011	30,000,000	**16**
112003260	L& Planning Survey & Mapping	1,646,550	1,115,172	**68**
		2,000,000	**1,398,775**	**70**
113003260	Mining	2,000,000	1,398,775	**70**
Environment and Natural Resources	**Environment and Natural Resources**			
		71,653,289	**9,341,021**	**13**
114003260	Urban Development	71,653,289	9,341,021	**13**
	Headquarters	**149,604,715**	-	-
1003003260	Community Empowerment and Development	105,510,000	-	**0**
301003260	General Administration and support services programme	44,094,715	-	**0**
	Grand Total	**8,179,697,824**	**3,554,478,936**	**43**

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

The sub-programmes with the highest implementation levels, based on absorption rates, were the Education Fund in the Department of Education & Libraries at 97 per cent, Planning Survey and Mapping in the Department of Infrastructure & Public Works at 92 per cent, Preventive and Promotive Services in the Department of Health at 85 per cent, and Public Works and Housing in the Department of Infrastructure & Public Works at 85 per cent.

3.39.14 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 37 accounts with commercial banks, including seven accounts for Health Facilities, two accounts for Vocational Training Centres, four accounts for Established Funds, five revenue accounts, eight special-purpose accounts (additional allocations), four imprest accounts, six recurrent operational accounts, and one development operational account.

3.39.15 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;

i. Late submission of financial reports by the County Treasury to the Controller of Budget affected the timely preparation of the budget implementation report. The report was received on 24th April 2025.
ii. The underperformance of own-source revenue at Kshs.186.89 million against an annual target of Kshs.600 million, representing 31 per cent of the yearly target.
iii. There was a high level of pending bills, which amounted to Kshs.1.79 billion as of 31st March 2025. Further, the County Treasury did not adhere to the payment plan for the pending bills.
iv. Use of manual payroll. Personnel emoluments amounting to Kshs.19.46 million for ward staff yet to be onboarded into the HRIS, accounting for 0.9 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
v. Low absorption of development funds at Kshs.341.18 million against a total budget of Kshs.3.21 billion translating to 14 per cent absorption rate.

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget, as per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The County should address its own-source revenue performance to ensure the approved budget is fully financed.*

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Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.

iii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*

iv. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

v. *The County treasury should develop measures and policies to revamp the absorption of development funds, ensuring effective service delivery to citizens.*

3.40. County Government of Tana River

3.40.1 Overview of FY 2024/25 Budget

The Tana River County Gross Approved Budget for FY 2024/25 is Kshs 9.31 billion. It comprises Kshs.3.64 billion (39 per cent) and Kshs.5.67 billion (61 per cent) allocations for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.282.82 million (3 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.3.56 billion and a recurrent budget of Kshs.5.47 billion. The increase in the budget was attributed to the rise in the equitable share.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.7.04 billion (76 per cent), additional allocations of Kshs.1.08 billion (11 per cent), a cash balance of Kshs.1.09 billion (12 per cent) brought forward from FY 2023/24, and Kshs.96.52 million (1 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.3.95 million (4 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.92.67 million (96 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.397.

3.40.2 Revenue Performance

During the review period, the County received Kshs.5.77 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.480 million from the Kshs.5.29 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.5 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.11.0 Million, and its own-source revenue (OSR) collection of Kshs.166.03 Million. In addition, the County had a cash balance of Kshs.1.09 billion from FY 2023/24.

The total OSR collection of Kshs.166.03 million includes Facilities Improvement Financing (FIF) of Kshs.2.96 million and Kshs.163.17 million from other OSR sources. Table 3.399 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.399: Tana River County, Revenue Performance in the First Nine Months of FY 2024/25

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**	7,040,540,708	4,501,592,839	63.9
Sub Total		**7,040,540,708**	**4,501,592,839**	**63.9**
B	**Conditional Grants**			
1	Supplement for Construction of County Headquarters	95,045,250	-	-
2	Community Health Promoters (CHPs)	28,890,000	-	-
3	Road Maintenance Fuel Levy (RMFL)	192,087,922	-	-
4	Allocations for Mineral Royalties	7,500	-	-
5	DANIDA	9,018,750	-	-
6	National Agricultural Value Chain Development Project (NAVCDP)	151,515,152	-	-
7	Food Systems Resilience Project (FSRP)	173,076,923	-	-
8	Kenya Agribusiness Development Programme	11,918,909	-	-
9	Second Kenya Devolution Support Program (KDSP II)	37,500,000	-	-

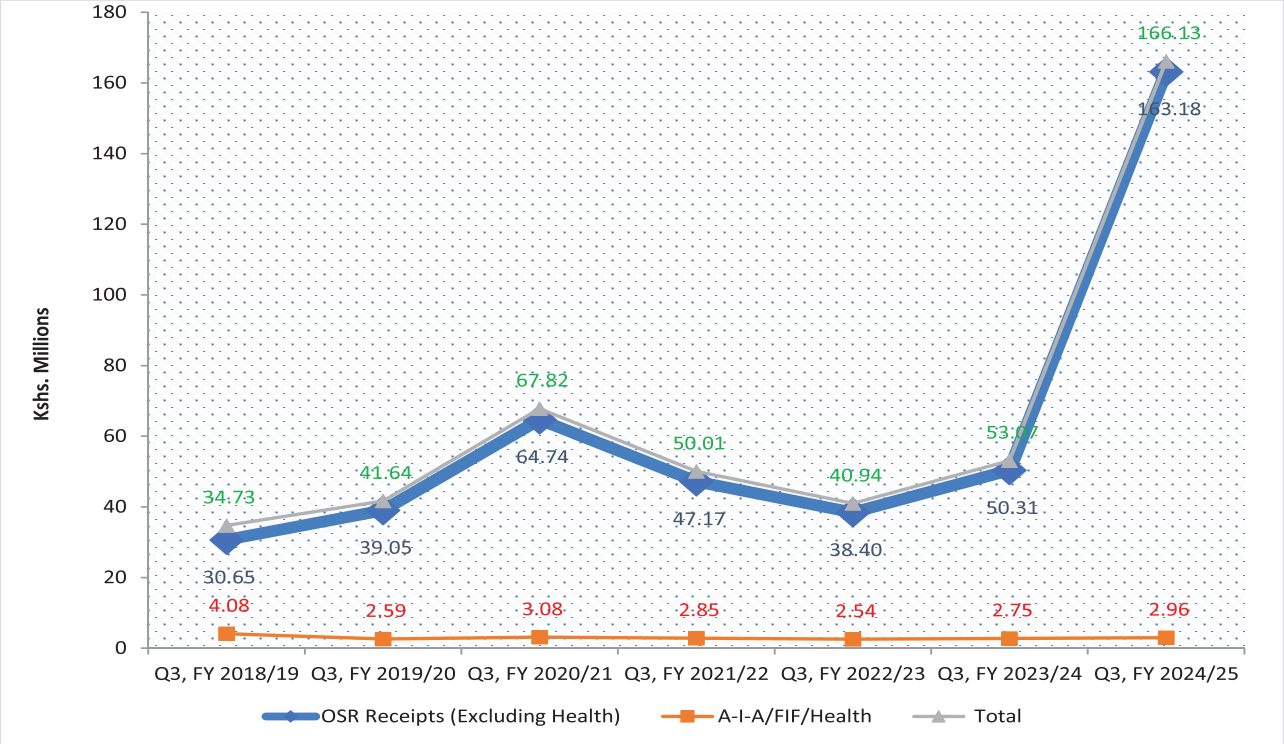
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S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
10	Financing Locally-Led Climate Action (FLLoCA) - County Climate Institutional Support (CCIS)	11,000,000	11,000,000	**100.0**
11	Financing Locally-Led Climate Action (FLLoCA) - County Climate Resilience Investment (CCRI)	150,000,000	-	-
12	Kenya Urban Support Project (KUSP) - Urban Institutional Grant (UIG)	35,000,000	-	-
13	Kenya Water, Sanitation, and Hygiene Program (K-WASH)	184,076,800		-
Sub-Total		**1,079,137,206**	**11,000,000**	**1.0**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	92,673,773	163,175,702	176.1
2	Balance b/f from FY2023/24	1,093,197,531	1,093,197,531	100.0
3	Facility Improvement Fund (FIF)	3,956,827	2,956,827	74.7
4	Other Revenues	-	-	-
5	Appropriation in Aid (AIA)	-	-	-
Sub Total		**1,189,828,131**	**1,259,330,060**	**105.8**
Grand Total		**9,309,506,045**	**5,771,922,899**	**62.0**

Source: *Tana River County Treasury*

The 176 per cent performance in OSR is attributed to the massive extraction of gypsum in the County during the period under review. Figure 154 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 154: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



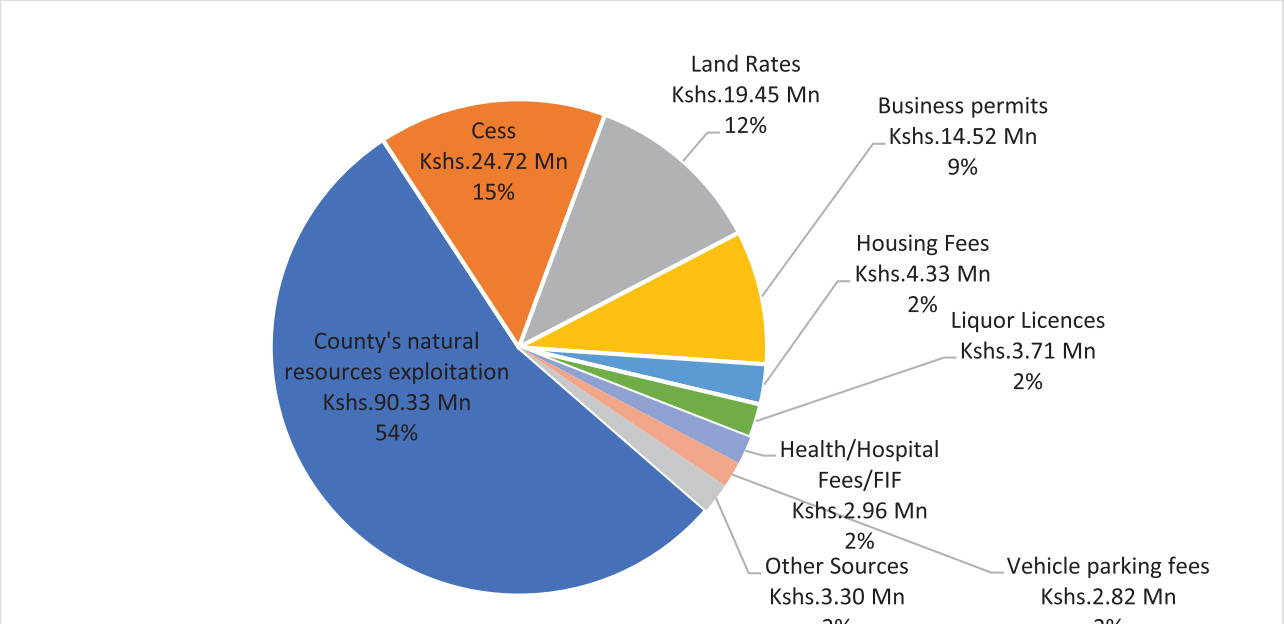
Source: *Tana River County Treasury*

During the review period, the County generated Kshs.166.03 million from its own revenue sources, including AIA and FIF. This amount was an increase of 213 per cent compared to Kshs.53.06 million realised in a similar period in FY 2023/24, and was 172 per cent of the annual target and 4 per cent of the equitable revenue share disbursed.

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The increase in OSR can be attributed to massive gypsum extraction in the County. Figure 155 shows the revenue streams that contributed the highest OSR receipts.

Figure 155: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



***Source**: Tana River County Treasury*

As shown in Figure 155, the highest revenue stream, Kshs.90.33 million, was from the County's natural resources exploration, contributing 54 per cent of the total OSR receipts.

3.40.3 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.38 billion from the CRF account during the reporting period, which comprised Kshs.1.06 billion (24 per cent) for development programmes and Kshs.3.32 billion (76 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.1.59 billion was released towards compensation of employees and Kshs.1.73 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, which does not include the March 2025 exchequer request for the County Executive and County Assembly due to a delay in the disbursement of the equitable share by the National Treasury.

Analysis of the operations and maintenance exchequer releases indicates that 27 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.479.59 million and included Kshs.291.97 million for the County Executive and Kshs.187.62 for the County Assembly.

Table 3.400: Tana River County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	733,643,957	273,754,712	486,516,580	133,274,893	66	49
Office of The Governor and Deputy Governor	558,967,389	-	366,089,962	-	65	0
Finance and Planning	445,911,230	673,476,870	371,747,019	550,146,711	83	82
County Public Service Board	77,301,400	-	63,002,038	-	82	0
Trade, Tourism, Wildlife and Cooperative Development	50,599,698	130,000,000	26,589,382	-	53	0
Agriculture, Livestock, Fisheries and Veterinary	166,697,784	381,910,984	126,184,262	-	76	0
Culture, gender, Youth, Sports and Social Services	107,015,430	3,500,000	36,429,001	-	34	0
Education and Vocational Training	57,266,669	267,800,000	5,841,118	88,000,000	10	33

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Department	Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs.Million)		Exchequer Issues to Revised Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Medical Services, public Health and sanitation	1,535,999,836	196,700,000	908,806,170	-	59	0
Special program	154,395,243	14,257,827	146,589,243	-	95	0
Roads, Transport, Public works, Housing and Urban-isation	70,147,977	885,108,627	22,951,625	-	33	-
Water, Energy, Mining, Forest-ry and Natural Resources	44,493,611	353,009,158	25,728,258	50,000,000	58	14
Public Service, Administration and Citizen Participation	1,482,330,311	20,000,000	663,750,098	-	45	-
Lands and Physical Planning	39,593,750	100,000,000	21,061,615	39,410,977	53	39
Hola Municipality	79,854,266	-	35,991,524	-	45	-
Environment and Climate Change	64,945,550	340,823,766	19,032,863	200,323,766	29	59
	5,669,164,101	**3,640,341,944**	**3,326,310,759**	**1,061,156,347**	**59**	**29**

***Source**: Tana River County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.513.16 million.

3.40.4 County Expenditure Review

The County spent Kshs.4.51 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 Kshs.1.07 billion and Kshs.3.43 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 30 per cent, while recurrent expenditure represented 60 per cent of the annual recurrent expenditure budget.

3.40.5 Settlement of Pending Bills

The County reported pending bills totalling Kshs.2.49 billion as of 30th June 2024. This amount included Kshs.2.49 billion from the County Executive and Kshs.3.77 million from the County Assembly. The pending bills from the County Executive consist of Kshs.1.12 billion for recurrent expenditures and Kshs.1.37 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.658.18 million, comprising Kshs.230.88 million for recurrent programmes and Kshs427.30 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.3.77 million for development activities.

The County Executive submitted payment plans for pending bills at the commencement of FY 2024/25, committing to pay Kshs 790.65 million in FY 2024/25. The County did not adhere to this payment plan as they paid Kshs.658.18 million as at 31st March 2025.

As of 31 March 2025, the outstanding bills for the County Executive amounted to Kshs.1.83 billion, comprising Kshs.939.38 million for the development and Kshs.893.68 million for recurrent.

3.40.6 Expenditure by Economic Classification

The County Executive spent Kshs.1.35 billion on employee compensation, Kshs.1.58 billion on operations and maintenance, and Kshs.908.68 million on development activities. Similarly, the County Assembly spent Kshs.214.57 million on employee compensation, Kshs.286.34 million on operations and maintenance, and Kshs.168.21 million on development activities, as shown in Table 3.401.

Table 3.401: 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	**4,935,520,144**	**733,643,957**	**2,937,262,935**	**500,912,848**	**60**	**68**
Compensation to Employees	2,443,447,955	314,449,236	1,354,332,183	214,571,808	55	68
Operations and Maintenance	2,492,072,189	419,194,721	1,582,930,752	286,341,040	64	68

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Expenditure Classification	Budget (Kshs.)		Expenditure (Kshs		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Development Expenditure	3,366,587,232	273,754,712	908,683,122	168,210,120	27	61
Total	8,302,107,376	1,007,398,669	3,845,946,057	669,122,968	46	66

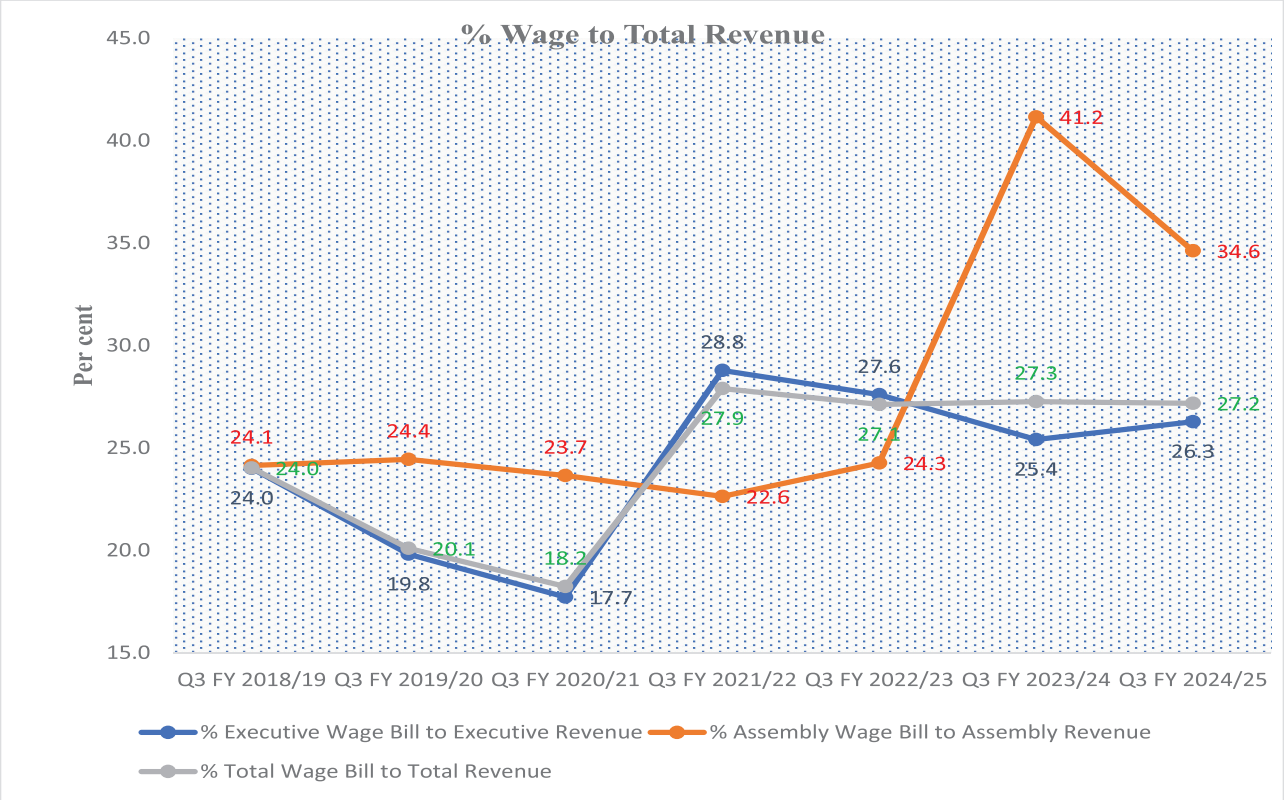
***Source**: Tana River County Treasury*

3.40.7 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.1.56 billion. This expenditure shows an increase compared to the Kshs.1.44 billion reported during the same period in FY 2023/24. Of this total, Kshs.680.39 million was allocated to Health Sector employees, which accounts for 43 per cent of the overall employees' compensation.

Figure 156 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 156: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/2



***Source**: Tana River County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.52 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.51.01 million was processed through manual payrolls, which accounted for 3 per cent of the total PE cost.

The County Assembly spent Kshs.14.50 million on committee sitting allowances for the 27MCAs against the annual budget allocation of Kshs.34.61 million. The average monthly sitting allowance was Kshs.60,069 per MCA. The County Assembly has 20 House Committees.

3.40.8 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.556.08 million to County-Established funds in FY 2024/25, or 6 per cent of the County's overall budget. Further, the County allocated Kshs.139.68 million to the Emergency Fund (2 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.402 summarises each established Fund's budget allocation and performance during the reporting period.

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Table 3.402: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in the First Nine Months of FY 2024/25 (Kshs.)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds				
1.	Emergency Fund	139,682,547	69,841,273	69,841,273	YES
2.	Disaster Risk Management Fund	139,682,547	69,841,273	69,841,273	YES
3.	Car Loan & Mortgage Fund	90,000,000	45,000,000	45,000,000	YES
4.	Bursary Fund	176,000,000	88,000,000	88,000,000	YES
	County Assembly Established Funds				
5.	Car Loan & Mortgage Fund	10,720,000	0	0	YES
	Total	**556,085,094**	**272,682,546**	**272,682,546**	

Source: *Tana River County Treasury*

During the reporting period, the CoB received all the quarterly financial reports from five Fund Administrators as indicated in Table 3.402.

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.

3.40.9 County Corporations

The County has established one county corporation. In FY 2024/25, the County allocated Kshs.50 million to the corporation through their parent department. The expenditure in the first nine months amounted to Kshs.37 million, as shown in Table 3.403.

Table 3.403: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1.	Tana River Water and Sanitation Company (TAWASCO)	Water, Energy, Mining, Forestry and Natural Resources	50,000,000	50,000,000	37,000,000
	Total		**50,000,000**	**50,000,000**	**37,000,000**

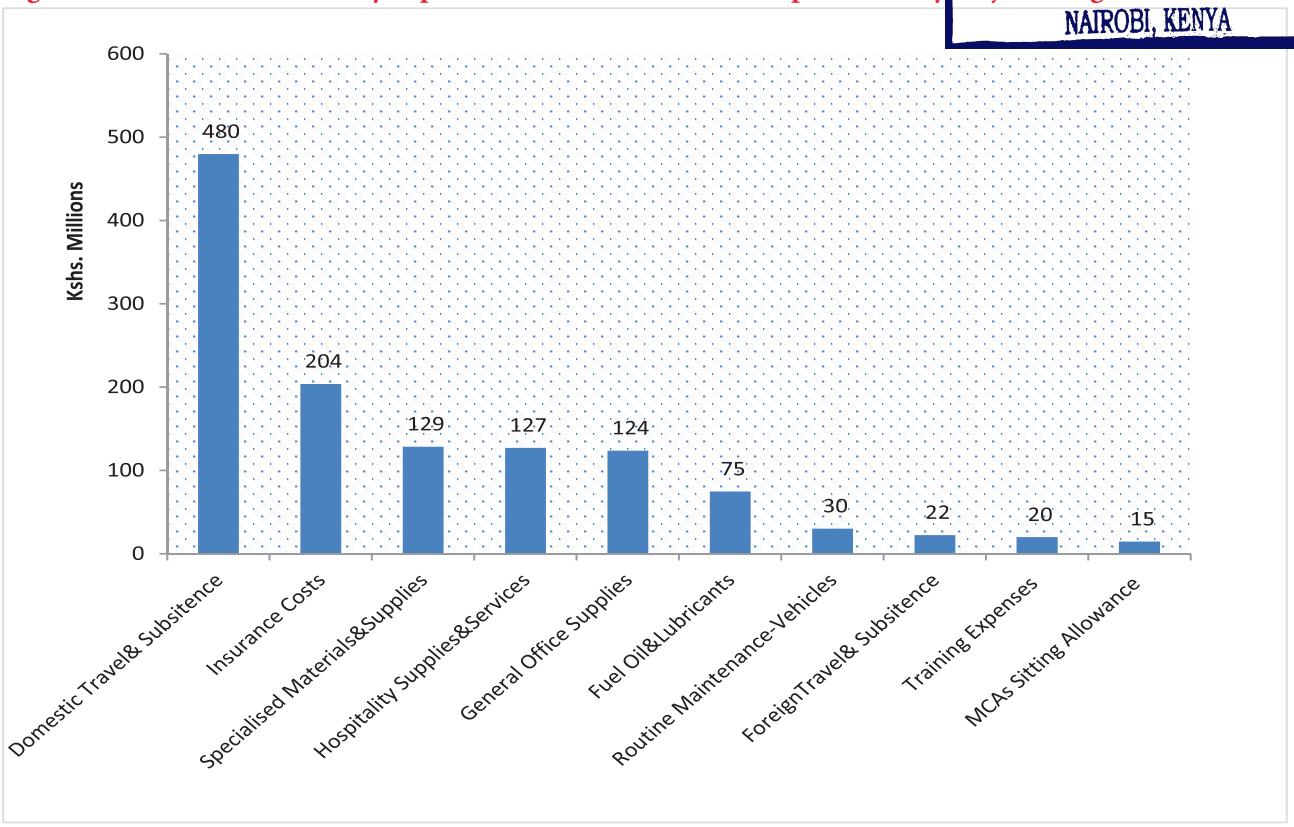
Source: *Tana River County Treasury*

3.40.10 Expenditure on Operations and Maintenance

Figure 157 summarises the Operations and Maintenance expenditure by major categories.

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Figure 157: Tana River County, Operations and Maintenance Expenditure by Major Categories



Source: *Tana River County Treasury*

Expenditure on domestic travel amounted to Kshs.479.59 million and comprised Kshs.187.62 million spent by the County Assembly and Kshs.291.97 million by the County Executive. Expenditure on foreign travel amounted to Kshs.22.41 million and comprised Kshs.1.11 million by the County Assembly and Kshs.21.29 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.404.

Table 3.404: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of the county government	no. of officers travelled	Dates travelled	Purpose of the travel	Destination	Total costs of the travel
County executive	3	9-13/9/2024	Being facilitated to attend a C-suite seminar in Singapore.	Singapore	2,170,140
County executive	5	19-21/10/2024	Payment for per diem attending the inauguration ceremony of the African Hall in Addis Ababa.	Ethiopia	1,521,340
County executive	3	3-8/11/2024	Being a facilitator attending WUF12 Cairo.	Egypt	930,540
County executive	3	1-8/12/2024	Being a facilitator for the 30th executive seminar in Dubai.	Dubai	3,233,420
County executive	4	10-20/12/2024	being payment for participation in the leadership ethics and governance programme.	Dubai	4,454,450
County executive	1	10-20/12/2024	being payment for the 20th ICID programme in Dubai	Dubai	727,830
County executive	4	22/2-3/3/2025	Being a facilitator at the peace forum.	Switzerland	6,442,410
County executive	13	27/2-1/3/2025	Being a facilitator for the Africa Champions Awards.	Tanzania	1,819,770
County assembly	2	30th March 2025-5th April 2025	to attend the global disability summit 2025.	Germany	1,112,496

Source: Tana River County Treasury and Tana River County Assembly

3.40.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.2.96 million as FIF, which was 75 per cent of the annual target of Kshs.3.95 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed regulations to operationalise the FIF Act of 2023.

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The health facilities did not provide a report on the utilisation of the FIF during the reporting period, contrary to Section 18 (e) of the FIF Act, 2023.

3.40.12 Development Expenditure

In the review period, the County reported spending Kshs.1.07 billion on development programmes, representing an increase of 20 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.894.85 million. Table 3.405 summarises development projects with the highest expenditure in the reporting period.

The increase in development expenditure was attributed to improved release of the equitable share by the National Treasury.

Table 3.405: Tana River County, List of Development Projects with the Highest Expenditure

S/No.	Project Name	Department	Location	Budget (Kshs.)	Exchequer issues (Kshs.)	Expenditure (Kshs.)	Absorption Rate (%)
1	Locally Led Climate Action Programme (Climate Change) WB	Water	County wide	339,323,766	189,323,766	112,495,139	33
2	Pending Bills (Dev)	Finance	County wide	550,146,711	550,146,711	427,307,195	78
4	Construction of Residential &Non-Residential Buildings	County Assembly	County Assembly	273,754,712	133,274,893	168,210,120	61
TOTAL				**1,163,225,189**	**872,745,370**	**708,012,454**	**61**

Source: *Tana River County Treasury*

3.40.13 Budget Performance by Department

Table 3.406 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.406: Tana River County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	734	274	487	133	501	168	103	126	68	61
Office of The Governor and Deputy Governor	559	-	366	-	324	-	88	-	58	-
Finance and Planning	446	673	372	550	268	515	72	94	60	76
County Public Service Board	77	-	63	-	50	-	79	-	64	-
Trade, Tourism, Wildlife and Cooperative Development	51	130	27	-	39	37	148	-	78	28
Agriculture, Livestock, Fisheries and Veterinary	167	382	126	-	125	-	99	-	75	-
Culture, gender, Youth, Sports and Social Services	107	4	36	-	69	-	189	-	64	-
Education and Vocational Training	57	268	6	88	10	88	164	100	17	33
Medical Services, public Health and sanitation	1,536	197	909	-	835	-	92	-	54	-
Special program	154	14	147	-	152	-	103	-	98	-
Roads, Transport, Public works, Housing and Urbanisation	70	885	23	-	38	-	167	-	55	-
Water, Energy, Mining, Forestry and Natural Resources	44	353	26	50	33	50	128	100	74	14
Public Service, Administration and Citizen Participation	1,482	20	664	-	894	-	135	-	60	-
Lands and Physical Planning	40	100	21	39	28	39	132	100	70	39
Hola Municipality	80	-	36	-	32	-	88	-	40	-
Environment and Climate Change	65	341	19	200	42	180	222	90	65	53
Total	**5,669**	**3,640**	**3,326**	**1,061**	**3,438**	**1,077**	**103**	**101**	**61**	**30**

Source*: Tana River County Treasury*

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Analysis of expenditure by departments shows that the Department of Finance and Economic Planning recorded the highest absorption rate of the development budget at 76 per cent, followed by the County Assembly at 64 per cent. The Department of Special Programs had the highest percentage of recurrent expenditure to budget at 98 per cent, while the Department of Education and Vocational Training had the lowest at 16 per cent.

3.40.14 Budget Execution by Programmes and Sub-Programmes

Table 3.407 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.407: Tana River County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 31 March 2025		Absorption Rate (%)	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
Office of the Governor							
Executive Services	County leadership & coordination of CDAs	58,000,000	-	31,471,361	-	68	-
	County Government Advisory Service	53,000,000	-	35,928,704	-	73	-
	Coordination of peace and cohesion	37,500,000	-	31,493,465	-	107	-
	Sub Total	**148,500,000**	-	**98,893,530**	-	-	-
General Administration, Planning and support services	General Administration, Planning and support services	410,467,389	-	354,034,016	-	108	-
	Sub Total	**410,467,389**	-	**354,034,016**	-		-
	Grand Total	**558,967,389**	-	**452,927,546**		**100**	
Finance and Economic Planning							
Public Finance Management	PFM Enhancement	5,789,349		4,230,400	-	**73**	-
	Economic Planning and Budgeting	33,625,694		31,062,678	-	**92**	-
	Monitoring and Evaluation	17,980,523		16,953,300	-	**94**	-
	Supply chain management services	20,700,000		19,765,300	-	**95**	-
	Own Source revenue collection	21,620,000		16,655,215	-	**77**	-
	Accounting & Finance	25,700,000		20,324,106	-	**46**	-
	Internal Audit	12,782,110		10,893,200	-	**85**	-
General admin, planning, & Support services	General Administration	307,713,554	673,476,870	612,211,335	514,735,606	**199**	-
	Grand Total	**445,911,230**	**673,476,870**	**732,095,534**	**514,735,606**	**158**	
County Public Service Board							
General Administration, Planning and Support Services	General Administration, Planning and Support Services	68,378,300	-	59,749,285	-	**87**	-
Ethics, Governance and Compliance	Ethics, Governance and Compliance	2,506,960		1,790,670	-	-	-
Skills and competency development	Skills and competency development	2,253,824	-	1,330,600	-	**59**	-
Human Resource management and development	Human Resource management and development	4,162,316	-	3,530,700	-	**85**	-

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Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 31st March 2025		Absorption Rate	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
	Grand Total	**77,301,400**	-	**66,401,255**	-	**86**	
Trade, Tourism and Cooperative Development							
Promotion of trade and tourism	Trade, weights and measures	22,199,849	18,000,000	17,695,114	-	**66**	0%
	Tourism promotion	12,399,849	7,000,000	8,013,577	-	**50**	-
	Industrial development	6,000,000	100,000,000		36,524,897	-	-
	Cooperative Development	10,000,000	5,000,000	6,699,778	-	**45**	-
	Grand Total	**50,599,698**	**130,000,000**	**32,408,469**	**36,524,897**	**56**	0%
Agriculture and Rural Development							
Agricultural Development	Crop Husbandry	76,184,008	31,400,000	4,510,663	-	**65**	-
	Plant Disease Control	1,600,000		879,011	-	**55**	-
	Agricultural Mechanisation Services (AMS)	25,614,500		22,041,632	-	**49**	-
	NAVCDP	5,000,000	173,076,923	20,000,000	-	**25**	-
	FSRP	5,000,000	151,515,152		-		-
	KABDP	10,000,000	-	5,000,000	-	**100**	-
	FAO	914,500	11,918,909	1,000,000	-	**80**	-
	General Administration, Planning and Support Services	13,082,788	7,000,000	18,567,800	-	**0**	-
	Sub Total	**137,395,796**	**374,910,984**				
Fisheries Development	Empowerment of women and youth on fish safety and quality assurance	1,420,000	-	1,230,000	-	0	-
	Construction of an ice plant and cold storage	1,475,000	-	15,487,895.20	-	77	-
	Development	-	-		-	-	-
	General Administration, Planning and Support Services	1,687,000	-	2,197,555	-	**8**	-
	Sub-total	**4,582,000**	-				
Veterinary services	Extension services	1,118,500	-	35,266,533	-	**93**	0%
	Breed improvement and artificial insemination	685,000	-	1,423,082	-	**58**	-
	Veterinary Public Health/Abattoirs	1,182,846	-	395,700	-	**35**	-
	Leather Development Services	382,000	-	25,170,300	-	**96**	-
	Control Tsetse fly and Laboratory Services	2,468,872	-	2,340,000	-	**0**	-
	Conduct disease surveillance and carry out timely vaccination	6,404,100	-	15,000,000	-	**65**	-
	General Administration, Planning and Support Services	2,407,500	7,000,000	**7,500,000**	-	**0**	-
	Sub-total	**14,648,818**	**7,000,000**				

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Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 31st March 2025		Absorption Rate	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
	General adm. planning & support	7,189,975			-	-	-
Livestock services	Livestock Extension Services	1,192,500	0	**382,250**	-	**21**	-
	Animal Husbandry	1,688,695	0	558,900	-	**43**	-
	Sub-Total	**10,071,170**	-	**8,441,150**	-	**9**	-
	Grand Total	**166,697,784**	**381,910,984**	**8,441,150**	-	**64**	-
Gender, Social Service and Youth Development							
Child Protection.	Baseline Survey for OVC	3,700,000	-	593,000	-	**12**	-
	Community Awareness creation on Child Rights and Child Protection	2,000,000	-		-	**0**	-
	Enhanced Child Participation	2,700,000	-	300,000	-	**70**	-
Social Development and Protection.	Women empowerment	12,950,000	-	181,800	-	**39**	-
	Gender and Leadership	14,050,000	1,500,000	7,539,808	-	**59**	-
Sports Training and Competitions	County sports leagues	17,125,430	-	2,248,130	-	**29**	-
	Sports equipment and support	8,000,000	-		-	**0**	-
	Sub-Total	**60,525,430**	-	**10,862,738**	-	**37**	-
	General admin.&support services	7,000,000	-	-	-	-	-
PWDS	Development of disability Act regulations	6,000,000	-	-	-	-	-
	National celebration for disabilities	2,000,000	-	-	-	-	-
	Sub-total	**15,000,000**	-	-	-	-	-
Culture and art development	Culture Promotion and Development	19,550,000	-	1,976,520	-	**15**	-
	Empowerment/Capacity building of cultural practitioners	8,500,000	2,000,000	1,031,600	-	**21**	-
	Sub-Total	**28,050,000**	-	**3,008,120**	-	**16**	
General administration, support and planning	General administration, support and planning	3,440,000	-	2,689,200	-	**38**	-
	Sub-Total	**3,440,000**	-	**2,689,200**	-	**38**	-
	Grand Total	**107,015,430**	**3,500,000**	**16,560,058**	-	**30**	
Education, Vocational training and ECDE							
Early Child Care Services	ECDE quality education standards service	30,300,000	86,800,000	484,000	-	**48**	-
	ECDE Access and Retention Services	11,156,327	4,000,000	2,993,000	-	**6**	-
	Sub Total	**41,456,327**	**90,800,000**	**3,477,000**	-	**7**	-
	Free VTC education and training	3,580,342		12,156,327	-	**80**	-
	Sub Total	**3,580,342**	-	**14,448,327**	-	**59**	0%

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		Recurrent	Development	Recurrent	Development	Recurrent	Development
General Administration, Planning and support services	General Administration, Planning and support services	12,230,000	176,000,000	152,972,273	88,000,000	**81**	-
	Sub-Total	**12,230,000**	**176,000,000**	**152,972,273**	**88,000,000**	**81**	
VTC access and retention of training	Development	-	1,000,000	-	-	-	-
	Sub Total	-	**1,000,000**	-	-	-	-
	Grand Total	**57,266,669**	**267,800,000**	**156,449,273**	**88,000,000**	**66**	
Health and Sanitation							
Curative and Rehabilitative	Medical Supplies	167,650,000	158,200,000	150,515,259	-	**94**	-
	Medical Services	30,200,000	35,500,000	24,110,495	-	**75**	-
	Ambulance services	10,700,000	-	7,022,890	-	**60**	-
Preventive and Promotive	Preventive and Promotive	22,850,041	-	13,789,657	-	**81**	-
	Licensing and control of an undertaking	9,000,000	-	8,409,902	-	**93**	-
	Sub Total	**240,400,041**	**193,700,000**	**203,848,203**	-	**88**	-
General Administration, Planning and support services	Health policy, planning and development	3,432,532			-	-	-
	General Administration, Planning and support services	1,292,167,263	3,000,000	1,045,109,087	-	**97**	-
	Sub Total	**1,295,599,795**	**3,000,000**	**1,045,109,087**	-	**97**	0%
	Grand Total	**1,535,999,836**	**196,700,000**	**1,248,957,290**		**185**	**0%**
Special Programme							
Drought management (Preparedness, Response, Mitigation and Recovery	Drought contingency	2,000,000	-	2,789,000	-	**93**	-
	Disaster Risk Management Fund	141,282,547	-	148,863,823	-	**96**	-
Social protection and response to other disasters	Food distribution and rations	3,032,392	-	2,838,020	-	**94**	-
	Sub-Total	**146,314,939**	-	**154,490,843**	-	**96**	-
General Administration, Planning and Support Services	General Administration, Planning and Support Services	8,080,304	14,257,827	16,844,480	-	**96**	-
	Sub-Total	**8,080,304**	**14,257,827**	**16,844,480**	-	**96**	-
	Grand Total	**154,395,243**	**14,257,827**	**171,335,323**	-	**96**	
Roads and public works							
County Roads Development	Routine maintenance	3,628,330	192,087,922	3,573,263	-	**90**	-
	Opening of new roads	1,877,733	90,600,000	1,504,500		**89**	-
	Grading, Murruming and tarmacking	1,545,000	-	593,710	-	**44**	-
	Monitoring and Evaluation	1,849,134	-	580,000		**31**	-
	Sub-Total	**8,900,197**	**282,687,922**	**6,251,473**	-	**71**	-

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Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 31st March 2025		Absorption Rate	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
County Housing and urbanisation	Housing Development	7,482,780	-	-	-		-
	Urbanisation	2,402,000	78,000,000	-	-		-
	Sub Total		**78,000,000**	-	-		-
Public works and services	Public works and services	14,652,000	524,420,705	6,858,734	-	**38**	-
	Sub Total	**24,536,780**	**524,420,705**	**6,858,734**	-	**38**	-
General Administration and Support Services	General Administration and Support Services	36,711,000		40,646,117	-	**79**	-
	Sub-Total	**36,711,000**	-	**40,646,117**	-	**79**	-
	Grand Total	**70,147,977**	**885,108,627**	**53,756,324**		**69**	-
Water, Environment and Natural Resources							
General administration, planning support	General administration, planning support	23,056,582	34,000,000	20,295,911	15,000,000	**86**	-
	Sub-Total	**23,635,380**	**34,000,000**	**20,295,911**	**15,000,000**	**86**	-
Water Services	Water Management Services	10,159,632	184,076,800	12,848,670	-	**88**	-
	Water, Sanitation & Hygiene	7,128,135	134,932,358	10,049,030	35,000,000	**78**	-
Energy Development	Renewable energy	4,149,263	-	-	-	#DIV/0!	-
	Sub-Total	**21,437,029**	**319,009,158**	**22,897,700**	**35,000,000**	**82**	65%
	Grand Total	**45,072,409**	**353,009,158**	**43,193,611**	**50,000,000**	**64**	56%
Public service and administration							
General Administration, support and planning	General Administration, support and planning	1,251,996,934	20,000,000	937,324,765	-	**100**	-
Human Resource & Development	Performance management system	4,200,000	-	2,143,200	-	**26**	-
	Human resource development	178,400,000	-	166,988,662	-	**92**	-
County Administration	Administration	36,500,000	-	41,549,600	-	**93**	-
	ICT	6,008,377			-		-
	Enforcement	3,525,000	-	32,493,350	-	**100**	-
Citizen Participation	Citizen Participation	5,900,000	-	2,317,430	-	**38**	-
	Grand Total	**1,486,530,311**	**20,000,000**	**1,182,817,007**	-	**97**	1%
Lands and physical planning							
General Administration, Planning and support services	General Administration, Planning and support services	1,344,626	-	983,531	-	**73**	-
Land Policy and Planning	Physical Planning	25,564,624	-	23,885,300	-	**92**	-
	Survey, Mapping and GIS	5,405,000	100,000,000	5,084,326	39,410,977	**79**	-
	Land Administration	7,279,500	-	6,144,529		**60**	-
	Grand Total	**39,593,750**	**100,000,000**	**36,097,686**	**39,410,977**	**82**	-

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Programme	Sub-Programme	Approved Estimates		Actual Expenditure as of 31 March 2025		Absorption Rate	
		Recurrent	Development	Recurrent	Development	Recurrent	Development
Hola Municipality							
General Administration and Support Services	General Administration and Support Services	44,854,266	-	30,433,891	-	**91**	-
	KUSP	35,000,000	-		-	-	-
	Sub-Total	**79,854,266**	-	**30,433,891**	-	**91**	-
Environment and climate change							
General Administration and Support Services	General Administration and Support Services	2,222,856	1,500,000	30,433,891	-	**91**	-
	Environmental protection	45,173,694	272,498,870	-	**180,011,641**	-	-
	Solid waste management	13,102,800	66,824,896	-	-	-	-
	Control of air pollution	4,446,200		-	-	-	-
	Sub-Total	**64,945,550**	**340,823,766**	**30,433,891**	**180,011,641**	**91**	
Grand Total		**5,534,956,537**	**3,366,587,232**	**4,165,473,162**	**908,683,121**	**85**	**54%**

***Source**: Tana River County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: County Enforcement & administration in the Department of Public service at 100 per cent, General Administration, Planning, and Support Services in the Department of Public service at 100 per cent, General Administration, Planning and Support Services in the Department of Health &Sanitation at 97per cent, and General Administration, Planning and Support Services in the department of Special Programs Health and Sanitation at 96 per cent of budget allocation.

3.40.15 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 16 accounts with commercial banks, including one account for Health Facilities, one account for Vocational Training Centres, three accounts for Established Funds, one revenue account, and 10 special-purpose accounts (for additional allocations).

3.40.16 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;

i. High level of pending bills, which amounted to Kshs.1.83 billion as of 31 March 2025.
ii. The programmes and sub-programmes in Table 3.407 were not aligned with the approved budget for each department.
iii. The County Government uses commercial bank accounts for operations 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 commercial bank accounts are for grants management and vocational training centres

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

i. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year.*
ii. *The County Treasury must ensure compliance with the approved supplementary budget's programme and sub-*

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programmes.

iii. *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.*

3.41. County Government of Tharaka Nithi

3.41.1 Overview of FY 2024/25 Budget

The Tharaka Nithi County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.6.95 billion. It comprises Kshs.2.52 billion (36 per cent) and Kshs.4.44 billion (64 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.454.40 million (7 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.2.46 billion and a recurrent budget of Kshs.4.04 billion. The County's Net Approved Supplementary I Budget (gross budget less AIA estimates) is Kshs.6.75 billion, which consists of Kshs.4.24 billion for recurrent and Kshs.2.52 billion for development.

The budget will be financed from the following revenue sources: Equitable share of revenue raised nationally of Kshs.4.74 billion (68 per cent), additional allocations of Kshs.1.61 billion (23 per cent), a cash balance of Kshs.107.44 million (2 per cent) brought forward from FY 2023/24, and Kshs.485.00 million (7 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.200.00 million (3 per cent) from the Facility Improvement Fund (revenue from health facilities) which is treated as Appropriations-in-Aid (A-I-A) and Kshs.285.00 million (4 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.408.

3.41.2 Revenue Performance

In the review period, the County received Kshs.3.32 billion in revenues to fund its development and recurrent activities. This amount of Kshs, 3.32 billion represents the same amount received in the same period in FY 2023/24. The total revenue consists of Kshs.2.90 billion from the equitable share of revenue raised nationally, and its own-source revenue (OSR) collection of Kshs.315.38 million. In addition, the County had a cash balance of Kshs.107.44 million from FY 2023/24.

The total OSR collection of Kshs.315.38 million includes Appropriations in Aid (AIA) of Kshs.163.20 million from Facilities Improvement Financing (FIF) and Kshs.152.18 million from other OSR sources. OSR collections from the FIF were received from Chuka Level 5 Hospital, Kibung'a Level 4, Marimanti Level 4, Magutuni Level 4 Hospitals, where FIF is collected. Table 3.408 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.408: Tharaka Nithi County, Revenue Performance in the First Nine Months of FY 2024/25

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	4,749,766,131	2,901,973,047	61.1
Sub Total		**4,749,766,131**	**2,901,973,047**	**61.1**
B	**Conditional Grants**			
1	Danida	6,045,000	-	-
2	Other Conditional Grants/CHP National Grant	29,730,288	-	-
3	Supplement of Construction	28,000,000	-	-
4	National Agricultural Value Chain Development Project (NAVCDP	151,515,152	-	-
5	Kenya Informal Settlement Programme	168,945,347	-	-
6	Emergency Locust Response Project (ELRP)	104,600,000	-	-
7	FLoCCA	193,631,810	-	-
8	WB KWASH PforR	353,808,808	-	-
9	Aquaculture Business Development Programme	12,810,384	-	-
10	Aggregated Industrial Parks Programme	250,000,000	-	-
11	KDSP-II	37,500,000	-	-
12	KUSP - UIG Grant	35,000,000	-	-
13	KUSP - UDG Grant	66,362,245	-	-

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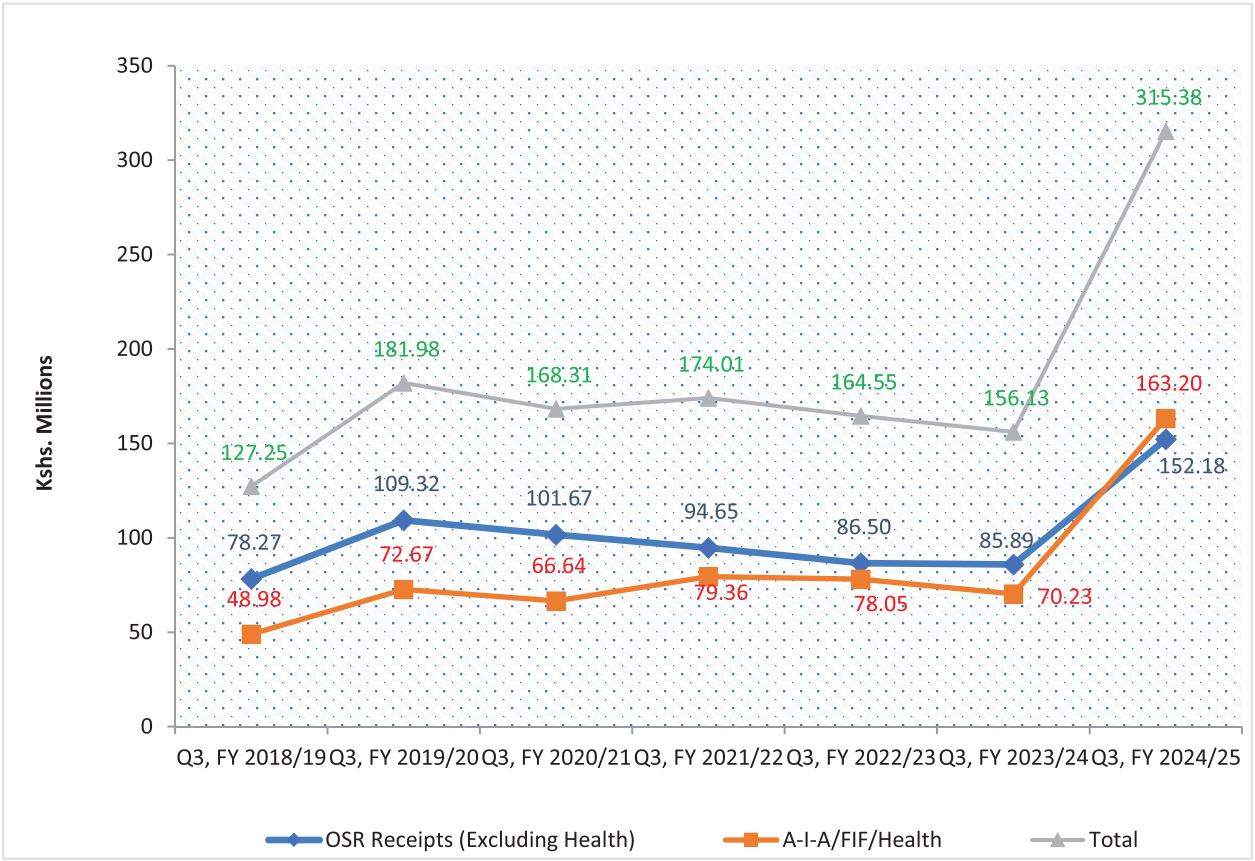
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
14	Road Maintenance Levy	161,810,687	-	-
15	Kenya Agribusiness Development Programme (KABDP)	10,918,919	-	-
Sub-Total		**1,610,678,640**	**-**	**-**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	285,000,000	152,180,012	53.4
2	Balance b/f from FY2023/24	107,439,962	107,439,962	100.0
3	FIF treated as Appropriation in Aid (AIA)	200,000,000	163,200,066	81.6
Sub Total		**592,439,962**	**422,820,040**	**71.4**
Grand Total		**6,952,884,733**	**3,324,793,087**	**47.8**

Source: *Tharaka Nithi County Treasury*

Despite collecting FIF from hospitals and treating the revenue as A-in-A, the county does not have in place legislation governing the operations of A-in-A and FIF.

Figure 158 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 158: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



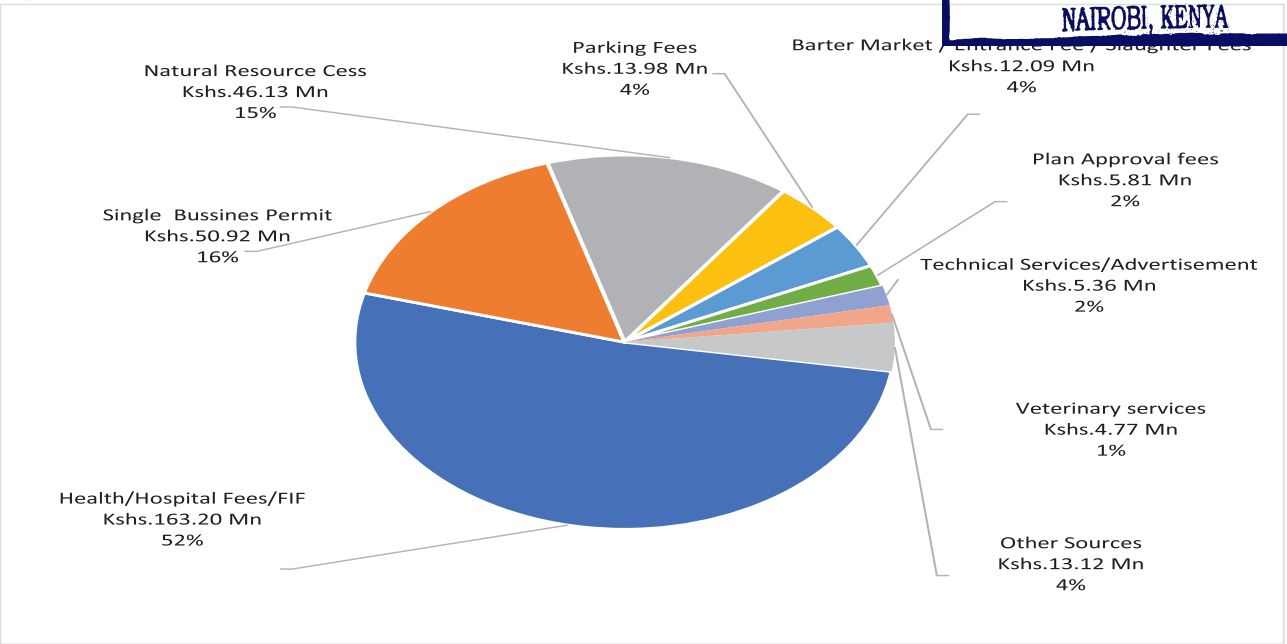
Source: *Tharaka Nithi County Treasury*

During the review period, the County generated Kshs.315.38 million from its own revenue sources, including AIA and FIF. This amount was an increase of 102 per cent compared to Kshs.156.13 million realised in a similar period in FY 2023/24 and was 65 per cent of the annual target and 11 per cent of the equitable revenue share disbursed. The OSR includes revenue arrears and penalties charged on fees and levies from previous financial years of Kshs.48.83 million

The revenue streams which contributed the highest OSR receipts are shown in Figure 159.

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Figure 159: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source: *Tharaka Nithi County Treasury*

As shown in Figure 159, the highest revenue stream of Kshs.163.20 million was from The Facility Improvement Fund from the hospitals, contributing to 52 per cent of the total OSR receipts. The County Government has automated all the 18 revenue streams.

3.41.3 Borrowing by the County

During the period under review, the County did not borrow any money.

3.41.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.15 billion from the CRF account during the reporting period, which comprised Kshs.448.50 million (14 per cent) for development programmes and Kshs.2.70 billion (86 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.00 billion was released towards compensation of employees and Kshs.719.86 million for operations and maintenance expenditure. Exchequer approved compensation for employees in the first nine months of FY 2024/25, but this does not include the March 2025 exchequer request for the County Executive and County Assembly because the March disbursement had not been received.

Analysis of the operations and maintenance exchequer releases indicates that 16 per cent was for domestic travel and 1.5 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.116.96 million and included Kshs.32.88 million for the County Executive and Kshs.84.09 million for the County Assembly. The foreign exchequer totalled Kshs.11.03 million, comprising Kshs.3.53 million for the County Executive and Kshs.7.50 million for the County Assembly.

Table 3.409: Tharaka Nithi County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor & Deputy	152.59	-	71.49	-	47	-
Roads, Infrastructure, Public Works & Urban Development	293.36	897.76	138.20	236.40	47	26
Medical Services	1,633.36	134.00	1,199.52	37.24	73	28
Agric, Livestock, Vet Services & Coop Dev	171.64	459.33	131.21	77.47	76	17
Public Admin, Intergov Coordination & Devolution Affairs	171.31	10.00	90.60	2.44	53	24
Educ & Vocational Training	277.83	30.00	149.39	21.30	54	71
Finance & Economic Planning	256.35	-	100.80	-	39	-
Environment, Mining & Natural Resources	47.32	296.00	25.34	26.00	54	9

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Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Re... (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Assembly	523.36	15.71	322.63	-	62	-
Water Services & Irrigation	57.18	418.17	34.18	28.37	60	7
County Public Service Board	33.13	5.00	14.63	-	44	-
Public Health & Sanitation	323.18	-	213.78	-	66	-
Youth & Sports	28.52	40.00	19.73	16.54	69	41
Culture and Tourism	32.34	-	21.50	-	66	-!
Revenue & Resource Mobilisation	106.42	-	79.86	-	75	-
Lands, Physical Planning and Housing	45.15	43.00	34.38	-	76	-
Fisheries & Ecosystem Dev	16.30	14.82	9.59	-	59	-
Gender, Children & Social Services	25.55	-	15.99	-	63	-
Trade, Investment Promotion, Energy & Industry	41.21	153.00	31.70	2.74	77	2
Total	**4,236.10**	**2,516.79**	**2,704.52**	**448.50**	**64%**	**18%**

***Source**: Tharaka Nithi County Treasury*

Development absorption rates are all below 50 per cent. The reason is a lack of commitment to implement projects. There is a skewed appetite for the implementation of the recurrent budget

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.16.81 million.

3.41.5 County Expenditure Review

The County spent Kshs.3.24 billion on development and recurrent programmes in the reporting period. The expenditure represented 102 per cent of the total funds released by the CoB and comprised Kshs.542.45 million and Kshs.2.70 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 22 per cent, while recurrent expenditure represented 61 per cent of the annual recurrent expenditure budget.

3.41.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.748.14 million as of 30th June 2024. This amount included Kshs.611.53 million from the County Executive and Kshs.136.61 million from the County Assembly. The pending bills from the County Executive consists of Kshs.393.02 million for recurrent expenditures and Kshs.218.50 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.288.30 million, comprising Kshs.183.53 million for recurrent programmes and Kshs.104.76 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.5.57 million, which included Kshs.5.57 million for recurrent activities.

The County Executive submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.486.71 million in the first nine months of FY 2024/25. However, the County Executive did not adhere to this payment plan, as it cleared only Kshs.288.3 million. The County Assembly paid Kshs.5.57 million without submitting a pending bill payment plan.

As of 31 March 2025, the outstanding bills amounted to Kshs.454.27 million, comprising Kshs.323.23 million for the County Executive and Kshs.131.04 million for the County Assembly.

3.41.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.87 billion on employee compensation, Kshs.500.32 million on operations and maintenance, and Kshs.542.45 million on development activities. Similarly, the County Assembly spent Kshs.174.41 million on employee compensation, Kshs.147.63 million on operations and maintenance, as shown in Table 3.410.

Table 3.410: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**3,912,745,632**	**523,355,131**	**2,373,107,199**	**322,035,298**	**61**	**62**
Compensation to Employees	2,523,869,259	270,307,616	1,872,783,270	174,409,114	74	65

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Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Operations and Maintenance	1,388,876,373	253,047,515	500,323,929	147,626,184	36	58
Development Expenditure	2,501,081,645	15,712,325	542,454,353	-	**22**	-
Total	**6,413,827,277**	**539,067,456**	**2,915,561,552**	**322,035,298**	**45**	**60**

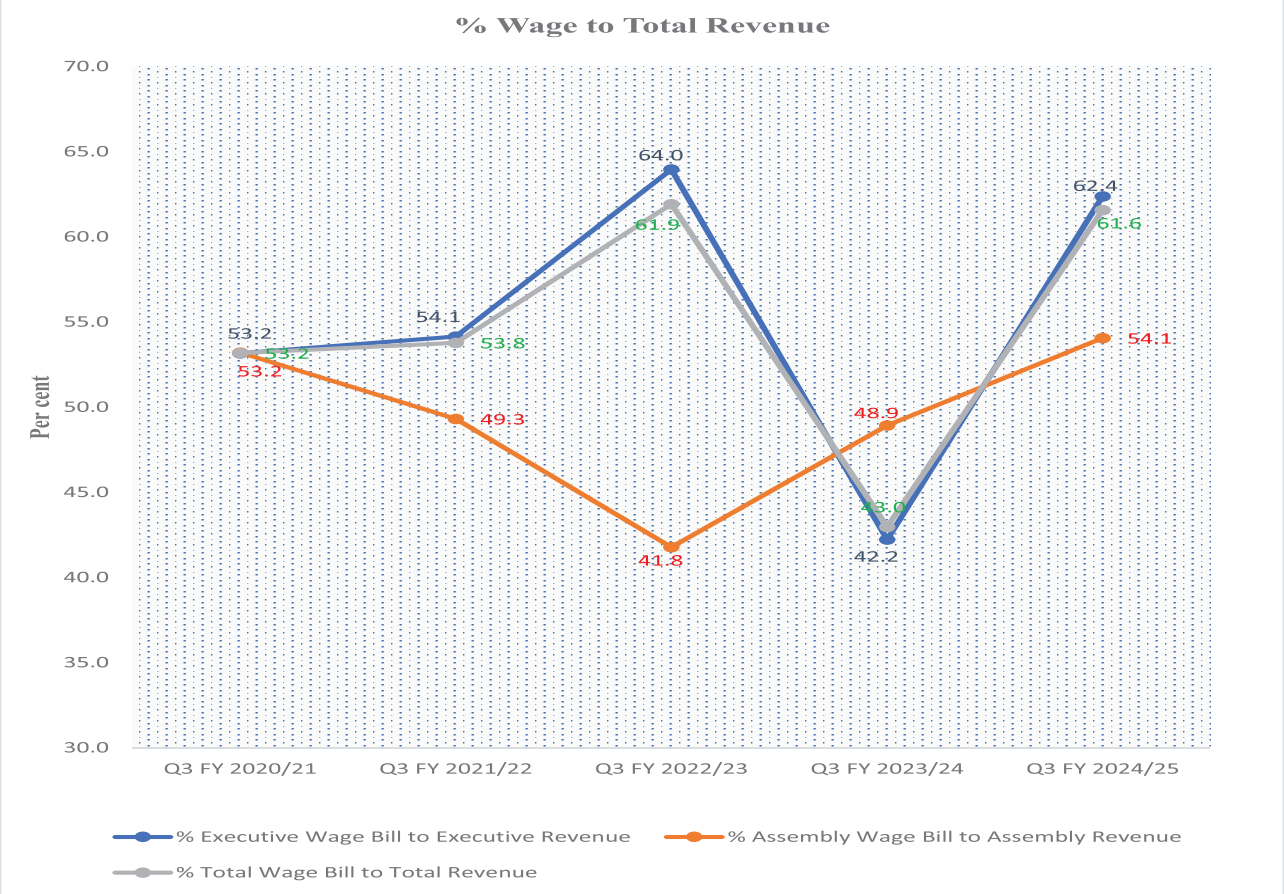
***Source**: Tharaka Nithi County Treasury*

3.41.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation totalled Kshs.2.05 billion. The total revenue, excluding earnings from extractive natural resources, including sand cess, gypsum cess, and quarry cess, amounted to Kshs.3.32 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 63 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.1.29 billion was reported during the same period in FY 2023/24. Of this total, Kshs.917.48 million was allocated to Health Sector employees, which accounts for 45 per cent of the overall employees' compensation.

Figure 160 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2020/21 to FY 2024/25.

Figure 160: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2020/21 to FY 2024/25



***Source**: Tharaka Nithi County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.79 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.211.90 million was processed through manual payrolls, which accounted for 11 per cent of the total PE cost.

The manual payrolls comprised salaries for staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.411.

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Table 3.411: Breakdown of Tharaka Nithi County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs
1	Salaries for staff are yet to be onboarded into HRIS	**4,130,480.0**
2	Salaries for casual staff	**49,120,088.0**
3	Top-up Allowances for Security Officers	**3,979,840.0**
4	LAPTRUST/LAPFUND Pension Contributions	**107,897,972.0**
5	Gratuity for contract staff	**46,773,595.0**
	Total	**211,901,975.0**

***Source**: Tharaka Nithi County Treasury*

The County Assembly spent Kshs.14.42 million on committee sitting allowances for the 24 MCAs against the annual budget allocation of Kshs.31.20 million. The average monthly sitting allowance was Kshs.66,771 per MCA. The County Assembly has 19 House Committees.

3.41.9 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.271.78 million to County-Established funds in FY 2024/25, or 4 per cent of the County's overall budget. Further, the County allocated Kshs.10.00 million to the Emergency Fund (0.15 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.410 summarises each established Fund's budget allocation and performance during the reporting period.

Note: At the time of submitting this report, the County Assembly had not submitted data on their established funds though previous reports indicate that they do have a Car and Mortgage Fund which does not have any budgetary allocation in the current year.

Table 3.412: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the established Fund	Year Established	Approved Budget Allocation in FY 2024/25	Exchequer Issues in the First Nine Months of FY 2024/25	Actual Expenditure in First Nine Months of FY 2024/25	Cumulative disbursements to the Fund	Submission of First Nine Months Financial Statements
			(Kshs.)	(Kshs.)	(Kshs)	(Kshs)	(Yes/No.)
Tharaka Nithi County Executive Established Funds							
1	Bursary Development Fund	2019	30,000,000	-	33,725,620	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	-	-	542,667	70,000,000	Yes
5	Climate Change Fund	2024	231,778,228	37,000,000	130,502,950	186,927,586	Yes
Tharaka Nithi County Assembly Established Funds							
1	Car and Mortgage Fund	-	-	-	-	-	No
	Total		**271,778,228**	**37,000,000**	**164,771,237**	**407,077,070**	

***Source**: Tharaka Nithi County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from one Fund Administrator, as indicated in Table 3.412, contrary to the requirement of Section 168 of the PFM Act, 2012. The administration costs of the executive funds were within the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

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. During the reporting period, the CoB established that no Fund had been in existence for more than 10 years.

3.41.10 County Corporations

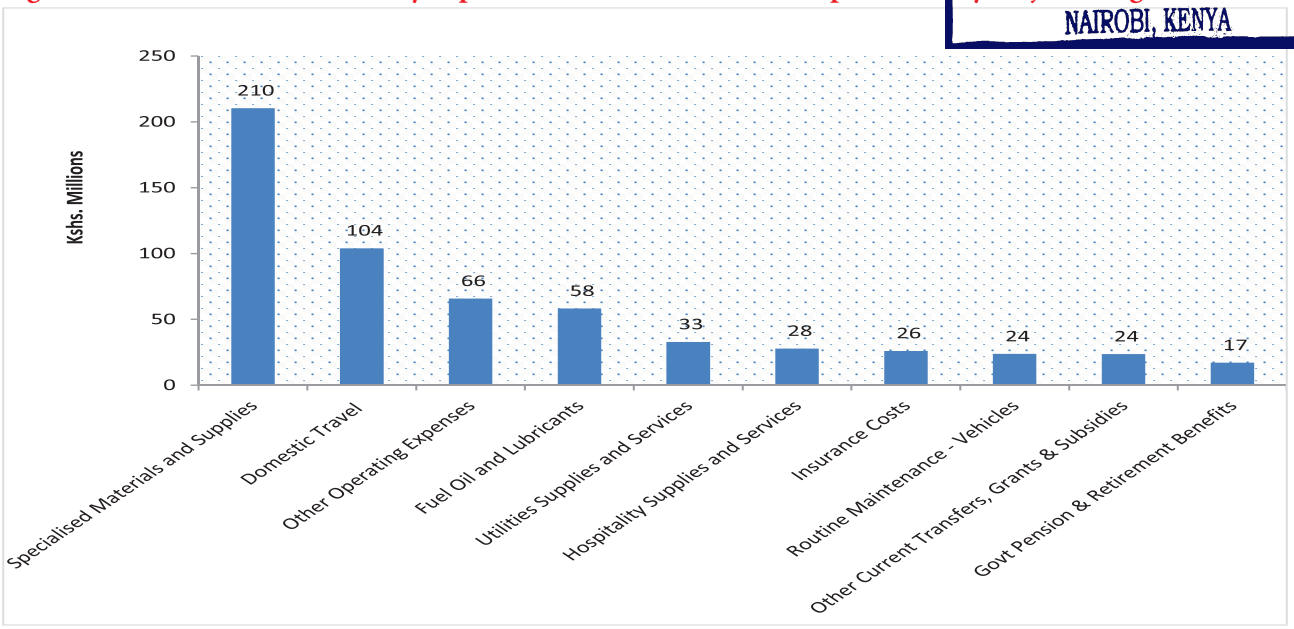
The County reported that there are no established county corporations.

3.41.11 Expenditure on Operations and Maintenance

Figure 161 summarises the Operations and Maintenance expenditure by major categories.

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Figure 161: Tharaka Nithi County, Operations and Maintenance Expenditure by Major Categories



Source: *Tharaka Nithi County Treasury*

Expenditure on domestic travel amounted to Kshs.104.03 million and comprised Kshs.84.09 million spent by the County Assembly and Kshs.19.45 million by the County Executive. Expenditure on foreign travel amounted to Kshs.8.47 million and comprised Kshs.6.50 million by the County Assembly and Kshs.1.97 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.413.

Table 3.413: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
Tharaka Nithi County Assembly	26	4th to 10th December 2024	Training on oversight	Arusha, Tanzania	7,500,000
Tharaka Nithi County Executive	1	November 09th - 23rd 2024	The 2024 United Nations Climate Change Conference (COP29)	Baku, Azerbaijan	831,450
Tharaka Nithi County Executive	2	August 26th - 29th 2024	Exploring opportunities for sourcing fire engines & emergency response equipment	London United Kingdom	1,128,365
Total					**9,459,815**

Source: *Tharaka Nithi County Treasury and Tharaka Nithi County Assembly*

Shown below is a breakdown of "*Other Operating Expenses*"

Code	Description	Amount
2211305	Contracted Guards and Cleaning Services	37,604,766
2211306	Membership Fees, Dues and Subscriptions to Professional and Trade Bodies	272,840
2211308	Legal Dues/Fees, Arbitration and Compensation Payments	11,411,433
2211310	Contracted Professional Services	1,000,000
2211320	Temporary Committees Expenses	350,000
2211323	Laundry Expenses	32,500
2211325	Constituency Office Expenses	5,067,000
	Total	**65,738,539**

Source: *Tharaka Nithi County Treasury*

3.41.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.160.87 million as Facility Improvement Financing (FIF), which was 80 per cent of the annual target of Kshs.200.00 million. The collected amount was

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retained and utilised at source in line with the Facility Improvement Financing Act, 2023. However, the County has not developed regulations to operationalise the FIF Act of 2023.

The Health Facilities did not provide a report on the utilisation of the FIF during the reporting period, contrary to Section 18(e) of the FIF Act, 2023. The expenditure by the health facilities amounted to Kshs.160.87 million

The County did not provide data on the Health Facility with the highest absorption rate.

3.41.13 Development Expenditure

In the review period, the County reported spending Kshs.542.45 million on development programmes, an increase of 87 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.296.82 million. Table 3.414 summarises the development projects with the highest expenditure in the reporting period.

Table 3.414: Tharaka Nithi County, List of Development Projects with the Highest Expenditure

Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1. Roads	Upgrading of Karandini-Kithioroni Roads to Bitumen Standard	Magumoni	23/12/2023	450,171,830	70,321,079	70,321,079	15
2. Agriculture	Crop subsidy	Countywide	11-10-2024	59,072,000	51,749,946	51,749,946	100
3. Roads	Upgrading of Kambandi-Cheera-Ruguti Road to Bitumen Standard	Mugwe	21/11/2021	356,261,151	43,355,232	43,355,232	12
4. Health Services	Equipping of the ICU	Karinagni		74,000,000	35,728,699	35,728,699	10
5. Water, Environment and Natural Resources	Distribution of drought-resistant seeds	Tharaka south, Tahraka North and igambangombe	30/06/2025	29,632,000	25,990,000	25,990,000	100
6. Water, Environment and Natural Resources	Gatonto gravity dam	Igambangombe	30/06/2025	24,045,439	22,777,796	22,777,796	100
7. Youth and Sports	Construction of stadia	karingani	30/06/2025	40,000,000	16,536,683	16,536,683	20
8. Water, Environment and Natural Resources	Construction of Naikara-Thingithu Sand dam	Marimanti	30/06/2025	16,526,866	15,871,605	15,871,605	95
9. Agriculture	Crop subsidy	Countywide	11/10/2025	13,250,000	13,250,000	13,250,000	100
10. Water, Environment and Natural Resources	Domestic Payables (Pending bills from previous years)	County wide		-	12,463,374	12,463,374	

Source: *Tharaka Nithi County Treasury*

The County did not provide data on stalled development projects and estimated value.

3.41.14 Budget Performance by Department

Table 3.415 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.415: Tharaka Nithi County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor & Deputy	152.59	-	71.49	-	71.41	0.00	100	-	47	-
Roads, Infrastructure, Public Works & Urban Dev	293.36	897.76	138.20	236.40	135.64	236.37	98	100	46	26
Medical Services	1,833.36	134.00	1,199.52	37.24	1204.62	37.24	100	100	66	28
Agric, Livestock, Vet Services & Coop Dev	171.64	459.33	131.21	77.47	131.14	77.47	100	100	76	17

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Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs Million)		Expenditure to Exchequer plus AIA (%)		Absorption Rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Public Admin, Intergov Coord & Devolution Affairs	171.31	10.00	90.60	2.44	89.91	2.44	99	100	52	24
Educ & Vocational Training	277.83	30.00	149.39	21.30	149.21	21.30	100	100	54	71
Finance & Econ Planning	256.35	-	100.80	-	100.49	0.00	100	-	39	-
Environment, Mining & Natural Resources	47.32	296.00	25.34	26.00	20.85	119.99	82	461	44	41
County Assembly	523.36	15.71	322.63	-	322.04	0.00	100	-	62	-
Water Services & Irrigation	57.18	418.17	34.18	28.37	33.23	28.37	97	100	58	7
County Public Service Board	33.13	5.00	14.63	-	13.90	0.00	95	-	42	-
Public Health & Sanitation	323.18	-	213.78	-	213.10	0.00	100	-	66	-
Youth & Sports	28.52	40.00	19.73	16.54	19.48	16.54	99	100	68	41
Culture and Tourism	32.34	-	21.50	-	21.16	0.00	98	-	65	-
Revenue & Resource Mobilisation	106.42	-	79.86	-	79.06	0.00	99	-	74	-
Lands, Physical Planning and Housing	45.15	43.00	34.38	-	34.29	0.00	100	-	76	-
Fisheries & Ecosystem Dev	16.30	14.82	9.59	-	9.39	0.00	98	-	58	-
Gender, Children & Social Services	25.55	-	15.99	-	15.10	0.00	94	-	59	-
Trade, Investment Promotion, Energy & Industry	41.21	153.00	31.70	2.74	31.15	2.74	98	100	76	2
Total	**4,436.10**	**2,516.79**	**2,704.52**	**448.50**	**2695.14**	**542.45**	**100**	**121**	**61**	**22**

***Source**: Tharaka Nithi County Treasury*

Analysis of expenditure by departments shows that the Department of Education and Vocational Training recorded the highest absorption rate of the development budget at 71 per cent, followed by the Departments of Environment, Mining, and Natural Resources, and Youth and Sports at 41 per cent. The Departments of Lands, Physical Planning and Housing, and Trade, Investment Promotion, Energy, and Industry had the highest percentage of recurrent expenditure to budget at 76 per cent. At the same time, five departments with budgetary allocations for development had not recorded any expenditure at the end of the third quarter.

It is also observed that the ratio of exchequer received to development expenditure in the Department of Environment, Mining, and Natural Resources is 461 per cent. The reason for this is that FLLoCa's funds of approximately Kshs.100 million rolled over into the current financial year. These funds were never returned to the CRF. It also explains the reason the development expenditure is higher than the total development exchequer received

3.41.15 Budget Execution by Programmes and Sub-Programmes

Table 3.416 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.416: Tharaka Nithi County, Budget Execution by Programmes and Sub-Programmes

Dept	Prog	Sub Program	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate (%)	
			Rec.	Dev.	Rec.	Dev.	Rec.	Dev.
Office of the Governor & Deputy Governor			**152,585,700**	-	**71,407,169**	-	**47**	-
	County Government Advisory Services		**53,750,800**	-	**28,357,574**	-	**53**	-
	Communication & Strategy		10,700,000	-	2,281,180	-	21	-
		Public Sector Advisory Services (Legal & Economic Advisors)	43,050,800	-	26,076,394	-	61	-
County Leadership & Coordination of MDAs			**5,280,000**	-	**2,246,500**	-	**43**	-
		Coord of CMAs (Office of County Secretary)	5,280,000	-	2,246,500	-	43	-
	Gen. Admin., Planning & Support Services		**93,554,900**	-	**40,803,095**	-	**44**	-
		Coord & Supervisory Services (Deputy Governor's Office)	28,920,000	-	7,703,600	-	27	-

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			Rec.	Dev.	Rec.	Dev.	Rec.	Dev.
		Management of County Affairs (Office of the Governor)	64,634,900	-	33,099,495	-	51	-
Roads, Infrastructure, Public Works & Urban Dev.			**293,360,000**	**897,756,034**	**135,644,251**	**236,369,803**	**46**	**26**
	Chuka Municipality Dev. Programme		**14,000,000**	-	**8,500,000**	-	**61**	-
		Chuka Municipality Admin. & Management	14,000,000	-	8,500,000	-	61	-
	Gen. Admin. Planning & Support Services		**33,900,400**	**4,000,000**	**32,201,264**	-	**95**	-
		Gen. Admin. Services	33,900,400	4,000,000	32,201,264	-	95	-
	Kathwana Municipality Dev. Program		**11,550,000**	-	**9,580,199**	-	**83**	-
		Kathwana Urban Area Support	11,550,000	-	9,580,199	-	83	-
	Public Works & Housing Services		**3,785,000**	**30,000,000**	**2,071,500**	**448,400**	**55**	**1**
		Public Works Services	3,785,000	30,000,000	2,071,500	448,400	55	1
	Roads Transport		**161,724,600**	**659,810,687**	**75,132,278**	**221,461,924**	**46**	**34**
		Rural Roads Improvement & Maintenance Services	161,724,600	659,810,687	75,132,278	221,461,924	46	34
	Urban Dev. & Admin.		**68,400,000**	**203,945,347**	**8,159,010**	**14,459,479**	**12**	**7**
		Urban Administrative Services	68,400,000	203,945,347	8,159,010	14,459,479	12	7
Medical Services			**1,833,357,022**	**134,000,000**	**1,204,615,257**	**37,241,837**	**66%**	**28**
	Curative & Rehabilitative Services		**159,639,528**	-	**107,659,826**	-	**67**	-
		Medical Supplies	159,639,528	-	107,659,826	-	67	-
	Gen. Admin. Planning & Support Services		**1,628,771,894**	**134,000,000**	**1,068,959,423**	**37,241,837**	**66**	**28**
		Gen. Admin. Services	173,800,000	134,000,000	73,121,708	37,241,837	42	28
		Human resource management	1,242,571,894	-	904,457,339	-	73	-
		Policy, Planning, Financing & Budgeting-CRH	212,400,000	-	91,380,376	-	43	-
	ICT Infrastructure Dev.		**44,945,600**	-	**27,996,009**	-	**62**	-
		ICT Infrastructure Dev.	44,945,600	-	27,996,009	-	62	-
Agriculture, Livestock, Veterinary Services, & Coop. Dev.			**171,639,393**	**459,334,071**	**131,139,816**	**77,469,724**	**76**	**17**
	Coop. Dev. & Management		**1,324,521**	-	-	-	-	-
		Coop. Dev.	1,324,521	-	-	-	-	-
	Crop Dev. & Management		**7,719,263**	**142,300,000**	**251,665**	-	**3**	-
		Crops Dev., Agribusiness & Market Dev.	7,719,263	142,300,000	251,665	-	3	-
	Gen. Admin. Planning & Support Services		**100,659,154**	**294,034,071**	**90,754,635**	**72,630,536**	**90**	**25**
		Admin., Policy, Strategy & Management of Agriculture	100,659,154	294,034,071	90,754,635	72,630,536	90	25
	Livestock & Fisheries Resource Management & Dev.		**61,936,455**	**23,000,000**	**40,133,516**	**4,839,188**	**65**	**21**
		Livestock Policy Dev. & Capacity Building	57,236,455	5,000,000	40,041,016	4,839,188	70	97
		Veterinary Services & Disease Prevention	4,700,000	18,000,000	92,500	-	2	-
Public Admin., Intergovernmental Coordination & Devolution Affairs			**171,314,300**	**10,000,000**	**89,908,032**	**2,440,155**	**52**	**24**
	Gen. Admin., Planning & Support Services		**171,314,300**	**10,000,000**	**89,908,032**	**2,440,155**	**52**	**24**
		Gen. Admin. & Support Services	128,964,300	-	85,616,532	2,440,155	66	-
		Human Resource Management Services	39,490,000	-	3,180,300	-	8	-
		Sub-County Admin. & Field Services	2,860,000	10,000,000	1,111,200	-	39	-
Education & Vocational Training			**277,833,126**	**30,000,000**	**149,206,847**	**21,295,197**	**54**	**71**
	Education & Youth Training		**63,911,403**	**30,000,000**	**28,205,668**	**21,295,197**	**44**	**71**

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			Rec.	Dev.	Rec.	Dev.	Rec.	Dev.
		Promotion of Basic Education (ECDE)	38,866,065	20,000,000	4,575,668	16,346,113	12	82
		Youth Training & Capacity Building	25,045,338	10,000,000	23,630,000	4,949,084	94	49
	Gen. Admin. Planning & Support Services		**213,921,723**	-	**121,001,179**	-	**57**	-
		Admin. Planning & Support Services	213,921,723	-	121,001,179	-	57	-
Finance & Economic Planning			**256,350,200**	**5,000,000**	**100,488,566**	-	**39**	-
	Economic Policy & County Planning		**8,870,000**	-	**2,305,978**	-	**26**	-
		County Statistics Services	2,650,000	-	493,700	-	19	-
		Economic Dev., Planning & Coordination Services	2,170,000	-	608,478	-	28	-
		Monitoring & Evaluation Services	4,050,000	-	1,203,800	-	30	-
	Financial Management Services		**24,430,000**	-	**13,415,766**	-	**55**	-
		Accounting Services	4,350,000	-	1,429,730	-	33	-
		Audit Services	3,750,000	-	1,668,536	-	44	-
		Budget Formulation & Coord	4,150,000	-	743,500	-	18	-
		Supply Chain Management Services	12,180,000	-	9,574,000	-	79	-
	Gen. Admin., Planning & Support Services		**223,050,200**	**5,000,000**	**84,766,822**	-	**38**	-
		Human Resource Management Services	223,050,200	5,000,000	84,766,822	-	38	-
Environment, Mining & Natural Resources			**47,318,000**	**296,000,000**	**20,847,243**	**119,989,776**	**44**	**41**
	Energy Resource Dev. & Management			-	-	-	-	-
		Energy Resource Dev. & Management		-	-	-	-	-
	Environment & Natural Resources Management		**25,968,000**	-	**18,847,243**	**119,989,776**	**73**	-
		Environment & Natural Resources	25,968,000	-	18,847,243	119,989,776	73	-
	Environment Management & Natural Resources Conservation		**21,350,000**	**296,000,000**	**2,000,000**	-	**9**	-
		Climate Change	21,350,000	296,000,000	2,000,000	-	9	-
County Assembly			**523,355,131**	**15,712,325**	**322,035,298**	**0.00**	**62**	-
	Gen Admin, Planning & Support Services		**294,947,308**	**15,712,325**	**131,667,554**	-	**45**	-
		Office of the Clerk	294,947,308	15,712,325	131,667,554	-	45	-
	County Legislation Services		**269,344,692**	-	**190,367,744**	-	-	-
		County Assembly Legislation Services	197,859,773	-	129,976,166	-	66	-
		Coordination Services (Office of the Speaker)	15,600,000	-	8,803,100	-	56	-
		Procedure and Oversight Services (Committees)	55,884,919	-	51,588,478.10	-	92	-
Water Services & Irrigation			**57,180,323**	**418,171,156**	**33,226,854**	**28,366,467**	**58**	**7**
	Environment & Natural Resources Management -			-	-	**24,814,317**	-	-
		Water Services	-	-	-	24,814,317	-	-
	Water Supply Services		**57,180,323**	**418,171,156**	**33,226,854**	**3,552,150**	**58**	**1**
		Domestic Water Services	46,129,323	18,652,580	31,837,654	-	69	-
		Irrigation & Drainage Services	6,418,000	22,477,000	1,338,800	-	21	-
		Water Storage Services	4,633,000	377,041,576	50,400	3,552,150	1	1
County Public Service Board			**33,133,400**		**13,900,971**		**42**	-
	Gen. Admin., Planning & Support Services		**33,133,400**	-	**13,900,971**	-	**42**	-
		Gen. Admin. & Support Services	26,863,400	-	13,182,071	-	49	-
		HR Management Services	6,270,000	-	718,900	-	11	-

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			Rec.	Dev.	Rec.	Dev.	Rec.	Dev.
Public Health & Sanitation			**323,182,688**	**-**	**213,096,013**		**66**	**-**
	Curative & Rehabilitative Services		**-**	**-**			**-**	**-**
		Medical Supplies	-	-	-	-	-	-
	Preventive & Promotive Health Services		**323,182,688**	**-**	**213,096,013**	**-**	**66**	**-**
		Environmental Health Services	59,606,288	-	4,864,218	-	8	-
		Health Promotion & Disease Control	263,576,400	-	208,231,795	-	79	-
		Reproductive Maternal & Child Health Services	-	-	-	-	-	-
Youth & Sports			**28,518,800**	**40,000,000**	**19,476,459**	**16,536,683**	**68**	**41**
	Sports Dev. & Promotion		**28,518,800**	**40,000,000**	**19,476,459**	**16,536,683**	**68**	**41**
		Athletics Championships & Other Games	798,000	40,000,000	-	-	-	-
		County Football League & Clubs Dev.	1,080,000	-	-	-	-	-
		Talent Search & Promotion	26,640,800	-	19,476,459	16,536,683	73	-
Culture & Tourism			**32,344,000**	**-**	**21,158,128**		**65**	**-**
	Culture, Arts & Social Services		**29,225,000**	**-**	**21,158,128**	**-**	**72**	**-**
		Culture & Arts Promotion	29,225,000	-	21,158,128	-	72	-
	Tourism Dev. & Promotion		**3,119,000**	**-**	-	-	-	-
		Miss Tourism Tharaka Nithi	1,995,720	-	-	-	-	-
		Tourism Branding & Marketing	1,123,280	-	-	-	-	-
		Tourism Promotion & Infrastructure Dev.	-	-	-	-	-	-
Revenue & Resource Mobilisation			**106,424,200**	**-**	**79,059,351**		**74**	**-**
	Financial Management Services		**8,009,500**	**-**	**791,450**	**-**	**10**	**-**
		Resource Mobilisation & Management	8,009,500	-	791,450	-	10	-
	Resource Mobilisation		**98,414,700**	**-**	**78,267,901**	**-**	**80**	**-**
		Revenue Admin.	98,414,700	-	78,267,901	-	80	-
Lands, Physical Planning & Housing			**45,148,000**	**43,000,000**	**34,285,592**		**76**	**-**
	Energy Resource Dev. & Management			**-**	**-**	**-**	**-**	**-**
		Energy Resource Dev. & Management		-	-	-	-	-
	Environment & Natural Resources Management			**-**	**-**	**-**	**-**	**-**
		Environment & Natural Resources	-	-	-	-	-	-
	Land Policy & Planning		**45,148,000**	**43,000,000**	**34,285,592**	**-**	**76**	**-**
		Land Admin. & management	3,836,000		1,216,820	-	32	-
		Physical Planning Services	41,312,000	43,000,000	33,068,772	-	80	-
Fisheries & Ecosystem Dev.			**16,295,000**	**14,810,384**	**9,389,670**	**-**	**58**	**-**
	Livestock & Fisheries Resource Management & Dev.		**16,295,000**	**14,810,384**	**9,389,670**	**-**	**58**	**-**
		Fisheries Dev. & Promotion	16,295,000	14,810,384	9,389,670	-	58	-
Gender, Children & Social Services			**25,550,000**	**-**	**15,104,218**	**-**	**59**	**-**
	Gender & Youth Empowerment		**25,550,000**	**-**	**15,104,218**	**-**	**59**	**-**
		Gender, Youth & Women Empowerment	25,550,000	-	15,104,218	-	59	-
Trade, Investment Promotion, Energy & Industry			**41,211,480**	**153,000,000**	**31,152,765**	**2,744,711**	**76**	**2**
	Energy Resource Dev. & Management		**35,351,480**	**3,000,000**	**30,718,715**	**2,744,711**	**87**	**91**
		Energy Resource Dev. & Management	35,351,480	3,000,000	30,718,715	2,744,711	87	91
	Gen. Admin. Planning & Support Services		**-**	**-**	-	-	-	-
		Gen. Admin. Services	-	-	-	-	-	-
	Gen. Admin., Planning & Support Services		**-**	**-**	-	-	-	-

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Dept	Prog	Sub Program	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31 March 2025		Absorption Rate	
			Rec.	Dev.	Rec.	Dev.	Rec.	Dev.
		Gen. Admin. & Support Services	-	-	-	-	-	-
	Industrial Dev. & Investment		**5,860,000**	**150,000,000**	**434,050**	**-**	**7**	**-**
		Consumer Protection & Fair-Trade Practices	2,250,000	-	182,450	-	8	-
		Industrial Dev.	3,610,000	150,000,000	251,600	-	7	-
	Resource Mobilisation		-	-	-	-	-	-
		Revenue Admin.	-	-	-	-	-	-
Office of the County Secretary & County Attorney			-		-	-	-	-
	County Government Advisory Services		-	-	-	-	-	-
		Public Sector Advisory Services (Legal & Economic Advisors)	-	-	-	-	-	-
	County Leadership & Coordination of MDAs		-	-	-	-	-	-
		Coordination of CMAs (Office of County Secretary)	-	-	-	-	-	-
Grand Total			**4,436,100,763**	**2,501,071,645**	**2,695,142,497**	**542,454,353**	**61**	**22**

***Source**: Tharaka Nithi County Treasury*

Recurrent sub-programmes with the highest levels of implementation based on absorption rates were: General administration, planning and support services in the department of roads, infrastructure, public works & urban development at 95 per cent, general administration, planning and support services in the department of agriculture, livestock, veterinary services & cooperative development at 90 per cent, energy resource development and management in the department of trade, investment promotion, energy and industry at 87 per cent of the budget allocation.

The development sub-programmes with the highest levels of implementation based on absorption rates were: livestock policy development and capacity building in the department of agriculture, livestock, veterinary services and cooperative development at 97 per cent, energy resource development and management in the department of trade, investment promotion, energy and industry at 91 per cent, promotion of basic education (ECDE) in the department of education and vocational training at 82 per cent of the budget allocation.

3.41.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 17 bank accounts with commercial banks, including five accounts for Health Facilities, six accounts for Established Funds, four revenue accounts, one special-purpose account (for additional allocations), and one account for receiving deposits from asset disposals.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening all the commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.41.17 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;

i. Unspent funds from FY 2023/24 were not refunded into the CRF account, resulting in expenditures exceeding the approved exchequer in the Environment, Mining, and Natural Resources departments, as shown in Table 3.413.
ii. The County Assembly Fund Administrators failed to submit quarterly financial and non-financial reports to the Controller of Budget (CoB) within the timelines provided by law, which is contrary to the requirement

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of Section 168 of the Public Finance Management Act, 2012. The report for the car and borrowing fund was not submitted to the Controller of Budget as of 15 April 2025.

iii. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

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

i. *The County Treasury should ensure unspent funds from the previous financial year are deposited into the CRF Account in line with Section 136 of the PFM Act 2012.*
ii. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
iii. *The County Treasury should ensure it submits to OCoB copies of authorisation letters for opening commercial bank accounts to enhance accountability and oversight.*

3.42. County Government of Trans Nzoia

3.42.1 Overview of FY 2024/25 Budget

The Trans Nzoia County Gross Approved Budget for FY 2024/25 is Kshs.10.52 billion. It comprises Kshs.4.45 billion (42 per cent) and Kshs.6.07 billion (58 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.336 million (3 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.4.35 billion and a recurrent budget of Kshs.5.83 billion. The increase in the budget was attributed to the rise in Balance Brought Forward.

The budget will be financed from the following revenue sources: the equitable share of revenue raised nationally of Kshs.7.80 billion (74 per cent), additional allocations of Kshs.1.44 billion (14 per cent), a cash balance of Kshs.599.99 million (6 per cent) brought forward from FY 2023/24, and Kshs.680.00 million (7 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.311.70 million (3 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.368,30 million (4 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.415.

3.42.2 Revenue Performance

During the review period, the County received Kshs.5.42 billion in revenues to fund its development and recurrent activities. This amount represents a decrease of Kshs.574.76 million from Kshs.5.99 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.37 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.11.00 million, and its own-source revenue (OSR) collection of Kshs.381.22 million. In addition, the County had a cash balance of Kshs.599.99 million from FY 2023/24.

The total OSR collection of Kshs.381.22 million includes Facilities Improvement Financing (FIF) of Kshs.175.30 million, and Kshs.205.91 million from other OSR sources. OSR collections from the FIF were received from Endebes, Kwanza, Kapsara, Tom Mboya, Cherangany, Matunda, Tulwet, Wamalwa Kijana Referral Hospital, Kitale and public health. Table 3.417 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.417: Trans Nzoia County, Revenue Performance in the First Nine Months of FY 2024/25

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally -**	7,798,593,372	4,373,490,868	56
	Subtotal	**7,798,593,372**	**4,373,490,868**	**56**
B	**Additional Allocations**			
1	DANIDA Grant (Universal Healthcare in Devolved System Program)	8,872,500	-	-
2	International Fund for Agricultural Development Loan (IFAD)	39,050,000	-	-
3	Kenya Agricultural Business Development Project (KABDP)	10,918,919	-	-
4	Roads Maintenance Fuel Levy	149,496,401	-	-
5	Kenya Informal Settlement Programme II (KISIP II)	621,834,073	-	-
6	National Value Chain Development Programme (NAVCDP)	151,515,152	-	-
7	Kenya Urban Support Programme -UIG II	35,000,000	-	-

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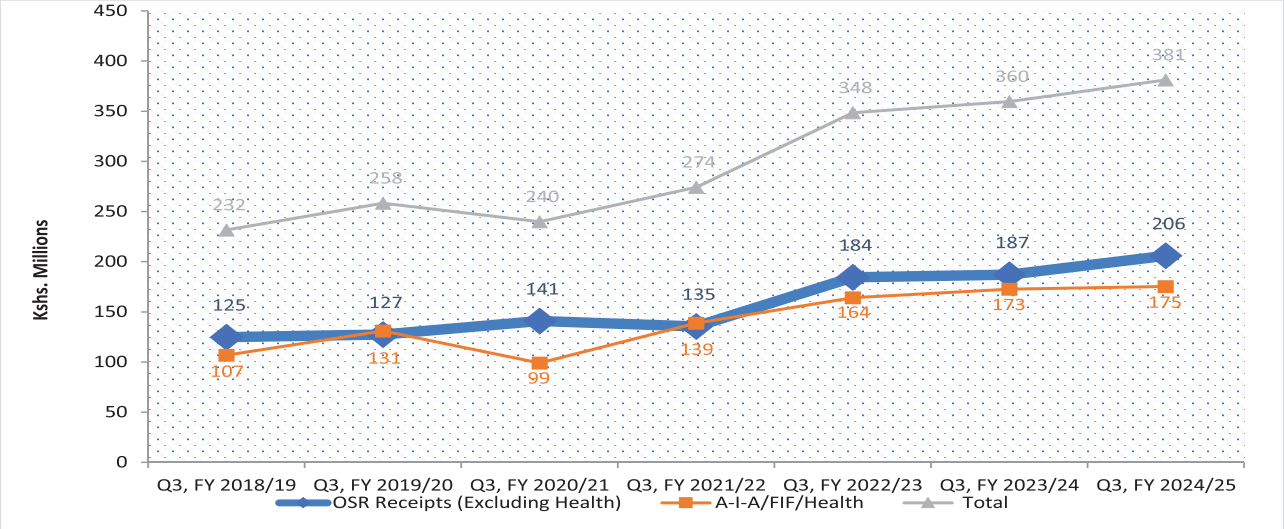
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
8	Kenya Urban Support Programme -UDG	131,267,528	-	-
9	Museum Grant	12,343,968	-	-
10	IDA (World Bank) credit: Kenya Devolution Support Project (KDSP) "Level II Grant"	37,500,000	-	
1	IDA - FLLoCA (County Climate Institutional Support) Grant	11,000,000	11,000,000	100
2	IDA - FLLoCA (County Climate Resilient Investment) Grant	149,730,885	-	-
3	KFW - FLLoCA (County Climate Resilient Investment) Grant	84,651,450	-	-
Subtotal		**1,443,180,876**	**11,000,000**	**1**
C	**Own Source Revenue**			
1	Ordinary Own Source Revenue	368,300,000	205,913,597	56
2	Appropriation in Aid (A-I-A)	-	-	-
3	Facility Improvement Fund (FIF)	311,700,000	175,304,518	56
Subtotal		**680,000,000**	**381,218,115**	**56**
D	**Other Sources of Revenue**			
1	Unspent balance from FY 2023/24	599,985,795	599,985,795	100
2	Other Revenues (provide a list)	-	54,131,579	-
Sub-Total		**599,985,795**	**654,117,374**	**100**
Grand Total		**10,521,760,043**	**5,419,826,357**	**52**

Source: *Trans Nzoia County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF.

Figure 162 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 162: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



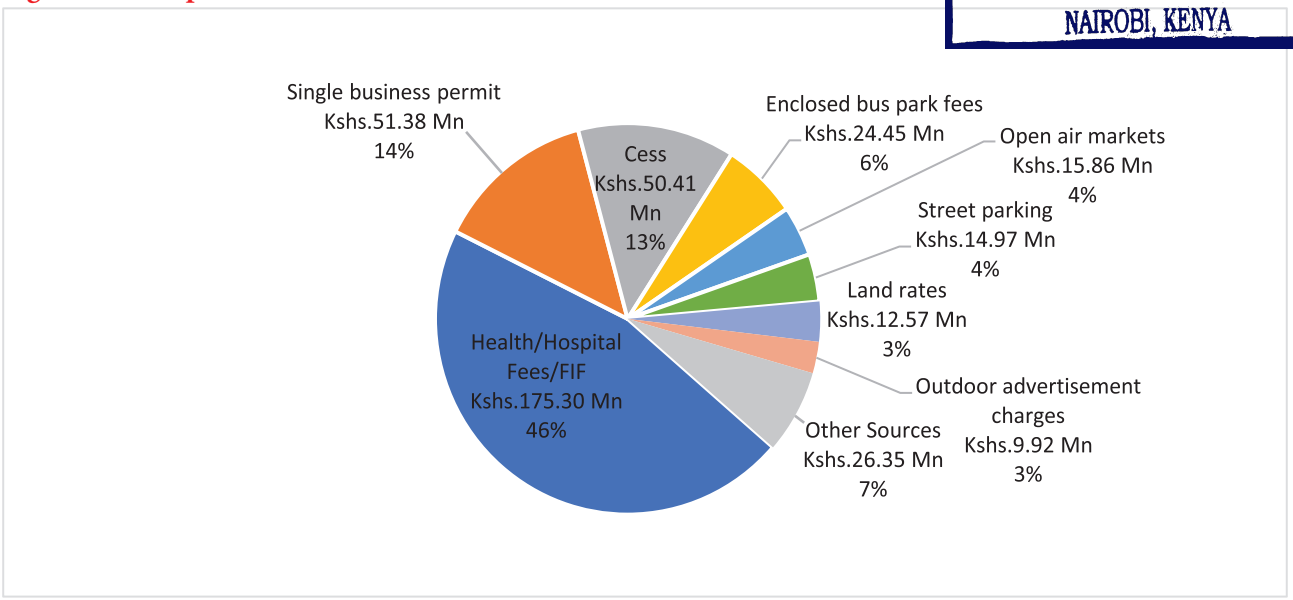
Source: *Trans Nzoia County Treasury*

During the review period, the County generated Kshs.381.22 million from its own revenue sources, including AIA and FIF. This amount was an increase of 6 per cent compared to Kshs.359.71 million realised in a similar period in FY 2023/24, 56 per cent of the annual target and 9 per cent of the equitable revenue share disbursed.

The increase was due to the enhancement of the cess revenue stream collection. The revenue streams which contributed the highest OSR receipts are shown in Figure 163.

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Figure 163: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



***Source**: Trans Nzoia County Treasury*

As shown in Figure 163, the highest revenue stream, Kshs.175.30 million, was from Health/Hospital Fees/FIF, contributing 46 per cent of the total OSR receipts. The County Government has automated 48 revenue streams out of 51.

3.42.3 Borrowing by the County

There was no borrowing by the county government during the reporting period.

3.42.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.4.89 billion from the CRF account during the reporting period, which comprised Kshs.1.24 billion (25 per cent) for development programmes and Kshs.3.65 billion (75 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.80 billion was released towards compensation of employees and Kshs.846.86 million for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, which does not include the March 2025 exchequer request for the County Assembly due to the delay in the disbursement of the exchequer.

Analysis of the operations and maintenance exchequer releases indicates that 11 per cent was for domestic travel and 2 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.97.35 million and included Kshs.38.36 million for the County Executive and Kshs.58.99 million for the County Assembly. The foreign exchequer totalled Kshs.13.06 million and was entirely incurred by the assembly.

Table 3.418: Trans Nzoia County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture	243.94	321.10	142.98	3.00	59	1
Livestock	5.28	119.97	1.73	6.00	33	5
Trade, Commerce	44.62	92.28	35.91	25.00	81	27
Water, Environment and Natural Resources	69.51	478.04	55.76	51.69	80	11
Public Works, Transport	107.89	103.43	95.12	6.49	88	6
Roads and Infrastructure	23.90	575.14	23.72	90.84	99	16
Health Corporate	2,302.55	162.97	1,587.32	18.26	69	11
Lands, Housing	61.97	746.61	48.00	54.21	78	7
Municipality Board of Kitale	20.72	212.38	7.14	-	35	-
Gender, Sports, Culture	161.52	335.69	75.06	95.93	47	29
Governance	209.71	38.82	59.63	-	28	-

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Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
PSM	602.73	249.03	261.95	100.72	44	40
CPSB	62.20	10.50	36.62	-	59	-
Education, ICT	668.00	159.25	389.18	44.99	58	28
Finance	609.23	728.72	395.36	664.56	65	91
Economic Planning	30.33	7.00	4.44	-	15	-
County Attorney	121.95	-	30.17	-	25	-
County Assembly	724.15	110.65	396.22	84.84	55	77
Total	**6,070.19**	**4,451.57**	**3,646.31**	**1,246.53**	**60**	**28**

***Source**: Trans Nzoia County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.358.34 million.

3.42.5 County Expenditure Review

The County spent Kshs.4.86 billion on development and recurrent programmes in the reporting period. The expenditure represented 99 per cent of the total funds released by the CoB and comprised of Kshs.1.22 billion and Kshs.3.64 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 27 per cent, while recurrent expenditure represented 60 per cent of the annual recurrent expenditure budget.

3.42.6 Settlement of Pending Bills

As of 30th June 2024, the county reported pending bills totalling Kshs.2.16 billion, including Kshs.2.16 billion from the County Executive. The pending bills from the County Executive consist of Kshs.943.34 million for recurrent expenditures and Kshs.1.22 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.921.83 million, comprising Kshs.204.85 million for recurrent programmes and Kshs.716.98 million for development programmes.

The County Executive submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.1.62 billion in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.921.83 million for the Executive.

As of 31st March 2025, the outstanding bills amounted to Kshs.1.24 billion, comprising Kshs.1.24 billion for the County Executive.

3.42.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.51 billion on employee compensation, Kshs.738.35 million on operations and maintenance, and Kshs.1.13 billion on development activities. Similarly, the County Assembly spent Kshs.231.47 million on employee compensation, Kshs.164.75 million on operations and maintenance, and Kshs.84.84 million on development activities, as shown in Table 3.419.

Table 3.419: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**5,346,041,759**	**724,153,000**	**3,248,336,760**	**396,216,315**	**61**	**55**
Compensation to Employees	3,425,645,619	349,574,274	2,509,983,684	231,466,632	73	66
Operations and Maintenance	1,920,396,140	374,578,726	738,353,076	164,749,683	38	44
Development Expenditure	**4,340,915,284**	**110,650,000**	**1,135,893,768**	**84,839,685**	**26**	**77**
Total	**9,686,957,043**	**834,803,000**	**4,384,230,528**	**481,056,000**	**45**	**58**

***Source**: Trans Nzoia County Treasury*

3.42.8 Expenditure on Compensation to Employees

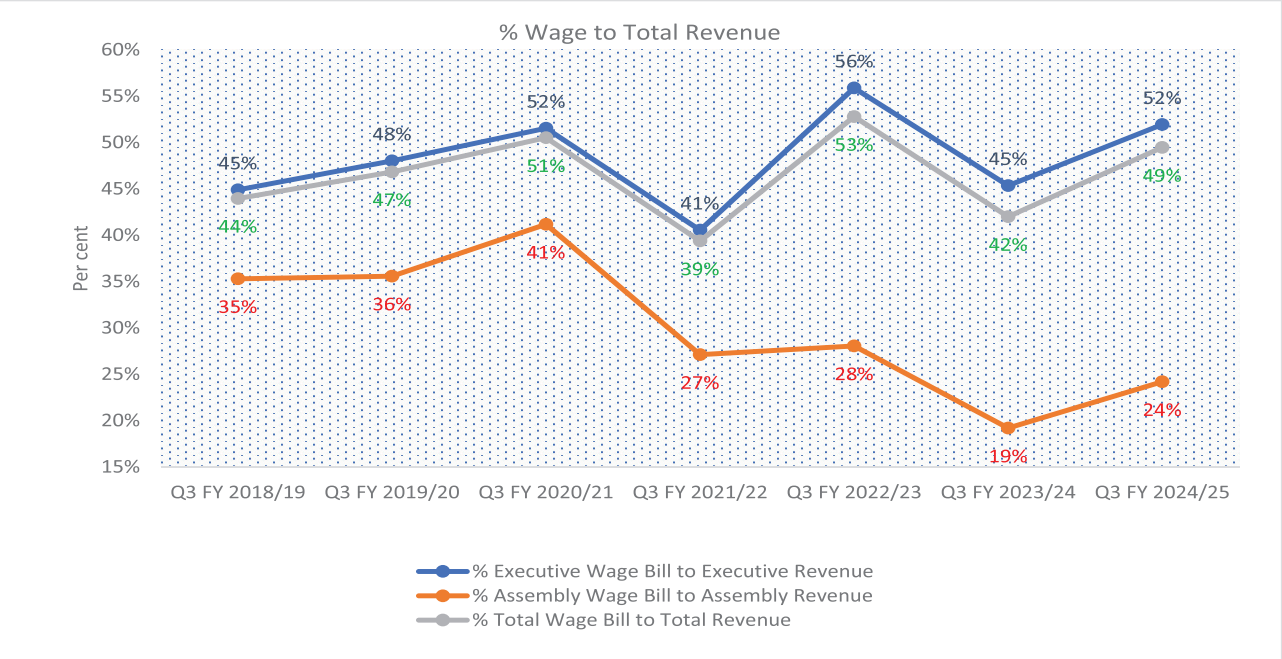
In the period under review, the expenditure on employee compensation amounted to Kshs.2.74 billion. The percentage of employee compensation to the reported revenue is 51 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.2.59 billion was reported during the same period in FY 2023/24. Of this

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total, Kshs.1.57 billion was allocated to Health Sector employees, which accounts for 58 per cent of the overall employees' compensation.

Figure 164 shows the compensation trend to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 164: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: Trans Nzoia County Treasury*

Further analysis indicates that PE costs amounting to Kshs.2.70 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.37.78 million was processed through manual payrolls, which accounted for 1 per cent of the total PE cost.

The manual payrolls comprised salaries for 86 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for 570 casual staff, gratuity remittances to pension schemes for staff on contract, as shown in Table 3.420.

Table 3.420: Breakdown of Trans Nzoia County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
	Salaries for staff are yet to be onboarded into HRIS	20,521,525
	Salaries for casual staff	17,263,255
	Gratuity for contract staff	3,157,213
	Total	**40,941,993**

***Source**: Trans Nzoia County Treasury*

The County Assembly spent Kshs.14.92 million on committee sitting allowances for the 33 MCAs against the annual budget allocation of Kshs.42.43 million. The average monthly sitting allowance was Kshs.48,776 per MCA. The County Assembly has 22 House Committees.

3.42.9 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.258.76 million to County-Established funds in FY 2024/25, or 2 per cent of the County's overall budget. Further, the County allocated Kshs.40 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 3.421 summarises each established Fund's budget allocation and performance during the reporting period.

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Table 3.421: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
1	County Executive Established Funds					
2	Car Loan and Mortgage	50,000,000	-	-	-	No
3	Elimu Bursary Fund	125,000,000	41,951,795	34,685,832	932,951,795	Yes
4	Nawiri Fund	20,000,000	-	759, 506	84,000,000	Yes
5	Emergency Fund	40,000,000	-	-	-	No
6	County Assembly Established Funds					
7	Car Loan and Mortgage Scheme Fund (Members and Staff)	23,758,258	-	-	289,979,954	No
	Total	**258,758,258**	**41,951,795**	**35,445,338**	**1,306,931,749**	

***Source**: Trans Nzoia County Treasury.*

During the reporting period, the CoB did not receive quarterly financial reports from the Car Loan and Mortgage Fund, the Emergency Fund, and the Car Loan and Mortgage Scheme Fund (members and staff) Fund Administrators, as indicated in Table 3.421, contrary to the requirement of Section 168 of the PFM Act, 2012.

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. During the reporting period, the CoB established that the lifespan of the Elimu Bursary Fund had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.42.10 County Corporations

The County has established Trans Nzoia County corporations. In FY 2024/25, the County allocated Kshs.29.94 million to these corporations through their parent departments, as shown in Table 3.422.

Table 3.422: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1	Trans Nzoia water and sewerage company	Water, Environment and Natural Resources	29,949,561	14,500,00	-
	Total		**29,949,561**	**14,500,00**	-

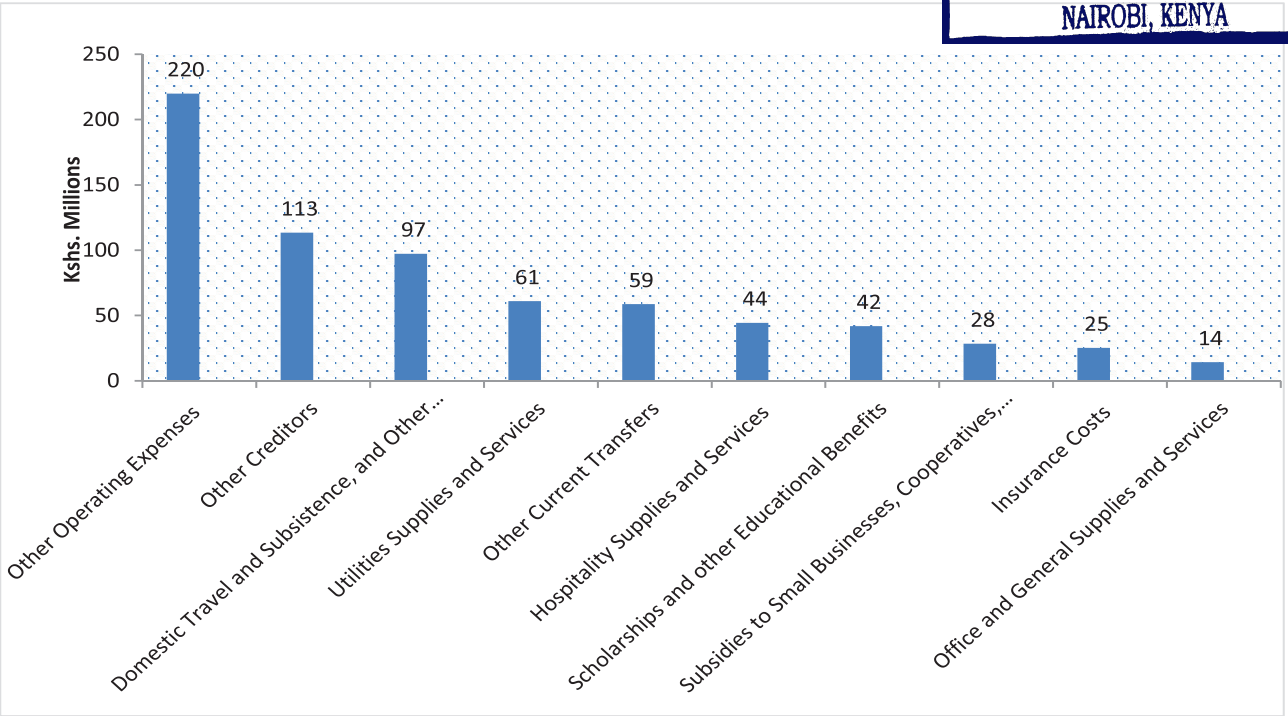
***Source**: Trans Nzoia County Treasury*

3.42.11 Expenditure on Operations and Maintenance

Figure 165 summarises the Operations and Maintenance expenditure by major categories.

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Figure 165: Trans Nzoia County, Operations and Maintenance Expenditure by Major Categories



***Source**:Trans Nzoia County Treasury*

Expenditure on domestic travel amounted to Kshs.97.35 million and comprised Kshs.58.99 million spent by the County Assembly and Kshs.38.36 million by the County Executive. Expenditure on foreign travel amounted to Kshs.13.06 million by the County Assembly, and there was no foreign travel by the County executive. Expenditure on foreign travel is summarised in Table 3.423.

Table 3.423: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the Travel	Destination	Total Costs of the Travel (Kshs.)
County Assembly	2	2-6 December 2024	Leadership Training and Exposure to UK parliamentary and governance systems	London-UK	744,588
County Assembly	1	19-23 October 2024	7th Africa Colloquium of Legal Counsel to Parliament	Zimbabwe	397,500
County Assembly	1	12-19 September 2024	Training on Leadership and Governance	Nagoya-Japan	1,134,794
County Assembly	2	17-28 August 2024	FEASSA Games	Mbale- Uganda	1,123,590
County Assembly	3	27/2 to 6/3/2025	Training on International Transformative Leadership and Expo Forum	Dubai	1,853,889
County Assembly	4	23/01 to 31/01/2025	Training on building high performance and delivery for the organisation summit	Kuala Lumpur Malaysia	2,443,028
County Assembly	3	12/01 to 18/01/2025	Training on the Government Performance Management Symposium	Rome-Italy	2,359,766
County Assembly	2	6/12 to 14/12/2024	Leadership and Management of Committees Master Class	Singapore	1,533,798
County Assembly	2	01/2 to 9/2/2025	Leadership Training and Exposure to UK parliamentary and governance systems	London-UK	1,466,882
					13,057,835

***Source**: Trans Nzoia County Assembly*

The operations and maintenance costs include an expenditure of Kshs.18.60 million on Legal fees/Dues, arbitration and compensation payments expenditure.

3.42.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.175.30 million as FIF, which was 56 per cent of the annual target of Kshs.311.70 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed regulations to operationalise the FIF Act of 2023.

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The Health Facilities did not provide a report on the utilisation of the FIF during the reporting period, contrary to Section 18 (e) of the FIF Act, 2023.

3.42.13 Development Expenditure

In the review period, the County reported spending Kshs.1.22 billion on development programmes, representing an increase of 32 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.925.65 million. Table 3.424 summarises development projects with the highest expenditure in the reporting period.

The increase in development expenditure was attributed to ongoing flagship projects and the payment of pending bills.

Table 3.424: Trans Nzoia County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	PSM	Proposed Construction of Trans Nzoia Headquarters	Trans Nzoia Headquarters	09/07/2026	498,835,545	100,721,287	341,535,400	68.5
2	Gender, Youth	Rehabilitation and Modernisation of Kenyatta Stadium Phase 1A-Kitale	Kenyatta Stadium	30/04/2025	657,305,895	93,114,237	419,612,167	63.8
3	County Assembly	Construction of the Administration Building and the Assembly Chamber	County Assembly Hall, Next to Kitale Law Courts	30/06/2025	464,359,150	69,298,163.15	363,511,109	85
4	Public works	Proposed construction of a box culvert at Nakhosi in Kinyoro Ward	kinyoro ward		12,301,400	12,301,400	12,301,400	100
5	Public works	Routine maintenance of GSU junction -Nabeki Masengo Road	Nabeki Masengo Road		10,863,065	10,863,065	10,863,065	100
6	Public works	Routine maintenance of Mwangaza-Geta-Eronge-Lainimoja-Kiptio-Wanjala Cherangany Suwerwa ward	Cherangany Suwerwa ward		11,609,476	11,609,476	11,609,476	100
7	Public works	routine maintenance of the roadblock-Matunda-Nyasi road in Nabiswa ward	Nabiswa ward		6,646,347	6,646,347	6,646,347	100
8	PSM	Construction of administrative offices in Kwanza sub-county	Kwanza Sub County		7,978,210	7,978,210	6,643,830	80
9	Agriculture	Supply and delivery of arcaricides	County Hqs		4,968,380	4,968,380	4,968,380	100
10	Agriculture	Supply and delivery of amitraz in 5 litres	County Hqs		4,946,800	4,946,800	4,946,800	100

Source: *Trans Nzoia County Treasury*

The County has not reported on stalled development projects to date.

3.42.14 Budget Performance by Department

Table 3.425 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

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Table 3.425: Trans Nzoia County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, plus AIAs (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Agriculture	243.94	321.10	142.98	3.00	142.93	3.00	100	100	59	1
Livestock	5.28	119.97	1.73	6.00	1.50	5.99	87	100	28	5
Trade, Commerce	44.62	92.28	35.91	25.00	35.87	25.00	100	100	80	27
Water, Environment and Natural Resources	69.51	478.04	55.76	51.69	55.68	51.44	100	100	80	11
Public Works	107.89	103.43	95.12	6.49	95.04	-	100	-	88	-
Roads, Transport and Infrastructure	23.90	575.14	23.72	90.84	23.68	90.12	100	99	99	16
Health Corporate	2,302.55	162.97	1,587.32	18.26	1,586.67	10.77	100	59	69	7
Lands, Housing	61.97	746.61	48.00	54.21	47.95	54.21	100	100	77	7
Municipality Board of Kitale	20.72	212.38	7.14	-	7.13	-	100	-	34	-
Gender, Sports, Culture	161.52	335.69	75.06	95.93	74.99	86.37	100	90	46	26
Governance	209.71	38.82	59.63	-	59.54	-	100	-	28	-
PSM	602.73	249.03	261.95	100.72	261.90	100.52	100	100	43	40
CPSB	62.20	10.50	36.62	-	36.52	-	100	-	59	-
Education, ICT	668.00	159.25	389.18	44.99	389.11	44.99	100	100	58	28
Finance	609.23	728.72	395.36	664.56	395.27	663.47	100	100	65	91
Economic Planning	30.33	7.00	4.44	-	4.38	-	99	-	14	-
County Attorney	121.95	-	30.17	-	30.16	-	100	-	25	-
County Assembly	724.15	110.65	396.22	84.84	396.22	84.84	100	100	55	77
Total	**6,070.19**	**4,451.57**	**3,646.31**	**1,246.53**	**3,644.55**	**1,220.73**	**100**	**98**	**60**	**27**

***Source**: Trans Nzoia County Treasury*

Analysis of department expenditure shows that the Department of Finance recorded the highest absorption rate of development budget at 91 per cent, followed by the County Assembly at 77 per cent. The Department of Roads, Transport had the highest percentage of recurrent expenditure to budget at 99 per cent, while the Department of Economic Planning had the lowest at 14 per cent.

3.42.15 Budget Execution by Programmes and Sub-Programmes

Table 3.426 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.426: Trans Nzoia County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Approved Budget FY 2024/25		Actual Nine Months Expenditure FY 2024/25		Absorption %	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Agriculture, Livestock		**249,215,280**	**441,064,718**	**144,433,554**	**8,994,670**	**58.0**	**2**
Crop Development		**-**	**441,064,718**	**-**	**8,994,670**		**2**
	Crop Diversification		321,099,639		3,000,000		0.9
	Post-harvest management and value addition		119,965,079		5,994,670		5
Administrative And Support Services		**249,215,280**	**-**	**144,433,554**	**-**	**58.0**	
	Administrative And Support Services	249,215,280		144,433,554		58.0	
Trade, Commerce and Industry		**44,619,504**	**92,280,000**	**35,867,676**	**25,000,000**	**80.4**	**27.1**
Medium and small Enterprises		**-**	**92,280,000**	**-**	**25,000,000**		**27.1**
	Medium and small Enterprises		92,280,000		25,000,000		27.1
Administrative And Support Services		**44,619,504**	**-**	**35,867,676**	**-**	**80.4**	**-**

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Programme	Sub-Programme	Approved Budget FY 2024/25		Actual Nine Months Expenditure FY 2024/25		Absorption %	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
	Administrative And Support Services	44,619,504		35,867,676		80.4	-
Water, Environment and Natural Resources		**69,511,861**	**478,039,329**	**55,684,223**	**51,441,919**	**80.1**	**10.8**
Environment management and protection		**-**	**478,039,329**	**-**	**51,441,919**		**10.8**
	Waste Management		478,039,329		51,441,919		10.8
Administrative And Support Services		**69,511,861**	**-**	**55,684,223**	**-**	**80.1**	**-**
	Administrative And Support Services	69,511,861		55,684,223		80.1	-
Public Works		**107,894,296**	**103,427,938**	**95,035,829**	**-**	**88.1**	**-**
Road Construction and Road Maintenance		**-**	**103,427,938**	**-**	**-**		**-**
	Maintenance of Roads		103,427,938		-		-
Administrative And Support Services		**107,894,296**	**-**	**95,035,829**	**-**	**88.1**	**-**
	Administrative And Support Services	107,894,296		95,035,829		88.1	-
Lands, Housing and Urban Planning		**61,966,726**	**746,607,634**	**47,953,727**	**54,210,456**	**77.4**	**7.3**
Administrative And Support Services		**61,966,726**	**746,607,634**	**47,953,727**	**54,210,456**	**77.4**	**7.3**
	Administrative And Support Services	61,966,726	746,607,634	47,953,727	54,210,456	77.4	7.3
Gender, Sports, Culture and Tourism		**161,516,309**	**335,692,556**	**74,989,247**	**86,368,437**	**46.4**	**25.7**
Culture development and promotion		**-**	**335,692,556**	**-**	**86,368,437**		**25.7**
	Culture development		335,692,556		86,368,437		25.7
Administrative And Support Services		**161,516,309**	**-**	**74,989,247**	**-**	**46.4**	
	Administrative And Support Services	161,516,309		74,989,247		46.4	
Public Service Management		**602,729,518**	**249,025,000**	**261,902,497**	**100,517,696**	**43.5**	**40.4**
Infrastructure Development		**-**	**249,025,000**	**-**	**100,517,696**		**40.4**
	Supervision and Management of Projects		249,025,000		100,517,696		40.4
Administrative And Support Services		**602,729,518**	**-**	**261,902,497**	**-**	**43.5**	
	Administrative And Support Services	602,729,518		261,902,497		43.5	
Education and ICT		**667,997,575**	**159,251,863**	**389,112,373**	**44,993,756**	**58.3**	**28.3**
Vocational Training Development		**-**	**159,251,863**	**-**	**44,993,756**		**28.3**
	Vocational Training Development		159,251,863		44,993,756		28.3
Administrative And Support Services		**667,997,575**	**-**	**389,112,373**	**-**	**58.3**	
	Administrative And Support Services	667,997,575		389,112,373		58.3	
Finance		**609,229,731**	**728,724,218**	**395,267,963**	**663,468,414**	**64.9**	**91**
Administrative and Support Services		**609,229,731**	**728,724,218**	**395,267,963**	**663,468,414**	**64.9**	**91**
	Supervision and Management of Projects		728,724,218		663,468,414		91
	Administrative And Support Services	609,229,731		395,267,963		64.9	
Governance		**209,709,141**	**38,820,571**	**59,541,319**	**-**	**28.4**	**-**

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Programme	Sub-Programme	Approved Budget FY 2024/25		Actual Nine Months Expenditure FY 2024/25		Absorption %	
		Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure	Recurrent Expenditure	Development Expenditure
Infrastructure Development		-	**38,820,571**	-	-		-
	Supervision and Management of Projects		38,820,571		-		-
Administrative And Support Services		**209,709,141**	-	**59,541,319**	-	**28.4**	
	Administrative And Support Services	209,709,141		59,541,319		28.4	
County Public Service Board		**62,204,964**	**10,495,000**	**36,524,379**	-	**58.7**	-
Governance and County Values		-	**10,495,000**	-	-		-
	Infrastructure Development		10,495,000		-		-
Administrative And Support Services		**62,204,964**	-	**36,524,379**	-	**58.7**	
	Administrative And Support Services	62,204,964		36,524,379		58.7	
Health Corporate		**2,302,550,904**	**162,972,217**	**1,586,671,104**	**10,773,621**	**68.9**	**6.6**
Administrative and Support Services		**2,302,550,904**	**162,972,217**	**1,586,671,104**	**10,773,621**	**68.9**	**6.6**
	Preventive Health Services		162,972,217		10,773,621		6.6
	Administrative And Support Services	2,302,550,904		1,586,671,104		68.9	
Economic Planning		**30,334,500**	**7,000,000**	**4,383,138**	-	**14.4**	-
County Research and Development Planning		-	**7,000,000**	-	-		-
	County Development Planning Services		7,000,000		-		-
Administrative And Support Services		**30,334,500**	-	**4,383,138**	-	**14.4**	
	Administrative And Support Services	30,334,500		4,383,138		14.4	
Municipality Board of Kitale		**20,716,324**	**212,378,528**	**7,134,824**	-	**34.4**	-
Administrative And Support Services		**20,716,324**	**212,378,528**	**7,134,824**	-	**34.4**	-
	Administrative And Support Services	20,716,324	212,378,528	7,134,824	-	34.4	-
County Attorney		**121,945,126**	-	**30,159,191**	-	**24.7**	
Administrative And Support Services		**121,945,126**	-	**30,159,191**	-	**24.7**	
	Administrative And Support Services	121,945,126	-	30,159,191	-	24.7	
Roads, Transport and Infrastructure		**23,900,000**	**575,135,712**	**23,675,715**	**90,124,800**	**99.1**	
Administrative And Support Services		**23,900,000**	**575,135,712**	**23,675,715**	**90,124,800**	**99.1**	
	Administrative And Support Services	23,900,000	575,135,712	23,675,715	90,124,800	99.1	
County Assembly		**724,153,000**	**110,650,000**	**396,216,315**	**84,839,685**	**54.7**	**76.7**
Administrative And Support Services		**724,153,000**	**110,650,000**	**396,216,315**	**84,839,685**	**54.7**	**76.7**
	Administrative And Support Services	724,153,000	110,650,000	396,216,315	84,839,685	54.7	76.7
	Grand Total	**6,070,194,759**	**4,451,565,284**	**3,644,553,074**	**1,220,733,453**	**60.0**	**27.4**

***Source**: Trans Nzoia County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Administrative and Support Services in the Department of Roads, Transport and Infrastructure at 99.1per cent, Supervision and Management of Projects in the Department of Finance at 91 per cent, Administrative and Support Services in the

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Department of Public works at 88 per cent, and Administrative and Support Services in the Department of Trade, Commerce at 80 per cent of budget allocation.

3.42.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 135 accounts with commercial banks, including 83 for Health Facilities, 32 for Vocational Training Centres, 7 for Established Funds, 3 for revenue, six special purpose accounts (additional allocations), 4 for imprest accounts, and 1 for development operational account.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening all commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.42.17 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;

i. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of the Elimu Bursary Fund had lapsed, making them ineligible for further withdrawals.
ii. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. The reports for all Funds were not submitted to the Controller of Budget as of 15 January 2025.
iii. High level of pending bills, which amounted to Kshs.1.24 billion as of 31st March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
iv. Use of manual payroll. Personnel emoluments amounting to Kshs.37.78 million for 86 staff yet to be onboarded into HRIS, and 570 casual staff were processed through manual payroll. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
v. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015
vi. The Health Facilities did (not) provide a report on the utilisation of the FIF during the reporting period, in line with (contrary to) Section 18 (e) of the FIF Act, 2023.

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

i. *Ensure timely review and extension of public funds whose lifespan is nearing lapsing to prevent operational disruptions. Additionally, any expenditure from expired funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
ii. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
iii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
iv. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
v. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*
vi. *The CECMF should follow up to ensure that health facilities submit reports on the utilisation of FIF.*

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3.43. County Government of Turkana

3.43.1 Overview of FY 2024/25 Budget

The Turkana County Gross Approved Budget for FY 2024/25 is Kshs.19.76 billion. It comprises Kshs.8.68 billion (44 per cent) and Kshs.11.08 billion (56 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.2.54 billion (15 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.7.05 billion and a recurrent budget of Kshs.10.17 billion. The increase in the budget estimates was attributed to the rise in the cash balance carried forward from FY 2023/24. The County's Net Approved Budget (gross budget less AIA estimates) is Kshs.19.68 billion, which consists of Kshs.11.00 billion for recurrent and Kshs.8.68 billion for development programmes.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.13.65 billion (69 per cent), additional allocations of Kshs.1.34 billion (7 per cent), cash balance of Kshs.4.45 billion (23 per cent) brought forward from FY 2023/24, and Kshs.320 million (2 per cent) generated as gross own source revenue. The own source revenue includes Kshs.79 million (0.4 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.241 million (12 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.427.

3.43.2 Revenue Performance

In the review period, the County received Kshs.11.76 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.1.55 billion from Kshs.10.21 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.7.68 billion from the equitable share of revenue raised nationally, its own-source revenue (OSR) collection of Kshs.230.48 million. In addition, the County had a cash balance of Kshs.3.85 billion from FY 2023/24.

The total OSR collection of Kshs.230.48 million includes Facilities Improvement Financing (FIF) of Kshs.109.96 million, and Kshs.120.52 million from other OSR sources. Table 3.427 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.427: Turkana County, Revenue Performance in the First Nine Months of FY 2024/25

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	13,653,200,352	7,679,568,265	56
Subtotal		**13,653,200,352**	**7,679,568,265**	**56**
B	**Additional Allocations**			
1	Roads Maintenance Fuel Levy	251,956,760	-	0
2	Community Health Promoters	58,167,956	-	0
3	DANIDA (Primary Health Care)	16,233,750	-	0
4	ELRP (Emergency Locust Response Project)	142,500,000	-	0
5	DRPNK (Drought Resilience Programme)	319,534,140	-	0
6	UNFPA (United Nations Fund for Population Services)	5,920,000	-	0
7	K-WASH WORLD BANK PROGRAMME	300,965,240	-	0
8	(KDSP II) Kenya Devolution Support Programme II	37,500,000	-	0
9	Urban Institutional Grant (UIG)	35,000,000	-	0
10	ESRP (Food System Resilience Programme	173,076,923	-	0
Subtotal		**1,340,854,769**	**-**	**0**
C	**Own Source Revenue**			
11	Ordinary Own Source Revenue	241,000,000	120,524,485	50
12	Facility Improvement Fund (FIF)	79,000,000	109,957,873	139
Subtotal		**320,000,000**	**230,482,358**	**72**
D	**Other Sources of Revenue**			
13	Unspent balance from FY 2023/24	4,446,202,659	3,852,017,115	87

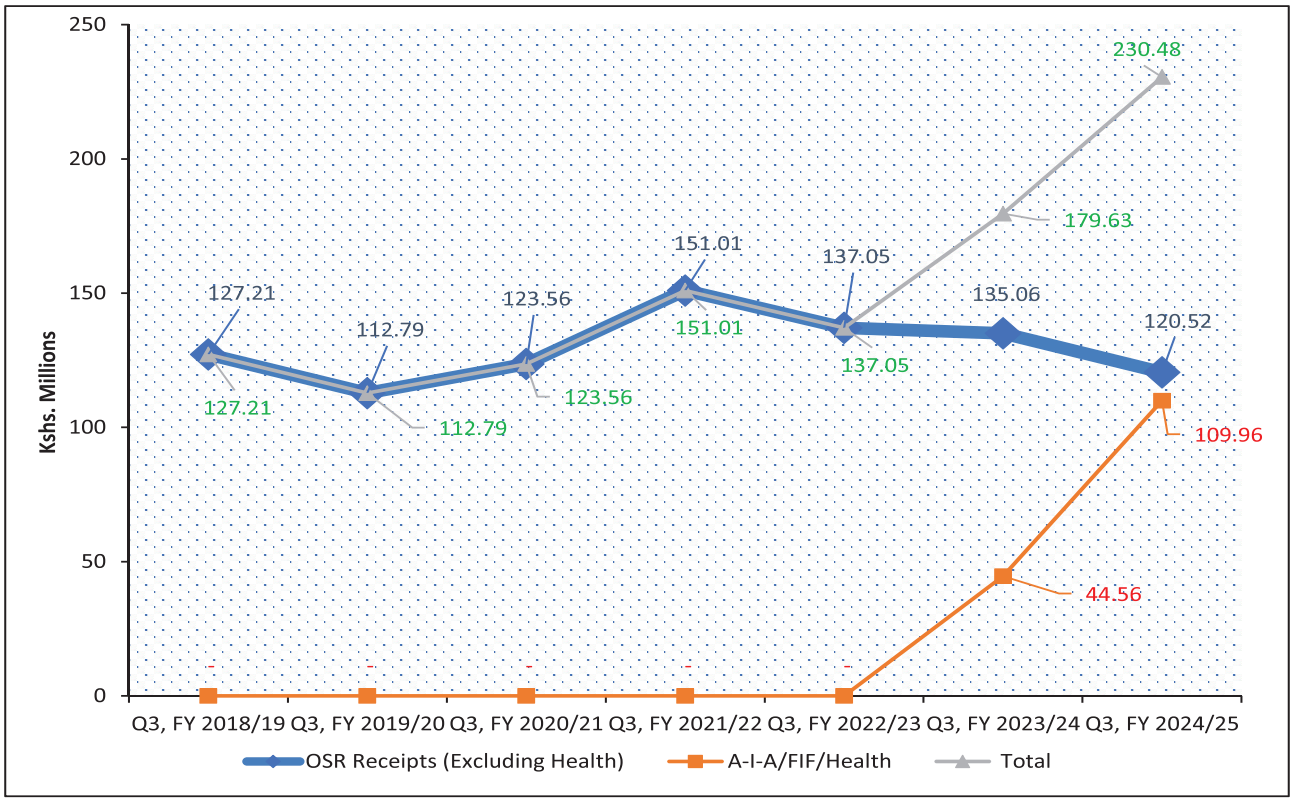
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S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
14	Other Revenues (provide a list)			
Sub-Total		**4,446,202,659**	**3,852,017,115**	**87**
Grand Total		**19,760,257,780**	**11,762,067,738**	**60**

Source: *Turkana County Treasury*

Figure 166 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 166: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



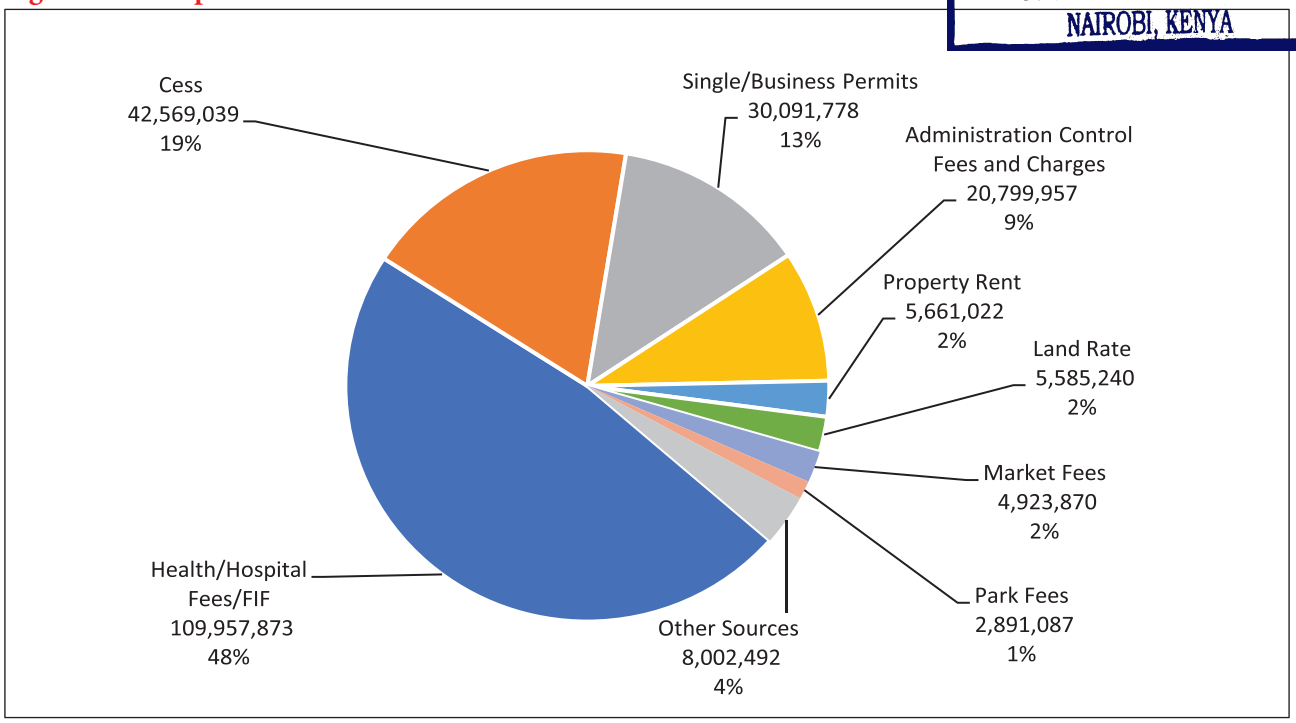
Source: *Turkana County Treasury*

During the review period, the County generated Kshs.230.48 million from its own revenue sources, including the FIF. This amount was an increase of 28 per cent compared to Kshs.179.63 million realised in a similar period in FY 2023/24 and was 72 per cent of the annual target and 3 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 167.

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Figure 167: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source: *Turkana County Treasury*

As shown in Figure 167, the highest revenue stream, Kshs.109.96 million, was from Hospital Fees/FIF, which contributed 48 per cent of the total OSR receipts.

3.43.3 Borrowing by the County

The County Government did not borrow any money to support its operations as of 31st March, 2025.

3.43.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.11 billion from the CRF account comprised Kshs.5.22 billion (47 per cent) for development programmes and Kshs.5.79 billion (53 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.43 billion was released towards compensation of employees and Kshs.2.36 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, which does not include the March 2025 exchequer request for the County Executive and County Assembly due to a delay in the disbursement of funds from the equitable share of revenue by the National Treasury.

Analysis of the operations and maintenance exchequer releases indicates that 11 per cent was for domestic travel and 1 per cent for foreign travel. The domestic travel exchequer releases totalled Kshs.253.09 million, comprising Kshs.236.58 million for the County Executive and Kshs.16.51 million for the County Assembly. The foreign travel exchequer releases amounted to Kshs.18.97 million, all of which was requested by the County Executive.

Table 3.428: Turkana County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor	434.29	51	150.91	34.63	35	68
Office of the Deputy Governor	27.4	-	8.73	-	32	0
Finance and Economic Planning	1,098.87	4,013.28	336.54	3,928.08	31	98
Water Services, Environment and Mineral Resources	77.15	811.17	46.32	811.17	60	100
Health & Sanitation Services	1,074.33	603.8	436.03	107.49	41	18
Trade, Gender and Youth Affairs	58.09	124	8.21	30.95	14	25
Education, Sports and Social Protection	746.65	483.5	291.15	17.51	39	4
Public Services, Decentralised Administration & Disaster Management	5,920.66	41.55	3,894.76	4	66	10

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Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Infrastructure, Transport and Public Works	88.67	568.66	16.93	30.71	19	5
Agriculture, Pastoral Economy, and Fisheries	122.75	979.52	27.71	228.84	23	23
Tourism, Culture and Natural Resources	182.9	544.41	52.94	27.02	29	5
Lands, Energy, Housing and Urban Areas Management	83.2	76.5	10.94	-	13	0
Turkana County Assembly	895.69	169.94	392.18	-	44	0
Turkana County Public Service Board	122.16	-	39.06	-	32	0
Kakuma Municipality	20.19	-	8.41	-	42	0
Office of the County Attorney	76.65	-	11.4	-	15	0
Lodwar Municipality Board	55.4	207.98	55.4	-	100	0
Total	**11,085.00**	**8,675.26**	**5,787.61**	**5,220.39**	**52**	**60**

***Source**:Turkana County Treasury*

As of 31st March, 2025, the County governments' cash balance in the CRF account was Kshs.1.25 billion.

3.43.5 County Expenditure Review

The County spent Kshs.7.68 billion on development and recurrent programmes during the reporting period. The expenditure accounted for 70 per cent of the total funds released by the CoB and comprised Kshs.2.61 billion and Kshs.5.07 billion for development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 30 per cent, while recurrent expenditures represented 46 per cent of the annual recurrent expenditure budget.

3.43.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.4.79 billion as of 30th June 2024. This amount includes Kshs.4.78 billion from the County Executive and Kshs.18 million from the County Assembly. The pending bills from the County Executive consist of Kshs.773.80 million for recurrent expenditures and Kshs.4 billion for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.2.69 billion, entirely for recurrent programmes. In contrast, the County Assembly did not pay any pending bills.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.2.66 billion and Kshs.18 million, respectively, in the first nine months of FY 2024/25. The County Executive adhered to this payment plan, clearing Kshs.2.69 billion. However, the County Assembly did not comply with the payment plan, as it did not make any payment.

As of 31st March, 2025, the outstanding bills totalled Kshs.1.90 billion, comprising Kshs.1.88 billion for the County Executive and Kshs.2 million for the County Assembly.

3.43.7 Expenditure by Economic Classification

The County Executive allocated Kshs.4.10 billion for employee compensation, Kshs.581.78 million for operations and maintenance, and Kshs.2.61 billion for development activities. Similarly, the County Assembly allocated Kshs.293.33 million for employee compensation and Kshs.98.79 million for operations and maintenance. There was no expenditure on development activities, as shown in Table 3.429.

Table 3.429: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**10,189,306,063**	**895,691,617**	**4,678,822,215**	**392,120,332**	**46**	**44**
Compensation to Employees	4,868,800,000	515,756,599	4,097,042,704	293,332,685	84	57
Operations and Maintenance	5,320,506,063	379,935,018	581,779,511	98,787,647	11	26
Development Expenditure	**8,505,316,714**	**169,943,385**	**2,606,578,437**	**-**	**31**	**-**
Total	**18,694,622,777**	**1,065,635,002**	**7,285,400,652**	**392,120,332**	**39**	**37**

***Source**: Turkana County Treasury*

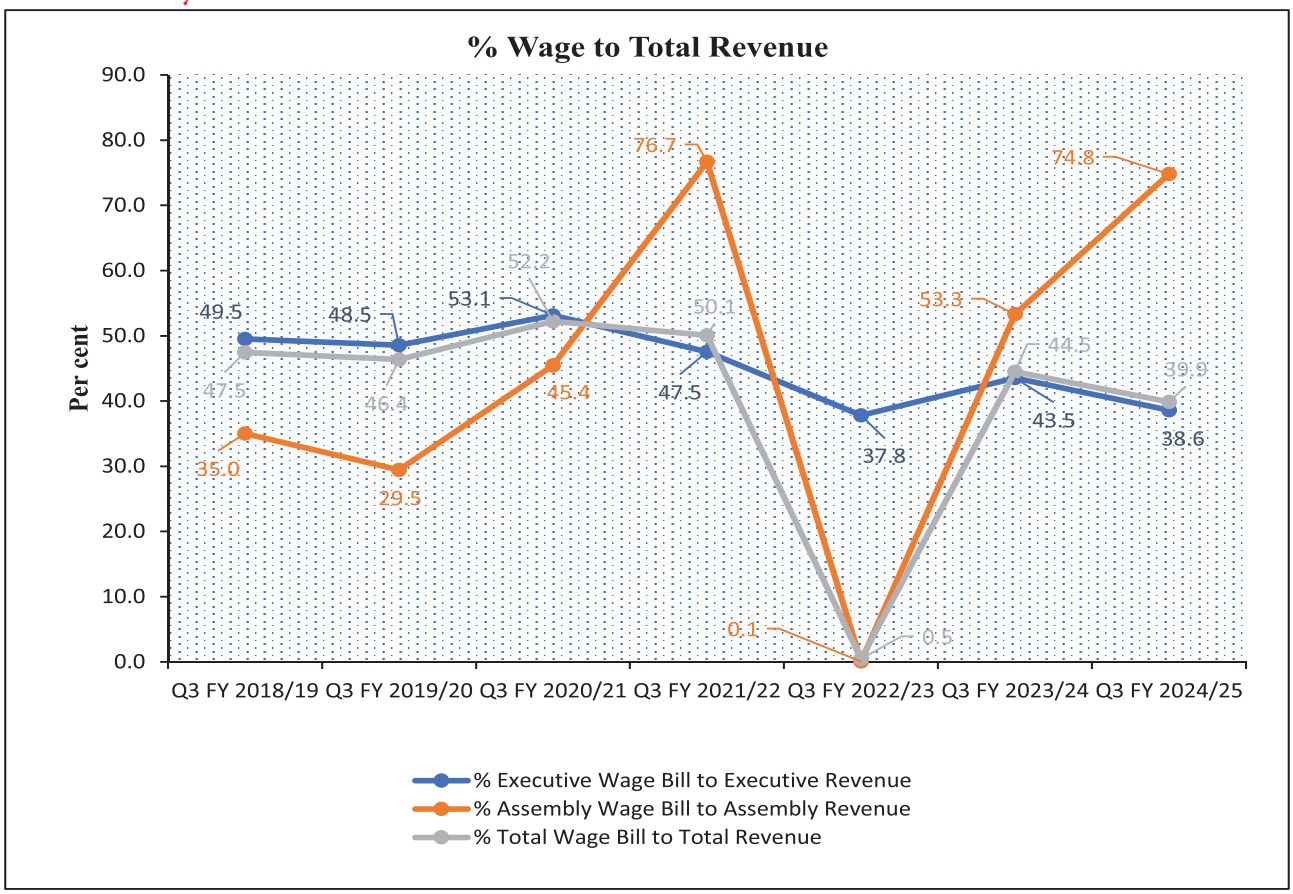
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3.43.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation totalled Kshs.4.39 billion. The percentage of employee compensation to revenue is 37 per cent. This expenditure on employee compensation shows a decrease compared to the Kshs.4.37 billion was reported during the same period in FY 2023/24. Of this total, Kshs.1.33 billion was allocated to Health Sector employees, which accounts for 30 per cent of the overall employees' compensation.

Figure 168 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 168: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



Source: *Turkana County Treasury*

Further analysis indicates that PE costs amounting to Kshs.4.3 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.82.79 million was processed through manual payrolls, accounting for 2 per cent of the total PE cost.

The manual payrolls comprised salaries for 421 staff yet to be onboarded into the Government Human Resource Information System (GHRIS), gratuity remittances to pension schemes for staff on contract, and LAPTRUST/ LAPFUND Pension Contributions, as shown in Table 3.430.

Table 3.430: Breakdown of Turkana County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1	Salaries for 421 staff are yet to be onboarded into HRIS	98,589,017
2	LAPTRUST/LAPFUND Pension Contributions	91,931,297
3	Gratuity for contract staff	23,662,003
	Total	**214,182,317**

Source: *Turkana County Treasury*

The County Assembly spent Kshs.9.15 million on committee sitting allowances for the 48 MCAs against the annual budget allocation of Kshs.30.16 million. The average monthly sitting allowance was Kshs.21,189 per MCA. The County Assembly has 21 House Committees.

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3.43.9 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.765 million to County Established funds in FY 2024/25, translating to 4 per cent of the County's overall budget. Further, the County allocated Kshs.100 million to the Emergency Fund (0.5 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.431 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.431: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
	County Executive Established Funds						
1	Turkana County Emergency Fund	2016	100,000,000	-	-	1,192,388,667	Yes
2	Turkana County Biashara Fund	2014	-	-	2,355	360,325,320	Yes
3	Turkana County Youth and Women Empowerment Fund,	2014	-	-	3,298	425,000,000	Yes
4	Turkana County Education and Skills Development Fund,	2014	535,000,000	-	9,431,458	3,264,245,499	Yes
5	Turkana County Cooperative Enterprise Development Fund	2014	-	-	-	96,251,070	Yes
6	Turkana County Climate Change Fund	2021	120,000,000	-	21,876,332	120,000,000	Yes
7	Turkana County Water Service Fund	2022	10,000,000	-	-	94,334,986	Yes
8	Turkana County Car Loan and Mortgage Fund	2016	-	-	1,065	200,822,217	Yes
9	Turkana County COVID Fund	2020	-	-	-	606,674,113	Yes
	County Assembly Established Funds						
1	Turkana County Assembly Car Loan and Mortgage	2015	-	-	-	-	No
	Total		**765,000,000**		**31,314,508**	**6,360,041,872**	

Source:*Turkana County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from One Fund Administrators, as indicated in Table 3.431, contrary to the requirement of Section 168 of the PFM Act, 2012.

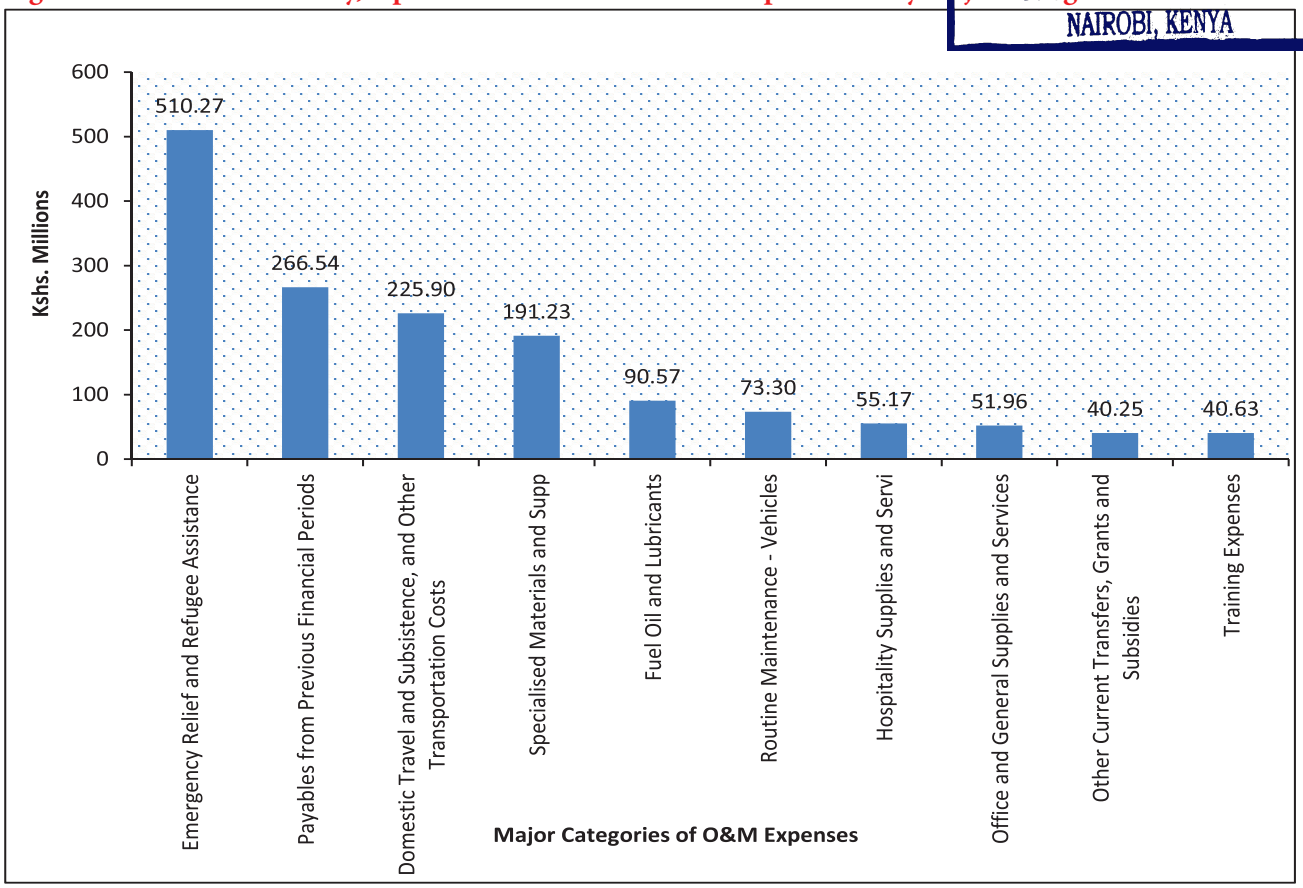
Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, allows County Governments to establish public funds with a lifespan capped at 10 years unless extended by the County Assembly. During the reporting period, the CoB established that the lifespan of Turkana County Biashara Fund, Turkana County Youth and Women Empowerment Fund, Turkana County Education and Skills Development Fund and Turkana County Cooperative Enterprise Development Fund had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.43.10 Expenditure on Operations and Maintenance

Figure 169 summarises the Operations and Maintenance expenditure by major categories.

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Figure 169: Turkana County, Operations and Maintenance Expenditure by Major Categories



***Source**: Turkana County Treasury*

Expenditure on domestic travel amounted to Kshs.266.54 million, comprising Kshs.20.78 million spent by the County Assembly and Kshs.205.13 million by the County Executive. Foreign travel expenses amounted to Kshs.18.89 million, entirely incurred by the County Executive. Expenditure on foreign travel is summarised in Table 3.432.

Table 3.432: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	168	2nd August 2024	Attended the Karamoja Cultural festival	Uganda	12,666,493
County Executive	55	17th October, 2024	Attended the Lokiriama Peace Accord	Uganda	2,109,795

***Source**: Turkana County Treasury*

3.43.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.109.96 million as Facility Improvement Financing (FIF), which was 139 per cent of the annual target of Kshs.79 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. However, the County has not yet developed regulations to implement the FIF Act of 2023.

The health facilities provided a report on the utilisation of the FIF during the reporting period, which was in line with Section 18 (e) of the FIF Act, 2023.

The expenditure by the health facility totalled Kshs.203.62 million, as shown in Table 3.433.

Table 3.433: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	Lodwar County Referral Hospital	306,833,043	203,616,977	75
	Total	**306,833,043**	**203,616,977**	**75**

***Source:** **Turkana** County Treasury*

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3.43.12 Development Expenditure

In the review period, the County reported spending Kshs.2.61 billion on development programmes, an 85 per cent increase compared to a similar period in FY 2023/24, when the County spent Kshs.1.41 billion. Table 3.434 summarises the development projects with the highest expenditure in the reporting period.

Table 3.434: Turkana County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31st March 2025	Implementation status (%)
1	Lands, Housing And Urban Areas Management	Preparation of County land use development plan	Lodwar Town	20-Jan-26	111,743,960	60,900,458	86,042,849	90%
2	Land and Urban Areas Management	Extension of the planning area of three Kalobeyei, Lokiriama and Katilu	Turkana	27-Sep-24	29,807,600	24,144,156	24,144,156	90%
3	Governance	Construction of the Napeitom resettlement scheme	Kapedo/ Napeitom Ward	30-Apr-24	68,654,397	21,153,647	61,807,977.00	100%
4	Water Services	Construction of the Lokapirichit/Napak-akali water project	Lokiriama/ Lorengippi	5-Aug-24	18,216,120	18,216,120	18,216,120	100%
5	Water Services	Construction of the Aroo water project	Lobokat	5-Aug-24	18,127,300	18,127,300	18,127,300	100%
6	Finance and Economic Planning	Lokiriama Revenue Centre	Lokiriama	30-Jun-25	38,195,895	15,019,430	26,212,880.00	80%
7	Roads and Transport	Namoruputh-Lokiriama-Lomokori-Ke-Ug Boarder	LOIMA	24-Jun-24	14,121,612	14,121,612	14,121,612	100%
8	Roads, Transport And Public Works	Kalobeyei-Nalapatui-Tultul	T/NORTH	18-Jun-24	13,889,144	13,889,144	13,889,144	100%
9	Agriculture and Land Reclamation	Construction Of Model Drip Irrigation At Morulem	Kochodin Ward	15-May-24	43,600,000	8,720,000	43,600,000	100%
10	Water Services	Proposed Construction Of Office Block	Headquarters	18-Sep-23	18,719,730	7,727,932	13,727,029	73%

Source: *Turkana County Treasury*

1.1.2 Budget Performance by Department

Table 3.435 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.435: Turkana County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Issues Plus AIAs (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer Plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor	434.29	51	150.91	34.63	148.58	-	98	-	34	-
Office of the Deputy Governor	27.4	-	8.73	-	7.98	-	91	-	29	-
Finance and Economic Planning	1,098.87	4,013.28	336.54	3,928.08	336.54	1,699.77	100	43	31	42
Water Services, Environment and Mineral Resources	77.15	811.17	46.32	811.17	46.32	711.17	100	88	60	88
Health and Sanitation Services	1,074.33	603.8	436.03	107.49	436.03	-	100	-	41	-
Trade, Gender and Youth Affairs	58.09	124	8.21	30.95	7.24	-	88	-	12	-

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Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Issues Plus AIAs (Kshs.Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer Plus AIAs (%)		Absorption (%)	
Education, Sports and Social Protection	746.65	483.5	291.15	17.51	139.64	2.5	48	14	19	1
Public Services, Decentralised Administration & Disaster Management	5,920.66	41.55	3,894.76	4	3,373.66	-	87	-	57	-
Infrastructure, Transport and Public Works	88.67	568.66	16.93	30.71	16.39	9.89	97	32	18	2
Agriculture, Pastoral Economy, and Fisheries	122.75	979.52	27.71	228.84	25.11	156.23	91	68	20	16
Tourism, Culture and Natural Resources	182.9	544.41	52.94	27.02	51.7	27.02	98	100	28	5
Lands, Energy, Housing and Urban Areas Management	83.2	76.5	10.94	-	9.4	-	86	-	11	-
Turkana County Assembly	895.69	169.94	392.18	-	392.12	-	100	-	44	-
Turkana County Public Service Board	122.16	-	39.06	-	28.29	-	72	-	23	-
Office of the County Attorney	76.65	-	8.41	-	7.55	-	90	-	37	-
Lodwar Municipality Board	55.4	207.98	11.4	-	10.83	-	95	-	14	-
Kakuma Municipality	20.19	-	55.4	-	33.57	-	61	-	61	-
Total	**11,085.00**	**8,675.26**	**5,787.61**	**5,220.39**	**5,070.94**	**2,606.58**	**88**	**50**	**46**	**30**

Source: *Turkana County Treasury*

Analysis of expenditure by departments shows that the Department of Water Services, Environment and Mineral Resources recorded the highest absorption rate of development budget at 88 per cent, followed by the Department of Finance and Economic Planning at 42 per cent. The Department of Kakuma Municipality had the highest percentage of recurrent expenditure to budget at 61 per cent, while the Department of Lands, Energy, Housing and Urban Areas Management had the lowest at 11 per cent.

3.43.13 Budget Execution by Programmes and Sub-Programmes

Table 3.436 summarises the budget execution by programmes and sub-programmes in the period under review. However, the County treasury did not provide this information.

Table 3.436: Turkana County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Office of the Governor							
General Administration, Planning and Support Services	General Administration, Planning and Support Services	276,006,832	-	71,092,539	-	26	-
Governor's Security and Protocol	Security protocol and procedures	3,627,586	-	2,402,315	-	66	-
	Performance Contracting	7,255,172	-	7,254,000	-	100	-
	Efficiency Monitoring	14,162,068	-	11,608,494	-	82	-
Intergovernmental Relations	Intergovernmental Relations	7,255,170	-	1,916,679	-	26	-
	Inter-County Performance Review Forum	5,441,378	-	4,275,200	-	79	-
Donor/ Investor engagement	Public-Private Partnership Initiative	4,534,482	-	2,107,982	-	46	-
	Political and Intergovernmental Advisory Services	4,534,482	-	2,977,376	-	66	-
	Legal Advisory Services	4,534,482	-	2,375,682	-	52	-
	Security and Cross-Border Advisory Services	1,360,344	-	524,744	-	39	-

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Oil And Gas Advisory Service	1,360,344	-	810,345	-	60	-
	Gender and Partnership Advisory Services	1,360,344	-	860,345	-	63	-
	Special Interest Groups	1,360,344	-	730,800	-	54	-
	Climate Change advisory services	1,360,344	-	734,400	-	54	-
	Education and youth Advisory services	1,360,344	-	905,394	-	67	-
	Culture, Arts and Heritage advisory services	1,360,344	-	700,000	-	51	-
	Tracking of Flagship projects	7,255,170	-	2,678,181	-	37	-
	Governor's Transformative Agenda	3,627,584	-	2,287,785	-	63	-
Governors Press Service	Governors Press support	3,285,233	-	1,820,000	-	55	-
	Governor's Visibility and Branding	7,000,000	-	3,778,743	-	54	-
	Media Liaison	500,000	-	423,900	-	85	-
	Public Address Unit	4,500,000	-	2,987,200	-	66	-
Security and Peace Building	Resettlement Infrastructural Programme	-	51,000,000	-	-	0	-
	Cross-border peace dividends programme	19,640,172	-	3,560,193	-	18	-
	County Peace Building and Conflict Management Committees	34,986,610	-	11,409,609	-	33	-
	Internal Peace Building and Conflict Management Programme	16,621,478	-	8,353,400	-	50	-
	Sub-Total	**434,290,307**	**51,000,000**	**148,575,306**	**-**	**34**	**0**
Office of the Deputy Governor							
General Administration, Planning and Support Services	General Admin Planning and Support	14,852,331	-	5,917,440	-	40	-
Public Communications, Media Relations and Information Management	Media Partnerships and Stakeholder Engagement	1,981,780	-	221,000	-	11	-
	County Publicity and Branding	2,500,000	-	388,500	-	16	-
	Public Access to Information	534,110	-	234,055	-	44	-
	Communication Research and Development	1,100,000	-	380,000	-	35	-
Resource Mobilisation	Resource Mobilisation	2,776,932	-	205,698	-	7	-
	Public-Private Partnerships	1,800,000	-	356,207	-	20	-
	Donor and Partner Coordination	1,850,000	-	278,800	-	15	-
	Sub-Total	**27,395,153**	**-**	**7,981,700**	**-**	**29**	**-**
Office of the County Attorney							
General Administration, Planning and Support Services	General Administration, Planning and Support Services	14,229,030	-	3,770,232	-	26	-
Legal Services	Litigation	32,858,066	-	1,270,700	-	4	-
	Government Agreements and Contracts	4,984,450	-	1,026,839	-	21	-
	Legal Audit and Compliance	6,949,550	-	1,381,703	-	20	-
Research And Legislative Drafting	Legislation	7,030,564	-	1,019,400	-	14	-
	Policy and Legal Briefs	5,171,612	-	385,600	-	7	-

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Capacity Building	Training of Legal Counsel	1,529,566	-	857,810	-	56	-
	Legal Training and Awareness	3,892,316	-	1,120,140	-	29	-
	Sub-Total	**76,645,154**	**-**	**10,832,424**		**14**	
Finance and Economic Planning							
General Administration, Planning and Support Services	General Administration Services	803,463,547	3,893,280,521	286,968,249	1,599,774,941	36	41
	General Administration - Economic planning	35,000,000	-	-	-	-	-
	County Headquarters Offices	-	20,000,000	-	-	-	-
Revenue Collection Systems	Awareness and Campaigns on Revenue.	6,150,836	-	3,677,396	-	60	-
	Revenue Forecast and Revenue Budget Preparation	4,930,564	-	2,574,000	-	52	-
	Revenue Automation	8,700,000	-	2,306,199	-	27	-
	Revenue Governance	1,644,669	-	554,600	-	34	-
	Revenue Infrastructure	11,000,000	-	-	-	0	-
Accountability and Transparency	Internal Audit	3,000,000	-	1,035,669	-	35	-
	Consultation Services	3,600,000	-	1,532,000	-	43	-
	Financial Reporting and Assurance	3,800,000	-	1,726,805	-	45	-
	Modern Fencing, Gate and Parking Yards for County Treasury Office	-	100,000,000	-	100,000,000	-	100
	Tax Mgt & Statutory Deductions	3,800,000	-	-	-	-	-
Social and Financial Security	Assurance and Insurance of Assets	4,340,000	-	841,200	-	19	-
	Liability and Debt Management	1,700,000	-	176,960	-	10	-
	Turkana SACCO Seed Capital	3,800,000	-	2,146,320	-	56	-
County Statistical Unit	Software, Database and Tools	58,000,000	-	926,680	-	2	-
	Public Participation and access to information	16,224,124	-	9,736,619	-	60	-
	Support to Audit Committees	3,800,000	-	-	-	-	-
Planning and Policy Formulation	Economic Policy Formulation and Dissemination	4,179,682	-	2,216,480	-	53	-
	County Budget and Economic Forums	20,000,000	-	-	-	0	-
	Public Participation and Access to Information	4,500,000	-	1,659,790	-	37	-
	Waste Management	1,200,000	-	94,500	-	8	-
	Social Intelligence Integration & Reporting	1,625,000	-	96,820	-	6	-
	Sustainable Development Goals	1,065,000	-	873,200	-	82	-
Monitoring and Evaluation	Field Visits and Data Collection	2,500,000	-	1,560,600	-	62	-
	Training and Development	3,100,000	-	2,548,000	-	82	-
	Devolved Monitoring and Evaluation	3,500,000	-	810,400	-	23	-

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Budgetary Supply	Budget Formulation, Coordination and Management	22,500,000	-	8,453,324	-	38	-
	Public Participation in Budgeting	11,800,000	-	3,438,720	-	29	-
	County Budget and Economic Forum	45,000,000	-	286,000	-	1	-
	Accountability in Resource Allocation	4,948,106	-	297,940	-	6	-
	Sub-Total	**1,098,871,528**	**4,013,280,521**	**336,538,471**	**1,699,774,941**	**31**	**42**
Water Services, Environment and Mineral Resources							
General Administration and Support	General Administration and Support	22,595,153	-	5,019,467	-	22	-
K-WASH World Bank Programme	K-WASH World Bank Programme	-	400,965,240	-	306,615,239	-	76
Water Supply and Storage	Water Infrastructure	-	410,199,999	-	404,550,000	-	99
	Water Resource Management	10,150,000	-	4,661,174	-	46	-
	Water Governance Planning and Coordination	30,000,000	-	29,249,805	-	97	-
	Emergency Response and Drought Mitigation	14,400,000	-	7,385,816	-	51	-
	Sub-Total	**77,145,153**	**811,165,239**	**46,316,262**	**711,165,239**	**60**	**88**
Health and Sanitation Services							
General Administration, Planning and support services	Health Facilities	22,500,000		-	-	0	-
	General Administration, Planning and Support Services - Medical Services	121,000,000	-	92,516,392	-	76	-
	General Administration, Planning and Support Services - Preventive and Promotive Services	93,960,832	460,948,999	79,732,394	-	85	-
Support for Health Programs	HIV & AIDS, including community-based HIV interventions	1,500,000	-	575,400	-	38	-
	TB & Leprosy	1,500,000	-	-	-	0	-
	NTDs(neglected tropical diseases)	1,000,000	-	470,400	-	47	-
	Reproductive health	2,690,000	-	-	-	0	-
	EPI/outreaches	1,920,000	-	1,068,173	-	56	-
	Rural Health Facilities Support	500,000	-	-	-	0	-
	Child Health	500,000	-	-	-	0	-
	One Health	1,000,000	-	985,600	-	99	-
	Gender Based Violence Health Care	1,500,000	-	-	-	0	-
	Adolescents' Sexual and Reproductive Health	500,000	-	-	-	0	-
	Maternal And Neonatal Health	1,500,000	-	1,395,100	-	93	-
Medical Services	Laboratory Services	2,100,000	-	848,600	-	40	-
	Blood Transfusion Services	2,500,000	-	1,752,716	-	70	-
	Rehabilitative Services	800,000	-	274,400	-	34	-
	Referrals & Emergency Services	32,000,000	-	24,619,719	-	77	-
	Radiology Services	200,000	-	200,000	-	100	-
	Dental Services	500,000	-	196,200	-	39	-

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Clinical Services	1,500,000	-	160,000	-	11	-
	Nursing Services	900,846	-	-	-	0	-
	Subcounty Health Facilities Support	2,800,000	-	789,857	-	28	-
	UHC Turkana	299,154	-	197,618	-	66	-
	Non-Communicable Diseases (NCDS)	500,000	-	173,200	-	35	-
	Ophthalmic Services	1,000,000	-	974,600	-	97	-
	Malaria	1,000,000	-	-	-	0	-
	Mental Health	500,000	-	274,854	-	55	-
	Biomedical Engineering	500,000	-	77,236	-	15	-
Lodwar County And Referral Hospital	LCRH Operations and Support Services	432,886,086	-	202,100,057	-	47	-
Medical Supplies	Medical Supplies	309,975,942	-	12,146,490	-	4	-
	Health Management	1,700,000	-	1,050,380	-	62	-
Policy, Planning, Monitoring and Evaluation	Health Information & Mgt	2,568,900	-	2,554,400	-	99	-
	Quality Assurance	350,000	-	340,200	-	97	-
	Electronic Medical Records	350,000	-	155,400	-	44	-
	Monitoring & Evaluation Health	745,000	-	591,500	-	79	-
	Research & Development	400,000	-	-	-	0	-
	Policy & Planning Services	800,000	-	378,000	-	47	-
	Health Partners Coordination	586,100	-	586,100	-	100	-
Community Health Services	Community Health Services	1,400,000	-	109,000	-	8	-
	Community Nutrition	3,350,000	-	1,170,000	-	35	-
	MIYCN and Emergency Nutrition	1,500,000	-	800,000	-	53	-
Public Health	Water, Sanitation And Hygiene WASH	1,500,000	-	138,400	-	9	-
	Food Safety	300,000	-	246,400	-	82	-
	Occupational Health And Safety	250,000	-	246,400	-	99	-
	Infection Prevention And Control/Health Care Waste	250,000	-	246,400	-	99	-
	Disease Surveillance And Response	1,150,000	-	276,000	-	24	-
	School Health	250,000	-	250,000	-	100	-
	Health Promotion Services	250,000	-	250,000	-	100	-
	Alcoholic Drinks And Substance Abuse	2,450,000	-	1,019,600	-	42	-
	Public Health Emergency And Response	9,000,000	-	441,000	-	5	-
Level 6 Hospital	Turkana Level 6 Hospital	3,648,999	142,851,001	3,648,999	-	100	-
	Sub-Total	**1,074,331,859**	**603,800,000**	**436,027,186**	-	**41**	-
Trade, Gender and Youth Affairs							
General Administration and Support Services	General Administration, Gender and Youth	6,567,576	-	884,119	-	13	-
	General Administration, Trade and Cooperatives	7,127,578	7,000,000	390,486	-	5	-
Trade Development and Promotion	Market Infrastructure Development	800,000	27,000,000	371,000	-	46	-
	Industrial Development and Investments	1,750,000	-	319,390	-	18	-
	Biashara Fund	900,000	-	150,400	-	17	-

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Trade Promotion	3,350,000	-	537,415	-	16	-
	Fair Trade and Consumer Protection Services	1,800,000	-	371,615	-	21	-
Cooperative Development and Management	Cooperative Marketing, Value Addition, Surveys & Research	2,000,000	-	431,200	-	22	-
	Cooperative Education, Training, Exchange and Ushirika Day Celebration	3,600,000	-	485,275	-	13	-
	Strengthening of Key Dormant Cooperative Societies	1,410,000	-	214,275	-	15	-
	Formulation of Cooperative Policy and Legal Framework	1,600,000	-	464,180	-	29	-
	Cooperative Development Fund	-	90,000,000	-	-	0	-
	Cooperative Ethics Governance and Audit Support	250,000	-	160,020	-	64	-
Promotion of Gender Equality and Empowerment	Gender Empowerment and Advocacy	4,100,000	-	499,200	-	12	-
	Gender Mainstreaming and Coordination	2,980,000	-	364,000	-	12	-
	Legal Compliance and Redress	1,700,000	-	-	-	0	-
	Promotion of Gender Equality and Empowerment	3,743,811	-	290,000	-	8	-
Youth Affairs Development	Youth Coordination and Representation	4,700,000	-	976,999	-	21	-
	Youth Capacity Building & Training	5,200,000	-	62,325	-	1	-
	Youth Talent Development	4,500,000	-	269,153	-	6	-
	Sub-Total	**58,078,965**	**124,000,000**	**7,241,052**		**12**	
Education, Sports and Social Protection							
General Administration and Support Services	Turkana Education and Skill Development Fund	535,000,000	-	-	-	0	0.0
	General Administration Services	28,253,683	-	18,536,036	-	66	0.0
	General Administration ECDE & Social Protection	19,474,501	-	9,685,160	-	50	0.0
	General Administration, Sports and Vocational Training	7,484,499	-	-	-	0	0.0
Early Childhood Education	School Feeding and Infrastructure	66,022,530	411,227,470	74,696,000	-	113	0.0
Social protection programs/ Affirmative Action	ECDE Governance	3,900,000	-	3,259,942	-	84	0.0
	Turkana County Persons with Disability Development	22,300,000	-	8,012,570	-	36	0.0
	Marginalised and Minority groups' support	4,460,000	-	1,790,000	-	40	0.0
	Child Care and Protection	19,000,000	-	12,992,500	-	68	0.0
County Library Services	Library Governance and Infrastructure	6,970,070	-	638,440	-	9	0.0
	Training and Development	2,002,400	-	848,000	-	42	0.0
	Co-Curricular Activities	22,600,000	-	2,499,400	-	11	0.0
Sports and arts programme	Construction of sports stadiums	6,677,490	7,772,510	6,677,490	-	100	0.0
	Sports Infrastructure	2,499,980	64,500,020	-	2,499,980	0	3.9
	Sub-Total	**746,645,153**	**483,500,000**	**139,635,538**	**2,499,980**	**19**	**0.5**

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Public Services, Decentralised Administration and Disaster Management							
General Administration, Planning and Support Services	General Administration, Planning and Support Services- Public Service	5,257,420,000	41,500,000	2,800,707,407	-	53	-
Human resource management	Payroll administration	1,300,000	-	672,700	-	52	-
	Digitisation and Automation	5,240,000	-	2,120,800	-	40	-
	Human Resource Management and Development	4,700,000	-	1,697,310	-	36	-
	GHRIS Module	1,300,000	-	337,400	-	26	-
	County performance management	2,800,000	-	1,752,587	-	63	-
Decentralizes Services	Sub-County Administration Support Programme	19,000,000	-	7,547,418	-	40	-
	Ward Administration Support Programme	18,000,000	-	9,847,344	-	55	-
	Village Administration Support Programme	33,099,154	-	18,714,223	-	57	-
Governance and Public Participation	Civic Education Programme	3,000,000	-	1,138,634	-	38	-
	Public Participation and access to information	10,700,000	-	5,720,527	-	53	-
Disaster risk management	Stakeholders' Coordination and Support Programme	800,000	-	113,000	-	14	-
	Disaster Risk Management	2,600,000	-	849,400	-	33	-
	Disaster Preparedness, Mitigation & Response	553,700,000	-	521,601,690	-	94	-
Inspectorate services	Enforcement & Coordination Services	4,000,000	-	640,900	-	16	-
	County Inspectorate Training Institute	3,000,000	-	197,618	-	7	-
	Sub-Total	**5,920,659,154**	**41,500,000**	**3,373,658,958**		**57**	
Infrastructure, Transport and Public Works							
General Administration and Support Services	General Administration- Infrastructure and Transport	31,917,050	-	4,162,814	-	13	-
	General Administration- Public Works	16,748,103	-	8,501,391	-	51	-
Develop and maintain roads.	Roads maintenance levy fund(RMLF)	-	251,956,760	-	-	-	-
	Designing & Construction of Roads and Bridges	11,700,000	316,700,000	-	9,894,000	-	3.1
Develop and Maintain Staff	Road Safety initiatives	14,400,000	-	1,135,201	-	8	-
	Government Structures/ Buildings	13,900,000	-	2,593,881	-	19	-
	Sub-Total	**88,665,153**	**568,656,760**	**16,393,287**	**9,894,000**	**18**	**1.7**
Agriculture, Pastoral Economy and Fisheries							
General Administration and Support Services	General Administration and Support Services- Agriculture and Land Reclamation	14,404,000	-	6,759,816	-	47	-
	General Administration, Livestock Development	14,800,000	-	4,137,192	-	28	-
	General Administration, Fisheries & Aquaculture	16,000,000	-	646,298	-	4	-
Agriculture Programme	Agriculture Sector Development	-	34,800,000	-	6,475,659	-	18.6
	DRNKP/Kfw	-	346,444,140	-	32,482,162	-	9.4

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
	Fish Market Infrastructure and Sustainable Management	-	60,906,460	-	16,585,644	-	27.2
	Livestock Breed Improvement	-	143,500,000	-	43,512,103	-	30.3
Food System Resilience Project	Food System Resilience Project	-	173,076,922	-	-	-	-
Revival of the Turkana Fishermen Cooperative	Policy Formulation, Research and Development	77,546,277	78,293,541	13,570,118	-	17	-
Emergency Locust Response Project	Emergency Locust Response Project	-	142,500,000	-	57,173,404	-	40.1
	Sub-Total	**122,750,277**	**979,521,063**	**25,113,424**	**156,228,971**	**20**	**15.9**
Tourism, Culture and Natural Resources							
General Administration	General Administration, Tourism, Culture and Heritage	13,400,000	-	9,767,448	-	73	-
	General Administration, Environment, and Climate Change	9,350,000	-	6,127,789	-	66	-
	General Administration, Energy, Mining, and Natural Resources	7,350,000	-	5,136,104	-	70	-
Tourism Development and Promotion	Tourism Destination Marketing	2,200,000	-	2,194,100	-	100	-
	Tourism Product Development and Promotion	2,100,000	-	1,976,094	-	94	-
	Tourism Infrastructure Development	4,000,000	-	-	-	-	-
	Tourism Research and Development	2,200,000	-	2,032,488	-	92	-
Culture, Arts, Heritage Development, promotion and preservation	Ushanga Initiative	2,700,000	-	2,684,500	-	99	-
	Culture Promotion and Preservation	4,300,000	-	3,692,286	-	86	-
	Turkana Cultural Festivals	40,000,000	-	-	-	-	-
Heritage Promotion	Heritage Development Promotion and Preservation	1,200,000	-	373,800	-	31	-
	Turkana Cultural Education and Research Centre	2,200,000	-	563,500	-	26	-
	Lokiriama Culture and Peace Accord	31,395,153	-	-	-	-	-
	Ataa Nayeche Commemoration	35,000,000	-	9,592,332	-	27	-
Environmental Governance, Compliance, Conservation, Protection, and Management	Environmental Governance and Compliance	6,000,000	-	3,702,566	-	62	-
Climate Change Adaptation, Resilience, and Mitigation	Climate Change, Institutional Governance, and Administration	-	4,500,000	-	1,844,700	-	41.0
Financing Locally-Led and Departmental Programmes for Climate Actions	Financing Locally-Led and Departmental Programmes for Climate Actions	-	500,109,357	-	11,000,000	-	2.2
Energy Development Programme	Renewable Energy Development	-	11,800,001	-	1,428,400	-	12.1
	Streetlighting	-	1,100,000	-	670,900	-	61.0
	Energy Efficiency and Conservation	-	12,000,000	-	4,049,198	-	33.7
Mining Development	Sustainable Exploitation of Mineral Resources	-	9,450,000	-	5,003,688	-	52.9

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as of 31st March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
Oil and Gas	Sustainable Utilisation of Oil and Gas	-	3,450,000	-	1,554,020	-	45.0
Forest Conservation and Management	Forestry Development and Governance	18,500,000	-	3,634,600	-	20	0.0
	Prosopis Management and Nature-Based Value Chains Promotion	1,000,000	-	226,800	-	23	0.0
Wildlife Management and Conservation	Wildlife Governance and Community Services	-	2,000,000	-	1,464,400	-	73.2
	Sub-Total	**182,895,153**	**544,409,358**	**51,704,406**	**27,015,306**	**28**	**5.0**
Lands, Energy, Housing and Urban Areas Management							
General Administration and Support Services	General Administration, Lands and Physical Planning	15,670,679	-	1,374,684	-	9	-
	General Administration of Urban and Municipalities	9,844,507	-	558,876	-	6	-
Physical Planning Services	County Spatial Plan	-	40,847,000	942,100	-	-	-
	Policy Formulation	1,570,000	-	353,900	-	23	-
	Development Control	-	1,470,000	326,000	-	-	-
	Land Governance	-	5,323,000	797,960	-	-	-
	Planning Services	1,100,000	-	183,260	-	17	-
Lands Survey	Land and Property Valuation Services	2,700,000	-	387,740	-	14	-
	Spatial Infrastructure	1,000,000	-	690,000	-	69	-
	Land Registration	12,100,000	-	757,025	-	6	-
	Land Policy and Management	970,000	-	886,320	-	91	-
Urban Development	Urban Services	3,239,998	-	-	-	-	-
	Urban Governance	-	19,500,000	-	-	-	-
	Urban Infrastructure	-	7,760,000	1,000,000	-	-	-
	Fire Services	-	1,600,000	1,139,200	-	-	-
Kenya Urban Support Programme	Urban Institutional Grant	35,000,000	-	-	-	-	-
	Sub-Total	**83,195,184**	**76,500,000**	**9,397,065**	-	**11**	-
Turkana County Public Service Board			-		-		-
General Administration, Planning and Support Services	General Administration	43,333,256	-	8,650,513	-	20	-
	Human Resource Management	21,520,116	-	4,995,047	-	23	-
	County Public Service Governance	11,009,162	-	4,938,700	-	45	-
	County Internship Programme	46,292,618	-	9,703,426	-	21	-
	Sub-Total	**122,155,152**	-	**28,287,686**	-	**23**	-
Kakuma Municipality Board			-		-		-
General Admin Planning and Support Services	General Admin Planning and Support Services	11,380,001	-	3,023,160	-	27	-
	Municipal Planning	2,000,000	-	819,314	-	41	-
	Municipal Services	2,500,000	-	1,679,200	-	67	-
	Municipal Infrastructure	1,500,000	-	1,450,300	-	97	-
	Research, Development and Extension Services	1,000,000	-	579,030	-	58	-
Kenya Urban Support Programme	Urban Development Grant	1,807,567	-	-	-	0	-
	Sub-Total	**20,187,568**	-	**7,551,004**	-	**37**	-
Lodwar Municipality Board			-		-		-

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Programme	Sub-Programme	Gross Approved Estimates FY 2024/25		Actual Expenditure as at 31st March 2025		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
General Admin Planning and Support Services	General Admin Planning and Support Services	21,745,155	207,983,773	14,915,993	-	69	-
	Municipal Infrastructure	4,200,000	-	1,867,534	-	44	-
	Research, Development and Extension Services	3,200,000	-	1,357,967	-	42	-
	Municipal Planning	5,900,000	-	4,127,998	-	70	-
	Municipal Services	20,350,000	-	11,298,954	-	56	-
	Sub-Total	**55,395,155**	**207,983,773**	**33,568,446**	-	**61**	-
Turkana County Assembly					-		-
General Administration and Planning	Construction of Buildings	-	169,943,385	-	-	-	-
	General Administration	515,756,599	-	293,332,685	-	**57**	-
Headquarters	General Administration and Planning	379,935,018	-	98,787,647	-	**26**	-
	Sub Total	**895,691,617**	**169,943,385**	**392,120,332**	-	**44**	-
	Grand Total	**11,084,997,682**	**8,675,260,098**	**5,070,942,547**	**2,606,578,437**	**46**	**30**

Source: *Turkana County Treasury*

Sub-programmes with the highest levels of budget implementation, based on absorption rates, were Radiology Services, Health Partners Coordination, School Health, and Health Promotion Services, all at 100 per cent. The Youth and Women Fund in the Department of Health and Sanitation Services received a budget allocation.

3.43.14 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 26 accounts with commercial banks, including ten accounts for Established Funds, two revenue accounts, eight special-purpose accounts (additional allocations), four imprest accounts, two recurrent operational accounts, and one development operational account.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 26 commercial bank accounts, as required by Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.43.15 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;

i. The county Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 6th May 2025. Additionally, the report on programme-based budget execution and the list of development projects were not provided.
ii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of the Turkana County Biashara Fund, the Turkana County Education and Skills Development Fund and the Turkana County Cooperative Enterprise Development Fund had lapsed, making them ineligible for further withdrawals.
iii. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided by law, which is against the requirement of Section 168 of the PFM Act, 2012. As of 15th March 2025, the reports for the County Assembly Car Loan and Mortgage Fund had not been submitted to the CoB.

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iv. A high level of pending bills, amounting to Kshs.1.90 billion as of 31st March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury
v. Use of manual payroll. Personnel emoluments amounting to Kshs.214.18 million for staff yet to be onboarded into HRIS. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
vi. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015
vii. The failure of the County Government to reconcile the expenditure figures led to many inconsistencies in the report.

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget, as per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
iii. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
iv. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
v. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
vi. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*
vii. *The CECMF should ensure that reconciliation is undertaken in the report to avoid inconsistencies that might lead to misreporting.*

3.44. County Government of Uasin Gishu

3.44.1 Overview of FY 2024/25 Budget

The Uasin Gishu County Gross approved Supplementary I Budget for FY 2024/25 is Kshs.15.16 billion. It comprises Kshs.4.71 billion (39.0 per cent) and Kshs.7.79 billion (61 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent a decrease of Kshs.12.15 billion (less than 1 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.4.06 billion and a recurrent budget of Kshs.8.09 billion. The decrease in the budget was attributed to the decline in additional funding.

The budget will be financed from the following revenue sources: Kshs.8.77 billion (58 per cent) expected from the National Government as the equitable share of revenue raised nationally, Kshs.2.91 billion as additional allocations/ conditional grants, and Kshs.1.40 billion (8.7 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.76.8 million (less than 1 per cent) as Facility Improvement Fund (revenue from health facilities) and Kshs.1.32 million (11 per cent) as ordinary own-source revenue. A breakdown of the additional allocations/conditional grants is shown in Table 3.435.

3.44.2 Revenue Performance

During the review period, the County received Kshs.7.90 billion in revenues to fund its development and recurrent activities. This amount represents a decrease of Kshs.444.60 million from Kshs 8.32 billion received in the similar period in FY 2023/24. The total revenue consists of Kshs.4.91 billion from the equitable share of revenue raised nationally, additional allocations from government and development partners of Kshs.67.92 billion, and its own-source revenue (OSR) collection of Kshs.791.4 million. In addition, the County had a cash balance of Kshs.2.1 billion from FY 2023/24.

The total OSR collection of Kshs.2.9 billion includes Facilities Improvement Financing (FIF) of Kshs.31.1 million. OSR collections from the FIF were received from the Uasin Gishu level III and IV hospitals, where FIF is collected. Table 3.437 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

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Table 3.437: Uasin Gishu County, Revenue Performance in the First Nine Months of FY 2024/25

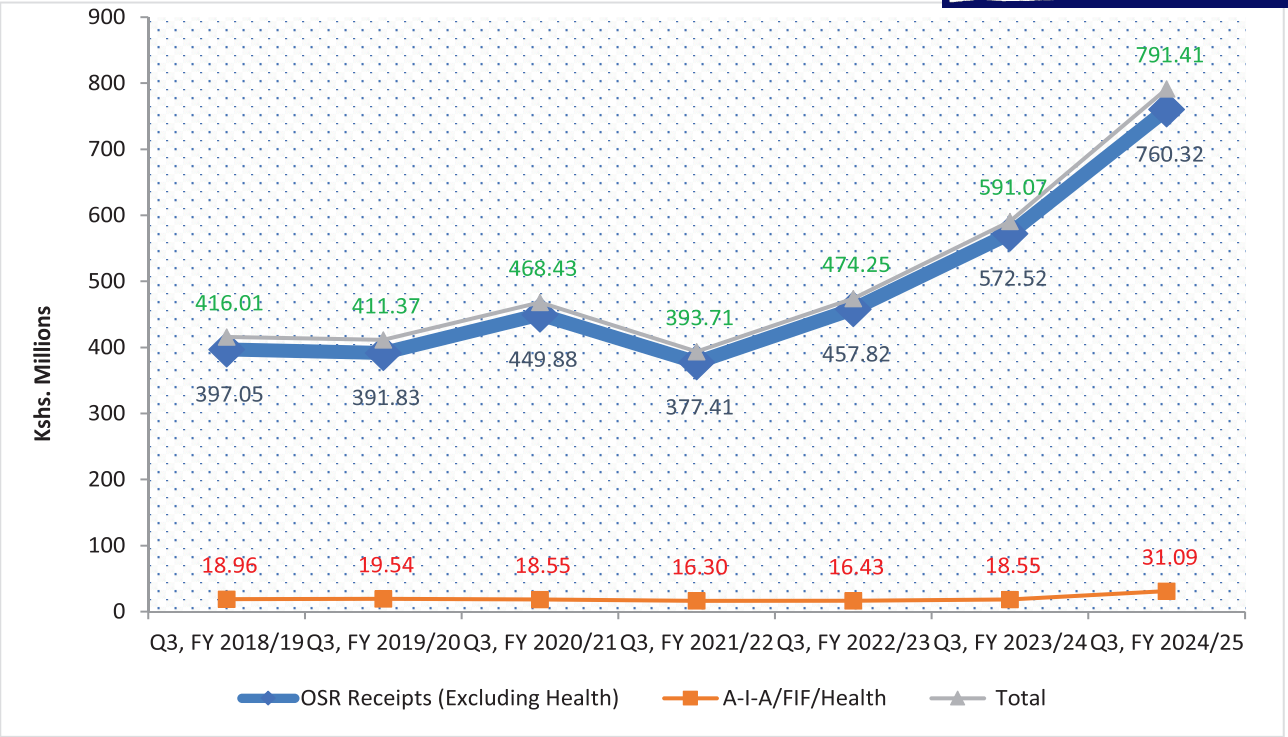
S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Actual Receipts as Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	8,766,325,224	4,913,991,768	56.1
Sub Total		**8,766,325,224**	**4,913,991,768**	**56.1**
B	**Conditional Grants**			-
1	DANIDA	13,907,643	-	-
2	WB- KUSP	420,055,948	-	-
3	WB- KDSP	37,500,000	-	-
4	Grant from the World Bank- IDA (NAVCDP)	320,892,779	-	-
5	Kenya Agricultural Business Development Project (KABDP)		-	-
6	Road Maintenance Fuel Levy (RMLF)	247,523,955	-	-
7	Community Health Promoters	61,980,000	-	-
8	CAIPS	262,157,362	52,631,579	20.1
9	FLoCCA	273,363,692	15,287,898	5.6
10	WB-KISIP II	1,257,024,603	-	-
11	20% Share of Mineral Royalties	376,383	-	-
Sub-Total		2,894,782,365	67,919,477	**2.3**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	1,318,200,000	760,324,607	57.7
2	Balance b/f from FY2023/24	2,097,096,120	2,097,096,120	100.0
3	Facility Improvement Fund (FIF)	76,800,000	31,087,672	40.5
4	Other Revenues	-	-	0.0
5	Appropriation in Aid (AIA)	-	-	0.0
Sub Total		3,492,096,120	2,888,508,399	82.7
Grand Total		**15,153,203,709**	7,870,419,644	**51.9**

Source: *Uasin Gishu County Treasury*

Figure 170 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

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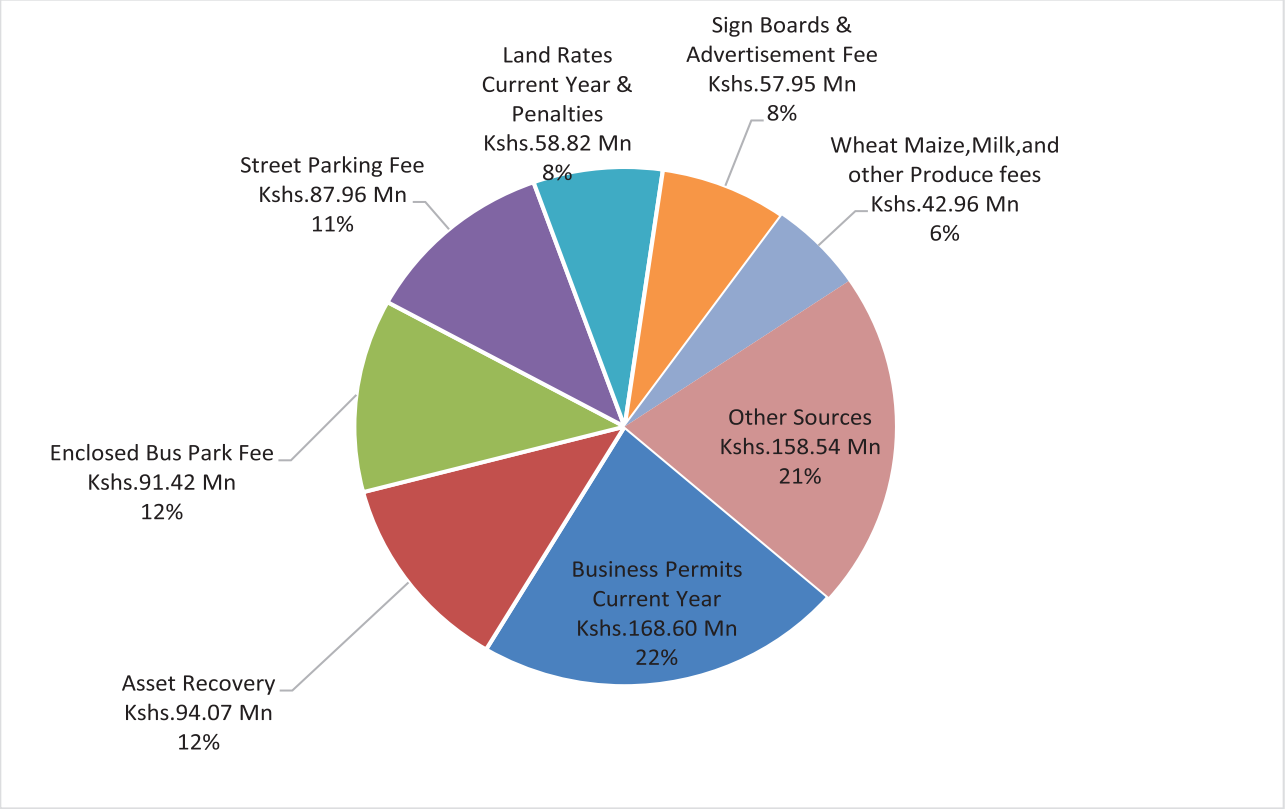
Figure 170: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



Source: *Uasin Gishu County Treasury*

During the review period, the County generated Kshs.791.41 million from its own revenue sources, including AIA and FIF. This amount was a decrease of 9 per cent compared to Kshs.729.32 million realised in a similar period in FY 2023/24, and was 57 per cent of the annual target and 16.1 per cent of the equitable revenue share disbursed. The revenue streams which contributed the highest OSR receipts are shown in Figure 171.

Figure 171: Top Own Source Revenue Streams in the First Nine Months of FY 2024/25



Source: *Uasin Gishu County Treasury*

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As shown in Figure 171, the highest revenue stream, at Kshs.168.6 million, was from business permits, contributing 22 per cent of the total OSR receipts. The County Government has automated 22 revenue streams.

3.44.3 Borrowing by the County

The County Government did not borrow to support its operations.

3.44.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.8.28 billion from the CRF account during the reporting period, which comprised Kshs.2.69 billion (33 per cent) for development programmes and Kshs.5.59 billion (68 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.85 billion was released towards compensation of employees and Kshs.1.74 billion for operations and maintenance expenditure.

Analysis of the operations and maintenance exchequer releases indicates that 10 per cent was for domestic travel and none for foreign travel. The domestic travel exchequer amounted to Kshs.188.35 million, comprising Kshs.188.35 million for the County Executive and Kshs.26.3 million for the County Assembly.

Table 3.438: Uasin Gishu County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues Revised Net budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Governor's Office	110,182,319	-	88,096,238	-	80.0	-
Finance	392,244,340	-	357,244,340	-	91.1	-
Public Service Management	866,611,766	-	718,066,774	-	82.9	-
ICT and E-Government	63,506,559	26,000,000	46,215,113	7,547,261	72.8	29.0
Roads, Transport and Infrastructure	588,413,328	770,085,565	186,800,946	503,987,776	31.7	65.4
Health Services	1,603,720,748	240,000,000	1,563,096,209	240,000,000	97.5	100.0
Agriculture, Livestock and Fisheries	225,523,285	342,515,152	95,047,691	147,424,465	42.1	
Trade, Cooperatives, Tourism, Wildlife	68,539,837	128,179,000	58,518,214	83,980,467	85.4	65.5
Education, Social, Cultural, Youth and Sports	626,806,634	144,250,113	576,806,634	67,819,269	92.0	47.0
County Public Service Board	63,645,936	-	45,723,143	-	71.8	-
County Assembly	825,565,536	60,000,000	488,274,518	15,014,108	59.1	25.0
Economic Planning	115,085,896	-	97,520,634	320,946,131	84.7	-
Administration and Devolution	169,808,210	110,379,850	173,778,432	68,848,797	102.3	62.4
Youth and Development	201,065,220	117,100,000	43,413,493	16,799,343	21.6	14.3
Cooperatives and Enterprise Development	60,215,854	16,500,000	15,483,766	16,500,000	25.7	100.0
Livestock Development and Fisheries	48,148,410	125,275,000	48,148,410	48,148,410	100.0	38.4
Eldoret Municipality	168,788,710	515,055,948	168,788,710	17,671,267	100.0	3.4
Promotive and Preventive Health	515,176,243	74,900,000	420,280,540	103,261,979	81.6	137.9
Energy, Environment, Climate Change, and Natural Resources	48,598,038	204,000,000	29,528,616	-	60.8	-
Partnership Liason and Linkages	53,474,235	-	53,474,235	23,260,537	215.1	-
Gender, Social Protection, and Culture	148,217,942	30,600,000	115,024,463	30,600,000	-	100.0
Housing and Urban Development	78,397,619	1,012,000,244	51,406,477	921,185,099	65.6	91.0
Lands and Physical Planning	57,049,119	80,800,000	57,049,119	57,049,119	100.0	70.6
Water, Irrigation and Sanitation	209,782,767	716,425,452	39,775,458	-	19.0	-
County Attorney	65,538,491	-	52,000,000		79.3	-
Total	**7,374,107,042**	**4,714,066,324**	**5,589,562,172**	**2,690,044,027**	**75.8**	**57.1**

Source: *Uasin Gishu County Treasury*

As of 31st March 2025, the County government's cash balance in the CRF account was Kshs.780,23 million.

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3.44.5 County Expenditure Review

The County spent Kshs.7.73 billion during the reporting period on development and recurrent programmes. The expenditure accounted for 93.4 per cent of the total funds released by the CoB and comprised Kshs.2.14 billion and Kshs.5.59 billion for development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 29 per cent of the annual development budget, while recurrent expenditure represented 72 per cent of the annual recurrent expenditure budget.

3.44.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.710.18 million as of 30th June 2024. This amount included Kshs.672.53 million from the County Executive and Kshs.37.66 million from the County Assembly. The pending bills from the County Executive consist of Kshs.251.84 million for recurrent expenditures and Kshs.420.68 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.410.12 million, comprising Kshs.123.20 million for recurrent programmes and Kshs.286.91 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.18.86 million for recurrent activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.420.68 million and Kshs.289.50 million for development, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.410.12 million for the Executive and Kshs.18.76 million for the Assembly.

As of 31 March 2025, the outstanding bills amounted to Kshs.281.31 million, comprising Kshs.262.41 million for the County Executive and Kshs.18.9 million for the County Assembly.

3.44.7 Expenditure by Economic Classification

The County Executive spent Kshs.3.44 billion on employee compensation, Kshs.1.66 billion on operations and maintenance, and Kshs.2.13 billion on development activities. Similarly, the County Assembly spent Kshs.209.18 million on employee compensation, Kshs.279.09 million on operations and maintenance, and Kshs.15.04 million on development activities, as shown in Table 3.439.

Table 3.439: 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	**7,022,750,149**	**762,833,414**	5,101,287,654	488,274,014	73	64
Compensation to Employees	4,269,690,039	403,083,414	3,440,437,884	209,187,819	81	52
Operations and Maintenance	2,753,060,110	359,750,000	1,660,849,770	279,086,195	60	78
Development Expenditure	7,201,871,894	176,667,175	2,126,876,224	15,014,108	30	8
Total	**14,224,622,043**	**939,500,589**	**7,228,163,878**	**503,288,122**	51	54

***Source**: Uasin Gishu County Treasury*

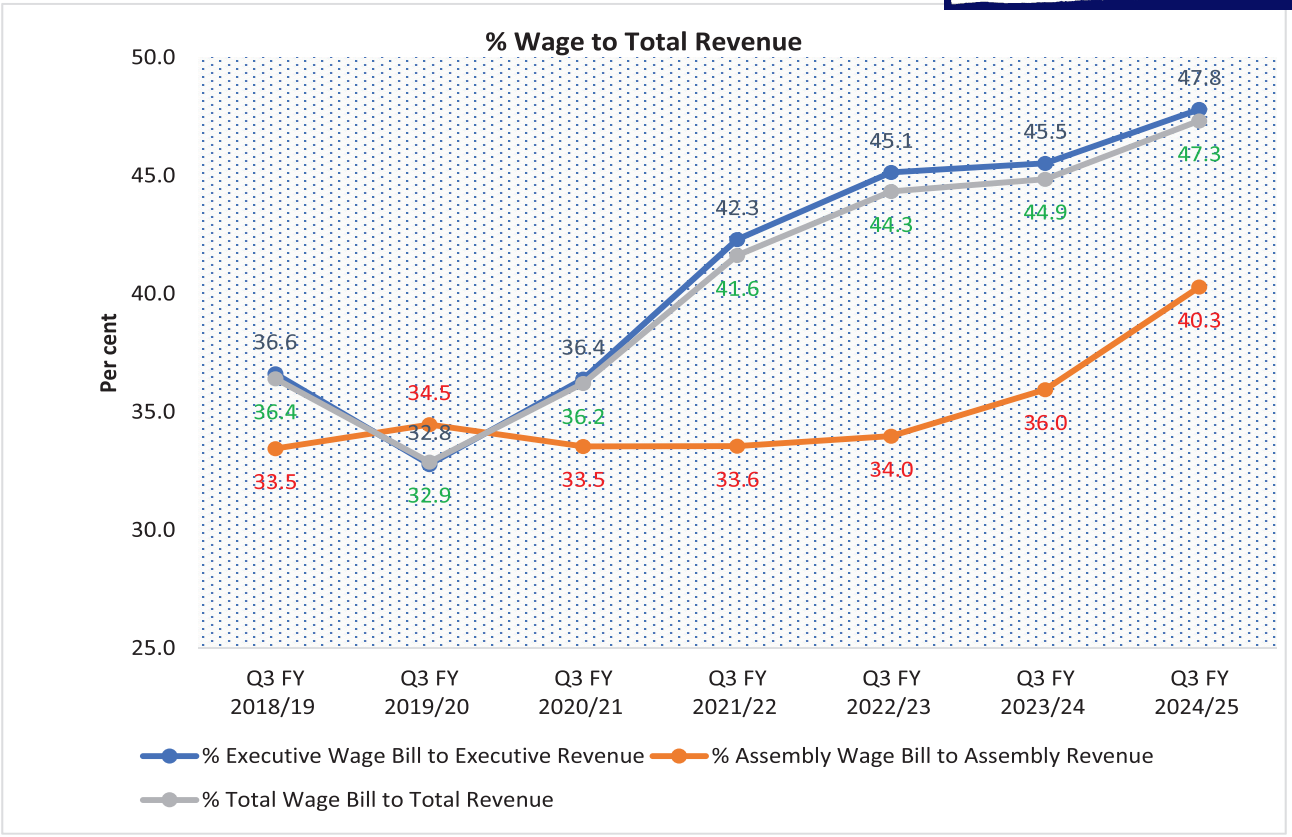
3.44.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.3.65 billion. This expenditure on employee compensation represents an increase compared to the Kshs.3.34 billion reported during the same period in FY 2023/24. Of this total, Kshs.1.54 billion was allocated to Health Sector employees, accounting for 42 per cent of the overall employees' compensation.

Figure 172 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

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Figure 172: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: Uasin Gishu County Treasury*

Further analysis indicates that PE costs amounting to Kshs.3.16 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.493.6 million was processed through manual payrolls, which accounted for 14 per cent of the total PE cost.

The manual payrolls comprised salaries for staff yet to be onboarded into the Government Human Resource Information System (GHRIS), salaries for casual staff, top-up allowance for security personnel, gratuity remittances to pension schemes for staff on contract, and LAPTRUST/LAPFUND Pension Contributions, as shown in Table 3.440.

Table 3.440: Breakdown of Uasin Gishu County Manual Payroll

Breakdown of Manual Payroll	Category	County Executive	County Assembly	Total
1	Salaries for staff paid outside the Human Resource Information System (HRIS)	256,556,209	6,428,254	**262,984,463.0**
2	Salaries for casual staff	25,527,215		**25,527,215.4**
3	LAPTRUST/LAPFUND Pension Contributions	146,048,159		146,048,159.0
4	Gratuity for contract staff	59,036,065		59,036,064.8
	Total	**487,167,648**	**6,428,254**	**493,595,902**

***Source**: Uasin Gishu County Treasury*

The County Assembly spent Kshs.7.45 million on committee sitting allowances for the 44 MCAs, against the annual budget allocation of Kshs.39.98 million. The average monthly sitting allowance was Kshs.169,425 per MCA. The County Assembly has 22 House Committees.

3.44.9 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.346.41 million to County-Established funds in FY 2024/25, or 2 per cent of the County's overall budget. Furthermore, the County allocated Kshs.45.8 million to the Emergency Fund (0.3 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.441 summarises each established Fund's budget allocation and performance during the reporting period.

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Table 3.441: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in Third Quarter of FY 2024/25 (Kshs.)	Actual Expenditure in Third Quarter of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of Annual Financial Statements (Yes/No.)
	County Executive Established Funds					
1	Uasin Gishu County Emergency Fund- Governor	45,800,000	35,000,000	-	224,796,374	not yet
2	Uasin Gishu County Enterprise Development Fund (Co-op)	20,000,000	13,500,000	-	531,271,435	yes
3	Uasin Gishu County Inua Biashara Fund (trade)	20,000,000	20,000,000	-	270,814,711	yes
4	Uasin Gishu County Bursary and Skills Development Support Fund	176,000,000	-	-	733,203,066	yes
5	Car Loan & Mortgage - County Executive(governor)	25,000,000	25,000,000	-	25,000,000	not yet
6	Uasin Gishu TVET Fund	40,000,000	-	-	325,382,015	yes
	County Assembly Established Funds					
1	Car Loan & Mortgage - County Assembly	19,908,000	-	-	-	not yet
	Total	**346,708,000**	93,500,000	-	**2,110,467,601**	

Source: *Uasin Gishu County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from three Fund Administrators, as indicated in Table 3.441, contrary to the requirement of Section 168 of the PFM Act, 2012. The administration costs of the Alcoholic Drinks and Control Fund and County Education Revolving Funds were above the 3 per cent limit of the Fund budget set in Regulation 197(1)(d) of the Public Finance Management (County Governments) Regulations, 2015.

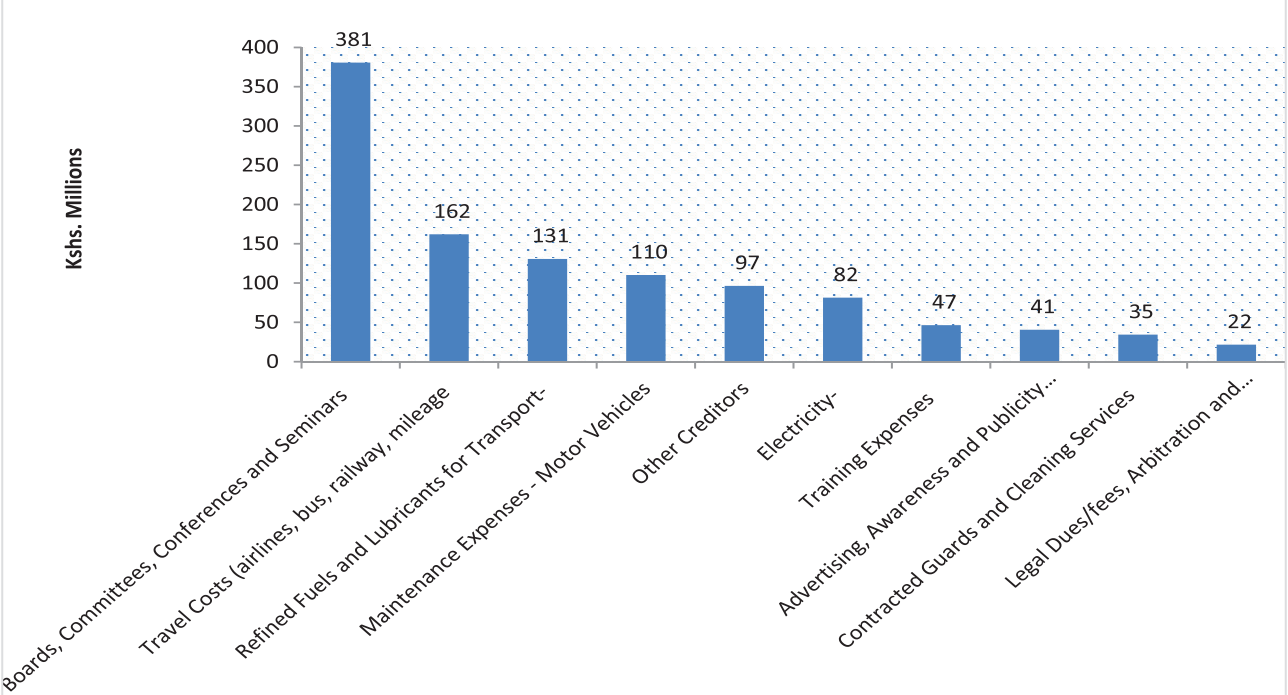
3.44.10 County Corporations

The County has not established county corporations, as per their report submissions.

3.44.11 Expenditure on Operations and Maintenance

Figure 173 summarises the Operations and Maintenance expenditure by major categories.

Figure 173: Uasin Gishu County, Operations and Maintenance Expenditure by Major Categories



Source: *Uasin Gishu County Treasury*

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Expenditure on domestic travel amounted to Kshs.188.36 million, comprising Kshs.26.30 million spent by the County Assembly and Kshs.162.05 million by the County Executive. Neither arm of government reported expenditure on foreign travel. The operations and maintenance costs include an expenditure of Kshs.21.7 million on Legal fees/ Dues, arbitration, and compensation payments.

3.44.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.31.09 million as FIF, which was 31 per cent of the annual target of Kshs.76.8 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed regulations in 2024 to operationalise the FIF Act of 2023.

The Health facilities did not provide a report on the utilisation of the FIF during the reporting period, contrary to Section 18(e) of the FIF Act, 2023.

3.44.13 Development Expenditure

In the review period, the County reported spending Kshs.2.14 billion on development programmes, representing an increase of 50 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.1.34 million. Table 3.442 Summarises development projects with the highest expenditure in the reporting period.

Table 3.442: Uasin Gishu County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Contract Sum (Kshs)	Amount paid to date (Kshs)	Implementation status (%)
1	Trade and Industrialisation	County Aggregation and Industrial Park (CAIPS)	Moiben	500,000,000	159,000,000	45
2	Public Administration	Construction of the Turbo Sub County office	Cheromei - Turbo	105,055,705	90,010,559	100
3	Housing & Urban Development	Construction of Cluster 4 Ward Offices	Langas, Kipkenyo, Megun, Ngeria, Kapsoya,Cheptiret/Kipchamo	164,905,152	54,546,850	85
4	Public Administration	Deputy Governor's Residence	Elgon View Estate	65,000,000	34,666,470	80
5	Public Administration	Construction of cluster 3 ward offices	Kapkures Kipsomba, Tabsagoi, Huruma, and Moi's Bridge	140,573,109.70	20,651,420	45
6	Housing & Urban Development	Construction of Road Section	Sports Club	20,000,000	14,800,200	90
7	Housing & Urban Development	Remodelling of Korosiot, fims round-about and Harambee Road	Eldoret CBD	15,000,000	12,521,500	100

Source: *Uasin Gishu County Treasury*

3.44.14 Budget Performance by Department

Table 3.443 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.443: Uasin Gishu County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.Mn)		Exchequer Issues (Kshs.Mn)		Expenditure (Kshs. Mn)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Governor's Office	110.18	-	88.10	-	87.85	-	99.7	-	79.7	-
Finance	392.24	-	357.24	-	364.11	-	101.9	-	92.8	-
Public Service Management	866.61	-	718.07	-	716.06	-	99.7	-	82.6	-
ICT and E-Government	63.51	26	46.22	7.55	46.09	6.07	99.7	80.4	72.6	23
Roads, Transport and Infrastructure	588.41	770.09	186.80	503.98	372.56	370.16	199.4	73.4	63.3	48.1
Health Services	1,603.72	240	1,563.10	240	1,202.91	240	77.0	100.0	75.0	100.0
Agriculture, Livestock and Fisheries	225.52	342.52	95.05	147.42	189.56	118.47	199.4		84.1	34.6

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Department	Budget Allocation (Kshs.Mn)		Exchequer Issues (Kshs.Mn)		Expenditure (Kshs. Mn)		Expenditure to Exchequer Issues (%)		Absorption	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Trade, Cooperatives, Tourism, Wildlife	68.54	128.18	58.52	83.98	40.63	67.49	69.4	80.4	59.3	52.7
Education, Social, Cultural, Youth and Sports	626.81	144.25	576.81	67.82	555.75	54.50	96.3	80.4	88.7	37.8
County Public Service Board	63.65	-	45.72	-	45.32	-	99.1	-	71.2	-
County Assembly	825.57	60	488.27	15.01	585.44	-	119.9	-	70.9	-
Economic Planning	115.09	-	97.52	320.95	94.78	257.91	97.2	80.4	82.4	-
Administration and Devolution	169.81	110.38	173.78	68.85	167.09	55.33	96.2	80.4	98.4	50.1
Youth and Development	201.07	117.10	43.41	16.80	43.29	13.50	99.7	80.4	21.5	11.5
Cooperatives and Enterprise Development	60.22	16.50	15.48	16.50	15.44	19.50	99.7	118.2	25.6	118.2
Livestock Development and Fisheries	48.15	125.28	48.15	48.15	48.15	44.42	100.0	92.3	100.0	35.5
Eldoret Municipality	168.79	515.06	168.79	17.67	168.79	14.20	100.0	80.4	100.0	2.8
Promotive and Preventive Health	515.18	74.90	420.28	103.26	18.51	74.90	4.4	72.5	3.6	100.0
Energy, Environment, Climate Change, and Natural Resources	48.60	204	29.53	-	28.98	-	98.1	-	59.6	-
Partnership Liason and Linkages	53.47	-	53.47	23.26	132.87	18.69	56.0	80.4	56.0	-
Gender, Social Protection, and Culture	148.22	30.60	115.02	30.60	29.96	30.60	-	100.0	-	100.0
Housing and Urban Development	78.40	1,012	51.41	921.19	50.67	660.34	98.6	71.7	64.6	65.3
Lands and Physical Planning	57.05	80.80	57.05	57.05	57.05	80.80	100.0	141.6	100.0	100.0
Water, Irrigation and Sanitation	209.78	716.43	39.78	-	39.44	-	99.2	-	18.8	-
County Attorney	65.54	-	52				-	-	-	-
Total	**7,374.11**	**4,714.07**	**5,589.56**	**2,690.04**	**5,101.29**	**2,126.88**	**91.3**	**79.1**	**69.2**	**45.1**

***Source**: Uasin Gishu County Treasury*

Analysis of expenditure by departments shows that the Department of Cooperatives and Enterprise Development recorded the highest absorption rate of development budget at 118 per cent. The Departments of Livestock Development and Fisheries, Eldoret Municipality, and Lands and Physical Planning had the highest recurrent expenditure at 100 per cent, while the Department of Promotion and Preventive Health had the lowest at 3.6 per cent.

3.44.15 Budget Execution by Programmes and Sub-Programmes

Table 3.444 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.444: Uasin Gishu County, Budget Execution by Programmes and Sub-Programmes

Head	Program	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Absorption Rate (%)
0		**Default Value (Non-Departmental)**	**-**	**8,541,500**	-
	4310		-	8,541,500	-
4311000100		**Administration - Governor's Office**	**124,346,159**	**87,849,936**	71
	110004310		124,346,159	87,849,936	71
4311000200		**Inter-Governmental Committee**	**-**	**-**	-
4312000100		**Administration - Finance and Economic Planning**	**385,578,592**	**324,345,075**	84
	709004310	KENYA DEVOLUTION SUPPORT PROGRAMME	-	-	-
	701004310	PUBLIC FINANCE MANAGEMENT	385,578,592	324,345,075	84
4312000200		**Budget and Economic Affairs**	**1,000,000**	**651,100**	65
	701004310	PUBLIC FINANCE MANAGEMENT	1,000,000	651,100	65
4312000300		**Revenue Section**	**29,137,691**	**25,506,331**	88
	701004310	PUBLIC FINANCE MANAGEMENT	29,137,691	25,506,331	88
4312000400		**Accounts Section**	**2,561,310**	**2,298,850**	90

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Head	Program	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Absorption Rate (%)
	701004310	PUBLIC FINANCE MANAGEMENT	2,561,310	2,298,850	90
4312000500		**Procurement and Supplies Section**	**2,661,310**	**2,283,284**	86
	701004310	PUBLIC FINANCE MANAGEMENT	2,661,310	2,283,284	86
4312000700		**Internal Audit Section**	**7,461,310**	**9,028,193**	121
	701004310	PUBLIC FINANCE MANAGEMENT	7,461,310	9,028,193	121
4313000100		**Administration- Public Service Management**	**886,420,228**	**712,804,855**	80
	504004310	ADMINISTRATION AND SUPPORT SERVICES	886,420,228	712,804,855	80
4313000300		**Communication Section**	**2,100,149**	**983,100**	47
	504004310	ADMINISTRATION AND SUPPORT SERVICES	2,100,149	983,100	47
4313000500		**Registry Section**	**395,000**	**48,900**	12
	504004310	ADMINISTRATION AND SUPPORT SERVICES	395,000	48,900	12
4313000600		**Human Resource Section**	**3,218,000**	**2,222,330**	69
	504004310	ADMINISTRATION AND SUPPORT SERVICES	3,218,000	2,222,330	69
4314000100		**Administration- ICT and E-Government**	**109,253,676**	**66,490,904**	61
	707004310	COMMUNITY DEVELOPMENT SERVICES	2,000,000	-	-
	201004310	ICT INFRASTRUCTURE DEVELOPMENT	29,606,532	20,405,000	69
	216004310		77,647,144	46,085,904	59
4315000100		**Administration - Roads, Transport and Infrastructure**	**1,309,627,993**	**719,693,150**	55
	204004310	ROADS INFRASTRUCTURE DEVELOPMENT	605,922,106	372,557,366	61
	707004310	COMMUNITY DEVELOPMENT SERVICES	703,705,887	347,135,784	49
4315000200		**Roads Department**	**418,497,436**	**29,006,185**	7
	204004310	ROADS INFRASTRUCTURE DEVELOPMENT	404,222,323	29,006,185	7
	707004310	COMMUNITY DEVELOPMENT SERVICES	14,275,113	-	-
4315000300		**Fire and Emergency Response Department**	**14,200,000**	-	-
	204004310	ROADS INFRASTRUCTURE DEVELOPMENT	14,200,000	-	-
4318000100		**Administration- Health Services**	**1,862,130,561**	**1,333,383,533**	72
	404004310	PUBLIC HEALTH SERVICES	-	-	-
	401004310	CURATIVE HEALTH SERVICES	-	-	-
	110004310		30,000,000	30,000,000	100
	405004310	HEALTH INFRASTRUCTURE	-	-	-
	407004310		143,186,119	129,000,000	90
	504004310	ADMINISTRATION AND SUPPORT SERVICES	1,649,988,088	1,172,905,001	71
	707004310	COMMUNITY DEVELOPMENT SERVICES	38,956,354	1,478,532	4
4318000200		**Clinical Services**	**240,000,000**	**132,971,660**	55
	407004310		240,000,000	132,971,660	55
4319000100		**Administration- Agriculture, Livestock and Fisheries**	**297,994,215**	**205,543,608**	69
	707004310	COMMUNITY DEVELOPMENT SERVICES	69,000,000	15,979,699	23
	118004310		228,994,215	189,563,909	83
4319000200		**Livestock**	**415,852,875**	**173,247,779**	42
	304004310	COOPERATIVES DEVELOPMENT AND MARKETING	415,852,875	173,247,779	42
4320000100		**Administration- Trade, Cooperatives, Tourism and Wildlife**	**234,219,920**	**93,821,999**	40
	707004310	COMMUNITY DEVELOPMENT SERVICES	149,397,685	53,127,579	36
	110004310		84,822,235	40,694,420	48
4320000200		**Trade Department**	**25,000,000**	**14,855,363**	59
	301004310	TRADE DEVELOPMENT AND INVESTMENT	25,000,000	14,855,363	59
4320000300		**Cooperatives Department**	**187,764,125**	**25,969,912**	14
	304004310	COOPERATIVES DEVELOPMENT AND MARKETING	187,764,125	25,969,912	14
4320000400		**Tourism Department**	**43,464,180**	-	-
	311004310		43,464,180	-	-

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Head	Program	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Absorption Rate (%)
4321000100		**Administration - Education, Social Cultural, Youth and Sports**	**754,009,481**	**553,873,467**	73
	707004310	COMMUNITY DEVELOPMENT SERVICES	166,850,113	39,500,000	24
	202004310	ADMINISTRATIVE SUPPORT SERVICES	587,159,368	514,373,467	88
4321000300		**Department of Culture**	**112,500,000**	**56,373,307**	50
	202004310	ADMINISTRATIVE SUPPORT SERVICES	43,500,000	41,373,550	95
	510004310		69,000,000	14,999,757	22
4322000100		**Headquarters - County Public Service Board**	**65,950,456**	**45,319,227**	69
	110004310		65,950,456	45,319,227	69
4323000100		**Headquarters**	**1,002,232,711**	**478,625,199**	48
	706004310	ADMINISTRATION AND SUPPORT SERVICES	1,002,232,711	478,625,199	48
4324000100			**59,950,048**	**36,755,416**	61
	702004310	COUNTY PLANNING AND ECONOMIC POLICY MANAGEMENT	59,950,048	36,755,416	61
4324000200			**23,000,000**	**22,817,995**	99
	702004310	COUNTY PLANNING AND ECONOMIC POLICY MANAGEMENT	23,000,000	22,817,995	99
4324000300			**20,000,000**	**19,957,030**	100
	702004310	COUNTY PLANNING AND ECONOMIC POLICY MANAGEMENT	20,000,000	19,957,030	100
4324000400			**18,000,000**	**17,303,995**	96
	702004310	COUNTY PLANNING AND ECONOMIC POLICY MANAGEMENT	18,000,000	17,303,995	96
4325000100			**179,166,002**	**94,775,549**	53
	110004310		141,666,002	89,876,913	63
	709004310	KENYA DEVOLUTION SUPPORT PROGRAMME	37,500,000	4,898,636	13
4325000200			**303,484,094**	**257,913,223**	85
	105004310	ADMINISTRATION SUPPORT SERVICES	303,484,094	257,913,223	85
4326000100			**308,844,040**	**199,957,335**	65
	513004310		196,065,220	145,588,795	74
	504004310	ADMINISTRATION AND SUPPORT SERVICES	5,000,000	2,505,000	50
	707004310	COMMUNITY DEVELOPMENT SERVICES	107,778,820	51,863,540	48
4326000200		**Youth and Gender Affairs Department**	**30,000,000**	**22,458,159**	75
	513004310		30,000,000	22,458,159	75
4326000300			**20,000,000**	-	-
	513004310		20,000,000	-	-
4327000100			**20,243,700**	**18,851,922**	93
	305004310	WEIGHTS AND MEASUREMENTS	6,743,700	5,351,922	79
	707004310	COMMUNITY DEVELOPMENT SERVICES	13,500,000	13,500,000	100
4327000200			**60,215,854**	**37,940,195**	63
	305004310	WEIGHTS AND MEASUREMENTS	60,215,854	37,940,195	63
4329000100			**88,602,566**	**15,101,850**	17
	305004310	WEIGHTS AND MEASUREMENTS	299,942	-	-
	707004310	COMMUNITY DEVELOPMENT SERVICES	88,302,624	15,101,850	17
4329000300		**LIVESTOCK**	**145,109,299**	**20,338,377**	14
	110004310		48,148,410	15,440,477	32
	101004310	LIVESTOCK RESOURCE MANAGEMENT AND DEVELOPMENT	79,195,078	4,897,900	6
	119004310		17,765,811	-	-
4331000100		**Eldoret Municipality**	**720,158,806**	**144,579,232**	20
	514004310		465,055,948	40,789,500	9
	305004310	WEIGHTS AND MEASUREMENTS	6,640,488	3,156,000	48

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Head	Program	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Absorption Rate (%)
	110004310		158,788,710	96,999,732	61
	123004310		89,673,660	3,634,000	4
4331000200			-	-	-
	205004310	DISASTER MANAGEMENT	-	-	-
4332000100		**PUBLIC HEALTH SERVICES**	**659,743,447**	**551,436,800**	84
	707004310	COMMUNITY DEVELOPMENT SERVICES	54,900,000	-	-
	405004310	HEALTH INFRASTRUCTURE	20,000,000	1,531,290	8
	504004310	ADMINISTRATION AND SUPPORT SERVICES	545,251,243	537,236,120	99
	407004310		39,592,204	12,669,390	32
4332000200			-	-	-
	407004310		-	-	-
4333000100		**ADMINISTRATION AND SUPPORT SERVICES**	**119,075,581**	**55,574,937**	47
	504004310	ADMINISTRATION AND SUPPORT SERVICES	40,075,581	15,117,997	38
	707004310	COMMUNITY DEVELOPMENT SERVICES	79,000,000	40,456,940	51
4333000200			**65,000,000**	**1,460,900**	2
	214004310		65,000,000	1,460,900	2
4333000300			**10,000,000**	-	-
	215004310		10,000,000	-	-
4333000400		**WATER SUPPLY SERVICES**	**402,637,279**	**63,759,243**	16
	215004310		402,637,279	63,759,243	16
4334000100			**54,224,175**	**28,975,993**	53
	114004310		54,224,175	28,975,993	53
4335000100			**126,837,123**	**98,101,000**	77
	511004310		10,100,000	10,099,400	100
	707004310	COMMUNITY DEVELOPMENT SERVICES	22,590,742	10,000,000	44
	110004310		94,146,381	78,001,600	83
4335000200			**37,000,000**	**38,970,010**	105
	511004310		37,000,000	38,970,010	105
4335000400			**29,400,000**	**19,487,854**	66
	512004310		7,700,000	5,795,620	75
	506004310	SOCIAL DEVELOPMENT SERVICES	21,700,000	13,692,234	63
4336000100			**84,306,017**	**29,964,915**	36
	306004310	ADMINISTRATION AND SUPPORT SERVICES	79,806,017	29,964,915	38
	707004310	COMMUNITY DEVELOPMENT SERVICES	4,500,000	-	-
4336000200			**31,500,244**	**19,601,000**	62
	122004310		31,500,244	19,601,000	62
4336000300			**1,319,449,667**	**385,709,380**	29
	123004310		1,319,449,667	385,709,380	29
4337000100			**326,835,563**	**123,946,489**	38
	504004310	ADMINISTRATION AND SUPPORT SERVICES	15,000,000	1,373,950	9
	707004310	COMMUNITY DEVELOPMENT SERVICES	209,750,000	71,901,650	34
	124004310		102,085,563	50,670,889	50
4337000300			**11,189,109**	-	-
	108004310	LAND POLICY AND MANAGEMENT	11,189,109	-	-
4338000100			**929,200,115**	**402,107,799**	43
	1001004310		450,000,000	144,374,549	32
	707004310	COMMUNITY DEVELOPMENT SERVICES	266,425,452	132,531,181	50
	901004310	WATER SUPPLY SERVICES	212,774,663	125,202,069	59
4338000300			**332,636,030**	-	-

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Head	Program	Description	Approved Budget (Kshs.)	Actual Payments (Kshs.)	Absorption Rate (%)
	1001004310		332,636,030	-	-
4339000100			**90,736,491**	**39,440,339**	43
	115004310		90,736,491	39,440,339	43
		Grand Total	**15,164,122,628**	**7,873,025,679**	**52**

Source: *Uasin Gishu County Treasury*

Sub-programmes with the highest levels of implementation, based on absorption rates, were: Community Health in the Department of Public Health (100 per cent), Weights and Measurements in the Department of Trade (100 per cent), and Planning (93 per cent of budget allocation).

3.44.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 65 accounts with commercial banks, including one account for Health Facilities, 39 accounts for Vocational Training Centres, seven accounts for Established Funds, four revenue accounts, eight special-purpose accounts (for additional allocations), four imprest accounts, one recurrent operational account, and one development operational account.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.44.17 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;

i. The county Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 30th April 2025.
ii. Fund Administrators did not submit quarterly financial and non-financial reports to the Controller of Budget (CoB) within the timelines mandated by law, which violates Section 168 of the Public Finance Management Act, 2012. Specifically, the reports for the Executive Mortgage Fund, Assembly Car and Mortgage Fund, and Emergency Fund were not submitted to the Controller of Budget.
iii. A high level of pending bills, amounting to Kshs.281.34 million as of 31st March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
iv. Use of manual payroll. Personnel emoluments amounting to Kshs.493.6 million for staff yet to be onboarded into HRIS and casual staff were processed through manual payroll, accounting for 13.5 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
v. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
iii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
iv. *The Government requires that salaries be processed through the HRIS system, and the County is advised to*

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fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 59 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.

v. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

3.45. County Government of Vihiga

3.45.1 Overview of FY 2024/25 Budget

The Vihiga County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.7.11 billion. It comprises Kshs.2.29 billion (32.2 per cent) and Kshs.4.82 billion (67.8 per cent) allocations for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.0.43 billion (6.4 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.2.20 billion and a recurrent budget of Kshs.4.48 billion. The increase in the budget was attributed to the rise in grant allocation. The County's Net Approved Supplementary I Budget (gross budget less AIA estimates) is Kshs.6.97 billion, comprising Kshs.4.68 billion for recurrent and Kshs.2.29 billion for development.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.5.29 billion (74.5 per cent), additional allocations of Kshs.1.03 billion (14.5 per cent), a cash balance of Kshs.443.5 million (6.2 per cent) brought forward from FY 2023/24, and Kshs.340.0 million (4.8 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.140.0 million (2 per cent) as Appropriations-in-Aid (A-I-A)/Facility Improvement Fund (revenue from health facilities), and, Kshs.200.0 million (2.8 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.445.

3.45.2 Revenue Performance

During the review period, the County received Kshs.4.17 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.0.86 billion from the Kshs.3.31 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.3.49 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.0.00 billion, and its own-source revenue (OSR) collection of Kshs.238.95 million. In addition, the County had a cash balance of Kshs.443.50 million from FY 2023/24.

The total OSR collection of Kshs.238.95 million includes Appropriations in Aid (AIA)/Facilities Improvement Financing (FIF) of Kshs.115.65 million, and Kshs.123.30 million from other OSR sources. OSR collections from the FIF were received from Vihiga County Referral Hospital, Emuhaya Sub County Hospital, Hamisi Sub County Hospital, Emusire Sub County Hospital and Sabatia Sub County Hospital, where FIF is collected. Table 3.445 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

Table 3.445: Vihiga County, Revenue Performance in the First Nine Months of FY 2024/25

S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	5,292,921,648	3,491,257,159	66.0
Subtotal		**5,292,921,648**	**3,491,257,159**	**66.0**
B	**Additional Allocations**			-
1	Road Maintenance Fuel Levy	104,335,372	-	-
2	Community Health Promoters (CHPS)	43,380,000	-	-
3	Primary Health Care in Developed Context Programme (DANIDA)	16,015,507	-	-
4	Aggregated Industrial Parks Programme	250,000,200	-	-
5	National Agriculture Value Chain Development Projects (NAVCDP)	158,015,152	-	-
6	Kenya Devolution Support Programme - KDSP II (GRANT)	37,500,000	-	-
7	Kenya Urban Support Programme - UIG Grant	35,000,000	-	-

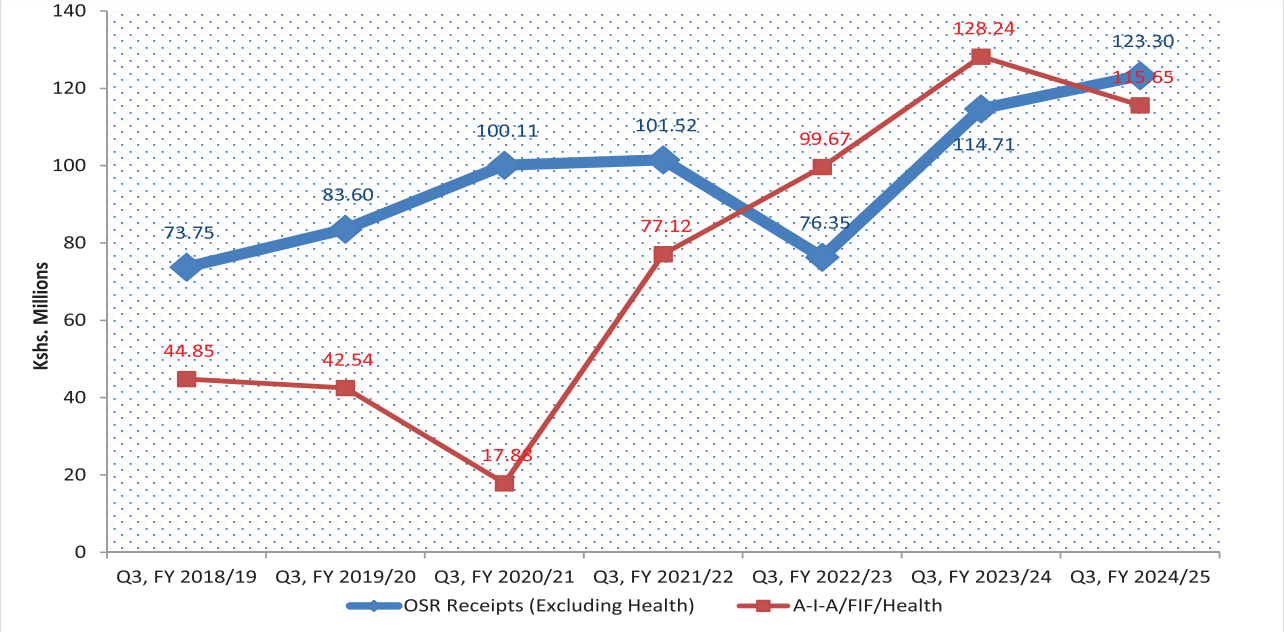
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S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage (%) of Annual Budget Allocation (%)
8	Nutrition International	2,613,932	-	-
9	FLLoCA KFW/IDA (CCRI)	316,350,444	-	-
10	Kenya Agricultural Business Development Project(KAB-DAP)	10,918,919	-	-
11	Village Polytechnic	21,234	-	-
12	FLLoCA KFW/IDA (CCIS)	22,000,000	-	-
13	Kenya Urban Support Programme - UDG Grant	18,278,289	-	-
14	Basic Salary Arrears for County Government Health Workers	15,044,112	-	-
Subtotal		**1,029,473,161**	-	-
C	**Own Source Revenue**		-	-
15	Ordinary Own Source Revenue	200,000,000	123,299,289	61.6
16	Appropriation in Aid (A-I-A)	140,000,000	115,648,839	82.6
17	Facility Improvement Fund (FIF)			
Subtotal		**340,000,000**	**238,948,128**	-
D	**Other Sources of Revenue**			
18	Unspent balance from FY 2023/24	443,502,069	443,502,069	100.0
19	Other Revenues (provide a list)	-	-	-
Sub-Total		**443,502,069**	**443.502,069**	-
Grand Total		**7,105,896,878**	**4,173,707,356**	**58.7**

Source: *Vihiga County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF. Figure 174 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

Figure 174: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



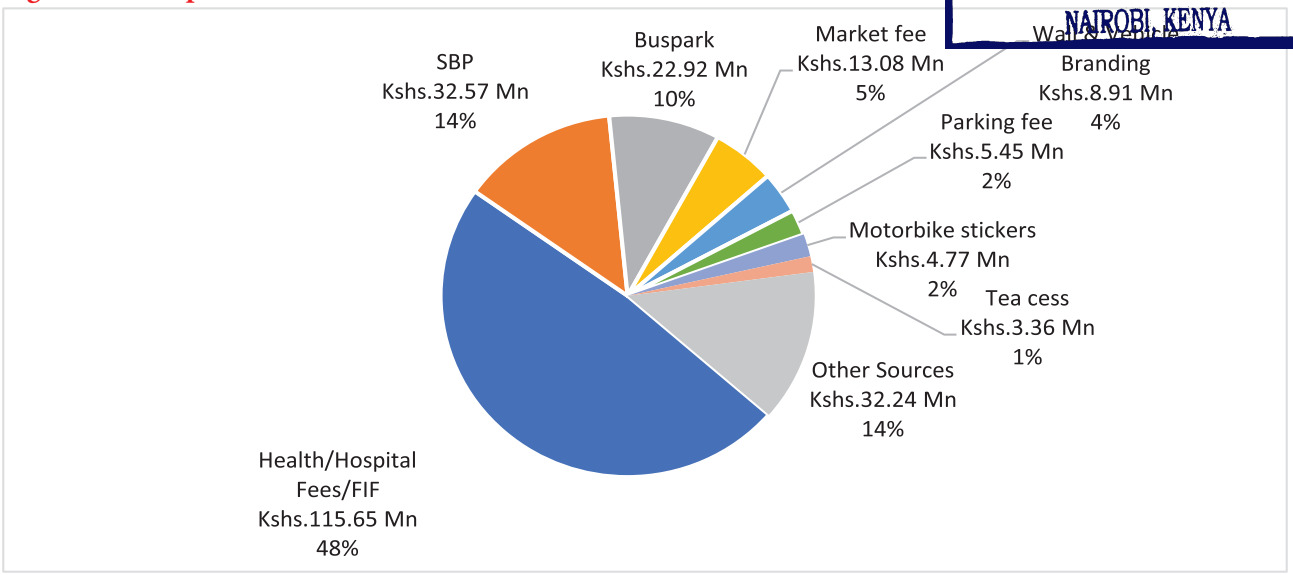
Source: *Vihiga County Treasury*

During the review period, the County generated Kshs.238.95 million from its own revenue sources, including AIA and FIF. This amount was a decrease of 1.64 per cent compared to Kshs.242.94 million realised in a similar period in FY 2023/24 and was 7.4 per cent of the annual target and 8.0 per cent of the equitable revenue share disbursed.

The revenue streams which contributed the highest OSR receipts are shown in Figure 175.

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Figure 175: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source: *Vihiga County Treasury*

As shown in Figure 175, the highest revenue stream of Kshs.115.65 million was from FIF contributing to 48 per cent of the total OSR receipts. The County Government has automated all its revenue streams except hospitals, which are partially automated.

3.45.3 Borrowing by the County

The County Government did not borrow any amount from any financial institution as of 31 March 2025.

3.45.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.3.92 billion from the CRF account during the reporting period, which comprised Kshs.674.48 million (17.2 per cent) for development programmes and Kshs.3.24 billion (82.8 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.41 billion was released towards compensation of employees and Kshs.830.24 million for operations and maintenance expenditure. Exchequer approved compensation for employees in the first nine months of FY 2024/25, which does not include the March 2025 exchequer request for the County Executive and County Assembly due to late disbursement of funds from National Treasury to the CRF account.

Analysis of the operations and maintenance exchequer releases indicates that 17.8 per cent was for domestic travel and 3.6 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.148.07 million, comprising Kshs.35.75 million for the County Executive and Kshs.112.32 million for the County Assembly. The foreign exchequer totalled Kshs.29.88 million, comprising Kshs.14.88 million for the County Executive and Kshs.15.00 million for the County Assembly.

Table 3.446: Vihiga County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
Office of The Governor	244,924,593	-	217,446,327	-	88.8	-
Finance and Economic Planning.	371,368,728	160,222,151	247,650,528	123,391,759	66.7	77.0
Agriculture, Livestock & Fisheries	144,289,792	191,934,071	118,291,038	3,970,000	81.9	2.1
Health Services	1,431,343,813	163,200,000	1,006,869,097	124,229,686	70.3	76.1
Education & Technical Vocational Training	471,290,721	189,128,356	336,743,464	56,165,135	71.5	29.7
Gender, Culture, Youth, Sports and Social Services	89,739,919	37,342,565	68,994,313	-	76.9	-
Commerce, Tourism and Cooperatives.	79,846,387	360,880,034	46,609,888	40,801,382	58.4	11.3

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Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Public Service Board	67,635,153	-	37,391,383	-	55.3	
Environment, Water, Natural Resources and Climate Change	173,446,474	610,213,767	103,235,237	145,641,190	59.5	23.9
Transport & Infrastructure	168,865,389	477,097,174	72,113,893	149,229,150	42.7	31.3
Physical Planning, Lands, Housing & Urban Development	109,481,018	69,852,749	72,003,615	20,000,000	65.8	28.6
County Assembly	703,849,057	11,399,349	380,919,513	11,050,170	54.1	96.9
Public Service & Administration	596,026,018	15,500,000	394,542,250	-	66.2	-
County Attorney	27,019,600	-	22,642,620	-	83.8	-
	4,679,126,662	**2,286,770,216**	**3,241,102,006**	**674,478,472**	**69.3**	**29.5**

***Source**: Vihiga County Treasury*

As of 31 March, 2025, the County Government's cash balance in the CRF account was Kshs.29.45 million.

3.45.5 County Expenditure Review

The County spent Kshs.3.32 billion on development and recurrent programmes during the reporting period. The expenditure represented 84.8 per cent of the total funds released by the CoB and comprised of Kshs.602.16 million and Kshs.2.72 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 26.3 per cent, while recurrent expenditure represented 56.4 per cent of the annual recurrent expenditure budget.

3.45.6 Settlement of Pending Bills

As of 30 June 2024, the county reported pending bills totalling Kshs.1.51 billion, entirely for the County Executive. The pending bills from the County Executive consist of Kshs.538.42 million for recurrent expenditures and Kshs.972.95 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.229.92 million, comprising Kshs.42.78 million for recurrent programmes and Kshs.187.14 million for development programmes.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.111.39 million and Kshs.365.88 million for recurrent and development expenditures, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.229.92 million for the Executive.

As of 31 March 2025, the outstanding bills amounted to Kshs.1.28 billion, comprising Kshs.1.28 billion for the County Executive and Kshs.0 billion for the County Assembly.

3.45.7 Expenditure by Economic Classification

The County Executive spent Kshs.1.80 billion on employee compensation, Kshs.537.14 million on operations and maintenance, and Kshs.591.11 million on development activities. Similarly, the County Assembly spent Kshs.182.44 billion on employee compensation, Kshs.196.95 million on operations and maintenance, and Kshs.11.05 million on development activities, as shown in Table 3.447.

Table 3.447: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,115,277,605**	**703,849,057**	2,339,272,423	379,389,759	57	54
Compensation to Employees	2,852,173,177	340,619,592	1,802,133,567	182,438,363	63	54

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Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Operations and Maintenance	1,263,104,428	363,229,465	537,138,856	196,951,396	43	54
Development Expenditure	2,275,370,867	11,399,349	591,110,700	11,050,170	26	97
Total	**6,390,648,472**	**715,248,406**	**2,930,383,123**	**390,439,929**	46	55

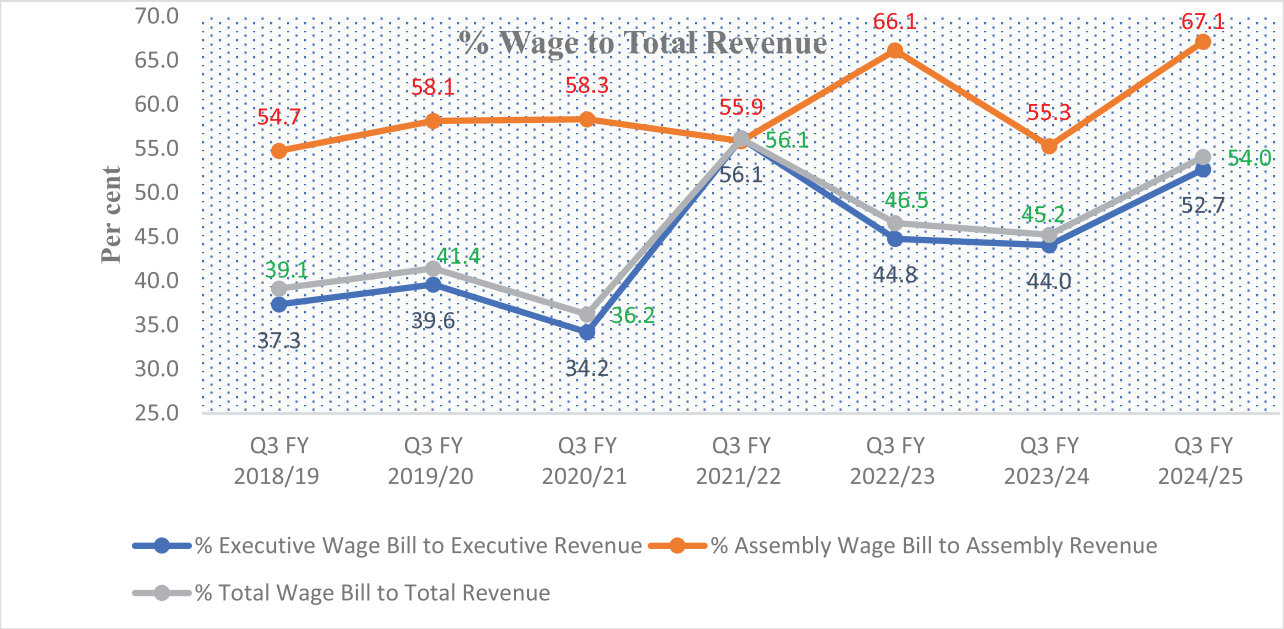
***Source**: Vihiga County Treasury*

3.45.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.1.98 billion. The total revenue, excluding earnings from extractive natural resources, was Kshs.4.17 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 47.55 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.1.92 billion was reported during the same period in FY 2023/24. Of this total, Kshs.971.20 million was allocated to Health Sector employees, which accounts for 48.9 per cent of the overall employees' compensation.

Figure 176 shows the employee compensation trend as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

Figure 176: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source:** Vihiga County Treasury*

Further analysis indicates that PE costs amounting to Kshs.1.94 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.41.11 million was processed through manual payrolls, which accounted for 2.1 per cent of the total PE cost.

The manual payrolls comprised salaries for top-up allowance for security personnel and Community Health Workers, as shown in Table 3.448.

Table 3.448: Breakdown of Vihiga County Manual Payroll

Sno.	Description of Manual Payroll	Amount Kshs.
1	Salaries for Community Health Workers (CHWs)	38,097,000
2	Top-up Allowances for Security Officers	3,011,310
	Total	**41,108,310**

Source: Vihiga County Treasury

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The County Assembly spent Kshs.31.58 million on committee sitting allowances for the 38 MCAs against the annual budget allocation of Kshs.27.00 million. The average monthly sitting allowance was Kshs.92,350 per MCA. The County Assembly has 18 House Committees.

3.45.9 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.597.85 million to County-Established funds in FY 2024/25, or 6.44 per cent of the County's overall budget. Further, the County allocated Kshs.13.5 million to the Emergency Fund (0.19 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.449 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.449: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Nine Months Financial Statements (Yes/No.)
County Executive Established Funds							
1	Emergency Fund	2020	13,500,000	-	-	-	No
2	Education Fund	2015	35,000,000	25,000,000	37,372,992	1,041,743,412	Yes
3	Sports Fund	2019	13,000,000	-	5,082,015	65,000,000	Yes
4	Trade and Enterprise Fund	2018	-	-	403,010	59,977,000	Yes
5	Climate Change/FLLoCA Fund	2019	396,350,444	65,000,000	179,873,775	184,000,000	Yes
6	Car Loan and Mortgage Fund	-	-	-	1,344,266	70,000,000	No
7	FIF Fund	2019	140,000,000	-	-	-	Yes
County Assembly Established Funds							
8	Car Loan and Mortgage	-	-	-	-	200,000,000	No
	Total		597,850,444	90,000,000	224,076,058	1,620,720,412	

Source: *Vihiga County Treasury*

During the reporting period, the CoB did not receive quarterly financial reports from three Fund Administrators, as indicated in Table 3.449, contrary to the requirement of Section 168 of the PFM Act, 2012.

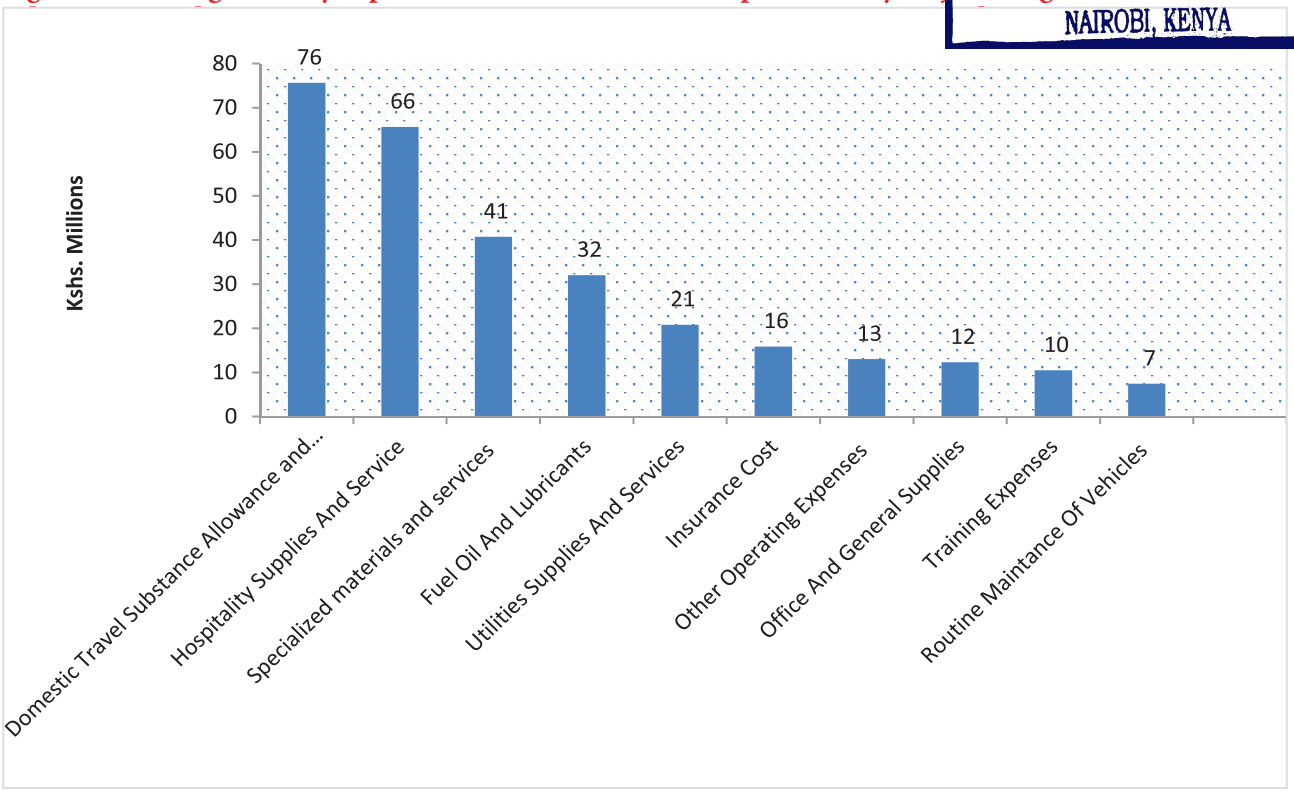
Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, permits County Governments to establish public funds with a lifespan of up to 10 years, unless extended by the County Assembly.

3.45.10 Expenditure on Operations and Maintenance

Figure 177 summarises the Operations and Maintenance expenditure by major categories.

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Figure 177: Vihiga County, Operations and Maintenance Expenditure by Major Categories



Source: *Vihiga County Treasury*

Expenditure on domestic travel amounted to Kshs.112.09 million and comprised Kshs.83.40 million spent by the County Assembly and Kshs.28.69 million by the County Executive. Expenditure on foreign travel amounted to Kshs.5.06 million and comprised Kshs.1.48 million by the County Assembly and Kshs.3.58 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.450.

Table 3.450: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel (Kshs.)
County Executive	3	11th November to 22nd November 2024	United Nations Framework convention on climate change	Dubai Baku - Azerbaljan	863,380
County Assembly	4	13th November, 2024 to 23rd December, 2024	Sports benchmarking trip courtesy of Fountain Gate Sport Academy	Tanzania	1,476,248
County Executive	2	27th to 28th February 2025	Call to Action for Climate Change Resilience	Sacramento California	1,449,810
County Executive	2	25th to 28th March 2025	Call to Action for Climate Change Resilience	Boston	1,268,115
TOTAL					**5,057,553**

Source: Vihiga County Treasury and Vihiga County Assembly

3.45.11 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.115.65 million as FIF, which was 82.14 per cent of the annual target of Kshs.140 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023.

The Health Facilities provided a report on the utilisation of the FIF during the reporting period, in line with Section 18(e) of the FIF Act, 2023. The expenditure by the health facilities amounted to Kshs.102.30 million, as shown in Table 3.451.

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Table 3.451: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
	VCRH	100,000,000	87,934,298	87.9
	Sabatia	10,000,000	4,020,332	40.2
	Emuhaya	10,000,000	3,450,236	34.5
	Hamisi	10,000,000	5,174,237	51.7
	Emusire	10,000,000	1,720,400	17.2
	Total	**140,000,000**	**102,299,503**	**73.1**

Source: *Vihiga County Treasury*

The Health Facility with the highest absorption rate was Vihiga County Referral Hospital (VCRH).

3.45.12 Development Expenditure

In the review period, the County reported spending Kshs.602.16 million on development programmes, representing a 19.6 per cent decrease compared to a similar period in FY 2023/24, when the County spent Kshs.749.05 million. Table 3.452 summarises development projects with the highest expenditure in the reporting period.

Table 3.452: Vihiga County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	ENVIRONMENT	Purchase of a Fruit tree-Rehabilitation of 70 Acres of Maragoli Hills	South Maragoli	2 December 2024	9,380,224	9,380,224	9,380,224	100
2	WATER(Climate Change)	Construction of Kapti/Mwala Community Climate Change Resilient Water Project	Shiru	2 December 2024	22,337,766	22,337,766	22,337,766	100
3	AGRICULTURE(Climate Change)	Completion and commercialisation of the South Maragoli Apiculture Project.	Soth Maragoli	14 June 2025	14,338,330	-	-	5
4	AGRICULTURE(Climate Change)	Completion and Commercialisation of Buhani Irrigation Scheme	Mungoma	24 October 2025	12,589,031.42	-	-	5
5	WATER(Climate Change)	AUGMENTATION OF EBUKHAYA COMMUNITY WATER PROJECT	CENTRAL BUNYORE	2ND DECEMBER 2024	21,990,866.35	21,990,866.35	21,990,866.35	100
6	WATER(Climate Change)	EKAMANJI COMMUNITY CLIMATE RESILIENT WATER PROJECT	LUANDA TOWNSHIP	2ND DECEMBER 2024	12,598,740.00	12,598,740.00	12,598,740.00	100
7	WATER(Climate Change)	CONSTRUCTION OF KAILA COMMUNITY CLIMATE-RESILIENT WATER PROJECT	LUANDA SOUTH	2ND DECEMBER 2024	16,200,000.00	16,200,000.00	16,200,000.00	100

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No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure(KES) as of 31 March 2025	Implementation status (%)
8	TRANSPORT(Climate Climate Change)	CONSTRUCTION OF MUTAVE-JEPSESI BRIDGE	TAMBUA	2ND DECEMBER 2024	13,158,344.00	6,939,700	6,939,700	100
9	WATER(Climate Change)	EQUIPPING, EXPANSION AND SOLARISATION OF VIGINA WATER PROJECT	LUGAGA WAMULUMA	2ND DECEMBER 2024	14,442,824.43	1,306,850	1,306,850	80
10	WATER(Climate Change)	AUGMENTATION OF NADIRADI COMMUNITY WATER PROJECT	BUSALI	20TH DECEMBER 2024	15,899,748.75	10,780,600	10,780,600	100
11	WATER(Climate Change)	CONSTRUCTION OF KEGONDI COMMUNITY CLIMATE-RESILIENT WATER PROJECT	SABATIA WEST	2ND DECEMBER 2024	12,097,795.15	12,097,795.15	12,097,795.15	100

Source: *Vihiga County Treasury*

3.45.13 Budget Performance by Department

Table 3.453 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.453: Vihiga County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Office of The Governor	244,924,593	-	217,446,327	-	100,163,126	-	46.1	-	40.9	-
Finance and Economic Planning.	371,368,728	160,222,151	247,650,528	123,391,759	209,001,954	106,957,765	84.4	86.7	56.3	66.8
Agriculture, Livestock & Fisheries	144,289,792	191,934,071	118,291,038	3,970,000	82,136,199	3,409,983	69.4	85.9	56.9	1.8
Health Services	1,571,343,813	163,200,000	1,122,517,936	124,229,686	1,116,823,099	82,981,543	99.5	66.8	71.1	50.8
Education & Technical Vocational Training	471,290,721	189,128,356	336,743,464	56,165,135	244,889,797	52,365,430	72.7	93.2	52.0	27.7
Gender, Culture, Youth, Sports and Social Services	89,739,919	37,342,565	68,994,313	-	32,119,803	3,046,806	46.6	-	35.8	8.2
Commerce, Tourism and Cooperatives.	79,846,387	360,880,034	46,609,888	40,801,382	13,262,494	35,213,162	28.5	86.3	16.6	9.8
County Public Service Board	67,635,153	-	37,391,383	-	22,271,798	-	59.6	-	32.9	-

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Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
Environment, Water, Natural Resources and Climate Change	173,446,474	610,213,767	103,235,237	145,641,190	64,644,007	140,104,580	62.6	96.2	37.3	23.0
Transport & Infrastructure	168,865,389	477,097,174	72,113,893	149,229,150	37,605,069	147,486,971	52.1	98.8	22.3	30.9
Physical Planning, Lands, Housing & Urban Development	109,481,018	69,852,749	72,003,615	20,000,000	27,012,000	19,544,460	37.5	97.7	24.7	28.0
County Assembly	703,849,057	11,399,349	380,919,513	11,050,170	379,389,759	11,050,170	99.6	100.0	53.9	96.9
Public Service & Administration	596,026,018	15,500,000	394,542,250	-	381,645,412	-	96.7	-	64.0	-
County Attorney	27,019,600	-	22,642,620	-	7,697,665	-	34.0	-	28.5	-
Total	**4,819,126,662**	**2,286,770,216**	**3,241,102,006**	**674,478,472**	**2,718,662,182**	**602,160,870**	83.9	89.3	-	-

***Source**: Vihiga County Treasury*

Analysis of expenditure by departments shows that the County Assembly recorded the highest absorption rate of development budget at 96.9 per cent, followed by the Department of Finance at 66.8 per cent. The Department of Health Services had the highest percentage of recurrent expenditure to budget at 71.1 per cent, while the Department of Commerce had the lowest at 16.6 per cent.

3.45.14 Budget Execution by Programmes and Sub-Programmes

Table 3.454 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.454: Vihiga County, Budget Execution by Programmes and Sub-Programmes

Program	Sub Program	Revised Gross Approved Estimates		Actual Expenditure		Absorption rate (%)	
		Rec (KShs)	Dev (KShs)	Rec (KShs)	Dev (KShs)	Rec (KShs)	Dev (KShs)
Administration, Planning and Support Service		**279,980,413.00**	**172,015,152.00**	**179,374,401.80**	-	**64.07**	-
	Administrative Service	277,054,512.00	172,015,152.00	177,889,401.80	-	**64.21**	-
	Research and Development	2,925,901.00	-	1,485,000.00	-	**50.75**	-
	Formulation of Policies, Regulations and Legal Framework	-	-	-	-	-	-
Livestock Development and Management		**6,834,500.00**	**8,000,000.00**	**3,889,687.00**	**2,910,000.00**	**56.91**	**36.38**
	Veterinary Services and Extension	5,348,500.00	4,500,000.00	3,289,687.00	2,910,000.00	**61.51**	**64.67**
	Livestock Extension	1,236,000.00	3,500,000.00	350,000.00	-	**28.32**	-
	Value Chain Development	250,000.00	-	250,000.00	-	**100.00**	
Fisheries Development and Management		**2,396,000.00**	**3,500,000.00**	**680,000.00**	-	**28.38**	-
	Promotion of Fish Farming	2,396,000.00	3,500,000.00	680,000.00	-	**28.38**	-
Crop Development and Management		**3,890,000.00**	**10,918,919.00**	**1,332,259.00**	-	**34.25**	-
	Crop Extension	550,000.00		111,900.00	-	**20.35**	-
	Farm Input Subsidy	500,000.00	10,918,919.00	-	-	**0.00**	-

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Program	Sub Program	Revised Gross Approved Estimates		Actual Expenditure		Absorption rate (%)	
		Rec (KShs)	Dev (KShs)	Rec (KShs)	Dev (KShs)	Rec (KShs)	Dev (KShs)
	Cash Crop Production and Development	1,340,000.00	-	720,360.00	-	**53.76**	**-**
	Food Security Initiatives	1,500,000.00	-	499,999.00	-	**33.33**	**-**
Cooperatives Development		**2,999,000.00**	**2,000,000.00**	**1,374,010.00**	**-**	**45.82**	**-**
	Cooperative Development Services	2,999,000.00	2,000,000.00	1,374,010.00	-	**45.82**	**-**
Land Survey and Mapping Services		**1,000,000.00**	**21,300,000.00**	**712,925.00**	**1,800,000.00**	**71.29**	**8.45**
	Land Survey and Mapping	1,000,000.00	21,300,000.00	712,925.00	1,800,000.00	**71.29**	**8.45**
1 Urban and Physical Planning and Housing Services		**60,743,298.00**	**46,052,749.00**	**6,538,717.00**	**20,000,000.00**	**10.76**	**43.43**
	Urban and Physical Planning	3,500,000.00	7,774,460.00	1,856,505.00	-	**53.04**	**-**
	Housing Development	1,500,000.00	-	714,500.00	-	**47.63**	**-**
	Vihiga Municipality {KUSP}	55,743,298.00	38,278,289.00	3,967,712.00	20,000,000.00	**7.12**	**52.25**
Administration, Planning and Support Service		**97,089,789.00**	**256,497,174.00**	**14,605,605.00**	**61,820,271.15**	**15.04**	**24.10**
	Administrative Service	97,089,789.00	256,497,174.00	14,605,605.00	61,820,271.15	**15.04**	**24.10**
Transport Management		**9,775,600.00**	**12,000,000.00**	**2,999,400.00**	**-**	**30.68**	**-**
	Transport System Management	4,729,600.00		2,999,400.00	-	**63.42**	**-**
	Mechanical Services	5,046,000.00	12,000,000.00	-	-	**-**	**-**
Infrastructure Development		**62,000,000.00**	**208,600,000.00**	**-**	**63,150,224.00**	**-**	**30.27**
	Street Lighting	-	500,000.00	-	400,000.00	**-**	**80.00**
	Roads Maintenance	62,000,000.00	208,100,000.00	-	62,750,224.00	**-**	**30.15**
Administration, Planning and Support Service		**71,662,985.00**	**316,080,034.00**	**5,716,245.00**	**20,801,382.60**	**7.98**	**6.58**
	Administrative Service	71,662,985.00	316,080,034.00	5,716,245.00	20,801,382.60	**7.98**	**6.58**
Public Finance Management		**200,000.00**	**-**	**-**	**-**	**-**	**-**
	ICT Printing Press	200,000.00		-		**-**	**-**
Trade Development and Investment		**2,915,000.00**	**42,800,000.00**	**1,474,162.00**	**11,063,182.00**	**50.57**	**25.85**
	Market Development and Management	2,915,000.00	39,900,000.00	1,474,162.00	11,063,182.00	**50.57**	**27.73**
	Business Support and Consumer Protection	-	2,900,000.00	-	-	**-**	**-**
Tourism Development		**2,269,402.00**	**-**	**1,372,696.65**	**-**	**60.49**	**-**
	Tourism Promotion and Branding	2,269,402.00	-	1,372,696.65	-	**60.49**	**---**
Administration, Planning and Support Service		**1,991,375,938.00**	**174,599,349.00**	**1,323,904,937.45**	**44,418,860.40**	**66.48**	**25.44**
	Administrative Service	1,968,231,826.00	174,599,349.00	1,322,247,701.45	44,418,860.40	**67.18**	**25.44**
	Human Resource Management and Development	16,044,112.00	-	657,236.00	-	**4.10**	**-**
	Healthcare Financing	7,100,000.00	-	1,000,000.00	-	**14.08**	**-**

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Program	Sub Program	Revised Gross Approved Estimates		Actual Expenditure		Absorption rate (%)	
		Rec (KShs)	Dev (KShs)	Rec (KShs)	Dev (KShs)	Rec (KShs)	Dev (KShs)
Promotive and Preventive Healthcare Services		**96,188,000.00**	-	**18,064,829.15**	-	**18.78**	-
	Public Health Services	246,000.00	-	-	-	-	-
	Community Health Strategy	89,942,000.00	-	17,069,829.15	-	**18.98**	-
	Health Promotion	1,000,000.00	-	-	-	-	-
	Reproductive Health-care	5,000,000.00	-	995,000.00	-	**19.90**	-
Curative And Rehabilitative Health Services		**85,015,000.00**	-	**35,767,387.00**	-	**42.07**	-
	Medical services	5,000,000.00	-	3,705,146.00	-	**74.10**	-
	Drugs and Other Medical Supplies	80,015,000.00	-	32,062,241.00	-	**40.07**	-
Child and Maternal Health Care		**2,613,932.00**	-	**2,426,467.00**	-	**92.83**	-
	Nutrition Services	2,613,932.00	-	2,426,467.00	-	**92.83**	-
Administration, Planning and Support Service		**102,053,544.00**	**70,666,626.00**	**21,112,297.05**	**36,239,935.95**	**20.69**	**51.28**
	Administrative Service	102,053,544.00	70,666,626.00	21,112,297.05	36,239,935.95	**20.69**	**51.28**
Education Sup-port Service		**35,517,177.00**	-	**24,168,996.00**	-	**68.05**	
	Education Support	35,517,177.00	-	24,168,996.00	-	**68.05**	
Vocational Education and Training		**156,800,000.00**	**36,571,354.00**	**54,640,576.15**	**2,250,047.40**	**34.85**	**6.15**
	Youth Polytechnic Development	156,800,000.00	36,571,354.00	54,640,576.15	2,250,047.40	**34.85**	**6.15**
Early Childhood Development		**176,920,000.00**	**81,890,376.00**	**1,270,315.00**	-	**0.72**	-
	ECD Development	176,920,000.00	81,890,376.00	1,270,315.00	-	**0.72**	-
Administration, Planning and Support Service		**1,124,479,248.00**	**175,722,151.00**	**832,103,398.80**	**102,005,398.60**	**74.00**	**58.05**
	Administrative Service	1,095,838,761.00	164,222,151.00	818,083,485.80	99,005,398.60	**74.65**	**60.29**
	County Adminis-tration	20,800,000.00	9,500,000.00	13,823,563.00	3,000,000.00	**66.46**	**31.58**
	County Radio Infor-mation Services	7,840,487.00	2,000,000.00	196,350.00	-	**2.50**	-
Public Finance Management		**65,676,806.00**	-	**49,030,611.00**	-	**74.65**	
	Public Finance Man-agement	9,080,002.00	-	8,471,221.00	-	**93.30**	-
	Accounting Services	5,047,000.00	-	3,032,245.00	-	**60.08**	-
	Audit Services	5,302,298.00	-	4,499,932.00	-	**84.87**	-
	Budget Formulation Coordination	16,850,000.00	-	13,939,710.00	-	**82.73**	-
	Resource Mobilisation	22,782,653.00	-	13,805,205.00	-	**60.60**	-
	Budget Expenditure Management	6,614,853.00	-	5,282,298.00	-	**79.86**	-
County Plan-ning Services		**8,646,618.00**	-	**5,897,503.00**	-	**68.21**	-
	Monitoring and Evaluation	4,650,000.00	-	2,191,920.00	-	**47.14**	-
	Coordination of Policy Formulation and Plans	3,996,618.00	-	3,705,583.00	-	**92.72**	-
Coordination and Supervisory Services		**26,649,288.00**	-	**21,978,270.00**	-	**82.47**	-
	Performance Man-agement	8,024,644.00	-	5,903,870.00	-	**73.57**	-
	Disaster Management and Mitigation	18,624,644.00	-	16,074,400.00	-	**86.31**	-

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		Rec (KShs)	Dev (KShs)	Rec (KShs)	Dev (KShs)	Rec (KShs)	Dev (KShs)
Management and Administration of County Services		**53,229,131.00**	-	**13,320,505.55**	-	**25.02**	-
	County Executive	48,852,688.00	-	11,577,517.55	-	**23.70**	-
	County Secretary	4,376,443.00	-	1,742,988.00	-	**39.83**	-
Administration, Planning and Support Service		**74,459,519.00**	**6,942,683.00**	**12,300,616.00**	**887,411.60**	**16.52**	**12.78**
	Administrative Service	74,459,519.00	6,942,683.00	12,300,616.00	887,411.60	**16.52**	**12.78**
903004860		**33,250,000.00**	**8,000,000.00**	**20,615,240.00**	-	**62.00**	-
	Promotion of Sports	15,000,000.00	-	3,262,000.00	-	**21.75**	-
	Promotion of Culture and Heritage	2,250,000.00	8,000,000.00	1,453,960.00	-	**64.62**	-
	Recreation and Arts	16,000,000.00		15,899,280.00	-	**99.37**	-
904004860		**9,050,000.00**	**22,399,882.00**	**6,171,355.00**	-	**68.19**	-
	Social Protection	5,050,000.00	22,399,882.00	3,778,475.00	-	**74.82**	-
	Gender, Children, Youth and People with Disability	4,000,000.00	-	2,392,880.00	-	**59.82**	-
Administration, Planning and Support Service		**98,026,053.00**	-	**9,996,232.80**	-	**10.20**	-
	Administrative Service	98,026,053.00	-	9,996,232.80	-	**10.20**	-
1003004860		**72,794,675.00**	**180,863,323.00**	**43,294,951.60**	**58,761,688.00**	**59.48**	**32.49**
	Water Supply Management	54,130,173.00	180,863,323.00	36,110,221.60	58,761,688.00	**66.71**	**32.49**
	Waste Water Management	18,664,502.00	-	7,184,730.00	-	**38.49**	-
1004004860		**470,000.00**	**418,350,444.00**	**630,000.00**	**175,010,468.30**	**134.04**	**41.83**
	Environmental Protection and Conservation	470,000.00	418,350,444.00	630,000.00	175,010,468.30	**134.04**	**41.83**
1005004860		**2,155,746.00**	**11,000,000.00**	**1,897,585.00**	**1,042,000.00**	**88.02**	**9.47**
	Natural Resources Management	2,155,746.00	11,000,000.00	1,897,585.00	1,042,000.00	**88.02**	**9.47**
		4,819,126,662.00	**2,286,770,216.00**	**2,718,662,182.00**	**602,160,870.00**	**56.41**	**26.33**

***Source**: Vihiga County Treasury*

The sub-programmes with the highest levels of implementation, based on absorption rates, were Environmental protection and conservation in the Department of Environment at 134.04 per cent, Value Chain Development in the Department of Agriculture at 100 per cent, Recreation and Arts in the Department of Gender, Culture, Sports, Youth, and Social Services at 99.37 per cent, and Public Finance Management at 93.30 per cent of the budget allocation.

3.45.15 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government did not operate accounts with commercial banks.

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3.45.16 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;

i. Fund Administrators failed to submit quarterly financial and non-financial reports to the CoB within the timelines provided under Section 168 of the PFM Act, 2012. As of 15 April 2025, the reports for the Emergency Fund, the Car loan and Mortgage Fund (Executive), and the Car loan and Mortgage (County Assembly) Fund had not been submitted to the Controller of Budget.
ii. High level of pending bills, which amounted to Kshs.1.28 billion as of 31 March 2025. Further, there was non-adherence to the payment plan for the pending bills by the County Treasury.
iii. Use of manual payroll. Personnel emoluments amounting to Kshs.41.11 million for top-up allowances for security and wages for Community Health Workers were processed through manual payroll, accounting for 2.1 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.

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

i. *The CECMF should follow up to ensure Fund Administrators prepare and submit statutory reports in line with the PFM Act, 2012.*
ii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
iii. *The Government requires that salaries be processed through the HRIS system. The County Public Service Board should regulate staff engagement, including contract and casual workers, as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*

3.46. County Government of Wajir

3.46.1 Overview of FY 2024/25 Budget

The Wajir County Gross Approved Supplementary I Budget for FY 2024/25 is Kshs.13.52 billion. It comprises Kshs.5.14 billion (38 per cent) and Kshs.8.38 billion (62 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.1.37 billion (11.3 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.3.89 billion and a recurrent budget of Kshs.8.26 billion. The increase in the budget was attributed to the County budgeting for Additional Allocations (Conditional Grants). The County's Net Approved Supplementary Budget is Kshs.13.52 billion, which consists of Kshs.8.38 billion for recurrent and Kshs.5.14 billion for development.

The budget will be financed from the following revenue sources: the equitable share of revenue raised nationally of Kshs.9.90 billion (73.3 per cent), additional allocations of Kshs.2.41 billion (17.8 per cent), a cash balance of Kshs.936.62 million (6.9 per cent) brought forward from FY 2023/24, and Kshs.270.00 million (2.0 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.180.00 million (1.3 per cent) as Facility Improvement Fund (revenue from health facilities), and, Kshs.90 million (0.7 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.455.

3.46.2 Revenue Performance

During the review period, the county received Kshs.6.98 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.441.54 million from Kshs.5.29 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.5.72 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.147.64 million, and its own-source revenue (OSR) collection of Kshs.167.29 billion. In addition, the County had a cash balance of Kshs.936.62 billion from FY 2023/24.

The total OSR collection of Kshs.167.29 million includes Appropriations in Aid (AIA), Facilities Improvement Financing (FIF) of Kshs.79.37 million, and Kshs.87.93 million from other OSR sources. OSR collections from the FIF were received from all Health Facilities in Wajir County. Table 3.453 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

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Table 3.455: Wajir County, Revenue Performance in the First Nine Months of FY 2024/25

S/No	Revenue	Annual Budget Allocation (in Kshs)	Actual Receipts (in Kshs.)	Percentage of Annual Allocation (%)
A.	**Equitable Share of Revenue Raised Nationally**	9,902,799,041	5,727,406,173.00	57.8
Sub Total		**9,902,799,041**	**5,727,406,173**	**57.8**
B	**Conditional Grants**			
1	County Aggregation Industrial Park	250,000,000	-	-
2	Road Maintenance Fuel Levy	251,017,318	-	-
3	Community Health Promoters (CHPs)	60,810,000	-	-
4	Transfer of Museum Function	2,244,060	-	-
5	DANIDA Grant	13,162,500	13,162,500	100.0
6	KISIP	488,615,663	-	-
7	Emergency Locust Response Programme	142,500,000	-	-
8	Food System Resilience Project	173,076,923	-	-
9	Wajir Water and Sanitation Project	700,000,000	-	-
10	IDA (WB) Credit: Kenya Devolution Support Project (KDSP) Level 2 Grant	37,500,000	-	-
11	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UIG)	35,000,000	-	-
12	IDA (WB) Credit: Kenya Urban Support Project (KUSP) –Urban Development Grant (UDG)	72,942,053	-	-
13	World Bank (Finance Locally-Led Climate Program (FLLoCA) for County Climate Resilience Investment (CCRI) Grant	11,000,000	-	-
14	World Bank (Finance Locally-Led Climate Program (FLLoCA) Level 2 Grant	159,416,290	134,481,291	84.4
15	Kenya Agricultural Business Development Project	10,918,919	-	-
Sub-Total		2,408,203,726	**147,643,791**	**6.1**
C	**Other Sources of Revenue**			
1	Ordinary Own Source Revenue	90,000,000	87,933,719	97.7
2	Balance B/F from FY2023/24	936,621,902	936,621,902	100.0
3	Facility Improvement Fund (FIF)	180,000,000	79,365,111	44.1
4	Other Revenues	-	-	-
5	Appropriation in Aid (AIA)	-	-	-
Sub Total		**1,206,621,902**	**1,103,920,732**	**91.5**
Grand Total		**13,517,624,669**	**6,978,970,696**	**51.6**

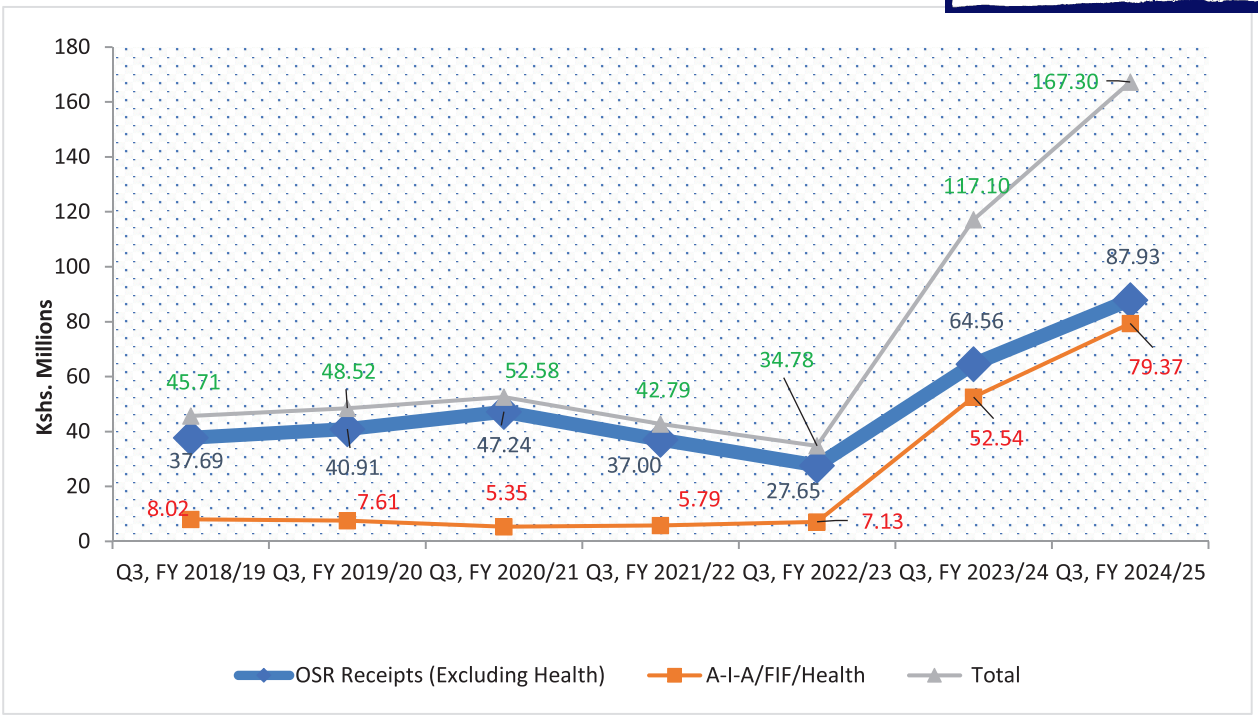
Source: *Wajir County Treasury*

The County does have the governing legislation on the operation of FIF, i.e. the Wajir County Health Facility Improvement Financing Act 2023 and the Wajir County Health Facility Improvement Financing Regulations 2024.

Figure 178 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

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Figure 178: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



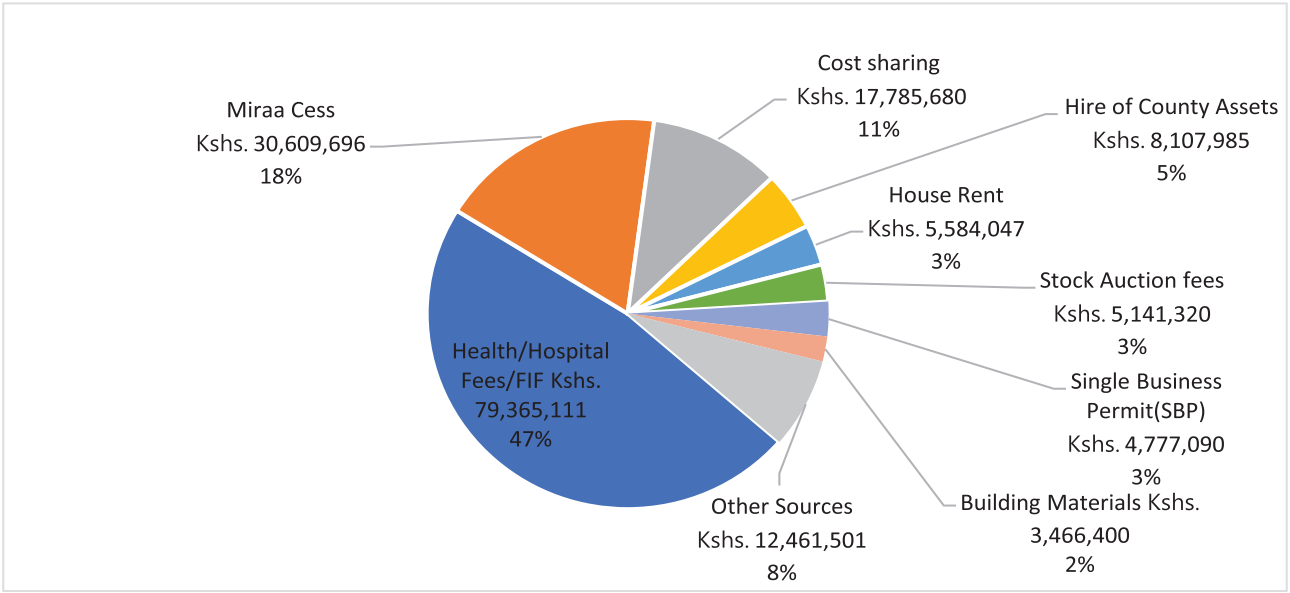
Source: *Wajir County Treasury*

During the review period, the County generated Kshs.167.29 million from its own revenue sources, including AIA and FIF. This amount was an increase of 30.0 per cent compared to Kshs.117.09 million realised in a similar period in FY 2023/24 and was 62.0 per cent of the annual target and 2.9 per cent of the equitable revenue share disbursed.

The increase in revenue can be attributed to the revenue enforcement measures taken by the County Government of Wajir.

The revenue streams which contributed the highest OSR receipts are shown in Figure 179.

Figure 179: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source: *Wajir County Treasury*

As shown in Figure 179, the highest revenue stream of Kshs.79.36 million was from Health/Hospital Fees/FIF contributing to 47 per cent of the total OSR receipts. The County has not automated the revenue collection.

3.46.3 Borrowing by the County

The County did not disclose any short-term borrowings as of 31st March 2025.

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3.46.4 Exchequer Issues

The Controller of Budget approved withdrawals of Kshs.6.24 billion from the CRF account during the reporting period, which comprised Kshs.1.35 billion (21.7 per cent) for development programmes and Kshs.4.88 billion (78.3 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.3.30 million was released towards compensation of employees and Kshs.1.59 billion for operations and maintenance expenditure. Exchequer approved compensation for employees in the first nine months of FY 2024/25, which does not include the March 2025 exchequer request for the County Executive and County Assembly due to the late disbursement of the Equitable Share of Revenue.

Table 3.456: Wajir County, Budget Allocation and Exchequer Issued by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	603,931,889.00	-	399,713,743	-	66.2	-
Finance and Economic Planning	707,524,694.00	-	291,920,487	-	41.3	-
Roads, Transport and Public Works	234,650,000.00	613,337,318.00	154,369,982	177,238,676	65.8	28.9
Water Resources Development	321,956,000.00	1,353,270,821.00	145,012,931	239,151,429	45.0	17.7
Energy, Environment and Natural Resources	97,136,482.00	457,963,680.00	50,943,278	168,661,833	52.4	36.8
Public Health, Medical Services and Sanitation	3,050,294,992.00	792,730,629.00	1,780,256,815	457,841,570	58.4	57.8
Education, Youth, Gender and Social Services	803,741,060.00	178,360,729.00	474,850,031	41,905,689	59.1	23.5
Agriculture, Livestock, and Fisheries Development	251,820,758.00	437,036,742.00	165,851,716	29,004,726	65.9	6.6
Trade, Industrialisation, Co-operative Development	189,053,681.00	465,386,870.00	128,498,474	166,033,182	68.0	35.7
Lands, Housing and Physical Planning	356,650,258.00	808,252,963.00	212,075,067	52,848,052	59.5	6.5
Public Service, Labour and Decentralised Unit	902,466,031.00	33,800,000.00	496,217,233	21,497,451	55.0	63.6
County Public Service Board	73,815,000.00	-	40,196,391	-	54.5	-
County Assembly	784,444,072.00	-	546,035,680	-	69.6	-
Total	**8,377,484,917**	**5,140,139,752**	**4,885,941,828**	**1,354,182,608**	**58.3**	**26.3**

***Source**: Wajir County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.422.51 million.

3.46.5 County Expenditure Review

The County spent Kshs.6.19 billion on development and recurrent programmes in the reporting period. The expenditure represented 99.2 per cent of the total funds released by the CoB and comprised Kshs.1.35 billion and Kshs.4.84 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 26.3 per cent, while recurrent expenditure represented 57.7 per cent of the annual recurrent expenditure budget.

3.46.6 Settlement of Pending Bills

As of 30th June 2024, the county reported pending bills totalling Kshs.1.5 billion. This amount included Kshs.1.35 billion from the County Executive and Kshs.143.00 million from the County Assembly. The pending bills from the County Executive consist of Kshs.501.77 million for recurrent expenditures and Kshs.852.95 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.394.28 million, comprising Kshs.61.27 million for recurrent programmes and Kshs.333.01 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.16.41 million, which was entirely for recurrent activities.

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The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.1.35 billion and Kshs.39.48 million, respectively, in the first quarter of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.394.28 million for the Executive and Kshs.16.41 million for the Assembly.

As of 31st March 2025, the outstanding bills amounted to Kshs.1.09 billion, comprising Kshs.960.44 for the County Executive and Kshs.126.59 million for the County Assembly.

3.46.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.87 billion on employee compensation, Kshs.1.42 billion on operations and maintenance, and Kshs.1.35 million on development activities. Similarly, the County Assembly spent Kshs.426.33 million on employee compensation, and Kshs.119.71 million on operations and maintenance, as shown in Table 3.455.

Table 3.457: 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	**7,593,040,845**	**784,444,072**	**4,289,286,966**	**546,035,680**	**56.5**	**69.6**
Compensation to Employees	4,271,282,253	578,476,134	2,872,143,454	426,328,332	67.2	73.7
Operations and Maintenance	3,321,758,592	205,967,938	1,417,143,512	119,707,349	42.7	58.1
Development Expenditure	5,140,139,752	-	1,354,182,608	-	26.3	-
Total	**12,733,180,597**	**784,444,072**	**5,643,469,574**	**546,035,680**	**44.3**	**69.6**

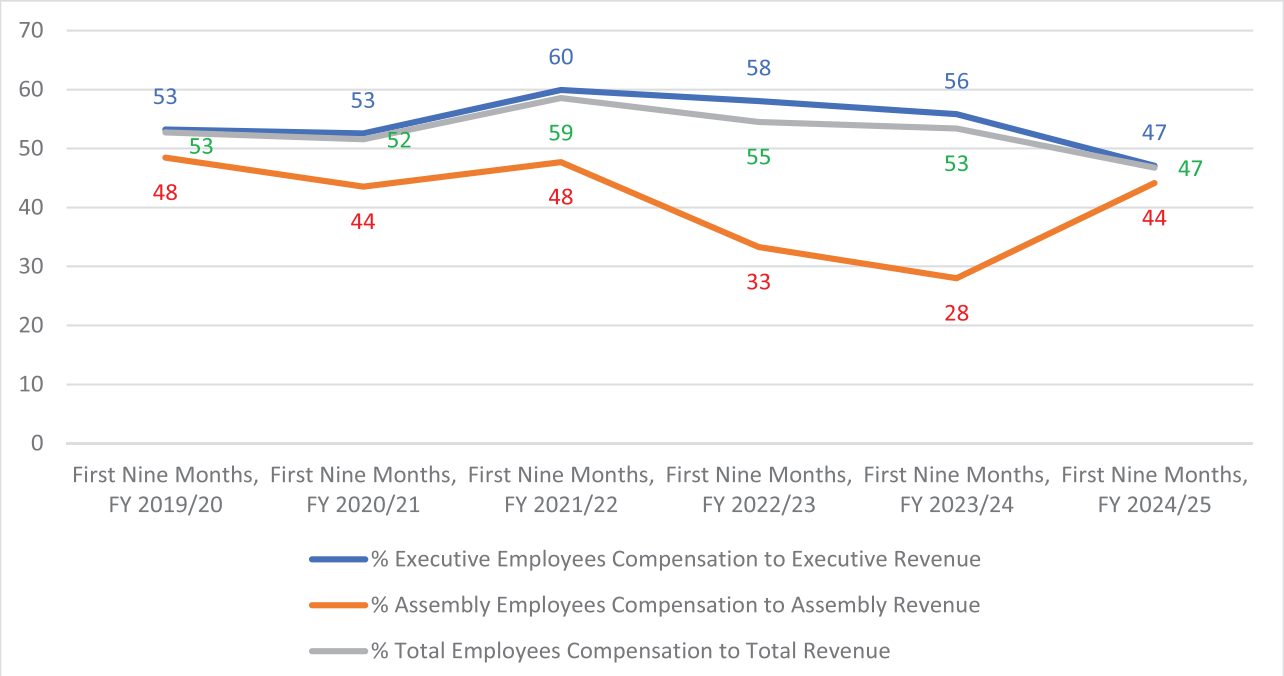
***Source**: Wajir County Treasury*

3.46.8 Expenditure on Compensation to Employees

In the period under review, the expenditure on employee compensation amounted to Kshs.3.30 billion. The total revenue is Kshs.6.98 million. Consequently, the percentage of employee compensation to this adjusted revenue is 47.26 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.2.95 billion reported during the same period in FY 2023/24. Of this total, Kshs.1.21 billion was allocated to Health Sector employees, which accounts for 36.7 per cent of the overall employees' compensation.

Figure 180 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2019/20 to FY 2024/25.

Figure 180: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2019/20 to FY 2024/25



***Source**: Wajir County Treasury*

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Further analysis indicates that PE costs amounting to Kshs.2.84 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system. In contrast, Kshs.453.74 million was processed through manual payrolls, which accounted for 13.8 per cent of the total PE cost.

The County Assembly spent Kshs.31.72 million on committee sitting allowances for the 45 MCAs, Speaker and the County Assembly Service Board against the annual budget allocation of Kshs.31.72 million. The 100 per cent absorption rate is occasioned by the reduction of the County Assembly Ceiling by Kshs.208.17 million (CARA 2024) hence a reduction in the annual budget allocation for the various County Assembly economic items. The average monthly sitting allowance was Kshs.76,607 per MCA. The County Assembly has 24 House Committees.

3.46.9 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.445.37 million to County-Established funds in FY 2024/25, or 3.3 per cent of the County's overall budget. Further, the County allocated Kshs.200 million to the Emergency Fund (1.5 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.458 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.458: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Year Established	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (since Inception) (Kshs)	Submission of Financial Statements (Yes/No.)
	County Executive Established Funds						
1.	Wajir Disaster Management Fund	2014	200,000,000.00	-	1,1 92.00	600,000,000.00	YES
2.	Wajir County Bursary Fund	2015	130,000,000.00	-	79,659,183.00	260,000,000.00	YES
3.	Wajir County Climate Fund	2019	75,000,000.00	75,000,000	124,201,459.00	225,000,000.00	YES
4	Wajir County Disability Fund	2021	40,373,000.00	40,373,000.00	28,426,958.00	121,119,000.00	YES
5	Wajir County Revolving Fund	2014	-	-	1,186.00	132,000,000.00	YES
6.	Wajir County Enterprise Development Fund	2025	-	-	-	-	Not in Operation
Total			**445,373,000.00**	**115,373,000.00**	**232,288,786.00**	**1,338,119,000.00**	

***Source**: Wajir County Treasury*

During the reporting period, the CoB received quarterly financial reports from 5 Fund Administrators, as indicated in Table 3.458, contrary to the requirement of Section 168 of the PFM Act, 2012.

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. During the reporting period, the CoB established that the lifespan of **the Wajir Disaster Management Fund** and **the Wajir County Revolving Fund** had lapsed. Consequently, the CoB cannot approve any requests for withdrawals to support the operations of these lapsed funds, as they no longer have a legal basis for continued existence.

3.46.10 County Corporations

The County has established a County Corporation. In FY 2024/25, the County allocated Kshs.911.67 million to this corporation through its Parent Department. Their total expenditure in the first nine months amounted to Kshs.109.14 million, as shown in Table 3.459.

Table 3.459: Performance of County Corporations

S/No.	Name of the Corporation	Parent Department	Expenditure type	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
1.	Wajir Water and Sewerage Company [WAJWASCO]	Water Resources Development	Recurrent	145,770,000.00	109,139,408.00	109,139,408.00
			Development	765,899,998.00	-	-
Total				**911,669,998.00**	**109,139,408.00**	**109,139,408.00**

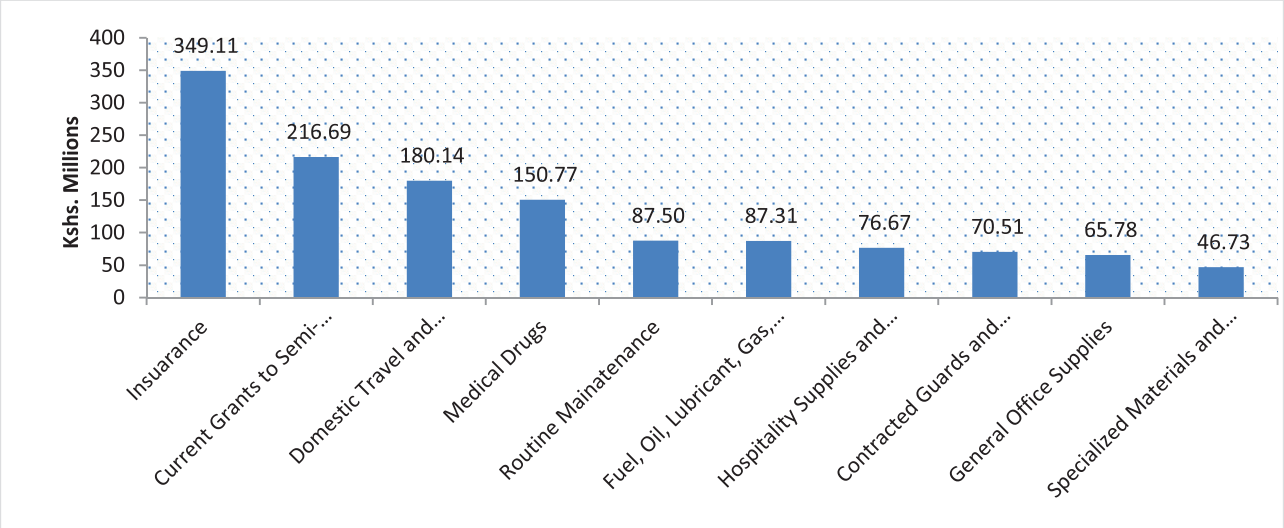
***Source**: Wajir County Treasury*

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3.46.11 Expenditure on Operations and Maintenance

Figure 181 summarises the Operations and Maintenance expenditure by major categories.

Figure 181: Wajir County, Operations and Maintenance Expenditure by Major Categories



Source: *Wajir County Treasury*

Expenditure on domestic travel amounted to Kshs.180.14 million and comprised Kshs.45.91 million spent by the County Assembly and Kshs.134.23 million by the County Executive. Expenditure on foreign travel amounted to Kshs.1.78 million, which was incurred entirely by the County Assembly. Expenditure on foreign travel is summarised in Table 3.460.

Table 3.460: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	No. of Officers Travelled	Date travelled	Purpose of the travel	Destination	Total Costs of the Travel
County Assembly	1	7th December 2024-14th December 2024	Training Liaison Committee chairpersons/Deputy Speakers masterclass themed "Effective leadership and Management of committees	Singapore	950,780.00
County Assembly	1	22nd January 2025 -30th January 2025	Training in Singapore for the Parliamentary leaders of Majority Leader	Singapore	830,780.00

Source: *Wajir County Treasury and Wajir County Assembly*

The operations and maintenance costs include an expenditure of Kshs.36.54 million on Legal fees.

Wajir County has a fleet of lorries that are utilised for garbage collection services, with the direct costs being funds spent on logistics, including Fuel & Lubricants, Routine Maintenance and Wages for the loaders.

3.46.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.79.37 million as FIF, which was 44.1 per cent of the annual target of Kshs.180.00 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has developed the Wajir County Health Facility Improvement Financing Act 2023 and the Wajir County Health Facility Improvement Financing Regulations 2024

The Health Facilities did not provide a report on the utilisation of the FIF during the reporting period, in line with (contrary to) Section 18 (e) of the FIF Act, 2023.

3.46.13 Development Expenditure

In the review period, the County reported spending Kshs.1.35 billion on development programmes, representing an increase of 34.4 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.888.97 million. Table 3.461 summarises development projects with the highest expenditure in the reporting period.

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Table 3.461: Wajir County, List of Development Projects with the Highest Expenditure

S/No.	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs.)	Amount paid to date (Kshs)	Implementation status (%)	Remarks
1	Construction of County Aggregation Industrial Parks (CAIPS)	Wajir Town	30-Jun-26	601,000,973	165,433,364	28%	Project Ongoing
2	Upgrading of Arbajahan Health Centre To Level 4 Hospital	Wajir West	30-Jun-25	137,524,321	119,646,159	87%	Project Ongoing
3	Maintenance of Wajir Town Tarmac Roads(Phase 2)	Wajir Town	30-Jun-25	197,820,020	108,336,808	100%	Complete
4	Construction of Accidents & Emergency At Wajir County Referral Hospital	Wajir Town	30-Jun-25	465,608,595	171,694,070	37%	Project Ongoing
5	Upgrading of Makaror Health Centre To Level 4 Hospital	Makaror	30-Jun-25	76,129,872	58,522,157	77%	Project Ongoing
6	2nd Phase Installation of 140KVA off-Grid Solar Back-Up System At Wajir County Hq	Wajir Town	30-Jun-25	23,308,800	23,308,800	100%	Complete
7	Upgrading of Kutulo Health Centre To Level 4 Hospital	Wajir East	30-Jun-25	41,168,957	20,500,000	75%	Project Ongoing
8	Upgrading of Tarbaj Health Centre To Level 4 Hospital	Tarbaj	30-Jun-25	34,950,956	19,703,408	56%	Project Ongoing
9	Upgrading of the Buna Health Centre to Level 4- Department of Health	Buna	30-Jun-25	28,850,000	16,623,600	58%	Project Ongoing
10	Upgrading of Sarif Health Centre To Level 4 . Department Of Health	Wajir South	30-Jun-25	24,755,975	14,755,975	60%	Project Ongoing

Source: *Wajir County Treasury*

3.46.14 Budget Performance by Department

Table 3.462 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

Table 3.462: Wajir County, Budget Allocation and Absorption Rate by Department

Department	Budget Allocation (Kshs.)		Exchequer Issues (Kshs.)		Expenditure (Kshs.)		Expenditure to Exchequer Issues (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	603.93	-	399.71	-	396.55	-	99.2	-	65.7	-
Finance and Economic Planning	707.52	-	291.92	-	455.51	-	156.0	-	64.4	-
Roads, Transport and Public Works	234.65	613.34	154.37	177.24	159.66	177.24	103.4	100.0	68.0	28.9
Water Resources Development	321.96	1,353.27	145.01	239.15	229.27	239.15	158.1	100.0	71.2	17.7
Energy, Environment and Natural Resources	97.14	457.96	50.94	168.66	30.76	168.66	60.4	100.0	31.7	36.8
Public Health, Medical Services and Sanitation	3,050.29	792.73	1,780.26	457.84	1,933.12	457.84	108.6	100.0	63.4	57.8
Education, Youth, Gender and Social Services	803.74	178.36	474.85	41.91	399.85	41.91	84.2	100.0	49.7	23.5
Agriculture, Livestock, and Fisheries Development	251.82	437.04	165.85	29.00	58.08	29.00	35.0	100.0	23.1	6.6
Trade, Industrialisation, Co-operative Development	189.05	465.39	128.50	166.03	81.32	166.03	63.3	100.0	43.0	35.7
Lands, Housing and Physical Planning	356.65	808.25	212.08	52.85	141.42	52.85	66.7	100.0	39.7	6.5
Public Service, Labour and Decentralised Unit	902.47	33.80	496.22	21.50	377.39	21.50	76.1	100.0	41.8	63.6
County Public Service Board	73.82	-	40.20	-	26.35	-	65.6	-	35.7	-
County Assembly	784.44	-	546.04	-	546.04	-	100.0	-	69.6	-
Total	**8,377.48**	**5,140.14**	**4,885.94**	**1,354.18**	**4,835.32**	**1,354.18**	**99.0**	**100.0**	**57.7%**	**26.3%**

Source*: Wajir County Treasury*

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Analysis of expenditure by departments shows that the Department of Public Service, Labour and Decentralised Unit recorded the highest absorption rate of development budget at 63.6 per cent, followed by the Department of Public Health, Medical Services and Sanitation at 57.8 per cent. The Department of Water Resources Development had the highest percentage of recurrent expenditure to budget at 71.2 per cent. In contrast, the Department of Agriculture, Livestock, and Fisheries Development had the lowest at 23.1 per cent.

Further analysis shows expenditures to exchequer issue indicates that the recurrent expenditures in the department of Finance and Economic Planning (156.0 per cent), Roads, Transport and Public Works (103.4 per cent), Water Resources Development (158.1), Public Health, Medical Services and Sanitation(108.6) per cent) incurred expenditure over approved exchequer issues, which is attributable to cases where transactions appear to have been paid at IFMIS. In practice, they await funding at the CBK Internet Banking (IB) level, resulting in the above 100% absorption rates.

3.46.15 Budget Execution by Programmes and Sub-Programmes

Table 3.463 summarises the budget execution by programmes and sub-programmes in the period under review.

Table 3.463: Wajir County, Budget Execution by Programmes and Sub-Programmes

Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
		Rec	Dev	Rec	Dev	Rec	Dev
County Executive							
Coordination and Supervisory Services	Coordination and Supervisory Services	603,931,889.00	-	396,553,300.00	-	65.7%	0.0%
Sub Total		**603,931,889.00**	**-**	**396,553,300**	**-**	**65.7%**	**0.0%**
Finance and Economic Planning							
Public Finance Management	Budget Management Services	19,844,600.00	-	15,127,532	-	76.2%	0.0%
	County Accounting Services	541,627,103.00	-	327,223,275	-	60.4%	0.0%
	Financial Reporting	4,664,350.00	-	3,162,480	-	67.8%	0.0%
	County Revenue Collection and Resource Mobilisation	32,825,100.00	-	24,439,295	-	74.5%	0.0%
	Internal Audit Management Services	9,712,261.00	-	7,144,548	-	73.6%	0.0%
	County Supply Chain Management	72,301,800.00	-	59,043,968	-	81.7%	0.0%
Economic Planning Services	County Integrated Development Planning	26,549,480.00	-	19,366,508	-	72.9%	0.0%
Sub-Total		**707,524,694.00**	**-**	**455,507,606**	**-**	**64.4%**	**0.0%**
Roads, Transport and Public Works							
County Roads and Transport Management	Construction of County Roads	1,400,000.00	109,320,000.00	924,092	109,286,848	66.0%	100.0%
	maintenance and Rehabilitation of county roads	141,150,000.00	504,017,318.00	87,753,600	67,951,828	62.2%	13.5%
	County Transport Services	92,100,000.00	-	70,982,776	-	77.1%	0.0%
Sub-Total		**234,650,000.00**	**613,337,318.00**	**159,660,468**	**177,238,676**	**68.0%**	**28.9%**
Water Resources Development							
Water Services	Water Supplies Overhaul and Maintenance Services	305,481,750.00	1,079,688,641.00	221,325,345	101,210,668.00	72.5%	9.4%
	Infrastructure development services	16,474,250.00	273,582,180.00	7,948,027.00	137,940,761.00	48.2%	50.4%
Sub-Total		**321,956,000.00**	**1,353,270,821.00**	**229,273,372**	**239,151,429**	**71.2%**	**17.7%**

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
Energy, Environment and Natural Resources							
Energy development services	Energy development services	3,940,000.00	23,308,800.00	3,642,958	23,308,800	92.5%	100.0%
Environmental Conservation Services	Climate Change	14,296,482.00	418,832,580.00	3,318,660	135,462,849	23.2%	32.3%
	Environmental Conservation Services	7,200,000.00	12,322,300.00	6298295	9,890,184	87.5%	80.3%
Natural Resource Management	Natural Resource Management	1,700,000.00	3,500,000.00	838,940		49.3%	0.0%
General Administration and Support Services	General Administration and Support Services	70,000,000.02	-	16,658,451	-	23.8%	0.0%
Sub-Total		**97,136,482.02**	**457,963,680.00**	**30,757,304**	**168,661,833**	**31.7%**	**36.8%**
Public Health, Medical Services and Sanitation							
Curative, rehabilitative and Emergency services	Curative and rehabilitative services	994,827,710.00	694,399,599.00	591,412,150	409,444,139	59.4%	59.0%
	Emergency Referral Services	44,578,510.00	-	28,136,369	-	63.1%	0.0%
General Administration and Support Services	General Administration and Support Services	1,810,678,358.00	-	1,230,315,192	-	67.9%	0.0%
Public Health	Reproductive, Maternal, Neonatal, and Child Health	16,343,892.00	1,000,000.00	16,149,208	998,000	98.8%	99.8%
	Primary Health Care	162,474,500.00	97,331,030.00	52,342,725	47,399,431	32.2%	48.7%
	Sanitation	11,756,022.00		6,699,044	-	57.0%	0.0%
	Special Programme	7,000,000.00		5,491,700	-	78.5%	0.0%
	Health Research	2,636,000.00		2,575,500	-	97.7%	0.0%
Sub-Total		**3,050,294,992.00**	**792,730,629.00**	**1,933,121,888**	**457,841,570**	**63.4%**	**57.8%**
Education, Youth, Gender and Social Services							
Sports promotion and development	Sports promotion and development	33,353,212.00	-	16,452,138		49.3%	0.0%
Early Childhood Education Development Services	Early Childhood Education Development Services	544,489,852.00	155,404,229.00	263,139,713	25,533,189	48.3%	16.4%
Social Services, Culture, Heritage and Library Services	Promotion of Social Service, Culture and Heritage Services	111,711,231.00	4,000,000.00	80,923,826	-	72.4%	0.0%
	Child Protection Services	22,300,000.00	-	2,299,400	-	10.3%	0.0%
Gender and Women's Empowerment	Gender and Women's Empowerment	30,919,279.00	11,956,500.00	10,254,924	11,872,500	33.2%	99.3%
Vocational Training Services	Infrastructural development	60,967,486.00	7,000,000.00	26,781,310	4,500,000	43.9%	64.3%
Sub Total		**803,741,060.00**	**178,360,729.00**	**399,851,311**	**41,905,689**	**49.7%**	**23.5%**
Agriculture, Livestock, and Fisheries Development							
Livestock Management Services	Livestock Production Services	57,650,034.00	6,000,000.00	3,983,185	1,499,196	6.9%	25.0%
	Veterinary Services	76,865,680.00	4,500,000.00	22,313,300	-	29.0%	0.0%
Food Production Services	Food Production Services	62,443,017.00	395,406,842.00	16,496,972	26,401,066	26.4%	6.7%

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Programme	Sub-Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
		Rec	Dev	Rec	Dev	Rec	Dev
Irrigation Management Services	Irrigation Management Services	15,648,704.00	31,129,900.00	3,059,000	1,104,464	19.5%	3.5%
Alternative Livelihood Management	Alternative Livelihood Management	39,213,323.00	-	12,226,681	-	31.2%	0.0%
Sub-Total		**251,820,758.00**	**437,036,742.00**	**58,079,138**	**29,004,726**	**23.1%**	**6.6%**
Trade, Industrialisation, Co-operative Development							
Trade Services	Business Support & Investment Services	96,282,218.00	7,500,000.00	41,851,652.00	7,494,044.00	43.5%	99.9%
Co-operatives Services	Capacity Building Services	2,200,000.00	2,700,000.00	2,195,700.00	2,694,751.00	99.8%	99.8%
ICT Infrastructure Services	ICT Infrastructure Improvement & Enhancement Services	88,171,463.00	4,500,000.00	34,966,518.00	4,473,888.00	39.7%	99.4%
Industrialisation and Investment Services	Investment and Industry Services	2,400,000.00	450,686,870.00	2,306,100.00	151,370,498	96.1%	33.6%
Sub Total		**189,053,681.00**	**465,386,870.00**	**81,319,970**	**166,033,181**	**43.0%**	**35.7%**
Lands, Housing and Physical Planning							
Land Policy and Physical Planning	Urban Physical Planning Services	86,800,258.00	553,477,229.00	31,532,974.00	24,960,250.00	36.3%	4.5%
	Kenya Urban Support Programme	35,000,000.00	-		-	0.0%	0.0%
	Urban Development Services	231,450,000.00	192,894,053.00	107,728,719.00	-	46.5%	0.0%
Housing Services	Housing Services	2,100,000.00	-	1,152,564.00	-	54.9%	0.0%
Public Works Services	Public Works Services	1,300,000.00	61,881,681.00	1,009,100.00	27,887,802.00	77.6%	45.1%
Sub-Total		**356,650,258.00**	**808,252,963.00**	**141,423,357.00**	**52,848,052.00**	**39.7%**	**6.5%**
Public Service, Labour and Decentralised Unit							
Human Resources Management and decentralised services	Human Resources Management and decentralised services	132,940,796.00	-	83,685,449	-	62.9%	0.0%
Service Delivery and Performance Management	Service Delivery and Performance Management	33,792,179.00	-	5,983,575	-	17.7%	0.0%
	Technical Support Services	14,678,402.00	-	6,886,670	-	46.9%	0.0%
Decentralised unit and Town admin	Decentralised unit	193,035,680.00	7,800,000.00	91,552,025	5,696,528.00	47.4%	73.0%
	Town Administration	233,244,094.00	-	115,300,737	-	49.4%	0.0%
Special Programs	Disaster Management & Humanitarian Coordination	138,493,985.00	-	39,289,120	-	28.4%	0.0%
	Conflict Prevention, Management and Resolution	42,976,984.00	21,000,000.00	12,597,416	15,800,923	29.3%	75.2%
	Intergovernmental Relations	69,403,510.00	-	9,617,800	-	13.9%	0.0%
	Public Participation Services	27,791,985.00	5,000,000.00	8,925,242	-	32.1%	0.0%
	Governance and Ethics	16,108,416.00	-	3,549,848	-	22.0%	0.0%
Sub-Total		**902,466,031.00**	**33,800,000.00**	**377,387,882**	**21,497,451**	**41.8%**	**63.6%**

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		Rec	Dev	Rec	Dev	Rec	Dev
County Public Service Board							
County Public Service Board Services	Coordination and Supervisory	73,815,000.00	-	26,351,371	-	35.7%	0.0%
Sub-Total		**73,815,000.00**	-	**26,351,371.00**	-	**35.7%**	**0.0%**
County Assembly							
County Assembly Services	Legislation, Oversight and Representation	784,444,072.00	-	546,035,680.28	-	69.6%	0.0%
Sub-Total		**784,444,072.00**	-	**546,035,680.28**	-	**69.6%**	**0.0%**
Grand Total		**8,377,484,917.02**	**5,140,139,752.00**	**4,835,322,647.49**	**1,354,182,607.06**	**57.7%**	**26.3%**

***Source**: Wajir County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Energy development services in the Department of Energy, Environment and Natural Resources at 100.0 per cent, Construction of County Roads in the Department of Roads, Transport and Public Works at 100.0 per cent, Business Support & Investment Services in the Department of Trade, Industrialization, Co-operative Development at 99.9 per cent, and Capacity Building Services in the Department of Trade, Industrialization, Co-operative Development at 99.8 per cent of budget allocation.

3.46.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated 55 accounts with commercial banks, including 42 accounts for Health Facilities, zero accounts for Vocational Training Centres, five accounts for Established Funds, one revenue account, two special purpose accounts (additional allocations), 1 Retention account, 1 Emergency Response account and 3 Imprest bank accounts.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening 55 commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.46.17 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;

i. The county Treasury's late submission of financial reports to the Controller of Budget affected the timely preparation of the budget implementation report, which was received on 23rd April 2025.
ii. Own-source revenue underperformed at Kshs.167.29 million against an annual target of Kshs.270.00 million, representing 62.0 per cent of the yearly target.
iii. Regulation 197(1)(i) of the Public Finance Management (County Governments) Regulations, 2015, limits the lifespan of public funds to 10 years unless extended by the County Assembly. During the reporting period, the CoB found that the lifespan of **the Wajir Disaster Management Fund and the Wajir County Revolving Fund had** lapsed, making them ineligible for further withdrawals.
iv. There was a high level of pending bills, which amounted to Kshs.1.087 billion as of 31st March 2025. Further, the county Treasury did not adhere to the payment plan for the pending bills.
v. Use of manual payroll. Personnel emoluments amounting to Kshs.453.74 million were processed through manual payroll, accounting for 13.8 per cent of the total payroll cost. Manual payroll is prone to abuse and may lead to the loss of public funds where proper controls are lacking.
vi. Non-submission of copies of authorisation letters for opening commercial bank accounts as per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The County should address its own-source revenue performance to ensure the approved budget is fully financed. Appropriate austerity measures should be implemented to ensure expenditure commitments are aligned with available revenue.*
iii. *Ensure timely review and extension of public funds whose lifespan is nearing expiration to prevent operational disruptions. Additionally, any expenditure from lapsed funds should cease immediately, and legal mechanisms should be followed to either re-establish or wind up such funds in compliance with the Public Finance Management Act.*
iv. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
v. *The Government requires that salaries be processed through the HRIS system, and the County is advised to fast-track the acquisition of Unified Personnel Numbers for their staff. The County Public Service Board should regulate staff engagement on contract and casual workers as provided under Section 74 of the County Governments Act 2012. Further, strict compliance with the approved staff establishment should be maintained.*
vi. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

3.47. County Government of West Pokot

3.47.1 Overview of FY 2024/25 Budget

The West Pokot County Gross Supplementary I Budget for FY 2024/25 is Kshs.7.92 billion. It comprises Kshs.2.36 billion (30 per cent) and Kshs.5.56 billion (70 per cent) allocation for development and recurrent programmes, respectively. The budget estimates represent an increase of Kshs.205.57 million (3 per cent) from the FY 2023/24 budget, which comprised a development budget of Kshs.2.29 billion and a recurrent budget of Kshs.5.42 billion. The increase in the budget was attributed to the rise in the equitable share of revenue and additional allocation. The County's Net Approved Supplementary I Budget is Kshs.7.79 billion, comprising Kshs.5.43 billion for recurrent and Kshs.2.36 billion for development expenditure.

The budget will be financed from the following revenue sources: equitable share of revenue raised nationally of Kshs.7 billion (88 per cent), additional allocations of Kshs.667.90 million (8 per cent), a cash balance of Kshs.20 million (0.3 per cent) brought forward from FY 2023/24, and Kshs.230 million (3 per cent) generated as gross own-source revenue. The own-source revenue includes Kshs.132.80 million (2 per cent) as Facility Improvement Fund (revenue from health facilities), and Kshs.97.20 million (1 per cent) as ordinary own-source revenue. A breakdown of the additional allocations is shown in Table 3.464.

3.47.2 Revenue Performance

During the review period, the County received Kshs.4.53 billion in revenues to fund its development and recurrent activities. This amount represents an increase of Kshs.300 million from the Kshs.4.23 billion received in the same period in FY 2023/24. The total revenue consists of Kshs.4.35 billion from the equitable share of revenue raised nationally, additional allocations from the government and development partners of Kshs.18.36 billion, and its own-source revenue (OSR) collection of Kshs.145.15 million. In addition, the County had a cash balance of Kshs.20 million from FY 2023/24.

The total OSR collection of Kshs.145.15 million includes Facilities Improvement Financing (FIF) of Kshs.90.79 million, and Kshs.54.36 million from other OSR sources. OSR collections from the FIF were received from Kapenguria County Referral Hospital, Kacheliba Sub County Hospital, Chepareria Sub County Hospital and Sigor Sub County Hospital. Table 3.464 summarises the total revenue available to the County Government during the first nine months of FY 2024/25.

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Table 3.464: West Pokot County, Revenue Performance in the First Nine Months of FY 2024/25

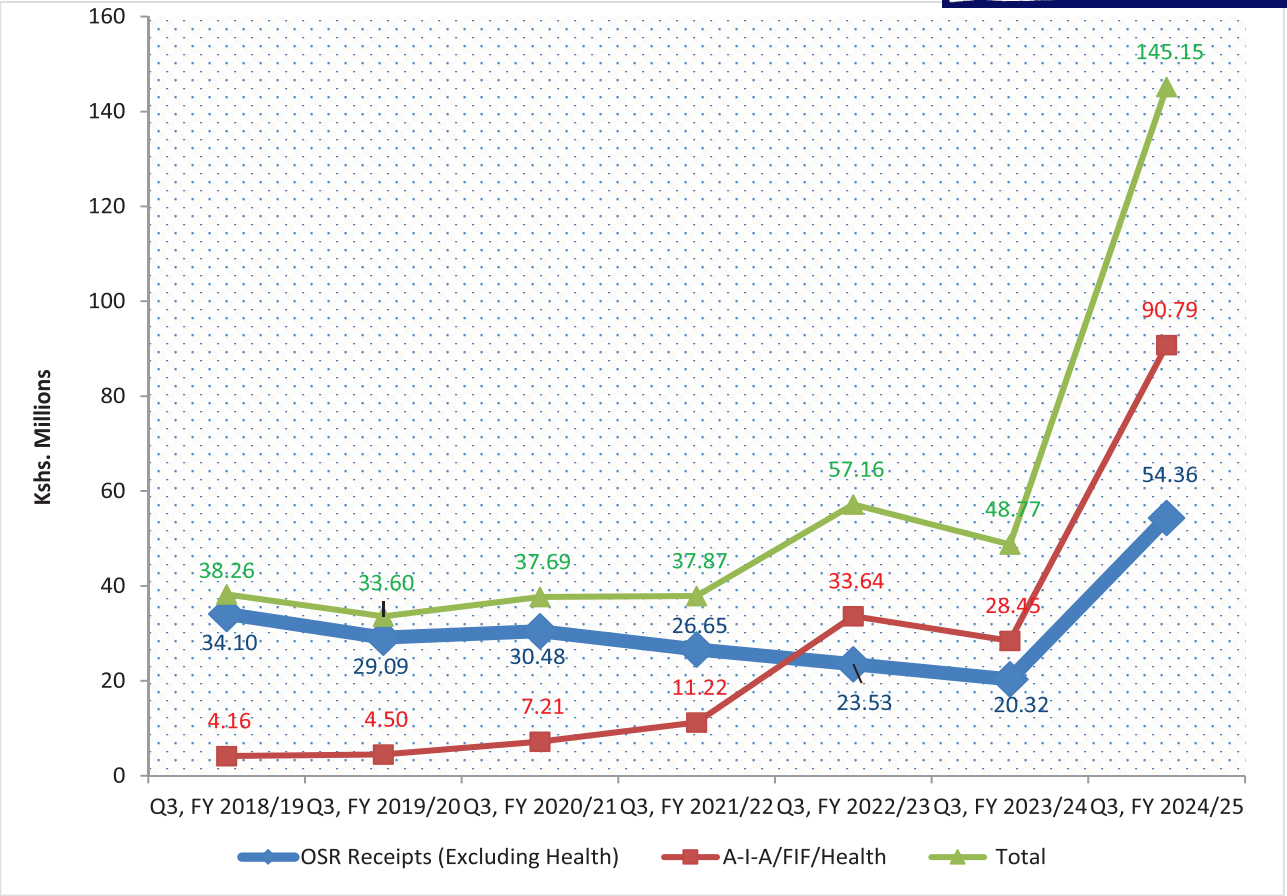
S/No.	Revenue Category	Annual Budget Allocation (Kshs)	Actual Receipts (Kshs.)	Actual Receipts as Percentage of Annual Budget Allocation (%)
A	**Equitable Share of Revenue Raised Nationally**	**7,002,648,339**	**4,347,718,984**	**62**
Subtotal		**7,002,648,339**	**4,347,718,984**	**62**
B	**Additional Allocations**			
1	DANIDA	7,702,500	2,014,500	26
2	Community Health Promoters	60,706,194	-	-
3	Emergency Locust Response	121,025,000	-	-
4	Road Maintenance Fuel Levy (RMLF)	-	-	-
5	FLLoCA (CCRI GRANT)	133,000,000	-	-
6	FLLoCA - CCIS Grants (Rollover)	11,000,000	11,000,000	100
7	FLL0CA - CCCRI (Rollover Funds)	70,467,694	-	-
8	EU Grants for Nasukuta Export Abattoir - Donor Contribution	5,406,748	5,340,518	99
9	KUSP -UIG	35,000,000	-	-
10	KDSP Roll Over FY 2022/2023	13,010,485	-	-
11	KDSP II	37,500,000	-	-
12	Food Systems Resilience Project (FSRP)	173,076,923	-	-
Subtotal		**667,895,544**	**18,355,018**	**3**
C	**Own Source Revenue**			
13	Ordinary Own Source Revenue	97,200,000	54,358,561	56
14	Facility Improvement Fund (FIF)	132,800,000	90,792,015	68
Subtotal		**230,000,000**	**145,150,576**	**63**
D	**Other Sources of Revenue**			
15	Unspent balance from FY 2023/24	20,000,000	20,000,000	100
16	Other Revenues (provide a list)	-	-	-
Sub-Total		**20,000,000**	**20,000,000**	**100**
Grand Total		**7,920,543,883**	**4,531,224,577**	**57**

Source: *West Pokot County Treasury*

The County has governing legislation on the operation of ordinary A-I-A and FIF. Figure 182 shows the collection trend in own-source revenue from the first nine months of FY 2018/19 to FY 2024/25.

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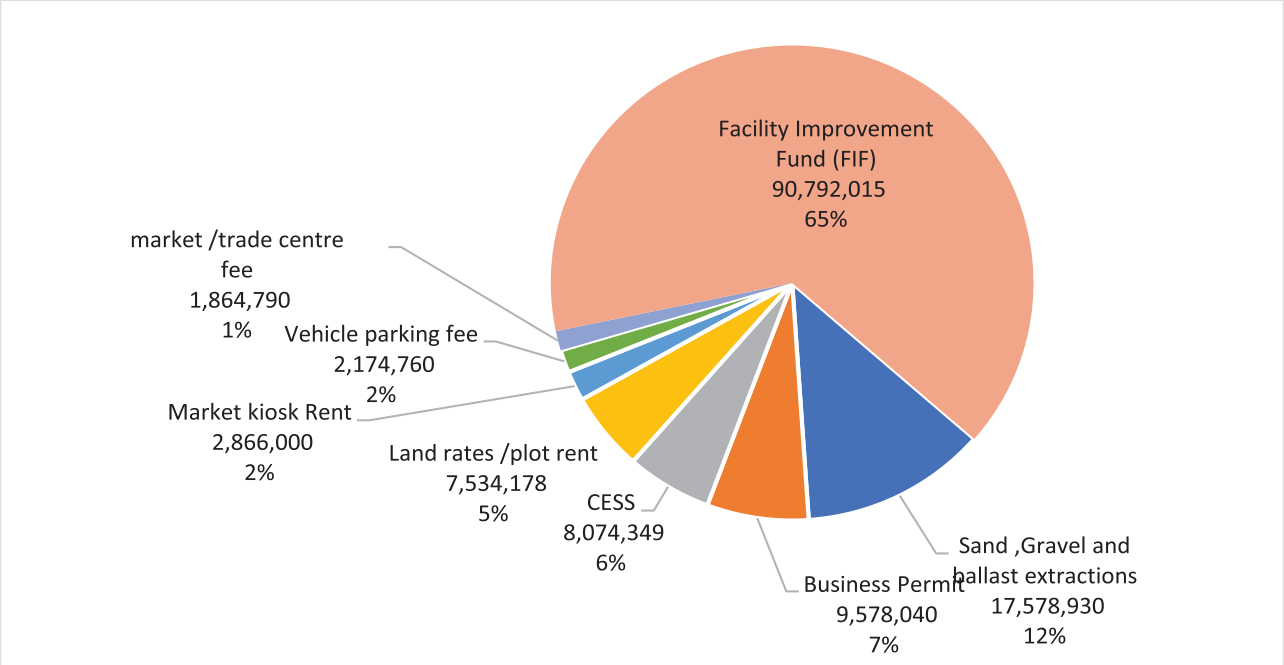
Figure 182: Trend in Own-Source Revenue Collection for the First Nine Months of FY 2018/19 to FY 2024/25



Source: *West Pokot County Treasury*

During the review period, the County generated Kshs.145.15 million from its own revenue sources, including AIA and FIF. This amount was an increase of 198 per cent compared to Kshs.48.77 million realised in a similar period in FY 2023/24 and was 63 per cent of the annual target and 3 per cent of the equitable revenue share disbursed. The increase in OSR can be attributed to increased collection from the Facility Improvement Fund (FIF). The revenue streams which contributed the highest OSR receipts are shown in Figure 183.

Figure 183: Top Own Source Revenue Streams in the First Nine Months FY 2024/25



Source: *West Pokot County Treasury*

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As shown in Figure 183, the highest revenue stream of Kshs.90.79 million was from FIF, contributing to 62 per cent of the total OSR receipts. The County Government has automated 14 revenue streams out of 19.

3.47.3 Borrowing by the County

The County Government did not report any borrowings during the period under review.

3.47.4 Exchequer Issues

During the reporting period, the Controller of Budget approved withdrawals of Kshs.4.02 billion from the CRF account comprised Kshs.552.49 million (14 per cent) for development programmes and Kshs.3.47 billion (86 per cent) for recurrent programmes. Analysis of the recurrent exchequers released indicates that Kshs.2.46 billion was released towards compensation of employees and Kshs.1.01 billion for operations and maintenance expenditure. Exchequer approved towards compensation for employees in the first nine months of FY 2024/25, does not include the March 2025 exchequer request for the County Executive and County Assembly due to delays in the disbursement of funds from the equitable share of revenue by the national Treasury.

Analysis of the operations and maintenance exchequer releases indicates that 32 per cent was for domestic travel and 2 per cent for foreign travel. The domestic travel exchequer amounted to Kshs.322.99 million and included Kshs.225.17 million for the County Executive and Kshs.97.83 million for the County Assembly. The foreign exchequer totalled Kshs.16.34 million, comprising Kshs.0.43 million for the County Executive and Kshs.15.86 million for the County Assembly.

Table 3.465: West Pokot County, Budget Allocation and Exchequer Issued by Department

Department	Revised Net Budget Allocation (Kshs.Million)		Exchequer Issues (Kshs. Million)		Exchequer Issues to Revised Net Budget (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	447,721,850	36,664,500	268,046,392	12,427,756	60	34
Finance and Economic Planning	293,099,461	21,072,917	188,547,353	1,062,432	64	5
Public Works, Transport and Infrastructure	111,204,976	282,986,855	92,636,214	77,896,778	83	28
Health and Sanitation	1,921,475,319	257,328,803	1,439,369,343	25,839,640	75	10
Education and Technical Training	841,734,948	388,468,899	383,675,999	29,090,774	46	8
Agriculture and Irrigation	89,799,395	541,001,411	68,623,544	93,315,531	76	17
Livestock, Fisheries and Veterinary Services	125,828,690	99,531,934	58,956,731	72,514,277	47	73
Trade, Industrialisation, Energy and Cooperative Development	62,560,162	50,118,245	45,809,903	36,117,827	73	72
Lands, Housing, Physical Planning and Urban Development	154,702,416	54,299,178	114,171,057	999,978	74	2
Water, Environment, Natural Resources and Climate Change	75,051,468	512,513,624	59,512,809	178,513,202	79	35
Youth Affairs, Sports, Tourism, Culture and Social Services.	89,270,220	45,494,990	69,018,048	23,295,067	77	51
County Public Service Management, ICT and Decentralised Units	425,378,842	3,549,400	178,801,426	-	42	0
Special Programmes	98,345,785	-	42,188,185	-	43	-
West Pokot County Assembly	693,116,557	65,423,039	460,883,536	1,414,759	66	2
Total	**5,429,290,089**	**2,358,453,794**	**3,470,240,541**	**552,488,021**	**64**	**23**

***Source**: West Pokot County Treasury*

As of 31st March 2025, the County Government's cash balance in the CRF account was Kshs.797.71 million.

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3.47.5 County Expenditure Review

The County spent Kshs.4.01 billion on development and recurrent programmes in the reporting period. The expenditure represented 99.7 per cent of the total funds released by the CoB and comprised Kshs.551.07 million and Kshs.3.46 billion on development and recurrent programmes, respectively. Expenditure on development programmes represented an absorption rate of 23 per cent, while recurrent expenditure represented 64 per cent of the annual recurrent expenditure budget.

3.47.6 Settlement of Pending Bills

The County reported pending bills totalling Kshs.509.94 million as of 30th June 2024. This amount included Kshs.486.38 million from the County Executive and Kshs.23.56 million from the County Assembly. The pending bills from the County Executive consist of Kshs.321.59 million for recurrent expenditures and Kshs.164.80 million for development expenditures.

During the period under review, the County Executive settled pending bills amounting to Kshs.221.82 million, comprising Kshs.103.55 million for recurrent programmes and Kshs.118.27 million for development programmes. On the other hand, the County Assembly settled pending bills worth Kshs.4.97 million, which was solely for recurrent activities.

The County Executive and the Assembly submitted a pending bills payment plan at the commencement of FY 2024/25, committing to pay Kshs.223.67 million and Kshs.23.56 million, respectively, in the first nine months of FY 2024/25. However, the County did not adhere to this payment plan, as it cleared Kshs.221.82 million for the Executive and Kshs.4.97 million for the Assembly.

As of 31st March 2025, the outstanding bills amounted to Kshs.283.16 million, comprising Kshs.264.57 million for the County Executive and Kshs.18.59 million for the County Assembly.

3.47.7 Expenditure by Economic Classification

The County Executive spent Kshs.2.21 billion on employee compensation, Kshs.802.41 million on operations and maintenance, and Kshs.551.07 million on development activities. Similarly, the County Assembly spent Kshs.253 million on employee compensation, Kshs.197.91 million on operations and maintenance, as shown in Table 3.466.

Table 3.466: Summary of Budget and Expenditure by Economic Classification

Expenditure Classification	Revised Gross Budget (Kshs.)		Expenditure (Kshs.)		Absorption (%)	
	County Executive	County Assembly	County Executive	County Assembly	County Executive	County Assembly
Total Recurrent Expenditure	**4,868,973,532**	**693,116,557**	**3,009,357,005**	**450,905,391**	**62**	**62**
Compensation to Employees	2,839,426,134	401,756,469	2,206,945,845	252,999,274	78	63
Operations and Maintenance	2,029,547,399	291,360,088	802,411,160	197,906,117	40	68
Development Expenditure	**2,293,030,755**	**65,423,039**	**551,073,262**	-	**24**	-
Total	**7,162,004,287**	**758,539,596**	**3,560,430,267**	**450,905,391**	**50**	**59**

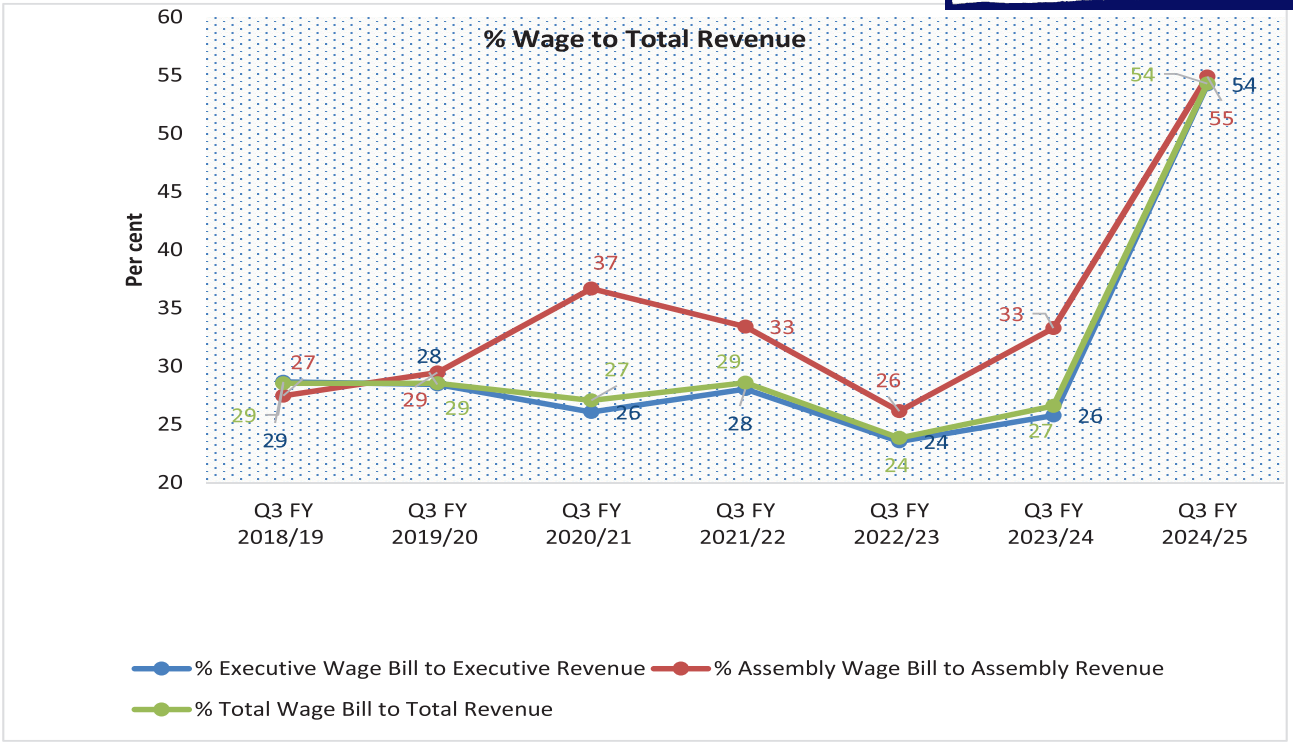
***Source**: West Pokot County Treasury*

3.47.8 Expenditure on Compensation to Employees

During the period under review, the expenditure on employee compensation amounted to Kshs.2.46 billion. Consequently, the percentage of employee compensation to this adjusted revenue is 54 per cent. This expenditure on employee compensation shows an increase compared to the Kshs.2.05 billion reported during the same period in FY 2023/24. Of this total, Kshs.1.18 billion was allocated to Health Sector employees, which accounts for 48 per cent of the overall employees' compensation. Figure 184 shows the trend of compensation to employees' expenditures as a percentage of total revenue received in the first nine months of FY 2018/19 to FY 2024/25.

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Figure 184: Percentage of Compensation to Employees to Total Revenue Received in the First Nine Months of the year from FY 2018/19 to FY 2024/25



***Source**: West Pokot County Treasury*

Further analysis reveals that costs totalling Kshs.2.46 billion were processed through the Integrated Payroll and Personnel Database (IPPD) system.

The County Assembly spent Kshs.20.74 million on committee sitting allowances for the 33 MCAs against the annual budget allocation of Kshs.34.18 million. The average monthly sitting allowance was Kshs.628,524 per MCA. The County Assembly has 26 House Committees.

3.47.9 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.500 million to County-Established funds in FY 2024/25, or 6 per cent of the County's overall budget. Further, the County allocated Kshs.8 million to the Emergency Fund (0.1 per cent of the total budget) in line with Section 110 of the PFM Act, 2012. Table 3.467 summarises each established Fund's budget allocation and performance during the reporting period.

Table 3.467: Performance of County Established Funds in the First Nine Months of FY 2024/25

S/No.	Name of the Fund	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)	Cumulative disbursements to the Fund (Kshs)	Submission of First Half Financial Statements (Yes/No.)
	County Executive Established Funds					
1	Car Loan and Mortgage	-	-	53,360,298	148,723,662	Yes
2	Bursary Fund	500,000,000	-	-	-	Yes
3	Cooperative Development Fund	-		1,408,197	65,000,000	Yes
4	Emergency Fund	8,000,000	-	-	-	Yes
5	County Assembly Established Funds					
6	Members' Car Loans and Mortgage	-	-	35,005,280	137,700,000	Yes
7	Staff Car Loans and Mortgage	-	-	1,479,768	191,750,000	Yes
	Total	**508,000,000**	**-**	**91,253,543**	**543,173,662**	

***Source**: West Pokot County Treasury*

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During the reporting period, the CoB received quarterly financial reports from all Fund Administrators, as indicated in Table 3.467, as required by Section 168 of the PFM Act, 2012.

3.47.10 County Corporations

The County has established West Pokot County Meat and Livestock (Nasukuta Export Abattoir) Corporation. In FY 2024/25, the county allocated Kshs.13,606,748 to this corporation through its parent department. The total expenditure for the first nine months amounted to Kshs.371,000, as shown in Table 3.468.

Table 3.468: Performance of County Corporations

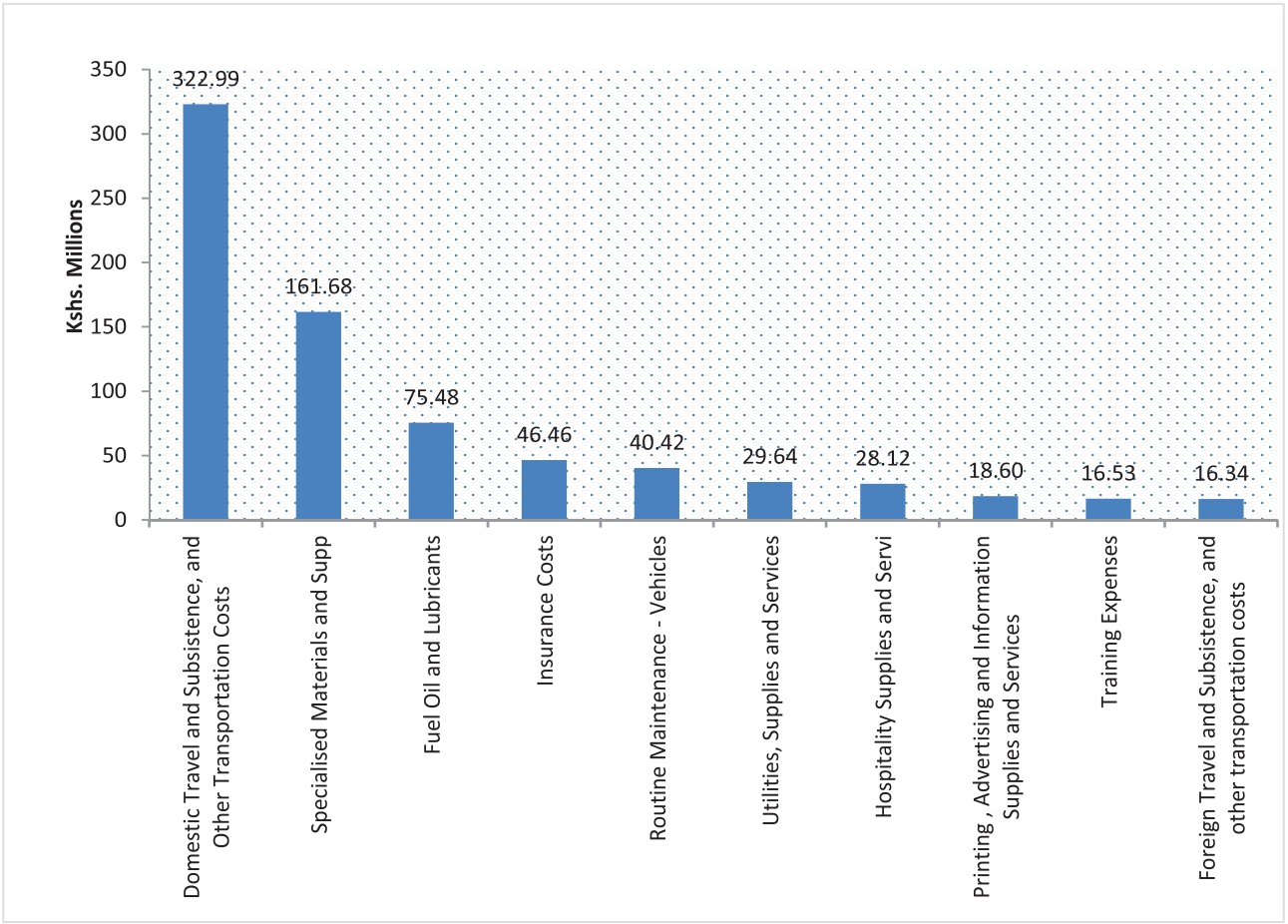
S/No.	Name of the Corporation	Parent Department	Approved Budget Allocation in FY 2024/25 (Kshs.)	Exchequer Issues in the First Nine Months of FY 2024/25 (Kshs.)	Actual Expenditure in First Nine Months of FY 2024/25 (Kshs.)
	West Pokot County Meat and Livestock (Nasukuta Export Abattoir) Corporation	Agriculture, Livestock, Irrigation and Fisheries	13,606,748	-	371,000
	Total		13,606,748	-	371,000

Source: *West Pokot County Treasury*

3.47.11 Expenditure on Operations and Maintenance

Figure 185 summarises the Operations and Maintenance expenditure by major categories.

Figure 185: West Pokot County, Operations and Maintenance Expenditure by Major Categories



Source: *West Pokot County Treasury*

Expenditure on domestic travel amounted to Kshs.322.99 million and comprised Kshs.97.83 million spent by the County Assembly and Kshs.225.17 million by the County Executive. Expenditure on foreign travel amounted to Kshs.16.34 million and comprised Kshs.15.86 million by the County Assembly and Kshs.0.43 million by the County Executive. Expenditure on foreign travel is summarised in Table 3.469.

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Table 3.469: Summary of Expenditure on Foreign Travel in the First Nine Months of FY 2024/25

Arm of County Government	Number of Officers Travelled	Date travelled	Purpose of the travel	Destination	of the Travel (Kshs.)
County Assembly	7	9th December,2024 to 13th December, 2024	Leadership and Excellence Program	UAE Dubai	5,187,877
County Assembly	7	16th December,2024 to 20th December, 2024	Leadership and Excellence Program	UAE Dubai	3,480,437
County Assembly	1	20th January, 2025 to 27th January, 2025	Legislative Service Conference	Singapore	1,006,783
County Assembly	4	10th February, 2025 to 16th February, 2025	Leadership and Excellence Program	Malaysia	2,687,308
County Assembly	2	23rd February, 2025 to 1st March, 2025	Comprehensive Corporate Leadership for Effective Governance	Arusha, Tanzania	646,888
County Assembly	6	3rd March, 2025 to 7th March, 2025	Leadership Innovation and Crisis Management Program	UAE Dubai	2,850,086

***Source**: West County Treasury and West Pokot County Assembly*

3.47.12 Facility Improvement Financing

During the period under review, the County reported a collection of Kshs.90.79 million as FIF, which was 68 per cent of the annual target of Kshs.132.80 million. The collected amount was retained and utilised at source in line with the Facility Improvement Financing Act, 2023. The County has not developed regulations in 2019 to operationalise the FIF Act of 2023.

The Health Facilities provided a report on the utilisation of the FIF during the reporting period, in line with Section 18 (e) of the FIF Act, 2023.

The expenditure by the health facilities amounted to Kshs.64, 437,657, as shown in Table 3.470.

Table 3.470: Breakdown of Expenditure by Health Facilities in the First Nine Months of FY 2024/25

No.	Name of the Health Facility	Approved Budget for the Facility	Actual Expenditure of the Facility	Absorption rate (%)
1	Kacheliba Sub-County Hospital	10,000,000	4,997,942	50
2	Kapenguria County Referral Hospital	102,800,000	50,276,503	49
3	Chepareria Sub-County Hospital	12,000,000	3,771,812	31
4	Sigor Sub-County Hospital	8,000,000	1,858,692	23
	Total	**132,800,000**	**64,437,657**	**49**

***Source:** West Pokot County Treasury*

The Health Facility with the highest absorption rate was Kacheliba Sub-County Hospital.

3.47.13 Development Expenditure

In the review period, the County reported spending Kshs.551.07 million on development programmes, representing an increase of 2 per cent compared to a similar period in FY 2023/24, when the County spent Kshs.538.73 million. Table 3.469 summarises the development projects with the highest expenditure in the reporting period.

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Table 3.471: West Pokot County, List of Development Projects with the Highest Expenditure

No.	Sector	Project Name	Project Location	Expected Completion Date	Contract sum (Kshs)	Amount paid in the first Nine Months of FY 2024/25 (Kshs.)	Cumulative Expenditure as of 31 March 2025	Implementation status (%)
1	County Executive	Completion of Landscaping at Governor's Residence	Kapenguria	6/03/2025	37,123,746	23,000,000	15,580,203	90
2	Education and Technical Training	Completion of Education Administration Block	Kapenguria	29/05/2025	36,612,987	30,000,000	10,746,650	80
3	Public Works, Transport and Infrastructure	Road Maintenance	Tapach	28/03/2025	12,898,703	12,549,796	-	100
4	Health and Sanitation	Construction of The Makutano Sub-County Hospital	Mnangei	05/12/2025	52,304,655	9,414,660	42,889,817	80
5	Education and Technical Training	Completion of Chesta TTC Hostel	Weiwei	30/11/2024	29,814,545	10,000,000	29,814,545	100
6	Trade, Industrialisation, Energy and Cooperative Development	Construction of Bodaboda Shade at Nyarkulian Trading Centre (Roll Over)	Tapach	30/06/2025	499,999	499,999	-	70
7	Water, Environment, Natural Resources and Climate Change	Solar Installation in Cheposacha and Nakuyen Borehole	Suam	30/06/2025	4,599,990	2,300,000	-	100
8	Trade, Industrialisation, Energy and Cooperative Development	Construction of Marich Fresh Produce Market	Sekerr	30/06/2025	109,209,105	20,000,000	-	20
9	Trade, Industrialisation, Energy and Cooperative Development	Renovation of Trade and Cooperative Offices	Headquarter	30/06/2025	1,499,938	1,499,938	1,499,938	70
10	Livestock, Fisheries and Veterinary Services	Construction of Cattle Dip at Kaptum Lelan Ward	Lelan	-	1,987,839	1,987,839	1,987,839	100

Source: *West Pokot County Treasury*

The County has reported two stalled development projects to date, with an estimated value of Kshs.40 million, of which Kshs.32 million has already been paid.

3.47.14 Budget Performance by Department

Table 3.472 summarises the approved budget allocation, expenditure and absorption rate by departments in the period under review.

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Table 3.472: West Pokot County, Budget Allocation and Absorption Rate by Department

Department	Revised Gross Budget Allocation (Kshs. Million)		Exchequer Received, plus AIAs (Kshs. Million)		Expenditure (Kshs. Million)		Expenditure to Exchequer plus AIA (%)		Absorption rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev	Rec	Dev
County Executive	447.72	36.66	268.04	12.43	268.04	12.43	100	100	60	34
Finance and Economic Planning	293.10	21.07	188.55	1.06	188.55	1.06	100	100	64	5
Public Works, Transport and Infrastructure	111.20	282.99	92.64	77.90	92.64	77.90	100	100	83	28
Health and Sanitation	2,054.28	257.33	1,439.37	25.84	1,439.37	25.84	100	100	70	10
Education and Technical Training	841.73	388.47	383.68	29.09	383.68	29.09	100	100	46	8
Agriculture and Irrigation	89.80	541.00	68.62	93.32	68.62	93.32	100	100	76	17
Livestock, Fisheries and Veterinary Services	125.83	99.53	58.96	72.51	58.96	72.51	100	100	47	73
Trade, Industrialisation, Energy and Cooperative Development	62.56	50.12	45.81	36.12	45.81	36.12	100	100	73	72
Lands, Housing, Physical Planning and Urban Development	154.70	54.30	114.17	1.00	114.17	1.00	100	100	74	2
Water, Environment, Natural Resources and Climate Change	75.05	512.51	59.51	178.51	59.51	178.51	100	100	79	35
Youth Affairs, Sports, Tourism, Culture and Social Services.	89.27	45.49	69.02	23.30	69.02	23.30	100	100	77	51
County Public Service Management, ICT and Decentralised Units	425.38	3.55	178.80	-	178.80	-	100	-	42	-
Special Programmes	98.35	-	42.19	-	42.19	-	100	-	43	-
West Pokot County Assembly	693.12	65.42	460.88	1.41	450.91	-	97.8	-	65	-
Total	**5,562.09**	**2,358.45**	**3,470.24**	**552.49**	**3,460.26**	**551.07**	**99.7**	**99.7**	**62**	**23**

***Source**: West Pokot County Treasury*

Analysis of expenditure by departments shows that the Department of Livestock, Fisheries, and Veterinary Services recorded the highest absorption rate of the development budget at 73 per cent, followed by the Department of Trade, Industrialisation, Energy, and Cooperative Development at 72 per cent. The Department of Public Works, Transport and Infrastructure had the highest percentage of recurrent expenditure to budget at 83 per cent, while the Department of County Public Service Management, ICT and Decentralised Units had the lowest at 42 per cent.

3.47.15 Budget Execution by Programmes and Sub-Programmes

Table 3.473 summarises the budget execution by programmes and sub-programmes in the period under review.

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Table 3.473: West Pokot County, Budget Execution by Programmes and Sub-Programmes

Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate (%)	
	Rec	Dev	Rec	Dev	Rec	Dev
County Executive						
SP 1 General Administration, Planning and Support Services	374,293,244	36,664,500	232,713,886	12,427,756	62	34
SP 2 County Public Service Board	23,217,120	-	16,694,734	-	72	-
SP 3 County Executive Affairs	38,368,871	-	11,383,195	-	30	-
SP 4 Liaison and Intergovernmental Service	11,842,615	-	7,254,577	-	61	-
TOTAL	**447,721,850**	**36,664,500**	**268,046,392**	**12,427,756**	**60**	**34**
Finance and Economic Planning						
SP 1 General Administration, Planning and Support Services	214,024,383	21,072,917	134,458,845	1,062,432	63	5
SP 2 Treasury Accounting Services	12,959,823	-	7,296,640	-	56	-
SP 3 Supply Chain Management services	7,988,000	-	5,450,000	-	68	-
SP 4 Resource Mobilisation	14,270,000	-	10,271,780	-	72	-
SP 5 Internal Audit Services	7,743,600	-	5,942,285	-	77	-
SP 6 Budget Formulation Services	12,274,000	-	8,981,203	-	73	-
SP 7 Economic Planning	10,879,832	-	7,146,600	-	66	-
SP 8 Monitoring and Evaluation	12,959,823	-	9,000,000	-	69	-
TOTAL	**293,099,461**	**21,072,917**	**188,547,353**	**1,062,432.40**	**64**	**-**
Roads, Public Works, Transport and Infrastructure						
SP 1 General Administration, Planning and Support Services	92,512,656	-	79,858,931	-	86	-
SP 2 Road Transport	15,784,320	65,685,517	11,428,363	7,180,265	72	11
SP 3 Public Works	2,908,000	-	1,348,921	-	46	-
SP 5 Ward Specific Projects	0	217,301,338	-	70,716,512	-	33
TOTAL	**111,204,976**	**282,986,855**	**92,636,214**	**77,896,778**	**83**	**28**
Health and Sanitation						
SP 1 General Administration, Planning and Support Services	1,734,697,987	-	1,287,850,979	6,968,643	74	-
SP 2 Preventive Health Services	89,125,304	-	69,269,695	-	78	-
SP 3 Curative Health Services	83,052,028	136,333,696	52,016,632	-	63	-
SP 4 Kacheliba Sub county hospital	14,200,000	-	4,191,104	-	30	-
SP 5 Sigor Sub county hospital	14,200,000	-	2,972,850	-	21	-
SP 6 Chepareria Sub county hospital	14,200,000	-	2,041,083	-	14	-

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Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
	Rec	Dev	Rec	Dev	Rec	Dev
SP 7 Facility Improvement Fund	104,800,000	23,000,000	21,027,000	-	20	-
SP 8 Ward Specific	-	97,995,107	-	18,870,997	-	19
TOTAL	**2,054,275,319**	**257,328,803**	**1,439,369,343**	**25,839,640**	**70**	**10**
Education and Technical Training						
SP 1 General Administration, Planning and Support Services	426,985,689	190,000,000	359,932,060	17,352,950	84	9
SP 2 ECD Services	37,043,851	-	3,840,291	-	10	-
SP 3 Youth Vocational Training	17,305,408	1,210,000	16,455,648	-	95	-
SP 4 Bursary Fund	360,400,000	-	3,448,000	-	1	-
SP 5 Ward specific	-	197,258,899	-	11,737,824	-	6
TOTAL	**841,734,948**	**388,468,899**	**383,675,999**	**29,090,774**	**46**	**7**
Agriculture and Irrigation						
SP 1 General Administration, Planning and Support Services	80,728,866	-	65,040,819	-	81	-
SP 2 Crop Development and Management	4,070,529	364,101,923	2,582,725	54,999,013	63	15
SP 3 Cash Crop Production (Special Programs	5,000,000	124,000,000	1,000,000	19,497,254	20	16
SP 4 Ward specific	-	52,899,488	-	18,819,264	-	36
TOTAL	**89,799,395**	**541,001,411**	**68,623,544**	**93,315,531**	**76**	**17**
Pastoral Economy						
SP 1 General Administration, Planning and Support Services	93,178,690	-	42,656,641	-	46	-
SP 2 Livestock Production and Range Management	10,800,000	29,106,748	4,299,760	27,045,875	40	93
SP 3 Livestock Disease Management	7,550,000	-	7,400,410	-	98	-
SP 4 Fisheries Development	1,100,000	6,794,900	699,920	2,795,318	64	41
SP 5 Nasukuta Livestock Improvement Centre	11,700,000	9,798,311	3,700,000	7,798,042	32	80
SP 6 Ward-specific	-	53,831,975	-	34,875,041	-	65
SP 7 Dairy Development (Special Programmes)	1,500,000	-	200,000	-	13	-
TOTAL	**125,828,690**	**99,531,934**	**58,956,731**	**72,514,277**	**47**	**73**
Trade, Industrialisation, Investment and Cooperative Development						
SP 1 General Administration, Planning and Support Services	56,284,962	45,099,269	44,217,903	32,498,851	79	72
SP 2 Cooperative Development	2,829,600	-	960,000	-	34	-
SP 3 Trade, License and Market Development	3,445,600	-	632,000	-	18	-
SP 4 Ward specific	-	5,018,976	-	3,618,976	-	72
TOTAL	**62,560,162**	**50,118,245**	**45,809,903**	**36,117,827**	**73**	**72**
Lands, Housing, Physical Planning and Urban Development						

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	Rec	Dev	Rec	Dev	Rec	Dev
SP 1 General Administration, Planning and Support Services	112,761,316	-	83,905,717	-	74	-
SP 2 Land Policy and Physical Planning	4,528,800	-	3,548,700	-	78	-
SP 3 Housing Development	1,612,000	-	780,000	-	48	-
SP 4 Urban Development	-	-	1,411,640	-	-	-
SP 5-Kapenguria Municipality	24,100,000	35,000,000	17,375,000	-	72	-
SP 6 Ward-specific	-	19,299,178	-	999,978	-	5
SP 6 Chepareria Municipality	11,700,300	-	7,150,000	-	61	-
TOTAL	**154,702,416**	**54,299,178**	**114,171,057**	**999,978**	**74**	**2**
Water, Environment and Natural Resources						
SP 1 General Administration, Planning and Support Services	56,304,774	-	53,379,809	-	95	-
SP 2 Water Supply Services	17,165,414	23,075,216	5,449,000	23,075,216	32	100
SP 3 Environment and Natural Resource Development	1,581,280	328,967,694	684,000	127,499,530	43	39
SP 4 Ward Specific	-	160,470,714	-	27,938,456	-	17
TOTAL	**75,051,468**	**512,513,624**	**59,512,809**	**178,513,202**	**79**	**35**
Tourism, Youth, Sports and Culture						
SP 1 General Administration, Planning and Support Services	75,799,889	-	36,037,073	-	48	-
SP 2 Tourism Development	5,494,000	-	4,282,450	-	78	-
SP 3 Gender, Youths and Sports Development	-	12,999,873	27,285,587	11,999,871	-	92
SP 4 Culture and Social Development	3,439,718	-	1,412,938	-	41	-
SP 5 Ward Specific	4,536,612	32,495,117	-	11,295,196	-	35
TOTAL	**89,270,219**	**45,494,990**	**69,018,048**	**23,295,067**	**77**	**51**
County Public Service, ICT and Decentralised Units						
SP 1 General Administration, Planning and Support Services	351,096,367	-	150,311,803	-	43	-
SP 2 Human Resource	5,377,549	-	2,040,000	-	38	-
SP 3 Legal Services	11,520,000	-	6,352,439	-	55	-
SP 4 Records Management	9,528,000	-	5,700,000	-	60	-
SP 5 Communication Services	4,200,000	-	1,150,000	-	27	-
SP 6 ICT Infrastructure Connectivity	28,176,926	3,549,400	7,717,184	-	27	-
SP 7 Field Administration	15,480,000	-	5,530,000	-	36	-
TOTAL	**425,378,842**	**3,549,400**	**178,801,426**	**-**	**42**	**-**
Special Programmes and Directorates						
SP 1 General Administration Planning and Support Services	49,263,000	-	16,731,062	-	34	-

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Programme	Revised Gross Approved Estimates (Kshs.)		Actual Expenditure (Kshs.)		Absorption Rate	
	Rec	Dev	Rec	Dev	Rec	Dev
SP 5.1 Emergency and Disaster Response	18,756,785	-	10,931,325	-	58	-
SP 6.1 Peace Building and Reconciliation	19,506,000	-	7,906,000	-	41	-
SP 7.1 Resource Mobilisation and Donor Coordination	2,730,000	-	2,119,798	-	78	-
Gender and Special Needs Development (Office of The First Lady)	8,090,000	-	4,500,000	-	56	-
Emergency Relief and Refugee Assistance	-	-	-	-	-	-
TOTAL	**98,345,785**	**-**	**42,188,185**	**-**	**43**	**-**
County Assembly of West Pokot						
P1: General Administration Planning and Support Services	491,319,359	65,423,039	319,492,146	-	65	-
Legislation, Oversight and Representation	166,515,198	-	103,848,143	-	62	-
Staff Affairs and Development	14,282,000	-	11,573,402	-	81	-
County Assembly Service Board Affairs	21,000,000	-	15,991,700	-	76	-
TOTAL	**693,116,557**	**65,423,039**	**450,905,391**	**-**	**65**	**0**
Grand Total	**5,562,090,088**	**2,358,453,795**	**3,460,262,396**	**551,073,262**	**62**	**23**

***Source**: West Pokot County Treasury*

Sub-programmes with the highest levels of implementation based on absorption rates were: Water Supply Services in the Department of Water, Environment, Natural Resources and Climate Change at 100 per cent, Livestock production and Range Management in the Department of Livestock, Fisheries and Veterinary Services at 93 per cent, Gender, Youths and sports Development in the Department of Youths Affairs, Sports, Tourism, Culture and Social Services at 92 per cent, and the Nasukuta Livestock Improvement Centre in the Department of Livestock, Fisheries and Veterinary, at 80 per cent of the budget allocation.

3.47.16 Accounts Operated Commercial Banks

Regulation 82(1)(b) of the PFM (County Governments) Regulations, 2015, 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.

Regulation 82(4) of the Public Finance Management (PFM) Act requires accounting officers to obtain written authorisation from the County Treasury before opening a commercial bank account. Additionally, Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015, requires the County Treasury to submit a copy of the letter authorising an accounting officer to open a commercial bank account to the Controller of Budget.

The County Government operated thirty-five accounts with commercial banks, including seven accounts for Health Facilities, seven accounts for Vocational Training Centres, ten accounts for Established Funds, two revenue accounts, five special-purpose accounts (for additional allocations), and four imprest accounts.

The County Treasury did not submit copies of authorisation letters to the Controller of Budget for opening thirty-one commercial bank accounts, as required by Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015.

3.47.17 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;

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i. The county Treasury's late submission of financial reports to the Controller of Budget hindered the timely preparation of the budget implementation report, which was received on 23rd April 2025.
ii. High level of pending bills, which amounted to Kshs.283.16 million as of 31st March 2025. Furthermore, the County Treasury failed to adhere to the payment plan for pending bills.
iii. Failure to submit copies of authorisation for opening commercial bank accounts per Regulation 82(5) of the Public Finance Management (County Governments) Regulations, 2015

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

i. *The County Treasury should ensure the timely preparation and submission of financial reports to the Office of the Controller of Budget, as per the timelines prescribed in Section 166 of the PFM Act, 2012.*
ii. *The County Leadership should address the situation of pending bills to ensure that genuine bills are paid promptly in the remaining financial year. Further, compliance with the payment plan should be enforced.*
iii. *The County Treasury should ensure it submits copies of authorisation letters to OCoB for opening commercial bank accounts to enhance accountability and oversight.*

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4. KEY OBSERVATIONS AND RECOMMENDATIONS

4.1. Introduction

This section highlights the issues that affected budget implementation and reporting in the first nine months of FY 2024/25 and provides recommendations to address the challenges. The cross-cutting challenges included the following:

4.2. Delay in Release of the Equitable Share of Revenue Raised Nationally

Articles 202, 217, and 218 outline the equitable sharing of nationally raised revenue between the national and county governments and among county governments through a revenue-sharing formula approved by Parliament. The County Allocation of Revenue Act 2024, which was enacted in December 2024, details the equitable share for each county government.

Observation: The revised estimate for equitable sharing is Ksh 418.26 billion. This amount includes Ksh 387.43 billion for the financial year 2024/25 and Ksh 30.53 billion in arrears due in June 2024. During the first nine months of the financial year 2024/25, county governments received Ksh 255.54 billion, representing 61 per cent of the target. These disbursements, in reference to the CARA disbursment schedule, covered up to January 2025, indicating that there were arrears for February and March 2025. This implies that the remaining amount of Ksh 162.72 billion ideally needs to be disbursed to County Governments during the fourth quarter of FY 2024/25.

Recommendation: *The timely release of the equitable share of nationally raised revenue is essential for the effective implementation of county governments' budgets. The National Treasury to ensure that the remaining Ksh 162.72 billion is disbursed to county governments by the end of the fourth quarter of the 2024/25 financial year.*

Additionally, we recommend that the National Treasury make it a priority to ensure that monthly exchequer disbursements are transferred to the respective county governments by the 15th day of each month. This practice will significantly enhance budget implementation by county governments.

4.3. Delay by the Parliament to enact the County Government Additional Allocations Bill 2025

The County Governments Additional Allocation Bill (CGAAB) aims to facilitate the transfer of additional funds to county governments from the National Government's revenue share, along with loans and grants from development partners.

Observation: As of 31 March, 2025, the CGAAB 2025 was still under consideration by Parliament. Consequently, during the first nine months of the 2024/25 financial year, the additional allocations for County Governments had not yet been disbursed, negatively impacting the implementation of planned budget activities.

Recommendation: *Once Parliament eventually passes the County Governments Additional Allocations Bill (CGAAB), 2025, relevant stakeholders should ensure the timely disbursement of funds to county governments in accordance with its provisions.*

4.4. Under-Performance in Own-Source Revenue Collection

Article 209(3) of the Constitution permits County Governments to impose property rates, entertainment taxes, and any other taxes authorised by an Act of Parliament.

Observation: In the first nine months of FY 2024/25, County Governments generated Kshs.45.91 billion in own-source revenue (OSR), which is 53 per cent of the annual target of Kshs.87.11 billion. To meet this target, they need to generate an additional Kshs.41.19 billion in the fourth quarter. Several counties, including Machakos (33 per cent), Bungoma (35 per cent), Kisumu (36 per cent), Taita Taveta (37 per cent), and Bomet (40 per cent), have reported low OSR performance. This underperformance increases the fiscal risk of pending bills if budgeted amounts are committed.

FIF revenue represented over 50 per cent of total Own Source Revenue in 19 County Governments (see Table 2.1). This performance is attributed to improvements in health facilities, including enhanced services and adequate medicine supplies, which have led to higher health service uptake among County Governments. However, this growth raises concerns about overdependence on a single revenue source.

Recommendation: *The low OSR performance creates an environment for accumulating pending bills. The Controller of Budget advises county governments with low OSR performance in the first nine months of FY 2024/25 to consider*

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revising their revenue estimates downward through the Supplementary Estimates process. Additionally, it is recommended that the County Treasuries collaborate with national government stakeholders to develop and implement effective framework for revenue forecasting.

County Governments should also develop strategies to diversify their revenue streams, reducing reliance on a single funding source.

4.5. Variance Between Budgeted and Actual Cash Balance Brought Forward

Observation: County governments have estimated their balance brought forward in their approved budget estimates. However, discrepancies exist between the estimated balance brought forward and the actual reported balance for several counties. For further details, please refer to Chapter Three.

Examples of counties with a lower budgeted balance brought forward than their actual balance include Bungoma, Buisa, and Nyandarua. Conversely, examples of counties with a lower actual balance brought forward than what was budgeted include Kwale, Nyamira, and Kisii.

Recommendation: *As we are now in the fourth quarter of FY 2024/25, County Governments should reconcile their actual balance brought forward. During their supplementary estimates, they should adjust this figure to reflect the reconciled actual balance. This will help prevent counties from underestimating or overestimating their budget estimates.*

4.6. Disparity in Budget Implementation by County Votes and Programs

Section 12 of the Second Schedule of the Public Finance Management (PFM) Act, 2012, requires county governments to implement program-based budgets (PBB). A PBB is a budgeting approach that directly links the government's budget and resource allocation to defined public policy objectives and intended outcomes through specific programs.

Observation: It was noted that there were significant differences in budget implementation across various Votes and Programs. While some variation in budget absorption is normal, the considerable disparities are concerning, raising questions about the achievability of program objectives for the financial year 2024/25. Several programs reported zero absorption in the first nine months. For example, at the Vote Level, in Nakuru County, the County Assembly had a 65 per cent absorption rate, while Molo Municipality reported zero. Uasin Gishu County's Lands and Physical Planning Vote achieved a 100 per cent absorption, but the County Attorney's Office had none. In Kisumu County, the County Assembly reported a 60 per cent absorption rate, whereas the Agriculture, Livestock, Food, and Fisheries sector only had 3 per cent.

Recommendation: *To effectively meet their goals, county governments should equitably disburse funds to all programmes planned for FY 2024/25. If priorities shift, county governments should conduct a supplementary review and adjust their budgets accordingly.*

4.7. Non-Compliance with Legislation on Account Opening by County Governments

Regulation 82(1)(b) of the Public Finance Management (PFM) (County Governments) Regulations, 2015, requires County Government bank accounts to be opened and maintained at the Central Bank of Kenya, with exceptions for imprest and revenue collection accounts.

Regulation 82(4) mandates that accounting officers obtain written authorisation from the County Treasury before opening a commercial bank account, while Regulation 82(5) requires the County Treasury to send a copy of this authorisation to the Controller of Budget and the Auditor General.

Observation: County Governments are not complying with Regulation 82, as not all accounts are maintained at the Central Bank, and authorisation letters are not being shared with the Controller of Budget.

Recommendation: *The Controller of Budget urges County Governments to comply with Regulation 82 Public Finance Management (PFM) (County Governments) Regulations, 2015.*

4.8. Non-Adherence to Pending Bills Payment Plans

County Governments were required to submit a pending bill payment plan to the Controller of Budget at the beginning of the financial year, as stipulated in the guidelines for approval to withdraw funds from the County Revenue Fund. The plans were to outline which bills would be settled and the timeframe.

Observation: As mentioned in Chapter Three of this report, several County Governments did not follow their plans to pay pending bills. The delays in disbursing the equitable share of revenue raised nationally, along with

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underperformance in own-source revenue (OSR), contributed to this lack of compliance. Despite some County Governments making efforts to clear their debts, these actions remain insufficient. The consequences of delaying these pending bills, as reported by suppliers from various Counties to the Controller of Budget, are severe. They include financial distress for individual suppliers and the closure of businesses, both of which lead to reduced economic activity.

***Recommendations**: County governments should aim to avoid accumulating pending bills, regardless of the challenges they face. They can achieve this by refraining from making commitments towards the end of the financial year, adjusting their revenue estimates to reflect what is realistically attainable, and prioritising the payment for completed activities.*

Additionally, according to regulations 41 and 55 of the Public Finance Management (County Governments) Regulations 2015, county governments must prioritise the payment of eligible pending bills as a primary charge against their budgets to ensure legal compliance. They should also follow the pending bill payment plans submitted to the Office of the Controller of Budget (OCoB).

4.9. Low Expenditure on Development Programmes

Section 107(2)(b) of the Public Finance Management (PFM) Act of 2012 mandates that, over the medium term, at least 30 per cent of County Governments' budgets must be allocated to development expenditures.

Observation: During the reporting period, County Governments spent Kshs.56.87 billion on development activities, representing an absorption rate of only 26 per cent against the annual development budget of Kshs.220.20 billion. Analysis of development expenditure as a proportion of the approved annual development budget showed that thirty-six County Governments had an absorption rate of 30 per cent and below for their development programs, and no County Government had a development absorption of over 50 per cent.

***Recommendation**: County Governments must prioritise development expenditures to comply with the statutory requirement of allocating at least 30 per cent of the budget to development activities, as stipulated in the PFM Act 2012. Robust project planning, monitoring, and implementation mechanisms should be adopted to improve the absorption rate of development funds and enhance the country's development.*

4.10. Delay in submission of Financial and Non-Financial Reports to the Controller of Budget

County governments are required to prepare and submit both financial and non-financial reports as mandated by Section 166(4) and Section 168(3) of the Public Finance Management (PFM) Act, 2012. These reports must be submitted no later than one month after the end of each quarter. Section 16 of the Controller of Budget Act, 2016, stipulates that Accounting Officers must cooperate with the Controller of Budget and respond promptly to any inquiries. In accordance with these regulations, the Controller of Budget set the submission deadline for financial and non-financial reports for the review period on 15 April, 2025.

Observation: However, as noted in Chapter Three, despite these legal requirements, several County Governments submitted their reports after the 15 April 2025 deadline. This delay has hindered the timely finalisation of this statutory County Budget Implementation Review Report.

***Recommendation:** County Governments should implement mechanisms to ensure compliance with the legal requirements for submitting quarterly financial and non-financial reports as the law outlines.*

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5. CONCLUSION

The County Budget Implementation Review Report is prepared and published in accordance with Article 228(6) of the Constitution. This Article mandates the Controller of Budget (CoB) to submit a report on the implementation of the budgets for national and county governments to each House of Parliament every four months. This report provides an overview of the budget implementation status for the first nine months of FY 2024/25. It presents an analysis of revenue performance and expenditure against annual targets and highlights key challenges encountered by County Governments during the reporting period.

The combined budgets of the forty-seven County Governments for FY 2024/25 amount to Kshs.600.69 billion, consisting of Kshs.222.20 billion (37 per cent) allocated to development expenditure and Kshs.378.49 billion (63 per cent) for recurrent expenditure. During this reporting period, the own-source revenue collected by counties was Kshs.45.91 billion, which is 53 per cent of the annual target of Kshs.87.11 billion. The equitable share of revenue raised nationally and transferred to County Governments totalled Kshs.255.54 billion, representing 61 per cent of the approved equitable share of Kshs.418.26 billion. The cash balance from FY 2024/25 was Kshs.27.21 billion. Overall, County Governments had a total of Kshs.330.83 billion available for spending in the first nine months of FY 2024/25.

The total expenditure by County Governments was Kshs.286.49 billion, resulting in an absorption rate of 48 per cent of the annual County Governments' budget. Recurrent expenditure was Kshs.229.62 billion, representing 61 per cent of the annual recurrent budget, while development expenditure amounted to Kshs.56.87 billion, which corresponds to an absorption rate of 26 per cent.

The key challenges that negatively impacted budget implementation during this reporting period included delays in releasing the equitable shares of nationally raised revenue by the National Treasury and delays by Parliament in considering the County Additional Allocation Revenue Bill. The delay by Parliament to approve the County Additional Allocation Revenue Bill hindered the disbursement of additional allocation funds. Further, own-source revenue (OSR) performance was subpar, at only 53 per cent for all County Governments in the first nine months of FY 2024/25. Other issues included a significant stock of pending bills by County Governments, low absorption of the development budget, and delays in submitting quarterly reports to the Controller of Budget.

The report provides appropriate recommendations to address the challenges. The Controller of Budget recommends that the County Executive and the County Assembly implement these recommendations to enhance budget implementation.

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